

SUBMISSION TO THE MINISTRY FOR THE ENVIRONMENT ON THE PROPOSED NATIONAL POLICY STATEMENT ON URBAN DEVELOPMENT CAPACITY

1. EXECUTIVE SUMMARY

1.1 The New Zealand Airports Association ("**NZ Airports**") welcomes the opportunity to comment on the Proposed National Policy Statement on Urban Development Capacity ("**NPS**").

1.2 While NZ Airports appreciates the main stimulus for the NPS is the current housing shortage, and does not oppose endeavours to address that issue, **it is fundamental to the development of productive urban centres that residential growth does not hinder the effective current or future operation of New Zealand's airports.**

1.3 The Consultation Document on the NPS states that:¹

The topic of reverse sensitivity is very complex. The focus of the proposed NPS is to further enable development capacity, and addressing reverse sensitivity would require significantly more analysis than has been possible.

1.4 We disagree. The topic of reverse sensitivity is straightforward, and is well understood in law. Management of reverse sensitivity effects is also explicitly provided for in the National Policy Statement on Electricity Transmission.² An NPS which seeks to enable development capacity must address reverse sensitivity effects.

1.5 NZ Airports does not oppose the key objectives of the NPS to encourage and enable urban development. However, unless addressed and managed well, the Government's desire to increase land supply to promote housing through instruments such as the NPS will create significant conflict with established significant infrastructure.

1.6 It is critical that reverse sensitivity issues are recognised and provided for in the NPS, so that urban growth is discouraged from locating near airports, and so that residential growth does not restrict the substantial economic growth, jobs and exports that airports provide our cities and regions.

1.7 Established airports cannot readily move, and new airport sites close to their population bases are very hard to create. It is therefore important that existing airport infrastructure is used efficiently (free from additional constraints) and future development options are maintained.

1.8 Individual airports who are members of NZ Airports may also be submitting on the NPS separately. This submission should be read in conjunction with any submission made by an individual member airport.

¹ National Policy Statement on Urban Development Capacity Consultation Document, page 24.

² National Policy Statement on Electricity Transmission, Policy 10.

2. WHO WE ARE

- 2.1 NZ Airports is the industry association for New Zealand's airports and related businesses. Its members³ operate 36 airports across the country including the international gateways to New Zealand. This infrastructure network is essential to a well-functioning economy, and enables critical transport and freight links between each region of New Zealand and between New Zealand and the world.
- 2.2 Airports add a value of \$419 million a year to the NZ economy plus 5,440 jobs, with aviation related activities (such as air freight and pilot training schools) contributing \$6.5 billion a year and 80,000 jobs.
- 2.3 Significantly, airports directly enable international and domestic tourism, imports and exports by air, and export education. These contribute even greater value and employment throughout NZ, totalling \$30 billion each year and well over 400,000 jobs. These activities simply cannot occur without efficient air links.
- 2.4 NZ Airports' members have extensive experience dealing with RMA processes and issues, and in particular with the conflicts that arise when sensitive activities (like houses and schools) are proposed or built near airports. Airports are located in all of the areas of New Zealand identified in the NPS as experiencing high levels of population growth, and will therefore be directly impacted by the NPS.

3. THE ISSUE: REVERSE SENSITIVITY

What is it?

- 3.1 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.
- 3.2 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 provided that windows and external doors are not opened.
- 3.3 It is also not possible to adequately mitigate the adverse effects of high aircraft noise on outdoor areas. Exposure to noise outside is also likely to result in increased complaints to airports regarding lawfully permitted noise, therefore likely having a reverse sensitivity effect by limiting airport operations.

The cost of reverse sensitivity

- 3.4 Reverse sensitivity effects pose a substantial threat to the ongoing operation of New Zealand's airport infrastructure. 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

³ Our member airports are Ardmore Airport, Auckland Airport, Christchurch Airport, Dunedin Airport, Gisborne Airport, Hamilton Airport, Hawke's Bay Airport, Hokitika Airport, Invercargill Airport, Kapiti Coast Airport, Kaikohe Airport, Katikati Airport, Kerikeri Airport, Marlborough Airport, Masterton Airport, Matamata Airport, Motueka Airport, , Nelson Airport, New Plymouth Airport, Palmerston North Airport, Queenstown Airport, Rangiora Airport, Timaru Airport, Rotorua Airport, Takaka Airport, Taupo Airport, Tauranga Airport, Wanaka Airport, Whanganui Airport, Wellington Airport, Westport Airport, Whakatane Airport, and Whangarei Airport.

effects of airport operations. For example, resource management planning processes have resulted in operational restrictions and curfews at Wellington, Queenstown and Auckland Airports.

