ORIGINAL

DOUBLE SIDED

Decision No: C86/99

IN THE MATTER of the Resource Management

Act 1991

AND

IN THE MATTER of an application under

section 311 for a declaration - by VIVID HOLDINGS LTD

ENF: 8/99

BEFORE THE ENVIRONMENT COURT

Environment Judge J R Jackson – (Sitting alone pursuant to section 279 of the Act)

HEARING at QUEENSTOWN on 12 and 13 April 1999

APPEARANCES

Mr G M Todd and Ms J E Macdonald for Vivid Holdings Ltd, D W Andrew, and R W Pringle

Mr W P Goldsmith for Carlin Enterprises, Carolina Developments Ltd, Pisidia Holdings Ltd, Stalker Family Trust, Crosshill Farm Ltd, Allanby Farms Ltd, M L McLellan, J & N Turnbull, R & M Cox – all under section 274

Mr N T McDonald for Design 4 Ltd, Quail Point Properties Ltd, J F Investments Ltd, D Speight, M Clear, M W Pittaway, J Stewart, C Umber, A Jardine, Shotover Properties, G Stalker, K Stalker, W Stalker, Clark Fortune McDonald & Associates, M Hamer, R & P Chilman, R Drayton, C & F Rule, N Beer – all under section 274

Mr N S Marquet for Queenstown Lakes District Council Mr S Stamers-Smith for Wakatipu Environmental Protection Society Inc

DECISION

Introduction

1. This proceeding is about the validity of a reference by the Wakatipu Environment Protection Society ("the Society") to this Court. The issue is of significance to many rural landowners in the Queenstown Lakes District. The Queenstown Lakes District Council ("the Council") publicly



notified its proposed district plan ("the proposed plan") under the Resource Management Act 1991 ("the Act") on 10 October 1995. Part 6 of the proposed plan dealt with urban growth. The explanation for the objective of sustainable growth management stated that a growth management strategy ("GMS") was "seen as essential to the sustainable management of the District's resources and amenities ...". Part 8 of the proposed plan, called "Rural-Residential Areas", provided for low-density lifestyle residential opportunities in certain rural locations throughout the District. A rural-residential zoning enabled subdivision of the relevant land to a minimum lot size of around 4,000 m².

2. The Society lodged a submission ("the Society's submission") relating to part 8 of the proposed plan. The submission states (relevantly):

Our submission is that we oppose any new RR zones until the Growth Management Survey/Strategy has shown that there is a need for them and the preferred area(s) for them. The areas in the plan do not appear to be designed in a sustainable pattern as there is no provision for co-ordinated landscape treatment. This will lead to piecemeal development.

We seek the following decision from the Council:

Refer RR zones for more study as part of the Growth Management Survey/Strategy.

3. The Council's summary³ of submissions states in respect of the Society's submission that the Society:



Proposed plan p.6/9

Under Part 15 of the proposed plan

Under Clause 7 of the First Schedule to the Act

opposes any new Rural Residential zones until the Growth Management Survey/Strategy has shown that there is a need for them and the preferred area(s) for them. There is no provision for co-ordinated landscape treatment in the Rural Residential areas in the plan and this will lead to peicemeal [sic] development.

It will be seen that this is nearly a copy of the submission. Under the heading 'Decision Requested', the Council summary simply copies the decision sought as stated in the Society's submission (quoted above).

- 4. The issue of rural subdivision and development attracted many submissions. After months of hearings the Council issued its decision ("the revised plan"). The revised plan:
 - (1) deletes part 6 of the proposed plan and thus all reference to the GMS;
 - (2) retains as Rural Residential the zoning of some of the land zoned Rural Residential in the proposed plan; and
 - (3) zones as Rural Residential certain other land that had a different zone in the proposed plan; and
 - (4) introduces a new zone, called the "Rural Lifestyle" zone, applying to:
 - (a) some of the land previously zoned Rural Residential in the proposed plan; and
 - (b) certain other land previously zoned Rural Downlands;
 - (5) contains a completely new part 8 called "Rural Living Areas" which contains mainly new objectives, policies and rules in respect of Rural Residential and Rural Lifestyle land.
- 5. In effect the Council has completely rejected the Society's submission and has gone in the opposite direction. Instead of having no rural-residential



subdivision until a growth management strategy is completed it has, in the revised plan, dropped the idea of a growth management strategy completely and immediately increased the rural living areas. The decision Issue 6 – Urban Growth states:

... it was inappropriate for [the Council] to make any decision with respect to whether a growth management strategy should be conducted [and] ... the Council has not budgeted for such a strategy and ... there are presently no plans for it to be implemented.

