

FORM 18

**NOTICE OF REQUIREMENT FOR DESIGNATION
TO BE INCLUDED IN PROPOSED PLAN
WITH MODIFICATION**

TO: Queenstown Lakes District Council

FROM: Queenstown Airport Corporation
(a Requiring Authority in respect of the operation of Queenstown Airport)
Private Bag 50072
QUEENSTOWN

NOTICE: In accordance with Clause 4 of the First Schedule to the Resource Management Act 1991 (the **Act**), the Queenstown Airport Corporation Limited (**QAC**) gives notice that it seeks to have Designation 2 – Aerodrome Purposes (the **Aerodrome Purposes Designation** or the **Designation**) included in the proposed Queenstown Lakes District Plan (the **Proposed Plan**). The QAC wishes to modify the Aerodrome Purposes Designation in accordance with subclauses (1) and (3) of Clause 4 of the First Schedule to the Act. The purpose of the modifications is to ensure that the Aerodrome Purposes Designation continues to be effective in achieving the objectives of the Requiring Authority with respect to the operation of Queenstown Airport, and to clarify its intent.

1. INTRODUCTION

- 1.1 The Aerodrome Purposes Designation in the Operative District Plan (the **Plan**) is intended to enable the safe and efficient operation of Queenstown Airport (the **Airport**) by permitting certain activities to be carried out by the Requiring Authority (QAC) within the designated area.
- 1.2 The purpose of the Aerodrome Purposes Designation is stated in the existing Designation as being 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 the year 2015”*.¹
- 1.3 The Designation currently permits certain airport related activities including: aircraft operations; private aircraft traffic; domestic and international aircraft traffic; rotary wing operations; aircraft servicing; fuel storage and general aviation. Associated activities are also permitted including buildings and infrastructure; navigational aids and lighting; car parking; offices and cafeteria, provided there is a functional need for these activities to be located on land subject to the Designation.

¹ The Notice of Requirement associated with Plan Change 35 sought the reference in this statement to ‘2015’ be amended to ‘2037’ This was confirmed by the Environment Court on 8 May 2013, (Environment Court Decision No. [2013] NZEnvC93).

- 1.4 The existing Designation is subject to a number of conditions including conditions relating to building height, building setback and hours of operation. There is also a condition which prohibits non airport related activities within the Aerodrome Purposes Designation.
- 1.5 In order for the QAC to continue to meet its stated Objectives and Goals, as set out in the Queenstown Airport Corporation Statement of Intent for the Years 2015-2017 – Attached as **Appendix C**, it is necessary to modify the Aerodrome Purposes Designation in a number of ways, including by amending and updating the list of permitted activities contained in the Designation. The proposed amended list provides for the following airport activities:
- (a) aircraft operations, private aircraft traffic, domestic and international aircraft traffic, rotary wing operations, aircraft servicing, general aviation, airport or aircraft training facilities, and associated offices.
 - (b) Runways, taxiways, aprons, and other aircraft movement areas.
 - (c) Terminal buildings, hangars, control towers, rescue facilities, navigation and safety aids, lighting, car parking, maintenance and service facilities, catering facilities, freight facilities, quarantine and incineration facilities, border control and immigration facilities, medical facilities, fuel storage and fuelling facilities, facilities for the handling and storage of hazardous substances, and associated offices.
 - (d) Roads, accessways, stormwater facilities, monitoring activities, site investigation activities, infrastructure and utility activities, landscaping, and all related construction and earthwork activities.
 - (e) Vehicle parking and storage, rental vehicle facilities, vehicle valet activities, public transport facilities.
 - (f) Retail activities, restaurants and other food and beverage facilities including takeaway food facilities, signage, and industrial and commercial activities, provided they are connected with and ancillary to the use of the Airport.
- 1.6 As explained below, the purpose of this modification is to more accurately describe the range of activities that are currently carried out on land subject to the Aerodrome Purposes Designation and the activities that are likely to be carried out in the future.
- 1.7 As set out above, the Aerodrome Purposes Designation currently includes a number of conditions attaching to the Designation. A number of these conditions are outdated, or do not assist in managing the environmental effects of activities that occur at the Airport. The proposed modifications are explained in further detail below and shown in **Appendix A**, attached.

2. THE SITE TO WHICH THE DESIGNATION APPLIES IS AS FOLLOWS:

- 2.1 Queenstown Airport currently occupies approximately 130ha of designated land located to the east of the township of Frankton in the Wakatipu Basin. The Airport land is legally described as Lots 9 Deposited Plan 22121, Lot 22 Deposited Plan 304345, and Sections 48, 51-52, 68, 111, 112, 114 -115, 117, 119-128 Survey Office Plan 459748.
- 2.2 A plan showing the current extent of the Aerodrome Purposes Designation is attached as **Appendix B**.

3. THE NATURE OF THE MODIFICATIONS AND REASONS:

- 3.1 The modifications to the Aerodrome Purposes Designation that are required by the Requiring Authority (QAC) are set out in **Appendix A** attached. The nature of the modifications is explained below.
- 3.2 As set out above, it is proposed to amend the list of permitted activities contained in the Aerodrome Purposes Designation. The purpose of this modification is to more appropriately recognise and provide for the range of airport related activities that currently occur at Queenstown Airport and/or will likely occur in the future. In addition, the modification will assist the QAC to continue to meet its stated Objectives and Goals (as set out in the Queenstown Airport Corporation Statement of Intent for the Year 2015-2017 – attached as **Appendix C**).
- 3.3 Currently the list of permitted activities in the Aerodrome Purposes Designation contains details of the runway lengths and of roading alterations. These details are proposed to be deleted. Such detail is considered unnecessary given that the extent of the designated land (i.e. the location of the boundary) and the various aviation standards that apply limit the way that the QAC is able to provide for such activities in any event. Furthermore, any substantial changes made to runway configuration at the Airport within the boundary of the existing designation will be subject to an outline plan process. This process requires QAC to provide details of the height, shape, bulk and location of any work, the likely finished contour of the land, vehicle access, circulation and the provision for parking, landscaping proposed, as well as any other matters to avoid, remedy or mitigate effects on the environment. The Council is able to request that changes are made to outline plans in order to meet the purpose of the Act.
- 3.4 Currently Condition 2 of the Aerodrome Purposes Designation imposes a building height restriction of 9m (although the restriction does not apply to control towers, hangars, lighting towers, or navigation and communication masts and aials). It is proposed to increase this building height restriction to 15m, which is more characteristic of the building height requirements in and around other New Zealand Airports. It is also consistent with the height limits for buildings in the surrounding commercial zones. The effects of this amendment are discussed in the next section of this notice.
- 3.5 Currently Condition 3 of the Aerodrome Purposes Designation contains building setback requirements that require all buildings with the designated area to be setback from the Designation boundary a minimum of 10m, (with the exception

of security and safety fencing). This current approach to building setback is not considered appropriate as it could potentially impede future operations at the Airport and result in the inefficient use of a scarce land resource. It is therefore proposed to modify Condition 3 such that where a building is to be erected on the designated land and the designated land adjoins residentially zoned land, the setback shall be 5m. The setback for buildings erected on designated land that adjoins any public road shall be 5m. For all other areas the setback shall be 3m.

- 3.6 The Conditions on Designation 2 currently prohibit “non airport related activities”. The term “non airport related activities” is not defined in the District Plan and it is unclear what is meant by it. In any event, QAC is limited to undertaking only those works which are expressly enabled by the Aerodrome Purposes Designation. It is therefore proposed to delete this limitation.
- 3.7 Currently there are a number of conditions in the Aerodrome Purposes Designation relating to the construction of the eastern Runway End Safety Area (RESA). The eastern RESA has been constructed and is now operational. As such the conditions that were imposed on the Designation to manage the environmental effects associated with the construction process have now been satisfied and no longer serve any purpose. They should therefore be removed from the Designation. Only those conditions relating to the ongoing operational requirements of the RESA need to be retained, which in this case is the condition that requires that the RESA to be protected from the risk of erosion by the adjoining Shotover River. Additionally, a new condition is proposed to make it clear that the operational requirements of the RESA include normal and emergency engineering works, if required.
- 3.8 In 2009, QAC filed a Notice of Requirement to amend Designations 2 and 3 in the District Plan as they relate to the management of aircraft noise. The effect of this notice was to include new conditions relating to the management and mitigation of aircraft noise in Designation 2 (the Aerodrome Purposes Designation) and to subsequently uplift Designation 3 from the Plan. The conditions attaching to the Aerodrome Purposes Designation that emanate from these proceedings have recently been confirmed by the Environment Court² and therefore now form part of Designation 2. It is appropriate that Designation 2 is rolled forward with the said conditions included. These are set out in **Appendix A**, attached. No changes to the Court confirmed conditions are proposed. QAC does not seek that Designation 3 be included in the Proposed District Plan; rather, it should now be uplifted from the Plan.
- 3.9 QAC currently owns and uses the sites legally described as Sections 126 -128, Survey Office Plan 459748 (held in Certificate of Title 625240) for purposes consistent with the aerodrome designation. QAC seek that these three parcels of land form part of Designation 2. This land is identified on the plan attached as **Appendix B**.

² NZENC93, Third Interim Decision, 8 May 2013 – noting that the noise boundaries are not yet confirmed.

