

HAMILTON CITY COUNCIL - STAFF SUBMISSION

Inquiry into the Future of Inter-Regional Passenger Rail in New Zealand

Parliament's Transport and Infrastructure Committee



21 October 2022



**Hamilton
City Council**
Te kaunihera o Kirikiriroa

Improving the Wellbeing of Hamiltonians

Hamilton City Council is focused on improving the wellbeing of Hamiltonians through delivering to our five priorities of shaping:

- **A city that's easy to live in**
- **A city where our people thrive**
- **A central city where our people love to be**
- **A fun city with lots to do**
- **A green city**

The topic of this submission is aligned to the priority '**A city that's easy to live in**'.

As a city we want to have safe routes for people to move around our city, alongside efficient public transport connections to connect Hamilton to other places.

Council Approval and Reference

This staff submission was approved by Hamilton City Council's Chief Executive on 21 October 2022.

Hamilton City Council Reference D-4348566 - submission # 706.

It should be noted that the following submission is from staff at Hamilton City Council and does not necessarily represent the views of the Council itself.

Key Messages and Recommendations

1. Hamilton City Council staff support the **Inquiry into the Future of Inter-Regional Passenger Rail in New Zealand** being undertaken by Parliament's Transport and Infrastructure Committee, and in particular support the Terms of Reference set out in point 13 of this submission.
2. Hamilton City Council has been a long-standing supporter of getting more out of our rail system, which has declined significantly over time through significant under-investment.
3. Hamilton City Council has made numerous and comprehensive submissions to key transport-focused documents and Bills, including recent submissions to the **Land Transport (Rail) Legislation Bill**, the **Draft New Zealand Rail Plan** and the **New Zealand Freight and Supply Chain Issues Paper**.
4. Hamilton City Council would like the Inquiry to also consider the following key considerations:
 - Development of a comprehensive integrated Inter-Regional Rail Strategy.
 - The Establishment of an Inter-Regional Rail Authority.
 - Recognition of the advantages of having an existing and well-connected rail network with established land right of ways.
 - Recognition that the Capital Connect and Te Huia are demonstrating a demand for Inter-regional passenger rail.
 - Recognition that Inter-Regional Passenger Rail will be required to meet the climate change challenge.

Introduction

5. Hamilton City Council staff appreciate the opportunity to make a submission to the **Inquiry into the Future of Inter-Regional Passenger Rail in New Zealand** by Parliament's Transport and Infrastructure Committee.
6. Hamilton City Council has been a long-standing supporter of getting more out of our rail system, which has declined significantly over time through significant under-investment.
7. Hamilton City Council staff also support the submission made by the Waikato Regional Transport Committee (RTC).
8. As noted in the RTC's submission: *The Waikato region is a nationally significant transport corridor with both the North Island Main Trunk (NIMT) and East Coast Main Trunk (ECMT) connecting the Ports of Auckland and Port of Tauranga through our inland Waikato ports and logistics hubs. These railway lines carry over a third of New Zealand's rail traffic and are the most densely used sector of the national rail network. Both population and the freight task are continuing to grow.*

Previous Submissions made in the Rail Space

9. Hamilton City Council has made numerous and comprehensive submissions to key transport-focused documents and Bills.
10. The following key submissions have been made recently by Hamilton City Council and Hamilton City Council staff in the rail space:
 - Hamilton City Council: 12 August 2022 submission to the **Draft Waikato Regional Public Transport Plan 2022-2032**.
 - Hamilton City Council Staff: 23 June 2022 submission to the **New Zealand Freight and Supply Chain Issues Paper - Preparing our Freight and Supply Chain System for the Future**.
 - Hamilton City Council: 15 May 2020 submission to the **Draft Government Policy Statement on Land Transport 2021**.
 - Hamilton City Council: 17 February 2020 submission to the **Draft New Zealand Rail Plan 2019**.
 - Hamilton City Council: 14 February 2020 submission to the **Land Transport (Rail) Legislation Bill**.
11. Hamilton City Council, in its submission to the **Draft New Zealand Rail Plan 2019** specifically noted the following:
 - Supports the focus on rail.
 - Considers that a Rapid Regional Rail Authority (that has powers across different regions) should be established to progress regional passenger rail and to optimise investments.
 - Considers that a priority action should be to consider hydrogen opportunities.
 - Requests activities that support the Hamilton to Auckland Passenger Rail be priority funded as well as the establishment of a Waikato/Hamilton Metro Rail Service.
12. All relevant statements from the New Zealand Rail Plan 2021 for Hamilton and the Waikato (highlighted in yellow) are outlined in Appendix 1. This demonstrates the significance (both current and future) of Hamilton and the Waikato to the nation's rail system.

