

E mahi ngatahi e pai ake ai te taiao



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BAY OF PLENTY RAIL STRATEGY

ENVIRONMENT BAY OF PLENTY
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Chapter 1: Introduction

This Strategy has been developed in order to advance a vision for rail in the Bay of Plenty region. This Strategy is intended to focus attention on the rail sector and to better understand how to move forward in the new rail environment which has emerged with the Crown taking ownership of the rail network in 2004. The Strategy is a 'living document' and can be used to guide discussions concerning rail in the region. This Strategy will also be used as a key supporting document for subsequent Bay of Plenty Regional Land Transport Strategy reviews.

Rail is very important to the Bay of Plenty region. The region has over a third of Toll New Zealand's rail traffic and is the most densely utilised sector of the national rail network¹. Rail plays a significant freight role in the region with a principal focus on the Port of Tauranga.

There are a number of opportunities for rail in the region, both in the short and longer term. Increasing the use of rail, particularly for freight in the short term, fits with the New Zealand Transport Strategy, the National Rail Strategy and the Bay of Plenty Regional Land Transport Strategy.

Part of the longer term vision for rail in the region is to explore the use of rail for passenger transport, particularly in order to connect key settlements within the region. Inter-regional rail connections between other key settlements (e.g. Hamilton, Auckland and Wellington) are also part of this vision. The need for passenger transport will become increasingly important as the region grows. High levels of growth are forecasted for the western Bay of Plenty sub-region and a number of new residential and commercial developments are planned in the area over the next 20 years. The SmartGrowth Strategy identifies a range of actions that require consideration and resolution in a shorter timeframe due to the continued growth that the western Bay sub-region is experiencing.

The National Rail Strategy requires ONTRACK to prepare a 10 year Rail Network Development Plan and to develop a strategy on the retention or disposal of unused rail corridors. This Strategy aims to provide a working document which will allow the region to provide ONTRACK with information concerning the desired direction of rail in the Bay of Plenty. The region will be in a position to indicate to ONTRACK what should appear in both documents from a Bay of Plenty perspective.

Nationally there has been a low and declining level of investment in rail until recently. This is changing under the new ownership and operating arrangements. In recent times there has also been a rejuvenation of interest in the potential of rail as a transport mode. Key drivers include:

- growing pressure on the roading network;

¹ Source: Toll New Zealand

- greater appreciation of the advantages of rail for the haulage of bulk freight and passenger transport; and
- greater awareness of the potential sustainability gains from increased use of rail.

There is still some uncertainty surrounding the funding of rail, particularly in terms of who will pay for new infrastructure and under what circumstances. This Strategy has attempted to provide a suggested direction for the funding of rail in the region. It is important that the opportunities, vision, actions and funding approach be worked through with the rail participants in the region, and in particular ONTRACK and Toll.

Chapter 2: Background

2.1 History

In recent years there have been several key developments in the national rail sector². In 2004, ONTRACK took responsibility on behalf of the Crown for the ownership and maintenance of railway infrastructure following the Crown's repurchase of the network from Toll Holdings. As part of the agreement with Toll, the Crown agreed to invest \$100 million on the replacement of rail infrastructure assets, and a further \$100 million on upgrading rail infrastructure. In return, Toll committed to spending \$100 million on new and refurbished rolling stock. An access agreement provided Toll with exclusive access over the network, with limited exceptions and subject to certain conditions³, in return for payment of a track access fee calculated on a cost-recovery basis. ONTRACK was also transferred responsibility for giving effect to the Crown's agreements with Toll NZ.

2.2 Policy Context

2.2.1 New Zealand Transport Strategy

The New Zealand Transport Strategy (NZTS) sets out the Government's overall vision for transport, principles to guide activities aimed at achieving that vision, and five key objectives for transport (these objectives have now been enshrined in legislation in the Land Transport Management Act 2003). The government's overall vision for transport is:

"By 2010 New Zealand will have an affordable, integrated, safe, responsive, and sustainable transport system."

The vision is underpinned by four principles:

- Sustainability
- Integration
- Safety
- Responsiveness.

The NZTS is based on a sustainable development framework and principles. This means that economic development, social and environmental improvements must,

² Information from New Zealand Railways Corporation / ONTRACK (www.ontrack.govt.nz)

³ Toll has exclusive access to the rail network for freight, and Wellington metro. These exclusive access rights are subject to use-it-or-lose-it provisions. If Toll's traffic falls below 70% of the average 2002-2004 freight levels for any line segment it will lose its exclusive access.

as far as possible, be progressed in parallel. In moving forward, the government is committed to following an approach that is:

- Forward-looking
- Collaborative
- Accountable, and
- Evidence-based.

The government's objectives for transport as set out in the NZTS are:

- Assisting economic development
- Assisting safety and personal security
- Improving access and mobility
- Protecting and promoting public health
- Ensuring environmental sustainability.

In relation to rail, the NZTS notes that it generally provides improved environmental benefits and gives an opportunity to reduce the impact of heavy vehicle transport on some regional arterial roads. Future increases in the use of rail to carry people and products will be determined largely by the cost and level of service relative to other modes. The NZTS states that wherever feasible, the government will encourage transport of products by rail and will continue to take a more proactive role in assisting the sustainable economic development of regions. This will include facilitation to identify key transport issues and options and, in partnership with local government and business, strategic investment in land transport including roads and alternatives to roading such as rail and barging.

The NZTS signals the Government's intention to promote the use of rail and coastal shipping for long haul freight movements.

