

Before an Independent Hearings Panel
appointed by Christchurch City Council

under: the Resource Management Act 1991

in the matter of: the hearing of submissions on Plan Change 14 (Housing
and Business Choice) to the Christchurch District Plan

and: **Christchurch International Airport Limited**
Submitter 852

Rebuttal evidence of Natalie Hampson (economics)

Dated: 9 October 2023

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REBUTTAL EVIDENCE OF NATALIE HAMPSON

- 1 My full name is Natalie Dianne Hampson. I am a Director at Market Economics Limited (*M.E.*).
- 2 I provided a statement of evidence in relation to the relief sought by Christchurch International Airport Limited (*CIAL*) on proposed Plan Change 14 (Housing and Business Choice) to the Christchurch District Plan (*PC14*) dated 20 September 2023 (*primary evidence*). My qualifications, experience and involvement with *CIAL* are set out in my primary evidence and I do not repeat those here.
- 3 I also participated in the expert conferencing on economic matters for *PC14* and am a signatory of the joint witness statement (*Economic JWS*) dated 5 October 2023.

CODE OF CONDUCT

- 5 Although this is not an Environment Court hearing, I note that in preparing my evidence I have reviewed the Code of Conduct for Expert Witnesses contained in the Environment Court Practice Note 2023. I have complied with it in preparing my evidence on technical matters. I confirm that the technical matters on which I give evidence are within my area of expertise, except where relying on the opinion or evidence of other witnesses. I have not omitted to consider material facts known to me that might alter or detract from my opinions expressed.

SCOPE OF EVIDENCE

- 6 My rebuttal evidence responds to briefs of evidence from:
 - 6.1 **Ms Meg Buddle** on behalf of Environment Canterbury;
 - 6.2 **Mr John Falconer** on behalf of Waka Kotahi NZ Transport Agency; and
 - 6.3 **Ms Catherine Heppelthwaite** on behalf of Waka Kotahi NZ Transport Agency.

RESPONSE TO MS BUDDLE

- 7 Ms Buddle states that the "*current 50dBA contour* [in Map A of the Canterbury Regional Policy Statement (*CRPS*)] *is the most appropriate for land use planning purposes, until any updates to the current 50dBA contour have been tested through the CRPS review*".¹

¹ Ms Buddle's evidence, paragraph 40.

- 8 As such, she states that the Airport Area of Influence Qualifying Matter (*Airport QM*) should be limited to the operative 50dBA contour in the Christchurch District Plan² and not the extent notified in PC14 or proposed by CIAL and accepted in part by Ms Oliver’s Section 42A report. To do otherwise would, according to Ms Buddle, “*prejudice the upcoming CRPS review of airport noise contours*”.³
- 9 The implication of Ms Buddle’s recommended approach is that, should the CRPS review process adopt a different contour to the operative 50dBA contour, then a plan change or variation would be required at that time to adjust the extent of the Airport QM in the Christchurch District Plan (and assuming that Christchurch City Council would seek to align the Airport QM with the CRPS).
- 10 Ms Buddle states that a proposed CRPS is intended to be notified in December 2024. This means that it could be another two years (or potentially more) before an agreed air noise contour is settled and operative in the CRPS.
- 11 I disagree that the Airport QM should be limited to the operative 50dBA contour via PC14 for potentially the next two years. I consider PC14 should adopt a conservative approach while the CRPS review process and hearings are carried out, and that the spatial extent of the Remodelled 50dBA Outer Envelope Contour (*Remodelled Outer Envelope*) is the correct basis for that conservative approach.
- 12 A conservative approach to the Airport QM avoids the risk of intensification (over and above operative zone densities) being approved/developed between the operative 50dBA contour and the Remodelled Outer Envelope in the interim, should the CRPS process subsequently adopt the Remodelled Outer Envelope.
- 13 Should the CRPS process not result in the Remodelled Outer Envelope forming the basis of land use planning (and the City Council was inclined to take a consistent approach at that time), the opportunity cost to landowners temporarily constrained by the Airport QM in their ability to intensify (i.e., in the short-term) is only minor.
- 14 However, should the CRPS process confirm the Remodelled Outer Envelope as the basis for land use planning, then the benefit of restricting the number of new dwellings within the Airport QM to operative densities in the interim (to safeguard the operation of Christchurch Airport and manage adverse effects on the amenity

² Ms Buddle’s evidence, paragraph 47.

