

**IN THE MATTER**

of the Resource Management Act 1991

**AND**

**IN THE MATTER**

of a Board of Inquiry appointed under section 149J of the Resource Management Act 1991 to consider a Plan Change Request by Tainui Group Holdings Limited and Chedworth Properties Limited.

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**STATEMENT OF EVIDENCE OF DAVID GORDON  
FOR KIWIRAIL HOLDINGS LIMITED**

**26 MARCH 2014**

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ON BEHALF OF KIWIRAIL HOLDINGS LIMITED**

**1. INTRODUCTION**

**Qualifications and experience**

- 1.1 My full name is David Stuart Gordon.
- 1.2 I am the General Manager Network Performance for KiwiRail Holdings Limited ("**KiwiRail**"), and am authorised to present this evidence on behalf of KiwiRail. The specific accountabilities within my portfolio relevant to this evidence are:
- (a) Network Planning and Capital Budgeting;
  - (b) Access Rights and Network Control Services;
  - (c) Asset Management Planning; and
  - (d) Resource Management Act Planning.
- 1.3 I have been involved in the rail business either as a contractor or employee for 14 years.
- 1.4 I have a BA and Diploma of Town Planning, although I have never practised as a planner and make no claims to be an expert in that discipline.
- 1.5 Given my evidence touches on noise it may also be relevant that I have had some exposure to noise issues in my previous employment. I was the Planning and Development Manager for Wellington International Airport Limited in the 1990's with RMA responsibility when innovations such as the air noise boundary, and Noise Management Plans were introduced. However I make no claims to be an expert in noise matters.

**Scope of evidence**

- 1.6 The purpose of my evidence is to provide information to the Board on:
- (a) who KiwiRail is;
  - (b) the background to the North Island Main Trunk Line ("**NIMT**") and the East Coast Main Truck Line ("**ECMT**");

- (c) how the rail development proposed in Ruakura Private Plan Change Request (“**Ruakura**”) favourably aligns to the national rail network;
- (d) the importance of avoiding cars and people mixing with trains (level crossings); and
- (e) planning matters around noise and bulk & location.

## **2. EXECUTIVE SUMMARY**

- 2.1 KiwiRail is the operator of and has financial responsibility for the national rail network in New Zealand.
- 2.2 The NIMT is of strategic significance to KiwiRail as it forms the backbone of its Auckland to Christchurch rail line. The NIMT basically follows the alignment of SH1 through the Hamilton township. The ECMT heads to the east from Hamilton and passes through the Ruakura Plan Change area. The route Auckland to Tauranga is KiwiRail’s busiest freight route.
- 2.3 The railway network can be upgraded to accommodate the requirements of the Ruakura development as and when the demand is generated.
- 2.4 Level crossing issues are being worked through with the applicant, specifically to ensure that safety matters are adequately addressed.
- 2.5 Minor changes to the wording of the provisions in the Plan Change itself will ensure that KiwiRail interests are protected and that the amenity of adjoining land owners and occupiers is not adversely affected.

## **3. BACKGROUND TO RAILWAYS IN NEW ZEALAND**

- 3.1 Historically, the Government was the owner and operator of virtually all of New Zealand's rail infrastructure, passenger and freight operations. In 1993 the rail *network* and *freight* operations were sold (as New Zealand Rail Ltd) to a consortium led by Wisconsin Central Ltd, and New Zealand Rail Ltd was renamed in 1995 to Tranz Rail Holdings Limited, which was later (in 2003) renamed Toll NZ. The Government, however, retained ownership of rail *land*, on which the rail assets were situated. It leased that land to Tranz Rail / Toll NZ.

### Government Repurchase

- 3.2 In 2004, the Government repurchased the rail network and operations which had previously been sold, so the rail industry in New Zealand became essentially one single vertically integrated entity operating as the "KiwiRail Group". The primary legal entity within that Group was the New Zealand Railways Corporation ("**NZRC**"),<sup>1</sup> which is a statutory corporation and State Owned Enterprise.<sup>2</sup> NZRC was also the entity within the KiwiRail Group holding requiring authority status under the Resource Management Act 1991 ("**RMA**").