2.2.2 National Rail Strategy to 2015

In May 2005, the Government launched the National Rail Strategy to 2015 (NRS). The NRS sets out a number of strategic directions in order to achieve the overall transport objectives in the NZTS.

The National Rail Strategy sets out the Government's policy and objectives for rail over the next ten years. Its focus is on increasing the amount of freight and passengers using rail. The strategy's priorities include:

- Improving safety
- Upgrading the network
- Improving rail's contribution to regional economic development
- Optimising the use of rail within the wider transport network, and
- Improving access to rail for users.

2.2.3 Bay of Plenty Regional Land Transport Strategy

The Bay of Plenty Regional Land Transport Strategy (2007) (RLTS) has a vision of *an integrated, safe, sustainable land transport system that meets the current and developing needs of the people of a vibrant and growing region*. The strategic outcomes in the RLTS are based around:

- Integration and Land Use
- Safety and Personal Security
- Responsiveness
- Sustainability
- Economic Development
- Energy Efficiency
- Access and Mobility
- Public Health



The strategic option underpinning the RLTS is to *manage traffic demand*. This involves implementing demand management tools, enhancing public transport services, and providing roading for the remaining traffic growth. The preferred strategic option includes further examination of the potential contribution of rail.

The RLTS (2007) contains actions which require RLTS partners to work together to identify barriers to increasing the use of the rail network and to plan improvements. These actions are:

Safety and personal security

- Implement the rail safety action contained in this Rail Strategy.

Economic development

- Implement this Rail Strategy.
- Develop a regional freight study.

Inter and intra regional corridors

- Undertake work to investigate the securing and protecting of future transportation corridors in the long-term by designation, purchase or other proactive means.
- Investigate the designation of a rail corridor between Rotorua and Tauranga for passengers and freight.
- Undertake work to ensure that the existing rail corridor between the Bay of Plenty, Waikato and Auckland has the necessary protection and capacity to allow increased use and movement of freight in the long-term.

The intention is to include any additional rail actions identified in this strategy in future versions of the RLTS.

2.2.4 SmartGrowth

The SmartGrowth Strategy is the western Bay of Plenty sub-region's 50-year growth strategy. From a transport perspective, SmartGrowth aims to encourage land use changes (such as increased urban densities) to provide the opportunity for shorter trips and encourage pedestrian activity, cycling and passenger transport. The SmartGrowth work aims to direct growth in a way that extends the life of roading capacity and encourages more sustainable modes of transport. SmartGrowth identifies managing the residential intensification effects of future transport planning as a key challenge.

Key areas of growth and proposed land use changes, as part of SmartGrowth, are expected to include:

- Major new residential sub-divisions planned for Papamoa (east of Tauranga) and Pyes Pa (south of Tauranga), at greater densities than previous 'greenfields' development.
- Significant industrial and business development at Tauriko (south) and both Rangiuru and Papamoa to the east.
- Intensification nodes for the Tauranga Central Isthmus and Mount Maunganui.
- Expansion of settlements at Omokoroa, Waihi Beach, and Katikati (north-west of Tauranga).

The location of proposed new business land will have implications for rail. New residential sub-divisions will also need to link with transport infrastructure. Thought will need to be given to how new residential sub-divisions will be serviced by passenger transport in the future.

The SmartGrowth Strategy notes that rail in the Bay of Plenty region is likely to remain principally for freight in the short-term. The key rail-related principle in SmartGrowth is that *future rail (freight and passenger use) is enabled through protection of adequate corridors and back up land for ancillary activities.*

The SmartGrowth Strategy also contains implementation actions relating to rail, including implementing the western Bay of Plenty sub-region component of this Rail Strategy, the protection of transport corridors to and beyond 25 years, and undertaking work to protect the capacity of the existing rail corridor between the Waikato, the Port of Tauranga and towards Kawerau.

2.2.5 Rotorua strategic assessment

Rotorua District Council has undertaken a strategic assessment of rail transport. The study found that rail transport was not viable in the short to medium term. However, the study also recommended that all parties commit to retaining and protecting the existing rail corridor, although interim uses for the rail corridor could be sought providing they are compatible with intended rail uses.

2.3 Bay of Plenty Rail Participants

The following are involved in the Bay of Plenty rail industry⁴:

