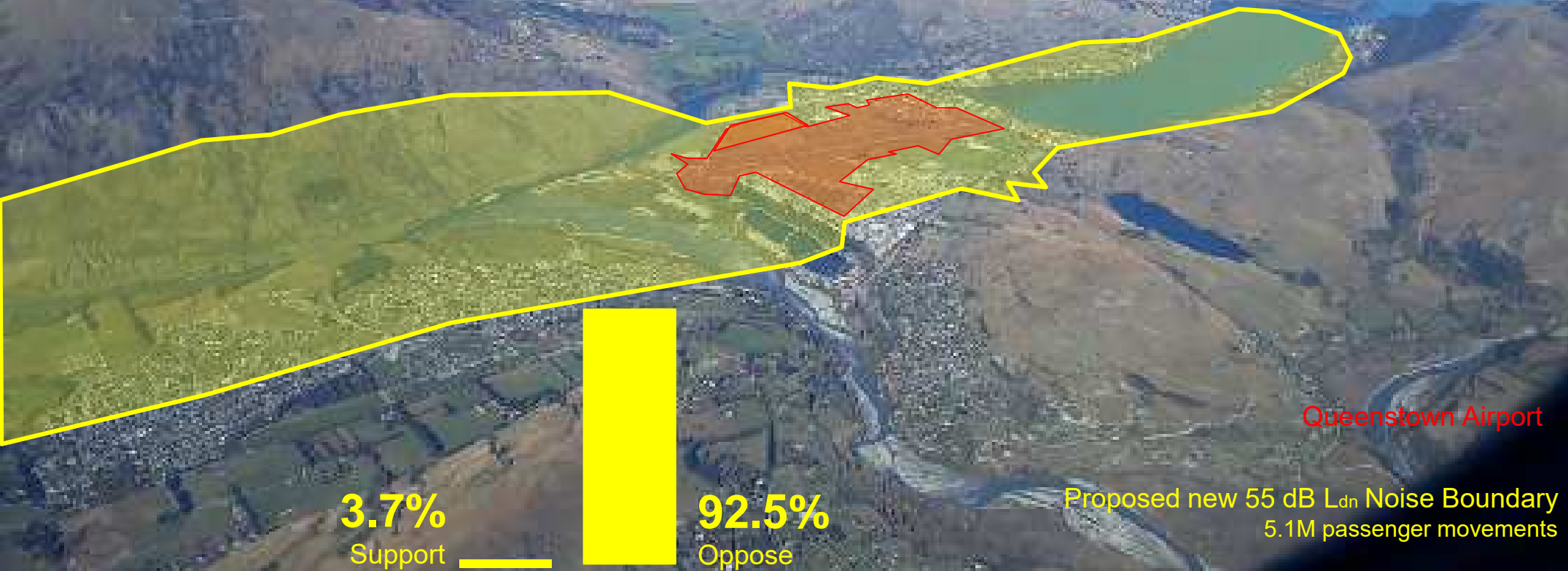


Let's talk about the airport 2050

The Queenstown Airport Corporation (QAC) proposal to increase its operating noise boundaries started this conversation. For many, it was a wakeup call.



Frankton Community's vision for the future

When David Jerram and Gillian Macleod attended the "Shaping Our Future" forum, participants were asked to complete written feedback on three key questions:

1. Who are the people that make up our community?
2. What are your aspirations or vision for our community?
3. What are the obstacles that could hinder us from achieving this vision?

This, and the following two slides, use WORDLEs to give a pictorial summary of people's responses. In the WORDLE, each word is sized relative to the frequency in which it appeared in the responses people wrote - more frequently used words become larger.



WHAT DO WE WANT?

Frankton
Community's ideal
future?

The question "What are your aspirations or vision for our community?" highlighted the values of those who live here.



HOW DID WE GET HERE?

50 years ago,
the small airport
was
7.2 km from historic
Queenstown

As experts in architecture, urban planning and design, David and Gillian know the incremental, evolutionary nature by which communities grow and develop.

For over one century, Queenstown Bay was the centre and heart of this district and in 1937 the small township of Frankton, some 7 km from Queenstown, was the natural place to locate an airfield. The aircraft were small and flights infrequent.



HOW DID WE GET HERE?

But Frankton has grown to become the centre of the district

Over recent decades, the population of our district has ballooned.

The transition from airfield to Airport, according to Queenstown Airport Corporation (QAC), can be marked at 1 July 1995 when the airport welcomed its first international flight, from Sydney.

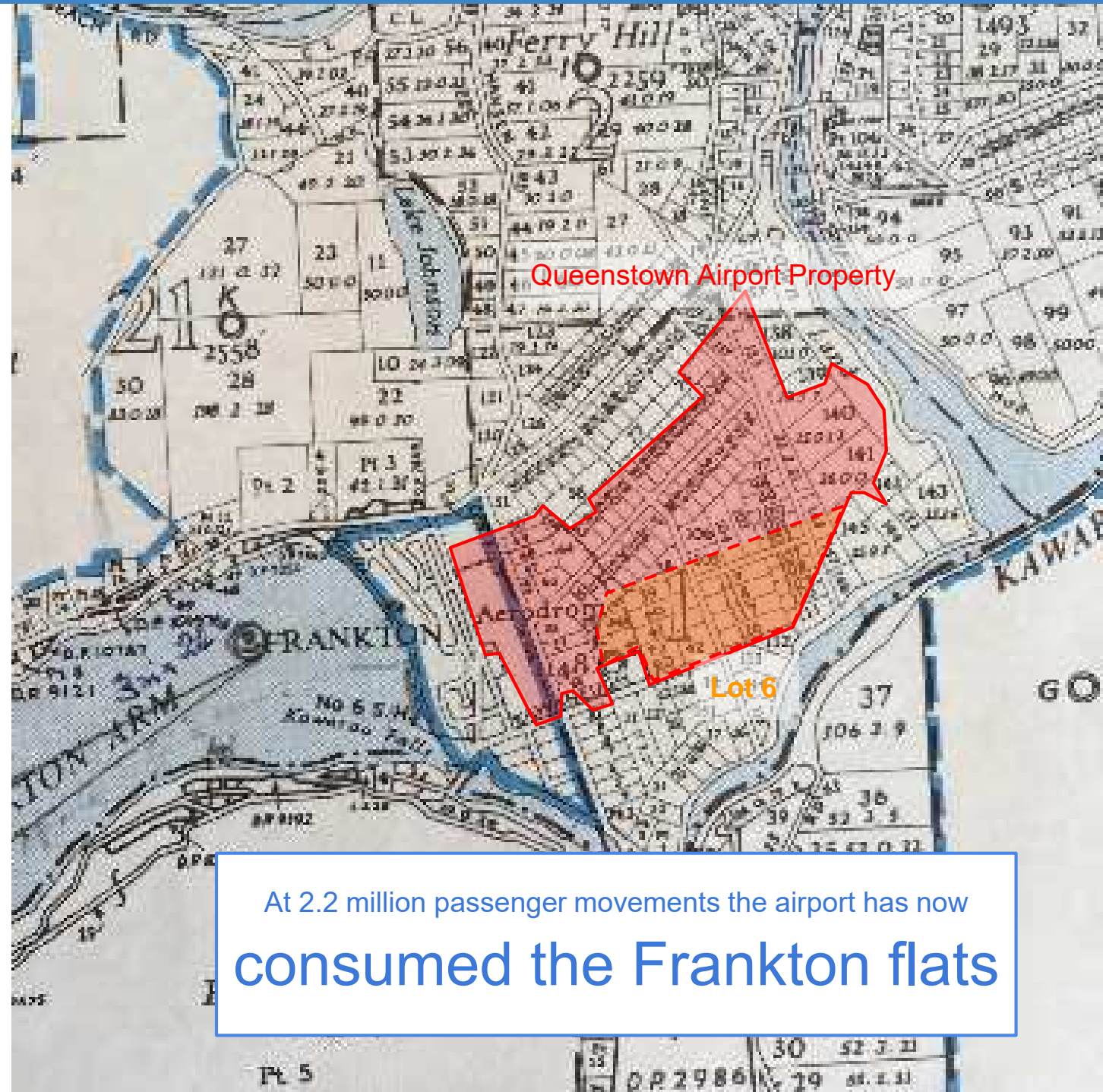
The two decades since have seen a dramatic increase in the number of scheduled domestic and international jet services, with commensurate rapid expansion of the airport facilities. This explosive growth was further fuelled on 23 May 2016 with the introduction of extended hours and night flights.

In the process of this transition, the Airport has consumed the Frankton Flats. Its' associated noise boundaries control and suppress building and development over an increasingly large swathe of the Wakatipu Basin.