4 THE EFFECTS THAT THE MODIFICATION WILL HAVE ON THE ENVIRONMENT AND THE WAYS IN WHICH ANY ADVERSE EFFECTS WILL BE MITIGATED ARE:

- 4.1 An assessment of effects of the proposed modifications is provided below.
- 4.2 The modifications to the Aerodrome Purposes Designation are minor in nature and extent. They provide clarity as to the activities and works that are able to be undertaken within the Designation to enable the continued safe and efficient operation of the Airport. The proposed list of permitted activities more accurately describes the activities and works that are currently undertaken by the QAC, or will be in the future. The modifications also assist the QAC to continue to meet its stated Objectives and Goals (as set out in the Queenstown Airport Corporation Statement of Intent for the Years 2015-2017 – attached as **Appendix C**).
- 4.3 Modifications to Conditions 2 and 3 relating to the building height and setbacks are proposed so to enable sufficient flexibility for QAC to provide for reasonable future development of the land within the designated area.
- 4.4 The 2037 Master Plan for Queenstown Airport predicts a significant increase in passenger numbers in the future which will necessitate the expansion of landside facilities, including apron and taxiing space for aircraft, and expansion of the terminal, car parking and rental car facilities. QAC proposes to modify the Aerodrome Purposes Designation so as to provide for this growth.
- 4.5 The modification of Condition 2 relating to building height is to enable buildings of up to 15m to be constructed on land subject to the Designation. For the most part, future development is likely to be as shown within the 2037 Master Plan and will thus be separated from surrounding land and public roads, which will assist to mitigate any adverse visual and amenity effects that might arise from increased building height. In addition, any future development will be viewed in the context of the existing Airport and facilities and will not appear inconsistent with those facilities.
- 4.6 The building height and setback restrictions should also be considered in context of surrounding land uses. In the Remarkables Park Zone, Activity Areas 3 to 8 provide for buildings within a height range of 9 - 21m. As part of the Frankton Flats (B) Zone, building heights in this area will range from 6.5m through to 18.5m (depending on the distance from the State Highway). The proposed modification to Condition 2 is appropriate in the context of these provisions, and is consistent with them.
- 4.7 Likewise, the proposed modification to Condition 3 relating to building setbacks is not anticipated to result in any adverse effects. The modified setback condition is unlikely to result in built outcomes which are inconsistent with the required setback for the adjoining zones, noting the Remarkables Park Zone has a setback of 1.5m (assessment matter 12.11.6(c) and the Industrial Zone has a set back of 10m opposite any Residential High Density or Residential Low Density Zone or fronting a State Highway and 2m from all other road boundaries (site standard 11.3.5.1(ii)).

4.8 Other minor modifications to the Aerodrome Purposes Designation seek to improve clarity or remove conditions that are now unnecessary (i.e. the construction conditions pertaining to the now built RESA). The inclusion of three new parcels of land will include land already used for aerodrome related activities. These modifications are minor in nature and give rise to no adverse effects.

4.9 Other changes proposed are consistent with outcomes and directions from the Environment Court relating to aircraft noise.

5. THE PROPOSED MODIFICATIONS TO THE DESIGNATION ARE REASONABLY NECESSARY FOR ACHIEVING THE OBJECTIVES OF THE REQUIRING AUTHORITY BECAUSE:

5.1 The objectives of the QAC (being the Requiring Authority) in managing the Queenstown Airport are set out within the Queenstown Airport Corporation Statement of Intent for the Years 2015-2017 – attached as **Appendix C**.

5.2 The modifications to the Aerodrome Purposes Designation are reasonably necessary for achieving the objectives of the Requiring Authority because:

- They will ensure that the Designation is accurate and will reduce the potential for confusion in its application.
- They provide certainty for the QAC regarding the long term management, development and operation of the Airport and address unnecessary constraints imposed on the Airport by the current Designation.

6. CONSULTATION:

6.1 Consultation has not been undertaken in the preparation of this notice. The designation, as modified, will be available for public submissions when the District Plan is publically notified.

7. ALTERNATIVE METHODS:

7.1 As there are no significant adverse effects arising from these modifications, and because QAC has an interest in the land affected, alternative methods have not been considered.

Signed for Queenstown Airport Corporation by its Chief Executive:

Signature:

S Paterson, Chief Executive Officer

Date: 30 March 2015

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APPENDIX A

Modifications to Designation 2 -- Aerodrome Purposes

Proposed changes are shown as underlined or ~~strikethrough~~ text

D Queenstown Airport

The area of land covered by the Aerodrome Designation shall include the sites described below:

- ~~• Part Sections 59, 60, 61, 62, 63, 65 Block 1 Shotover Survey District~~
- ~~• Lots 1-3 DP 12475~~
- ~~• Lot 9, DP 22121~~
- ~~• Part Glenda Drive, and all legal roads within the above described land.~~
- ~~• Lots 2, 8, 11, 22 and 32, DP 304345~~
- ~~• Part of Lots 1 and 2, DP 394343~~
- ~~• Lots 1 and 2 DP 300177~~
- ~~• SO 14262~~
- ~~• Parts of Lot 1, DP 306621~~
- ~~• Part Sections 141, 142 and 145, Block I, Shotover Survey District~~
- ~~• The portion of an unformed legal road bounded by Lot 1, DP 306621, Parts Sections 141, 142 and 145, Block I, Shotover Survey District and Lots 8 and 32, DP 304345 to the east and Lot 2, DP 304345 to the west.~~
- Lots 1 and 2, DP 420663
- Parts of Part Sections 59, 60, 61, 62, 63 Block 1 Shotover Survey District
- Lot 9, DP 22121
- Part of Lot 2 DP 394343
- Part of Lots 1 and 2, DP 472825
- Lot 22 DP 304345
- Section 48, 51-52, 68, 114 -115, 117, 119-128 Survey Office Plan 459748
- Part of Section 111, 112, SO Plan 459748
- The portion of an unformed legal road bounded by Sections 51, 111, 114, 119, 121-122 and 124, Survey Office Plan 459748 to the south and west, and Sections 52, 112, 115, 117, 120, 123, 125, Survey Office Plan 459748 and Lots 1 and 2 DP 472825 to the north and east.
- Part Glenda Drive, and all legal roads within the above described land.

D.1 Aerodrome Purposes

The following conditions and provisions be included in the Plan as D.1 - Aerodrome Purposes.

This designation is defined 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 the year 2037.

Permitted Activities

1. The nature of the activities covered authorised by this designation are described as follows:

(c) aircraft operations, private aircraft traffic, domestic and international aircraft traffic, rotary wing operations, aircraft servicing, fuel storage and general aviation, airport or aircraft training facilities, and associated offices.

(d) Runways, taxiways, aprons, and other aircraft movement areas.

~~(b)(c) associated activities, buildings and infrastructure, navigational aids and lighting, car parking, offices and cafeteria provided there is a functional need for the activity to be located within the designation; Terminal buildings, hangars, control towers, rescue facilities, navigation and safety aids, lighting, car parking, maintenance and service facilities, catering facilities, freight facilities, quarantine and incineration facilities, border control and immigration facilities, medical facilities, fuel storage and fuelling facilities, facilities for the handling and storage of hazardous substances, and associated offices.~~

~~(d) Roads, accessways, stormwater facilities, monitoring activities, site investigation activities, infrastructure and utility activities, landscaping, and all related construction and earthwork activities.~~

~~(e) Vehicle parking and storage, rental vehicle facilities, vehicle valet activities, public transport facilities.~~

(f) Retail activities, restaurants and other food and beverage facilities including takeaway food facilities, signage, and industrial and commercial activities, provided they are connected with and ancillary to the use of the Airport.

~~(c) the main runway has a maximum usable length of 1,931 metres oriented 05-23 and a width of 45 metres. The main runway will have a runway seal dimension of 1,891 metres, 60 metre sealed starter extension/strip west, 118 metre runway extension west, 1,341 metre original runway, a 320 metre runway extension east and a 52 metre starter extension strip allowance east, with 20 metre strip lengths beyond both starter extension thresholds and a 90 metre runway end safety area at both the eastern and western ends of the runway end strip;~~

~~(d) a crosswind runway orientated 14-32 with a grass runway strip length of 944 metres including a 90 metre starter extension to the south and a 60 metre width.~~

~~(e) the following roading alterations:~~

- ~~• stopping the southern part of Glenda Drive~~
- ~~• stopping three roads off Glenda Drive~~

- ~~• provision of a road link to provide access to Hawthorne Drive from Glenda Drive~~

~~The fixed wing operations are concentrated on runways 05-23 and 14-32. Helicopters currently operate to the south west of the terminal.~~

Restrictions on Aerodrome Purposes Activities

Building Height

2. Maximum height of any building shall be ~~9.0~~ 15m metres except that:
 - This restriction does not apply to the control tower, hangars, lighting towers or navigation and communication masts and aerials.