### KiwiRail Holdings Limited

- 3.3 In 2012, NZRC went through a restructure process. A new entity was created and incorporated. That entity, KiwiRail Holdings Limited ("**KiwiRail**"), took over the KiwiRail Group business on 31 December 2012 that was previously operated by the NZRC. KiwiRail became the operator of the rail network, took over financial responsibility for the railway line and took over the designations previously held by NZRC. KiwiRail became a requiring authority in respect of the network utility operation of its railway line.<sup>3</sup>
- 3.4 KiwiRail has essentially been substituted into the same position as NZRC was as the parent entity operating the KiwiRail business and owning subsidiary companies.
- 3.5 Given KiwiRail is the owner of the rail infrastructure and is a licenced access provider under the Railways Act, as well being a requiring authority responsible for the relevant designations, it is important that KiwiRail is satisfied that Ruakura will not unduly hinder the future use of the NIMT and ECMT lines.<sup>4</sup>
- 3.6 Both the NIMT and ECMT are designated railway corridors within the Hamilton City District Plan, and neither contain conditions restricting hours of operation or operational noise emissions. I note there is a general duty in relation to noise under the RMA which KiwiRail is required to comply with, irrespective of there being no noise conditions on the designation.

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<sup>1</sup> It was established by the New Zealand Railways Corporation Act 1981 ("**NZRC Act**").

<sup>2</sup> Refer the State Owned Enterprises Act 1986.

<sup>3</sup> The Resource Management (Approval of KiwiRail Holdings Limited as Requiring Authority) Notice 2013, 14 March 2013, p942.

<sup>4</sup> RMA, s 168.

### **Present Rail Policy**

- 3.7 Following the repurchase of the rail assets by the Government, increased focus has been given to the provision of rail services. For example, the National Rail Strategy to 2015 was published in May 2005. The key results sought under that strategy are:
- (a) more freight carried by rail;
  - (b) more passengers carried on urban rail services; and
  - (c) an improved level of rail safety.
- 3.8 One of the Government's objectives is to promote and strengthen infrastructure to support sustainable growth of the New Zealand economy. Contributing to this objective, in March 2010 the Government released the National Infrastructure Plan, which summarises the current status of infrastructure, forecasts potential growth and demand for infrastructure, and seeks to identify priorities for infrastructure investment.

## **4. BACKGROUND TO THE NORTH ISLAND MAIN TRUNK LINE**

- 4.1 The NIMT remains a critical part of KiwiRail's freight network, forming the 'backbone' which runs from Auckland to Christchurch. The original line was constructed from Auckland southwards in the 1870's. While the NIMT is mainly used to transport freight - approximately 30 freight trains per day (Tuesday to Friday) through Hamilton - a passenger service also currently operates on the line as the Northern Explorer.
- 4.2 The NIMT generally follows the alignment of the SH 1 running north to south through Hamilton.

## **5. BACKGROUND TO THE EAST COAST MAIN TRUNK LINE**

- 5.1 The ECMT is also a key part of KiwiRail's freight network, which runs from Frankton through to Kawerau, with branches to Hautapu, Waitoa, Kinleith, Koutu and Murupara. The Hamilton to Morrinsville section of the ECMT was opened in 1884, the Apata to Port of Tauranga section opened in 1925, with the balance of the line opening in 1978. The ECMT is used to transport freight with approximately 28 freight trains per day (Tuesday to Friday).

- 5.2 Through the Ruakura area, the ECMT runs east to west on the northern sides of Ruakura Road and then Holland Road. At the Ruakura Road / Holland Road intersection, the Hautapu Branch Line heads to the south, running to the east of Ruakura Road.
- 5.3 The route Auckland to Tauranga is KiwiRail's best performing one.

## **6. HOW THE PROJECT ALIGNS WITH THE REST OF THE RAIL NETWORK**

### **Does Ruakura create a conflict with the Auckland Network?**

- 6.1 In my opinion the competing demands, freight and metro service demands, for network capacity on the Auckland Network will create a conflict even if Ruakura never came on stream. The most that can be said is that Ruakura might cause the conflict to arise slightly earlier.
- 6.2 Mr Boyle (para 58) states that fast light commuter trains and slow freight trains on the same network are incompatible. I consider the sentiment is correct but would not be so absolute in my description.
- 6.3 Freight and passenger services can and do co-exist provided the timetable allows sufficient headway for both and/or they operate at different times. Other than the very time critical Auckland – Wellington – Christchurch premier service, most freight services can accept timetable adjustments of around 10-15 minutes either side of an optimum slot without great penalty.
- 6.4 In my opinion the evidence of Mr Cooper (paras 85-87) accurately represents the likely impact of Ruakura development on the Auckland Network.
- 6.5 There is no doubt that the NIMT in the Auckland Network does not have capacity to accommodate the timetabling objectives of the Metro Service provider with its new trains and the freight operator at critical times of the day from 2015.
- 6.6 KiwiRail's assessment of where the clash between metro and freight services necessitates a step change in the infrastructure, in other words we cannot solve it with timetabling and operating procedures, is shown in the table below.

