

QUEENSTOWN LAKES DISTRICT COUNCIL

Hearing of Submissions on Stage 3 Proposed District Plan Provisions

Report and Recommendations of Independent Commissioners

Report 20.3: Chapter 18A

General Industrial and Service Zone¹ and Related Variations to Chapters 25, 27, 29, and 36:

Commissioners

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¹ The zone was notified as the General Industrial Zone. We have renamed it General Industrial and Service Zone (GISZ).

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1. PRELIMINARY

1.1 Subject Matter of this Report

1. This report addresses the submissions and further submissions the Stream 17 Hearing Panel heard in relation to Chapter 18A- General Industrial Zone, together with related variations to Chapters 25, 27, 29 and 36 of the PDP. We also discuss consequential amendments to Chapters 30, 31 and to the Rural Industrial Sub-Zone arising from submissions.

1.2 Terminology in this Report

2. We have used the terminology and abbreviations as set out in Introduction Report 20.1.
3. We record here, early in the report, that in response to matters raised by some submitters, mainly those who had interpreted the zone to be ‘heavy industry’, that we have recommended the zone be renamed “General Industrial and Service Zone” to more accurately reflect its purpose. This is explained in more detail later.

1.3 Relevant Background

4. Submissions on Chapter 18A –were heard by the Stream 17 Hearing Panel as part of the broader Stage 3 hearings that commenced on 29 June 2020.
5. Report 20.1 provides background detail on:
 - a) The appointment of commissioners to this Hearing Panel;
 - b) Procedural directions made as part of the hearing process;
 - c) Site visits;
 - d) The hearings;
 - e) The statutory considerations bearing on our recommendations;
 - f) General principles applied to rezoning requests;
 - g) Our approach to issues of scope.
6. We do not therefore repeat those matters.

2. STATUTORY CONSIDERATIONS

7. Report 20.1 – Introduction has comprehensively set out the statutory considerations relevant to our consideration of submissions and further submissions. They are not repeated here other than to emphasise, in relation to the findings and recommendations in this report, the importance of:
 - the National Policy Statement on Urban Development (NPSUD) which took effect on the 20 August 2020 well after the Stage 3 provisions had been notified;
 - The Regional Policy Statement (RPS), which, as we recorded in Report 20.1, is at an advanced stage; and
 - The “Strategy Chapters” of the PDP (Chapters 3-6 – and of particular note for this report are Chapter 3 – Strategic Direction and Chapter 4 – Urban Development) that provide strategic direction on the entire range of district planning issues.

8. Where relevant, we have addressed the specific provisions of those planning documents in this report terms of our findings and recommendation on the various submissions and further submissions.

3. OVERVIEW.

9. As set out in the section 32 Evaluation Report, the GIZ sought to replace three Operative District Plan (ODP) zones:

- Industrial A Zone (Arrowtown – Bush Creek Road, Queenstown – Glenda Drive, Wānaka - Ballantyne Road (western side of road));
- Industrial B Zone (Wānaka - Ballantyne Road (western side of road));
- Ballantyne Road Mixed Use Zone (Ballantyne Road (eastern side of road)).

10. The main concern set out in that evaluation report, and the reasons for the GIZ zone, was that while these zones principally provided for the establishment, operation and growth of industrial type activities, they:

“have not sufficiently recognised or provided for those land use characteristics which enable the long term viability of industrial type activities, and have inadvertently provided for non-industrial type land uses to establish and operate within the Industrial Zones, such as Office, Retail and Commercial activities, which have contributed to industrial development capacity restraints within the District”.²

11. The key changes, in summary were to:

- Replace the existing Industrial Zones with a single zone framework (GIZ)
- Exclude and restrict non-industrial, non-ancillary type activities from the GIZ, including Office, Retail, Commercial and other related non-industrial type activities;
- Enable ancillary non-industrial type activities (but restrict their size), including Office, Retail and Commercial activities, and food and beverage related commercial activities to the extent that they directly relate to and support Industrial or Service Activities;
- Identify minor additions to the extent of the existing Industrial Zones in the Wakātipu Ward to avoid unnecessary split zonings or to correctly zone existing industrial related activities;
- Remove the existing Ballantyne Road Mixed Use Zone from the existing set of Industrial Zones and rezone this land Open Space – Active Sport and Recreation (addressed separately in Report 20.5);

² Section 32 Evaluation

- Vary relevant parts of the Proposed District Plan (PDP)-, Chapter 25 (Earthworks), Chapter 27 (Subdivision and Development), Chapter 29 (Transport) and Chapter 36 (Noise) to introduce the Zone to these chapters and to give effect to the direction of the GIZ.
12. The key concerns raised by submitters included the following, and these are discussed in more detail below:
- Many submitters considered the GIZ zoning was too narrow and restrictive and that the zone either needed to be more flexible in the range of activities it enabled or provided for – or that another zone needed to be created to enable the flexibility sought.
 - In relation to the bullet point above, many submitters considered that prohibiting/restricting non-industrial type activities, including Office, Retail, Commercial and other related non-industrial type activities was too restrictive, and did not recognise that these activities had been established under the ODP provisions.
 - In response to the bullet point above submitters sought:
 - That Office, Retail, Commercial and other related non-industrial type activities that are not ancillary to industrial or service activity in the GIZ be provided for as in the ODP plan provisions.
 - That Trade Suppliers be provided for, and not be a prohibited activity as notified in the PDP; and
 - That greater flexibility be provided to the 50m² limit for ancillary non-industrial type activities, including Office, Retail and Commercial activities; and food and beverage related commercial activities to the extent that they directly relate to and support Industrial or Service Activities, be provided for.
13. Tussock Rise Limited³, Bright Sky Land Limited⁴ and Alpine Estates Limited⁵ (Tussock Rise) sought that land as identified in their submission be rezoned from GIZ to BMUZ. This was also sought by submitters in the Glenda Drive area (as well as a request for the Frankton Flats zone to apply), Queenstown, and at Bush Creek Road, Arrowtown.
14. A number of submitters sought that their land be zoned GIZ, and presented extensive cases supporting their requests. These included:
- Upper Clutha Transport Limited (UCT)⁶ to rezone land on Church Road Luggate from Rural to GIZ;

³ Submission #3128

⁴ Submission #3130

⁵ Submission #3161

⁶ Submission #3256

- Cardrona Cattle Company Limited (CCCL)⁷, to rezone land at Victoria Flat from Rural/Gibbston Character Zone to GIZ;
- Universal Development Hāwea Limited⁸, to rezone approximately 9 hectares of land (GIZ) at the southern end of a total site of 170 hectares sought to be rezoned for urban development (residential, local shopping centre and an indicative school site) south of Cemetery Road at Hāwea (addressed separately by the Stream 18 Hearing Panel in Report 20.8).
- Tussock Rise Limited (Tussock Rise)⁹, to rezone approximately 10 hectares of land at 101 Ballantyne Road - zoned Open Space and Recreation Zone – Active Sport and Recreation, to GIZ.
- Willowridge Development Limited (Willowridge)¹⁰, to rezone approximately 0.57 hectares of land on Riverbank Road (south of the former QLDC Oxidation Ponds) from LDSRZ to GIZ, and smaller portion of this site (0.35 hectares) located on the lower terrace at the junction of Ballantyne and Riverbank Roads from Rural to GIZ.
- Bush Creek Property Holdings Ltd, Bush Creek Property Holding No. 2 Ltd¹¹, and
- Bush Creek Investments Ltd¹², to rezone land at Bush Creek Road, Arrowtown from GIZ to BMUZ.
- Queenstown Airport Corporation (QAC)¹³, to rezone 3.27ha of land adjacent to Queenstown Airport from GIZ to either an Airport zone, the (ODP) Frankton Flats B zone or Rural zone.

15. The following is an executive summary of the key recommendations we have made:

The Zone and its provisions

- Change the name of the zone to General Industrial and Service Zone to better reflect its purpose;
- We have retained a single zone for general industrial and service activities, but have provided for a wider range of activities within the zone as notified.
- We have provided greater recognition of existing non- related industrial and service activities – including Office, Retail, Commercial and other related non-industrial type activities. Those lawfully established before the PDP is made operative are permitted activities, with some flexibility in terms of size and location provided it remains the

⁷ Submission #3349

⁸ Submission #3248

⁹ Submission #3128

¹⁰ Submission #3210

¹¹ Submission #3353

¹² Submission #3354

¹³ Submission #3316

same scale and intensity as that lawfully established. Changes to those activities that are not permitted are non-complying activities, as opposed to a prohibited activity in the notified PDP.

- Trade suppliers, subject to certain rules, are a discretionary activity as opposed to a prohibited activity in the notified PDP.
- The size of ancillary Offices Retail and Commercial activities is changed from 50m² as permitted activity to 30% of GFA.

Rezoning

- We have not made any significant changes to the extent of the GIZ as notified in relation to Queenstown and Wānaka, other than to delete this zone in the Three Parks Area and recommend its 'replacement' with a combination of Three Parks Business and Business Mixed Use;
 - M-Space Partnership Ltd's request to rezone land at Glenda Drive from GIZ to BMUZ is **accepted in part** to the extent that changes made to the GISZ better provide for existing residential and commercial activities that have been lawfully established;
 - Reavers (N.Z.) Ltd's request that the notified GIZ land shown on land at Glenda Drive that is zoned general rural and un-stopped road in the ODP be retained is **accepted**.
 - Tussock Rise's request to rezone land as shown in their submission (the Fredrick Street area zoned) from the notified GIZ to BMUZ is **rejected**.
 - M. Thomas, Bush Creek Property Holdings Ltd., Bush Creek Property Holdings No. 2 Ltd., Bush Creek Investments Ltd. (Bush Creek) – request to rezone the land as shown in their submissions from the notified GIZ to BMUZ is **accepted in part** to the extent that changes made to the GISZ better provide for existing residential and commercial activities that have been lawfully established;
 - UCT's request to rezone land on Church Road Luggate from Rural to GIZ is **rejected**, but re zoning to Rural Industrial Sub-Zone is **accepted**;
 - CCCL's request to rezone land at Victoria Flat from Rural/Gibbston Character Zone to GIZ is **rejected**;
 - Willowridge's request to rezone approximately 0.57 hectares of land on Riverbank Road (south of the former QLDC Oxidation Ponds) from LDSRZ to GIZ, is **rejected**;
 - Willowridge's request to rezone a smaller portion of the site (approximately 0.35 hectares) located on the lower terrace at the junction of Ballantyne and Riverbank Roads from Rural to GIZ, is **accepted**; and
 - QAC's request to rezone land from GIZ to either an Airport zone, (ODP) Frankton Flats B Zone or Rural Zone is **rejected**.
16. Tussock Rise's request to rezone 11.9 hectares of land at 101 Ballantyne Road - zoned Open Space and Recreation Zone – Active Sport and Recreation, to GIZ is addressed separately in Report 20.5.

4. ZONE PROVISIONS

4.1 The zone, its purpose and name.

17. As set out above we have re-named the zone to General and Service Zone or GISZ. We have done this for a number of reasons including:

- to better acknowledge the Zone’s purpose and objective which addresses both industrial and service activities;
- in response to the number of submitters¹⁴ who, in seeking either a rezoning or a more flexible zone, sought to characterise the zone as a more ‘heavy’ or ‘pure’ industrial zone that did not reflect the existing situation or the likely further demand for ‘industrial’ activities; and
- to reinforce our view that this industrial zone alone, with some modification and flexibility, alongside the other business zones, is sufficient to cater for and manage the District’s industrial and service needs.

18. While we address these matters in more detail later, we considered we should set out our finding on the nature and purpose of the zone as ‘context’ for the submissions that sought an additional zoning or rezoning from GIZ to another zone (particularly BMUZ), or to enable a greater range of activities, including Office, Office, Retail and Commercial and other related non-industrial type activities, within the GIZ.

19. The Zone’s Purpose and objective 18A 2.1, as notified, read:

Purpose

The purpose of the General Industrial Zone is to provide for the establishment, operation and long term viability of Industrial and Service activities. The Zone recognises the significant role these activities play in supporting the District’s economic and social wellbeing by prioritising their requirements, and zoning land to ensure sufficient industrial development capacity. (emphasis added)

Objective 18A 2.1

Industrial and Service activities are enabled within the Zone and their long-term operation and viability is supported.

20. Industrial activities and Service activities are permitted activities (subject to standards). They are defined as:

<i>Industrial Activity</i>		<i>Means the use of land and buildings for the primary purpose of</i>
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¹⁴ In particular the Breen Construction Company et al and Tussock Rise.

		<i>manufacturing, fabricating, processing, packing, or associated storage of goods</i>
<i>Service Activity</i>		<i>Means the use of land and buildings for the primary purpose of the transport, storage, maintenance or repair of goods.</i>

21. We discuss later in this report the nature of the activities that have established within the ‘industrial’ zones of the ODP¹⁵. We also address the extent to which the notified GIZ provisions are considered too restrictive vis-à-vis the extent to which non-industrial activities (office, retail and commercial) have already been established. However, at this point we record that we agree with the Council’s experts¹⁶ that the zone caters for a range of industrial and services activities which, in the context of Queenstown and Wānaka, tend to be what is called light industrial and warehouse/storage activities – and not ‘heavy’ industry as characterised by Mr Devlin, planner, for Tussock Rise.
22. Subject to the changes we have recommended to the range of activities provided for in the GISZ, and how existing non-industrial activities are to be treated, we agree that the application of a single zoning framework for the management of industrial land in the District is appropriate. This was discussed in the section 32 evaluation report¹⁷ and complemented by expert evidence from Ms Hampson who stated her view that *“there seems little need to retain or create industrial zones that have a particular niche role within the industrial economy (such as heavy industry or light industry specifically)”*¹⁸.
23. In respect of Ms Hampson’s statement in the preceding paragraph, we disagree with Mr Devlin’s (for Tussock Rise) characterisation of the GIZ to be similar to the National Planning Standards (NPS) description of the Heavy Industrial Zone. The difference between the NPS descriptions (light, general and heavy) appears to relate predominantly to the type of effects that may result, with the NPS Heavy Industrial Zone referring to *“potentially significant adverse effects”*.
24. We also do not agree with Ms Mahon’s evidence¹⁹ where she implies that the GIZ is intended to be a heavy industrial zone. Relying on the section 32 evaluation, she points out that the current Wānaka Industrial area has very little heavy industrial activity taking place within it.

¹⁵ Called ‘ground-truthing’ by the Council and Submitter experts.

¹⁶ Ms Hampson and Mr Place.

¹⁷ Paragraphs 7.69 – 7.76

¹⁸ Section 7.3, Page 104 Economic Assessment of Queenstown Lakes District’s Industrial Zones Stage 3 District Plan Review, 22 May 2019

¹⁹ Planner representing J C Breen Family Trust (submitter #3235)The Breen Construction Company Limited (submitter #3234)Alpine Nominees Ltd (submitter #3266)86 Ballantyne Road Partnership (submitter #3286)NPR Trading Limited (submitter #3298)

25. She goes on and states²⁰:

The finding that there are very little heavy industrial activities taking place within the Wanaka Industrial area supports the case for amending the GIZ provisions to allow for office, commercial and retail activities which are not ancillary to industrial or service activity use. This will provide more flexibility than the proposed GIZ for the existing uses taking place in the area such as light industrial, office, food and beverage and commercial activities

26. We address Ms Mahon’s findings in the next section relating to the range of activities provided for in the GISZ. However, we think Ms Mahon has missed the point in relation to the purpose of the notified GIZ; we do not find it is a “heavy industrial zone”.

27. Given the nature and make up of existing activities (including within the Wānaka GISZ), and those which comprise the District’s industrial economy as described in the section 32 evaluation report as well as Ms Hampson’s assessment of the industrial economy²¹, we do not think Mr Devlin’s or Ms Mahon’s view is consistent with the description of the Heavy Industrial Zone.

28. In this respect, we agree with Mr Place and Ms Hampson that the nature and scale of the industrial activities in Queenstown, Arrowtown and Wānaka, combined with the activities permitted in the GISZ and the consent status for the more noxious type activities²² that the zone is primarily focused on the lighter industrial activities and service activities as defined. This reinforces our view that a single zone framework is appropriate.

29. Furthermore, it is our view that the GISZ will assist in giving effect to the NPSUD in that it will contribute to well-functioning urban environments. Policy 1 of the NPSUD provides a non-exhaustive list of features of well-functioning urban environments. Policy 1(b) states the following:

Policy 1: Planning decisions contribute to well-functioning urban environments, which are urban environments that, as a minimum:

b. have or enable a variety of sites that are suitable for different business sectors in terms of location and site size;

30. Of particular relevance, limb (b) sets out that well-functioning urban environments have or enable sites for different business sectors. This includes industrial businesses. As stated by Mr Place, drawing on the Economic Assessment of Queenstown Lakes District’s Industrial Zones, May 2019 (page 1)²³:

²⁰ Paragraph 35 of Ms Mahon’s evidence-in-chief.

