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Dear Todd

1/527 Wairakei Drive, Taupo – Addendum to Assessment of Environmental Effects

Introduction

This letter provides an addendum to update the previous AEE lodged with the Taupo District Council 19th September 2023 (RM230263 & RM230264) with respect to the following:

1. *Update on affected party consultation*
2. *Update on existing consents approved on the wider Wairakei International Golf Course (WIGC)*
3. *Update on the description of the activity and removal of reference to a 'farm park' activity*
4. *Removal of the consented baseline reference to the previous accommodation consent*
5. *Update to reflect the position of the two legal opinions completed by the Council and the Applicant*
6. *Update on the Proposed Plan Changes and in particular reference to the TD2050 and PC38*
7. *Connection between the proposal and existing Golf Course*
8. *Reference to land parcels*

1. Affected Party Consultation

Since the consent was lodged in September 2023, consultation with Contact Energy Limited has now been formally completed and affected party approvals provided to support the application in terms of any reverse sensitivity matters from the future proposed residential dwellings on Contact's right to ongoing geothermal exploration, extraction of fluid and power generation activities. As such any adverse effects onto this party can now be disregarded. A suite of agreed conditions has also been originally proffered to provide ongoing mitigation to Contact's operations.

2. Existing Consented Activities

An additional consent for 2/257 Wairakei Drive has been issued for a private helipad (RM230182) to service one of the private dwellings that sits within a small allotment within the WIGC and is in close proximity to the proposed residential dwellings. This now forms part of the existing consented environment but there are considered to be negligible effects given the proffered conditions that address any future noise concerns for Contact Energy Limited will have corresponding mitigation for any additional and temporary helicopter noise.

3. Removal of the reference to a 'farm park'

The original application refers to the proposal as similar to a 'farm park' activity which in its true sense would be associated with a working productive farm as the balance allotment. In this case the proposal is 30 residential dwellings located within a Wildlife Sanctuary and the balance allotment is the larger lot containing the WIGC rather than any working productive farm block. As such it is considered appropriate to remove the reference to a 'farm park' to the following proposal description:

“To undertake subdivision of 1/527 Wairakei Drive to create 30 residential lots between 1500m² – 2239m² for short and long term accommodation that will be located within a fully fenced wildlife sanctuary of some 15.851ha’s. A joint owner access lot of some 1.397ha will service the 30 residential allotments as well as a Contact Energy Limited inspection well. The remaining balance of 120.94ha’s will remain as part of the Wairakei International Golf Course.”

4. Removal of reference to the consented baseline

The original application discussed at length the existing consents and consented baseline under Section 7.1. Subsequent to the legal opinion provided by Mr. Winchester and Mr. Mulligan, it has been determined that given the existing consent for the Hotel and Chalets (RM170294 & RM170295) are to be replaced with the proposed 30 residential dwellings, the previous approved consent cannot be given effect to or be part of the future environment when disregarding effects.

Despite not forming part of the consented baseline, the previous consent still provides a valid assessment in terms of the previous consent pathway and what was considered appropriate for the site in terms of visual effects and general activity [refer para 32 -35 of Mr. Mulligan’s evidence] as follows:

- The visual and amenity effects of the proposed subdivision on the lower and middle sections of the site will be consistent in terms of visual bulk.
- Vehicle movements and their adverse effects on the roading network as the proposed subdivision would generate significantly fewer movements than the previously approved activity.
- The temporary and long-term adverse visual effects of earthworks associated with lot platform construction, road, right of way, Joint Ownership Access Lanes and driveway construction will largely be the same.
- Light-spill from the dwellings and three storey hotel and vehicle headlights in the lower and middle parts of the site will be similar or more than likely have less adverse effects.
- The additional density and cluster of development within this northern part of the golf course will largely be similar with 30 dwellings rather than 40 chalets.
- The effects on reverse sensitivity in relation to other surrounding tourism and geothermal activities from the overall activity consented for the site with 40 chalets and a large hotel complex will be reduced with the 30 proposed dwellings.

The overall adverse effects are significantly reduced from the previously approved consent with a smaller number of dwellings across the site (30 instead of 40 chalets) and the removal of the large three-storey hotel complex that would have had much greater visual amenity effects and potential for reverse sensitivity onto adjacent tourism and geothermal activities.

5. Update from Legal Opinions

Taupo District Council sought a legal opinion from Jame’s Winchester that was largely related to the consented baseline, definition of urban and a high-level assessment against the DP in terms of the avoidance policies of urban development within the rural environment. Subsequently the applicant has also undertaken a legal opinion by Patrick Mulligan in response to Mr. Winchester’s opinion. Mr. Mulligan’s legal opinion is attached for full reference.

The applicant is of the opinion and supported by Mr. Mulligan’s evidence that the proposal is not urban development given it is a very unique proposal of high value residential dwellings that are within a wildlife sanctuary and form an integral part of the future viability of the golf course activity. This is not something that could be replicated within any other rural environment within the Taupo District and as such any concerns on plan integrity (both the operative and proposed) and precedent can be disregarded due to the unique nature of the proposal.