³ Ms Buddle’s evidence, paragraph 48.

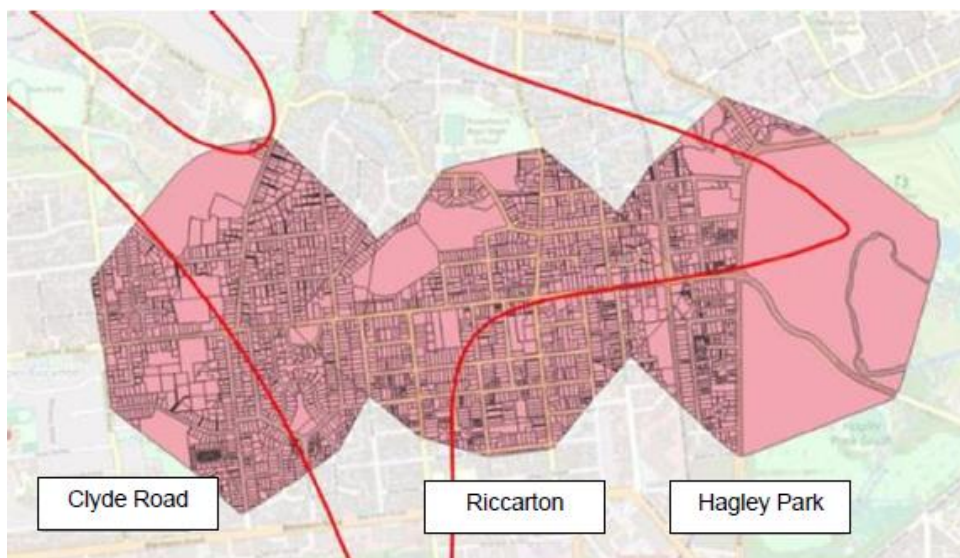
and health of residents) is more than minor, as these benefits accrue over the long term.

- 15 Overall, I consider that there is regulatory efficiency in the Airport QM matching the air noise contour in the CRPS, but that the long-term economic benefits of taking a conservative approach to the extent of the Airport QM in PC14 (based on the Remodelled Outer Envelope), outweigh the potential cost of a constraint on intensification in the short-term.

RESPONSE TO MR FALCONER

- 16 In my primary evidence (paragraph 15) I concluded that there was insufficient quantified information to robustly assess the costs and benefits of the Airport QM proposed by CIAL or recommended by Ms Oliver and other S42A officers on the Riccarton Town Centre and its immediate catchment. The Economic JWS set out the sort of data that would assist in better evaluating different proposals.
- 17 Mr Falconer's evidence provides some additional information that is helpful in informing the impact of the Airport QM on Riccarton (as a Mass Rapid Transit (*MRT*) station). His evidence draws on the recently completed Indicative Business Case for the MRT Corridor, focussing on the three Riccarton Road stations impacted by CIAL's proposed Airport QM (based on the Remodelled Outer Envelope), and in the context of the MRT corridor overall (Figure 1)⁴.

Figure 1 – Catchment Area – Riccarton Road – Assessed by Mr Falconer



- 18 For example, Mr Falconer indicates that under operative zoning (and reasonably expected to be realised assumptions), the number of

⁴ Equates to Figure 3 in Mr Falconer's evidence.

households in the three station catchments combined could double by 2051. This operative capacity scenario is stated as being the “fall back” position where qualifying matters restrict intensification. Mr Falconer then estimates the feasible household capacity under PC14 (without applying any qualifying matters) and the feasible capacity with CIALs proposed Airport QM, with all other qualifying matters but excluding the Airport QM, and then the combined feasible capacity with all qualifying matters applied to the catchments.