²¹ We discuss this later as part of the rezoning requests

²² As an example – Any activity requiring an Offensive Trade Licence under the Health Act 1956 other than the “collection and storage of used bottles for sale” and “refuse collection and disposal” (as listed in that Act) is a non-complying activity.

²³ Para 2.4 of Mr Place’s reply statement

It is known that the District's industrial economy is 'growing rapidly and has demonstrated growth rates faster than the rest of the district's economy'.

31. The GIZ is the only PDP zone, aside from the as yet undeveloped Coneburn Industrial Zone, that has or enables sites suitable for those activities which comprise the District's industrial economy.
32. We accept that the directive zone framework promoted in Chapter 18A, as recommended to be modified by us, provides the mechanism necessary to meet Policy 1(b) of the NPS-UD, as well as the provisions of the Strategic Direction chapters. As traversed in the section 42A report, Council's evidence and evidence from a number of submitters (addressed in more detail later), a number of submitters have sought a more enabling GIZ framework, to allow for non-Industrial and Service activities.
33. While agreeing that that single zoning framework is appropriate, we agree with Ms Hampson, where she states in her evidence-in-chief under the heading of strategic role of the GIZ that²⁴:

"If the GIZ was amended to be a very permissive regime, this in my view would start to duplicate the role of other business zones and will distribute office and retail activity (for example) over the wider area and more locations. This prevents the concentration of activities in particular locations where benefits can be maximised and externalities can be managed".
34. We consider, in agreeing with the Council's position, that a GIZ framework that is too 'enabling' would compromise the District's ability to provide the number of suitable sites for the industrial business sector and that those sites be used efficiently. In stating this we know some submitters (Tussock Rise for example) consider there is an over-supply of land zoned GISZ, especially in Wānaka, and that rezoning some land proposed as GISZ to another zone (eg BMUZ) would be more efficient. We address this issue under Tussock Rise's rezoning request.
35. Overall, we find that the GISZ needs to be a distinct zone, catering primarily for industrial and service activities (as defined) and not a more generalised zone catering for a wide range of business type activities (eg office and retail). This, in our view, will assist in realising the strategic economic benefits for the industrial economy from key synergies and agglomeration benefits between neighbouring activities. It can also assist in fewer reverse sensitivity issues, greater transport efficiencies, reducing potential for externality effects (by containing effects to a single location rather than dispersing them across multiple locations), and to support reductions in greenhouse emissions.

²⁴ Paragraph 3.4 of her evidence-in-chief.

36. To reinforce that point, we do not consider that the Purpose should be diluted to include points of detail. We agree therefore with Mr Place's recommendation that the Purpose sought not refer specifically to the proximity of the GIZ to the Airport, as sought by QAC²⁵.

4.2 Should the GISZ strictly control non-industrial activities or should they be more enabled within the zone.

37. As briefly addressed above, many of the submitters who opposed the GIZ did so on the basis that it was too directive, too restrictive and not broad enough to enable appropriate future development within it. Of particular concern was that non-ancillary Offices, Retail, Commercial services and other non-industrial activities were prohibited. Submitters also argued that this approach ignored the significant scale of offices, retail and commercial services that already existed in the zone, and it was inappropriate that they would have to rely on existing use rights. These issues overlap with submission seeking more discrete relief relating to the provisions of Chapter 18A.

38. The largest numbers of these submission points on the primary issue were collectively referred as Breen Construction Company et al²⁶ by Mr Place in his section 42A report and evidence. Tussock Rise addressed this matter comprehensively as part of its case. Other submitters also addressed this issue.

39. The submitters outlined that Office, Retail and Commercial activities were integral to the efficient and effective functioning of the GIZ. Breen Construction Company et al sought that these, and other activities, be significantly more enabled within the zone, with Tussock Rise arguing that, given the degree to which Offices, Retail and Commercial activities were already established in the zone, that the land identified in their submission be rezoned BMUZ²⁷.

40. As set out in the Council's section 42A report²⁸, the notified provisions were intentionally restrictive to only those land uses considered necessary for industrial and service purposes, and not those considered incompatible with the intended outcomes of the GIZ, including Office, Commercial and Retail activities. The Section 32 Evaluation report and the evidence of Ms Hampson and Mr Place was that it was necessary to keep the provisions 'tight' so as to achieve the purpose and objective to the zone. The reasons for this are those set out in the previous section of this report.

²⁵ Submission #3316

²⁶ Breen Construction Company et al - Submission Points Orchard Road Holdings Limited, Willowridge Development Limited, the Breen Construction Company Limited, Henley Property Trust, Cardrona Cattle Company Limited, J McMillan, The Station at Waitiri Limited, JC Breen Family Trust, Alpine Nominees Limited, 86 Ballantyne Road Partnership, NRP Trading Limited, Ben and Hamish Acland, and A Strain,

²⁷ Tussock Rise Limited also sought the rezoning for other reasons, and this is addressed later in their rezoning request.

²⁸ Paragraph 5.5 of Mr Place's section 42A report

41. Objective 18A.2.2 as notified, stated:

The establishment, operation and growth of Industrial and Service activities within the zone is not undermined by incompatible land uses.

42. Policy 18A2.2.1 as notified sought to “avoid” activities not compatible with the primary purpose of the zone. These included: Office, Retail and Commercial activities that are not ancillary to Industrial or service activities, Trade Suppliers²⁹, Large Format Retail, Residential Activity including residential units and flats, Visitor Accommodation, Residential Visitor Accommodation and Homestay activities.
43. Policy 18A2.2.2 sought to avoid the establishment of activities that would undermine the role played by town centres and other key business zones. Policies 18A2.2.3 and 5 sought to limit the scale of Office, Retail and Commercial activities to those ancillary to the Industrial and Service activities, and food and beverage related commercial activities to those serving the direct needs of workers and visitors or to support the operation of Industrial and Services activities.
44. This objective and its associated policies (as notified) were designed to be restrictive; setting out the range of activities considered ‘incompatible’ with the zone so as to ensure the purpose of the zone could be achieved and not undermined by non-industrial/service related activities. These included prohibiting those activities listed above, and making other activities including: Commercial Recreation and Recreation Activities, Community Activities and Community Facilities and those activities requiring an Offensive Trade Licence under the Health Act, non-complying activities.
45. These provisions were, in part at least, addressing Strategic Policy 3.3.8 of Chapter 3 (Strategic Direction) of the PDP. It states:

Avoid non-industrial activities not ancillary to industrial activities occurring within areas zoned for industrial activities. (relevant to S.O. 3.2.1.3 and 3.2.1.5).

46. This is a very clear and directive policy, and as noted in the Introductory Report the “..ink is barely dry on Policy 3.3.8 and that it was not appealed. Nor have we identified any suggestion in the Environment Court’s interim decisions on the Stage 1 appeals, insofar as they address similar provisions governing other zones, that would call this policy into question (a point emphasised by Ms Scott for Council)”. We find that this policy is a ‘heavy hitter’ when it comes to the type of activities provided for, or more correctly those not provided for, in the GISZ.
47. We also note that the Panel in Stage 1 of the PDP, in their consideration of Policy 3.3.8, accepted that non-industrial activities in industrial zones should be tightly controlled taking into account

²⁹ Mr Place recommended that these activities, subject to certain caveats, be provided for as a Discretionary Activity.

“the guidance provided by the Proposed RPS, the lack of land available for industrial development, and the general unsuitability of land zoned for other purposes for industrial use”³⁰.

48. With respect to the RPS, Policy 5.3.3 states:

Policy 5.3.3 Industrial land

Manage the finite nature of land suitable and available for industrial activities, by all of the following:

- a) Providing specific areas to accommodate the effects of industrial activities;*
- b) Providing a range of land suitable for different industrial activities, including land-extensive activities;*
- c) Restricting the establishment of activities in industrial areas that are likely to result in:
 - i. Reverse sensitivity effects; or*
 - ii. Inefficient use of industrial land or infrastructure**

49. While this policy is clear in its intent and supports restrictions on activities that would result in reverse sensitivity effects and the inefficient use of industrial land, we accept that the provisions of the GISZ go further than this policy. This is addressed in some detail in the Panel’s Introductory Report. However, we note Otago Regional Council submitted in support of Objective 18A.2.2 and its policies as it considered this suite of provisions would enable a diverse range of appropriate industrial activities³¹.

50. Given that the industrial economy is *“growing rapidly and has demonstrated growth rates faster than the rest of the district’s economy”³²*, we accept that Industrial and Service activities (and zoned land) are a vital component of the District’s economic activity. It will contribute to the development of a prosperous, resilient and equitable economy and people’s overall economic wellbeing. Further, the growth of these activities will assist in achieving a more diversified economy and employment opportunities. Therefore, taking into account the strategic importance of the GISZ, we support restricting the range of activities within the GISZ so as to ensure the purpose and objectives of the zone are achieved.

51. In light of our position set out above, we support (and have recommended) the prohibition on new Office, Commercial and Retail activities not ancillary to Industrial or service activities, Large Format Retail, Residential Activity including residential units and flats, Visitor Accommodation, Residential Visitor Accommodation and Homestay activities within the zone. We accept Mr Place’s recommendation that Trade Suppliers (primarily involved in wholesaling related trade, among other things) be provided for as a Discretionary Activity.

³⁰ Paragraph 530, Report 3 Report and Recommendations of Independent Commissioners Regarding Chapter 3, Chapter 4 and Chapter 6

³¹ Point 3342.51 – Otago Regional Council

³² Page 1, Economic Assessment of Queenstown Lakes District’s Industrial Zones, May 2019

52. We have retained Commercial Recreation and Recreation Activities, Community Activities and Community Facilities and those activities requiring an Offensive Trade Licence under the Health Act, as non-complying activities. We address Commercial Recreation and Recreation Activities in more detail later given Mr Farrell's (for Wayfare Group) evidence.
53. While we largely agree with the Council's position (and evidence) in relation to the activities within the GISZ, we do not think it is sustainable or reasonable to 'lock in' those existing lawfully established activities such as offices, retail and commercial services that would become prohibited, and therefore have to rely on existing use rights. In this respect we essentially agree with the submitters' evidence, notably the Breen Construction et al submitters and Tussock Rise.
54. To understand the extent of the issue of the extent to which Offices, Retail and Commercial Services have already established, ground truthing site visits were undertaken by the Council. This was to inform the section 32 evaluation report of the actual mix of activities undertaken on sites (including predominant and ancillary activities) according to the Operative District Plan (ODP) definitions.
55. A brief summary of the ground truthing findings for ODP industrial area is provided in Table 1 below and was set out in the section 32 Evaluation report³³

Industrial Area	Summary of Uses
Arrowtown	<ul style="list-style-type: none"> 75.1% of all observed predominant activities are traditional industrial uses; 20.8% of predominant activities had ancillary activities, with Office and Commercial being most common; 44.4% of all predominant activities had a residential element or was the predominant activity.
Glenda Drive	<ul style="list-style-type: none"> Office and Commercial activities make up 49.1% of all predominant activities; Industrial type activities accounted for 50.1% of all predominant activities; 37.6% of all observed businesses had a first level ancillary activity; 12.4% of all businesses had a residential element.
Wānaka (Industrial Zone)	<ul style="list-style-type: none"> Service activities and Light Industrial activities comprise 53.3% of all observed predominant activities; 20.8% of all recorded predominant activities were Office activities; More than a third of all observed predominant activities have an associated ancillary activity; 15.6% of all recorded businesses had a residential element.
Wānaka (Industrial B Zone)	<ul style="list-style-type: none"> 58.3% of all recorded predominant activities were Service, Light Industrial, or Industrial activities;

³³ Section 32 Evaluation, Chapter 18A General Industrial Zone.

	<ul style="list-style-type: none"> • 30.6% of all recorded predominant activities were office activities; • A third of businesses have first level ancillary activity with commercial the most common; • Only three businesses have a residential element.
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56. Mr Millar, a director of Tussock Rise, did not agree with the Council’s section 32 ‘ground truthing’ as it did not match what he stated he was “seeing on the ground”. He assessed the 94 properties bordering the currently vacant Tussock Rise land (a mix of Industrial A and Industrial B zoned land) with the results set out in a table in his evidence – and as reproduced below³⁴.

PDP Definition	Number	Percentage
Commercial	23	24.7%
Commercial Recreation Activity	3	3.2%
Health Care Facility	2	2.1%
Industrial Activity	18	19.3%
Residential Activity	17	18.2%
Service	22	23.4%
Trade Supplier	5	5.5%
Vacant	4	4.3%
Total	94	100%

57. Mr Millar stated that this “..confirms that the area is mixed in nature”³⁵, and went on to state that the case for Tussock Rise, given the variety of land uses, “suggests a flexible zoning is the most appropriate way to ensure the land is used efficiently, rather than a rigid GIZ which would render many of these activities as prohibited or at least non-complying”³⁶.

58. We return later to the zoning request made by Tussock Rise to rezone its and the surrounding land BMUZ. However, we address whether it would be appropriate to make changes to the GISZ by providing greater flexibility in the land uses enabled or provided for. And, if in section 32AA terms, this would make this zone ‘more appropriate’ than a different zone.

³⁴ Paragraph 5 of Mr Millar’s evidence.

³⁵ Paragraph 9 of Mr Millar’s evidence

³⁶ Paragraph 13 of Mr Todd’s legal submissions

59. This was the position advanced by the Breen Submitters³⁷ (represented by planners Ms Mahon and Mr Edmonds). Those submitters sought the following relief:
- (a) *Amend the GIZ provisions to allow for office, commercial and retail activities not ancillary to industrial or service activity use; or*
 - (b) *If the relief sought in (a) is not allowed across the entire GIZ zone, allow office, commercial and retail activities along the Ballantyne Road corridor and Gordon Road (This area was shown in Figure 1 outlined in red in Ms Mahon's evidence)*
60. Ms Mahon, relying on the Council's section 32 evaluation report, pointed out the extent to which the area already consisted of non-industrial activities established in the area now proposed to be zoned GIZ. Because of this, and the nature and scale of the of the activities in and around her clients' land, it was her view that³⁸:
- "..... I consider the most appropriate zoning to be GIZ with modification to allow for commercial, office and retail activities that are not ancillary to industrial or service use. This would best achieve the purpose of the Act and the Strategic Direction of the PDP and best provides for the existing activities occurring and anticipated by people within the area and is the most efficient use of the land.*
61. While the ground truthing exercises of the Council and Tussock Rise are different (in terms of the activities and areas that they classified) they demonstrate, as also pointed out by Ms Mahon, that a wide range of non-industrial type activities are established in the proposed GISZ zone – in particular Office, Commercial and Retail activities.
62. As set out above, the section 32 evaluation report concluded, based on the table above, that the ODP provisions had not been effective or efficient in ensuring that the Industrial Zones provided a secure location for the establishment, operation and growth of Industrial and Service Activities. It was Ms Hampson's and Mr Place's view that the presence of Office, Commercial and Retail activities would likely compromise the long-term viability of the District's industrial economy and the efficient and effective functioning of the Zone. It was for these reasons Office, Commercial and Retail activities not ancillary to Industrial or Service activities were identified as Prohibited activities within the notified GIZ.
63. Given our finding in the previous section about the nature of the zone we do not fully support the relief sought by the Breen submitters and by implication those of Tussock Rise. We do not think that enabling non-ancillary Offices, Retail and Commercial activities is appropriate. That would, in our view, undermine the purpose and objectives and policies of the GISZ. We have already set out our reasons for this earlier.
64. However, we cannot ignore the fact that whichever 'ground-truthing' exercise is the most accurate, considerable Office, Retail and Commercial activity has already lawfully established in

³⁷ J C Breen Family Trust, The Breen Construction Company Limited, Alpine Nominees Ltd, 86 Ballantyne Road Partnership, and NPR Trading Limited

³⁸ Paragraph 100 of Ms Mahon's evidence

the proposed zone. We do not think these activities should be 'sterilised' by a prohibited activity and have to rely on existing use rights.