1.5 M



Passenger movements trebled in the years from 2005 to 2016



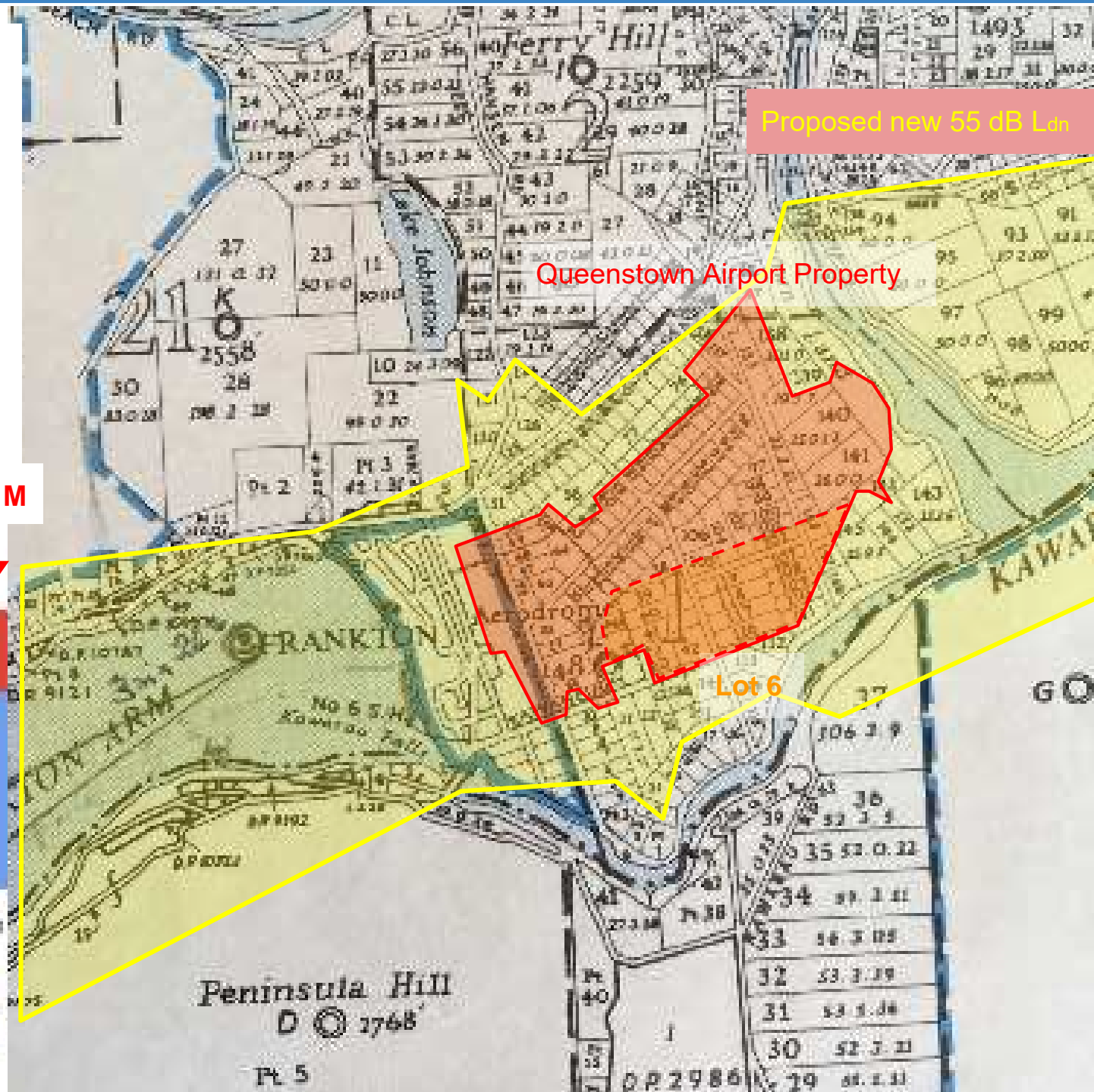
At 2.2 million passenger movements the airport has now consumed the Frankton flats

WHERE ARE WE GOING?

QAC Master Plan

The QAC Master Plan 2018 forecasts relentless rapid growth to 7.1 million passenger movements by 2045. Its dual airport strategy plans to split these numbers between the Queenstown and Wanaka Airports. In the next 30 years, QAC anticipates growing Queenstown Airport capacity by 250% and Wanaka Airport's to the size that Queenstown is now.

For Queenstown, that amounts to a jet takeoff or landing every 4 minutes during peak hours, starting at 6am and running through to 10pm.



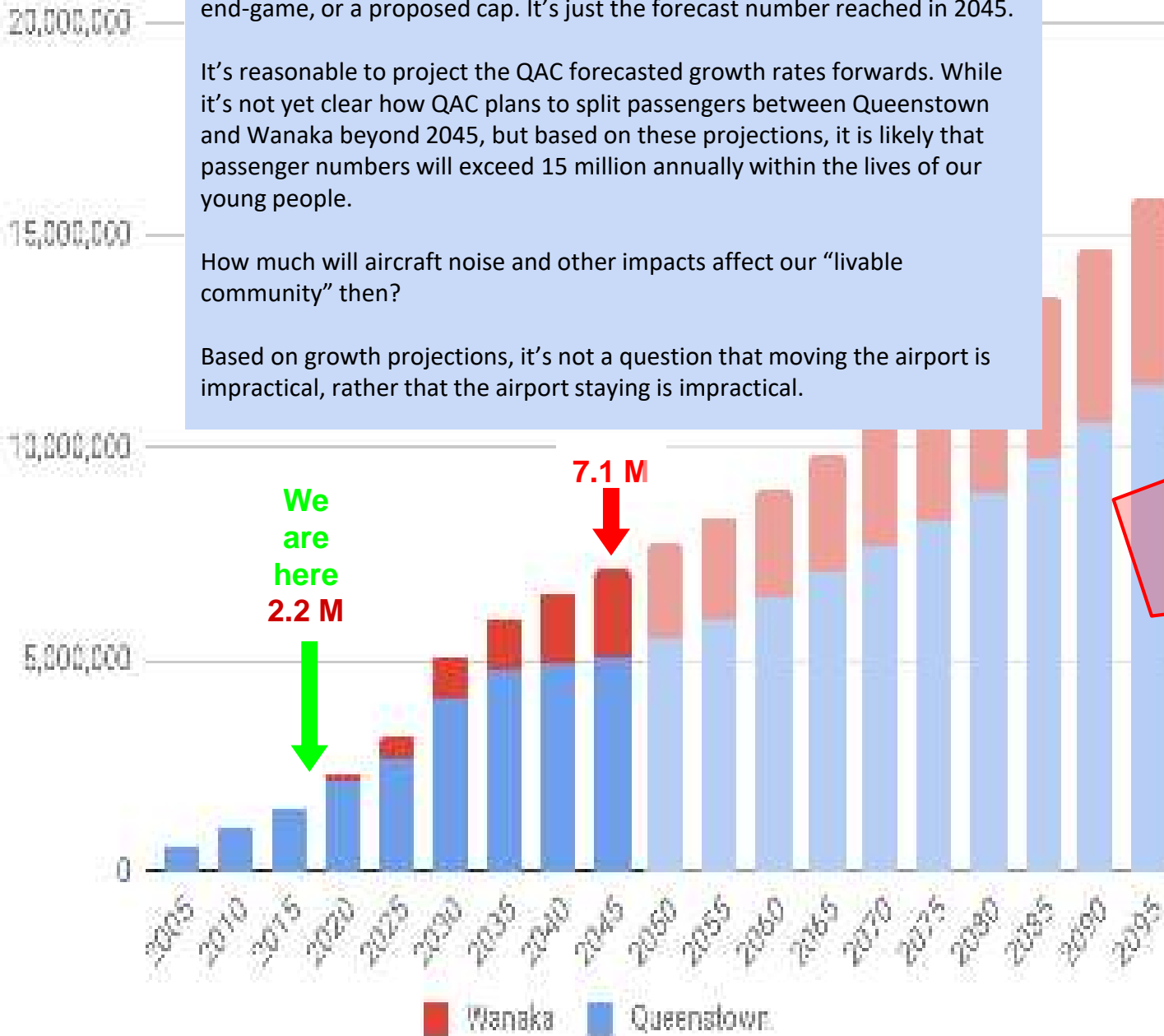
WHERE ARE WE GOING?

The QAC Master Plan forecasts through to 2045. It is clear, however, that the growth won't stop there. So the 7.1 million passenger movements is not an end-game, or a proposed cap. It's just the forecast number reached in 2045.

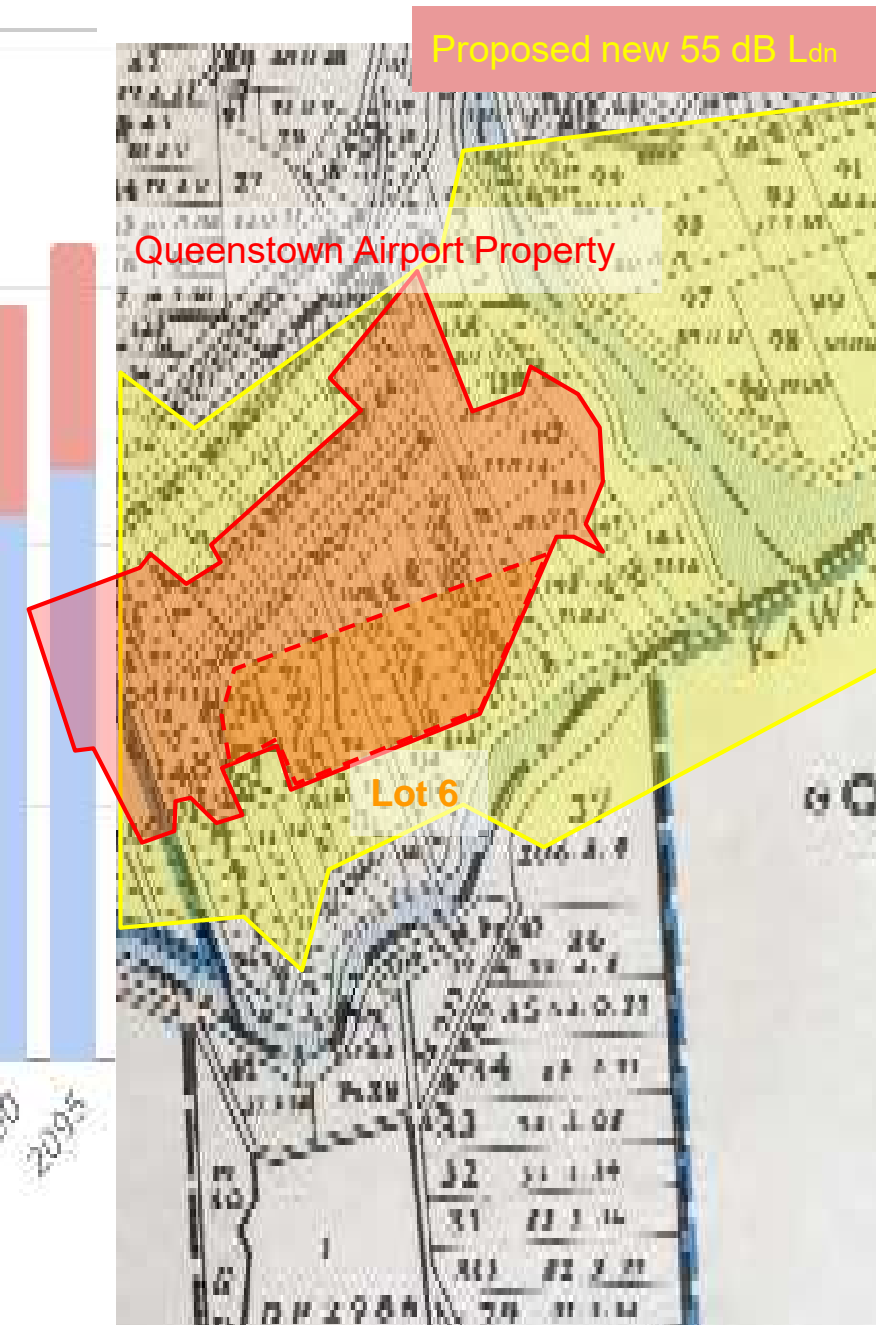
It's reasonable to project the QAC forecasted growth rates forwards. While it's not yet clear how QAC plans to split passengers between Queenstown and Wanaka beyond 2045, but based on these projections, it is likely that passenger numbers will exceed 15 million annually within the lives of our young people.

