

**Before the Queenstown Lakes District Council**

In the Matter of                    the Resource Management Act 1991

And

In the Matter of                    the Queenstown Lakes Proposed District Plan

**Queenstown and Environs Planning Maps  
(Hearing Stream 13)**

**Evidence of Rachel Tregidga for  
Queenstown Airport Corporation Limited  
(Submitter 433 and Further Submitter  
1340)**

Dated: 9 June 2017

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## INTRODUCTION

1. My name is Rachel Tregidga. I am the General Manager of Property for Queenstown Airport Corporation Limited (**QAC**) and am authorised to give evidence on the company's behalf.
2. I have held the position of General Manager of Property at QAC since August 2015.
3. I hold a Bachelor of Arts, Bachelor of Commerce, and Diploma in Commerce from the University of Auckland. I have worked in the property field in New Zealand and the United Kingdom for 20 years.

## SCOPE OF EVIDENCE

4. QAC has lodged a number of further submissions in respect of various rezoning requests relating to land around Queenstown Airport, and also in respect of Queenstown Hill. In this evidence I will explain the context and reasons for QAC's further submissions. In particular, I will:
  - (a) Briefly describe Queenstown Airport;<sup>1</sup>
  - (b) Provide an update on current and forecast passenger numbers;
  - (c) Provide an update on QAC's current key projects;
  - (d) Briefly describe QAC's submission on the Proposed District Plan (**Proposed Plan**) (as relevant to this hearing);
  - (e) Provide an overview of the measures adopted by QAC to manage its noise footprint;
  - (f) Detail some of the recent complaints received by QAC about aircraft noise;
  - (g) Describe alternative locations that have been considered for Queenstown Airport;

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<sup>1</sup> Refer to QAC's previous evidence for a full description.

- (h) Briefly address the Submission 393, which seeks land on Queenstown Hill be rezoned to enable the establishment of an airport; and
  - (i) Describe the formulation of PC35 and its relationship to QAC's further submissions on the Proposed Plan.
5. Additionally, I note that Mr Edghill, then the Acting Chief Executive of QAC, gave evidence for QAC in relation to Hearing Stream 1B (Chapters 3, 4 and 6 of the Proposed District Plan), in which he:
- (a) Provided an overview of QAC;
  - (b) Detailed the statutory framework within which QAC operates, and its 2016-2018 Statement of Intent;
  - (c) Described the history of Queenstown Airport;
  - (d) Described QAC's landholdings;
  - (e) Detailed QAC's operations, projects and growth;
  - (f) Detailed QAC's economic contribution to the District;
  - (g) Briefly addressed QAC's role in managing Wanaka Airport on behalf of the Queenstown Lakes District Council (**QLDC**).
6. To the extent that Mr Edghill's evidence is relevant, I adopt it for the purposes of this hearing.
7. I also previously gave evidence in relation to Hearing Stream 8 (Chapter 17 of the Proposed District Plan), in which I:
- (a) provided an overview of QAC's 2017-2019 Statement of Intent;
  - (b) provided an update on QAC's growth and projects current at that time;
  - (c) commented on the range of activities anticipated to be undertaken at Queenstown and Wanaka Airports in the foreseeable future, and sought to be enabled by the Airports' zonings; and
  - (d) described the nature and size of tenancies at Wanaka Airport.

8. To the extent that it is relevant, I also adopt my previous evidence for the purposes of this hearing.

### **Queenstown Airport**

9. As New Zealand's fourth busiest airport by passenger numbers, Queenstown Airport's continuing growth and profitability have made it a strategic national asset and key driver of the region's tourism industry and broader economy.
10. The Airport is New Zealand's busiest helicopter port. Private jets are also a growing market, both short and long haul, with aircraft now flying direct from North Asia and the West Coast of the United States.
11. As at June 2016, QAC's land, land improvements and buildings were valued at \$231 million.
12. According to the NZ Institute of Economic Research (**NZIER**), the economic impact of Queenstown Airport visitors' spending in the Otago region in 2015 was estimated to be \$1.6 billion. Economic benefits for both New Zealand and the region are expected to increase significantly over the next 20 years in line with forecast passenger growth.

