

**BEFORE THE HEARINGS PANEL
FOR THE QUEENSTOWN LAKES PROPOSED DISTRICT PLAN**

IN THE MATTER of the Resource
Management Act 1991

AND

IN THE MATTER Minute Concerning the
National Policy
Statement on Urban
Development Capacity

**SUPPLEMENTARY MEMORANDUM OF COUNSEL ON BEHALF OF QUEENSTOWN
LAKES DISTRICT COUNCIL REGARDING THE NATIONAL POLICY STATEMENT
ON URBAN DEVELOPMENT CAPACITY**

19 April 2017

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MAY IT PLEASE THE PANEL:

1. This supplementary memorandum is filed on behalf of the Queenstown Lakes District Council (**Council**) to respond to a question from the Hearing Panel (**Panel**) asked during Hearing Stream 10.

2. The Panel asked the Council to confirm where Arrowtown and other towns sit in relation to the definition of 'urban environment' in the National Policy Statement on Urban Development Capacity 2016 (**NPSUDC** or **NPS**). Specifically, the Panel asked whether those towns form part of the Queenstown or Wanaka 'urban environments'. This question relates to paragraphs 23 and 24 of the Council's Memorandum of Counsel dated 3 March 2017 (**March Memorandum**), where it is stated that although there is some uncertainty as to what parts of the District are an 'urban environment' in their own right, it is accepted that Queenstown itself is a 'high growth urban area' and therefore the NPS applies to the District as a whole. The March Memorandum then states that the NPS provisions apply in tiers and differentiates between the parts of the NPS that refer to urban environments, urban environments expected to experience growth, and medium and high-growth urban areas.

3. Due to time constraints and other hearing commitments the Council was not in a position to provide this information in the Right of Reply for Hearing Stream 10, and has therefore filed a supplementary memorandum.

Urban environment

4. The NPS states on page 10 that the "*following objectives apply to all decision-makers when making planning decisions that affect an **urban environment***". The objectives do not, it is submitted, simply apply to all local authorities on a blanket basis, as the preamble text (which may assist in the interpretation of the NPS), in the table on page 5, suggests.

5. What forms part of an urban environment is therefore important, as the objectives of the NPS, and Policies PA1 to PA4 in relation to an urban environment that is expected to experience growth, only apply to those areas that meet the NPS definition of urban environment. 'Urban environment' is defined in the NPS as:

means an area of land containing, or intended to contain, a concentrated settlement of 10,000 people or more and any associated business land, irrespective of local authority or statistical boundaries.

6. In Council's view, there are two 'urban environments' in the District that are made up of the following sub-areas:

6.1 Queenstown Urban Environment: Sunshine Bay, Queenstown Bay, Queenstown Hill, Frankton, Frankton East, Arthurs Point, Kelvin Heights, Lake Hayes South, Arrowtown, Hanley's Farm and Jacks Point; and

6.2 Wanaka Urban Environment: Wanaka, Albert Town, Luggate and Hāwea.

7. Before giving more explanation as to how this position has been reached, we turn to the NPS definitions of medium and high-growth urban areas, and their relevance.

Medium and high-growth urban area

8. The NPS defines 'medium-growth urban area' and 'high-growth urban area' in a different way to the definition of 'urban environment'. The high-growth urban area definition refers to "*any urban area (as defined by Statistics New Zealand in 2016)*", and either:

8.1 has a resident population of over 30,000 people according to the most recent Statistics New Zealand urban area resident population estimates;

or

8.2 at any point in the year a combined resident population and visitor population of over 30,000 people, again using the most recent Statistics New Zealand urban area resident population estimates;

and

8.3 the resident population of that urban area is projected to grow by more than 10% between 2013 to 2023, according to the most recent Statistics New Zealand medium urban area population projections for 2013 (base) to 2023.

9. The differences between a high and medium-growth urban area are that:
- 9.1 the high-growth areas incorporate the combined resident and visitor population estimates (ie, paragraph 8.1 above applies but 8.2 does not apply to medium growth areas); and
 - 9.2 in relation to paragraph 8.3, the growth projection is between 5 and 10% for medium-growth areas.

