

**BEFORE THE INDEPENDENT HEARING PANEL
FOR THE QUEENSTOWN LAKES PROPOSED DISTRICT PLAN**

Under the	Resource Management Act 1991
In the matter	of the Urban Intensification Variation to the proposed Queenstown Lakes District Plan

**MEMORANDUM OF COUNSEL FOR QUEENSTOWN LAKES DISTRICT COUNCIL
REGARDING MINUTE 4**

25 July 2025



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MAY IT PLEASE THE PANEL

Introduction

1. This memorandum is filed on behalf of Queenstown Lakes District Council (**Council**) in relation to the Urban Intensification Variation to the proposed Queenstown Lakes District Plan (**PDP**) (**Variation** or **UIV**).
2. It responds to Minute 4 dated 15 July 2025 (**Minute**) that contains several questions on the Variation.
3. While the Minute does not direct a memorandum, the Council has provided this in this form so that the Panel and submitters can read Council's position in advance of the hearing, rather than presenting information at the hearing orally or asking experts to speak to the questions posed.

Question 1 – NPS-UD Policies 2 and 5: drivers for capacity and meaning of “commensurate”

The 2021 HBA identified that the district has more than sufficient plan enabled capacity to meet the demand in all locations of the district for the short, medium, and long terms scenarios. We recognise that the Council must give effect to the NPS-UD but what are the fundamental drivers for the "very large [capacity] compared to demand in most locations" proposed in the UIV in Policy 5 and 2 terms? In relation to Policy 5 how do these drivers fit with the word "commensurate"? The Panel is not stating that greatly exceeding demand is necessarily an issue (and we have evidence of benefits). We just want to be very clear of the connections to, and alignment with, Policies 5 and 2 that underpin the UIV.

4. The 2021 HBA pre-dates the NPS-UD, which is dated May 2022. As outlined in the evidence of Ms Bowbyes and Ms Fairgray, a new 2025 HBA is underway, but is not yet complete.
5. With that in mind, the purpose of the UIV is not to respond to a shortfall in overall development capacity in either the short, medium or long term under Policy 2. Rather, the UIV gives effect to Policy 5 by enabling types of development opportunity that align with projected long-term patterns of housing demand, which vary by location across the urban environment.

6. Therefore, the fundamental driver of excess Policy 2 capacity is that the level of development opportunity that needs to be provided in areas of higher accessibility or areas with higher relative demand, in order to meet Policy 5 requirement, results in more development capacity than is required to simply meet Policy 2 in some locations (which requires “at least” sufficient development capacity across the various timeframes).
7. An important distinction to understand in the UIV’s response to Policy 5 is the difference between **development opportunity** (the types and scale of dwellings enabled on a site by relevant planning provisions) and **capacity** (the number of dwellings that could theoretically be built). Ms Fairgray’s evidence¹ highlights that enabling development opportunity, rather than only a focus on total dwelling yield, is the approach required to align with market demand from a Policy 5 perspective. The UIV enables *development opportunity* that aligns with the demand profile of a location, rather than targeting a fixed number of dwellings. This often results in enabled capacity exceeding net growth needs, especially in accessible, high-demand areas, but that is necessary to support a range of typologies and market-responsive delivery.
8. Under Policy 5, Council has interpreted “commensurate” to mean that the level of development opportunity (i.e. as enabled by zoning, height and density provisions) should reflect the scale and spatial extent of demand and accessibility in each location. We have not identified any case law that considers the interpretation of “commensurate” in the context of Policy 5 of the NPS-UD, but have identified the Environment Court’s decision in *Waimarino Queenstown Ltd v Queenstown Lakes District Council* [2024] NZEnvC 176. That case considers the term in the context of an unrelated policy in the PDP. The Court referred to the Collins Concise Dictionary Plus, and found, at [312], that the term “commensurate with” means “corresponding in degree, amount, or size”; or “proportionate to”, and not “the same as”.