How much will aircraft noise and other impacts affect our "livable community" then?

Based on growth projections, it's not a question that moving the airport is impractical, rather that the airport staying is impractical.



The growth won't stop



THE PROPOSED NOISE BOUNDARIES

The current Noise Boundaries were established in 2009

They were intended to last till 2037

QAC now expects to reach this limit by 2022

Current 55 dB L_{dn}

Proposed new 55 dB L_{dn}
5.1M passenger movements

What Next?

The boundaries **WILL** move!



Colin Keel

CEO of QAC - to a QLDC councillor

MAP LEGEND

Current (operative) Noise Boundaries

- Outer Control Boundary (OCB)
- 60 dB L_{dn} Contour
- Airnoise Boundary (ANB)

Proposed Noise Boundaries

- Proposed new 55 dB L_{dn}
- Proposed new 60 dB L_{dn}
- Proposed new 65 dB L_{dn}
- Proposed new 70 dB L_{dn}

Safety RISK

It's not a question of *if* there will be an overrun, but *when*.



In addition, Queenstown Airport is at the worst possible end of the safety spectrum for operation of scheduled commercial jet aircraft.

It has a short runway, difficult wind conditions (at the confluence of three mountain valleys which causes turbulence and windshear), minimum legal RESA's at 90m and a high level of general aviation traffic. This results in Queenstown Airport having a Black Star Category X airport safety rating.

While in time there may be improvements in some aspects, the essential profile of the

restricted size of the Frankton location within its mountainous terrain will always pose challenges to safety.

Queenstown Airport will forever risk the potential that one serious accident could cause immediate restrictions placed by CAA, ICAO, IFALPA, NZALPA or any other agency to substantially impact its viability.

This poses a major and continuing risk to the local and regional economies.

All Airlines have special Queenstown limitations that are more conservative than the aircraft manufacturers' certified limits.

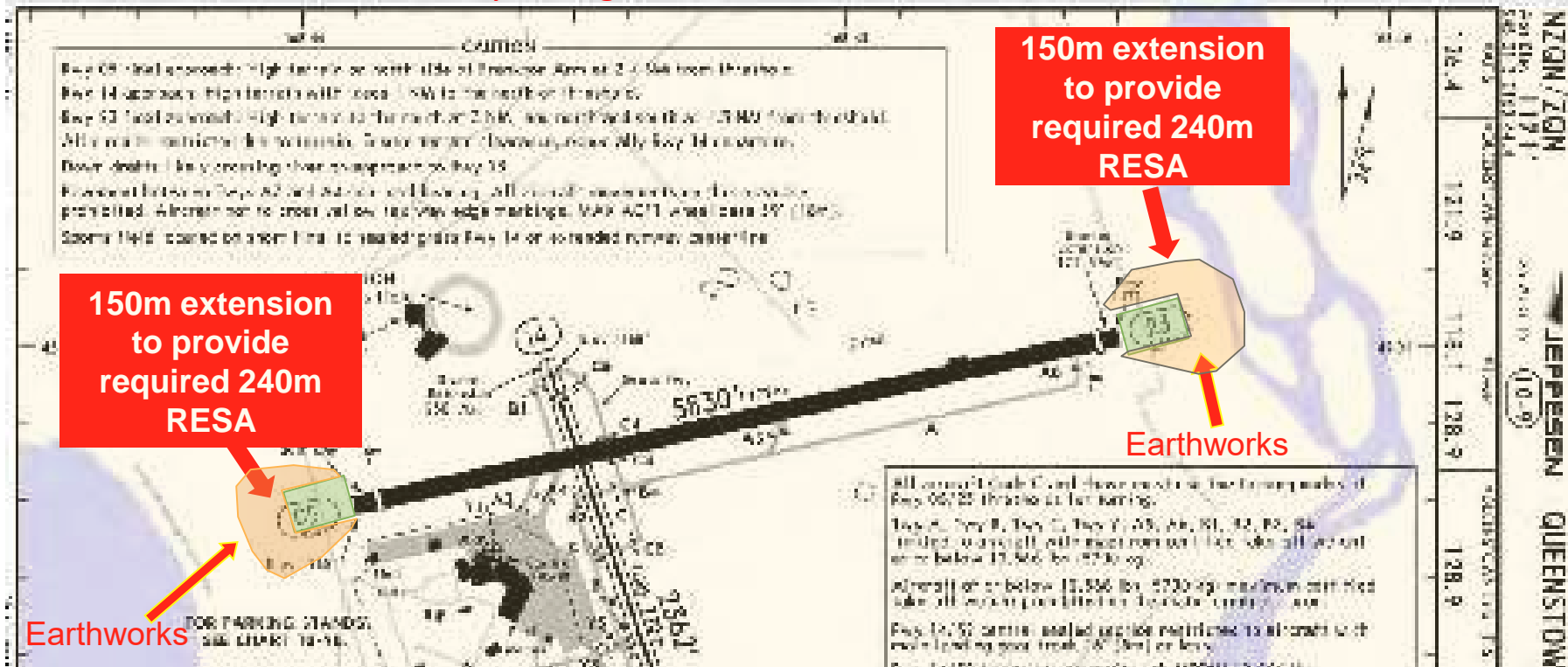
Airbus A320 & Boeing 737 rules for Queenstown:

Crosswind max reduced from 40 knots to 25 knots

Tailwind max reduced from 15 knots to 5 knots

Only Captain can control aircraft for takeoff and landing

ZQN has a BLACK STAR safety rating



HOW DID WE GET HERE?



Previously there has been an acceptable coexistence between the airport and the community.

The extent of current and proposed growth, however, means that now there is an unresolvable conflict between the desires for airport expansion and the desires and aspirations of our local community.

While locals have in the past accepted the benefits of having a local airport, no one ever envisaged the extent to which the airport would grow to become a 'hub' for the lower South Island.

WHAT
MIGHT
FRANKTON
LOOK LIKE
WITHOUT
AN
AIRPORT



Reflecting on all these issues, Gillian and David wondered whether, perhaps, the district might be at a tipping point. With Frankton very much becoming the local community's focal urban centre, it no longer seemed sensible to have an expanding international airport in the middle of it.

As urban planners, they began to wonder how Frankton might develop if the airport wasn't there.

The potential seemed exciting. Instead of Wakatipu Basin filling up with a checkerboard of separate suburban developments forcing people into their cars for work, school, sports shopping - pretty much everything - they imagined an intensive Hobsonville-like development creating a livable, walkable, alpine town.

This intensification would generate huge efficiencies in infrastructure such as sewerage and roading, decreasing economic burdens on ratepayers. It would ease traffic growth, increase public transport viability and help with housing affordability.

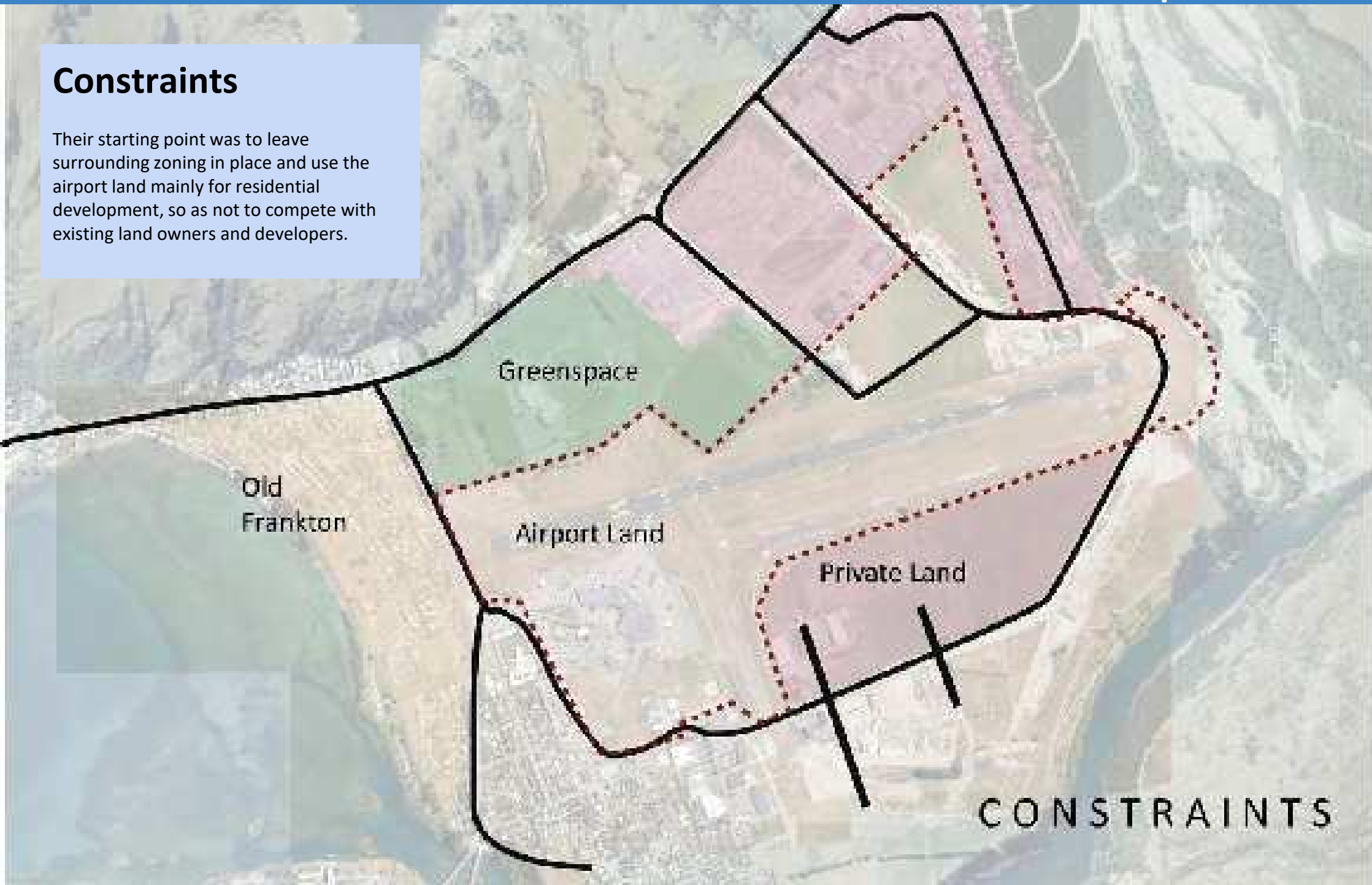
Instead of Frankton becoming a major transport hub, filled with rental cars and industrial level noise, it could become the heart of the growing Wakatipu community.

