

BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL

IN THE MATTER OF the Resource Management Act 1991

AND

IN THE MATTER OF the Queenstown Lakes Proposed
District Plan

Chapter 27 (Subdivision and
Development)

**EVIDENCE OF KIRSTY O’SULLIVAN
(Submitter 433 and Further Submitter 1340)**

(15 July 2016)

Lane Neave
Level 1, 2 Memorial Street
PO Box 701
Queenstown
Solicitor Acting: Rebecca Wolt
Phone: 03 409 0321
Email: rebecca.wolt@laneneave.co.nz
Fax: 03 409 0322

Mitchell Partnerships
Level 2, 286 Princes Street
PO Box 489
Dunedin
Kirsty O’Sullivan
Phone: 03 477 7884
Email: kos@mitchellpartnerships.co.nz

1 INTRODUCTION

Qualifications and Experience

- 1.1. My name is Kirsty O'Sullivan. I am a Senior Resource Management Consultant with the firm Mitchell Partnerships Limited.
- 1.2. My qualifications and experience are set out in paragraphs 1.1 to 1.4 of my statement of evidence on Chapter 3 (Strategic Directions), Chapter 4 (Urban Development) and Chapter 6 (Landscapes) of the Proposed Queenstown Lakes District Plan ("PDP"), dated 29 February 2016.
- 1.3. I confirm my obligations in terms of the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2014. I confirm that the issues addressed in this brief of evidence are within my area of expertise. I confirm that I have not omitted to consider material facts known to me that might alter or detract from the opinions that I express.

Scope of Evidence

- 1.4. This hearing specifically relates to the submissions made on Chapter 27 (Subdivision and Development) of the PDP.
- 1.5. The Queenstown Airport Corporation ("QAC") lodged submissions and further submissions on Chapter 27. These submissions generally sought:
 - 1.5.1. For residential properties located within the Outer Control Boundary ("OCB") and Air Noise Boundary ("ANB") at Queenstown Airport, to maintain the development rights at levels consistent with those contained in the Operative District Plan, so to avoid an increase in the number of sensitive receivers exposed to aircraft noise, and thereby minimise potential reverse sensitivity effects on the Airport (i.e. a continuation of the Plan Change 35 ("PC35") approach); and,
 - 1.5.2. Discourage the development of activities in proximity to Queenstown and Wanaka Airports that could give rise to bird strike, so to avoid potential adverse effects on operations and safety at those Airports.

1.6. In this statement of evidence, I address the following matters:

- The background to and context of QAC's submission;
- The PDP's proposed minimum allotment size for subdivision within the Low Density Residential Zone, the ANB and OCB at Queenstown Airport;
- The notification parameters for subdivision activities within the ANB and OCB at Queenstown Airport; and,
- QAC's proposed new provisions relating to the discouragement of activities that may give rise to bird strike within aircraft flight paths.

2 BACKGROUND CONTEXT

Queenstown and Wanaka Airport

2.1 The history of Queenstown and Wanaka Airports, their role in the Queenstown Lakes District, and the planning framework within which they operate has been described by Mr Mark Edghill and Mr John Kyle in their respective statements of evidence on Chapter 3 (Strategic Directions), Chapter 4 (Urban Development) and Chapter 6 (Landscapes) of the PDP dated 29th February 2016 and 16th March 2016.

2.2 I adopt this evidence, the purposes of this hearing, noting it provides the contextual basis for some of the opinions I express in this statement. Copies of Mr Kyle's and Mr Edghill's evidence are **attached** (as Appendix A) to this statement, for the Panel's convenience.

The history and promulgation of PC35

2.3 The history of PC35 is set out in the evidence of Mr Kyle dated 29th February 2015 and his summary evidence dated 16th March 2016.

2.4 I adopt the evidence of Mr Kyle with respect to PC35.

2.5 To provide context to the following discussion, I wish to highlight the following points from Mr Kyle's evidence:

2.5.1 The purpose of PC35 was to put in place an appropriate management regime for land use around Queenstown Airport, while providing for

predicted ongoing growth in aircraft operations until 2037¹. Accordingly, PC35 updated the Airport's noise boundaries (OCB and ANB), to provide for predicted growth in aircraft operations, and amended various zone provisions relating to the use of land within those noise boundaries likely to be affected by increased aircraft noise.

2.5.2 The foundation of the land use management approach adopted in PC35 is the New Zealand Standard for Airport Noise Management and Land Use Planning, NZS6805:1992 ("NZS6805");²

2.5.3 NZS6805 recommends that all new activities sensitive to aircraft noise ("ASAN")³ within an airport's ANB and OCB are prohibited;⁴

2.5.4 PC35 takes a more moderated approach than recommended by NZS6805 however, in recognition of historical development and zoning around the Airport. At the time PC35 was promulgated, residential dwellings within the Low Density Residential Zone addressed by the OCB and ANB were a permitted activity (subject to specific development standards). Notwithstanding the approach recommended by NZS6805, PC35 grandfathered these existing development rights, but sought to discourage any additional development.⁵

2.6 QAC's submission on Chapter 27 of the PDP seeks to continue this approach.

3 SUBDIVISION WITHIN THE OUTER CONTROL BOUNDARY AND AIR NOISE BOUNDARY

3.1 QAC lodged submissions on Chapter 27 of the PDP, opposing the introduction of new provisions / the amendment of existing (operative) provisions that would

¹ Paragraph 5.1 of the Statement of Evidence of Mr Kyle, Hearing 1B, dated 29 February 2016

² Paragraph 5.11 of the Statement of Evidence of Mr Kyle, Hearing 1B, dated 29 February 2016.

³ Activity Sensitive to Aircraft Noise is defined in the Operative and Proposed Plans as meaning "*any residential activity, visitor accommodation activity, community activity and day care facility activity as defined in this District Plan including all outdoor spaces associated with any educational facility, but excludes activity in police stations, fire stations, courthouses, probation and detention centres, government and local government offices*".

⁴ Paragraph 5.22 and 5.27 of the Statement of Evidence of Mr Kyle, Hearing 1B, dated 29 February 2016.

⁵ Paragraph 5.22 of the Statement of Evidence of Mr Kyle, Hearing 1B, dated 29 February 2016.

enable the intensification of ASAN with the ANB and OCB at Queenstown Airport⁶, above what is provided for under the Operative District Plan.

Rule 27.5.1

- 3.2 Specifically, QAC lodged a submission in opposition to notified rule 27.5.1⁷, reasoning that the proposed minimum allotment size of 450m² for Low Density Residential subdivision (reduced from 600m² in the Operative District Plan) was inconsistent with the approach adopted in PC35.
- 3.3 The section 42A report on Chapter 27 recommends that QAC's submission on this rule be accepted, correctly recognising that a minimum lot size of 450m² within the OCB provides for further intensification of ASAN than is provided for under the Operative District Plan. The section 42A report therefore recommends the inclusion of a new rule in the PDP that maintains the 600m² minimum allotment size for residential subdivision within the ANB and OCB. I support this recommendation for the reasons I give below.
- 3.4 Enabling a reduced allotment size will enable the intensification of ASAN within the ANB and OCB. In my view, this is inappropriate as it increases the number of sensitive receivers (i.e. residents) being exposed to the effects of aircraft noise. Intensifying residential use within the OCB may give rise to an increase in complaints about aircraft noise and consequently an increased potential for reverse sensitivity effects on the Airport. For example, QAC could potentially be required to curtail aircraft operations at Queenstown Airport. If this was to occur, it would adversely impact the efficient and effective operation of Queenstown Airport and would in turn, adversely impact on the economic wellbeing of QAC and the wider community⁸.
- 3.5 In my view, retaining the Operative District Plan's 600m² minimum allotment size in the Low Density Residential Zone is effective as continues to provide for the existing development rights of residents within the ANB and OCB, while appropriately mitigating potential reverse sensitivity effects. It will allow QAC to continue to operate effectively and efficiently, providing for the social and economic wellbeing of both QAC and the wider community. In my view, this

⁶ Subdivision Rules 27.5.1, 27.5.2, 27.5.3 of the notified PDP.

⁷ Or rule 27.6.1 of the section 42A report (refer to page 27-23).

⁸ Paragraphs 3.36 to 3.40 of the Statement of Evidence of Mr Edghill, Hearing 1B, dated 29th February 2016.

outcome is appropriate as it achieves the outcomes sought by PC35 and various objectives and policies contained in the Strategic Directions and Urban Development Chapter of the PDP.⁹

Rules 27.5.2 and 27.5.3

- 3.6 QAC's submission on Chapter 27 also addressed proposed rules 27.5.2 and 27.5.3¹⁰ which, as notified, sought to provide for infill development within the Low Density Residential Zone. QAC opposed these provisions for reasons similar to those expressed in respect of proposed rule 27.5.1¹¹, specifically that the proposed rules would result in the intensification of ASAN within the OCB, and potentially give rise to an increased risk of reverse sensitivity effects on the Airport.
- 3.7 The section 42A report recommends that QAC's submission on these rules be accepted in part. The report writer recommends that instead of deleting the rules, as sought by QAC, a new rule¹² be introduced which specifies that Rule 27.5.3¹³ shall not apply to the Low Density Residential Zone within the Queenstown Airport ANB and OCB. I support this amendment, as it ensures that the density of infill development enabled within the Zone remains consistent with the Operative District Plan, and continues to 'grandfather' existing development rights, which is consistent with PC35.