### **Current and Forecast Passenger Numbers**

13. The Airport welcomed a total of 1.86 million passengers in the 12 months ending April 2017, an increase of 15% compared to the previous 12 months.
14. Domestic passenger numbers grew strongly by 16% to 1,330,885 over this same period. These figures include a significant number of international passengers travelling from New Zealand domestic ports through to Queenstown.
15. International passenger traffic rose 12.7% to 527,191.
16. The mix of passengers between domestic and international flights is now approximately 70% domestic and 30% international (again noting that a significant number of international visitors travel to Queenstown on domestic flights).

17. Month on month growth in passenger numbers has been sustained for a significant period of time and is predicted to continue for the foreseeable future.
18. Passenger numbers have increased by 38% in the last three years alone.
19. Current demand forecasts predict that annual passenger numbers have the potential to increase from 1.8 million in 2017 to 3.2 million by 2025. As stated previously, QAC is mindful that it needs to manage this growth sustainably and in line with key stakeholder and community expectations.

## **Key Projects**

### *After Dark Flights*

20. After dark flights commenced in winter last year, following the completion of the required infrastructure upgrades (runway widening, resurfacing and airfield lighting).
21. Qantas and Virgin Australia are currently in the final stages of their regulatory approvals process to operate after-dark flights, following which they will join Air New Zealand and Jetstar in providing evening flights to and from Queenstown, collectively providing local, domestic and trans-Tasman travellers with more flexibility and choice.
22. As noted previously, after-dark flights enhance Queenstown Airport's potential as an international airport and provide better utilisation of infrastructure by doubling winter operational hours within the consented window and allowing the spreading of peak loads. The Airport has also moved to a double shift model which has created new employment opportunities.
23. Since the commencement of evening flights the Airport community has grown from 350 to 600 people.
24. The addition of after dark flights has also aided the increase of passenger numbers across all months.

### *Runway Grooving*

25. A \$750,000 project to apply grooves to the main runway was completed in mid-April, providing more operational resilience by improving the surface friction for aircraft landing in wet weather. The grooving was the final stage of a \$20 million airfield upgrade completed over the past year to introduce after-dark flights, and is part of QAC's ongoing commitment to ensuring the Airport is as safe, reliable and efficient as possible in all weather conditions.

### *Winter Measures*

26. This year, QAC purchased a runway sweeper, which is due to arrive in Queenstown mid to late June. This sweeper is designed to clear the runway of snow (230,000m<sup>2</sup> of surface area per hour, with the Airport's main runway being 85,000m<sup>2</sup>), to enable the Airport to continue to operate efficiently during periods of snow.
27. Additionally, new de-icing treatments for the runway and footpaths around the terminal have been introduced to further ensure efficient operations over winter.

### *Car Parking and Traffic Flow Management*

28. QAC has invested over \$3.5m in the past 18 months in a programme to improve traffic flow and increase car parking for visitors, airport staff and the broader community. Completed works include the establishment of approximately 10% more public parking spaces and 26% more staff parking spaces.
29. The current programme of work underway and due to be completed before 30 June when the peak winter season commences, includes improved storm-water measures and draining in flood prone areas; construction of a new roundabout inside the Airport entrance; a new and expanded coach park area; improved equipment and enhanced car parking technology; an enhanced wayfinding package and the reinstatement of the 2 minute public drop off areas outside the terminal. In addition, a new park and ride offering will be introduced at the end of June.

30. Together these measures will improve visitor experience, while ensuring that the Airport can continue to accommodate increasing passenger numbers, particularly during the busy months.
31. The car parking works are a critical part of the Airport's short and long term growth plans.

#### *Implementation of PC35 Mitigation Package*

32. QAC continues to implement the noise mitigation package to affected properties within the Airport's noise boundaries, as required under its Designation associated with PC35.
33. All properties that were predicted by modelling to be exposed to noise levels of 65 dB L<sub>dn</sub> in 2020 have been offered the full noise mitigation package (comprising mechanical ventilation and noise insulation), and all physical works will be completed for these properties by early next year.
34. QAC will continue to offer and install the mitigation package for the remaining properties in annual or two yearly tranches, to ensure all properties within the Airport's noise boundaries are appropriately mitigated to provide the agreed indoor noise environment.

