

28 October 2025

FTAA-2506-1071

Chair and Members of the Expert Panel
Environmental Protection Authority
Private Bag 63002
Waterloo Quay Wellington 6140
New Zealand

By email: fasttrack@epa.govt.nz

Dear Expert Panel,

Comment from QLDC on Homestead Bay Application [FTAA-2506-1071]

1. Introduction

- 1.1. In response to a request to comment under s 53 of the Fast-track Approvals Act 2024 (FTAA) we provide Queenstown Lakes District Council's (Council or QLDC) written comment of the substantive application for resource consent for the Homestead Bay Project (Application) lodged by RCL Homestead Bay Limited (Applicant or RCL).
- 1.2. This Memorandum provides the Council's overview comments on the Application and should be read alongside, and is supported by the following technical memoranda attached as appendices:
 - **Appendix 1** – Analysis of the Application against the Te Tapuae Southern Corridor Structure Plan, and analysis of the provision of Affordable Housing – *Prepared by Anita Vanstone (Strategic Growth Manager), Catriona Lamont (Spatial Plan Project Manager) and Cameron Wood (Senior Strategic Planner), Strategic Growth Team, QLDC*
 - **Appendix 2** - Property & Infrastructure Analysis – *Prepared by Richard Powell (Infrastructure Development Engineering Manager), Property & Infrastructure, QLDC*
 - **Appendix 3** - Parks & Reserves Report – *Prepared by Jeannie Galavazi, Principal Parks*

and Reserves Planner), Parks Team, QLDC

- **Appendix 4** – QLDC’s Recommended Draft Conditions – with QLDC’s changes to the Applicant’s conditions shown in track change, including some explanatory text.

The Overseas Investment Office (OIO) conditions for the purchase of the Application site are **Appendix 5** for reference.

2. Summary

2.1. The Application involves the subdivision and development of land for 2531 residential units, commercial areas and possible future school sites. However, it is noted that only 1438 residential low density lots/units will be enabled through this application. The total 2531 units referred to in the application would be subject to further consent applications for subdivision and/or development of the twenty-two medium density and fourteen high density ‘superlots’, in order for the overall number to be able to be consented.

2.2. Council’s key issues with the Application are as follows:

- 2.2.1. Inconsistency with Council’s “whole of corridor” solutions for the Te Tapuae Southern Corridor, which have been endorsed by full Council through recent endorsement of the Te Tapuae Southern Corridor Structure Plan’;
- 2.2.2. There is no capacity in Council’s existing potable water and wastewater infrastructure to service the proposed development (either the amount of lots being sought to be developed now, or the total amount when the super lots are eventually developed), and there is no certainty at this point in time as to the design, funding or timing of such updates; and
- 2.2.3. Provision of suitable open space and recreation reserves, appropriate assessment of natural hazards, in particular liquefaction risk and also the provision of public transport and connectivity from the subject site to the wider TTSC area is considered to be inadequate/inappropriate.

TTSC structure plan

2.3. The Application site is located within a priority area identified within the Queenstown Lakes Spatial Plan, known as Te Tapuae Southern Corridor (TTSC). This area covers approximately 1300 hectares of land south of Kawarau River, around areas like Hanley’s Farm, Jack’s Point, and Homestead Bay. The TTSC could support up to a total of 9,300 houses, which highlights how important development in this corridor will be for the future of the Whakatipu Basin and the wider district. The area is growing quickly, and while development has been taking place there for many years now, it has increased significantly in the last five. In this short time, the population of this area has grown by 260% to 3,840 residents.

2.4. Growth of the corridor is anticipated to continue and the TTSC has been identified as a ‘priority

development area' in the Council's Spatial Plan. To manage this expected growth and to ensure neighbourhoods are designed appropriately to grow well, Council has undertaken a structure planning process involving consultation,¹ which most recently has culminated in the TTSC Structure Plan which was formally adopted by QLDC on 4 September 2025.

- 2.5. The purpose of the TTSC structure plan is to set out the blueprint for how this priority development area can grow well so it can remain a highly desirable area where people can live, work, play, and visit while remaining affordable to the District's ratepayers who will be penalised if efficient infrastructure solutions are not secured in the District. The key focus is on the appropriate delivery of three waters, transport, housing, social and community spaces, parks and reserves, and business opportunities available in the area. Many of the outcomes it seeks are consistent with the themes of higher order applicable planning policy.
- 2.6. The TTSC Structure Plan is a fundamentally important document for Council and its community as it plans for further infrastructure funding and development, for future changes to the district plan to rezone additional land for urban development, and for resource consents sought whether in advance of the underlying zone being updated, or after such plan changes have been resolved. In the FTA context, where development proceeds rezoning of land for urban use, the TTSC provides significant strategic guidance. For the purposes of this written comment, Council considers that the Structure Plan is an important document that the Panel should carefully consider and give weight to, and its relevance to its decision making as a relevant other matter under section 104 (1)(c) of the Resource Management Act 1991 (RMA).²
- 2.7. **Appendix 1** provides the Council's detailed analysis of the Application as compared to the TTSC Structure Plan.

