

**IN THE ENVIRONMENT COURT  
AT CHRISTCHURCH  
I TE KŌTI TAIAO O AOTEAROA  
KI ŌTAUTAHI**

**Decision No. [2024] NZEnvC 300**

IN THE MATTER

of the Resource Management Act 1991

AND

an appeal under cl 14 of Sch 1 of the  
Act

BETWEEN

**WATERFALL PARK  
DEVELOPMENTS LIMITED**

(ENV-2019-CHC-90)

Appellant

AND

**QUEENSTOWN LAKES DISTRICT  
COUNCIL**

Respondent

Court: Environment Judge J J M Hassan

Hearing: In Chambers on the papers

Submissions: 10 July 2024

Last case event: 10 July 2024

Date of Decision: 25 November 2024

Date of Issue: 25 November 2024

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**DECISION OF THE ENVIRONMENT COURT AS TO COSTS**

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A: Under s285 Resource Management Act 1991, the appellant is to pay the following as contributions to the respective parties' costs:



- (a) \$123,000 to Queenstown Lakes District Council; and
- (b) \$61,800 to Rebecca and James Hadley.

B: Under s286 Resource Management Act 1991, this order may be filed in the District Court at Queenstown for enforcement purposes (if necessary).

## **REASONS**

### **Introduction**

[1] This decision as to costs follows the determination of points of an appeal in the review of the Queenstown Lakes District Plan ('PDP'). The applications are by Queenstown Lakes District Council ('QLDC') and two of the s274 parties – Rebecca and James Hadley ('the Hadleys') and Otago Regional Council ('ORC'). Each seeks costs from the appellant, Waterfall Park Developments Ltd ('WPDL').

[2] WPDL appealed against decisions by QLDC as to the zoning of its land generally known as Ayrburn Domain and Ayrburn Farm (together 'the Site'). QLDC zoned it Wakatipu Basin Rural Amenity Zone ('WBRAZ'). Its appeal initially pursued an ambitious and extensive array of relief. In essence, this was to provide planning enablement for comprehensive development options for the Site, including a retirement village and village hub; tourist, restaurant and associated entertainment facilities and/or rural lifestyle development. Related to those aspirations, WPDL's appeal sought:

- (a) upzoning to either a bespoke 'Ayrburn Zone' or 'equivalent' or a modified form of 'Lifestyle Precinct' (a WBRAZ subzone) but with bespoke provisions to further enhance development capacity of the Site; and
- (b) a significant extension of the Arrowsmith Urban Growth Boundary ('Arrowsmith UGB') (in PDP Ch 4) so that it encompassed the neighbouring Millbrook Resort Zone and/or the adjacent Waterfall Park Zone ('WPZ') and/or its proposed Ayrburn Zone.

[3] WPDL also appealed other aspects of the PDP. However, the noted points of its appeal were addressed together as ‘Topic 31 – Ayrburn’, in accordance with the topic-based approach being taken to the determination of PDP appeals.

[4] Decision-making on the appeal was staged.

[5] Prior to the initial hearing, WPDL and QLDC reached a partial settlement whereby they jointly proposed at the hearing that part of the Site known as Ayrburn Domain be incorporated into the adjacent WPZ.<sup>1</sup> The WPZ provides for a resort-type development known as Waterfall Park and which now includes the food and wine venue known as Ayrburn. The court, being satisfied, confirmed that zoning change in an interim decision.

[6] The evidence filed by WPDL for its remaining relief was nevertheless extensive. The issues contested at the hearing essentially pertained to landscape, ecology and planning. Following the testing of that evidence, and in light of submissions, the court made preliminary observations on what it indicated in terms of zoning outcomes, for the purposes of assisting parties with closing submissions. Those preliminary observations (as were recorded on the transcript and in the Interim Decision) included the following:

... the Court’s preliminary view is that this is not in a suitable site for a retirement village type development at all. ... For a range of reasons, including landscape but also the other concerns that arise from sporadic urban intrusion into a rural setting and the integrity of the Plan in various ways including in regard to chapter 24 itself. ... Secondly, the Court is also concerned that the alternative zoning proposal put ... on behalf of your client ... sits badly with chapter 24 in view of its intentions and objectives.

