

## **Against the Runway Extension (from LTP submissions):**

Submitters 1-300

### **1) Penny Salmond, p6**

We are a small country with 2 major international airports already and Wellington has better things to spend its money on than to compete with other cities for international air travel stakes.

### **2) Dermot Coffey (p27)**

I strongly oppose the airport runway extension, as I feel it is money poorly invested. A \$300million+ bill for an investment that is heavily Co2-production dependent is too big a risk to justify. Almost all of the big ticket plans such as the airport runway extension, roading developments etc promote a lifestyle that is massively greenhouse gas producing. For example, the proposed spend on roading vs active transport and public transport show your priorities are completely wrong.

### **3) Andrew Matheson (p60)**

No, this isn't council business. New Zealand has many airports where councils have spent ratepayers' money on expansion for international services, where the market does not support such services (think Hamilton, Rotorua, Palmerston North, Invercargill).

### **4) Glenn Murphy (p103)**

Yes the council should take action, but the runway extension is not the right way to approach it. I'd support moving the airport to a location where it can expand into a proper international airport over time, and providing better road / rail links back into town.

### **5) Donald Kirkaldie (p119)**

Grandiose Projects:

We have read in the newspaper in recent months Council's plans to raise rates to provide a pool of funding to fund several grandiose schemes that the city hardly needs. These include:

- Extension of Wellington airport – previously reported to be an uneconomic proposition

### **6) Neil Walbran (p 325)**

WCC have some key commercial investments that the council often has to make commercial investment decisions on. One example at the forefront of people's minds at present is whether the council should take a commercial risk on investing in the Wellington airport to extend the runway.

Councillors not necessarily elected for their commercial investment skills or background.

Being asked to evaluate complex commercial risk decisions without a lot of support or guidance.

### **Example of Applying Guiding Principles to Airport Runway Extension**

A brief analysis is provided below on how such guiding principles might be applied to the currently topical decision on whether WCC should take a commercial risk on investing in a Wellington airport runway extension. This was the subject of an economic study provided with the 10 year plan consultation documents.

### **7) Paul Bruce (p419)**

## **6. Airport runway extension**

I have been encouraged by some actions that WCC proposed to take to reduce greenhouse emissions. However, I urge you to drop the Airport runway extension proposal, as we should not even be encouraging growth in air travel.

There is no good business case, and we should be considering how to reduce our carbon footprint in a meaningful way. Just as network approach will be more efficient in our city including some transfers, it will be more efficient at the city and country level as Air New Zealand clearly understands.

The contribution of aviation to climate change is increasing, with a continued increase in total aviation radiative forcing (RF). Radiative forcing is a measure of the imbalance between incoming solar radiation and outgoing infrared radiation at the surface of the atmosphere. Aviation produces a number of pollutants which influence how much radiation becomes trapped within the atmosphere. These pollutants include CO<sub>2</sub>, nitrogen oxides, water vapour, condensation trails, aviation-induced cloudiness (AIC), sulphate particles and soot particles.

We are reaching a number of tipping points with respect to global warming. Every effort must be made to reduce anything that contributes to further warming of the atmosphere and results in climate change impacts that we can no longer control.

WCC hosted recently Brent Toderian, Toderian UrbanWORKS from Vancouver, a city that Councillors might well take more notice of [www.fastcoexist.com/3044848/vancouver-ambitious-plan-to-completely-eliminate-fossil-fuels-anywhere-in-the-city](http://www.fastcoexist.com/3044848/vancouver-ambitious-plan-to-completely-eliminate-fossil-fuels-anywhere-in-the-city)

## **8) David Edmonds (p439)**

I do not see the value for money in the Council providing funding in support of either a convention centre or an airport runway extension

## **9) Ron Hutchings (p453)**

If the owners want to expand the airport using their own resources, then that is fine – but I see no role for public money to be spent on something like this. I most particularly don't see that existing residential ratepayers money should be spent, since any return is most likely to benefit businesses, and perhaps bring NEW employees to the area – NOT benefit any existing residents. In fact, new Citizens are a bad thing from my standpoint, increasing the pressure on resources generally. SO NO to economic development generally, and a loud NO to any funding of airport expansion

## **10) Jayne Burn (p459)**

There is no clear commitment for any airline to support this concept. This I think is extremely disturbing! With Air New Zealand pulling out of Christchurch (when the airline was supposedly doing financially well) further disputes the business logic of this project. I am also concerned that Infratil would not be fronting up with at least 2/3rds of the estimated costs either. Are they in business or not? Do they think it makes good business sense? I think not! I believe it would make more sense to investigate building a new airport in Newlands or the Kapiti Coast – which would relieve some of the transport issues that people have when having to cross town to catch their flights. Light rail to and from the airport would greatly assist passengers. Also from a Green and climate change perspective I find it bizarre that WCC would contemplate building a runway out into the wild south coast! After all climate change was used as one of the great arguments – not to fix the Island Bay Seawall!

## **11) Hayley Robinson (p470)**

I support many aspects of the plan, but not the airport runway extension. The proposed spend is a lot of money for no guaranteed return. Alternative ways to spend this amount (or less) should be explored – is there a better way to spend that will give a faster return? Medium density housing in Karori needs to be looked at with more focus on access to the suburb (transport, roading options/bus and cycling). The access needs to improve before much housing potential is added. There should be communication between WCC and the Ministry of Education regarding the number of schools in the area before building potential is upscaled.

## **12) Livia Robinson (p476)**

Support all except for the plan for the airport/runway extension

## **13) Stan Andis (p521)**

1. Wellington Airport Runway Extension: Expenditure related to the Wellington Airport Runway is exorbitant and quite frankly in my view beyond the realms of responsibility for a Local Authority such as the Wellington City Council to contemplate.

What is more it is unclear why has Council not undertaken a separate and individual Special one-off process to determine the exact extent of the proposed expenditure, and most important of all, to obtain the authority of its ratepayers?

Where is the mandate that unequivocally provides the Council to consider this sum of money?

Currently, there is too much conjecture as to the precise location, total costs, and in particular reasons as to why the ratepayer should be burdened with the cost of the runway extension.

The LTP in my view is not the process for consultation on such a significant sum of money.

The question remains as to why the Wellington City Council sold its interest in the Airport in 1989 and has now reversed its stance as a one third shareholder when Wellington International Airport Ltd is a two thirds shareholder with owner being a private company.

It is inconceivable why the Council is taking the initiative to finance a construction that has not even undergone a tender process (plus increased costs for inflation) to achieve a final figure for evaluation.

WIAL has stated publicly that “there is not a clear business case for the airport to invest \$300 million. The rough order of contribution for the airport runs around \$60 million” (DomPost 17/3/14).

Based on this information alone I am at a loss to understand why the Council is so intent in pursuing a proposal that is not financially viable – either to the owner or to the ratepayer.

It is noted that the Council in this Plan is only authorising \$90 million toward a “guestimated” figure of \$300 million to construct 300 metres of runway extension for Wellington Airport (DomPost 17/3/14).

The Draft Annual Plan 2013 process had all but been completed through all stages when an application from WIAL for funding of a Resource Consent to extend the runway was made public.

Council agreed to this application without any form of consultation where delegated authority was implemented to authorise \$1 million from Council unspent finance in other budgets. In other words this finance was labelled as being “excess” funds”.

Regardless of the written Funding agreement (28/6/2013) by Council that this payment would be

a one-off grant of \$1 million, it authorised a further payment of \$1.95 million (17<sup>th</sup> December 2014) by way of a reduction in its share holder return, to be contributed toward further costs related to the Consent application.

Question: Council therefore set a precedent by ignoring a public consultation process. Based on this action of breaking its own rules, what transparent process and procedure will the Council adopt if it is asked to make a further contribution over and above \$90 million pledge toward the cost of the runway, should it proceed?

Question: There is no indication of the final cost of the proposed extended runway, and if indeed it proceeds who will pay for the proposed construction?

Question: If the Council should proceed to the next stage of agreeing to pay for the extension over and above the \$60 million contribution by WIAL, what public transparent process will eventuate that will approve Council's further contribution?

Question: As Air New Zealand has already publicly stated that it would only operate out of Auckland as its hub, what other airline or airlines have agreed to operate long haul operations into and out of Wellington Airport?

Question: As many International Airports operate without night time curfews what proposals are in hand to overcome the hurdle of the current night time curfew at Wellington Airport? Comment: Sydney Kingsford Smith Airport has been severely hampered by strict rules on flight paths and curfew limitations. For many years (since 1964) a proposed alternative International Airport for Sydney has been considered in a bid to overcome curfew limitations and air noise problems to residents on flight paths and surrounding locations.

Badgery Creek, NSW, was finally given approval by the Australian Government to proceed, and construction will commence in 2016. It is worthy of note that this new airport will not be the subject of a night time curfew. In other words it will be operational 24 hours a day, seven days a week. The same applies to Auckland and Christchurch airports in New Zealand. Of interest, the runway length will extend for 2500 metres with the provision of another 4000 metre parallel runway should future International demand increase. (Press release 26/1/15)

Question: What International airline will operate into and out of Wellington Airport in the knowledge that their time tables would be subjected to, and based on a night time curfew?

Question: Not only would a Curfew place a restriction on International flying operations at Wellington Airport, but has consideration been given to weather conditions from the regions of Cook Strait and violent southerly storm conditions?

Question: Based on the current extremely limited public information to date, what plans are in place for the proposed runway extension to be further extended, or parallel runway constructed ,to cope with further future international demand, as per Badgery Creek?

Question: It is not uncommon for waves in Cook Strait to roll into Lyall Bay at a height of 6 to 8 metres during severe southerly storms. In fact, a recent southerly storm reaped havoc on

Wellington's southern coast line. A concrete wall at Island Bay Beach was destroyed by reportedly 15 metre waves.

Question: How many aircraft are capable of operating comfortably in such extreme conditions?  
Question: How many airlines would risk their aircraft, passengers and timetables to such dubious

risks?

Comment:

The current airport operates under the rules of the Wellington District Plan. Currently there have not been any communications of any kind that would intimate any proposed changes. Therefore the existing rules I suggest would apply, whereby the 12 midnight to 6am curfew conditions are applicable. International aircraft may execute a landing until 1.30am subject to special conditions. No take-offs are permitted between these hours for jet powered passenger aircraft.

Question: How many International airlines would operate out of Wellington Airport with strict limitation to aircraft operations, especially if they are required to divert to Auckland or Christchurch during occasions of extreme weather conditions?

Question: What is there to prevent Infratil in selling its share on the open market to the best bidder once the project has been completed? This company has undertaken these actions previously

for reasons that obviously do not make a sound return on investment (ROI) and earnings before income tax (EBIT) to share holders.

Assumptions:

Council proposes to grant funding sufficient to service a \$90 million "investment" and will service the debt over Forty years at an annual cost of \$6.5 million (approx) annually to repay debt commencing in 2019/20.

BERL reports (listed below) have indicated 'economic' growth to the city with the cost being against ratepayers against increased rates. Clearly they are based on educated assumptions.

Clearly these reports are produced in good faith and the very best of intention, but they cannot be based on fact as they are merely assumptions.

Berl economics - Economic Impact of a Wellington Long Haul Air link - December 2008  
Berl economics - Economic Impact of a Wellington Long Haul Air Link = July 2012

Wellington International Airport Ltd - Economic impact of the proposed runway extension -  
Terms of engagement 18th September 2013 - Ernst & Young

COMMENT: There is a conflict of financial return attitude and outlook relating to this proposal.

The Wellington City Council bases its ideology and expenditure proposals it seems on the "vibrancy" and "dynamic" economic return to the CBD, and further supported by its proposal to pay off the \$90 million at \$6.5 million per year that amounts to \$260 million.

Investment and Business Aptitude:

The Wellington City Council it seems has an approach to financial investment contradictory and in total contrast to that of the commercial world. Its approach to the "Investment" arena resembles an attitude of being a "Good Samaritan" all in the cause of Vibrancy and Dynamic enthusiasm.

Reports to date are theoretical assumptions, educated guesses, and hypothetical forecasts, none of which can be described as factual.

The commercial world operates in an entirely different manner. I have already included references of ROI and EBIT. This cannot be associated in any way with the reference of GDP.

ROI or Return on Investment or yield "is the rate of revenues received for every dollar invested in

an item or activity. In a marketing sense, knowing the ROI of your advertising and marketing campaigns helps to identify which techniques are most effective in generating income from your business.”

“EBIT is a line on the company’s financial statement that shows how much the company has earned after the cost of goods sold, interest and selling, general administration expenses have been subtracted from gross sales.”

Above quotations from Google

QUESTION:How will the Council monitor the level of performance process that will confirm the predicted return on investment as predicted through the assumptions of the Berl reports?

Comment:The last 41 years of my working career were spent in sales and marketing. A day did not pass where ROI and Ebit were daily reminders of Company performance, expectations and demands.In fact my employment concluded after working for several years with one of the largest Companies in the world. For your information the company was paying US\$89 per share.

How can this be compared to the so called “funding” handout under the guise of the “investment” message that the City Council is attempting to convey to the general public?

As I recall the only recent Council Asset sale of property to “pay off” a Council project was the MED (Municipal Electricity Dept) against the Moa Point Sewage Plant.

The Council it seems has plans to sell off Assets to finance the “bucket load” of Big Ideas which are frankly beyond sensible business sense.

Impact on Wellington Airport as a destination by others:

Nothing in the Berl reports state how flights to opposition by Airports such as Christchurch, Sydney and Auckland will impact on the predicted destination of Wellington.

Air New Zealand will only operate from Auckland as its “hub”. Air New Zealand recently announced that it will operate in Alliance with Singapore Airlines for Long Haul operations.

Air China will launch a daily direct service from Beijing under a planned alliance with Air New Zealand by the end of this year. (DomPost 24/3/15)

This means that Auckland Airport will have at least four direct daily services to China.China Eastern Airlines announced that a new four flight a week service on the Auckland to Shanghai route. DomPost (26/3/15).

Auckland therefore is currently the leading airport for international visitors including students. Sydney International airport closely follows Auckland in the “student” race for destination.

Christchurch at this stage cannot be ignored as it is the gateway to the wonderful beauty of the south island.

QUESTION:

Based on the above information alone what will be the most compelling factor that to attract students and tourists to flock to Wellington when all it can offer is 3 or 4 weekly flights at best?

Question: Where does the above information leave Wellington Airport as a preferred destination?

Comment:Wellington Airport carries out a successful operation for travellers between each Island. It also successfully serves as an airport for international travellers to Australia and Pacific

Islands.

When Auckland and Christchurch more than adequately cope with the demand of students and tourists, converting Wellington Airport into a long haul airport would not in my view be a viable option.

Question: Has consideration been given to the impact of a price war between Airports all vying for the same tourist dollar?

It is my understanding that Landing Charges at Wellington Airport are in excess of those at Auckland, so the outcome would be of great interest.

Berl reports have made claim that many jobs will be created as result of Long Haul flights at Wellington Airport. This would not be disputed.

However, increased jobs in the Immigration, Customs and loading areas of the Airport would increase an extra cost against "overheads" that would be required to be passed on to landing charges.

The benefits of extra jobs would not result in an economically sound cost basis.

Environmental Impact:

Although the Resource Consent process will address environmental issues it is necessary for Council to be aware of potential increased noise levels that may impact on the environment. Increased noise levels beyond the 65LDN will be in conflict with the Wellington District Plan. Residents in particular in at Moa Point and Strathmore Park will be recipients of the potential impact.

Question: How does the Wellington City Council propose to alleviate and mitigate the impact of potential of increased noise levels?

BUSINESS CASE:

Attendees at the Eastern Ward Forum on the 24<sup>th</sup> March were informed by the Mayor that a full Business Case would be available including a Consultation Process. The Council cannot proceed with any financial commitment until this process is complete, therefore failing an open and transparent process upon which it can base its decision and stance.

SPECIAL NOTE I hereby request a full unabbreviated hard copy of the full Business Case under the Official Information and Meetings Act when it becomes available.

Conclusion:

Clearly the financing of an extended runway by the Wellington City Council is not a commitment that the ratepayer should be involved in. The nature of the proposal is complex and subjected to a project that has many barriers to cross prior to becoming a reality, if at all. Enthusiasm, assumptions and a complete lack of business acumen by the Council have overtaken the facts in my view.

The first hurdle to overcome is that of an application for a Resource Consent which has not even commenced or publicly notified.

"Regional mayors have pledged ratepayer's money to fund the longer runway up to a total of \$150 million of the \$300 million project.

60% was going to be funded by Wellington City Council with the remaining \$150 million being

funded through a combination of eight other councils and government money.” (DomPost 28/3/14)

It is difficult to comprehend how the Mayoral Forum has the delegated authority to make such a commitment without a prior consultation process whatsoever with their respective ratepayers.

In other words the mayors it seems have spoken and ratepayers must accept this declaration.

QUESTION: Is this democracy?

NOTE: I reiterate and it must be noted that a final tender process for obtaining the final cost of the proposed extension has not been entered into, let alone the cost of inflation and increased costs for variations to the final contract.

QUESTION: As the Wellington City Council is bound to the “Significance Policy” and the “Community Engagement Policy” where is the process and procedure that was followed which provided the mayor of Wellington to make this categorical commitment?

QUESTION: The Mayor of Wellington is a Director of Wellington International Airport Ltd (WIAL). Clearly there is an obvious conflict of opinion as a Mayor and Director. Who provided the Mayor the leniency to make public commitments of ratepayers’ monies without authority of the ratepayer when Infratil will be the recipient of Council contributions?

Comment: Infratil is the owner of Wellington Airport through a two thirds controlling interest.

As a private company Infratil’s sole interest is the return on investment to the shareholder by way of a dividend to its shareholder.

The welfare of the ratepayer is not in the interest of that company.

QUESTION:

The Mayor and regional mayors have publicly committed ratepayers’ monies by proclamation toward the runway extension.

(a) What consideration has been written into the funding agreements (if any) that would prohibit Infratil from selling its 2/3rds interest in the development of the runway when ownership of the land title is in the hands of that private company at any time in the future?

(b) In particular that the extension has been funded by public monies?

Nothing I suggest should proceed until such time as the Business case has been put forward to the public for consultation, to the extent where the process has been deliberated in a transparent and democratic process and procedure.

The second hurdle to overcome is that of a viable business case that can be accepted through a consultation process devoid of delegated authority.

I do not support any sale of Assets to finance any of the proposals listed in the Draft 10 year plan.

Supporting Smart and sustainable economic growth.

The Wellington City Council is not an organisation that should be involved in financial support of others. Surely the question of Core responsibilities should be given top priority.

The residential ratepayer does not have the facility or income ability to support a Council that is hell bent on creating an economic climate all in the cause of Dynamic Vibrancy.



A National Music Hub and strengthening the Town Hall:

Already the Town Hall has proven the point that one should not throw good money after bad. Estimates to strengthen the building have proven to be beyond the original estimation.

In my view the Town Hall should be completely demolished with a new construction to replace the old.

New and improved venues for music, sport and conventions:

I do not support the proposal to spend \$20 million on refurbishing the Basin Reserve. Currently its virtual single activity is Test Cricket, which may eventuate once per year.

#### **14) Laurie Foon (p537)**

Submission for the long term plan regarding the airport extension.

While I want Wellington to be a progressive city and want to see it grow, I do not agree with giving \$90 Million over to contribute to the runway extension. This is something I believe we should look at very carefully, as the unclear business case aside, the south coast is a Wellington Taonga an asset that is unique to our city, loved by thousands which would be severely affected by the building of such a thing.

