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Does Queenstown need its airport on Main Street?

OPINION: John Hilhorst proposes Queenstown’s economy will not collapse if airline flights relocate to a new airport near Tarras.



Frankton sits at the centre of the Wakatipu’s transport network and already has a ring road protecting its heart.

NBR

John Hilhorst

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“Queenstown Airport gazetted in 1936, and the airport was put there for the very good and proper reason because it’s close to town”, insists Queenstown Lakes District Council Mayor Jim Boulton. But does that good and proper reason at a time when the Earnslaw still carried sheep to the Kingston Flyer have relevance today?

The airport’s intimate proximity to deliver customers to an adrenaline-pumping range of single-use tourism experiences became integral to a generation of local livelihoods. The world’s adventure capital had few salaried positions, and aspiring residents needed to start businesses or have independent means.

But times have changed, and we question whether the airport’s location now hinders rather than helps the district’s development.

Population growth has matured the local community. A range of new attractions enjoy repeated, regular use by visitors who stay longer and frequently return, including golf, wineries, sport, events, cycling, concerts, and the arts. And a host of professional service businesses provide stable incomes.

Covid has highlighted this change. It had a significantly lesser economic impact on Queenstown than anticipated despite the pain it has inflicted on businesses in the tourism sector.



Single-use visitor experiences the most vulnerable to future reductions because of climate change regulation of air travel.

Covid-related doom prophecies not fulfilled

The May 2020 Infometrics economic assessment that Council commissioned at the beginning of Covid painted a stark future, but this largely didn't materialise. That report anticipated a 23.3% economic contraction and employment shrinking by 7900, with more than a quarter of all jobs lost.

However, the drop in GDP for the year ending March 2021 was 11.2%, less than half of that predicted. Employment dropped 8.5%, only a third of that expected. While significant, these reverses undid the growth of only the previous two years.

School enrolments increased, as did the number of registered businesses. Rather than losing residents, the district's population grew four times faster than the New Zealand average.

The second year of Covid saw an 8.3% rise in Queenstown Lakes District GDP by the end of the third quarter, still behind where it was in FY2020, but not by much. Many in the hospitality industry continue to suffer, but the local economy and communities have proved amazingly resilient.

Queenstown weathered these years despite the airport's closures and the complete absence of international flights.



Queenstown Airport.

Future risks

This Covid experience proves wrong the long-held conviction that Queenstown Airport must forever remain within 10 minutes of the resort’s hotels. It shows Queenstown’s economy will not collapse if airline flights relocate to a new airport near Tarras.

Quite the opposite; the Covid experience has amplified Queenstown’s overexposure to international tourism. And the risk continues beyond Covid. Its dependence on low-fare, long-haul flights makes Queenstown tourism highly exposed to climate change, with the regulation of air travel likely to bite deep into far-flung discretionary destinations over the coming decades.

Businesses promoting single-use visitor experiences are the most vulnerable. These include many old classics, such as bus trips to Milford, the Earnslaw, and jet boat rides. Even ski tourism’s future is uncertain, given NIWA projections of increased precipitation and higher freezing levels that signal diminishing snowpack at ski field altitudes.

Knowledge sector the answer

Thoughtful planning is urgently needed to support an economic transition to ensure future prosperity. The knowledge sector offers the only real option. But such industries require the concentration of talent, while the past tourism focus has resulted in dispersed developments.

The projected doubling of the region’s population over the next decades creates an opportunity to develop a centre with the substance and character needed for knowledge enterprise to thrive. This potential is readily achievable on Frankton Flats.

Frankton sits at the centre of the Wakatipu’s transport network and already has a ring road protecting its heart. It has a perimeter of city facilities and offers a blank canvas in a stunning geographic environment to plan one of the world’s most attractive urban campuses to accommodate up to 40,000.

Queenstown Airport obstructs potential growth

But Queenstown Airport obstructs this potential. Its industrial dominance of Frankton destroys any possibility of an attractive, liveable centre, instead forcing suburban sprawl to accommodate the growing population.

It’s time to reassess priorities. Maximising tourism’s convenience of air travel must balance against alternative sources of prosperity.

Prioritising tourism would keep Queenstown Airport in Frankton. This fuels high-volume, low-cost, low-value, short-term visits that accelerate the expansion of resource-hungry tourism and single-use visitor attractions. It magnifies rather than mitigates business risks.



John Hilhorst.

Visitors will always be welcome and vital to the region’s economy and identity. But it’s time to reassess the priorities. Maximising tourism’s convenience of air travel must balance against the needs of higher-paying knowledge enterprises.

No current threat, time to adapt

It’s at least a decade before a new regional airport near Tarras could be ready for airline flights. So, there is no threat to current business and plenty of time to adapt in the medium term.

Christchurch International Airport Ltd’s proposal gives Queenstown a real chance to shape its future. It enables the closure of Queenstown Airport, which would be politically difficult without a replacement. And this replacement offers the district improved connectivity for passengers and freight.

But local leaders cling to the past. Council explicitly excludes any discussion of relocating airline services from all its strategy and master planning projects. Without any research, consultation, or consideration, it directed Queenstown Airport Corp to fight the proposed Tarras airport.

Will Queenstown remain stuck in the past? Or will a new mayor and council have the courage to explore a more prosperous and sustainable future for our tamariki and mokopuna?

John Hilhorst has a background in education and economics and has lived in Queenstown for 30 years. He is a member of FlightPlan2050, a group promoting the urbanisation of Frankton enabled by the relocation of airline flights.

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