Existing Lawful Office, Commercial or Retail activities

65. We have already noted that a number of submitters had raised the issue of the prohibited activity of Office, Commercial or Retail activities within the GIZ and the Council's view that the existing activities were 'protected' by existing use rights. We also note Mr Place's verbal evidence that Council not trying to push non-industrial activities out of this zone.
66. We raised concerns with Mr Place about how the GIZ provisions including in particular a prohibited activity status, will impact on existing activities, with particular reference to existing Office, Commercial and Retail activities that are not ancillary to Industrial and Service Activities. This focussed on:
 - Businesses ceasing operations for more than 12 months due to situations outside of their control, for example due to Covid 19;
 - Existing use rights (under s10 RMA) being inherently difficult to prove and therefore obtain;
 - Consent holders facing challenges when seeking amendments to their consent conditions or seeking alterations that may be captured by the prohibited activity status.
67. At our request, Mr Place undertook additional analysis on a framework that could provide for existing Office, Commercial and Retail activities within the GIZ and provided a detailed assessment of this in his reply evidence.
68. In summary, Mr Place recommended that the relocation of, or change of use of, an existing lawful Office, Commercial and Retail activity be classified as a Controlled activity. It would be a Prohibited Activity if the existing Office, Commercial and Retail activities were to occur within a different building or tenancy from the lawfully established activity, and if the activity resulted in an increase to the gross floor area occupied by the existing lawfully established activity of more than 10% and any increase to any outdoor area occupied by the existing lawfully established activity. He proposed changes to the Purpose statement and Policy 18A 2.2.1 reflecting the changes recommended to the plan rules.
69. We agree, to an extent, with Mr Place's recommendation, namely that provision should be made for these existing lawful activities. However, it is our recommendation that these lawfully established Office, Commercial and Retail activities (as the date the rule is made operative) be permitted, including their relocation within the same building or tenancy on the same site. Some flexibility is also built into the rules we have recommended allowing an increase of up to 10%; of the gross floor area occupied by the existing lawfully established activity.
70. We have amended the Purpose statement and Policy 18A 2.2.1 to provide for the changes we have recommended to the plan rules. In terms of the rules, those existing Office, Retail and Commercial activities that were lawfully established as the date the rule is made operative are permitted, while those that do not comply with the permitted rule would be non-complying, and not Prohibited as in the notified Chapter.

71. It is our view that the recommended changes we have made will provide a greater level of certainty for existing office, retail or commercial activities. Also, given the existing scale of these activities and the nature of the existing and envisaged industrial and service activities within the GISZ zone (as already addressed earlier), we do not think better enabling those existing activities will undermine or compromise the role and function of the GISZ.
72. Our recommended plan provisions (and in particular Policy 18A 2.1.3) retain their initial intent and purpose; being that Office, Retail and Commercial activities not ancillary to an Industrial or Service activity, are avoided in the Zone. The amendments reframe the policy to enable those existing activities as discussed. This approach, in our view, ensures these activities can continue to operate over time.

Trade Suppliers

73. A number of submissions³⁹ were received requesting an alternative approach to the management of Trade Supplier activities within the GIZ. Those submitters considered the proposed provisions (i.e. prohibited activity status) were too restrictive and did not provide sufficient flexibility⁴⁰.
74. In response to the submitters' concerns, Mr Place, supported by Ms Hampson's evidence, set out in some detail in the section 42A report the role of trade suppliers and the difference between Trade Suppliers that were predominantly 'wholesaling' as opposed to 'retailing'. He recommended that Trade Suppliers who were primarily wholesaling should be provided for (as a Discretionary Activity) in the GIZ, and those primarily retaining should remain prohibited.
75. Mr Place stated⁴¹:

In my view, the suitability of a Trade Supplier being located within the GIZ turns on this distinction [between Wholesaling and Retailing]. In particular, I consider that a Trade Supplier predominantly involved in Wholesaling plays a role in providing for the establishment, operation and long term viability of Industrial and Service activities as they are likely to be involved in supplying Industrial and/or Service activities with the goods they need to operate their businesses. In the reverse, I do not consider that a Trade Supplier predominantly involved in Retailing would assist in achieving the purpose of the GIZ nor do they fit within the definition of the Districts Industrial Economy, as they are not likely to support the establishment, operation and long term viability of Industrial and Service activities.

³⁹ Horder Family, MCS Holdings Gordon Road, Orchard Road Holdings Limited, Willowridge Developments Limited, The Breen Construction Company Limited, J C Breen Family Trust, Alpine Nominees Limited, Henley Property Trust, Upper Clutha Transport Limited, 86 Ballantyne Road Partnership, NPR Trading Limited, and Ben and Hamish Acland

⁴⁰ Orchard Road Holdings Limited, Willowridge Developments Limited, The Breen Construction Company Limited, J C Breen Family Trust, Upper Clutha Transport Limited, Alpine Nominees Limited, 86 Ballantyne Road Partnership, NPR Trading Limited, and Ben and Hamish Acland

⁴¹ Paragraph 5.56 and 5.67 of Mr Place's section 42A report.

In addition, it is considered that those Trade Suppliers which are predominantly involved in Wholesaling are less likely to become retail destinations or commercial attractions for the general public. As discussed in other sections of this report such activities have the capacity to attract a large number of visitors, customers and staff and their associated traffic movements. In addition, the level of amenity anticipated by these retail based public customers, and expected by business owners, is not provided for within the GIZ, therefore resulting in an increasing likelihood of reverse sensitivity effects on established or future Industrial and Service activities. For these reasons, it is considered appropriate to exclude (i.e. by retaining prohibited activity status) retail based Trade Suppliers from the GIZ.

76. Ms Hampson stated in her evidence that Trade Suppliers directly support construction activity through the provision of intermediate inputs, and that the construction industry dominates the District's industrial economy (but also sustains a significant share of total economic activity within the District). She stated that *"The presence of such Trade Suppliers involved in the activity of supporting the industrial economy will reduce the cost of doing business as goods can be sourced more conveniently"*⁴². Overall, Ms Hampson supported some form of provision of Trade Suppliers within the GIZ, as it would result in greater economic benefits than costs, and she considered that economic efficiencies can be enabled by providing for Trade Suppliers in the urban environment.
77. We queried if there was a distinction between the type of effects associated with large and small Trade Suppliers, and whether or not a GFA trigger should be used to determine the activity status of a Trade Supplier activity. In response Mr Place advised in his reply evidence that he had addressed a range of different methods that could be applied to manage Trade Suppliers and continued to support the application of a fully discretionary activity rule. His view was unchanged that while large Trade Suppliers are likely to have a different scale of effects than smaller activities, what remains critical to determining the degree to which a Trade Supplier activity is appropriate within the Zone is the extent to which it is involved in either retail or wholesale activities.
78. We accept Mr Place's recommendation that Trade Suppliers be listed as Discretionary Activity, with very clear and directive policies that make clear that those towards the 'wholesaling' end of the spectrum are likely to be appropriate and those at the 'retailing' end are not. This includes policy direction on:
- the activity supporting the establishment, operation and long-term viability of Industrial and Service activities;
 - the activity primarily being wholesaling related trade comprising the storage, sale and distribution of goods to other businesses and institutional customers, including trade customers;
 - the activity being avoided where it is primarily retailing such that they become retail destinations or commercial attractions for use by the general public.
79. In this respect we do not agree with Ms Costello, planner for Willowridge, where she stated:

⁴² Paragraph 10.18 of Ms Hampson's evidence-in-chief

“the Discretionary status along with the uncertainty around compliance with the subjective policies will mean the GIZ is not considered a location in which to confidently invest in development for this kind of business activity”⁴³.

80. We disagree that the proposed suite of provisions would result in the type of uncertainty described by Ms Costello. We find that the suite of policies in the chapter we have recommended provide clear direction for any application to be evaluated against.

Commercial Recreation and Recreation Activities.

81. The Wayfare Group Limited (Wayfare) sought amendments to the GISZ provisions to provide a more enabling framework for Commercial Recreation and Recreation Activities. In particular, the submitter⁴⁴ sought to differentiate Commercial Recreation and Recreation activities from the “avoid” approach applied to commercial activity policies. Mr Farrell, Wayfare’s planner, sought a new policy to “provide” for these activities when particular conditions were met, and changing the activity status from Non-Complying to Discretionary.

82. Mr Place recommended rejecting Wayfare’s submission. This was on the basis that while Mr Farrell suggested there is a short supply of community and recreation facilities, Wayfare provided no evidence of any supply needs in regard to these activities. Wayfare also suggested that the conversion of large buildings in the Zone would be an efficient use of land, but Mr Place disagreed with this statement stating: *“it is known that Industrial and Service activities face challenges finding appropriate sites within the Zone”*.⁴⁵

83. Mr Farrell told us in his evidence that⁴⁶:

“I am not aware of evidence confirming this [commercial recreation activities] is having a discernible or inappropriate adverse impact on the availability of industrial land supply in Queenstown. My observation is that this is because there has been insufficient supply in commercial or open space land. Also, there is no suggestion that conversion of large buildings in the Zone for commercial recreation or community activities would be permanent.”⁴⁷. However, Mr Farrell acknowledged that: “Neither Wayfare or I can provide detailed or quantified economic analysis on this matter”.

84. Mr Farrell was unable to present his evidence before the Panel, but responded to the Panel’s written questions in a supplementary statement of evidence⁴⁸. As regards Policy 3.3.8, Mr Farrell

⁴³ Paragraph 28 of Ms Costello’s evidence-in-chief.

⁴⁴ Evidence from Mr Farrell, Wayfare’s planning consultant.

⁴⁵ Paragraph 5.97 of the section 42A report

⁴⁶ Paragraph 10 of Mr Farrell’s evidence-in-chief

⁴⁷ Paragraph 6 of Mr Farrell’s evidence-in-chief

⁴⁸ Dated 24 August 2020

responded that he had not considered the implications of that policy when preparing his evidence (dated 12 June 2020). He acknowledged that Policy 3.3.8 seeks avoidance of non-industrial activities within industrial zones – saying “Consequently, paragraph 5 of my [12 June] evidence can be stuck out”⁴⁹.

85. He went on to state⁵⁰:

“In my opinion providing for some transient activities (for example those which are temporary/short term and not incompatible with existing industrial land uses), will not undermine the strategic intention of Policy 3.3.8 (because the short term nature of the activity should not undermine the supply of land for Industrial Activities or allow any reverse sensitivity issues to arise).

I question whether Policy 3.3.8 accords with the NPSUDC on the basis that QLDC has not (from my reading of all the evidence) demonstrated that there is sufficient land supply/capacity for urban based commercial recreation activities (nor has it demonstrated that any available land passes the competitive margin thresholds in Policy 3.22 of the NPSUDC 2020)”.

86. Overall, it was Mr Farrell’s position that “Subject to the weight given to Policy 3.3.8, I maintain it is appropriate to provide for some types of commercial recreation (e.g. indoor non-permanent activities that use existing buildings) in the General Industrial Zone”⁵¹.

87. Ms Hampson’s reply evidence addressed Mr Farrell’s evidence and responded to our questions. In response to Mr Farrell’s claim that “that QLDC has not demonstrated that there is sufficient land supply/capacity for urban based commercial recreation activities (nor has it demonstrated that any available land passes the competitive margin thresholds in Policy 3.22 of the NPSUDC 2020”, Ms Hampson told us that while the Business Development Capacity Assessment 2020⁵² (BDCA) has not specifically “demonstrated that there is sufficient land supply/capacity for urban based commercial recreation activities” and that “ the BDCA is not required to assess or report sufficiency at a building typology, individual sector or individual zone”⁵³, it does incorporate projected demand for commercial recreation activities occurring in the urban environment. She went on to state that the BDCA “incorporates capacity for ‘large utilitarian designed buildings’ (i.e. warehouse type structures) for commercial recreation activities and many other activities/sectors that occupy such buildings in relevant zones”⁵⁴.

88. Mr Farrell’s supplementary evidence went on to state that “On the face of it, yes, the BMUZ or the Remarkables Park Special Zone would appear to provide a better fit for the commercial recreation

⁴⁹ Paragraph 3 of Mr Farrell’s supplementary evidence

⁵⁰ Paragraphs 4 and 5 of Mr Farrell’s supplementary evidence

⁵¹ Paragraph 11 of Mr Farrell’s supplementary evidence

⁵² Appendix B of Ms Hampson’s evidence-in-chief

⁵³ Paragraph 2.4c of Ms Hampson’s Reply Statement

⁵⁴ Paragraph 2.4b of Ms Hampson’s Reply Statement

and community activities described. However it is unclear whether these zones provide sufficient land supply/capacity and pass the competitive margin thresholds”⁵⁵. He considered that there is insufficient capacity in these zones to accommodate commercial recreation activities that occupy large utilitarian designed buildings.

89. Ms Hampson, in her reply evidence stated⁵⁶:

My evidence is that, notwithstanding the limitations of the BDCA, based on the BDCA results that have been reported, and my knowledge of the detailed underlying models, that an insufficiency of capacity in zones that enable commercial recreation, is unlikely. Commercial recreation activities comprise a small share of the total 49ha of commercial land demand focussed on urban business zones. Urban business zones that enable commercial recreation activities form a subset of total urban Commercial vacant land capacity. The ODP Remarkables Park Special Zone and the BMUZ are two such zones and have large amounts of vacant commercial land area at present, as shown in Figure 3 of Appendix B of my EiC. Vacant capacity in the BMUZ is estimated at 10.5ha, spread across a number of locations in the District. There is an estimated 61.2ha of total vacant commercial land in Remarkables Park (with commercial recreation activities a controlled activity in all but one activity area).

90. Given that Mr Farrell acknowledged that neither he nor Wayfare provided any detailed or quantified economic analysis on this matter, we prefer the evidence of Ms Hampson. On this basis we agree with Mr Place - that Wayfare’s submission be rejected; and that the plan provisions not provide a more enabling framework for Commercial Recreation and Recreation Activities.

Educational Facilities

91. Mr Keith Frentz, planner for The Ministry of Education (MoE), sought that Educational Facilities be provided for in the GISZ zone. This was not supported by Mr Place.

92. Mr Frentz suggests that “work skills training centres and early childhood education facilities are activities that are intrinsically necessary and compatible with the General Industrial Zone”⁵⁷. On this basis, he considered that Educational Facilities be provided for in the GISZ zone.

93. In relation to work skills training, we are of the view that this type of training can take place in the form of apprenticeships etc through existing Industrial and Service activities within the GISZ. We do not think that any further particular provisions are needed to provide for this activity.

94. As regards early childhood education facilities, we do not consider that these are intrinsically necessary within the GISZ given its purpose and its objectives, and given the relatively small spatial extent of the site, with a range of other nearby zones that provide for early childhood education facilities. We do not find that Mr Frentz has offered any appropriate justification that supports

⁵⁵ Paragraph 10 of Mr Farrell’s supplementary evidence

⁵⁶ Paragraph 2.4 of Ms Hampson’s Reply Statement

⁵⁷ Paragraph 7.6 of Mr Frentz’s evidence-in-chief

this position, particularly given strategic policy 3.3.8 which seeks to avoid non industrial activities in the land zoned for industrial activities, and the range of possible reverse sensitivity effects that may arise from these activities being located within the GISZ.

95. We also note that the ground truthing exercise undertaken within the ODP industrial zones found no evidence of the 'intrinsic' necessity of education type uses within the zones despite the more enabling ODP framework. We also note that the MoE has the ability to designate sites for Educational Facilities if they decided they need a site/facility within the GISZ for this purpose.
96. While we have not provided for Educational Facilities in the GISZ, we have recommended in response to the MoE submission that they be provided for as a Discretionary Activity in the Three Parks Commercial Zone in Wānaka (See Report 20.4).

Emergency Service Facilities

97. Fire and Emergency New Zealand⁵⁸ sought that emergency service facilities (more specifically fire stations) be provided for in the GIZ through specific rules with more enabling status. Mr Place observed⁵⁹ that fire stations involve a variety of activities, some potentially well suited to the zone, and some less well suited. He was concerned about the lack of definition of the activity sought to be provided for, and the lack of clarity around the nature of the ancillary activities that would accompany it (e.g. training and residential facilities) that might potentially lead to introduction of activities that were incompatible with the zone purpose. He did not recommend acceptance of the submission and the submitter did not appear to provide more detail about the relief sought, or assurance as to its compatibility with the zone. In the absence of such evidence, we do not recommend acceptance of the submission.

Ancillary Activities – Size limitation

98. A number of submissions⁶⁰ were received in relation to the provision of ancillary activities within the GISZ, in particular, ancillary Office, Retail and Commercial activities. The section 32 evaluation report at Issue 2 - Non-industrial activities within the Industrial Zones identified that "*ancillary activities are common among businesses operating within the Industrial Zones, in particular, ancillary Office, Retail and Commercial type activities*"⁶¹
99. The notified provisions enable Office, Retail and Commercial activities that are ancillary to Industrial and Service activities. This is both in policy and rule terms; the policy enabling those

⁵⁸ Submission #3288

⁵⁹ S.42A report of Luke Place at 5.93

⁶⁰ Submissions Orchard Road Holdings limited, Willowridge Developments Limited, The Breen Construction Company Limited, J C Breen Family Trust, Upper Clutha Transport Limited, Alpine Nominees Limited, Henley Property Trust, 86 Ballantyne Road Partnership, NPR Trading Limited, Ben and Hamish Acland, Reavers (NZ) Limited, J McMillan, Cardrona Cattle Company Limited, and The Station at Waitiri Limited

⁶¹ Paragraph 7.43, Section 32 Evaluation Report, General Industrial Zone.

ancillary activities, while the rule sets out a specific set of standards for them. A maximum 50 m² limit is prescribed in the rules.