The Inquiry's Terms of Reference - Key Questions

13. Hamilton City Council staff note that the Transport and Infrastructure Committee's **Terms of Reference** for the Inquiry are:
- *Investigating possibilities and viability of passenger rail in underserved communities, those with prior rail links that have been disestablished, and those currently advocating for improved rail links.*
 - *Gaining insights into viability of passenger rail sitting alongside KiwiRail's freight network.*
 - *Evaluating existing inter-regional passenger rail, such as the Capital Connection, and how these services work between local and regional councils and central government.*
 - *Gaining insights into the integration of regional rail into existing local public transport networks.*
 - *Investigating the climate and emissions reductions possibilities of passenger rail, and how this links to VKT (vehicle kilometres travelled) reduction targets in the Emissions Reduction Plan, and including electrification between regions.*
 - *Investigating potential rail expansions and investments in specific areas, such as Tauranga (following a recent report on the re-introduction of passenger rail) and the Lower North Island (following a business case funded at Budget 2021).*

Feedback from Hamilton City Council Staff

14. Hamilton City Staff support the Terms of Reference for the Inquiry and would like the following key considerations to be included which either support the current Terms of Reference or are additional.
- The need to develop an Inter-Regional Rail Strategy.
 - The need to establish an Inter-Regional Rail Authority.
 - The advantages of having an existing and well-connected rail network.
 - Te Huia and Capital Connect are demonstrating a demand.
 - Inter-Regional Passenger Rail will be required to meet the Climate Change Challenge.
15. **THE NEED TO DEVELOP AN INTER-REGIONAL RAIL STRATEGY**
16. Hamilton City Council staff consider that the Inquiry should conclude that there is a need for a comprehensive and integrated Inter-Regional Rail Strategy.
17. There needs to be greater interoperability of rail services with all forms of public transport that reflects a 'whole of transport' approach.
18. The Puhinui and Rotokauri Transport Hubs provide an example of the workings of interoperability. However, while there is reasonable connectivity of the Hubs with significant bus services, there are still challenges regarding not having a bus service to 'greet' all rail services.
19. Greater interoperability is also required for active transport modes such as walking and cycling to ensure greater network integration.
20. There is also a need to drive increasing alignment of rail services with Metro Spatial Planning to achieve quality urban outcomes.

21. Equity of access to rail services is required for remote communities. Rail services also provide another key means of maximising access to various opportunities such as labour (for economic development activity), education and housing.
22. **THE NEED TO ESTABLISH AN INTER-REGIONAL RAIL AUTHORITY**
23. It is currently difficult for one-off regional rail initiatives to integrate with metro and freight services when the regional rail initiator is not a recognised partner in the management of the national rail system.
24. Consideration could be given to the potential advantages of KiwiRail's operations to be separated entirely from passenger rail services operations and focus purely on the movement of freight throughout the country.
25. Optimisation of all passenger rail services throughout the country is required to maximise efficiencies e.g., the Northerner should be able to pick up Hamilton passengers if there are spare seats available.
26. Full integration of Metro services needs to occur with inter-regional rail e.g., seats on Te Huia at Pukekohe and Puhinui have been offered to Auckland Transport.
27. Standardisation of all rolling stock throughout New Zealand is required to ensure economies of scale are maximised. Commonality of rolling stock, if owned and funded by central government (through the established Authority), can then operate anywhere in the country.
28. A national ticketing system also needs to be introduced (along with fare integration should a national rollout take a considerable amount of time) that would allow a seamless drop off/pick up, particularly across regional boundaries.
29. It is critical that as the National Rail network grows, that the number of competing operators are limited to ensure services and timetabling are connected and integrated. This is particularly key to ensure the rail system is well managed to accommodate passengers and freight.
30. **ADVANTAGES OF HAVING AN EXISTING AND WELL CONNECTED RAIL NETWORK**
31. Most of the settlements in the **greater Waikato District** are historically well connected with rail (e.g., Ngaruawahia, Huntly, Te Kauwhata, Pokeno and Tuakau and Pukekohe) and bus services can be integrated to rail connections as appropriate.
32. Rail also connects some communities in the greater Waikato (e.g., Taumaranui) that are currently not well served by air transport or other forms of public transport.
33. The rail network represents a key investment in dedicated mass transit corridors, which is a huge advantage to leverage.
34. **TE HUIA AND CAPITAL CONNECT ARE DEMONSTRATING A DEMAND**
35. KiwiRail has been running the Capital Connection service between Palmerston North and Wellington since 1991. The service runs close to capacity, with approximately 135,000 passenger trips per year.
36. Te Huia began regular rail services between Hamilton and Auckland on 6 April 2021. Patronage of Te Huia continues to increase, with the latest Quarter 4 data for 2021/22 recording almost 17,000 passenger trips - a significant increase over the 4,000 passengers recorded for Quarter 3 of 2021/22.
37. The inaugural Te Huia customer satisfaction survey (released in August 2022) found that 94 percent of passengers were satisfied with their trip, and almost the same again (93 percent) would recommend Te Huia to others.