This is not a case about a development. ...

This is a [plan zoning] choice case, not a resort consent development case per se,

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<sup>1</sup> QLDC submissions dated 21 June 2024 at [3]. *Waterfall Park Developments Ltd v Queenstown Lakes District Council* [2023] NZEnvC 207.

... whether the urban growth boundary should be adjusted. The Court sees all sorts of problems with that proposition, including in regard to Millbrook, and also in regard to the strategic purpose of chapter 4 of the Plan and its related objectives in Chapter 3 and how that bears on consideration of the request that has been made here.

... this is not a resource consent process ...

[7] In light of those observations, WPDL significantly curtailed the scope of relief it had advocated for in the initial hearing. In particular, it withdrew from pursuing any change to the UGB and its proposed Ayrburn Zone.

[8] Ultimately, the court found that Lifestyle Precinct (whether or not modified) was not an appropriate zoning outcome. As such, WPDL failed to secure this further aspect of its relief. Rather, the court found that WBRAZ zoning was more appropriate for all of the Site other than the portion assigned to the WPZ. That was the zoning that WPDL had appealed against. However, the court allowed for a degree of enhanced development provisions, in identified parts of the Site, by way of a modified WBRAZ regime. Related provisions were determined through the court's further decisions, with inputs from the parties.<sup>2</sup>

## Principles

[9] The court may order a party to RMA proceedings to pay to another what the court considers reasonable as a contribution towards that other party's costs and expenses.<sup>3</sup> Guiding principles for the exercise of that broad discretion are well-established.<sup>4</sup>

[10] Costs are not imposed to penalise an unsuccessful party but to compensate

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<sup>2</sup> *Waterfall Park Developments Ltd v Queenstown Lakes District Council* [2024] NZEnvC 87, *Waterfall Park Developments Ltd v Queenstown Lakes District Council* [2024] NZEnvC 134.

<sup>3</sup> Resource Management Act 1991, s285.

<sup>4</sup> *Tairua Marine Ltd v Waikato Regional Council* [2006] NZRMA 485 (HC); *Environmental Protection Authority v BW Offshore Singapore Pte Ltd* [2021] NZHC 2577 at [19].

a successful party for costs reasonably incurred if it is just to do so.<sup>5</sup> Certain factors (the so-termed *Bielby* factors) are commonly given weight in costs' determinations:<sup>6</sup>

- (a) advancing arguments without substance;
- (b) not meeting procedural requirements or directions;
- (c) conducting a case in a way that unnecessarily lengthens the case management process of the hearing;
- (d) failing to explore reasonably available options for settlement;
- (e) taking a technical or unmeritorious point and failing;
- (f) requiring a party to prove facts which, in the court's opinion on hearing the evidence, should have been admitted.

[11] In practice, costs awards in appeals tend to fall into three bands:<sup>7</sup>

- (a) standard: 25-33% of actual and reasonable costs claimed;
- (b) higher than normal costs: where aggravating or adverse factors might be present, such as the *Beilby* factors; and
- (c) indemnity costs: awarded rarely and in exceptional circumstances.

[12] Normally, in Sch 1 RMA plan appeals, costs are not awarded.<sup>8</sup> That is in view of the public interest value of contestable participation in the formulation of regulatory instruments that are intended to serve communities. However, ultimately this is a matter of discretionary judgment.

### **Costs sought**

[13] Costs totalling \$339,764.70 are sought against WPDL, with individual

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<sup>5</sup> *Foodstuffs (Otago Southland) Properties Ltd v Dunedin City Council* (1996) 2 ELRNZ 138.

<sup>6</sup> *DFC NZ Ltd v Bielby* [1991] 1 NZLR 587 (HC), Environment Court of New Zealand Practice Note 2023 ('Practice Note').

<sup>7</sup> As discussed in *Thurlow Consulting Engineers & Surveyors Ltd v Auckland Council* [2013] NZHC 2468, at [34].