And also while we are a city greatly concerned with climate change I cannot see how this growth in air traffic will not contribute to the problem of Climate change. I would be pushing that we gain a unique reputation by being an innovative city with A1 cycling infrastructure, as well as an investing in light rail to ease transit journeys from the existing airport?

I cannot see how Airport growth fits with our brand or will gain us a reputation of being a progressive/ innovative/ green city. If we have that kind of money there are many other things that could gain us a reputation that would make people want to live here. More than spending that kind of money on being just another just another big airport which to me would ruin all that is special about Wellington.

I have to be honest I would rather see the airport moved out of the city center than to start growing international flights when there is no certainty that there are the people to fill them, let alone the effect this will have on the environment for our planet as a whole and the precious South coast which should remain as Undisturbed as possible, so that the residents who live here can carry on enjoying it.

After all this is why we live here. isn't it?

Please reconsider this investment into other smarter, forward thinking ideas that will attract the "Right kind of people" who appreciate Wellington for what it is.

#### **15) John Beckett, BARNZ (p576)**

SUBMISSION ON WELLINGTON CITY COUNCIL'S LONG TERM PLAN

EXECUTIVE SUMMARY

The Board of Airline Representatives of New Zealand (BARNZ) is an incorporated society representing airlines carrying 99% of international passengers to and from New Zealand.

BARNZ holds serious concerns over the inadequacy of the economic work which has been commissioned to date by Wellington Airport as the basis for advocating for public investment in an extension of the runway at a cost of \$300m, or more.

The Airport has to date relied upon an economic impact assessment. The assessment only enumerates the impacts of the runway extension. It does not make a comparison with what would happen without the extension. Many of the assumptions also need independent examination. The authors place heavy caveats on the assessment themselves.

A proper cost benefit analysis is needed in order to properly assess the merits of the proposal from a public investment point of view. It would evaluate the benefits on a sound basis by a comparison of what would happen with the investment with what would happen without the investment. Correctly assessed benefits could then be compared with the cost of the investment. This has not yet occurred.

In BARNZ's view, the Wellington City Council should not commit ratepayers' funds to a project to extend the runway at Wellington Airport without a proper cost benefit analysis having been undertaken. BARNZ therefore urges the Council to commission an independent cost benefit analysis of the proposal before including the project in its final long term plan.

Unless such a study shows that the benefits, properly evaluated, substantially exceed the costs, BARNZ considers that it would be better for Wellington Airport to encourage connectivity by concentrating on providing an efficient airport for domestic, Trans-Tasman and Pacific Island flights from Wellington, rather than making a substantial investment which could result in airport charges rising considerably, thus increasing the cost of travel to and from all destinations from Wellington. Such a course of action would be totally contrary to the Council's intention to increase Wellington's connectivity.

#### SUBMISSION BY BARNZ

Wellington Airport has based its advocacy of the proposal to extend the runway at Wellington airport on an economic impact assessment prepared by Ernst & Young (EY). EY qualified its report with major caveats. The economic impact assessment simply puts numbers onto the impacts of the proposal, principally tourism, in a descriptive manner. The economic impact assessment does not make a comparison of what is forecast with what would happen if the runway were not extended. It is not suitable for determining whether a project generates more benefits than it costs. For that, a cost benefit analysis is needed. A proper cost benefit analysis compares what would happen with the proposal with what would happen without the proposal (known as the counterfactual). The benefits to be gained from the proposal have to be evaluated in that way in order to be meaningful.

In addition, a number of assumptions in the economic impact assessment need to be closely examined.

Airlines operate in a competitive international market. Their margins are small and they have to evaluate route opportunities very carefully. Passenger volumes are critical. BARNZ is aware that Wellington Airport has approached a number of airlines about the possibility of operating long haul services into Wellington. However, BARNZ is not aware of any airline expressing an intention to do so if the runway extension occurred. If the Council is to consider this investment, BARNZ urges it to engage directly with airlines on their views on the likelihood of long haul services.

In the EY economic impact assessment tourists are the main basis of the forecast benefits from the long haul service. For long haul flights into an airport in New Zealand other than Auckland, an airline would have to weigh up the advantages of Wellington over Christchurch, which provides easier access to the tourist attractions of the South Island.

These considerations are likely to apply to long haul air services from an Asian city or from a North American city.

The advocates of the proposal say that a long haul service would be attractive because it would

avoid the need for connecting flights to Auckland or Sydney and transfers there. That would be so for passengers to or from the particular Asian city from which the long haul service comes. But Wellingtonians want to travel to a number of cities in Asia, many of which already have non-stop direct air services from Auckland or Sydney. Many of these passengers would instead have to transfer at the chosen city and then take a connecting flight to their actual destination. The same would be true for arriving passengers.

A sound evaluation of potential routes is necessary to avoid the same thing happening to Wellington as has occurred with Canberra, where the runway was extended in 2006, but there are no long haul services.

We attach a report prepared by NZIER that sets out the deficiencies in the economic impact assessment in comparison with a cost benefit analysis that is required for proper evaluation of an investment involving public funds.

Given these deficiencies, BARNZ urges the Council to commission an independent cost benefit analysis of the proposal to extend the runway before committing to invest \$90m (as indicated in the Draft Long Term Plan) in the project.

Furthermore, the proposed runway extension is said to be for 300metres and is said to cost \$300m. If the proposal were to proceed, the cost could be far greater than that. For instance, runways require runway end safety areas. We understand that the estimate assumes a runway extension of 300 metres, but to gain an extension of the runway itself by 300 metres, the reclamation may have to be much longer than 300 metres in order to increase the runway end safety areas. If so, that would increase the cost substantially. This question is currently unanswered.

Wellington Airport has said that a large part of the funds would come from the Council. The Council could provide funds on a number of bases: debt, equity or grant. What matters to airlines is whether the capital expenditure would enter the airport's regulatory asset base, however it is provided. If it enters the asset base in full, then using Wellington Airport's pricing formula, it would set charges to increase its revenue by about \$50m per annum to cover depreciation, a return on capital, tax on that return and additional operating costs.<sup>1</sup>

A prospective long haul carrier would not pay even a noticeable proportion of that amount. Indeed, it is likely to be enticed to Wellington by a discount on the present charges and marketing support paid by the airport from its revenues.

The airport would then be likely to increase charges on all other air services into Wellington to obtain this additional revenue. Such a move would increase the cost of travel to and from all destinations from Wellington — which would be totally contrary to the Council's intention to increase Wellington's connectivity.

If the investment in the runway extension did not proceed the \$300m would then be available for investment in other attractions in Wellington and its surrounding areas, if the Council so chose.

In conclusion, in response to the Council's draft long term plan, BARNZ urges the Council to commission an independent cost benefit analysis to ensure that the net benefits, properly evaluated, justify the capital costs from a public investment point of view. It would then be in a sound position to decide whether to include the proposal in its final long term plan.

## **16) David Stevens (p623)**

Airport runway extension I cannot see how an airport runway extension can be justified. If the business case is so strong, then Infratil would be dead keen on funding its full share, but it is reported that it does not seem to be? In the Assumptions in the Big Ideas section of the LTP, there is no mention of the major shareholder picking up a major share of the development cost?

In 2011 Wellington Airport said that the Boeing-787 aircraft would be able to operate on the current runway and with a capacity of around 200 passengers would be ideally suited for Wellington-Asia daily, but no airlines seem to have taken up this opportunity! Even if a new carrier comes along, say from somewhere in South / East Asia, it is still likely that Wellingtonians using the service would have to fly on to another destination. Travel times are only going to be reduced in the event that one flies directly to the final destination (the choice of which will be strictly limited), rather than going via Auckland and then flying direct from there. We can currently fly via Auckland or Sydney and have a choice of over 50 direct destinations, as well as a wide choice of carriers. I consider it extremely unlikely that an established carrier like Singapore Airlines or Cathay Pacific would add Wellington or drop Auckland and/or Christchurch in favour of Wellington, and with Air New Zealand dropping Christchurch from its Japan service highly unlikely that Air NZ will be interested in long-haul into Wellington at all. The BARNZ submission also seems to make this unlikely. How is potential economic benefit to the region calculated? It doesn't seem to do anything to bring the residents' rates bills down! If the economic benefit to the region accrues almost solely to businesses, then the Council's contribution should be funded exclusively out of the business rates (Downtown targeted rate etc). I think that this project is a dead duck and should be scrapped immediately without further expenditure.

#### **17) Valerie Morse (p673)**

There is no public mandate for this project. It is incredibly irresponsible to talk about building an airport extension in the age of cataclysmic climate change. My god! Get a grip! How about making the buses and trains affordable? How about taking back ownership of our buses from Infratil instead of lining the pockets of the Airport further? The whole thing reeks of the worse crony capitalism and is frankly unfathomable. I think this question is misleading. I do not support the airport extension. I do support a number of the other projects.

#### **18) David Swann (p706)**

Overall good. Far from convinced about the focus on the airport extension; I'm a frequent business traveller and just don't see the relevance.

### **Against the Extension (Submitters 301-539)**

#### **19) Michael Lowe (p8)**

Only if a main condition of the project is that any environmental impact the airport extension has would be offset by additional investment into the lifting the overall environmental condition of the region. For example if a 1 billion dollar airport extension results in -2 points on an environmental scale, i would only support the project if more money was spent to off set this by 4 points lifting the environmental scale back up to +2.

#### **20) Anthony Maturin (p33)**

Submission to Wellington City Council Re Airport Extension

1. Jim Yong Kim (President of the World Bank Group) ... called for a strong Paris deal during a speech to the Council on Foreign Relations in Washington.

"In a year's time, the international community will have the opportunity to send a clear signal that we, as a global community, are determined to manage our economies to achieve zero net emissions before the year 2100."

See more at: <http://www.rtcc.org/2014/12/08/live-in-lima-day-7->

[un-cop20-climate-change-summit/#sthash.1XOFLyL.dpuf](http://www.rtcc.org/2014/12/08/live-in-lima-day-7-un-cop20-climate-change-summit/#sthash.1XOFLyL.dpuf)

2. In 2014, overseas visitors to New Zealand, including those attending conferences and sporting fixtures, contributed more than 9.3 million tonnes of greenhouse gases through international air travel alone, to our already overburdened atmosphere (using Stats NZ figures).

Point 2 above is in direct opposition to point 1.

The question is, would an extension to the Wellington airport contribute to a zero emissions goal before the year 2100? Or make it more difficult to achieve?

The issue is not one of financial gain or loss. Jim Yong Kim also said on another occasion, that all our decision-making, all our actions have to be based on that zero emissions goal. Jim Yong Kim was not alone, he was quoting some of the world's most respected climate change scientists, some of whom set 2030 as a deadline for rich countries to adhere to.

Some will argue that bio aviation fuels will solve the problem of emissions. But while a good deal of work is being done in that area, and aircraft design is improving, so far there is no solution that would guarantee zero emissions from air travel, apart from phasing it out.

I submit that, far from extending Wellington airport, we have to make plans to phase it out altogether, and plan a society not reliant on overseas air travel.

Use of the airport could be progressively phased out in many ways. For example:-

- 1) Limit its use to international flights, reducing numbers of flights gradually.
- 2) Place limits on numbers of international passengers allowed through in a year.
- 3) Limit its use to aircraft crossing Cook Strait to link up with surface transport.
- 4) Limit its use to non-jet engined aircraft.5) Limit its use to emergency and training flights.

Of course present land travel options will have to be improved. But to put it all into a true perspective, always we have to compare our options with those in poorer countries who never get near an aircraft yet are even now suffering the effects of the climate changes to which our life styles are contributing.

The eventual closing of the airport will be part of a general effort to transform our whole transport system to a fossil fuel-free one. The move will have to be backed by a society well educated in, and concerned about climate change issues, determined to achieve a zero emissions goal. I think we also have to accept that full support for such a scheme will probably never be forthcoming, so a measure of legislation will probably be required sooner or later.

We have to accept too that no ETS is any use for getting us to zero emissions. ETSs were designed to allow business as usual pollution by those who could pay – not to achieve zero emissions.

Offset schemes, even tree planting, by their nature have to be treated circumspectly. In correspondence with Kevin Anderson, past Director of the Tyndall Centre for Climate Change Studies in the U.K., he has remarked that the science of offsetting is not yet robust. He and his colleagues have also said that cutting emissions to zero by 2030 will only give us a 50/50 chance of avoiding dangerous climate change. We come back to having to actually cut emissions.

Wellington City Council could help by:

- designing and building an all fossil-fuel-free city transport system;

- encouraging the development and use of electronic communications systems;
- organizing publicity and educational events; (several climate change science organisations send out weekly newsletters which can form the bases for study/discussion groups);
- encouraging the purchase of electric vehicles;
- investigate the possibility of establishing locally operated electricity generation;
- encouraging staff members to measure their carbon footprints;
- encouraging the Transition Towns movement;
- possibly designing a method of carbon rationing. We are some way from being a carbon neutral city yet. But the fact that the City Council has a 10 year plan shows that the will and expertise is there. We just have to keep our eyes firmly on that goal of genuine zero emissions by 2050.

### **21) Clive Anstey (p79)**

I do not see the runway extension as a sensible focus for the ten year plan. I simply don't believe the case has been made. The plan could have a category to deal with the development of possible futures, one of which may be the future expansion of the Airport. To promote the extension in the LTP as a priority project without far greater certainty is to undermine the credibility of the whole LTP; are all of the priority projects dreams? At this early stage of the airport proposal: - We have no business case – We have no idea of environmental effects – Costs are vague –Infratil have made absolutely no commitment to anything. – We (perhaps understandably) have no idea how risks will be shared between the council (us) and Infratil. (Cost over-runs for example.) – We have no idea what the benefits might be beyond a few very poorly substantiated claims.

### **22) David Mitchell (p111)**

Perhaps the \$90m the Council is willing to throw at the airport extension would be better spent on a Gigabyte broadband network across Wellington. I am sure the economic impact of this would far exceed that of the airport extension and make Wellington a far more 'sustainable' city.

### **23) Heughan Rennie (p263)**

This has nothing to do with local government. Past meddling has seen the loss of Trans Tasman services (eg Qantas to Brisbane) and very high costs introduced to regular business use. The airport company is profit focused not user focused. Wellington had advantages as a central location from which to service the country using air travel. This has been lost. The international ambitions are naive and will further reduce business travel options on key airlines. Having personally commuted from NZ to Australia and Asia for business, I know that what is needed is cheap frequent interconnections with flights out of Auckland, not an occasional flight to Wellington by a second or third choice of airline.

### **25) Ric Wilkinson (p510)**

The powers that be have conned the sheep into the worst option (evans Bay) into getting them to compromise on the Southern extension .Who is the big winner out of this exercise it would have to be Infratil who ,when it suits them will dump the airport for a profit leaving the ratepayer to clean up the mess.\$1.5 billion benefit over 40 years (as quoted by the NZ Herald last week) is peanuts when dividing it it would barely pay for the % bill assuming there would be no repeats of

the 80,s % rates then “we” would really be in the SHIT.To top it off an earthquake might put the airport where it used to be under the sea .All These consultants must be laughing all the way to the bank .Its bad enough getting woken up at 6.30 every mng and you want bigger jets .GREED is a nasty word and this deal stinks of it

## 26) Richard Randerson (p516)

I am a Hataitai residential ratepayer who over the last two years has raised concerns about the proposal to extend the airport runway. I am co-Chair of the Guardians of the Bays Inc but write as an individual. The Guardians are submitting their own proposal on this topic. There are some worthwhile proposals in the Consultation Document (CD), but my concerns are:

Flawed Consultation Process: Many of the questions in the CD ask for generalised and overall support and are non-specific as to particular proposals. Examples:

Survey Question 1 asks about support for the ‘broad approach’ of the LTP. There is much to support, but broad support could be read as carte blanche for everything listed.

Likewise Survey Question 2 about rate rises is non-specific about project allocation

Survey question 2 also poses a false antithesis between growth and ‘business as usual’. Many would favour growth without wanting to give indiscriminate support to everything on the table. And ‘business as usual’ could be easily seen as ‘stagnation’ and hence not be a legitimate alternative in the question.

Survey Question 3 asks about support for ‘improved international air connections’. This is not the same question as support for a runway extension. One could answer Yes to the former without supporting the latter as the sole means for achieving improved air links.

On the extension, the Council’s current online survey is showing a low 56% support as compared with 80-95% for other projects. The online survey shows 41% rating the runway extension as ‘low priority’.

The CD asks residents to give their support to a runway extension in advance of the public tabling of a Business Plan (BP). The LTP consultation process concludes before the BP is made public as part of the Resource Consent process. At a recent Eastern Suburbs community meeting I asked the Mayor if ratepayers would be consulted on the runway extension after publication of the BP. She replied that it was ‘the Council’s aim’ to do so but was unable to guarantee this. We are being asked to support something while being totally in the dark about critical facts.

Residents are also totally in the dark about likely cost over-runs which would turn a ‘\$300m’ project into something vastly more expensive, a cost likely to be shouldered by whom?

8. The Mayor’s membership of both WCC and WIAL is, in the eyes of many, a compromised position.

Recommendations to Council

That before any support be given for the proposal to extend the airport runway:

- A fully costed and specific proposal be made public and ratepayers invited to respond once in full possession of the relevant information
- The specific percentage impact on rates of the runway proposal itself be made known (ie will increase rates by x% annually for x years)

- The total of committed funding for the project be made known, and the extent of any shortfall indicated
- Council provides for ratepayers a statement of which airlines have indicated a commitment, and not just expressed interest, to fly long-haul to/from Wellington should an extended runway be built
- Council develop a set of minimum criteria to be met before supporting the project eg. required percentage of committed funding, required number of committed airline flights
- The question of cost over-runs and who will pay be addressed before the project receives support, noting that once started the project cannot be abandoned.
- An independent peer review of the Business Case be sought, funded by Council with the choice of reviewer to be decided by a joint Council/ratepayers body
- That the Mayor recognise that her primary responsibility is to Wellington ratepayers and hence stands down from WIAL Board participation during the period of decision- making.

#### Conclusion

The LTP consultation process asks for general support for a generalised line-up of projects with a generalised indication of estimated rate increases. It further asks ratepayers to give their support in advance of full provision of the costs and related factors.

My submission is that ratepayers should receive a specific statement of the specific costs of the runway extension proposal and a specific question asked as to whether or not they support the project once in full possession of the facts.

This project is far too big to be just rolled in, and hence hidden, under a generalised package of a diverse set of ideas for the coming decade.

## Against the Runway Extension (Submitters 540-789)

### 27) Philip Darkins (p6)

What concerns me about the airport is the pilots' association's view of it, from a safety standpoint. Pilots want the runway extended so that the airport meets or exceeds the international standard – without special exemption – for a safe runway length i.e. overshoot safety zones of 200m at each end. I support that call. From the point of view of a passengers' landing experience, Wellington's notorious airport ranks as THE worst international airport in the world. Hong Kong's used to rank worse until it was relocated. Now Wellington and San Diego vie for the bottom slot; Wellington for its dangerous NW crosswinds and San Diego for the sudden 'dip' required when approaching from the east. I seriously doubt that many international airlines would consider using Wellington, even if the runway was extended.

### 28) Michael Harrison (p108)

Extending the runway is a complete waste of money. The marginal benefit to Wellington and/or New Zealand will be marginal, and ratepayers would be left footing the bill. If it was such a great idea the airport company would do it itself.

