

QUEENSTOWN AIRPORT CORPORATION

6 Other Comments

Would you like to comment on any other aspect of this draft 10 Year Plan?

Overview We welcome the opportunity to provide this written submission to QLDC's 10 Year Plan and would like to be heard on these submissions and to answer any questions Councillors may have. Following the format of the Council's submission form, we make specific submissions on: •Queenstown Convention Centre- Revised Rating Model •Transport Planning •Frankton Library We make general comments on: •Council's projected growth numbers and their impact on its Infrastructure Plan. •Impact on QAC of Council not progressing with the Lakeview Convention Centre. •Maintaining momentum with the Lakeview Convention Centre. We advance no position on: •Wanaka Pool •Rate standardisation for Water and Wastewater Airport Gateway and Regional Employer As New Zealand's fourth busiest airport for passenger numbers and the gateway to the lower South Island, Queenstown Airport is a key economic driver of the region's tourism industry and economy. Queenstown Airport receives approximately 700,000 arriving passengers each year from three domestic airports (Auckland, Wellington and Christchurch) and four Australian airports (Brisbane, Coolangatta, Sydney and Melbourne). The vast majority of these arriving passengers are visitors to the region for tourism and/or conferences. The balance is made up of travel by residents, people providing business support to local businesses and those visiting friends and family. According to New Zealand Airports Association research (2013), the economic benefits associated with Queenstown Airport are almost \$275 million per year. This is a direct result of the visitors coming through the airport and growing these visitor numbers will increase the overall contribution to the region's economy. Growing visitor numbers in off-peak periods adds even greater value to the airport and the region. QAC's direct financial contribution to the Lakes District community, made possible by these visitors, includes (for the year ended 30 June 2014): Rates of \$326,000pa; and Dividend payments to QLDC of \$2J30,000. In addition, Queenstown Airport is a major hub for employment in the Wakatipu Basin with an estimated 350 people working within the airport community. The proposed introduction of evening flights in winter 2016 is expected to increase the airport workforce significantly. The Lakeview Queenstown Convention Centre Support for the Queenstown Convention Centre at the Lakeview site QAC supports the building of a Queenstown Convention Centre as an essential addition to the District's visitor offering and our 10-year forecasts for passengers numbers and profits are based on the assumption that a convention centre will be contributing to these figures. QAC agrees that the Queenstown Convention Centre should be located downtown at the Lakeview site and we support the Queenstown Chamber of Commerce and Destination Queenstown's submissions on this matter. Feedback on the proposed rating model as it impacts non residential ratepayers We support the proposal for a differential rate and accept that CBD businesses are the most likely to receive direct benefit from the Lakeview Convention Centre. Whether the benefit for Commercial ratepayers is two to three times greater than the benefit for the wider Wakatipu Commercial ratepayers may be under-valuing the indirect benefits a Lakeview Convention Centre can provide. QAC and the many businesses operating at Queenstown Airport will benefit directly from visitors coming for events at the Queenstown Convention Centre; while non-CBD Commercial ratepayers can count on benefiting indirectly from the extra activity and employment generated by these visitors; particularly the retail sector based around the Frankton Flats. QAC is open to paying a higher targeted rate toward the Lakeview Convention Centre. Transport Planning QAC will submit separately on the draft transport strategy in May. In response to the two questions posed in the Consultation Document, we make the following submissions: QAC agrees that Council is right to address congestion in central Queenstown and setting a goal of reducing future traffic by 20% is reasonable. Further, Councillor's support of the Lakeview Convention Centre shows leadership and commitment toward this goal. As only a CBD-based Convention Centre will allow conference goers to walk to and from their conference sessions. QAC considers downtown parking charges to be low and increasing parking charges is a way to change behaviours. Using the extra parking revenues to subsidise public transport is an appropriate use of these extra revenues. Frankton Library Council is in the best position to make the decision on the need and timing for a Frankton Library but we see merit in the proposal. In its capacity as a land owner in Frankton, QAC would be happy to be part of Council's discussions regarding potential site options .. Other matters Future Visitor Numbers- Council's Infrastructure Plan is based on providing infrastructure needs to support increases in both the resident population and visitor numbers over the next 30 years. In the next 10 year period, the district's peak population is projected to increase 20%. Over the same period QAC is forecasting passenger numbers to grow three to four times faster than this number with the possibility that passenger numbers could double within this 10-year period. This suggests the Council's own estimates may be low and the growth projected for the 30-year infrastructure plan may hit our district earlier than currently expected. This will put pressure on both the public infrastructure and the district's rating base to respond. It also highlights the bluntness of funding public infrastructure for our district from rates and adds support for Council's push for a targeted visitor levy that would reward the district for handling greater visitor numbers rather than penalise

it. Impact on QAC of Council not progressing with the Lakeview Convention Centre- QAC's 10-year dividend forecasts used in QLDC's Prospective Statement of Financial Performance are based on the Lakeview Convention Centre progressing. A decision not to proceed with its development will reduce visitor numbers and the airport's profitability and dividend forecasts. Maintaining momentum with the Lakeview Convention Centre- QAC recommends the Lakeview Convention Centre project be handed to a Council-owned Development entity with a separate board and management. The entity would be responsible for finalising Government and third party funding and would be charged with delivering the Lakeview Convention Centre within the funding budget set by Council. The entity would seek to better the development proposition before Council today and aim to reduce the capital contribution from Council.