<sup>8</sup> Practice Note, cl 10.7(f) .

claims and related bands as follows:

	<b>Bands</b>	<b>Totals sought (\$)</b>
<i>QLDC</i>	Higher than normal	123,190.00
<i>Hadleys</i>	Higher than normal & indemnity	195,217.68
<i>ORC</i>	Standard	21,357.02

## **Submissions**

### ***QLDC***

[14] QLDC's claim equates to 85% of the actual and reasonable legal and expert witness costs incurred from after the court-assisted mediation to December 2024 (\$144,935).<sup>9</sup> QLDC explains that the amount claimed is less than the total amount of some invoices. That reflects the fact that QLDC's relevant file also dealt with other appeals. On QLDC's calculation, the amount claimed is properly allocated to this appeal.<sup>10</sup>

[15] QLDC notes that it was the successful party, together with the Hadleys and ORC.<sup>11</sup> In particular, the ultimate zoning outcome of WBRAZ (albeit modified) for most of the Site was significantly more aligned with QLDC's case and evidence than the relief sought by WPDL.<sup>12</sup> WPDL's primary, alternative and initial modified relief was rejected, with the court ultimately offering up a potential zoning outcome for Ayrburn Farm that largely reflected the evidence, and densities and layout, supported by QLDC and the s274 parties.<sup>13</sup>

[16] QLDC notes that, in its preliminary observations following the testing of evidence, the court also commented that the alternative (to the retirement village)

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<sup>9</sup> QLDC submissions dated 21 June 2024 at [13].

<sup>10</sup> QLDC submissions dated 21 June 2024 at [52].

<sup>11</sup> QLDC submissions dated 21 June 2024 at [11].

<sup>12</sup> QLDC submissions dated 21 June 2024 at [3].

<sup>13</sup> QLDC submissions dated 21 June 2024 at [9].

zoning did not appear to “have been particularly a focus of the expert evidence” called by WPDL. In particular, there were observations that the modified Precinct relief “was [not] really explored by [WPDL’s] experts” and that rebuttal evidence from other parties including the QLDC was not “picked up in any significant way” by WPDL’s rebuttal evidence.<sup>14</sup> QLDC submits that the approach WPDL took was to start with a desired development outcome and then backfill planning provisions that would enable that outcome.<sup>15</sup> Overall, QLDC submits that WPDL’s approach lacked substance.<sup>16</sup>

[17] QLDC’s claim for a higher than normal award is in view of the various *Bielby* factors as pertain to the misdirected, poor and wasteful way WPDL conducted its case. It notes the court’s observations that WPDL pursued an “entirely unsuitable” retirement village development.<sup>17</sup>

[18] QLDC refers to the consequences for QLDC in incurring largely unnecessary costs, in opposing relief that was rejected at first instance and then (in part) abandoned during the hearing. QLDC characterises the appeal as a “second attempt” to rezone the Ayrburn Farm site – with the first being WPDL’s submission on the PDP.<sup>18</sup> QLDC submits that WPDL’s unsuccessful quest for this second opinion from the court is a factor that justifies a higher than normal award.<sup>19</sup>

[19] As a further such factor, QLDC submits that WPDL’s primary and alternative modified Lifestyle Precinct relief, although pursued in evidence and arguments, lacked substance and merit. Those aspects of relief were poorly and unfairly presented. That also put QLDC to avoidable expense. In particular, it was required to oppose two forms of competing relief, in a situation that logically

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<sup>14</sup> QLDC submissions dated 21 June 2024 at [37].

<sup>15</sup> QLDC submissions dated 21 June 2024 at [38].

<sup>16</sup> QLDC submissions dated 21 June 2024 at [39].

<sup>17</sup> QLDC submissions dated 21 June 2024 at [36].

<sup>18</sup> QLDC submissions dated 21 June 2024 at [20].