- 6. The rules for both the Rural Residential and Rural Lifestyle zones are contained in a single chapter (Part 8 Rural Living Areas) of the revised plan. The provisions for each zone are almost identical. The only significant difference is in the minimum lot sizes:
 - (a) the minimum lot size in the Rural Residential zone is 4,000 m²;
 - (b) the minimum lot size in the Rural Lifestyle zone is 1 hectare provided that the lots to be created by subdivision (including the balance lot) do not average less than 2 hectares.⁴
- 7. The Society lodged a reference⁵ with the Environment Court in respect of the relevant Council decision⁶. Under the heading "Relief Sought" in the reference the Society requests that:

The Court make an interim decision referring the entire plan back to council for it to reconsider its decisions to give better effect to the purpose of the Act



See the table of minimum lot sizes in the revised plan in para 15.2.6.3 [p.15/16] ~ - RMA 1394/98.

Decision 8/1.1.7.

Alternatively ...

5. Decision 8/1.1.7

- 5.1 Either reinstate the rural residential zone provisions of the Proposed District Plan (Oct 1995) or
- 5.2 Delete all rural living zones of the Proposed District Plan (July 1998) and replace with rural general zoning.

The Society's reference also seeks other relief, but that is not challenged in this proceeding.

- 8. Vivid Holdings Ltd ("Vivid") owns a property near Arrowtown. Vivid lodged a submission on the proposed plan seeking that the Rural Downlands zoning of its property be changed to Rural Residential. This submission was accepted in part by the Council which rezoned the property Rural Lifestyle, and the land therefore falls into one of the categories described above.
- 9. Vivid has now applied to the Court under section 311 of the Resource Management Act 1991 ("the Act") for a declaration that the Court has no jurisdiction to grant some of the relief requested by the Society. Vivid is supported by all other persons who appeared except the Society.
- 10. None of the parties questioned whether an application for a declaration is the appropriate mechanism in this case. The usual procedure would be an application under section 279(4) for an order striking out all or part of the



In paragraph 4(4)(b). Quoted above in para 7

Society's reference. However, I am satisfied that the Court has jurisdiction because section 310 of the Act gives power to declare:

(a) The existence or extent of any function, power, <u>right</u>, or duty under the Act. [my emphasis]

The question in this case involves the extent of the Society's right to refer the Council's decision to this Court.

The Arguments

11. For Vivid, Mr Todd's first submission was that the Society's first relief sought – that the Court refer the entire plan back to the Council for reconsideration – fails to meet the requirement of Form 4 of the Resource Management (Forms) Regulations 1991 ("the regulations") to state the relief sought. A similar issue arose in Leith v Auckland City Council.

The appellant there sought "withdrawal of and/or substantial modification of the plan". The Court stated that such a failure could lead the Court to decline jurisdiction. The reasons were that:

The present references fail to identify relief that could be granted other than a direction for withdrawal of the proposed district plan. No modification to the plan that would meet the appellants' cases has been specified with any particularity at all. The result is that the respondent had nothing specific to focus its evidence on, and the Tribunal is consequently not able to give adequate consideration to amendments to the proposed district plan that it might direct the respondent to make if any of the appellants' challenges is found to be justified.



^[1995] NZRMA 400, 411.

12. Mr Todd's second argument was that the Society's reference fails to meet what he called the accepted test which is:

Whether the relief goes beyond what is reasonably and fairly raised in submissions. 10

He submitted:

- (a) That the relief sought in the original submission was clearly tied to reconsidering the Rural Residential issue as part of a Growth Management Strategy.
- (b) That the Wakatipu Environmental Society had clearly filed a submission in relation to the Growth Management issue.
- (c) That the Queenstown Lakes District Council in releasing its decisions decided to delete all reference to Growth Management and provision for the adoption of a Growth Management Strategy.
- (d) That the Wakatipu Environmental Society did not appeal the Council's decision deleting all reference to Growth Management and the provision to adopt a Growth Management Strategy.
- (e) That its failure to file a Reference in respect to such decision is fatal to it now seeking to rely on an original submission where the relief sought in that submission was clearly tied to the provision for a Growth Management Strategy being retained as part of the Plan.



