I hereby give notice that an ordinary meeting of the Planning Committee will be held on:

Date: Tuesday, 4 February 2020  
Time: 10.00am  
Meeting Room: Reception Lounge  
Venue: Auckland Town Hall  
301-305 Queen Street  
Auckland

Kōmiti Whakarite Mahere / Planning Committee

OPEN AGENDA

MEMBERSHIP

Chairperson  
Cr Chris Darby

Deputy Chairperson  
Cr Josephine Bartley

Members  
Cr Dr Cathy Casey  
Cr Fa’anana Efeso Collins  
Cr Pippa Coom  
Cr Linda Cooper, JP  
Cr Angela Dalton  
Cr Alf Filipaina  
Cr Hon Christine Fletcher, QSO  
Mayor Hon Phil Goff, CNZM, JP  
IMSB Member Hon Tau Henare  
Cr Shane Henderson  
Cr Richard Hills  
Cr Daniel Newman, JP  
IMSB Member Liane Ngamane  
Cr Greg Sayers  
Cr Desley Simpson, JP  
Cr Sharon Stewart, QSM  
Cr Wayne Walker  
Cr John Watson  
Cr Paul Young

(Quorum 11 members)

Duncan Glasgow
Kaitohutohu Mana Whakahaere / Governance Advisor

30 January 2020

Contact Telephone: 09 890 2656
Email: duncan.glasgow@aucklandcouncil.govt.nz
Website: www.aucklandcouncil.govt.nz

Note: The reports contained within this agenda are for consideration and should not be construed as Council policy unless and until adopted. Should Members require further information relating to any reports, please contact the relevant manager, Chairperson or Deputy Chairperson.
Terms of Reference

Responsibilities

This committee guides the physical development and growth of Auckland through a focus on land use, transport and infrastructure strategies and policies relating to planning, growth, housing and the appropriate provision of enabling infrastructure, as well as programmes and strategic projects associated with these activities. The committee will establish an annual work programme outlining key focus areas in line with its key responsibilities, which include:

- relevant regional strategy and policy
- transportation
- infrastructure strategy and policy
- Unitary Plan, including plan changes (but not any wholesale review of the Plan)
- Resource Management Act and relevant urban planning legislation framework
- oversight of Council’s involvement in central government strategies, plans or initiatives that impact on Auckland’s future land use and infrastructure
- Auckland Plan implementation reporting on priorities and performance measures
- structure plans and spatial plans
- housing policy and projects
- city centre and waterfront development
- regeneration and redevelopment programmes
- built and cultural heritage, including public art
- urban design
- acquisition of property relating to the committee’s responsibilities and in accordance with the LTP
- working with and receiving advice from the Heritage Advisory Panel, the Rural Advisory Panel and the Auckland City Centre Advisory Board to give visibility to the issues important to the communities they represent and to help effect change.

Powers

(i) All powers necessary to perform the committee’s responsibilities, including:
   (a) approval of a submission to an external body
   (b) establishment of working parties or steering groups.

(ii) The committee has the powers to perform the responsibilities of another committee, where it is necessary to make a decision prior to the next meeting of that other committee.

(iii) If a policy or project relates primarily to the responsibilities of the Planning Committee, but aspects require additional decisions by the Environment and Climate Change Committee and/or the Parks, Arts, Community and Events Committee, then the Planning Committee has the powers to make associated decisions on behalf of those other committee(s). For the avoidance of doubt, this means that matters do not need to be taken to more than one of those committees for decisions.

(iii) The committee does not have:
   (a) the power to establish subcommittees
   (b) powers that the Governing Body cannot delegate or has retained to itself (section 2).
Auckland Plan Values

The Auckland Plan 2050 outlines a future that all Aucklanders can aspire to. The values of the Auckland Plan 2050 help us to understand what is important in that future:

Atawhai

kindness, generosity

Kotahi

strength in diversity

Auaha

creativity, innovation

Pono

integrity

Taonga tuku iho

future generations
Exclusion of the public – who needs to leave the meeting

Members of the public

All members of the public must leave the meeting when the public are excluded unless a resolution is passed permitting a person to remain because their knowledge will assist the meeting.

Those who are not members of the public

General principles

• Access to confidential information is managed on a “need to know” basis where access to the information is required in order for a person to perform their role.
• Those who are not members of the meeting (see list below) must leave unless it is necessary for them to remain and hear the debate in order to perform their role.
• Those who need to be present for one confidential item can remain only for that item and must leave the room for any other confidential items.
• In any case of doubt, the ruling of the chairperson is final.

Members of the meeting

• The members of the meeting remain (all Governing Body members if the meeting is a Governing Body meeting; all members of the committee if the meeting is a committee meeting).
• However, standing orders require that a councillor who has a pecuniary conflict of interest leave the room.
• All councillors have the right to attend any meeting of a committee and councillors who are not members of a committee may remain, subject to any limitations in standing orders.

Independent Māori Statutory Board

• Members of the Independent Māori Statutory Board who are appointed members of the committee remain.
• Independent Māori Statutory Board members and staff remain if this is necessary in order for them to perform their role.

Staff

• All staff supporting the meeting (administrative, senior management) remain.
• Other staff who need to because of their role may remain.

Local Board members

• Local Board members who need to hear the matter being discussed in order to perform their role may remain. This will usually be if the matter affects, or is relevant to, a particular Local Board area.

Council Controlled Organisations

• Representatives of a Council Controlled Organisation can remain only if required to for discussion of a matter relevant to the Council Controlled Organisation.
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1 Apologies

At the close of the agenda no apologies had been received.

2 Declaration of Interest

Members are reminded of the need to be vigilant to stand aside from decision making when a conflict arises between their role as a member and any private or other external interest they might have.

3 Confirmation of Minutes

That the Planning Committee:

a) confirm the ordinary minutes of its meeting, held on Thursday, 5 December 2019, as a true and correct record.

4 Petitions

At the close of the agenda no requests to present petitions had been received.

5 Public Input

Standing Order 7.7 provides for Public Input. Applications to speak must be made to the Governance Advisor, in writing, no later than one (1) clear working day prior to the meeting and must include the subject matter. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders. A maximum of thirty (30) minutes is allocated to the period for public input with five (5) minutes speaking time for each speaker.

5.1 Public input - Business North harbour - Bridge to the Future report

Te take mō te pūrongo

Purpose of the report

1. Kevin O’Leary will speak to the committee about Business North Harbour’s Bridge to the Future report. The report outlines a vision for the long-term future of the North Shore’s business and residential community.

2. A full version of the report can be found at this link: Bridge to the Future report

Ngā tūtohunga

Recommendation/s

That the Planning Committee:

a) receive the public input from Business North Harbour regarding its Bridge to the Future report and thank Kevin O’Leary for attending.
6 Local Board Input

Standing Order 6.2 provides for Local Board Input. The Chairperson (or nominee of that Chairperson) is entitled to speak for up to five (5) minutes during this time. The Chairperson of the Local Board (or nominee of that Chairperson) shall wherever practical, give one (1) day’s notice of their wish to speak. The meeting Chairperson has the discretion to decline any application that does not meet the requirements of Standing Orders.

This right is in addition to the right under Standing Order 6.1 to speak to matters on the agenda.

6.1 Local Board Input - Orakei Local Board - private helicopter and helicopter use applications in residential areas

Te take mō te pūrongo
Purpose of the report
1. Troy Churton, Ōrākei Local Board member will speak to the committee on private helicopter and helicopter use in residential areas.

Ngā tūtohunga
Recommendation/s
That the Planning Committee:

a) receive the Ōrākei Local Board input and thank Ōrākei Local Board member Troy Churton for attending.

7 Extraordinary Business

Section 46A(7) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“An item that is not on the agenda for a meeting may be dealt with at that meeting if-

(a) The local authority by resolution so decides; and

(b) The presiding member explains at the meeting, at a time when it is open to the public,-

(i) The reason why the item is not on the agenda; and

(ii) The reason why the discussion of the item cannot be delayed until a subsequent meeting.”

Section 46A(7A) of the Local Government Official Information and Meetings Act 1987 (as amended) states:

“Where an item is not on the agenda for a meeting,-

(a) That item may be discussed at that meeting if-

(i) That item is a minor matter relating to the general business of the local authority; and

(ii) the presiding member explains at the beginning of the meeting, at a time when it is open to the public, that the item will be discussed at the meeting; but

(b) no resolution, decision or recommendation may be made in respect of that item except to refer that item to a subsequent meeting of the local authority for further discussion.”
Auckland Council submission on the Land Transport (Rail) Legislation Bill

File No.: CP2020/00037

Te take mō te pūrongo
Purpose of the report
1. To seek approval of Auckland Council’s submission on the Land Transport (Rail) Legislation Bill.

Whakarāpopototanga matua
Executive summary
2. On 19 December 2019, the Transport and Infrastructure Select Committee advertised the Land Transport (Rail) Legislation Bill (the Bill) with public submissions closing on 7 February 2020.

3. The draft National Rail Plan was advertised simultaneously, however only informal responses from staff on this plan are being sought by government at this time.


5. The Ministry of Transport engaged intermittently with Auckland Council and Auckland Transport staff prior to the Bill’s release regarding the intent of reform of the rail sector in New Zealand. Potential aspects of the legislative changes now being formally proposed in the Bill were discussed as well. Staff expressed reservations during these discussions consistent with the content of this report and the attached draft submission.

6. Auckland Council’s draft submission (Attachment A) supports the intent of reform in the rail sector, which is establishment of longer-term planning for rail across New Zealand and more secure and sustained investment processes compared to those currently being applied.

7. Nonetheless, the draft submission raises concerns with aspects of the proposed legislative changes and is in favour of a fuller integration of rail planning and funding with other forms of land transport.

8. In summary, it expresses concern with some of the proposed planning and funding approval pathways and the proposed designation of responsibilities across government and local government agencies. The potential for unfavourable impacts on Auckland’s existing Network Access Agreement (the ANAA) are also identified.

Ngā tūtohunga
Recommendation/s
That the Planning Committee:

a) approve Auckland Council’s submission on the Land Transport (Rail) Legislation Bill

b) delegate authority to the Chair and Deputy Chair of the Planning Committee to approve any required minor amendments to the submission prior to finalisation.
Horopaki

Context

9. On 23 December 2019, Council staff circulated a briefing memo on the Bill to elected members. The draft submission develops and responds to the issues articulated in this memo.

Background to the legislative reform

10. Since the 1980s, rail planning and investment has been *ad hoc*, with a significant amount being funded via annual Crown grants. Until recently, government applied a strategy of “managed” decline of the national rail network. Reinvestment in Auckland’s and Wellington’s passenger rail networks reflected shifts in government transport policy and provided impetus for sustained reform of the sector.

11. In 2018 and 2019, the Ministry of Transport led work on behalf of the government developing proposals for reform of New Zealand’s rail sector. Consultation occurred intermittently over this period with stakeholders, including Auckland Council, Auckland Transport (AT) and Greater Wellington Regional Council.

12. The intent of reform is to establish a long-term planning and funding system for rail in a manner relatively consistent with other forms of land transport – e.g. funded via the National Land Transport Fund (NLTF). The National Rail Plan (the Plan) is intended to be a non-statutory document articulating a 10-year vision for rail and series of planning and investment priorities.

13. Reform of the national rail sector is of critical importance to Auckland Council and AT given the roles of passenger rail for public transport and urban growth, and freight rail for connecting our metropolitan region with external markets.

14. In late September 2019, council staff were invited to review and comment on a draft of the Plan. The Plan was then amended by the Ministry of Transport to reflect better the Auckland Transport Alignment Project (ATAP) and wider Auckland priorities following this review and provision of relevant feedback.

15. Separately, during a series of meetings in 2019, council and AT staff provided feedback to the Ministry of Transport articulating shared reservations with some aspects of the reform proposed. These aspects include:
   - the proposed interrelated processes for development of the Regional Land Transport Plan (RLTP) and a Rail Network Investment Programme (RNIP). The latter represents a three-year investment programme for rail in New Zealand delivering on the vision articulated in the Plan
   - processes for the review and approval of these plans and programmes, and their associated funding decisions
   - the possibility that the existing ANAA between KiwiRail and AT would be compromised.

Public advertising of rail sector reform proposals

17. Simultaneously, the Ministry of Transport invited informal comments from staff on the (draft) Plan. Formal consultation on the Plan will occur later in 2020 alongside consultation on the draft Government Policy Statement (GPS) on Land Transport (2021-2024). Auckland Council staff propose that informal comments are provided on the Plan through the current staff working arrangements with the Ministry of Transport. As such, these are not addressed in the attached draft submission.

Tātaritanga me ngā tohutohu
Analysis and advice

Longer-term planning and funding outlook for rail
18. Broadly, resolving a longer-term planning and funding regime for rail in New Zealand is in Auckland’s interests. This is because sustained investment in rail infrastructure and services is required to meet the mode-shift and public transport patronage growth aspirations for our region and give effect to Auckland Council’s climate change commitments. Achieving the sustained investment to achieve these goals is contingent on the long-term support of government.

19. The proposed legislation reflects a ‘partial integration’ model for planning, assessing and funding rail and other forms of land transport. The Bill defines the approval pathway for the RNIP reflecting such a partial integration model, with the Minister of Transport being the ultimate decision-maker for rail activities in consultation with KiwiRail’s shareholding Ministers and following consideration of advice from the New Zealand Transport Agency (NZTA).

20. In contrast, a ‘full integration’ model would treat all forms of land transport the same with specific investment propositions subject to review and approval of the NZTA Board. The options are defined and evaluated relatively superficially in an impact statement prepared by the Ministry of Transport (Attachment C).

Basis for potential misalignment between regional and national planning processes
21. Concerns with the proposed legislation identified by council staff relate to the RLTP and the RNIP being proposed to be subject to different development, review and approval timeframes and decision-making processes. The RLTP is focused regionally and the RNIP is focused nationally, potentially lending to misalignment of strategic intent/direction.

22. Under the Bill, NZTA would assume responsibility for assessing whether the RNIP takes account of the RLTP. This assessment is a specific requirement of the review of funding proposals for rail activities included in the RNIP presented to the Minister of Transport.

23. Nonetheless, there are no binding legislative requirements proposed to reconcile any major differences that arise between the RNIP and the RLTP. For example, a situation could arise where the RLTP and the RNIP feature conflicting projects, meaning a revised RLTP, including consultation, may be required. Outside the subsidiarity issue this presents, it would lead to considerable uncertainty and additional resource requirements.

24. KiwiRail will also be permitted under the Bill to vary the RNIP during its period of currency without obligation to consult with Council, AT or Greater Wellington Regional Council (the latter in relation to Wellington’s metropolitan rail network). In this instance, NZTA will again assume responsibility for assessing whether the RNIP takes account of RLTP when funding decisions are to be made.

25. KiwiRail will be required to appoint a member to both Auckland’s and Wellington’s Regional Transport Committees (RTC), however, these members would lack voting rights. The appointment may facilitate beneficial discussions by the Committee and help improve the robustness of the RLTP relative to the formative RNIP. However, staff have concerns that the omission of voting rights could reduce the ownership taken by KiwiRail for any inconsistencies that may arise between the RLTP and RNIP.
Potential for impacts on the Auckland Network Access Agreement

26. The Bill presents implications for the existing ANAA. The ANAA is the key mechanism ensuring the successful functioning of our metropolitan passenger operations, providing long-term cost certainty, and delivering an effective mechanism to hold KiwiRail to account for the state of the rail network in Auckland.

27. Changes to the LTA 1998 are proposed, enabling reform to track-user charges. Changes to these charges, while not impacting directly on AT’s existing contractual arrangements with KiwiRail (the ANAA) may create conflicts-of-interest relating to both KiwiRail’s dual functions as a State-Owned Enterprise (SOE) and public agency, and track access for different sectors (passenger and freight).

28. The Plan (footnote to page 22 – Attachment D), specifies that “We [the New Zealand Government] recognise that there are existing track access arrangements in place in Auckland and Wellington. The intention is not to make changes to these arrangements in the near term.”

29. The Bill makes no references to the ANAA; accordingly, preservation of its provisions for any length of time is not assured. This is concerning acutely to AT and has potential for knock-on implications for council funding and planning.

30. The network access agreement is used by AT to hold KiwiRail to account for the state of the rail network in Auckland and their contractual obligations. This mechanism may be compromised by the new legislation.

31. The adoption of a full integration model in a similar manner to the option provided in the Ministry of Transport’s impact statement (Attachment C), with corresponding legislative change, is likely to mitigate most of the concerns articulated above. The full integration option should be developed to preserve the existing ANAA; particularly, the mechanisms it provides ensuring KiwiRail meets its obligations under the agreement.

Recommended submission summary points

32. In summary, Auckland Council’s draft submission:
- supports the reform and the underlying intent of reform of the national rail sector; particularly, the establishment of a longer-term planning and more secure funding/investment system
- opposes specific clauses of the proposed legislation pertaining to processes for the development of the RLTP and the RNIP, the review and approval of these plans and programmes, and associated funding decisions, and the implications for the existing ANAA
- recommends full integration of rail into the land transport planning and funding system, and preservation of the existing ANAA
- in the absence of full integration, recommends changes to the draft legislation that would address several of council’s most significant concerns.

Tauākī whakaaweawe āhuarangi
Climate impact statement

33. A direct climate impact assessment of the Bill cannot be made as it pertains to legislation that will enable development of programmes for rail investment rather than defining specific activities.

34. However, establishment of longer-term planning and funding processes, and integration of rail with other modes of transport via the GPS and NTLF are likely to be climate-positive. Over time, there should be increasing potential for rail to substitute for road-based transport and in the context of Auckland, support more sustainable and resilient urban growth. Auckland’s passenger rail services are largely electrified and freight rail, even using diesel locomotives, has the potential to be much less carbon-intensive than equivalent road freight that relies on internal combustion engines.
35. The climate-positive attributes of the reform are identified in the draft National Rail Plan, advertised simultaneously with the Bill. The Plan discusses potential for the future electrification of New Zealand’s rail network.

**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera Council group impacts and views**

36. Feedback on the draft submission was invited from the Independent Māori Statutory Board’s (IMSB) Principal Advisor, Environmental Outcomes.

37. Auckland Council’s proposed submission was informed by discussions with AT staff. AT is making a separate submission on the Bill and addresses similar matters. AT’s submission is anticipated to feature more detail pertaining to the ANAA than Auckland Council’s given AT is the road-controlling authority in Auckland, signatory to this agreement with KiwiRail and contracting entity for Auckland’s metropolitan rail passenger services operated by Transdev.

38. AT advised Auckland Council staff that their submission would be developed in close consultation with Greater Wellington Regional Council given their similar concerns.

39. AT has requested an extension to the submission period enabling consideration and approval of their submission on 11 February by the AT Board. Approval of request is pending.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe Local impacts and local board views**

40. The Bill could have strategic impacts for Auckland as a region. Misalignment between future RLTP and RNIP could have significant impacts on some local board areas in terms of rail investment and ultimately wider development; however, the very short timeframe provided to respond to the Bill by government means that there was no opportunity for to undertake any consultation with local boards.

**Tauākī whakaaweawe Māori Māori impact statement**

41. Council staff are not aware of any consultation undertaken by government with iwi pertaining to the legislative change proposed prior to its advertisement. The very short timeframe provided to respond to the Bill by government has meant that there was no opportunity for Auckland Council to undertake any independent wider consultation with Māori. Nevertheless, staff consider it unlikely that the change would disproportionately affect Māori.

42. The intent of reform reflects several key directions in the Māori Plan for Tāmaki Makarau, including Whanaungatanga, Manaakitanga and Kaitiakitanga. More consistent and longer-term planning and investment in rail should benefit the communities of Tāmaki Makarau, strengthen connections between communities, and between Tāmaki Makarau and other parts of the country, improve the resiliency of our movement network and support growth in a manner that benefits future generations.

43. Council’s submission addresses issues with the Bill pertaining to the proposed planning and funding process, and track access, which if resolved, would benefit Aucklanders collectively, including Māori.

**Ngā ritenga ā-pūtea Financial implications**

44. Establishment of a longer-term planning and funding system for rail would support development of a more sustainable and resilient rail passenger and freight network. Particularly, it would replace the current *ad hoc* rail funding approach applied by government and have the potential to address issues with the current oversubscription of the Transitional Rail Activity Class in the NLTF.
45. Nonetheless, aspects of the proposed legislation introduce new financial uncertainties for Auckland Council given potential disconnects between the planned future RLTP and RNIP. Additionally, changes to how track-user charges are levied and allocated arising from the legislation may undermine the existing rights and responsibilities the ANAA confers on the contracting parties. These matters are anticipated to be addressed in more detail in the submission being developed by AT.

**Ngā raru ōpono me ngā whakamaurutanga**  
**Risks and mitigations**

46. The legislative change proposed will establish the basis for development of the RNIP and its approval, and therefore the timing, scale and focus of rail investment in the national network, including Auckland’s, from 2021.

47. The risks to Auckland Council include potential misalignment between the RLTP and the RNIP, and consequences for planning, funding and delivering priority rail investments in Auckland.

48. Additionally, the legislative change may compromise the integrity of the ANAA with resultant financial implications for Auckland Council.

49. If Auckland Council’s submission was withdrawn, the Transport and Infrastructure Select Committee would not be informed of or take into consideration Auckland Council’s position on this Bill and assessment of risks.

50. Any ongoing consultation with the Ministry of Transport, KiwiRail and NZTA relating to rail should reflect a formal position relating to the legislative context.

**Ngā koringa ā-muri**  
**Next steps**

51. Council staff understand that the government intends for the legislative change to take effect from mid-2020 enabling it to support implementation of the next GPS on Land Transport.

**Ngā tāpirihanga**  
**Attachments**

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**Ngā kaihaina**  
**Signatories**

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<th>Ryan Falconer - Lead Transport Advisor</th>
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<td>Authorisers</td>
<td>Jacques Victor – General Manager Auckland Plan Strategy and Research</td>
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<td>Megan Tyler - Chief of Strategy</td>
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Ko te tāpetaanga o te Kaunihera o Tāmaki Makaurau

Auckland Council Submission

28 January 2020

Auckland Council Submission on the Land Transport (Rail) Legislation Bill

Submission to the Transport and Infrastructure Committee

Overview

1. This is Auckland Council’s written submission in response to the Land Transport (Rail) Legislation Bill. This submission was endorsed by the Planning Committee. The Planning Committee is a committee of the Governing Body including members of the Independent Māori Statutory Board. Auckland Council does not wish to speak to its submission.

About Auckland

2. Auckland is New Zealand’s most populous city. In 2019, Auckland’s population was about 1.62 million and this is projected to grow to around 2.4 million by 2050. Auckland is an extremely diverse city featuring the highest Polynesian population in the world.

3. Auckland’s regional economy is the largest in New Zealand and makes the greatest contribution to national Gross Domestic Product (GDP). In the year to March 2018, the Auckland region contributed just over 37 per cent of New Zealand’s GDP.

About Auckland Council

4. Auckland Council is a unitary authority and the largest local government organisation in Australasia. It has a governing body consisting of the Mayor and 20 councillors, and 21 local boards. Several council-controlled organisations, including Auckland Transport, receive direction from Auckland Council via statements of intent. Auckland Transport is Auckland’s road-controlling authority responsible for administering the operation of rail passenger services on the metropolitan network. Transdev is the operator contracted to Auckland Transport.

5. Prudent financial governance is required to deliver services effectively and efficiently and provide value-for-money for ratepayers. Auckland Council’s
financial strategy is one of balance to achieve this: All operating costs are met out of revenue and borrowing is only used to fund long-term infrastructure. This helps to distribute asset costs between the generations of Aucklanders that will benefit from them.

6. Auckland Council monitors its borrowing levels relative to income and the value of its assets to make sure borrowing is conducted wisely. One of Auckland Council’s current, significant financial commitments is a share of funding for City Rail Link (CRL), which is due to open in 2024.

About the Auckland Plan 2050

7. The Auckland Plan 2050 is Auckland’s long-term spatial plan. It looks ahead to 2050 and considers how we will address our key challenges of:
   (i) High population growth
   (ii) Shared prosperity
   (iii) Environmental degradation.

8. The plan responds to section 79 of the Local Government (Auckland Council) Act 2009 requiring that a spatial plan for Auckland is prepared and adopted with the purpose to contribute to Auckland’s social, economic, environmental, and cultural wellbeing. Additionally, the Auckland Plan fulfils Auckland’s requirement to produce a spatial strategy in accordance with the National Policy Statement – Urban Development (as proposed).


10. It is important that the Transport and Infrastructure Select Committee (the Committee) has regard for the Auckland Plan 2050 and associated strategies in the context of the legislative change proposed. This submission was developed referring to the Auckland Plan 2050 and these strategies. The plan can be accessed here, Development Strategy here and FULSS, here.
About the Auckland Transport Alignment Project (ATAP)

11. ATAP provides a non-statutory process through which the New Zealand Government and Auckland Council agree a shared approach to the development of Auckland’s transport systems. Both parties have statutory responsibilities to plan and fund different aspects of the transport system and the absence previously of a process by which shared priorities could be agreed has inhibited or delayed investment in critical infrastructure and services. With regard for rail infrastructure, these historic shortcomings reflect a national approach to the managed decline of rail assets rather than enhancement of the network.

12. ATAP was developed first in 2016 and updated last in 2018 to reflect the shared priorities of the New Zealand Government and Auckland Council. The 2018 version of ATAP included a $28 billion indicative package of investments over ten years including $8.4 billion of rapid transit (including rail) projects.

13. ATAP provides an agreed context for development of Auckland’s three-yearly Regional Land Transport Plan (RLTP) and an important part of the strategic case that results for project funding via the National Land Transport Fund (NLTTF).

14. It is important that the Committee has regard for ATAP in the context of the legislative change proposed. Auckland Council notes that the draft National Rail Plan (the Plan), that was released publicly simultaneously with the Bill, articulates the importance of ATAP to Auckland.

15. The present submission was developed referring to ATAP. ATAP 2018 can be accessed here.

Introduction

16. Auckland Council welcomes the opportunity to submit on the Land Transport (Rail) Legislation Bill. The Council supports the intent of reform in the rail sector, which is the establishment of a longer-term planning and funding system for rail. This could address existing issues associated with short-term funding decisions that are inadequate for long-lived rail assets and investment decision-making for rail in isolation from the balance of the land transport system. Integrated planning and funding would facilitate network investments in keeping with the Government’s mode-neutrality policy and a consistent set of transport objectives.
17. The Council supports the intent of some legislative changes included in the Bill. These changes include:
   - Clause 10 (new section 19C(ea)) pertaining to the inclusion of rail activities or combinations of rail activities in the National Land Transport Programme
   - Clause 11 (new sections 22A(1) and 22A(2)) pertaining to development of a three-year national rail investment programme consistent with the ten-year vision for rail in New Zealand as per the draft National Rail Plan.

18. Auckland Council opposes specific aspects of the proposed legislative change. Those aspects opposed by Auckland Council relate to the:
   - Proposed separate planning, funding and approvals processes for rail activities compared to other land transport activities that would have significant implications for regional planning
   - Provisions that could impact on the application and efficacy of the existing Auckland Network Access Agreement (ANAA).

19. Instead, Auckland Council recommends the full integration of rail into the land transport planning and funding system, and the preservation of the existing ANAA.

20. The legislative change reflects the ‘partial integration’ sector reform option (Option 3) defined in the Impact Summary: New Planning and Framework for Rail in New Zealand, produced by the Ministry of Transport. The full integration option (Option 4), whereby rail is treated the same as road, was considered but assessed as less preferable to partial integration. Full integration has not been ruled out in future.

21. Reform of the national rail sector is of critical importance to Auckland Council given the roles of passenger rail for public transport and urban growth, and freight rail for connecting our region with external markets. Auckland Council has and will continue to make significant investment in rail infrastructure, such as CRL and metropolitan passenger rail services via our funding of Auckland Transport.

22. In the 2019 financial year, Auckland Council invested $69.5 million in rail operations, net of revenue. Total investment of $2.2 billion in the CRL is forecast
by 2025, alongside $0.52 billion over the next seven years in new rolling stock and stabling facilities.

