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Monday 10th February 2020

Dear Jason

**Future Wanaka Airport Development - economic and social impact assessments for QLDC**

Thankyou for your email of February 5th. This afternoon, we have received the invitation from QLDC for the focus groups that you are proposing to run next Monday.

Our position is that we will participate in this process on a “without prejudice” basis. Most of our concerns are already on record but they have become significantly heightened in recent weeks.

In summary:

1. **Giving environmental impacts the weighting they deserve.** When Jim Boulton announced the two reports you are now implementing (the Economic Impact Assessment and the Social Impact Assessment), the lack of any reference to the significant and obvious impacts a jet capable airport would have on the environment in and around Wanaka was glaringly missing. When during the tender process, scant further detail was provided, there was again only passing reference to the environment.

Environmental impacts should be the first and arguably the most important line of investigation into the impacts of a jet capable airport in Wanaka. They should be given priority in their own impact assessment report. So it is both ironic and unacceptable that merely a few months after declaring a climate emergency, and in the wake of Simon Upton’s report on the environmental impacts of tourism, QLDC has chosen to sideline the environment in the scope of the assessments being undertaken.

Even if you disagree that environmental impacts should be considered in a separate report, such considerations are also inextricably linked with our local economy. Environmental impacts have direct and often significant economic consequences, and the two issues simply cannot be separated from one another.

2. **Lack of transparency and robust process.** Almost six months ago, we wrote to QLDC outlining that any studies, investigations or assessments would need to be conducted in a transparent and robust manner (see letter [here](#)). This is a matter of considerable potential impact in our community. A community-led, truly consultative, fully transparent approach is the minimum acceptable standard for good local democracy - nothing less.

Unfortunately QLDC has proceeded in complete contrast to this, with maximum secrecy and little or no communication. Not only has QLDC failed to do the very simple things we asked, but the terms of reference for the impact studies have been developed without input from the public and even QLDC Councillors have not been given oversight on behalf of the community they represent. More recently, we've been told that a representative selection of key stakeholders will be consulted, yet the makeup of that list of stakeholders remains secret, as does selection criteria. This is the very antithesis of what is necessary for a fair and proper process.

- 3. A rushed and likely stacked process.** The Mayor announced these reports in the lead up to the election in early August 2019. Your recommendations to Council are due by early March. We fail to comprehend how any consultant could address these significant and complex issues in the timeframe you've agreed to - and this has just been reinforced by the rushed process this month. It is only now in early February 2020 that community groups have been contacted by QLDC or by your office, saying in effect "be ready to receive an invitation from QLDC" but also "be quick, as places are limited".

WSG is the biggest stakeholder group in the district, representing more people and more businesses than any other single group. Yet we understand that MartinJenkins has already been consulting with tourism businesses, some since before Christmas. As part of this consultation process, you've also only allocated one seat for a membership organisation representing nearly 3,300 people.

This has all the hallmarks of a carefully engineered "consultation" process which appears to us stacked with bias, exclusion and predetermination of outcomes to get some at QLDC (and QAC) the result they seek. We echo the concerns outlined by Cath Gilmour in her recent article published by Crux ([here](#)), and if it is anything like the spatial planning workshops we experienced recently, this will not be truly open consultation.

- 4. Impending judicial review.** Given the impending judicial review by the High Court we have initiated, it makes no sense for QLDC to commission these reports, and in fact the reports are highly likely to be a waste of significant amounts of ratepayer money. The process you have been commissioned to follow assumes that QLDC's decisions and actions to date in relation to Wanaka Airport are lawful and reasonable.

That includes, under a secretly negotiated document called a Memorandum of Lease, an outright sale of all the Wanaka Airport assets and also a perpetually renewable lease for an initial term of 100 years, with the so called "rent" being nothing more than a one-off payment of a sum equal to a purchase price of the land at valuation. That also includes handing elements of control over Wanaka's sewerage treatment plant to QAC as well. And thirdly, that includes QLDC secretly agreeing to changes to the QAC Statement of Intent.

We believe that these decisions and actions are not lawful - these are the very matters which are yet to be determined by the High Court in just a few months time.

- 5. The lens of growth.** From the outset, WSG has voiced concerns about the clear agenda of QLDC that significant visitor growth must be enabled, even encouraged, and is a high priority for the region, ahead of other community concerns, and certainly ahead of the environment. QAC's passenger movement

projections for Queenstown and Wanaka are eye-watering, yet are “taken as read” and are given priority over all else. They are treated as “fact” and we are told that “we cannot stop growth”. Numerous strong voices have raised alarm at this approach, including residents associations on both sides of the Crown Range, large numbers of people online, WSG and Cath Gilmour and her team at We Love Wakatipu.

We are consistently being stone-walled by QLDC when we raise these concerns. Building a second jet capable airport within an hour of Queenstown is overtourism on steroids. This is clearly a Council, the majority of whom are putting tourist numbers and big business ahead of the community, local businesses, our environment, climate change and common sense. This is precisely the kind of approach which Simon Upton, Parliamentary Commissioner for the Environment, has identified in his recent report as unacceptable and unsustainable for New Zealand.