38. Clearly there is a significant opportunity for Te Huia, given its central city to central city nature, to become the preferred mode of choice for commuter trips between Hamilton and Auckland, which in turn will assist in reducing congestion and resultant emissions through decreases in commuter traffic on this particular section of State Highway 1.
39. As noted in Council's 12 August 2022 submission to the **Draft Waikato Regional Public Transport Plan 2022-2032** *"Te Huia continues to provide on-par travel times during peak times from downtown Hamilton to downtown Auckland. We look forward to having it become the preferred choice for commuters, particularly as improvements are made to the service ridership"*.
40. Although the Business Case for Te Huia and Capital Connect were based on the provision of a commuter service, the trial has shown a demand for passenger rail for other purposes, such a tourism.
41. It is critical that following the end of the Te Huia trial in 2024, that funding of this key service continue, and that this funding is commensurate with the increasing demand for the service.
42. Hamilton City Council's 17 February 2020 submission to the **Draft New Zealand Rail Plan 2019** requested that activities that support the Hamilton to Auckland Passenger Rail be priority funded.
43. We also wish to emphasise the commitment outlined in the **New Zealand Rail Plan 2021** (Enhanced regional services - Hamilton to Auckland and the Capital Connection) and look forward to ongoing discussions with Government on ensuring that funding of key infrastructure and rolling stock is commensurate with increasing passenger demand i.e.:
- *Page 35: **Investment Pipeline** - The investment pipeline for the next decade will focus on delivering:*
 - *The rail programme outlined in the Auckland Transport Alignment Project (ATAP).*
 - *The Wellington Metropolitan Upgrade Programme (WMUP).*
 - **Enhanced regional services - Hamilton to Auckland** and the Capital Connection.
44. In addition, the New Zealand Rail Plan also notes the following:
- **Page 39: Future Opportunities** - Auckland - ATAP stage 3 priorities, including: **Hamilton to Auckland service enhancements.**
 - **Page 40:** *In mid-2020, the Ministry of Transport completed the Cabinet mandated **Hamilton to Auckland** Intercity Connectivity interim indicative business case. This confirmed the role that future investment in rapid rail could play in transforming connectivity between two of New Zealand's fastest growing cities. **The work highlighted how rapid rail can help grow our economy and support urban and regional growth, and further emphasised the importance of both metropolitan and inter-regional rail in connecting communities, that are transit oriented.** Building on the positive findings of the business case, further work is underway to determine an appropriate programme of investment over time, complementing the other transport and land use planning activities elsewhere in this nationally significant corridor.*
45. We support the following statement from the Waikato Regional Transport Committee submission to this Inquiry:
- *The Waikato RTC strongly advocates for the 2023 Government Policy Statement on land transport (GPS) to include an increase in funding for the passenger rail outcome area so that Te Huia and new passenger rail opportunities can be realised. A permanent funding and delivery model for interregional rail in partnership with Government is required. There would be benefits*

in the establishment of a national inter-regional rail authority that could plan, procure and fund inter-regional rail.

