SUBMISSION ON PLANNING FOR SUCCESSFUL CITIES: A DISCUSSION DOCUMENT ON A PROPOSED NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT

EXECUTIVE SUMMARY

1. NZ Airports welcomes the opportunity to submit on the Ministry for the Environment's ("MfE") discussion document on the proposed National Policy Statement on Urban Development ("NPS-UD"), Planning for Successful Cities.

2. While NZ Airports is supportive of the overall objective of the NPS-UD, in particular the focus on promoting quality urban development in appropriate locations, we are concerned to ensure that the enabling of growth and intensification does not compromise the ongoing operation and development of New Zealand's airports. As currently characterised in the discussion document, a number of the NPS-UD's objectives and policies could have the effect of shutting out key stakeholders (such as airports) from planning processes relating to urban development and, as a result, undermine a key goal of the NPS-UD's, which is to promote quality planning.

3. In addition, the NPS-UD has the real potential to encourage urban development near airports, which should be carefully managed. Certain effects associated with airport operations, such as aircraft noise, cannot reasonably be internalised. As a result, areas surrounding airports experience high levels of aircraft noise and are not well suited for urban development, especially residential development or intensification. The establishment of sensitive activities like dwellings in areas exposed to aircraft noise has the very real potential to give rise to reverse sensitivity effects on the lawfully established activities of airports (which can inhibit airport operations and future development). Further, those sensitive activities would potentially be exposed to adverse effects associated with aircraft noise in terms of amenity and wellbeing.

4. The NPS-UD must ensure that urban development is discouraged from being located in proximity to airports and that residential growth and intensification does not limit the significant benefits airports provide to our urban environments and economy.

5. This submission:
   (a) outlines the background and interests of NZ Airports;
   (b) provides an overview of reverse sensitivity effects as they relate to airports and urban development;
   (c) considers the core elements of the proposed NPS-UD of concern to NZ Airports' members, including:
      (i) directions and policies to encourage quality urban development;
      (ii) changes to the mechanisms of future development strategies ("FDS");
      (iii) enabling policies for intensification and greenfield development; and
      (iv) increased government intervention and future government policy change.
WHO WE ARE

6. NZ Airports is the industry association for New Zealand’s airports and related businesses. Its members operate 41 airports across the country including the international gateways to New Zealand and the domestic airports making up the national air transport network. This infrastructure is essential to a well-functioning economy and the wellbeing of our communities.

7. NZ Airports’ members have extensive experience dealing with resource management processes and issues, and in particular with the conflicts that arise when sensitive activities relating to urban development (such as dwellings and educational facilities) are established in proximity to airports.

8. NZ Airports has provided a range of feedback on resource management reforms in the past, including the existing National Policy Statement on Urban Development Capacity (“NPS-UDC 2016”), the first set of National Planning Standards and the Kāinga Ora – Homes and Communities Bill. Its members have also been closely involved in extensive plan review processes in Auckland, Christchurch, and Queenstown, along with many other areas throughout New Zealand.

REVERSE SENSITIVITY AND URBAN DEVELOPMENT

What is it?

9. Reverse sensitivity arises when an established use causes adverse environmental impact to nearby land, and a new, sensitive activity is proposed for the land. As a result, the lawfully established use may be required to restrict its operations or mitigate its effects so as to not adversely affect the new activity. This is what can happen when residential development is allowed to locate near airports.

10. Certain effects caused by the use of airports, such as aircraft noise, cannot be reasonably internalised. Acoustic insulation and other mitigation measures are not sufficient in themselves to address potential noise effects on residents or reverse sensitivity effects on airports. For example, such measures are only effective where windows and external doors are not opened. It is also not possible to mitigate effects of aircraft noise on outdoor spaces.

The cost of reverse sensitivity

11. Reverse sensitivity effects pose a substantial threat to the ongoing operation of New Zealand’s airport infrastructure. Many of New Zealand’s airports already operate in urban environments. Development of sensitive activities in proximity to airports has materially constrained airport infrastructure in the past because it is impossible to internalise some of the effects of airport operations. For example, resource management planning processes have resulted in operational restrictions and curfews at Wellington, Queenstown and Auckland Airports.