Building Setback

3. Minimum setback from all aerodrome designation boundaries shall be; ~~40.0m~~
 - 5m from any adjoining land zoned for residential activity
 - 3m from any adjoining land not zoned for residential activity
 - 5m from any public road.

with the exception of the following:

- (i) Security fencing around the perimeter of the Airport which comprises a mesh fence being a maximum height of 2.5 metres and includes an 45° outrigger post with 3 strands of barbed wire, or such security fencing that is required by the Civil Aviation Authority to ensure compliance with Civil Aviation regulations
- (ii) A 3 metre high blast fence at the western end of the runway

Operations During Hours of Darkness

~~The airport shall not be used for scheduled passenger services during the hours of darkness. "Hours of darkness" shall mean the hours between 10pm and 6am.~~

4. No aircraft operations other than emergency aircraft operations shall occur between 10pm and 6am.

Prohibited Activities

~~Non-airport related activities are prohibited within the Aerodrome designation.~~

Airport Master Plan

~~Queenstown Airport Corporation is to provide an Airport Master Plan within 12 months of the airport designation being finalised.~~

Hawthorne Drive

~~Hawthorne Drive shall be maintained in its present position for a distance of 75 metres each side of the centre line of the cross-wind runway.~~

~~Note: The extent of the changes recommended are shown on the plan attached to the Council recommendation~~

Aircraft Noise

5.

- (i) Aircraft noise shall be measured, predicted and assessed in accordance with NZS 6805:1992 Airport Noise Management and Land Use Planning and NZS 6801:2008 Acoustics – Measurement of Environmental Sound, by a person suitably qualified in acoustics. The terms ANB, OCB, ASAN, 2037 Noise Contours and Indoor Design Sound Level shall be as defined in the District Plan.
- (ii) The term Annual Aircraft Noise Contours (AANC) shall be defined as the annual Ldn contours 55 dB, 60 dB, and 65dB that have been derived using airport noise prediction software to be determined by the Queenstown Airport Liaison Committee (QALC) in accordance with the Noise Management Plan (NMP) and records of actual aircraft movements for the busiest three consecutive months of the preceding year.
- (iii) The term Compliance AANC shall be defined as the AANC adjusted for any differences between calculated noise levels and measured noise levels described in Conditions 7 and 8 of this designation.
- (iv) The term Projected AANC shall be defined as the Compliance AANC adjusted for annual growth estimated for the following year based on trends derived from historical aircraft movement data.
- (v) If NZS 6805:1992 is superseded by a revised or new standard, the adoption of this revised/new standard in place of NZS 6805:1992 shall be at the discretion of the QALC under the NMP. Note the detail and the content of the NMP are set out in Condition 21, Condition 22 and Condition 23.

6. The Airport shall be managed so that the noise from aircraft operations does not exceed 65 dB Ldn outside the Air Noise Boundary (ANB) or 55 dB Ldn outside the Outer Control Boundary (OCB). The ANB and OCB are as shown on the District Plan Maps. Compliance with the ANB and OCB shall be determined on the basis of the Compliance AANC required to be prepared by Condition 7 and 8.

7. Each year, QAC, shall produce 55 dB, 60 dB and 65 dB AANC, using airport noise prediction software to be determined by the QALC in accordance with the NMP and records of actual aircraft movements for the busiest three consecutive months of the preceding year.

8. At least every three years, QAC shall undertake a monitoring programme to compare the measured aircraft noise levels with the AANC. The AANC shall be corrected for any differences arising from the measured levels to produce the Compliance AANC. The monitoring programme shall include the following measurements within a three year period:

a minimum of one month summer and one month winter undertaken at a minimum of three points located west, north-east and south of the airport with the exact positions to be determined by the QALC under the NMP.

9. Each year the Compliance and Projected AANC (required under conditions 7 and 8 respectively) shall be reported to the QALC. Compliance AANC produced for years when noise measurements have not been undertaken shall be prepared using the same corrections determined from the most recently measured aircraft noise levels undertaken for Condition 8.

Other Noise

10. Sound from activities which are outside the scope of NZS 6805:1992, shall comply with the District Plan noise limits set in the zone standards for each zone in which the sound is received. This requirement includes engine testing other than for essential unplanned engine testing of aircraft for scheduled passenger services.
11. No noise limits shall apply to essential unplanned engine testing of aircraft for scheduled passenger services. The NMP shall detail noise management practices for unplanned engine testing including preferred locations and times. Following each unplanned engine test the QAC shall report to the next meeting of the QALC why the testing was required and what noise management practices were followed.

Airport Noise Mitigation

12. Queenstown Airport Corporation Limited (QAC), shall provide the Queenstown Lakes District Council (QLDC) with the 2037 Noise Contours in 1 dB increments from 70 dB Ldn to 55 dB Ldn inclusive. The methodology used to calculate these 2037 Noise Contours shall be the same as that used to calculate the ANB and the OCB. These contours shall be provided in an electronic format and shall also be appended to the NMP.
13. Each year QAC shall produce 55 dB, 60 dB and 65 dB Projected AANCs for the purpose of determining when mitigation shall be offered under Conditions 14 and 15 using the same aircraft noise prediction software as used for the Compliance AANC required under Condition 8, adjusted for annual growth estimated for the following year based on trends derived from historical aircraft movement data.
14. Each year the QAC shall offer to provide 100% funding of noise mitigation for Critical Listening Environments of buildings that existed on *[insert date designation confirmed]* containing an ASAN that are within the 65 dB Projected AANC. This offer may be earlier at QAC's discretion. The mitigation shall be designed to achieve an Indoor Design Sound Level of 40 dB Ldn or less, based on the 2037 Noise Contours contained in the NMP.
15. QAC shall offer to part fund retrofitting, over time, of mechanical ventilation of any Critical Listening Environment within existing buildings containing an ASAN located between the Air Noise Boundary and the 2037 60 dB Noise Contour. In particular, each year the QAC shall offer to provide 75% funding of mechanical ventilation for Critical Listening Environments of buildings that existed on *[insert date designation confirmed]* containing an ASAN that are within the 60 dB Projected AANC. This offer may be earlier at QAC's discretion. Where a building owner accepts this offer they shall not be eligible for further

funding of mechanical ventilation if the building later becomes within the 65 dB Projected AANC, but they shall become eligible for 100% funding of any sound insulation required.

16. Mechanical ventilation shall be in accordance with Table 2 of Appendix 13 to the District Plan.
17. Noise mitigation funding offered by the QAC shall only be required where the benefiting building owner agrees to the methods offered and agrees to enter into a binding property agreement or covenant to the effect that the owners or occupiers of the property:
 - (a) are aware that the property may be subject to increased levels of aircraft noise, and
 - (b) agree that any complaint arising from noise related activities shall be dealt with in accordance with the complaints procedures set out in the NMP, and
 - (c) will not remove or lessen the effectiveness of the acoustic insulation and/or mechanical ventilation that is installed by QAC without its prior approval.
18. Alternative mitigation strategies may be adopted by agreement of QAC and the building owner. A procedure for dispute resolution shall be provided in the NMP.
19. A Noise Mitigation Plan detailing the processes required to give effect to the funding of sound insulation and mechanical ventilation shall be included as part of the NMP.
20. Any offer made under Conditions 14 or 15 remains open for acceptance by the landowner for a period of 12 months. If the landowner declines the offer, this shall be recorded by QAC. If, at a later date that landowner wishes to take up the offer, the landowner shall notify the QAC of its desire to do so. The QAC shall determine whether it will make the offer available again and shall communicate the reasons for its decision to the landowner. Acceptance of the request by the QAC shall not be unreasonably withheld. QAC shall monitor change of ownership records and if ownership of the property subsequently changes and the offer made above was not taken up by the landowner at that time, the QAC shall offer the new landowner funding in accordance with Conditions 14 and 15. In these circumstances the offer will remain open for acceptance for a further 12 month period.

Noise Management Plan

21. Within 6 months [*insert date designation confirmed*] and without in any way limiting its obligations to fully comply with the conditions attaching to this designation, QAC shall complete and provide to the QALC a NMP which describes how QAC proposes to manage the Airport in order to comply with the conditions of this designation. The NMP shall describe, in detail, the following matters:
 - a) procedures for the convening, ongoing maintenance and operation of the QALC;
 - b) the QALC's discretion to adopt any revised/new standard which may replace NZS6805:1992 and to choose the noise modelling software to be used for the ongoing AANC compliance monitoring through the Compliance AANC.
 - c) the mechanisms for giving effect to a noise monitoring programme to assess compliance with Conditions 6, 7, 8 and in 21 (h)
 - d) the ongoing investigations, methods, processes and resources that QAC proposes to put in place to provide for:

- i. the reduction of noise levels from all aspects of Aircraft Operations and engine testing; and
 - ii. alternative methods of noise management to achieve the reduction of these noise levels;
- e) noise minimisation procedures which include:
 - i. procedures and measures adopted to ensure compliance with noise limits for:
 -
 - aircraft operations in Condition 6; and
 - engine testing in Condition 11;
 - ii. Civil Aviation Authority (CAA) noise rules applicable to the Airport from time to time;
 - iii. voluntary or self imposed procedures or measures for the reduction of aircraft noise;
- f) the procedures for modifying and enhancing the noise minimisation procedures to take into account:
 - i. any findings made pursuant to any investigation undertaken in accord with 21(d) above;
 - ii. the need to ensure compliance with all of the requirements of this designation;
- g) the procedures for reporting to the QALC any Aircraft Operations and engine testing activities which contravene a condition of this designation and the details of noise mitigation procedures for unplanned engine testing including preferred locations and times;
- h) the procedure for the annual preparation and publication of the Compliance AANC by QAC, as required by Conditions 8 and 9 above;
- i) a procedure for dealing with complaints including: the recording of complaints; acknowledgement to the complainant of receipt of their complaint and the outcome once resolved; any corrective action(s) to be taken including if non compliance with the conditions is identified, and reporting to the QALC;
- j) the dispute resolution procedures, to resolve disputes between QAC and QALC about the contents and implementation of the NMP;
- k) the detailed procedures and processes for implementing a Noise Mitigation Plan above except that those procedures and processes shall not in any way limit the obligations set out in Conditions 12 to 20 above.
- l) the procedures for amending the NMP.