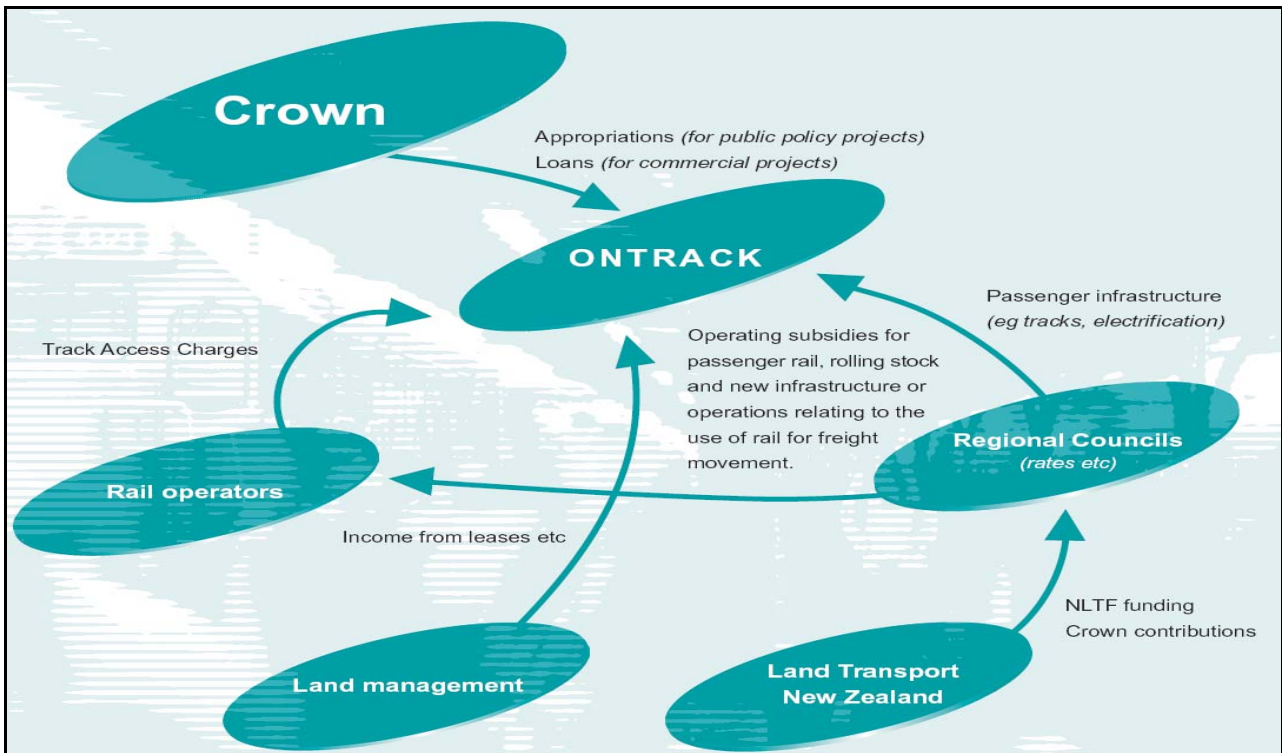
- Ministry of Transport: advises Government on transport policy across all modes, administers rail-related transport legislation.
- ONTRACK: owns, manages and operates the national rail network, controls access to the network, manages rail land, property and leases. ONTRACK takes a long term perspective of the rail network.
- Land Transport NZ: allocates the National Land Transport Fund to regional councils for passenger transport (infrastructure or operations) and the purchase or co-funding of new infrastructure or operations relating to the use of rail for the movement of freight, regulates and monitors rail safety.
- Toll NZ: rail freight operator. Note that Toll has exclusive access to the rail network for freight services subject to Key Performance Indicators with a bonus and penalty regime. The Crown has 'step-in' rights if volumes on a line slip below 70 per cent of current usage. For this reason Toll have a necessary commercial viability approach to the rail network.
- Environment Bay of Plenty (Regional Council): prepares the Bay of Plenty Regional Land Transport Strategy, also has responsibilities for passenger transport (although there are currently no passenger rail services in the Bay of Plenty).
- Local Authorities (districts/city and Regional Council): can fund and contract improvements to railway stations and associated facilities, and develop and implement integrated land use and transportation policies and strategies.
- Territorial Authorities (districts/city): issue land use consents (under the RMA 1991).
- Industry: Port of Tauranga and major users of freight rail e.g. forestry industry.



⁴ Note that this list is not exhaustive.

The following diagram (Figure 1) from the National Rail Strategy illustrates the relationship between the different participants in the rail industry in relation to funding.

Figure 1 Rail Funding: Organisations, Funding Streams, and Purposes⁵



⁵ Source: National Rail Strategy to 2015, May 2005 at page 11

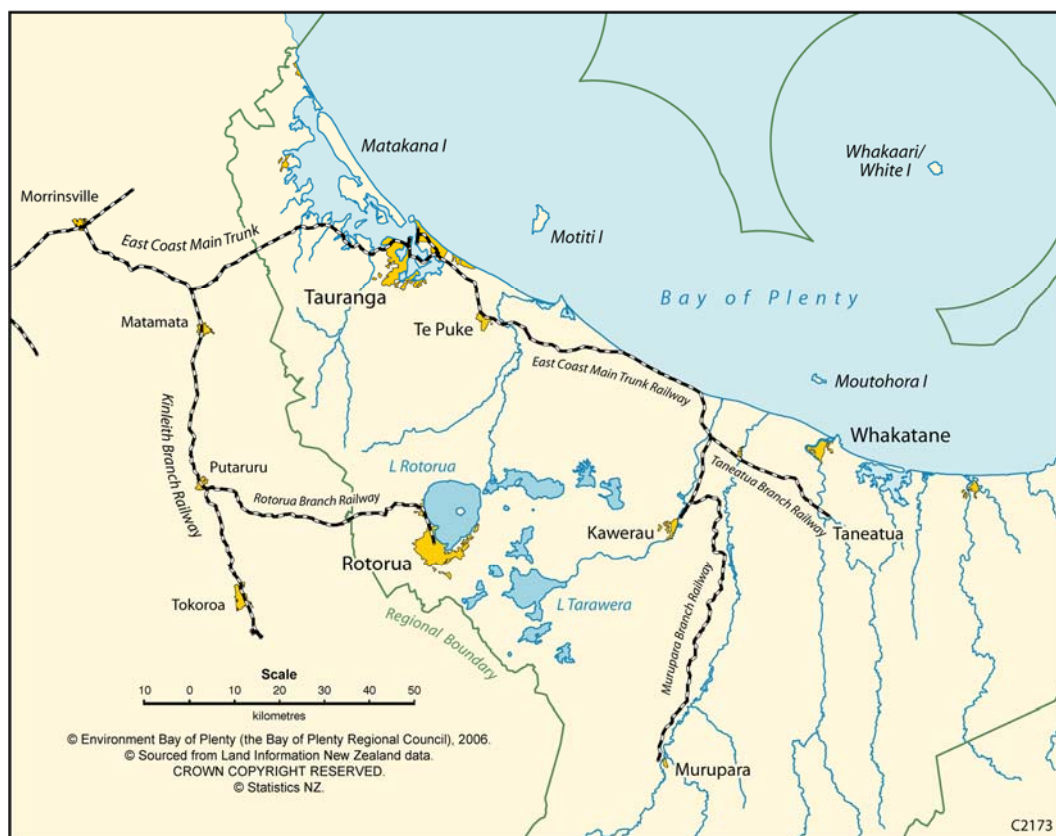
Chapter 3: The Role of Rail in the Bay of Plenty Region