<sup>19</sup> QLDC submissions dated 21 June 2024 at [21].

demanded the identification of a single “most” appropriate outcome.<sup>20</sup> QLDC characterises WPDL’s relief as “constantly evolving”.<sup>21</sup> QLDC also submits that WPDL failed to adequately assess the relief sought against key PDP objectives and policies.<sup>22</sup>

[20] QLDC submits that WPDL’s decision to withdraw its primary relief amounts to late abandonment and underscores that the case advanced lacked substance and unfairly put QLDC to unnecessary expense. QLDC notes that it was not until the court provided strongly worded preliminary observations that WPDL abandoned its primary relief.<sup>23</sup> The end result is that QLDC was required to oppose two materially different zoning outcomes – neither of which was ultimately pursued to a close by WPDL.<sup>24</sup>

### ***Hadleys***

[21] The Hadleys seek 80% of costs incurred up to mediation on 4 May 2021, and 100% of their costs post-mediation. They explain that their claim excludes any costs incurred in other PDP proceedings.<sup>25</sup> They calculated that 80% of pre-mediation costs amounts to \$40,769.62 and 100% costs post-mediation are \$154,448.06 (for a total of \$195,217.68 sought).

[22] The Hadleys make similar points to QLDC as to the opportunistic, commercially driven, but significantly overreaching nature of the WPDL case (other than its extension of the WPZ).<sup>26</sup> Similarly, they also refer to the high level of complexity in the relief sought by WPDL, including the complex combination of two quite different forms of relief. That included a retirement village and a

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<sup>20</sup> QLDC submissions dated 21 June 2024 at [25].

<sup>21</sup> QLDC submissions dated 21 June 2024 at [34].

<sup>22</sup> QLDC submissions dated 21 June 2024 at [35(b)].

<sup>23</sup> QLDC submissions dated 21 June 2024 at [27].

<sup>24</sup> QLDC submissions dated 21 June 2024 at [28].

<sup>25</sup> Hadley submissions dated 21 June 2024 at [37]-[45].

<sup>26</sup> Hadley submissions dated 21 June 2024 at [6], [21].



modified version of the Lifestyle Precinct which the court rejected.<sup>27</sup> On these aspects, the Hadleys submit that the two zoning outcomes were diametrically opposed.<sup>28</sup> As for the UGB, which WPDL ultimately withdrew in light of the court's adverse comments, the Hadleys make various points about the entire overreach of this part of the relief.<sup>29</sup>

[23] Similarly to QLDC, the Hadleys submit that WPDL unnecessarily lengthened the case management process in the way it conducted its case. One aspect of this was the late withdrawal of retirement village relief, only after the court expressed its concerns as to its fundamental difficulties.

[24] They submit that WPDL failed to consider reasonable opportunities for settlement.<sup>30</sup>

[25] Rather, they say that WPDL acted with an attitude of arrogance and belligerence, particularly towards them. Rather than engaging with the Hadleys' legitimate and valid position on landscape capacity, they submit that WPDL vehemently opposed the Hadleys' participation through a series of deliberate strategies that sought to extinguish or otherwise defeat their involvement in this appeal.<sup>31</sup> That included parallel litigation, including relating to a declaration concerning WPDL's planting of trees that would have had the effect of screening the Hadleys' views towards the Site. They refer to arbitration proceedings commenced by WPDL against the Hadleys relating to an encumbrance registered on the Hadleys' property in favour of WPDL.<sup>32</sup>

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<sup>27</sup> Hadley submissions dated 21 June 2024 at [20].

<sup>28</sup> Hadley submissions dated 21 June 2024 at [30].

<sup>29</sup> Hadley submissions dated 21 June 2024 at [23]-[25].

<sup>30</sup> Hadley submissions dated 21 June 2024 at [33]-[36].

<sup>31</sup> Hadley submissions dated 21 June 2024 at [8].

<sup>32</sup> Hadley submissions dated 21 June 2024 at [8]-[11] and Appendix 1.

