

BARNZ (#271)

**IN THE MATTER** of the Resource Management Act 1991

**AND**

**IN THE MATTER** of the Proposed Queenstown Lakes District  
Council District Plan ("District Plan")

**AND**

**IN THE MATTER** of submissions and further submissions by  
**BOARD OF AIRLINE REPRESENTATIVES  
NEW ZEALAND INC** ("BARNZ"):

S271.11 - 14

S271.18

FS 1077 to S433.60.

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**STATEMENT OF EVIDENCE OF JOHN BECKETT ON BEHALF OF BARNZ  
FOR HEARINGS ON TOPIC 06 - CHAPTER 7 (CORPORATE)**

**30 SEPTEMBER 2016**

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## 1. QUALIFICATIONS AND EXPERIENCE

- 1.1 My name is John Beckett. I am the Executive Director of the Board of Airline Representatives of New Zealand Inc ("BARNZ"). I am authorised to give this evidence on behalf of BARNZ.
- 1.2 I hold a Bachelor of Engineering degree from Auckland University and a Master of Philosophy degree in Management Studies from Oxford University.
- 1.3 I have been the Executive Director of BARNZ for eight years. Prior to this I worked as an economic consultant for a number of years for NZIER and Castalia. Previously during my career I have worked for the Government for ten years in various roles including in the Prime Minister's Department where I was responsible for transport policy and in the Ministry of Transport as the Assistant Secretary with responsibility for policy across air, land and sea. I also spent a considerable part of my career as a senior executive with the Dairy Board.

## 2. EXPLANATION OF BARNZ

- 2.1 BARNZ is an incorporated society comprising 25 member airlines operating scheduled international and domestic services, to, from and within New Zealand. Its members are:

Full membership:

<i>American Airlines</i>	<i>Air Calin</i>
<i>Air China</i>	<i>Air New Zealand (Group)</i>
<i>Fiji Airways</i>	<i>Airwork</i>
<i>Air Tahiti Nui</i>	<i>Air Vanuatu</i>
<i>Cathay Pacific Airways</i>	<i>China Airlines</i>
<i>China Eastern</i>	<i>China Southern</i>
<i>Emirates</i>	<i>Fieldair</i>
<i>Korean Air</i>	<i>LAN Airlines</i>
<i>Malaysia Airlines</i>	<i>Philippine Airways</i>
<i>Qantas Airways (incl Jetstar)</i>	<i>Singapore Airlines</i>
<i>Tasman Cargo Airlines</i>	<i>Thai Airways International</i>
<i>United Airlines</i>	<i>Virgin Australia</i>

Associate membership:

*Menzies Aviation (NZ) Ltd*

- 2.2 The objectives of BARNZ include:
- (a) the establishment of a recognised means of communication between member airlines, on the one hand, and other bodies whose interests or actions affect member airlines and the aviation industry, on the other hand;
  - (b) representation of members on matters affecting their common interests;
  - (c) determining the position of members on legislative, judicial and administrative actions affecting the provision of air services and the representation of member airlines before decision-making bodies.
- 2.3 BARNZ represents the airlines, and works with the airports and local and regional councils throughout New Zealand. This work includes a focus on reverse sensitivity issues and the safe and efficient operation of airline services.
- 2.4 BARNZ has a particular longstanding interest in ensuring that any Resource Management Act decision making process which may affect airports and airline operations is consistent with relevant statutory planning protection for airports as significant infrastructure which is vital to the well-being of people and communities. Where an airport is affected by additional planning restrictions this can have consequential impacts for airlines through reduced availability and increased landing charges.
- 2.5 In the case of the Queenstown Airport and in the context of reverse sensitivity, the organisation's particular interests are with ensuring that the Airport's operations are protected from reverse sensitivity effects which may result from inappropriate intensification of urban development around the Airport and its flight paths.
- 2.6 Where there are a limited number of airlines operating to an airport it is not unusual for, typically, the home carrier to take a lead on planning issues. For that reason, Air New Zealand was directly

involved in making submissions and appearing before the hearings committee (and Environment Court) on Plan Changes 19 and 35. However, with the increased volume of flights and passengers since that time, the anticipated increase in movements as a result of the introduction of flights until 10pm and the planning horizon of the district plan review, BARNZ considered it appropriate for it to be directly involved representing its members in the Proposed Plan Review.