Potable water and wastewater, and funding

- 2.8. The delivery of potable water and wastewater infrastructure is considered to be the principal constraint to the development as sought in the Application . A "whole corridor" approach to water and wastewater servicing is endorsed by the TTSC Structure Plan with all new connections connecting into Council's reticulation, alongside upgrades that are required to Council's infrastructure. A comprehensive approach to all new development is sought, rather than ad hoc, inefficient development that relies on on-site infrastructure, with the latter not contributing funding to the "whole corridor" solution.

Throughout this fast-track consent process Council has expressed its significant concerns regarding the Applicant's proposed standalone (on-site) servicing plans (the Application provides an 'either/or' approach to wastewater) that risk undermining the strategic infrastructure planning to provide a servicing solution to the whole TTSC area. The Applicant's standalone infrastructure option would cause technical and financial constraints to servicing the future planned growth in the area and potential

¹ Engagement report for the TTSC Structure Plan is available here: [03226f3598c24590e6b8cb822e7c175e-QLDC-Te-Tapuae-Southern-Corridor-A4-Engagement-Summary-Aug25.pdf](https://www.qldc.govt.nz/Document/2025/03/22/26f3598c24590e6b8cb822e7c175e-QLDC-Te-Tapuae-Southern-Corridor-A4-Engagement-Summary-Aug25.pdf).

² As relevant to the Panel's decision under of s 81 and [clauses 17](#) to [22](#) of Schedule 5 of the FTA.

proliferation of alternative, less efficient servicing arrangements at greater cost to the community. This economic cost of on-site solutions, nor the opportunity cost given that other development may not be able to go ahead because of funding constraints for 'all corridor' infrastructure, has not been assessed in the Applicant's economic report. Ultimately the Council opposes the on-site option and supports an option where the Application site is eventually connected to Council's reticulated infrastructure. However, there is currently no Development Agreement to fund that connection and in particular the required upgrades to various parts of the Council network, which are not currently funded or planned for. This issue is addressed in detail in **Appendix 2**. The preferred outcome for Council is that a Development Agreement is entered into between the Applicant and Council to address the funding deficit, timing required, and facilitate the development via a coordinated infrastructure solution that is capable of being achieved without undue burden on ratepayers.

- 2.9. Furthermore, as an overseas company, RCL Henley Downs Limited was granted consent to purchase the land by the Overseas Investment Office (OIO) (attached as **Appendix 5**) under the Overseas Investment Act 2005. The OIO decision to grant consent included a number of conditions for completing the Development Works. The OIO approval conditions include:

The delivery of at least NZD \$50 million of External Infrastructure for the Land, to connect to existing QLDC Infrastructure.

External Infrastructure means the infrastructure upgrades required for the project to proceed, which may include the augmentation of the municipal sewage system; construction of a sewage pipe from the Land back to the municipal sewage facility in Frankton; bringing a water supply to the Land and construction of a water reservoir; and the construction of a pipe bridge across the Kawarau River

- 2.10. It seems that the Applicant could not meet these requirements if the proposed standalone infrastructure option for water and wastewater were to proceed. The definition of External Infrastructure incorporates all necessary infrastructure upgrades required for the project to proceed which clearly include offsite works to connect to QLDC Infrastructure – with the ultimate destination for wastewater being the municipal sewage facility in Frankton.

- 2.11. To resolve the significant infrastructure concerns QLDC considers that the Project should align with the TTSC Structure Plan and not compromise the preferred coordinated servicing approach for the area. Council would welcome an 'Augier condition' from the Applicant that states it will agree a Developer Agreement that outlines:

- Clearly defined cost-sharing, sequencing, and maintenance responsibilities.
- Any agreed upgrades to the Council water supply network including design and construction.
- Any agreed upgrades to the wastewater gravity network including design and construction.
- Any agreed apportionment of costs and responsibilities in the provision of the above agreed design and construction upgrades.
- Any potential development contribution credits that may be agreed for works undertaken

by the consent holder.

- Details of the connection to Council's reticulated wastewater network in accordance with the QLDC Code of Practice 2025 and terms agreed, including in respect of the amount of development serviced by that connection.

- 1.2. Because a condition of this type has not currently been offered by the Applicant, the Council has drafted a solution into the conditions that puts forward a Development Agreement as an alternative solution for potable and wastewater infrastructure.

Other issues

- 2.12. QLDC considers that there are significant concerns in regard to the provision of suitable open space and recreation reserves, appropriate assessment of natural hazards, in particular liquefaction risk and also the provision of public transport and connectivity from the subject site to the wider TTSC area. These matters are discussed in greater detail below, and in **Appendix 3** (Parks and Reserves Memo).

3. Key Issues

- 3.1. The following are the key issues to QLDC addressed in this Written Comment:

Section 4 - Three water servicing and funding

Section 5 - Natural Hazards

Section 6 - Parks and Reserves

Section 7 - Transport and Connectivity

Section 9 - Policy Analysis

Section 8 - Alignment with Key Strategic Documents

Section 10 - QLDC Condition recommendations

4. Three water servicing feasibility and funding

- 4.1. Council has significant concerns regarding the Application's approach to **potable water** and **wastewater** servicing for the Application area as outlined in a technical memo prepared by Council's Property and Infrastructure Engineer Mr. Richard Powell (**Appendix 2**). These concerns are summarised below. It is also noted that the proposed standalone infrastructure option would not be consistent with the requirements of the OIO approval discussed above.