100. Submissions received in relation to this matter generally considered the scale of ancillary activities provided for to be too restrictive. Submitters requested an increase in the size limit, with 100 m² being common. Others requested a percentage of the GFA, with 30% GFA being the preferred metric.
101. Mr Place, in his section 42A report stated that “visual inspections of sites within the notified GIZ undertaken during the ground truthing visits did not highlight any substantial or justified need for ancillary activities substantially larger than 50m²”⁶². However, he acknowledged that some office space might be at mezzanine level or at the rear of the site which may not have been visually apparent. He said that he would be “open to considering information from submitters who presented an evidenced based need for larger ancillary Office, Commercial or Retail space as a permitted activity which also fits in with the overall purpose of the GIZ”⁶³
102. Mr Greaves, planner for the Henley Property Trust, presented evidence seeking that the permitted threshold for ancillary office activities be provided for as 30% of the GFA of all buildings. In his evidence, Mr Greaves provided a table of examples of ancillary office rules in other Districts’ industrial zones. These included the provisions of the Council’s Plans for Christchurch, Dunedin, Invercargill, Central Otago, Auckland and Tauranga⁶⁴. Two themes emerged from these examples; either ancillary office space was not regulated or was provided for as a % of GFA (between 25 and 30%).
103. Mr Greaves also provided an example of consented industrial premises on Enterprise Drive Wānaka in the ODP Industrial B zone (proposed to be zoned GIZ). Three buildings were consented with two having 28% of office vs the overall GFA and one with 37% (noting that these figures included toilet, bathroom and communal lunchrooms).
104. In response to Mr Greaves evidence, Mr Place stated⁶⁵:

“As outlined in my s42A, I remain open to considering amendments to this rule on the basis of evidence that demonstrates why larger ancillary Office space would be necessary to support Industrial and Service activities. If this information can be provided, my preference would be to amend the existing 50 – 100 m² restricted discretionary threshold range, rather than the existing permitted 50 m² limit. I also continue to support the use of a GFA m² measure

⁶² Paragraph 5.82 of the Section 42A report.

⁶³ *ibid*

⁶⁴ Table 2 of Mr Greaves evidence for Henley Property Trust dated 29 May 2020.

⁶⁵ Paragraph 5.9 of Mr Place’s rebuttal evidence

as opposed to a % of GFA or site area as proposed by Mr Greaves for the reasons outlined in the s42A report”.

105. We have already set out earlier our view that it is appropriate to have a single Industrial and Service zone, but with some greater flexibility (in relation to existing Office, Retail and Commercial Services activities). In terms of providing for appropriate ‘flexibility’ within the zone, it was the Panel’s view that most industrial and service activities that are operating efficiently would only provide the necessary amount of ‘ancillary’ space so as to provide maximum floor space for the operation of the industrial and service activity. However, that said, we do consider a limit is required to ensure the ancillary office space is related to the primary activity on the site.
106. We record that Mr Greaves agrees with this. He stated⁶⁶:
- I accept the position that offices with the General Industrial Zone should have a genuine link to an industrial or service activity occurring onsite. I also accept that the office activity should not be the primary or leading activity occurring onsite and should be ancillary to an industrial or service use however, in terms of managing potential effects of office activities within the General Industrial Zone, I consider a rule framework that sets a GFA percentage for ancillary office space is the most appropriate outcome. I consider this will provide a more practical approach, providing flexibility for the varying scale of businesses that will locate within the Zone while ensuring that the office activities do not become the primary activity on site. In terms of a percentage, I consider that an appropriate threshold would be set at 30% of the Gross Floor Area (GFA) of all buildings on the same site. (emphasis added)*
107. We agree with Mr Greaves, and the other submitter’s seeking the same or similar outcome. We have recommended that the rules be amended accordingly.

Building Height – 7 metre vs the notified 10 on the Tussock Rise land zoned GIZ – Lot 2 DP 277622.

108. Submitters Rae and Dave Wilson (3017), and Shona and Bob Wallace (3154) appeared at the hearing to discuss the matter of building heights with respect to the Tussock Rise land. The submitters opposed the notified 10 metre height limit within the GIZ on the Tussock Rise land. Tussock Rise had sought that this land be rezoned from GIZ to BMUZ, and sought a “*slightly reduced height limit, recognising the elevated nature of the Tussock Rise site in particular*”⁶⁷ – offering a 10m height limit (12m is the height limit in the BMUZ at Wānaka).
109. Rule 11.5.6(10)(i) of the ODP Industrial B Zone (as applying to this site) states that the maximum height of any building within the ‘Industrial B Zone - Connell Terrace Precinct’ (as identified on the structure plan within the chapter) shall be 7 metres above ground level. Rule 11.5.6(10)(i)(a) identifies a lower building height (3.5 metres) for ‘Special Use Area A’. Note 1 is included within Rule 11.5.6 stating “*For the Industrial B Zone (Connell Terrace Precinct) the ground level is as*

⁶⁶ Paragraph 16 of Mr Greaves’ evidence-in-chief

⁶⁷ Paragraph 14.9 of Mr Devlin’s evidence-in-chief

shown on the contour plan entitled the "Industrial B Zone Contour and Zone Plan for Connell Terrace Precinct" Rev C and dated 8 October 2012."

110. The effect of Rule 11.5.6(10) and the inclusion of the contour plan were discussed in the Commissioners' decision on Plan Change 36 (creating the Industrial B Zone)⁶⁸ as follows:

"The finished contour plan we recommend shows the finished ground level (from which building height is measured) significantly lower overall than was notified. With the exception of the finished ground level of those lots adjacent to Gordon Rd, the rest of the site will be lower than was notified, with the finished ground around 0.5 metre lower through the middle of site and up to 1.2 metres lower in the south and south-western parts of the site. Whilst the developer is not required to excavate to those contours, building height will be measured from them and therefore, if they don't excavate to that extent, the building itself will simply need to be lower. If the developer does opt to maximise building height by undertaking earthworks in accordance with the contour plan, then the land will generally be between 0.5 metre and 3.5 metres lower than the current ground level".

111. Taking into account the information traversed by the previous plan process, the elevated topography of the subject land, the fact that Tussock Rise itself offered a reduced height limit (accepting it was from 12m if it was zoned BMUZ to 10m) and the concerns and issues raised by the submitters at the hearing, we find that a 10 metre height limit across the GISZ land owned by Tussock Rise is likely to result in unacceptable adverse visual effects on surrounding land and their occupiers. We have recommended that the 7 metre height limit be applied over the GISZ land that is owned by Tussock Rise, i.e. Lot 2 DP 477622.

112. However, notwithstanding our recommendation above, we agree with Mr Place who stated in his reply evidence⁶⁹:

"I do not recommend maintaining the contour plan identified within the ODP Industrial B Zone for this land. I note that the outcome sought by this contour plan did not necessarily require the lowering of the ground level and may therefore result in variable building heights occurring across the land depending on the overall subdivision outcome (i.e. if the ground was lowered prior to the lots being created).

113. In our view (and Mr Place's) this is likely to create significant costs, either for the subdivider or future lot owners. It may also limit the type of built form that could occur on some sites to the detriment of their use for Industrial and Service activities.

114. We are of the view that the recommended lower height limit in combination with the separation distance of the land from neighbouring non-GISZ land, the BRAs identified on the structure plan,

⁶⁸ Plan Change 36: Creation of an Industrial B Zone and Application of that Zone to Land Adjacent to the Ballantyne Rd Industrial Zone, Report, Reasons, and Recommendations of L Cocks and J Battson - Independent Commissioners, 13 March 2012.

⁶⁹ Paragraph 10.11 of Mr Place's Reply Statement

and the landscaping of these BRA (as required by the recommended amendments to Chapter 27), are sufficient to address potential landscape and visual effects of GISZ type development on the site.

Pole Heights (Telecommunication)

115. Spark New Zealand Trading Limited (Spark) and Vodafone New Zealand Limited (Vodafone) presented joint evidence in relation to the height of poles (and attached antennas) to the GIZ, Three Parks Commercial Zone and the Settlement Zone⁷⁰. Mr McCarrison and Mr Clune gave evidence on behalf of Spark and Vodafone respectively, while Mr Horne presented independent expert planning evidence on behalf of both Spark and Vodafone⁷¹. Mr Holding, Lead Radio Frequency Engineer at Spark, provided engineering evidence. Mr Bray provided independent expert landscape evidence.
116. With respect to the GIZ Spark and Vodafone sought a permitted height of 18 metres with a height in relation to boundary control from residential zone boundaries. The notified plan provided for 11 metre poles (as a default rule).
117. Mr Place, Council's planner, stated in his section 42A report⁷²:
- Chorus New Zealand Limited, Spark New Zealand Trading Limited and Vodafone New Zealand Limited (Telecommunication Companies) have requested that a new clause be added to Rule 30.5.6.6(a) to provide for an 18 metre height limit for poles in the GIZ. I consider the requested height of 18 metres to be too high in this location when compared to the building height limits set within the GIZ (being 10 metres), particularly given the submitter outlines that this additional height is necessary for clearance above allowable building heights. I consider 13 metres to be an appropriate height for telecommunications poles within the GIZ taking into account allowable building heights, and recommend that Rule 30.5.6.6(d) be amended to include the GIZ. I therefore recommend that the relief is accepted in part.*
118. Having considered Spark and Vodafone's evidence, Mr Place maintained his view, as set out in his rebuttal evidence, that 13 metres was an appropriate height as a permitted activity. However, for the reasons set out below, we agree with the Spark/Vodafone evidence and have recommended an 18m height subject to the height in relation to boundary control.
119. Mr Holding set out the 'technical' reasons why taller poles (and in this case 18m) are preferred to lower poles. He stated⁷³:

⁷⁰ Our recommendations in relation to pole heights for Three Park and the Settlement zone are set out in those reports

⁷¹ Mr McCarrison and Mr Clune are employed by Spark and Vodafone respectively

⁷² Paragraph 7.32 of Mr Place's section 42A report

⁷³ Page 14 of Mr Holding's evidence

General Industrial Zones: *The default 11m mast height is insufficient when the permitted building height is 10m. An 18m mast height, which is lower than the 25m normally able to be built in a general industrial zone, is a reasonable height because:*

- *Provides flexibility for optimising the design of the facility to meet the coverage and capacity objectives for that location.*
- *Flexibility to achieve compliance with EME compliance standards in the NESTF.*
- *Typically in an industrial zone, 18-25 m sites are common to provide wider area coverage, reducing the probability of future additional sites closer to or in residential areas.*
- *While 13m is the absolute minimum acceptable this is going to mean that the facility will have compromised performance thereby impacting on the customer experience, or in the instance of non-compliance the site can not be built.*

120. We accept Mr Holding’s evidence that taller poles (18m) are preferable to provide the necessary flexibility for design optimisation to meet coverage and coverage and capacity expectations, as well as achieving compliance with EME compliance standards in the NESTF. We also accept that while 13 metres poles would be an “absolute minimum” this would mean “*compromised performance thereby impacting on the customer experience*”.

121. Mr McCarrison and Mr Horne addressed the impact of the District Plan’s provisions of lower permitted height poles. It was their view that lower height poles would lead to a proliferation of poles as more would be required to ensure full coverage and capacity. This was likely to result in greater adverse effects than fewer taller poles. In line with this Mr McCarrison and Mr Clune addressed the importance of telecommunication infrastructure, and the need for appropriate regulatory responses. In their conclusion to the evidence they stated⁷⁴:

Telecommunications infrastructure is essential for shaping and enabling the future of Queenstown Lakes district by ensuring that its residents and businesses have the opportunity to be connected internationally and across New Zealand. Changes in the way people access and use telecommunications and data networks is rapidly evolving. It is critical that the regulatory framework provides certainty and enables efficient roll out of current and future technology. (Emphasis added)

122. Mr Horne addressed the “typical” heights of poles in other District Plans; with the context being that the Queenstown PDP was very conservative in its permitted heights for industrial and commercial zones. He stated⁷⁵:

“In my experience it is fairly typical to have a 20m to 25m permitted height limit in a district plan for industrial zones and commercial zones other than local and neighbourhood centre type commercial zones⁷⁶. Mr McCarrison has included an appendix of examples of height

⁷⁴ Paragraph 7.1 of Mr McCarrison’s and Mr Clune’s and evidence-in-chief

⁷⁵ Paragraph 22 of Mr Horne’s evidence-in-chief

⁷⁶ Where Mr Horne said height in these zones were typically 15 m.

limits in a number of other recent district plan reviews. Height limits of this nature are routinely requested on district plans by Spark and Vodafone and 20m or 25m was sought for the various business zones in the original submission on the Proposed Plan”

123. Mr Horne also considered that Mr Place (and Mr Roberts for Three Parks) had placed too much emphasis on the heights of the poles vis-à-vis the permitted building height (i.e. building clearance). In this regard he stated⁷⁷:

As set out in the evidence of Mr Holding, building clearances are only one factor in determining what height is required. To meet network requirements, Spark and Vodafone often target lower amenity zones such as industrial and larger scale commercial zones to locate their larger sites. I understand from Mr Holding’s evidence that larger/taller sites provide more opportunity to provide coverage to a wider area, clear local obstructions and provide for “down tilt” to better control coverage and reduce interference with other sites. Therefore, the height driver is not just about achieving minimum clearance from the height limit enabled in zones for buildings in general. In higher amenity zones, telecommunications companies often have to compromise on the size and height of sites which can limit capacity, coverage and co-location opportunities.

In addition to coverage obstructions from adjacent buildings with only a limited height differential to antennas, I understand from Mr Holding that this can also lead to issues with complying with radio frequency exposure standards at adjacent buildings if antennas cannot be sited a sufficient height above adjacent roofs.”

124. However, while we accept the ‘technical’ and associated planning arguments, it is important to understand the visual and amenity related effects to determine if taller poles are appropriate. In this regard Mr Bray and Ms Mellsop provided relevant expert evidence for the submitter and Council respectively.

125. Mr Bray supported the relief sought by Spark and Vodafone from a landscape, character and visual amenity perspective. His reasons for this were set out in his evidence where he specifically addressed the landscape qualities and effects of the telecommunication pole heights as sought by the submitter for; the Queenstown, Arrowtown and Wānaka GIZ, Three Parks and the Cardrona Settlement Zone⁷⁸⁷⁹.

126. Discussing the effects of the pole heights in the GIZ and Three Parks Commercial Zone, Mr Bray stated his view that landscape is “ultimately a human construct –defined by the NZ Institute of Landscape Architects as “the cumulative expression of natural and cultural features, patterns and

⁷⁷ Paragraphs 28 and 29 of Mr Horne’s evidence-in-chief

⁷⁸ Paragraphs 7.2 to 7.24 of Mr Bray’s evidence-in-chief

⁷⁹ The Wānaka Three Parks and Cardrona Settlement zones are attached in separate reports

processes in a geographical area, including human perceptions and associations”⁸⁰. In expressing this further he stated⁸¹:

..”in short, people have expectations of what certain landscapes will contain, and to what extent they will tolerate activities or features that are at odds with those aspects of a landscape that are valued. People are much more tolerant of intensely developed built forms, advertising signage, movement of people and presence of infrastructure in industrial and commercial landscapes than they are of such activities in landscapes that are largely comprised of natural elements.