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- 13. A third and alternative argument was that the reference filed by the Society now seeks something different to what was sought in the original submission. In particular, relief 5.1 sought by the Society's reference was inconsistent with the original submission which sought no more subdivision in the rural residential zone. Finally in respect of relief 5.2, he noted that the Society did not generally file further submissions in respect of submissions which sought zoning for rural-residential purposes. It only made three such cross-submissions, whereas many specific submissions (about 85) were made to the Council seeking rural-residential zoning for particular pieces of land. A significant number of those submitters are represented in this proceeding and are seeking to have the Society's reference declared invalid.
- 14. For other parties Mr Goldsmith submitted first that because the Society has not requested reinstatement of the growth management strategy, the relief sought cannot be granted. Alternatively he said that the Society's submission could only refer:
 - (a) to rural residential land referred to in the proposed plan, not to land which has subsequently been zoned as 'rural living'; or
 - (b) to land which was covered by a cross-submission by the Society (and there were only 3 such cross-submissions).
- 15. Mr McDonald adopted the submissions of Messrs Todd and Goldsmith.

 For the Council Mr Marquet submitted that:
 - (a) the first relief sought is void for uncertainty;
 - (b) ... the relief sought in paragraph 5 of the Society's reference is not mandated by the original submission by the Society.



The role of references in the preparation of district plans

- 16. The First Schedule to the RMA contains a code for the process of notifying a proposed plan and the making of submissions on it¹¹. The relevant clauses for present purposes are those which give power to make submissions, to make a cross-submission on a submission, and to refer a decision to the Environment Court. Clause 6 gives the power to make a primary submission on a proposed plan and the Society's submission was made under Clause 6. The power to make a further or cross submission is contained in clause 8. Vivid and others lodged cross-submissions under this clause against the Society's submission.
- 17. The primary rule as to the scope of references is clause 14 of the First Schedule to the Act. Rather strangely, almost none of the decisions¹² on the scope of references discuss the wording of clause 14. The submissions of counsel in this case did not even refer to clause 14. That states:

14. Reference of decision on submissions and requirements to the Environment Court

- (1) Any person who made a submission on a proposed policy statement or plan may refer to the Environment Court
 - (a) Any provision included in the proposed policy statement or plan, or a provision which the decision on submissions proposes to include in the policy statement or plan; or

e.g. Atkinson v Wellington Regional Council (Decision W13/99); Telecom NZ Ltd v Manawatu-Regional Council Decision W66/97; Telecom New Zealand Ltd v Waikato District Council Decision A74/97 and Hilder v Otago Regional Council Decision C122/97 although this decision refers to clause 14. An exception is CBD Development Group v Timaru District Council Decision C43/99. The leading cases in the High Court Countdown Properties (Northlands) Ltd v Dunedin City Council [1994] NZRMA 145; Royal Forest and Bird Protection Society Inc v Southland District Council [1997] NZRMA 408 are of course on the scope of a local authority's decision making powers under clause 10 rather than on clause 14.



Recent decisions on this issue include Re An Application by Christchurch City Council (Montgomery Spur) C71/99 and Christchurch International Airport Ltd et anor v Christchurch City Council C77/99 (the Templeton Hospital case)

(b) Any matter excluded from the proposed policy statement or plan, or a provision which the decision on submissions proposes to exclude from the policy statement or plan,

if that person referred to that provision or matter in that person's submission on the proposed policy statement or plan.