4.2. Potable Water

- 4.2.1. Council does not support the proposed standalone water supply system which relies on a new on-site borefield, treatment plant, and storage reservoir as a long-term solution for the development. This is due to the lack of efficiency and long-term sustainability of private infrastructure. This includes the different legislative obligations of private bodies corporate versus public bodies, the impact on funding of planned public infrastructure to

support planned growth, and the risk of sub-standard process units being installed, incurring costs to homeowners or the public sector later if the infrastructure needs to be vested to QLDC.

4.2.2. Council has recommended new conditions which while retaining the Applicant's private on site option, provide an alternative option (preferred by Council) for delivery of water infrastructure via upgrades and connections to QLDC's network with the costs being settled via a Developers Agreement.

4.2.3. Should the private water option proceed, vesting of the proposed system would create a fragmented and inefficient network inconsistent with Council's servicing framework. Council recommends changes to the draft conditions to ensure that there is no expectation it will ever vest privately constructed on site water infrastructure. Any future consideration of vesting would only be appropriate if it can be demonstrated that the infrastructure can be integrated with, and provide benefits to, the wider Council network (which the Application does not currently do).

4.2.4. If the Applicant proceeds with an on-site solution for water, Council considers the Panel needs to carefully examine the Applicant's economic assessment of benefits of the project, and whether it remains appropriate and correct.

4.3. Wastewater

4.3.1. Option A: Proposed Standalone Wastewater

4.3.1.1. Council has significant concerns regarding the proposed standalone option for wastewater servicing as outlined in greater detail in Appendix 2. While the Applicant's technical assessments demonstrate that standalone systems may be technically feasible, it does not deliver an appropriate or sustainable long-term solution for this location when considering the anticipated growth in the area. Particularly when considering effects on water quality, complex private maintenance arrangements and cumulative effects upon the environment from the proliferation of wastewater treatment.

4.3.1.2. Council fundamentally does not support the establishment of permanent long-term private wastewater treatment facilities. This is due to the lack of efficiency and long-term sustainability of private infrastructure including the different legislative obligations of private bodies corporate versus public bodies, the impact on funding of planned public infrastructure to support planned growth, and the risk of sub-standard process units being installed, incurring costs to homeowners or the public sector later if the infrastructure needs to be vested in QLDC.

4.3.1.3. If the Applicant proceeds with an on-site solution for wastewater, Council considers the Panel needs to carefully examine the Applicant's economic

assessment of benefits of the project, and whether it remains appropriate and correct.

4.3.2. Option B: Connecting to Council Wastewater Network

4.3.2.1. The Applicant has been engaging with Council on an alternative 'option b' for servicing the development by aligning with the TSSC Structure Plan and connecting to the existing Council network, which would also align with the requirements of the Applicant's OIO conditions.

4.3.2.2. For wastewater, this would involve upgrades to the existing Hanleys Farm pump station and/or alternative routing capable of servicing the development and wider area and also upgrades to conveyance system across the Frankton area to reach the Shotover Wastewater Treatment Plant.

4.3.2.3. As set out in more detail in Appendix 2:

4.3.2.3.1. QLDC are not in a position to allow the RCL Proposal to connect to the Hanley Farm Wastewater Pumpstation as there is not currently any capacity, and the increased capacity that will result from imminent upgrades is intended for growth within the existing zoned land along the southern corridor (with the RCL site currently zoned Rural Zone).

4.3.2.3.2. With upgrades to the conveyance infrastructure across the Kawarau River and Frankton Flats to the treatment plant, the flowrate of the Hanley Farm Wastewater Pumpstation can be increased to accommodate the proposed dwelling unit equivalents from the Homestead Bay development.

4.3.2.3.3. There is still a level of uncertainty as to what the design solution could be and then the timing of any delivery – there are design options that are to be worked through, and then priced.

4.3.3. QLDC would welcome an "Augier condition" from the Applicant to enter into a developer agreement (DA) ensuring the applicant fund their portion of this upgrade up front or as it is constructed. This would also align with the requirements of the Applicant's OIO conditions. Council has recommended new conditions which, while retaining the Applicant's private on site option, provide an alternative option (preferred by Council) for delivery of wastewater infrastructure via upgrades and connections to QLDC's network with the costs being settled via a Developers Agreement.

4.4. Stormwater

4.4.1. As outlined in Appendix 2 and Table 2 of Appendix 1, Council supports stormwater management solutions that align with the TTSC Structure Plan, which establishes a distributed, nature-based approach to managing runoff through vegetated channels and wetlands, with discharge to land where possible. This approach

delivers multiple benefits, protecting receiving environments, improving water quality, and supporting the ecological integrity of ephemeral gullies and downstream systems.