22. The NMP shall include provisions for a Queenstown Airport Liaison Committee including:

- a) the membership of the QALC, which shall comprise of: a chair, QAC (up to 2 members), QLDC (1 member), community (3 members), Airways Corporation (1 member), a representative of the airlines operating flights at Queenstown Airport (1 member), a representative of the Queenstown Airport general aviation/helicopter operators (1 member);

- b) a quorum of the QALC shall be four members including at least one representative of each of QAC, QLDC and the community;
 - c) the QALC shall have an independent chair appointed by QAC in consultation with the QLDC;
 - d) the QAC will provide a venue and secretarial and support services for the QALC which will be provided at QAC's own expense, and
 - e) the meeting times of the QALC which shall be up to 4 times per annum or as agreed by the QALC.
23. The NMP shall provide guidance for noise mitigation by owners of new and altered buildings containing ASANs within the OCB. This shall include details of the likely mitigation required within each 2037 Noise Contour, including identification of the point at which no mitigation is required.
24. The current version of the NMP shall be made available to the public on QAC's web site.

Eastern Runway End Safety Area (RESA)

Construction Management Plan

1. ~~(i) Prior to the commencement of construction of the RESA, and in conjunction with the outline plan required by Section 176A, a Construction Management Plan shall be submitted to the Council for review and approval. The purpose of the Construction Management Plan shall be to:~~
- ~~(a) Describe the methods proposed for the construction of the RESA and the programme for construction of each element;~~
 - ~~(b) Describe what actions will be taken to manage the actual or potential effects of construction activities associated with the RESA and to satisfy conditions on the designation;~~
 - ~~(c) Provide a list of key personnel and points of contact during RESA construction;~~
 - ~~(d) Describe how stakeholders will be kept informed during construction of the RESA and how complaints will be managed; and~~
 - ~~(e) Ensure compliance with the conditions of the designation as they relate to RESA construction work.~~
- ~~(ii) The Construction Management Plan shall include the following details:~~
- ~~(a) A staging plan, identifying the RESA works and proposed duration of each stage;~~
 - ~~(b) Description of all RESA construction works including (as required) identification of fill sources and additional construction material required, access roads and tracks, identification of areas for storing plant and machinery, locations and colours of any temporary buildings, design details of the blast fence at the west of the runway, mitigation measures, rehabilitation, monitoring and reporting to be undertaken;~~
 - ~~(c) Design responsibilities and method of RESA construction, including methods of conducting vegetation clearance and earthworks, disposal (if required) of~~

~~excavation material, in river works management, sediment management, surface water and erosion management, methods for management of hazardous substances, dust management, noise (including vibration) management and fire fighting;~~

- ~~(d) The name and contact details of personnel holding key positions during RESA construction, including an appropriately qualified person on site to have responsibility for managing environmental issues, responding to community complaints, and ensuring that conditions in the designation and management plans are adhered to throughout the RESA construction; and~~
- ~~(e) Details of the minimum requirements for investigations, inspections and monitoring throughout RESA construction to ensure that construction is being undertaken in accordance with the requirements of this designation.~~

~~(iii) The Requiring Authority shall adhere to the requirements of the Construction Management Plan at all times during the construction of the RESA.~~

~~2. The earth fill embankment shall be constructed such that it generally incorporates the ability to provide for the horizontal and vertical alignment of the future arterial road, as outlined on Airey Consultants Ltd, plan number 5814/155, SK02-1. The construction shall allow for this road corridor to have a width of between 16 and 22 metres, a design speed of 60km/hr and a posted speed limit of 50km/hr.~~

~~3. The use of Old School Road and Spence Road, Hawthorne Drive and Glenda Drive shall not be permitted as haulage routes for truck movements during the construction period for the RESA.~~

~~4. Prior to commencing works on site, and after consultation with potentially affected occupiers, the Requiring Authority shall submit a RESA Construction Traffic Management Plan, endorsed by the New Zealand Transport Agency, to Council for approval. The RESA Construction Traffic Management Plan shall include a Traffic Impact Assessment that provides an assessment of the actual and potential effects of construction traffic on the surrounding State highways and other roads (including the Shotover Delta Access Track outside the construction area) by an appropriately qualified traffic engineer. The Traffic Impact Assessment shall incorporate:~~

- ~~(i) Proposed construction haulage routes, excluding Glenda Drive, Hawthorne Drive and Old School Road/Spence Road and excluding use of the public road network for night time deliveries of any materials;~~
- ~~(ii) Construction traffic volumes over haulage routes; and~~
- ~~(iii) Recommendations for the RESA Construction Traffic Management plan, including any physical works including ongoing maintenance work required on the State highways, other roads and/or other access routes (including the Shotover delta access track) to provide for safe and efficient access, and mitigate against all adverse effects including those of dust and noise (including vibration).~~

~~5. The RESA Construction Traffic Management Plan shall be prepared by a Site Traffic Management Supervisor (certification gained by attending the STMS course and getting registration) and incorporate the recommendations of the Traffic Impact Assessment. All contractors obligated to implement temporary traffic management plans shall employ a qualified STMS on site. The STMS shall implement the Construction Traffic Management Plan.~~

- ~~6. Prior to the commencement of works on site, all recommendations for physical improvement works on the State highways and/or other roads or access routes, as outlined in the RESA Construction Traffic Management Plan, and as approved or required the New Zealand Transport Agency and/or Council, shall be implemented.~~
- ~~7. During RESA construction the Requiring Authority shall monitor all access roads used as part of the construction to ensure that they are maintained in a suitable condition (including being kept free from potholes) in order to assist in achieving condition 8 and to mitigate the effects of dust.~~

Noise Management Plan

- ~~8. Prior to the commencement of RESA construction works on site the Requiring Authority shall prepare and submit to Council for review and approval a noise and vibration management plan. The purpose of that Plan is:~~
- ~~(i) To identify the measures the Requiring Authority will take to comply with the requirements of Section 16 RMA, including in relation to vibrations;~~
 - ~~(ii) To ensure that at all times during the RESA construction, construction noise complies with NZS 6803:1999 Acoustic Construction Noise. For the avoidance of doubt compliance with the Acoustic Construction Noise Standard is not required for residential occupiers located in the Glenda Drive Industrial zone;~~
 - ~~(iii) To identify the measures for reducing the noise generated by vehicles associated with the RESA construction work including alternative methods for dealing with reversing vehicle warning systems;~~
 - ~~(iv) The Noise and Vibration Management Plan may make different provisions for daytime and night time noise; and~~
 - ~~(v) To provide details of a leaflet drop to all neighbouring residents situated on Glenda Drive recommending they keep windows shut during the short term night construction phase.~~
- ~~9. The Requiring Authority will ensure that all work and operations are carried out in accordance with the Noise and Vibration Management Plan.~~

Lighting (Night Time) Management Plan

- ~~10. Prior to the commencement of construction works at night on the site, a Lighting (night time) Management Plan shall be submitted to Council for review and approval. This shall detail the best practicable options to reduce off site light spill if RESA construction work is undertaken during night time hours. The Requiring Authority shall adhere to the provisions of this plan during night time construction.~~

General

- ~~11. No RESA construction machinery shall be parked within the active Shotover riverbed at any time.~~

~~12. Prior to the commencement of the RESA construction work a detailed planting and ongoing planting maintenance plan for the RESA shall be submitted to Council for review and approval. The planting plan shall have the following objectives:~~

- ~~(i) To visually integrate the RESA and the future arterial road bench into the surrounding landscape;~~
- ~~(ii) To improve the ecological integrity and functioning of the site; and~~
- ~~(iii) To assist in the management of surface erosion.~~

~~— The planting plan shall be progressively implemented as the RESA is constructed and shall be completed within the first planting season following the construction of the RESA.~~