- 18. Clause 14(1) requires an answer to three questions to establish whether a reference is lawful:
 - (1) Did the appellant make a submission?
 - (2) Does the reference relate to either:
 - (i) a provision included in the proposed plan; or
 - (ii) a provision the local authority's decision proposes to include; or
 - (iii) a matter excluded from the proposed plan; or
 - (iv) a provision which the local authority's decision proposes to exclude?
 - (3) If the answer to any of (2) is 'yes', then did the appellant refer to that provision or matter in their submission (bearing in mind this can be a primary submission¹³ or a cross-submission¹⁴)?
- 19. It is difficult to see how a submitter can refer¹⁵ directly in their submission to provisions or matters which a decision proposes to include or exclude unless their submission has been accepted by the local authority in which it is unlikely the submitter will be referring the matter to the Court. No one



Under clause 6 of the First Schedule

Under clause 8 of the First Schedule

CBD Development Group v Timaru District Council Decision C43/99

can reliably anticipate the collective mind of the local authority. I consider that in order to start to establish jurisdiction a submitter must raise a relevant 'resource management issue' in its submission in a general way. Then any decision of the Council, or requested of the Environment Court in a reference, must be:

- (a) fairly and reasonably within the general scope of:
 - (i) an original submission¹⁷; or
 - (ii) the proposed plan as notified18; or
 - (iii) somewhere in between¹⁹

provided that:

- (b) the summary of the relevant submissions was fair and accurate and not misleading²⁰.
- 20. The leading authorities on the scope of local authority decisions are Countdown²¹ and Royal Forest & Bird Protection Society Inc v Southland District Council²². In the latter case Panckhurst J adopted Countdown and stated:

... [T]he assessment of whether any amendment was reasonably and fairly raised in the course of submissions, should be approached in a realistic workable fashion rather than from the perspective of legal nicety.

^[1997] NZRMA 408 at 413



As the term is used in section 75(1)(a) of the Act

Countdown Properties (Northlands) Ltd v Dunedin City Council [1994] NZRMA 145; Royal Forest and Bird Protection Society Inc v Southland District Council [1997] NZRMA 408; Atkinson v Wellington Regional Council W13/99 is a recent example referred to by Mr Todd

Telecom NZ Ltd v Waikato District Council A74/97 at p.4

CBD Development Group v Timaru District Council C43/99

Re An Application by Christchurch City Council (Montgomery Spur) C71/99 and Christchurch International Airport Ltd et anor v Christchurch City Council C77/99

^[1994] NZRMA 145

I hold that the same interpretative principle applies to the assessment of the scope of references and whether they raise sufficient matters under clause 14 of the First Schedule to establish jurisdiction.

The requirements of clause 14 in this case

- 21. The Society filed a submission and it does relate to provisions included in Part 8 of the proposed plan the objectives, policies and rules for rural-residential activities. In addition, the Council's decision proposes to exclude the growth management strategy and consequent objectives and policies from the proposed plan so the Society could have referred that excluded provision to the Court. The Society has chosen not to do that. In fact the Society has in its reference (paragraphs 5.1 and 5.2) sought different relief which focuses on what the Council decision proposes to include, that is further rural-residential zoning and the creation of a rural lifestyle zone, together grouped in a new Part 8 called "Rural Lifestyle".
- 22. The Society's primary submission clearly raised the issue of ruralresidential subdivision. It opposed any new rural-residential zones. Admittedly that was only until a growth management "survey/strategy" was completed, but that is no longer going to occur. I cannot think it is reasonable to hold (as Vivid and others have requested) that the Council's decision not to proceed with a growth management survey and/or strategy knocks out the Society's submission or right to refer the Council's To the contrary, I consider that, in the absence of such a survey/strategy being completed, the Society has made it clear that it opposes new rural-residential development throughout the district. When the Society's reference seeks as alternative relief, not the deletion of all rural-residential zones, but the deletion of those which were not included in the proposed plan, that relief can be seen as a subset of what it referred to in its submission. The relief is within the scope of the Society's original



submission because the Society referred to "no more rural-residential zoning". That phrase can fairly and reasonably be seen as relating to both provisions included in the proposed plan and to provisions the decision proposes to include (i.e. in the revised plan). Since this is "a question of degree to be judged by the terms of the proposed [plan] and of the contents of the submission"²³ I now consider the relevant factors.

23. In Westmark Investments Ltd v Auckland City Council²⁴ Barker J was considering "so-called grounds for submission ... being a statement against planning controls generally" and whether these were sufficient to establish a valid reference to the Planning Tribunal. He compared the primary submission with those in Countdown and said:

I acknowledge, as was done in the Countdown case at 167, that persons making submissions are unlikely to fill in the forms exactly as required by the First Schedule, even when the forms are provided to them by a local authority. The Full Court noted that the Act encourages public participation in the resource management process; that the ways whereby citizens participate in that process should not be bound by formality.