The Bay of Plenty has over a third of New Zealand's rail traffic. The region's rail network is the most densely utilised sector of the national rail network. Rail plays a significant freight role in the region with a principal focus on the Port of Tauranga. Increasingly, the Port of Tauranga is being used as a gateway for the Auckland market, with shipping containers being railed to and from MetroPort, the Port's inland terminal at South Auckland.

There are no passenger rail services in the Bay of Plenty. The Geyserland Express (Auckland-Rotorua) and the Kaimai Express (Auckland-Tauranga) were in operation for passenger rail until 2001.

There is 229 km of rail network in the Bay of Plenty (extending from Hamilton in the west to Taneatua and Murupara in the east). The major regional line is the *East Coast Main Trunk (ECMT)* which is 181 km long and runs through Hamilton and Tauranga to Kawerau. The unused portions of rail track in the region are: Hawkens – Taneatua (26 km), and the Rotorua branch (48km). See Appendix 1 for further information on rail routes and length for the Bay of Plenty.

Figure 2 Bay of Plenty Rail Network



The major freight products carried by rail are: logs, wood pulp, paper products, dairy products, steel, coal and containerised goods. Currently 5 million tonnes per annum are transported by rail to and from the Port. Of the balance, 50% is transported by road and 10% by coastal shipping⁶.

The Bay of Plenty region has the highest heavy vehicle weight intensity on roads in the country.⁷ As a result, one of the key issues for the region is the high volume of heavy vehicle traffic. While it is recognised that vehicle freight plays an important role in the region's economy and will continue to do so, it is desirable to have a balance between road and rail so as not to place unsustainable pressure on the roading network. Regionally, the Tauranga eastern corridor (SH2 through Te Puke) is the busiest route in terms of heavy vehicles and is reaching capacity at peak times. There are other impacts where heavy vehicle routes cut through rural townships (for example, SH2 through Katikati and Te Puke) such as community severance and access, noise, vibration, air quality, safety and quality of life. Additionally, crashes involving heavy vehicles tend to be more severe. For these reasons the role of rail in transporting freight is very important for the region.

Passenger transport is not well developed in the region. Despite passenger transport levels being low, there is a need to consider passenger transport options for the future. It is likely that bus trips will be increased throughout the region, and a more comprehensive and frequent service will be established in Tauranga and expanded in Rotorua. The congestion issues for Tauranga City mean that other options such as rail or a guided bus way may need to be considered for the future. It is important that some of these options are looked at now as new developments are being planned which will need to be integrated with passenger transport services. Intra and inter regional passenger connections are also important and could be facilitated by a rail service.

3.1 Western Bay of Plenty

Rail continues to play a significant role in transporting freight to and from the Port of Tauranga. There are a range of issues in the Western Bay relating to:

- Capacity of the existing line
- Encroachment of residential areas close to rail corridors
- Whether there are intentions to electrify the line
- Protection of existing and future corridors in the short term given the continuing growth of the sub-region, particularly in proximity to the rail corridor
- The ultimate future role in the long term of passenger transport.

3.2 Rotorua

Currently there are no moves with regards to the reopening of the Putaruru to Rotorua line for freight. However, the existing rail corridor needs to be protected to ensure that reuse of the line is retained as an option in the longer term. Interim uses could be considered for the corridor providing they are compatible with any intended rail uses. Interest has also been expressed in having the line opened and dedicated for tourism purposes.

⁶ Source: Port of Tauranga (2007).

⁷ Price Waterhouse Coopers for the Ministry of Economic Development Infrastructure Stocktake: *Infrastructure Audit*, January 2004. The Bay of Plenty has 214.8 thousand tons per kilometre (1000t/km), compared to the New Zealand average of 106.5 1000t/km.

3.3 Eastern Bay of Plenty

Rail plays a significant freight role transporting logs, wood pulp, paper and cardboard, fertiliser and steel from Murupara and Kawerau to the Port of Tauranga. There is interest in the possible reopening of the line to Taneatua to provide for the transport of logs from the eastern part of the Bay of Plenty region.

3.4 Links to the Waikato

As noted previously, the section of the ECMT line between the Port of Tauranga and the Waikato is the main regional line and carries the majority of rail traffic in the region. There are well established services on this line, for example, the transporting of coal from the Port of Tauranga to Huntly. The ECMT line also connects the Port with inland freight hubs such as MetroPort in South Auckland. There has been significant growth in container volumes railed to and from South Auckland in recent years, and the expectation is that volumes will continue to track upwards. Consequently, the rail link between the Bay of Plenty and the Waikato will continue to grow in importance.