~~13. If the Requiring Authority:~~

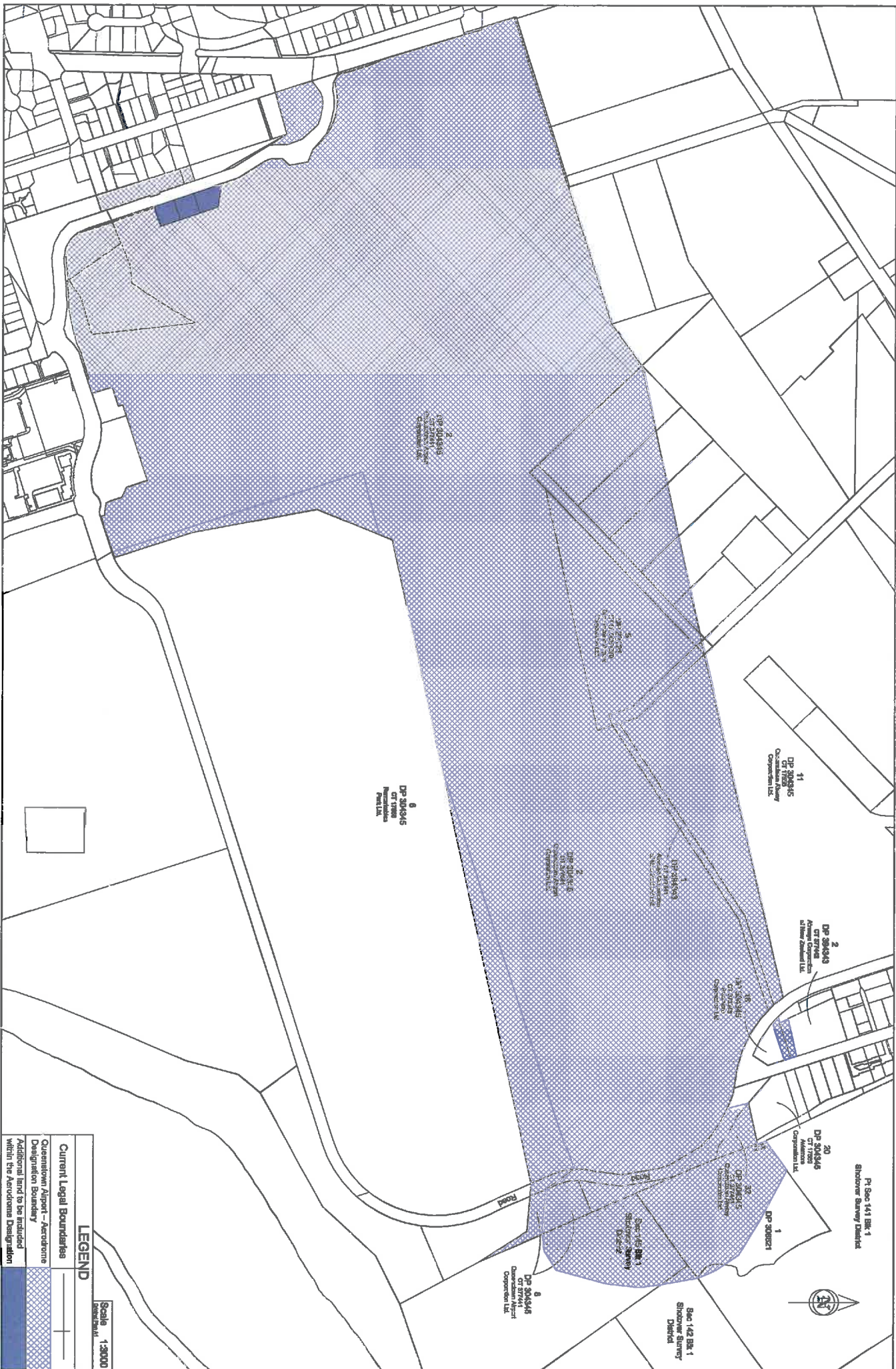
- ~~(i) Discovers koiwi tangata (human skeletal remains), waahi taoka (resources of importance), waahi tapu (places or features of special significance) or other Maori artefact material, the requiring authority shall without delay;~~
- ~~(ii) Notify the Consent Authority, Tangata Whenua and New Zealand Historic Places Trust and in the case of skeletal remains, the New Zealand Police;~~
- ~~(iii) Stop work within the immediate vicinity of the discovery to allow a site inspection by the New Zealand Historic Places Trust and the appropriate runanga and their advisors, who shall determine whether the discovery is likely to be extensive, if a thorough site investigation is required, and whether an Archaeological Authority is required;~~
- ~~(iv) Any koiwi tangata discovered shall be handled and removed by tribal elders responsible for the tikanga (custom) appropriate to its removal or preservation;~~
- ~~(v) Site work shall recommence following consultation with the requiring authority, the New Zealand Historic Places Trust, Tangata Whenua, and in the case of skeletal remains, the New Zealand Police, provided that any relevant statutory permissions have been obtained; and~~
- ~~(vi) Te Ao Marama shall be advised about construction activity prior to construction commencing.~~

25. The eastern RESA fill shall at all times, including after completion of the RESA construction work, be protected in an appropriate manner from the risk of erosion by the river in accordance with accepted engineering practice.

25a Maintenance and emergency works necessary to meet the requirements of condition 25, including engineering works, are permitted under this designation.

APPENDIX B

Extent of the Aerodrome Designation (Designation 2) Boundary



Scale 1:3000
 (Refer to Map A1)

LEGEND

	Current Legal Boundaries
	Additional land to be included within the Aerodrome Designation

Queenstown Airport – Aerodrome Designation Boundary

Pt Sec 141 BK 1
 Showers Survey District



Sec 142 BK 1
 Showers Survey District

Sec 143 BK 1
 Showers Survey District

DP 204345
 CT 17983
 Queenstown Airport Corporation Ltd

DP 204345
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APPENDIX C

**Queenstown Airport Corporation - Statement of Intent for the
Years 2015-2017**



Queenstown Airport Corporation Limited

Statement of Intent

2015-2017

27 May 2014

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Queenstown Airport Business

The primary activity of Queenstown Airport Corporation Limited (QAC) is to operate Queenstown Airport (ZQN) efficiently and effectively and on sound business principles for airport users. This consists of providing appropriate landside and airside facilities for its users, including both commercial and non-commercial aviation users and their passengers, and developing wider commercial opportunities that complement the use of the Airport and its surrounding land.

QAC also provides airport and property expertise to assist the Queenstown Lakes District Council (QLDC) with the management of the Wanaka Airport and the Glenorchy Aerodrome.

Mission, Vision Statement, Goals, and Objectives

Mission Statement

To provide airport and related facilities in the district and meet the growing needs for airport services to the Lakes District, to the highest quality in an economically sustainable manner and in the best interests of the community.

Vision Statement

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

Goals

To achieve its mission QAC has established a number of goals. These are to:

- Deliver sustainable income growth through increased income diversification and cost management
- Promote the Airport and Queenstown Lakes District to grow visitor numbers
- Develop the Airport infrastructure and facilities to support the District's economic growth while maximising use and avoiding over-capitalisation
- Provide people using the Airport with a 'wonderful experience' consistent with our vision
- Establish the Airport as a preferred place to work and do business within the District
- Operate as a socially and environmentally responsible part of the Queenstown Lakes District community

Objectives

The six goals set out above each support a range of objectives and key initiatives that are outlined in pages 8 to 19 of this Statement of Intent (SOI).

Corporate Governance

The QAC Board and management are committed to ensuring the Company meets best practice governance principles and maintains the highest ethical standards.

The Board of Directors is appointed by the Shareholders to govern and direct QAC's activities. The Board is the overall final body responsible for all decision-making within the Company. It is accountable to its Shareholders for the financial and non-financial performance of the Company.

The Board works collaboratively with its Shareholders to ensure a "no surprises" relationship. As part of that relationship, Shareholder representatives are invited to attend board meetings as observers.

Role of the Board

The Board is responsible for the proper direction and overview of QAC's activities. This responsibility includes:

- Approving Strategic plans, budgets and the SOI
- Corporate policies, including, financial and dividend policies, and delegated authorities
- Assessment of business opportunities and business risks
- Internal control and assurance systems
- Compliance with relevant law
- Monitoring financial performance and achievement of the strategic initiatives and SOI objectives
- Integrity of management information systems
- Appointment and monitoring of the performance and remuneration of the Chief Executive Officer (CEO)
- Reporting to Shareholders

Code of Conduct

The Board has adopted a code of conduct based on the New Zealand Institute of Directors' *Code of Practice for Directors*. The purpose of the code is to clarify how the Board of Directors shall define and deal with:

- The role and fundamental obligations of the Board
- Independence and conflict of interest, including conflict with management
- Board procedures, including the role of the Chairman and interaction with the CEO
- Reliance on information and independent advice
- Confidentiality of company information
- Board and Director performance review and development

Regulatory Framework

This SOI sets out QAC's overall goals and objectives for the three financial years ending 30 June 2015, 2016, and 2017, and is prepared in accordance with Section 64(1) of the Local Government Act 2002.

QAC is a Council Controlled Trading Organisation (CCTO) for the purposes of the Local Government Act 2002. Under section 59 of the Local Government Act 2002, the principal objective of a CCTO is 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.*

QAC's business is 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.

The Airport Authorities Act 1966 (section 4(3)) states that the Airport "...*must be operated or managed as a commercial undertaking.*"

The company's governance is also covered by the Companies Act 1993.

QAC's aeronautical operations are governed by the Civil Aviation Act 1990 and Civil Aviation Rules Part 139.

The Statement of Intent Process

In accordance with Local Government Act 2002, the Company submits a draft SOI for the coming financial year to QLDC by 1 March. After due consultation with QLDC, and after considering any comments from QLDC, the final SOI is approved by the Board of Directors and delivered to the QLDC by 30 June.

Shareholders

QAC's Shareholders are QLDC (75.01%) and Auckland International Airport Ltd (AIAL) (24.99%).

Leveraging value from the strategic alliance with Auckland International Airport Limited

AIAL's investment in QAC included an undertaking between the two companies to work together to grow QAC's business returns and increase passenger numbers. Financial and passenger growth targets were set which have been exceeded.

The current focus for the Strategic Alliance is less on financial and passenger output measures and more on inputs. Particularly, inputs involving a sharing of AIAL intellectual property and general airport expertise. For example, during the 2013 calendar year, members of AIAL's Property Team have assisted QAC with its retail lease plans. QAC has benefitted from AIAL's input on IT systems, risk management systems and processes, carpark equipment, its noise mitigation programme, and trans Tasman route development.