Section	Necessary investment elsewhere in the Auckland Network to get to TPH levels that create the conflict	When does KiwiRail think the conflict arises
Westfield Junction to Wiri	Completion of current round of Electrification and train commissioning	Immediately post full EMU roll-out
Wiri to Papakura	Electrification of Papakura to Pukekohe section Completion of the City Rail Link	Mid 2020 - 2030
Papakura to Pukekohe	Electrification of Papakura to Pukekohe section Completion of the City Rail Link	End of 2020 - 2030

- 6.7 It is correct that planning is underway for the third main in the Westfield to Wiri section, however a funding arrangement between Auckland Transport, KiwiRail and possibly the Crown has not been agreed.
- 6.8 The immediate solution is the completion of the third main between Westfield and Wiri, plus some reconfiguration in the Westfield and Southdown freight yards. Both ends of the third main are already in place, and the freight yard works will be complete at the end of June 2015. What remains is the 7km in the middle.
- 6.9 In the longer term a third main will need to be built between Wiri and Pukekohe, and that may also require some passing areas, effectively a fourth main in places.
- 6.10 The key point is that rail traffic growth will drive this requirement whether or not Ruakura is in operation.
- 6.11 Mr Cooper (para 88) states that Ruakura “*will not have a material impact on the Auckland urban rail network for at least twenty years*”. In my opinion, it is difficult to confidently make such a definitive statement. At one extreme all the services could enter/exit the Auckland Network between say 2000-0600 and never have any impact. If they can only operate in potentially conflicting times, then the impact would be much sooner. However, I do agree with Mr Cooper’s general sentiment and would consider it unlikely to have a material impact.

#### **Does Ruakura create a conflict with other parts of KiwiRail’s network?**

- 6.12 No, Ruakura does not create a conflict. There is sufficient capacity in the NIMT from Pukekohe to Hamilton and the ECMT from Hamilton to Tauranga to easily accommodate the additional traffic.

6.13 The table below shows the theoretical and practical capacity of each segment relative to current operations in the most important revenue generating section of the national network.

Section	Theoretical Capacity (trains per day, each way)	Practical Capacity (trains per day, each way)	Current demand (trains per day, each way)
Pukekohe to Hamilton	72	72	15
Hamilton to Tauranga	48	36	12

6.14 That table illustrates the evidence submitted by Mr Cooper (paras 26-27) on rail being a high fixed cost business that experiences threshold points where additional investment in equipment or infrastructure is required.

6.15 Ruakura does not push either the NIMT or ECMT past any infrastructure threshold point.

6.16 Traffic demand from Ruakura may push a need for further locomotives and rolling stock. We cannot know absolutely whether that will be the case but provided the revenue is there, i.e. it's a reasonable business proposition; it is a much simpler exercise to add that type of freight capacity.

6.17 Mr Boyle (para 37) is incorrect when he states there are currently 7 passing loops between Tauranga and Hamilton with funding provided for a further 2. There are in fact 11 passing loops and as noted above, plenty of capacity. I understand however that the 7 referred to by Mr Boyle are the 900m passing loops, with those shorter ones making up the additional 4 shorter passing loops not being counted.

6.18 The details of exactly how the rail infrastructure within Ruakura gets plugged into the ECMT have not been confirmed, nor in my opinion is it necessary for them to be confirmed at this stage. How the arrangement works will be a mixture of signals and track infrastructure, and operating rules. There is a lot of detail to be worked through but in my opinion there are no apparent operational or engineering issues that suggest it cannot be made to work.



- 6.19 Mr Boyle (para 22) is absolutely correct when he states that *“To provide flexibility of operation at Ruakura and to interface with traffic on the ECMT a rail grid with 4 tracks each 900m in length is considered optimal”*.
- 6.20 On the ECMT train length is restricted by how long the passing loops are. What the Ruakura scheme allows for is a maximum length train to come straight in from the main line to the grid. That means trains don’t tie up the main line while berthing, which significantly erodes capacity.
- 6.21 To conclude, Ruakura fits well into the national rail network.

## **7. LEVEL CROSSINGS**

- 7.1 The KiwiRail submission raised a number of concerns around safety and formation of level crossings. Since the notification of the Ruakura proposal, we have raised our concerns directly with Tainui Group Holdings Ltd. The concerns KiwiRail have in relation to the detail around level crossings and the formation of these are directly related to safety, of both users of the rail and the road.
- 7.2 KiwiRail has attempted to agree with Tainui Group Holdings Ltd on matters relating to the level crossings prior to now but at the time of submitting this evidence has not managed to get an agreement signed. The parties have commenced discussions with regard to changes required to new and existing level crossings in the Plan Change area, and anticipate recording how these are to be dealt with via contract.
- 7.3 The Ruakura site straddles the ECMT. There are two rail level crossings within the Ruakura Plan Change area, the Percival Road crossing and the Ruakura Lane crossing.
- 7.4 Between 2011 and 2013 there were 47 level crossing collisions between vehicles and trains nationwide. In 2014 to date, there have been 6. Additional to that are the near misses which are not recorded. Since 2003 there have been 18 collisions along the ECMT between trains and vehicles. Two of those were at the nearby Peachgrove Road crossing however none have been within the area subject to this Plan Change. The outcome of accidents between trains and vehicles at level crossings is often fatal.