As part of its Joint Officials Group (JOG) process with central government, the Waikato region has \$13 million allocated for rail infrastructure improvements over 3 years starting from July 2007. Some of these funds are being allocated to increase capacity on the ECMT line (e.g. additional crossing loops, extending existing loops). Similar opportunities may need to be identified for the Bay of Plenty section of the line to maximise the potential rail capacity of the entire corridor.



Chapter 4: Issues and Opportunities

4.1 Issues

In general the core issues for rail in the region relate to:

- Asset condition
- Capacity
- Ability to develop new infrastructure (e.g. expanding the network)
- Protecting and extending (width and length) existing corridors to enable future capacity increases (e.g. extending crossing loops)
- Identifying and designating new rail corridors for the future
- Reducing the need for transfers (i.e. rail freight being transferred onto trucks in order to get to a location)
- Funding
- Pricing (particularly in relation to roads)
- Access pricing for the rail network
- Safety (level crossings, corridor trespass issues)
- Residential areas locating close to rail corridors and reverse sensitivity.

Capacity for rail freight is an issue that requires some discussion. This is determined by the physical infrastructure that is in place and the capability of the rolling stock available (e.g. maximum weight, axle loads, speeds, double or single lines, type of signalling etc). A heavy axle load project between Auckland and Tauranga is currently being investigated by ONTRACK. The results of this project will be monitored as it could result in an increase in rail freight volumes.

From a national perspective, there has been a low level of asset replacement in the past. It is important to understand the reasons behind this low level of investment. Rail has been, and still is, required to make an economic return on investment. This has proved to be a difficult target for rail, not just in New Zealand but throughout the world. It is an economic model that has not worked in the past and is unlikely to work again. There are a number of factors which influence the economic viability of rail including its ability to compete with road-based transport. Historically, this has partly been due to inequalities in the proportion of total costs (including external costs) that each mode has been required to meet.

The low level of investment in rail has been the case even though the quantity of freight carried via rail has been increasing. New Zealand is currently in a serious lag position with rail due to under-investment in this area over the last, approximately, 10 years. At some point, major capital investment will be required over and above the initial investment by the Government.

4.2 Opportunities

The Bay of Plenty has identified the following opportunities for rail in the region:

- Increasing rail's already significant freight transportation role for the region, especially to and from the Port of Tauranga.
- Re-utilisation of currently unused portions of the network, particularly in the Eastern Bay of Plenty and Rotorua.
- Increasing rail capacity (e.g. extending crossing loops, train size, train frequency, increasing axle loads, quicker run times, potential dual tracking of heavily used corridors in the long-term).
- Increasing inter-regional rail freight movements (e.g. to and from Ports, Coal transport from Mt Maunganui to Huntly).
- Protecting rail corridors so that they are not compromised for future capacity increases.
- Rail becoming an improved economic option, particularly for freight transportation. Factors that will influence this include upgraded rail infrastructure, as well as tolls and other road pricing, and the rising cost of oil.
- Taking advantage of the fuel efficiency of rail.
- Realignment of existing rail corridors particularly those through Tauranga City and across Tauranga harbour, but retention of existing corridors for future public transport use.
- Electrification and/or technology improvements (e.g. fuel cells) to improve the environmental sustainability of the Bay of Plenty rail network.
- Introducing inter-regional and local passenger rail services if sufficient demand is established in the long-term.

There are a number of growth opportunities for rail, particularly in the coal, forestry and dairy sectors and in container traffic.

There are important links between urban form and rail services, particularly any future passenger rail. The region's population is currently insufficient to justify the large investment required for passenger rail (e.g. costs of acquiring, operating and maintaining passenger engine and carriage infrastructure). However, SmartGrowth has put in place a land use picture for the western Bay of Plenty which includes higher density areas (intensification nodes) that could provide the basis for future passenger rail services. SmartGrowth also focuses on growth corridors which stretch into the other sub-regions of the Bay of Plenty. This pattern needs to be integrated with any future rail services.

Passenger rail will only be viable in the long-term if it is well linked to urban form and the intensification nodes as depicted in SmartGrowth. In the meantime, it would be prudent to continue to provide for corridors suitable for rail in the western Bay of Plenty subregion. Consideration also needs to be given to designating land for ancillary purposes (e.g. stations, park and ride facilities) or at least not compromising suitable locations. This will help to ensure appropriate land uses around these potential locations.

4.3 Investment Requirements

Investment needs in the Bay of Plenty include:

- Maintenance
- Asset replacement
- Increasing axle loads
- Extending crossing loops
- Extensions to the network
- Designations to protect future rail corridors, including protecting the ability to increase capacity.

The approach to identifying future investment needs is contained in the RLTS (7.4.1), this involves:

- Continuing to work with those involved in the rail industry to ensure that rail continues to perform a significant freight transportation role for the region and to and from the Port of Tauranga.
- Continuing to work with those involved in the rail industry in an attempt to identify opportunities for the re-utilisation of currently unused portions of the network in the Eastern Bay of Plenty and Rotorua.

Appendix 2 also contains a list of potential future Bay of Plenty rail projects.