Rule 27.9.2

- 3.8 With respect to the notification rules for subdivision, QAC lodged a submission seeking amendments to Rule 27.9.2¹⁴ of the PDP to require notice to be served on QAC for subdivision consent applications located within the ANB or OCB at Queenstown or Wanaka Airports. This relief was opposed by two further submitters¹⁵.
- 3.9 The section 42A report acknowledges QAC's reverse sensitivity concerns, however recommends that QAC's submission be rejected. The section 42A report writer reasons that the relief sought by QAC is unnecessary where issues

⁹ Objective 3.2.8.1, Policy 3.2.8.1.1, Objective 4.2.6 and Policy 4.2.6.1 of the Reply of Mr Matthew Paetz dated 7 April 2016 (pages 3-7 and 4-4).

¹⁰ Or rule 27.7.13 and 27.7.14 of the section 42A report (refer to page 27-36).

¹¹ Or rule 27.3.1 of the section 42A report (refer to page 27-23).

¹² Proposed rule 27.7.14.2 of the section 42A report (page 27-36).

¹³ Or rule 27.7.14 of the section 42A report (refer to page 27-36).

¹⁴ Rule 27.11.2 of the section 42A report (page 27-51).

¹⁵ Further Submitters 1097.385 and FS1117.147.

of reverse sensitivity are already well catered for via the PC35 provisions, which he recommends be carried over into the PDP (my paraphrasing). I assume that here he is referring to proposed rules 27.5.1, 27.5.2 and 27.5.3, as discussed above.

- 3.10 I understand it is proposed that any subdivision that does not comply with the Low Density Residential Zone minimum allotment size (being 600m² within the ANB and OCB if the Panel accepts the S42A report writer's recommendation), requires resource consent as a non-complying activity. I would therefore anticipate that the consent authority would notify QAC, in accordance with section 95E, if such an activity were proposed and the effects on QAC were considered to be minor or greater.
- 3.11 With respect to Rural zoned land surrounding Queenstown and Wanaka Airport, I understand it is proposed that the establishment of new ASAN within the OCB be prohibited. Even if subdivision were to occur on this land, no intensification of ASAN could result.
- 3.12 In light of the above, I agree with the section 42A report writer's recommendation with regards to Rule 27.9.2¹⁶ of the PDP, provided the activity status for a breach of the rules discussed in paragraphs 3.10 and 3.11 above remain as currently proposed.¹⁷

4 BIRD STRIKE

- 4.1 QAC lodged a submission seeking the inclusion of a new policy in Chapter 27 of the PDP in respect of bird strike. Specifically, this policy sought to discourage activities that encourage the congregation of birds within aircraft flight paths. This submission was opposed by two further submitters¹⁸.
- 4.2 The section 42A report writer recommends that QAC's submission on this issue be rejected, citing that the practical application of the policy will not achieve the outcomes sought, because there is no recommended method (i.e. rule) to assist with guiding plan users. I do not agree with this reasoning.

¹⁶ Rule 27.11.2 of the section 42A report (refer to 27.51).

¹⁷ Rule 27.8 of the section 42A report (page 27-37).

¹⁸ Further Submitters 1097.380 and 1117.142.

- 4.3 Bird strike poses a real and significant risk to the safe operation of aircraft at Queenstown and Wanaka Airports.
- 4.4 QAC has a responsibility under Civil Aviation regulations to provide a safe operating airport environment and therefore must actively work to minimise all potential risks. The Civil Aviation Authority also encourages the relevant regulatory authorities (i.e. the airport operator, the Council and others such as the Department of Conservation) to actively work together to minimise the threat and incidence of bird strike around airports¹⁹. I consider QAC's submission on the PDP is consistent with its responsibilities under the Civil Aviation Act. I consider that without the proposed policy, there is a real risk that activities could establish within flight paths that may give rise to an increased risk of bird strike, (for example, the creation of water bodies associated with sewerage and/or stormwater treatment and disposal), with no regard being had to the risk when processing the application.
- 4.5 As for the section 42A report writer's comment that there is no associated method to implement the policy, I note that as notified, the PDP proposed that all subdivision within the District would require discretionary resource consent. I understand that a discretionary resource consent necessitates an assessment against the relevant objectives and policies of the District Plan. This would include QAC's proposed new policy. The consent authority would therefore be required, when assessing the subdivision application, to give consideration to whether or not the proposal would encourage the congregation of birds, thus increasing the potential incidence of bird strike.
- 4.6 I understand that the section 42A report writer has recommended that subdivision be provided for by way of restricted discretionary activity for most zones throughout the District, instead of a discretionary activity, as notified. The matters over which the consent authority can exercise its discretion are therefore restricted to those matters specified in the District Plan, and an assessment of the objectives and policies of the Plan would not be required. I note that for the Rural and Gibbston Character Zone, the section 42A report writer recommends that a discretionary activity status remains, therefore consideration of the objectives and policies of the Plan would be required for

¹⁹ Civil Aviation Authority of New Zealand Advisory Circular AC139-16 Wildlife Hazard Management at Aerodromes.

subdivision in these zones, which would include QAC's proposed policy (as relevant).

4.7 In order to ensure that the consent authority has an ability to consider the appropriateness of activities associated with subdivision that may give rise to the congregation of birds within aircraft flight paths within other zones (i.e. where subdivision is a restricted discretionary activity), for example, due to the provision of stormwater disposal ponds, I consider that a new matter of discretion (or similar) could be inserted into the section 42A report's recommended rule 27.5.5 as follows:

- *The extent to which the safe and efficient operation aircraft may be compromised by subdivision and its ancillary activities encouraging the congregation of birds within aircraft flight paths.*

4.8 In my view, the above approach is effective at addressing the potential risks posed by activities ancillary to subdivision on aircraft and is also efficient as it does not impose development controls throughout the entire district. The proposed assessment matter and policy both give effect to and achieve Objectives 3.2.1.5, Objective 30.2.6 and Policy 30.2.6.5 of the PDP.

5 CONCLUSION

5.1 The section 42A report has recommended a number of changes to Chapter 27 that will address the concerns of QAC with respect to the intensification of ASAN within the ANB and OCB at Queenstown Airport. I support these changes and consider that they are appropriate at achieving the higher order objectives of the PDP, and ensuring that QAC, as significant regional infrastructure, is appropriately protected from potential reverse sensitivity effects.

5.2 With respect to the section 42A report's recommendation regarding QAC's proposed new policy on bird strike, I consider that the wholesale changes made to the activity status of subdivision throughout the District make the application of this policy challenging. In my view, this matter can be easily rectified, by inserting a new matter of discretion in proposed new Rule 27.5.5.

K O'Sullivan

15 July 2016

Appendix A

**Copies of Hearing Stream 01B
Statements of Evidence of
Mr Mark Edghill and Mr John Kyle**

BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL

IN THE MATTER OF the Resource Management Act 1991

AND

IN THE MATTER OF the Queenstown Lakes Proposed District
Plan

Chapter 3 (Strategic Direction), Chapter 4
(Urban Development) and Chapter 6
(Landscape)

STATEMENT OF EVIDENCE MARK EDGHILL

(29 FEBRUARY 2016)

Lane Neave
Level 1, 2 Memorial Street
PO Box 701
Queenstown
Solicitor Acting: Rebecca Wolt
Phone: 03 409 0321
Fax: 03 409 0322
Email: rebecca.wolt@laneneave.co.nz

Mitchell Partnerships
Level 2, 286 Princes Street
PO Box 489
Dunedin
Kirsty O'Sullivan
Phone: 03 477 7884
Email: kirsty.osullivan@mitchellpartnerships.co.nz

1. INTRODUCTION

Qualifications and Experience

- 1.1 My full name is Mark Dugdale Edghill. I am the Acting Chief Executive Officer of Queenstown Airport Corporation Limited (**QAC**) and am authorised to give evidence on its behalf.
- 1.2 I was appointed Acting Chief Executive in August 2015, having served as Chief Financial Officer for QAC since February 2014.
- 1.3 I hold an Honours degree from Durham University, am a Fellow of The Institute of Chartered Accountants in England & Wales, a Fellow of CPA Australia and a member of Chartered Accountants Australia and New Zealand.

QUEENSTOWN AIRPORT CORPORATION LIMITED – AN OVERVIEW

- 1.4 QAC was formed in 1988 to manage the Airport. Prior to this the Airport was operated by the Crown, Queenstown Lakes District Council (**QLDC**) and Arrowtown Borough Council as the Queenstown Airport Authority.
- 1.5 QAC was formed pursuant to section 3(A) of the Airport Authorities Act 1966. A copy of the Order is **attached** to my evidence and marked "**A**". QAC is also a requiring authority in terms of the Resource Management Act 1991 and copies of the Order in Council and Gazette Notice are and marked "**B**".
- 1.6 Queenstown Airport is a 'lifeline utility' under the Civil Defence Emergency Management Act 2002. Under this Act, lifeline utilities have a key role in planning and preparing for emergencies and for response and recovery in the event of an emergency. As a lifeline utility QAC must, amongst other things, ensure that the Airport is able to function to the fullest possible extent, even though this may be at a reduced level, during and after an emergency.
- 1.7 QAC is currently 75.01% owned by QLDC and 24.99% owned by Auckland International Airport. QAC also manages Wanaka Airport on behalf of QLDC, and has a caretaker role for Glenorchy Aerodrome, including ground maintenance.