Inspired by this potential, they developed some ideas of how Frankton might look.

Frankton without the airport?

Constraints

Their starting point was to leave surrounding zoning in place and use the airport land mainly for residential development, so as not to compete with existing land owners and developers.



Frankton without the airport?

Opportunities

The next step was to identify the opportunities. Key among these are connecting the northern and southern retail areas and linking all of Frankton Flats to the lake, the sport and recreation reserves and the river.



Frankton without the airport?

Key Moves

Their key strategic planning initiatives were then:

1. Develop the airport land primarily for medium and high density residential.
2. Retain helicopters and other future vertical lifting aircraft at the eastern end, where the river systems provide natural flying corridors, and create a district transport hub next to this area.
3. Create a linear park with water features within the residential development. This non-traffic boulevard provides a central connector through the community, linking it visually and physically to the lake.
4. Create a broad pedestrian SH6A overpass, to allow freeflow from the boulevard to the lakeside reserve.
5. Create connections through to existing land holdings and land users.
6. Re-purpose the airport buildings for community and council facilities, business or convention centre.
7. Develop the lakeside reserve for community use.



Frankton without the airport?

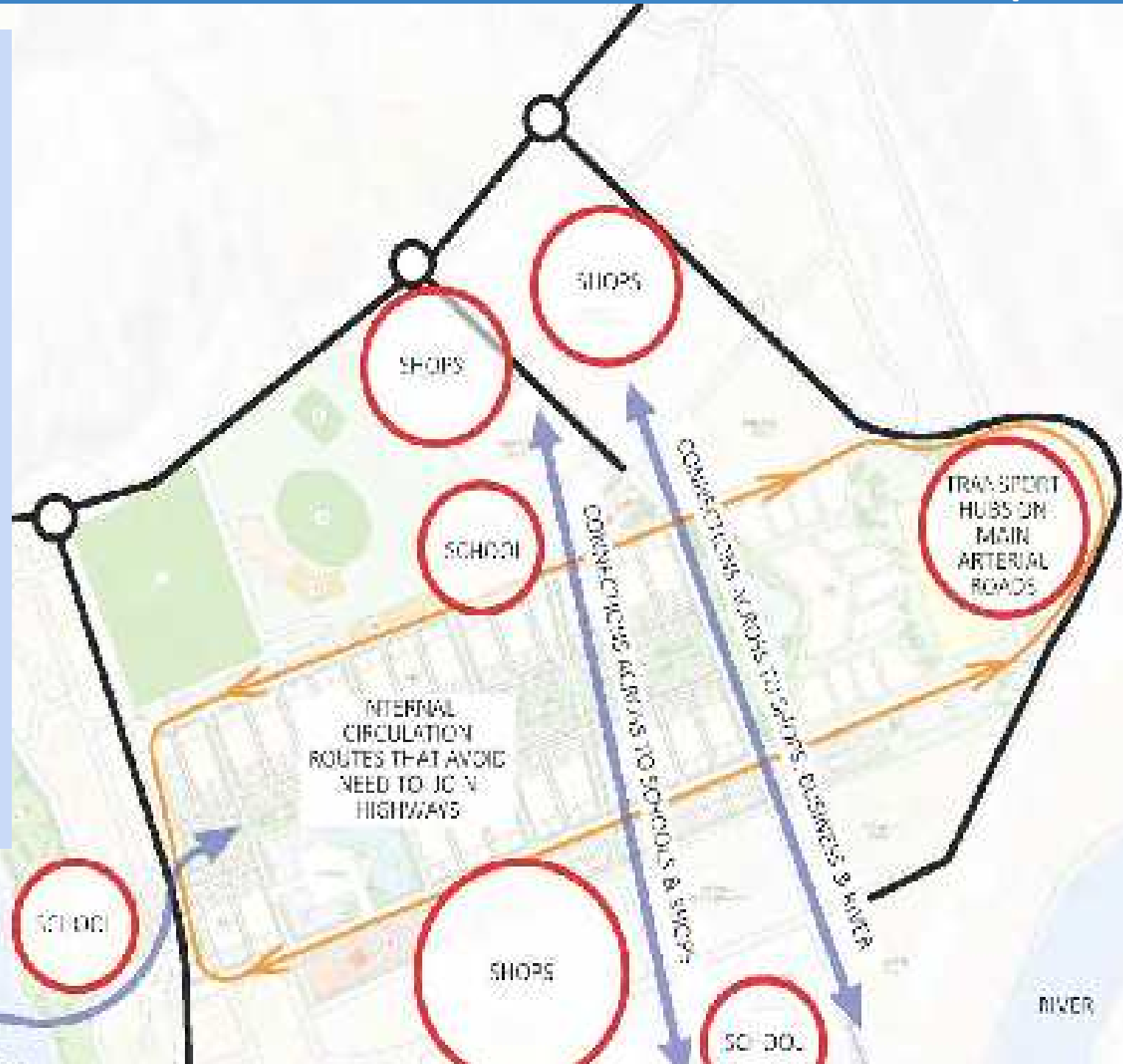
Transport routes and connections

The existing main roads surrounding the area continue to work as currently developed, routing traffic around the township while allowing access at multiple points.

An inner circulation route provides opportunity for effective and constant public transport.

Internal roads and alleyways provide low impact transport options, while retaining supply access to all areas.

All key community assets (including schools, shops, sporting facilities, recreational areas, community centres and major transport links) are easily accessed, with minimal need for private vehicle use.



Frankton without the airport?

Reserves and green spaces

Good access to high quality reserves and green spaces provides a healthy and replenishing environment.



Frankton without the airport?

Masterplan

Ability to accommodate 5,000 residential units within Frankton Flats reduces pressure to carve up the Wakatipu Basin.

Carefully developed zoning and planning rules, modelled in the Hobsonville development, provide flexible and attractive development options while reducing consent costs.

Intensive development greatly reduces the per-person cost of building infrastructure such as roading, sewerage, power and so relieves pressure on rates.

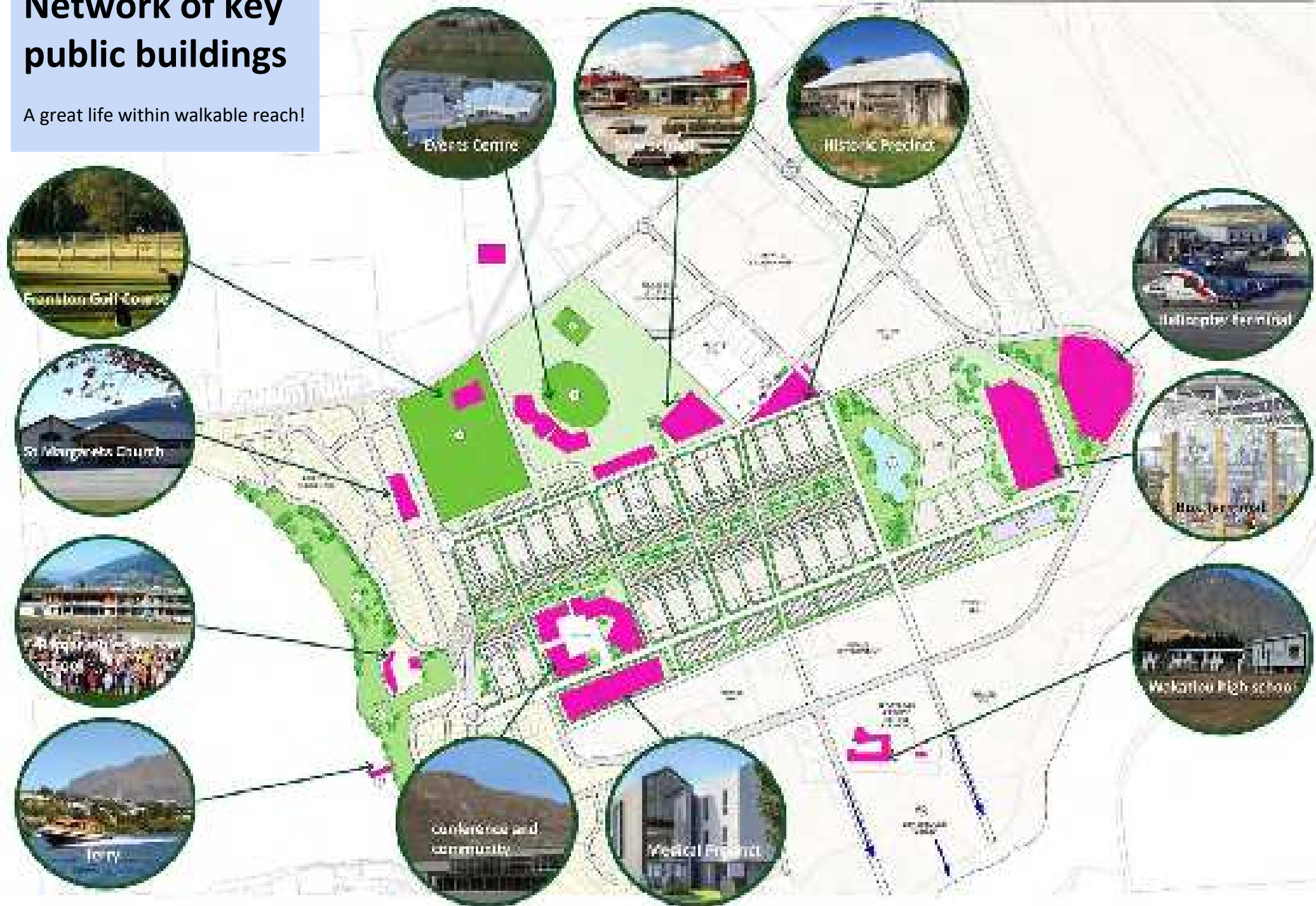
Provides a wonderfully livable community within the heart of the Wakatipu. An alpine village, with development scope to manage the growth pressures in this district for decades to come.