Chapter 5: Vision for Rail

The following section sets out a vision for rail in the Bay of Plenty region. This has been divided into a short - medium term and long term vision due to the nature of rail in the Bay of Plenty and the need to consider what is needed up to 2025 and what may be needed beyond that period. It is intended that this Strategy, and in particular the vision outlined below, be utilised by ONTRACK in the development of its *strategy on retention or disposal of unused rail corridors* and its *10 year Rail Network Development Plan*.

Short – Medium Term Vision (2007-2025)

- Increasing the use of rail for freight purposes by shifting more freight traffic onto rail.
- Increasing the capacity of the existing rail corridor.
- Reusing unused portions of the rail network in the Eastern Bay of Plenty (Taneatua Branch) and Rotorua.
- Protecting all existing rail corridors.
- Securing and protecting future rail corridors for the long-term by designation, purchase or other proactive means.
- Ensuring that no railway land and corridors that would impact on a rail route is sold without the knowledge and input of the appropriate Councils in the Bay of Plenty region.
- Managing the encroachment of residential areas around rail corridors.
- Monitoring safety indicators for rail.

Long Term Vision (2025 +)

- Continuing to increase the percentage of freight carried via rail.
- A new rail bridge crossing from Mt Maunganui to Tauranga, which removes freight trains from the CBD and provides a shorter route to the Port, while retaining the existing rail corridor at the Strand for public transport use.
- Making use of the entire rail network (including the Taneatua and Rotorua branches) and extending the network in some places.
- Electrification of the rail network in the Bay of Plenty (noting that this will be dependent upon power supply and also what takes place in the upper North Island in terms of electrification, i.e. Hamilton to Auckland), or implementing new technologies (e.g. fuel cells) as an alternative.

- Regularly reviewing the potential need for a dual track rail corridor.
- Continuing to explore the potential of inter-regional passenger rail services, and local services in the western Bay of Plenty sub-region.

Chapter 6: Actions

There are a number of actions relating to rail in the RLTS and SmartGrowth. Work is underway on these actions as part of implementing both strategies. Additional rail actions have arisen during the development and implementation of this Rail Strategy. These actions will be inputs to the next RLTS and will be included in subsequent RLTS implementation programmes.

The actions are detailed below with an explanation, responsibility, timing and funding source for each one. The actions are linked to strategic outcomes in the RLTS, and also therefore, to objectives in the New Zealand Transport Strategy and the LTMA 2003.

Safety and Personal Security

1. Consider potential rail safety infrastructural improvements		
Explanation	<p><i>ONTRACK will need to align this work with rail safety targets or performance measures developed by the Ministry of Transport as part of any rail safety strategy. The work should result in various operational improvements that can be made to the rail network, for example:</i></p> <ul style="list-style-type: none"> <i>Level crossings – identify locations where there is, or is likely to be in the future, conflict between rail and road traffic. Opportunities for grade separation of the rail and road networks should be identified and considered for future implementation.</i> <i>Preventing trespassing on rail corridors (this is a particular problem in built up areas).</i> 	
Secondary Outcome(s)	<i>Will contribute to public health, access and mobility, responsiveness</i>	
Timing	Responsibility	Funding
<i>Ongoing</i>	<i>ONTRACK, with input from Toll, Transit, territorial authorities and Environment BOP</i>	<i>Individual agencies to fund from annual budget process</i>



Sustainability

2. Investigate the viability of Bay of Plenty rail network electrification and/or alternative technologies		
Explanation	<p><i>Electrification has long been identified as a potential option for the ECMT line. For example, the Kaimai Tunnel is a 'modern' tunnel and could be electrified, and new structures along the route have been built to electrification specifications.</i></p> <p><i>Consideration will need to be given to possible leverage from electrification of the North Island Main Trunk Line from Hamilton to Auckland. Security of power supply will also be a critical factor in this investigation.</i></p> <p><i>New technologies which may provide a viable alternative to electrification are also being developed e.g. fuel cells. These alternatives will need to be considered as part of any assessment.</i></p> <p><i>Note that this action depends on the policy framework in relation to electrification. This is not an immediate action to be undertaken.</i></p>	
Secondary Outcome(s)	<p><i>Will contribute to economic development, energy efficiency, public health, inter and intra regional corridors</i></p>	
Timing	Responsibility	Funding
2010/11+	ONTRACK, Toll, Environment BOP	Environment BOP Ten Year Plan, other agencies to fund from annual budget processes

Economic Development

3. Develop a regional freight study		
Explanation	<p><i>There are two key rail actions that need to be considered as part of the regional freight study:</i></p> <ol style="list-style-type: none"> <i>1. Integration of regional land use with rail needs</i> <p><i>There is a need to understand where various industries will be located throughout the Bay of Plenty region out to 2050. Consideration needs to be given to what rail needs these industries might have and how best these requirements might be served by looking at freight transportation in an integrated manner. Some of this work has already been completed for the western Bay of Plenty as part of SmartGrowth. There is also a need to understand the inter-regional land use influences as well, particularly changing patterns. This work will essentially be a long term upper North Island land use picture (in a broad sense) in order to understand what future rail freight requirements might be.</i></p> <ol style="list-style-type: none"> <i>2. Modal shift</i> <p><i>This action involves considering ways in which rail can achieve a greater mode share within the Bay of Plenty region. As freight is the sole use of rail in the region at the present time, specific regard should be had to: freight development; freight hubs; inland ports; better transfer between road and rail.</i></p>	
Secondary Outcome(s)	<p><i>Will contribute to integration, responsiveness, sustainability</i></p>	
Timing	Responsibility	Funding
2008/09	Environment BOP with territorial authorities, Transit, ONTRACK	Environment BOP Ten Year Plan, Land Transport NZ