- 4.4.2. While the peer-reviewed stormwater assessment indicates the Application could achieve adequate attenuation, Council remains concerned that downstream capacity, cumulative effects, and long-term maintenance responsibilities have not been confirmed. These are critical matters to ensure the system's performance over time and to avoid placing additional burden on the community or adjacent landowners.
- 4.4.3. Of particular concern are the southern gullies, which provide important ecological and stormwater conveyance functions. The current subdivision and roading layout does not maintain sufficient offset for access and maintenance, nor does it protect these gullies from disturbance.
- 4.4.4. The placement of residential lots, roads, and walking trails within or directly adjacent to the gullies risks degrading habitat values and undermining the natural stormwater function intended by the TTSC Structure Plan. Council does not support the proposed public access through these gullies due to ongoing ecological disturbance and operational constraints.
- 4.4.5. Overall the stormwater infrastructure is generally acceptable subject to confirmation of downstream capacity, long-term maintenance arrangements, and explicit integration with Council's wider corridor drainage network. Design acceptance and ongoing compliance should be secured through enforceable consent conditions and Engineering Review by QLDC as per the Council's recommended condition set.

4.5. Vesting of Infrastructure

- 4.5.1. The application and proposed conditions of consent have been drafted with an 'either/or' option for the vesting of proposed infrastructure for both water and wastewater or for these systems to remain in private ownership.
- 4.5.2. It is for QLDC to decide whether to accept and vest an asset. Like any other company that owns and operates network infrastructure, it is free to decide whether or not to accept the transfer of an asset and the grant of an easement. There is established in caselaw³ where The Court of Appeal has found that Watercare was empowered, as owner and operator of the water supply network, to decline to accept vesting of a watermain.
- 4.5.3. QLDC's position is that it does not support the vesting of 'stand alone' infrastructure. Any future consideration of vesting would only be appropriate if it can be demonstrated that

³ *Thirty Eight Moffat Ltd v Auckland Council and Watercare Services Ltd* [2021] NZHC 2978, at [40]

the infrastructure can be integrated with, and provide benefits to, the wider community and Council network. Council's condition set suggests changes in order to make that clear.

4.5.4. The issue of vesting of reserves is addressed separately below.

5. Natural Hazards

- 5.1. Ms. Lamont and Mr. Wood have provided further commentary in relation to natural hazards in context of work undertaken as part of the TTSC Structure Plan within Table 2 of Appendix 1.
- 5.2. No assessment has been provided by the Applicant for Lot 12, and investigations for Lot 8 have been confined to the eastern terrace where perched groundwater is present. This leaves large portions of the development area unverified in terms of liquefaction susceptibility. As such it is considered that further investigation is required in order to adequately assess the liquefaction risk across the site.
- 5.3. This assessment is critical, as the area identified for social and community infrastructure lies within land where liquefaction is possible. The Structure Plan deliberately included flexibility to relocate community infrastructure south into Lot 12, subject to future confirmation of ground conditions. This remains Council's preferred contingency until site-specific testing verifies the suitability of the currently proposed location.
- 5.4. The Applicant has been made aware of these concerns. Until these matters are resolved, Council does not consider the hazard information sufficient to support the proposed layout or to ensure long-term community safety and infrastructure resilience.

6. Parks, Reserves and Open Space

- 6.1. Council acknowledges the inclusion of public open space, revegetation, and trails within the proposal. However, Council's technical assessment (**Appendix 3**) has identified that a significant proportion of the proposed reserve land is not fit for purpose. While approximately 8.4ha of recreation reserve is identified, only around 1.7ha is considered usable under Council's Parks and Open Spaces Strategy (2021).
- 6.2. The majority of reserves are steep, irregularly shaped, or constrained by encumbrances and infrastructure, preventing development for active recreation or community use. This could add potentially significant cost to the community for little gain. Several adjoin wastewater land treatment areas, creating operational and safety issues inconsistent with public reserve management. The overall layout results in fragmented, constrained and unevenly distributed open space, falling short of what is needed to serve an intended community of ultimately 2,531 residential units.
- 6.3. QLDC's position is that the proposal does not deliver sufficient, functional public open space to meet the expected recreation needs of future residents. It is QLDC's view that to achieve an acceptable outcome, the reserve network must be reconfigured to provide flat, usable land,

remove all encumbrances, clearly separate wastewater infrastructure from recreation areas, and secure continuous, safe trail connections. These issues are material and must be resolved to ensure the open space network is viable and delivers genuine community benefit. QLDC will not accept to vest, reserves that are not fit for purpose.

- 6.4. QLDC has inserted conditions into the recommended condition set which would require all the changes (discussed in Attachment 3) that are required in order for the Application to provide acceptable parks, reserves and open space to serve the future community.

7. Transport and Connectivity

- 7.1. As outlined within Section 4 of the technical feedback in **Appendix 2** and in Table 2 of **Appendix 1**, Council acknowledges the transport assessments provided by the Applicant and supports the intent to deliver a connected internal network. However, a number of critical matters remain unresolved. It is not clear that the proposal will deliver a safe, efficient, and integrated transport outcome consistent with the TTSC Structure Plan.
- 7.2. The internal street network requires further refinement to achieve safe and accessible conditions for all users. Council's technical review notes inconsistent shared-path widths, insufficient separation from property boundaries, and a lack of traffic-calming measures on collector roads. These design elements are critical to provide a genuine low-speed environment and to minimise conflict between vehicles, pedestrians, and cyclists. While Council's preference is for these matters to be corrected in the detailed plans that are approved as part of the consent, it is considered these matters can be resolved through detailed design, and conditions are recommended to require that.
- 7.3. Provision for active and public transport remains limited. There are currently no confirmed connections to future bus infrastructure, park-and-ride facilities, or the wider active-mode corridors identified in the TTSC Structure Plan. Furthermore, the current proposed staging of the development leaves the creation of the completion of the spine road connecting SH6 and Homestead Bay Road until the final stage. This creates a risk of greater car dependency and public transport inefficiency until this connection is provided. This connection should be included within earlier stages of the development.
- 7.4. The layout also lacks safe and continuous cycle and pedestrian connections to adjacent developments and key destinations, including SH6. These omissions undermine the opportunity to support mode shift and reduce private-vehicle dependence. A modification is suggested to the conditions to address this.
- 7.5. Further, sequencing, delivery, and cost-sharing arrangements remain unresolved. Given the scale of development, there should be a requirement to help fund key infrastructure outside of their development (bus lanes or the A7 connection) to offset the effects of increased traffic generation.