1 Susan Fairgray EIC, paragraph 4.2.

9. The UIV applies greater development opportunity where accessibility (to transport, services, and amenities) and/or demand are strongest. This targeted, or proportionate approach ensures that capacity is not only sufficient (as required by Policy 2),² but is well-located, feasible, and supportive of diverse housing outcomes, long-term urban form, and well-functioning urban environments — consistent with the intent of the NPS-UD.
10. If the UIV instead took the approach of providing a level of net capacity that was commensurate with demand, then it would result in much lower levels of development opportunity. The resulting development opportunity in many locations would not align with the patterns of housing demand for different types of dwellings.

Question 2 – Arrowtown capacity

Please explain the existing dwelling capacity in the identified downtown area and the basis for concluding that its existing zones (in their current state) do not already provide sufficient dwelling capacity to address NPS: UD policies 5 and 2. This is especially so given its "less central location". What is the Policy 5 and 2 'resource management issue' for Arrowtown and how does this fit with the use of "commensurate" in Policy 5?

11. The level of development capacity estimated in Arrowtown under the current PDP provisions (around 100 feasible dwellings in greenfield areas (eg Jopp Street), and around 400 dwellings within existing urban areas, with only a portion of these likely to become available to, and be taken up by, the market) is unlikely to be sufficient to accommodate the updated level of demand projected over the long-term (around 300 additional dwellings, with a sizeable share of these as attached).
12. In order to conclude that the existing dwelling capacity for Arrowtown is (at least) sufficient to meet expected demand (per Policy 2), significantly high take-up rates of feasible infill or redevelopment capacity would need to be relied upon, with the types of capacity having reduced alignment with patterns of demand. In particular,

2 Policy 2 requires not only that total capacity be sufficient, but also that it be infrastructure-ready, commercially feasible, and reasonably expected to be realised.

there is limited potential for medium density attached dwellings, which are likely to form an increasing share of demand over the medium to long-term.

13. However, as outlined in her evidence at paragraphs 6.56 – 6.59, Ms Fairgray considers that the s42A recommended LDSRZ and MDRZ provisions for Arrowtown would enable the market to deliver a greater range of dwellings in comparison to the existing lower density pattern of development in Arrowtown. This will assist with meeting the long-term projected demand in a way that increases the current dwelling mix.
14. Although Arrowtown is located outside of the central parts of the District's urban environment (eg Queenstown Central, Frankton), it is still likely to have a significant portion of demand for attached dwellings, albeit at a less intensive scale. Suburban scale attached dwellings typically form viable housing choice options for a broad share of the demand profile, with increasing shares of households likely taking up this option with gradual market shifts through time.
15. Furthermore, it is important to provide a level of development opportunity that enables flexibility for the housing market to respond (including for future households) to changes in the relative role of Arrowtown through time. Arrowtown's functional linkages to other parts of the urban environment (e.g. key nodes such as Frankton) are likely to increase through time as a result of high growth within the district. This is likely to affect the patterns of demand for housing within Arrowtown, increasing the demand for a greater dwelling mix.

Question 3 – Arrowtown settlement and Lifestyle Village locations

Please explain the identified area of the Arrowtown settlement. Although reliance is placed on the Arrowtown Design Guide 2016 this is approaching 10 years old. Please include in the explanation why "Arrowtown" Lifestyle Village should or should not be considered part of Arrowtown.

16. While an urban growth boundary (**UGB**) defines Arrowtown's urban environment, for the purposes of the UIV (and its legal scope), the Arrowtown urban environment is the land within the UGB that is zoned one of the PDP zones. Within Arrowtown,

the PDP zones that are subject to the UIV are made up of the MDRZ, LDSRZ and the Local Shopping Centre Zone (**LSCZ**). The Arrowtown Town Centre Zone and Arrowtown Residential Historic Management Zone are also within the urban environment, but do not fall within the scope of the UIV for the reasons set out in the s32 Report. There is also land located within the UGB that is still zoned an Operative District Plan (**ODP**) zone, and this land also does not fall within the scope of the UIV (scope will be addressed in Council's legal submissions to be filed on 25 July).