12. The Environment Court’s recent decision to uphold a noise complaint in relation to aircraft engine testing at Whenuapai Airport illustrates that this remains very much a live and significant issue for airports throughout New Zealand. There, in a case brought by a

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1 Our member airports include Ardmore Airport, Ashburton Airport, Auckland Airport, Chatham Islands Airport, Christchurch Airport, Dunedin Airport, Gisborne Airport, Hamilton Airport, Hawke’s Bay Airport, Hokitika Airport, Invercargill Airport, Kapiti Coast Airport, Kaikohe Airport, Kaiapoi Airport, Kerikeri Airport, Marlborough Airport, Masterton Airport, Matamata Airport, Motueka Airport, Nelson Airport, New Plymouth Airport, Oamaru Airport, Palmerston North Airport, Queenstown Airport, Rangiora Airport, Timaru Airport, Rotorua Airport, Takaka Airport, Taupo Airport, Tauranga Airport, Wairoa Airport, Wanaka Airport, Whanganui Airport, Wellington Airport, West Auckland Airport, Westport Airport, Whakatane Airport, and Whangarei Airport.

residential development company, the Court considered the potential impact of existing and established engine testing noise on the residential neighbours including those whose houses were built after the airbase was developed. The Court recognised that its decision could mean that "the Minister may not have the same ability to operate aircraft at Whenuapai Airbase as other requiring authorities do at other airports".  

13. Costs incurred by New Zealand airport operators in relation to monitoring, recording and responding to reverse sensitivity complaints from sensitive / residential neighbours are significant. Airport operators throughout New Zealand must be involved in plan-making, designation, and resource consenting processes to ensure that airports are protected from reverse sensitivity effects. This includes making sure their growth and development is managed appropriately, and that local authorities are educated on the tension between residential intensification and the need to protect airports' lawful operation and planned development.

Managing reverse sensitivity effects around airports – "effects areas"

14. Most airports in New Zealand rely heavily on district planning controls around airports to avoid or manage adverse effects on their operations due to incompatible (eg sensitive) activities locating in proximity to airports. For example, many of our members have "effects areas" defined around their airports in existing district plans, including noise boundaries and obstacle limitation surfaces, which control the type and scale of activities that can locate near airports. These are often not designated areas, but rather spatially defined areas that control land uses. Effects areas have been developed and maintained over many years, with extensive public and community consultation and input.

15. These effects areas are based on extensive modelling, empirical analysis and case law, all of which clearly demonstrate that high aircraft noise effects areas are not appropriate areas to establish sensitive activities such as housing developments. Exposure to noise levels at or above 65 dB Ldn can cause adverse health and wellbeing effects. The high levels of aircraft noise experienced in this area also means that the location of sensitive activities has the very real potential to give rise to reverse sensitivity effects on airports. This approach is also consistent with New Zealand Standard 6805:1992 Airport Noise Management and Land Use Planning, which provides guidance to local authorities in relation to airport planning.

16. It is critical that these effects areas are maintained, and that their effectiveness is not undermined through inappropriate housing development.

RESPONSE TO QUESTIONS IN DISCUSSION DOCUMENT

Quality urban development

Q1: Do you support a National Policy Statement on Urban Development that aims to deliver quality urban environments and make room for growth?

17. NZ Airports is broadly supportive of the goals of the NPS-UD to focus on the delivery of quality urban environments while also encouraging growth, provided that this objective does not lead to development that would compromise the ongoing operation of New Zealand's airports.

18. The NPS-UD is anticipated to be an improvement on the NPS-UDC 2016. National direction for urban development through an NPS is helpful in highlighting to local authorities the key

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3 At [50].
considerations they should be taking into account when planning for increased intensification or greenfield developments. The NPS-UD is a useful opportunity to provide national direction to local authorities to develop their planning frameworks to prevent or restrict residential development on land surrounding airports. This would strengthen the existing protections for airports in district plans and encourage the development and maintenance of effective and robust effects areas around airport facilities.