23. These investments are essential for Auckland Council to achieve the outcomes identified in Auckland Plan 2050. Rail provides the backbone of Auckland’s passenger network and is a key activity class included in ATAP.

24. Continued population growth in the Auckland Region exerts pressure on our transport infrastructure. Since the early 2010s, there has been strong growth in rail passenger numbers that has exceeded rates of population growth. Between 2010 and 2019, rolling annual ridership (July to June) grew from 9.9 million to 21.4 million, a compound growth rate of 10.1% per annum.

25. Ongoing growth in rail transport ridership will be a critical indicator of Auckland Council’s response to a declaration in June 2019 of a climate emergency and political commitment to 1.5-degree Celsius-compliant emissions reduction pathway. Growth will be enabled by delivery of investments in accordance with ATAP, including (but not limited to) rail electrification between Papakura and Pukekohe, and construction of a third main line (and a fourth main, contingent on demands, which is noted in ATAP as a future priority), prioritising the section between Wiwi and Quay Park.

26. Additionally, rail freight demands are anticipated to increase over time, and it is essential that these are accommodated on the metropolitan rail network without compromising passenger operations. The existing ANAA between Auckland Transport and KiwiRail is essential in this regard.

27. Auckland Council looks forward to its concerns being addressed by the Committee and continuing dialogue with the Ministry of Transport resolving challenges implementing rail sector reform in a manner that meets both national and our regional interests.
Key issues


29. Auckland Council is concerned that the legislative change as proposed currently is inadequate to lead reform in the manner intended and provide the requisite assurance that:

- Auckland’s future critical infrastructure needs will be met; particularly, providing the operational capacity required to support growth of our city and avoiding timetabling conflicts between our critical metropolitan rail passenger services and freight operations
- Existing track access agreements are retained between Auckland Transport and KiwiRail in a manner that ensures the successful functioning of our metropolitan passenger operations, provides long-term cost certainty, and delivers an effective mechanism to hold KiwiRail to account for the state of the rail network in Auckland.

30. The following, specific aspects of the Bill are addressed in Council’s submission (sections A to F):

A. Potential for misalignments in planning and funding between the Regional Land Transport Plan and Rail Network Investment Programme
B. The role of the Minister of Transport in approving the Rail Network Investment Programme and funding of any projects
C. The role of KiwiRail in the planning and funding process
D. Implications for the Auckland Network Access Agreement
E. Relative merits of a full integration option
F. Summary of critical issues for Auckland Council.
A. Potential for misalignments in planning and funding between the Regional Land Transport Plan and Rail Network Investment Programme

**Recommendation:** That legislation be revised to give effect to the full integration option (Option 4), ensuring that the RNIP is consistent with the RLTP.

31. Clause 9 of the Bill addresses alignment of regional and national investment priorities. Proposed new sections of the LTMA include:

- New section 16(6)(ga) “in the case of the plan for Auckland, a list of rail activities that have significance for Auckland and that are included in the current rail network investment programme or that KiwiRail intends to propose be included in the programme immediately after that…”
- New section 16(6A) “The matters included in a regional land transport plan under subsection (6)(ga) or (gb) are for the purposes of co-ordinated planning and do not limit or affect the process by which any rail activities or combinations of rail activities may be included or excluded, as the case may be, from a rail network investment programme and its funding processes.”

32. In accordance with these provisions, the RNIP should have due regard to negotiations informing and inclusions in the RLTP; however, the RNIP may feature projects not anticipated in the RLTP, omit projects or propose alternative scales or sequencing of investments. This introduces untenable risks to Auckland of investment programmes defined in the RLTP being compromised through inconsistencies with the RNIP. This would have knock-on effects for our region’s growth planning, rail operations and integration of road-based public transport services.

33. As per Clause 11 of the Bill, the New Zealand Transport Agency (NZTA) assumes responsibility for advising the Minister of Transport regarding the suitability of the RNIP (new section 22C of the LTMA), including its contribution to the purpose of the Act (as proposed) and consistency with the GPS on land transport.
34. New section 22C neither requires the Minister of Transport nor the NZTA to report on or have specific regard to consistency between the RNIP and the RLTP, unless this is considered as "any other matter the Agency thinks relevant."

35. With respect for Ministerial approval of funding for activities specified in the RNIP, (new section 22F(b) of the LTMA), NZTA is required to advise "whether the [rail] activity or combinations of activities take into account...any relevant regional land transport plan."

36. The draft legislation does not address how any inconsistencies arising will be resolved. For example, a situation could arise where the RLTP and the RNIP feature conflicting projects, meaning a revised RLTP, including new public consultation, may be required.

37. Risks of misalignment should be avoided or, as a minimum, a robust resolution pathway defined through relevant legislative provisions.

38. The addition of projects to the RNIP after the RLTP is finalised may lead to funding decisions by the Minister that diminish money available in the NLTF for other rail projects. This may be to the detriment of projects identified as priorities in the RLTP and requiring funding.

39. Auckland Council is also concerned that decisions made regarding inclusion of activities in the RNIP may occur without the full consideration necessary of urban growth and broader, integrated transport planning issues. This risk is apparent because of the partial integration option preferred.

40. Clause 5 of the Bill (new section 5A of the LTMA - Meaning of rail activity), defines "railway infrastructure" and "railway premises" in accordance with Part 1 Section 4 of the railways Act 2005:

- "railway infrastructure means-
  - railway lines:
  - rail traffic control equipment:
  - communications equipment:
  - electrical traction equipment:
  - any other property specified as railway infrastructure in regulations"

- "railway premises means the land, buildings, or structures that are-"
(a) located near a railway line; and
(b) used for the purposes of, in connection with, or for obtaining access to, a railway."

41. The definition of rail activity means there is potential for impacts on a broader range of rail-related assets, not just track assets, that are material to Auckland’s rail transport operations.

B. The role of the Minister of Transport in approving the Rail Network Investment Programme and funding of specific projects

**Recommendation:** That adoption and funding approval for rail activities becomes the responsibility of the NZTA Board as per the existing approval pathway applied to other forms of land transport. This can be achieved via legislative reform consistent with the full integration option.

42. The Bill defines the approval pathway for the RNIP, with the Minister of Transport being the ultimate decision-maker in consultation with KiwiRail’s shareholding Ministers and following consideration of advice from NZTA. This differs to the approval pathway for RLTP activities, which is via the NZTA Board.

43. The division of decision-making power within the land transport system bypasses the independence of the NZTA Board for rail but not road activities and means:
   - The Government’s policy position regarding mode-neutrality is not observed
   - Added risk of inconsistency between the RLTP and the RNIP
   - The overall process is unsatisfactory for addressing any disagreement between national government and the regions relating to the approval of rail plans and programmes, and their associated funding decisions.
C. Role of KiwiRail in the planning and funding process

**Recommendation:** That there is a requirement for the RNIP to be endorsed by Auckland Council and Auckland Transport before it is presented to the NZTA Board for approval. This could be incorporated into new legislation in accordance with a full integration option.

44. Auckland Council is strongly supportive of a collaborative planning and programming process that produces the best outcomes for the region and rest of the rail network. Rail investment needs should be assessed within the context of the whole land transport system.

45. Under the partial integration option, KiwiRail collaborates with Auckland Council, Auckland Transport and Greater Wellington Regional Council in the development of RLTP.

46. KiwiRail is anticipated to engage with regional and national stakeholders (including Auckland Council, Auckland Transport and NZTA) during development of the RNIP and this would occur in accordance with planning, investment and monitoring guide prepared by NZTA. NZTA also has proposed legislated review and advisory roles as per the new sections 22C and 22F. Nonetheless, the draft legislation does not require KiwiRail to revise the RNIP on advice from NZTA (or another stakeholder), should any misalignments between regional and national planning and funding priorities be identified.

47. The Ministry of Transport continues to develop the guiding framework to give effect to the legislative change including lining key milestones/deadlines between the RLTP and the RNIP. In practice, if the RNIP is modified and finalised following decision-making pertaining to the RLTP, a revision of the RLTP may become necessary. This would have resource and financial implications for Auckland Council and Auckland Transport, as noted earlier.

48. KiwiRail has dual and corporately indistinct functions as a State-Owned Enterprise (SOE) and public agency. Conflicts-of-interest may arise during development of the RNIP, which Auckland Council, Auckland Transport and Greater Wellington Regional Council would not be involved in directly. Additionally, conflicts-of-interest may arise if the RNIP is varied during its period
of currency. Auckland Council is particularly concerned with this risk given proposed changes to the LTA (see point E, below).

49. The new section 22D permits KiwiRail to vary the RNIP during its period of currency without any legislated obligation to consult with Auckland Transport or Auckland Council, which introduces additional risks to the integrity of RLTP, the operation of metropolitan rail networks and growth planning for the Auckland region. In the case of variances, decision-making authority is vested with the Minister of Transport following consideration of advice from NZTA and consultation with KiwiRail’s other shareholding Ministers.

50. New section 105A (Clause 4 of the Bill) prescribes that KiwiRail appoints a member to both Auckland’s and Wellington’s Regional Transport Committees (RTC); however, these members would lack voting rights and may not be either Committee Chairs or Deputy Chairs. The appointment may facilitate beneficial discussions by the RTC and help improve the robustness of the RLTP relative to the formative RNIP; however, the omission of KiwiRail voting rights is not ideal as it may reduce the ownership taken by KiwiRail for any inconsistencies that may arise subsequently between the RLTP and the RNIP.

51. If Auckland Council’s preference of a full integration option is pursued rather than the partial integration option, the allocation of voting rights to KiwiRail may still be considered by the Select Committee, as this would support a collaborative approach to rail planning and investment.

D. Implications for Auckland Network Access Agreement (ANAA)

Recommendation: That legislation is amended allowing for the existing Auckland Network Access Agreement to be preserved.

52. Part 2 of the Bill proposes changes to the LTA 1998 enabling reform to track-user charges. Changes to these charges may impact on Auckland Transport’s existing contractual arrangements with KiwiRail (the ANAA) and may create conflicts-of-interest relating to both KiwiRail’s dual functions as an SOE and public agency, and track access for different sectors (passenger and freight).
53. The ANAA, signed in 2012, is an 85-year contract between Auckland Transport and KiwiRail that:

- Provides access to the Auckland rail network for Auckland Transport’s contracted operator (currently Transdev)
- Establishes a rolling ten-year network management plan
- Provides the mechanism for rail operations timetabling and allocation of network capacity, which is essential for making sure that sufficient access is allowed for metropolitan passenger services alongside freight and other rail services
- Is the key means for Auckland Transport to participate in decision-making relating to Auckland’s rail network.

54. The track-user charges paid by Auckland Transport to KiwiRail, funded by Auckland Council, occur via the ANAA and include a performance-based component. Consequently, the ANAA is used by Auckland Transport as a mechanism to hold KiwiRail to account for the state of the rail network and delivery of their broader contractual obligations in Auckland. This mechanism may be compromised by the new legislation.

55. The draft National Rail Plan (footnote to page 22), reiterates advice provided to Auckland Transport previously in 2019, specifying that “We [the New Zealand Government] recognise that there are existing track access arrangements in place in Auckland and Wellington. The intention is not to make changes to these arrangements in the near term.”

56. The proposed new legislation makes no references to the ANAA; accordingly, preservation of its provisions for any length of time is not assured. This is of acute concern to Auckland Transport and has the potential for knock-on implications for Auckland Council funding and planning, and urban growth in Auckland more broadly.

57. The new section 186(4)(h) (Clause 16) of the LTA specifies: “identify those fees and charges that are to be treated as land transport revenue for the purposes of the Land Transport Management Act 2003.”
58. The legislative changes will affect the nature and scale of payments of track-user charges, and create ambiguity whether charges paid by Auckland Transport to KiwiRail will in future, irrespective of preservation of other aspects of the ANAA, be paid into the NLTF instead. If track-user charges levied on Auckland Transport are no longer paid to KiwiRail in accordance with the provisions of the ANAA and are paid instead into the NLTF, the ANAA loses effectiveness as a tool to ensure KiwiRail accountability.

59. Auckland Council and Auckland Transport have been excluded from discussions regarding potential restructuring of KiwiRail to avoid or mitigate risks of conflicts-of-interest and the perverse outcomes that are articulated above. The Ministry of Transport’s impact summary refers to consultation with Auckland Council and Auckland Transport during development of the reform proposals, but does not articulate these risks in the sections of the document “What do stakeholders think about the problem and the proposed solution?” or the section “How will the new arrangements be given effect?”

60. Instead, Table 3 (page 22), defines implications of change for Auckland Transport to be minimal and that “current arrangements will be largely unchanged.”

E. Relative merits of full integration option

**Recommendation:** That legislation is amended reflecting a full integration option, delivering on the intent of reform and allowing for the existing Auckland Network Access Agreement to be preserved.

61. The Bill reflects the preferences of KiwiRail’s shareholding Ministers and favourable multicriteria assessment of the Ministry of Transport for a partial integration of rail and road planning and funding processes. According to the impact summary document, full integration also has merit and is therefore not precluded in the future. The findings of the Ministry’s assessment are based on assumed benefits of Ministers’ decision-making powers and more opportunity for production of an integrated, nationally-focused RNIP.
62. Full integration would be simpler and mitigate a range of issues associated with partial integration: Particularly, the development of the RLTP and the RNIP would be synchronised, and the independent decision-making role of NZTA would apply to rail as it does road transport. All land transport projects could then be assessed on their relative merits. Demands on the national network are driven by the economic activity generated in New Zealand’s biggest cities-Auckland and Wellington-meaning the national rail picture should reflect their investment requirements.

63. The Minister of Transport would still be able to apportion funding to the applicable activity class in the NLTTF via provisions of the GPS. This would help to address issues with the current state of underinvestment in the national rail network.

64. Significantly, the full integration option should be developed to preserve the existing ANAA; particularly, the mechanisms it provides ensuring KiwiRail meets its obligations under the agreement.

F. Summary of critical issues for Auckland Council

Recommendation: That the legislation is amended reflecting a full integration option; however, should the partial integration option be adopted, that the legislation is modified to address Auckland Council’s concerns

65. Auckland Council’s recommendation is that legislation be drafted consistent with the full integration option. Alternatively, should the legislative changes included in the current Bill be broadly retained, Auckland Council requests that:

- The legislation defines the pathway for resolving any misalignments between the RLTP and the RNIP
- The RNIP be subject to review and endorsement by Auckland Council, Auckland Transport and Greater Wellington Regional Council
- KiwiRail be allocated voting rights on the RTC
- KiwiRail be required to consult with Auckland Council, Auckland Transport and Greater Wellington Regional Council should changes be proposed to the RNIP during its period of currency and that stakeholders’ advice be presented
to the Minister of Transport for consideration during decision-making prior to the finalisation of the RNIP

- The ANAA be preserved; particularly, the mechanisms it provides ensuring KiwiRail meets its obligations under the agreement.
Land Transport (Rail) Legislation Bill

Government Bill

Explanatory note

General policy statement
The Land Transport (Rail) Legislation Bill (the Bill) is an omnibus Bill introduced under Standing Order 263(a). That Standing Order provides that an omnibus Bill to amend more than 1 Act may be introduced if the amendments deal with an interrelated topic that can be regarded as implementing a single broad policy.

Objective
The objective of the Bill is to implement a new planning and funding framework for the heavy rail track network (the rail network) owned by KiwiRail. This new framework involves bringing planning and funding of the rail network under the land transport planning and funding regime set by the Land Transport Management Act 2003 (the LTMA).

Approach

Part 1: new planning and funding framework for heavy rail under LTMA
Part 1 of the Bill will bring planning and funding of the rail network under the land transport planning and funding regime set up in the LTMA. The LTMA currently deals with the planning and funding of public transport, state highways, road policing, and local roads.

The existing planning and funding framework for the rail network creates uncertainty for the rail business as a result of annual budget processes, and separates road and rail network investment decisions. This has resulted in a short-term focus rather than a long-term strategic planning focus for the rail network, an inability to consider road
and rail investment together, and the absence of an integrated and co-ordinated land
transport investment programme.

Under the proposed rail planning and funding framework, funding for the rail net-
work will be channelled through the national land transport fund. A statutory rail net-
work investment programme (an RNIP) will be established, which the Minister of
Transport will need to approve in consultation with KiwiRail’s shareholding Minis-
ters. This will allow the rail network to be funded from the national land transport
fund.

To promote integration of rail network investment and other land transport invest-
ment, the New Zealand Transport Agency (NZTA) will advise the Minister of Trans-
port on how the RNIP fits with the overall land transport investment programme
under the LTMA. This advice will be given as part of the RNIP approval processes.
KiwiRail will be responsible for providing rail activities funded from the national
land transport fund.

**Part 2: charges for use of rail network in Land Transport Act 1998**

Changes will also ensure track users can contribute to the costs of the rail network in
a fair and transparent way. A minor amendment to the Land Transport Act 1998 will
allow fees and charges established by regulations under Part 11 of that Act to become
land transport revenue. This change will allow track user charges, set by regulation to
recover rail network costs from track users, to be paid into the national land transport
fund. A consequential amendment to the Legislation Act 2012 is required to ensure
any regulations that are made for this purpose will be classified as confirmable instru-
m ents under that Act.

**Departmental disclosure statement**

The Ministry of Transport is required to prepare a disclosure statement to assist with
the scrutiny of this Bill. The disclosure statement provides access to information
about the policy development of the Bill and identifies any significant or unusual
legislative features of the Bill.

A copy of the statement can be found at http://legislation.govt.nz/disclosure.aspx?
type=bill&subtype=government&year=2019&no=191

**Regulatory impact assessment**

The Ministry of Transport produced a regulatory impact assessment on 21 August
2019 to help inform the main policy decisions taken by the Government relating to
the contents of this Bill.

A copy of this regulatory impact assessment can be found at—

- https://www.transport.govt.nz/about/governance/ris-bccs/
Clause by clause analysis

Clause 1 is the Title clause.

Clause 2 provides that the Bill, once passed, will take effect on 1 July 2020.

Part 1

Amendments to Land Transport Management Act 2003

Clause 3 provides that Part 1 amends the Land Transport Management Act 2003.

Clause 4 amends section 5 of the LTMA to insert new definitions relevant to new sections 22A to 22G (inserted by clause 11) and to amend the definition of regional transport committee as it relates to Auckland (for the purposes of the amendments in clause 13). A definition of region is also inserted.

Clause 5 inserts new section 5A into the LTMA to define the term rail activity. The definition may be extended or limited by regulations.

Clause 6 amends paragraph (c) of the definition of land transport revenue in section 6 of the LTMA to include an express reference to Part 11 of the Land Transport Act 1998. This amendment relates to the amendment in clause 16. The amendment to paragraph (c) also removes a reference to the Transport (Vehicle and Driver Registration and Licensing) Act 1986. That Act was repealed in 2011.

Clause 7 makes 2 amendments to section 9 of the LTMA. The first authorises the Crown to utilise land transport revenue to fund rail activities or combinations of rail activities approved by the Minister under new section 22E (inserted by clause 11). The second amendment clarifies that the Crown, when utilising money from that fund, may apply that money to land transport investment-related strategy and policy activities by the insertion of new paragraph (iva) in subsection 9(2)(b).

Clause 8 amends section 10 of the LTMA to authorise the national land transport fund to be used to pay for rail activities or combinations of rail activities approved by the Minister under new section 22E.

Clause 9 amends section 16 of the LTMA, which relates to the form and content of regional land transport plans. The amendment requires the plans for the Auckland and Wellington regions (and any other region that the Minister so requires under new section 10Aa (inserted by clause 14)) to include a list of rail activities that have significance for the region and that are included in the current rail network investment programme or that KiwiRail intends to propose be included in the programme immediately after that (see new section 22A in clause 11).

Clause 10 amends section 19C of the LTMA, which sets out the matters that must be included in a national land transport programme. The amendment requires a programme to also include rail activities or combinations of rail activities that have funding approval under new section 22E.

Clause 11 inserts 7 new provisions into the LTMA, new sections 22A to 22G, which relate to the planning and funding of certain rail activities provided by or on behalf of KiwiRail. New section 22A requires KiwiRail to prepare a programme of activities
(the rail network investment programme) for which it seeks funding from the national land transport fund. The Minister may approve the programme under new section 22B, but only after having consulted KiwiRail’s shareholding Ministers and receiving advice from the New Zealand Transport Agency (NZTA) (defined in the LTMA as the Agency). Once a programme is approved, the rail activities or combinations of activities in the programme are then eligible for funding under new section 22E if the Minister approves their funding (and, again, provided the Minister has consulted KiwiRail’s shareholding Ministers and received advice from NZTA). New section 22G requires KiwiRail to apply a particular procurement procedure to activities funded in this manner.

New section 22E also authorises the Minister to approve funding of urgent or emergency rail activities without following the usual planning and funding framework.

Clause 12 inserts new section 102A into the LTMA, which confers a new monitoring duty on NZTA in relation to the delivery of rail activities approved by the Minister under the new framework (and a corresponding duty on KiwiRail to provide sufficient relevant information so that NZTA can properly fulfil this new obligation).

Clause 13 amends section 105 of the LTMA, which relates to the establishment of regional transport committees. The section will now be subject to the requirements in new section 105A.

Clause 14 inserts new section 105A into the LTMA and requires an additional member to be appointed to certain regional transport committees. The requirement applies to the committees for Auckland and the Wellington region and any other regional committee that the Minister names, by notice in the Gazette. The additional member must be appointed by KiwiRail, but the member has no voting rights and must not preside at any meeting of the committee.

Part 2

Amendments to other legislation

Clause 15 provides that clauses 16 and 17 amend the Land Transport Act 1998 (the LTA).

Clause 16 amends section 168 of the LTA, which empowers regulations to be made under the LTA in relation to fees and charges for land transport. The amendment adds to the scope of the regulation-making power to provide that regulations may identify those fees and charges that are to be treated as land transport revenue for the purposes of the LTMA.

Clause 17 inserts new section 168AA into the LTA and imposes procedural requirements on an Order in Council making regulations that prescribe fees or charges that are to be treated as land transport revenue for the purposes of the LTMA, including that the order is a confirmable instrument under section 47B of the Legislation Act 2012.

Clause 18 amends the Legislation Act 2012 to insert a reference to the confirmable instrument provision inserted by clause 17.
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The Parliament of New Zealand enacts as follows:

1 Title
This Act is the Land Transport (Rail) Legislation Act 2019.

2 Commencement
This Act comes into force on 1 July 2020.

Part 1
Amendments to Land Transport Management Act 2003

3 Amendments to Land Transport Management Act 2003
This Part amends the Land Transport Management Act 2003.

4 Section 5 amended (Interpretation) 10
(1) In section 5(1), insert in their appropriate alphabetical order:
KiwiRail means KiwiRail Holdings Limited or any subsidiary of, or successor to, that company

rail activity has the meaning set out in section 5A

rail network investment programme means a rail network investment programme—

(a) prepared by KiwiRail under section 22A; and

(b) approved by the Minister under section 22B (and section 22D, if any variations are included)

region has the same meaning as in section 5(1) of the Local Government Act 2002

shareholding Ministers has the same meaning as in section 2 of the State-Owned Enterprises Act 1986

(2) In section 5(1), definition of regional transport committee, paragraph (b)(i), after “Transport”, insert “(and the person required by section 105A)”.

(3) In section 5(1), definition of regional transport committee, paragraph (b)(ii), after “member”, insert “(and the person or persons required by section 105A)”.

5 New section 5A inserted (Meaning of rail activity)

After section 5, insert:

5A Meaning of rail activity

(1) In this Act, unless the context otherwise requires, rail activity—

(a) means—

(i) any activity provided by KiwiRail (whether itself or on its behalf) that relates to railway infrastructure, railway premises, or rail maintenance vehicles (whether or not self-propelled); and

(ii) any combinations of activities described in subparagraph (i), and

(iii) any activity or combinations of activities specified as a rail activity in regulations made under subsection (3); but

(b) excludes any activity or combinations of activities specified as not a rail activity in regulations made under subsection (3).

(2) For the purposes of subsection (1), railway infrastructure and railway premises have the meanings given in section 4(1) of the Railways Act 2005.

(3) The Governor-General may, by Order in Council made on the recommendation of the Minister, make regulations for the purposes of subsection (1)(a)(iii) and (b).
6 Section 6 amended (Meaning of land transport revenue)
In section 6(c), replace “Part 1 of the Transport (Vehicle and Driver Registration and Licensing) Act 1986” with “Part 11”.

7 Section 9 amended (The Crown’s authority to incur certain land transport expenses and capital expenditure)
(1) After section 9(2)(a), insert:
(aa) rail activities or combinations of rail activities up to the amount approved by the Minister under section 22E:

(2) After section 9(2)(b)(iv), insert:
(i) land transport investment-related strategy and policy activities:

8 Section 10 amended (National land transport fund)
After section 10(3)(a), insert:
(aa) rail activities or combinations of rail activities approved under section 22E:

9 Section 16 amended (Form and content of regional land transport plans)
(1) After section 16(5)(g), insert:
(ga) in the case of the plan for Auckland, a list of rail activities that have significance for Auckland and that are included in the current rail network investment programme or that KiwiRail intends to propose be included in the programme immediately after that; and

(gb) in the case of the plan for the Wellington region (or any other region whose transport regional committee is named in a notice under section 105A), a list of rail activities that have significance for the region and that are included in the current rail network investment programme or that KiwiRail intends to propose be included in the programme immediately after that; and

(2) After section 16(6), insert:
(6A) The matters included in a regional land transport plan under subsection (6)(ga) or (gb) are for the purposes of co-ordinated planning and do not limit or affect the process by which any rail activities or combinations of rail activities may be included or excluded, as the case may be, from a rail network investment programme and its funding processes.

10 Section 19C amended (Content of national land transport programme)
After section 19C(c), insert:
(ea) rail activities or combinations of rail activities approved under section 22E; and
11 New sections 22A to 22G and cross-heading inserted  
After section 22, insert:

<table>
<thead>
<tr>
<th>Rail network investment programme</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>22A KiwiRail must prepare rail network investment programme</strong></td>
</tr>
<tr>
<td>(1) Every 3 financial years, KiwiRail must prepare a rail network investment programme for the following 3 financial years.</td>
</tr>
<tr>
<td>(2) Each programme must set out KiwiRail’s recommendations for the rail activities or combinations of rail activities—</td>
</tr>
<tr>
<td>(a) to be provided by KiwiRail (whether itself or on its behalf); and</td>
</tr>
<tr>
<td>(b) to be funded or partially funded by the national land transport fund in accordance with section 10(3)(aa).</td>
</tr>
<tr>
<td>(3) Each programme must—</td>
</tr>
<tr>
<td>(a) be prepared by a date set by the Minister; and</td>
</tr>
<tr>
<td>(b) include sufficient information to allow the Agency to give advice to the Minister on the matters set out in section 22C; and</td>
</tr>
<tr>
<td>(c) include any other information that the Minister requires KiwiRail to provide.</td>
</tr>
<tr>
<td>(4) Despite subsection (3)(a), KiwiRail must prepare the first rail network investment programme by 1 July 2021.</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Minister must decide whether to approve rail network investment programme</th>
</tr>
</thead>
<tbody>
<tr>
<td>(1) The Minister must decide whether to approve (or not approve) each rail network investment programme prepared by KiwiRail under section 22A.</td>
</tr>
<tr>
<td>(2) The Minister must make reasonable efforts to decide whether to approve a programme by the beginning of the first financial year to which the programme relates.</td>
</tr>
<tr>
<td>(3) The Minister must not approve a programme unless the Minister has first—</td>
</tr>
<tr>
<td>(a) consulted KiwiRail’s shareholding Ministers; and</td>
</tr>
<tr>
<td>(b) considered the Agency’s advice given under section 22C.</td>
</tr>
<tr>
<td>(4) The Minister may at any time refer a programme back to KiwiRail with a request that KiwiRail reconsider 1 or more aspects of it.</td>
</tr>
<tr>
<td>(5) <strong>Subsection (6) applies if the Minister refers a programme back under subsection (4) and KiwiRail submits a revised programme after the Minister has completed the requirements of subsection (3).</strong></td>
</tr>
<tr>
<td>(6) The Minister must repeat the requirements of subsection (3) unless the Minister considers that the revisions are not significant (or the Minister does not intend to approve the revised programme).</td>
</tr>
</tbody>
</table>
Part 1 cl 11  Land Transport (Rail) Legislation Bill

(7) The Minister must notify the shareholding Ministers, the Ministry, the Agency, and KiwiRail of whether a programme has been approved.