17. The Arrowtown Lifestyle Village is located on the western side of McDonnell Road, on land zoned Wakatipu Basin Rural Amenity Zone (**WBRAZ**) in the PDP, within Landscape Character Unit (**LCU**) 24. The WBRAZ is a rural zone and in the structure of the PDP sits under Chapters 3 and 6 in the strategic chapters (not Chapter 4, the Urban Development chapter). The land is located some way down McDonnell Road, outside of the UGB, and is physically separated from the 'urban environment' by rural land. The Arrowtown Lifestyle Village was approved under special housing legislation that bypassed usual RMA processes, and has been expressed by the Environment Court as reading "as an anomalous dense urban enclave in a predominantly rural setting".³ Put simply, the Village is not within the urban environment and does not engage the NPS-UD.

Question 4 – Arrowtown maps showing heritage constraints and amenity (character)

Please identify on a map or maps, the area(s) in Arrowtown other than the TCZ and ARHMZ that the Council says justify limiting dwelling capacity primarily due to the presence of S6 RMA historic heritage constraints, and the area(s) that are primarily due to S7 RMA amenity value (character) constraints. Indicatively, the Panel suggests that these differently statutorily weighted matters cannot be seen as interchangeable.

18. The map requested is attached as **Appendix 1**. Mr Knott has prepared this map, and will be able to answer any questions from the Panel at the hearing (and confirm this as his expert position if necessary).

3 *Hanan and Banco Trustees, McCulloch Trustees 2004 Limited and Ord v Queenstown Lakes District Council* [2023] NZEnvC 200 at [8].

Question 5 – Arrowtown existing dwellings and values

Please provide typical / representative examples of existing dwellings in Arrowtown in the proposed LDSRZ and MDRZ areas and explain the specific historic heritage and/or character values that warrant limiting development capacity.

Question 6 – Arrowtown protection of values and measurements of adverse effects

Please explain with specific reasons why relevant historic heritage and/or amenity (character) values in Arrowtown would not be adequately protected by way of the notified UIV LDSRZ or MDRZ adjacent to them, including what specific adverse effects might result and how these are being measured.

19. Matters 5 and 6 are considered together. Mr Knott has prepared this section, and will be able to answer any questions from the Panel at the hearing (and confirm this as his expert position if necessary).
20. The dwellings and views shown in the photographs below are intended to be representative examples of the range of buildings within the LDSRZ and MDRZ; not the best or worst examples.
21. Notwithstanding the use of photographs which focus on one existing dwelling, it is important to emphasise the values of each Neighbourhood as a whole, and the collective value of the buildings, which are significant to the sense of place, heritage and character values of Arrowtown. It is the cumulative effects of development which could in time impact on these values.
22. The full description provided for each of the fifteen Arrowtown Neighbourhoods is in the Arrowtown Design Guidelines. These include a plan identifying the historic buildings, open spaces, physical features, Arrowtown character trees, protected trees, significant hedges, significant vistas and landform terraces within each Neighbourhood. The text describes these and includes paragraphs which provide a clear description of the values of the Neighbourhood, names the key views, and lists matters identified as threats to the area. These Neighbourhood descriptions, along with the matters identified as contributing to Arrowtown's clear and identifiable sense of place and character are summarised in paragraph 6.7 of

Richard Knott's EIC, and provide the basis for the consideration of the specific adverse effects of development proposed in line with the notified changes to the LDSRZ and MDRZ.



Figure 11: 1 Ford Street

23. Located in the MDRZ, 1 Ford Street is immediately opposite the Arrowtown Residential Historic Management Zone (**ARHMZ**). It is located within Neighbourhood 3 of the ADG,⁴ within an area covered by the Arrowtown Residential Historic Management Zone (**ARHMZ**) Transition Overlay.
24. The map in Appendix 1 confirms that the reason for the proposed s42A restrictions on building height at 1 Ford Street relates to s6 matters.
25. The existing low scale of the dwelling allows clear views of the hillside beyond. The various buildings in the view appear as individual elements, they reflect the scale and simple form of buildings seen within the remainder of Neighbourhood 3 and the ARHMZ in general.