#### *Designation and Acquisition of "Lot 6"*

35. The designation and acquisition of part of Lot 6 continues to be a priority for QAC, and is necessary to optimise airfield operations, allowing the positioning of a parallel taxiway and relocation of the existing general aviation precinct away from scheduled operations and enabling additional apron capacity for scheduled operations.
36. In March this year the Environment Court issued its final decision on the notice of requirement for the designation, which confirmed the designation sought by QAC.<sup>2</sup> RPL has appealed this decision to the High Court.

#### *Master Plan*

37. As explained in previous evidence, QAC has commissioned master planning work for the Airport which takes a 30 year planning horizon. Once finalised

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<sup>2</sup> [2017] NZEnvC 46.

and adopted by QAC, the master plan will provide QAC with a road map to implement airport developments that continue to serve the local community and region and deliver a unique visitor experience, maximise asset value, and generate sustainable growth in returns and value to the community and QAC's partners.

38. QAC has used four guiding principles for the development of this master plan. These are "Sustainable"; "Adaptable"; "Affordable" and "Memorable". QAC anticipates engaging with the community on the draft master plan options later this year.
39. Somewhat related to this are the current passenger growth forecasts discussed earlier in this evidence. QAC is reviewing the current noise contours in relation to these forecasts, and will progress changes to the noise planning framework, if required, in due course.

#### **QAC's Further Submission in Respect of Rezoning Requests**

40. Against the backdrop of QAC's significant contribution to the region's economy and its significant investment in infrastructure and related projects and upgrades, as described above, QAC opposes numerous rezoning requests relating to land around the Airport, where they give rise to potential reverse sensitivity effects on the Airport, and where QAC believes that establishment of activities sensitive to aircraft noise will be detrimental to future occupants.
41. Firstly, to address "reverse sensitivity". I understand "reverse sensitivity" is a legal or planning term that describes the impacts of newer land uses on established, existing lawful activities, where those newer uses may have the effect of limiting the ability of the existing activity to continue to operate.
42. In an airport context, I understand that a reverse sensitivity effect can arise if an airport operator is required to curtail its activities in response to complaints from the community, for example.
43. Secondly, QAC genuinely wants to protect its neighbouring communities. By their very nature, residential and other activities sensitive to aircraft noise do not complement each other. As such, QAC has a strong desire to ensure that it does not encourage or support these types of land uses to develop

close to the Airport, where detrimental effects may develop over the longer term.

44. Given Queenstown Airport's significant contribution to the region's economy, and its location in what has or is proposed to become, at least in part, a residential area, this potential issue is of real concern to QAC.
45. For this reason and on the advice of its expert consultants and advisors, QAC generally opposes any submissions that seek the rezoning of land to enable the establishment of noise sensitive activities in close proximity to the Airport.
46. Its opposition to such uses within the Airport's noise boundaries (OCB and ANB) is predicated on and consistent with the New Zealand Airport Noise Management and Land Use Planning Standard, NZS 6805, and PC35. I understand Mr Day and Mr Kyle will address these in further detail.
47. QAC's further submissions also address land located outside the Airport's noise boundaries, because aircraft noise can be experienced beyond the noise boundaries. Additionally, current and future demand forecasts indicate the potential for a significant increase in passenger numbers in the future. QAC considers it would be irresponsible if it did not bring this to the Panel's attention, to be factored in to the formulation of the Proposed Plan, given it is a long term, forward looking planning exercise.