(8) A programme approved under this section is to be treated as if it were approved before the start of the first financial year to which it applies.

22C  Agency must advise on rail network investment programme

(1) The Agency must give advice to the Minister for the purposes of section 22B(3)(b) on the following matters:

(a) whether the rail network investment programme contributes to the purpose of this Act and is consistent with the GPS on land transport:

(b) whether the Agency is satisfied that the programme includes the following information:

(i) a recommendation on the total amount of the contribution to be made from the national land transport fund under section 10(3)(aa):

(ii) a statement of the specific rail activities or combinations of rail activities to be funded or partially funded using that contribution:

(iii) a statement of the revenue (if any) KiwiRail expects to receive in relation to the activities other than from the fund:

(iv) a financial forecast, for the 10-year period starting from the date on which the programme takes effect, of anticipated revenue and expenditure in relation to the activities:

(c) whether the Agency considers KiwiRail has provided the information that the Minister has required under section 22A(3)(c) (if any):

(d) whether, based on the matters set out in paragraphs (a) to (c), and any other matter the Agency thinks relevant, the Agency considers that the Minister should approve the programme.

(2) The Agency’s advice must be provided by a date set by the Minister.

22D  Rail network investment programme may be varied during its currency

(1) KiwiRail may prepare a variation to a rail network investment programme for approval during its currency.

(2) For that purpose, the process for approval set out in section 22B must be followed, and that section and section 22C apply as far as they are relevant and with any necessary modification.

(3) Subsection (2) applies unless the Minister considers the variation is not significant, in which case the Minister must simply approve (or not approve) the variation.
22E Minister may approve funding of rail network investment programme activities

(1) The Minister may approve a rail activity or combinations of rail activities to be funded or partially funded by the national land transport fund.

(2) The Minister must not approve the funding of an activity or combinations of activities unless—

(a) the activity or combinations of activities are included in—
   (i) the current rail network investment programme; or
   (ii) any programme being considered for approval under section 22A (and as a parallel process to that approval); and

(b) the Minister has first—
   (i) considered the Agency’s advice given under section 22F; and
   (ii) consulted KiwiRail’s shareholding Ministers.

(3) The Minister may approve a rail activity or combinations of rail activities for funding under subsection (1) without satisfying the requirements of subsection (2) if—

(a) either or both of the following apply:
   (i) the activity or activities are in the urgent interests of public safety;
   (ii) the activity or activities are necessary to immediately or temporarily repair damage caused by a sudden and unexpected event; and

(b) the activity or activities will be provided by KiwiRail (whether itself or on its behalf); and

(c) before making a decision, the Minister has sought advice from the Agency on whether it considers that the Minister should approve the funding.

(4) The Minister must notify the shareholding Ministers, the Ministry, the Agency, and KiwiRail of all activities that, under this section, the Minister—

(a) approves to be funded or partially funded; or

(b) does not approve to be funded or partially funded.

22F Agency must advise on rail activities to be funded

(1) The Agency must give advice to the Minister for the purposes of section 22E(2)(b)(i) on the following matters:

(a) whether the rail activity or combinations of rail activities are included in the current rail network investment programme or a programme being considered for approval under section 22A;

(b) whether the activity or combinations of activities take into account—
   (i) any relevant regional land transport plan; and
<table>
<thead>
<tr>
<th>Part 1 cl 12</th>
<th>Land Transport (Rail) Legislation Bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>(ii) any national energy efficiency and conservation strategy; and</td>
<td>5</td>
</tr>
<tr>
<td>(iii) any relevant national policy statements or regional policy statements for the time being in force under the Resource Management Act 1991:</td>
<td>10</td>
</tr>
<tr>
<td>(c) whether the activity or combinations of activities will contribute to the purpose of this Act and are consistent with the GPS on land transport:</td>
<td>15</td>
</tr>
<tr>
<td>(d) whether the activity or combinations of activities are efficient and effective:</td>
<td></td>
</tr>
<tr>
<td>(e) whether the maximum level of expenditure for the activity or combinations of activities will exceed the maximum level of expenditure for the rail network investment programme as outlined in the GPS on land transport for the financial year concerned:</td>
<td></td>
</tr>
<tr>
<td>(f) whether, based on the matters set out in paragraphs (a) to (e), and any other matter the Agency thinks relevant, the Agency considers that the Minister should approve the funding of the activity or combinations of activities.</td>
<td></td>
</tr>
<tr>
<td>(2) If the advice relates to activities or combinations of activities included in a programme being considered for approval under section 22A, the Agency must also give advice on whether there is reference to the activities or combinations of activities in the statement required by section 22C(1)(b)(ii).</td>
<td>20</td>
</tr>
<tr>
<td>(3) The Agency must develop, and make it available on its Internet site, 1 or more assessment methods to use when giving advice in relation to the matters set out in subsection (1)(c) and (d).</td>
<td></td>
</tr>
<tr>
<td>22G KiwiRail must use specified procurement procedure for delivering certain activities</td>
<td>25</td>
</tr>
<tr>
<td>(1) KiwiRail must approve 1 or more procurement procedures that will apply to the delivery of rail activities and combinations of rail activities funded under section 10(3)(aa).</td>
<td></td>
</tr>
<tr>
<td>(2) The procedures must—</td>
<td>30</td>
</tr>
<tr>
<td>(a) be designed to obtain the best value for the money funded under that section; and</td>
<td></td>
</tr>
<tr>
<td>(b) be consistent with current all-of-government procurement practices to the extent that they are applicable to the matter.</td>
<td></td>
</tr>
<tr>
<td>(3) KiwiRail must consult the Agency before approving the procedures.</td>
<td></td>
</tr>
<tr>
<td>(4) KiwiRail and the Agency must each publish the procurement procedures on their Internet sites.</td>
<td></td>
</tr>
</tbody>
</table>

12 New section 102A inserted (Monitoring and reporting on rail activities approved under section 22E)
After section 102, insert:
102A Monitoring and reporting on rail activities approved under section 22E

(1) The Agency must—
(a) monitor the provision of rail activities or combinations of rail activities approved by the Minister under section 22E, and
(b) report on its findings to the Minister.

(2) For that purpose, KiwiRail must, when reasonably requested to do so, provide the Agency with sufficient relevant information for the Agency to fulfil those obligations.

13 Section 105 amended (Regional transport committees)

After section 105(15), insert:

(16) This section is subject to the requirements of extra membership in section 105A.

14 New section 105A inserted (KiwiRail representation on regional transport committees)

After section 105, insert:

105A KiwiRail representation on regional transport committees

(1) In this section, regional transport committee means—
(a) the regional transport committee for the Wellington region established under section 105 (or a joint committee established under that section that includes members for the Wellington region); and
(b) the regional transport committee for Auckland (as that committee is defined in section 5(1)); and
(c) a regional transport committee to which subsection (5) applies.

(2) A regional transport committee must include 1 further member to represent KiwiRail (the KiwiRail member).

(3) The KiwiRail member must be appointed by KiwiRail.

(4) The KiwiRail member has no voting rights at any meeting of the committee and must not be appointed as the chairperson or deputy chairperson (or by any other process preside at any meeting).

(5) The Minister may, by notice in the Gazette, name any other regional transport committee, or the joint regional committee to which that regional transport committee belongs, as a regional transport committee for the purposes of this section, but only if the Minister considers that the consequence of doing so will contribute to the purpose of this Act.
Part 2
Amendments to other legislation

15 Amendments to Land Transport Act 1998

Sections 16 and 17 amend the Land Transport Act 1998.

16 Section 168 amended (Regulations relating to fees and charges for land transport)

After section 168(4)(g), insert:

(h) identify those fees and charges that are to be treated as land transport revenue for the purposes of the Land Transport Management Act 2003.

17 New section 168AA inserted (Certain orders are confirmable instruments)

After section 168, insert:

168AA Certain orders are confirmable instruments

(1) This section applies to regulations made by Order in Council under section 167(1)(j) that prescribe fees or charges to be treated as land transport revenue for the purposes of the Land Transport Management Act 2003.

(2) The explanatory note of the Order in Council must indicate that—

(a) it is a confirmable instrument under section 47B of the Legislation Act 2012; and

(b) it is revoked at a time stated in the note, unless earlier confirmed by an Act of Parliament; and

(c) the stated time is the applicable deadline under section 47C(1)(a) or (b) of that Act.

18 Amendment to Legislation Act 2012

(1) This section amends the Legislation Act 2012.

(2) In Schedule 2, insert in its appropriate alphabetical order:

<table>
<thead>
<tr>
<th>Land Transport Act 1998</th>
<th>167(1)(j)—restriction only if the regulations prescribe fees and charges that are to be treated as land transport revenue for the purposes of the Land Transport Management Act 2003</th>
</tr>
</thead>
</table>

10
Impact Summary: New Planning and Funding Framework for Rail in New Zealand

Section 1: General information

<table>
<thead>
<tr>
<th>Purpose</th>
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<tbody>
<tr>
<td>Rail in New Zealand</td>
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</tbody>
</table>

Rail plays a significant role in New Zealand’s transport system and offers congestion, safety and emissions benefits over other modes, as well as providing a lower cost option for freight services. An Ernst & Young (EY) report into the Value of Rail estimated rail’s value to the New Zealand economy at $1.5 billion each year.¹

KiwiRail is an integrated network and services business. Its business involves the following main segments:

- above rail assets, which include freight, tourist and ferry services and associated locomotives, wagons and ferries
- below rail assets, being the rail network, which includes tracks, bridges, tunnels, overhead electrical infrastructure, train signal systems, and maintenance machinery and equipment
- management of 17,800 hectares of land on behalf of the New Zealand Railways Corporation (NZRC).

KiwiRail’s assets² comprise:

- 3,500 kilometres of track
- 1,364 bridges
- 243 locomotives
- 4,605 wagons
- 98 tunnels
- three Interislander ferries (two owned and one leased)
- 3,400 staff
- assets with a replacement value of $17.9 billion.

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¹ The EY assessment (2016) used an economic methodology, and determined that most of the benefits accrue in the ‘Golden Triangle’. It did not include regional economic opportunities, opportunity costs (e.g. not needing to invest in road due to rail), land value uplift, or intangible elements such as social inclusion.

² KiwiRail Annual Integrated Report 2018
Using these assets, KiwiRail moves around 18 million tonnes of freight per annum (around 16 percent of New Zealand’s total freight task (tonne-kms)) and enables 32 million commuter journeys.

Passenger rail plays a key role in transporting people in New Zealand’s largest cities. The metro passenger services are a key part of the transport systems in Auckland and Wellington (where these metro networks carry around 85,000 passengers per day), and provide significant co-benefits in congestion reduction and city-shaping. These services are projected to grow by around 27.5 percent by 2022.3

Rail also plays an important role in the tourism industry, linking the North and South Islands, and providing high-end experiences for tourists. While rail tourism is currently a smaller segment of KiwiRail’s business, it continues to grow at approximately 10 percent per year, bringing in $104 million in the 2017/18 financial year (an increase of 10 percent on the prior period).

The Cook Strait ferries provide essential services for freight and passengers crossing the Cook Strait, connecting the rail network and State Highway 1 between the North and South Islands.

The Government’s intentions for rail

When the Government took office in September 2017, it signalled a new vision for rail to give it a greater role within a mode-neutral system.4 This vision has culminated in a number of initiatives, including:

- a direction in the Government Policy Statement on land transport (GPS) to support funding for rail infrastructure
- funding support for regional rail through the Provincial Growth Fund (PGF).

The Government also signalled its intention to invest in rail for its wider benefits, including to defray externalities (such as congestion, safety, and economic disadvantages arising from distance) or to anchor growth.

The Crown will continue to make a contribution to the ongoing costs of the rail system to support the Government’s commitment to a reliable and resilient national rail network. Crown funding will still be required to achieve the Government’s objectives and to provide a platform for KiwiRail to grow as a commercial entity.

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4 Mode-neutrality means considering all transport modes when planning, regulating and funding transport, and basing decisions on delivering positive social, economic, and environmental outcomes. Mode-neutrality involves two important aspects: i) Making sure all modes and options are considered and evaluated to find the best system solution; and ii) Making users and decision-makers more aware of the benefits and costs of transport choices to incentivise robust decision-making and smart travel choices.
The Future of Rail Review

The Ministry of Transport (the Ministry) has led a significant review of heavy rail\(^5\) in New Zealand to support the Government’s vision for rail, called the Future of Rail Review. Heavy rail refers to the rail network and services (freight, tourism and commuter) operating on track and supporting infrastructure owned and operated by KiwiRail.

KiwiRail is the most significant entity in the rail sector. KiwiRail provides the rail network ("below rail"), as well as freight, passenger and interisland ferry services ("above rail"). The Crown owns KiwiRail as a state-owned enterprise (SOE). There are other rail operators that use KiwiRail’s network. These operators tend to be smaller scale operators, although there are large operators providing commuter rail services in the Auckland and Wellington metro areas.

The Review reports to a group of Ministers (joint Rail Ministers): Rt Hon Winston Peters – Minister of State Owned Enterprises, Hon Grant Robertson – Minister of Finance, Hon Phil Twyford – Minister of Transport, and Hon Shane Jones – Minister for Regional Development.

The Review’s Steering Group includes senior officials from the Ministry, the Treasury, the New Zealand Transport Agency (NZTA), and KiwiRail.

There are also two independent members and a representative from the Rail and Maritime Transport Union. Auckland Transport (AT) and Greater Wellington Regional Council (GWRC) have also given their views.

The Future of Rail Review has three main streams:

1. confirming investment levels needed to support a sustainable rail system and confirming rail’s purpose
2. establishing a new planning and funding framework for rail
3. [Redacted]

The Review delivered advice to Ministers throughout 2018. The advice has included:

- a purpose statement for rail:

  *Rail enables access and mobility, transporting people and goods to where they need to go, supporting productivity and business growth, reducing emissions, congestion and road deaths, and strengthening social and cultural connections between communities*

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\(^5\) Light rail is outside the scope of the Review and this paper. “Heavy rail” is referred to as “rail” throughout the rest of this Impact Statement.
• establishing the New Zealand Rail Plan with a 10-year horizon (the Rail Plan) to set out a range of matters including:
  o the Government’s longer-term strategic vision for rail
  o the planning and funding framework for rail
  o a 10-year programme of indicative investments for rail and benefits of that investment
  o roles and responsibilities of the entities involved
  o funding sources and principles for rail

• developing a new planning and funding framework for rail, which includes funding rail from:
  o the National Land Transport Fund (NLTF) for the rail network delivering transport benefits
  o the Crown for the rail network delivering wider benefits; for example, regional economic development
  o the Crown, KiwiRail revenue and financing for commercial rail services and assets, including rolling stock (locomotives and wagons) and ferries

• agreeing an indicative programme of investment and funding of rail that would:
  o renew rail network infrastructure, rolling stock and ferries
  o enable KiwiRail’s commercial business units to operate as such.

Recent Cabinet decisions

On 22 May 2019, the Cabinet Economic Development Committee noted:

• the Future of Rail Review recommended a new planning and funding framework for rail, which will see investments in road and rail being taken on a more mode-neutral basis
• a paper will be submitted to Cabinet in June 2019 outlining the implementation arrangements of the new planning and funding framework for rail [DEV-MIN-0123 refers].

Scope of analysis in this Impact Summary

The analysis in this Impact Summary concerns the planning and funding framework for rail, in particular, for the rail network. Rail is currently planned and funded under the State-Owned Enterprises Act 1986 (SOE Act) as KiwiRail is a SOE.

The analysis considers whether rail should be planned and funded under the Land Transport Management Act 2003 (LTMA). The LTMA establishes the planning and funding framework for land transport infrastructure and public transport services.

The rail network can be planned and funded under the LTMA. However, previous governments have chosen not to. This practice may be based on the perception associated with using funding gathered from road users being used to support its competition - a step beyond the current situation where road user funds are used to support Metro rail services to ‘free up capacity’ on the road network.
There are also some technical and operational issues regarding KiwiRail becoming an approved organisation and receiving funding through existing LTMA processes. Maintaining the rail network, while minimising disruption to freight and commuters, and keeping everyone safe, requires a level of in-house specialist skill and expertise. However, the LTMA requires almost all delivery to be outsourced and this aspect would need to be changed to accommodate rail practice.

In addition, requiring KiwiRail, as the provider of a national strategic network, to be involved in individual regional planning processes would be an unnecessary increase in resources and cost.

**The Ministry of Transport is solely responsible for this Regulatory Impact Analysis**

The Ministry is solely responsible for the analysis and advice set out in this Regulatory Impact Analysis (RIA), except as otherwise explicitly indicated. This analysis and advice have been produced for the purpose of informing policy decisions to be taken by Cabinet on a proposed amendment to the LTMA.

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**Key Limitations or Constraints on Analysis**

**Costs**

The extra costs of implementing the proposed planning regime are estimated to be low (in the range of $1 million to $2 million per annum). However, final costs can only be confirmed during the transition to the new framework. In addition, there will be some redistribution of costs between the Treasury, which will remain responsible for monitoring KiwiRail’s commercial operations from a shareholder perspective, and the NZTA, which will have a role in monitoring investment in the rail network.

**Benefits**

While longer-term planning, funding certainty, and more integrated road and rail network funding decisions are likely to yield benefits over time, they are difficult to estimate. This estimate may, for example, depend on the specific investment decisions taken in the future.
Erin Wynne
Director, Rail Transformation
Strategy and Investment
Ministry of Transport
21 August 2019
Section 2: Problem definition and objectives

2.1 What is the policy problem or opportunity?

Rail in a state of managed decline with short-term planning and funding

Rail is constrained by operational and resilience issues, access to supply chains, and infrastructure quality. This means only part of the freight task is truly contestable between modes.

Rail needs to operate reliably and with long-term funding certainty to compete with other modes, enabling long-term relationships with its customers. It needs infrastructure and assets that meet the requirements of its customers. The ongoing gradual decline of its infrastructure and assets adversely affects its market share. Rail has been experiencing a decline in its share of the freight market over the past 3-5 years and, in the South Island, is unlikely to recover following the Kaikoura earthquake in 2016.

A number of current policy settings prevent rail from meeting its potential. The key issue is the way that rail is funded, planned and integrated into the transport system.

There has not been enough investment in the rail network to maintain levels of service.

One of the reasons for this under-investment is that the network does not generate sufficient revenue from its users to cover its full network costs, especially network renewals for the entire national network. Rail network infrastructure has operated at a deferred level of service over the past eight years, which has resulted in the deterioration of the rail network (track and supporting assets) and an inability to address legacy issues in a timely manner, such as replacement of timber bridge components.

The historical under-investment in rail has left the rail network in a state of ‘managed decline’. For example:

- there is a backlog of sleeper renewals (one million main-line sleepers out of six million are beyond their preferred maximum age)
- the automatic signalling system on the Midland Line (South Island) is beyond its preferred maximum age, which affects its reliability and makes it expensive to maintain
- thirty percent of KiwiRail’s rail bridges are timber, and tend to be very old, with speed restrictions used to mitigate poor condition.

‘Managed decline’ hampers future commercial above rail operations and prevents rail from contributing to wider government goals, such as reducing emissions.

The majority of government funding provided to KiwiRail is through the annual budget process, with the Treasury acting as the main monitoring agency for advising relevant Ministers on funding.

This arrangement reflects the SCE model that is in place for the rail network. Under this arrangement, the Crown faces the same decisions each year on the level of financial commitment required for rail. This process is inefficient and results in KiwiRail only having funding certainty for a one- or two-year window. This leads to a short-term approach, higher costs in the longer term, and contributes to the current model of ‘managed decline’ for rail.
This short-term approach to funding reduces investment efficiency for a long-term network asset. Further, KiwiRail’s current lack of overall profitability makes it difficult to monitor KiwiRail within its commercial monitoring regime, which also does not take account of the wider public benefits of the national rail network.

In Budget 2019, Cabinet agreed to a first instalment of funding to maintain and renew the network to allow KiwiRail’s commercial activities to grow and the wider benefits of rail to be realised.

Road and rail investment decisions not well aligned

Road and rail network decisions are not well integrated. Decision-making for road and rail takes place in different investment frameworks:

- Rail network investment decisions are made on a commercial basis, with planning and funding for the rail network taking place under the SOE Act.
- Road network investment decisions are subject to social cost benefit analysis and multi-criteria analysis, with planning and funding for the road network taking place under the LTMA.
- Further, the NZTA, which makes rail network investment decisions, does not have responsibility for allocating rail network funding, meaning that road investments can be favoured even where a rail project may be a better investment if it were assessed under the NZTA’s criteria.

The lack of coordination between road and rail network investments has been a long-standing concern in New Zealand. This has limited the ability to look at rail and other modes together, when considering investment options, based on a consistent set of transport objectives.

The LTMA framework is permissive and can enable rail network funding. However, successive governments have chosen not to directly provide rail network funding to KiwiRail through the NLTF.

Investment in the rail network has been made from KiwiRail revenue, shareholder capital injections and direct Crown appropriations.

KiwiRail has indirectly received rail network funding from the NLTF, through regional councils and their investment in commuter rail services.\(^7\)

In its recent 2018 report on transitioning to a low-emissions economy, the Productivity Commission noted:

\(^7\) New Zealand’s current transport investment system is biased towards investment in road. An efficient transition to a low-emissions transport future requires an investment system that is:

- better integrated across modes;
- more flexible, with greater competition for funding across different transport modes and activities, and greater autonomy for councils;

\(^7\) Regional councils are charged by KiwiRail for the network costs incurred by metro passenger services in their regions.
• mode-neutral, by removing distortions and biases that favour particular modes or activities, and fully accounting for the social, economic and environmental costs and benefits.8"
### 2.2 Who is affected and how?

Table 1 sets out the organisations affected by the problem described in Section 2.

#### Table 1: Main affected organisations

<table>
<thead>
<tr>
<th>Categories</th>
<th>Organisations</th>
<th>Current role</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rail Owners and Funders</td>
<td>KiwiRail</td>
<td>Rail network owner, which is responsible for:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• planning, delivering and managing the rail network,</td>
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<td></td>
<td></td>
<td>• delivering commercial freight and tourism services,</td>
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<td></td>
<td></td>
<td>• which use the rail network, including Interisland ferry services.</td>
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<tr>
<td></td>
<td>The Treasury</td>
<td>Central government agency responsible for:</td>
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<td></td>
<td>• monitoring the Crown’s ownership interest in KiwiRail and providing</td>
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<td></td>
<td></td>
<td>• commercial advice to KiwiRail’s shareholding Ministers, which include any</td>
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<td></td>
<td></td>
<td>• funding requests</td>
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<td></td>
<td></td>
<td>• providing economic and financial policy advice to the Government.</td>
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<tr>
<td></td>
<td>NZTA</td>
<td>Crown agency responsible for:</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• determining which activities are funded from the NLTF</td>
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<td></td>
<td></td>
<td>• through assembling the National Land Transport Programme and individual</td>
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<td>• funding decisions</td>
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<td></td>
<td>• regulating rail safety</td>
</tr>
<tr>
<td></td>
<td>Auckland Transport/Greater Wellington Regional Council (metro commuter services)</td>
<td>Local government agencies responsible for planning, co-</td>
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<tr>
<td></td>
<td></td>
<td>• funding, delivering and managing public transport services in the</td>
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<tr>
<td></td>
<td></td>
<td>• Auckland and Wellington regions, including metro rail</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• passenger services</td>
</tr>
<tr>
<td>Freight customers</td>
<td>Freight</td>
<td>Utilise KiwiRail and road freight services.</td>
</tr>
<tr>
<td>Ports</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Road users</td>
<td></td>
<td>Utilise roads and fund the NLTF.</td>
</tr>
</tbody>
</table>

#### 2.3 Are there any constraints on the scope for decision-making?

Joint Rail Ministers have a preferred option for the Future of Rail planning and funding framework. Confidential

Section 3.1 of this Impact Summary discusses this preferred option, along with other options.
Section 3: Options identification

3.1 What options have been considered?

Policy objective

The Government’s vision for rail is:

Rail enables access and mobility, transporting people and goods to where they need to go, supporting productivity and business growth, reducing emissions, congestion and road deaths, and strengthening social and cultural connections between communities.

The overriding policy objective is that rail’s core infrastructure is strong and stable so that it can deliver the Government’s vision for rail by supporting the effective, sustainable and safe operation of the railway and meeting the needs of rail customers and users.

Assessment criteria

Options were considered against the following criteria:

1. Rail infrastructure investment decisions become more integrated with road investment decisions
2. Rail infrastructure funding is placed on a firmer footing, with funding decisions being made in the context of a long-term planning horizon
3. Decision-making rights are clearly and properly allocated
4. There is increased transparency around rail network funding, corresponding investments, and the outcomes sought for decision makers, users and the public
5. A competitive rail services market is supported
6. Cost is minimised, including administrative costs
7. The ease of implementation.

Options considered

The rail network needs strong stable core infrastructure and catch-up investment to ensure that it can continue to meet the needs of its customers and users, and to support mode shift and the delivery of the wider benefits the Government seeks. This will also provide the platform for KiwiRail to grow as a commercial entity.

This growth can be achieved by better integrating rail into the LTMA. Four options were considered, including the status quo. These are described below:

Option 1: Status Quo – Planning decisions would continue to be made based on cooperation and informal relationships. KiwiRail’s funding would be provided from commercial revenue, Crown appropriations through the budget process, PGF and the NLF. There would be no changes to current reporting and monitoring arrangements.

Option 2: Soft Integration (non-regulatory approach) – This would involve making more funds available for the rail network through the LTMA / GPS framework (the framework), making KiwiRail an Approved Organisation and encouraging KiwiRail to apply for funding from the NLF on a case-by-case basis. KiwiRail could also be given non-commercial objectives to incentivise it to take account of the wider public benefits of the rail network.
There would need to be a minor legislative change to the LTMA to enable KiwiRail to receive funding from the NLTF for those activities it delivers using its own workforce. The current LTMA requires delivery of works, other than minor or ancillary works, to be outsourced. There are several operational and safety reasons supporting delivery of some activities by KiwiRail in-house.

KiwiRail already has procurement policies and processes in place, consistent with the government procurement requirements. Under all of the options considered, the Ministry recommends that KiwiRail confirm and make publicly available its procurement process after consultation with the NZTA.

Soft integration involves placing more weight on non-statutory arrangements to encourage complementary road and rail network decision-making and seeking multi-year funding appropriations to provide longer-term funding certainty. For example, the Government could issue a rail plan to provide direction and guidance to the rail sector. However, this approach would not result in sufficient certainty for rail planning and funding.

**Option 3: Partial Integration (preferred option agreed by joint Rail Ministers)** – The third option considered was partial integration into the LTMA framework. Under this option, rail network planning and funding would be specifically included in the LTMA planning and funding framework, but the Minister of Transport would retain decision-making rights over the quantum of funding and the programme of activities funded. KiwiRail would put together a statutory rail network investment programme (Rail Network Investment Programme), informed by the NZ Rail Plan. The Minister of Transport would accept or reject the Rail Network Investment Programme, or seek more information on it, after considering the NZTA’s recommendations.

Other land transport investment decisions, such as road investment decisions, would still fall under the NZTA Board. Under this option, Ministers would continue to exercise oversight of rail network investment decisions from the NLTF while rail is put on a sounder basis, and because rail is likely to remain under financial pressure for the medium term.

This is comparable with how New Zealand Police road safety activities are planned and funded through the NLTF. One difference, however, is that these road safety activities do not usually involve capital projects.

**Option 4: Full Integration** - The fourth option considered was full integration into the LTMA planning and funding framework. Full integration would see rail network planning and funding treated in the same way as road network funding.