4 2.5.4 Neighbourhood 3 – Avenue, ADG 2016.

- 26.** Notwithstanding the location of the site within the ARHMZ Transition Overlay, the 12m building height within the MDRZ, on land directly facing the ARHMZ, would have a negative effect on character and sense of place of the immediate surroundings of the ARHMZ, delivering buildings of a very different scale, which would upset the existing balance of low building heights and the significance of trees and other planting, such that the view (and setting of the ARHMZ) would be dominated by building form.
- 27.** With heights increased to three storeys (as notified), and the corresponding increase in the number of residents, there is the potential need for roads to be upgraded, with additional areas of kerbs and channel, and formal pedestrian footpaths. This will further formalise and 'urbanise' the character of the area and negatively impact the setting of the ARHMZ.
- 28.** These concerns align with the Threats identified in the ADG Neighbourhood description, which include:
- 28.1** Pressure for redevelopment or larger buildings;
 - 28.2** Development that does not reflect the scale of traditional cottages; and
 - 28.3** Increased parking and loss of grass verges and swales.



Figure 22: 7 Devon Street

- 29.** This new dwelling is located in the MDRZ, around 60m from the ARHMZ. The site is located within Neighbourhood 3 of the ADG.⁵ It is not within an area covered by the ARHMZ Transition Overlay.
- 30.** The map in Appendix 1 confirms that the reason for the s42A recommended building height at 7 Devon Street relates to s7 matters.
- 31.** The existing building, which has recently been developed, does not fully follow the guidance within the ADG. Notwithstanding this, it has been designed to appear as a series of linked individual elements; a stone base with timber first floor above, with garage projecting forward as a further element. The low scale of the new dwelling allows clear views of the hillside beyond.
- 32.** The buildings within the view appear as individual elements. They reflect the scale and simple form of buildings seen within the ARHMZ, and do not align with any of the Threats identified in the Neighbourhood 3 description.

⁵ 2.5.4 Neighbourhood 3 – Avenue, ADG 2016.

- 33.** The construction of 12m high buildings in accordance with the notified UIV would have a significant impact on the values of this part of Neighbourhood 3, visible from Centennial Drive, an important route of entry to the township which makes an important contribution to an understanding of the wider location and sense of place of Arrowtown.⁶ Buildings enabled by the notified UIV would be of a very different scale to those existing, and would upset the existing balance of low building heights and the significance of trees and other planting, such that the area would be dominated by building form. With heights increased to three storeys, and the corresponding increase in the number of residents, there is the potential need for roads to be upgraded, with additional areas of kerbs and channel, and formal pedestrian footpaths. This will further 'urbanise' the character of the Neighbourhood and negatively impact its character values of the area and impacting the approach/entry to the ARHMZ.
- 34.** These concerns align with the Threats identified in the ADG Neighbourhood description, which include:
- 34.1** Pressure for redevelopment or larger buildings;
 - 34.2** Development that does not reflect the scale of traditional cottages; and
 - 34.3** Increased parking and loss of grass verges and swales.

6 EIC Richard Knott, paragraph 7.4(a).



Figure 33: 18 Norfolk Street

- 35.** The site at 18 Norfolk Street is located in the MDRZ, overlooking an area of open space which runs alongside the River. It is located within Neighbourhood 8 – Devon Street of the ADG, as shown in the extract from the ADG below.⁷
- 36.** The map in Appendix 1 confirms that the reason for the proposed s42A restrictions on building height at 18 Norfolk Street relates to s7 matters.
- 37.** The buildings each appear as individual elements and reflect the scale and simple form of buildings which have historically characterised the Neighbourhood, and as seen within the ARHMZ. The street has an informal character with no kerbs, channels or footpaths. Together, the open space, street, and dwelling provides an appropriate transition from ranges to township. From the open space to the front of the dwelling the ranges are still a dominant feature in this view.
- 38.** Overall, the street reflects the description provided for the area in the Neighbourhood description in the ADG, and Arrowtown’s clear and identifiable sense of place and character.