8. Planning Policy Assessment

- 8.1. The Applicant has provided an analysis of the proposal's alignment with the relevant planning policy documents in **Appendix LL** of the application. The following review of this assessment focuses on areas of disagreement only.
- 8.2. The Applicant has correctly identified the relevant Planning Policy documents. Those documents that are of particular relevance to QLDC and the focus of this review are as follows:
- *National Policy Statement on Urban Development 2020 (NPS-UD)*
 - *National Policy Statement for Freshwater Management 2020 (NPS- FM)*
 - *National Policy Statement for Indigenous Biodiversity 2023 (NPS-IB)*
 - *Otago Regional Policy Statement 2019 (RPS)*
 - *Proposed Otago Regional Policy Statement June 2021 – Decisions Version (PORPS)*
 - *Queenstown Lakes Proposed District Plan (PDP)*
- 8.3. These policy documents span multiple levels within the statutory hierarchy, including national, regional, and district level instruments. While they vary in scope and influence, they share common objectives, with provisions on key planning themes informed by higher-order policy direction. To avoid repetition and maintain brevity, the following assessment is structured by thematic areas where specific points of disagreement have been identified, drawing on relevant objectives and policies from across the documents as necessary to illustrate these areas of misalignment.

Strategic and District Wide Provisions

8.4. Urban growth is managed in a strategic and integrated manner.

NPS-UD Objective 6, Policy 1, Policy 10,

RPS 1.2, 4.5, 4.5.1, 4.5.2

PORPS - EIT-INF-04, EIT-INF-05, UFD-P1,

PDP - 3.2.1.9, 3.2.2, 3.2.2.1, 4.2.2.1, 4.2.2.5, 27.2.2.4, 27.2.5, 27.2.5.6, 27.2.5.15

- 8.4.1. A consistent strategic policy direction reiterated throughout the relevant planning policy documents seeks to ensure that Urban Growth is managed in a strategic and integrated manner, with integrated infrastructure planning being a core focus of these objectives.
- 8.4.2. This is clearly set out within the higher order planning instrument NPS-UD which recognises the importance of the integration of infrastructure provision and funding decisions with urban development:
- a) Under Objective 6 which is that local authority decisions on urban development that affect urban environments are (inter alia) integrated with infrastructure planning and funding decisions.
 - b) Under Policy 1 and the concept of well-functioning urban environments, which includes good accessibility for all people between housing, jobs, community

services, natural spaces, and open spaces, including by way of public or active transport.

- 8.4.3. As outlined in the above assessment and supporting technical memos, significant concerns remain regarding the 'standalone' infrastructure for water and wastewater proposed to service the development. This servicing approach risks undermining the TTSC Structure Plan by fragmenting Council's intended network, limiting the economies of scale and creating inefficiencies in servicing the anticipated future development across the wider area.
- 8.4.4. As such, it is considered that the proposed development would not give effect to these objectives and policies if the 'standalone' water and wastewater service approach is pursued. If the development were to connect to Council's reticulated infrastructure planned under the TTSC structure plan, it is considered that the proposal would be consistent with these provisions. However, there are significant timing and funding uncertainties in delivering this preferred option, which have not yet been addressed or resolved.

8.5. Minimising Risk from Natural Hazards

RPS – 1.1, 1.1.2, 4.1, 4.1.3, 4.1.4, 4.1.5, 4.1.6, 4.1.8, 4.1.10

PORPS – HAZ-NH-O1, HAZ-NH-P2, HAZ-NH-P3, HAZ-NH-P5, HAZ-NH-P7

PDP - 28.3.1 A, 28.3.1 B, 28.3.1.3, 28.3.1.4, 28.3.1.6, 28.3.1.7, 28.3.1.9

- 8.5.1. The relevant objectives and policies throughout the RPS, PORPS and PDP direct the identification and management of hazard risk, directing that development avoid high-risk areas and not increase exposure to hazards. The QLDC District Plan gives effect to this by restricting new development in hazard-prone locations, requiring mitigation where risk exists, and promoting the use of accurate hazard information to guide land use and infrastructure planning.
- 8.5.2. There remain outstanding concerns in regard to the risk from natural hazard on the site, particularly liquefaction risk. QLDC understand that the Applicant is in the process of undertaking further assessment of this to identify this risk and any required mitigation measures. Until this has been completed and any recommendations carried through to the Application, the proposal will not align with these relevant objectives and policies.