19. In our view, such direction from central government is consistent with the NPS-UD’s objective to deliver quality urban environments. A key aspect of delivering quality urban environments is ensuring that such environments are not adversely affected by, or in conflict with, the effects of airport operations. Airports provide a good example of the importance of location for ensuring quality environments and the amenity and wellbeing of communities. High-density developments located too closely to airports are likely to have poor amenity and wellbeing outcomes due to the effects of aircraft noise.

Future development strategies

Q3: Do you support the proposed changes to FDS overall? If not, what would you suggest doing differently?

20. While NZ Airports is generally supportive of the proposed changes to FDS, the provisions relating to the identification of positive and adverse locations for development need further consideration and clarification. Currently, the listed examples of areas of where development should be avoided are limited to cultural or environmental concerns, such as sites of significance to Māori and indigenous biodiversity. While the significance of these considerations is not disputed, NZ Airports considers that reference to activities vulnerable to reverse sensitivity effects (e.g., established regional or national significant infrastructure) must be included alongside these matters to indicate that sites located near such activities are ill suited for such development.

21. Further, while NZ Airports supports the requirement for local authorities to consult on the development of FDS, the reference to the Local Government Act 2002 (as opposed to specifically identifying the terms or process for any such consultation) provides local authorities with significant latitude as to how this consultation is to occur, and which parties or stakeholders are to be consulted.

22. In our view, the consultation requirements for FDS are critical and must be clarified and strengthened to ensure consistency of approach by local authorities across the country.

Intensification and Greenfield Developments

Q8: Do you support policies to enable intensification in the locations where its benefits can best be achieved?

23. In our view, it is critical that the NPS-UD is not unnecessarily prescriptive in its requirements for urban intensification. Such an approach risks shutting out key stakeholders from the development and planning processes for urban growth, and preventing holistic, integrated and location-based decision-making by local authorities.

24. For example, Policy P6A lists several location characteristics that justify intensive development in certain areas, such as those in proximity to employment opportunities and urban amenities.

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4 Rationale and P1D, pages 21-23 of the discussion document.
and services. NZ Airports considers that these criteria fail to account for areas that, while possessing some of the listed positive attributes, will actually provide poor land for intensive housing or urban development. Land surrounding airports will typically be proximate to employment opportunities and have (or will have) access to amenities, services and public transport networks. However, such land is fundamentally unsuitable for high-density housing due to the incompatibility of such activities with airport operations.

25. Directing residential development in the way proposed could result in the "upzoning" of existing residential areas, allowing greater residential density within the effects areas of airports. NZ Airports has serious concerns with the potential for land surrounding airports to be "upzoned" to allow for residential intensification, as this would result in increased numbers of people being exposed to the effects of aircraft noise, which would, in turn, increase the potential for reverse sensitivity effects on airport operations.

26. Any proposed policies enabling intensification must be carefully considered, taking into account the potential for adverse effects on established infrastructure that is of regional and national importance.

27. As one solution, an exception may be provided, such as that proposed to be included in Policy P6C: "except where evidence demonstrates intensification should not be enabled", which would be linked to other objectives and policies within this section that seek to protect regionally and nationally significant infrastructure such as airports.

Q9: Do you support inclusion of a policy providing for plan changes for out-of-sequence greenfield development and/or greenfield development in locations not currently identified for development?

28. Many of our member airports, particularly smaller airports, are surrounded by land that is typically considered as greenfield area, on the outskirts of urban centres. This is purposeful planning, to minimise the adverse effects generated by airports on neighbouring activities by creating a "buffer" of less sensitive rural land.

29. Inappropriate greenfield development that would encroach on these areas has the potential to negatively impact both future residents and airports, through reverse sensitivity effects arising as a result of complaints from new residents. The recent Environment Court decision relating to aircraft engine testing at Whenuapai Airport is a timely example of how an airport once largely surrounded by greenfield land can be constrained by enabling urban development nearby.

30. While the reference to appropriately managing reverse sensitivities adjacent to greenfield developments is positive, NZ Airports considers that this does not fully grasp the impact or costs of allowing development to occur near airports. Operational constraints and/or limits on development arising from reverse sensitivity issues can have significant, and potentially debilitating, costs on airports.