KiwiRail would develop a proposed set of rail network activities that would need to be included in a Regional Land Transport Plan (RLTP) before they could be considered for funding. RLTPs provide a way for regions to determine which land transport activities they want to move forward and to prioritise these activities. RLTPs are assembled by Regional Transport Committees, which include the local authorities in a region as well as the NZTA. This would give local government a role in choosing rail projects.

The NZTA would then determine, under statutory independence, which rail network activities from each RLTP would be included in the NLTP. Once included in the NLTP, the NZTA would then need to make a separate decision on which of these activities were funded by applying the relevant statutory criteria.

The Minister of Transport would retain control over the quantum of funding through the GPS.
Figure 1 illustrates the two options that involve amending the LTMA planning and funding framework.

**Figure 1: LTMA road/rail integration options**

Multi criteria assessment

The assessment of each of the options is summarised in Table 2 below. The multi criteria analysis assesses each of the options against the assessment criteria discussed in this section.
### Table 2: Multi-criteria analysis - options to incorporate rail in the land transport planning and funding system

<table>
<thead>
<tr>
<th>Key for costs:</th>
<th>Negligible</th>
<th>Low ($3m or less p.a.)</th>
<th>Medium ($3.4 million p.a.)</th>
<th>High ($4m or more p.a.)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Key for other criteria:</td>
<td>X – doesn’t meet</td>
<td>X – partially meets</td>
<td>X – fully meets</td>
<td></td>
</tr>
</tbody>
</table>

**Status quo (Option 1)**
- Road and rail decisions are better integrated
- Rail infrastructure is planned over the medium to long-term and has greater funding certainty
- Decision-making rights and responsibilities are clearly allocated
- Transparency and accountability is increased
- A competitive rail services market is encouraged

**Assessment against criteria**
- X
- X
- X
- X
- ✓
- ✓
- ✓
- ✓

**Soft integration (Option 2)**
- Road and rail decisions are better integrated
- Rail infrastructure is planned over the medium to long-term and has greater funding certainty
- Decision-making rights and responsibilities are clearly allocated
- Transparency and accountability is increased
- A competitive rail services market is encouraged

**Assessment against criteria**
- X
- X
- ✓
- ✓
- ✓
- ✓
- ✓
- ✓

---

**Key characteristics:**
- Planning based on cooperation and informal relationships.
- KiwiRail funding provided from commercial revenue, Crown appropriations, PGF and the NLT.
- No changes to current reporting and monitoring arrangements.

**Road and rail decision-making remains separate (aside from urban passenger rail).**

- The LTMA for roads and the SOE Act for rail.
- KiwiRail retains final decision-making rights on commercial projects and infrastructure projects.
- As shareholders, Ministers retain decision-making rights for any equity investments into KiwiRail.
- Transparency and accounting arrangements remain unchanged.
- Current arrangements unchanged.

**Cost:** Low

**Ease of implementation:** No change.

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**Key characteristics:**
- Existing mechanisms, such as the GPs and Ministerial expectations' letters used to encourage better planning through more cooperation and the use of informal relationships.
- The proposed non-statutory 10-year New Zealand Rail Plan used to provide direction and guide longer-term planning.
- KiwiRail funding provided from commercial revenue, Crown appropriations, PGF and the NLT.

- Road and rail decision making remains separate (aside from urban passenger rail).
- The LTMA for road and the SOE Act for rail.
- KiwiRail retains final decision-making rights on commercial projects and infrastructure projects.
- NZTA has decision-making rights over any requests for funding for services and infrastructure from the NLT.
- As shareholders, Ministers retain decision-making rights for any equity investments in KiwiRail.
- Somewhat improves transparency of funding flow.
- Accountability improved, but effective monitoring likely to remain difficult because the current monitoring arrangements will continue. For example, there will be no statutory network investment programme with transparent funding.
- Increased transparency may help potential new entrants to decide whether they should provide new rail services.

**Cost:** Low

**Ease of implementation:** KiwiRail may need to change reporting arrangements, such as applying an accounting separation between its network functions and other functions.
### Item 8

#### Partial integration (Option 3)

<table>
<thead>
<tr>
<th>Road and rail decisions are better integrated</th>
<th>Rail infrastructure is planned over the medium to long term and has greater funding certainty</th>
<th>Decision-making rights and responsibilities are clearly allocated</th>
<th>Transparency and accountability is increased</th>
<th>A competitive rail services market is encouraged</th>
<th>Cost</th>
<th>Ease of implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td>The proposed non-statutory 10-year New Zealand Rail Plan used to provide direction and guide longer term planning.</td>
<td>Rail infrastructure funded through the NZTA, with the Minister of Transport determining the amount of funding into rail infrastructure through the NZTA.</td>
<td>New Zealand Rail development a Rail Network Investment Programme for the Minister of Transport’s approval consisting of rail network activities: The NZTA advises the Minister of Transport on the Rail Network Investment Programme.</td>
<td>KiwiRail makes decisions where its activities can be funded from its commercial revenues (expected to be largely in relation to above track services).</td>
<td>Shareholding Ministers make decisions where required to support commercial/ownership matters.</td>
<td>Increased transparency may help potential new entrants to decide whether they should provide new rail services.</td>
<td>Low</td>
</tr>
</tbody>
</table>

**Key characteristics:**
- The requirement for KiwiRail to provide a recommendation on KiwiRail’s statutory programme of rail investments would ensure that broader land transport investment decisions are taken into account.
- The Minister of Transport would be able to make trade-offs through the GPS between the sizes of the rail activity classes and other land transport activity classes, such as roads and public transport.
- Easier to take account of road user benefits being received from rail.

**Confidential**

| Assessment against criteria | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |

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<table>
<thead>
<tr>
<th>Planning Committee</th>
<th>04 February 2020</th>
</tr>
</thead>
</table>

**Auckland Council submission on the Land Transport (Rail) Legislation Bill**

**Attachment C**

**Item 8**

<table>
<thead>
<tr>
<th>Full integration (Option 4)</th>
<th>Road and rail decisions are better integrated</th>
<th>Rail infrastructure is planned over the medium to long-term and has greater funding certainty</th>
<th>Decision-making rights and responsibilities are clearly allocated</th>
<th>Transparency and accountability is increased</th>
<th>A competitive rail services market is encouraged</th>
<th>Cost</th>
<th>Ease of implementation</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Key characteristics:</strong></td>
<td>• The proposed non-statutory 10-year New Zealand Rail Plan would be used to provide direction and guide longer term planning.</td>
<td>• Rail infrastructure funded through the NLTP with the Minister of Transport determining the amount of funding into rail infrastructure through the GPS.</td>
<td>• KiwiRail develops a draft set of rail network activities, which would be included in regional planning processes (RLTP) and the NZTA’s NLTP.</td>
<td>• KiwiRail’s commercial services funded from commercial revenue, Crown appropriations, and the GPF.</td>
<td>• KiwiRail pays a TUC (or similar) to contribute to the costs of the rail network.</td>
<td>• <strong>Confidential</strong></td>
<td>• Minor amendment would likely be required to the LTMA, especially around procurement arrangements that would otherwise be problematic for KiwiRail.</td>
</tr>
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**Assessment against criteria**

| ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ |
3.2 Which of these options is the proposed approach?

Better integrating rail network investment into the LTMA framework would:

- improve the co-ordination between road and rail network investment decisions
- improve the transparency of government capital expenditure decisions on the rail network
- see network investments in road and rail being made on a more mode-neutral basis – road and rail projects would be assessed on a similar national benefits basis, with the best project chosen
- facilitate a medium to long-term approach to investment.

To address these outcomes, the Ministry recommends Option 3, partial integration. The options assessment shows that Option 3 is the preferable approach, although Option 4 has favourable attributes. Option 3 balances integrating rail into the land transport planning and funding system with the need for Ministers to remain involved in rail decisions while the rail network is brought back to a resilient and reliable standard.

The Ministry believes that there are several reasons to support Option 3. These reasons include:

- Confidential
- Free and frank advice

- KiwiRail may find it operationally difficult to participate in a planning system which involves participation in regional planning processes throughout the country (although KiwiRail is likely to participate in Auckland and Wellington to reflect the large metro rail component in those regions).
- KiwiRail is a SOE, and it is not common for commercial entities to receive funding direct from the NLTF given their commercial accountabilities. Public agencies provide state highways, local roads and public transport services. Further, KiwiRail is an integrated business, which will have a number of non-commercial and commercial aspects to manage with the broader purpose Ministers want for rail.

Pursuing Option 3 would not preclude a future move to Option 4 (full integration).
Progressing partial integration will:

- improve co-ordination between national network planning and funding while Ministers can exercise control over rail infrastructure investments (through setting the overall funding for rail and approving a programme of rail investments)
- improve transparency of government capital expenditure in these networks
- allow investments in road and rail to be made on a more mode-neutral basis
- support value for money — i.e. road or rail projects would be assessed on a similar basis with the best project chosen regardless of mode
- allow national benefits of rail to be captured
- establish a mechanism to provide KiwiRail with longer-term funding, which is essential to its business
- provide greater certainty for KiwiRail
- preserve KiwiRail’s commerciality to focus on markets and customers.

Closer integration with road investment decisions is achieved because the NZTA will need to assess the proposed Rail Network Investment Programme and significant activities that are included. This will provide the NZTA Board with a formal opportunity to advise approving Ministers on how the proposed Rail Network Investment Programme sits within the wider land transport investment programme being delivered from the NLTF.

This option will address the problems identified by further allowing national benefits of rail to be captured and providing greater certainty for KiwiRail. Close alignment between road and rail infrastructure planning will be possible while Ministers are able to exercise control over rail infrastructure investments (through setting the overall funding for rail and approving a programme of rail investments).

Figures 2 and 3 provide a detailed overview of Option 3 and the process each agency will be accountable for in developing a Rail Network Investment Programme, contributing to both rail infrastructure maintenance, and renewals and improvements.
Figure 3: Overview of Rail Network Investment Programme process and its contribution to rail infrastructure

1. **KiwiRail submits the Rail Network Investment Programme to the NZTA for NLT funding**
   - Submits

2. **NZTA recommends the Rail Network Investment Programme to the Minister for NLT funding based on whether it is consistent with the LTMA and the GPS**
   - Recommends

3. **Minister approves Rail Network Investment Programme for NLT funding**

**Rail Infrastructure Maintenance and Renewal**
- Comprises a continuous 3-year programme of maintenance and renewal of existing network infrastructure, delivered on an ongoing basis from one NLTF to the next to maintain an adequate customer level of service. Does not involve the preparation of a Business Case Approach, but expectation that Business Case Approach principles have been appropriately applied. Supporting information could include an Asset Management plan. Funding approved at the same time as the Rail Network Investment Programme.

**Rail Infrastructure Improvements**
- Comprises significant upgrades of existing rail network infrastructure and new build rail infrastructure. These are individual projects within the Rail Network Investment Programme which may not be ready at the time the RNIP is approved because they may not be fully developed. They will be reviewed against the NZTA Business Case Approach before funding is approved and released.
### Section 4: Impact Analysis (Proposed approach)

#### 4.2 What other impacts is this approach likely to have?

**User contribution to the cost of rail infrastructure**

Funding rail from the NLTF would stretch the current hypothecated funding arrangements for NLTF revenue. NLTF revenue is drawn from charges, levies and fees paid by road users. From an equity perspective, road users are likely to raise concerns about the existing NLTF revenue further subsidising rail if they do not perceive any benefit from the expenditure.

Rail users should contribute to the NLTF or, at least, their contribution to the costs (or lack thereof) should be made transparent. This is important for two reasons:

- **Fairness** - it is based on the principle that the users of infrastructure that is funded from the NLTF contribute to it.
- **Transparency** - it would allow TUC to be set at a rate based on a set of principles outlining the policy reasons for that rate being set, and the ability of rail users to contribute to the costs of the national rail network.

**Future of Rail** includes a workstream that is looking at what the user contribution should be.

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**Affected organisations**

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**Other organisations**

Table 3 shows organisations that would be affected by the proposed change. This table is drawn from Table 1 but includes a new column with the implications of the proposed change.
### Table 3: Affected organisations with implications

<table>
<thead>
<tr>
<th>Categories</th>
<th>Organisations</th>
<th>Current role</th>
<th>Implications of proposed change</th>
</tr>
</thead>
</table>
| Rail Owners and Funders         | KiwiRail                                                                       | Rail network owner, which is responsible for:  
  - planning, delivering and managing the rail network  
  - delivering commercial freight and tourism services, which use the rail network, including inter-island ferry services. | Will have some operational implications for KiwiRail because it will need to work with the NZTA on its network investment plans.  
Implication for KiwiRail is multiple funding sources so need to ensure new framework supports the safe and efficient operation of the railway and the lessons from Transitional Rail are learnt. |
|                                 | The Treasury                                                                   | Central government agency responsible for:  
  - monitoring the Crown’s ownership interest in KiwiRail and providing commercial advice to KiwiRail’s shareholding Ministers, which include any funding request  
  - providing economic and financial policy advice to the Government. | Treasury’s role relating to rail network investment will change as the NZTA takes over the primary responsibility.                                                                                                                                                                                                             |
|                                 | NZTA                                                                           | Crown agency responsible for:  
  - determining which activities are funded from the NLTF through assembling the National Land Transport Programme and individual funding decisions  
  - regulating rail safety. | NZTA will have a new role in reviewing and making recommendations that the proposed rail network investment that will be funded from the NLTF is consistent with the purpose of the LTMA and the GPS. New expertise and some additional capacity will be needed for this new role.                  |
|                                 | Auckland Transport/Greater Wellington Regional Council (metro commuter services) | Owner and operator of public transport services including rail. Rail network costs, funding sources and levels, customer experience. | Minimal – current arrangements will be largely unchanged.                                                                                                                                                                                                                                    |
|                                 | Transdev (metro commuter services)                                            | Private company operating and maintaining passenger rail services in Auckland and Wellington under contract with AT and the GWRC. | Minimal – current arrangements will be largely unchanged.                                                                                                                                                                                                                                    |
### Categories

<table>
<thead>
<tr>
<th>Organisations</th>
<th>Current role</th>
<th>Implications of proposed change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Freight</td>
<td>Users.</td>
<td>Users will see improvements over time in the quality of the rail network and, therefore, receive more choices for the movement of freight. They will have more opportunity to input into network investment decisions.</td>
</tr>
<tr>
<td>Ports</td>
<td>Users.</td>
<td></td>
</tr>
<tr>
<td>Road users</td>
<td>Users.</td>
<td>May have concerns about funding rail from the NLTF but the impact will depend on funding decisions made by central government in the context of the GDPs and how well the benefits to road users are explained.</td>
</tr>
</tbody>
</table>

### Section 5: Stakeholder views

#### 5.1 What do stakeholders think about the problem and the proposed solution?

**Engagement through the Future of Rail Review**

The Ministry has worked closely with KiwiRail, the NZTA and the Treasury on the Future of Rail Review. These organisations have been consulted on this Impact Statement and their comments included, where appropriate.

The Future of Rail Review has also been governed by a Steering Group comprising the Ministry, the NZTA, the Treasury, KiwiRail, the Rail and Maritime Transport Union of New Zealand and two independent members (a former long serving CEO of Freighthways Ltd and a former long serving CEO of the NZTA).

Supporting the Steering Group is a working group of officials consisting of the Ministry, the NZTA, the Treasury and KiwiRail. This has ensured that the views of these parties have been incorporated in the development of the options outlined in this Impact Statement.

Auckland Transport, Auckland Council and the Greater Wellington Regional Council has been engaged in the Future of Rail Review of rail, through regular workshops. As a result of this engagement, changes were made to the proposed framework so that rail network investments in Auckland and Wellington are included in the development of the Regional Land Transport Plans for those areas. This will help to incentivise integrated planning in these areas between the local government operators of metro rail services and KiwiRail.

This approach to the Future of Rail Review has ensured that a range of external views have informed the development of the proposed planning and funding framework.

The State Services Commission, the Ministry for Business, Innovation and Employment, the Ministry for Culture & Heritage, the Ministry for Primary Industries, the New Zealand Police, WorkSafe New Zealand and Fire and Emergency New Zealand have been consulted.
The Department of the Prime Minister and Cabinet has been informed.

The Rail and Maritime Transport Union of New Zealand, Auckland Transport, Auckland Council and the Greater Wellington Regional Council have also been engaged in the Future of Rail Review which has informed the findings in this paper.

Opportunities for further external engagement

As noted above, the Future of Rail Review process has deliberately made allowance for external views through its governance structures and processes. Nonetheless, there has been limited public engagement on the proposed new planning and funding framework for rail.

However, there will be several future opportunities, both for stakeholders and the public.

First, there will be an engagement process as part of the development of the New Zealand Rail Plan. The New Zealand Rail Plan will include a discussion of the new planning and funding framework and the new roles and responsibilities that will result from implementing it. The New Zealand Rail Plan will be released later this year.

Second, there will be engagement as part of the development of GPS 2021. This engagement is mandated by the LTMA. A draft of GPS 2021 is expected to be released late this year or early in the new year.

Third, because the new planning and funding framework requires legislation, there will be a Select Committee process, where stakeholders and the public will be able to make submissions and be heard by the Committee. This process will allow the proposed framework to be robustly tested.

Other relevant engagement

Productivity Commission

As noted earlier in this Impact Statement, the Productivity Commission has called for better integration of road and rail investment decisions in its 2018 Low-emissions Economy report. The Commission’s 2012 International Freight Transport Services Inquiry report also called for more transparent decision making around major rail infrastructure projects5.

Development of GPS 2018

Feedback received on the draft GPS 2018, which provided funding for the rail network through the Transitional Rail Activity class, drew support from several stakeholders.

Although passenger rail was supported, there was a concern on the lack of support for freight rail.

"We support the inclusion of railways in the GPS and land transport planning framework. We have some concern that the transitional rail category only considers passenger rail, and doesn’t support the more efficient use of the network for freight."

There was also support for funding rail through the NLTF, with some submissions noting that rail had not received enough funding in the past. There was a desire, especially from local government, for a transparent long-term funding process for rail.

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5 NZ Productivity Commission (2012), International Freight Transport Services Inquiry, p 11
Some interest groups and private sector organisations did, however, have significant concerns about the rail network being funded from the NLTF. There was concern that allowing KiwiRail to access the NLTF would give it a competitive advantage against other transport providers in the commercial market. This was a particular concern as other transport providers contribute to the NLTF, whereas KiwiRail currently does not.

"If KiwiRail is to receive funding from the NLTF then surely a ‘rail user charge’, comparable to the mass/distance road user charge should be introduced to maintain the integrity of the NLTF and a semblance of mode neutrality based on true market-driven comparative advantages."

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### 6. Implementation and operation

#### 6.1 How will the new arrangements be given effect?

**Amendments to the Land Transport Management Act 2003**

To put these new arrangements in place, the LTMA will need to be amended. The Ministry does not expect this legislation to be overly complex, but the amendment process will take around 12 months.

The Ministry expects the new legislation to be passed around July 2020.

In summary, amendments to Part 2 Planning and funding of land transport system of the LTMA would be required to:

- allow KiwiRail to access funding from the NLTF
- create a 3-year RNIP to be approved by the Minister of Transport, in consultation with KiwiRail's shareholding Ministers
- provide for NZTA to make a recommendation to the Minister of Transport on whether the RNIP is consistent with the purpose of the LTMA and with the GPS before he or she approves the RNIP
- provide an approval regime for the Minister of Transport to approve funding for rail network activities after being assessed by the NZTA
- create a procurement regime for rail network activities funded from the NLTF.

### Budget 2019

Funding via Budget 2019 is necessary to provide KiwiRail with enough capital to cover the costs of the rail network until a new planning and funding framework for rail is implemented (mid 2020).

Through Budget 2019, a total of $1.042 billion has been approved as the first installment of rail investments across the decade.

This includes $741 million to support a resilient and reliable rail system to:

- restore the track and other supporting infrastructure by addressing legacy maintenance issues across the rail network
- support rehabilitation of rolling stock to replace and upgrade assets and maintenance facilities at the end of their useable life, and
- fund the procurement phase for replacing the current ferries and landside assets that are nearing the end of their useable life.

In addition, $1 million in operating funding was provided through Budget 2019 to implement the Future of Rail Review.

Implementation process

There are a range of detailed implementation matters that need to be worked through. Lessons learned from the funding currently being provided from the NLTF for rail activities (through the Transitional Rail activity class) will be taken on board to ensure that approval processes under the new system are quick and flexible, and tailored to rail. Successful implementation will require commitment to a full transition and implementation plan with regular stage gates. This will occur as part of the implementation process to ensure that the new framework supports the Government’s objectives and the continued provision of the safe and efficient operation of the railway.

The Ministry of Transport will take a system lead role in the implementation process and is developing an implementation plan to govern the change programme and manage its successful delivery. The $1 million allocated in Budget 2019 will be used to implement the change in programme over a 24-month period. The Ministry will be responsible for the successful implementation of the Future of Rail changes. The Ministry of Transport will report to the Minister of Transport on a regular basis, including about mitigations in place to manage any delivery risks identified, and ensure the Government’s objectives are achieved.

The proposed changes outlined in this Impact Statement affect a number of transport agencies. All of the agencies involved (NZ Transport Agency, KiwiRail, the Ministry of Transport, Auckland Transport and Greater Wellington Regional Council) will need to build capability to perform the roles needed to support the implementation and performance monitoring, including delivery of this framework. However, it is not intended to duplicate resources or add unnecessary costs. Central government agencies will continue to engage with AT and GWRC to reach agreement on the detail of how the new planning and funding framework will be implemented for the Auckland and Wellington regions.

For example, the NZTA will need to build up rail investment expertise and KiwiRail will need to increase its capability and capacity to engage in the LTMA processes. The Ministry in its system lead role will need to ensure that integration of rail into land transport system works. All agencies will need to operate differently as a result, and there is general agreement across agencies to the changed approach. There are still operational issues to be worked through and lessons learnt from the recent experience with Transitional Rail.

The Ministry also expects officials to work closely with Auckland Transport, Auckland Council and Greater Wellington Regional Council on, among other things, the design of the new planning and funding framework and the interface with the existing planning processes for metro rail.

Risks

The new planning and funding framework will be accompanied by a major step-up in investment for KiwiRail while, at the same time, the wider infrastructure supplier sector is already being asked to deliver a range of large projects across New Zealand.
The change involves a significant increase in rail investment through future GPSs, in addition to investment in metro rail and potential investments in light rail. The Budget initiatives approved for rail include only two years of operational funding for the rail network infrastructure, based on the assumption that future investment decisions will be made through the NLT and LTMA framework.

The Future of Rail Review is a complex project with several work streams, and there are tight timeframes to complete each section. The Ministry will continue to work closely with affected parties to ensure that any risks are managed and timeframes are kept. As the project moves into the implementation phase, the Ministry will work more closely with Auckland Transport and Greater Wellington Regional Council, as significant users of the Auckland and Wellington rail networks.

As noted previously, there will be an extensive and well-funded implementation process over two years to ensure the successful implementation of the Future of Rail change programme across agencies.
### Section 7: Monitoring, evaluation and review

<table>
<thead>
<tr>
<th><strong>7.1 How will the impact of the new arrangements be monitored?</strong></th>
</tr>
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<tbody>
<tr>
<td>KiwiRail would be accountable for the planning and delivering of its Rail Network Investment Programme. The NZTA will consider how the suggested programme sits within the wider land transport investment programme being delivered from the NLTF, and will provide advice to the Minister of Transport. After receiving advice from the NZTA, the Minister of Transport would set the quantum of rail funding and decide whether to agree, reject or seek for more information on the Rail Network Investment Programme.</td>
</tr>
<tr>
<td>The new arrangements will ensure a broader monitoring system under the GPS and the NLTP. Under the partial integration option, the NZTA’s task will be to monitor KiwiRail’s investment programme in an ongoing process. This monitoring responsibility would be given by the proposed amendment to the LTMA. The Ministry will monitor the NZTA’s performance delivering on the GPS against its expectations.</td>
</tr>
<tr>
<td>The Ministry will develop a plan for tracking and monitoring the performance of rail as part of the implementation process.</td>
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<tr>
<th><strong>7.2 When and how will the new arrangements be reviewed?</strong></th>
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<tr>
<td>The new arrangements will be revised in line with the GPS schedule. The GPS is issued by the Minister and reviewed at least every three years. The GPS is the key mechanism for reviewing the integration of rail into the transport system. It sets a 10-year strategic direction to drive improved performance and guides decision-makers about where the Government will focus its resources. By influencing how funding from the NLTP will be invested across transport assets and services, it would reassure its role of monitoring and reviewing KiwiRail’s rail programmes.</td>
</tr>
<tr>
<td>Also, an initial Rail Plan will be released in September 2019, and an updated Plan in June 2020. The updated Plan will take into account feedback received on the draft GPS (GPS 2021) which is due to be issued in mid-2020. Consultation on the NZ Rail Plan will take place through the draft GPS consultation, providing an opportunity for a comment or review before it guides the planning and funding framework to take effect.</td>
</tr>
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</table>
The Draft
New Zealand Rail Plan

2019
Ko te pae tāwhiti, whāia kia tata
Ko te pae tata, whāia kia tīnei!

Seek out the distant horizons, while holding fast to those achievements at hand.
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Foreword
Kupu Whakataki

This draft New Zealand Rail Plan outlines the Government’s vision and priorities for rail. Our long-term vision is for New Zealand’s national rail network to provide modern transit systems in our largest cities, and to enable increasing volumes of freight to be moved off the roads and onto rail.
Enabling alternative transport options for people and freight is a key part of providing a multi-modal transport system. It will support us to achieve the Government’s objectives to reduce carbon emissions, the numbers of deaths on our roads, and congestion, as well as delivering jobs and economic development in our cities and regions. The freight task in New Zealand is growing, and will continue to grow in nearly all regions. We expect freight tonnage in New Zealand to increase more than 55 percent by 2042, and all parts of the freight system will need to play their part to support this growth. The network has suffered from under-investment and significant parts of the network are facing a state of managed decline. Over the next decade we need to invest to retain the current level of service from our national network and achieve a reliable and resilient national freight rail network. This will provide a platform for further investment to support growth in rail freight. This requires a long-term commitment to investment in the national freight rail network.

We have already begun the investment required with $1.042 billion of funding to the rail freight network in the Wellbeing Budget 2019. $740 million of that funding is the first phase of investment required to start restoring a reliable, resilient and safe freight and tourism network. The Provincial Growth Fund (PGF) is also contributing funding for regional rail projects to support growth and jobs in the regions.

In our biggest cities we are already seeing the benefits of earlier investment in rail. Significant investment has been made in our metropolitan rail networks in Auckland and Wellington. Passenger growth has continued to outstrip expectations. Increased capacity in Auckland is being provided through $4.4 billion in funding from the Government and Auckland Council in the City Rail Link (CRL) to transform the Auckland network. This is in addition to the funding we have put aside in the current Government Policy Statement on Land Transport. We have allocated $815 million in funding from the National Land Transport Fund (NLTF) to improve our urban rail passenger networks in Auckland and Wellington, and support inter-regional passenger services. The investments we are making in Auckland will help deliver on the Auckland Transport Alignment Project.

With this investment, over the next decade, rail patronage in the Auckland metro network is expected to more than double to over 46 million passenger trips per annum by 2028. Wellington’s public transport is expected to reach 20 million passenger trips by 2030.

However, what is clear is that funding alone will not be sufficient to improve the outcomes we want to see, particularly in freight rail. While the passenger network is already supported through the National Land Transport Fund, the freight rail network has continued to suffer from under-investment and short-term decision-making. We cannot continue to take the current approach to planning and funding rail. This draft Plan is the first product of a new long-term planning and funding system for rail. We are also making changes to the Land Transport Management Act 2003, which will improve integrated planning and investment decisions across road and rail.

This is a significant programme of change for the land transport system. It is important that we start on this journey now to build a better and more integrated transport system.