⁷ 2.6.3 Neighbourhood 8 – Devon Street, ADG 2016.

- 39.** The construction of 12m high buildings, in accordance with the notified UIV, would bring buildings of a very different scale and would have a significant impact on the sense of place and character of the street and site. This would upset the existing transition from ranges to township, the existing balance of low building heights and the significance of trees and other planting, such that the building form would become a far more dominant feature in the street.
- 40.** With heights increased to three storeys, and the corresponding increase in the number of residents, there is the potential need for roads to be upgraded, with additional areas of kerbs and channel, and formal pedestrian footpaths. This will further 'urbanise' the character of the Neighbourhood and negatively impact the existing sense of place and character of this part of Arrowtown.
- 41.** These concerns align with all of the Threats identified in the ADG Neighbourhood description:
- 41.1** Further inappropriate redevelopment and/or upgrading of the streets;
 - 41.2** Redevelopment that replaces the small scale built form;
 - 41.3** Loss of trees and vegetation; and
 - 41.4** Increased traffic flow.
- 42.** In addition, the form of development allowable by the notified UIV could impact the Views identified on the Neighbourhood plan:
- 42.1** Views to Remarkables Range and Ben Cruachan; and
 - 42.2** Open views North from campground.



Figure 44: 20 Devon Street

- 43.** 20 Devon Street is located in the MDRZ, close to the boundary with the LDSRZ. It is located within Neighbourhood 8 – Devon Street of the ADG.⁸
- 44.** The map in Appendix 1 confirms that the reason for the proposed s42A restrictions on building height at 20 Devon Street relates to s7 matters.
- 45.** Whilst Devon Street is in the centre of the township, the ranges are still dominant in views above and around the dwellings. Whilst buildings are seen together, they are identifiable as individual elements and reflect the scale and simple form of buildings seen within the ARHMZ. Whilst kerbs, channels and some footpaths have been installed, the street still reflects Arrowtown's clear and identifiable sense of place and character.
- 46.** The construction of 12m high buildings, in accordance with the notified UIV, would have a significant impact on the character of the street, delivering buildings of a very different scale, which would upset the existing balance of low building heights

8 2.6.3 Neighbourhood 8 – Devon Street, ADG 2016.

and the significance of trees and other planting, such that the view would become dominated by building form. With heights increased to three storeys (as notified), and the corresponding increase in the number of residents, there is the potential need for roads to be further upgraded. Overall, the character of the Neighbourhood would be further urbanised to the detriment of the sense of place of Arrowtown.

47. These concerns align with all of the Threats identified in the ADG Neighbourhood description:

- 47.1** Further inappropriate redevelopment and/or upgrading of the streets;
- 47.2** Redevelopment that replaces the small scale built form;
- 47.3** Loss of trees and vegetation; and
- 47.4** Increased traffic flow.

48. In addition, the form of development allowable by the notified plan could impact the Views identified on the Neighbourhood Plans:

- 48.1** Views to Remarkables Range and Ben Cruachan; and
- 48.2** Open views North from campground.