Mr. Mulligan makes a clear distinction that avoid policies that were drafted and came into effect before the NZKS decision don’t have the same weight as those policies drafted after the NZKS decision [para 36 -37] and as such should not be taken as ‘absolute avoidance’ given the TDP policies and objectives were drafted in 2007 as part of Variation 17.

Both Mr. Winchester and Mr. Mulligan consider the use of averaging under the cluster provisions of the TDP as not appropriate, but both agree that the effects of the development are likely to be less

than minor and as such despite the lot sizes there is a clear pathway to approve the consent under s104D.

Mr. Mulligan has provided a useful assessment of the relevant objectives and policies [para 47 – 57] that is broader than Mr. Winchesters opinion and takes a more balanced approach when considering the proposed use of the dwellings and direct nexus to the WIGC, particularly how the proposal supports commercial accomodation, recreation and tourism activities which was clearly a significant factor for the previous Hotel consent. There are clear objectives and policies that support higher densities being appropriate where they support other legitimate rural activities such as the WIGC.

6. Update on PC38 and TD2050

Since the application was lodged in September, the proposed plan changes have had submissions and further submissions completed and hearings undertaken, albeit no decisions have yet been released. But it is appropriate to consider PC38 and TD2050 which are interlinked and are included below:

Plan Change 38 – Strategic Directions	
Strategic Direction 3 – Urban Form and Development (Objective 2.3.2, Policy 2.3.3)	
Objective 2	Subdivision, use and development of land will be consistent with TD2050 2018 to maximise the efficient use of zoned and serviced urban land and is coordinated with the provision of cost-effective infrastructure.
Objective 4	Development is serviced by an appropriate level of infrastructure that effectively meets the needs of that development.
Objective 7	Subdivision is designed to avoid, remedy or mitigate adverse effects on the environment and occurs in a sequenced and coherent manner that protects or enhances the important natural values of the environment where it is located.
Policy 3	Subdivision, use and development of land will be consistent with TD2050 to maximise the efficient use of zoned and serviced urban land and is coordinated with the provision of effective infrastructure.
Policy 6	Provide for subdivision, use and development of land that will lead to demonstrable beneficial social and cultural outcomes for the District’s community.
Policy 10	Manage subdivision use and development of land to ensure that it will not: <ul style="list-style-type: none"> a. have an adverse effect on the functioning of the environment where it is located, b. unduly conflict with existing activities on adjoining properties, c. compromise development consistent with the intent and planned urban built form of the environment where it is located d. give rise to reverse sensitivity effects from existing uses
Comment	
<p>PC38 sets out a list of strategic directions for the Taupō District. These are high level, district wide resource management matters that are to be considered for resource consent applications, being: Tangata Whenua, Fresh Water Quality, Urban Form and Development, Climate Change, Strategic Infrastructure and Natural Values and Landscapes.</p> <p>For this proposal the strategic direction for Urban Form and Development is considered relevant as it conveys a clear intention for there to be avoidance of urban development which is advanced in an unplanned way, and this corresponds to PC42 which adopts a more stringent approach to subdivision in the General Rural Environment than the operative District Plan by having subdivision creating lots of less than 10ha as a non-complying activity.</p> <p>Objective 2.3.2 and associated Policies under 2.3.3 seek to support development that is undertaken in a logical and planned manner to ensure that adequate infrastructure and strategic planning can be undertaken in general accordance with the TD2050.</p> <p>This has been the direction of the Taupo District Plan for a number of years where new growth areas have been marked for future urban development and ensuring that this is undertaken through a Structure Plan or Private Plan Change process if it is to proceed prior to Council undertaking this work.</p>	

It is not considered the proposed development is contrary to this approach as it not within an area of future urban growth and in fact is not considered to be urban development given the close nexus of use between the proposal and the existing well established rural activity onsite that is very different to the type of urban development PC38 and PC42 are seeking to avoid.

The site can be fully and adequately serviced and will create no new demand on Council services that can't be mitigated.

The supporting LVA provides confidence that the development can be undertaken in a manner that will enhance natural values and this is further supported by the Wildlife Sanctuary onsite.

There is clear benefits from the proposed development in terms of social outcomes for the District given the high value owners and future visitors and the impact on positive economic outcomes to both the building industry short term and long term on the financial viability of the golf course itself and positive effects on tourism spend in the tourist park.

Any adverse effects have been clearly mitigated through the design process and landscape assessment and proposed revegetation and Wildlife Sanctuary as well as addressing reverse sensitivity issues.

Overall, it is considered that while there is some inconsistency with PC38 and particularly around the location of 'urban' development driven by the TD2050 process, the overall proposal can meet much of the potential outcomes anticipated and has significant mitigation proposed to address any adverse effects.

The TD2050 Growth Management Strategy was originally drafted in 2006 and was created as a key guide to future District Plan changes as to where future residential development was most appropriate and tools to enable this. The document was reviewed in 2018 and many growth areas removed as part of that review that had either been implemented through subsequent plan changes or the growth area was no longer deemed as suitable or required for growth.

One of the key considerations in the TD2050 was around preventing urbanisation and fragmentation of rural land and in the review, there is clear direction to enable more lifestyle development in appropriate areas while protecting other larger rural productive land.