The comments were made in the context of assertions to the Court that the wider public had been disadvantaged. In that case, there was no doubt that all parties before the council and before the Tribunal, knew exactly what the issues were; there was no question of a broad general attempt to torpedo a whole plan by a submitter who did not even to [sic] attempt to follow the form and made broad assertions unsupported by any substance.



I note that in the Countdown case, there were discussions about possible amendments to the plan presented at the hearing of submissions. That possibility, as discussed by the Tribunal and by the Court in Countdown, cannot diminish the duty of somebody making a submission to attempt to say exactly what it is in the plan that is objected to and what result is sought. Latitude about the lack of formality surely must be directed to the wording of the relief sought or to the specificity of the parts of the plan to which objection is taken. For example, if the submitter said that he or she did not like the height restrictions in a particular zone or height restrictions in general and asked that these all be removed that would be sufficient probably.²⁵

- 24. Without elevating Barker J's words into an independent test or checklist for compliance with the First Schedule, it is useful to consider how the Society's submission might measure against the considerations Barker J identified. In this case, I find that:
 - (1) all persons who read the Council's summary of submissions, and all parties to this case, knew exactly what the Society's issue was whether or not there should be more rural residential subdivision;
 - (2) there is no question of an attempt by the Society in its reference to torpedo the whole revised plan;
 - (3) the Society has generally followed the forms in the regulations in both its submission and in its reference;
 - (4) the opposition to rural-residential zoning is supported by at least one matter of substance especially in the Queenstown-Lakes district and that is the reference in the primary submission to landscape values.



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I also note that by analogy with Barker J's example with respect to height restrictions, it is probably sufficient if the Society's submission (and thus by extension its reference) stated it did not like rural-residential zonings in general. In fact the Society has gone further, and has now cut down the relief it is seeking.

25. I therefore hold that in this case the Society's reference is jurisdictionally sufficient when it seeks no further rural-residential subdivision or activity beyond what was in the proposed plan. That is so even if the issue is inextricably involved in fact with individuals' submissions and the Council's decision on them. My decision on that point may be conclusive on the jurisdictional issue but the following aspects of the policy and scheme of the Act are also relevant.

The Society's failure to lodge further submissions on rural-residential issues

26. First, I do not overlook that a local authority's decision can neither propose to include a provision nor exclude a matter unless there is a submission to that effect (or it is a consequential alteration)²⁶. In this context, a provision is a form of words describing an issue, objective, policy, rule or other method, or reason etc²⁷. Thus in this case the Council could only propose to rezone other areas as rural-residential if there were submissions seeking that. If there were such submissions then they had to be summarised and notified. The Society therefore had an opportunity to lodge cross-submission on any such primary submissions. The issue is whether this leads to the conclusion that in general the Society's reference cannot relate to further rural-residential subdivision beyond what was in the proposed plan? In other words: is the failure to lodge cross-submissions on individuals' submissions seeking rural-residential zoning fatal?



Under clause 10(2)

See section 75 (for district plans) and section 67 (for regional plans)

- 27. Secondly, it is the policy of the RMA to encourage public participation²⁸. If I hold that the Society's reference is invalid, then that policy is not being carried out. Of course, in this case, many people will be affected by the Society's reference, and may have to appear and call evidence when they did not expect to because there were no cross-submissions on their primary submissions. Those matters are partly a consequence of the scheme and policy of the RMA, and partly a matter which can be dealt with in the hearing procedure by this Court. For example, the Society can be directed to give particulars as to which specific pieces of land it opposes rural-residential zonings for.
- 28. Thirdly, as to the scheme of the RMA, the Court has the wide power in section 293 of the Act to change any provision of a plan when hearing a reference to the Court. Certainly this power is exercised cautiously and sparingly, but its existence suggests that if the Court is concerned that other interested persons should be heard then it can remedy that by directing notification under section 293(2). I consider that one of the reasons Parliament has given the Environment Court the powers in section 293, especially in section 293(2) is to cover the situation where the relief the referrer is seeking is not spelt out in adequate detail in the submission and/or the reference. Obviously it is good practice to spell out precisely the relief sought it is not essential to do so. If it is not and the Court considers a reasonable case for a particular change to a proposed plan is made out but that interested persons have not had adequate notice -

Leith v Auckland City Council[1995] NZRMA 400.