2 QAC STATUTORY FRAMEWORK, OBJECTIVES AND STATEMENT OF INTENT

- 2.1 As an Airport Authority established under the Airport Authorities Act, Queenstown Airport must be operated or managed as a commercial undertaking (section 4(3)).
- 2.2 QAC is a Council Controlled Trading Organisation (**CCTO**) for the purposes of the Local Government Act 2002. Section 59 sets out the principal objectives of a CCTO which are to:
- a) achieve the objectives of its Shareholders, both commercial and non-commercial, as specified in the statement of intent; and
 - b) be a good employer; and
 - c) exhibit a sense of social and environmental responsibility by having regard to the interests of the community in which it operates and by endeavouring to accommodate or encourage these when able to do so; and
 - d) conduct its affairs in accordance with sound business practice.
- 2.3 QAC's business is also subject to regulatory control under the Airport Authorities Act 1966 and complies with the disclosure requirements of a specified airport company pursuant to the Airport Authorities (Airport Companies Information Disclosure) Regulations.
- 2.4 The company's governance is also covered by the Companies Act 1993.
- 2.5 QAC's aeronautical operations are governed by the Civil Aviation Act 1990 and Civil Aviation Rules Part 139.
- 2.6 QAC's decisions relating to the operation of the Airport must be made in accordance with its statement of intent and its constitution and relevant legislation discussed above, including of course the Resource Management Act.
- 2.7 QAC's vision, as set out in the statement of intent 2016-2018 is to:

"Seize the challenge to make Queenstown easy to get to, with an airport experience that leaves a wonderful first and lasting impression."

2.8 To achieve this vision and to be successful over the next five years, QAC has the following strategic objectives:

1. Deliver excellent service consistently throughout a period of significant growth and infrastructure development.
2. Grow passenger volumes.
3. Expand airport capacity to meet the anticipated growth in aircraft movements and passenger volumes.
4. Grow non-aero revenue.
5. Pursue operational excellence including being an outstanding corporate citizen within the local community.

QUEENSTOWN AIRPORT HISTORY

2.9 The Airport was first licensed by the Civil Aviation Authority in 1935. Commercial airfield ventures commenced at the site after the Second World War, when a number of buildings were established. The first commercial flight was recorded in 1947. This signalled the start of the growth and development of Queenstown Airport as a regional airport.

2.10 By the early 1950s regular commercial activities, including the first scheduled passenger service between Queenstown and Dunedin, had commenced. By the early 1960s Mount Cook Airline was providing scheduled flights from the Airport.

2.11 In 1968 the runway (then 1341 metres in length) was sealed and by the early 1970s a small terminal building was established for passenger use.

2.12 In 1988 QAC was formed to operate the Airport.

2.13 In 1990 extensions (in width) to the runway and terminal (check-in area) were undertaken to provide for the first jets, operated by Ansett. This was followed by the first Boeing Jet (Boeing 737-300) operated by Air New Zealand in 1992.

- 2.14 Further extensions to the runway in the mid to late 1990s enabled fully laden jet aircraft, including Boeing 737, to fly direct from Queenstown to any New Zealand destination. Return Trans-Tasman services were also introduced at this time. Also during this time Airways Corporation upgraded its facility from a Flight Service to full Air Traffic Control and built a new Control Tower at the Airport.
- 2.15 In 1995 the Council notified its review of the District Plan which addressed the Airport and provided for its growth until 2015, through the introduction of noise boundaries, amongst other measures. I understand these noise boundaries are contained within the printed version of the Operative District Plan, although they are now very outdated, and are superseded by the Plan Change 35 noise boundaries. I will discuss Plan Change 35 in more detail shortly.
- 2.16 The development of the Airport progressed more significantly in 2001, with the completion of a 1891m (sealed length) runway, and construction of additional aprons. The terminal building was also refurbished at this time, although this soon reached capacity, and a further expansion was pursued.
- 2.17 Around 2007 the roading infrastructure associated with the Airport was upgraded, which included QAC providing land and capital to build access to the Remarkables Park shopping centre, along with the roundabout at the Airport entrance on SH6.
- 2.18 Further terminal expansions were undertaken in 2009, 2010, 2011, 2012 and most recently in 2015. These expansions variously accommodated additional retail and food and beverage space, increases in the baggage handling and reclaim areas, and arrival and departure areas for international and domestic passengers.
- 2.19 Runway End Safety Areas (**RESA**) were constructed over 2009 - 2011 at both ends of the main runway, to extend the safety areas to accord with a CAA requirement and retain international flights. These involved significant civil engineering works, arguably the largest of their type since the construction of the Clyde Dam.
- 2.20 Runway lights were installed in July 2011, with the aim of minimising the number of disruptions to flight schedules and enhancing safety in poor weather conditions. Further lighting is required to accommodate flights after dark, as I describe shortly.

- 2.21 A number of further significant projects have been undertaken more recently, some of which will be explained in further detail shortly.
- 2.22 The history of development of Queenstown Airport over the last 75 years shows that the Airport is constantly changing and expanding to meet the needs of operators and passengers.

3 QUEENSTOWN AIRPORT PRESENTLY

- 3.1 Queenstown Airport operates a mixture of scheduled flights, private jets, general aviation and helicopters. It is the fastest growing airport in New Zealand and the fourth busiest by passenger numbers.
- 3.2 The Airport provides an essential link for domestic and international visitors to New Zealand's premier destinations, including Queenstown and Milford Sound. It serves as the direct international and domestic gateway to the lower South Island.
- 3.3 The Airport receives direct scheduled services from New Zealand's main metropolitan ports of Auckland, Wellington and Christchurch, which provide strong regional links throughout the country, as well as from the Australian cities of Sydney, Melbourne, Brisbane and Coolangatta. Auckland and Sydney airports are the major international gateway airports for long haul visitors. Private jets are also a growing market, both short and long haul, with aircraft flying direct from north Asia and West Coast USA.
- 3.4 The Airport is also one of New Zealand's busiest helicopter bases and is heavily used for tourist 'flightseeing', especially to Milford Sound and Mount Cook, on fixed-wing and rotary-wing aircraft.
- 3.5 Today the main runway has a sealed length of 1,911m plus a 90m RESA at each end. There is a secondary crosswind runway for light aircraft and this plays an integral part in 'organising the sky' for the approximately 24,000 aircraft landings per year (both scheduled and non-scheduled) at the Airport. On a busy day the Airport air traffic controllers can handle over 180 aircraft movements per day.

QAC'S LANDHOLDINGS

- 3.6 QAC owns approximately 137 ha of land on Frankton Flats, comprising:
- a. 83ha incorporating the airfield, runways and aprons, rescue fire facilities and air traffic control tower;
 - b. 8ha of terminal, car parking, road network and commercial land leased to airport-related businesses;
 - c. 17ha of land currently used by General Aviation;
 - d. 17ha of undeveloped land recently rezoned for industrial purposes through Plan Change 19, located to the north of the main runway;
 - e. 12ha of undeveloped rural and golf course land. The golf course land is leased to QLDC for a nominal annual rate.
- 3.7 A plan showing QAC's landholdings and its designation boundaries is attached to Mr Kyle's evidence.

GROWTH AND DEVELOPMENT OF THE AIRPORT

- 3.8 A sustained period of outstanding passenger growth in the past six months to December 2015 has set new records, with the total number of passengers through the Airport hitting 1.5 million for the first time over a 12 month period. This number was comprised of 1,067,947 domestic and 441,461 international passengers. The greatest percentage growth was observed in the international market, with international passengers increasing by 25.9% (or 90,818 passengers) and domestic passengers by 10.1% (or 97,859 passengers) on the previous year.
- 3.9 For the first 6 months of the 2016 financial year, QAC achieved a Net Profit After Tax of \$6.2 million. This result compares with a profit of \$4.7 million for the previous corresponding period, an increase of 31%. In line with its dividend policy, QAC has paid an interim dividend of \$1.0 million to its shareholders, with 75.01% payable to Queenstown Lakes District Council and 24.99 % to Auckland Airport.
- 3.10 Growth shows no sign of slowing in the coming years. The Airport's current forecast is that passenger numbers will grow to approximately 2.5 million by 2025.

3.11 To accommodate the ongoing passenger and aircraft movement growth, QAC has invested heavily in developing infrastructure and working alongside airline and airport partners to introduce innovations and technology to improve operational efficiency and overall visitor experience. Significant capital investment in infrastructure has been required over the past few years, most recently the \$17 million 4,100m² extension to the Airport international terminal building and the \$18 million project designed to improve the Airport's airfield infrastructure and enable it to accommodate after dark flights for the first time from winter 2016. These are discussed in more detail below.

Terminal Expansion

3.12 The recent 4100m² terminal expansion includes a new international arrivals area, new customs and Ministry for Primary Industry areas, duty free shopping, a new baggage carousel dedicated solely to international arrivals, and toilets and service areas. In addition, the existing international departure lounge has been more than doubled in size to provide for extra toilets, seating and retail.