***ORC***

[26] ORC makes similar points to QLDC as to the lack of merit in the appeal, the unrealistic relief motivated by commercial interests and the associated costs that ratepayers had to bear.<sup>33</sup> It submits that the presence of *Bielby* factors justifies departure from the normal practice that costs are not awarded in a plan change appeal.<sup>34</sup> It submits it was a “captive party” to the proceedings, in that it needed to engage as WPDL sought to rezone land within the Wakatipu Basin, being land subject to Otago Regional Policy Statement provisions.<sup>35</sup> It explains that its claim is for an award of 33% of its total incurred costs of \$64,718.25 (excluding GST).<sup>36</sup>

***Appellant***

[27] WPDL notes that costs are not normally awarded in relation to plan change appeals and submits that the case does not present justifying aggravating factors for making any award.<sup>37</sup>

[28] As an unsuccessful submitter, it was entitled to appeal. It submits that it conducted a detailed and thorough case, including with respect to zoning and UGB relief that it elected to abandon in view of the court’s preliminary observations. It notes those observations were subject to closing submissions and submits it acted in a responsible and timely way in response. As for the UGB component, it submits this was only minor in the overall management of the appeal.<sup>38</sup>

[29] With respect to its Ayrburn Zone relief, WPDL submits it presented a detailed and thorough case.<sup>39</sup> It acknowledges that, based on the court’s preliminary observations, it would likely have preferred evidence of other parties

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<sup>33</sup> ORC submissions dated 21 June 2024 at [1], [34], [39]-[40].

<sup>34</sup> ORC submissions dated 21 June 2024 at [24].

<sup>35</sup> ORC submissions dated 21 June 2024 at [38].

<sup>36</sup> ORC submissions dated 21 June 2024 at [31].

<sup>37</sup> WPDL submissions dated 3 July 2024 at [5].

<sup>38</sup> WPDL submissions dated 3 July 2024 at [7(c)], [8]-[10].

<sup>39</sup> WPDL submissions dated 3 July 2024 at [8].

over WPDL's.<sup>40</sup> However, it points out that is the case for every plan appeal.<sup>41</sup> Furthermore, it notes that the court's preliminary observations were not determinations, and were subject to closing submissions.<sup>42</sup> It submits that it acted responsibly in responding immediately to the court's preliminary observations.<sup>43</sup> That is particularly in terms of preparation and presentation of the evidence.<sup>44</sup> Overall, it submits that its quest for alternative options was logical and efficient.<sup>45</sup>

[30] WPDL disputes the allegation that it conducted its case in a way that unnecessarily lengthened the case management process.<sup>46</sup> The parties presented evidence and opposing evidence in the usual manner. The entire hearing was conducted efficiently and in a normal manner.<sup>47</sup> The proceeding was extended somewhat as a consequence of the court indicating the possibility of granting a modified WBRAZ outcome, which parties had not anticipated, and this did result in additional steps necessary to address a limited number of drafting amendments. However, that is not unusual in a case of this nature.<sup>48</sup>

[31] WPDL points out that all of the landscape experts indicated support for a degree of rural living – however there was no unanimity in relation to a particular outcome. WPDL submits there is not any basis on which it could be criticised for not exploring a reasonably available option for settlement.<sup>49</sup>

[32] Ultimately, it submits that this resulted in a zoning outcome that sits between the relief sought by WPDL and what other parties pursued. The fact that the outcome differed from the QLDC decision in enabling a degree of rural

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<sup>40</sup> WPDL submissions dated 3 July 2024 at [9].

<sup>41</sup> WPDL submissions dated 3 July 2024 at [9].

<sup>42</sup> WPDL submissions dated 3 July 2024 at [10].

<sup>43</sup> WPDL submissions dated 3 July 2024 at [10].

<sup>44</sup> WPDL submissions dated 3 July 2024 at [7(c)].

<sup>45</sup> WPDL submissions dated 3 July 2024 at [23], [38].

<sup>46</sup> WPDL submissions dated 3 July 2024 at [71].

<sup>47</sup> WPDL submissions dated 3 July 2024 at [69].

<sup>48</sup> WPDL submissions dated 3 July 2024 at [70].

