

**FORM 3**  
**SUBMISSION ON PROPOSAL CONCERNING NATIONAL POLICY STATEMENT ON**  
**URBAN DEVELOPMENT CAPACITY**

*Clause 3 of Schedule 1, Resource Management Act 1991*

**To:** Minister for the Environment and for Building and Housing  
PO Box 106483  
**AUCKLAND 1143**

**Submission on:** Proposed National Policy Statement on Urban Development Capacity

**Name:** **Queenstown Airport Corporation (QAC)**

**Address:** Queenstown Airport Corporation  
c/- Mitchell Partnerships Ltd  
PO Box 489  
**Dunedin 9054**

**1. This is a submission on the following proposed national policy statement (the proposal):**

Proposed National Policy Statement on Urban Development Capacity, notified 2 June 2016 (the Proposed NPS).

**2. The specific provisions of the proposal that QAC's submission relates to are:**

- Definition of Development Capacity
- Policy PA3
- Policy PB4
- Policy PD2
- Policy PD3
- Policy PD9

**3. QAC's Submission is:**

3.1 QAC operates the regionally and nationally significant Queenstown Airport, and the regionally significant Wanaka Airport.

3.2 **Queenstown Airport** is the main airport in the Queenstown Lakes District and is the primary take-off and landing point for much of the aircraft activity in the District. The Airport accommodates aircraft movements associated with scheduled, general aviation and helicopter operations. The Airport acts as an essential gateway to the Queenstown Lakes District and facilitates access to the District and economic activity

in the local and regional economies. It is also a provider of emergency services and is a lifeline utility under the Civil Defence Emergency Management Act 2002 (CDEM 2002).

- 3.3 Queenstown Airport is one of the busiest airports in the country, serving both domestic and international passengers to New Zealand's premier tourist destination. The Airport accommodates in excess of 1.6 million passengers for the year ending May 2016. This represents a 17% increase in passengers from the previous year. Queenstown Airport has experienced a sustained period of growth, with passenger numbers expected to increase over the coming years as the District receives an increasing number of domestic and international visitors.
- 3.4 Recent growth projections have indicated that passenger growth is set to continue, with 1.78 million passengers projected by 2025 and 2.57million passengers by 2037<sup>1</sup>.
- 3.5 Based on the Ministry of Business, Innovation and Employment tourism forecasts and passenger number growth rates, total tourism spending is projected to increase by between 3.4 per cent and 3.9 per cent per annum. This is expected to take the total tourism spending facilitated by Queenstown Airport to between \$1.1bn and \$1.4bn. The on-going ability of Queenstown Airport to function and grow without undue constraint is therefore of significant importance to the tourism industry, both regionally and nationally.
- 3.6 Queenstown Airport is managed by QAC. QAC is a network utility operator and a requiring authority under section 166 of the Resource Management Act 1991 (the RMA or the Act). The Airport is the subject of designations in both the operative and proposed Queenstown Lakes District Plans.
- 3.7 It is from this premise that QAC has prepared this submission on the proposed NPS.

### **Reverse Sensitivity**

- 3.8 The topography of the Queenstown Lakes District coupled with its highly valued visual character means that there is limited land available for urban development and expansion. As a result, Queenstown Airport, which is centrally located on Frankton Flats, is under increasing encroachment and development pressure from surrounding urban activities.
- 3.9 As noted in paragraph 3.3, Queenstown Airport has experienced a sustained period of passenger growth which is expected to continue for the foreseeable future. It is therefore important that QAC is able to respond to this growth, which in turn, will provide for the social and economic wellbeing of the community through direct and indirect employment opportunities and growth in the tourism market.

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<sup>1</sup> Based projections by Market Economics Limited, set out in the report *Queenstown Airport: Mixed Use Zone, Economic Assessment November 2014*.

- 3.10 QAC has recently undertaken a comprehensive plan change to establish an appropriate management regime for land use around Queenstown Airport while providing for the predicted ongoing growth of the Airport until 2037. This land use management regime implements best practice land use planning in and around airports (as set out in the New Zealand Standard for Airport Noise Management and Land Use Planning NZS6805: 1992), and protects Queenstown Airport from reverse sensitivity effects until 2037.
- 3.11 Given the increasing development pressures experienced in Queenstown, it is essential that any proposed NPS does not undermine this land use management approach.
- 3.12 The Consultation Document on the NPS states that:
- 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.*
- 3.13 QAC considers that the topic of reverse sensitivity is straightforward, and is well understood in law. An NPS which seeks to enable development capacity must also address reverse sensitivity effects.
- 3.14 QAC 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.
- 3.15 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.
- 3.16 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.
- 3.17 QAC considers that the amendments set out in Annexure A are required to ensure that the nationally significant infrastructure at Queenstown Airport is appropriately recognised and provided for in the proposed NPS.
- 3.18 QAC considers that in the absence of amendments to the proposed NPS to address and give effect to the above submission points and those set out in Annexure A:
- 3.18.1 The proposed NPS will not promote the sustainable management or efficient use and development of natural and physical resources;