After Dark/Evening Flights

3.13 On the back of delivering the significant terminal expansion, QAC's next focus is to introduce evening (after-dark) flights for winter 2016, which will allow the Airport to expand capacity in the short term without building additional terminal infrastructure. Evening flights will allow the Airport to use its full consented operational hours between 6am and 10pm, moving from an 8-hour operating window during the winter peak to a 16-hour window. I note these flights will need to comply with the noise limits introduced by Plan Change 35.

3.14 To further explain, Queenstown Airport has long been consented, in terms of the District Plan and Airport Designation, for flights to occur up until 10pm. However, in practice evening flights have only been able to occur in summer, as flights are currently limited to daylight hours under the CAA's Aeronautical Information Publication for Queenstown Airport.

3.15 In May 2014 QAC obtained CAA and Australia's Civil Aviation Safety Authority (**CASA**) approval-in-principle for after dark air transport operations to and from Queenstown Airport. This approval was issued against a comprehensive Foundation Safety Case, which set out the infrastructure and lighting upgrades required at Queenstown Airport, and the operational and procedural controls that will be adopted

by airlines in their independent Operator Safety Cases for after dark flights. The CAA and CASA approval will enable aircraft to operate at Queenstown:

- a. From 6am to sunrise, where sunrise is after 6am (for example, in winter).
- b. From sunset (or more correctly Evening Civil Twilight) to 10pm. During winter in particular this provides a much longer window for flights to arrive and depart Queenstown than was previously the case.

3.16 Evening flights will provide a significant benefit for travellers and business, with an extended operating window giving more flexibility, better connectivity across airline networks, and improved airport experience with peak times spread out and less pressure on facilities and services. As an example, for leisure travellers it would make weekend holidays from Auckland and Australia possible year-round. It would also give business people more flexibility with their travel plans and potentially allow people to base themselves in Queenstown and commute to other main centres more easily. The biggest immediate benefit will be increasing the flying window during the short winter months, which are also our busiest passenger months.

3.17 QAC commenced the physical works required to accommodate evening flights in November last year, with an \$18m runway and lighting infrastructure upgrade. This work includes resurfacing and widening the runway (from 30m to 45m), and improved navigational infrastructure through the installation of a comprehensive aeronautical lighting package (runway, taxiway, approach and apron lights).

3.18 This project is due to be completed in April 2016. Airlines are in the process of developing their own operational safety cases for regulatory (CAA) approval to operate at Queenstown Airport after dark. Air New Zealand has already announced it will commence evening flights into and out of Queenstown this winter from 1 July, subject to regulatory approval.

3.19 The introduction of evening flights will mark a step-change for the Airport as a major local employment hub as it moves to a 'split-shift' operating model to cater for the extended operating window. This will create a number of job opportunities, adding to the 350-strong team already working in and around the Airport.

3.20 Ensuring it is ready for evening flights will be a key focus for QAC over the next 6 months.

Acquisition of Lot 6

3.21 QAC also seeks to designate and acquire part of Lot 6 DP304345 for Aerodrome Purposes. Lot 6 is owned by Remarkables Park Limited (**RPL**) who opposes both the designation and acquisition. Discussions have been ongoing with RPL since at least 2008, however unfortunately agreement has not been reached and the matter is before the Court.

3.22 The designation and acquisition of part of Lot 6 will importantly, but without limitation:

- a. Provide for appropriate (safe) clearances for the formation of a Code C taxiway parallel to the main runway so as to increase that runway's capacity;
- b. Provide additional grass and paved apron areas and space for hangars for general aviation and helicopter activities, along with additional hangar space for Code C aircraft (i.e. jets).
- c. Enable general aviation and helicopter bases and activities (**GA**) to move from the south western area of the Airport (near Lucas Place) so as to enable essential growth around the Airport including:
 - i. further expansion of the terminal;
 - ii. additional apron areas around the terminal for scheduled aircraft;
 - iii. additional carparking for public and rental vehicles etc.

3.23 These works are essential for the ongoing development of the Airport, and the project has been recognised as one of “national significance” by the Minister for the Environment.

3.24 While the GA operators remain in their current locations along Lucas Place, the Airport's landslide activities cannot be expanded to the detriment of neighbours who experience a higher level of aircraft noise under the existing configuration.

- 3.25 In the most recent decision on Lot 6 (22 December 2015), the Court found in favour of QAC on the following points:
- a. Reconfirmed its finding that the new GA precinct should be established to the south of the main runway and proposed taxiway, and on Lot 6 land;
 - b. That the area of Lot 6 land required is about 16ha and not the 8ha originally decided.
- 3.26 The Court is expected to confirm the 16ha designation once an aeronautical study has been completed and CAA approval is obtained for the works enabled by the designation. The aeronautical study for this is underway.

Plan Change 35

- 3.27 QAC's counsel and its planning witness, Mr Kyle, have explained the background to and detail of Plan Change 35. My evidence provides an update on the roll out of the noise mitigation package, as required by the amendments to Designation 2 (Aerodrome Purpose) associated with the Plan Change.
- 3.28 Following work in 2013/14, which involved forming the Queenstown Airport Community Liaison Committee and adopting the Noise Management Plan, and discussing options with our affected neighbours, QAC has been working through its aircraft noise mitigation obligations as required by the Designation.
- 3.29 QAC's primary focus over the past year has been to progress works on the 13 homes most affected by aircraft noise located within PC35 Air Noise Boundary (**ANB**). This has involved each home being assessed by noise management experts and individual acoustic treatment package reports being developed.
- 3.30 These acoustic packages were then worked through and put into action in two trial houses. Project manager RCP worked with contractors to test a number of different scenarios to ensure that when work is undertaken on each home, proven best practices which achieve optimal acoustic results with the least impact to the people living in the house are adopted.

- 3.31 In addition to field testing mitigation options, QAC has completed the following:
- a. Preliminary design work for the 13 homes that qualify for the full noise mitigation package (i.e. sound insulation and mechanical ventilation).
 - b. Drafted legal agreements for presentation to homeowners which have been subsequently approved by the Queenstown Airport Liaison Committee.
 - c. Held one-on-one meetings with each homeowner to present and discuss the bespoke noise mitigation design solution for their home and the legal documentation.
- 3.32 Once noise mitigation works are underway for the first 13 homes, attention will turn to the properties with the 60 dB L_{dn} 2037 Noise Contour and QAC will contact owners regarding mechanical ventilation proposals for their homes. This phase involves a further 123 homes and is timed to begin mid 2016.
- 3.33 Noise mitigation works will continue in annual or two-yearly tranches for the next 20 years.
- 3.34 QAC's approach is guided by its obligations in the Aerodrome Purposes Designation and the Noise Management Plan, which was formulated through the notice of requirement and Plan Change 35 process.

Masterplanning

- 3.35 Developing a 30 year Masterplan over the next 12 months is also a key focus for QAC. The project outline has been completed and consultants will be appointed in May, with plans started to be developed over winter. Once confirmed, the Masterplan will guide the long-term development of the Airport.

QAC's CONTRIBUTION TO THE DISTRICT

- 3.36 A 2014 economic assessment undertaken by Market Economics¹ has assessed that Queenstown Airport facilitates tourism spending of between \$592m and \$638m, sustaining between 14,855 and 15,948 jobs, and that by 2037 total tourism spending facilitated by the Airport will be between \$1.1bn and \$1.4bn.

¹ Market Economics Report titled "Queenstown Airport: Mixed Use Zone, Economic Assessment November 2014".

- 3.37 An economic analysis undertaken for PC35 indicated that in 2037, gross output of the Airport will increase to \$522 million and will sustain the equivalent of 8,100 full time workers each year. This is likely understated, given current growth projections.
- 3.38 Currently, more than 350 people work in and around Queenstown Airport. In addition to QAC, the Airport's management company, the wider airport community comprises approximately 60 businesses, from retailers, rental car providers and general aviation operators to airlines, ground handling services and border security agencies. There are also a number of auxiliary service providers and contractors who work with these businesses to support the airport's operations.
- 3.39 The introduction of evening flights later this year and the move to a 'split-shift' operating model to cater for the extended operating window will create a number of further job opportunities, and inevitably lead to increased tourist spending in the District.
- 3.40 Consequently, Queenstown Airport can be considered a significant strategic resource and provides substantial direct and indirect benefits to the local and regional economy.

SUMMARY FOR QUEENSTOWN AIRPORT

- 3.41 QAC's business success and growth is intrinsically linked to the fortunes of the region's tourism and visitor industry. In turn, this industry depends on QAC providing effective air connectivity for New Zealand and overseas visitors, along with a world-class passenger service and experience for all visitors.
- 3.42 Land constraints, constrained airspace, heightened international airport aviation security requirements, and phenomenal growth means Queenstown Airport will continue to evolve solely as a commercial airport. For QAC that means an airport that is able to meet the future needs of scheduled 'Regular Passenger Transport' (RPT) services and associated passengers, the special demands of the private jet market, and the region's commercial general aviation industry as a hub for visitor flightseeing.