31. Encouraging greenfield development of this kind may also increase airport operator costs to monitor and be involved in plan-making, designations, and resource consenting processes in relation to these developments. In our view, greenfield development with "appropriate
management" of reverse sensitivities is more appropriately considered as a "last resort" approach, to be avoided by local authorities in favour of the approach of choosing more appropriate locations for urban development.

**Working with infrastructure providers**

Q14: Do you support amendments to existing NPS-UDC 2016 policies to include working with providers of development and other infrastructure, and local authorities cooperating to work with iwi/hapū?

32. NZ Airports supports the inclusion of an obligation on local authorities to ensure their decisions are coordinated and aligned with the provision of infrastructure. Timely and meaningful engagement, coordination and collaboration with infrastructure providers like airports throughout the urban development planning process is critical in ensuring that residential growth and intensification is appropriately managed to avoid constraints on infrastructure, including reverse sensitivity effects.

33. The current wording of the NPS-UD when referring to infrastructure, in particular the definition of "other infrastructure", potentially excludes airports from the list of providers to be included directly in this collaboration. In the absence of express provision for airports, local authorities may fail to consider airports as being among the key infrastructure providers they are required to consider in their decision-making, or may even form the view that airports have been purposefully excluded from this obligation.

34. Even if local authorities were to consider that airports fall within the catchall of "other infrastructure", infrastructure providers controlled by local authorities are expressly excluded. This may result in airports that are fully or partially owned or controlled by local authorities (which is the majority of airports) being excluded from the provisions relating to local authority collaboration.

35. NZ Airports considers that the definition of "other infrastructure" should be amended to provide for all of New Zealand's airports.

**Further Government intervention and policy**

Q11: Do you think that central government should consider more directive intervention in local authority plans?

36. NZ Airports has concerns regarding the potential for directive intervention by central government in local authority plans to enable or require urban intensification in areas where it is currently restricted. Amending or removing rules that some may consider "unnecessarily" constrain intensification could significantly undermine existing planning protections for airports.

37. Many district plans currently include specific aircraft noise overlays, or other similar provisions, that restrict the subdivision of land, establishment of residential activities and intensive urban development within areas subject to high levels of aircraft noise. Such provisions are essential in ensuring the ongoing operation and viability of New Zealand's airports.

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8 See definition of "other infrastructure" at page 68 of the discussion document.

9 One example is the Auckland Unitary Plan's Aircraft Noise Overlay (D24).
38. If national intervention in local authority planning is to occur, greater clarity and certainty around the scope of central government powers to amend or remove existing rules seeking to limit or prevent urban intensification near airports is required. In particular, it must be made clear that such intervention cannot override existing overlays and other tools used to manage effects areas surrounding airports.

Q17: Do you think there are potential areas of tension or confusion between any of these proposals and other national direction? If so, please identify these areas and include any suggestions you have for addressing these issues.

39. Earlier this year, NZ Airports submitted on the Kāinga Ora – Homes and Communities Bill. The discussion document on the NPS-UD does not provide any commentary as to how the NPS-UD will interact with the proposed Kāinga Ora legislation. This is concerning given the considerable role Kāinga Ora is intended to take in enabling urban development, and the clear overlap between the objectives of the NPS-UD and the Kāinga Ora legislation in seeking to remove restrictions on urban development.

40. In addition, the Resource Management Amendment Bill is currently before the Select Committee. This Bill includes various proposed amendments that seek to enhance opportunities for public participation in resource consenting processes. These amendments appear to be in conflict with the NPS-UD’s stated objective of removing opportunities for participation where it restricts urban development or intensification.

41. NZ Airports seeks further clarification on how the Government's various workstreams under its Urban Growth Agenda will work together in practice.

Conclusion

42. NZ Airports would welcome any opportunity to discuss this submission with MfE in any further consultation relating to the proposed NPS-UD.

NZ AIRPORTS ASSOCIATION:

Signature:

[Signature]

New Zealand Airports Association

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