4. Develop a programme for investigating the list of potential future Bay of Plenty rail projects		
Explanation	<i>This Strategy contains a list of potential future Bay of Plenty rail projects. A number of them are ideas only. This list needs to be systematically worked through and the viability of each project assessed. More detailed work will need to be programmed as part of RLTS implementation for any projects that warrant further investigation. The outcome of this work will be the development of funding applications for the viable rail projects.</i>	
Secondary Outcome(s)	<i>Will contribute to safety and personal security, sustainability, access and mobility, energy efficiency, public health, inter and intra regional corridors</i>	
Timing	Responsibility	Funding
<i>Ongoing</i>	<i>Environment BOP</i>	<i>Environment BOP Ten Year Plan</i>

Inter and Intra Regional Corridors

5. Undertake work to ensure that the existing rail corridor between the Bay of Plenty, Waikato and Auckland has the necessary protection and capacity to allow increased use and movement of freight in the long-term		
Explanation	<i>Work undertaken to implement this Strategy has identified the rail corridor (Port of Tauranga - Kaimai Tunnel in particular, but also Port of Tauranga-Kawerau) as being a key linkage for rail freight. More detailed work needs to be undertaken on the following:</i> <ul style="list-style-type: none"> <i>• identification of any areas of encroachment on the nominal width of the rail corridor</i> <i>• identification of key areas for increasing rail capacity</i> <i>• review of district plan provisions to ensure that they provide the necessary protection of the rail corridor in the long-term and address potential reverse sensitivity issues.</i> <i>This action will also require interregional information sharing and co-operation to ensure that the entire corridor from the Bay of Plenty to Auckland has the necessary protection and capacity in the long-term.</i>	
Secondary Outcome(s)	<i>Will contribute to integration, sustainability, economic development, energy efficiency</i>	
Timing	Responsibility	Funding
<i>2007/08</i>	<i>Environment BOP to lead, input from ONTRACK, Toll, Port of Tauranga, territorial authorities, Environment Waikato</i>	<i>Environment BOP Ten Year Plan</i>



6. Investigate the feasibility of two rail proposals in the Western Bay of Plenty: an alternative Tauranga Harbour crossing; and an alternative link to the Waikato		
Explanation	<p>Two strategic rail proposals have been identified for the western Bay of Plenty subregion and need to be investigated further:</p> <ol style="list-style-type: none"> 1. An alternative Tauranga Harbour crossing. 2. An alternative rail link to the Waikato via the Mamaku Plateau. <p>Both proposals have been raised in discussions at central government level. Studies need to be initiated to investigate their feasibility further. The studies will need to be completed in time to feed into the proposed Government Policy Statement for transport (currently scheduled for early 2009).</p>	
Secondary Outcome(s)	Integration, safety and personal security, sustainability, economic development, public health	
Timing	Responsibility	Funding
2008/09	Environment BOP to lead, input from ONTRACK, Toll, Port of Tauranga, territorial authorities, industry	Environment BOP Ten Year Plan

7. Consider the future of rail corridors in the Eastern Bay of Plenty		
Explanation	<p>A workshop has been held to consider the future of rail in the western Bay of Plenty subregion. Rotorua has also undertaken a strategic rail assessment. A similar exercise involving key rail participants needs to be conducted for the Eastern Bay of Plenty. This will consider existing (both used and unused), and potential future rail corridors in the subregion. The key issues surrounding their ongoing management and protection will also need to be considered.</p>	
Secondary Outcome(s)	Assisting economic development, ensuring environmental sustainability, integration, improving access and mobility	
Timing	Responsibility	Funding
2010/11+	Environment BOP to lead, input from ONTRACK, Toll, Port of Tauranga, territorial authorities, industry	Environment BOP Ten Year Plan

Chapter 7: Funding

7.1 Potential Funding Sources

A comprehensive rail funding policy is to be developed by the Ministry of Transport. The following information has been derived from the NRS in order to assist in identifying potential rail funding sources.

7.1.1 The Crown and ONTRACK

Funding for national rail infrastructure may come from Government in the form of:

- Crown capital investment in rail (\$100 million for upgrading the network, and \$100 million over 4 years on replacement capital (Budget 2004); an additional \$25 million in both 2008/09 and 2009/10 (Budget 2007)).
- Crown funding through ONTRACK for projects justified on public policy grounds.
- Crown loans for commercial projects and property development to promote the use of rail.
- Track Access Charges collected by ONTRACK.

The following project relevant to the Bay of Plenty rail network has been identified in the list of proposed upgrade projects identified by the Crown and Toll (note that these are yet to be finalised):

- Higher axle loads Auckland-Tauranga and Auckland-Dunedin (\$60 million).

Other than this project no others have been identified for rail in the Bay of Plenty from the Government's initial \$100 million capital investment funding. There may be replacement projects (e.g. lines and sleepers) which will benefit the Bay of Plenty.

7.1.2 Land Transport NZ

Funding for rail from Land Transport NZ comes under the category: *transport demand management, rail and sea freight*. There has been no funding allocated in this category for the Bay of Plenty in recent National Land Transport Programmes. The National Rail Strategy states that Land Transport NZ funds the following in relation to rail:

- Subsidies to operators for urban rail passenger services.
- Rolling stock for urban rail passenger transport.

- Fixed urban rail passenger infrastructure (tracks).
- Purchase and co-funding of new infrastructure or operations relating to the use of rail for the movements of freight.