- 3.43 QAC will continue to work closely with aviation and tourism partners to identify growth opportunities for the future, particularly in off peak months, to ensure its infrastructure is developed to meet demand. We see the need for the community to continue to invest in the region's infrastructure and tourism to both maintain a quality visitor experience and to handle the anticipated growth from new and emerging long haul markets.
- 3.44 Growth projections remain very strong and QAC is mindful it needs to manage this growth in line with community expectations and any District Plan requirements. Given this growth, and the significant contribution the Airport makes to the community, it is imperative, in my view, that new noise sensitive activities around the Airport are carefully managed.

4. WANAKA AIRPORT

- 4.1 Wanaka Airport accommodates aircraft movements associated with scheduled general aviation and helicopter operations, and is a major facilitator of commercial helicopter operations within the District.
- 4.2 Wanaka Airport provides a complementary and supplementary facility to Queenstown Airport.
- 4.3 QAC provides aeronautical and property expertise to QLDC in relation to the management of Wanaka Airport, and receives a fee from QLDC for the management of the airport calculated on a cost recovery basis only. This includes the cost of onsite airport staff, aeronautical advisory support, property management services, accounting and administration services, management input to the airport's development, and fulfilling compliance obligations.

M Edghill

29 February 2016

BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL

BEFORE THE QUEENSTOWN LAKES DISTRICT COUNCIL

IN THE MATTER OF the Resource Management Act 1991

AND

IN THE MATTER OF the Queenstown Lakes Proposed District Plan

Chapter 3 (Strategic Direction),
Chapter 4 (Urban Development) and
Chapter 6 (Landscape)

STATEMENT OF EVIDENCE JOHN CLIFFORD KYLE

(29 FEBRUARY 2016)

Lane Neave
Level 1, 2 Memorial Street
PO Box 701
Queenstown
Solicitor Acting: Rebecca Wolt
Phone: 03 409 0321
Fax: 03 409 0322
Email: rebecca.wolt@laneneave.co.nz

Mitchell Partnerships
Level 2, 286 Princes Street
PO Box 489
Dunedin
Kirsty O'Sullivan
Phone: 03 477 7884
Email: kos@mitchellpartnerships.co.nz

1. INTRODUCTION

Qualifications and Experience

- 1.1 I hold an honours degree in Regional Planning from Massey University, obtained in 1987. I am a Partner with the firm Mitchell Partnerships, which practices as a planning and environmental consultancy throughout New Zealand, with offices in Auckland, Tauranga and Dunedin.
- 1.2 I have been engaged in the field of town and country planning and resource and environmental management for 28 years. My experience includes a mix of local authority and consultancy resource management work. For the past 22 years, this experience has retained a particular emphasis on providing consultancy advice with respect to regional and district plans, designations, resource consents, environmental management and environmental effects assessment. This includes extensive experience with large-scale projects involving inputs from a multidisciplinary team.
- 1.3 An outline of the projects in which I have been called upon to provide environmental planning advice in recent times is included as **Appendix A**.
- 1.4 I am familiar with and have made numerous visits to Queenstown Airport and the areas surrounding the Airport. I have assisted the Queenstown Airport Corporation with planning matters for more than a decade. I am generally familiar with planning issues in the Queenstown Lakes District, having actively practiced there since 1994.
- 1.5 I advise that I have read and agree to comply with the Code of Conduct for Expert Witnesses in the Environment Court Practice Note 2014. In particular, unless I state otherwise, this evidence is within my scope of expertise and I have not omitted to consider material facts known to me that might alter or detract from the opinions I express.
- 1.6 My firm, Mitchell Partnerships Limited (**MPL**) has been commissioned by Queenstown Airport Corporation (**QAC**) to provide resource management planning advice with respect to the Proposed Queenstown Lakes District Plan (**Proposed Plan**). My firm prepared the submissions and further submissions on behalf of QAC.

Scope of Evidence

1.7 In this brief of evidence, I will:

- Set out the planning context for Queenstown and Wanaka Airports;
- Provide an overview of the strategic significance of Queenstown and Wanaka Airports and why they warrant recognition in the Proposed Plan;
- Provide the contextual background and genesis behind Plan Change 35 and the associated Notice of Requirement initiated by QAC in 2008;
- Set out why the provisions that were settled via the Environment Court process as part of Plan Change 35 (**PC35**) remain the most suitable means of managing the effects of aircraft noise at and around Queenstown Airport;
- Explain how the higher order objectives and policies of PC35 should be carried forward and incorporated into the Proposed Plan; and,

2. QUEENSTOWN AIRPORT – PLANNING CONTEXT

2.1 QAC operates the regionally and nationally significant Queenstown Airport, and the regionally significant Wanaka Airport. Mr Edghill has provided some context about QAC and the role of Queenstown and Wanaka Airports in facilitating the transportation of people and goods to the region. I do not intend to repeat that here.

2.2 Queenstown Airport is managed by QAC. QAC is a network utility operator and a requiring authority under section 166 of the Resource Management Act 1991 (the **RMA** or the **Act**).

2.3 Queenstown Airport is the subject of three designations in the operative Queenstown Lakes District Plan (**Operative Plan**), namely:

- **Designation 2 – Aerodrome Purposes:** The purpose of this designation is to protect the operational capability of the Airport, while at the same time minimising adverse environmental effects from aircraft noise on the community at least to year 2037;

- **Designation 3 – Air Noise Boundary:** This designation defines the location of the Airport’s Air Noise Boundary (**ANB**). The location of the ANB shown in the designation is outdated however, and was updated, to provide for airport operations until 2037, via noise boundaries promulgated as part of Plan Change 35; and,
- **Designation 4 – The Approach and Land Use Control (transitional slopes and surfaces):** The purpose of this designation is to provide obstacle limitation surfaces around the Airport to ensure the safe operation of aircraft approaching and departing the Airport.

2.4 Excepting Designation 3, these designations are proposed to be “rolled over” (with modifications), in the Proposed Plan. Designation 3 has been subsumed by Plan Change 35 which provides for an updated ANB to be included in the District Plan (Planning Map 31a) (refer to paragraph 5.31 of my evidence for further background). QAC has therefore given notice of its intent to withdraw Designation 3.

2.5 Maps depicting the extent of Designation 2 (Aerodrome Purposes) and two figures showing the extent of Designation 4 (Approach and Land Use Controls) are attached in **Appendix B**. The extent of QAC’s landholdings (designated and undesignated) is attached as **Appendix C**.

3. WANAKA AIRPORT – PLANNING CONTEXT

3.1 The Queenstown Lakes District Council (**QLDC**) is the requiring authority for Wanaka Airport, with QAC managing the operations of the Airport on QLDC’s behalf.

3.2 Wanaka Airport is designated for “Aerodrome Purposes” (Designation 64) and a designation exists for “Approach and Land Use Control” purposes (Designation 65) in the Operative Plan. The purpose of these designations is to:

- Protect the operational capability of the Airport, while at the same time minimising adverse effects from aircraft noise (Designation 64); and,
- Define essential airport protection measures, transitional slopes and surfaces, aircraft take off climb and approach slopes and airport height and obstacle clearances (Designation 65).

- 3.3 These designations are also proposed to be “rolled over” (with modifications), in the Proposed Plan.
- 3.4 A map depicting the extent of these designations is attached as **Appendix D**.

4. THE NATIONAL AND REGIONAL SIGNIFICANCE OF INFRASTRUCTURE

- 4.1 Queenstown and Wanaka Airports comprise significant infrastructure that plays a critical role in providing for the economic and social wellbeing of the Queenstown Lakes District.

Queenstown Airport as a facilitator of economic growth and wellbeing

- 4.2 Research undertaken by QLDC in 2013¹ estimated that more than a third of the local economy is based on tourism and around half of all employment is related to the tourism sector².
- 4.3 Queenstown Airport serves an important role in facilitating the movement of people and goods, which in turn feeds the District’s tourism industry and commerce more generally. Queenstown Airport is the primary arrival and departure port for many visitors to the District.
- 4.4 As explained by Mr Edghill, over the previous 12 month period, Queenstown Airport accommodated in excess of 1.5 million passengers. Recent growth projections have indicated that passenger growth is set to continue, with 2.5 million passengers projected by 2025.
- 4.5 Based on the Ministry of Business, Innovation and Employment tourism forecasts and passenger number growth rates, total tourism spending is projected to increase by between 3.4 per cent and 3.9 per cent per annum. A 2014 economic assessment³ indicated this is expected to take the total tourism spending facilitated by Queenstown Airport to between \$1.1bn and \$1.4bn by 2037. However, that amount will likely now be significantly greater, given the Airport’s most recent growth predictions.

¹ Market Economics Limited “*Queenstown Airport Mixed Use Zone, Economic Assessment*” November 2014.

² Note, these figures did not the wider tourism activities inputs (supply chains).

³ Market Economics Limited “*Queenstown Airport Mixed Use Zone, Economic Assessment*” November 2014.

- 4.6 Quite clearly the economic impact of the Airport both now and in the future is significant. Moreover, as indicated in the evidence of Mr Edghill, Queenstown Airport comprises an important tourist gateway into the Queenstown Lakes District. In recent times, the growth in passenger numbers has been pronounced, with greatest percentage growth occurring in international passengers. Queenstown is a nationally significant tourist destination. Tourism is a crucially important industry to the New Zealand economy as a whole. It is evident that the on-going ability of Queenstown Airport to function is essential to the tourism industry, both regionally and nationally.
- 4.7 The on-going ability of Queenstown Airport to function and grow without undue constraint is therefore of significant importance to the tourism industry, both regionally and nationally.
- 4.8 Because the tourism industry is such a significant contributor to the District's economy, the ongoing operation and development of the Airport is also of significant importance to the social and economic wellbeing of the community.