6. **Full disclosure of key information, reports and research.** Before MartinJenkins can consult with members of the public on behalf of QLDC, we all need to know what material you’ve taken into account, considered and what conclusions you’ve reached about that material - so that we understand all of the likely impacts of a jet capable airport. We need to know what we’re “focussing on” in the focus groups, and what we’re meant to form views on in surveys and other conversations. We need time to digest your analysis and form our views.
- There are reputable international studies and plenty of international literature which deal with many aspects of this complex topic, including research, policy documents, case studies and more. These will cover many of the areas we’ve raised many times before, and would be relevant to either the economic or social impact assessments. These include (but are not limited to) data and information around health and wellbeing, the environment, climate change, population growth, tourism numbers, travel and transportation and the impacts of aviation. You need to present these so that we know which you have taken into account, and to what extent as part of your impact assessments.
  - There are numerous specific reports which are highly relevant. These include Simon Upton’s recent report on the impact of tourism on the environment, reports on Kiwi attitudes towards tourism and climate change, new research into the impacts of aviation, Richard Somerville’s analysis of what a \$400 million investment means for Wanaka Airport (based on numerous other airports in NZ) and more. Again, in order for any consultation to be meaningful, we need to know which of these you have reviewed and what your analysis of them is. Meaningful consultation cannot be based around flippant and subjective statements like “there will only be a few flights a day” or “jet’s won’t impact those living nearby” or “locals want this”.
  - In some cases, the jury is no longer “out”, and in these cases we just need to know whether you are disagreeing with or accepting the wisdom from specific reports and experts. We doubt, for example, whether any of us should question the findings of the World Health Organisation.
  - If you are unable to provide the clarity outlined above to those members of the public who are involved in your process, you leave this process wide open to a perception of predetermination and cherry picking, especially given the very tight timeline for delivery.
7. **Full consideration of financial impacts.** Similarly, as you consider the economic factors which will have a massive impact on our community, we believe you need to take into account things such as the extent of any borrowing or financing required for the airport, and likely resultant revenue flows, as well as the

costs of downstream infrastructure demand for which will be driven by the impact of a new jet capable airport. All these things will have an economic flow on effect to QLDC and to its ratepayers.

Accordingly MartinJenkins need to consider the points below:

- The financial impacts need to be analysed and presented to the public as part of the impact assessment process. In QLDC's "Statement of Proposal" in 2016 they promised to consult with the community if the airport development was going to cost the community anything. It most certainly will - both directly and indirectly. This includes the potential relocation of Project Pure (a second strategic asset).
- MartinJenkins would also need to disclose and provide commentary on the existing cost estimates that QAC and QLDC must have, so that people can understand and discuss the economic significance of this proposal. The headline figures released by QAC are a total cost of \$300 to \$400 million for the Wanaka airport, but as yet there is no detail behind that.
- MartinJenkins or QLDC would need to share an analysis of infrastructure requirements both in and around the airport, and within the wider Upper Clutha community.
- Your analysis needs to address the financial significance of 24.99% of all profits flowing out of the region to Auckland International Airport Limited and, in the case of any development of Wanaka Airport at least, what structures can ensure that 100% of any potential economic benefits to the community are retained by the community.
- Finally producing a report which focuses solely on an optimistic view of jobs created and tourism revenue flows, misses the point: there will be other economic impacts like the cost of borrowing, infrastructure needs or upgrades, reduced dividend flows to QLDC, impacts on small businesses (vs large, volume players) and more.

8. **The need for independent expert analysis.** Finally, we draw your attention to your report "Sustaining Tourism Growth in Queenstown" which already contains MartinJenkins concluded views, including the following:

*The neighbouring areas are reliant on the success of Queenstown and this is where the pressures on infrastructure from international visitors are most acute. An investment in maintaining Queenstown's international visitor experience and sustaining tourism growth would buy significant regional and national economic benefits. [...] If Queenstown isn't able to maintain its international visitor experience and sustain tourism growth, these regional and national economic benefits could be lost. Queenstown's position as New Zealand's most popular tourist destination (after Auckland), and the strong association between the Queenstown and New Zealand brands also means that New Zealand's tourism brand could be damaged from a diminished Queenstown experience.*

You might care to comment on why MartinJenkins itself feels able to offer an objective independent overview of the economic issues, free of predetermined views, when it has already expressed its own conclusions about the value of tourism and tourism growth to the region (and indeed to the rest of New Zealand).

9. **The need for extra levels of consultation in relation to Wanaka Airport.** As far as we can see, this "consultation" process and the impact assessment reports you are preparing are looking at issues around both Wanaka and Queenstown airports. Each community is facing a vastly different set of



circumstances regarding their respective airports, and the further development of each airport will have huge impacts on both communities.

Yet the consultation in relation to each airport will need to be considerably different. As outlined above, the impacts in relation to Wanaka must necessarily include significant amounts of new analysis which is specific to the Upper Clutha.

Any studies previously undertaken and published by QLDC and QAC have simply recommended a better run community airport. None of them has recommended a full, jet capable airport.

Despite our concerns of the overall process thus far, and our caveat outlined above we look forward to our involvement.

Yours sincerely

Michael Ross, Chair

**The Committee, Wānaka Stakeholders Group Incorporated\***

*CC List:*

- *Wanaka Stakeholders Group Inc. members*
- *Chairs of four local Residents Associations (Hawea, Luggate, Albert Town, Luggate)*
- *Wanaka Community Board Members*
- *All QLDC Councillors, Mayor and CEO*
- *We Love Wakatipu (Protect Queenstown) Committee*
- *WSG legal team*

\* WSG membership as at 14:24 Monday 10th January 2020 is 3,269 people.