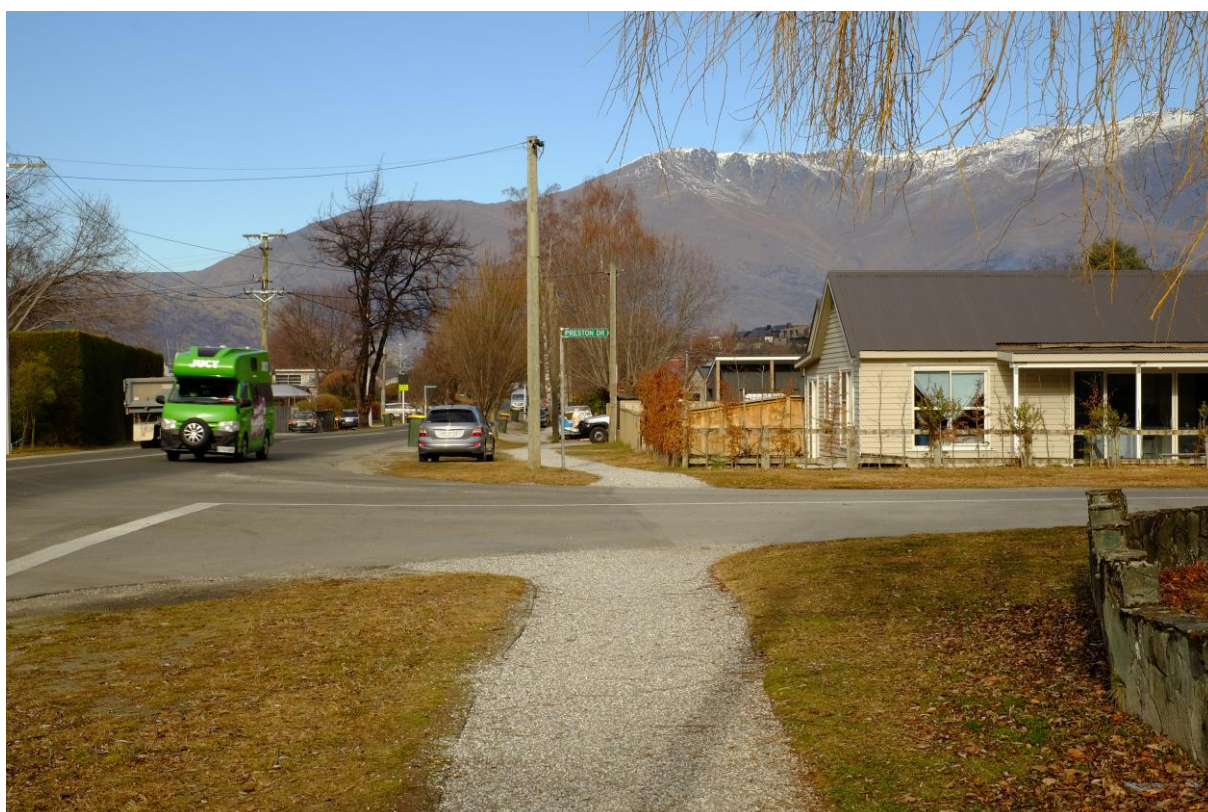
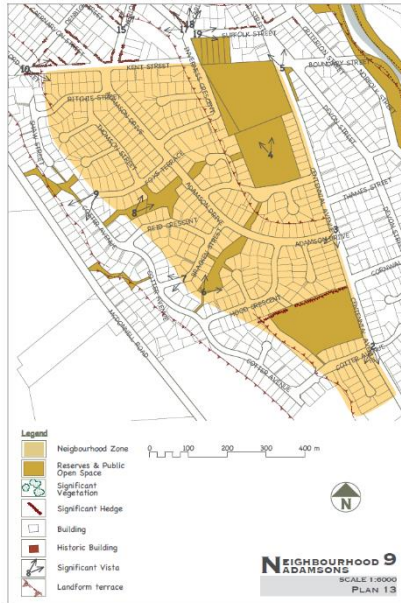


Figure 55: 32 Centennial Avenue

49. 32 Centennial Avenue is located within the LDSRZ. It is located within Neighbourhood 9 – Adamsons of the ADG, as shown in the extract from the ADG below.⁹



50. The map included in Appendix 1 confirms that the reason for the proposed s42A restrictions on building height at 32 Centennial Avenue relates to s7 matters.
51. As noted in the evidence of Richard Knott (EIC para 6.13), the LDSRZ and MDRZ form the entrances to the township and are the routes into the ATCZ and the ARHMZ; these routes and the dwellings alongside them contribute to the unique Arrowtown sense of place. Centennial Drive is a significant route into the township for visitors arriving from Wānaka and Cromwell (and other locations from the east and north). Whilst Centennial Drive is in the centre of the township, the ranges are still dominant in views above and around the dwellings.
52. This is a redeveloped site. The new building has a low, simple form. As such it reflects the scale and simple form of buildings seen within the ARHMZ and described in the Neighbourhood description.