10. Because the NPS definitions of 'medium-growth urban area' and 'high-growth urban area' incorporate the Statistics New Zealand definitions, it is necessary to consider and apply those to the extent they are relevant. Statistics New Zealand defines an urban area as:¹

Urban Areas are statistically defined areas with no administrative or legal basis. There is a three part hierarchical sub-division of urban areas into:

- *main urban areas*
- *secondary urban areas*
- *minor urban areas*

Together the populations in main, secondary and minor urban areas comprise the statistically defined urban population of New Zealand. The urban area classification is designed to identify concentrated urban or semi-urban settlements without the distortions of administrative boundaries.

11. In relation to the Queenstown Lakes District, Statistics New Zealand classifies 'urban areas' as Queenstown (117), Arrowtown (294) and Wanaka (293).² These geographic areas are defined as census area units (**CAU**) by Statistics New Zealand.³ **Appendix 1** contains maps of the CAU that make up the Queenstown Lakes District.

1 <http://www.stats.govt.nz/methods/classifications-and-standards/classification-related-stats-standards/urban-area/definition.aspx>

2 Queenstown is a secondary urban area and Arrowtown and Wanaka are minor urban areas (albeit, each is an individual urban area for the purposes of the NPS definitions).

3 The CAU and meshblocks used by Statistics New Zealand that make up the urban areas of the District often do not align with suburbs, zones, defined settlement areas or other commonly known identifiers of geographic areas (particularly with small rural settlements). Queenstown Lakes District has engaged Rationale to develop the granular Statistics NZ census data into detailed projections for specific areas of the District for all of its Long Term Plan, 30 Year Infrastructure Strategy and related strategic planning.

12. A local authority must have part, or all, of either a medium or high-growth urban area within their district/region, before Policies PB1 to PB7, PC1 to PC4, and PD1 to PD4 apply, and a high-growth area in their district/region before Policies PC5 to PC14 apply. Once triggered through there being a high or medium-growth area within a District, the application of these policies is not restricted to the boundaries of the urban area itself, and therefore can apply District-wide.

What this means in practice

13. It follows from looking closely at the three definitions, that an urban environment is different to a medium or high-growth urban area. The provisions of the NPS that apply to 'urban environments' are limited in their application to the parts of the District that meet the urban environment definition.
14. This can be compared to a medium or high-growth urban area and the incorporated Statistics New Zealand definition of urban area. Once there is an urban area in a District that meets the medium or high-growth urban area definition, then relevant policies (as listed in paragraph 12 above)⁴ apply district-wide.
15. Therefore, it is conceivable under the NPS, that the policies that are triggered through there being a medium and/or high growth urban area in the District could apply to specific parts of the District that the objectives, and Policies PA1 to PA4 do not apply to.

Queenstown urban environment

16. The definition of urban environment does not take you to the Statistics New Zealand urban area definition. It in fact states "irrespective of statistical boundaries".
17. In the Wakatipu Basin the pattern of urban settlement is completely dominated by large mountains, lakes and rivers, making it somewhat complex in applying the NPS. Although not a 'concentrated settlement' in the phrase's ordinary

4 Policies PB1 to PB7, PC1 to PC4, and PD1 to PD4 in relation to both medium and high growth areas, and Policies PC5 to PC14 in relation to high-growth areas.

dictionary meaning, the urban environment of Queenstown is grouped around and interrupted by these natural features. Council considers that the most practical approach to the anomaly presented by how Queenstown has developed in its particular physical geography, is to treat the collection of areas that together function as a single urban environment as a 'concentrated settlement' for the purposes of the NPS definition of 'urban environment'.