<sup>49</sup> WPDL submissions dated 3 July 2024 at [72].

development would suggest WPDL's concerns about the appealed decision had some validity.<sup>50</sup> In essence, each party achieved a degree of success but no party achieved all that it sought.<sup>51</sup> In any case, success or failure (let alone degrees of this) are not themselves a ground for an award of costs.<sup>52</sup> It submits that nor is the fact that it sought an outcome which would benefit its commercial interests.<sup>53</sup>

[33] WPDL disputes ORC's claim that it was a "captive party".<sup>54</sup> It adds that WPDL's withdrawal of the Ayrburn Zone relief and UGB aspects of its appeal resolved all matters of concern to ORC. As such, it could have withdrawn at that point. While acknowledging that ORC's involvement may have assisted the court, it submits that this should not count against WPDL in terms of costs.<sup>55</sup>

[34] With respect to the Hadleys' claim, WPDL submits that the existence of the three separate proceedings (including the tree declaration, and the "re-joinder" proceedings) is not relevant to the question of costs and it would not be proper to take this into account.<sup>56</sup> With respect to the quantum claimed by the Hadleys, WPDL submits that all pre-mediation costs should be disallowed.<sup>57</sup> WPDL submits that some of the pre-mediation costs must fall within the ambit of the principle that costs are not normally awarded in relation to plan change appeals.<sup>58</sup> In addition, WPDL submits that there are unrelated costs in the invoices (i.e. relating to other proceedings), and there appears to have been no attempt to split those costs out of this application.<sup>59</sup>

[35] In the event that the court decides that costs should be awarded, WPDL

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<sup>50</sup> WPDL submissions dated 3 July 2024 at [21].

<sup>51</sup> WPDL submissions dated 3 July 2024 at [15].

<sup>52</sup> WPDL submissions dated 3 July 2024 at [19].

<sup>53</sup> WPDL submissions dated 3 July 2024 at [40].

<sup>54</sup> WPDL submissions dated 3 July 2024 at [44]-[47].

<sup>55</sup> WPDL submissions dated 3 July 2024 at [80].

<sup>56</sup> WPDL submissions dated 3 July 2024 at [52], [62]-[64].

<sup>57</sup> WPDL submissions dated 3 July 2024 at [56].

<sup>58</sup> WPDL submissions dated 3 July 2024 at [58].

<sup>59</sup> WPDL submissions dated 3 July 2024 at [59].

submits that none of the *Bielby* factors is present. Furthermore, it points out that it was successful in part in securing rural living aspects of the appeal (as well as the WPZ zone extension relief).<sup>60</sup>

### ***Replies***

[36] Replies from parties in essence serve to reiterate positions. In addition:

- (a) QLDC also notes that WPDL’s modified precinct outcome was pursued in WPDL’s closing submissions, when the court had indicated that the modified Precinct “sits badly with” the intentions of Ch 24 of the PDP;<sup>61</sup>
- (b) The Hadleys reiterate that the reason for referring to the parallel proceedings is not to recoup costs of those proceedings – the reason for referring to them is to demonstrate WPDL’s litigation strategy.<sup>62</sup> The Hadleys also dispute WPDL’s submissions concerning whether costs claimed were actually incurred in relation to these proceedings;<sup>63</sup>
- (c) ORC submits that the appeal engaged two sets of RPS provisions, and the relief sought by WPDL was contradictory to RPS’ provisions.<sup>64</sup> It submits that if WPDL’s relief was granted, that would not have met its legislative function and would have failed to achieve integrated management of natural and physical resources in Otago.<sup>65</sup> ORC submits its interest was greater than the Ayrburn Zone and UGB relief, including the protection of the Wakatipu Basin, which is a highly valued landscape.<sup>66</sup>

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<sup>60</sup> WPDL submissions dated 3 July 2024 at [92].

<sup>61</sup> QLDC reply submissions dated 10 July 2024 at [15].

<sup>62</sup> Hadleys reply submissions dated 9 July 2024 at [4].

<sup>63</sup> Hadleys reply submissions dated 9 July 2024 at [12]-[17].

<sup>64</sup> ORC reply submissions dated 9 July 2024 at [4].

<sup>65</sup> ORC reply submissions dated 9 July 2024 at [4].

<sup>66</sup> ORC reply submissions dated 9 July 2024 at [7].