- 3.18.2 The proposed NPS is not the most appropriate way to achieve the purpose of the RMA, particularly when having regard to the efficiency and effectiveness of the provisions relative to other means;
- 3.18.3 The proposed NPS does not represent sound resource management practice particularly with respect to planning for airports in the Queenstown Lakes District.
- 3.19 QAC's submission is set out in Annexure A, which is attached to and forms part of this submission. Further, QAC has reviewed the draft submission from the NZ Airports Association, notes and agrees with the conclusions it reaches, and endorses the outcomes it seeks.
- 4. QAC seeks the following changes to the proposal:**
- a) That the submission points contained in Section 3 above and **Annexure A** which is attached to and forms part of this submission be accepted, or that the proposed NPS be amended in a similar or such other way as may be appropriate to address QAC's submission points; and,
  - b) Any consequential changes, amendments or decisions that may be required to give effect to the matters raised in QAC's submission.
- 5. QAC wishes to be heard in support of its submission.**
- 6. If others make a similar submission, QAC would be prepared to consider presenting a joint case with them at any hearing.**

Signed:



**Rachel Tregidga**

General Manager Property, Queenstown Airport Corporation

Dated at Queenstown this 15<sup>th</sup> day of July 2016

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# **ANNEXURE A**

Submission Table

Provision	Submission Position	Reason for submission	Relief Sought
<b>3 INTERPRETATION</b>			
<p><b>Development capacity</b> means in relation to residential and business land, the capacity of land for urban development to meet demand, taking into account the following factors:</p> <ul style="list-style-type: none"> <li>the zoning, objectives, policies, rules and overlays that apply to the land; and</li> <li>the provision of adequate infrastructure, existing or likely to exist, to support the development of the land, having regard to— <ul style="list-style-type: none"> <li>the relevant proposed and operative regional policy statements, regional plans and district plans; and</li> <li>any relevant management plans and strategies prepared under other Acts.</li> </ul> </li> </ul>	Oppose and amend	<p>Objective OA1 states:</p> <p><i>To support effective and efficient urban areas that enable people and communities to provide for their social, economic and cultural wellbeing.</i></p> <p>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. 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.</p> <p>The amendments proposed will ensure that reverse sensitivity effects are managed, while providing sufficient development capacity for residential and business demand.</p>	<p>Amend the definition as follows:</p> <p><b>Development capacity</b> means in relation to residential and business land, the capacity of land for urban development to meet demand, taking into account the following factors:</p> <ul style="list-style-type: none"> <li>the zoning, objectives, policies, rules and overlays that apply to the land; and</li> <li>the provision of adequate infrastructure, existing or likely to exist, to support the development of the land, having regard to— <ul style="list-style-type: none"> <li>the relevant proposed and operative regional policy statements, regional plans and district plans; <del>and</del></li> <li>any relevant management plans and strategies prepared under other Acts; <u>and</u></li> <li><u>the need to manage reverse sensitivity effects on significant infrastructure.</u></li> </ul> </li> </ul>
<b>6 POLICIES</b>			
<p><b>PA3</b></p> <p>When considering the effects of urban development, decision-makers must:</p> <ul style="list-style-type: none"> <li>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.</li> <li>Provide sufficient development capacity, whilst maximising the positive effects of development, and minimising the adverse effects of development.</li> <li>Have particular regard to the positive effects of urban development at a national, regional and district scale, as well as its local effects.</li> </ul>	Oppose and amend	<p>Objective OA1 states:</p> <p><i>To support effective and efficient urban areas that enable people and communities to provide for their social, economic and cultural wellbeing.</i></p> <p>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.</p> <p>The amendment proposed will ensure that reverse sensitivity effects are managed, while providing sufficient development capacity for residential and business demand.</p>	<p>Amend the Policy as follows:</p> <p>When considering the effects of urban development, decision-makers must:</p> <ul style="list-style-type: none"> <li>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.</li> <li>Provide sufficient development capacity, whilst maximising the positive effects of development, and minimising the adverse effects of development, <u>including potential reverse sensitivity effects on significant infrastructure.</u></li> <li>Have particular regard to the positive effects of urban development at a national, regional and district scale, as well as its local effects.</li> </ul>
<p><b>PB4</b></p> <p>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.</p>	Oppose and amend	<p>Airports fall under the definition of "infrastructure" in the NPS which includes "transport" and "passenger transport services".</p> <p>QAC supports policy PB4 which requires 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</p>	<p>Amend the Policy as follows:</p> <p>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 <del>as they see fit.</del></p>