- 3.5 Flights in and out of busy airports cannot simply be re-scheduled or squeezed into shorter periods. Safe separation distances between aircraft limit an airport's hourly capacity, and peak hours are already congested at several airports. In addition, the arrival and departure times of international flights are often determined by the limited availability of landing/take-off slots at the overseas airport and the network requirements of the airlines. Reducing airport operating hours is therefore seldom a viable option.
- 3.6 Costs incurred by New Zealand airport operators in relation to monitoring, recording and responding to reverse sensitivity complaints 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 and 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

- 3.7 Most airports operate within the context of district planning provisions which provide land use controls on land in the *vicinity* of airports (and not just on land adjoining or adjacent to airports), as well as controls on the amount of aircraft noise that can be generated by aircraft operations at the airport through air noise boundary controls. This approach to airport planning is endorsed by New Zealand Standard 6805:1992 "Airport Noise Management and Land Use Planning", which has been used by local authorities and airports around New Zealand to address the resource management issue of aircraft noise.
- 3.8 The Government's National Airspace Policy 2012 requires that:

The Government **expects the aviation sector and local authorities to proactively address their respective interests in any future planning.**

[...]

Airport authorities and local authorities should work together in a strategic, cooperative and integrated way to ensure that planning documents (including those under the Resource Management Act) **appropriately reflect the required noise contours and/or controls** and approach and departure paths that take account of current and projected traffic flows.

Resource Management Act planning tools (including plan rules and designations) should as far as practicable seek to avoid the establishment of land uses or activities and potential obstacles or hazards that are incompatible with aerodrome operations or create adverse effects.
[emphasis added]

- 3.9 It is implicit in both NZS 6805 and the National Airspace Policy that these planning tools be used to reduce adverse effects on people and communities and to reduce reverse sensitivity effects on airports through avoiding the establishment of incompatible activities nearby.
- 3.10 Our members have spent significant time and effort ensuring that "effects areas" (such as noise control boundaries around an airport which identify land subject to noise effects) are properly defined around their airports. Sensitive land uses in those "effects areas" must be avoided where possible, to ensure that the airport itself is not

constrained as a result of complaints by people living in those areas, but also to ensure that people are not exposed to high levels of noise.

- 3.11 While residential land use is generally discouraged near airports, there are a range of other uses that land can be put to. For example, commercial and business land uses are compatible neighbours with airports.

4. PROPOSED AMENDMENTS

Outcomes for decision-making

- 4.1 Objective OA1 states:

To support effective and efficient urban areas that enable people and communities to provide for their social, economic and cultural wellbeing.

- 4.2 Airports are a critical part of providing effective and efficient urban areas. If residential development is provided without protecting the airport activities that support a vibrant, effective and efficient urban area, then Objective OA1 will not be met. That residential development will jeopardise the substantial economic and social benefits that airports bring, not only to cities and towns, but to the surrounding region and country as a whole.

- 4.3 The amendments proposed below will ensure that reverse sensitivity effects are managed, while providing sufficient development capacity for residential and business demand.

Relief sought

Amend the definition of "development capacity" as follows:

Development capacity means in relation to residential and business land, the capacity of land for urban development to meet demand, taking into account the following factors:

- the zoning, objectives, policies, rules and overlays that apply to the land; and
- the provision of adequate infrastructure, existing or likely to exist, to support the development of the land, having regard to—
 - the relevant proposed and operative regional policy statements, regional plans and district plans; ~~and~~
 - any relevant management plans and strategies prepared under other Acts; and
 - the need to manage reverse sensitivity effects on significant infrastructure.

Amend policy PA3 as follows:

When considering the effects of urban development, decision-makers must:

- Recognise and provide for the contribution that urban development will make to the ability for people and communities and future generations to provide for their social, economic and cultural wellbeing.
- Provide sufficient development capacity, whilst maximising the positive

effects of development, and minimising the adverse effects of development, including potential reverse sensitivity effects on significant infrastructure.

- Have particular regard to the positive effects of urban development at a national, regional and district scale, as well as its local effects.

