IN THE MATTER	of the Resource Management Act 1991
AND	
IN THE MATTER	of the Hearing for the Proposed Natural Resource Plan — Hearing Stream 1

STATEMENT OF REBECCA BEALS
FOR KIWIRAIL HOLDINGS LIMITED
SUBMITTER: 140

5 MAY 2017

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STATEMENT OF REBECCA BEALS

ON BEHALF OF KIWIRAIL HOLDINGS LIMITED ("KiwiRail")

1. EXECUTIVE SUMMARY

1.1 This statement outlines the role that KiwiRail plays as the provider of a nationally and regionally significant piece of infrastructure, and the various controlling factors that impact on how the rail service is delivered.

1.2 As part of delivering its function, KiwiRail has a number of guiding pieces of legislation and documents, many being controlled by parties other than KiwiRail itself. This means the ability to change these and thereby provide flexibility to KiwiRail is limited. To achieve what is required, KiwiRail need to work closely with all the parties it can, including customers, the Crown and Council's to ensure that any provisions that impact on the ability for KiwiRail to operate are the least restrictive possible.

1.3 The Wellington network serves two functions, both as public transport routes and as freight routes. Both these uses result in large numbers of train movements throughout the region. In order to facilitate the metro movements, KiwiRail works closely with Greater Wellington Regional Council and its service provider Transdev.

1.4 The main concerns for KiwiRail that arise in a Regional Council context are in relation to maintaining its ability to safely operate; the ability to undertake unfettered operations and maintenance activities; and recognition of the engineering constraints that exist in relation to operating a rail and ferry network.

2. INTRODUCTION

Qualifications and experience

2.1 My full name is Rebecca Clare Beals.

2.2 I am the RMA Team Leader for KiwiRail Holdings Limited ("**KiwiRail**"), and am authorised to present this statement on behalf of KiwiRail. The specific accountabilities within my role relevant to this evidence are:

(a) Resource Management Act Planning;

(b) Supporting Grant of Right / Lease requests;

(c) Supporting Asset Management Planning; and

(d) Working with third parties in relation to developments either on or adjoining the rail corridor.

2.3 I have been involved in the rail business for over three years.

2.4 I have a BSc and an LLB from Victoria University, and a Masters in Resource and Environmental Management from Massey University. I have worked in policy and with the RMA for over 15 years, including in relation to large scale infrastructure maintenance and improvement projects.

Scope of statement

2.5 The purpose of my statement is to provide information to the Hearings Panel on:

(a) Who KiwiRail are and what KiwiRail does, both nationally and within Wellington; and

(b) To provide details on the corporate level issues and impacts that the Proposed Natural Resource Plan ("**PNRP**") raises.

2.6 Separate planning evidence will be presented on the specific details within the PNRP and the KiwiRail submission.

3. BACKGROUND TO KIWIRAIL

History of the organisation

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.

3.2 In some areas such as Wellington and Auckland, passenger services have been contracted out to licensed rail service providers – Transdev is presently contracted to GWRC to provide those services.

Current structure

3.3 In 2012, New Zealand Railways Corporation ("**NZRC**") went through a restructure process. A new entity was created and incorporated. That entity, KiwiRail Holdings Limited, took over the KiwiRail Group business on 31 December 2012 that was previously operated by 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 employs approximately 4,000 staff.

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. KiwiRail leases the land from NZRC.

3.5 Given KiwiRail is the owner of the rail infrastructure and is the 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 any changes to the PNRP will not adversely impact on its ability to continue to operate.[1]

3.6 The main operating business units of the KiwiRail are:

(a) *KiwiRail Infrastructure and Engineering*, which maintains and improves the rail network and controls the operations of trains on the network.

(b) *KiwiRail Freight***,** which provides rail freight services and locomotives for passenger services.

(c) *KiwiRail Interislander*, which operates the Cook Straight Ferry passenger and freight services.

(d) *KiwiRail Passenger*, which provides long distance passenger train services, Coastal Pacific, TranzAlpine, Northern Explorer and Capital Connection through our Scenic Journeys business.

Requiring authority status

3.7 KiwiRail became a requiring authority in 2013 in respect of the network utility operation of its railway line.[2]

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1 RMA, s 168.

2 The Resource Management (Approval of KiwiRail Holdings Limited as Requiring Authority) Notice 2013, 14 March 2013, p942.

4. OVERVIEW OF KIWIRAIL'S NATIONAL ASSETS

4.1 The route length of the main line rail network is 3,491km, with a further 434km currently out of use. 260km of main line is multi-track (mostly double track). The track and associated infrastructure occupied by KiwiRail occupies approximately 18,000ha of land. The rail network is a strategic transport network for New Zealand.