### 29) Alex Gray (p119)

I am yet to be convinced this is a viable proposition until a robust business case is completed



covering in detail the likely construction costs, annual maintenance costs (in a severe marine environment) against the proposed benefits .

### **30) Valerie Bruggemans (p141)**

I wish to oppose the development plan for the extension of the airport because the stormy weather we are experiencing during winter is a great danger to arriving aircraft plus the business plan doesn't add up to warrant the huge amount expected to pay for it. I'm struggling to find the rates money now so of course we rate payers will have a huge hike in the amount to help pay for it for years to come.

### **31) Chris Watson (p148)**

Wellington businesses rely on wealthy Wellingtonians staying in Wellington. I understand that half of all passengers crossing the NZ border are outbound kiwis. Any additional flights from Wellington would create more opportunities and make it easier for more Wellingtonians leave NZ and spend their money elsewhere. Any WCC councilors wishing to support the local economy would work to keep our wealthy citizens patronising Wellington businesses (rather than in Singapore, Shanghai or Saigon businesses). The world's richest 1% of people flying causes about 5% of CO<sub>2</sub>e global warming and around 80% of air travel is discretionary (economically 'elastic') non-business trips. NZ's farmers and foresters are exposed to the climate and and fishers exposed ocean acidification, so they need to stabilise the climate if they are to remain the 'backbone' of NZ's economy. Climate stabilization depends on urgent and severe cuts in carbon emissions to stabilise the climate. As pointed out by Monbiot (Heat, Penguin, 2006) we can live our 'modern' lives with very low emissions, except flying. Thus the only chance to stabilize the aviation sector's emissions is to reduce flying. Organisations and individuals are already reducing flights (example; the 'One in Five' reduction in business flights). A responsible council would be prepare for a reduction in passenger demand until airlines offer low/zero emission flights. Auckland is NZ's only International Aviation Hub. With all its advantages, CHC struggled to maintain one long haul connection. Even if WLG had a longer runway, most WLG – Asia travelers would need to transit through AKL or SYD to connect to most destinations, so very few of them would save time. Auckland is NZ's only international air travel hub with Pacific rim connections. The obvious absence of spatial (network) analysis to suggests that proposals for Wellington connections are misguided. Experience of little Europe cities attempting to increase aviation traffic beyond their viable potential has been to attract very low cost airlines – referred to as 'bucket holiday' operators, which are renowned for bringing 'low value' travelers on drunken rampages. Wellington would be much better of economically, environmentally and socially if it attracted 'high value' tourists from the national catchment. Tourist business people would never throw their own money into Cook Strait. If Wellington tourism operators believed that long haul aviation was viable, then they would invest in runway extension with their own money. Clearly, they think that it is a folly – like the overseas shipping passenger terminal of 1960s. Any subsidy for WIAL would be a penalty for other businesses and individuals. Thus it would be deterrent to people and businesses moving to Wellington, or remaining here, in future. Our Kids are Educated for High Wage Jobs – Not Taxi Driving and Hotel Housekeeping Councillors hoping our kids' generation will flourish in highly skilled and well paid jobs in Wellington would not waste money low wage industries like tourism. A smart strategy would definitely NOT burden start-up businesses with debt from subsidies for low wage, polluting fossil fuel industries. Our kids' generation is showing unprecedented interest in clean sector, IT, entertainment and new fields and they are well equipped to build their futures without burdens from entrenched interests from the twentieth century. Global divestment from fossil fuel industries involves selling shares in polluting industries. The Rockefeller Brothers Fund (refer: Standard Oil, Mobil Exxon, ESSO, Chevron, BP, Amoco), Norway's giant Government Pension Fund, Victoria University of Wellington are among the smart organisations divesting from the fossil fuel industries, while the shares in un- burnable fossil fuel still has value. Signs of change are evident as smart organisations reducing flying to help stabilise the climate: As the world warms and technology improves, researchers and institutions ... question whether they really need to travel to academic conferences.' A clean, green science machine. Nature, 18 March 2015. University of

Otago academics took the train to an Auckland conference in 2015 'Signs of Change' Conference – the University of Canterbury linked mini conferences including Royal Society venue in Wellington. A responsible council would consider divesting fossil fuel investments, including airport shares, while they have value.

**32) Charles Dawson (p179)**

Business case for the airport extension is not made out. Serious concern that most airlines say they will not land there (recognise they are biased in their own way).

**33) Marion Leighton (p207)**

if we had long haul flights I'd use them, BUT I'd much rather travel to Auckland or Christchurch than spend the money on an ugly runway extension that destroys our beautiful harbour. Also, our airport is in a residential area, there would be much more noise pollution. Don't bother.

**34) Glen Kingston (Strathmore Park Association) p293**

We are astounded that Council has voted to oppose Grenada & Tawa options for the Petone to Grenada highway for reason of unconvincing business case when it is so enamoured with funding all stages of an Airport runway extension which has not yet even delivered a business case. We also strongly support proposals to lift funding for Community Centres and to more widely apply living wage to other than direct WCC employees.

**35) Harry Chapman (p345)**

The airport expansion plan is extremely expensive, has questionable economic benefits (recently called into question in the media), and is fundamentally irresponsible considering the need to CUT emissions in light of the threat of climate change. It makes no sense to facilitate increased air travel at a time when we should be cutting back on it.

**36) Fiona Cockerill-Gahrnem (p371)**

As I heard on radio that this project would mean 5-6 extra flights a week over the next 45 years (I hope this is correct). I do not believe that the amount of money this would take would have a good enough return!! It is not impossible or too inconvenient to travel to overseas destinations from Wellington. If you look at other larger overseas cities it could take as long to travel to an airport as would to fly to Auckland for an International flight!! So for overseas travellers I do not believe that the status quo is too inconvenient. Also as there is no strong business case and commitment from relevant airlines I think this is a risky investment.

**37) Sophie Mormede (p399)**

The due diligence hasn't been done, the figures are way underestimated, no airline is interested etc. The economic benefit is just not there. Wellington will end up paying for this for decades at least. Moreover there is no discussion on the environmental impacts. What will happen to the unique marine environment in Moa Point? The unique giant kelp forest, at risk of extinction in other countries? the surf in Lyall bay? the wastewater treatment plant outfall? Who will be liable when it doesn't achieve the required mixing and public health issues arise? Who will pay for another extension of the pipe and all the associated expenses?

**38) Friends of Taputeranga Marine Reserve (p460)**

A longer runway

The trust is concerned about the weakness of the business case made for the airport, which inevitably will lead to asset sales, increase in rates, and reduction in spending in areas such as

the environment.

However, economic aspects have been leading the debate, with very little discussed about environmental effects:

- What will the environmental effects of the build be?
- How will the new extension impact water flows and the surf and quality of the water at Lyall Bay, our prime surfing and swimming spot? We are likely to have unexpected changes in currents and waves due to the extension such as what happened at Chaffers Marina following the build of the “underwater” car park.
- What will the new extension do to the unique marine ecosystem around Moa Point? What will happen to the giant kelp forest in Moa Point? Such forests are at risk of extinction due to climate change in other areas (e.g. Tasmania). What is the impact on commercial and recreational fisheries (crayfish, paua, blue cod for example)
- What is the risk to the wastewater plant outflow? Have hydraulic models been carried out to ensure that the outflow will still be suitably mixed and not sent back to our shores (and see point two above)? The outfall would have been made as small as possible to achieve suitable mixing, so no doubt an extra 300m runway will affect it. What if we have renewed public health issue and we revert back to Poo Point? Where will the liability lie if there is a need for further extension of the pipe / modelling / monitoring?
- Is it a good idea to increase the runway of a low lying airport in these times of climate change? It already gets closed regularly due to storms, which will only increase in intensity and frequency. This April’s storm is the latest, was not even in winter or in king tides, and cost to Council is already huge. It is also in an earthquake and tsunami zone. Where is the resilience plan? What if the climate change modelling says this shouldn’t be done? International studies have already concluded this much and we should not wait in making the right decision.
- What is the risk of sediment plumes to the proposed new Ocean Exploration Centre and how might it impact on its water intake?

#### **39) Mt Vic Residents Association (p485)**

We strongly oppose the proposed airport runway extension. The irreparable damage to the coastal marine environment outweighs any potential economic gains. Stated gains are mostly to private interests, including Infratil, it is very expensive, it is not supported by the airline industry itself (BARNZ), and financial support from central and surrounding local government is dubious.

#### **40) Rachel Underwood (p519)**

I strongly oppose the construction of a longer runway as there is no firm evidence that this will bring larger and more international planes as shown by the comment from major airlines.

#### **41) Maria Cotter Wgtn Public Health Assn (p526)**

The consultation document provides insufficient detail on the costings for this investment, the level to which the Government and airlines are supportive and what their share of contribution might be. The proposed expenditure is large and the projected timeframe for investment return is extremely long, which poses questionable economic value. It also fails to make explicit the indirect costs, such as increased carbon emissions and air pollution. We suggest further work is needed on this proposal. We are generally supportive of most proposals. However, we do not

support the proposed investment in the extension of the airport runway, and suggest further work is done to assess the broader impacts and tradeoffs of the proposal.

#### **42) Rose Bridger (p609)**

I would like to make a few points regarding the exaggerated claims of economic benefits from airport expansion by drawing attention to relevant research from Europe and at the international level:

There is substantial credible evidence that the purported economic benefits of airport expansion are routinely exaggerated. For example, a report commissioned by HACAN (Heathrow Association for the Control of Aircraft Noise) 'The economics of Heathrow expansion', exposed the inadequacies of the methodology used to determine the necessity of a third runway <http://www.hacan.org.uk/resources/briefings/ce.delft.press.release.and.key.points.pdf>

One important aspect that was not factored into the case for a third runway at Heathrow Airport was the economic loss through the substantial tax breaks that the industry receives, including on aviation fuel and VAT.

In Germany the tax break on aviation fuel and VAT amounted to to €10.4 billion in 2011-12, over ten times higher than the €1 billion paid in air travel tax.

[http://www.bund.net/fileadmin/bundnet/publikationen/verkehr/131120\\_bund\\_verkehr\\_auswirkungen\\_luftverkehrsteuer\\_studie\\_gesamt.pdf](http://www.bund.net/fileadmin/bundnet/publikationen/verkehr/131120_bund_verkehr_auswirkungen_luftverkehrsteuer_studie_gesamt.pdf)

Worldwide, economic losses through fuel tax breaks is estimated at €60 billion annually.

<http://www.euractiv.com/sections/climate-environment/responsible-flying-grounded-aviations-fuel-tax-exemption-313831>

Europe is littered with underutilised, and totally unused, 'ghost airports' which have been built with taxpayer funds. Taxpayers also prop up these airports through enormous subsidies to operating costs.

<http://rt.com/business/214503-ghost-airports-europe/>

Evidence is mounting that airports' claims that they act as an 'economic engine' for the wider region - including through 'aerotropolis' type associated commercial development - is overstated, particularly in comparison with other local infrastructure.

<http://blogs.lse.ac.uk/usappblog/2014/11/04/claims-that-airports-are-a-citys-economic-engine-are-overstated-especially-when-compared-to-other-local-infrastructure/>

Runway expansion would inevitably bring negative economic impacts resulting from environmental damage to coastal tourist attractions, the marine reserve and fisheries.

These economic arguments against runway extension add to the devastating environmental damage that would be caused by aviation growth. Climate change impacts are already impacting on Wellington Airport operations i.e. rising sea levels and increasing incidences and severity of strong winds, storms and rough seas.

#### **43) Michael Gunson, Surfbreak (p613)**

SPS has no opinion on WIAL improving its International connections. On the subject of the Wellington Airport proposed extension south into Lyall Bay SPS is opposed to the activity until such time as a robust Assessment of Environmental Effects is provided that adequately addresses our concerns regarding impacts on Lyall Bay's Swell Corridors and surf breaks.

#### **44) Martyn Howells (p617)**

I have lived at Moa Point since 2003, as a residential ratepayer since 2006. I obviously have more concerns than most Wellingtonians about the proposal to extend the airport runway since such a development would seriously disrupt my way of life. I have chosen to make my submission on the LTP in this way because many of the questions in the Consultation Document are biased or obfuscating. I note that Survey Question 3 asks about support for 'improved international air connections'. This makes no reference to the proposal to extend the airport runway. Some of the arguments in favour of the proposal are questionable eg that more international students will come to Wellington because it will be easier to get here. Don't students choose an educational institution because of the courses it offers rather than the ease of travel? It's not as if international students plan on going home every weekend. I hope that the council undertakes a rigorous and comprehensive analysis of the business case being developed by WIAL and expect to see a robust challenge of the assumptions underpinning the business case. But I am not confident that this will happen given that WCC has already committed \$2.95 million before any airline has expressed interest in long-haul flights in/out of Wellington. My greatest fear is that WCC will be tempted into contributing more than NZ\$90 million if there is a shortfall on the estimated \$300 million (or is that \$350 million?) or whatever the final construction costs are. Let's have some guarantee that the ratepayers don't end up writing an open cheque. Will there be any binding contracts with airlines that prevent them from terminating long-haul services? I doubt it so the worst case scenario could be a Runway to Nowhere to add to New Zealand's tourist attractions. Much of the LTP and the Big Ideas makes me think of a hypochondriac searching the internet for cures for an imaginary disease.

I and my neighbours need assurance that our interests will be fully protected, no matter what the outcome - our expectation is that Wellington City Council will be seeking the best outcome for its residents and that if the proposal were to proceed that the Council will look after the rights of those residents who will be significantly and negatively impacted by it.

#### **45) Wellington Underwater Club (p690)**

WUC recognises that the airport extension is to a large extent an emotional discussion. Putting emotions aside, an increase in rates and cutting of spending are very likely and this might in turn affect longevity of key infrastructure and have indirect impact on the environment. We raise concerns over the fact that the public and potentially even the council might not have full Wellington Underwater Club Submission on Draft Long Term Plan

transparency of the business case due to the involvement of a private entity and commercial sensitivity.

The extension of the runway will also directly impact the environment (during the build) and could have long term effects on Lyall Bay (effect on water flows and surf, impact on community), Moa Point (effect on wastewater treatment plant outflow and giant kelp forest) and the wider Wellington South Coast (effect of sediment movements). Those impacts need to be considered in detail and should be captured in the business plan. Where will the liability lie to fund work on the wastewater plant outflow if required - including a potential outfall extension, for modelling and monitoring? Impact of Climate Change on large scale infrastructure projects has to be considered carefully including measures for mitigation and adaptation. How will more frequent storms and sea level rise impact on the design and costs of runway extension?

Even in the best case and with an extended runway - the airport and contracted airlines will still only cater a limited number of international destinations. International travellers will still rely on other connections at the start of their journey or fly into Auckland or other airport hubs that are already connected to Wellington. On domestic scale it is inevitable that Wellington will keep competing with Auckland and Christchurch for business, talents and visitors.

Instead of locking large investments in the airport extension, money should first be spent on

transforming Wellington into an attractive and international competitive place for businesses and a place offering talents and entrepreneurs an attractive place to live. This is particularly relevant in a region focusing on knowledge intensive and high value / low volume products and technologies. We encourage to further investigate alternatives to increase airport and passenger capacity e.g. by better and more frequent links to key transport hubs (Auckland, Christchurch and internationally). Well-built connections could open up an extensive network of overseas destinations feeding into an attractive and resilient destination Wellington.

#### **46) Chris Chitty (p694)**

If the airport company won't invest neither should the councils

If the councillors do invest then each councillor should be made liable and have their assets seized [including family trust and other business interests] for putting the council in to a position of insolvency that could only be repaid by fining the rate payer in the form of higher rates.

What other civic, social and job creation initiatives will be shelved for the next 50 years to pay for this.

Where will we put the monument to the people that FU\*\*ED Wellington. Put their heads on then break water concrete caissons and dance as they get swept away with every storm.

The only people it would benefit are the politicians who for the rest of their lives will be able to fly out of Wellington and go far afield at our expense, and sadly they will come back. And the airport company who at no risk and no investment will get far greater fees for running the airport.

The long term plan will need to be adaptive, compliant and evolutionary. At present it seems to be very reliant on the film industry and to a major extent the tourism built on that. The film industry is very fickle and the council for far too long appear to have listened to their own spin and walked their own red carpet. Darwin's theories suggest this is the path of many extinctions.

Even with the film industry the last 6 years have seen a flat response to growth, it would be interesting to see figures "sans" the film industry

Foreign students as a reliable long term money earner?. Wellington would need to provide purchasable housing and land for the "foreign students" before it would really take hold. But unlike AucklandLand which it does not have. [could reclaim Lyall Bay?]

It would also need to invest the \$600million + that it will end up wasting on the runway extension on the construction of university buildings and accommodation. [that would create and keep a lot of jobs and upskill the workforce etc.]. During the Christmas break the accommodation could be marketed to provide summer accommodation for tourists and generate northern hemisphere winter escape to summer comedy and culture, adventure and fine dining. You would not have to wait 50 years to break even.

The extension of the runway is presented as the magic bullet, however the council may in their enthusiasm/desperation be firing the magic bullet at themselves.

I fear you are in same position as the safety officer for the pike river mine prior to its demise.

#### **47) Tawa Community Board (p715)**

While the Board recognises the benefits Council has outlined in the plan, and agree that this project will provide benefits to both tourism in the Wellington Region and to businesses in Wellington the Board remains to be convinced that this is a viable project and recommends that it be deferred indefinitely until there is more widespread support for this project.

In particular:

- We feel that the costs of this project should be shared between both central government and the Councils of the Wellington Region and Lower North Island.
- It is questionable that the current location of the airport is viable in the longer time given is location is susceptible to the effects of climate change and sea level rise, and natural disasters of tsunami and storm surge. A better position maybe to focus international connections from the likes of Ohakea airport to serve the lower North Island with Rongotai being maintained a city shuttle connection airport.
- The airlines themselves appear not to have a stated position on supporting any additional international flights to an expanded Wellington airport.

#### **48) Youth Council (p719)**

We think that the economic benefits that an extension of the airport runway will bring are of great value to Wellington, not just Wellington City, but the entire region. As such, the Council should seek investment in this project from the other councils in the region.

The Council should seek and contract at least one major airline to utilise the added capacity of the runway extension before proceeding with construction.

#### **49) Matthew Crawford (p741)**

I oppose the growth projects, particularly the airport extension. NOT ONE CENT! This is a Muldoonist ThinkBig disaster. The cost projection is laughable – ratepayers cannot be expected to take \$1m/1m or runway seriously. Those responsible for the cost projection are incompetent or liars – either way they should be fired. There is no support from industry, ratepayers, the airport owners or from airlines. I strenuously oppose council spending on any proposed extension. This consultation has been really poorly managed by the council. No information has been sent to my address about this. It is concerning that the response to this plan, particularly the airport extension slush fund, will be taken as a mandate to make changes. Finally I am concerned at the extremely high salaries paid to management within council. They are public servants, and should be paid accordingly. The CE earns an obscene amount that cannot be justified except for great personal greed. I suggest aligning salaries of management with those salaries within the secondary school sector.

#### **50) Tim Chambers (p753)**

We do not need an airport extension that airlines are not interested in supporting. The damage caused yesterday at the Iyall bay car park should be alerting you to the dangers of extending further into the ocean. This development directly contradicts your plans to strengthen sea defences etc.