### **3. SCOPE OF EVIDENCE**

3.1 This evidence is presented in the context of Topics 04 and 06 and BARNZ's submissions and further submissions on Chapter 7 and Chapter 27.<sup>1</sup> The provisions of Chapters 7 and 27 of the Plan are particularly relevant to ensuring the continued operation and future growth of Queenstown Airport is appropriately managed.

3.2 My evidence will address the following matters relevant to the Plan:

- (a) The importance of Queenstown Airport to the economic well-being and growth of the Queenstown district, the region and economy;
- (b) The importance of the planning provisions protecting significant infrastructure such as the Airport from reverse sensitivity effects and the appropriate management of effects of noise on communities; and
- (c) BARNZ's overall position on the Plan with specific reference to the Chapter 7 and Chapter 27 provisions as they relate to the Airport.

### **4. IMPORTANCE OF QUEENSTOWN AIRPORT**

4.1 Queenstown Airport is the main airport serving the Queenstown Lakes District and to a large extent is the gateway to the southern South

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<sup>1</sup> QAC's submissions on minimum lot size for Chapter 27 are the subject of a minute of the Panel dated 22 September 2016 which deferred QAC's submissions to Hearing Stream 6 as those submissions are not addressed by the s42A report. As BARNZ's submissions mirror QAC's submissions, they are also addressed as part of Hearing Stream 6.

Island for a substantial number of tourists. It accommodates over 1.4 million passengers each year, and is New Zealand's fourth largest airport. I understand that options for relocating the airport have been investigated in the past and rejected on the basis that the present site is the optimal location.

- 4.2 Queenstown Airport has experienced exponential growth over the last ten years and in the period between 2011 and 2015 had the highest percent compound annual growth rate for long haul passengers of any New Zealand airport.<sup>2</sup> International passenger volumes have increased ten-fold from 39,000 passengers in 2005 to 398,000 in 2015. Domestic passenger volumes have also increased significantly, nearly doubling in the last ten years from 570,000 in 2005 to 1,000,000 in 2015. These passengers travel on some 5,700 aircraft movements a year. More than 350 people work at the Airport at over 60 different businesses.
- 4.3 This activity significantly enables the tourism and ski field markets in Queenstown Lakes District, and therefore makes a critical contribution to the Queenstown regional economy. The New Zealand Airports Association has commissioned economic work which estimated that the annual economic benefit to the region enabled by the airport amounts to \$275m.
- 4.4 These figures by themselves demonstrate how important it is to the regional economy that Queenstown Airport operates efficiently. In order to safeguard the Airport's operations, there should be as few restrictions on aircraft operations as are compatible with other activities taking place in Queenstown. The Queenstown Lakes District Council's efficient stewardship of this important asset is therefore critical. Risks to the efficient operation of the airport are increased when more people are exposed to aircraft noise, as I discuss below.

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<sup>2</sup> This excludes domestic, Australia and Pacific Islands. For short haul visitor demand Queenstown Airport had the third highest percent compound annual growth rate. Source: Ailevon Pacific Aviation Consulting, July 2016 "Wellington International Airport Passenger Forecasts Review".

## 5. REVERSE SENSITIVITY EFFECTS

- 5.1 Reverse sensitivity is the term used to refer to the effects of the existence of an activity on other activities in their vicinity, e.g. the noise generated by airport operations on activities sensitive to airport noise.
- 5.2 When new noise sensitive activities are established in an existing airport area, the people affected, but not directly associated with the activity, may complain about aircraft noise, even though they and the developers of the properties may have always known that the property is subject to aircraft noise.
- 5.3 In BARNZ's view the Queenstown Lakes District Council needs to ensure that the Proposed District Plan balances the needs of that part of the community affected by aircraft noise with the continued efficient operation of the Airport. In particular, BARNZ made submissions on Chapters 3 and 4 seeking that the Plan provide greater recognition of, and protection of the airport from, reverse sensitivity.<sup>3</sup> In relation to Chapters 7 and 27 it sought, among other things, the retention of rule 7.4.11<sup>4</sup> which limits an increase in the numbers of people exposed to noise in the ANB, and that within the ANB and OCB, consistent with PC35, the Plan implement;
- (a) A density control of 1 residential unit per 450m<sup>2</sup>;<sup>5</sup> and
  - (b) A minimum lot size of 600m<sup>2</sup>.<sup>6</sup>
- 5.4 It is extremely important that the Plan recognises the strategic importance of the Airport and protects it as a strategically important piece of infrastructure, including expressly avoiding new incompatible activities locating around the airport which would cause or increase the possibility of reverse sensitivity issues.
- 5.5 It is self-evident that the economic activity associated with the airport that I have referred to is directly related to and depends on the operation of aircraft flying into and out of the Airport. Aircraft