- 19 I have summarised Mr Falconer’s analysis in Table 1 below. I have included the change of each scenario relative to the long-term operative zone capacity, and the change of each scenario relative to the baseline PC14 capacity excluding qualifying matters.
- 20 While at face value Mr Falconer’s analysis is helpful in understanding the incremental impacts of some different scenarios (and it is presented in a useful structure to allow costs and benefits to be examined as suggested in the Economic JWS), there are some calculations that seem to contradict Mr Falconer’s explanation of each scenario. My initial concerns are those cells that I have highlighted yellow in Table 1. For example:
- 20.1 It is not clear why PC14 (without qualifying matters applied) creates a lower capacity over the long-term than under operative zone provisions in the Hagley Park station catchment. This is counter to the outcomes sought by PC14.
- 20.2 If the operative capacity is meant to be the fall-back position for when qualifying matters are applied, it is not clear how applying the proposed Airport QM, other qualifying matters or all qualifying matters in the Riccarton station catchment can be less than the operative zone capacity.
- 20.3 Similarly, it is not clear how applying the proposed Airport QM and all qualifying matters in the Clyde Road station catchment can be less than the operative zone capacity.
- 21 Given that the proposed Airport QM covers between 45-68% of the land area in each station catchment impacted on Riccarton Road,⁵ I would expect the capacity with the Airport QM applied to be between the operative capacity and the PC14 capacity without qualifying matters applied. Given that this is not the case, it is difficult to rely on Mr Falconer’s results. The anomalies I have identified suggest that the household capacity of each scenario has not been calculated in like-for-like terms – which is critical for comparing scenarios.

⁵ Mr Falconer’s evidence, paragraph 4.16.

Table 1 – Compilation of Mr Falconer’s Capacity Calculations for the MRT Corridor Without and With Qualifying Matters

	Current Households 2021	Operative District Plan (Reasonable Expected)*	(PC14 Baseline) MRT Scenario 1 **	MRT Scenario 1 with Airport QM (Outer Envelope)	MRT Scenario 1 with Other QMs	MRT Scenario 1 with Combined QMs
No Qualifying Matters Applied (count of households)						
Hagley Park	721	1,753	1,385	1,224	1,323	1,190
Riccarton	1,739	3,186	4,073	2,327	3,172	2,293
Clyde Road	1,015	2,028	3,378	1,997	2,273	1,872
Sub-Total Impacted Stations	3,475	6,967	8,836	5,548	6,768	5,355
Rest of Corridor	18,092	30,645	40,706	40,705	39,106	39,106
Total Corridor	21,567	37,612	49,542	46,253	45,874	44,461
Change in Households Compared to Capacity Under Operative Zoning (n)						
Hagley Park	N/A	N/A	- 368	- 529	- 430	- 563
Riccarton	N/A	N/A	887	- 859	- 14	- 893
Clyde Road	N/A	N/A	1,350	- 31	245	- 156
Sub-Total Impacted Stations	N/A	N/A	1,869	- 1,419	- 199	- 1,612
Rest of Corridor	N/A	N/A	10,061	10,060	8,461	8,461
Total Corridor	N/A	N/A	11,930	8,641	8,262	6,849
Change in Households Compared to Capacity Under Operative Zoning (%)						
Hagley Park	N/A	N/A	-21%	-30%	-25%	-32%
Riccarton	N/A	N/A	28%	-27%	0%	-28%
Clyde Road	N/A	N/A	67%	-2%	12%	-8%
Sub-Total Impacted Stations	N/A	N/A	27%	-20%	-3%	-23%
Rest of Corridor	N/A	N/A	33%	33%	28%	28%
Total Corridor	N/A	N/A	32%	23%	22%	18%
Change in Households Compared to Capacity Under PC14 Without QMs (n)						
Hagley Park	N/A	N/A	N/A	- 161	- 62	- 195
Riccarton	N/A	N/A	N/A	- 1,746	- 901	- 1,780
Clyde Road	N/A	N/A	N/A	- 1,381	- 1,105	- 1,506
Sub-Total Impacted Stations	N/A	N/A	N/A	- 3,288	- 2,068	- 3,481
Rest of Corridor	N/A	N/A	N/A	- 1	- 1,600	- 1,600
Total Corridor	N/A	N/A	N/A	- 3,289	- 3,668	- 5,081
Change in Households Compared to Capacity Under PC14 Without QMs (%)						
Hagley Park	N/A	N/A	N/A	-12%	-4%	-14%
Riccarton	N/A	N/A	N/A	-43%	-22%	-44%
Clyde Road	N/A	N/A	N/A	-41%	-33%	-45%
Sub-Total Impacted Stations	N/A	N/A	N/A	-37%	-23%	-39%
Rest of Corridor	N/A	N/A	N/A	0%	-4%	-4%
Total Corridor	N/A	N/A	N/A	-7%	-7%	-10%

Source Table A1 and B1, Mr Falconer’s Evidence.