### **Against the Runway Extension (Submitters 790-926)**

#### **51) Billy Simpson (p1)**

If the waves can lift the asphalt of the carpark and pavement, what will it do to the proposed airport extension

#### **52) Diana Watt (p93)**

The risks are innumerable and yet we never hear a word about the risks from the proponents. Some are: the fact that the airport sits on reclaimed land and an actual faultline, has been hit by several tsunamis in the past, has to shut down regularly in (increasing in frequency and

extremity) Southerly storms, risks from rising sea levels and associated insurance costs, not filling flights due to competition from major airlines and regional international hubs, hikes on domestic ticket prices to offset losses, losses of the economic viability of the South Coast including recreational, tourism, cray fisheries, the sewerage plant operation, the marine reserve etc. I do not think we need another long haul airport as there are already two major hubs in the region – Auckland and Sydney, both of which are currently aggressively expanding their international runways. Christchurch, with no curfew and a much longer runway, only manages one long-haul flight to Singapore each day. Any visitor increases from new routes are already coming through Auckland, we will draw business from existing routes. In addition, The airport made it clear that it is ‘not economic’ to put their money where their mouth is. The National Government has already indicated it is not good for NZ Inc. The WCC has indicated a 50% (!) rate rises over 10 years in their LTP which will partly pay for this runway and other Mayors in the region indicated they would come up with another \$60m, thus paying for half of the given cost despite the Council only owning a third of the shares. Along with a flawed consultation process, the outrageous cost and without doubt probable budget blowouts I am vehemently opposed.

### **53) Dr Sea Rotmann (p109)**

I am a Moa Point residential ratepayer who over the last five years has raised concerns about the proposal to extend the airport runway. I am co-Chair of the Guardians of the Bays Inc and write as an individual in that capacity. The Guardians are submitting their own proposal on this topic, which I wholeheartedly support and will attempt not to duplicate here. The Guardians have also written two blogs (to date) on this matter, the content of which I would also like to introduce into this submission (<http://strathmorepark.org/2015/03/19/open-blog-introducing-the-guardians-of-evans-bay/> and <http://strathmorepark.org/2015/04/17/open-blog-the-airport-extension-how-much-is-it-really-going-to-cost/>). There are many decent proposals in the Consultation Document (CD) which I will not comment on, but my individual concerns are on the flawed consultation process and the airport runway extension which I strongly oppose, below.

Flawed Consultation Process: Many of the questions in the CD ask for generalised and overall support and are non-specific as to particular proposals. Examples:

Survey question 2 poses a false antithesis between ‘investment for growth’ and ‘business as usual’. Many would favour growth without wanting to give indiscriminate support to everything on the table, especially seeing the Council has not properly costed or given sufficient information on most of the ‘big idea’ projects (see Councillor Helene Ritchie’s scathing press release on March 3, 2015).

Survey Question 3 asks about support for ‘improved international air connections’. This is not the same question as support for a runway extension. One could answer Yes to the former without supporting the latter as the sole means for achieving improved air links.

The CD asks residents to give their support to a runway extension in advance of the public tabling of a Business Plan (BP). The LTP consultation process concludes before the BP is made public as part of the Resource Consent process. The Deputy Mayor claimed that the LTP would provide the Council with a ‘mandate’ to earmark \$90m for the runway extension. There can be no ‘mandate’ if no details are given to the ratepayers to make decision on. This goes against the heart of any democratic process and is extremely troubling.

The information given to the public by the WCC and WIAL has been incredibly one-sided and highly untransparent. A large amount of money was spent on glossy advertising, including full-page ads in the Dom Post, yet the many risks, environmental and social impacts and dubious cost-benefits have been neglected to ever be mentioned. Other organisations, such as the Guardians, BARNZ and various bloggers and journalists had to provide some transparency and balance to the reporting on the issue. This suggests



that the Council is not fulfilling its mandate to its ratepayers by providing us with clear, transparent information to make the best choices of what will happen with our money and our assets.

5. WIAL, despite its protestations otherwise, has been yet again lacking in its public consultation process and the information offered to the public is one-sided and untransparent. This reflects an investigation into WIAL processes from 1993 (by an Independent Review Panel to the Parliamentary Commissioner for the Environment), where WIAL has been found 'unsatisfactory in its consultation with the public causing significant hardship to affected residents.' As one of the most affected residents by the airport and this runway extension, I can attest to feeling extremely impacted by the way the Council and WIAL have gone about their support for this project. No obvious consideration was given to the lives of affected ratepayers, property owners and recreational users of the South Coast.

Opposition to the Runway Extension: I am wholly opposed to any further extension of the runway, to the North or the South. Some more detailed commentary aside from what has been written already in the Guardians of the Bays submission and the two Guardian blog posts, linked above:

- 1) Perceived conflict of interest: The Mayor's membership of both WCC and WIAL is, in the eyes of many, a highly compromised and conflicted position. This is underpinned by her overly enthusiastic and one-sided support for the runway extension which gives the appearance that supporting a private business (albeit co-owned by the WCC) to increase its assets is more important than the primary mandate which is to represent the best interest of the City (including the social and environmental assets of its taonga, the South Coast) and ratepayers. It would seem that the Mayor and Deputy Mayor and some Councillors should be more prudent with their support in light of the many unspoken and yet-unknown risks, impacts and dubious cost-benefits, not to mention the significant lack of an airline to commit to flying here long-haul.
- 2) Perceived coercion by WIAL of the Council: It has been made extremely clear in May 2013, both by the airport CEO and the Council, that there would be no more than \$1m co-funding for the resource consenting process. It should have been obvious to the experts on the Council (as it was to Karen Price, an environmental lawyer who advised the Guardians in 2013 that this project would obviously go to straight the EPA for a board of inquiry). It should also have been made clear then by WIAL that environmental and cultural impact reports, engineering studies etc would also have to be co-funded by the WCC, leading, to date, to a 300% cost blow-out. The fact that 5 Councillors voted for delaying a decision on the extra funding until deliberations over the 2015-25 Long-Term Plan next year, which would give the public a chance to have its say, and were over-ruled in part by being called 'anti-progress' (see Dom Post article 18/12/14) is very worrisome. The proposal to delay the decision until ratepayers and the WCC would get more information from the airport (and the fact that the airport refused to provide more reports unless the Council coughed up another \$2m) should not have been denied, for the sake of transparency. Now it gives the impression as if a large part of the Council are shills to the airport who will provide unlimited funding without any public consultation or oversight. This is again, very troubling.
- 3) Dubious Costs: The second Guardians article goes into some detail regarding the highly fuzzy costs and 'guestimates' which we are meant to sign off on, but I am aware that previous reports on the Southern expansion have shown this to be prohibitively expensive (over \$1billion and that was over 2 decades ago!) and an engineering nightmare. Repeating the knowingly false number of \$300m over and over is highly disingenuous.
- 4) Dubious Benefits: The benefits and viability are known to have been extremely overstated both by the BERL and EY reports, neither of whom are experts in aviation or tourism.

The Tourism 2025 strategy and NZIER report commissioned by BARNZ give obvious indication that the benefits have been extremely overstated and the costs largely ignored. The lack of demand from a long-haul carrier, despite having spent \$1.6m in the last ten years (on what? Flying overseas and taking airline representatives out for breakfast, according to some?) to attract one is an obvious sign that the need for creating an international hub out of Wellington simply is not there. The optimistic EY projections and protestations of the Deputy Mayor do not stack up with the hard economic realities of airline carriers, especially seeing that Air NZ will actively outcompete them and Auckland and Sydney are the obvious regional hubs, aggressively expanding their territory. Many (almost all!) regional airports in New Zealand have failed when expanding to attract international carriers, proving that 'build it and they come' is not the case in New Zealand.

- . 5) Risk: has not been mentioned yet and is likely to be severe on several fronts: risk from earthquakes, tsunamis, sea level rises, increased storm events and other climate change impacts, fuel prices, the high exchange rate, global economic recessions, re-insurers having Wellington as the number 1 city most likely to be catastrophically destroyed by an earthquake, thus reducing the likelihood for getting long-term insurance for the assets, reduction in value due to destruction of the South Coast fisheries and recreational value, sewerage plant operation impacts etc. It would seem that a prudent Council would have at least mentioned and considered some of these risks before asking us ratepayers to committing \$90m.
- . 6) Social, cultural and environmental impacts: will obviously be very large and diverse: the Moa Point suburb will likely have to be bought out and razed to the ground (though there has been ZERO communication with us residents on what this will mean for our future and the land that we own) as it is already impacted unhealthily by the airport and too close for safety margins; the Lyall Bay surf and wider beach use; fishing and especially Iwi crayfisheries; the marine reserve which will be impacted by unknown but highly likely to be severe sedimentation and turbidity (a topic I hold a PhD degree on); tourism impact on seeing an area widely regarded as Wellington's taonga, destroyed by an unnecessary and large development; climate change impacts and considerations (building a \$350m runway to reduce climate change by not having to fly to Auckland, as the Mayor once claimed in a public meeting is a ridiculous argument especially seeing additional long-haul flights are meant to be attracted to New Zealand) etc
- . 7) Political risk: On a personal note, it is troubling to me as an active Green Party member and two-times parliamentary candidate that the National Party Ministers seem to have a more measured and careful stance with regards to this extension and its social, economic and environmental impacts than the Labour/(formerly) Green Deputy Mayor and Mayor. This is particularly worrisome in light of the severe social and environmental impacts on the South Coast and its residents, who I would normally expect to be taken care of better by a progressive than a neoliberal government. I assume that a lot of these controversies, (mis?) perceptions, residents' fears and unanswered questions will rear their ugly head during the election campaign and when further information on the business case and environmental and cultural impacts is finally released. Personally, I would rather see a continued Red/Green Local Government than a return to a neoliberal one and I am heartened that at least the 3 Green Party Councillors and Helene Ritchie seem to have voiced many of our concerns and voted accordingly.
- 8) Personal effects: I have to reiterate how much this has impacted on my personal, emotional, financial and physical wellbeing over the last 5+ years. The threat of having my home and the South Coast, my turangawaewae destroyed so glibly (I was told by one Councillor that 'Lyall Bay has already been reclaimed so it doesn't really matter') hurts me to the core of my being. It is easy to attack residents like me ad hominem as NIMBYs (or NIMFYs in our case) but I expect more from my elected representatives and officials who are paid by my rates to look after my interests. And my greatest personal interest is protecting and restoring the natural environment

on the South Coast.

#### Recommendations to Council

That before any support be given for the proposal to extend the airport runway:

6. A fully costed and specific proposal be made public and ratepayers invited to respond once in full possession of the relevant information
7. That the specific percentage impact on rates of the runway proposal itself be made known (ie will increase rates by x% annually for x years)
8. That the total of committed funding for the project be made known, and the extent of the shortfall indicated
9. That Council provides for ratepayers a statement of which airlines have indicated a commitment, and not just expressed interest, to fly long-haul to/from Wellington should an extended runway be built
10. That Council develop a set of minimum criteria to be met before supporting the project eg. required percentage of committed funding, required number of committed airline flights
11. That the question of cost over-runs and who will pay be addressed before the project receives support, noting that once started the project cannot be abandoned.
12. That an independent peer review of the Business Case be sought, funded by Council with the choice of reviewer to be decided by a joint Council/ratepayers body
13. That the Mayor recognise that her primary responsibility is to Wellington ratepayers and hence stands down from WIAL Board participation during the period of decision-making.

#### Conclusion

The LTP consultation process asks for general support for a generalised line-up of projects with a generalised indication of estimated rate increases. It further asks ratepayers to give their support in advance of full provision of the costs and related factors.

My submission is that ratepayers should receive a specific statement of the specific costs of the runway extension proposal and a specific question asked as to whether or not they support the project once in full possession of the facts.

This project is far too big to be just rolled in, and hence hidden, under a generalised package of a diverse set of ideas for the coming decade.

#### **54) Ann McCrone (p115)**

The business case appears weak to me. I am concerned about the weaknesses of the business case made for the airport, which if the project went ahead could/will lead to asset sales, increases in rates, and a reduction in spending in other areas such as the environment. Very little is discussed about environmental effects. And there has been doubt thrown on support for the proposal – e.g. The Transport Minister stated that there would need to be a proven national benefit to extending Wellington's runway for the government to get involved and help pay.

We are told that the extension of the runway at Wellington International Airport is needed to help attract long-haul carriers when there is no real confirmation &/or doubt that the airline companies would use the facility.

I am not convinced moneys should be spent on this project and do not support it.

What will the environmental effects of the build be? What will the new extension do to the marine ecosystem around Moa Point? What will happen to the giant kelp forest in Moa Point? Such forests are at risk of extinction due to climate change in other areas. What is the impact on commercial and recreational fisheries?. How will the new extension impact water flows and the surf and quality of the water at Lyall Bay? What is the risk to the wastewater plant outflow? Have hydraulic models been carried out to ensure that the outflow will still be suitably mixed and not sent back to our shores? ·

· The airport also hosts the RNZAF facility and a number of general aviation, aeroclub, air ambulance and maintenance operations. How will these be affected if more space is needed for commercial airline terminals?

· What extra infrastructure would need to be built to accommodate more than the current (Air New Zealand, JetStar, Qantas and Virgin Australia) using the facilities?. Airport buildings, roading access etc?

· Who will undertake and how much will it coast to extend the Moa Point wastewater pipe if there is a need for further extension of the pipe?

· Is it a good idea to increase the runway of a low lying airport in these times of climate change? Coastal roads already get closed regularly due to storms, which are only predicted to increase in intensity and frequency.

### **55) Allison Balance (p139)**

I am opposed to spending millions of dollars each year to support the building of a runway extension because I am not convinced that the business case is strong enough, especially as the airlines themselves say they don't want it and won't use it.

### **56) Paul Barber (p150)**

I would like to make the following comments on the Draft Long Term Plan 2015 Investing in people first: airports second Investing in people first: Living wage and Wellington City Council Investing in people first: Cycling network investment

Investing in people first : Housing for those on low incomes & homeless

like the opportunity to speak to my submission.

Investing in people

It is pleasing to see the emphasis on a desire to support our most vulnerable citizens and invest in our communities' ongoing prosperity referred to in the consultation documents. It is vital that the city make its decisions in a way that build community cohesion and offers people choice and hope in their lives.

It is also good news to read about the city's healthy financial position and very manageable debt levels. This is good know and does indeed offer room for wise investment. But that investment must be focused on people, communities sand the environment and not simply "think big" style projects that may bring additional debt/cost and little overall net benefit.

Therefore I am not convinced that the planned capital expenditure of more than \$300million in extending the airport runway. The environmental costs of this work seem high and the benefits to the region seem not so great as to justify the huge investment of our money. The \$300million could I believe be invested differently in a range of projects in the region's transport and tourism infrastructure in a way that would generate more employment and overall wellbeing with lower risk and environmental impact than by simply building a bigger airport.

#### **57) Mitcalfe and Horne (p154)**

We oppose this proposal of a longer airport runway. We consider it unwise, given the increasing severity and erosive power of storms in Raukawa / Cook Strait,

- the rising sea level,
- the enormous cost,
- the less-than-luke-warm interest shown by long-haul airlines,
- and the competition provided by Auckland and Christchurch airports, which are established and natural international hubs for long-haul flights.
- In addition, some of the huge cost would have to be borne by present and future Wellingtonians. We are instinctively wary of "Think Big" projects driven by 'group-think', and their perpetual environmental and financial impacts

#### **58) John Benseman (p165)**

As is evident (and is acknowledged) there are no business cases developed for any of the initiatives except for the airport runway extension. While this somewhat understandable given the stage of the draft plan development, it is concerning that:

The one business case that has been used (which was developed by an interested party), highlights benefits to the national economy that have been refuted by the government and is likely contrary to the independently commissioned report the Council received

The Council has expressed support for the extension both publicly and within the Mayoral forum prior to consultation on either the runway extension or the draft 10 Year Plan. Therefore, there must be a low degree of confidence that the Council will adopt a robust approach to developing and evaluating the businesses cases for the almost \$500M of debt-funded spending in Table 1.

#### **59) Peter Skrzyński (p165)**

I strongly oppose the proposed airport extension, for many reasons: Issues of concern are cost (will it really only be \$300m?), no airline wants to fly here, recreational, environmental issues, and will Wgtn ratepayers be left with having to pay the bulk of the cost, including over-runs? We are also being asked to express our opinions BEFORE the business case with all the facts and finances is presented: WCC wants us to give carte blanche while we are in the dark about the facts.

#### **60) Frances Lee (p239)**

A case has not been made that airport extension will attract both airlines/pilots never mind enough people.

#### **61) Owen Mathews (p244)**

I strongly oppose committing our money on a poorly thought out airport runway extension without proper consideration of the benefits and the actual costs

**62) Alexander Wright (p255)**

I think that Wellington could really make a statement and close it's airport. Far too much emphasis is put on travel. We ought to seriously reassess our priorities and making a bold statement like this would be a good start.

**63) Robin Campbell (p363)**

Council should immediately stop all work on the proposed airport runway extension and should not fund this project any further in any way including consent applications. The economic case does not stack up. The environmental case is in tatters. The cost of a flight from Auckland to Wellington is often less than \$50 and takes less than an hour – the idea that a large number of international travellers care that much about flying direct is absurd.

**64) Jane Bowden Dobson (p384)**

The airport runway extension is archaic. The airport runway extension has been proposed as a solution, without exploring the actual problem definition and looking at modern, sustainable solutions to what you are trying to achieve. I have encountered some amazing collaborative and progressive models in engaging with Wellington City Council on some visitor experience, local and domestic/international visitors, such as the Living City project, or, the Nature Connections model of collaborative marketing of eco destinations in Wgtn, and upskilling those in the industry. These are specific cases, but showcase some of the forward thinking that the council is capable of. The airport runway extension as a solution to stated problems of access and low visitor numbers is unusually clumsy and does not ring true. Absolutely no faith in the leaders who are trying to push this proposal through without even thinking about the basics. Very quickly:- The majority of any Asian visitors thinking of coming to NZ do not differentiate between Akl, Wgtn or Chch. to try and compete against fellow NZ cities in this huge market is ridiculous. We must know who we are, then know our audience. I can't help but think we have an inflated idea of our position in the global community. We are tiny. We are boutique. I know there are many international examples i.e. Ireland where this rationale has been applied, and the smaller cities are now suffering huge infrastructure mortgages, the flood of visitors has not followed, and they now have little headway to develop other initiatives that address the problem. Collaborate across major cities in this regard and achieve so so so much more! Tourism NZ and AirNZ must have real impetus to assist and provide leadership on this. surely. Act like competing supermarkets and clump together to draw the masses in for everyone's benefit!!! Packages that draw those cultural and green/ eco minded tourists straight here will work.- The investment is based on current flight technology, yet a runway extension with 40 yrs return is ridiculous maths that no one within Council or Infratil has sensibly addressed. Please address this significant issue. How can you ransom ratepayers without more explanation of your rationale?- The fact that Infratil has profit rated to asset base, and, that the council is a significant shareholder in the airport also is a point which city leaders must explain to gain support from rate payers.

I am so proud to live in Wellington, and genuinely do not want 'nimbysism' to cloud my judgement. Seriously, based on logic as well as emotion, the sustainable and progressive ideas you have proposed WCC - these are awesome. We need them as soon as you can sign them off. The airport runway extension however - wow. Clanger. Think about your grandchildren and please revisit this one honestly and openly. Business can also take the challenge and try and find some of their own solutions to changing times and economies - don't wipe their dribble as they decide they just want it easy from here on in. We are a changing demographic, we are a new generation coming through and setting a green and cultural hub of a City up for success with a solid foundation is much more valuable, and braver, than the alternative.