127. In this context, it was Mr Bray’s opinion that commercial and industrial areas, such as the GIZ and Three Parks commercial and business areas, are typically much less valued than less developed areas, and certainly ONLs. It was his view that the industrial and commercial areas are functional, urban areas with more limited natural qualities and he stated *“In such landscapes, viewers tend to focus on specific details, usually related to the purpose of their visit”*⁸².
128. Overall, it was Mr Bray’s opinion that when considering landscape management at a broader District Plan scale *“it is sensible (if not obvious) to intensify urban activities in those areas of the landscape that are considered to be less valued, with the aim of reducing such activities in higher valued landscapes. This is usually already inherent in the placing of zones within the district –rarely (if ever) do you see high intensity industrial activities located in the most valued part of the landscape”*⁸³.
129. Ms Mellsop considered the evidence provided by Mr Bray. Ms Mellsop considered that Mr Bray’s discussion of landscape character, infrastructure and mitigation of the effects of telecommunications infrastructure in Sections 4, 5 and 6 of his evidence was *“largely robust and accurate”*. However, she did not think he had adequately addressed the influence of zone area and landscape context on the ability of particular industrial or commercial zones to absorb telecommunications infrastructure.
130. Ms Mellsop’s view of Mr Bray’s evidence was, in part, influenced by the following paragraph in her rebuttal evidence⁸⁴:

I consider that Mr Bray’s assessments of potential landscape and visual effects in the individual zones (in Section 7 of his evidence) are compromised by the absence of site visits

⁸⁰ Paragraph 4.7 of Mr Bray’s evidence-in-chief

⁸¹ Paragraph 4.8 of Mr Bray’s evidence-in-chief

⁸² Paragraph 4.5 of Mr Bray’s evidence-in-chief

⁸³ Paragraph 4.9 of Mr Bray’s evidence-in-chief

⁸⁴ Paragraph 4.5 of Ms Mellsop’s rebuttal evidence

(acknowledged to be as a result of COVID-19 restrictions) and a lack of comprehensive knowledge of the District's landscapes.

131. Mr Bray confirmed at the hearing that he had now visited all of the sites and had become more familiar with the District's landscapes. He said that having done this, he still maintained the opinions set out in his evidence. We generally accept and agree with Mr Bray's opinion that the effects of higher pole limits from a landscape, character and visual amenity perspective would be acceptable within the GISZ and Three Parks zones, which already have and/or enable significant urban development.
132. We also agree with Mr McCarrison's and Mr Clune's evidence where they suggest that higher poles should be located in urban areas where they would not be out of scale with the surrounding environment⁸⁵. In our view, 18-metre high poles within the GISZ zone would be commensurate to the scale of existing and future potential permitted buildings within the GISZ.
133. We also support Mr Horne's proposal for a height in relation to boundary rule to apply to poles within the GISZ. We are of the view that this rule would be effective and efficient in managing potential adverse visual effects of such structures where they adjoin residential zones. This would be an appropriate way to achieve Objective 18A.2.4 which seeks to ensure that activities and development within the Zone does not adversely affect the amenity of other zones.
134. Overall, for the technical, landscape and planning reasons set out above, we agree that permitted pole heights of 18m, along with height in relation to boundary rule, is appropriate.

Carparking

135. Policy 11 of the NPSUD prevents Councils requiring car parks (with some exceptions such as accessible spaces) within District Plans. This means developments within the GISZ zone will, ultimately, not need to provide onsite car parking spaces.
136. We have discussed in Section 2.2 of our Introductory Report how we have addressed Policy 11 of the NPSUD in relation to car parking. In summary we have not recommended deletion of all provisions before us related to minimum carparking spaces as the NPSUD requires, as the implementation of the NPSUD within the GISZ in this respect requires a more comprehensive response and we do not have evidence before us as to the form such a response should take. We have recommended that the Council address this comprehensively within the timeframes allowed by the NPSUD, as Mr Place signaled in his Reply evidence.
137. There are some provisions in Chapter 18A and the related variations that may safely be deleted, and we recommend that the jurisdiction provided by the NPSUD be utilised in those cases – as reflected in our recommended revised provisions.

⁸⁵ Paragraph 5.2c of Mr McCarrison's and Mr Clune's and evidence-in-chief

Queenstown Airport Corporation (QAC) – Activities

138. QAC sought a series of changes to objectives, policies and rules in its submission.
139. Ms Brook, QAC’s planner, filed corporate evidence in relation to QAC’s requests (but did not appear to present that evidence). Mr Place had addressed QAC’s submission and relief sought in his section 42A report as well as his rebuttal and reply evidence. We largely agree with Mr Place’s recommendations in relation to these submissions, essentially for the reasons he states.
140. Ms Brook addressed the issue of buildings heights in the GIZ and the effects of increasing the permitted building height limit from 6m to 10m and the potential costs or benefits to aircraft operations from making this change.
141. Ms Brook accepted (as set out in the section 42A report) that the effect of the “Approach and Land Use Control” designation for Queenstown Airport was sufficient to appropriately control building height in the relevant areas. She stated⁸⁶:
- QAC agrees that the designations should be sufficient to control the extension of buildings and structures into these surfaces, but experience dictates that the statutory obligations to obtain QAC’s approval under section 176 of the Act is often overlooked when considering applications for resource consent. On several occasions QAC has been required to contact an applicant, and the Council, regarding the applicant’s obligations under the designation to ensure that they were met.*
142. Notwithstanding Ms Brook’s position expressed above, she maintained that an advice note was needed to ensure the effect of Designation 4 was taken account of in plan administration. Mr Place did not agree saying that if this approach were taken, this would “*logically precipitate similar advice notes in all zones for the entire range of designations listed in Chapter 37 (Designations). In my view this would not provide for a concise, effective or efficient planning document*”⁸⁷. We agree with Mr Place and do not think an advice note is warranted in this case.
143. In terms of land uses, QAC supported the GIZ not providing for residential accommodation. We agree.
144. With respect to potential bird nuisance Ms Brook stated that refuse facilities have the potential to increase birdlife (near the airport) if not managed correctly. QAC submitted that refuse collection and disposal should be a non-complying activity. In this respect Ms Brook sought that the words “refuse collection and disposal” be removed from Rule 18A.4.10⁸⁸ based on potential confusion in regard to its activity status in particular with the definition of Outdoor Storage.

⁸⁶ Paragraph 2.3 of Ms Brooke’s evidence-in-chief

⁸⁷ Paragraph 6.1 of Mr Place’s rebuttal evidence

⁸⁸ Any activity requiring an Offensive Trade Licence under the Health Act 1956 other than the “collection and storage of used bottles for sale” and refuse collection and disposal” (as listed in that Act)

145. Mr Place addressed this issue in some detail in his rebuttal evidence⁸⁹. He considered, and we agree, that the Ms Brook's concerns, while well founded, are already addressed in the plan provisions. Mr Place noted that refuse "disposal" is captured by the definition of "Landfill" and also "Waste Management Facility", within which the act of refuse collection could also be captured. Both 'Landfill' and 'Waste Management Facilities' are not identified within Table 18A.4 and would therefore be non-complying activities.

146. Mr Place stated in his rebuttal⁹⁰:

Taking into account the above, I am of the view that there is sufficient certainty provided for within the existing definitions of the PDP to address Ms Brook's concerns.

147. Ms Brook addressed the issue of lighting and glare, and sought that Rule 18A.5.7 (Glare) be amended to reflect possible effects on airport operations. Ms Brook suggested that an appropriate area for any such control to be applied would be the Inner Horizontal Surface as defined in QAC's Designation, Figure 2 (Queenstown Airport: Airport Protection and Inner Horizontal and Conical Surfaces).

148. We also note that this matter has been addressed in Report 20.11: Remaining Various Variations Amending the PDP Chapters and other General Matters. QAC sought that same relief in the GIZ as Ms Glory addressed in relation to the residential zones. In addition to the reasons set out below, we adopt the reasons and recommendations in Report 20.11 relating to QAC and glare.

149. Ms Glory's⁹¹ rebuttal evidence addressed the merits of the approach sought by Ms Brook. Ms Glory's, said in her rebuttal evidence that having read Ms Brook's evidence, that⁹² after:

"...doing further research on the Auckland International Airport designation and the Civil Aviation Authority standards('CAA AC 139-6'), I agree that there is potential to manage glare on the safety of aircraft operations through the PDP".

150. Ms Brook suggested that the inner horizontal surface defined in the Queenstown Airport Designation: Figure 2⁹³ was the most appropriate figure to manage the effects of glare. However, we note that the purpose of the inner horizontal surface (as set out in the Designation) is to prohibit new objects or extensions of objects that penetrate the inner horizontal surface area⁹⁴.

⁸⁹ Paragraphs 6.2 to 6.7 of Mr Place's rebuttal evidence

⁹⁰ Paragraph 6.7 of Mr Place's rebuttal evidence

⁹¹ Council's planner addressing the issues relating to Glare

⁹² Paragraph 3.2 of Ms Glory's rebuttal evidence

⁹³ Appendix Four: PDP Decisions Map Figure 2: Queenstown Airport Protection Inner Horizontal and Conical Surfaces

⁹⁴ D.3 Airport Approach and Land Use Controls: Inner Horizontal Surface

Based on this, we do not agree with the figure identified by Ms Brook's suggested in her evidence (at paragraph 3.4), as being an appropriate area of land to address the glare issue. Moreover, we are unclear from the evidence provided by QAC about the extent of the potential for ground lights within close proximity of airports/aerodrome to endanger the safety of aircraft operations. As above, Ms Brook did not appear to give us the chance to discuss these matters with her.

151. Overall, we agree with Ms Glory where she states⁹⁵:

I do not consider the evidence makes an adequate case for land use rules across a large part of Frankton being needed or appropriate in terms of the existing and proposed framework of objectives and policies for the affected zones.

It would appear that the Designation route is more appropriate, although there would need to be analysis and further information by QAC, which determines the areas in which potential hazard to aircraft operations could arise in relation to lighting. A change to a designation would also need to happen outside this plan review process

Aurora Energy Limited (Aurora) – Additional Provisions.

152. Aurora sought some additional provisions to protect the functioning of its network. These included:

- A matter of discretion relating to effects from buildings on electricity sub-transmission and distribution infrastructure;
- A requirement to give consideration to Aurora as an affected party when considering notification of applications, and
- An Advice Note on the need to comply with the New Zealand Electrical Code of Practice for Safe Distances;

153. Mr Place addressed these in his section 42A report, and essentially agreed with the Aurora submission on these matters. He provided the recommended additional provisions in his revised plan provisions attached to the section 42A report.

154. Mr Peirce, Aurora's legal counsel, set out that Aurora's relief sought, among other things, was to roll-over provisions agreed as part of PDP Stage 1 (and Chapter 25 subject to PDP Stage 2) into the Zone Chapters of PDP Stage 3. He stated that this was "*by in large, accepted by the section 42A Report Authors. The support for that relief can largely be taken as read. The reasons for why it is appropriate to include that relief are outlined in the evidence of Ms Dowd*"⁹⁶. This included the matters set out above.

155. For the reasons provided in the section 42A report and Ms Dowd's evidence, we agree with the inclusion of: a matter of discretion relating to effects from buildings on electricity sub-

⁹⁵ Paragraphs 3.8 and 3.9 of Ms Glory's rebuttal evidence

⁹⁶ Paragraph 7 of Mr Pierce's legal submissions

transmission and distribution infrastructure, the requirement to give consideration to Aurora as an affected party when considering notification of applications, and an Advice Note being added on the need to comply with the New Zealand Electrical Code of Practice for Safe Distances.

156. We also agree with Mr Place's recommendation⁹⁷ that an advice note is not required drawing attention to the relevance of the Chapter 30 provisions related to activities within the National Grid Yard, as sought by Transpower New Zealand Ltd⁹⁸. Unlike the Code of Practice Aurora sought be noted, the National Grid Yard affects a relatively small part of the notified GIZ and if an advice note were inserted for it, that would table questions as to how many other advice notes are required for different elements of other chapters.

4.3 Related Variations

157. Along with Chapter 18A, variations were notified to Chapters 25, 27, 29 and 36.
158. Council's corporate submission⁹⁹ sought that Chapter 31 (Signs) be amended to include specific provisions related to management of signs within the GIZ. Mr Place considered¹⁰⁰ the submission to be in scope because it is specific to the consequences of introducing the GIZ, and to fill a gap in the PDP. We agree, the submissions were not the subject of further submission, and we recommend the acceptance of the relevant provisions.
159. A number of submissions addressed the proposed variations to Chapter 27, governing subdivision within the notified GIZ. Mr Place noted four submissions¹⁰¹ seeking no minimum lot size. Breen Construction Company et al sought more enabling activity status for subdivisions of smaller lots and a series of other amendments related to their broader submissions on Chapter 18A.
160. Mr Place did not recommend no minimum lot size, or a relaxation in the activity status. We agree. Although we have recommended some relaxation of the provisions governing non-industrial activities, the purpose of the GISZ is still fundamentally about providing for industrial and service activities. More enabling provisions for subdivision into small lots has the potential to undermine that purpose.
161. Our recommendations in relation to the Breen Construction Company et al reflect our recommendations on the zoning relief they seek.

⁹⁷ S.42A report of Luke Place at 7.17

⁹⁸ Submission #3080

⁹⁹ Submission #3129

¹⁰⁰ S.42A report of Luke Place at 7.18

¹⁰¹ Submissions #3340, #3348, #3349, #3357

162. NZTA¹⁰² sought amendment to Rule 27.5.7(c) to include reference to the safety of the Transport network. Mr Place noted that the relief sought would have broad effect, rather than being limited to the notified GIZ. He also considered that other provisions in Chapter 27 already addressed the point. We agree with his reasoning and do not recommend acceptance of this submission.
163. The Breen Construction Company et al submitters also sought provision for acoustic standards to protect offices within the GIZ. Mr Place did not consider the relief necessary¹⁰³ and Ms Mahon's planning evidence did not specifically address this aspect of the submitters' relief. We do not recommend the submission be accepted, for the reasons set out in Mr Place's s.42A report.
164. There do not appear to be any other submissions on the related variations notified with Chapter 18A that we need to address. We note, however, that we have renumbered the location specific subdivision rules due to additional rules having been inserted into Chapter 27 via Environment Court consent orders in the interim. We have also corrected a cross reference in the Connell Terrace rule (now 27.7.14.1) that should have referred to Rule 27.7.1. We therefore confirm our recommendation of the provisions attached in Appendix 1

5. REZONING REQUESTS

165. As an overview, we have not altered the spatial extent of the zone as notified in relation to the zone at Queenstown (Glenda Drive area) or Arrowtown (Bush Creek Road). At Wānaka, we have recommended removing the notified GIZ zone within the Three Parks area, and have 'replaced' it with a combination of Three Parks Business and Business Mixed Use. We address these in some detail below.
166. We note that in Report 20.5, we have not recommended rezoning part of the area within Three Parks zoned as Open Space and Recreation in the notified PDP to GIZ, and have recommended it be retained as Open Space and Recreation.
167. We also address rezoning requests from submitters to have their land rezoned to GIZ from some other zone (Rural and Gibbston Character Zone) later in this report.

¹⁰² Submission #3229

¹⁰³ S.42A report of Luke Place at 6.4

5.1 Tussock Rise Limited and others Wānaka rezoning request from GIZ to BMUZ.

168. A number of submissions were received requesting a revised zoning framework in the GIZ area in Wānaka. These rezoning requests broadly seek the same relief as that set out by Tussock Rise Limited (Tussock Rise). Given this we have considered these submissions as a group and refer to



them as Tussock Rise¹⁰⁴.

¹⁰⁴ Submitters #3128.1 #3128.3 Tussock Rise Limited #3044.1 M Hetherington #3079.2 G Cotters 3#130.1 Bright Sky Land Limited #3132.1 E Barker #3134.2 I Piercy #3137.1, #3137.2 M Wheen #3147.1 M Barton #3161.1, #3161.8 Alpine Estates Ltd #3283.1 N Perkins, #3034.1 A McConnell, #3049.1 P Wheen, #3070.4 S Vogel #3381.1 D Murdoch #3298.5 NPR Trading Limited

169. Tussock Rise sought that the areas in the ODP Industrial A and Industrial B Zones on both sides of Frederick Street and to the north of Frederick Street, including the submitter's land at Lot 2 DP 477622, be rezoned from GIZ to BMUZ.
170. We received considerable evidence on the rezoning request from the Council (mainly economic evidence from Ms Hampson and planning evidence from Mr Place) and from Tussock Rise (Mr Carr – transport, Dr Trevathan – noise, Mr Ballingall – economic, and Mr Devlin – Planning) as well as legal submissions. In terms of the rezoning request we have focussed on the economic and planning evidence as it is these matters that we have found to be determinative of our recommendation.
171. We record at the outset we have ultimately preferred the economic and planning evidence of the Council, and are more persuaded by it; that the zoning of the land is more appropriate as GISZ and therefore should remain GISZ with the modifications recommended by us as already addressed earlier in this report (particularly the range of activities we have now either enabled or provided for), than rezoning it BMUZ.
172. In summary the case for Tussock Rise was that:
- the proposed GIZ is a restrictive planning framework that does not reflect the existing mixed-use nature of the Wānaka Industrial Area or the apparent demand for BMUZ. The ground truthing by the Council and Tussock Rise (as already reported on) demonstrates that the receiving environment of the Wānaka industrial area is split roughly 50/50 between predominantly industrial and service activities and non-industrial activities;
 - There is more than enough industrial zoned land available in Wānaka to meet demand for the next 30 years, and that rezoning the Tussock Rise land from GIZ to BMUZ would not result in their being insufficient land to satisfy the demand for industrial land; and
 - That there is a surplus of land zoned for industrial activities, and this land would likely remain idle due to a lack of demand. It would be more efficient to rezone it to enable more productive uses to generate jobs, incomes and wellbeing under the BMUZ.
173. We set out below the economic arguments and positions of the two economists and then address the planning experts' responses to that evidence. We then set out why we ultimately prefer the approach supported by the Council's experts. However, as addressed below we do not think Ms Hampson and Mr Ballingall were comparing 'apples with apples'. In hindsight, we should have required expert conferencing between the two experts with respect to their evidence and the amount of land they considered appropriate to be zoned GISZ. Notwithstanding this, as stated, we have ultimately preferred the Council's evidence.
174. It was Mr Ballingall's evidence, in summary, that:
- Rezoning the Tussock Rise land from GIZ to BMUZ would have no material impact on industrial land availability in Wānaka.
 - A more flexible BMU zoning for the Tussock Rise land would improve the efficiency of Wānaka's land use, providing for greater economic wellbeing.
175. He read the updated Business Development Capacity Assessment (BDCA20) as showing there is ample industrial zoned land in Wānaka to accommodate future demand. He addressed in some

detail at paragraphs 10 – 14 of his evidence-in-chief about the “surplus” of land zoned for industrial activities. It was his view that rezoning 5.3ha at Tussock Rise from GIZ to BMUZ or a blend of BMUZ and Low Density Suburban Residential (LDSR) would still leave 9.5ha of surplus industrial land, and that any additional land that is zoned Industrial between now and 2048 would add to this surplus¹⁰⁵.