Responsive planning

- 4.4 Policy PD2 and PD3 promote a number of "responsive planning" options in order for local authorities to provide for sufficient development capacity. Policy PD2 requires local authorities to consider all options available to it under the RMA to enable sufficient development capacity to meet residential and business demand, including changes to notification provisions and existing overlays.
- 4.5 There is a serious risk that the changes local authorities make to the notification provisions of their district plans and regional policy statements in order to enable sufficient development capacity, pursuant to policy PD2, will result in situations where parties who are affected lose out on the opportunity to participate. This is of significant concern to airports, which rely heavily on the notification requirements in plans to protect their operations from reverse sensitivity effects.
- 4.6 Airport operators need to stay vigilant to applications for consent to establish and/or intensify sensitive activities like residential dwellings in their effects areas. An airport's ability to be involved in these resource consent processes could be significantly curtailed if changes are made to plans that reduce the notification of resource consent applications that could potentially affect an airport's operations.
- 4.7 In addition, the NPS's promotion of amendments to existing overlays and introduction of new overlays in order to enable sufficient development capacity is of concern to NZ Airports. Airport operators have had extensive involvement in the development of various planning instruments in order to protect their current operations and provide capacity for development of future operations. Effects areas around airports, which include controls to manage land uses within areas subject to high to moderate aircraft noise, often take the form of overlays (as is the case in Auckland, for example).
- 4.8 An NPS which does not take into account reverse sensitivity effects and promotes limiting notification, or changes to effects area overlays, will only exacerbate the growing issue that airports are already facing in trying to protect their operations from reverse sensitivity effects. It will undermine airports' vital air noise boundaries, and encourage people to live in areas which are not suitable for residential uses.
- 4.9 NZ Airports also has concerns regarding references to "customer focused" consenting processes in policies PD2 and PD3. This is an ambiguous term which could be misinterpreted by local authorities. A more appropriate term is "efficient".

Relief sought

Amend policy PD2 as follows:

A local authority must consider all options available to it under the Act to enable sufficient development capacity to meet residential and business demand, including but not limited to:

- Changes to plans and regional policy statements, including changes to:
 - Objectives, policies and rules, zoning and the application of those in

both existing urban and undeveloped areas;

- Activity status; and
- ~~Provisions about the notification of applications for resource consent;~~
- ~~Existing overlays, or the introduction of overlays which enable development; and~~
- Make them simpler to interpret.
- Consenting processes that are efficient~~customer-focused~~ and coordinated within the local authority; and
- In granting consent, the conditions of consent imposed.

Amend policy PD3 as follows:

Local authorities must consider the following responses:

- In the short term, further enable development through efficient~~customer-focused~~ consenting processes and, where appropriate, amending the relevant plans.

[...]

Consultation with infrastructure providers

- 4.10 Airports fall under the definition of "infrastructure" in the NPS which includes "transport" and "passenger transport services".
- 4.11 NZ Airports supports policies PB4 and PD9 which require local authorities to consult with infrastructure providers when carrying out the Housing and Business Land Assessments and developing the future land release and intensification strategy, subject to amendments. However, the inclusion of the phrase "as they see fit" could be misinterpreted to mean that councils need only consult as they see fit, and as such should be deleted. Councils must talk to airports about land assessments which take into account land in or around airports, and particularly in an airport's effects area. Airport operators must be consulted with by local authorities at the outset to ensure effects on their operations are adequately taken into account by local authorities in the implementation of the NPS.
- 4.12 NZ Airports also considers that local authorities will need clear guidance from the Ministry as to how local authorities will identify infrastructure providers to consult.

Relief sought

Amend policy PB4 as follows:

PB4: In carrying out the assessments required under policy PB1, local authorities must consult with infrastructure providers, community and social housing providers, the property development sector and any other stakeholders ~~as they see fit.~~

Amend the second bullet point of policy PD9 as follows:

- Consult with and ~~Take~~ into account the views of infrastructure providers, land owners, the property development sector and any other stakeholders

as they see fit;

Provide detailed direction in a Ministry for the Environment guidance document on how local authorities should carry out consultation under policies PB4 and PD9.

Implementation of the NPS

- 4.13 Given implementing the NPS will be a complex process, NZ Airports strongly supports the creation of a technical working group that includes airport representation to draft guidance material on how the NPS should be given effect to.
- 4.14 We would welcome any opportunity to speak to the Ministry about this submission in more detail.

NZ AIRPORTS ASSOCIATION:

Signature:



Kevin Ward
Chief Executive, New Zealand Airports Association

Date: 15 July 2016

Address for Service: Kevin Ward
P O Box 11 369
Manners Street
WELLINGTON 6142

Telephone: (04) 384 3217
Email: kevin.ward@nzairports.co.nz