QAC as a Lifeline Utility Entity

- 4.9 Queenstown Airport is a lifeline utility under the Civil Defence Emergency Management Act 2002 (**CDEM**) in respect of its operation of Queenstown Airport. Accordingly, QAC has duties under that Act which are aimed at ensuring the wellbeing of people and the community is maintained during and after an emergency.
- 4.10 While not an identified lifeline utility under the CDEM, Wanaka Airport is likely to provide important air access to the Queenstown Lakes District in the event that road access is compromised during an emergency event⁴.

Regional Policy Statements (RPS)

- 4.11 The Operative and Proposed Regional Policy Statements for Otago provide specific policy recognition of infrastructure and acknowledge its importance in providing for the social, economic and cultural wellbeing of people and communities. Of note are the following provisions:

⁴ In the Queenstown Lakes District Council Emergency Management Plan 2013-2016.

Operative Regional Policy Statement for Otago

- Queenstown Airport is recognised in the explanation to issue 9.3.3⁵ of the RPS as one of the region's major airports.
- Objective 9.4.2⁶ seeks to promote the sustainable management of Otago's infrastructure to meet the present and reasonably foreseeable needs of Otago's communities.
- Policy 9.5.2⁷ seeks to promote and encourage efficiency in the development and use of Otago's infrastructure through:
 - Encouraging development that maximises the use of existing infrastructure while recognising the need for more appropriate technology;
 - Promoting co-ordination amongst network utility operators in the provision and maintenance of infrastructure;
 - Encouraging a reduction in the use of non-renewable resources while promoting the use of renewable resources in the construction, development and use of infrastructure; and
 - Avoiding or mitigating the adverse effects of subdivision, use and development of land on the safety and efficiency of regional infrastructure.
- Policy 9.5.3⁸ aims to promote and encourage the sustainable management of Otago's transport network through:
 - Promoting the use of fuel efficient modes of transport; and
 - Encouraging a reduction in the use of fuels which produce emissions harmful to the environment; and
 - Promoting a safer transport system; and
 - Promoting the protection of transport infrastructure from the adverse effects of land use activities and natural hazards.

⁵ Issue 9.3.3, page 123 of the Operative Regional Policy Statement for Otago 1998.

⁶ Objective 9.4.2, page 125 of the Operative Regional Policy Statement for Otago 1998.

⁷ Policy 9.5.2, page 126 of the Operative Regional Policy Statement for Otago 1998.

⁸ Policy 9.5.3, page 127 of the Operative Regional Policy Statement for Otago 1998.

Proposed Regional Policy Statement

- Objective 3.5⁹ aims to ensure that infrastructure of national and regional significance is managed in a sustainable way.
- Policy 3.5.1¹⁰ seeks to recognise the national and regional significance of infrastructure, including airports (as noted in subparagraph (e)).
- Policy 3.5.3¹¹ seeks to protect infrastructure of national or regional significance, by:
 - Restricting the establishment of activities that may result in reverse sensitivity effects;
 - Avoiding significant adverse effects on the functional needs of infrastructure;
 - Avoiding, remedying or mitigating other adverse effects on the functional needs of the such infrastructure;
 - Assessing the significance of the adverse effects on those needs, as detailed in the “Significance threshold” schedule (Schedule 3) of the Proposed Regional Policy Statement);
 - Protecting infrastructure corridors for infrastructure needs, now and for the future.

4.12 The Proposed Plan is required to give effect to the Operative and have regard to the Proposed Regional Policy Statements.

Summary

4.13 It is clear from the above that Queenstown and Wanaka Airports comprise significant infrastructure that contributes to the social and economic wellbeing of the community. In my opinion, it is therefore imperative that such infrastructure is properly recognised and provided for in the Proposed Plan. Put simply, the wider benefits that accrue from the airport should attract significant weight in preparing and confirming the provisions of the Proposed Plan.

⁹ Objective 3.5, page 59 of the Proposed Regional Policy Statement for Otago 2015.

¹⁰ Policy 3.5.1, page 59 of the Proposed Regional Policy Statement for Otago 2015.

¹¹ Policy 3.5.3, page 60 of the Proposed Regional Policy Statement for Otago 2015.

4.14 Given the role of the Strategic Directions chapter of the Proposed Plan in setting the policy framework for the management of growth, land use and development, it is important in my view that the significance of infrastructure is recognised and provided for within this chapter. It is also required in order to give effect/have regard to the Operative and Proposed Regional Policy Statements. My colleague, Ms Kirsty O'Sullivan, will provide evidence with respect to the form that such policy recognition should take. I have reviewed her evidence and endorse what she has to say in this respect.

5. PLAN CHANGE 35 - THE GENESIS AND BACKGROUND TO THE PLAN CHANGE

5.1 In 2008 QAC initiated Plan Change 35 (**PC35**) and an associated Notice of Requirement (**NOR**) to alter Designation 2. The purpose of PC35 was to put in place an appropriate management regime for managing land use around Queenstown Airport while providing for the predicted ongoing growth of the aircraft operations to 2037. Accordingly, the Plan Change updated the Airport's noise boundaries¹² (Air Noise Boundary (**ANB**) and Outer Control Boundary (**OCB**)) to provide for predicted growth in aircraft operations to 2037, and amended various zone provisions relating to the use of land within those updated boundaries likely to be affected by increased aircraft noise.

5.2 Specifically, PC35 sought changes to the following chapters of the Operative District Plan:

Chapter 4 District Wide Issues;

Chapter 5 Rural Areas

Chapter 6 Queenstown Airport Mixed Use

Chapter 7 Residential Areas

Chapter 11 Business and Industrial Areas;

Chapter 12 Special Zones

Chapter 14 Transport

Appendix 1 Designations

Appendix 13 (relating to Sound Insulation and Ventilation Requirements);
Definitions;

¹² Prior to which the OCB being contained in the Operative District Plan and the ANB in Designation 3.

- 5.3 In conjunction with the land use management regime proposed by PC35, the associated NOR proposed to introduce obligations for QAC (via its Aerodrome Purposes Designation) to undertake and fund noise mitigation works for those existing houses within the updated noise boundaries likely to be exposed to increased levels of aircraft noise.
- 5.4 PC35 was adopted by QLDC and following the hearing of submissions, was confirmed on 1st November 2010.¹³
- 5.5 PC35 was the subject of a number of appeals to the Environment Court. The appeals were largely resolved by agreement in early 2012, which was jointly presented to the Court during the course of two hearings and the filing of subsequent memoranda.
- 5.6 During the course of the Court proceedings the provisions were, at the Court's direction, redrafted by the parties to correct errors, ambiguities and inconsistencies contained in QLDC's decision on the Plan Change. A final set of provisions, giving effect to the Court's directions, was filed jointly by the parties in May 2013.
- 5.7 To provide some context for the Panel, I attach as **Appendix E** of my evidence, the full suite of provisions confirmed by the Environment Court on 8th May 2013. The three interim Environment Court decisions that relate to PC35 and together confirm its provisions and those of the associated NOR are attached as **Appendix F** to my evidence. I note the Noise Management Plan included in the Appendix contains a summary of QAC's noise mitigation obligations under the Designation. This may be of some assistance to the Panel in understanding the more technical aspects of PC35.
- 5.8 I note that the Environment Court confirmed PC35 provisions affect the following chapters of the Proposed Plan:
- Chapter 3 Strategic Direction;
 - Chapter 4 Urban Development
 - Chapter 7 Low Density Residential

¹³ Excepting provision for a limited number of scheduled flights after 10pm, which decision was accepted by QAC (i.e. not appealed).

- Chapter 15 Local Shopping Centre
- Chapter 17 Airport Mixed Use
- Chapter 21 Rural
- Chapter 36 Noise
- Chapter 37 Designations

5.9 It is therefore appropriate in my view to provide an overview of PC35 and the associated NOR in this phase of the hearing of submissions on the Proposed Plan in order to ensure the Panel has the contextual background necessary to consider QAC's submissions on the chapters which are the subject of this hearing and on later chapters.

5.10 In order to understand why, in my opinion, the Environment Court confirmed provisions remain the most current and appropriate means of managing the effects of aircraft noise on activities sensitive to aircraft noise (ASAN), and why similar provisions should be incorporated in the Proposed Plan, I will provide some background around the promulgation of PC35, and how the provisions were developed.

New Zealand Standard on Airport Noise Management and Land Use Planning (NZS6805:1992)

5.11 The foundation of the approach adopted by PC35 is the New Zealand Standard for Airport Noise Management and Land Use Planning, NZS6805:1992 (the **New Zealand Standard** or the **Standard**). This Standard is recognised as the key guiding document for managing aircraft noise at New Zealand airports.

5.12 As noted, PC35 seeks to provide for growth in aircraft operations at the Airport until 2037, that being 25 years from when the Plan Change was first promulgated. The initial part of the PC35 process involved undertaking aircraft noise monitoring, and modelling how this would change over time, out to the year 2037¹⁴. The modelling determined that the noise boundaries contained in the Operative District Plan were quickly becoming out of date and that QAC needed to investigate how best to provide for its future operational requirements.