The value of having a sounding board for airport business issues should not be underestimated. On top of this in the coming 18 months, AIAL will specifically provide QAC with:

- Support in finalising the retail offerings within the terminal
- Input on airport trends and operating efficiencies
- Peer review of the Risk Management project outcomes
- Peer review of capital plans – quantum and timings - as they link to the airport's Master Plan
- Support in the roll out of the noise mitigation programme (PC35) to ensure QAC is seen as proactive socially responsible, and professional in implementing its PC35 obligation
- Training and/or mentoring support for personnel
- Support with procurement, including insurance
- Targeted route development for direct scheduled services including joint promotion of Queenstown and the Southern Lakes Region

AIAL will continue its own route development into markets, such as China and Indonesia, that can not support direct flights to Queenstown due to aircraft size. However, promotions will feature Queenstown and promote passengers travelling through AIAL to Queenstown on domestic carriers.

Reporting to Shareholders

The Company has adopted 30 June as its balance date. Within two months of the end of the first half of each financial year, Directors will deliver an interim report to Shareholders consisting of:

- Un-audited half-yearly financial statements
- Directors' Report

Within three months of the end of each financial year, Directors will deliver to Shareholders an Annual Report which will consist of:

- Chairman's and CEO's report
- Directors' Responsibility statement
- Audited financial statement
- Notes to the financial statements including accounting policies
- A Statement of Service Performance summarising QAC's performance of the SOI goals and objectives

Goals, Objectives, Key Initiatives, and Measures

Goal 1: Deliver sustainable income growth through increased income diversification and cost management

It is essential we run the Airport to deliver strong financial returns that improve year-on-year. Aeronautical pricing was reset in 2012 for a 9 year period to 2021 and assumes strong passenger growth. QAC's aeronautical returns are therefore mostly predetermined and above forecast passenger growth has marginal upside for aeronautical revenue. Non aeronautical revenue, on the other hand, provides QAC with opportunities for upside from increasing passenger numbers and adding to the range of services being offered.

It is important QAC work to self-fund capital growth in the short-term. During the SOI forecast period – 1 July 2014 to 30 June 2017 – QAC does not plan to seek additional capital. The equity injection by AIAL in 2010 allowed QAC to reduce debt to today's low levels and QAC has the financial capacity to increase debt to fund the infrastructure developments anticipated through the forecast period.

Objective	Key Initiatives
Generate improved business returns over the forecast period sufficient to: <ul style="list-style-type: none"> • support the funding of growth capital • provide a dividend that meets shareholder expectations. 	Growing non-aeronautical revenue with an improved offering to the travelling public. Development of a new aviation precinct on Lot 6 land that will provide opportunities for an expanded offer to Airlines, General Aviation and Private Jets. Maintain a level of debt consistent with our Treasury Policy.
Strive for Operational Excellence through continuous improvement programmes.	Develop an overarching Risk Management system incorporating CAA, Health & Safety and Environmental risk management systems. Operate a Safety Management System covering both landside and airside. Implement management strategies to minimise birdlife in the vicinity of the airport that pose a bird strike hazard. Implement Noise management mitigation in line with PC35. Improving the airline check-in area for greater self-check-in and common use bag drops. Identify ways to measure delays to scheduled aircraft due to congestion on the runway to determine savings from a parallel taxiway.
Develop and motivate staff to embrace our vision for the business and to want to make a difference.	Staff inductions and service training, possibly linked to QRC initiatives. Regular team briefings on QAC's direction and performance.
Diversify revenues to de-risk the business.	Increase commercial revenues.

Measures

Financial

- Achievement of financial forecasts.
- Manage finances and debt levels within parameters set by the Board.
- Revenue mix between aeronautical and non-aeronautical.

Operational

- Recertify QAC with CAA.
- International Air Transport Association (IATA) Service Level C maintained.
- Aeronautical operations comply with QAC's aerodrome certificate as confirmed by:
- Internal audits
- CAA audits.
- SMS system implemented that covers air and landside operations. Tenants and Airlines are sharing safety hazards and incidents with QAC for learnings.
- Staff Culture Survey.
- Check-in capacity increased without the need to build.

Goal 2: Promote the Airport and Queenstown Lakes District to grow visitor numbers

Airports no longer operate on a 'build it and they will come' basis. They are now actively engaged in securing passenger growth by working with airlines to establish new routes or grow capacity on existing routes. AIAL has a large team dedicated to route development and their expertise will be important to QAC initiatives in this area.

The local Regional Tourism Organisations (RTOs) do a great job promoting Queenstown, Wanaka, and the Southern Lakes Region generally. QAC, working alongside AIAL, can help RTOs with their goal of attracting high-value, longer staying visitors.

Direct international commercial flights to Queenstown are based on Boeing 737 or Airbus A320 aircraft meaning our international focus is restricted to East Coast Australia and Pacific Islands. This is not seen as a constraint with a focus to improve connectivity from our key international feeder airports of Auckland, Christchurch, Sydney, and Melbourne.

The Qantas group alliance with Emirates is positive for the region and QAC will work to promote the additional market reach provided by this alliance.

The withdrawal of Jetstar from Christchurch and Wellington routes has led to a fall in seat capacity and consequently passengers from these routes. This has resulted in falling domestic passenger numbers year-on-year through FY14.

QAC and the Region will benefit from growth in off-peak months and initiatives like the proposed Queenstown Convention Centre will help attract visitors to our region during these periods.

Objective	Key Initiatives
To be actively involved in route development focusing on new services or increased capacity from Australia, Pacific Island and New Zealand. This includes adding capacity and frequency to existing routes.	QAC, with support and input from AIAL, works with Airlines, Tourism New Zealand and RTOs to grow visitor numbers to the wider region. Particular emphasis is on growing off peak volumes.
Make Queenstown Airport easier to get to with better improved connectivity at hub airports.	Increase flying window with evening flights. Target long haul travellers promoting connectivity via hub airports.
Assist selected local events as far as possible by allowing promotion within and around the terminal.	Provide space for welcome desks and other opportunities on a case-by-case basis.
Measures	
<ul style="list-style-type: none"> • Growth in passenger numbers. • Increase in scheduled airline capacity being flown into ZQN either from: <ul style="list-style-type: none"> • new routes flown by new or existing airlines • new flights on existing routes • larger aircraft introduced on existing routes, e.g. A320 replacing older generation 737s; more jets on the ZQN-CHC route. • Joint marketing campaign(s) are undertaken and their success measured. 	

Goal 3 – Develop the airport infrastructure and facilities to support the District’s economic growth, while maximising use and avoiding over-capitalisation

ZQN may be the fastest growing airport in Australasia; and we are definitely the fastest growing New Zealand airport. This growth comes at a price as airport infrastructure and facilities need to develop in line with passenger growth if we are to meet passenger expectations of a modern airport. QAC’s strategy is to develop incrementally in response to passenger growth and the terminal Master Plan has been developed along these principles. Airfield infrastructure by its nature tends to be lumpy and requires careful planning in consultation with users to ensure it is delivered in a timely manner.

ZQN remains a small airport compared to the city airports of Auckland, Christchurch, and Wellington. At peak times we are very busy, while outside the peaks we can have surplus capacity. The facilities used by international travellers are those most under pressure during peaks, but the most under-utilised outside the peaks.

Wherever possible, airside areas (the terminal areas beyond security screening), have built-in flexibility to allow use by either domestic or international flights. Holding passengers in the main terminal area and allowing access through security to the departure lounges on a ‘just in time’ basis during busy times is another approach to addressing congestion and improving the passenger experience.

Winter 2014 will see a 30 percent increase in international flights to and from Queenstown and the resulting growth in international passengers will exceed our terminal capacities. For the coming winter a second international arrivals baggage belt will be added and housed in a temporary facility.

By winter 2015, an expanded international arrivals area will have been built incorporating the second baggage belt as well as increased areas for Immigration, Customs, and MPI screening. The International Departures Lounge will be expanded to accommodate the peak periods for departures.

The check-in area will operate at capacity in winter 2014 with potential for serious congestion. QAC terminal staff will work with airlines to improve queuing within their check-in area. The focus after winter 2014 will be to increase throughput capacity with greater use of self-check-in kiosks and online check-in; and providing common user bag drops. If successful this will defer the need to build an extra check-in hall area.

The major infrastructure projects planned for the forecast period are:

- Terminal expansion for international arriving and departing passengers
- Additional jet stands
- Evening flight infrastructure
- Check-in upgrade
- Acquisition and development of Lot 6 land.

Acquiring land from Remarkables Park Limited (RPL) for a new aviation precinct remains a priority. A negotiated settlement is preferred. Notwithstanding, the initiative was recognised by the Minister for the Environment as a ‘project of national significance’ back in February 2011, the court process continues and a conclusion before the end of 2014 is now unlikely. The delays block QAC’s plans to establish corporate jet facilities and frustrates the expansion plans of the region’s General Aviation (GA) industry.

EVENING FLIGHTS

Being able to land and depart scheduled services throughout the existing consented window of 6am to 10pm requires New Zealand's Civil Aviation Authority (CAA) and Australia's Civil Aviation Safety Authority (CASA) approval to operate after dark. The first step to Evening Flights was the May 2014 approval of the Foundation Safety Case which provides a pathway of the technology, infrastructure, and operational steps required to enable flights after dark to happen.

In June 2012 QAC formed a working group of technical and operational experts with experience in RNP AR (Authorisation Required) and Queenstown-specific operations to prepare a Foundation Safety Case.