4.2 KiwiRail has approximately 189 mainline locomotives, 4,820 freight wagons, and 1 owned and 2 leased ferries.

4.3 There are 5.9 million sleepers on operational main lines, with over 50% still being pine sleepers. Nearly 750km of operational main line has pine sleepers older than the preferred maximum age of 35 years.

4.4 In total there are 1,319 rail carrying bridges on operational lines, and 167 on mothballed lines, 33 viaducts (26 operational / 7 mothballed) and 144 tunnels (100 operational / 44 mothballed).

4.5 There are a total of 1,268 level crossings on public roads and 682 on public footpaths. Approximately 21% of the road level crossings have half-arm barriers, 34% have flashing lights and bells and 45% are controlled by signs. There are 1,295 private road and 88 private pedestrian level crossings on KiwiRail's network.

4.6 Each week, train control operations manage the movement of approximately 900 freight trains, 44 inter-city passenger trains, approximately 2,200 suburban passenger services in Wellington, and approximately 2,000 suburban passenger services in Auckland.

Main Lines

4.7 The North Auckland Line ("**NAL**") runs from Westfield to Otiria and is approximately 280km long. There are up to 20 trains per week between Auckland and Whangarei along with main-line shunts servicing Otiria, Kauri and Portland.

4.8 The North Island Main Trunk ("**NIMT**") runs from Wellington to Britomart and is approximately 682km long. There are up to 36 freight trains a day on some sections of the NIMT, in addition to this are shunt movements. The Auckland to Tauranga route is predominantly the movement of containerised export and bulk products. The Auckland to Christchurch route is predominantly the movement of containerised domestic goods and passengers.

4.9 The East Coast Main Trunk ("**ECMT**") is also a key part of KiwiRail's freight network, which runs from Frankton through to Kawerau, with a number of branch lines. The ECMT is used to transport freight with approximately 28 freight trains per day (Tuesday to Friday).

4.10 The Marton New Plymouth Line ("**MNPL**") and the Palmerston North to Gisborne Line ("**PNGL**"), provide an east west axis in the lower North Island, noting that the PNGL is only operational to just north of Napier.

4.11 The Main North Line ("**MNL**") runs from Addington to Picton carrying passengers and containerised domestic goods, and the Main South Line ("**MSL**") runs from Lyttelton to Invercargill predominantly carrying containerised dairy products and coal. There are 15 and 18 trains per day respectively along these lines, and a further 20 trains between Christchurch and Ngakawau on the Midland Line and its two branch lines on the West Coast.

Freight services

4.12 Commercial services for the movement of goods are provided throughout New Zealand, with approximately 900 freight services carrying goods around the country each week. This includes long distance transportation of domestic goods between major centres, moving import/export goods to and from major ports and transporting bulk commodities such as coal, milk, logs and steel. Auckland-Tauranga is the country's busiest rail freight route.

4.13 Current freight movements that are more immediately relevant to the Greater Wellington Regional Council and PNRP are:

(a) Import / Export ("**IMEX**") traffic from CentrePort;

(b) North / South domestic traffic exiting / entering Wellington for destinations of Palmerston North, Hamilton, Westfield and Christchurch;

(c) Other repositioning shunts within the Wellington Metro Area; and

(d) Freight services to and from the South Island via the ferry.

Passenger services

4.14 In Wellington, KiwiRail have a Network Access Agreement with GWRC. KiwiRail is the Access Provider / Network Controller, and GWRC is the funder who is financially

responsible for a portion of the costs of operating, maintaining and renewing the Wellington network. These costs are split between GWRC (metro) and KiwiRail (freight), broadly in line with usage. A similar Network Access Agreement exists with AT.

4.15 KiwiRail Scenic Journeys offer long distance scenic train experiences in New Zealand. The only immediately relevant service is the Northern Explorer which operates 6 journeys a week between Wellington and Auckland. The TranzAlpine service runs daily between Christchurch and Greymouth return. The Coastal Pacific normally operates daily over the summer between Christchurch and Picton return with connections to the Interislander ferry to and from Wellington.

4.16 Additionally KiwiRail Scenic Journeys operates the Capital Connection outer-urban commuter service that operates a return service each weekday between Palmerston North and Wellington.

4.17 The Interislander ferry operates three ships, Aratere, Kaitaki and Kaiarahi, each carrying both foot passengers and vehicles. The ships operate up to 14 crossings per day, some of which are freight only sailings. In a year, Interislander manages some 4,600 sailings carrying 749,000 passengers, 59,000 rail wagons, 68,000 trucks, and 217,000 cars.