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<sup>3</sup> Refer to BARNZ's submissions and further submissions on Chapters 3 and 4

<sup>4</sup> Submission #271.11

<sup>5</sup> Submission #271.14

<sup>6</sup> Submission #271.18

operations and the movement of passengers and freight by air are the reason for the Airport's existence and the source of the local, regional and national benefits that the airport provides. Anything that may adversely affect aircraft activity at the Airport directly affects the activities of the members of BARNZ, as well as the community. Restrictions on the activities of the airlines will in turn adversely affect those businesses and jobs which rely on the passengers using flights to and from the airport.

- 5.6 Over the last 10 years airlines have invested in new operating technologies and quieter aircraft. Aircraft manufacturers are required by the International Civil Aviation Organisation standards and the airlines to achieve increasingly quieter aircraft specifications to ensure reductions in noise. In addition, Queenstown Airport is developing noise mitigation packages (insulation and ventilation treatment) for qualifying properties in the Air Noise Boundary. These costs are borne by Queenstown Airport in the first instance and are subsequently passed to the airlines via airport charges.
- 5.7 Inappropriate urban development (such as intensification of existing urban development) near to an airport creates or exacerbates the potential for reverse sensitivity effects on the airport. International experience, as well as experience in New Zealand, has shown that the higher the density of residential accommodation and activities sensitive to aircraft noise around an airport, the greater the pressures are for curtailed operations.
- 5.8 The potential implications of reverse sensitivity cannot be understated. The establishment of noise sensitive activities in the vicinity of airports has the potential to create, and indeed already in some other locations has created, pressure for limits on airport activity including curfews and operational restrictions. Such restrictions already exist at Queenstown, with flights restricted between 10pm and 6am, at Wellington (night time restrictions) and at other airports around the world (for example, Sydney and Heathrow).
- 5.9 If new, more onerous restrictions were to be introduced affecting aircraft operations, there would be substantial implications for regional

and national tourism and commerce. These would likely range from reduction in passenger and freight capacity through to higher passenger fares and freight charges and the possible creation of stranded airport assets as airlines seek to mitigate the effects of increased costs.

5.10 Moreover, while such controls are usually referred to in planning documents as being controls relating to the airport, these restrictions are in fact imposed on airlines as the operators of aircraft using the airport. The airlines are affected by such controls as they have to bear the consequences and costs of these restrictions, for example:

- (a) Through greater flying times;
- (b) Through scheduled changes that can severely impact on the efficient use of aircraft, given the need for Queenstown to fit in with available departure and arrival times at major airports around Australia;
- (c) Through increased landing charges.

5.11 From BARNZ's perspective it is vital that this risk is well managed by including provisions in the Plan that recognise and expressly prevent the development or intensification of conflicting sensitive land uses near such significant infrastructure.

5.12 Because the long term viability and efficiency of airports can be compromised by operational restrictions, the way in which noise issues are managed has been thoroughly addressed in a specific New Zealand Standard: NZS6805: 1992 Aircraft Noise Management and Land Use Planning ("NZS6805"). This is addressed in more detail in the evidence of Mr Morgan.

5.13 It has been argued that NZS6805 provides appropriate scope to acknowledge that in some cases both existing development and other resource demands mean the 'ideal' of physical separation between land uses and airport activities is not always either possible or practical. I acknowledge that the ability to physically separate land use activities and airport activities is not practical with respect to

existing uses but I do not accept that it is inappropriate to restrict the development of new ASAN, particularly in the ANB, which is extremely close to the runway.