		<p>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.</p> <p>QAC also considers that local authorities will need clear guidance from the Ministry as to how local authorities will identify infrastructure providers to consult.</p>	
<p><b>PD2</b></p> <p>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:</p> <ul style="list-style-type: none"> <li>• Changes to plans and regional policy statements, including changes to: <ul style="list-style-type: none"> <li>○ Objectives, policies and rules, zoning and the application of those in both existing urban and undeveloped areas;</li> <li>○ Activity status;</li> <li>○ Provisions about the notification of applications for resource consent;</li> <li>○ Existing overlays, or the introduction of overlays which enable development; and</li> <li>○ Make them simpler to interpret.</li> </ul> </li> <li>• Consenting processes that are customer-focused and coordinated within the local authority; and</li> <li>• In granting consent, the conditions of consent imposed.</li> </ul>	<p>Oppose and amend</p>	<p>Policy PD2 promotes 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.</p> <p>There is a 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.</p> <p>Airport operators need to stay vigilant to applications for consent to establish 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.</p> <p>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. 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 aircraft noise, often take the form of overlays.</p> <p>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</p>	<p>Amend the Policy as follows:</p> <p>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:</p> <ul style="list-style-type: none"> <li>• Changes to plans and regional policy statements, including changes to: <ul style="list-style-type: none"> <li>○ Objectives, policies and rules, zoning and the application of those in both existing urban and undeveloped areas;</li> <li>○ Activity status; <u>and</u></li> <li>○ <del>Provisions about the notification of applications for resource consent;</del></li> <li>○ <del>Existing overlays, or the introduction of overlays which enable development; and</del></li> <li>○ Make them simpler to interpret.</li> </ul> </li> <li>• Consenting processes that are <u>efficient</u> <del>customer-focused</del> and coordinated within the local authority; and</li> <li>• In granting consent, the conditions of consent imposed.</li> </ul>

		<p>suitable for residential uses.</p> <p>QAC also has concerns regarding references to "customer focused" consenting processes in policy PD2. This is an ambiguous term which could be misinterpreted by local authorities. A more appropriate term is "efficient".</p>	
<p><b>PD3</b></p> <p>Local authorities must consider the following responses:</p> <ul style="list-style-type: none"> <li>In the short term, further enable development through customer-focused consenting processes and, where appropriate, amending the relevant plans.</li> <li>In the medium term, amending the relevant plans and policy statements to provide more development capacity.</li> <li>In the long term, providing a broad indication of the location, timing and sequencing of development capacity in order to demonstrate that it will be sufficient</li> </ul>	Oppose and amend	<p>QAC also has concerns regarding references to "customer focused" consenting processes in policy PD3. This is an ambiguous term which could be misinterpreted by local authorities. A more appropriate term is "efficient".</p>	<p>Amend the Policy as follows:</p> <p>Local authorities must consider the following responses:</p> <ul style="list-style-type: none"> <li>In the short term, further enable development through <u>efficient</u> <del>customer-focused</del> consenting processes and, where appropriate, amending the relevant plans.</li> <li>In the medium term, amending the relevant plans and policy statements to provide more development capacity.</li> <li>In the long term, providing a broad indication of the location, timing and sequencing of development capacity in order to demonstrate that it will be sufficient</li> </ul>
<p><b>PD9</b></p> <p>In developing this strategy, local authorities must:</p> <ul style="list-style-type: none"> <li>Be informed by the Housing Assessment and Business Land Assessment required under policy PB1;</li> <li>Take into account the views of infrastructure providers, land owners, the property development sector and any other stakeholders as they see fit; and</li> <li>Have particular regard to policy PA1.</li> </ul>	Oppose and amend	<p>Airports fall under the definition of "infrastructure" in the NPS which includes "transport" and "passenger transport services".</p> <p>QAC supports policy PD9 which requires 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.</p> <p>QAC also considers that local authorities will need clear guidance from the Ministry as to how local authorities will identify infrastructure providers to consult.</p>	<p><b>PD9</b></p> <p>In developing this strategy, local authorities must:</p> <ul style="list-style-type: none"> <li>Be informed by the Housing Assessment and Business Land Assessment required under policy PB1;</li> <li><u>Consult with and Take</u> into account the views of infrastructure providers, land owners, the property development sector and any other stakeholders <del>as they see fit</del>; and</li> <li>Have particular regard to policy PA1.</li> </ul>