7.1.3 Local Government

Regional Councils can contribute towards the subsidy cost for urban passenger rail services. Territorial authorities can fund and contract improvements to railway stations and associated facilities. Local authorities can also use development contributions to fund certain rail infrastructure such as rail stations.

It is also possible for regions, through the Regional Land Transport Committee, to promote rail projects to Land Transport NZ and ONTRACK. Funding applications can also be made to Land Transport NZ for project investigations.

7.2 Suggested approach

- Ensure that the region has a list of rail projects that require funding. This list is in the RLTS (2007).
- Undertake work to refine the rail project list and identify projects requiring further investigation.
- Work with ONTRACK on its 10 year Rail Network Development Plan.
- Encourage the reutilisation of unused portions of the network. Work with ONTRACK on its strategy on retention or disposal of unused rail corridors.
- Lobby central government for funding on public policy grounds through ONTRACK. This will require leadership at the governance level from Bay of Plenty local authorities. The Regional Land Transport Committee provides an appropriate forum for addressing Bay of Plenty rail funding issues.
- Apply to Land Transport NZ for investigation and scoping funding for rail projects.
- Give consideration to funding rolling stock and new infrastructure or operations for the use of rail for freight movement (Land Transport NZ funding to the regional council).
- Integrate rail funding with funding for other modes in the Bay of Plenty funding package (RLTS).

Appendices

Appendix 1 – Rail Network Routes and Length

Appendix 2 – Potential Future Bay of Plenty Rail Projects

Appendix 1 – Rail Network Routes and Length

Line	North Island			Waikato			Bay of Plenty		
	From	To	Length	From	To	Length	From	To	Length
NIMT*	Wellington	Auckland	688	Te Kuiti	Paerata	157			
ECMT*	Hamilton	Kawerau	181	Hamilton	Hemopo	61	Hemopo	Kawerau	120
Cambridge	Ruakura	Hautapu	15						
Waitoa	Morrinsville	Waitoa	11	Morrinsville	Waitoa	11			
Mt Maunganui	Te Maunga	Mt Maunganui	7				Te Maunga	Mt Maunganui	7
Kinleith	Waharoa	Kinleith	65	Waharoa	Kinleith	65			
Murupara	Kawerau	Murupara	57				Kawerau	Murupara	57
Taneatua	Hawkins	Taneatua	26				Hawkins	Taneatua	26
Rotorua	Putaruru	Rotorua	48	Putaruru	Mamaku	29	Mamaku	Rotorua	19
SOL*	Stratford	Okahukura							
MNPL*	Marton	New Plymouth							
NAL*	Westfield	Otiria							
Dargaville	Waiotira	Dargaville							
						338			229

* NIMT: North Island Main Trunk
 ECMT: East Coast Main Trunk
 SOL: Stratford Okahukura Line
 MNPL: Marton to New Plymouth Line
 NAL: North Auckland Line

Appendix 2 – Potential Future Bay of Plenty Rail Projects

Note that these schemes represent a list of rail projects that have been raised. A number of them are ideas only. Detailed investigations in terms of viability have not yet been carried out on many of these projects.

- Taneatua to Opotiki
- Murupara and South
- Further extension towards Taupo
- Gisborne through to the Bay of Plenty⁸
- Taneatua (reopen)
- Second Tauranga Harbour Rail Bridge (direct link into the Port)
- Suburban passenger rail
- Te Maunga to the Port of Tauranga - possible move to a parallel alignment to enable road widening
- Eliminate or improve the layout of road / rail crossings which are close to roundabouts and intersections
- Further work on the East Coast Main Trunk (Te Maunga – west to Hamilton), e.g. greater axle loads, crossing loops etc
- Rotorua branch (reopen)
- Rangiuru business park rail sidings (dependent on transport requirements of future businesses)
- An alternative rail link to the Waikato via the Mamaku Plateau.

The projects listed above will need to be reviewed from time to time and a programme developed for investigating and prioritising certain projects. Further work will need to be done in this area.

⁸ Note that this project is very unlikely due to geographical difficulties and cost.

Appendix 3 - Background Documents

Environment Bay of Plenty (2007) *Bay of Plenty Regional Land Transport Strategy*, Whakatane: Environment Bay of Plenty.

Environment Bay of Plenty (2006) *Passenger Rail in the Western Bay of Plenty Sub-regional Context*, Whakatane: Environment Bay of Plenty.

Environment Bay of Plenty (2006) *Workshop Record of Western Bay of Plenty Sub-region Rail Workshop held on 20 July 2006*, Whakatane: Environment Bay of Plenty.

New Zealand Government (2002) *New Zealand Transport Strategy*, Wellington: New Zealand Government.

New Zealand Government (2005) *National Rail Strategy to 2015*, Wellington: New Zealand Government.

ONTRACK (New Zealand Railways Corporation) (2006) *Annual Report 2006*, Wellington: ONTRACK.

Opus International Consultants Limited (2005) *Rotorua District Council: Rotorua Road Rail Link Strategic Assessment: Rail Study*, Hamilton: Opus.

Opus International Consultants Limited (2006) *Tauranga City Council: Rail Corridor from Kaimai Tunnel to Te Puke: Widening for Double Tracking*, Tauranga: Opus.

SmartGrowth (2007) *SmartGrowth: The Western Bay of Plenty Subregion 50-Year Strategy and Implementation Plan, May 2007*, Tauranga: SmartGrowth.