- 5.14 Throughout New Zealand airports, BARNZ advocates for the application of a consistent approach to the planning provisions based on NZS6805 for the management of new ASAN.
- 5.15 Most recently BARNZ has participated in the hearings on the Proposed Auckland Unitary Plan. The outcome of that process was the prohibition of new ASAN within the ANB equivalent and restrictions on increased density in the 65-60dBA aircraft noise area coupled with requirements for new homes to be appropriately acoustically insulated and treated. This approach was recently confirmed by decisions of the Auckland Council (upholding the Panel's recommendations and with no appeals filed). Like Queenstown, Auckland has some existing residential activities located within the ANB equivalent and a large number of potentially sub-divisible properties in the 60-65dBA area. Nevertheless, despite the presence of these existing houses in the ANB equivalent, the Hearings Panel recognised the inappropriateness of further intensification and so recommended prohibiting new ASAN within the ANB equivalent, which recommendation was, as I noted above, adopted by the Council.
- 5.16 The need to restrict new ASAN within the OCB, and particularly the ANB has been reinforced through BARNZ's experiences around New Zealand, some of which I address below.
- (a) Opposition to the Central Gardens Limited proposal to develop 349 household units on sites located in the 65dbA (ANB equivalent) and 65- 60dbA in Manukau City, Auckland: This proposal, which was assessed as a non-complying activity, was granted by the Council but was ultimately declined by the Environment Court in 2003.<sup>7</sup> BARNZ worked with the Airport and provided evidence in support of Auckland International Airport Limited's case.

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<sup>7</sup> *Independent News Auckland Limited v Manukau City Council* (2003) 10 ELRNZ 16

- (b) The redevelopment of the former Carter Holt Harvey Limited site at Te Irirangi Drive, Manukau, as an Auckland University of Technology campus (almost entirely within the operative ANB equivalent area): BARNZ's involvement arose as a result of an initial application for consent that was considered without sufficient reference to Airport noise, and then a subsequent NOR for expansion where again inadequate consideration of reverse sensitivity effects occurred, although on the second occasion the Council supported the concerns of the Airport and BARNZ.
- (c) The development of Flatbush, Auckland (within the 65-60dBA air noise boundary): This was a plan change for the rezoning and release of land for development in Flat Bush. In 2012 BARNZ and Auckland International Airport Limited ("AIAL") appealed the Council's decision to include provision for "possible school sites" within the 65-60dBA as part of the plan change. After a lengthy process, the Environment Court issued a consent order amending the plan to alter the relevant map and to reflect the agreement of the parties that the Minister of Education would consult with BARNZ and AIAL regarding the future location of new schools in the Flat Bush area.
- (d) Opposition to the construction of an infill dwelling adjacent to Wellington Airport (within the Air Noise Boundary): In this case, BARNZ was involved in seeking a review of the Wellington City Council decision to grant consent for subdivision of a property adjacent to the runway even though the Airport had a concurrent programme to purchase houses along the airfield side of that street with the intention to demolish them. Unfortunately by the time BARNZ became aware of the grant of consent, a second dwelling had been built on the site. The two properties were subsequently purchased by the Airport for \$455,000 for the original house and \$501,000 for the new dwelling. Similar sites with single dwellings were purchased for between \$580,000 and

\$600,000. Overall, I estimate that the additional cost of the grant of consent was approximately \$350,000. As the dwelling was demolished, this was an unnecessary cost.

- 5.17 All of the situations described are illustrative of situations in which development or proposed development proximate to the Airport (within the ANB or OCB or airport equivalent) has resulted in significant costs to BARNZ (and the airport in question) to ensure the long term protection of the Airport's operations. These costs have included internal costs of participation, legal costs and expenses associated with technical advice. There are other direct costs associated with mitigating noise effects, for example through the provision of acoustic treatment to schools and owners of buildings containing ASAN. Such costs are ultimately met through landing charges levied on airlines. Queenstown Airport sets its charges every five years by forecasting the costs likely to be incurred, and the return required on any capital investment. Noise mitigation costs, the costs of operating the Queenstown Airport Liaison Committee and the noise complaints process are all included in aeronautical operating costs or aeronautical assets which are in turn included in the cost and asset base on which charges are set by the Airport and paid by airlines operating into Queenstown Airport.
- 5.18 Of even more significant consequence are the potential outcomes of not appropriately protecting the airport from reverse sensitivity effects through the creation of a risk of future restrictions on the scheduling of flights through limited hours of operation and limited numbers of flights, as I have already discussed.
- 5.19 In my view, the development of a new plan for Queenstown is an opportunity to ensure that good planning limits the potential for reverse sensitivity effects and the types of inappropriate developments referred to above, in a manner that is consistent with NZS6805.