¹⁴ This work was carried out by Marshall Day Acoustics. The modelled aircraft noise predictions utilised flight growth projections which were forecast by Airbiz Limited.

- 5.13 In approaching the task of how best to provide appropriate aircraft noise management provisions in the District Plan, the decision was taken to respect the structure of the Operative District Plan, as far as could be achieved. Reliance on a designation approach (addressing QAC's obligations), in tandem with the imposition of new or amended objectives, policies and methods within the zones that relate to land around the Airport (addressing the community's obligations) was determined to be the best approach to managing the effects of aircraft noise at Queenstown Airport. This approach has since been endorsed by the Environment Court¹⁵.
- 5.14 I maintain of the view that this approach remains the most appropriate and should be carefully considered in formulating the Proposed Plan.

Air Noise Boundary (ANB)

- 5.15 The New Zealand Standard recommends the *implementation of practical land use planning controls and airport management techniques to promote and conserve the health of people living and working near airports, without unduly restricting the operation of airports*.¹⁶
- 5.16 The New Zealand Standard sets out that a balance needs to be achieved between accommodating the needs of the Airport on an on-going basis and providing for the health and the amenity values enjoyed by those occupying and using land surrounding the Airport.
- 5.17 One of the techniques advocated in the New Zealand Standard for achieving this outcome is the imposition of an ANB. An ANB is a "*mechanism for local authorities to establish compatible land use planning and to set limits for the management of aircraft noise at airports where noise control measures are needed to protect community health and amenity values*"¹⁷.

¹⁵ Refer to the three interim decisions attached as Appendix F of my evidence.

¹⁶ New Zealand Standard 6805:1992: Airport Noise Management and Land Use Planning (NZS 6805:1992); Section 1.1.3, page 5.

¹⁷ NZS 6805:1992, Section 1.1.2, page 5.

- 5.18 The ANB comprises a noise boundary inside of which noise exposure is expected to exceed 65dB L_{dn}. The New Zealand Standard recommends that new residential activities, schools, hospitals or other noise sensitive uses should be prohibited inside the ANB¹⁸. The approach adopted within PC35 in respect of the ANB was therefore guided by the New Zealand Standard, with amendments as necessary to reflect the current nature and scale of established activities occurring around the airport.
- 5.19 The ANB at Queenstown Airport, as amended by PC35¹⁹, includes land which accommodates a number of existing residential dwellings in Frankton, particularly to the west of the main runway. Where such circumstances apply, the New Zealand Standard advocates that steps should be taken to provide existing residential dwellings with appropriate acoustic insulation to ensure a satisfactory internal noise environment. QAC therefore offered, as part of PC35 and the associated NOR package, to fund mitigation measures, including acoustic insulation and mechanical ventilation for existing dwellings within the proposed ANB to the extent necessary to achieve an internal noise environment of 40dB L_{dn}. QAC is obliged to provide this mitigation treatment through conditions of Designation 2.
- 5.20 It is important to understand that the ANB (as amended by PC35) reflects the position of the 65dB L_{dn} boundary in the year 2037. In reality, the growth in flight numbers at Queenstown Airport, and thus the aircraft generated noise increase, will be gradual over time. QAC is therefore obligated to complete acoustic insulation mitigation of these existing residential properties within the ANB ahead of the full noise exposure limit being reached at that particular property.
- 5.21 As set out by Mr Edghill²⁰, QAC has recently commenced with this work, offering acoustic mitigation packages to 13 houses within the 2037 ANB.
- 5.22 The New Zealand Standard recommends that no new²¹ ASANs should be provided for in the ANB, however during the promulgation of PC35 QAC recognised that historical development and associated zoning for residential purposes has occurred in close proximity to the Airport runway. QAC therefore

¹⁸ NZS 6805: 1992, Table 1, page 15.

¹⁹ And attached to the legal submission of R Wolt dated 29 February 2016.

²⁰ Paragraph 3.29 of the Evidence in Chief of Mr Mark Edghill, dated 26 February 2016.

²¹ "New" includes alterations and additions to existing ASAN.

adopted a more moderated approach to that recommended by the Standard whereby new residential dwellings and alterations and additions to existing dwellings are able to be built inside the ANB, provided they occupy an already zoned site and where the dwelling incorporates appropriate sound insulation and mechanical ventilation measures, at the property owner's cost.

5.23 While the 2037 ANB extends over the Residential, Remarkables Park, Rural and Airport Mixed Use zones of the District Plan, existing residential dwellings are only provided for by zoning and exist within the Residential Zone.

5.24 At the time PC35 was promulgated, residential dwellings were a permitted activity in the Residential Zone²². These existing development rights were therefore "grandfathered" in the new PC35 provisions. I understand that QAC intends to support the grandfathering approach for properties in the Proposed Plan subject to retention of the Operative Plan standards regarding density and lot size. Despite being a more moderate approach than the New Zealand Standard, I agree that the continuation of this approach is appropriate.

5.25 As indicated earlier, PC35 also introduced proposed new acoustic insulation and mechanical ventilation requirements for any new or alterations or additions to existing buildings containing ASAN located within the new ANB, to be provided at the property owner's cost, at the time of development. This approach was considered appropriate because the provisions of PC35 provide a definitive flag to property owners within the ANB that their property will experience high levels of aircraft noise should they choose to construct new dwellings within this area.

Outer Control Boundary

5.26 The New Zealand Standard identifies that the Outer Control Boundary (OCB) is based on a noise contour at or beyond which aircraft noise should not exceed 55dB L_{dn}.

5.27 The New Zealand Standard recommends that any new residential dwellings, schools, hospitals or other noise sensitive uses (ASANs) should be prohibited within the OCB, unless the District Plan permits such uses. Then they should

²² Subject to compliance with Site and Zone Standards. These include Zone Standards 7.5.5.3vi and 7.5.6.3viii require residential properties and other ASANs to meet an internal design sound level of 40dB L_{dn}.

be subject to a requirement to incorporate appropriate acoustic insulation to ensure a satisfactory internal noise environment. The New Zealand Standard also recommends that alterations or additions to existing residences or other ASANs inside the OCB should be appropriately insulated from aircraft noise to achieve an acceptable internal design sound level.

5.28 Generally in line with the New Zealand Standard, PC35 sought to prohibit any new ASAN inside the OCB in the Rural, Industrial and Frankton Flats zones and to require mechanical ventilation for new dwellings, or for alterations or additions to existing dwellings inside the Rural, Residential, Frankton Flats and Remarkables Park zones. The cost associated with such works is met by the developer, at the time the development work is undertaken. This approach is consistent with the approach advocated within the New Zealand Standard.

5.29 In practical terms, what has been found from sound insulation studies around other New Zealand airports is that the level of mitigation required within the OCB can be readily grouped as follows:

- Modern houses located between 55.0 to 58.0dB Ldn – will generally achieve 40dB Ldn inside with windows slightly ajar.
- Modern houses located between 58.0 to 65.0dB Ldn – will generally achieve 40dB Ldn inside with windows closed and thus mechanical ventilation is required to provide an alternative form of ventilation

5.30 PC35 also promoted strong policy based dissuasion against the promulgation of further plan changes that would result in land within the OCB being rezoned for noise sensitive (ASAN) development. Whilst it is accepted that some land around the Airport has been allowed to develop in a way which incorporates ASANs or where ASANs have been previously consented²³, in my view it is important to now recognise that any future opportunity to similarly develop currently undeveloped land should be dissuaded.

²³ Frankton Flats Zone for example.

5.31 A good deal of land has historically been dedicated to urban development (including provision for ASANs) on land at Frankton, sometimes in very close proximity to the Airport runway. Moreover, more recent initiatives (such as PC19 for example) have reflected an on-going desire to continue to consolidate development (including ASANs) at Frankton. A cautious approach to the location of further ASANs on land around the Airport was adopted via PC35 and in my opinion, should be transferred through to the Proposed Plan. Having said that, the PC35 approach pays a good deal of respect to the pattern of urban development that already exists on land around the airport, as evidenced by the grandfathering of existing development rights (refer to paragraph 5.24).

Notice of Requirement

5.32 To complement the land use management regime established under PC35, QAC gave notice of requirement to alter Designation 2 to introduce obligations on QAC for the management and mitigation of noise generating activities at the airport. In summary, this NOR:

- Obliges QAC to offer 100% funding of noise mitigation for Critical Listening Environments of buildings located within the ANB (65dB Noise Contour) that existed at the time the NOR was confirmed. This mitigation is required to achieve an indoor design sound level of 40dB Ldn or less based on the 2037 Noise Contours;
- Obliges QAC to offer to part fund retrofitting, over time, of mechanical ventilation of any Critical Listening Environment within existing buildings containing ASAN between the ANB and the 2037 60dB Noise Contour. Specifically, QAC is required to provide 75% funding;
- Sets out QAC's monitoring requirements for aircraft noise at Queenstown Airport to ensure compliance with noise limits at the defined noise boundaries;
- Requires QAC to prepare and implement a Noise Management Plan; and,
- Establishes and sets out the purpose of the Queenstown Airport Liaison Committee.