* CDP_M scenario: “what is reasonably expected to be realised based on observed patterns of development. This has been used as the fallback position where QM removes any potential for intensification”.

** A scenario based on PC14 enabled capacity for feasible development based on a number of general assumptions around development costs and opportunities.

- 22 It is also not clear if Mr Falconer’s capacity analysis includes the residential capacity in business zones in the station catchments under operative and baseline PC14 zoning provisions.
- 23 Overall, I consider that the further modelling requirements set out in the Economic JWS for the Riccarton Road area are still required. That would also provide the opportunity to test additional scenarios that have been tabled, including Ms Oliver’s recommended zoning inside the Remodelled Outer Envelope and Mr Kleynbos’ proposed

compensatory intensification inside and outside the Outer Envelope but within the walkable catchments of the MRT corridor, as these are not included in Mr Falconer's evidence.

RESPONSE TO MS HEPPELTHWAITE

- 24 At paragraph 12.1 of her evidence, Ms Heppelthwaite supports Ms Oliver's s42A recommendation to include an area of high density residential zoning (*HRZ*) north of Riccarton Town Centre (inside the Remodelled Outer Envelope), and uses that as a precedent to recommend other areas of HRZ or medium density residential standards (*MDRS*) inside the Remodelled Outer Envelope on the basis that there are no other distinguishing characteristics that would limit the 'exception' to the Airport QM to just the area north of the Town Centre Zone.⁶
- 25 In doing so, Ms Heppelthwaite adopts and extends Ms Oliver's rationale of a required "trade-off" between residential amenity and supporting increased densities along the future MRT corridor.
- 26 As stated in my primary evidence (paragraph 34), this described trade-off proposed by Ms Oliver appears to be limited to the long-term costs to the amenity of the future residents versus the long-term benefits of supporting the feasibility of MRT in a section of Riccarton Road. The potential risk/cost on the efficient operation and growth of the Christchurch Airport arising from a larger number of resident households inside the Remodelled Outer Envelope (reverse sensitivity effects) seems to be missing from the equation.
- 27 Ms Heppelthwaite's recommended zoning is to retain the notified HRZ and medium density residential zoning (*MRZ*) along the MRT corridor of Riccarton Road. As reiterated above, the Economic JWS recommended additional modelling to clearly establish the capacity of different zoning scenarios in and around Riccarton. Ms Heppelthwaite's recommended zoning is one of the scenarios proposed for further modelling. As such, I consider that the costs and benefits of Ms Heppelthwaite's proposal⁷ will be better understood when more information is available. This includes modelling of alternative (compensatory) zoning outside the proposed Airport QM area that may be able to achieve the same long-term benefits for MRT while also safeguarding the efficient operation of Christchurch Airport.

⁶ Ms Heppelthwaite's evidence, paragraph 12.3(c).

⁷ Which included further mitigation of amenity and reverse sensitivity effects through the addition of proposed permitted activity standards for acoustic treatment within the Airport QM.

CONCLUSION

- 28 While CIAL's proposed Airport QM extent (accepted in part in Ms Oliver's S42A Report) is a departure from the CRPS 50dBA air noise contour used for land use planning to date, adopting the Remodelled Outer Envelope for the Airport QM in the short-term (as a conservative approach while the CRPS review process is completed) is the most economically efficient outcome to ensure that the Christchurch Airport is safeguarded from reverse sensitivity effects over the long-term.
- 29 The further modelling of feasible capacity in and around Riccarton Town Centre (as set out in the Economic JWS) is still needed and will assist in evaluating the economic costs and benefits of Waka Kotahi's submission (as recommended in Ms Heppelthwaite's evidence).

Natalie Hampson

9 October 2023