### **65) Richard Herbert (p389)**

I am against this particular project plan and remain to be convinced that this is a viable project and recommend that it be deferred indefinitely until there is more widespread support for the project. In particular: I submit that such a project has widespread benefit throughout the region and also to central government and therefore the costs of this project should be shared between both central government and the Councils of the Wellington Region and Lower North Island. It is questionable whether the current airport location is viable in the longer term given its location is susceptible to the effects of climate change and sea level rise, and natural disasters of tsunami and storm surge. A better position maybe to focus international connections with the likes of Ohakia airport to serve the lower North Island, with Rongotai being maintained a city shuttle connection airport. The airlines themselves appear not to have stated a position on supporting any additional international flights to an expanded Wellington airport.

### **66) Bruce White (p402)**

I have an open, if skeptical, mind on the proposed runway extension.

The acid test is whether Infratil will commit, fully at risk, funding commensurate with its shareholding in the airport. If it won't then the project almost certainly does not stack up.

I am skeptical of the Ernst and Young analysis. I have seen far too many so-called 'independent analyses' to support what the client wants. If there really would be between \$714 and \$1.75 billion of economic benefit from the runway extension, for a \$300 billion economic cost, then the extension would be a no-brainer. But I am guessing that most of the assessed benefit comprises benefits that EY thinks exist but are other than ones that people are willing to pay for. I am entirely open to the possibility that there exist externalities, but once we get into that territory, very real rigour in the analysis is needed. (Generally people might be expected to be reasonably good at finding ways of being remunerated for benefits they create; its cost externalities that no one wants to own).

### **67) Guardians of the Bays (p446)**

Introduction

Guardians of the Bays Submission to Wellington City Council on the Wellington Airport Runway Extension

Guardians of the Bays (GOTB) is a broad-based residents' group opposed to the proposal to extend the runway at Wellington International Airport (WIAL). We are not persuaded that the extension will achieve the level of benefits needed to warrant the extensive investment required, and is concerned that the social, cultural and environmental costs the extension would impose are too high.

The prospect of Wellington City Council having to provide the bulk of the funding is of particular concern when there are more worthy and more urgent long-term funding needs within the city.

There is a real sense of relying on the maxim "Build it and they will come" which is simply not good enough for an infrastructure project of this magnitude. We ask that Council first develop a comprehensive business case, which has been appropriately tested through Treasury's Better Business Case framework, before seeking approval from its residents. It is wrong to expect ratepayers to give tacit agreement to such a significant investment without having developed a valid business case first. Instead the Council should first ask ratepayers for support to further explore the merits of the proposal, following the completion of the business case, which will include a full cost/benefit analysis. This is the approach favoured by all other agencies potentially involved – WIAL<sup>1</sup>, the Wellington Employers' Chamber of Commerce<sup>2</sup>, the Regional Council<sup>3</sup>,

the Government<sup>4</sup> and the airlines association (BARNZ)<sup>5</sup>. It makes no sense to ask ratepayers to provide the Council with a 'mandate' to sign off on significant inter-generational debt, rate hikes and asset sales without first seeing a clear business case and risk assessment.

Our city is a place where people already want to live, work, study and play, and the Council's focus needs to be on identifying the reasons why they come, and supporting these, rather than funding capital works where the benefits are highly dubious. It is extremely short-sighted to expect economic growth to occur from a simple runway extension. Instead, more focus should be given to the reasons why businesses are not moving to Wellington. The extreme insurance and earthquake-strengthening costs in many CBD buildings are likely to be bigger issues for businesses than having to take an occasional extra flight via Auckland.

The Councils' stated goal of making Wellington a vibrant and liveable city will attract many more visitors than a longer runway and we wholeheartedly support this goal.

### Why Extend the Runway

The people pushing for the extension include WIAL and its owners Infratil, and the Mayor, who against the advice of Council officers, is also on the WIAL board, which is clearly a perceived conflict of interest. The proponents say that a longer runway will open up Wellington to long haul flights and attract more visitors. However, GOTB understands that the existing runway is already capable of taking 777, 787 and A350 long haul flights<sup>6</sup>. WIAL Chairman Tim Brown has said "you could build a new runway and find in five years' time that there's an airplane that can land on the [original one] anyway"<sup>7</sup>. The Mayor has also said

<sup>1</sup> wellingtonairport.co.nz

<sup>2</sup> Wellington Employers Chamber of Commerce Chamber Update, 10/4/2015

<sup>3</sup> Wellington Employers Chamber of Commerce Chamber Update, 10/4/2015

<sup>4</sup> DomPost 9/4/2015

<sup>5</sup> radionz.co.nz 8/4/2015

<sup>6</sup> DomPost 16/6/2011

<sup>7</sup> DomPost 15/8/2013

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"New generation aircraft could mean an extension of Wellington Airport's runway would not be needed"<sup>8</sup>.

Even with the proposed 300m southern extension, the runway would still be considered short (2318m) by international standards and would not be within many airlines' operating criteria.

Since 2006 Wellington City Council has been spending \$200,000 annually to try and attract long-haul flights to Wellington. Yet neither WIAL nor the Council have been able to gain a commitment from any airline to fly long haul into Wellington – despite the number of benefits that they argue would accrue, including, presumably for the airline. This is concerning given the \$1.4 million spent so far to attract a long haul airline. Continuing to put yet more money into the idea (the \$1 million for the economic impact report and the recently approved additional \$1.95 million for the resource consent application), notwithstanding the failure to secure a long-haul airline,



raises significant alarm bells for the ratepayers who will be paying for any extension.

In addition, little thought has been given to how Auckland and Christchurch airports will respond to the threat of competition from an extended runway at Wellington airport. Clearly given Auckland Airport's ambitious plans and recently announced \$1 billion dollar investment including a runway expansion, they will be highly proactive in attracting and competing for travellers. In addition Air New Zealand, with its hub at Auckland Airport, and Qantas will focus strongly on maintaining their share of the market<sup>4</sup>. The tourism industry also prefers the two existing hubs as natural northern and southern entry and exit points<sup>9</sup>. In fact, Air New Zealand has recently cancelled its long haul flights from Christchurch claiming that it was their long term strategy to use Auckland as its long haul hub.

There has been no reported analysis of consumer behaviour in relation to the cost of travel. GOTB believes that travellers will continue to be highly price sensitive, and will purchase cheaper international flights out of Auckland or Christchurch. A short connecting flight is of little inconvenience if the price is cheaper. This includes business travellers, particularly SMEs keen to keep their costs down, who will be prepared to incur a slight time penalty if the cost savings are sufficient.

BARNZ<sup>10</sup> also raises the issue that it is highly unlikely that travellers will wait for 48 hours to get on their flight or that tourists would be willing to travel in a Figure 8 route around the country, instead of the obvious entry and exit points in Auckland and Christchurch.

GOTB is concerned that in addressing what is perceived as a problem for international travellers flying out of Wellington, there has been little consideration of other solutions. For example how current passenger processing times might be improved? More investigation needs to be done into what could be done to make it easier to fly overseas from Wellington via Auckland or Christchurch.

Tourism 2025<sup>11</sup>, which provides an in-depth analysis of issues around air connectivity, supports these arguments and throws serious doubts on the overly optimistic opinion on viability provided by Ernst & Young, which has no specific expertise on tourism or air connectivity. They say: "Stimulation with direct services can only partly fill the plane. New Zealand must grow demand through targeting and positive visitor experiences prior to the commencement of the service. Base demand needs to be at a point where stimulation will bolster loads to the target range (approx. 80-83%) and at a yield that makes it worthwhile for the airline to maintain and grow the route."

- <sup>8</sup> DomPost 15/8/2013
- <sup>9</sup> DomPost 26/10/2012
- <sup>10</sup> Radio New Zealand 8/4/2015

<sup>11</sup> <http://www.tourism2025.org.nz/2025-in-depth/tourism-2025-strategic-themes/grow-sustainable-air-connectivity-2/>

They also point out that "The annual average occupancy on flights to New Zealand is 75.4%. This is below global averages and driven by soft loads throughout the off-peak period. All carriers want routes to be profitable and will shift capacity if a route is under-performing. It is much easier for foreign carriers to move their capacity to other countries since they do not have a full base (domestic hub, engineering, head office, etc.) in New Zealand. Growth in New Zealand's airline connectivity to some of the world's key developing markets has been in decline. Long haul growth is effected by carrier withdrawals, natural disasters and fragile economies. The

profit generated by the aviation industry from visitors travelling to New Zealand is very low, certainly when compared to the wider tourism industry. There is an immediate opportunity to lift volumes by increasing utilisation of existing capacity.”

There are also a number of practical issues that have not been addressed, including the curfew at Wellington airport, and space to park newer, larger aircraft. Both Christchurch and Auckland airports are clear that they could not function if they were not 24/7 airports and it is difficult to see how Wellington Airport could operate a fully international airport within an 18 hour operating timeframe. GOTB is also interested in how Wellington Airport would be able to accommodate several more large planes on its tarmac. There are very significant concerns regarding transport bottle necks and access as well, which are insufficiently addressed in the LTP. These are particular issues for Wellington which need to be clarified.

### The Cost

WIAL have said that the cost of building an extension, variously mentioned as between 100m and 700m is around \$350 million +/- 25%. This is a high margin of error, reflecting the uncertainty and unreliability of WIAL's guestimates. Given that we, as ratepayers, are expected to foot the bill, we required a clear and transparent breakdown of how these guestimates have been arrived at. We note that this figure appears to remain the same, regardless of whether the extension is to the north or south of the airport, or the highly sophisticated Japanese steel pylons. Surely there will be key cost differences between these approaches. The fact that there has been no explanation or adjustment in relation to the figures for the different scenarios adds to the sense that the guestimates are extremely "rubbery" and unreliable.

The Wellington Employers' Chamber of Commerce which had formerly been a strong supporter of the extension has recently changed its view and is now calling for a detailed and valid business plan before it will offer support. The Council needs to take heed of this change in heart by the Chamber.

This change is not surprising, no right minded business would enter into the kind of arrangement that the Council are being pressured into without a robust business plan and more due diligence than this proposal is being given. If the extension is such a great idea, why aren't WIAL and Infratil prepared to pay for it? Probably because they think that they can convince WCC to do it for them.

According to WIAL Chief Executive S. Sanderson "there is not a clear business case for the airport to invest \$300m"<sup>12</sup>. Accordingly, WIAL are only prepared to contribute around 15% of the total cost with Council expected to fund the balance. If there is no business case for WIAL there is less of a case for Council. WCC is a 34% partner in WIAL yet is expected to fund 85% of this venture while receiving less than 10% of the WIAL profits. This is not good business – it is hugely beneficial for Infratil but a terrible deal for the Council and Wellington.

<sup>12</sup> DomPost 15/8/2013

Given the usual uncertainties around identifying the actual cost of the project at this early stage of the process, even before a business case has been developed, it is inappropriate and dangerous to ignore the very real potential for the costs escalating. What will the Council's response be if the project balloons to \$500 million or more? At what point would the Council be prepared to step back? Once started, the reclamation can't be stopped halfway through the project. Council would be committed to completion regardless of cost. We are very concerned that none of these questions have been explored or discussed, before signing ratepayers up for covering up to half of the cost.

Councils have been criticised over the years, including by previous Ministers of Local Government, for getting involved in activities that are outside their areas of expertise. It is also

worth noting that councils are required under the Local Government Act 2002 to consider a far wider set of issues than purely business when making investment decisions, for example: impact on the environment. In this context, it is alarming that Infratil which owns WIAL, has said that the business case does not support it investing more than 15% of the required budget for the extension, yet Wellington City Council is prepared to risk its ratepayers money without any assessment of the likely significant social and environmental impact. It is the Council's mandate to represent the interest of the City (which includes its social responsibilities and environmental assets like the South Coast) and its ratepayers, not to increase a private company's assets (even if it is 1/3 owned by Council). The strong support for the extension by the Mayor, who is also on the WIAL Board against the advice of Council officers, is therefore perceived as extremely conflicted.

It is important to note that Infratil's stated target for return on investment is 20%<sup>13</sup> and that under Commerce Commission rules WIAL's profit is limited to a percentage of its asset value. Increasing the airport asset value by adding \$350 million to its runway allows WIAL to make a larger profit. The Commerce Commission has also noted that WIAL uses its land values to return a "higher than appropriate profit"<sup>14</sup>.

GOTB notes that one of the proposed designs is for a pier-like structure in Lyall Bay, which the Mayor has likened to Tokyo's Haneda Airport. The costings prepared thus far do not appear to take into account the added construction costs with this design for dealing with the very deep water (>15m) or the 10m storm waves that would regularly hit the runway. Anecdotal evidence from local engineers has this option at 3-5 times the stated cost and we note that the Haneda runway cost \$7.5 billion.

#### Funding

The Mayor and Council CEO, Kevin Lavery, have said that they expect central government funding for the runway extension project. Although the Council is optimistic that it will be successful in its bid for central government funding, the basis for this is unclear and highly unlikely. The Government has given little indication that it supports the proposal. The Prime Minister has raised doubts about the success of the project, and the Economic Development Minister, Steven Joyce, has noted that Auckland and Christchurch Airports pay for investments through their own bank balances. The government would therefore need to be convinced about the special nature of Wellington's case, and be given certainty about the benefits and Return on Investment before they would be willing to commit funding. This is within a context where the Government's current stated focus is on Auckland and Christchurch at a time when its own economic forecasting is less than positive.

The Minister of Finance and Infrastructure, Bill English has also said that he does not think that the extension would bring any economic bonus or growth to Wellington<sup>15</sup>.

<sup>13</sup> John Beckett, Executive Director, Board of Airline Representatives <sup>14</sup> Sue Begg, Deputy Chair, Commerce Commission<sup>15</sup> DomPost 17/6/2013

At the Infratil investor day in 2014, he noted that "Studies on economic impact are greeted with more scepticism than ever. You can always find someone to tell you that if you build a stadium or dig a hole you will be better off".

In addition, the Minister of Transport, Simon Bridges, has questioned the proposal and its national significance<sup>16</sup>. The Government is already committed to upgrading State Highway 1 from Levin to its end point at Wellington Airport but this does not include a runway extension.

Deputy Mayor, Justin Lester, recently said in a radio interview that if central government isn't

prepared to fund the extension then the council would seek greater levels of ratepayer contributions, despite having repeatedly said that ratepayers contribution would only be “up to \$90 million”, with some private. He did not say where this private investment would come from. This seems foolhardy. In the event that the government was not prepared to fund the extension because of concerns about the financial risks of the proposal, it is alarming that Wellington City Council would be prepared to ignore the government’s concerns and take on this risk on behalf of its residents. The Deputy Mayor also raised the prospect of possible asset sales, which are not mentioned in the LTP, and are certain to raise significant alarm among residents. In our view we believe this would be highly contentious and very unpopular.

While the other councils in the region have made commitments to invest in the extension, like Wellington City Council they will have to have this commitment approved by their ratepayers. Given their commitments to improvements to their own infrastructure, it will be interesting to see how much appetite their ratepayers will have for additional significant expenditure and their willingness to support the airport extension through a rates increase. According to their own LTPs, over the next five years Upper Hutt City Council, for example, will be raising its debt levels by almost 40% while Hutt City Council and Porirua City Council will almost double their debt levels to cover infrastructure upgrades.

GOTB notes that the extension comes on top of WIAL’s plans to spend \$250 million on other infrastructure upgrades over the next five years. Presumably Wellington City Council will also be expected to fund a significant proportion of this as well.

The 300% rise in costs for the Economic Impact Report and the resource consent application illustrate how quickly and uncontrollably costs can escalate. Wellington City Council has been asked to commit triple its original amount with no clear view of accountability or deliverables, contrary to the Council/WIAL 2013 clear agreement to limit the Council’s contribution to \$1 million. This is setting a dangerous precedent. Further engineering, business case, environmental impact, archeological and iwi reports, etc. are still to come, but no information is available about their estimated costs or who is expected to pay for these.

GOTB believes that Wellington City Council should be seeking to reduce debt and constraining rates rises, not borrowing for capital expenditure on a venture where the return for ratepayers is highly uncertain. Servicing a \$300 million loan could add \$15 million per year to Wellington rates which is fiscally irresponsible.

Consultation with the Community

<sup>16</sup> 3 News, 30/3/15

Despite frequent WIAL claims of public discussion there has been little consultation and most information has been purely through WIAL press releases. GOTB seeks greater involvement with both WIAL and Wellington City Council on this issue.

What are the Benefits for Wellington?

Our members have considered the claims made in the initial economic impact report prepared by BERL for WIAL that the extension would bring \$534 million to the region, and we note that in three years this figure has grown to \$1.3 billion and 1200 new jobs. GOTB believes these figures are highly inflated and rely on a great number of assumptions. Nor do we have much faith in the latest report by Ernst & Young. The figures have been described in the Dominion Post’s business section as “rubbery, flimsy and meaningless” with the writer, Patrick Smellie, noting that if this report had been presented to Infratil as the basis of a \$350 million investment it would have been thrown out <sup>17</sup>.

The Ernst & Young report claims a \$684 million cumulative benefit by 2060 resulting from the

extensions which equates to roughly, only \$14.8 million of annual revenue over 46 years. Yet based on WIAL's charging formula, the Board of Airline Representatives of New Zealand (BARNZ) says the airport would need to charge \$50 million more annually to pay for the longer runway. In fact, a recent article<sup>18</sup> says the commercial value of the extension is worth only \$50m over the next 40 years. A better return on \$350 million would be possible merely by putting it in the bank. WIAL's own estimate of additional passenger numbers is less than one return flight<sup>19</sup> per day or 190 people arriving daily. This is not going to generate 1200 new jobs. WIAL's Chief Commercial Officer has said, "At the very least it will increase the operational capacity of the airport"<sup>20</sup>. This is hardly a compelling reason to invest \$350 million in the project.

We have read with much interest the review of the Ernst & Young report by NZIER. In their report they note that "The risk that the methodology employed by Ernst & Young overstates benefits while overlooking costs is too great to be ignored". Yet rather than comprehensively analysing the reports' finding, the Council seems more interested in discrediting the report, largely on the basis that it has been commissioned by Air New Zealand. It is alarming that Council appears to be unwilling to have an open debate about the extension and seems to be more interested in attacking any group or individual who dare to raise any issues that don't align with the Council's position. This includes, for example, the attack on noted business journalist Patrick Smellie by Deputy Mayor Justin Lester.

Infratil's previous attempts to attract long-haul flights to another of its airports (Lübeck) was such an abject failure that the airport was eventually returned to the local authorities at a loss. Failure to attract airlines also led to Infratil selling Manston and Prestwick airports for £1 each. This does not inspire any confidence in Infratil's ability to attract any new airlines to Wellington.

Canberra, which is a similar size to Wellington and about the same distance from two major airports, also tried to attract long-haul flights. It was unsuccessful for the same reasons it will not work for Wellington – the airlines were better served by the existing hubs. Auckland's investment in a second runway and bigger terminals will cement it as the country's No.1 hub. Rotorua, Dunedin, Invercargill and Hamilton have also tried and failed to attract long-haul flights.