8.6. Provision of Open Space

NPS-UD – Objective 1, Policy 1,

RPS – Objective 1.1, Policy 1.1.2, Policy 4.5.3, Policy 4.5.6, Policy 5.1.1

PORPS – UFD-O1, UFD-P4

PDP – 3.2.2.1, 3.2.6, 3.2.6.1, 3.2.6.2, 3.2.6.3, 4.2.1.4, 4.2.2 A, 4.2.2.4, 4.2.2.5, 27.2.1, 27.2.1.1, 27.2.1.2, 27.2.2, 27.2.2.3, 27.2.2.4

- 8.6.1. Another consistent outcome sought through national, regional and district level policy documents is the direction for well-functioning urban environments that provide access for all to appropriate open spaces and recreation.
- 8.6.2. As outlined in the above assessment and **Appendix 3**, While approximately 8.4ha of recreation reserve is identified, only around 1.7ha is considered usable / fit for purpose. Therefore, the Application does not deliver sufficient, functional public open space to meet the expected recreation needs of future residents.
- 8.6.3. As such, without amendments to the proposed reserve provision, it is considered that the proposal would be contrary to a number of relevant objectives and policies that the provision of appropriate open space and recreation opportunities.

8.7. Transport and Connectivity

NPS-UD – *Objective 8, Policy 1*

RPS – *Policy 1.1.2, Policy 4.4.6*

PORPS – *EIT-TRAN-07, EIT-TRAN-08, EIT-TRAN-P18, EIT-TRAN-P19, EIT-TRAN-P20, EIT-TRAN-P21, UFD-01, UFD-P1, UFD-P4*

PDP – *3.2.2, 3.2.2.1, 4.2.1.4, 4.2.2.4, 4.2.2.5, 27.2.2, 27.2.2.4, 27.2.2.5, 27.2.5, 27.2.5.1, 27.2.5.3, 27.2.5.5, 29.2.1, 29.2.1.1, 29.2.4.11*

- 8.7.1. The promotion of public transport and reduction in private car use is encouraged by the relevant planning policies, with direction for new urban development to be designed to enable connection to safe and efficient public and active transport modes.
- 8.7.2. Whilst provision is made within the subdivision design for connection to public and active travel, the main spine road connecting the SH6 and Homestead Bay Road through the development, which is required to enable an efficient public transport connection is contained within stage 11 of the development. This would enable over 900 residential lots to be created ahead of this connection.
- 8.7.3. Depending on the timing of the creation of this stage, this presents a risk of a significant number of residential units to be occupied ahead of a public transport link being enabled to the development, with no guarantees on the timing of this. There is also no guarantee that the development company will develop to stage 11. That may not be possible in many plausible circumstances such as a significant National or Global financial crisis or potentially a significant earthquake event affecting undeveloped landform. If it is not considered appropriate to construct this link at a very early stage, which is what is considered appropriate due to potential significant adverse transport effects if not done initially, then at a minimum this construction would need to be fully bonded upfront (or another method of certainty proposed) for the full future cost plus contingency. There is no alternative delivery model to ensure this infrastructure is delivered. Conditions should be considered to guard against uncertainty of development of this key infrastructure as this could also represent a significant cost to the wider community if not privately developed should the proposal be consented. As it is currently proposed, the current staging and design of the subdivision may lead to continued use of private motor vehicle

use, contrary to what is sought by the relevant planning policy documents and significant cost to the community if the developer never develops the link.

8.7.4. Amending the staging of the proposed subdivision may be a solution to this and enabling the development to align with the relevant objectives and policies relating to connectivity and public transport, together with the conditions to address design issues recommended by Council.

8.8. Housing Choice and Affordability

NPS-UD – *Objective 2, policy 2*

RPS – *Policy 4.5.1*

PORPS – *UFD-O1, UFD-P1, UFD-P2*

PDP – *3.2.2.1, 4.2.2.7, 4.2.2.8*

8.8.1. A number of objectives and policies within the above planning policy documents, seek to ensure planning decisions improve housing affordability and choice supporting competitive land and development markets and encourage innovative approaches to design to assist provision of quality affordable housing.

8.8.2. The Applicant notes that the proposal provides for 2,531 residential units, including a variety of housing typologies, including more affordable, smaller higher density housing such as townhouses, apartments.

8.8.3. However, it is important to note that whilst the Application provides for super-lots intended for higher density development, this is not enabled through this application, with further resource consents required for this. The residential units enabled through this development are in fact 1438 predominantly low density, single or two story standalone residential units.

8.8.4. As outlined in Part 3 of **Appendix 1**, in the Queenstown context, additional zoning and small sections do not result in more affordable housing. Perpetual housing affordability requires specific intervention, such as 5% contributions to a registered Community Housing Provider.

8.8.5. As such, the Applicant's assessment in regard to housing choice and affordability and its alignment with planning policy provisions regarding this are not fully agreed with and the proposal would be inconsistent with a number of these policies. Council has recommended conditions be imposed to address this issue and align the Application with the policy focus on delivering affordable housing.