We welcome your views on this draft Plan through the engagement process in 2020 on the draft Government Policy Statement on Land Transport 2021. Rail is a significant long-term asset, and changes now will positively influence the future of our transport system and the wellbeing of all New Zealanders.
Overview of the draft New Zealand Rail Plan

This is the first draft New Zealand Rail Plan [the draft Plan]. It outlines our long-term commitment to the significant investment needed to achieve a reliable, resilient and safe rail network.

Our strategic priorities for rail are in two parts:

- Part A: Establishing a new long-term planning and funding framework under the Land Transport Management Act.
- Part B: Investment priorities for a reliable and resilient rail network
  - Strategic Investment Priority: Investing in the national rail network to maintain freight rail, and provide a platform for future investments for growth
  - Strategic Investment Priority: Investing in metropolitan rail to support growth in our largest cities

Separate lead investments are being made in regional rail to support regional development and jobs through the Provincial Growth Fund.

This draft Plan is a product of the Future of Rail Review [the Review]. The Review recognised that significant parts of the national rail network are facing a state of managed decline. Investment alone will not allow rail to play the role the Government wants to see it play in the transport system. Alongside remedial investment, a new long-term Integrated land transport planning and funding framework for rail is required.

This draft Plan is the first component of the new planning and funding framework for rail. In the past, investment in rail has been made on a year-by-year basis. This is not sufficient when making investments in long-life infrastructure assets such as rail. The draft Plan sets out our intentions for the first decade of investment needed to achieve a reliable, resilient and safe rail network. Our investment priorities will inform the development of the draft Government Policy Statement on Land Transport 2021/22–2030/31 [GPS 2021].

In order to better integrate long-term planning on road and rail investments, we are also making changes to the Land Transport Management Act 2003 [the LTM Act]. The investment priorities outlined in the draft Plan and GPS 2021 will inform the detailed investment decisions as part of the new planning and funding framework for rail. They will also underpin future Budget considerations for Crown investment. The draft Plan does not provide a definitive list of investments for rail over the next decade, nor does it provide a funding commitment for any of the projects outlined. However, it does send a strong signal of this Government’s commitment to rail to inform future funding decisions.

The Auckland Transport Alignment Project and the Wellington Regional Rail Plan have provided the basis of the investments outlined for the metropolitan rail networks. We will be seeking feedback on this draft Plan as part of the engagement on the draft GPS 2021, which will take place in the first half of 2020. This will allow you to see where funding for rail sits within the overall priorities for the land transport system. It also allows time for councils to consider the priorities we have outlined for rail against their respective priorities. We are also continuing work on the Future of Rail Review, which will support the final Plan.

We will issue the final Plan, alongside the final of GPS 2021, in the second half of next year. We will refresh and update this Plan alongside the GPS in future years. This will enable us to reflect changes in investment priorities for rail as required. As this is our first draft Plan, we expect it to evolve and develop over time.
The draft Plan has four sections:

1. **Section 1: Strategic Context** – this outlines the contribution of rail to our transport system and broader outcomes, the Future of Rail Review, and why changes are required to our current system.

2. **Section 2: Strategic Priorities for Rail** – this outlines the new planning and funding framework for rail and the investment required to achieve a reliable, resilient and safe rail network, as well as future investment opportunities.

3. **Section 3: Measuring the benefits of investment** – this outlines how we will monitor performance in delivering those investments to ensure they are achieving the outcomes.

4. **Section 4: What next?** – this outlines how these changes will be implemented.

Remedial funding, alongside a new integrated land transport planning and funding framework for rail, will enable rail to play its role in the land transport system and achieve positive social, economic, and environmental benefits for New Zealand. These changes will also provide a platform for KiwiRail to grow as a commercial business.

This Plan and the new planning and funding framework applies to the heavy rail network in New Zealand. It does not apply to light rail investments.

This is the draft New Zealand Rail Plan. We have timed release of this Plan prior to the engagement on the draft of the next GPS, to ensure that our vision for rail can be considered in GPS 2021 and future Budget decisions. We welcome your feedback on the draft Plan. We will be undertaking formal engagement on the draft Plan as part of the engagement on the draft of GPS 2021, which will take place in the first half of 2020. Your feedback will help inform the final Plan and GPS, which are due out in the second half of 2020.

Alongside engagement on the draft Plan, we are also progressing amendments to the Land Transport Management Act 2003 (LTMA). The legislative process will allow for public feedback on the changes proposed to the LTMA to enable the new planning and funding framework outlined in Section 2, Part 2.

If you would like to provide feedback ahead of the formal engagement in 2020 you can email: DraftNZRailPlan@transport.govt.nz.

The Ministry will update its website regarding the formal engagement process through the GPS and timelines for formal feedback.
Section one

Strategic Context

Ko tō te Rautaki Horopaki

Rail is an integral part of the transport system in New Zealand.

Rail transports people and goods to where they need to go, supporting productivity and business growth, reducing emissions, congestion and road deaths, and strengthening social and cultural connections between communities. It is a key part of a multi-modal transport system for both freight and passengers in New Zealand.

This section outlines the contribution the current rail network makes to New Zealand and why change is required to support the Government’s vision for rail.
Rail contributes significant value to New Zealand

Rail has a long and proud history in New Zealand, stretching back over 150 years. Today, the national rail network consists of 3,700 km of track, covering 18,000 hectares of land, crosses more than 1,300 bridges and includes almost 100 tunnels. The network links most major cities, ports and freight hubs and connects the North and South Islands through the Cook Strait ferries.

Kiwirail owns and operates the rail network in New Zealand and provides freight, tourism and property rail services. Kiwirail has 3,700 staff operating in more than 50 towns and cities across the country; it is a significant employer in New Zealand.

The following types of traffic use the network:
- Import-export freight to and from major ports
- Domestic freight between major cities
- Bulk commodities for processing or export, such as logs and coal
- Passengers on the Auckland and Wellington metropolitan networks
- Freight and passengers across the Cook Strait
- Tourism and other passenger services.

Rail is a key part of New Zealand’s freight supply chain and supports distribution of high volumes of goods between key transport nodes. It is also well suited to support mass transit of people in urban areas, and provides rapid transit links as part of our public transport networks in dense urban environments. It serves freight customers, commuters and tourists.

Urban passenger rail services operate in Auckland and Wellington. In these metropolitan rail networks, urban passenger, inter-regional passenger and freight trains all share the same rail network.

Rail provides the rapid transit backbone of the public transport systems in these cities, providing access to jobs and shaping urban development and future growth. Auckland Transport (AT) and Greater Wellington Regional Council (GWRC) are responsible for planning and funding metropolitan rail services in these regions. They own the passenger rolling stock and related infrastructure required to support passenger operations (i.e. station buildings and maintenance depots), and are responsible for procuring the operator of passenger services. Transdev Wellington and Transdev Auckland are currently contracted to provide passenger rail services. KiwiRail owns and maintains the network.

Kiwirail provides tourist-oriented passenger services, including the TranzAlpine, Coastal Pacific and the Northern Explorer. Dunedin Railways operates tourist trains, and a number of heritage operators run charter specials across the national rail network. KiwiRail also operates the inter-regional passenger services between Wellington and Palmerston North, and will operate the Hamilton to Auckland service when it is expected to begin next year.
The national rail network

The bold lines show the major network rail routes, the regular lines show the minor network routes, and dotted lines show mothballed (disused) routes. There are also busy metropolitan networks in Auckland and Wellington used by commuter and freight trains.

Kiwirail has 3,700 staff operating in more than 50 towns and cities across the country; it is a significant employer in New Zealand.
Rail delivers positive social, economic and environmental benefits

Rail contributes to the overall wellbeing of New Zealanders, by helping deliver the following outcomes.1

Environmetal sustainability

• Moving more people and products by rail will help the transport system play its part in reducing carbon emissions, supporting the Government’s objectives to reduce greenhouse gas emissions overall.
• On average, every tonne of freight moved by rail produces 66 percent less carbon emissions compared with heavy road freight.
• The electrified commuter rail networks in Auckland and Wellington also deliver emissions savings from the efficient mass movement of people and avoided car trips.
• Even greater environmental benefits can be achieved through further investment in rail, for example modern rolling stock on ferries and further electrification of the rail network.

Healthy and safe people

• The wellbeing of every New Zealander is at the heart of this Government’s vision, and healthy and safe people is a critical outcome for the transport system.
• Increased use of rail transport for passengers and freight will support the Government’s Road to Zero Strategy and aid in reducing road deaths by lowering the number of trucks on the road and by individuals choosing to use public transport as opposed to driving.
• In its 2016 study, EY has estimated that rail eliminates around 271 safety incidents per year by reducing the volume of heavy transport on the road.2

• Investment in rail safety enhancements including level crossing improvements and automatic train protection is expected to further reduce the risk of deaths and serious injuries on our rail network.
• Higher levels of physical activity are associated with public transport use than with trips by private vehicles, supporting healthier travel patterns.

“In 2016, two or three trains a week were moving containers to and from Midland to the Port. Now, KiwiRail operates up to 18 return services a week from Midland. Not only is this taking at least 120 trucks off the road each day, it is ensuring that containers are moved to and from the Port efficiently without traffic delays and at lowest cost to customers. A number of containers moving through Midland Port never touch the road, making Midland Port a key part of reducing our customers’ carbon emissions and providing a sustainable logistics solution.”

Simon Munt, Marketing Manager, Lyttleton Port Company, 2016

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1 These five outcome areas are based on the Transport Outcomes Framework, which identifies what Government is seeking to achieve through the transport system. This framework is available on the Ministry of Transport’s website via the following link: https://www.transport.govt.nz/mod/road-and-recreation/plans/transport-outcomes-framework.

2 The Value of Rail in New Zealand, EY for the Transport Agency (2016).
Economic prosperity

- Rail enables the efficient movement of large volumes of goods and people. Rail enables people in our cities to commute and engage in employment opportunities. Rail connects our ports to regions, enabling goods to get to international markets. This contributes to both national economic productivity and regional economic growth, supporting people, businesses, producers, and tourism.

- The freight task in New Zealand is growing, and will continue to grow in nearly all regions. We expect freight tonnage in New Zealand to increase by 55 percent by 2042. This will impact all transport modes.

- At present the national freight rail network is facing managed decline in many areas, making it difficult for it to support this growth. Rail hauled 3.5 billion tonnes kilometres of goods in 2017/18: this is approximately 12% of the total freight task (based on tonne kilometres). In recent years rail’s mode share has been impacted by the Kaikoura earthquake, and a reduction in road traffic.

- Investment in a reliable and resilient rail network will enable it to continue to provide freight services at current levels. It provides a platform for future investment to support growth in freight rail and enable KiwiRail to grow commercially in the long-run.

- In certain sectors, rail’s contribution is significantly higher. KiwiRail hauls 25 percent of all exports, playing a significant role in the movement of dairy products, meat, pulp and paper exports, coal and logs.

- Rail makes a significant contribution to the functioning of our biggest cities with the metropolitan rail networks in Auckland and Wellington providing more than 35 million passenger trips a year.

- Congestion in cities, particularly Auckland, constrains national productivity, reduces people’s access to job markets, and affects people’s health and quality of life. Moving more people and goods by rail will help us to manage congestion across the transport system and mitigate these problems. In particular, in Auckland and Wellington, where passenger rail provides an alternative to car journeys for commuters.

- Over 1 million tourist passengers also use the rail network each year, contributing to jobs and prosperity in our regions.

- In addition in financial year 2019, more than 25,000 passengers and 250,000 cars were also carried across Cook Strait on the Interislander ferries. The Interislander also carried nearly 1.2 million lane metres of trucks and 560,000 lane metres of rail freight, including road bridged freight.

Inclusive access

- Metropolitan passenger trains play an important role in providing people with access to places for learning, earning, and participating in society. Rail is one of the most efficient and sustainable forms of mass transit. There has already been significant investment to support patronage growth in Auckland and Wellington over the last decade and we expect this growth to continue.

- Rail networks shape cities, encouraging urban intensification along rail corridors and around passenger rail stations.

- Better long-term planning of rail will support more integrated land-use and transport planning.

Resilience and security

- Rail supports resilience in the transport network and can provide an alternative transport option for both goods and passengers in emergency situations.

- This was highlighted following the Kaikoura earthquake, where the rail line was re-opened first and was able to transport supplies needed to reinstate State Highway One.

- The Interislander ferries also provide a vital lifeline connection for the transportation of people and goods between the North and South Islands.

As part of the new planning and funding framework for rail, we will be monitoring and measuring the benefits of our investments in line with these outcomes. This is discussed further in section 3.

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1 Ministry of Transport, Transport Outlook Future State (November 2017). The Ministry is in the process of updating these projections based on the National Freight Demand Study 2017/18.

2 Ministry of Transport, National Freight Demand Study 2017/18 (September 2019).


In 2018, an EY report quantified the non-monetary societal benefits of rail. This study looked at the benefits generated by rail, including reduced congestion (in Auckland and Wellington), lower emissions, fewer road accidents, and less road damage from heavy vehicles. The value of these benefits was conservatively estimated at $1.5 billion per annum as outlined below.

The Ministry of Transport is working with EY to update the Value of Rail report to take into account changes in the rail and road network since 2018. The Ministry is also updating previous work on domestic costs and charges of transport.

The total economic value of rail is: $1.47B-$1.54B every year

Total value is derived from: $1.3B reduced congestion, $8.5M reduced emissions, $60M improved safety outcomes, $63M reduced road maintenance.

1 The Value of Rail in New Zealand, EY for the Transport Agency (2018).
Why change is needed

The railway system in New Zealand has faced a number of long-term challenges

The Government is committed to ensuring a resilient and reliable rail network as an integral part of the transport system. A resilient and reliable railway is the first step towards achieving the transport and wider outcomes for New Zealand, and providing a platform for KiwiRail to grow as a commercial business.

The realisation of these benefits has been hampered by a lack of long-term sustainable investment in rail, and inadequate planning and funding frameworks. While there has been past investment in both rail freight and passenger networks, it has not been consistent or sustainable.

This has resulted in a backlog of deferred maintenance and renewals, with significant parts of the national freight rail network facing a state of managed decline.

The history of the railway in New Zealand has also created challenges

Over the last 40 years, rail has experienced a series of changes, which has affected its ability to provide services to support growing freight and passenger demands. Rail has changed ownership models from Government to private and back again:

- From the late 1800’s to 1982
  - Rail in New Zealand was mostly controlled by the central Government under the Railways Department

- 1982
  - Railways Corporation created as statutory corporation from Railways Department

- 1993
  - The rail network was sold for $328 million to a joint New Zealand-US private consortium, led by New Zealand merchant bank Fay Richwhite

- 2002
  - Auckland metro rail - bought back by the Government for $81 million

- 2004
  - Toll takes over TranzRail, selling the track infrastructure back to the Government for $1

- 2008
  - The Government buys Toll’s rail and ferry assets for $650 million, and re-integrates the business with the rail network infrastructure

Today KiwiRail operates as a commercial State-Owned Enterprise. KiwiRail has been unable to fully fund the level of investment needed to sustain the full national rail freight network. Many core operational assets are at the end of their economic lives and need to be replaced, for example interisland ferries, rolling stock and maintenance depots.

Operational restrictions, increased failure rates across the network and unplanned disruptions limit rail’s contribution to the transport network. The full potential for commercial growth in freight and logistics propositions has not been able to be realised. Despite these challenges, the commercial discipline and focus of KiwiRail have been important to support efficiency in asset management, and to drive commercial returns from the provision of freight, property and tourism services to customers.

In metropolitan areas, demand for passenger rail services has been increasing. Previous investment in rail in Auckland and Wellington has successfully delivered the intended outcomes, and rail patronage growth has continued. Investment in the metropolitan rail networks is now moving on to the next phase of expansion, as well as addressing any remaining legacy issues.
The Future of Rail Review considered the challenges faced by rail

The Future of Rail Review (the review) considered these challenges and recommended significant changes to the way we plan, fund and invest in rail.

The review recognised that our current planning and funding framework for the rail network:

- involves short-term funding decisions, which are inadequate for long-lived assets
- isolates road and rail infrastructure decisions from each other, which makes it difficult to deliver a coordinated land transport investment programme.

To realise the wide-ranging and long-term benefits of rail, the review recognised that there needed to be remedial investment, and that this investment should be accompanied by a substantial change to the existing planning and funding frameworks for rail.

The review recommended that rail network investment should be planned and funded under the long-term land transport planning and funding framework in the LTMA. This change will mean a long-term approach to funding the rail network. It will enable rail network investments to be considered as part of a more integrated approach to land transport investment decisions. Over time this will allow better investments in complementary modes.

Section Two of this plan outlines the new planning and funding rail framework for rail, and the investment priorities for a remedial investment programme over the next 10 years.
Section two

Strategic priorities for Rail
Ko ngā tino whāinga a te rautaki tereina

The Government is committed to making the changes that are required to recognise the role of rail in a multi-modal transport system. Our first priority for rail is to achieve a resilient and reliable rail network over the next decade. Investment in a reliable and resilient rail network will take it out of a state of managed decline and enable it to continue to provide services at current levels. It provides a platform for future investment to support growth in passenger and freight rail services.

Our strategic priorities are in two parts:

- Part A: Establishing a new long-term planning and funding framework under the Land Transport Management Act
- Part B: Investment priorities for a reliable and resilient rail network
  - Strategic Investment Priority: Investing in the national rail network to maintain freight rail, and provide a platform for future investments for growth
  - Strategic Investment Priority: Investing in metropolitan rail to support growth in our largest cities.

This section details each of these strategic priorities.
Part A
Establishing a new long-term planning and funding framework under the Land Transport Management Act 2003

We are changing the way we plan and fund rail in New Zealand by moving from a short-term to a long-term focus.

The new approach will see rail network investment decisions taken under the LTMA. This will result in the national rail network being planned and funded alongside the rest of the land transport system, including the road and public transport networks.

These significant changes to the land transport system will take until 2021 to implement and will require amendments to the LTMA. Further information about the timing of implementing the new framework is outlined in Section 4.

The following sections outline how the new planning and funding framework will work in practice, including the roles and responsibilities of key organisations in the framework.
Integrated and long-term planning

Integrated and long-term planning and funding of road and rail investments will:
- improve the transparency of Government investment decisions on the land transport network
- see investments being made on a more mode-neutral basis, for example, road and rail projects will be assessed on a similar national benefits basis
- facilitate a medium to long-term approach towards investment in rail, consistent with other land transport networks, reflecting that rail investment provides benefits long into the future.

This approach provides greater certainty for KiwiRail, local government and other rail participants to enable long-term planning and investment in rail. It should also enable increased customer confidence to support increased volumes on rail, providing commercial and wider benefits.

Agencies with rail responsibilities

The new planning and funding framework will require the Ministry of Transport, Waka Kotahi NZ Transport Agency (the Transport Agency), KiwiRail, Auckland Council, Auckland Transport and Greater Wellington Regional Council to work together to plan and fund New Zealand’s rail network infrastructure. This includes working with other councils who have responsibility for inter-regional rail services.

Planning, operating, and maintaining the rail network and providing the associated freight, tourism and property services remain the core business and responsibility of KiwiRail.

Auckland Transport and Greater Wellington Regional Council will remain responsible for planning and operating the metropolitan passenger services in their regions.

The Ministry of Transport will continue to provide strategic policy advice to the Minister of Transport on rail. This role will include developing the New Zealand Rail Plan (this document) on behalf of the Minister of Transport. The Ministry will also play an important role in coordinating the implementation of the Future of Rail Review, including the new planning and funding framework.

The Transport Agency will be responsible for advising the Minister of Transport on how rail network activities align with the outcomes in the GPS and fit with the overall land transport investment programme. The Transport Agency will be responsible for advising the Minister that the activities represent good value for money. The Transport Agency will also continue to be the rail safety regulator.

The following sections describe the key components of the new framework.
The New Zealand Rail Plan

The Rail Plan is a non-statutory planning document that will guide investment for the rail system over the longer term by setting out the Government’s strategic vision and priorities over a 10-year investment programme.

The Rail Plan will guide investment in the overall rail system, including future National Land Transport Fund (NLTF) and Crown funding decisions. The Rail Plan will also influence the GPS, which the Minister of Transport issues under the LTMA. The GPS is an important strategic document that governs investment made from the NLTF.

A new funding model for rail

Under the new framework, rail network funding will be channelled through the NLTF, with funding coming from NLTF revenue, track users and the Crown. This will support rail to be funded on the same basis as other land transport modes. This funding will be spent on continuous programmes of maintenance, renewal and management of the network with additional improvement projects considered where an investment case is demonstrated. Rail network activities will be outlined in a Rail Network Investment Programme.

Further work is underway to establish track user charges to ensure KiwiRail and other track users contribute to the cost of the rail network in a fair and transparent way. KiwiRail’s freight and tourism services and ferries will continue to be funded as they are now, from commercial revenue and financing, and Crown investment.

Auckland and Wellington passenger trains and services will also continue to be supported by a number of funding sources, including passenger and council contributions and funding for public transport that comes from the NLTF.

The Crown may also invest for outcomes outside of transport and purchase those directly from KiwiRail or other providers; for example, investing through the Provincial Growth Fund to support regional economic development outcomes, or as the owner of KiwiRail.

Rail Network Investment Programme

Under the proposed planning and funding changes, KiwiRail will be required to develop a 3-year investment programme for the rail network. The Rail Network Investment Programme (RNIP) will also include a 10-year forecast. The Rail Plan and the funding envelope and signals in the GPS, will guide development of the RNIP.

The Minister of Transport will approve the RNIP. This enables Ministers to take a holistic view of rail investment to ensure it achieves its goals around the restoration of rail. This is particularly important at present, while the Crown is investing separately in KiwiRail to enable intergenerational replacement of key assets, such as locomotives and ferries.

The Transport Agency will be responsible for advising the Minister of Transport on how the proposed RNIP and the activities under it, fit with its broader land transport investment programme under the National Land Transport Programme. This involves confirming that the rail network activities are aligned with the LTMA’s purpose, and the GPS. The Transport Agency will also monitor the delivery of the RNIP.

Funding for continuous programmes, such as renewals and maintenance, will be approved via the RNIP. Assessment of this programme will include consideration of key documents including KiwiRail’s asset management plan. In the near term, the focus of funding is likely to be on continuous maintenance and renewal.

Any significant improvement projects in the RNIP will be assessed by the Transport Agency as they become ready to progress and will then be submitted for Ministerial sign-off. This process will help to ensure value for money.

Auckland and Wellington

Auckland Transport and the Greater Wellington Regional Council are major users of the rail networks in Auckland and Wellington because they operate extensive urban passenger rail services, and own rolling stock and station assets. It is essential that investments in the rail network take into account the needs of these urban passenger rail services, as well as freight and inter-regional passenger services that also use the networks. To recognise the need for integrated rail planning in these regions, regional rail network activities will go through their regional land transport planning processes before they are included in the RNIP.

KiwiRail will work jointly with Auckland Transport, Auckland Council and Greater Wellington Regional Council to agree on a programme of proposed rail network investment and these activities will be included in each region’s Regional Land Transport Plan (RLTP). This will create a formal opportunity for the Auckland and Wellington Regional Transport Committees to provide a regional view on priorities before the RNIP is finalised, and provide for public consultation on the proposals. KiwiRail will become a non-voting member of these Committees.

This approach to rail investment in the Auckland and Wellington regions will support the development of a better-integrated regional view of transport investments in these metropolitan areas, considering passenger, freight, and inter-regional needs. It is important that the metropolitan networks are planned and funded considering all demands on the network.

The proposed legislation will allow the Auckland and Wellington planning approach to be extended to other regions in future on a case-by-case basis.

The following diagram outlines the new planning and funding framework.

---

10 We recognise that there are existing track access arrangements in place in Auckland and Wellington. The intention is not to make changes to these arrangements in the near term.

11 Rail network activities refers to what is commonly referred to as “infrastructure”, such as track, overhead power supply, signals and platforms.
New Planning and Funding System for Rail

Government Policy Statement on land transport (GPS) 
Land Transport Management Act 
- Sets out the strategic direction for land transport investment, 
  including allocating the National Land Transport Fund to different 
  types of land transport investments 
- Approved by the Minister of Transport

New Zealand Rail Plan (NZRP) 
Non-statutory – New 
- Sets out Government’s 10-year vision and 
  investment priorities for rail 
- Issued by the Minister for State Owned 
  Enterprises, the Minister of Finance, the 
  Minister of Transport and the Minister 
  for Regional Development

Rail Network Investment Programme (RNIP) 
Land Transport Management Act – New 
- KiwiRail’s 3-year investment programme for the rail network 
- Prepared by KiwiRail and approved by the Minister of Transport after 
  considering the Transport Agency’s advice 
- Includes Auckland and Wellington network proposals informed by RLTPs

Auckland and Wellington Regional Land Transport 
Plans (RLTP) 
Land Transport Management Act 
- Sets out the proposed land transport activities for Auckland and 
  Wellington regions 
- Prepared by the Auckland and Wellington Regional Transport 
  Committees and, for the relevant region, approved by Auckland 
  Transport and Greater Wellington Regional Council
Part B
Investment priorities for rail

The new planning and funding framework will support significant investment in rail over the next decade and beyond.

The Government’s investment priorities centre on restoring a resilient, reliable and safe freight and passenger rail network for New Zealand over the next decade. This means first focusing our investment on restoring our existing rail network in order to maintain freight rail and passenger rail, and provide a platform for future investment to support growth. This investment is vital to provide confidence and support customer needs in freight and passenger markets, and to enable continued growth in rail.

The focus of our investment for restoring a resilient and reliable network is:

- Strategic Investment Priority: Investing in the national rail network to maintain freight rail, and provide a platform for future investments for growth.
- Strategic Investment Priority: Investing in metropolitan rail to support growth in our largest cities.

These priorities will guide investment considered through the new planning and funding framework, and the development of the rail network investment programme.

In addition, there is investment in some inter-regional services provided from the NLF, specifically for the Capital Connection from Wellington to Palmerston North, and the Hamilton to Auckland start-up service. Crown funding has also been provided to the mandated ‘Hamilton to Auckland Intercity Connectivity business case’, which will consider the potential for rapid rail between the two cities.

There are also lead investments through the PRT, including in Northland rail, and tourist rail expansion through the Franz Josef and Coastal Pacific.

This will drive a balanced programme to:

- restore resilience and reliability to core rail freight assets as a foundation for future investment to support growth in the level of freight being carried on the national network, and to enable KiwiRail’s commercial growth.
- support current and future growth in Auckland and Wellington metropolitan rail networks by first completing the programme of rail investments committed through ATAP and the NLF transitional rail funding, and then considering the next tranche of projects.
- support growth in the regions through completing rail investments committed through the Provincial Growth Fund, particularly investments in Northland rail, and then considering the next tranche of projects.
- ensure that safety is enhanced throughout the freight and passenger networks, and health and safety obligations continue to be met.

The following section provides further detail on our investment priorities to restore a reliable and resilient rail network, and potential future opportunities.
Strategic Investment Priority
Investing in the national rail network to maintain freight rail and provide a platform for future investments for growth

Rail is an integral part of freight supply chains in New Zealand and has potential to play a greater role.

Rail is an important part of New Zealand’s freight supply chain and helps ensure resilience by providing an alternative transport option for distributors and exporters.

Freight tonnes in New Zealand is expected to increase more than 55 percent by 2042 (from 237 million tonnes in 2012/13 to 366 million tonnes by 2042/23)

Rail plays a major role transporting New Zealand’s exports, hauling 26 percent of exports to ports.

In 2017/18, for example, some 40 percent of dairy product export movements were hauled by rail, mostly for export. For meat, the figure was slightly higher at 45 percent. In addition, 76 percent of all pulp and paper exports were carried by rail, as well as 100 percent of export coal.

Rail also makes a significant contribution in other areas, such as logs, wood panels and steel.

Rail moves significant freight between the Ports of Tauranga and Auckland, lessening the load on the roads. Up to 3 million tonnes flow between the two regions, both imports and exports. It also handles containers to and from all major container ports in New Zealand (except Nidev and NorthPort), reducing the demands on the road network and alleviating congestion.

Despite performing well in certain areas, significant parts of the network are facing a state of managed decline.