## Evaluation

[37] I find that appropriate costs' awards should be made in favour of QLDC and the Hadleys, but not ORC.

[38] ORC is the statutory agency responsible for administering the regional policy instruments. Its participation as a s274 party served the public interest in upholding the intentions of those instruments. However, that was a relatively confined aspect of the case, quite in contrast to QLDC's role as respondent. Matters concerning how WPDL conducted its case may have added a degree of additional cost burden to ORC but I do not adjudge that to take matters outside the norm whereby costs are not awarded in plan appeals.

[39] The positions for QLDC and the Hadleys are materially different in those respects. QLDC was plainly a captive party, as respondent decision-maker with statutory responsibility for the PDP. The Hadleys were close neighbours, who supported the status quo WBRAZ zoning position but stood to be significantly affected by the zoning choices that were open in the appeal. I find a number of the *Bielby* factors favour making awards in favour of both QLDC and the Hadleys and, in QLDC's case, at a higher than normal level.

[40] Inherently, the range and nature of zoning options WPDL pursued, for its own commercial reasons, significantly added to the burdens of both QLDC and the Hadleys. The case it presented fell hopelessly short in its pursuit of most of that relief. I find the associated costs imposed on QLDC and the Hadleys were unreasonable. A telling measure of this is in the fact that the ultimate zoning outcome was to modify the status quo WBRAZ zoning but only in relatively confined respects.

[41] I set aside the extension of the WPZ as relief that was agreed with QLDC. However, for the majority of the Site as well as the UGB, WPDL:

- (a) advanced its arguments without substance – in particular concerning

ideas such as an Ayrburn Zone, a retirement village, and some form of enhanced Precinct, as well as the UGB – as the court’s preliminary observations made clear;

- (b) conducted its case for those unrealistic aspects of its relief in a way that considerably and unnecessarily lengthened the case management process of the hearing.

[42] Because of this significant overreach in what it pursued, WPDL essentially foreclosed any realistic prospect of exploring options for settlement or narrowing issues (aside from the WPZ extension). Far too much remained in dispute that was never realistically defensible. As such, WPDL did not responsibly assist the case management process to the extent it should have. That is particularly in the fact that it continued to conduct a case built on technical and unmeritorious points that failed.

[43] I exclude all costs incurred prior to mediation, as are claimed by the Hadleys. For that stage, the public interest favours the normal approach being applied such that costs lie where they fall. That is given the overarching importance of encouraging parties to work through differences in appeal matters.

[44] For the remainder, I bear in mind that the Hadleys’ claimed actual and reasonable costs (\$154,448.06) are somewhat higher than QLDC’s (\$144,935).

[45] Although the Hadleys support their claim with invoices and other details, I bear in mind that, in a substantive sense, the Hadleys’ evidence significantly overlapped with QLDC. That is particularly in regard to the landscape and planning matters. It was of course the Hadleys’ prerogative to have called its expert evidence and it assisted the court. However, largely the court’s findings were in reliance on the evidence called by QLDC as respondent. Given that, I find that factor should be taken into account in deriving a fair overall costs’ outcome.

[46] QLDC was plainly a captured party and there is a public interest in seeking to mitigate the costs’ burden that would otherwise fall to ratepayers. As a captured

party, it had to engage on the full ambit of the appeal, including for example as to the UGB relief.

[47] In contrast, the Hadleys' interests were as affected neighbouring landowners. While their involvement on that basis is understandable and appropriate, there is not the same degree of public interest in their choice to have done so. Furthermore, they were able to provide for their legitimate interests without having to engage in the raft of issues that QLDC had to engage with.

[48] All things considered, I find that the appropriate percentages of actual and claimed costs that should be awarded are 85% of QLDC's claim and 40% of the Hadleys' post-mediation claim. Applying some rounding, under s285 RMA, WPDL is ordered to pay the following contributions towards costs:

- (a) \$123,000 to QLDC; and
- (b) \$61,800 to the Hadleys.

[49] Under s286 RMA, this order may be filed in the District Court at Queenstown for enforcement purposes (if necessary).

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**J J M Hassan**  
**Environment Judge**