176. On this basis he went on to state that is more than enough industrial-zoned land available in Wānaka to meet demand for the next 30 years¹⁰⁶:

Industrial land demand could be 75% higher than projected in the BDCA20 to 2048 and still not exhaust the available industrial land supply if Tussock Rise were to be rezoned. In the medium term to 2028, industrial land demand could be over 300% higher and not exhaust available land supply.

Based on these numbers, rezoning Tussock Rise would clearly not have a material impact on the prospects for the Wanaka industrial economy.

177. Ms Hampson was somewhat critical of Mr Ballingall’s evidence-in-chief, pointing out that at paragraph 6, Mr Ballingall “confirms the purpose of his evidence. This is to “assess the extent of land available for industrial economic activity in Wanaka should the Tussock Rise site... be rezoned to Business Mixed Use (BMU).” and not the implication of the wider rezoning requests made by Tussock Rise (and others).

178. Ms Hampson pointed out that¹⁰⁷:

“the scope of Mr Ballingall’s differs to the wider rezoning outcome submitted by TRL (as illustrated in the TRL Submission), replicated in Figure 11 of my evidence in chief (EIC) and understood to be supported through Mr Devlin’s evidence..... For example, the zoning supported by Mr Devlin retains an area of GIZ to the west of Ballantyne Road, while increasing the GIZ on the east of Ballantyne Road over land that Council notified as Active Sport and Recreation Zone.

179. As Ms Hampson pointed out in her rebuttal evidence, the scale of the effect of not zoning the Tussock Rise site GIZ as notified can only be known once the decision on all submissions relating to the GIZ are made, and the cumulative effect of decisions on zoning submissions in terms of relief sought in Three Parks, the Active Sports and Recreation Zone and around Gordon Road and Frederick Street can be understood¹⁰⁸.

180. With respect to the GIZ zoning in the Three Parks area, and the Active Sports and Recreation Zone (set out in separate reports 20.4 and 20.5), we record that we have recommended removal of the

¹⁰⁵ Paragraph 12 of Mr Ballingall’s evidence-in-chief

¹⁰⁶ Paragraph 13 of Mr Ballingall’s evidence-in-chief

¹⁰⁷ Paragraph 3.2 of Ms Hampson’s rebuttal evidence

¹⁰⁸ Paragraph 3.5 of Ms Hampson’s rebuttal evidence

GIZ zoning in the Three Parks area; and have recommended retaining of the existing zoning over the entire area notified as Active Sports and Recreation Zone (and have not zoned part of that site to GIZ as sought by Tussock Rise).

181. Mr Ballingall and Mr Devlin provided a supplementary statement of evidence¹⁰⁹. This was in response to the Panel's request to demonstrate the effect on vacant industrial land supply for Wānaka if the Tussock Rise submission was accepted in full. They stated¹¹⁰:

The Tussock Rise submission would result in additional vacant General Industrial zoned land of 11.9 hectares on the former wastewater treatment pond site.

The Tussock Rise submission would result in a reduction of vacant General Industrial zoned land as follows:

(a) Tussock Rise site (6.1 hectares)

(b) Vacant sites currently in ODP Industrial A zone (0.5063 hectares)

(c) Vacant sites currently in ODP Industrial B zone (0.7779 hectares)¹

(d) Vacant sites currently in the ODP Three Parks (Business Sub-Zone area) (estimated at 2.7 hectares)

182. It was further stated¹¹¹:

The result of the Tussock Rise submission being accepted in full would be that Wanaka still has vacant zoned industrial capacity of 17.4 hectares. This would be more than adequate to absorb the BDCA20's projected industrial land demand to 2048 of 12.3 hectares.

The Tussock Rise submission would leave 5.1 hectares of surplus vacant industrial land. This implies industrial land demand could be 41.5% higher than projected in BDCA20 and there would still be no shortage of vacant land.

This analysis assumes no additional industrial land is made available through other submissions on the PDP process (e.g. Universal developments in Hawea), other than that provided for in the Tussock Rise submission.

183. Ms Hampson addressed Mr Ballingall's and Mr Devlin's supplementary statement in her reply evidence (dated 4 September 2020). She raised concerns with the analysis they provided¹¹² and the resulting long term surplus of industrial capacity of 5.1 hectares. Her analysis of their

¹⁰⁹ Dated 13 August 2020

¹¹⁰ Paragraphs 4 and 5 of the supplementary statement of evidence

¹¹¹ Paragraphs 7-9 of Mr Ballingall's and Mr Devlin's supplementary statement

¹¹² Paragraph 3.2 – a – h of Ms Hampson's Reply Statement.

calculations (referred to as “corrections in approach”) was that the surplus is 10.3 hectares and not 5.1 hectares. She stated¹¹³:

Whether you use TRL’s corrected approach or my own the surplus of GIZ vacant capacity in Wanaka is around 10ha if you apply the TRL submission to the notified GIZ (and do not account for any other decisions on GIZ re-zoning). The surplus is not 5.1ha as reached in the TRL analysis of their supplementary statement.

Clearly, the developable 8.4ha of the Wastewater Ponds site accounts for the majority of that (approximately) 10ha surplus.

184. Notwithstanding Ms Hampson’s concern about the analysis, it is apparent that how the land proposed to be zoned Active and Sport and Recreation is treated is a key element in the assessment of available industrial and service land. Tussock Rise sought that approximately 12 hectares of that site be zoned GIZ. As set out in their supplementary evidence they relied on Tussock Rise’s submission being given effect in full (i.e. including the 11.9 hectares on the former wastewater treatment pond site) to calculate the available vacant land for industrial purposes.

185. As already mentioned, we have not recommended that 11.9 hectares (or any other amount) of the land be rezoned GISZ from the notified Active Sport and Recreation (ASRZ). The full reasons set out in Report 20.5. Accordingly, this is land that cannot be used in terms of calculating available GISZ land as suggested by the Tussock Rise witnesses.

186. Notwithstanding the difference of opinion in the evidence of Ms Hampson and Mr Ballingall, both agree there is sufficient land to cater for projected long-term demand for industrial and service activities. However, it is clear that both experts are relying on different parcels of land being available to meet the demand for industrial purposes; Ms Hampson on retaining the Tussock Rise land as proposed GIZ and Mr Ballingall on some of the former oxidation ponds being zoned for industrial purposes.

187. Mr Devlin set out in his Summary Statement¹¹⁴:

The loss of the Tussock Rise site (which is the largest vacant site in the wider area requested for rezoning to BMUZ) will not have a significant impact on industrial land supply for Wanaka”.

188. We accept this may have been correct had we recommended the 11.9 hectares of the land proposed to be ASRZ be zoned GISZ; but we have not. In this respect we accept that the Council’s decision to allocate all of its land for sports/public use and not industrial (which we accept could be suitable for industrial use), means that from a supply of industrial land perspective the Tussock Rise land is required for industrial use as notified.

¹¹³ Paragraphs 3.6 and 3.7 of Ms Hampson’s Reply Statement

¹¹⁴ Paragraph 1.4 of Mr Devlin’s Summary Statement

189. We also note that we have recommended that the land on the eastern side of Ballantyne Road (within the Three Parks area) notified as GIZ be mainly rezoned Three Parks Business, and an extension to the BMUZ¹¹⁵. This, in part, reinforces our view that the Tussock Rise site should remain as GISZ. Moreover, as we set out below, there are other planning reasons why the Tussock Rise land is most appropriately zoned GISZ.
190. Mr Devlin also provided supplementary evidence on the NPSUD in relation to the rezoning sought by Tussock Rise. He opined that rezoning his clients land to BMUZ would be consistent with, and not contrary to, the NPSUD¹¹⁶ and would contribute to a well functioning urban environment due to nature of activities the zone would enable and its location (in terms of accessibility) – being close to the Wānaka Town Centre and Three Parks Business Zone. We do not necessarily disagree with Mr Devlin. However, we also consider that retaining the notified (but modified) GISZ would also be consistent with, and not contrary to, the NPSUD. This is because GISZ land (in combination with other zones such as the adjacent Three Parks Business Zone and BMUZ) would also contribute well functioning urban environment.
191. Mr Devlin’s opinion appeared to be based, in part at least, on the view that there was an over-supply of GIZ land and that this was inefficient and in terms of the NPSUD, and therefore rezoning to BMUZ would ‘better’ meet the NPSUD (and be a well functioning urban environment). We do not agree with this in terms of the policy direction of the NPSUD, or for planning/resource management reasons which we set out below.
192. We have addressed the NPSUD in some detail in the Introductory Report 20.1, and do not repeat that discussion. However, of particular note here is that Policy 2 of the NPSUD requires all local authorities with urban environments within their boundaries to “*at all times, provide at least sufficient development capacity to meet expected demand for housing and for business land over the short term, medium term and long term*”.
193. As discussed in the Introductory Report, we accept there is a greater emphasis in the NPSUD on enhanced supply of land in urban environments for residential and business purposes, but this is an issue of degree, and therefore discretion. The NPSUD does not direct provision of an infinite number of sites for residential or business use, without regard for the extent to which this might actually be required. However, in the case of the Tussock Rise land, we do not agree that there has been an excessive ‘over-supply’ of land zoned GIZ in Wānaka as suggested by Mr Devlin and Mr Ballingall. On this basis we do not accept that it is economically inefficient to zone this land GISZ based on the arguments advanced by Mr Devlin and Mr Ballingall.
194. Having made this finding, the question before us is whether it is strategically important for the land to remain zoned GISZ (as a largely greenfield site) to provide the opportunity for cohesive

¹¹⁵ The reasons for this are addressed in more detail in Report 20.4 – Three Parks

¹¹⁶ Paragraph 17 of Mr Devlin’s supplementary evidence

expansion for industrial, service and selected trade supply growth over the long-term, or whether is more appropriately zoned BMUZ.

195. Mr Devlin provided planning evidence for Tussock Rise et al¹¹⁷. In support of his planning opinion that the Tussock Rise site be re-zoned BMUZ, he set out what he considered the strategic context of the Wānaka industrial area, and why the GIZ was not the appropriate zoning but BMUZ was. We address these matters below.
196. Mr Devlin presented a description of his view of the Wānaka industrial area stating: *“almost all land surrounding what I have called the ‘Wanaka Industrial Area’ is zoned for residential development of some shape or form”*¹¹⁸. He also noted that Wānaka has grown to surround the industrial area and that it is no longer on the edge of town and as such, the proposed ‘pure industrial’ approach taken on by the GIZ is inappropriate in this location. He also addressed the issue that only vacant land should be zoned GIZ. In addition to the economic position (already addressed above), Mr Devlin advanced these arguments as to why the GIZ zone was inappropriate.
197. We have already addressed the issue of the GISZ being a ‘pure industrial’ zone. For the reasons we have already set out, we do not agree with this characterisation. We do not address it further here.
198. With respect to Mr Devlin statement that the notified Wānaka GIZ is surrounded on almost all sides by residential activity, we do not entirely agree. The Wānaka GIZ borders a range of zone boundaries, including proportions of the proposed Active Sports and Recreation Zone, Rural Zone, Rural Lifestyle Zone the Three Parks Business zone and the BMUZ. There are adjacent residential purpose zones, particularly on the western boundaries. Where this occurs, Building Restriction Areas have been identified as well as plan provisions (including rules) to address reverse sensitivity issues. We do not find that this would be a reason to not zone the Tussock Rise site GISZ.
199. Moreover, part of Mr Devlin’s argument is his suggestion that the Wānaka industrial area no longer represents the *“edge of town”*¹¹⁹. This implies that it is inappropriate to locate GISZ in this location, and that it should be located further away from Wānaka’s commercial and residential areas. We disagree.
200. We find there is nothing within Strategic Chapters 3 (Strategic Direction) or 4 (Urban Development), nor in Chapter 18A, which indicates that industrially zoned land needs to be

¹¹⁷ Evidence-in-chief, rebuttal, supplementary evidence in relation to the NPSUD and supplementary evidence responding to the Panel’s questions.

¹¹⁸ Paragraph 4.10 of Mr Devlin’s evidence-in-chief.

¹¹⁹ Paragraph 4.11 of Mr Devlin’s evidence-in-chief

located on the 'edge of town'. Nor does it stipulate any other specific locational requirements for industrially zoned land. As set out by Mr Place¹²⁰:

"The locational characteristics of the Wanaka GIZ are not dissimilar to other areas of GIZ, including those in Arrowtown and Glenda Drive where ODP or PDP commercial and residential purpose zones have been positioned in relatively close proximity. This demonstrates the GIZs highly strategic local service and employment characteristic".

201. As we have addressed earlier, Ms Hampson, in her evidence-in-chief, highlighted the strategic economic benefits that can arise for the industrial economy from existing industrial or business areas; in particular, key synergies and agglomeration benefits between neighbouring activities, greater transport efficiencies and reducing potential for externality effects by containing effects to a single location rather than dispersing them across multiple locations. In her reply evidence, Ms Hampson specifically addressed this issue in relation to the Tussock Rise relief and the benefit of having industrial and service activity in an accessible location within the urban environment - that¹²¹:

"It is appropriate that a well-functioning urban environment should provide good access to industrial, retail, office, commercial, recreational, community, medical and many other activities. This rationale is not however sufficient to justify substitution of the TRL site to BMUZ if the consequence of that substitution is needing to find new and discrete locations for the GIZ beyond the urban growth boundary sooner than would otherwise be the case".

It is my evidence that for a market the size of Wanaka (and its surrounding catchment), greater economic efficiency and benefits will be achieved from consolidating industrial and service activity in its current location over the long-term future compared to an outcome where that activity is potentially spread over two (or more) locations in order to meet future demand. The greenfield capacity of the TRL owned site helps achieve that outcome for the GIZ.

202. We further note that Policy 1 of the NPSUD (well functioning urban environments) includes
*".....urban environments, that as a minimum:
(e) support reductions in greenhouse gas emissions;"*
203. Policy 1 of the NPSUD would suggest that strategically locating zone activities, as opposed to pushing them to the outskirts of the town them as suggested by Mr Devlin in this case, is at least encouraged so as to contribute to well functioning urban environments.
204. Mr Devlin's position that the GIZ be moved further 'out of town' would not, in our view, meet the expectation of aspects of the NPSUD, nor the strategic level directions of the District Plan. This view is reinforced by the actual nature of the GISZ, which we have already addressed earlier – i.e. it is not primarily a Heavy Industry Zone. The location of the Wānaka GISZ is in our view

¹²⁰ Paragraph 9.8 of Mr Place's rebuttal evidence

¹²¹ Paragraphs 4.2 and 4.3 of Ms Hampson's Reply statement

strategically located to serve a wide range of Wānaka’s service and employment functions, and these would be undermined by the relief requested by Tussock Rise et al.

205. In terms of the ‘strategic context of the Wānaka industrial area’ discussed by Mr Devlin, the zoning of the Tussock Rise site cannot be seen in isolation of the surrounding zoning pattern, and in particular the zoning recommendations we have made in relation to the Three Parks Area. Accordingly, this recommendation report needs to be read alongside that for Report 20.4 where we have recommended additional land be zoned BMUZ and Three Parks Commercial, along with the introduction of the Three Parks Business Zone.