18. This includes Arrowtown given its location within the Wakatipu Basin and that practically it functions as part of this same Queenstown 'urban environment'. It is acknowledged that Statistics New Zealand, in relation to 'urban areas' (on which the different NPS definitions of medium-growth and high-growth urban areas rely) identifies Arrowtown as a separate urban area to Queenstown.⁵ That definition is however, not determinative of what is an urban environment in the NPS, and therefore Council considers that to give effect to the NPS it should treat the collection of areas within the Wakatipu Basin that together function as a single urban environment, as a 'concentrated settlement' for the purposes of the urban environment definition.
19. In order to then estimate population, it is submitted that the usually resident population as taken by Statistics New Zealand is of relevance, but also needs to include the capacity for new dwellings under the current (operative) and proposed zoning in the PDP (and therefore population growth) that it is 'intending to contain'. As the definition does not refer specifically to visitor populations (average or peak) (which the high-growth definition does do), this factor is submitted to not be relevant.
20. The latest population estimates developed by Rationale from Statistics New Zealand data for the Queenstown 'urban environment',⁶ have a combined usually resident population easily exceeding 10,000 at the last census (the 2015 usually resident population is estimated at 19,160 and the 2018 population is estimated at 22,081).⁷

5 <http://www.stats.govt.nz/methods/classifications-and-standards/classification-related-stats-standards/urban-area.aspx>

6 Sunshine Bay (Stats NZ Census Area No. 609023), Queenstown Bay (609304), Queenstown Hill (609302), Frankton (608700), Frankton East (609033), Arthurs Point (609303), Kelvin Heights (609022), Lake Hayes South (609034), Arrowtown (609200), Jacks Point (609035).

7 Queenstown Lakes District Growth Projections 2018-2058, Rationale August 2016.

Wanaka urban environment

21. To a lesser extent compared to Queenstown, the pattern of urban settlement in the Upper Clutha Basin is also dominated by large mountains, lakes and rivers, again making the application of the NPS to the local geography, difficult.
22. Statistics New Zealand define the 'Hāwea CAU' as including meshblocks containing Luggate and Makarora. However, as addressed above in the context of Queenstown, the NPS definition of urban environment is different to the NPS definition of urban areas and therefore Statistics NZ's classification is not determinate of what is Wanaka's 'urban environment'.
23. In relation to Hāwea, the urban area at the southern extent of Lake Hāwea and certain urban parts of Hāwea Flat as well as Luggate function as part of Wanaka, and in the Council's view form part of the Wanaka urban environment. However, Makarora does not function as part of Wanaka and its small population should be excluded from any estimation of the population of the Wanaka urban environment.
24. Wanaka⁸ (which includes Albert Town) and Hāwea⁹ (which includes Luggate) have a combined estimated 2015 usually resident population of 9,880 and an estimated 2018 population of 11,986.¹⁰ Together they top the 10,000 threshold. Given they function as the same concentrated settlement, the Council submits that they together form part of the Wanaka urban environment. This excludes Makarora and Cardrona.
25. Even without Hāwea, Council considers that Wanaka on its own meets the definition of urban environment. Although the 2015 estimated population of Wanaka does not top 10,000, the definition includes the words "intended to contain". When the capacity for growth in Wanaka is taken into account, the settlement of Wanaka exceeds 10,000 people.

8 Wanaka (Stats NZ Census Area No. 608800).

9 Hāwea (Stats NZ Census Area No. 608304).

10 Queenstown Lakes District Growth Projections 2018-2058, Rationale August 2016.

Land outside "urban environments" but within District, with development capacity

26. Council wishes to record that there is other land within the District that is zoned for residential or mixed use purposes, which will also contribute to the Council's dwelling capacity but does not fall within the definition of 'urban environment' in the NPS. Examples of this are Kingston (Township and Special Zones) and the Cardrona Rural Visitor and Mount Cardrona Station Special Zones, which have not been notified in Stage 1 of the PDP and will be considered through Stage 2.

DATED this 19th day of April 2017



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District Council

APPENDIX 1

Statistics New Zealand's census area units (CAU)

A census area unit (CAU) is a geographical region for which census statistics are published by Statistics New Zealand. There are currently 2,020 census area units within New Zealand.