Location Specific Provisions (Proposed District Plan)

8.8.6. In addition to the strategic and district wide policy direction discussed above, the QLDC PDP sets a number of objectives and policies that relate to the location of the proposed

development, including Chapters 4 (Urban Development), 6 (Landscapes), 21 (Rural Zone) and 41 (Jacks Point Zone). The proposal represents a significant departure from the outcomes sought by these provisions, particularly chapters 4, 6 and 21 which seek to avoid urban development outside of urban growth boundaries, and maintain and enhance the existing rural character and amenity values. The proposal represents Urban Development in this rural area, outside the urban growth boundary and as such is contrary to the overall outcomes sought by the PDP in this area.

8.8.7. However, the recently approved TSSC Structure Plan recognises the site as being appropriate for future urban development, and a change to the zone would be the next step to take as part of implementation of the Structure Plan. Whilst at present the TSSC is a s104 (1)(c) 'other matter', its adoption by Council signals support for a change in policy direction (zoning) from rural to urban in the future. This would result in a closer alignment of the proposal with plan objectives and policies than currently exists. Because of this, Council considers alignment with the TTSC Structure Plan to be important as it represents the most recent Council adopted strategic plan, despite the currently applicable Rural Zone.

9. Alignment with Council's Key Strategic Documents

9.1. Consideration of strategic planning matters – TTSC Structure Plan

9.1.1. Strategic planning matters are a relevant consideration in fast-track application decision-making under clause 17 of Schedule 5 of the FTAA, which directs decision-making provisions of the Resource Management Act 1991 (RMA), including section 104 of the RMA. In this case the TTSC Structure Plan has been formally adopted by Council and is therefore considered to be a relevant 'other matter' under section 104 (1)(c) of the RMA.

9.1.2. The TTSC Structure Plan is underpinned by extensive technical assessment and robust stakeholder and community engagement and is an important document for guiding growth within the district. It should be afforded appropriate weight in a decision to grant or decline consent under the FTAA.

9.2. Alignment with TTSC Structure Plan

9.2.1. The following assessment draws on a detailed memorandum prepared by the Strategy and Policy team at QLDC (attached as **Appendix 1**). That memorandum provides an overview of the TTSC, its relationship to the Queenstown Lakes Spatial Plan, the key focus areas of the Structure Plan, and also a comparative assessment of the proposal against the TTSC Structure Plan. The latter has relied on expert advice including the P&I report which is **Appendix 2** to this written comment.

Wastewater

9.2.2. As outlined in section 4, The Application seeks to service the development via its own standalone servicing arrangements for wastewater through an onsite wastewater disposal and treatment facility on proposed lot 12.

9.2.3. In contrast, as outlined in Appendix 1, the TTSC Structure Plan endorses a *whole corridor approach* to wastewater servicing with all new connections connecting into Council's reticulation network.

9.2.4. Council has significant concerns that the individual servicing arrangement proposed by the Applicant would create both technical and financial challenges for expanding the network to other greenfield development areas to the south also contained within the TTSC, which are anticipated to accommodate up to 2,180 additional Development Unit Equivalents (DUEs). The individual servicing arrangement currently proposed by the Applicant risks fragmenting Council's intended network, undermining the economies of scale that would otherwise exist and creating inefficiencies for future servicing of the wider corridor.

9.2.5. This creates challenges and additional costs to implementing the planned growth strategy outlined in the TTSC Structure Plan area and Queenstown Lakes Spatial Plan. This is a cost to the region that does not appear to have been factored in within the Applicant's economic assessment.

Water

9.2.6. Similarly to wastewater, the Application proposes a standalone water supply system comprising a groundwater source from a single bore and an associated water treatment plant located on proposed Lot 12.

9.2.7. This is in contrast to the 'whole corridor' strategy promoted by the TTSC Structure Plan. This standalone proposal risks inefficiencies and loss of economies of scale that could otherwise be achieved through a unified servicing strategy and also result in additional maintenance responsibilities and costs for future lot owners. As such, Council is not supportive of a standalone water provision and does not want to vest this infrastructure now or in the future unless it can be designed to contribute to a whole corridor TTSC system.

Stormwater

9.2.8. As outlined in Section 4 and the supporting technical memo (Appendix 1), there is a general consistency for stormwater services between the TTSC Structure Plan and the Application, with the exception for the southern gullies referred to as Southwestern Outlets 8, 9, 10, and Southern Creek Outlets 11, 12, 13 within the application documents. In that case the proximity of development to the top of these gullies creates the costs for

future lot owners who may be burdened with the maintenance requirements of these areas.

Parks and Reserves

The TTSC Structure Plan also identifies blue-green connections throughout the southern corridor area that are informed by a recently completed draft Blue-Green Network Plan in partnership with Kāi Tahu which is currently being consulted on. As outlined in section 6 above the supporting technical memo by Ms. Jeannie Galavazi (Appendix 3) there is a lack of alignment between the Application and the blue-green connections endorsed by the TTSC Structure Plan and also Council's Parks and Open Spaces Strategy (2021). In summary, a number of changes are required to the Local and Community Park provision of the Application to align with the TTSC Structure Plan.

Affordable housing

- 9.2.9. As outlined in detail within Part C of Appendix 1, housing affordability is also a key aspect of the TTSC Structure Plan. The application does not deliver affordable housing without specific intervention or commitments through conditions of consent.
- 9.2.10. Despite claims in the AEE, the proposal provides no mechanism to deliver affordable housing. Reliance on smaller lots will not achieve affordability in the Queenstown Lakes market, where demand pressures, not land supply, drive high prices. A 5% contribution (land or equivalent value) to the Queenstown Lakes Community Housing Trust would secure perpetual affordable housing for key workers and residents. No such commitment or developer agreement is included in the Application, and Council recommends a condition is imposed addressing this.