See Murray v Whakatane District Council [1997] NZRMA 433 (HC) and Bayley v Manukau City Council [1998] NZRMA 513; (1998) 4 ELRNZ 461

See Kaitiaki Tarawera Inc v Rotorua District Council(1998) 4 ELRNZ 181 at 188; also Romily Properties Ltd v Auckland City Council A95/96 at p.6

because the relief was not stated, or not clearly - then the Court can exercise its powers under section 293(2).

29. That section covers the situation which came before the High Court under the Town and Country Planning Act 1977 ("the TCPA") in Nelson Pine Forests Ltd v Waimea County Council.³¹ In that case the Maruia Society had made a submission to the local authority seeking that the activity of clearing native forest and scrub be a conditional use in the district scheme. The Council despite opposition from NPF in an objection, introduced conditional use status for land clearance. Ordinances (rules) concerning conditions to be attached to the activity if consented to, were proposed by the Council to the Planning Tribunal on appeal. Holland J stated:

The Court considers that an informed and reasonable owner of land on which there was native forest should have appreciated that, if NFAC's objection was allowed and the logging or clearing of any areas of native forest became a conditional use, then either conditions would need to be introduced into the ordinance relating to conditional use applications, or at some stage or other the council would adopt a practice of requiring certain information to be supplied prior to considering such applications. Had the council adopted the conditions to the ordinances that it presented to the Tribunal at the time of the hearing of the objection, I am quite satisfied that no one could reasonably have been heard to complain that they had been prejudiced by lack of notice. Such a decision would accordingly have been lawful.³²

30. Thus, there was the possibility under the TCPA that the Planning Tribunal's decision could go beyond the local authority's decision by way



^{(1988) 13} NZTPA **69**

^{(1988) 13} NZTPA 69 at 73

of amending a plan³³, but it is certain that the Environment Court may do so under the RMA because of its powers under section 293 of the Act. Thus in unusual cases, and at this stage I do not think this case is one, people may be involved at a late stage even though they had not previously been involved in the new plan process or at the reference level. But my point here is that there is a safeguard for them, to ensure they can be given a chance to be heard.

- 31. In the circumstances I consider the second and third aspects of the scheme and policy of the Act which I have identified outweigh the first. An aim of the Act is to assist and encourage public participation in the plan process. It does not impose two sets of procedural hurdles in front of interested persons which they must jump, or if they fail, be excluded from the process. If, as I have held, the Society's general reference opposing rural-residential zoning beyond that proposed in the proposed plan is valid as fairly and reasonably within the scope of the original submission, then the omissions of the Society:
 - (a) to oppose many submissions seeking further rural living zones by filing further submissions on those issues;
 - (b) to refer the proposed exclusion of a growth management strategy from the plan to the Environment Court
 - are not fatal to the Society's reference (paragraphs 5.1 and 5.2).

Outcome

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32. In the circumstances I hold that the Court does have jurisdiction to grant the relief sought by the Society in paragraphs 5.1 and 5.2 of its reference.

The Court is likely however to decline jurisdiction in respect of the first



See the Nelson Pine Forest Ltd case at p.74

relief sought in the Society's reference. In the meantime, because the Court has jurisdiction, Vivid's application for a declaration is <u>refused</u>.

- 33. Costs are reserved, although my initial view is that they should lie where they fall for two reasons: first the Society is the author of all the difficulties because its original submission and reference are both unclear; secondly, while Vivid and the supporting parties have been unsuccessful, there was genuine doubt about the true legal status of parts of the reference.
- 34. The Society's reference will now be set down for a pre-hearing conference. It may be possible at that time to refine the issues further. The persons who appeared in this proceeding and those who filed submissions seeking rural-residential zoning for their land should consider whether they wish to appear under section 274. In the meantime I prefigure my intention (subject to any submissions on the issue) to direct the Society to serve its reference (minus any attachments) on the persons who made submissions seeking rural-residential zoning of their land.

DATED at CHRISTCHURCH this 177 day of May 1999

J R Jackson

Environment Judge