Frankton without the airport?

Network of key public buildings

A great life within walkable reach!



WHY THE AIRPORT LAND IS IDEAL FOR HOUSING

- The airport land is flat, inexpensive to develop for housing and close to services such as stormwater and sewage. The land can be developed to a comprehensive plan.
- Housing density will enable much of the housing to be affordable.
- The housing would be within walkable distance to schools, shops, health facilities, recreational and community facilities, businesses and workplaces.
- The new housing together with all these facilities will form a nucleus for Queenstown.
- There is space for parks within the housing areas.
- The community will have easy access to the lake, rivers and existing green spaces.
- The community can be designed with internal transport routes that avoid the need to use the main highways
- There is space to build or add to health, schools and community facilities
- The concentration of population makes community facilities more useful and economic.
- There is space for a large transport hub. The addition of 10,000 more people in this area will make alternative transport options, such as a gondola, more economic.
- Frankton will become all that is envisaged in Shaping Our Future, a peaceful, connected community with access to all facilities, recreation and a beautiful outdoor environment.

PROPOSALS FOR WAKATIPU BASIN HOUSING DEMAND



*The Laurel Hills proposed special housing area at Ladies Mile was announced last month

ODT GRAPHIC

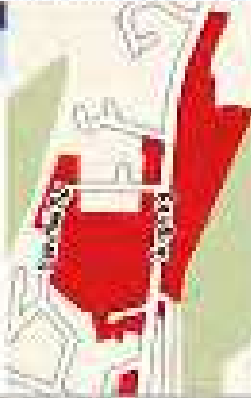
SPECIAL HOUSING AREAS

Special Housing Areas in the Waikato Basin

APPROVED

George Rd Business Mixed Use Zone

- Approve 15,281sq of land surrounding the existing Waikato High School, situated along George Rd on the east side of the road, and all of the land from the Collins corner down to, and including, George Rd. (Refer to map next to Miramira Park, and 123 Hukerua St)
- Quaternary Lakes Community Housing Trust contribution: Land
- Developer: Council-led, with various contractors including the RDC.



APPROVED

Arthur's Park St (Wellstead)

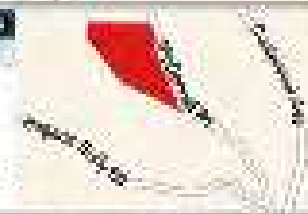
- 68 medium-density houses and apartments.
- Quaternary Lakes Community Housing Trust contribution: Land/home packages.
- Developer: Riverside Properties Ltd (March family and Steve Forman)



APPROVED

Arrowtown Retirement Lifestyle Village

- 123 units, 75 apartments, 100-bed aged-care centre.
- Quaternary Lakes Community Housing Trust contribution: Cash.
- Developer: Joint venture Anderson/Armstrong families, Mark Carlin.



APPROVED

Shower Country

- 101 homes.
- Quaternary Lakes Community Housing Trust contribution: Land.
- Developer: Grant and Sanyal Sanyal.

APPROVED

Quaternary Country Club

- 100 units: 80 villas, serviced apartments, staff accommodation units, 75-bed restaurant/casino facility.
- Quaternary Lakes Community Housing Trust contribution: Land.
- Developer: Sanderson Group.

APPROVED

Osborne Rd

- 18 homes were originally approved for development by Scott Cowland. The land was purchased by Sanderson Group, which is developing 21 homes to be used for staff accommodation.
- Quaternary Lakes Community Housing Trust contribution: Land.
- Developer: Sanderson Group.

APPROVED

Bridlepath Farm

- 104 homes.
- Quaternary Lakes Community Housing Trust contribution: R/L.
- Developer: Eric and Michael Mathan.



BUT
WHAT
ABOUT
THE
AIRPORT



When David and Gillian shared their vision with a larger group, it seemed to us a great idea.

The obvious first question we had was: what about the airport?

QAC's Master Plan said moving the airport had been considered, but ruled out because of capital costs, roading and infrastructure costs, accessibility and environmental impacts.

But inspired by Frankton Flats' potential, we decided to look more deeply into possible relocation.

We identified our key questions as follows:

1. The **COST** ?
2. How to **PAY** ?
3. To **WHERE** ?
4. Transition ?

QAC Expansion Options for Frankton

Our starting point was to review the QAC Master Plan for Queenstown Airport. This outlined its strategic preference to adopt a dual-airport approach.

QAC outlined three possible options for the development of Queenstown Airport.

Option 1 increases capacity to 3.1 million passenger movements, (p.m.) extending the current terminal by nearly double, while Options 2 and 3 enable it to cater for the forecast 5.1 million p.m. expected by 2045.

It is immediately apparent that to cater for 5.1 million p.m. QAC expects to make zero use of the existing airport buildings or terminal. They also require building of a new taxiway on land currently owned by Remarkables Park Ltd.

Apart from the land, existing runway and some landing lights, almost none of the existing assets of the airport would have any ongoing use.

So essentially, to meet its forecast demand with a dual airport strategy QAC would need an almost totally new build of the airport facilities in Queenstown, *PLUS* the need to build a second airport in Wanaka with facilities to handle 2 million passengers, the same size as Queenstown Airport is now.

Option 2 in the QAC Master Plan

Apart from

- land,
- runway, and
- some landing lights,

the dual airport strategy is a whole new build - in two locations!



What would it COST?

QAC's dual airport strategy is to build brand new facilities to accommodate 7.1 million passenger movements across two different locations.

Taking land out of the equation, it is likely that this duplication across two sites would cost more than building one new greenfields airport.

Add to this the costs to QAC of:

- acquiring adjoining properties in Frankton at "Queenstown" prices,
- soundproofing homes in the affected areas,
- purchase of Lot 6 from Remarkables Park Ltd.

Plus the loss to the community of diversified regional business as Wanaka Airport growth crowds out existing aeronautical businesses, as happened to users previously based at Queenstown Airport (ZQN) eg. Wakatipu Aero Club. Plus the costs to private land owners of meeting onerous soundproofing requirements, loss of existing development rights and loss of a liveable environment.

\$350 million
investment into
Wanaka Airport



Colin Keel - to member of WSG, 1 April 2019

Brand new facilities across two locations

QUEENSTOWN

to service 5.1 million passengers

New Terminal - 5.1 million

New Taxiway

New Jet Aprons for 13 Jets

New Private Jet facilities

New Fixed Wing facilities

New Helicopter facilities

New Car Parks 12x current area

Plus

Purchase Lot 6 (RPL land)

Purchase adjoining houses \$60M est. (40 homes)

Payment soundproofing homes \$10M (est.)

WANAKA

to service 2 million passengers

(same size as current ZQN)

New Terminal - 2 million

Rebuild Runway for Jets

New Jet Aprons for 5 Jets

New Control Tower

New Private Jet Park

New Fixed Wing facilities

New Helicopter facilities

New Car Park facilities

Plus

Crowd out existing aeronautical business users as happened in ZQN

ONE new greenfield airport could cost less!

Current Master Plan Dual Airport

Reinvestment ?

- QAC profit \$14.9M (2018) is not enough

Debt ?

- QAC current debt = **\$57M** (June 2018)
- In 2018 QAC **raised** its debt facilities **from \$100M to \$220M.**
- Debt is clearly a primary approach
- \$350M debt costs \$14M pa (at historically low interest rates of 4%) - this would use ALL profit
- High debt creates massive **interest rate RISK**

New equity ?

- New capital from QLDC (rates or debt) or AIA?
- A new investor?

High DEBT, High RISK, Low profit

We now turn our attention to funding the dual airport strategy.

For the year ending 30 June 2018, QAC revenue was \$45.6m, trading profit was \$14.9m and it carried a \$57m debt.

Annual profit is inadequate to fund the capital investment needed and would likely be eroded as new debt incurred higher interest costs.

QAC increased its debt facilities from \$100m to \$220m in 2018. Clearly it is prepared to extend into higher levels of debt. As a largely publicly owned, monopoly infrastructural asset, it does have access to debt at relatively low interest rates, averaging just 4% on its \$57m debt.

But the planned capital investment is substantial. It could require long-term debt of many hundreds of million dollars. Servicing interest on this would consume all trading profits, ending the dividend income to QLDC, and the company would become highly vulnerable to interest rate increases. This risk is amplified by world interest rates currently being at their lowest in recorded history, from 2,000 BCE.

The third possible source of funds is new equity. This could be from new capital introduced by either QLDC (debt funded against rates) or from Auckland International Airport (AIA). New equity could also come from a new investor. Infratil, ACC or the Superannuation Fund might have the money, but probably wouldn't like the low return on either investment or assets. Perhaps China's One Belt and Roads strategy might see an option for influence?