Each census area unit is a single region with a unique name that refers to a geographical feature. The census area units within main or secondary urban areas generally coincide with suburbs or parts of suburbs. SNZ defines the boundaries of each census area unit to align with the boundaries of territorial authorities. The census area units are grouped into wards. The Queenstown Lakes District contains the following census area units:

Wakatipu ward (includes Wakatipu and Arrowtown wards)	Wanaka ward
Arrowtown	Hawea
Arthurs Point	Inland Water-Lake Hawea
Frankton	Inland Water-Lake Wanaka
Frankton East	Matukituki
Glenorchy	Wanaka
Inland Water-Lake Wakatipu	
Jacks Point	
Kelvin Heights	
Kingston South	
Lake Hayes	
Lake Hayes South	
Outer Wakatipu	
Queenstown Bay	
Queenstown Hill	
Sunshine Bay	
Wakatipu Basin	

The following figures show the current boundaries for the Queenstown Lakes District census area units.

Figure 1: Wakatipu Ward

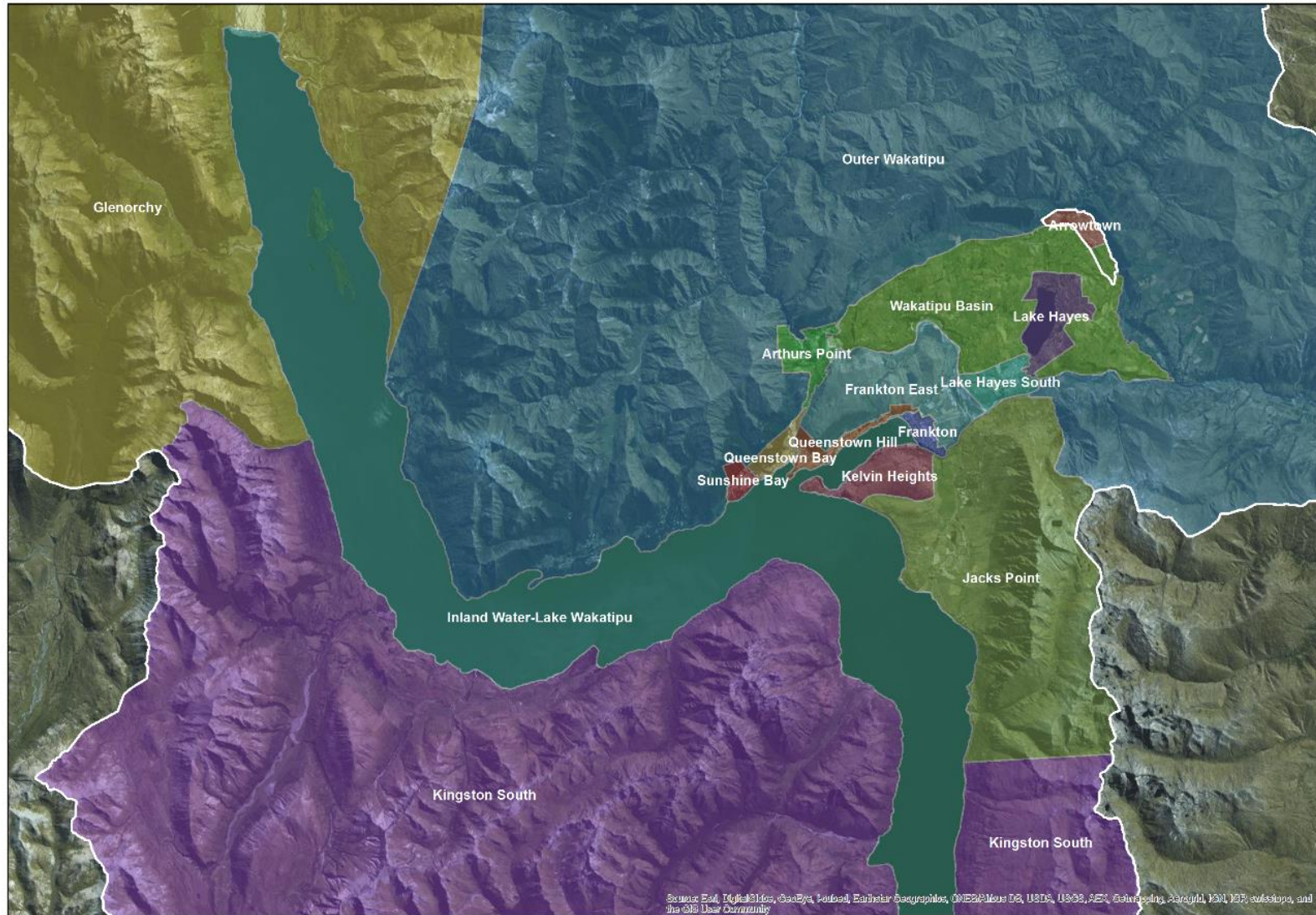
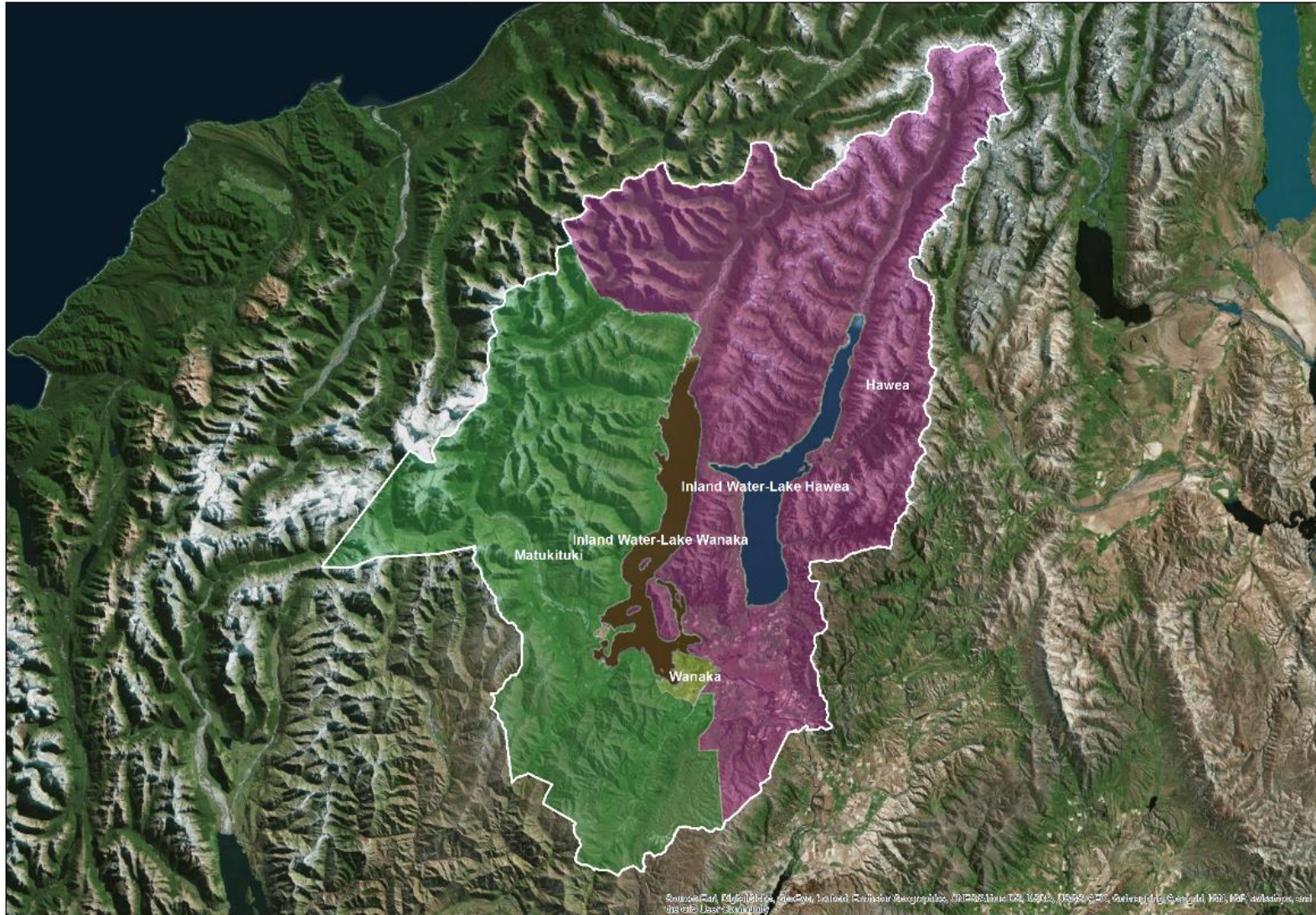