206. Mr Ballingall and Mr Devlin set out why, in their opinions, the Tussock Rise site should be rezoned. The reasons have been fully set out above. We have also addressed Ms Hampton and Mr Place’s opinions why they consider the site is more appropriately zoned GIZ. One of the areas of disagreement between the parties is that the Council’s experts consider that the activities or greater flexibility of activities provided for in the BMUZ (as sought by Tussock Rise) are adequately provided for in the combination of Three Parks Commercial Zone, the Three Parks Business Zone, the BMUZ on Sir Tim Wallis Drive, part of Ballantyne Road and at Anderson Heights.

207. Mr Ballingall expressed his view on this in his evidence-in-chief, stating¹²²:

On the supply of BMU, Ms. Hampson states in relation to Tussock Rise there are “multiple other zones in Wanaka” that allow BMU activities, at “and often at more efficient locations” (EIC, 18 March 2020, para 16.10, p.90). However, my understanding is there is only one designated BMU Zone in Wanaka at Anderson Heights (which is almost fully developed), with some additional BMUZ proposed in Three Parks as part of Stage 3. I understand the Three Parks proposed re-zoning is in a single land ownership, giving it a virtual monopoly on the supply of this zoned land.

In my view, the BDCA20 and Ms. Hampson’s EIC, when combined, indicate there is more likely to be excess demand for BMU activities than for industrial activities (for which there is clearly an excess supply).

Allocating more land to BMU would be a sensible option and more efficient use of land in Wanaka, particularly noting the evidence of Mr. Devlin which describes the close proximity of the Tussock Rise site to the Wanaka town centre, the Three Parks commercial centre, and nearby educational and recreational facilities. Mr. Devlin also notes the wider Wanaka industrial area of which Tussock Rise forms a part is no longer on the edge of town and is in fact surrounded by residential zoning on almost all sides.

208. In her evidence-in-chief, Ms Hampson provided context in regard to the economic benefits of implementing a more restrictive planning framework within the GIZ. In particular, she saw the primary benefits arising from better protecting the large number of existing Industrial and Service activities located within the Zone, and providing them with a zoning framework that would enable them to sustain their operations and provide opportunities for long term growth. In addition, she

¹²² Paragraphs 41 – 43 of Mr Ballingall’s evidence-in-chief

opined that the Zone provisions would ensure any remaining vacant capacity was made available for Industrial and Service activities.

209. Ms Hampson considered that the application of BMUZ in the Wānaka GIZ would significantly reduce the likelihood that vacant sites within the GIZ would be developed for Industrial or Service activities¹²³ and would put greater pressure on the commercial viability of existing industrial and yard based businesses as they would drive land values further upwards¹²⁴. In Ms Hampson's view, any likely economic benefits associated with land uses associated with activities likely to develop from a BMUZ regime in this location would be marginal when other zones in Wānaka already enable this form of activity.
210. Ms Hampson maintained her view expressing in her Reply Statement that the zoning sought by Tussock Rise would not stimulate a net increase in projected economic growth in Wānaka. In this respect, she stated¹²⁵:

The businesses/jobs that Mr Ballingall envisages on the TRL site if zoned BMUZ can be accommodated in other existing and proposed zones (including the BMUZ) where there is more than sufficient vacant and competing capacity relative to projected demand growth according to the BDCA. Zoning the TRL site BMUZ would provide another location option for those business (i.e. employment growth spread over one more zone area), with all locations potentially growing slower as a result. While the NPS-UD encourages a competitive market, the advantages of a marginal increase need to be weighed up with the disadvantages of reducing long-term consolidation of industrial, service and trade supply activity.

211. The application of a BMUZ would provide a much more enabling framework for a wide range of activities, including Office, Commercial, Retail and Residential activities. We accept the Council's evidence that these activities adversely affect the establishment, operation, and long term growth of Industrial and Service activities. These include reverse sensitivity effects, competitive market disadvantages, increased vehicle/pedestrian related traffic conflicts between the different uses, their customers and staff, and the resulting loss of industrially zoned development capacity.
212. We have also addressed the issue of industrial land capacity at Cromwell. Although not addressed in its evidence, Tussock Rise's submission stated:

"There is more than sufficient industrial land zoned in the Wanaka ward of the Queenstown Lakes district, and also in Cromwell.Queenstown and Cromwell also provide capacity for the Wanaka ward".

¹²³ Paragraph 16.9 of Ms Hampson's evidence-in-chief

¹²⁴ Paragraph 16.10 of Ms Hampson's evidence-in-chief

¹²⁵ Paragraph 4.6 of Ms Hampson's Reply Statement

213. Ms Hampson discussed the role that Cromwell plays in meeting industrial demand for Queenstown and Wānaka in her evidence-in-chief. She stated¹²⁶:

I have not assessed the long term sufficiency of industrial zoned land in Cromwell and cannot comment on that. I would however refer to my research in the Industrial Report (Appendix A) which specifically examined the role of Cromwell in meeting the industrial demands of Wanaka and Wakatipu Wards. My findings are that Cromwell relies more on the industrial activity in the Wakatipu Ward than the other way around. There is only minor trade of industrial goods and services from Cromwell to Wanaka Ward. This is discussed in Section 3 of my Industrial Report. This analysis demonstrates to me that Cromwell is not a solution for a shortfall of industrial land supply in QLD and cannot be relied upon to meet the needs of Wanaka or Wakatipu Ward. Central Otago District is also experiencing strong growth and any capacity in Cromwell will be important for meeting their district demand. Further, Wakatipu Ward cannot be relied upon to address a shortfall in the Wanaka Ward and vice versa. Each market is primarily focussed on supplying local business and household demand – hence the high level of similarity in the mix of activities supplied in each catchment. Any capacity that Queenstown and Cromwell provide for Wanaka is only minor.

214. In the absence of any evidence to the contrary from Tussock Rise, we have no reason to question Ms Hampson’s view expressed above in relation to the Tussock Rise submission¹²⁷.
215. For all of the reasons set out above, it is our recommendation that the Tussock Rise site be zoned GISZ.

5.2 Glenda Drive area, Queenstown

216. Four primary submissions were received relating to land at the Glenda Drive area, at the north-eastern end of Frankton Flats.

Queenstown Airport Corporation¹²⁸

217. QAC controls a long, 3.27ha strip of land adjoining the south-western-most end of the developed Glenda Drive industrial area and adjacent to the bulge in Hawthorne Drive where it extends around the eastern edge of Queenstown Airport. A small part of it was notified GIZ through Stage 3 of the PDP. QAC has requested that this small part be rezoned to either an Airport zone, Frankton Flats B zone (Activity Area E1), or Rural zone. We note that these alternatives cover a wide range of quite different land use outcomes.

¹²⁶ Paragraph 16.3 (e) of Ms Hampson’s evidence-in-chief

¹²⁷ Cromwell was addressed by Mr Angus for CCCL, and we address this below in relation to CCCL’s submission to rezone land at Victoria Flats GISZ

¹²⁸ Submission #3316.21

218. In his s.42A report¹²⁹, Mr. Place recommended the relief sought be rejected. Mr Place acknowledged that the land had unusual characteristics including that it is in part split-zoned between the Frankton Flats B zone (the majority of it), and rural zone via PDP stage 1 (its southern-most extent). We note that the PDP stage 1 rural zoned land is under appeal by QAC, which seeks an Airport zone. He ultimately concluded that retaining the land within the GIZ was the most appropriate solution.
219. QAC submitted evidence prepared by Ms. Melissa Brook, a planner employed by QAC. However this evidence did not address the rezoning request and was focused on other matters. QAC did not otherwise participate in the rezoning aspect of the Hearing.
220. We find that there is no sound basis to the rural zone request. This would create a thin sliver of land unlikely to be of a sufficient area to be utilised for rural activities, largely surrounded by urban zoned land. The only basis for the rural zone would be that it would connect to the PDP Stage 1 land at the southern end of the land that was determined as rural zone. But QAC is itself appealing that decision seeking an Airport zone. If successful in its appeal, QAC's request for this additional small strip of land to be rural zone would become even more out of place.

¹²⁹ S.42A report of Luke Place, Stream 17, paragraphs 9.1 – 9.10.

221. In terms of the Frankton Flats B zone, this would bring the affected part of the Site into line with the zone that applies to the majority of the submitter's site. This is a zone that Mr. Place highlights as not to date having been carried into the PDP. Amongst other things, this also means that its objectives, policies and methods have not been considered in light of the PDP strategic framework and we have no evidence to demonstrate that it as a package is sufficiently compatible with that framework that it can be so simply carried across. For that reason, we do not agree that it has been proven to be a satisfactory alternative for us to consider.



Aerial photo of subject site showing area of the QAC re-zoning request outlined in red.

222. We are left with the alternative of an Airport zone. We find that this is deficient for the same reason as the Rural Zone to the extent that there is a risk of a very small part of the site having a zone that does not relate to any of the land that surrounds it. We acknowledge that a Stage 1 PDP appeal by QAC to achieve an Airport zone on the land at the southern end of the site, but at this stage, we are unable to understand or reach a view on how likely that outcome may be.

223. Ultimately and in light of the uncertainty that affects the QAC land that is subject to an appeal and the timing and context of when (or if) the Frankton Flats zone is itself brought into and re-cast under the PDP framework, it would be inefficient and ineffective to change the land's zone at this time. Retaining the land within the GISZ does ensure it will form part of a contiguous strip of land use activity along Glenda Drive and in the circumstances, we find that this is the most appropriate resource management outcome.

224. For the above reasons, we recommend this submission is **rejected**.

M-Space Partnership Ltd¹³⁰

225. M-Space Partnership Ltd have submitted that land at 7, 11, 12, and 17 Sutherland Avenue, and 225 Glenda Drive, be rezoned from GISZ to either BMUZ or a Glenda Drive-specific industrial zone that makes more provision for mixed use commercial and residential activities.

226. In the submission, the wide range of activities that already exist, and which would become prohibited activities under the notified zone provisions, were identified as being more compatible with the BMUZ.

227. In his s.42A report¹³¹, Mr. Place recommended the relief sought be rejected. Mr Place was principally concerned with a reduction of industrial-zoned land as well as creation of what he termed an “island” of BMUZ within an industrial zone setting.

228. The submitter called no expert evidence and did not appear at the hearing.



Aerial photo of subject site showing area of re-zoning request of M Space Partnership Ltd outlined in red.

229. The sites in question do not form a contiguous land holding, and they are interspersed amongst a number of GISZ-zoned properties that are not subject to the submission. This immediately creates the prospect of a very irregular and stop-start zone pattern differentiating individual allotments and we do not accept that such a fragmented pattern of very different land use zones is workable or justifiable.

230. We received no evidence in support of introducing BMUZ, and in particular the substantially greater emphasis on residential and retail-type commercial activities it enables, to the Glenda Drive industrial area. Based on our own site inspections of the area, which also took in the wider Frankton Flats and Remarkables Park areas, we do not agree that there is any apparent resource management benefit in creating pockets of potentially residential-dominant (or wholly residential) activities within it.

¹³⁰ Submission #3352.1 and #3352.2

¹³¹ S.42A report of Luke Place, Stream 17, paragraphs 9.64 – 9.74

231. We prefer and accept Mr. Place’s analysis of this scenario where he advised us¹³²:

“...the application of a BMUZ in Glenda Drive would provide a much more enabling framework for a wide range of activities, including Office, Commercial, Retail and Residential activities, that are known to have adverse effects on the establishment, operation, and long term growth of Industrial and Service activities. These include reverse sensitivity effects, competitive market disadvantages (in terms of m2 profitability and land value increase within the proposed GIZ), increased vehicle/pedestrian related traffic conflicts between the different uses, their customers and staff, and the resulting loss of industrially zoned development capacity.”

232. This leaves for consideration the second limb of the submission, being a modified industrial zone that was more enabling of residential and commercial activities. We see this as raising the same fundamental issues as the BMUZ; while we have received substantial evidence relating to the need and justification for the extent of the GIZ zone proposed by the Council, we have no evidence supporting any need for additional residential or commercial activities in the Glenda Drive area or its wider context. We are ultimately satisfied that there is no such demand or need, although this is not of itself determinative of whether the submission should succeed or fail.

233. Our own observation of the land and its context is that it does not stand out as an appropriate location for residential or commercial activities. When we consider the strategic objectives and policies of the PDP in Chapter 3, we find that the land:

- a.) Is located relatively close to the Queenstown Airport runway and Queenstown oxidation ponds, and is in an immediate land use environment that is likely to generate nuisance and noise.
- b.) Is not spatially proximate to public open space or an identified commercial centre.
- c.) Does not integrate logically or successfully as a location of residential or commercial-dominant land use in the scheme of the wider Frankton Flats as a whole, and where the eastern ‘fringe’ of the land stands out as being suited to lower-intensity, lower-value employment activity.

234. We see the above as indicative that the relief sought is not appropriate. We suggest a very compelling evidential case would be needed to overcome our concerns and no such case was put forward that might have persuaded us to disagree with Mr. Place’s recommendations.

235. The submitter did not specify what such a modified industrial zone might look like or contain, and this has limited our ability to test its merits. As has been discussed separately in our report, we have identified a need to change the provisions of the GISZ to make clear what it intends to achieve, and to also better-recognise existing activities occurring within the zone at this time. We are satisfied that this is likely to offer partial relief to existing development on some of the allotments that are subject to the appeal. On this basis we recommend the submission is **accepted in part**.

¹³² Ibid., paragraph 9.66

236. In our view, no further changes or relief are appropriate.

J McMillan¹³³

237. J McMillan has requested that an area of land on the northern side of Stage Highway 6 at 179 Frankton-Ladies Mile Highway be rezoned from MDRZ zone to GIZ.

238. In his s.42A report¹³⁴, Mr. Place recommended the relief sought be rejected. Mr Place was principally concerned that creating an area of GIZ north of SH6 would not achieve strategic PDP policy 4.2.2.2 in relation to connectivity and integration with other GIZ land.

239. The submitter called no expert evidence and did not appear at the hearing.

240. The land on the northern side of Frankton-Ladies Mile Highway is a long and narrow linear flat area that rises steeply upwards as Queenstown Hill. To the north-east of the land subject to the submission and wrapping around and up the eastern elevated base of Queenstown Hill (with views of Lake Hayes) is the established Quail Rise residential neighbourhood. The land that is the subject of the submission was zoned MDRZ in Stage 1 of the PDP (and is under appeal). The extent of MDRZ extends to the south-west and includes a strip of BMUZ land extending west from Hawthorne Drive to Joe O'Connell Drive (from which point a Local Shopping Centre zone centred on the Frankton Road / Kawarau Road roundabout is located).

241. One effect of the PDP zone framework is that for travellers on the Highway, the base of the Queenstown Hill would come to be characterised by smaller-scaled, and higher-quality residential developments. Larger buildings in either of the BMUZ or the Local Shopping Centre zone would, because of the consent requirements that apply to new buildings in each, also have to demonstrate a suitable design quality was being achieved including in relation to the Highway frontage. We find that this is an appropriate means of responding to the landscape and landform feature that is Queenstown Hill. Visually prominent GISZ development, which could occur as a permitted activity and which is in general expected to exhibit lower visual amenity values than the other urban zones, is in our view likely to be anomalous and not acceptable.



Aerial photo of subject site showing area of re-zoning request outlined in red.

¹³³ Submission #3348.11

¹³⁴ S.42A report of Luke Place, Stream 17, paragraphs 9.11 – 9.18

242. We accept Mr. Place's observation¹³⁵ that the Frankton-Ladies Mile Highway serves as a zone boundary between an intended residential neighbourhood on the north side and flank of Queenstown Hill, and a commercial and industrial area on the southern side across the Frankton Flats. This strikes us a logical outcome.
243. We find that the land has characteristics and a context that makes it more appropriate for residential-dominant use than GISZ uses. Granting the relief sought would in our view raise the real prospect of land use incompatibility with the adjacent residential activities and residential zoned land around the submitter's site. We are concerned that the land is not sufficiently large to make a stand-alone GISZ development self sufficient or independent of the GISZ zoned land on the south side of the highway, and we have particular concerns about the suitability of vehicle access on the north side of the Highway given the heavy and large commercial vehicles that GISZ activities could give rise to. No evidence is available to us to demonstrate that these concerns can be overcome.
244. For the above reasons we accept Mr. Place's recommendation and on that basis we recommend the submission is **rejected**.