In summary, it seems most likely that the dual airport strategy would be funded by a large amount of debt, inevitably reducing profitability and creating a high level of interest rate risk.

We next looked at the question of how QAC might pay for a brand new, relocated airport. The difference in outcome proved enormous.

A greenfields option would share all the funding options previously canvassed for the dual airport approach. But it alone has the option of selling the land currently owned by QAC at Frankton. So what difference would this make?

In its 2018 Annual Report, QAC recorded the asset value of its Frankton landholding as \$207m. This follows revaluations increasing its value about \$30m for each of the previous three years. In 2018, it recorded a 'Comprehensive Income' exceeding \$47m, even while its trading profit languished at \$14.9m, because that includes capital gains made on revaluation of the land. But those impressive gains are of no use if there is *never* an opportunity of realising them.

And they are impressive gains. For the nine years 2010 to 2018, QAC's IRR (annualized compounding return including purchases and sales) for its Frankton land assets averaged an annual increase of 11.86%. Another ten years at that rate would see the land valued at \$635m, much more than enough to fund a new airport.

Even at a modest (by Queenstown standards) growth rate of 7.2%, the land will become worth \$414m in ten years. Rural zoned land for a greenfields airport would cost much less than this. The difference would equate to a significant new source of funds for the capital investment needed.

We have submitted an OIA request for the criteria with which Seagar & Partners valued the QAC land. It is likely the realisable value would be much enhanced if QLDC were to undertake a Plan Change and rezone it for intensive development, as has been proposed by Gillian and David's urban plan.

It's likely to be at least ten years before all the work, planning, resource consenting and building could be done to fulfill the greenfields airport strategy, but this time would serve only to increase the real value that could be achieved from selling the QAC land.

In our view, the two strategies - dual airport or greenfields - might cost roughly the same, but there would be a huge difference in the capacity to fund them.

New Greenfield Airport One Airport

Sale of Land at Frankton

- QAC value land at **\$207M** (QAC Annual Report 2018)
- Increased in value **\$30M+** for each of past three years
- Value in 10 years likely to be **\$414M+** (at 7.2% p.a.)
Note: past 10 years the land value has increased an **average 11.86% IRR p.a.** At that rate it would be worth **\$635M** in ten years.
- Alternative valuations suggest residential-use value of **\$1.6B** (132ha @ \$1,500m² less 20% greenspace. This would grow to well over \$3B at 7.2% over next ten years)
- Our proposed Frankton urban plan increases the land value

Debt

- **MUCH LESS**, if any, **DEBT**

New equity

- No new equity needed.
- QLDC remains 75.1% owner

Low debt, Higher profit

**Current Master Plan
Dual Airport**

Vs

**New Greenfield Airport
One Airport**

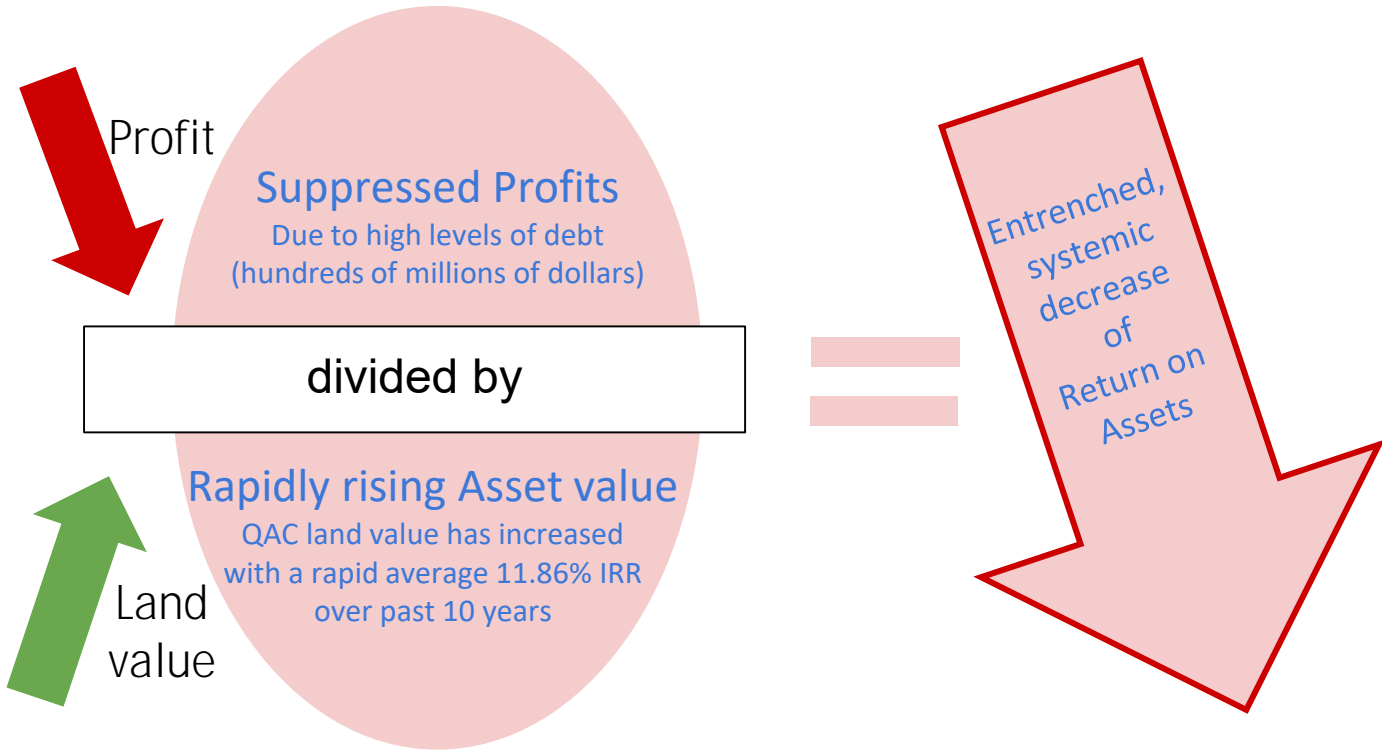
High DEBT, High RISK,
Low profit

Low debt, Higher profit

Sensible investment?

Return on Assets (ROA) = Profit/Assets

Queenstown Airport Corporation	Auckland International Airport
4.3% (2018)	10.19% (2018)



Low ROA indicates inefficient use of resources - an efficient market would redeploy resources to achieve greater productive output.

The low ROA for Queenstown Airport gives an unfair representation of its business performance. Most would consider a \$14.9m after-tax profit on a turnover of \$45.6m (2018) to be a healthy trading outcome.

The problem for QAC is that the value of its land has and will continue to grow rapidly out of proportion with its other assets. In 2018, land was 62% of its Frankton-based fixed assets. Projecting the past ten years' relative growth rates, by the end of the current QAC 30-year strategic plan, the value of its current Frankton landholding would reach \$3.8 billion while the value of its remaining assets would reach just \$208M.

There comes a time, as farmers in this district well know, that running a business earning meagre profits relative to massive capital value tied up in land seems a crazy practice, and it becomes time to sell up and move on.

That said, we understand that the airport is not just a normal business, but essential economic infrastructure; comparable to roads and sewerage - and we don't expect business level profits from those.

Also, as a 75.1% publicly owned monopoly, and with community enforced restrictions on growth, QAC could potentially gain Commerce Commission approval for higher landing fees to control numbers and boost profits.

But to ignore the underlying massive land value, rather than seek to use it as a tool to expand the business operation as the Master Plan calls for, does not seem a sensible investment choice.

QAC have considered their own costs to achieve this, but they don't see it as their responsibility to consider the resulting added burden of costs that are external to their operation.

- The intangible costs of the population dealing with constant aircraft noise.
- Increased costs of new buildings needing additional acoustic treatment.
- Restrictions on building core infrastructure such as hospital, health services and schools in logical locations because of sensitivity to noise.
- Loss to large numbers of private landowners of existing development rights.
- Increased housing costs due to lack of supply for additional workers for the airport and service industries in a restricted supply housing market.
- The need for airlines and support services to duplicate facilities if a dual airport model is adopted.
- High land costs for service industries in an environment where land supply is very restricted.
- High added costs for storage of rental cars on expensive land.
- Additional infrastructure costs for local roading and transport to accommodate passengers with non-Queenstown destinations.



Increasing overheads

Dual airport duplication of overheads reduces profitability for airport auxiliary businesses



QAC's Queenstown clients together employ some 600 FTE staff. None would want to duplicate their lease expenses, fit-out costs and other overheads when the dual airport strategy offers no greater market size than would a single airport.

Reducing the profitability of QAC reliant businesses through the dual airport strategy would not make good economic sense for the region.



Air New Zealand has
warned against half-baked
or
interim solutions

Is it actually time for us to have a
bigger, bolder, braver
conversation about creating a
new Central Otago regional airport
that could support Queenstown and
Wanaka but from a different location
than where those airports exist today?

It's time to step back
and **not take** the
Number Eight fencing
wire, **band aid solution**
until things break.

Air New Zealand's submission on QAC's expanded noise boundary proposal surprised many.

It called for growth that is sustainable and in partnership with communities. It rejected the QAC dual airport strategy, stating that even with increases to noise limits at QAC and with investment into Wanaka Airport, it will ultimately not "be sufficient to sustainably grow visitor arrivals and the associated economic health of central Otago."

They seek delivery of GDP growth that "does not either starve or crowd out local communities." A central Otago airport would fulfil this by much more effectively dispersing visitors throughout the region, not just to the ski fields, but to the wine growing and cycle touring hinterlands and beyond, without damning Queenstown and Wanaka to tourist fatigue.



Chris Luxon
CEO, Air New Zealand

A range of greenfield airport possibilities exists outside those reviewed by QAC in their Master Plan. These offer:

- Much **cheaper land**
- Unrestricted, **safe flight paths**
- Unrestricted flat land for **auxiliary business**
- Unrestricted **runway length**
- State **highway access** routes
- Potential for **affordable accommodation**
- **Distributed tourism**

The economics of relocating the airport seems to make good sense, but the hairy question remains - where could it go?