## **6. BARNZ'S OVERALL POSITION**

- 6.1 Against the background of the importance of the Airport to the district and region, and reverse sensitivity effects, I address BARNZ's position

on the plan, with specific reference to the Chapter 7 and 27 provisions as they relate to density and subdivision within the OCB (including the ANB).

- 6.2 Overall, the provisions of the Plan seek to provide for increased density and greater affordability in existing residential environments in response to strong population growth and the identification of Queenstown as a high growth area. Where there is growth there must be a balance struck between the needs of infrastructure that supports and enables that growth (such as the airport) and the provision of land for housing to accommodate people where there are effects on amenity caused by such infrastructure.
- 6.3 BARNZ's position is that allowing increased intensification of residential land within the ANB:
- (a) puts at risk the future growth and development of the Airport, with corresponding impacts for the whole of Queenstown, in exchange for a small number of additional dwellings and future development opportunities for a small number of owners of those sites; and
  - (b) subjects future residents to increasing aircraft noise in a manner which fails to appropriately provide for the health and well-being of the community.
- 6.4 The evidence of Mr Morgan provides figures that show that with a density of 1 dwelling per 450m<sup>2</sup> there would be an extra 18 new dwellings enabled within the ANB<sup>8</sup> compared to an additional 46 dwellings enabled by a density of 1 residential unit per 300m<sup>2</sup>.<sup>9</sup> There are only six additional dwellings enabled in the ANB if Rule 7.4.11 is retained.<sup>10</sup> As explained by Mr Morgan, this small potential increase in new residential dwellings creates a reverse sensitivity risk that could impact on the wider community and economy. In my experience, the potential costs associated with reverse sensitivity effects outweighs

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<sup>8</sup> after existing constraints are removed.

<sup>9</sup> after existing constraints are removed.

<sup>10</sup> With a subdivision minimum lot size of 600m<sup>2</sup> (adding columns 3 and 7 together).

the need for a limited number of new dwellings and/or retention of development opportunities.

6.5 In response to the argument that acoustic insulation and / or ventilation can mitigate the effects of aircraft noise I defer to the evidence of Mr Morgan which is clear that building materials cannot mitigate external noise and that the noise that may be experienced at present is not the same noise environment as is forecast to exist by 2037 (the date to which the current contours extend).

6.6 To clarify, BARNZ is not seeking to restrict reasonable use of the properties within the ANB. For example where there is no development on a site, a dwelling may be constructed in accordance with rule 7.4.11. BARNZ simply seeks to limit further intensification and the exposure of increased numbers of people to aircraft noise through the retention of rule 7.4.11 on the basis that allowing intensification of these properties will not promote sustainable management.

6.7 To summarise, BARNZ seeks:

- (a) subdivision within the OCB to a minimum lot size of 600m<sup>2</sup> (as recommended by the Council's s42A Chapter 27 report). This will ensure that the majority of residences in the ANB cannot subdivide;<sup>11</sup>
- (b) a density provision of 1 dwelling per 450m<sup>2</sup> in line with PC 35 and as proposed by the s42A Chapter 7 report;<sup>12, 13</sup> and
- (c) retention of rule 7.4.11 which limits residential units to one per site within the ANB (contrary to the s42A report recommendations).<sup>14</sup>
- (d) Retention of the proposed standards for acoustic insulation and or ventilation within the ANB and OCB;<sup>15</sup>

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<sup>11</sup> Submission #271.18

<sup>12</sup> S42A Chapter 7 Report proposed new rules 7.4.9 and 7.4.10

<sup>13</sup> Submission #271.14

<sup>14</sup> Submission #271.11

<sup>15</sup> Submission #271.12 and 271.13

- (e) a requirement for notice to be served on QAC for applications for ASAN which do not comply with the acoustic treatment requirements.<sup>16</sup>
- (f) Consequential amendments to the objectives and policies to address the matters above, as addressed in BARNZ's submissions and further submissions.<sup>17</sup>

6.8 In my view, this approach most appropriately reflects sound resource management planning for airports as outlined in the NZS6805 and in the context of the RMA.

**John Beckett**  
**30 September 2016**

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<sup>16</sup> BARNZ FS 1077 to 433.60 – for the reasons outlined by Mr Morgan at para 8.8

<sup>17</sup> See BARNZ's submissions 271.11 and FS 1077 to the QAC submissions