Figure 2 : Wakatipu Ward – Around Queenstown

Figure 3 : Wanaka Ward



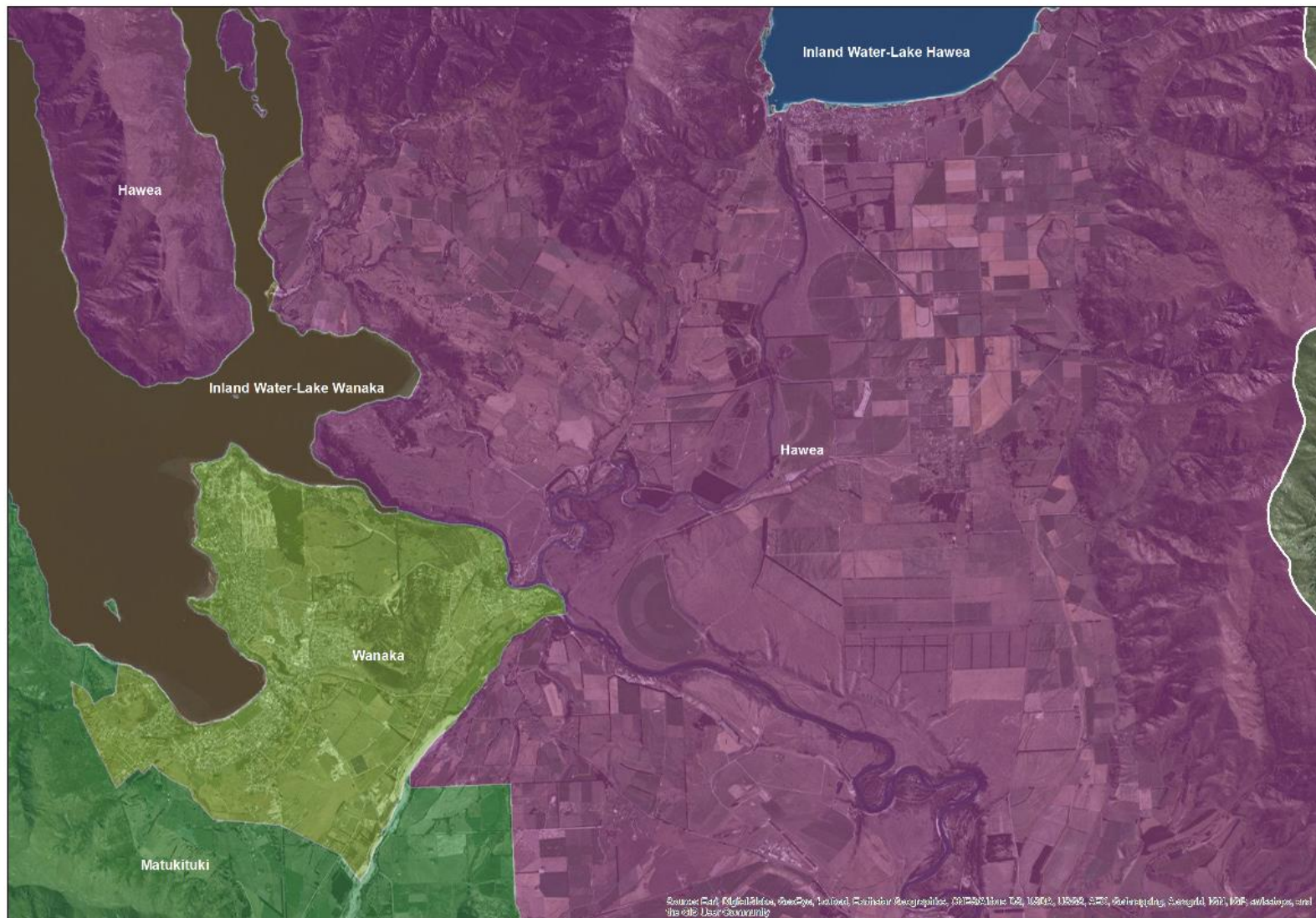


Figure 4 : Wanaka