Reviewing QAC's evaluation threw up a surprise. The only greenfield option considered was Five Rivers. Its review of existing airfields failed to include a viable option in the Lowburn/Cromwell airfield. It mis-labeled the Wanaka and Hawea Downs Airports.

This gave the uncomfortable impression that QAC's evaluation lacked the focus and rigour that should be expected of a 30-year strategic plan. We have submitted an OIA request to QAC to hopefully gain more insight of their deliberations.

There is clearly a substantial body of work yet to be done before the range of greenfields options is properly evaluated.

Our own very preliminary review suggests as many as seven possible locations exist in central Otago, less than an hour from both Queenstown and Wanaka on existing roads.

The consenting process of designating a new airport would unquestionably be challenging. But that is no reason not to seriously consider these options, given the important opportunities and issues at stake for both our region and our country.

One of the potential sites identified has fewer than 100 dwellings within a 12 km radius. For the Queenstown Airport, that radius includes the whole Wakatipu basin, extending beyond Arrowtown, the bungy bridge, Jacks Point, Wye Creek, Fernhill and out to Closeburn. For the Wanaka airport it includes Wanaka, Albert Town, Hawea and Luggate.



Kawarau Gorge? Not a problem



Yes, we have noted concerns voiced regarding Kawarau Gorge as the access route to a relocated airport, but our closer look suggests that this is not the problem some imagine.

First is the question of traffic volumes. With the information available, it is clear total traffic volumes would likely *decrease*.

Queenstown has changed from a 'destination' airport to a 'regional hub', driven by both the 2010 strategic alliance with AIA and the 2010-11 Christchurch earthquakes. QAC's own data, according to General Manager Communications & Community Jen Andrews, shows that 51% of passengers landing at Queenstown head to Wanaka and other Central destinations.

Most of these are in private or rental cars or campervans with just 1-3 people per vehicle. In contrast, if the airport were somewhere in Central, the majority of visitors doing the reverse journey from Cromwell to Queenstown would use express airport shuttle buses. Instead of 50 people in 20 vehicles driven nervously slow, many would instead be in one bus driven by an experienced professional.

Second is the perceived hazard of the road itself. There is much that has, and will continue to be done, to improve the quality of the road, enhance its safety and even reduce its length. Already the regular daily commuter and supply traffic shows it to be reliably open. Traffic growth could make road straightening or tunnelling viable options.

Kawarau Gorge should not be seen as the handbrake on the relocation concept that some would suggest.

Daily inconvenience of congestion and noise versus convenience of airport proximity?



Without question, having the airport in Frankton is convenient. We believe the loss of this convenience will be the single biggest public pushback against its relocation. But this deserves reflection.

The majority of people arriving at the airport are tourists. Most will expect - as we do when we travel elsewhere - that there will be time required to reach their final destination. Relocating the airport up to an hour away is not likely to deter visitors from Queenstown. For the 51% who travel on to Wanaka or central, a greenfield airport would likely be more convenient.

The loss of proximity impacts on a relatively small number of local people, and the loss of this convenience for them will not have a significant or enduring impact on the local or regional economy.

Is the occasional convenience for a few of having an airport 15 rather than 50 minutes from home worth the constant impacts on many of daily having a plane fly overhead every four minutes?

As communities grow, there comes a time when the conveniences of being small - like the ability to park directly outside the shop or be 15 minutes from an airport you don't mind as a neighbour - disappear. That's when new solutions are needed. We are at such a time with the airport.

Emergency preparedness

Queenstown is in earthquake country.
How can we evacuate 100,000 tourists
when disaster strikes?



The Christchurch and Kaikoura earthquakes have heightened awareness of natural hazards in our region, amplified by research indicating we are overdue for a catastrophic quake along the Alpine Fault.

As a major resort, we must retain the capacity to evacuate people en masse when such an event occurs. With the potential closure of both our Kingston and Kawarau Gorge access roads, air transport must be a cornerstone of our emergency preparedness.

For example, Royal Australian Air Force C-17s (pictured) undertake training flights at Queenstown Airport. The C-17's massive load capacity, ability to handle very short runways (1,070m), cope with rough and unsealed strips and turn on a dime make it an important part of evacuation plans.

This essential capacity, the ability to airlift many thousands of people daily from Wakatipu Basin, is not a block to the relocation of Queenstown Airport.

We could, for example, take a page from Singapore's copybook for preparedness. In addition to its two public and six military airports, Singapore designates some stretches of its freeways for emergency military aircraft use.

We could do something similar with the Ladies' Mile straight. With a useful 1,700m of flat straight strip and clear flight paths, it could be designed to meet the requirements of a C-17 or RNZAF's C-130Hs.

In addition there is ongoing work to plan for evacuation to Kingston by water.

WHAT ABOUT WANAKA?

January 21 February 2018

Wanaka international airport idea condemned

By Mark Fison



Region - Wanaka



Air New Zealand calls for new Central Otago airport to cope with tourist growth

© 2018 NZ Herald



Queenstown Airport proposing to expand

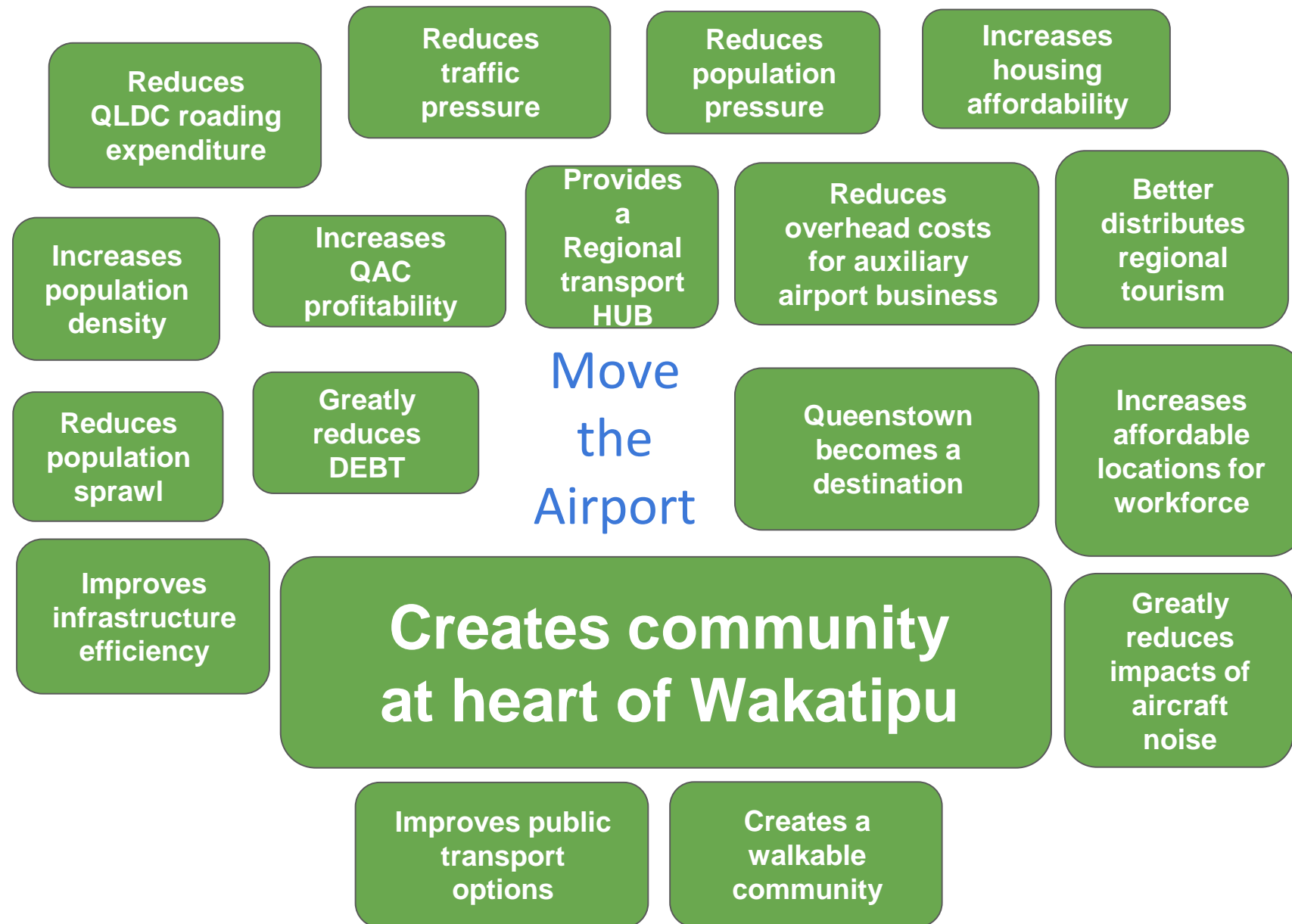
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Other airport experts say leave Queenstown and Wanaka alone

WHY A DUAL AIRPORT MODEL DOESN'T WORK

- Destination Master Plan work has yet to be done - the district's capacity needs to be understood. This is what should be driving our growth targets.
- Cost. The development of two airports at the same cost as a new airport doesn't make sense with the duplication that has to occur
- Two airports within 50 minutes of each other?? Where else in the world has this happened?
- duplication of on-ground services - inefficient. 2x staff for servicing companies in close proximity.
- doesn't meet any sustainability test you run.
- ignores the opportunity to partner with Dunedin and Invercargill airports.
- a huge investment for a relatively small ratepayer base.
- this is significant transaction which has yet to arrive in any of QLDC Strategic planning documents e.g. their LTP.
- this potentially poses a significant funding risk - two major investments (could these become stranded assets when/if technology changes?) in the same sector in the same local authority area. Highly risky. What happens in a major tourism downturn and the company struggles to service its debt? Call upon the ratepayer?
- further potential loss in Wanaka of General Aviation activity (loss of Warbirds Over Wanaka)- as has happened at Frankton

MULTIPLE Positive Outcomes



The argument about shifting the airport tends to focus on that one point, shifting the airport.

It is not that simple.

Moving the airport from Frankton will have many positive effects for our community and for the region. Moving the airport solves many of the significant problems that Queenstown has been grappling with in recent years.