The working group included representatives from QAC, Airways NZ, Jetstar, and Qantas, and was facilitated by risk management experts Navigatus Consulting. Each organisation set aside its commercial interests to work towards achieving a common goal – to examine whether flying in and out of Queenstown Airport at night could be undertaken safely and, if so, under what conditions. The group went through a thorough and collaborative process to achieve a comprehensive understanding of the factors influencing the safety of operations and options for addressing these.

The main elements required to be in place before the commencement of after-dark flights are:

- Widening of the runway to 45m (from the current 30m)
- A comprehensive aeronautical lighting package (runway, taxiway, approach and off-airport lights)
- A customised crew selection and training package
- Employing the full capability of the existing RNP AR technology
- Changes to on-board flight procedures to reduce pilot workload on final approach
- Individual airline applications and approvals

The commercial arrangements between QAC and the airlines have still to be addressed and infrastructure put in place, meaning the first evening flights are not likely until winter 2016.

Objective	Key Initiatives
To be well informed of airport and aviation trends and drivers of passenger volumes that will positively or negatively impact demands on our infrastructure.	AIAL engagement on airport and airline trends. Selective attendance at industry conference or workshops. Selective use of aviation consultants.
Develop plans for continued growth so as not to impede the region's growth.	Annual Master Plan review to ensure developments to the airport's infrastructure and facilities continue to address anticipated passenger growth and industry trends. Acquire land south of the runway for development of a new aviation precinct, freeing up land for terminal expansion. Capital plans updated for airport developments forecast for the next 10 years. Expand the international arrivals area. Upgrade check-in area to increase common use facilities and take advantage of new self-check-in practices.
To expand the approved window for airlines to arrive and depart ZQN, taking advantage of ZQN's consented operating hours of 6am to 10pm.	Approval by CAA of the Foundation Safety Case for evening flights. Develop a business case for funding the infrastructure to allow evening flights. Airlines to submit individual safety cases to CAA or CASA for approval.
Ensure expansions to the Airport infrastructure and facilities are delivered in a timely manner to balance the risks of over-capitalisation with the risks of turning away passengers and aircraft.	Ongoing consultation with airlines and GA users on adequacy of infrastructure. Passenger feedback via surveys. AIAL to peer review development plans.
Measures	
<ul style="list-style-type: none"> • Forecast capital plans can be funded by QAC through cashflow and increased debt. • Master Plan review completed with Board and shareholder representatives. • QAC's purchase of 16ha of RPL's Lot 6 land completed. • Airline(s) arrangements agreed to commence evening flights for winter 2016. • Evening flight airfield developments completed for winter 2016 flights. • Construction commenced for terminal expansion for international passenger areas by September 2014. • Temporary international arrivals capacity added for winter 2014. 	

Goal 4: Provide people using the Airport with a “wonderful experience” consistent with our vision

The travelling public expect their airports to be comfortable and safe places to be in with clear way finding (signage), easy flows with minimal congestion, and a range of services to be available for their convenience. For the departing passenger this seamlessness must extend from parking, to check in, moving through security screening to the departure lounge, to boarding the plane. For arriving passengers it is from disembarking the plane to finding one’s way through the terminal to the baggage claim area, the exits, public transport, rental cars, or carpark.

The ZQN terminal has been built to embrace the surrounding landscape and provide stunning views. All changes to the internal layout or future expansion will be done in a way to maintain the current terminal ambience. The public areas of the terminal have gone through a transformation since April 2013, starting with an upgrade to the rental car area followed by a revitalisation of our retail offering with the introduction of local brands – *Remarkable Sweet Shop* and *Kapa*. The final stage is new café and bar offerings.

Patagonia opened its new café in March 2014 and has been very well received. *Airspresso* has taken over the main terminal café and bar lease and will carry out a substantial refurbishment before it reopens in July 2014.

Carparking space has been at a premium at certain times of the year and we are developing plans to increase the number of parking spaces. This is not an easy task and we will take the opportunity of expiring leases to convert land to carparks. This change in land use will provide QAC with higher commercial incomes at the same time as better meeting the needs of our travelling public.

The long-term parking option created during 2013 has proved very popular and the available spaces do not meet demand throughout much of the year. We will introduce an online booking system for parking from 2015 to meet customer requests.

The airport is serviced by *Connectabus* and *Connexions* providing public transport to Queenstown, Cromwell, and Wanaka on a scheduled basis. *Tracknet Transport* provides scheduled services to Te Anau, Milford Sounds, and Invercargill. Group tour coaches are provided parking close to the terminal for convenient pick-up and drop-off.

Objective	Key Initiatives
<p>Provide a superior experience for people using the airport from access roads, parking, and in-terminal experience.</p>	<p>Provide suitable land transport options for access to and from the Airport. Increase parking offer.</p> <p>Work with QLDC on opportunities to enhance public transport/accessibility to airport users.</p> <p>Enhance the retail and Food and Beverage (F&B) experience at QAC to better match passenger needs and embrace the region.</p> <p>Continue seasonal theming within the terminal to provide a warm welcome and reflect a sense of place.</p>
<p>Ensure people flow through the terminal is efficient such that:</p> <ul style="list-style-type: none"> • congestion in the terminal and overcrowding in the departure lounges is minimised • congestion for international passengers is reduced. 	<p>Revisit way finding and Flight Information Display Screens (FIDS) screens.</p> <p>Active management of people flows by Airport staff during peak period, especially winter. Co-ordination of Airlines, AVSEC, Customs and MPI during these peaks.</p> <p>Terminal expansion for winter 2015. Temporary capacity for winter 2014.</p> <p>Working with Customs, introduce smart gate technology for Queenstown's international arriving passengers.</p> <p>Expand the international arrival and departure areas.</p>
Measures	
<ul style="list-style-type: none"> • Revamp of the main café for winter 2014. • A range of transport options exist and meet the needs of airport users. • Temporary international arrivals capacity available for winter 2014 peak (July and August). • Survey established in 2014 to measure passenger experience and obtain feedback. • New arrivals duty free and new international departure retail secured for 2015 terminal expansion. • Smartgates available to inbound international passengers for July 2015. • 15% increase in parking spaces by end 2015. 	

Goal 5: Establish Queenstown Airport as a preferred place of work and business within the District

Lease income from businesses operating in the airport terminal and on land in the airport precinct, together with parking revenues, are an important and increasing part of QAC's profitability.

QAC is a major hub for people, receiving over 1.2 million passengers per year as well as those that come to greet or farewell travellers. These people expect a range of services to be available to them; be it rental cars, retail, food and beverage, banking, transport, or tour desks etc, and in turn businesses providing these services are keen to be a part of the airport's success and enhance the service offered to airport users.

QLDC is reviewing the Region's District Plan and the recently released 'strategic directions' chapter of the Proposed District Plan recognises the importance of the Queenstown Airport. QAC will be promoting the creation of a specific Airport Zone to apply across all QAC's airport designated land holdings.

Queenstown Airport is already a major employment hub in the region and future employment growth at the airport should outperform the rest of the region. As our passenger numbers expand so too will our service offerings, subject to terminal space to house them. If we are successful in our plans to introduce evening flights from winter 2016, QAC and our tenants will need extra staff to manage the expanded operating hours.

Objective	Key Initiatives
The region understands the diversity of businesses and jobs at the Airport.	<p>QAC communications to profile the diversity and growth in business.</p> <p>Ensure the contribution of the airport and the businesses operating at the airport are duly recognised in QLDC's upcoming District Plan review through the creation of an Airport Zone across all airport designated land.</p>
Businesses serving passengers are professional and successful. They employ people that embrace the QAC's vision for the travelling public.	QAC to provide regular updates to all staff and tenants on developments and prospects of the airport.
The benefits from growing passenger numbers flows through to all businesses operating at the Airport.	<p>Survey tenants on their Airport experience.</p> <p>Survey passengers on their terminal service experience.</p>
Measures	
<ul style="list-style-type: none"> • Annual Review, ZQN News features, selected media releases as required. • Website developments to profile service offerings at the terminal. • Airport wide team briefings three to four times per year. • Survey results. • QLDC's District Plan adopts a specific Airport Zone. 	

Goal 6: Operate as a socially and environmentally responsible part of Queenstown Lakes District community

operate a business that provides essential infrastructure to our community and region and at the same time we have impacts on local neighbours that need to be managed. Increasing aircraft noise, in particular, is a direct negative consequence of our growth.

The Queenstown Airport Noise Management Plan was adopted by the Queenstown Airport Liaison Committee in February 2014, commencing a new period in QAC's operations involving regular noise monitoring and providing for noise mitigation packages to neighbouring homes. Developing the systems to ensure the rollout runs smoothly, and communicating the programme to the community are early priorities.

QLDC has a focus on reducing water use, reducing inflows to the town's sewerage system, and reducing waste to landfill. QAC can help with all these initiatives.

Part of the Frankton Golf Course is on land owned by QAC. We need to balance achieving a market return on the land with the public amenity the course provides the community.

Queenstown Airport Liaison Committee

The Queenstown Airport Liaison Committee held its first meeting in November 2013. Chaired by Jane Taylor, (Queenstown-based barrister and an independent Hearings Commissioner in resource management matters) the Committee includes three community representatives; Gregory Miller, Steve McIsaac, and Scott Freeman, as well as:

Scott Paterson (QAC - CEO), Mark Harrington (QAC - GM Operations), Bob Fletcher (Air NZ), representing scheduled airlines, Clayton Lightfoot (Airways), Dave Matthews (Helicopter Line), representing general aviation , and Nathan Keenan (QLDC).