We need to invest to provide a reliable and resilient rail freight rail network to enable rail to maintain its current services at a reliable level. This investment will provide a platform for future investment to support growth in freight rail. This will take time given the state of the current network and significant investment is required over the next decade, and beyond.

In the long run, shifting freight off the roads and onto rail will have significant safety, congestion and environmental benefits. In particular in terms of environmental benefits, on average every tonne of freight moved by rail delivers a 65 percent reduction in carbon emissions compared with heavy road freight.

"With rail infrastructure built into many of our manufacturing sites and distribution centres, shifting freight from road to rail is an important aspect of our strategy to reduce carbon emissions from freight transport."

Brendan Miller, GM Global Supply Chain Network, Fonterra, 2019
Case Study
Kaimai Tunnel

The Kaimai Tunnel is an example of the benefits of past transformational investment in the rail network. Opened in 1978, and the longest tunnel in New Zealand at 8,875 metres, the Kaimai Tunnel links the Bay of Plenty to the Waikato, Auckland and beyond. It is an essential component of the East Coast Main Trunk rail route between Hamilton and Tauranga, linking key customers such as Fonterra and the Port of Tauranga, and is essential to support KiwiRail’s freight business.

Before the tunnel opened in September 1978, the East Coast Main Trunk route, which passed through the Karangahake and Athenree Gorges, was constrained by its length, difficult grades, and inadequate rail, which prohibited the use of the more powerful diesel locomotives.

The Kaimai Tunnel was constructed to service this increasing traffic between Hamilton and Tauranga. The rail link has brought significant change in the distribution economics of the North Island, conferring regional economic benefits through direct, shortened and speedier rail links. It has reduced travelling times between Hamilton and the Port of Tauranga by approximately an hour and a half, and has enabled heavier trains, running at greater frequencies. This is much safer than putting all this traffic on road, and avoids the use of the difficult road over the Kaimai range.

Today, there are up to 25 weekday freight train movements per day through the Kaimai Tunnel, and up to 13 movements per day during the weekends. Freight transported includes inter-port container traffic, timber and timber products, coal, manufactured goods, and petroleum. The volume of freight goods has grown significantly since its opening, and has now increased to over 5 million net tonnes in 2019, a rise of almost four times the volume the old route handled in 1978.
Investment pipeline

Over the next decade, the key investment priority will be to restore the freight network to a resilient and reliable state. This will enable a better service offering to freight customers, supporting increased volumes and providing a platform for KiwiRail to grow as a commercial business over time. Intergenerational asset investment is required to address areas of decline and to support a resilient and reliable level of service.

Investment will be required to support a longer-term sustainable programme of maintenance and renewal of the national rail network. Funding will come through the NZTF under the new planning and funding framework, with support from the Crown and track users.

In addition, the Crown and KiwiRail will continue to invest in the programme of intergenerational replacement of locomotives, interisland ferries, wagons and shunts, and modernisation of maintenance facilities, reaching end-of-life.

The key priorities for investment over the next decade are:

- Network renewals and maintenance programme – investment in tracks, bridges, tunnels and signals across the national network to improve service levels
- Level crossing safety improvements
- Locomotive and wagon replacement programme – replacing end-of-life locomotives and wagons with a modern, reliable and efficient fleet
- Installation of automatic train protection for all trains operating in metropolitan rail areas and supporting alignment between Auckland and Wellington systems
- Mechanical depot upgrades and renewals – improved workshop layouts, safety and productivity enhancements and seismic strengthening of a number of maintenance facilities, including Hutt Valley, Auckland and Christchurch
- Design and procurement of two ferries to replace the ageing Interisland fleet and associated landside assets, enabling greater reliability, efficiency and resilience for the vital link in the freight supply chain between the North and South Islands
- Core asset renewal, such as mechanical overhauls and parts replacement for the existing fleet of locomotives and wagons, freight handling equipment, hoists, generators, and enabling technology.

These investments will be the core focus over the next decade. Investments that relate to Auckland and Wellington metropolitan areas are primarily outlined in the next section.

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24 This investment will be aligned with asset management plans and will support the principal operating parameters for the network (e.g., axle load, line speed etc.). This covers the current network only, and does not cover extensions to the rail network or major upgrades such as the expansion of rail in Auckland. These types of projects will require separate funding beyond the resilient and reliable investment scenarios, potentially through the Provincial Growth Fund, which recognises the enabling role of rail in the regions.
Future opportunities

There are many opportunities for investment in growth and transformation, to support an increased role for rail in the freight and tourism sectors. Future priorities could include:

- more regional routes and improved logistics hubs
- improved integration and greater resilience in ferry terminals and ports, which could include considering moving the Wellington Ferry Terminal from Kaikarawhara to a more resilient site
- 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:
  - Upper North Island – double track Auckland to Hamilton, re-open Stratford to Okahukura line, increase axle weight to 20 tonnes plus Auckland to Tauranga and 18 tonnes plus elsewhere, complete upgrade of rail in Northland
  - Lower North Island – standardise loop lengths from Palmerston North to Waikanae
  - South Island – increase axle weight to 18 tonnes plus
- further investments to support the Government’s commitment to emissions reduction, such as further electrification [as discussed in the Case Study].
Case Study

Electrification for a lower carbon future

The transport sector, and rail in particular, presents a huge opportunity to help meet the Government’s commitment to transition to a carbon neutral economy by 2050.

At present, freight carried by rail saves approximately 86 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.

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.

Outside of these areas, alternative zero-emissions propulsion systems will be considered as the technology and necessary infrastructure develops. Low particulate emission diesels are the only option currently available for KiwiRail’s upcoming South Island locomotive replacement programme. For replacement shunt fleets some sites can consider battery technology.

2050
GOVERNMENT’S COMMITMENT TO TRANSITION TO A CARBON NEUTRAL ECONOMY BY 2050

66%
FREIGHT CARRIED BY RAIL SAVES APPROXIMATELY 86% OF THE CARBON EMISSIONS COMPARED TO HEAVY ROAD TRANSPORT
### Strategic Investment Priority
**Investing in the national rail network to support growing freight demand**

#### Key Priority
- Restore resilience and reliability to freight and tourism rail assets as a platform for growth

#### Above or below rail

<table>
<thead>
<tr>
<th>Investment Priorities 2019-21</th>
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<tbody>
<tr>
<td><strong>Above rail</strong></td>
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<tr>
<td>• Start locomotive and wagon replacement programme (900 wagons)</td>
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<tr>
<td>• Start mechanical depot upgrades programme</td>
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<tr>
<td>• Refurbishment of electric fleet</td>
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<tr>
<td>• Core asset capital renewals</td>
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</tbody>
</table>

| **Below rail**               |
| • Renewals and maintenance programme for existing network |
| • Complete Main North Line reinstatement and resilience |

#### Benefits of investment

**Provides platform for growth:**
- Improved resilience, reliability and safety
- Must secure core network first as foundation to add new services
- Provides better service level for customers
- Moves more freight by rail with benefits of reduced congestion, improved safety and lower emissions

**Supports Transport Outcomes Framework:**
- Economic Prosperity
- Environmental Sustainability
- Healthy and Safe People
- Resilience and Security
**Investment Priorities 2021-31**

- Intergenerational replacement of Interislander ships and landside facilities
- Replacement of locomotives and wagons
- Implement automatic train protection
- Mechanical depot upgrades and renewals – including Hutt, Christchurch, and Auckland
- Core asset capital renewals (e.g., facilities, technology, ship and rolling stock renewals, plant and machinery)

- Build resilience and reliability in existing network through expanded renewals and maintenance programme. Investment in tracks, bridges, tunnels and signals across the existing network. Supports uplift in performance against the Asset Management Plan targets over 10 years.
- Public safety – level crossing improvement programme

**Future opportunities**

Future opportunities may include considering:

- more regional routes and improved logistics hubs
- Improved integration and greater resilience in ferry terminals and ports
- additional infrastructure and rolling stock to support growth opportunities and regional initiatives
- more extensive network upgrades to enable accelerated and increased levels of service
- Further investments to support the Government’s commitment to emissions, such as further electrification.
Strategic Investment Priority
Investing in metropolitan rail to support growth in our largest cities

Rail can provide modern transit systems in our largest cities

The metropolitan rail services in Auckland and Greater Wellington provide vital support for their significant commercial, government and professional services industries. They also provide important connections for freight, with key connections to the ports.

In these metropolitan rail networks, urban passenger, inter-regional passenger and freight trains all share the same rail network. As use of the network increases, there will be increasing capacity constraints and competing demands for train paths.

The Auckland and Wellington networks have seen unprecedented growth over the last decade, primarily driven by increased use of passenger rail. Between June 2009 and June 2019, total patronage on the Auckland metro network grew from over 765 million to 21.39 million per annum – a 180 percent increase in patronage in 10 years.17

Increased capacity in Auckland is being provided through the construction of the CRL and investments planned through the Auckland Transport Alignment Project. These investments, including the third main line between Westfield and Win, will allow more trains to operate efficiently and reliably on the Auckland rail network and reduce challenges associated with accommodating passenger and freight trains. As a result of these investments, over the next decade, rail patronage in the Auckland metro network is expected to more than double to over 46 million trips per annum by 2028.18

Footnotes:
17 Auckland Transport rail patronage data and forecasts.
18 Auckland Transport rail patronage data and forecasts.
Case Study
City Rail Link (CRL)

CRL is New Zealand’s largest public transport infrastructure project — a $4.4 billion investment jointly funded by Auckland Council and the Crown. CRL is currently under construction and is scheduled to open in 2024.

CRL will provide a step-change in the capacity of the rail system. When operational, CRL will increase capacity on the entire rail network at least twofold, carrying up to 54,000 passengers an hour at peak times through the CRL tunnel linking Britomart with Mt Eden. This is the equivalent of three Auckland Harbour Bridges or 16 extra traffic lanes into the city at peak times. CRL stations are now being future proofed to accommodate nine-car trains to meet the demands of future growth and passenger numbers.

Passengers will benefit from improved connections to bus services, more frequent trains and reduced journey times. Rail has the ability to move more people more efficiently than other modes during peak traffic periods when congestion is at its highest. In addition, the benefits of CRL go beyond just transport, with job creation, new station development and place-making.

Auckland and New Zealand are set to benefit from a world-class infrastructure that supports a growing population and economy.

For more information on CRL visit https://www.cityraillink.co.nz

$4.4 BILLION
A 4.4 BILLION DOLLAR INVESTMENT
JOINTLY FUNDED BY AUCKLAND COUNCIL
AND THE CROWN

54,000
CRL WILL INCREASE CAPACITY, CARRYING
UP TO 54,000 PASSENGERS AN HOUR AT
PEAK TIMES

2024
SCHEDULED TO OPEN IN 2024

9
STATIONS ARE NOW BEING FUTURE PROOFED
TO ACCOMMODATE NINE-CAR TRAINS
The Wellington metropolitan network has also seen growth over the past decade, from a higher base. Between June 2008 and June 2019, rail patronage grew from 11.8 million trips to more than 14.3 million. Over the last 5 years, peak growth has risen by over 25 percent. If this trend continues, and sufficient capacity is provided, patronage will reach 20 million trips by 2030.

Wellington patronage growth was driven by a mix of population growth and from strategic investments, including a number of significant investments to improve passenger experience. A key future consideration is the impact of the Let’s Get Wellington Moving (LGWM) investment programme, which includes a range of active mode, public transport and road-based initiatives that are expected to appreciably increase rail network demand.

Improving the attractiveness of public transport is key to achieving mode shift and reducing dependency on private vehicles in our large and fast-growing cities. Rapid transit is the backbone of public transport systems, providing fast, frequent, high-capacity services along corridors that are separated from general traffic and therefore unaffected by road congestion. Aside from Auckland’s Northern Busway, rail makes up the entire rapid transit networks of Auckland and Wellington.

There is also growing demand for inter-regional passenger services between our largest urban centres, particularly Hamilton to Auckland and Wellington to Palmerston North, as well as for expanded metro services connecting cities to their surrounding regions. These also have an impact on the urban networks and what needs to be provided for.

Increasing the capacity and resilience of metropolitan rail networks, while preserving existing access arrangements, is vital to drive more efficient and liveable urban forms. It will help make room for growth and promote active travel. The role of rail in improving our urban areas is more important than ever before.

Spatial planning will play an increasingly important role in ensuring that future growth strategies for cities and regions is led by transport investment. 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.

In order to address the current and future growth there are a range of options. However, all of the options ultimately require investment. Where investment is made, it often can benefit both passenger and freight traffic.

**Wellington Rail Network Patronage Growth**

![Wellington Rail Network Patronage Growth](image)
Investment pipeline

There has been substantial investment committed to the metropolitan rail networks in recent years to enable resilient, reliable and safe metropolitan rail networks in Auckland and Wellington. This includes investment from Auckland Council and Auckland Transport, Greater Wellington Regional Council, and the Crown. Most recently $315 million in funding has been set aside through the NLTF in the Transitional Rail Class in the current GPS.

In line with our commitment to resilience and reliability, our strategic focus for the next decade is to deliver on this programme of investments. Our first priority is to deliver existing committed projects in the NLTF for Auckland and Wellington, and the already committed inter-regional passenger services. Following this, we will consider what more is required to support and enable growth in our urban networks.

This means the investment pipeline for the next decade will focus on delivering:

- the rail programme outlined in the Auckland Transport Alignment Project (ATAP)
- the Wellington Metro Upgrade programme (WMUP)
- enhanced regional services – Hamilton to Auckland and the Capital Connection.

Auckland Metropolitan Network

Auckland Council and the Government have worked together with other key stakeholders to develop an aligned strategic approach to planning and investing in Auckland’s transport system. The ATAP package identified investment in Auckland’s rail network (in addition to CRL) over the next decade of approximately $1.4 billion. This comprises rail network upgrades with an estimated combined cost of $840 million, plus $500 million for new trains and stabilising.

Investment Priorities

Completion of the CRL will continue to be the top priority for Auckland. The Council and the Crown have jointly set aside $4.4 billion for investment in the CRL. This investment is outside of the new planning and funding framework.

The following other key priorities for rail investment in Auckland metro area were identified in ATAP and are priorities for investment to realise the benefits of the CRL:

- electrification of the line from Papakura to Pukekohe. This will allow the old diesel fleet to be replaced by electric trains, removing the need for passengers to change trains at Papakura. It is also a critical component of investment to facilitate urban development in the Southern Growth Area
- the provision of a third main rail line between Westfield and Wiri and an upgrade of Westfield rail junction to better separate passenger and freight services, enabling higher frequencies and improved reliability
- a programme of works to improve safety, resilience and performance of the Auckland rail network, including crossovers, line speed improvements, and remedial track, formation and drainage works.

There are a number of additional priority projects identified in ATAP that will need to be considered to support growth. These include:

- provision of an Integrated Rail Management Centre incorporating Auckland Train Control to ensure there is capacity to manage a greater number of services
- progressive improvement and removal of road/rail level crossings to better manage safety risks and address road congestion
- a further order of new trains and stabilising, cleaning, and maintenance facilities planned for later in the decade to provide additional capacity, improve train frequencies and cater for the growth that is expected to follow the opening of the CRL.

These improvements are essential to accommodate increased train frequencies and reduce conflicts between passenger and freight services.

The Council and the Crown have jointly set aside $4.4 billion for investment in the CRL. This investment is outside of the new planning and funding framework.
Future opportunities

The investments identified above are essential and help to complete much of Auckland’s rapid transit network over the next decade. However, with the exception of CRL, these projects do not get rail ahead of the demand curve and further improvements will be required in the medium term.

General enhancements which have a system/network-wide benefit

Ultimately the capacity constraint is the number of train paths available, which in Auckland’s case means train paths shared between freight, metro, and long-distance trains. The options for creating capacity range from:

- creating new lines to support express passenger services and further separate passenger and freight trains – for example third and fourth main lines.
- reducing the number of locations where slower freight trains conflict with faster metro trains.
- operating more and longer metro trains (for example 9-car units). This will include consideration of corresponding upgrades of stations to provide capacity for additional passenger numbers, in particular key stations such as Newton. There will also need to be consideration of additional shelters and grade separated access to provide for all users at stations.
- running trains closer together – which is influenced by the signalling systems and the ability to get people on and off trains quickly.

With growth and increased pressure on capacity, additional investment will need to be considered to support:

- platform capacity – extending platforms to accommodate longer trains, potentially up to the equivalent of 9-car units with associated alterations to track, signalling and overhead lines.
- signalling capacity and safety – ETCS level 2 and beyond will be required in future decades to operate trains closer together to increase capacity without diminishing safety.
- traction system resilience and stability – providing additional capacity to support overall network resilience and change some elements of the system operation.
- further level crossing grade separation and closure.
- progressive fencing and security of the corridor.
- additional rolling stock and related storage across the network.
- consideration of land purchase to support expansion of existing or future rail corridors, including consideration of grade separation of level crossings.

Support for other potential network enhancements

Investment may need to be considered in the Auckland metropolitan rail area to support forecasted growth from investment north and south of the Auckland network, depending on the outcomes of current studies.

For example, depending on decisions taken following the Upper North Island Supply Chain Study (UNISCS), there will be implications for the Auckland network. This includes upgrades to the North Auckland Line beyond Swanson, likely extra tracks between Swanson and Avondale, and potentially construction of the long-planned rail freight bypass route between Avondale and Onehunga.

The Southern Growth Alliance is also considering what is required to support substantial urban growth in southern Auckland and the northern Waikato. The rail network may require new stations between Papakura and Puketawhero, as well as potentially extending urban passenger rail services beyond Puketawhero to Tuakau/Pokeno.

Wellington metropolitan network

The Wellington metropolitan network has had a series of investments between 2013 and 2017 to replace aging assets. This included the Mataraui Electric Multiple Units (EMUs), a new EMU Maintenance Depot and associated aspects of the signalling and power systems to make them “modern EMU capable”.

Since 2014 there has been a series of programmes funded and delivered to improve resilience and enable growth in line with the Wellington Metropolitan Rail Upgrade Programme (WMUP). Concurrently there has been other significant complementary investment by GWRG and others in recent times, positioning the rail network as a key part of Wellington’s integrated public transport system.
### Investment Priorities

Significant progress has already been made on the Wellington network, including recent investment from the Crown and through Transitional Rail funding from the NLTF. The following programmes (totaling approximately $300 million) are currently funded and underway in the Wellington metropolitan area:

The investments above will deliver capacity and resilience improvements and in particular remove the network’s longstanding vulnerability from the state of the overhead traction system. They create a sound foundation for growth investments. These projects have already been funded through the Crown and the Transitional Rail Activity Class in the NLTF. Delivering these projects is the key investment priority in the Wellington metro area.

<table>
<thead>
<tr>
<th>Programme</th>
<th>Primary Scope Overview</th>
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</thead>
</table>
| WMUP II   | • Renewal of traction overhead on Hutt Valley and Johnsonville Lines  
            • Replacing all remaining 3.3kV signals power supplies with low voltage power |
| WMUP III  | • Catch-up track renewals formation upgrade and drainage upgrade, primarily on Wairarapa Line  
            • Remuteka and Tawa Tunnels catch-up track renewal  
            • Re-sleepering twelve short tunnels  
            • Slope stabilisation  
            • Bridge replacement |
| WMUP IV   | Capacity and resilience upgrades  
            • Trentham – Upper Hutt double track  
            • Pimmerton Turn back  
            • Wellington Station approaches improvements to increase capacity  
            • Traction Power Supply Upgrade |

In addition, a further emerging resilience and safety investment requirement relates to the Wellington Station building (owned by KiwiRail). The station building is a listed heritage building, but despite some strengthening works over the last 20 years, is currently considered earthquake prone. The likely investment required to bring it much closer to 100% code compliance will be significant and is currently under review.

The role of the station and its potential development as a hub supporting rail, bus and future rapid transport solutions will also need to be considered in light of Let’s Get Wellington Moving. The investment needed to support that will also need to be considered.

### Future opportunities

To accommodate current growth and safety expectations the following additional investments will need to be considered in the medium term:

- New trains for Wairarapa and Capital Connection and increase in service frequency (including a new depot and Wairarapa Line capacity and safety upgrades)
- WMUP V – Signalling improvements and automated train protection
- WMUP VI – Re-modelling rail approaches to Wellington Station to add capacity

These investments would be paralleled by GWR/C’s planned improvements to platforms and station facilities coupled with greater integration with other modes of transport.

Beyond that, with growth and increased pressure on capacity, additional investment may need to be considered to support:

- Reduce length of Kapiti Line North – South junction single track
- Provide an additional platform at Waikanae
- New Metro EMU Rests
- Further grade separation e.g. Kapiti Line (NIMT)
- Wellington Station passenger terminal and building upgrades.
### Investing in urban public transport in our cities

**Key Priority**
Deliver on ATAP and transitional rail programme to support growth in urban public transport

<table>
<thead>
<tr>
<th>Location</th>
<th>Investment Priorities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Auckland</strong></td>
<td>Reliable and resilient networks</td>
</tr>
</tbody>
</table>
| • Third main line Wiri to Quay Park  
  • Papakura to Pukete electrification  
  • Catch up renewals programme to improve network resilience  
  • Asset Management Plan renewals and maintenance  
  • New Auckland train control centre |
| **Wellington** |  
  • WMUP II – Renewal of traction overhead on Hutt Valley and Johnsonville Lines  
  • WMUP III – Catch up track renewals, formation and drainage upgrades and slope stabilisation  
  • WMUP IV – Capacity and resilience upgrades  
  • Annual scheduled renewals and maintenance  
  • Seismic compliance – Wellington Railway Station |

### Benefits of investment

**Provides platform for growth:**
• Improved resilience, reliability and safety  
• Provides better service level for customers  
• Supports anticipated growth with benefits of reduced congestion, improved safety and lower emissions

**Supports Transport Outcomes Framework:**
- Inclusive Access
- Economic Prosperity
- Environmental Sustainability
- Healthy and Safe People
- Resilience and Security
### Location

<table>
<thead>
<tr>
<th>Investment Priorities</th>
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<tr>
<td><strong>Capacity for growth</strong></td>
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#### Auckland
- Progressive improvement and removal of road/rail level crossings to better manage safety risks and address road congestion
- Britomart East remodelling
- Pedestrian level crossings
- New trains and stabling, cleaning, and maintenance facilities

#### Wellington
- New trains to replace Wairarapa and Capital Connection carriages and provide for metro growth (including a new depot and Wairarapa Line capacity upgrades)
- WMUP V – Signalling improvements and automated train protection
- WMUP VI – Re-modelling rail approaches to Wellington Station to add capacity

### Future opportunities

#### Auckland
- Increased platform capacity – e.g. for 9-car units
- Signalling capacity and safety
- Traction system resilience and stability
- Further level crossing grade separation and closure
- Progressive fencing and security of the corridor
- Additional rolling stock and related storage across the network
- Completion of the fourth main line – Westfield to Pukekohe
- Grade separation Westfield Junction
- Enhancements North/South NIMT, NAL, Western Line and Southdown to Avondale
- Hamilton to Auckland service enhancements

#### Wellington
- Reduce length of Kāpiti Line North – South junction
- Single track
- Provide an additional platform at Waikanae
- New Metro EMU fleets
- Further grade separation e.g. Kāpiti Line [NIMT]
- Wellington Station passenger terminal and building upgrades
Enhanced inter-regional services

Investment Priorities

The priority for regional commuter rail will be to support existing regional services between Hamilton and Auckland, and between Palmerston North and Wellington.

Palmerston North to Wellington

Kiwirail operates an inter-city service, the Capital Connection, between Palmerston North and Wellington, with one return service per day on weekdays. KiwiRail has been running the Capital Connection service since 1991, and has had limited funding from councils for the last four years.

The service runs close to capacity, with approximately 135,000 passenger trips per year, but currently uses older rolling stock which is nearing its end of life and needs to be either refurbished or replaced. A current service short life extension has been funded through the NLTF, with two future longer-term alternatives under consideration:

- replace current assets with Auckland to Hamilton equivalent assets; or
- purchase new longer distance rolling stock.

Hamilton to Auckland

Funding has been committed to a five-year interim rail service [2 returns per day] starting in mid-2020. It will be operated by KiwiRail.

The services will use re-manufactured diesel-hauled carriages terminating initially at Papakura where passengers transfer to Auckland Metro Services. Extending this service to stop at the Puhinui Interchange (and then run on to Westfield for servicing as currently planned) is under investigation. The level of service provided will be akin to the Capital Connection in Wellington, with the Hamilton-Auckland service providing a higher level of amenity offering coffee, food, wine, comfortable seats, Wi-Fi and tables.

Crown funding has also been provided to the mandated ‘Hamilton to Auckland InterCity Connectivity business case’, which will consider the potential for rapid rail between the two cities. Among other issues, impacts on line operating capacity will need to be assessed, in particular north of Wiri.
Enabling regional development and connectivity through the PGF

Rail offers benefits to regions through creating jobs, delivering goods to people and ports, moving freight off regional roads and bringing tourists to regions.

Regional New Zealand plays an important role, both socially and economically. The regions generate the bulk of New Zealand’s commodity exports, such as agriculture products, forestry, and manufacturing. The Provincial Growth Fund (PGF) is investing in building the connectivity and economic productivity of regions, and ensuring that regions get their fair share of the opportunities that rail can provide.

In addition to the priority investments that will be considered under the new planning and funding framework above, the Government is separately making lead investment in regional rail projects through the PGF.

Investment in regional rail increases throughput of freight and reduces travel times, while improving the resilience and sustainability of the transport infrastructure that connects regions to one another and their exports to markets. It provides opportunities to bring tourists to our regions, and creates jobs and economic development opportunities for regional New Zealand.

As a key transport mode for bulk exports such as forestry products, investment in rail underpins current and future areas of economic opportunity in the regions. Improved intra- and inter-regional transport links can give businesses and investors confidence that they will have reliable access to markets, enabling accelerated business growth and more higher-paid jobs in the regions. Multimodal freight and distribution hubs offer efficiency gains for freight transport and encourage investment from private enterprise.

The regional focus of the PGF means it has been uniquely placed to invest in transport in the regions, and it has made substantial investments in rail to capture the benefits it offers to those areas. This investment has been focused where it will support regions’ key sectors and exports and have a significant and sustainable impact on their productivity.

Investment Priorities

To date, over $560 million from the PGF has been committed to rail projects in the regions. This includes $300 million for regional rail initiatives announced in the Wellbeing Budget 2019. This investment will drive regional economic development and support local employment through delivery of the PGF-funded rail investment programme.

The investment pipeline so far includes the following projects:

- adding additional capacity and a new premium service to the TranzAlpine, delivering increased high net worth tourists to the West Coast and supporting local jobs
- upgrades to the Coastal Pacific, including additional capacity, a new premium service and an expansion to a full 12 month timetable (from existing 7 months)
- securing land for an intermodal freight hub in Palmerston North - Kiwirail is developing plans for a high-tech, multi-modal freight hub which will help grow Palmerston North’s role as a critical freight distribution centre for the lower North Island
- Whangarei to Cestlé Mill rail line upgrades to support resilience and reliability and encourage modal shift to rail
- constructing a log hub in Dannevirke (dependent on the outcomes of an evaluation) and an intermodal distribution hub in Kaeo
- refurbishing the Hillside heavy engineering workshop in Dunedin
- North Auckland Line [NAL] repairs and maintenance south of Whangarei to halt the previous state of managed decline and ensure the line remains operational.

Future opportunities

Of the PGF funding committed to rail, a balance of $172 million has yet to be assigned to specific projects.