46. INTER-REGIONAL PASSENGER RAIL WILL BE REQUIRED TO MEET THE CLIMATE CHANGE CHALLENGE

- 47.** The Minister of Transport, in launching the New Zealand Rail Plan on 8 July 2021, noted that rail is worth up to \$2.1 billion to New Zealand's economy (*The Value of Rail in New Zealand - Ministry of Transport - February 2021*) and that every year it prevents 2.5 million tonnes of CO2 emissions and 26 million car trips in Auckland and Wellington.
- 48.** We advocate that the Inquiry into rail considers the economic, social, and environmental benefits of rail. Creating a transport system that is desirable for all New Zealanders will create more equitable outcomes for everyone and supports a just and equitable transition to New Zealand's zero carbon goals.
- 49.** The New Zealand Rail Strategy 2021 also notes that: *At present, freight carried by rail saves at least 70 percent of the carbon emissions compared to heavy road transport, so each tonne of freight that moves from road to rail makes a tangible difference to New Zealand's carbon footprint. There is much more that could be achieved, and choices to be made on whether to pursue a more aggressive carbon reduction strategy.*
- 50.** Rapid/mass transit development, along with road space reallocation, are likely to be some of the main tools that we have available to reduce VKT and emissions. Hamilton City Council recognises the significant role inter-regional passenger rail can play in reduction of VKT.
- 51.** For rail services to be well utilised the service must be as desirable as car travel. Frequent and fast services at peak times, with good connections to other services and accessibility are key.
- 52.** As detailed in the National Policy Statement on Urban Development, the Waikato 'Tier One Council' comprises Hamilton City Council, Waikato District Council, Waipa Council and Waikato Regional Council. While we recognise the Government has set the target of a 20 percent reduction in VKT by 2035, we note that the VKT reduction program for Tier 1 councils will be released by the Ministry for the Environment in 2023 with greater detail of our targets. Together we will be working closely with our other key councils to reduce our collective VKT.
- 53.** We believe that Hamilton City Council and our partner Tier 1 Councils will not be able to meet our climate change targets and obligations, without viable interregional passenger rail links.
- 54.** It is key that New Zealand rail is powered by low emission sources.
- 55.** Electrification of rail lines for low-carbon services can occur over time in alignment with funding opportunities (such as with Auckland and the electrification of the Pukekohe link), but inter-regional passenger rail services such as Te Huia are required now as our region is undergoing rapid periods of growth with lots of workers commuting between regions without genuine alternatives to private vehicles.
- 56.** The **New Zealand Rail Plan 2021** outlines that electrification of the whole Hamilton - Auckland link will be a key contributor to reducing emissions. As noted on page 29 of **the New Zealand Rail Plan 2021**:

At present, the most credible low carbon alternative to diesel for mainline long-haul freight is electrification. Further electrification of locomotives requires investment in electrification of the track infrastructure. Due to the cost involved, this kind of investment can generally only be justified on high volume routes, such as the heavily utilised routes of the North Island Main Trunk (NIMT)

between Auckland and Wellington, and the East Coast Main Trunk (ECMT) between Auckland and Tauranga. The section of the NIMT between Hamilton and Palmerston North is already electrified.

57. We are aware that KiwiRail is currently refurbishing around fifteen of its electric freight trains. If the connection from Hamilton to Auckland was fully electrified, this will greatly benefit both freight and passenger services in a relatively short timeframe.
58. Electric passenger trains could travel all the way through from Auckland to Hamilton and then down the NIMT main trunk line to Palmerston North.
59. Likewise, electric freight trains could run from Auckland all the way through to Palmerston North. On this basis, the cost-benefit of electrification of the whole NIMT is potentially in favour of electrification of the Hamilton to Auckland route.
60. While we note the Government's intent to ultimately electrify the whole NIMT, we believe that all available low emissions options/opportunities of powering both passenger and freight trains should be investigated, including hydrogen powered trains and the use of Tri-Mode trains as this technology becomes more available.
61. **CLIMATE CHANGE ADAPTATION**
62. Regional and National Rail Systems must be built to withstand the current and future impacts of Climate Change. Building better now will undoubtedly lower the cost of future adaptation. In New Zealand, we know we will be susceptible to increased flooding, extreme heat, extreme weather, and sea level rising.
63. It is key that climate adaptation is fully considered throughout the design of a new rail system, such as avoiding transit corridors in flood prone areas, making electrical infrastructure floodproof, and greening and shading transit and access routes to create cooler environments.