<sup>17</sup> DomPost2014<sup>18</sup> DomPost16/10/2013 <sup>19</sup> DomPost26/10/2012 <sup>20</sup> DomPost15/8/2013

Much has been made of attracting foreign students but anecdotal evidence from local education and training industry sources suggests that students prefer to travel by the cheapest, rather than the most direct route. Besides, foreign student numbers in Wellington have recently increased by 3% per year compared to a national decline of -1.8%. Obviously, the lack of a longer runway has not adversely affected students coming to Wellington. Students make their destination decisions based on lifestyle and academic choices. Specific targeted surveying of potential and current students will be required to validate the assumptions made about student behaviour in response to price.

Sydney's second airport has passed initial planning stages and its developers say they will be focussing heavily on the Asian student market, which would further undermine WIAL's case.

WIAL has said that only one airline (China Southern) has shown any interest in direct long-haul flights to Wellington – from Guangzhou, and only hinting of 'other airlines'. China Southern is of negligible benefit to New Zealand travellers as it is not a major regional hub like Sydney, Hong Kong or Singapore. WIAL claim one thousand people leave Wellington daily for long-haul flights but they are heading in different directions so the actual numbers going to the same destination are quite low. Note that outgoing passengers do not lead to any regional or national economic benefits. Aviation experts report that China Southern's existing Guangzhou – Auckland route already operates on very low passenger numbers and is barely viable. It would be very surprising if China Southern could fill planes to Wellington when they are not able to in Auckland.

In fact, to compete with Auckland and Christchurch airports WIAL would need to give incentives in the form of discounts or payments to any new airlines flying into Wellington, leaving all other passengers to pay for the extension through increased landing costs – already double the Auckland fees<sup>21</sup>. In 2012 and 2013 WIAL was accused of profit gouging and overcharging by the Commerce Commission and Air New Zealand. In 2014 it was announced that excessive airport profits would be coming under closer ministerial scrutiny.

Further increases in landing fees will have a negative affect on other travellers coming to Wellington and on Wellingtonians flying domestically. WIAL recently mentioned that only airlines using the extension would be charged for it. This seems farcical – would there be a demarcation line across the runway?

BARNZ estimates that based on WIAL's pricing formula the airport will need to return \$50 million a year after the extension is built. The landing fees from WIAL's own estimate of 1 new daily return flight would only bring in around \$2.6 million annually. On those estimates it would take 115 years to recoup any costs without ratepayer funding<sup>22</sup>.

### Summary

The two economic impact reports prepared by BERL and Ernst & Young do not bear up under close scrutiny, containing many vague assumptions, overly inflated figures and highly questionable logic. The NZIER report raises a number of legitimate concerns and questions which Wellington City Council should be addressing on behalf of its ratepayers. Similarly the air travel reviews prepared by Airbiz reach conclusions diametrically opposed to the airline industry association (BARNZ) and the tourism industry. We do not believe the business case for the proposed runway extension will stack up and will be a very bad investment for the city – and we do not believe ratepayers should be asked to approve such a

<sup>21</sup> DomPost 8/12/2014 <sup>22</sup> DomPost 15/8 2013

significant investment before the business case is developed. The risks and the costs are too high.

There are also several other hidden costs to the community – social, recreational and environmental, which pose an even greater threat to Wellington. The extension of the runway poses a real health and environmental threat to those people living near the airport, yet Wellington City Council seems entirely unconcerned about this, and GOTB intends to raise these issues with the Council separately.

We have raised six pertinent questions in a series of community blogs<sup>23</sup> and would like the Council and WAIL to have clear answers to them before asking for ratepayer sign-off. They are:

- What is the actual cost going to be?
- Who will pay for this and how?
- Which airlines have committed to fly here long-haul?
- What is the problem we are trying to solve – why do we need another long-haul airport in New Zealand?
- How is the long-term economic viability of this project assessed and how likely is it to succeed?
- What are the specific risks of this project?

Entering into this project is fiscally irresponsible. We urge the Council to reconsider its stance on the WIAL proposal for the long term good of the city and its inhabitants. We ask that rather than seek approval for a \$90 million investment, the Council first seek ratepayers' support to further explore the merits of the proposal, following the completion of a comprehensive business case.

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<sup>23</sup> StrathmoreParkBlog,WellingtonScoop17/4/2015

#### **68) Ashlee Gross (p549)**

What I don't support is the idea that spending a lot of money on an airport extension, is the best way to get people to come - or the best investment in a sustainable city.

I think this proposition represents a lack of imagination and analysis of all the means of transport (including connecting flights from Auckland and Christchurch).

To me that money could be far better spent on enhancements such as separated cycleways and other improvements that will motivate people to see Wellington as a destination and a home - not just a convenient transport hub.

#### **69) Elizabeth Wagner (p574)**

Canberra with a population of about 400 thousand already has an international airport which is not being used as such because the airlines are not interested at this time. I think for a city the size of Wellington the 737 size aircraft is sufficient for it's needs

#### **70) Generation Zero (p584)**

Secondly, while the Plan recognises the need to adapt to climate change, the airport extension project conflicts with this statement in two ways. Firstly it will increase Wellington's emissions in the aviation transport sector. Aviation accounted for 18% of Wellington's GHG emissions in 2009-2010, which is a significant amount. New flights will also increase road transport demand and related emissions. This is inconsistent with the targets made in the Climate Change Action Plan 2013. We argue that this target needs to be considered in the decision making process for the airport extension, and that the level of emissions needs to be quantified and internalised as part of the cost of the council's investment. Secondly, the airport area is vulnerable to the risk of sea level rise. Making such a significant infrastructure investment in a known hazard zone is not in line with planning for resilience to climate change, let alone planning for climate change mitigation. We argue that this project requires a climate change assessment as part of its business model before funding commitments are made.

Further to this, we question the benefits the airport extension would provide to the Wellington community as a whole. We would like to see a strong business case put forward about the numbers of new visitors that these flights would generate, before assumptions are made about the indirect economic benefits the runway will create. Sharing the costs of the airport extension with the ratepayers also raises questions of equity, as all ratepayers will fund this project equally but the primary beneficiaries will be those that are more economically advantaged. Given the contribution that ratepayers will make to the project, it is important to consider the benefits they will receive from the project, and their level of support, before committing to the investment. These factors must all be considered as part of the business model.

#### **71) Philippa Boardman (p588)**

Over all the idea should definitely be better researched first to see if there are enough planes to warrant extending e.g.increased flights from Asia proposing to come into here in the future. If it is only a very few air crafts in addition to the amount which fly in already, then the exorbitant cost is certainly not worthwhile at this stage. Also it would discourage and disturb the natural bird life at

the South Coast. There are properties earmarked to be demolished to make room for the project adding greatly to the cost. Therefore on the grounds I have covered I am not totally in agreement for this venture. Rs probably not viable as this stage.

## 72) Leigh Hunt (p602)

I am a Wellington resident and business owner. My submission focuses on the proposal to extend the airport runway.

The first step in the development of a business case is defining the problem, and it is not clear to me what the problem is that the Council is trying to solve. It seems to be primarily based around saving time for international travellers – because currently the people the Council seems to be wanting to attract can already fly into Wellington, via Auckland or Christchurch. As a business person I travel a lot. While time is an important consideration, cost is much more of a concern to me and will be the final determinant in choosing which airline I fly with, rather than where I fly from. The information available so far suggests that flights will not be available on a daily basis following the extension of the runway, meaning that some travellers will have to wait up to two days in order to travel to their destination of choice. So the issue of time is not solved by extending the runway. Nor is there any suggestion that it will be cheaper to fly internationally from Wellington, so given how competitive the market is for international travel, it is likely that cheaper fares will be available through Auckland airport.

If the problem is attracting more visitors into Wellington, then the Council should be concentrating its efforts on making Wellington a more vibrant and liveable city – then people will want to come, and will not be put off as a result of flying into Auckland or Christchurch first.

I am extremely concerned that the airport extension is being proposed as a fait accompli, and find it unbelievable that the Council is seeking approval for a significant financial investment before a business case has been prepared. I urge the council to develop a detailed business case and, if it stacks up, then seek ratepayers agreement to funding it. Instead I would be happy to support the council investigating the merits of the extension, following the completion of the business case. The Prime Minister and the Wellington Employers' Chamber of Commerce have also said that a business case, and an airline signing up to fly out of Wellington, needs to be on the table before they would support such a significant investment.

Given how difficult it is to determine the cost of this major infrastructure project, before a full business case has been developed, I am also intrigued about the Council's reliance on the \$300 million figure as the cost of the project. What is this figure based on, and why is there no discussion about how the Council will respond to an escalation in this cost? Surely it is prudent to consider a range of cost scenarios, and put these before ratepayers. Otherwise there is a real sense that the Council is prepared to fund the project, whatever the cost.

I note with concern that the Council is placing undue reliance on Ernst Young's report, and has failed to respond to the valid questions raised by NZIER in its review of the E Y report. It is entirely appropriate for an organisation to seek a number of reviews by credible organisations when considering an infrastructure project of this size – not just one or two.

I have also followed with interest central government's response to the proposal. John Key, Bill English, Steven Joyce and Simon Bridges have all raised real concerns about the project and do not support the proposal as it stands. I note in particular that Steven Joyce has pointed out that Auckland and Christchurch have managed to fund improvements to their airports from their own money and have not sought handouts from local or central government, and I am not happy to contribute to a private business's profits through my rates. Yet the Council seems unwilling to engage in an open debate about the subject, choosing instead to discredit or at least ignore their concerns.

In any successful business, it is important to consider new enterprises, but this must be set



against acceptable levels of risk. In my view this proposal places ratepayers money, for generations ahead, under far too great a risk of the venture failing. I therefore strongly urge Wellington City Council to listen to the groundswell of valid concern and questions that have been raised. Rather than seek approval now for \$90 million, instead first seek ratepayers approval to further investigate the proposal and the development of a business case. The Council also needs to be clear about the cap they will place on the amount they are prepared to commit.

## **Against the Extension (Submitters 927-983)**

### **73) Geraldine Murphy, Inner City Association (p15)**

Priorities to members: A longer airport runway (29%). This proposal rated highest (seven respondents) in response to the question on what aspect caused the most concern in the Draft LTP, with four respondents viewing it as positive. Two respondents questioned the business drivers for the proposal, and the risks to ratepayers if it failed.

### **74) Zoe Studd, p 201**

I wish to register my opposition to the long term plan including the Wellington Airport Runway extension. I see no long-term benefits to the region have yet been proven. In addition that part of the South Coast is precious to many - and I would hate to see the changes this project would bring about.

In Summary- The costs are unknown.- The environmental impact is unknown.- The economic benefit is unknown.- The impact on infrastructure, including traffic, is unknown.- The long term viability of the airport location, given rising sea levels and increasing intensity of weather itself, is unknown.- Central Government and the Industry have not committed to it.- Infratil has not said it will not sell the airport once the extension is delivered, so we could be pouring hundreds of millions of dollars into a private organisation that walks away cash rich after stripping the assets.- There is a conflict of interest with the WCC owning the airport and responsible for representing the constituency. The process should be handed over to the GWRC or other independent body.- All of this should mean that any consultation is delayed until such time as we have all that information available. That information being; a detailed business case, environmental impact, report on the viability of the airport under climate changes, the economic benefit, the impact on infrastructure, the buy in from Infratil, the buy in from central government, the buy in from airlines.

### **75) VUWSA (p232)**

**VUWSA contests the proposed investment in an extended airport runway at Wellington Airport.** It is noted that a primary justification of funding the project is that it is expected to contribute to the region's ability to attract international students. While VUWSA welcomes the interest in international students' interests, we contest that direct flights are likely to substantially impact the number of international students drawn to the city.

3.2 VUWSA notes that the Ernst & Young (2014) report has been contested by the Board of Airline Representatives New Zealand (BARNZ) on the grounds of the recent EY study that revealed that direct connections overseas is not a significant contributing factor to choices made by prospective international students. On that basis, further robust analysis is needed to substantiate claims that the project will result in significantly more international students.

3.3 VUWSA also notes that housing quality and transport cost are the key recurring issues that international students face during their time in Wellington. There is significant scope for the WCC to invest the \$90 million dollars planned for the runway extension in living conditions for students during their studies which is a noted key factor affecting choice of institution for international students.

3.4 VUWSA also notes that EY (2014) report neglects to mention or analyse the impact increasing flights will have on the city's carbon emissions or the impact of climate change on the airport's long term viability. Hence VUWSA worries that it, if developed, it may become a 'stranded asset' when there are other priorities (as mentioned in 3.3) which we believe will have a more immediate positive impact on students in the region and support long term sustainability objectives.

#### **76) Sue Watt, p239**

A large part appears to be for projects I also oppose as they are unnecessary and very expensive:

- The airport runway extension – as most of the alleged benefits will accrue to the private sector, including Infratil, and as both the airlines industry organisation (Barnz) and central government have signaled their lack of support, this is a complete waste of public money. It will also cause irreparable damage to the marine environment.

#### **77) Karl Weber p242**

I am writing to you to express my deep concerns as a proud Wellington resident toward the gung-ho approach WCC are taking in moving forward with the proposed Wellington Airport Runway Extension. The whole approach is frankly suspect considering the total lack of backing or support for the idea from the national government, international carriers and even Infratil itself. If the airport, who stand to benefit most from the project, don't see it as a viable enough investment to risk their own money, why should the council? No business case has been made for the extension, so the purported economic benefits (\$389-\$684m by 2060) are totally spurious, and even if accurate, don't represent a great return given the costs and potential for irreparable damage to the South Coast. No environmental impact assessment has been made, so it is reckless to allocate funds now. The council should put this matter aside until it has the relevant facts. The fact that the mayor is an Infratil board member and is publicly pushing this plan with so little research done into it's sense or viability smacks of a conflict of interest. Additionally the councils part-ownership of the airport represents a conflict of interest as well. Investigation into the project should be handed over to an independent organisation. Additionally the consultation prior to the release of the LTP strikes me as flawed. Questions such as "Should the council work to improve our international air connections?" are leading. Improving our international air connections does NOT necessarily mean handing over \$150 million dollars (at least!) to a private organisation.

There are several important questions that need to be answered before it's even possible to assess the viability of this project.

What is the business case? What is it actually going to cost? The \$300 million figure has been thrown around for years despite massive changes to the proposed method of extension, to the North and South, and with wildly varying construction methods and challenges. How can we be expected to believe this is accurate. Who will foot the bill? If the council are planning on putting forward \$150 million in rate-payer money, they should receive a larger share of the Airport. What happens if/when the cost blows out? The councils spending on this project must be GUARANTEED not to increase. Being stuck with a larger bill halfway through the construction process is unacceptable. Which airlines will actually fly here? No airlines have come on board to fly long-haul to Wellington and Air New Zealand have stated publicly that they will actively out-compete anyone who tries. What risks face the project? The Airport is on unstable reclaimed land and is frequently shut down by severe Southerly storms. How might these affect the construction process?

Any consultation on the airport runway extension should be delayed until all of the relevant information has been gathered.

### **78) Betty Weeber p243**

I am completely opposed to any runway extension of the airport. Compared to the world we are a tiny city even though we are "The Capital" of New Zealand. Our airport is quite adequate for the amount of planes that in the event it was bigger would want to use it. Auckland has the land space is far safer and is only another hours trip from Wellington and you can board a plane to take you to most countries in the world.

## **Against the runway extension (984-1049)**

### **79) Ellen Blake, p44**

I do not support these areas:

1 Longer airport runway

### **80) Tourism Industry Association NZ (neutral, p50)**

In a general sense, TIA supports airport infrastructure developments that will enhance the visitor experience and grow sustainable air connectivity. The extension of Wellington Airport's runway must be subject to a robust business case.

### **81) James Whitaker, p93**

The club has a neutral stance on all proposals with the exception of the airport runway extension. The club opposes the extension until a full and satisfactory environmental assessment has been carried out and WIAL and the council have a plan in place which guarantees that wave quality will not be negatively affected and factors surfing into the extension's design.

The extension's construction should be carried out in a way that prevents any negative impact on the surf spots currently in Lyall Bay and also creates surf breaks on either side of the extension as it will be destroying a current break in front of the current runway called airport rights. You can view footage of the wave that breaks directly where the runway will be

here: <https://www.youtube.com/watch?v=Y2hixX0O-YQIt> broke well and was surfed during our large swell last week.

### **82) Newtown's Residents Association, p97**

Investing in developing a Liveable City with Better Transport Options is a priority. We have doubts over the value of investing in the Airport Extension, the Film Museum and the Conference and Concert Venues at this point in time. We think that investing in a Marine Education Centre is important.

We need to consider the social impact a runway extension would have on South Wellington. Investment in an airport extension requires thorough consultation and the development of a robust business case with better research around any negative impacts. Particular care needs to be made regarding the validity of projected benefits and in addressing safety and noise concerns.

### **83) Ora Taiao, p105**

Although the airport runway and cycleway projects drew the greatest online feedback, we believe the top priority for the Council's Long Term Plan is the project to better understand the implications of our changing global climate. This is urgent – and integral to decisions about the runway extension, cycleways, Council borrowing, rating capacity, and other infrastructure projects and priorities. Climate change impacts on Wellington are likely to be much more than

the physical changes of rising seas and more extreme weather events.

International travel emissions were left out of the original Kyoto international treaty<sup>v</sup>, but because of international aviation and shipping's disproportionately high emissions and role in our Wellington economy, these need to be estimated and included, even if this is simply halving the arrival and departures statistics to share emissions allocation between Wellington and the overseas destination/departure location. Wellington airport should be able to easily provide this data for the Council.

## 2. Airport runway extension

· (3) Should Council take action to improve our international air connections? Strongly oppose

OraTaiao strongly opposes the Council helping the airport finance a runway extension. Although we note the Council's Climate Action Plan 2013 outlines intentions by the international aviation industry to reduce aviation emissions over the coming decades, the bottom line is that right now each overseas flight adds enormously to the overall emissions footprint of each passenger. And increasing overseas and domestic flights is the only way the airport is going to be able to repay its share of runway expansion costs – at the cost of much more greenhouse gas emissions.

Aviation causes perhaps near 4%-5% of global warming (through both CO<sub>2</sub>, non-CO<sub>2</sub> greenhouse gas emissions, and altitude effects) and aviation GHG emissions will likely double or even quadruple by 2050.<sup>xiv, 19</sup> And it is but a minority of people in the world who can afford to fly.

### Comparing emissions numbers

To put this in perspective, we calculate from the region's Greenhouse Gas Inventory's Appendix B that 19% of Wellington City's emissions come from domestic aviation (0.244521 Mt ÷ 1.301739 Mt = 0.18784 for 2012/13). The Climate Action Plan likewise states 18% (for 2009/10). The region's Greenhouse Gas Inventory reports Wellington City's per capita emissions were 6.6 tonnes in 2012/13 (5.8 tonnes in 2009/10, according to the 2013 Climate Action Plan). So for the average Wellingtonian, 1.23 tonnes of their emissions came from domestic flights in 2012/13 (19% × 6.6t). The Greenhouse Gas Inventory does not include international aviation or shipping – the same as if Waikato was to exclude dairy from its emissions calculations.