The allocation of this balance will be informed by the final report of the Unicsc Working Group. Future opportunities that may be funded by the PGF include:

- Marsden Point Rail Link
- NAL Upgrade to allow for growth
- NAL Upgrade to fully signalled 20 tonne plus axle load.
Enabling regional development and connectivity through the PGF

Drive regional economic development through delivery of PGF funded rail investment programme

1. Northland Rail – Essential Repairs to Rail
2. Central North Island Freight Hub Land Purchase and Site Planning
3. Napier to Wairoa Re-opened
4. Whanganui Upgrade Works
5. Dannevirke Logging Siding and Kawerau Distribution Hub
6. South Island Tourism – Coastal Pacific and TranzAlpine Enhancements
7. Hillside Heavy Engineering Capability
8. Improvements to Regional Network Resilience and Capability

Remainder of $300m PGF rail package announced in Budget 2019 – under review
Benefits of investment

Supports P&F criteria, particularly:
- creating jobs, leading to sustainable economic growth
- enabling Māori to realise aspirations in all aspects of the economy
- encouraging environmental sustainability and helping New Zealand meet climate change commitments
- improving resilience, particularly of critical infrastructure and by diversifying our economy.

Focused on opportunities that are sustainable commercially over time.

Future regional growth opportunities

- Northland:
  - Marsden Point Rail Link (Phase III)
  - NAL Upgrade to allow for growth (Phase IV)
  - NAL Upgrade to fully signalled 20 tonne plus axle load (Phase V)
Section three

Measuring the benefits of investment
Me pēhea te whakawāriu i ngā painga huhua noa

We need to monitor our performance in delivering these investments to ensure they are achieving the outcomes of the system.

We will be tracking our investments and the outcomes they are achieving for the transport system and New Zealand. We expect to monitor the benefits realised through our investment in a number of ways. Further work is underway on developing the monitoring framework for rail.

Measuring the achievement of outcomes

Investment in rail is anticipated to deliver:
- Increased resilience and reliability of the rail network to enable rail to retain its share of the freight market.
- Increased capacity in Auckland and Wellington passenger rail networks to support:
  - rail patronage in the Auckland metropolitan network to more than double to over 47 million passenger trips per annum by 2028.
  - rail patronage on the Wellington metropolitan network to reach 20 million trips by 2030.

It will also contribute to transport system outcomes as outlined in Section 1.

We will report investment levels for rail assets including maintenance, renewal and improvement of the network.

Further work will occur on the overall monitoring framework as part of the development of the final GPS and the final Rail Plan. In order to ensure a cohesive monitoring and performance framework for the national land transport system, rail activities funding from the NLTF will form part of the GPS monitoring framework in future.

Kiwirail reports its performance as a commercial State Owned Enterprise (SOE) in accordance with the expectations of Shareholding Ministers.

Measuring improvements to the network

At a technical level, the improved resilience and reliability of the network will be tracked and monitored.

Investment will be aligned with asset management plans and will support the principal operating parameters for the network (for example axle load and line speed) which will be outlined in the RNIP. Detailed operational measures will be developed and included in the RNIP, with regular reporting on progress.

These measures will reference required levels of service for the national network and metropolitan areas.
Section four

What next?
He aha kei te whai ake?

Feedback on the Plan

Formal feedback will be sought on the draft Rail Plan as part of the engagement process for the draft GPS 2021 which is due to occur in the first half of 2020. We have timed release of this Plan prior to the release of the draft of the GPS 2021, to ensure that our vision for rail can inform its development.

Regions are in the process of updating their key transport planning documents, including their plans for rail. As part of this, they may wish to provide feedback.

We will issue the final Rail Plan alongside the final GPS in the second half of 2020.

The final Plan will also provide further information on funding sources and principles to facilitate the ongoing investment in the development of rail, including track user charges to support the NLIF. The monitoring framework will also be finalised alongside the GPS.

Alongside engagement on the draft Plan, we are also progressing amendments to the LTMA. The legislative process will allow for an opportunity to provide feedback on the changes proposed to the LTMA to enable the new planning and funding framework outlined in Section 2, Part 2.

If you wish to provide early feedback on the plan before the formal engagement process next year you can email: DraftNZRailPlan@transport.govt.nz

The Ministry will update its website regarding the formal engagement process through the GPS and timelines for formal feedback.

Overall implementation

The changes described in this plan are significant and will take until 2021 to implement. The overall programme will require a significant commitment from all parties involved in the rail activity, particularly from the Ministry of Transport, KiwiRail, the Transport Agency, Auckland Transport, Auckland Council and Greater Wellington Regional Council.

The Ministry of Transport will lead the implementation approach and will work collectively with all agencies to support the implementation.

We aim to implement the overall regime in mid-2021, in line with the next National Land Transport Programme. We intend to introduce legislation giving effect to the new planning and funding framework by the end of this year.

KiwiRail will also start working with Auckland Transport, Auckland Council and Greater Wellington Regional Council to develop the Rail Network Investment Programme. This will occur alongside the legislative changes occurring, in order to align with the next National Land Transport Programme timing.

This is an ambitious two-year implementation period. It will take much longer to fully embed such significant changes, and will require continued refinement over time.
Te take mō te pūrongo
Purpose of the report
1. To seek approval on the key areas of change sought by the Auckland Council submission on the Urban Development Bill.

Whakarāpopototanga matua
Executive summary
2. The Urban Development Bill is a complex piece of legislation which provides specific powers to enable Kāinga Ora-Homes and Communities (Kāinga Ora) to undertake urban development within a defined specified development project area (SDPA) as well as providing the ability to use powers of acquisition for all Kāinga Ora’s development activities.
3. The Bill sets out the process for establishing an SDPA, the preparation of a development plan and transitional issues, notification of the plan and submission to an Independent Hearings Panel (IHP), and the collection of rates and development contributions.
4. Staff have been working through the details of the Bill and have identified some key themes for consideration as well as detailed feedback on specific clauses in the Bill.
5. While it is recommended that Auckland Council maintain support for Kāinga Ora to undertake urban development within specified development areas, this report highlights to this Committee a number of areas of concern around the impact on decision making processes, duplication of process (particularly consenting), lack of strategic alignment, challenges for network planning, funding and infrastructure delivery, and unachievable timeframes.
6. This Bill is the latest piece of legislation that impacts on urban growth and housing in addition to: Resource Management Act reforms; proposed National Policy Statements on Urban Development, and Highly Productive Land; Essential Freshwater and Indigenous Biodiversity; Infrastructure Funding and Financing Bill; and the National Planning Standards. It is recommended that Auckland Council advocate strongly to central government to ensure alignment of these changes.

Ngā tūtohunga
Recommendation/s
That the Planning Committee:

a) approve the approach to the Auckland Council submission on the Urban Development Bill that maintains support for Kāinga Ora to undertake urban development within Auckland but requests that the Bill be amended to:
   i) adopt a partnership approach between central government, local government and mana whenua to avoid unnecessary duplication
   ii) align with the Auckland Plan 2050 to provide certainty to our communities, infrastructure providers, and funding and implementation in the long-term plan
   iii) ensure that appropriate safeguards are put in place in relation to social and physical infrastructure networks
   iv) integrate this Bill with the other national directions and/or initiatives
v) acknowledge that Auckland Council has a different governance structure, as established under the Local Government (Auckland Council) Act 2009, and ensure that ample time and opportunity is provided for input

b) note that the submission will be signed off by delegated authority as approved by this Committee on 5 December 2019, with the submission due date of 14 February 2020.

Horopaki Context

7. The Urban Development Bill was introduced to Parliament on 5 December 2019 and had its First Reading on 10 December 2019. It has now been referred to Select Committee.

8. The Urban Development Bill sets out the functions, powers, rights and duties of the Crown entity, Kāinga Ora-Homes and Communities (Kāinga Ora) to enable it to undertake its urban development functions.

9. Kāinga Ora has two key functions: being a public housing landlord; and leading and coordinating urban development. The entity’s objective is to “contribute to sustainable, inclusive and thriving communities that:

a) provide people with good quality, affordable housing choices that meet diverse needs; and

b) support good access to jobs, amenities and services; and

c) otherwise sustain or enhance the overall economic, social, environmental and cultural wellbeing of current and future generations."

10. The Urban Development Bill gives Kāinga Ora access to a ‘tool box’ of development powers to be used within a specified development project area and some general powers that can be applied outside of these areas. Each of the powers has been designed to address a specific barrier to development. Not all powers will be needed by every project.

11. Development powers are set out under the following categories:

a) Infrastructure – scope potential works, three waters and drainage infrastructure, roading, parking, public transport, transfer of ownership, bylaw powers, ability to do works outside a specified development area

b) Planning and Consenting – amendments to district plan, regional plan or regional policy statement, issue consents, shortened consent process, requiring authority powers, veto or amend applications of resource consents or plan changes in the project area

c) Funding – Set and assess targeted rates, require development contributions, require betterment payments, require infrastructure and administrative charges

d) Land Acquisition and Transfer – exchange, revoke, reconfigure some reserves, create, classify and vest reserves, transfer and set apart Crown owned land, acquire private land, transfer of ownership, buy, sell and hold land in own name, transfer of former Māori land.

12. On 20 January 2020 a Political Working Group (PWG) workshop was held with the following members - Councillor Darby, Councillor Bartley, Councillor Dalton, IMSB Member Tau Henare, Troy Churton (Orakei Local Board), Danielle Grant (Kaipatiki Local Board), and Margi Watson (Albert-Eden Local Board).
13. At the PWG workshop staff provided an overview of the contents of the Bill and focused discussion around the following areas:
   a) process for establishing an area as a specified development project area (SDPA)
   b) development plan and transitional issues
   c) notification of development plan, submission to IHP
   d) rates, development contributions
   e) general approach to the submission.

Tātaritanga me ngā tohutohu
Analysis and advice

14. At the PWG workshop staff reiterated that council has supported in principle the establishment of an urban development agency in the Auckland Council submission to an earlier Bill, the Kāinga Ora – Homes and Communities Bill. However, the submission also highlighted the need to see the detail of how the new urban development entity, Kāinga Ora, would operate and what powers would be afforded to it.

15. From the PWG workshop and feedback from staff there was general agreement, that while not challenging Council’s previous position of support, concerns be raised in the submission as follows:
   a) there is potential for duplication and confusion for the community, applicants and developers if Kāinga Ora was automatically the resource consent authority and unintended complications as many urban developments require both district and regional consents. There will also be challenges around enforcement of consents
   b) under the powers provided to Kāinga Ora for compulsory acquisition of land, there is a lack of offer back through the Public Works Act
   c) there is a potential impact on regional reserves and historic reserves as neither are excluded from development plan impacts i.e. are not protected. Only conservation and scenic reserves are excluded. There is no requirement to provide replacement reserves if reserves are taken by Kāinga Ora for development
   d) potential unintended consequences such as there no provision for Kāinga Ora to consider and pay for the ongoing operational cost of any new infrastructure they create, with a targeted rates impact
   e) impact on Auckland Council Group infrastructure provision as there are no requirements to meet codes of practice; the capacity across the network could be compromised if Kāinga Ora does not work closely with infrastructure providers (there is no requirement to do so); and a potential impact on health and safety
   f) decision making is far reaching and removed from communities as no real account is given to strategies such as the Auckland Plan 2050, Auckland Unitary Plan and other strategic policies such as open space and community facilities network plans. Nor does it take into account the community effort which has gone into developing such strategies/plans
   g) concern that final decisions on the establishment of a SDPA left to two Ministers who will not have the context or knowledge of an area and do not seem to be required to consider any evidence in making their determination. Concern that leaving the final decision on amendments proposed by the IHP to the development plan in the hands of one Minister who has not been privy to the IHP hearings process has its risks
   h) duplication of processes and investments is wasteful, there will be an impact on resourcing across the Council group. There is a limited market pool from which Kāinga Ora will be able to appointment new specialist staff
16. Concerns were also raised by one member of the PWG on the misalignment of this Bill with the proposed changes to the Resource Management Act (RMA) as set out for discussion in the Resource Management Issues and Options paper released in November 2019. The member felt the review of the RMA should be completed first.

17. The chair noted that in addition to the two main Ministers mentioned (other Ministers may also be involved e.g. Minister of Conservation and Ministry for Treaty of Waitangi Negotiations), the submission should advocate that the Minister for Climate Change should also be included in decisions to establish a SDPA and the final development plan as a mechanism for checking on SDPA proposals against the sustainable urban development principles.

**Tauākī whakaaweawe āhuarangi**

**Climate impact statement**

18. The Bill does not largely comment on the impact on climate change apart from one of the principles for SDPA outlined in the Bill which states Kāinga Ora must have particular regard to low-emission urban environments and promote sustainable management of nature and physical resources. It is proposed that Council’s submission will seek that Kāinga Ora in its SDPA must take into account climate change.

**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera**

**Council group impacts and views**

19. Representatives from Watercare and Auckland Transport have been involved in council staff workshops and invited to provide feedback.

20. Concerns raised by Auckland Transport (AT) detail the following (yet to be agreed by the AT Board):

   a) Auckland Transport is not a relevant territorial local authority for the purpose of these provisions. This means that Kāinga Ora is not required to consult with Auckland Transport at the project proposal stage to consider matters around roading powers and infrastructure provision

   b) the provisions offer some protection to Auckland Transport designations; however, it is not clear how it will be determined whether the new or altered designation meets the objectives of the existing requiring authority. This could affect the ability for Auckland Transport to secure access rights to support a future roadway

   c) Auckland Transport requires a sufficient level of detail in the infrastructure statement to identify why the infrastructure is required and its relationship to the relevant transport network

   d) in the development area Kāinga Ora potentially has the same powers over the local roading network as Auckland Transport which raises a number of substantive issues including; undermining network planning; complicating public transport provision; and creating general confusion (roles and responsibilities, enforcement, roading boundaries, standards and bylaws)

   e) proposed arrangements to develop and transfer assets have the potential to bring forward infrastructure provision but there are issues around coordination, standards, long-term maintenance and renewal responsibilities, and ownership and financial arrangements

   f) provision and transfer of transport assets and potentially financial obligations by Kāinga Ora could expose Auckland Transport to significant financial liabilities and raises risk of redundant or unsuitable assets.
21. Concerns raised by Watercare (yet to be agreed by the Watercare Services Limited Board) highlight a number of other legislative implications that the Bill, if passed in its entirety, would have on Watercare. These implications would be in addition to the water and wastewater network issues outlined below:

   a) Watercare as a “minimum cost provider” – as Watercare is required to be a “minimum cost provider” – as per the Local Government (Auckland Council) Act 2009 – there would be circumstances, such as when Kāinga Ora transfers its newly constructed assets to Watercare, which would make Watercare responsible for the associated operation and maintenance costs. These costs would likely be elevated due to the uncertainty around their standard of design and subsequent construction methods

   b) the transfer of drinking water quality risks to Watercare – as a water and wastewater operator, Watercare would automatically be responsible for any breaches of drinking water standards, and any consequential “public health events” from any Kāinga Ora inherited assets

   c) capacity constraints within the network and at treatment plants - there would likely be water and wastewater network capacity issues, both inside and outside the boundary of any project areas. This could lead to resource consent non-compliances at various treatment plants and increased overflow events within networks

   d) breaches of contract - as Watercare is the asset owner, with third party contractual agreements, there could also be implications on its existing customer obligations, both inside and outside any project areas

   e) implications on Watercare’s plans, goals and targets - many of Watercare’s aspirations and targets would also be compromised, such as its 40:20:20 goals, energy neutrality and net carbon zero aspirations, and negative impacts on its public reputation.

22. Panuku Development Auckland provided feedback (yet to be approved by the Panuku Board) highlighting key points as follows:

   a) to add most value, urban regeneration agencies need to focus their interventions in areas where the market and current players cannot deliver. This suggests a focus on complex urban development projects such as brownfields or where there is a recognised market failure, a desire to trial new models/innovations or where there is a lack of commercial feasibility for regeneration despite the ability to achieve public good/strategic wellbeing outcomes

   b) community engagement does not feature explicitly in the Bill. However, Panuku’s experience is that there needs to be ongoing engagement with local stakeholders and communities to inform, involve and partner with communities in urban transformation planning and programme delivery

   c) Panuku currently works closely in partnership with Kāinga Ora in many of the priority development locations to leverage opportunities and achieve shared objectives. Panuku anticipates continuing to work in close partnership with Kāinga Ora to build and maintain momentum to deliver urban change and transformation that responds to the significant challenges facing Auckland including the housing crisis and climate change emergency.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe**  
**Local impacts and local board views**

23. A memo was sent to all local board members on 16 January 2020 outlining the process for the Urban Development Bill submission. Local board members were also provided with two summaries of the contents of the Bill and a link to the full text of the Bill.

24. A local board workshop, for all local board members, on the Urban Development Bill is scheduled for Friday 31 January. Staff will provide a verbal update of this meeting and a summary of the discussion points at the Planning Committee on 4 February.
25. Local boards have been invited to send their feedback through by Friday 7 February. This will be appended to the main submission.

**Tauākī whakaaweawe Māori**  
**Māori impact statement**

26. The activities of the new entity have the potential to provide significant benefits to Māori through provision of public housing, affordable housing and opportunities for Māori to participate in urban development. There is also the risk of impacts, for example on wāhi tapu, sites of significance and wider environmental interests. It will be important to carefully consider provisions of the second Bill to ensure the appropriate protections are in place.

27. Tau Henare, the Deputy Chair of the Independent Māori Statutory Board, attended the political working group on 20 January 2020. Concerns were raised at this meeting on the following:

a) concern with the current definition of papakainga

b) Treaty clause - seek to insert “have particular regard to” the Treaty, wherever in Bill the Treaty is mentioned

c) Iwi planning documents – this needs to consider how to include non-Crown recognized iwi.

**Ngā ritenga ā-pūtea**  
**Financial implications**

28. Feedback has been sought from council’s Financial Strategy Team. Key areas of concern/comment are –

a) support for provisions that allow Kāinga Ora to invest in infrastructure and to fund their investment with development contributions and targeted rates. This provides for additional infrastructure investment without jeopardising council’s financial stability. Council will collect targeted rates on behalf of Kāinga Ora. Kāinga Ora will cover the costs of collection

b) unlike earlier UDA proposals there are no limitations on the ability of either the council or Kāinga Ora to recover the costs of their investments from benefiting landowners (using development contributions or rates) within or outside the development area

c) refinements to the current rating legislation to give Kāinga Ora more options for setting rates to ensure equity between benefitting properties and manage the impact of new targeted rates on smaller property owners

d) the council is forecast to collect $1.9 billion of rates from over 570,000 properties representing 45 per cent of our revenue in 2020/2021. It is important the collection of Kāinga Ora rates integrates smoothly with council’s rating processes and systems. To ensure this some technical issues need to be addressed

e) council is forecast to collect $300 million in development contributions in 2020/2021. The legislation needs to ensure that both council and Kāinga Ora can collect development contributions from the same developers for infrastructure they will benefit from. To ensure this some technical issues need to be addressed.

29. Within the Auckland Council submission there will be specific changes and relief sought to ensure successful administration of UDA charges.
Ngā raru tūpono me ngā whakamaurutanga

Risks and mitigations

30. The Urban Development Bill presents both opportunities and risks to Auckland. If Kāinga Ora uses its special powers in a collaborative way with council, mana whenua, infrastructure providers and relevant communities then sustainable urban communities could be developed in a more integrated way. However, for that to happen the various concerns raised will need to be addressed. The Council’s submission will include a detailed table setting out how clauses of the Bill could be amended to address the concerns.

Ngā koringa ā-muri

Next steps

31. Council staff are currently preparing the draft submission. This will re-iterate the support set out in Auckland Council’s previous submission to the Kāinga Ora – Homes and Communities Bill on the creation of an urban development agency. However, having reviewed the detail in the Urban Development Bill of the process to establish the Specified Development Project areas and the powers that will be available to Kāinga Ora both within and outside these areas there are a number of concerns that will be outlined in the submission.

32. Final feedback is being collected from staff across Auckland Council and CCOs, which will feed into the final submission. An early draft will be shared with the members of the Political Working Group and the submission will be presented to the delegated authority on 11 February. The delegation from the Planning Committee on 5 December 2019 comprises the Chair and Deputy Chair of the Planning Committee and an Independent Māori Statutory Board member, Tau Henare, for sign off. The submission is due on 14 February 2020.

Ngā tāpirihanga

Attachments

There are no attachments for this report.

Ngā kaihaina

Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Anna Jennings - Principal Advisor</th>
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<tr>
<td>Authoriser</td>
<td>Megan Tyler - Chief of Strategy</td>
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Planning Committee  
04 February 2020

**Auckland Unitary Plan (Operative in Part) - Request to Make Plan Change 4 (Correction to Technical Errors and Anomalies in the Auckland Unitary Plan), and Plan Change 18 (Tāmaki Open Space Rezoning) Operative**

File No.: CP2020/00187

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**Te take mō te pūrongo**  
**Purpose of the report**

1. To make operative Plan Changes 4 and 18 to the Auckland Unitary Plan (Operative in Part).

**Whakarāpopototanga matua**  
**Executive summary**

2. Plan Change 4 – Correction to Technical Errors and Anomalies in the Auckland Unitary Plan (Operative in Part), is an administrative plan change that aims to correct technical errors and anomalies within a number of existing policies, rules, overlays, precincts and the GIS Viewer of the Auckland Unitary Plan (Operative in part).

3. Plan Change 18 – Tāmaki Open Space Rezoning, involves the rezoning of parts of three reserves in the Tāmaki area – the Taniwha (185-195 Taniwha Street, Glen Innes), Maybury (204 Taniwha Street, Glen Innes) and Boundary (part of 143 Tripoli Road, Point England) reserves. The rezoning is part of the Tāmaki regeneration project which involves improving housing, streets and open spaces/parks. The plan change proposes to change the Auckland Unitary Plan zoning maps to reflect a series of proposed land swaps that seek to improve the quality, safety and use of these three parks.

4. Plan Change 4 was publicly notified on 28 September 2017 and hearings were completed in 30, 31 January and 1 February 2018. The submissions were heard by independent commissioners and the council has released the decision. Two appeals (Pine Harbour Marina Limited and Housing New Zealand Corporation) were received for Plan Change 4. Both appeals have subsequently been settled by consent order. The details of the consent orders are available on the council website.

5. Plan Change 18 was publicly notified on 21 February 2019 and the hearing was completed on 20 August 2019. The submissions were heard by independent commissioners and the council has released the decision. No appeals were received for Plan Change 18.

6. The plan changes can now be made operative with the Planning Committee’s approval.

**Ngā tūtohunga**  
**Recommendation/s**

That the Planning Committee:

a) approve Plan Change 4 to the Auckland Unitary Plan (Operative in Part), under clause 17(2) of Schedule 1 of the Resource Management Act 1991

b) approve Plan Change 18 to the Auckland Unitary Plan (Operative in Part), under clause 17(2) of Schedule 1 of the Resource Management Act 1991

c) request staff to complete the necessary statutory processes to publicly notify the date on which the plan changes become operative as soon as possible, in accordance with the requirements in clause 20(2) of Schedule 1 of the Resource Management Act 1991.
Horopaki
Context

Intent of the Plan Changes
7. Plan Change 4 is an administrative plan change that aims to correct technical errors and anomalies that were identified up to mid-2017 within the Auckland Unitary Plan (Operative in Part) within a number of existing policies, rules, overlays and precincts and the GIS Viewer of the Auckland Unitary Plan (Operative in Part). Plan Change 4 also rezones a number of land parcels that have recently been vested in the Council as reserves. None of the changes altered the policy direction of the Auckland Unitary Plan.

8. The technical errors and anomalies included as part of Plan Change 4 appear in Chapters B, D, E, H, I, J and L and the GIS Viewer of the Auckland Unitary Plan (Operative in Part), and include spatial zoning changes (to both zoning anomalies and land recently vested as open space with council).

9. Plan Change 18 involved the rezoning of parts of three reserves in the Tāmaki area – the Taniwha (185-195 Taniwha Street, Glen Innes), Maybury (204 Taniwha Street, Glen Innes) and Boundary (part of 143 Tripoli Road, Point England) reserves. The rezoning is part of the Tāmaki regeneration project which involves improving housing, streets and open spaces/parks. The plan change proposes to change the Auckland Unitary Plan zoning maps to reflect a series of proposed land swaps that seek to improve the quality, safety and use of these parks.

10. The recommendation to the Planning Committee is to approve Plan Changes 4 and 18 under clause 17(2) of Schedule 1 of the Resource Management Act 1991. This will make the plan changes operative.

Plan Change Process to Date
11. Plan Change 4 was publicly notified on 28 September 2017.

12. Plan Change 4 received 226 submissions (including 15 late submissions) and 16 further submissions were received. The hearing for Plan Change 4 was held on 20, 21 and 24 June 2019.

13. Council released the decision for Plan Change 4 on 14 June 2018. Two appeals were received - Pine Harbour Marina Limited and Housing New Zealand Corporation. Both appeals have subsequently been settled by consent order.

14. Plan Change 18 was publicly notified on 21 February 2018.

15. Plan Change 18 received 20 submissions (including two late submissions) and one further submission. The hearing for Plan Change 18 was held on 20 August 2019.

16. Council released the decision for Plan Change 18 on 10 October 2019. No appeals were received. The maps showing the relevant areas of Plan Change 18 are at Attachment A.

17. Both decisions, which contain the amendments for the plan changes can be found on the council website.

Tātaritanga me ē ngā tohutohu
Analysis and advice
18. Schedule 1 of the RMA sets out the statutory process for the development of plan changes.

19. Clause 17(2) states that ‘a local authority may approve part of a policy statement or plan, if all submissions or appeals relating to that part have been disposed of’. The two appeals to Plan Change 4 have both been resolved by consent order. There were no appeals received for Plan Change 18.
20. Clause 20 of Schedule 1 sets out the process that is required to be undertaken for the notification of the operative date. Staff will notify the operative date as soon as practicable following the Planning Committee’s resolution.

Tauākī whakaaweawe āhuarangi
Climate impact statement
21. As this report is recommending a procedural step under the RMA, there are no impacts on climate change.
22. Plan Change 4 involved the correction of technical errors and anomalies and therefore has a neutral impact on climate change.
23. Plan Change 18 did result in a net gain of 5,269 sqm of land being zoned public open space in the Tāmaki area. This provides additional opportunity for tree planting to mitigate greenhouse gas emissions. In addition, the plan change will result in improved local reserves that are accessible and useable, thus encouraging local use and mitigating the need to travel elsewhere for recreation purposes.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views
24. Both plan changes were led by the Plans and Places Department. For Plan Change 4, specialist advice was received from staff in the Auckland Design Office, Regulatory Services, Healthy Waters, Parks and Recreation Policy and Auckland Transport. For Plan Change 18 advice was received from the Development Programme Office, Parks and Recreation Policy, Healthy Waters and the Tāmaki Regeneration Company. These specialists provided advice on the proposed plan changes, the supporting section 32 reports and/or provided responses to matters raised by the submitters at the hearings.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views
25. For Plan Change 4, in April 2017, a memo was sent to advise all local boards about the proposed plan change and to invite local board members to advise Plans and Places staff of any errors and anomalies they had identified. Due to the administrative scope of the plan change and the fact it did not involve policy changes, limited consultation was undertaken with local boards during the development of the plan change and section 32 report. In September 2017, a further memo was sent to all local boards advising them of the upcoming notification of the plan change.
26. Plan Change 18 was originally part of Plan Change 13 – Open Space. A memo was sent to all local boards on 17 July 2018 advising of the proposed Open Space Plan Change (which at that stage included the Tāmaki changes). In August 2018, the Planning Committee resolved to separate out the Tamaki changes from the balance of Plan Change 13. Close consultation has occurred with the Maungakiekie-Tāmaki Local Board through the preparation of initially Plan Change 13 and subsequently Plan Change 18. The Maungakiekie-Tāmaki Local Board were supportive of the changes in Plan Change 18.

Tauākī whakaaweawe Māori
Māori impact statement
27. As Plan Change 4 involved “fixing” errors and anomalies and no changes in policy direction, its impact on Iwi was the same as the general population.
28. For Plan Change 18, Iwi were consulted when the Tāmaki changes were part of the larger open space plan change. The changes associated with Plan Change 18 will result in improved quality open space which are more useable and safer. This will benefit both Iwi and the general population.
29. All 19 mana whenua entities were consulted prior to public notification of Plan Changes 4, and 18. Responses were received from Te Akitai Waiohua Iwi Authority and Ngāti Whātua Ōrākei (Plan Change 4) and Ngati Tamaoho Trust and Ngāti Whātua Ōrākei (Plan Change 18, which was originally part of PC 13).