The confirmed Environment Court NOR conditions have been included in the notified Aerodrome Designation (Designation 2), and as explained by Mr Edghill, QAC has commenced giving effect to them. These matters will be addressed in detail in the relevant hearing for the Designation.

Zone Specific Rules

5.33 I do not intend to address the zone specific rule structure established during PC35 in any detail today, nor how the proposed zone rules should be integrated into the relevant zone chapters, as these will be addressed at later hearings in due course. For context however, the Proposed Plan should ensure that Queenstown Airport is protected from reverse sensitivity effects arising from ASAN as follows:

- Recognise, within the higher order provisions of the Proposed Plan, the need to manage existing and limit the establishment of further noise sensitive activities in proximity to Queenstown Airport to ensure that the operational capacity and integrity of the Airport is not significantly compromised now or in the future.
- Within the Low Density Residential zone (or areas of land proposed to be rezoned from Low Density Residential zone in the Operative Plan to an alternative zoning in the Proposed Plan), require any new and alterations or additions to existing buildings containing ASAN to provide mechanical ventilation for Critical Listening Environments on sites located within the PC35 OCB, and mechanical ventilation and sound insulation for sites located within the PC35 ANB, to achieve an Indoor Sound Level of 40dB Ldn, based on 2037 Noise Contours²⁴. Failure to achieve this standard should result in a non-complying activity status.
- Within the Rural and Industrial zone, prohibit any new ASAN within the PC35 OCB. For alterations or additions to existing buildings containing ASAN, require mechanical ventilation of Critical Listening Environments for sites located within the OCB, to achieve an Indoor Sound Level of 40dB Ldn, based on 2037 Noise Contours.
- Within the Remarkables Park zone, prohibit all residential, visitor accommodation and community activities within the 2037 60dB Noise Contour. For all new and alterations or additions to existing buildings

²⁴ The 2037 noise contours are the predicted airport noise contours for Queenstown Airport for the year 2037 in 1dB increments from 70dB Ldn to 55dB Ldn inclusive.

containing residential, educational facilities or visitor accommodation, within the specified area shown as Figure 2 (refer to the full suite of Environment Court endorsed provisions attached as **Appendix E** for Figure 2) require Critical Listening Environments to achieve an Indoor Sound Level of 40dB Ldn, based on 2037 Noise Contours²⁵.

- Within the Frankton Flats A Zone, specify a maximum threshold for visitor accommodation units, health care facilities and educational facilities and Critical Listening Environments these activities to achieve an Indoor Sound Level of 40dB Ldn, based on 2037 Noise Contours. All other ASAN within the zone are prohibited.
- Ensure that the number of ASAN occurring within the PC35 ANB and OCB is maintained as far as can be achieved at the levels currently anticipated by the Operative District Plan, avoiding an increase in the number of sensitive receivers being exposed to aircraft noise within the ANB and OCB.
- Ensure that appropriate noise boundaries are in place to enable operations at Queenstown Airport to continue and expand to meet foreseeable future demand until 2037.

6. HIGHER ORDER PC35 PROVISIONS

6.1 PC35 introduced two new objectives into the operative District Plan. The proposed new objectives were deliberately specific to Queenstown Airport on the basis that the Airport is the pre-eminent commercial airport in the district and it has increasingly become so since the operative District Plan was first notified in 1995. The objectives were included in the District Wide Issues section of the District Plan to reflect this significance.

6.2 District Wide Objective 7 seeks to:

Maintain and promote the efficient operation of Queenstown Airport and set appropriate noise limits in order to protect airport operations and to manage the adverse effects of aircraft noise on any Activity Sensitive to Aircraft Noise.

²⁵ The 2037 noise contours are the predicted airport noise contours for Queenstown Airport for the year 2037 in 1dB increments from 70dB Ldn to 55dB Ldn inclusive.

- 6.3 This objective is primarily directed at achieving the balance sought by the New Zealand Standard. It clearly acknowledges the need to set noise limits for the management of aircraft noise at the Airport. It recognises that land use planning methods can be an effective way to manage exposure to aircraft noise around airports. It is a recognised fact that despite best endeavours in adapting aircraft technology and flight management, it is not possible to avoid aircraft noise on land around airports. Whilst changes in aircraft design have progressively yielded reductions in the noise signature of most aircraft, modelling can only be based on the quietest technology currently available and not some unknown future technology.
- 6.4 Uncontrolled use of airport infrastructure can unnecessarily expose people to high levels of noise, and in turn reverse sensitivity concerns in response to this noise can constrain the operation of airports. The objective is intended to address the need to place suitable limitations on aircraft noise, consistent with the approach advocated within the New Zealand Standard.
- 6.5 As indicated earlier, Queenstown Airport is a key strategic asset to the District and it is important to plan now for its future. PC35 Objective 7 reflects this importance and should be incorporated in Chapter 4 of the Proposed Plan without further amendment.
- 6.6 District Wide Objective 8 seeks to:
- Manage urban growth issues on land in proximity to Queenstown Airport to ensure that the operational capacity and integrity of the Airport is not significantly compromised now or in the future.*
- 6.7 This objective is directed at managing urban growth on land around the Airport. It also endeavours to ensure that land use planning decisions encourage compatible uses rather than those that will conflict directly with Airport operations. In my opinion this objective is still relevant in the context of the Proposed Plan and will assist to sustain the potential of the Airport to meet the reasonably foreseeable needs of future generations, through ensuring only appropriate development takes place in the immediate vicinity of the Airport, and reducing the potential for reverse sensitivity effects that could compromise Airport operations.

- 6.8 This objective recognises that Frankton is one of the Council's preferred locations for accommodating urban growth. As expressed earlier, it is essential that this growth is managed in a way that ensures that the potential for incompatibility is mitigated as far as can be possible.
- 6.9 I consider that adequate balance has been achieved within the PC35 objectives between the interests of the Airport, and those of the surrounding community, noting again the PC35 provisions have been endorsed by the Environment Court. The existing investment in Airport infrastructure at Frankton is significant. This infrastructure is well developed and can be enhanced to accommodate projected growth in flight numbers. If the operation of the Airport is unduly curtailed and projected growth is not accommodated, then this will compromise the attractiveness of Queenstown as a destination for airlines, which could result in the curtailment of regular passenger services over time. This would likely have a significant effect on the essential underpinnings of the Queenstown economy.
- 6.10 Limiting the ability for new ASANs to establish on land not yet developed around the Airport is in my opinion appropriately precautionary, and is a method supported by the New Zealand Standard. Any relaxation of that approach has the potential to lead to reverse sensitivity effects on the Airport and poor land use planning outcomes in the future. In my opinion, any decision that brings additional people to the impact of aircraft noise would not appropriately provide for the needs of future generations.
- 6.11 I understand that the section 42A report has recommended rejecting QAC's submission with respect to carrying forward PC35 Objectives 7 and 8 and their associated policies into Chapter 4 of the Proposed Plan. Whilst the Council Officer notes that it is important to translate the substantive objectives, policies and rules from PC35 into the Proposed Plan, he considers that QAC's amendments would create a lengthy Chapter 4 with an unbalanced focus on the Airport's interests ahead of more general urban development considerations. The Council Officer considers that QAC's key objectives are provided for in lower order chapters²⁶.

²⁶ Paragraph 12.72, page 28 of the section 42A Hearing Report for Chapters 3 and 4 of the Proposed Plan.

6.12 I disagree with the recommended approach of the Council Officer, for the reasons set out above. The two objectives discussed in this section and their attendant policies have been extracted directly from the Urban Development chapter of the Operative District Plan, as amended by PC35. These policies provide the fundamental objective and policy framework that underpins the lower order chapters referred to by the Council Officer. Without them there may be insufficient foundation for the related provisions in the lower chapters. In my opinion, the approach proposed by the Council Officer is therefore not the most appropriate in terms of section 32.

6.13 I note that Objectives 7 and 8 and associated policies proposed by QAC have been endorsed by the Environment Court. During this process, the provisions were closely scrutinised

7. CONCLUSIONS

7.1 All too often the experience in New Zealand (and off shore) is that insufficient foresight has been applied to the protection of significant assets such as airports, meaning unwise land use decisions are taken to allow sensitive uses to encroach on the footprint of impact created by such facilities. Already ports, airports and other industries in New Zealand have had their operations curtailed due to reverse sensitivity concerns. Whilst I accept that compromise is often necessary, early recognition that facilities such as airports inevitably grow and development is important in informing land use planning decisions. The best form of protection available to avoid reverse sensitivity concerns is to avoid development “coming to the effect” in the first place.

7.2 The provisions developed via PC35 enable Queenstown Airport to continue to host growth in commercial airlines and other aviation use of its facilities in line with growth projections to 2037, whilst recognising and safeguarding the Airport as an existing strategic asset, the growth enabled by PC35 will yield a substantial benefit to the regional and national economies. The provisions of PC35 therefore assist in safeguarding Queenstown Airport as an existing strategic asset.

7.3 Given this, the currency of the PC35 provisions, and the recent and extensive Court proceedings involving QAC, QLDC and other affected parties to achieve them, it is imperative in my opinion that the Proposed Plan adopts and incorporates the land use management regime established under PC35, without substantive amendment.

John Kyle

29 February 2016