Appendix 1 - Key Statements from the New Zealand Rail Plan 2021 – References to Hamilton and Waikato

64. We have referenced the following statements (**highlighted in yellow**) from the **New Zealand Rail Plan 2021** to demonstrate the significance (current and future) of Hamilton and the Waikato to the nation's rail system.
65. **Page 5:** *We were also pleased to launch the new Te Huia service, which began regular services on 6 April. We remain committed to considering the potential for further strategic investments in the **Hamilton** to Auckland rail corridor.*
66. **Page 28: Future Opportunities -** *The key role for rail in enabling the freight and tourism sectors presents strong opportunities for growth with targeted strategic investment. Future priorities for the rail system could include:*
 - *More regional routes and improved logistics hubs.*
 - *Additional infrastructure and rolling stock to support growth opportunities and regional initiatives.*
 - *More extensive network upgrades to enable accelerated and increased levels of service, including:*
 - *North Island – re-open Stratford to Okahukura line, complete upgrade of rail in Northland, further consideration of Marsden spur line.*

- Golden Triangle – double track Auckland to **Hamilton**, increase axle weight to 20 tonnes plus Auckland to Tauranga, and 18 tonnes plus elsewhere.
 - Lower North Island – standardise loop lengths from Palmerston North to Waikanae.
 - South Island – increase axle weight to 18 tonnes plus.
 - Further investments to respond to the climate emergency and decarbonise the transport sector, including further electrification of the NIMT and associated rolling stock.
 - Investigate regulatory rail opportunities.
- 67. Page 34:** *There is also increasing desire for inter-regional services and passenger rail in other fast-growing cities. The Government is undertaking work as part of its Urban Growth Partnerships to develop long-term spatial planning frameworks, which highlight infrastructure priorities. Included in this has been work with Tauranga/Western Bay of Plenty and **Hamilton/Waikato** councils. Spatial planning will play an increasingly important role in ensuring that future growth strategies for cities and regions are integrated with transport priorities. The impacts of spatial planning activities are likely to be seen in the second and third decades, and will be important for considering future opportunities for investment.*
- 68. Page 35:** *Investment Pipeline - The investment pipeline for the next decade will focus on delivering:*
- The rail programme outlined in the Auckland Transport Alignment Project (ATAP).
 - The Wellington Metropolitan Upgrade Programme (WMUP).
 - Enhanced regional services - **Hamilton** to Auckland and the Capital Connection.
- 69. Page 36:** *Other Potential Network Enhancements - A Cabinet-mandated **Hamilton** to Auckland Intercity Connectivity business case and Te Huia, the **Hamilton** to Auckland start-up service, will also help inform future consideration of network enhancements between **Hamilton** and Auckland.*
- 70. Page 39:** *Future Opportunities - Auckland - ATAP stage 3 priorities, including: **Hamilton** to Auckland service enhancements.*
- 71. Page 40:** *Enhanced Inter-Regional Services - Investment Priorities - The priority for regional commuter rail will be to support planned regional services between **Hamilton** and Auckland, and existing services between Palmerston North and Wellington.*
- 72. Page 40:** ***Hamilton** to Auckland - Funding has been committed to a five-year start-up rail service (2 returns per day), between **Hamilton** and Auckland. The Te Huia service commenced on 6 April 2021.*
- 73. Page 40:** *In mid-2020, the Ministry of Transport completed the Cabinet mandated **Hamilton** to Auckland Intercity Connectivity interim indicative business case. This confirmed the role that future investment in rapid rail could play in transforming connectivity between two of New Zealand’s fastest growing cities. The work highlighted how rapid rail can help grow our economy and support urban and regional growth, and further emphasised the importance of both metropolitan and inter-regional rail in connecting communities, that are transit oriented. Building on the positive findings of the business case, further work is underway to determine an appropriate programme of investment over time, complementing the other transport and land use planning activities elsewhere in this nationally significant corridor.*

Further Information and Hearings

74. Should Parliament's Transport and Infrastructure Committee require clarification of the submission from Hamilton City Council staff, or additional information, please contact **Chris Allen** (General Manager Development Group) on 021 224 7939 or email chris.allen@hcc.govt.nz in the first instance.
75. Hamilton City Council staff **do wish to speak** in support of this submission at the Transport and Infrastructure Committee hearings.

Yours faithfully



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