Reavers (NZ) Ltd¹³⁶

245. This submitter supported the notified GIZ being applied to land zoned Rural zone and un-stopped road in the ODP.
246. In his s.42A report¹³⁷, Mr. Place recommended that the submission be **accepted**.
247. We heard from Mr. Daniel Thorne, planner, who gave expert evidence on behalf of the submitter¹³⁸.
248. We find that although we have made refinements to the notified GIZ zone, in its end state as the GISZ zone, it has lost no utility as it relates to the industrial uses enabled by the notified provisions. On that basis we are satisfied that the refined zone will achieve the same land use outcomes for the land as was notified and we agree with Mr. Place and recommend the submission be **accepted**.

¹³⁵ Ibid., paragraph 9.16.

¹³⁶ Submission #3340.3

¹³⁷ S.42A report of Luke Place, Stream 17, paragraph 9.75

¹³⁸ Statement of evidence of Daniel Ian Thorne, 29 May 2020

249. More generally in relation to the Glenda Drive area, Gillian Macleod¹³⁹ sought that consideration be given to the Frankton Flats Master Plan that shows a mixture of residential zones at the northern end of Glenda Drive, and also addresses the zoning of land outside the notified GIZ. Mr Place noted¹⁴⁰ that this is a draft plan offering an aspirational conceptual view of land uses 30 years into the future. He did not regard it as directing the content of the PDP.
250. Ms Macleod did not appear to provide evidence and we agree that we can put little weight on a draft Plan of this nature without evidence supporting the concepts that underly it. We therefore recommend Ms Macleod's submission be rejected.

¹³⁹ Submission #3015

¹⁴⁰ S.42A report of Luke Place, paragraph 7.14

5.3 Bush Creek Road, Arrowtown



Aerial photo of subject site showing area of the submitter's re-zoning request outlined in red.



Aerial photo of subject site showing area of the M Thomas re-zoning request outlined in red.

251. M Thomas¹⁴¹; Bush Creek Property Holdings Ltd., and Bush Creek Property Holdings No. 2 Ltd.¹⁴²; and Bush Creek Investments Ltd.¹⁴³, lodged submissions relating to land at Bush Creek, Arrowtown. The submitters sought the land to be rezoned from GIZ to BMUZ (or a bespoke GISZ zone more enabling of commercial and residential activities). M Thomas additionally requested that a small parcel of land that had not been included within any other Stage 3 PDP zone and was within an ONL be included in the GIZ. Another submitter, Arrow Irrigation Co. Ltd.¹⁴⁴, supported the notified GIZ zone at 31 Bush Creek Road.
252. In his s.42A report¹⁴⁵, Mr. Place recommended acceptance of Arrow Irrigation Co. Ltd.'s submission, and rejection of the other submissions. Mr. Place was of the opinion that at this time, the area predominantly accommodates industrial activities. He was concerned that BMUZ, if developed entirely as residential activities, would result in a loss of important employment land near Arrowtown. If developed with many commercial activities, the area could come to function similar to a centre zone in such a way as to potentially undermine the Arrowtown Town Centre.
253. Ms. Hampson also reviewed the relief sought on behalf of the Council and opposed it. She was concerned that the BMUZ would result in an inappropriate outcome¹⁴⁶:

“The GIZ is the most appropriate zone to maintain and protect the existing industrial and service activities which dominate the land-use in Bush Creek Road (17 of the 24 predominant business activities surveyed in the zone by Council are either Service, Yard Service or Light Industrial). Such activities play a key role in the QLD’s industrial economy. I consider that the BMUZ would adversely affect the ongoing commercial viability of the existing low-intensity and yard based activities along Bush Creek Road, increasing the value of the land and encouraging redevelopment to higher value land uses. A BMUZ would also potentially increase the number of incompatible activities which could give rise to greater reverse sensitivity effects on these existing businesses.”

254. Expert planning evidence was filed by Hayley Mahon on behalf of M Thomas, Bush Creek Property Holdings Ltd. and Bush Creek Property Holdings No. 2 Ltd., and Bush Creek Investments Ltd¹⁴⁷. In summary Ms. Mahon considered that the BMUZ zone would be the most appropriate outcome because:

¹⁴¹ Submissions #3003.1, #3355.1 and #3355.2

¹⁴² Submissions #3353.1 and #3353.2

¹⁴³ Submissions #3354.1 and #3354.2

¹⁴⁴ Submission #3161.1

¹⁴⁵ S.42A report of Luke Place, Stream 17, paragraphs 10.1 – 10.18

¹⁴⁶ Statement of Evidence of Natalie Dianne Hampson, 18 March 2020, paragraph 12.7

¹⁴⁷ Statement of Evidence of Hayley Jane Mahon, 29 May 2020

“...it best achieves the purpose of the Act and the Strategic Direction of the PDP, best takes into account the activities currently occurring within the area, best reduces reverse sensitivity effects on surrounding residential land, enables the Arrowtown community and achieves the best urban design outcomes for the area.”

255. Ms. Mahon did not agree with the conclusions of Mr. Place or Ms. Hampson. In Ms. Mahon’s opinion the majority of the land was already used for activities that were more reflective of the BMUZ and that it would be more efficient, and more in line with the NPSUDC, to zone the land in a manner that reflected this.
256. Mr. Place filed a statement of rebuttal evidence on 12 June 2020 responding to the issues raised in Ms. Mahon’s evidence¹⁴⁸. Mr. Place explained why, in his opinion, he and Ms. Mahon had reached different conclusions as to what the predominant activities currently occurring on the land should be classified as. He stated:

“Ms Mahon appears to separate Light Industrial activities from Industrial activities. The list of defined terms relevant to the GIZ are address in the s32 report⁶⁶ and I note in regard to this matter that under Chapter 2 (Definitions) of the PDP, Light Industrial activities are not distinguished from Industrial activities. Given this, I consider that the identified Light Industrial activities within the Arrowtown GIZ should be considered Industrial activities under the proposed GIZ framework. I am not of the view that these previously defined Light Industrial activities would be better suited to being located within a BMUZ in terms of their long term operation and growth.”

257. On the basis of Mr. Place’s approach to categorising activities, the majority of the activities occurring on the land at this time are industrial in nature and are not more or better-thought of as BMUZ activities.
258. Ms. Mahon filed a statement of supplementary evidence responding specifically to the NPSUD, 2020. In Ms. Mahon’s view this did not change her position or reasons in support of the change from GISZ to BMUZ.
259. At the Hearing, the submitters were represented by Counsel Mr. Joshua Leckie, and planner Mr. John Edmonds (who adopted Ms Mahon’s pre-circulated evidence). Mr. Leckie presented submissions on the following points:
- a.) That the Bush Creek area was of a poor size, shape and location for GIZ activities.
 - b.) That the proximity of residential zoned land made the submitter’s land less suited for GIZ activities.

¹⁴⁸ Statement of rebuttal evidence of Luke Thomas Place, 12 June 2020.

- c.) That the BMUZ was a better fit in terms of the above and in terms of future land use demand.
- d.) That changing the land to BMUZ would not result in any material loss of industrial land.
260. Mr. Leckie then introduced alternative BMUZ provisions in recognition of the Council's opposition to the relief sought. This was a modified BMUZ that enabled more industrial activities than is otherwise the case. In Mr. Leckie's submission, this modified zone would bring the zone more into line with "...the National Planning Standards intention for mixed use zones."¹⁴⁹ Mr. Leckie also took us through the provisions of the NPSUD that are relevant, in his opinion. Overall, Mr. Leckie urged us to prefer Ms. Mahon's assessment and conclusions and support the rezoning.
261. In response to questions from us, Mr. Leckie expressed the view that it is legally inappropriate to introduce a prohibited activity status into a Plan applying to existing activities on the land, when there is no intent to prevent or stop them. This, we note, was a recurrent theme across our interactions with the submitters and we refer elsewhere in our report to the reasons why we made key changes to the text of the zone provisions.
262. Mr. Edmonds responded to our questions arising from Ms Mahon's written evidence. We focused on the existing activities in Bush Creek and the reasons why they might be better described as industrial, service, commercial or other activities. In Mr. Edmonds' opinion the Bush Creek area was populated by predominantly non-industrial activities, and he concluded that BMUZ would be the most appropriate outcome.
263. After the Hearing Mr. Place, provided a statement of reply evidence¹⁵⁰. He clarified the status of residential-zoned land south-west of the Bush Creek area (the Meadow Park Special Zone) and confirmed his opinion that this presented no uncertainty or other matter that would change his support of the GIZ zone applying to the submitters' land. He also provided brief reasons why in his opinion retaining the GIZ would better serve the NPSUD than the BMUZ zone.
264. Having considered all of the above and visited the Bush Creek Area, we accept Mr. Leckie's legal submissions that the land is of a small and irregular shape, and not well located. This is consistent with Ms Hampson's evidence. She accepted that if the area was a greenfield or blank-slate site, the location and small size of the area would not make it a likely candidate for industrial zoning. However, for all its shortcomings, it cannot as we see it be fatally unusable because it does and for a long period of time has accommodated industrial and service activities. We are satisfied that although unlikely to play a pivotal role in the District's industrial economy, the Bush Creek area does serve a locally important employment purpose in and around Arrowtown.

¹⁴⁹ Legal submissions of Joshua Leckie, 7 August 2020, paragraph 19.

¹⁵⁰ Statement of Reply of Luke Place, 7 September 2020.

265. We are persuaded that the majority of the land is at this time in industrial or service activities of the sort enabled by the GISZ. We also note that as a consequence of changes we have made to the zone on the basis of other submissions, it is now clearer that many of the service-type uses that the submitters felt were not industrial activities are in fact still appropriate for an industrial zone. This would ensure that the zone would not prejudice or otherwise imperil existing activities that would have become prohibited activities under the notified zone provisions.
266. We agree with Mr. Place that the land provides employment land close to and that benefits the Arrowtown settlement. We accept his view that local employment close to settlements like Arrowtown better serves the NPSUD than not having such employment. The BMUZ does provide for a variety of commercial activities, but it also permits unrestricted residential activity. Having considered the creation of a bespoke 'BMUZ-minus' or a 'GISZ-plus' type zone that sought to sit something in between the zones, we find that this would not be appropriate or justified on the evidence before us, and that the refined GISZ we have developed in response to the GISZ submissions as a whole will provide an appropriate solution in that regard.
267. Ultimately rezoning the land to BMUZ would create the potential for it to become mostly or fully occupied by medium to high density residential development, or commercial activities that would in our view be better-suited within Arrowtown Town Centre. We find that the loss of this area of industrial and service-based employment land would be both problematic and inappropriate. Given the importance of employment land outside the higher-value and constrained Arrowtown Town Centre, we find that protecting this as a resource is a valid resource management priority in terms of Chapter 3 of the PDP. For the reasons set out by Mr. Place, the GISZ is the most appropriate means of achieving this. We therefore **accept the submissions in part** to the extent that the GISZ as we have modified it places greater emphasis on service activities and those non-industrial activities that exist at this time and have been lawfully established.
268. As it relates to M Thomas' submission to rezone a small area of rural-zoned land to GISZ, we have not been persuaded that changing the zone is appropriate. The land is very small and of a triangular shape. We received no evidence to demonstrate that the ONL notation on the land was improper. As a result of this we cannot see that the land could be used for GISZ uses and zoning it such would not be effective or efficient. It is more appropriate to retain the existing rural zone and in this respect the submission is **rejected**.
269. Lastly, it follows that based on the above we **accept** the submission of Arrow Irrigation Co. Ltd.

423. On balance we prefer the view of Mr Place, and do not think it is the most appropriate outcome to rezone the land GISZ.

6. OVERALL RECOMMENDATION

424. Having considered the evidence before us, we have formed the view that save as identified above, the notified provisions of the Chapter 18A and the variations are the most appropriate way to give effect to the stated objectives. To the extent that we have recommended amendments to the notified provisions, our reasons are as set out above.

425. Accordingly, we recommend that Chapter 18A and the variations be adopted by Council in the form attached.

426. We also attach as an appendix to our Report, a summary table setting out our recommendation in relation to each primary submission. We have not listed further submissions as the result in respect of any further submission necessarily follows the recommendation on the primary submission, whether that be supported or opposed.



Trevor Robinson
Chair
Stream 17 Hearing Panel

Dated: 12 January 2021

Attachments

Appendix 1- Recommended Revised Proposed Plan Provisions

Appendix 2- Table of Submitter Recommendations

Appendix 1- Recommended Revised Plan Provisions

Appendix 2- Table of Submitter Recommendations

o.	Submitter	Submission	Recommendation	Section where Addressed
3003	Thomas Michael	That the Bush Creek Road area of Arrowtown be rezoned from General Industrial to a mixed use zone.	Accept in Part	5.3
3003	Thomas Michael	That the submitter's property at 14 Bush Creek Road, Arrowtown, is rezoned to one zone, rather than the current split zoning.	Reject	5.3
3003	Thomas Michael	That the General Industrial Zone chapter be Reject.	Accept in Part	4
3004	Peter Bullen	That the operative Industrial B Zone be retained.	Reject	4
3004	Peter Bullen	That the proposed General Industrial Zone only applies to newly developed vacant land.	Reject	4.2
3015	Gillian Macleod	That other areas within the District be rezoned for industrial purposes, for example at Kingston or other hidden areas similar to the Coneburn Industrial Zone.	Reject	5.2
3015	Gillian Macleod	That the General Industrial Zone provisions should not take away people's existing use rights.	Accept in Part	4.2
3015	Gillian Macleod	That the Frankton Flats master plan included in section 5 of the submission be considered.	Reject	5.2
3015	Gillian Macleod	That consideration be given to the tension between the intent to retain industrial land and the Frankton Flats Mater Plan.	Reject	5.2
3017	Rae & Dave Wilson	That the current Industrial B Zone provisions restricting building height to 7 metres be retained for that land located between Gordon Road and Frederick Street in Wanaka.	Accept in Part	4.2
3017	Rae & Dave Wilson	That the existing 7 metre height restriction be retained on any industrial areas situated on high visible land.	Accept in Part	4.2
3030	Jacqueline Macdonald	That Chapter 18A General Industrial Zone be Reject.	Accept in Part	4
3032	Spark, Chorus and Vodafone	That Rule 30.5.6.6(a) is amended by adding the General Industrial Zone to the list of zones subject to an 18m height limit.	Accept in Part	4.2
3034	Anne McConnell	That an alternative proposal with Business Mixed Use Zone located close to residential areas be adopted.	Reject	5.1
3034	Anne McConnell	That the General Industrial Zone be rezoned to Business Mixed Use close to residential areas.	Reject	5.1

o.	Submitter	Submission	Recommendation	Section where Addressed
3355	M J Thomas	That the submitter's land 14 Bush Creek Road, Arrowtown (Lot 1 DP 20056 and Lot 1 DP 24863 with a land area of 0.1ha) be rezoned from General Industrial to Business Mixed Use with any other additional or consequential relief that will give effect to the submission.	Accept in Part	5.3
3355	M J Thomas	That if the Submitter's land at 14 Bush Creek Road, Arrowtown (Lot 1 DP 20056 and Lot 1 DP 24863 with a land area of 0.1ha) is not rezoned to Business Mixed Use Zone as sought by submission 3355.2 then a General Industrial Zone that is specific to the neighbourhood should be applied with the provision for more mixed use commercial and residential activities; with any other additional or consequential relief that will fully give effect to the submission.	Accept in Part	4.2, 5.3
3357	The Station at Waitiri Limited (2)	That buildings are controlled activities in respect of landscaping, external appearance, location of offices and showrooms, and visual impact.	Reject	4.2
3357	The Station at Waitiri Limited (2)	That outdoor storage areas are permitted.	Accept	4.2
3357	The Station at Waitiri Limited (2)	That retail sales are limited to goods manufactured on the site, and ancillary products up to 20% of the gross floor area, or are otherwise non-complying.	Reject	4.2
3357	The Station at Waitiri Limited (2)	That Visitor accommodation is non-complying.	Reject	4.2
3357	The Station at Waitiri Limited (2)	That one residential unit per site is permitted for the purpose of onsite custodial management.	Reject	4.2
3357	The Station at Waitiri Limited (2)	That buildings are to be set back 5m from State Highway 6 and 2m from all other boundaries.	Accept in Part	4.2
3357	The Station at Waitiri Limited (2)	That 80% maximum site coverage is allowed.	Reject	4.2
3357	The Station at Waitiri Limited (2)	That a Maximum building height of 10m is allowed.	Accept in part	4.2
3357	The Station at Waitiri Limited (2)	That adherence to noise standards measured at any point outside of the zone is allowed.	Reject	5.4
3357	The Station at Waitiri Limited (2)	That there is a no minimum allotment size for subdivision.	Reject	5.4