Much of the proposed outcomes from the recently reviewed TD2050 have now formed the basis of Plan Change 38 and the Strategic Directions Chapter and Plan Change 42 to create a new Lifestyle Rural Environment, not yet currently operative as it works its way through the notified plan change process. It is considered that this proposed development is generally consistent with the TD2050 as it has been demonstrated that this is not a form of urban development and does not fragment rural land, rather it is an alternative rural land use on land that has lower productive use and as such can be better utilised for tourism and recreation purposes in accordance with action point 11 of the TD2050 under Section 3.3 as shown below:

Action	Strategic Direction	Process
8. Maintain the policy approach of controlling fragmentation of the rural environment below 10ha.	District Character Natural environment	District Plan Review
9. Investigate the level of demand for lifestyle blocks (below 10ha) and ensure appropriate supply.	District Character	District Plan Review
10. Remove the WeKA (West Kinloch Arterial) designation except for the lower section between Wairākei Drive and Poihipi Road.	District Character	District Plan Review
11. Ensure the District Plan provisions support rural industries and innovative uses for rural land such as agribusiness, tourism and recreation opportunities that do not lead to an urbanisation of the rural environment.	Economy	District Plan Review

There is clear support for alternative rural land use that can better utilise land and support tourism and recreation activities where productive land use is no longer appropriate. Given the location of the development and marginal productive values of the land, the most appropriate form of development is a farm park style development that can support the existing golf course and surrounding activities

and therefore is supported by the intent of the TD2050 subject to ensuring the urbanisation is not occurring.

This unique proposal and a unique parcel of land and within a unique pocket of tourism activities is therefore considered consistent with the intended outcomes of TD2050.

7. Connection between WIGC and the Proposal

Mr. Mulligan's legal opinion provides some robust analysis around the objectives and policies and how the proposal can be seen to support the TDP when taking a wider view of direct link between the residential dwellings and the WIGC and how this is a unique development that cannot be replicated in any other rural environment within the Taupo District.

The 30 dwellings will sit within an existing fully predatory fenced Wildlife Sanctuary and as such will be very different to a normal rural/residential setting and alongside the Golf Course the proposed development will have a closely and interrelated link to the onsite tourism activities.

Most International Golf Courses have some form of accommodation and residential accommodation onsite as this provides significant capital investment into the Golf Course to enable financial stability and encourages high value owners and visitors an incentive to make use of the facilities.

The residential dwellings will have direct oversight and management from the onsite Managers Residence that is to be built within the same locale which will enable the dwellings to be used for short term accommodation.

The applicant is willing to set up a structure that enables the dwellings to be used for short term accommodation, with the onsite manager providing similar support and services to many similar golf courses around New Zealand that enable owner's homes to be used for high end tourism.

The proposed dwellings will be high value homes that will not only attract high value individuals to invest in the golf course, but also to encourage high value visitors to the site which will have significant benefit to bot the golf course but surrounding tourism activities, in a similar manner to how Huka Lodge operates.

There is clearly a strong financial benefit to the WIGC and surrounding tourism park by have a core group of well-resourced families that will be making long-term substantial investments into the golf course and wildlife sanctuary.

Its clear that the proposed residential dwellings will form an ancillary activity onsite to the golf course but will provide an important function to support the ongoing viability of a 50-year-old highly valued tourism activity as well as the wider surrounding tourism operators and as such is complementary to the existing activities onsite.

As such it is considered the golf course and proposed development will provide significant support for the existing and any future tourism activities and are linked closely in a way that no similar rural/residential development could match elsewhere within the District.

8. References to proposed land parcels

The application has been through various iterations and various proposed land parcels are referenced throughout the AEE application, to summarise the following parcels are proposed:

- 30 residential lots referenced on the scheme plan as Lots 1 – 30
- A wildlife sanctuary allotment of 15.851ha referenced as Lot 200
- A JOAL for private access of 1.397ha to provide access to the residential lots, referenced as Lot 100
- A shared ROW lot of 508m² reference as Lot 101
- A balance Golf Course allotment of 120.94ha referenced as Lot 300.
- There will be various easements in place as identified on the scheme plan for provision of services and for the Contact Energy Inspection well across both the balance lot and the wildlife sanctuary lot.

Summary

The application has been lodged since September 2023 and requires an update via an addendum to reflect the recent legal opinions, clarify certain points within the application and update the application

to reflect the affected party approvals now obtained and changing planning frameworks as the proposed plan changes make their way through the notification process.

The addendum and supporting legal opinion provide additional support and evidence to assist Council in assessing the merits of the application with particular regard to the objectives and policies of the TDP as well as establish a clear link between the WIGC and ancillary activity being proposed and how the additional dwellings onsite can support the ongoing viability of the golf course and surrounding tourism activities in this unique area of the Taupo District.

It is considered that despite being a non-complying activity, there is a pathway to support the application through a balanced assessment of the objectives and policies as well as any adverse effects being shown as less than minor.

Kind regards

A handwritten signature in black ink, appearing to read 'Scott Devonport', written in a cursive style.

Scott Devonport
Simpli Consulting Limited