### Planning for rapid emissions reductions for Wellington - or expansion?

The goal of Wellington's Climate Action Plan 2013 is to reduce city emissions by 30% on 2000/2001 levels by 2020, and 80% of 2000/2001 levels by 2050. But at the same time, the Council is proposing to help fund a runway extension that will mean a much greater volume of international and domestic aviation emissions to pay for it – the airport expects passenger numbers to double from 5 million to 10 million per year. This is aside from the considerable carbon costs of runway extension work needed for the larger planes wanted. Although Air NZ has made efforts to reduce emissions and direct flights are more fuel efficient, the bottom line is that each return flight to Hong Kong is 4.0 tonnes per person and Singapore 3.6 tonnes<sup>xv</sup> – compared with the average Wellingtonian's annual emissions of 5.8 tonnes in 2009/10 which the Climate Change Plan targets to radically reduce by 2020 through to 2050. Yet the emissions impacts of return flights to Singapore and Hong Kong are 12-22 times more than our domestic flights at 0.29 tonnes return to Auckland per person or 0.18 tonnes to Christchurch return. The numbers matter.

<sup>xiv</sup> International shipping contributes 2% of global greenhouse gas emissions, while according to analysis for the UN International Civil Aviation Organization (ICAO), aviation currently contributes around 2.0-2.5% of current total annual global CO<sub>2</sub> emissions, but says "discussions over such proportions are of limited value. What is important is the total of emissions over time." They

project, in the absence of policy intervention, aviation CO2 emissions alone increasing 2 to 4.5 times by 2050 (“aviation emissions of CO2 are projected to increase over 2005 levels of 0,2 Gt C yr-1 by 1.9 to 4.5 fold (0.37 to 0.89 Gt C yr-1 ) by 2050”). In addition, with high-altitude flights near or in the stratosphere means non-CO2 altitude- sensitive effects may increase the total impact on human-made climate change significantly, perhaps close to a 4-5% cumulative effect (ie near 4-5% of radiative forcing). The IPCC has estimated that aviation’s total climate impact is some 2-4 times that of its direct CO2 emissions alone (excluding the potential impact of cirrus cloud enhancement). UK government policy statements have stressed the need for aviation to address its total climate change impacts and not simply the impact of CO2. See ICAO 2010, IPCC 1999, Environmental Change Institute Oxford University 2005, Owen et al 2010,

HMSO 2003.<sup>XV</sup> Return flights to Beijing or Los Angeles are 4.5 tonnes per person, Heathrow 7.9 tonnes. source of return flight CO2 emissions per passenger calculations: <http://www.carbonzero.co.nz/EmissionsCalc/tourismeditor.aspx>.

False economy to create jobs by climate damage

Subsidising high emissions industries (and in the case of airlines, an extremely high emissions industry) in the name of jobs is giving with one hand and taking with the other. Climate changes are bad for our environment-based NZ economy and bad for the global economy (which also means bad for our NZ economy) – and that means bad for jobs, especially in Wellington with public service jobs financed by NZ taxpayers. Climate changes are also worse for those who are already vulnerable – and surely those are the high priority households we want to create decent living wage jobs for? Subsidising industries for jobs is only justifiable for industries that are low or zero emissions – and even then, carefully scrutinised as a sound investment.

Doubtful investment even for climate deniers

Even for ratepayers who are convinced that climate change is not happening and is just a very strange and complicated UN conspiracy, the numbers still don’t seem to stack up on this investment. Why isn’t a commercial bank lending money if it’s such a good financial investment? The runway extension does not have the support of central Government (despite funding other emissions- intensive projects like RONS and off-shore oil exploration).

Airport already at financial edge?

The airport already seems to be pushing the boundaries on how much it can charge for services, and was recently forced to reduce charges (albeit to upper limit of charging) after a Commerce Commission case relating excessive profits. As well as increasing emissions from a much greater tonnage of flights needed to pay for the runway, this may well increase the numbers of Wellingtonians flying overseas and spending their discretionary income offshore, blunting the impact of any increased tourism on admittedly low-wage jobs.

It’s not just about size

Air NZ has recently pulled long-haul flights from Christchurch, and there are factors governing airline decisions other than length of runway or Wellington’s difficult wind (where extensions will not mitigate hazardous turbulence over Newlands<sup>XVI</sup>). Ultimately there will be increasing pressure to rapidly reduce international aviation emissions. It’s not that long ago since the British government attempted to tax long-haul flights out of the UK to discourage these flights and reduce emissions.

The Council needs to think very seriously about the climate impact, financial liability and physical viability of this proposed runway extension over the decades to come. Globally, we expect to be living in a world by 2050 where annual climate-damaging emissions are close to zero – as does the Council with a Climate Action plan to reduce emissions by 80% by 2050. Building a runway extension, before renewably-powered planes are here, totally undermines the Council’s good

climate work.

Prime seaside location – for climate changes and rising seas

There are also serious questions about the viability of building any extension out into the tumultuous Cook Strait – we've already seen in the last few years and days, the damage from stormy seas to seawalls and car-parks. Given the lag time of 20-30 years from increasing emissions to climate impacts, these storms will get worse. Estimates of sea level rises are also rising with better modelling and delays in emissions reductions – flooding of the existing runway may be likely before this century ends.

<sup>xvi</sup> <https://www.niwa.co.nz/publications/wa/water-atmosphere-9-december-2013/fear-of-flying-into-wellington>

#### **84) The Architectural Center, p122**

##### 1. Airport runway extension

The recent news that no airlines are considering long-haul flights from Wellington may well be linked to their lack of desire to pay Wellington airport for the idea through airport levies, but it also questions why - if such a public statement is made - should ratepayers contribute to funding this? As important is any potential adverse effect an extended runway might have on the current activity amenity of Lyall bay - particularly on surf and wind conditions. Surfing so close to town is something to be treasured.

Rather than spending money on the runway extension, we would more strongly support the council's earmarked contribution of \$90 million to be diverted to funding light rail (LRT) infrastructure, which if added to the amount set aside for BRT (by WCC, GWRC and NZTA) must largely meet any additional LRT cost. We understand that LRT through tunnels in other parts of the world does not require a separate dedicated tunnel, and it is largely the decision to build a separate tunnel for LRT, which makes LRT economically unpalatable. While we know that Wellington is special, we are surely not that unique. We understand that a coastal route to the airport would be an equally valid (and more picturesque) option.

#### **85) Barry Bleckett, Glenside Progressive Assn, p137**

A lot of the focus of the consultation process has been on items under this heading, namely:

Airport runway extension

International film museum

International conference centre

New concert venue

New sports facilities

New music centre

New visitor attractions, eg Ocean Exploration Centre.

A revamp of Frank Kitts Park and a Chinese Garden Our Association doesn't wish to comment specifically on these and other similar projects except that we believe the total expenditure proposed is too large, the beneficiaries are often visitors or special interest

groups and some projects are unlikely to produce an adequate rate of return on investment for the ratepayer. The items described are mainly facilities for entertainment and recreation rather than for employment, business and sustainable economic growth. If these projects are to go ahead, some way of recovering the investment from the business and tourist industries and others that are most likely to benefit should be part of the agenda.

### **86) Newtown Branch Labour Party, p173**

However we are not convinced that the Council can or should “pick winners” and oppose Council funding for commercial enterprises such as the Wellington airport extension and the film museum where the need, as well as the business case, has yet to be proven.

While the plan articulates a focus on essential services (which we support), the upfront focus is on two major projects (p4 & 9), the airport extension and the film museum, which we strongly oppose.

A longer airport runway

The Branch opposes a longer airport runway, and does not support any Council expenditure on what is a commercial venture.

There are many capital cities in the world that do not have direct international links – Canberra, Washington DC, Brasilia etc. A one hour flight from Auckland is not overly inconvenient or expensive.

Wellington’s airport is a treasure. It is conveniently located, not too intrusive and is valued by both residents and visitors.

A key aspect of the airport is that it services government, and its size and volume of traffic make that manageable.

There is considerable risk in building a longer runway that is not demand driven, and that will involve significant and urgent expenditure on the infrastructure supporting it.

The environmental impact will be significant and will inevitably reduce the liveability’ of the southern suburbs.

Has a health impact assessment been done? If not, why not, and if it has been done, the assessment needs to be made public.

A longer runway is also antithetical to transport decisions that will have to be made to address the adverse impact of climate change.

We note that movement between Lyall Bay and the Miramar peninsula and the Miramar golf course is already ludicrously restricted by Infratil’s ownership of the connecting road and the enforcement of traffic through the airport. Extending the airport raises the spectre of more limitations to freedom of movement.

It is essential that the plan does not reduce the quality of life for a substantial number of Wellingtonians in order to improve the access and experience of visitors.

### **87) Environmental Reference Group WCC, p215**

Investing in projects that grow the economy appears prudent, but there is no indication of the relative return on investment for the airport extension, war museum etc. It is good to see on p.21 that there will be an economic benefit assessment before it is decided to commit funding, though presumably there has been some form of preliminary business case done for these items to be considered at this point.

p.20 notes that our economic prosperity is to focus on tech and creative sectors, yet the airport extension text makes strong references to increased student numbers. Are these two initiatives joined-up? Could education be another focus area? It certainly seems to be one at the moment.

#### 1. Longer Airport Runway

The current text does not provide any information about how airlines would respond to a longer runway. Is there any assurance that they will provide the flights to enable the anticipated growth? Without this information, the reader has no knowledge of the risk inherent in securing a viable return on this \$90m investment, and is effectively being asked to trust in 'build it and they will come'. There appear to be some serious concerns out there regarding the modelling done for the business case, and a professional and independent peer review should be conducted before any commitments are made.

Given projections of sea level rise and more frequent and severe storm events, how resilient will the airport and associated transport routes be?

Given the forecast increase in visitors and freight that a longer runway would provide, is the airport extension contingent on improvements in the transport corridor through to SH.1?

The Council is looking to benchmark its carbon emissions, but has the impact of an airport extension been considered (as it has the potential to increase long haul flights, and so grow the carbon footprint).

The Long Term Plan consultation document provides that "the city is making progress towards mitigating its contribution to carbon" (p41); however, there is no analysis of the climate change impact of the proposed new developments, in particular the proposed airport extension.

The proposed airport runway extension is likely to cause multiple adverse environmental impacts. Has the impact on coastal erosion/deposition been evaluated? Has the impact on dispersal of plumes from Moa Point been done to confirm that it will not worsen the water quality situation at Lyall Bay? What would be the impact on the unique habitat of the giant kelp forest off Moa Point? What would be the impact on the seawater intake for the proposed Marine Centre?

The ERG notes that some experts believe that the business plan of the airport extension stacks up while others do not. The Council should investigate the issues raised by those who believe that there are problems with the business case used by the Council to date.

#### Transport choices

The Long-term Plan is very focused on long distance air travel. It also needs to consider and provide for improving other long distance travel choices such as improving pedestrian access to the ferries and improving long-distance trains and buses connections.

#### Connections

Any redevelopment of the airport needs to improve to encourage the use of buses, walking and cycling. These modes need to be prioritised to achieve the agglomeration benefits of a hub.

The airport should be designed to have walking connections to green spaces such as the coast.



Environmental effects of extension

The airport extension will have significant negative environmental effects including the impacts associated with construction and with the operation of long-haul air services.

Recommendations

The Council will need to take more control of how airport is designed to ensure it improves the use of buses, walking and cycling.

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## For the Runway Extension

### 1) Dave Lewandowski p 54 (1-300)

This is vital. Keeping the status quo would be a serious backwards step. The world is getting bigger and New Zealand is still viewed as an amazing location. The more people who think this, the more will want to visit and come here. If we do not improve this – specifically we need to extend the runway at Wellington airport – we will be seen as yet another small, provincial centre that doesn't want to grow or take advantage of the economic benefits that this would bring. We do not want to make the same small minded decisions that Auckland did decades ago with the transport options it has. That lack of forward planning has meant that any solution will cost in the billions to fix for them. If we act now, we will be able to avoid the problems in the future.

### 2) Sarah West (p442)

Wellington Airport needs to be able to support long haul flights with larger planes.

### 3) Tracey Morrah (p559)

An international airport is essential. This LTP - and the future of the city - is predicated on attracting and growing business. The cornerstone of successful business (and politics - another Wellington foundation) is convenient commuting. Having travelled extensively I can assure you that the 'only an extra hour from Auckland' on top of most international journeys is brutal. It is not just one hour - it is the time taken disembarking (sometimes at early AM) collecting baggage, transferring between terminals, then checking in, waiting for the flight, going through all the mandatory processing matters - then going through the baggage collection shenanigans at Wellington. It's a fairly unattractive proposition to locals - imagine how off-putting it is for international visitors.

### 4) Paul Robinson (p657)

I am particularly keen to see **the runway extended and links between the airport and city greatly improved**

### 5) Alan Judge Ernst & Young (p4, 540-789)

In our view Wellington needs to fight for GDP growth through attracting capital and labour that would otherwise be attracted to other cities in Australasia. **While we are less supportive of direct subsidies to the private sector** we think that the city has an important role to play to ensure that all the infrastructure is available that supports growth in high value industries which for Wellington means services in the widest sense (inclusive of tech, creative, education and tourism). We also believe that while digital plays an increasing important part in the economy, high value transactions and services generally still involve face to face contact. EY believes that transport infrastructure, including the extension of the runway, **where that extension can be supported through a strong strategic rationale**, is a critical part of the infrastructure required for

Wellington to be an internationally competitive city.

**6) Kate Giles (p21)**

In combination with a strategy to have more people and businesses in Wellington, this is highly important. **Without a strategy to attract people the Airport expansion is unlikely to get the use or support as is currently predicted**

**7) Ian Cassells The Wellington Company (p234)**

Te Aro is the biggest event in Wellington. We have currently housed (predominantly through renting) 1500 people in and around Te Aro and the economic multiplier of this is huge. Wellington is virtuous, growing and almost totally unappreciated. Te Aro had no one living in it in 1995 yet now it is the thriving 'thought kitchen' of the country with enough momentum to double its population (and value) within 10 years. The Airport is unconditionally required as Wellington is International and must connect in a world which damns spending more time than necessary doing anything.

**8) Shane Frewin (p335)**

The extension of the runway at Wellington Airport is vital for the economic growth of the region. A Capital city without a truly international airport is a joke.

**9) Jeremy Smith, Trinity Group Holdings (p447)**

A capital city cannot survive without an international airport.

**10) Marissa Flowerday, TradeMe (p561)**

Support the runway extension.

**11) Andrew Bramwell, Trinity Hotel (p776)**

I strongly support the extension of the airport runway and development of a new convention centre

**12) Hutt Valley Chamber of Commerce (p56, 790-926)**

It is the port and airport companies that provide this essential economic driver. Both these critical infrastructure companies need the unwavering support of the Council to ensure that they can operate in a supportive environment. The airport runway extension may well provide outcomes in improved international travel connection opportunities along with airfreight opportunities. The port on the other hand has a similar dilemma in that it will need to dredge the seabed at the harbour entrance and berths if it is to remain capable of servicing projected new generation ships carry international cargo. Whilst the Council on the one hand recognises the future growth of the airport it fails to similarly recognise the growth and opportunities that the port provides.

**13) Victor Andalini**

Strongly support air connectivity

**14) Mike Brown (WIAL) p179**

Strongly support air connectivity

**15) Steve Sanderson, WIAL CEO (p184)**

Wellington International Airport plays a vital role to the Wellington region, connecting residents, visitors and businesses to all parts of New Zealand and to Australia, the Pacific and the rest of the world and significantly contributing to the city and wider region's economy.

Strong international connections matter to the growth of the city and Wellington needs to invest in the infrastructure that supports delivery of its growth projects, specifically supporting smart and sustainable economic growth and Wellington continuing to be the events capital of New Zealand through attracting and supporting major events, new visitor attractions and new and improved venues. WIAL therefore strongly supports Wellington City Council taking action to improve Wellington's international air connections through investment in a longer airport runway.

#### WIAL Support of the LTP

Wellington City Council is in a strong financial position to invest in initiatives to stimulate economic growth of the city, and we support that the delivery of the proposed programme of major projects does not come at the expense of providing the current level of Council services or significant increases in rate levels. The choice to "invest in growth" (as opposed to "business as usual") will present significant long-term benefits for modest up-front investment. WIAL supports that such investment is made to ensure these benefits are realised, avoiding a "what if?" situation in the future.

While each initiative taken on its individual merits provides compelling enough reason for investment, the underpinning of those initiatives by the proposed runway extension should be viewed as [the platform for the City's economic growth agenda](#). With direct economic benefit to New Zealand and Wellington as a result of increased tourism, more efficient business travel, increases in international students and more efficient freight operations through increased airport and aviation industry activity, it is the opinion of WIAL that each of the individual initiatives will receive a significant boost under an extended runway scenario. Residents travelling to destinations beyond Australia will also benefit from significant time savings by not having to connect via other intermediate airports.

#### WIAL Support of the Runway Extension Initiative

Improved connectivity to international markets through access to larger aircraft and long-haul services will present new opportunities for central New Zealand businesses, both in business and knowledge intensive industries (including the film and tech industries) and in freight capability. Wellington Airport fully support the WCC stance in the runway extension initiative.

Whilst WIAL appreciates that the LTP consultative process is not necessarily the forum to delve into specifics of the forthcoming runway extension [Resource Management Act](#) consenting process, the nature of the project is such that it is important that WCC have available their LTP decision making process the [appropriate facts](#) about the runway extension.

#### 1. The Business Case a) Long Haul Viability

Wellington is a region of approximately 500,000 residents with the majority living within 1 hour's drive of the airport. Wellington also provides the closest international airport for over 1.1 million residents (25% of New Zealand's) population; a significant population compared with Auckland's catchment (2.4 million residents) and Christchurch (0.9 million residents). The catchment population outside of the Wellington region already uses Wellington Airport for the existing trans-Tasman and Pacific international services; approximately 60% of Manawatu-Wanganui travel to east coast Australia is via Wellington Airport, and 15%-20% of Hawkes Bay/Taranaki/top of South Island. Also, \$57b of GDP (27% of New Zealand's total) is created within central New Zealand. As air travel and cargo freight are strongly related to GDP this proportion is a proxy for the level of underlying demand for air cargo in the catchment.

Wellington's long haul market continues to grow; as of the 12-months to February 2015,

residents from the Wellington Region made 195,000 two-way trips to long haul destinations, while long haul visitors accessing Wellington airport made 144,000 two-way trips (340,000 in total or 465 passenger per day each way). Including the Manawatu-Wanganui region the market size increases to 395,000 (542 passenger per day each way), and to 535,000 (733 passenger per day each way) where Wellington provides the closest international airport. A typical daily long haul service requires a market size of around [160,000 passengers per annum](#) to be viable.

Increasingly, airlines are looking to [avoid competition at the hub airports](#) of countries – such as Auckland. For example, in addition to flying hub to hub services between the middle east and London Heathrow with large aircraft such as the Airbus A380, carriers are now also beginning to serve smaller secondary England airports (such as Birmingham, Newcastle and Manchester) with smaller aircraft suited to those particular market sizes. Airlines are attracted to markets where a significant proportion of the traffic has to unnecessarily connect domestically via that countries hub airport.

Therefore, we see that the Wellington aviation market would be best served with a direct link to a major international hub such as [Singapore, Hong Kong or Los Angeles](#) utilising aircraft that are fit for Wellington's market; and thus giving the option for Wellington passengers to avoid unnecessary domestic (or Australian) connections. Accordingly we anticipate the Wellington market would be served by smaller wide-bodied aircraft such as the [Boeing 787 Dreamliner \(B787\) or Airbus A350 XWB \(A350\)](#), operated by an airline operating from that particular hub. Interestingly, the forward orders by airlines of the B787 (850 on order) and A350 (780 on order) vastly outweigh those of the larger A380 (160 on order), acknowledging that the increasing trend of hub to point travel is becoming the norm.