Corridor protection

4.18 Combined with the number of train movements along the network, the number of level crossings (road and pedestrian) and the speed with which trains travel and the associated braking distances, protecting the corridor is an important safety matter. To facilitate this protection KiwiRail operate using the following requirements:

(a) Permits to Enter – for any work that involves a third party gaining access to any land within the corridor. Depending on the scale and location of works proposed, this could require protector safety personnel being on site while works are being undertaken;

(b) Grant of Right / Lease – where activities occur or occupation is proposed within the corridor. This includes for level crossings, pipes under the network, or any activity or occupation whether this is temporary or permanent; and

(c) Resource Management Act – approvals under s95E as an affected party to a resource consent application and under s176 as a requiring authority holding a

designation over the rail corridor; and also through the insertion of provisions in relation to development standards within District Plans.

5. KIWIRAIL'S MAIN CONCERNS FROM A CORPORATE PERSPECTIVE

5.1 The KiwiRail submission on the PNRP provides an explanation for the position KiwiRail has taken, both in support of existing provisions and where changes are sought, in this process. These points often stand on the matters contained in the submission and therefore the submission is left to speak for itself. These matters are not anticipated to be replicated in future evidence.

Safety

5.2 Safety is paramount in the rail industry – both the safety of our own staff and passengers we carry, and the safety of the general public. By its nature the rail industry is an unforgiving workplace. We try to counter the inherent risks and give our staff and contractors a safe working environment through the provision of training, safety equipment, and specialist safety staff. KiwiRail has signed up to the Business Leaders Forum Zero Harm Workplaces Pledge, and is committed to health and safety in all its operations.

5.3 Public safety on the other hand, often relies on the actions of individuals who are outside our control. KiwiRail attempts to encourage certain types of behaviour to improve the safety of the rail environment. This includes providing rail safety education programmes, conducting anti-trespass initiatives, and delivering upgraded public level crossings which are funded by others.

5.4 The Ministry of Transport predicts rail freight traffic will grow by 70 percent over the next 20 years. To ensure that this occurs in a safe manner, KiwiRail is required to ensure that its operations and facilities are recognised and protected to the maximum extent possible, both through legislation where appropriate, operating procedures and practices, and regulatory frameworks such as the Resource Management Plan process under the RMA.

Unconstrained maintenance, operation and upgrading

5.5 The nature of rail operations being 24 hours a day 7 days a week, means the practical ability to undertake work is limited. These works often need to occur when there is the least rail traffic on the line, generally meaning works occur at unsocial night time hours,

and with heightened effects on adjoining properties. The alternative is a block of line; these generally being on a Sunday, over a long weekend, or during certain public holiday periods e.g. Christmas to New Year. There are financial implications from closing a line even for a short period of time, and this needs to be balanced against the benefit gained from the works proposed. Undertaking works at night when there is least disruption to both freight and commuter services, can result in noise, dust, vibration or other construction effects arising in an area where these don't normally occur. Protecting the ability to undertake operational activities, maintenance and upgrading works as and when required without undue restriction is paramount to providing a rail business.

5.6 There is also regular maintenance and operational safety requirements in relation to the ferry operation that is required to be undertaken by KiwiRail. Similar to the rail business, the movement of freight and passengers requires careful timetabling to enable scheduled maintenance to occur. The ability to do as much as possible from within NZ rather than having to take ships to overseas ports for some of the smaller maintenance works, greatly enables these activities with minimal disruption to the ferry service.

Engineering constraints

5.7 It is perhaps a statement of the obvious but rail has very limited flexibility around alignment, grade and curvature. Once a rail line is laid into a corridor, then it simply cannot change these parameters without substantial engineering. It is much less flexible than a road.

5.8 A second engineering point is that trains cannot stop quickly and therefore must have right of way. Anything that crosses a corridor, such as a road or footpath, increases the risk to rail and users of that crossing. The rail business can mitigate the risk through warning devices and education, but cannot eliminate it.

5.9 A third engineering constraint is around the engineering and operating rules that underpin rail operations. The industry is highly regulated and these rules must be consistently applied irrespective of what Council the activity happens to be in.

5.10 Ultimately while the rail network is different, there are also similarities between road and rail, particularly around when maintenance and upgrade works are most efficiently able to occur and the nature of the works undertaken to facilitate maintenance and upgrades. This includes in relation to structures in or over watercourses, for example

bridges and culverts; as well as structures near the coastal environment such as walls. Achieving consistency in the standards applying to rail and road corridors would enable KiwiRail to have a similar degree of protection for its activities around the country.

Rebecca Beals
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5 May 2017