- 7.5 Spine Road will form the principal connection between the two sides of the development. It is entirely inappropriate that the railway crossing at Spine Road be at grade. To avoid any doubt, KiwiRail seek that the Plan Change acknowledges that public safety is paramount through specific provisions requiring new level crossings be grade separated and no additional traffic other than from a potentially landlocked area currently using Percival Road, use other roads. This safety position is consistent with the position that KiwiRail have taken on other recently notified Plan Changes, for example the Auckland Unitary Plan.
- 7.6 As a result, it is imperative that KiwiRail's concerns for safety are adequately addressed by Tainui Group Holdings Ltd. This can occur through the finalisation of the agreement relating to level crossings between KiwiRail and Tainui Group Holdings Ltd. However in the absence of that agreement, the specific relief that KiwiRail seek is that outlined above, namely that the Plan Change ensure all new crossings are grade separated and existing level crossings are not subject to an increase in frequency of use as a result of the Ruakura development.

## **8. PLAN CHANGE PROVISIONS**

- 8.1 I note that none of the policy provisions proposed relate to managing the effects of railways, or increased rail usage as anticipated through the Plan Change. While the adjacent zones to the railway are unlikely to contain noise sensitive activities, should they occur protection for both the railway and those undertaking the activity should be provided through the District Plan. The purpose of the provisions is to ensure that KiwiRail can continue to operate unimpeded, and that adjoining land owners and occupiers are not subject to adverse effects. Changes to the current provisions to ensure that this is reflected are therefore relevant, with the most appropriate place for this being as identified through the KiwiRail submission.
- 8.2 Rule 25H.5.5.4.iii in the Ruakura Logistics Area and Rule 25H.6.5.1.e in the Ruakura Industrial Park area identify that buildings need not be setback from the railway designation boundary, but they must be setback from the transport corridor boundary. The Knowledge Area rules require a setback from the rail corridor. I consider it would be appropriate that road and rail be treated consistently in this regard, and the same setbacks applied consistently throughout the Plan Change area.

- 8.3 I acknowledge that Rule 25H.9.4 applies across the whole structure plan area in relation to noise sensitive activities and requires mitigation to identified standards where within a 40m setback from the rail designation. I also note that Rule 25H.11.5 requires buildings for vibration sensitive activities within 20m of the designation boundary to meet Class C standards. These are supported, however clarity around what a vibration sensitive activity is should be included. This could be a noise sensitive activity as noise and vibration sensitivities are often triggered by the same activities.
- 8.4 I acknowledge that the KiwiRail submission sought 100m for the noise sensitive activity mitigation, and the amended set of provisions also sought that distance. 100m is advised to be that necessary for surety that all effects are mitigated adequately. However in this instance, KiwiRail have determined that while the expert advice is 100m, 40m could be supported. This support for the 40m noise mitigation distance in this instance is due to the nature of the zonings proposed on the land adjoining the rail corridor not being ones primarily directed to contain noise sensitive activities.
- 8.5 KiwiRail has been, and will continue to, work with NZTA and the applicant to ensure that our concerns can be addressed through agreed alternative wording.

## **9. EVIDENCE / SUBMISSIONS**

- 9.1 I acknowledge the submissions made from Auckland Transport and the NZ Transport Agency, and KiwiRail will continue to work with both these agencies and the applicant, to address any issues it can in relation to increased freight movement along the railway network as a result of the Ruakura development.

## **10. CONCLUSIONS**

- 10.1 KiwiRail supports the proposed inland port development and the clustering of associated activities next to it.
- 10.2 KiwiRail considers the inland port growth sequence to be logical and able to be matched with its loco, rolling stock and infrastructure availability. Minor changes are sought to the detail to ensure that adequate protection for all parties is provided however, subject to that being implemented, KiwiRail have no concerns with the proposal.

- 10.3 KiwiRail intends agreeing with Tainui Group Holdings Ltd on matters relating to the level crossings but in the absence of that agreement, seek that the Plan Change be altered to ensure public safety is addressed. .



**David Gordon**

**26 March 2014**