9 2.6.4 Neighbourhood 9 – Adamsons.

- 53.** The construction of a taller building as enabled by the notified UIV would alter the fine balance between building bulk, trees and other planting, and views of the ranges. Building bulk would become such that the view would be more dominated by building form. This would impact visitors' impression of the character and sense of place of Arrowtown and on the values identified for this Neighbourhood. In particular such development would 'trigger' all of the Threats identified for the Neighbourhood in the ADG:
- 53.1** Loss of trees and vegetation;
 - 53.2** Loss of the narrow carriageway and grass verges and swales in those streets that share these old Arrowtown characteristics;
 - 53.3** Replacement of the small-scale crib residences with buildings of designs that bear no relationship to the scale of the crib form; and
 - 53.4** Frontages dominated by paving, garages and/or tall walls.
- 54.** In addition, development of the scale allowable by the notified UIV, without the proposed additional controls and consideration of a restricted discretionary application, could additionally impact all of the views identified in the Neighbourhood description.



Figure 66: 3 Ritchie Street

- 55.** The site at 3 Ritchie Street is located in the MDRZ, within the centre of the township. It is a new replacement building. It is located within Neighbourhood 9 – Adamsons of the ADG.¹⁰
- 56.** The map in Appendix 1 confirms that the reason for the proposed s42A restrictions on building height at 3 Ritchie Street relate to s7 matters.
- 57.** It is possible that a 12m high building on this site could be viewed from Malaghans Road.
- 58.** The building is composed of a number of elements which seek to reflect the scale and simple form of buildings seen within the ARHMZ. The street has an informal character with no kerbs, channels or footpaths.
- 59.** Whilst located in the centre of the township, the ranges are still dominant in views above and around the dwellings. Whilst buildings are seen together, even from a distance they are identifiable as individual elements and reflect the scale and simple form of buildings seen within the ARHMZ.
- 60.** Overall, the street reflects the Neighbourhood's and Arrowtown's clear and identifiable sense of place and character.
- 61.** The construction of 12m high buildings, in accordance with the notified UIV, would bring buildings of a very different scale and would have a significant impact on the sense of place and character of the street and site, the existing balance of low building heights and the significance of trees and other planting, such that the built form would become a far more dominant feature in the street.
- 62.** With heights increased to three storeys, and the corresponding increase in the number of residents, there is the potential for the need for roads to be upgraded, with additional areas of kerbs and channel, and formal pedestrian footpaths. This

10 2.6.4 Neighbourhood 9 – Adamsons.

will further 'urbanise' the character of the Neighbourhood and negatively impact the existing sense of place and character of this part of Arrowtown.

- 63.** A number of the Threats to the Neighbourhood will be realised:
- 63.1** Loss of trees and vegetation;
 - 63.2** Loss of the narrow carriageway and grass verges and swales in those streets that share these old Arrowtown characteristics;
 - 63.3** Replacement of the small-scale crib residences with buildings of designs that bear no relationship to the scale of the crib form; and
 - 63.4** Frontages dominated by paving, garages and/or tall walls.
- 64.** In addition, development of the scale allowable by the notified UIV, without the proposed additional controls and consideration of a restricted discretionary application, could additionally impact all of the views identified in the Neighbourhood description.

DATED this 25th day of July 2025



Sarah Scott / Shanae Richardson
Counsel for Queenstown Lakes District Council

Appendix 1 – Response to Commissioners Question 4

Urban Intensification Variation to the Proposed Queenstown Lakes District Plan

Response to Commissioners Minute 4, Question 4

Question 4: Please identify on a map or maps, the area(s) in Arrowtown other than the TCZ and ARHMZ that the Council says justify limiting dwelling capacity primarily due to the presence of S6 RMA historic heritage constraints, and the area(s) that are primarily due to S7 RMA amenity value (character) constraints. Indicatively, the Panel suggests that these differently statutorily weighted matters cannot be seen as interchangeable.



(Map not to scale)