The Committee will oversee the airport's Noise Management Plan, including the rollout of noise mitigation measures for local residents. A section of QAC's website (www.noise@queenstownairport.co.nz) is dedicated to information on noise, including an overview of the airport's noise boundaries, the role of the Committee, and what QAC will do to mitigate effects of noise for residents.

A programme to rollout noise mitigation assistance will be developed for the second half of 2014.

Objective	Key Initiatives
<p>Reduce our impact on Council's infrastructure with a particular focus on water and waste management.</p>	<p>Water use is measured and initiatives developed to reduce water use per passenger. Firstly, to cap the total volume per pax of reticulated water used on site, and latterly reduce that total volume.</p> <p>Waste is measured and initiatives developed to reduce the amount of waste sent to landfill from the airport site, initially on a per pax basis and latterly on a total volume basis.</p> <p>Establish base energy use to allow improvement initiatives to be measured.</p>
<p>Manage the noise impact of the airport on the surrounding residential and business areas.</p>	<p>Implementation of the Noise Management Plan requirements around noise monitoring and mitigation.</p>
<p>Engage with the Community, keeping them informed on developments at the airport and future plans.</p>	<p>CEO and Senior Executives to present at community forums on airport developments and future plans.</p> <p>The Queenstown Airport Liaison Committee oversees noise management plans for ZQN.</p> <p>Support community events.</p> <p>Continue to make land available to QLDC Sport and Recreation for the Frankton Golf Course at concessionary rents for as long as that land is not needed for airport purposes.</p> <p>Protect QAC-owned heritage buildings.</p>
<p>Support QLDC with its plans for Wanaka Airport and oversee Glenorchy Aerodrome.</p>	<p>Make management and airport expertise available to Wanaka Airport and Glenorchy Aerodrome.</p> <p>Provide accounting and admin services to Wanaka Airport.</p>
<p>Participate in Council and Regional Planning and the Resource Management Act (RMA) process to protect the Airport from unintended planning consequences.</p>	<p>Remain watchful and active in surrounding land developments, and plan changes that may conflict with the Airport.</p> <p>Achieve planning that is consistent with airport operations driven by the Master Plan.</p> <p>Progress Noise Boundary Plan Change (PC35) to inclusion in the District Plan.</p> <p>Create an Airport Zone for ZQN.</p>

Measures

- Tranche One of QAC's Noise Mitigation Programme rolled out commencing September 2014.
- 2014/15 Noise monitoring concluded and outputs shared with community second quarter 2015.
- Airport noise, as measured, is within the levels set in the District Plan.
- Information releases are regular, accurate and remain relevant e.g. passenger stats, website content, ZQN Newsletter, and media releases.
- Water volume used per year, with a view that:
 - water use per pax over the forecast period is constant or declining
 - total water volumes used at ZQN peaks during the forecast period and is in decline by 2017.
- Waste water volumes discharged from ZQN, with a view that:
 - volumes per pax over the forecast period is constant or declining
 - total volumes discharged from ZQN peaks during the forecast period and is in decline by 2017.
- Wanaka Airport's financial performance improves year-on-year.

Financial Forecast 2015-17

Year Ended 30 June	Forecast 2015 (\$000's)	Forecast 2016 (\$000's)	Forecast 2017 (\$000's)
Total Revenue	23,215	25,804	29,359
Total Operating Expenditure	7,250	7,354	8,317
Operating Cashflow (EBITDA)	15,965	18,450	21,042
Interest expense	1,664	2,067	2,355
Depreciation	4,035	4,857	4,659
Profit Before Tax	10,265	11,526	14,028
Profit After Tax	7,186	8,068	9,819
Total Liabilities	37,023	46,423	52,186
Total Shareholder's Funds	161,724	165,199	169,984
Total Assets	198,747	211,623	222,171
Dividends Paid²	4,175	4,593	5,034
Anticipated Capital Expenditure	20,434	17,516	14,911
Total Closing Debt	27,212	36,457	41,809
Net Drawdown/(Repayment of) Debt	9,293	9,245	5,352

Notes

1. Average Shareholders funds comprises of opening and closing balances
2. Dividends calculated on a paid basis rather than earned.

Financial Ratios	Forecast 2015	Forecast 2016	Forecast 2017
Aeronautical Revenue per Pax	\$11.83	\$12.10	\$12.73
Commercial Revenue per Pax	\$5.72	\$5.84	\$5.97
NPAT per Pax	\$5.43	\$5.61	\$6.25
Shareholders' Funds to Total Assets	81.4%	78.1%	76.5%
NPAT to Shareholders Funds	4.4%	4.9%	5.8%
EBITDA to Total Assets	8.0%	8.7%	9.5%

Passenger Forecast 2015-17

Year Ended 30 June	Forecast 2015 (\$000's)	Forecast 2016 (\$000's)	Forecast 2017 (\$000's)
Total Pax 000	1,322	1,439	1,570

The numbers in the financial forecast are as at 27 May 2014.

Dividend Policy

The Board will declare dividends according to the following policy:

- A base dividend payment from normalised Net Profit After Tax (NPAT) of \$2 million each year 50 percent payable by 31 January. The balance of the base payment will be paid after year end accounts are finalised with an additional 50 percent of normalised NPAT that exceeds \$2 million.
- In the event that the normalised NPAT is forecasted to be less than \$3 million then the Board will reconsider a dividend payment and will apply prudent governance prior to declaring any dividend.

The Board will consider any request from the Shareholders for further dividend payments and will apply prudent governance when considering such requests.

Prior to declaring a dividend the Board will consult with the Shareholders, and seek advice where necessary, to ensure that the tax consequences for each Shareholder are managed.

The Board will not issue shares wholly or partly in lieu of the proposed dividend or proposed future dividends, without the approval of Shareholders.

Commercial Value

The Board estimate the commercial value of QAC to be \$177 million to \$206 million; (SOI 2013 – 2016 enterprise value range: \$113 million to \$133 million). This estimate is in line with a PWC high level valuation of November 2013.

Capital Subscription

No new shares in the company will be issued without the consent of Shareholders.

The company is confident it can fund its capital growth plans from internal sources (cashflow and/or debt) during the forecast period 2015-2017. The Board will assess this position annually as part of the SOI process.

Investment in Other Entities

The Company must consult with the Shareholders prior to any investment being made in another entity.

Non-commercial Services

QAC receives a fee from QLDC for the management of Wanaka Airport. This includes the cost of an onsite airport Manager, providing accounting and administration services, management input to the airport's development, and compliance obligations to CAA and Airways.

QAC also manages the Glenorchy Aerodrome on behalf of QLDC, including ground maintenance.

QAC leases land to QLDC that forms part of the Frankton Golf Course for \$25,000 pa. The market rental value for the land has been assessed at \$86,500 pa (Seager and Partners, February 2010). The alternative airport-related use for the land could include long-term parking.

Audit

The Office of the Auditor General has re-appointed Deloitte to undertake the Audit of QAC for 3 further years: 1 July 2014 to 30 June 2017.

Accounting Policies

QAC will maintain accounting records in accordance with the Companies Act 1993, and the accounting standards promulgated by the New Zealand Institute of Chartered Accountants.

Corporate Directory

Location:	Queenstown Airport Corporation Airport Administration, Queenstown Airport Sir Henry Wigley Drive Frankton Queenstown 9300	
Mailing address:	PO Box 2641 Queenstown 9349 NEW ZEALAND	
DDI:	03 450 9031	
Fax:	03 442 3515	
Email:	admin@queenstownairport.co.nz	
Website:	www.queenstownairport.co.nz	
Shareholders	Queenstown Lakes District Council (75.01%) Auckland Airport Holdings (No2) Limited (24.99%)	
Directors	John Gilks (Chairman) Alison Gerry James Hadley Grant Lilly Richard Tweedie	
Senior Management	Chief Executive Officer Chief Financial Officer GM Operations GM Property	Scott Paterson – Scott@queenstownairport.co.nz Mark Edghill – Marke@queenstownairport.co.nz Mark Harrington – Mark@queenstownairport.co.nz Sean Thompson – Sean@queenstownairport.co.nz
Senior persons per Civil Aviation Rules, part 139	Chief Executive Officer GM Operations Manager Rescue Fire	Scott Paterson Mark Harrington Bill Wrigley

Abbreviations

AIAL	Auckland International Airport Limited
AVSEC	Aviation Security Service
CAA	Civil Aviation Authority of New Zealand
CASA	Civil Aviation Safety Authority (Australia)
CEO	Chief Executive Officer
CCTO	Council Controlled Trading Organisation
CHC	Christchurch Airport
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
F&B	Food and Beverage
FIDS	Flight Information Display Screens
FY	Financial Year – 1 July to 30 June
GA	General Aviation
IATA	International Air Transport Association
MPI	Ministry of Primary Industries
NPAT	Net Profit After Tax
PC35	Queenstown Lakes District Council Plan Change 35 relating to Airport Noise boundaries.
QAC	Queenstown Airport Corporation, the company that owns and operates Queenstown Airport
QLDC	Queenstown Lakes District Council
QRC	Queenstown Resort College
RMA	Resource Management Act
RPL	Remarkables Park Limited
RTO	Regional Tourism Organisation
SOI	Statement of Intent
ZQN	Queenstown Aerodrome including airfield and terminal