

**BEFORE THE HEARINGS PANEL  
CHRISTCHURCH DISTRICT PROPOSED PLAN CHANGE 4**

**IN THE MATTER** of the Resource Management  
Act 1991

**AND**

**IN THE MATTER** of Proposed Plan Change 4 to  
the Christchurch District Plan:  
Short-Term Accommodation

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**MEMORANDUM OF COUNSEL FOR CHRISTCHURCH CITY COUNCIL SEEKING  
ADJOURNMENT AND TIMETABLING DIRECTIONS**

**11 MAY 2021**

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### **IF IT PLEASES THE HEARING PANEL:**

1. This is a memorandum of counsel for the Christchurch City Council (Council) as proponent of Plan Change 4 (PC4).
2. Counsel regrets to advise the Panel that submitter evidence has in recent days highlighted, and the Council has accepted, that the economic component of the s.32 assessment available for the hearing is likely to be insufficient to allow a Plan Change decision to be made on the merits.
3. The purpose of this memorandum is to seek an adjournment and timetabling directions to enable the Council's economic expert to complete an economic cost benefit analysis sufficient for a s.32 assessment and for evidence exchange to be provided for in relation to that assessment prior to a new hearing date. On balance, it is considered that this process will provide for the most efficient and effective use of all participants' time and effort.

### **BACKGROUND**

4. A report by Property Economics is attached as Appendix 5 to the Council's s.32 report. Mr Osborne is an author of that report and the Council will be adducing evidence from him for the PC4 hearing.
5. The Property Economics Report was prepared prior to PC4 being drafted. It provides a literature review in relation to the economic costs and benefits of home share accommodation. It also provides a comparative cost benefit analysis of 3-4 planning options for the regulation of home share accommodation, identifying specific impacts on the District Plan's centres based objectives.
6. That Report provides a literature review that, in the opinion of Mr Osborne, is sufficient to identify that there are economic and resource management issues arising in relation to home share accommodation and that this has an impact on the dispersal of spending from the CBD. It also identifies that home share accommodation increases visitors to Christchurch by up to 4%.

7. The Council's preparation of PC4 and planning assessment in the s.42A report has relied on the Property Economics Report for the purposes of the s.32 assessment.

#### **THE EVIDENTIAL GAP IN THE ECONOMIC ASSESSMENT**

8. Airbnb Australia Pty Ltd is a submitter on PC4 (Submitter 112 / Further Submitter 4). The submitter has led evidence filed on Friday 7<sup>th</sup> May by Ms Hampson, an economist.
9. Ms Hampson's evidence with regard to the adequacy of the information in the Property Economics Report for the purposes of the Council's economic s.32 assessment is:
  - It is at a very high level (at 17);
  - The Property Economics Report is not the right model needed to evaluate the policy options and does not provide an appropriate economic evaluation of the regulation proposed under PC4 (107);
  - None of the options assessed in the Property Economics Report are directly comparable with the proposed provisions in PC4 (111);
  - The impact of consenting costs is not assessed in the Property Economics Report (112);
  - The assessment of economic costs and benefits is very high level and does not indicate the scale or significance of the stated costs and benefits, making it difficult to assess overall efficiency (116.2-116.3);
  - There is not sufficient assessment in the Property Economics Report for the Council's conclusion in the s.32 report that the benefits for social amenity outweigh the costs of the proposed provisions (118);
  - There are substantial gaps in the Council's evidential base regarding the scale and significance of economic effects of PC4, resulting in the evaluation of efficiency and effectiveness being incomplete (121-127).
10. While not necessarily accepting all of these criticisms, Mr Osborne has advised the Council this week that the Property Economics Report, being prepared at a high level prior to the detailed drafting of PC4, is not a full report on the economic impacts of PC4. It has not qualified and

quantified the likely net economic benefits and costs of PC4 in comparison to a permissive counterfactual planning framework.

11. The Council regrettably advise the Panel that this is a material issue and that it has reached the view that more detailed economic information analysis will be necessary in order for the Panel to be in a position make a recommendation on PC4. Counsel respectfully submits that it would be inefficient and potentially unfair for the hearing to commence in the absence of that assessment.
12. As a result of the interconnectedness of the economic assessment with planning evidence and legal submissions, counsel submits that no part of the hearing should proceed until the economic assessment sufficient for s.32 purposes is available.

#### **PROCEDURAL DIRECTIONS SOUGHT FROM THE PANEL**

13. Preparation of the economic assessment sufficient for s.32 purposes by Mr Osborne will take approximately 6-8 weeks. The Council planner who has been leading the preparation of PC4 is taking up other employment at the end of May. The Council will be appointing a new planner to lead this proposed plan change and it will take time for that to occur.
14. As a result, the Council respectfully seeks the following directions from the Panel:
  1. That the hearing that was to commence on 17<sup>th</sup> May is adjourned and the timetable for rebuttal evidence and legal submissions is vacated;
  2. The Council is to file and serve an economic assessment of PC4 for s.32 together with s.42A report, including s.32AA evaluation, by 13 August 2021;
  3. Submitters are to file and serve expert evidence responding to that new information by Friday 10<sup>th</sup> September 2021;
  4. Rebuttal evidence (if any) is to be filed and served by Friday 24<sup>th</sup> September 2021; and
  5. A new hearing date will be set for a date following that timetable.

15. The Council regrets any inconvenience arising for the Hearing Panel and the submitters from this matter.

11<sup>th</sup> May 2021

A handwritten signature in blue ink, consisting of several fluid, connected strokes.

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BK Pizzey

Counsel for the Christchurch City Council