10. QLDC Conditions

- 10.1. QLDC has identified a number of changes to the proposal that may alleviate concerns raised. Some of these changes may be achievable through conditions and are specified where this is the case. These are summarised below.

10.2. Water and Wastewater

- 10.2.1. To resolve concerns regarding 'standalone' water and wastewater infrastructure and its potential to undermine Council's strategy for servicing future development within the wider TTSC area, council would encourage the applicant to enter into a development agreement with Council to enable the upgrade and connection to Council reticulated services. The following Suggested draft conditions to would enable this by providing an option to the consent holder:

- X. *In relation to the provision of water supply and wastewater services, the consent holder must **either**:*
- i. *If a privately owned stand-alone system is proposed, the consent holder shall, construct prior to issue of section 224(c) all required potable water and wastewater services sufficient to service the potential future development yields of each lot under the consent (including the super lots) to the boundary of each lot, in accordance with the works detailed in Condition 24 (n) – (y); **or***
 - ii. *enter into a Developer's Agreement with QLDC Property & Infrastructure for any required water supply and wastewater upgrades (including but not limited to any pumpstations, booster pumpstations, reservoirs, treatment plant, or associated pipe work to accommodate any future anticipated additional contributing catchment under the consent (including the Super Lots). The Development Agreement shall confirm:*
 - a. *Any agreed upgrades to the Council water supply network including design and construction.*
 - b. *Any agreed upgrades to the wastewater gravity network including design and construction.*
 - c. *Any agreed apportionment of costs and responsibilities in the provision of the above agreed design and construction upgrades.*
 - d. *Any potential development contribution credits that may be agreed for works undertaken by the consent holder.*
 - iii. *Details of the connection to Council's reticulated wastewater network in accordance with the QLDC Code of Practice 2025 and terms agreed, including in respect of the amount of development serviced by that connection;*
- X. *Where the consent holder enters into a Developer's Agreement in accordance with Condition 'X'(ii) to connect to QLDC water and wastewater infrastructure, then Conditions 24 (n) –(y), which concern the alternative onsite water and wastewater provision will not apply.*

10.3. Natural Hazards

- 10.3.1. To resolve concerns identified regarding potential liquification risk, Council requested further assessment. Any additional conditions of consent recommended by that awaited analysis should be included in the final set of conditions.

10.4. Provision Of Additional Reserve Land

- 10.4.1. To resolve identified issues regarding the provision of open space and recreation reserve, Council considers that the reserve network must be reconfigured to provide flat, usable land, remove all encumbrances, clearly separate wastewater infrastructure from recreation areas, and secure continuous, safe trail connections.
- 10.4.2. QLDC considers that this is best achieved through the proposed landscape and scheme plans being updated up front to demonstrate a revised reserve network prior to a decision being made. However, the conditions of consent contained within Appendix 4 are recommended to the panel should they decide to make a decision prior to any updated plans being provided by the Applicant.

10.5. Other Changes to Proposed Conditions

10.5.1. A number of other changes made to the Applicant's proposed conditions of consent have been suggested and are outlined in a marked up version of the proposed conditions contained in Appendix 4, these include:

- Requiring the completion of the connecting spine road between SH6 and Homestead Bay Road earlier in the proposed staging of the subdivision;
- Details of affordable housing contributions at each stage of the subdivision;
- Design standard for fences along boundaries of reserves;
- Other minor amendments to wording of conditions to aid their implementation and monitoring.

10.5.2. It is noted that further refinement of proposed conditions will likely be necessary once the Applicant and the expert panel has assessed and reviewed QLDC's and other parties proposed changes.

11. Conclusion

11.1. The Homestead Bay Application sits within a strategically important growth area for the district. While the application presents an opportunity to contribute to the delivery of housing and community outcomes anticipated by the TTSC Structure Plan, the form and detail of the Application does not fully align with the applicable planning policy and Council's integrated planning framework for the area.

11.2. Key matters relating to water and wastewater servicing, open space provision, natural hazards, and transport connections remain unresolved and there are currently significant adverse effects and potential costs to the community expected. If not addressed, these matters have the potential to undermine the coordinated, efficient, and sustainable development of the wider corridor and place additional costs and constraints on future growth.

11.3. Council considers that these issues *could* be appropriately resolved through amendments to the proposal and clear commitments from the Applicant to align with the TTSC Structure Plan. In particular, Council encourages the Applicant to enter into a development agreement to secure connection to Council's reticulated networks, refine the open space layout to provide functional reserves, confirm the suitability of land subject to liquefaction risk, and bring forward key transport links to ensure early connectivity – this could be addressed through an appropriately offered *Augier* condition of consent.

11.4. Subject to these changes being incorporated, Council considers that the proposal could achieve a more integrated and enduring development outcome consistent with the strategic direction for the TTSC. Council therefore requests that the Panel give careful consideration

to these matters and ensure that any approval includes conditions, changes or agreements that secure the required outcomes.



David Wallace

General Manager Planning and Development
Queenstown Lakes District Council