#### **Measures Adopted by QAC to Manage its Noise Footprint**

48. QAC manages aircraft operations so as to ensure that the community does not experience unreasonable levels of aircraft noise.
49. The measures adopted by QAC, and in accordance with its obligations under Designation 2 and the RMA, include:
  - (a) managing operations so that aircraft noise complies with the Airport's OCB and ANB;
  - (b) Offering, funding (in full or part) and installing a noise mitigation package, comprising noise insulation and/or mechanical ventilation, so as to achieve an acceptable indoor noise level (40 dB  $L_{dn}$ ) for those properties likely to be exposed to noise levels of 60dB $L_{dn}$  or greater, based on the PC35 noise predictions. The extent of funding

depends on the level of noise likely to be experienced at the relevant property;

- (c) Adopting and acting in accordance with QAC's Noise Management Plan;
  - (d) Convening and funding the Queenstown Airport Liaison Committee, which functions as a forum and interface between the Airport, the community and other stakeholders in respect of noise related issues;
  - (e) Restricting aircraft engine testing;
  - (f) Adopting a protocol for recording, investigating, responding to and reporting on any noise complaints;
  - (g) Encouraging the adoption of considerate flying practices by users of the Airport, particularly for helicopters and general aviation (subject to CAA rules and other safety procedures);
  - (h) Producing "Compliance Contours" annually to measure actual aircraft noise against permitted noise levels.
50. In addition, QAC actively engages with neighbouring community groups on issues those communities face in relation to airport operations.
51. QAC undertakes a monitoring programme every three years to measure actual aircraft noise. This monitors the noise created as compared with noise permitted under the Airport's noise boundaries. The resulting contours are referred to as "Compliance Contours". The Compliance Contours for 2016 are currently being prepared and initial indications are that QAC will likely reach the noise levels represented by the PC35 noise boundaries prior to 2037, that being the planning horizon for these boundaries.

### **Complaints**

52. Notwithstanding the measures described in the previous section, QAC does receive complaints about aircraft noise.
53. A summary of complaints made to QAC over the previous year indicates that complaints have been received from residents living on the Frankton

Arm, in Glenorchy and in Quail Rise. The Frankton Arm area is located inside the OCB, whereas the Glenorchy and Quail Rise residents are located outside the OCB. The majority of complaints received from Frankton Arm residents pertain to low flying helicopters, while the majority of complaints received from both Quail Rise and Glenorchy residents relate to small fixed wing aircraft.

### **Alternative Sites**

54. It has been queried from time to time whether the Airport is appropriately located, given its proximity to urban and in particular residential development, and the apparent scarcity of flat land in and around Queenstown that is suitable for urban development.
55. Mr Edghill has previously described the history of Queenstown Airport at its present Frankton Flats site, and has explained that the Airport has been operating since 1935, with regular commercial activities, including scheduled services, since the 1950s.<sup>3</sup>
56. It is also of some relevance that the suitability of the current Airport site has been investigated by various parties on a number of occasions over the years.
57. For example, in 1995, an Alternative Sites Study was completed for QAC by AirPlan (now AirBiz). The Study investigated twelve sites, which were then reduced to a short list of four, being Jardines, Queenstown Hill, Cromwell Terraces and Wanaka, in addition to the existing site at Frankton. The Study confirmed that the Frankton location was the only practical site in that it offered the appropriate aeronautical and meteorological requirements for an airport, could support trans-Tasman flights; was close to Queenstown; and was an already an existing major airport.
58. In addition to (and shortly after) the AirPlan study, the Council also embarked on a detailed study, with public input, of development options for the Frankton area. This resulted in the 'Frankton Development Strategy' which documented planning proposals for growth and development in the

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<sup>3</sup> Mark Edghill's evidence, dated 29 February 2016, at paragraphs 2.9 – 2.22.

Frankton area. The Frankton Development Strategy confirmed the existing location of the Airport as the most appropriate.

59. As part of the current master planning exercise, a siting study was undertaken to identify any sites within a 1.5 to 2 hour driving radius from Queenstown Airport that could either replicate or complement the existing airport. The study identified any sites which met aeronautical requirements in the first instance, which were then also assessed for surface access, landside and commercial opportunity, and environmental and or heritage impacts.
60. The results of this siting study were that the existing location of Queenstown Airport is the preferred location for providing additional growth, and that Wanaka Airport should be evaluated further for its capability of providing a complementary site to realise part of the growth.

