

20 August 2018

Colin Keel
CEO
Queenstown Airport

By email: colin@queenstownairport.co.nz

Cc: Jen Andrews jen@queenstownairport.co.nz

Dear Colin

Air New Zealand is pleased to be able to make a submission in response to Queenstown Airport's Proposed Noise Changes consultation. It's great to see the airport company thinking about the future, and how visitors arriving into the region by air should be managed.

International and domestic arrivals have grown

Over the last decade, Queenstown has acted as the gateway to the Otago region. International and domestic visitors come to spend time in the stunning environment the region offers. From mountain playgrounds to vineyards, lake vistas and excellent dining, the Otago region is one of New Zealand's great treasures, and one which visitors have sought out to enjoy.

Air New Zealand one of several carriers servicing Queenstown. Virgin, Qantas and Jetstar now all offer regular services to the region. Looking at QAC's own landing figures¹ we can see that while both domestic and international arrivals have increased over time, international arrivals in to Queenstown Airport have grown by between 10% and 43% each year since 2008.

Visitors arrive in to Queenstown Airport, collect rental cars, and begin what is often an extended stay in the region. Visitors arrive in Queenstown, and commence additional travel to the wider Otago region including Wanaka, Milford Sound, Te Anau, and Fiordland.

Visitors to Otago deliver significant economic benefit

Visitors to Otago contribute to the growing economic success of the region. NZIER has recently completed some research for Air New Zealand on how visitors carried on our services impact regional economies.² For the year ending March 2018, spending in the Otago region by visitors carried by Air New Zealand was 1.93 billion dollars. Air New Zealand facilitated tourism accounts for 8.2% of the GDP of the Otago region.

¹ <https://www.queenstownairport.com/assets/documents/ZQN-annual-landings-2005-to-2017.pdf>

² Air New Zealand's Regional Economic Impact, August 2018

Spending by visitors has been great for regional business. Businesses in the tourism sector have grown by 27.7% over the last decade, and tourism accounts for 15.8% of total regional employment in Otago.

Whether directly or indirectly, visitors arriving at Queenstown Airport have contributed to the economic health and wellbeing of the community. Tourism business has become part of the lifeblood of the region. New Zealand now must think strategically about how those visitors are delivered, both today and into the future.

Planning for growth is critical

The rise of tourism has brought with it infrastructure challenges for airports and for local councils. These challenges are common around New Zealand, and are enhanced in key arrival ports like Auckland and Queenstown. Auckland Airport has been late to invest in its infrastructure and wider landholding, leading to services into and out of Auckland Airport being significantly constrained. That failure to plan for growth has cost New Zealand a functional arrival and transit airport, at its major city.

The proposal to extend noise boundaries

Growth in air movement is such that Queenstown Airport Company will reach the upper limits of noise constraints in as little as three years. Queenstown Airport Company seeks to extend noise boundaries in the district plan, to accommodate additional air movements. QAC also proposes to change its noise obligations, to mitigate some of the additional noise. Following the consultation process, QAC will put a proposal to the Queenstown Lakes District Council (QLDC) to vary the District Plan.

Air New Zealand notes that material published by QAC states that the additional noise will arise from additional movement of aircraft, rather than noisier aircraft. This is true. Air New Zealand has made significant investment in its fleet, including orders for A321 Neo aircraft. New generation aircraft will be quieter, but no aircraft is yet silent.

Air New Zealand welcomes the efforts of QAC to accommodate growth. We are supportive of the increases to noise boundaries proposed by QAC, and consider these proposals represent responsible planning for growth. Should the noise boundaries not be amended, growth in air services to Queenstown Airport will be effectively capped.

It is important to realise that restricting growth of air services to Queenstown will not restrain total visitor arrivals. Visitors will arrive by road, and from other local ports. Pushing traffic from air to road will not serve the Otago community well moving into the future.

A strategic plan for the future

Given the growth of visitors to Otago by land and air and given the economic benefits of tourism it is time to consider the future from a strategic vantage point.

Strategically, New Zealand needs to capitalise and grow its tourism market – but this must be done sustainably, and in partnership with communities. We need to think nationally about delivery of visitors to regions, so that visitors can be delivered to hubs from which they can disperse widely. We need to resource visitor hubs accordingly, so that infrastructure which serves tourism and delivers GDP growth does not either starve or crowd out local communities.

Air New Zealand does not consider increases to noise limits at QAC, even combined with investment into Wanaka Airport, will ultimately be sufficient to sustainably grow visitor arrivals and the associated economic health of central Otago. While QAC has made some initial evaluations of new airport locations in its Master Plan Options, Air New Zealand considers that options for a central Otago terminal justify further investigation.

We believe consideration should be given to the establishment of an airport that can cater for the future growth of all domestic and international travel to Otago, as well as the appropriate transport solutions to disperse those visitors to all central Otago communities.

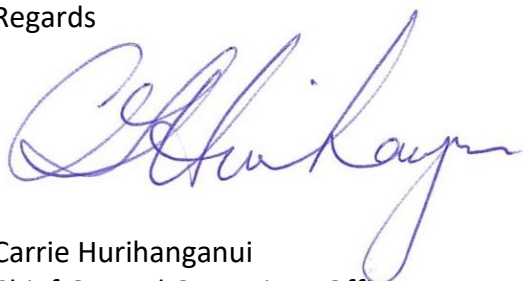
Where to next?

Air New Zealand would encourage QAC to engage with central government, local government and airlines on options for delivery of tourism to central Otago, independently of the discussion of noise boundaries at QAC. Options should include a terminal catering for the long-term growth of central Otago.

We believe that with the right investment, and in partnership with central and local government we can improve outcomes for both customers and communities, sustainably.

Air New Zealand is committed to best outcomes for all stakeholders and its customers. We would welcome discussion on how we can continue to deliver sustainable growth to the Otago community to super charge its success economically, socially and environmentally.

Regards



Carrie Hurihanganui
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Air New Zealand