Wellington's market is also attractive to airlines given its relatively high proportion of business/government-related travel, and lower levels of competition than experienced in Auckland and Christchurch.

All long haul services that operate to New Zealand rely on connecting passengers (eg. Auckland-Singapore-London) to be profitable. A Wellington long haul service is no different and while the catchment's [point-to-point market on its own would be unlikely to support a direct service](#) (as is the case with many if not all New Zealand long haul services) an airline with onward connecting options from a major hub would see Wellington as a viable opportunity.

Wellington Airport commissioned InterVistas aviation consultancy to assess the viability of long haul services to Wellington as an airline would. InterVistas has worked with a number of airlines worldwide, including Air New Zealand to model the impact of air service development proposals. The InterVistas study concluded that there was [sufficient demand now for a long haul service to Asia \(Singapore, Hong Kong\) at 4-5 services per week, and that by the time a runway extension could be feasibly be open in 2020, Wellington could support daily services to Asia, or 3-4 flights per week to the West Coast of the United States.](#)

InterVistas also concluded that a large 5<sup>th</sup> freedom service [via Australia](#) (such as those operated by Emirates into Auckland/Christchurch) would also be viable; Wellington's runway is currently too short to accommodate Emirates aircraft for landing.

The InterVistas assessment has been [peer reviewed by aviation consultancy Airbiz](#), who have concluded their methodology is sound.

- b) Comparisons with Canberra, Hamilton, Invercargill not relevant Comparing Wellington's extension proposal to ["build it and they will come" developments is not relevant](#). The future of sustainable services operating from an extended runway is [not in any way reliant on stimulating new traffic](#) as the market for sustainable services already exists. 733 people are flying long haul to and from the catchment every day and this is the fundamental difference between the Wellington Airport proposition and any which have invested in infrastructure in advance of having the traffic to support it. The Canberra

situation is sometimes quoted as the possible future for Wellington if the runway is extended. Canberra has a runway length of over 3,000 metres (more than sufficient to enable long haul services) and has recently invested in terminal infrastructure to enable international services to operate. Up to now, Canberra has been unable to secure international services to New Zealand or Asia. The fact that both Wellington and Canberra are capital cities is where the similarity ends. Passenger data shows that passenger flows between Wellington and long haul markets are around 80% higher than those generated in Canberra, with Wellington having a much stronger tourism/visitor proposition than Canberra currently has. The fact that Wellington has around 60 return international flights per week to Australia and Canberra has none to New Zealand illustrates this point very clearly. The Canberra opportunity also suffers from its relatively close proximity to Sydney Airport, the largest international airport in Australasia, being less than 3 hours' drive away. This close proximity to a larger international airport also ended Hamilton's international operations with Auckland airport a mere 90 minute drive north and getting closer with continual roading improvements. Invercargill also has aspirations to secure Tasman flights, however with a fast expanding Queenstown airport 2 hours' drive north and a much larger population sustaining Dunedin airport 2.5 hours to the east, the unique catchment it offered is currently too small to interest an airline. Wellington and central New Zealand has enough geographic separation from Auckland/Christchurch airports to have its own, large catchment – as illustrated by the trans-Tasman services that already operate into the city.

- c) Wellington is poorly connected with overseas markets Opponents have stated that “Wellingtonians want to travel to a number of cities in Asia, many of which already have non-stop direct air services from Auckland or Sydney”. While it is true, that Auckland and Sydney do have services to multiple destinations in Asia, **both airports are poorly connected** compared with the major hubs in Asia and North America, as is illustrated by the following table.

Airport	Asia Ports	North America Ports	Europe Ports	Middle East/Africa Ports	Total
Auckland	9	4	0	0	13
Sydney	19	5	0	3	27
Singapore	98	0	14	8	120
Hong Kong	99	10	17	9	135
Los Angeles	11	126	16	6	159

Wellingtonians have access to 19 ports in Asia via Sydney, although many of these are not practically available given they are relatively infrequent and do not connect well. Significantly neither Auckland or Sydney provide a direct option to Europe meaning Wellington European travel always requires a minimum two stop.

By contrast, a direct service to Singapore or Hong Kong would provide 1-stop access to/from around 100 cities in Asia, and multiple destinations in Europe. Many of these Asian cities are served with multiple daily flights allowing many more connecting options for passengers from or to these cities.

Given that the more connections passengers are required to make, the less attractive that market becomes, travel via Auckland and Sydney is a poor substitute to a direct long haul route to Asia or America.

- d) Airline Commitment Air New Zealand has publically stated that they have no interest in flying long haul from Wellington if the runway was extended. Some commentators have interpreted this to mean that as our national carrier is showing no interest then there clearly is no case for services or interest from other airlines. The view of Air New Zealand has no relevance to the opportunity that Wellington presents. In fact Air New Zealand's

recent announcement of withdrawing long haul operations from Christchurch (despite the Christchurch-Narita services sustaining high load factors at profitable yields) illustrates the airline's business model of an Auckland hub connecting the rest of New Zealand with a strong domestic network. The airline would add significant cost to their business and potentially lose domestic connecting revenue by flying services out of Wellington. Similarly, once a competitor commences direct services from Wellington, Air New Zealand has the most to lose through the loss of those domestic connecting passengers. At best, the Air New Zealand opposition is no more than that of an [aggrieved trade competitor looking to protect their patch](#). Clearly there isn't the case for Air New Zealand to serve Wellington, but the commercial business case, founded on the ability to gain market share is [strong for a foreign airline with a hub/base in Asia](#). Wellington Airport meets regularly with overseas airlines to discuss opportunities to better connect with the city. The airport has developed over a number of years a strong relationship and level of trust with some key target airlines which have shown strong interest in flying to Wellington, but [are unable to commence operations until the runway is extended](#). The airline industry is incredibly competitive, and it is highly unlikely that an airline showing interest in Wellington would make their intentions known publically before it has put in place the necessary commercial and operational arrangements to sustain the services. Given that the extension is 5 years away from possible completion these arrangements cannot yet be confirmed and it should not come as a surprise that formal airline commitment has not been publicised.

- e) The Economic Impact Assessment

Visitors to New Zealand do not necessarily wish to travel throughout the entire country and many only visit for a few days, meaning that their point of entry into the country is a significant factor in the dispersal of tourism benefits. Considering the Chinese markets for example, 77% of the visitor spend took place in the Auckland (57%) and Otago (20%) regions in the year ended March 2014. Over 50% of the holiday purpose visitors stayed in the country for three days or less. The addition of a third entry point to the country would enable a [host of new itineraries of various stay lengths which would appeal to different market segments and stimulate additional visitor numbers](#) to New Zealand. From Wellington's perspective, the region [attracted merely 2% of Chinese visitor spend](#) during that period, highlighting the upside potential.

Key policies of Tourism 2025 framework (the tourism industry framework for the next 10 years) are to increase the regional disbursement of international visitors and to encourage second visitation, particularly from Asian markets. Improved connectivity between Asia and central New Zealand via Wellington would support both these policies.

An economic impact assessment (EIA) of the runway extension has been conducted by EY; peer reviewed by [PWC who determined the EY methodology is sound](#). This EIA concluded that there were significant economic benefits not just for the Wellington region but also for New Zealand as a whole as a result of the runway extension.

EY assessed at a strategic level what the Wellington market could support in terms of long haul services over the next 40 years under low, medium and high scenarios. The methodology used to assess the potential demand for services was broadly consistent with the more detailed analysis subsequently undertaken by InterVistas. We note that BARNZ in its submission via NZIER has [misinterpreted the EY methodology](#) as assuming all potential passengers would be prepared to wait for an infrequent service. This is plainly not the case, and is illustrated by the fact that EY assessed a daily service (split between Asia and North America) in the first year of long haul operations (carrying circa 160,000 passengers) a fraction of the 535,000 passenger long haul market currently sustained by the catchment. EY's scenario of a daily long haul service in 2020 is consistent with InterVistas more detailed route assessment indicating a daily service would be viable.

The EY assessment has also included market stimulation based on the recognised industry

benchmarking tool, the IATA (International Air Transport Association) stimulation curve. Traffic volume statistics measuring traffic before and after new airline routes have been established illustrating that all new services grow markets. They do this by improving connectivity (reducing travel times and costs, increasing destination awareness, business opportunities, migration-related travel), connecting new markets which may have been unconnected previously, providing new marketing and promotional initiatives (particularly driven by the airline) and in many cases resulting in a competitive response from existing carriers which in turn further stimulates new travel. This is not a mysterious phenomenon but a clear, well evidenced and predictable outcome of air service introduction. The less connected a market is, the stronger the potential for new traffic stimulation and the IATA methodology uses this relationship to generate a curve for the purpose of predicting market stimulation levels.

Significantly, both the InterVistas detailed assessment and the EY adoption of the IATA stimulation methodology produced similar outcomes.

#### f) Runway Options and Costs

Various opponents have commented that the costs of the proposed runway extension have been significantly understated. While the consenting process will provide further details regarding the options assessed, it is worth noting that:

i) Consideration as to whether or not Rongotai is the best place to provide an international capable airport has been given. While there are [merits for a greenfield airport in Kapiti, or redevelopment of say Ohakea to international standards](#), costs of duplication (\$1b-\$2b for a whole new airfield and terminal, or upwards of \$400m for just a new terminal) combined with costs of the required upgrade to transportation infrastructure and the increased travel times to and from such an airport mean that Rongotai remains the most sensible airport location. For the avoidance of doubt, Paraparaumu aerodrome cannot be safely enlarged to cater for aircraft much greater than what are currently operating from that field.

ii) Consideration as to whether to extend north or south (or a bit of both) has also been given:

- . (a) Northern extension options have previously drawn considerable [public opposition](#) from a visual impact perspective, and when combined with likely costs to cross Cobham Drive (circa \$100m) and stabilise upwards of 40 metres of marine sediments (essentially mud) result in an estimated project cost of [approximately \\$700m](#). The combined visual and economic factors have resulted in northern options being discounted. An alternative [piled solution](#) was also considered, however at an [estimated cost of \\$1bn](#), this alternative has been [discounted](#).
- . (b) Southern extension options present a [more forgiving geotechnical](#) environment, with likely construction occurring on a combination of solid rock and stabilised sands/gravels. While [sea conditions are considerably more adverse](#), construction estimates are considerably less to the south vs the north. Based on the engineering design work to date, present project cost estimates for a southern extension range from [\\$300m to \\$330m \(±10%\)](#) depending on the adopted seismic design standard. Accordingly, only southern extension options are being subjected to full environmental impact assessments for the purpose of the upcoming consenting process. The alternative of a piled structure to the south of the existing runway was not pursued given initial design work proved it [doubtful a cost effective engineering solution could be developed to counter storms greater than a 50 year return period](#).

#### g) Business Case Summary

We are confident that the breadth of information provided to date is sufficient to enable informed decisions about the proposed runway extension to be made. The benefits of an extended runway are not insubstantial, and outweigh the costs by a significant margin.

As the project develops into a reality, [more detailed cost benefit analysis is inevitable, however for the purposes of the consenting phases of this project are not necessary.](#)

## 2. Runway Capability post Extension

The extended runway will have a take-off runway available of 2300 metres in both directions. While the proposed length of the runway will be [well short of most international airports](#) around the world; including Auckland and Christchurch airports which have runway length greater than 3000 metres, the extended runway does not need to allow for maximum take-off weights for aircraft given Wellington's distance from Asia-Pacific hubs. Further, target aircraft for the Wellington long haul market such as the A350 or B787 (which require between 2600 and 2900 metres to take off with a full passenger, cargo and fuel payload and have ranges of between 14,000-15,000 km), compared to the target long haul markets such as Singapore (8,500km), Hong Kong (9,500km), or Los Angeles (10,800km), mean that [full runway requirements are not necessary at Wellington.](#)

We commissioned an independent external consultant to review the potential performance of long haul aircraft under a number of runway extension scenarios. Our consultant concluded that a runway extension of between 300-400m would provide the capability for [target aircraft \(A350, B787\) to fly sector lengths of 12- 12.5 hours](#) (eg. Bangkok, Bali, Guangzhou, Jakarta, Hong Kong, Manila, Shanghai, Singapore, Kuala Lumpur, Tokyo, Osaka and Seoul, and West Coast USA) to and from an extended Wellington Airport.

It has been noted that there are potential limiting factors in the [form of obstacles on Newlands Ridge](#). Our independent experts have noted that airlines are increasingly using [curved flight paths](#) that are able to be developed to mitigate any payload restrictions. Further work in this area is currently underway, specifically a refresh of work done to date in light of the additional design work undertaken by our consultant engineers, as well as and to take into account new data for the A350 (which has now started flying) and recently announced aircraft such as the A330neo/B777x.

It is worth noting that there are currently 780 orders for the A350 and 1,100 orders for the B787, and as existing B777 and A330 aircraft start to be retired these fuel efficient twin engine long-haul aircraft will be predominant in global airline fleets.

- . Safety at Wellington Airport Some detractors have noted that there is a requirement for Wellington Airport to increase the length of their runway extended safety area (RESA) from 90 metres to 240 metres. It is fundamentally important to be aware that Wellington Airport [currently meets the ICAO requirements for RESA](#), and that any comment made regarding 240 metres is a reference to an ICAO recommendation only. Noting this recommendation, and in light of our plans to extend the runway, we have recently completed a [comprehensive cost-benefit analysis to independently assess the risks of not extending the RESA](#). This analysis concluded that there would be [negligible safety benefits](#) through extending the RESA that would be far outweighed by the significant costs of doing so. In addition, the analysis noted that there would be significant safety improvements for existing aircraft operating at Wellington Airport resulting from the runway extension as [all other aircraft serving the airport \(around 100,000 movements per annum\)](#) will benefit from a longer runway which they would not require for general take-off or landing. It is worth pointing out that Wellington Airport's proposed runway will be slightly longer than Newcastle (UK) Airport, which currently has a TORA of 2262 metres (vs proposed 2300 metres), landing distance available 2152 metres (vs proposed 2170 metres) and a 90 metre RESA with no plans to extend the runway. Newcastle is served by Emirates with a B777-300ER and A330-200. This cost-benefit analysis has been submitted to the [Civil Aviation Authority \(CAA\) who has subsequently confirmed that a RESA extension would not be required or justified if the runway was extended.](#)



- . Noise and Traffic Impacts The study by InterVistas concluded that Wellington would be best served by a large international carrier with an extensive hub in Asia or North America. The schedule an airline would operate (when they arrive or depart Wellington) will be dictated by the optimal timing to connect with onward services at their hub airport as well as allowing for overnight flying in one direction (for long haul flights). The schedules long haul carriers operate at Auckland are a useful guide as to the timing of possible services at Wellington. Typically foreign airlines arrive/depart Auckland [well within the current permissible operating hours](#) at Wellington Airport. While there are three notable exceptions at Auckland (Lan arrive at 04:30, with Hawaiian and Malaysia departing at 00:30 and 01:35 respectively), given the markets likely to be served at Wellington, it is expected that a long haul service to and from Wellington would [land mid-morning and depart around lunchtime, having no impact on the curfew](#). Accordingly there will be no requirement to seek amendment to the curfew as part of the upcoming runway extension process. Further, given the expected timing of flights, a new long haul service would be [highly unlikely have a material impact on airport noise](#). Wellington Airport has around 100,000 aircraft movements per annum, with [movement volumes steadily reducing in recent times as domestic airlines have converted to operating larger aircraft at the airport. In particular, 4,000 less scheduled movements](#) occurred in the year to 31 March 2015 than the prior year. Noting that a daily long haul service would add only [730 annual flights and factoring the likely use of next generation of typically quieter aircraft](#) the total noise impact is not anticipated to be noticeable.

With respects to existing infrastructure, and noting the likely schedule of long haul services, it is anticipated that there will similarly be a negligible impact from the proposed runway extension. Specifically, passengers and their meters and greeters would be arriving and departing from the Airport [outside of peak road travel times](#); and the airline would be using the terminal outside of when the majority of other domestic and international services operate. Whilst improvements to the roading and terminal infrastructure are inevitable, requirement for those improvements will not be driven by the proposed runway extension.

#### Submission Summary

WIAL welcomes Wellington City Council investing with others across a range of initiatives to stimulate economic growth. Specifically WIAL is strongly supportive of the eight big ideas and the potential these have to bring about a step change in the economic health and ultimate sustainability of our city. It is in support of the other economic growth initiatives that the Runway Extension proposal would deliver its most significant strategic value.

A genuinely connected Wellington, backed by strategic investments in core infrastructure and world leading attractions and facilities could realistically move from the backbenches to the forefront of New Zealand's economic growth agenda. This Long-term Plan is a significant opportunity for Wellington City Council and the people of Wellington to commit to investment in the future of our city.

WIAL wishes to be heard in support of this submission.

#### **16) David Shillson Kensington Swan (p331)**

Bringing in more international visitors, and enhancing business and education connections

'Should the Council explore an infrastructure project that has the potential to bring up to \$680 million of investment into Wellington?' We say "Yes". In fact "why wouldn't you explore such an infrastructure project" as part owner of that underlying infrastructure, and the project's potential to enhance the value of the asset and deliver economic advantage to the City and its region.

As noted above one of Council's roles is to provide the necessary hard infrastructure that Wellington needs to continue to thrive. Based on the published economic modelling to date,

extending WIAL's runway may well provide critical infrastructure support to ensure Wellington continues to thrive.

While any conclusions may be premature, the potential benefits to tourism and business (including support for overseas students) derived from greater direct access to overseas markets warrant full investigation.

Such an investigation, and a resource consent process has always been required to determine whether extending the runway is in fact a viable option. In our view, funding to determine the viability of the project is money well spent when the potential economic and social benefits of the proposed runway extension are borne in mind.

We also agree with the assumption expressly stated in the Consultation Document that a business case cannot be finalised in the absence of an understanding of whether the project can proceed on the basis of a resource consent which authorises the proposed increase to the length of the airport runway.

### **17) Deloitte (p375)**

Wellington International Airport runway extension

We are broadly supportive of the Council providing grant funding for extending Wellington International Airport's runway if appropriate comfort can be obtained around the stated levels of economic benefit; which is materially impacted by an appropriate number of carriers taking the opportunity that an extended runway presents to schedule international flights to and from the capital.

### **18) Property Council (927-983; p172)**

Property Council supports the invest for growth option and the Council's commitment to delivering important capital projects that would stimulate growth, specifically, the proposed: extension of Wellington International Airport's runway

### **19) Chamber of Commerce, p261 (984-1049)**

This strategy proposes to extend Wellington airport's runway. (\$90million investment, + \$6.5million per year from 2019/20). Mandated by our members, the Chamber is supportive of this project, provided the business case stacks up. There also needs to be commitment from a minimum of one airline, for a sustainable period, to and from Wellington.

Long haul flights out of Wellington are an important part to attracting businesses to Wellington and potential to create a significant contribution to local economic development across visitor and international student attraction. We're told for every dollar, there is return of 1:5. It's important that progress on this proposal is made. Further on this point, our region needs to be supported by a modern and efficient motorway system to allow Wellington to maintain its competitive CBD to airport linkage. This in turn needs to include a modern and efficient public transport network.

The Chamber is pleased with the collaborative efforts across the region in support of this project and looks forward to the further economic analysis being produced to further consider the benefits of long-haul connectivity.

### **20) Port Nicholson Block Trust, p290**

PNBST in principle supports the extension of the airport runway subject to suitable environmental protection.