#### **Queenstown Hill AMUZ (Submission 393)**

61. QAC has read and does not support the proposal to establish an Airport Mixed Use Zone on Queenstown Hill (submission 393). The detail provided in the submission is inadequate to ascertain with any certainty what is proposed and how it might relate to or interplay with operations at Queenstown Airport, and at the time of writing this evidence, no further information has been made available by the submitter.
62. It is noted that any establishment of an aerodrome would require CAA acceptance of a comprehensive risk based aeronautical study. In addition, key criteria for evaluating a site should include airfield requirements (runway length, orientation, and obstacle limitation surfaces); core utilities and infrastructure services; supporting community for workforce and accommodation requirements; surface access requirements; environmental and heritage considerations, and the site's ability to accommodate supporting landside facilities.

### **PC35 and the Proposed District Plan**

63. As noted earlier in this evidence, via its further submissions QAC opposes any provision for new (including intensification of) noise sensitive activities within the Airport's noise boundaries, where the proposed use is inconsistent the land use approach adopted in PC35.
64. The background to PC35 is therefore of some relevance and is now summarised. I note that I was not employed by QAC when PC35 was formulated, and what I set out below is taken from QAC's records.
65. In 2003, QAC engaged aviation consultants, AirBiz, to prepare a master plan for the Airport to forecast and provide for the expansion and growth of the Airport until the year 2023. This was completed in 2005. The primary goal of this masterplan was to provide QAC with a framework to allow the orderly development of the Airport for the next 20 years. However, after the master plan was completed it soon became apparent that the growth assumptions it relied on were inadequate and the master plan did not provide for the actual growth that was occurring. Therefore, in 2008 the master plan was updated based on revised growth projections out to 2037. Possible future noise levels, based on the 2037 growth projections, were modelled by Marshall Day, who then prepared a revised set of air noise contours and associated air noise boundaries for inclusion in the District Plan. These revised air noise boundaries formed the basis of PC35 and the associated NOR.
66. In developing PC35 and the associated NOR, QAC and its consultants were cognisant of the impact airport operations have on Frankton residents and endeavoured to strike an appropriate balance between economic drivers of the Airport and community needs.
67. For example, at the time PC35 was promulgated, complaints about noise from scheduled and sight-seeing aircraft and helicopters had been received from Glenda Drive custodial residents and residents from the Lake Hayes area. The Glenda Drive area is located outside the OCB but under the crosswind runway flight path, while Lake Hayes (which is also outside the OCB) is exposed to the RNP flight track used by jets.
68. In consideration of the location of complaints, the approach taken at Christchurch International Airport was considered for Queenstown Airport,

but ultimately not taken forward. Christchurch Airport has an OCB based on the 50dB Ldn contour.

69. QAC decided to retain an OCB based on the 55dB Ldn contour, continuing to adopt the approach recommended by NZS 6805. This decision was made because much of the undeveloped land beyond the 55dB Ldn contour was zoned for rural purposes, meaning it would need to be rezoned (via a plan change) before noise sensitive uses could be established. Any such rezoning request for an urban purpose could therefore be assessed by QAC (and opposed if necessary) on a case by case basis.
70. The approach adopted by QAC in respect of the Proposed District Plan is consistent with the approach adopted for PC35, as described above. In opposing rezoning requests that seek to enable noise sensitive activities within the Airport's noise boundaries, QAC is adhering to the approach recommended by NZS 6805 and adopted in PC35. For the rezoning requests opposed by QAC that relate to land located outside the Airport's noise boundaries, that land is (mostly) rural, and QAC has therefore adopted a 'case by case' approach referred to in the preceding paragraph, while being mindful of the long-term and forward looking nature of the Proposed Plan, and the Airport's current passenger forecasts.

### **Conclusion**

71. In conclusion, it is noted again that QAC recognises its role in the community and its contribution to the economy. It also recognises that the nature of aircraft operations is that they create noise, which impacts on those living in the vicinity of the Airport. QAC wants to be a good neighbour to those residents and businesses living and operating around the Airport.
72. As a result, QAC's opposition to these rezoning requests is about ensuring that as the Airport grows, new activities sensitive to aircraft noise are not established in close proximity to the Airport, as this will inevitably result in a greater number of people potentially impacted by aircraft noise.

**R Tregidga**

**June 2017**