We have identified some of the benefits on this page, but there are many more.

Our website *FlightPath2050* will explore each of these in detail.

Right now we have a **rare opportunity**. We are at a fork in the road and **can choose** one of two paths. These go to vastly **different places**.

Tipping points

- **Noise Boundaries** - 94% against, the airport is losing its social licence
- **New investment** - once new airport facilities built, it will be locked in
- **High LAND price** - sale could fund new investment
- **Frankton as centre** - epicentre of the district has moved
- **Population pressure** - and resultant infrastructural stress





STOP noise boundary expansion

STOP major investment at ZQN

STOP major investment at Wanaka Airport

Pathway Forward

1. **Commit** to a new airport strategy
2. **Establish** interim Bombardier Q300 Dash 8 services to Wanaka
(1:55 hrs Auckland to Wanaka, 50 passengers. These planes can land using the existing Wanaka runway)
3. **Divert** interim excess to Dunedin and Invercargill
4. **Find** the right location
5. **Drive** Resource Consent Process
(Urgency using designation process at national level for critical infrastructure of national importance)
6. **Build** new airport
7. **Develop** new heart of Frankton

How hard can it be?

As a point of reference,
Toowoomba
Wellcamp Airport,
Queensland

- Completed in 2016
- Built in just 19 months
- Cost less than A\$200M
- 2.87 km runway
- Suitable for wide-bodied long-haul Boeing 747 jets
- Was a private venture by a single company



Yes, this was a private venture, and Australian building costs are generally cheaper than we face in NZ, but this is a new greenfield airport built within the past five years that can accommodate wide body long-haul jets.

Moving Queenstown Airport at first seems a big, hairy, audacious goal.

BUT sometimes that is exactly what we need to see new solutions.

David and Gillian's visionary idea could in fact create many of the changes we want - and avoid many of those we don't.

What are your thoughts?

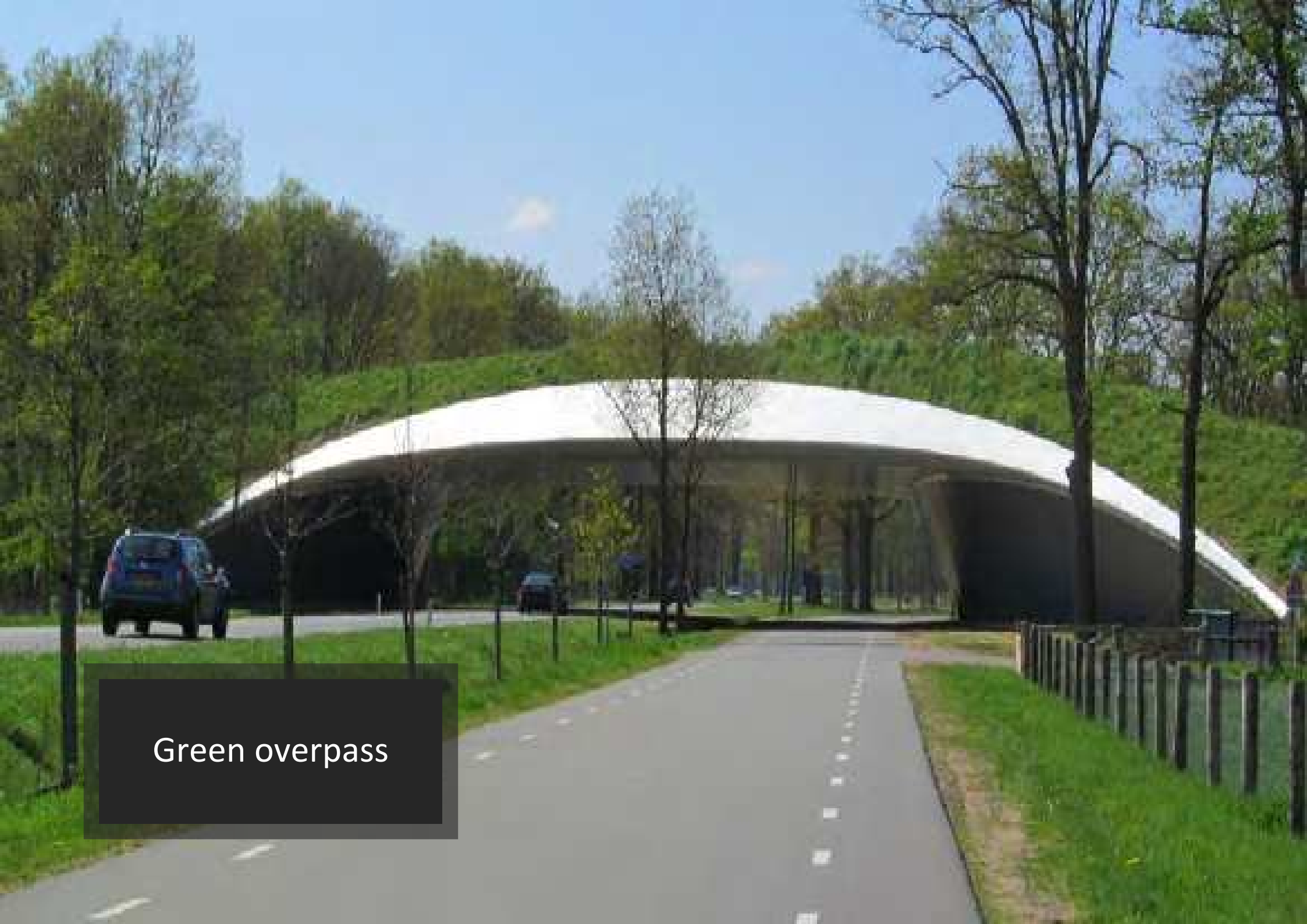
In other forums - on our website *FlightPath2050*, using Ethelo Open Democracy, in newspapers, and in discussions - we are keen to further develop our collective understanding of the issues and options.

We encourage you to join the conversation.

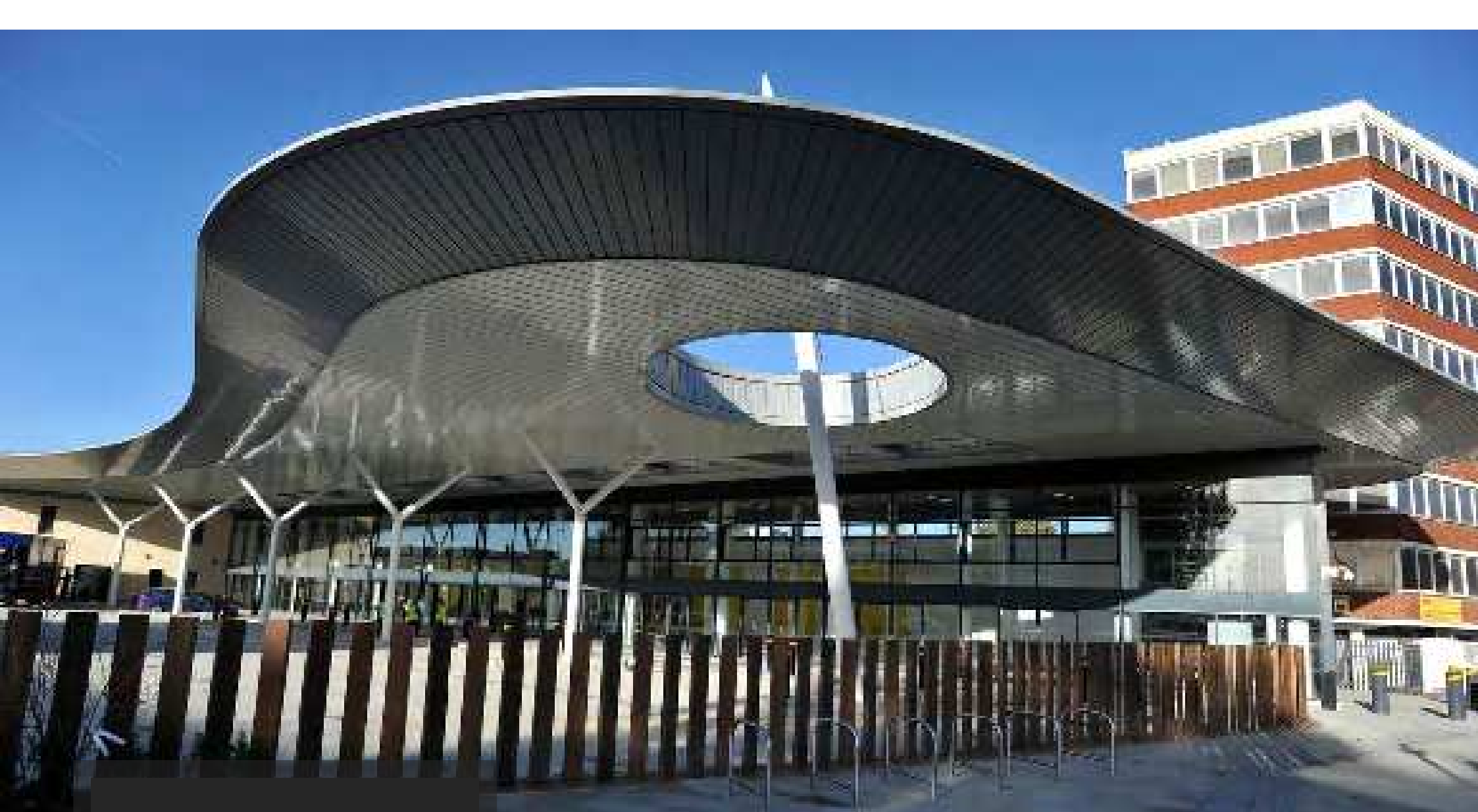




Linear park




Green overpass



Bus hub



Boulevard



A variety of Medium density housing





A peaceful lakefront
for all.



An operation the size of an airport has no time to wait for evolution.

Evolution is what happens afterwards, through an endless process of conversions, corrections, extensions, and diversions, in the search for a perfection that will never come.

In an airport, evolution is a retroactive concept: it happens not before, but ever after.

Rainier de Graaf
Four Walls and a Roof