30. All mana whenua were sent formal notification of the plan changes on 28 September 2017 (PC 4) and 21 February 2019 (PC 18).

Ngā ritenga ā-pūtea
Financial implications

31. There are no financial implications associated with making Plan Changes 4 and 18 operative.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations

32. There are no risks associated with making Plan Changes 4 and 18 operative.

Ngā koringa ā-muri
Next steps

33. The final step in making Plan Changes 4 and 18 operative is to publicly notify the date on which they will become operative, and to update the Auckland Unitary Plan. This will be undertaken as soon as is practical after the Planning Committee’s recommendation.

Ngā tāpirihanga
Attachments

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Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Tony Reidy - Team Leader Planning</th>
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<tbody>
<tr>
<td>Authorisers</td>
<td>John Duguid - General Manager - Plans and Places</td>
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<td>Megan Tyler - Chief of Strategy</td>
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### Appendix 1

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<td>Geographic area:</td>
<td>Central</td>
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<tr>
<td>Subject property:</td>
<td>193-195 Taniwha Street, Glen Innes</td>
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<tr>
<td>Legal Description(s):</td>
<td>Pt Lot 142 DP 42356</td>
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<tr>
<td>Current zone(s):</td>
<td>Open Space — Informal Recreation Zone</td>
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<td>Proposed zone:</td>
<td>Residential — Terrace Housing and Apartment Building Zone</td>
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![Map Image](image-url)
Map number: 2
Geographic area: Central
Subject property: Part of 6-8 Harlow Place, Glen Innes
Legal Description(s): Lot 121 DP 39662 & part of Lot 4 DP 39662
Current zone(s): Residential – Terrace Housing and Apartment Building Zone
Proposed zone: Open Space – Informal Recreation Zone
Map number: 3
Geographic area: Central
Subject property: 45, 47 and part of 49 Epping Street
Legal Description(s): Lot 128 DP 39662; Lot 129 DP 39662 & part of Lot 130 DP 39662
Current zone(s): Residential – Terrace Housing and Apartment Building Zone
Proposed zone: Open Space – Informal Recreation Zone
Map number: 4
Geographic area: Central
Subject property: 193 – 195 Taniwha Street, Glen Innes
Area B
Current zone(s): Open Space – Informal Recreation Zone
Proposed zone: Residential – Terrace Housing and Apartment Building Zone
Map number: 5
Geographic area: Central
Subject property: 180-202 Taniwha Street, Glenn Innes
Legal Description(s): Lot 165 DP 43833, Lot 166 DP 43833, Lot 167 DP 43833 & Lot 168 DP 43833
Current zone(s): Residential – Terrace Housing and Apartment Building Zone
Proposed zone: Open Space – Informal Recreation Zone
Map number: 6
Geographic area: Central
Subject property: 143 Tripoli Road, Point England
Legal Description(s): Part of Lot 529 DP 44905, Pt Lot 36 DP 44905
Current zone(s): Open Space – Informal Recreation Zone
Proposed zone: Residential – Mixed Housing Zone
Te take mō te pūrongo

Purpose of the report

1. To make fully operative Private Plan Change 6 (Auranga) to the Auckland Unitary Plan (Operative in Part).

Whakarāpopototanga matua

Executive summary

2. Private Plan Change 6 (Auranga) seeks to rezone 83.05 hectares of land in the Drury West area from Future Urban Zone to a mix of Residential – Mixed Housing Urban and Mixed Housing Suburban zones; and to extend the Drury 1 Precinct provisions (with amendments) to the land.

3. A panel of independent planning commissioners heard the submission on Private Plan Change 6, and the council released the decision on 9 July 2018.

4. This decision was appealed by Elly S-Y Pan.

5. As the appeal did not challenge the decision in its entirety, and was limited to seeking changes to discrete parts of Private Plan Change 6, the Planning Committee at its meeting on 27 November 2018 resolved to make the Private Plan Change operative in part, except for:

   • the provisions in Drury 1 Precinct provisions that deal expressly with the Future Collector Road (New) and the Collector Road (Possible Future Arterial Road), which were identified as being still subject to appeal, and as a consequence
   • the zonings of land located on and to the south of the proposed east-west Future Collector Road (New).

6. Following Environment Court mediation all parties agreed that the appeal can be settled in its entirety by consent, and the Court has issued a consent order. The consent order includes:

   • amendments to Precinct Plan 2 of the Drury 1 Precinct to show the realigned Future Collector Road (New)
   • amendments to Activity Table 1.3 to provide for subdivision not complying with the relevant standards as a restricted discretionary activity
   • changes to Precinct Plan 1 of the Drury 1 Precinct to reflect the re-alignment of the Future Collector Road (New) in Precinct Plan 2.

7. The relevant parts of the Auckland Unitary Plan (Operative in Part) can now be amended and made fully operative as set out in the consent order and provided as Attachment A to this report.

Ngā tūtohunga

Recommendation/s

That the Planning Committee:

a) approve Private Plan Change 6 (Auranga) as it relates to the Environment Court consent order dated 21 November 2019, as set out in Attachment A of the report, under clause 17(2) of Schedule 1 of the Resource Management Act 1991
b) request staff to complete the necessary statutory processes to publicly notify the date on which the plan change becomes fully operative as soon as possible, in accordance with the requirements in clause 20(2) of Schedule 1 of the Resource Management Act 1991.

**Horopaki Context**

8. Private Plan Change 6 (Auranga) seeks to rezone 83.05 hectares of land in the Drury West area from Future Urban Zone to a combination of Residential – Mixed Housing Urban and Mixed Housing Suburban zones; and to extend the Drury 1 Precinct provisions (with amendments) to the land in the Auckland Unitary Plan (Operative in Part).

9. Private Plan Change 6 was publicly notified on 19 October 2017. Fifty-one submissions and five further submissions were received and were considered by a panel of Independent Hearing Commissioners.

10. Council’s decision was released on 9 July 2018.

11. The decision was appealed by Elly S-Y Pan, who subsequently filed a revised notice of appeal.

12. Auckland Transport, the Minister of Education, New Zealand Transport Agency, Stable Village Limited Partnership (owner of 321, 325, 329, and 333 Bremner Road), and Wing Family Trust (owner of 221 Jesmond Road) joined the appeal as section 274 parties. The Stable Village Limited Partnership withdrew their section 274 interest on 1 February 2019.

13. The appeal from Elly S-Y Pan (owner of 38 Burberry Road and 341 Jesmond Road) raised a number of concerns about the effects of the Future Collector Road (New) across 341 Jesmond Road, including:
   - the detrimental effects on the existing and future use and enjoyment of the land
   - the adverse effects from development on neighbouring sites
   - there being no agreement for infrastructure funding before development commences
   - inadequate consultation on proposed land uses and provision of infrastructure.

14. The appeal sought that the proposed east-west Future Collector Road (New) be deleted; or that the road be moved south, although no further south than the southern boundary of 235 Jesmond Road where it shares a boundary with 221 Jesmond Road.

15. In addition, the appeal sought to delete the proposed amendments to the Drury 1 Precinct provisions that deal expressly with the Future Collector Road (New) and the Collector Road (Possible Future Arterial Road).

16. Following Environment Court mediation all parties have agreed that the appeal can be settled in its entirety by consent, and the Court issued a consent order on 21 November 2019.

17. The consent order amends Precinct Plan 2 of the Drury 1 Precinct to show the realigned Future Collector Road (New).

18. The Environment Court also used its powers under section 292(1) of the Resource Management Act 1991 to:
   - amend Activity Table 1.3 to provide for subdivision not complying with the relevant standards as a restricted discretionary activity
   - amend Precinct Plan 1 of the Drury 1 Precinct to reflect the re-alignment of the Future Collector Road (New) in Precinct Plan 2.
19. Section 292 of the Act enables a plan to be corrected where a defect becomes apparent in a proceeding before the Court without the need to use the process for changing a plan set out in Schedule 1 to the Act.

20. Private Plan Change 6 can now be made fully operative in accordance with the consent order provided in Attachment A to this report.

**Tātaritanga me ngā tohutohu**

**Analysis and advice**

21. As this report is procedural in nature, no further analysis and advice is required.

**Tauākī whakaaweawe āhuarangi**

**Climate impact statement**

22. As a procedural request, impacts on climate change are not relevant to this recommendation.

**Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera**

**Council group impacts and views**

23. The appeal by Elly S-Y Pan was resolved in conjunction with specialist advice from Auckland Transport. The amendments to the Drury 1 Precinct that are set out in the consent order are supported by Auckland Transport.

**Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe**

**Local impacts and local board views**

24. The Franklin and Papakura Local Boards were consulted on Private Plan Change 6 prior to notification. The views of the local boards were not sought for this report as making the plan change fully operative is a procedural matter.

**Tauākī whakaaweawe Māori**

**Māori impact statement**

25. Karaka and Drury Limited (the Private Plan Change applicant) advised the Council that consultation had been undertaken with Ngāti Tamaoho, Ngāti Te Ata, and Te Akitai Waiohua as part of the development of Private Plan Change 6. Three cultural impact assessments by the three iwi authorities were submitted with the Private Plan Change.

26. Submissions made by Ngāti Tamaoho, Ngāti Te Ata, and Te Akitai Waiohua all supported Private Plan Change 6, premised on the basis that three factors are assured, being the mana of the iwi, that iwi can assert their rangatiratanga over ancestral taonga, and that the iwi can fulfil their kaitiaki obligations.

27. The final step in making Private Plan Change 6 fully operative is a procedural matter that will not have an impact on Māori.

**Ngā ritenga ā-pūtea**

**Financial implications**

28. There are no financial implications associated with making the Private Plan Change fully operative.

**Ngā raru tūpono me ngā whakamaurutanga**

**Risks and mitigations**

29. There are no risks associated with making the plan change fully operative.
Ngā koringa ā-muri

Next steps

30. The final step in making the plan change fully operative is to publicly notify the date on which it will become operative, and to update the Auckland Unitary Plan (Operative in Part).

Ngā tāpirihanga

Attachments

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Signatories

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<tr>
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<th>David Wong - Principal Planner</th>
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<td>Megan Tyler - Chief of Strategy</td>
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BEFORE THE ENVIRONMENT COURT
I MUA I TE KOOTI TAIAO O AOTEAROA

Decision [2018] NZEnvC 188

IN THE MATTER of the Resource Management Act 1991

AND of an appeal under Clause 14 of the First Schedule to the Act

BETWEEN ELLY S-Y PAN
(ENV-2018-AKL-000162)
Appellant

AND AUCKLAND COUNCIL
Respondent

Court: Environment Judge D A Kirkpatrick sitting alone under s 279 of the Act

Date of Decision: 21 November 2019
Date Issued: 21 November 2019

DETERMINATION

[A] Under s 279(1)(b) of the Resource Management Act 1991 (the Act), the Environment Court, by consent, orders that:

(1) the appeal is allowed subject to the amendments set out in Attachment A to this determination; and

(2) the appeal is otherwise dismissed.

[B] Under s 292 of the Act, the Court, consent, directs the Auckland Council to amend the provisions of the Drury 1 Precinct of the Auckland Unitary Plan for the purpose of remedying a mistake or uncertainty by:
(1) amending Activity Table 1.3 to provide for subdivision not complying with the relevant standards as a restricted discretionary activity as sought by the parties; and
(2) amending Precinct Plan 2 to show the re-aligned Future Collector Road (New) as sought by the parties.

[C] Under s 285 of the Act, there is no order as to costs.

REASONS

Introduction

[1] This determination resolves the appeal by Ms Pan on Plan Change 6 (Auranga B1 Drury West) to the Auckland Unitary Plan. Ms Pan’s appeal included (among other things) opposition to the location of, and plan provisions relevant to, the provision of the proposed Future Collector Road (New) identified on Precinct Plan 2 for the Drury 1 Precinct.

[2] Plan Change 6 is a private plan change initiated by Karaka and Drury Limited for the Auranga B1 area within Drury West with frontages to Bremner, Jesmond and Burberry Roads. It was notified by Auckland Council on 19 October 2017. Auranga B1 is adjacent to the Operative Drury 1 Precinct (Auranga A) and provides a logical extension of that Precinct.

[3] Plan Change 6 sought to:

(a) rezone 83ha of land at Drury West from Future Urban Zone to a mix of Residential – Mixed Housing Urban and Residential – Mixed Housing Suburban zones to facilitate its use for residential activity.

(b) extend the adjacent Drury 1 Precinct by applying the existing operative Drury 1 Precinct provisions, with minor amendments, to the new rezoned Auranga B1 development area, which is identified by way of a new Precinct Plan (Drury 1: Precinct Plan 2).

[4] The parties attended Court-assisted mediation on 11 February 2019 and attended a further mediation on 28 February 2019. Following mediation, the parties continued their discussions. As a result of those discussions the parties have agreed on amendments to Plan Change 6 to resolve the appeal in its entirety.
The agreement reached

[5] The parties agree that the following amendments be made to the provisions of the Drury 1 Precinct by way of additions to the text as shown below underlined and as set out in Attachment A:

(a) Amend Table 1.3 Activity table: Subdivision, by adding a new restricted discretionary activity: Subdivision not complying with Standard 6.3(1)(d)(ii) (but otherwise complying with Standards 6.1 - 6.5 or 6.8).

(b) Amend Standard 6.3(1)(c)(ii) of the subdivision controls, which relates to the requirements for the Future Collector Road (New) by adding the following note after that provision:

Note 1:

1. The alignment of the future collector road (new) as shown on Precinct Plan 2 is indicative and may vary by up to 20m. The exact alignment of the future collector road (new) will:

• Be determined through detailed design in conjunction with subdivision and/or land use consent applications;

• Provide for the length of the road to connect across property boundaries i.e. the road will be constructed up to the boundary of the adjoining property to allow it to be continued;

• Connect at its eastern end with the road in Precinct Plan 1; and

• Connect at its western end with Jeamond Road.

(c) Amend the matters of discretion in 8.1(1)(a) by adding:

vii. for subdivision not complying with Standard 6.3(1)(d)(ii) these additional matters apply:

• protection of the route for the future collector road (new)

• integration of the proposed subdivision with the future collector road (new)
4

- effects on the transport network.

(d) Amend the assessment criteria at 8.2 by adding:

5. for subdivision not complying with Standard 6.3(1)(d)(ii) (which requires the future collector road (new) to be constructed to local road standard as set out in Figure 11 with additional land vested to enable upgrading to a final 28m formation as set out in Figure 10) these additional assessment criteria apply:

a. Whether the proposal protects the route for the future collector road (new) with the formation identified on Figure 10 - Future Collector Road (New) - Final 28m formation, and in the location identified on Precinct Plan 2. This includes:

- clearly identifying the land to be set aside for the future collector road (new) on any subdivision plan

- the mechanisms to be used, such as conditions (including requiring a covenant under s108(2)(d) of the RMA or a consent notice under s221 of the RMA) or written legal agreements, to ensure that the land will be available for the future collector road (new) and will be kept clear and unobstructed by buildings or structures. Such mechanisms may include a time limit whereby they lapse after an appropriate period if the land no longer needs to be kept available for the future collector road (new).

b. Whether the proposed subdivision layout is designed to provide for integration with the future collector road (new) once it is constructed. This includes:

- providing connections for pedestrians and cyclists to the future collector road (new)

- providing local road access to the future collector road (new) and to any interim local road constructed within the future collector road (new) corridor on adjacent sites.
c. Whether the proposed road network can efficiently and safely accommodate walking, cycling and vehicles (excluding buses). This includes:
   - providing pedestrian and cycling connectivity with the surrounding network
   - avoiding generating high volumes of traffic onto local roads
   - demonstrating through traffic modelling and vehicle tracking that the intersections serving the subdivision will operate safely and efficiently.

[6] The parties also agree that the Drury 1 Precinct Plan 1 and the Drury 1 Precinct Plan 2 be deleted and replaced with the plans in sections 9 and 10, respectively, of Attachment A.

Request that Court use its powers under s 292

[7] The parties also request that the Court use its powers under s 292(1) of the Act to direct the Council to make the following two changes to the operative parts of the Drury 1 Precinct provisions:

(a) To add one activity to the Activity Table as follows:
   
   Amend Table 1.3 Activity table: Subdivision, by adding a new restricted discretionary activity: Subdivision not complying with Standard 6.3(1)(d)(ii) (but otherwise complying with Standards 5.1 - 5.6 or 6.8)

(b) A consequential change to Precinct Plan 1 of the Drury 1 Precinct to reflect the re-alignment of the Future Collector Road on Precinct Plan 2.

Activity Table 1.3

[8] In relation to the activity table, the Planning Committee of the Council resolved on 27 November 2018 to make Plan Change 6 operative in part. Plan Change 6 became operative in part on 7 December 2018. As part of that process, the Activity Table (Activity Table 1.3: Subdivision) which specifies the activity status of subdivisions was made operative.
[9] The parties have submitted that the relief now sought, to amend the status of subdivision not complying with the relevant standards from discretionary to restricted discretionary, falls within the scope of the relief sought in the appeal. That is between the existing plan provisions, whereby a failure to meet the Standard requires a Discretionary Activity consent, and the relief sought in the appeal, whereby a failure to meet the Standard is effectively permitted, as Ms Pan sought to delete this rule.

[10] The parties' submission is that due to the relief sought by Ms Pan the decision to make the activity table operative was an oversight.

Precinct Plan 1

[11] In relation to the consequential change to Precinct Plan 1, the parties have submitted that this change is required to avoid any uncertainty in the plan and to give full effect to the plan.

[12] The parties have agreed to re-align the Future Collector Road (New), shown on Precinct Plan 2, to an indicative alignment that straddles property boundaries. To avoid a gap or disjunction in the road alignment, a minor consequential amendment is required to Precinct Plan 1. The re-alignment will only affect one property directly to the east of the Precinct Plan 2 area. This property is under the management control of KDL, the requestor of the plan change.

Section 292 of the Act

[13] Section 292 of the Act provides:

292 Remedy defects in plans

(1) The Environment Court may, in any proceedings before it, direct a local authority to amend a regional plan or district plan to which the proceedings relate for the purpose of—

(a) Remedy a mistake, defect, or uncertainty; or

(b) Give full effect to the plan.

(2) The local authority to whom a direction is made under subsection (1) shall comply with the direction without using the process in Schedule 1.

[14] The purpose of s 292 of the Act is to enable a plan to be corrected where a defect becomes apparent in a proceeding before the Court without need to use the process for changing a plan set out in Schedule 1 to the Act. General guidance on the extent of the
power and its appropriate use is found in the Court’s decision in Re an application by Thames-Coromandel District Council.¹

[15] The power conferred is not restricted to the alteration of information, nor to amendments of minor effect or the correction of minor errors. Under s 292(1)(a), any mistake, defect or uncertainty is potentially within the scope of an order. Nor, on the plain terms of the section, does a defect have to have arisen as the result of an inadvertent mistake by the Council, or anyone else: the ability to remedy it under the section is not dependent on how the defect arose. Under s 292(1)(b) any amendment (not necessarily the correction of an error) required to give full effect to the Plan is within the section’s scope. The magnitude and significance of the mistake, defect or uncertainty, or of the amendment required under (1)(b), may be a factor in deciding whether to exercise the Court’s discretion to use the section.²

[16] Overall, that decision must depend on whether it will be just and reasonable to do so in respect of the interests of the Council as promoter and administrator of the Plan, of those whose interests might be directly affected, and of the users of the Plan generally,³ bearing in mind that the discretionary power to be exercised is an exception to the clear and strong statutory background of formal processes for amending planning documents, including public notification of and rights of submission on the proposed changes.⁴

Consideration

[17] In making these orders the Court has read and considered the memorandum of the parties dated 30 September 2019.

[18] Auckland Transport, the Wing Family Trust, the New Zealand Transport Agency, the Minister of Education and the Stables Village Partnership joined the appeal as s 274 parties. The Stables Village Partnership withdrew their s 274 party interest on 1 February 2019. No other party has joined the proceedings. All parties to the proceeding have signed the memorandum setting out the relief sought to resolve this appeal.

¹ Re an application by Thames-Coromandel District Council, Decision No. W 34/2006.
² Re TCDC at [3].
³ Re TCDC at [3].
⁴ Re TCDC at [17].
[19] Having considered the relief sought in Ms Pan’s appeal, I am satisfied that making Table 1.3 Subdivision Activity operative before the full resolution of this appeal resulted in an inconsistency between that operative provision and the proposed settlement of the whole appeal. Now, it is agreed by all parties that the appropriate activity status should be as a restricted discretionary activity rather than a full discretionary activity. I accept that this amounts to a kind of mistake or an oversight and that the position agreed by all parties is appropriate. I therefore make the order sought under s 292 of the Act to amend Activity Table 1.3 as sought by the parties in order to correct this mistake or oversight.

[20] I am also satisfied that the amendment to the precinct plan is necessary and appropriate to avoid a gap in the road alignment and remove the uncertainty that the precinct plan might otherwise create. Making the amendment will not result in any prejudice to any party as they are all agreed. I accordingly make the order sought under s 292 of the Act in relation to Precinct Plan 1 to avoid any uncertainty in the plan.

[21] The Court is making these orders under s 279(1)(b) the Act, such orders being by consent, rather than representing a decision or determination on the merits pursuant to s 297. The Court understands for present purposes that:

(a) All the parties to the proceedings have executed the memorandum requesting these orders; and

(b) All parties are satisfied that all matters proposed for the Court’s endorsement fall within the Court’s jurisdiction and conform to the relevant requirements and purposes of the Act, including in particular, Part 2 of the Act.

Determination

[22] For the foregoing reasons the Court orders, by consent, that the Drury 1 Precinct is amended as set out at Attachment A to this Order.

[23] There is no order as to costs.

D A Kirkpatrick
Environment Judge
Amendments to Drury 1 Precinct

Text to be added is underlined and text to be deleted is shown strike through.

Text that was noted as being subject to the Plan appeal, but is unchanged, is shown with grey shading.

6.35 Drury 1

Precinct description:
The precinct has an area of 167.67 ha and is bordered by Drury Creek in the north, southern motorway to the east SH22 (Karaka Road) to the south and Jesmond Road to the west. The site is gently rolling terrain, with coastal frontage to the upper estuary reach of Drury Creek. Two permanent watercourses run through the land, both originating within the site and flowing north towards the coastal edge. The Precinct Plan 1 area applies to the original 84.62 ha of the Precinct. The Precinct Plan 2 area applies to an extension of 83.05 ha.

It incorporates the provisions of the precinct plan and includes the development of a local centre with opportunities for intensive residential development.

Policy 14 allows for consideration of biodiversity offsets and ecological compensation for unavoidable impacts arising from development on natural resources, where this is directed to the Drury Creek Islands Recreation Reserve (DCIRR). The matters in Policy 14 can provide subsequent considerations to the provisions of E3, E1, E15 and Appendix 8 of the Auckland Unitary Plan, which address the circumstances in which residual adverse effects on natural resources that cannot be avoided, remedied or mitigated may be offset.

The transport provisions for Precinct Plan 2 recognise that Auckland Transport and the NZ Transport Agency have not yet completed planning the strategic transport network for the wider Drury area including the Future Urban zones to the west and south of the Drury 1 Precinct. This precinct provisions recognise and support future strategic transport connections which may be required to and through the precinct - in particular Jesmond Road and the new east-west road (Future Collector Road (New)).

The Jesmond Road / SH 22 intersection upgrade is required prior to development in Precinct Plan 2. Other transport infrastructure upgrades outside of the precinct have not been prescribed in the same manner. However, the Precinct recognises the potential for adverse traffic effects at five identified intersections and the Norris Road one way bridge. Those effects will be assessed at the time of subdivision application and required upgrades or other mitigation determined at that time.

Refer to planning maps for the location and extent of the precinct. The following underlying zones apply to the precinct:

- Residential - Mixed Housing Suburban
- Residential - Mixed Housing Urban
- Residential - Terrace Housing and Apartment Building
- Business - Local Centre

Objectives
The objectives are as listed in the relevant underlying zones and Auckland wide provisions, except as specified below.

1. An integrated, more intensive residential environment which has high levels of amenity, allows for a range of housing densities and typologies and incorporates opportunities for a local centre.
2. A well connected road layout that supports a range of travel modes, provides a strong definition of public spaces, legible and safe urban road pattern and clear differentiation between the private and public realm.

3. Ecology is maintained and enhanced through riparian margin re-planting at the time of development, building set-backs and landscaping.

4. Buildings are developed in an intensive manner, reflecting an urban character and amenity with clear definition of public fronts where buildings are massed, and private back yards that are predominantly open (excluding rear lane accessed garaging).

5. Stormwater runoff is managed to enable the maintenance and enhancement of natural waterways and water quality.

6. Subdivision, land use and development in the precinct will not adversely impact on the safe and efficient operation of the National Grid.

7. To promote availability of affordable housing to first home buyers and/or Community Housing Providers.

8. Proposed development is coordinated with the delivery of infrastructure required to service the Precinct, connect it to the wider network and manages its effects, including transport, wastewater, stormwater and water services.

9. Infrastructure serving the Precinct is funded and implemented in an integrated and coordinated manner.

10. Subdivision and development occurs in a way that does not compromise the ability to provide efficient and effective strategic transport connections to and through the precinct to serve future urban growth in the wider Drury area.

Policies

The policies are as listed in the relevant underlying zones and Auckland wide provisions except as specified below:

1. Enable and support the intensive urban form and character defined by:
   a. establishing a local centre within a walkable pedestrian focussed environment and focus retail and commercial development in this centre
   b. providing a clear definition between public and private spaces, including roads and public open space
   c. opportunities for convenient, comfortable and safe interaction at the public/private road boundary interface through the enablement of low-height, visually open porch structures extending into the front yard setback
   d. an urban built form that encourages higher density, intensive and massing towards the road frontage and side boundaries of sites, with less development within the rear yards
   e. provision of a medium density built form along the northern coastal edge of the precinct
   f. a reliance on high quality and safe interconnected roads and public open spaces in preference to larger private outdoor spaces

2. Enable high density residential development (including smaller vacant sites and integrated residential developments), particularly in close proximity to the local centre, collector roads and public open spaces.

3. Maximize vehicular, cycling and pedestrian connectivity and permeability of the road network wherever possible.
4. Encourage roads to form urban blocks and to front public open spaces.

5. Require residential development within urban blocks to:
   a. conform to a perimeter block pattern of development where buildings are massed towards the road and provide front building facades to the road
   b. generally provide vacant site that have narrower frontages than their depth
   c. ensure there is sufficient space between the rear of opposing dwellings to provide privacy and back yards for outdoor living
   d. maintain reasonable solar access to rear yards
   e. avoid driveway crossings to shared paths and dedicated cycle lanes, utilising access from side roads, access lots or rear lanes
   f. generally avoid rear lots

6. Control road façade elements to ensure dwellings relate to the road, including presence of a front door, sufficient glazing, ability to establish verandas / porches, landscaping provision, fencing heights and the control of garage in proportion to the façade.

7. Enable the development of rear lanes, including opportunities for rear garaging and habitable areas above the garage, especially where lot or dwelling frontage widths are narrow.

8. Require on-site management, or for higher density development private communal management of stormwater runoff from impervious areas. Stormwater from roads should generally be managed within the road corridors.

9. Require native riparian planting along waterways.

10. Avoid adverse effects of subdivision, land use and development on the National Grid line by ensuring that:
    a. appropriate buffer distances for managing subdivision, land use and development are provided
    b. sensitive activities, buildings and works structures are excluded from establishing within 12m of the central line of a National Grid transmission line and within 12m of a National Grid support structure; and
    c. subdivision, landuse and development is managed around the National Grid line to ensure that future activities, buildings and development do not restrict the operation, maintenance, upgrading and development of the National Grid line.

11. Utilise the National Grid corridor for road or open space networks where practicable, provided that they are designed and located to avoid adverse effects on the operation, maintenance, upgrading and development of the National Grid lines.

12. For new residential developments containing 15 or more dwellings, or involving the creation of 15 or more vacant sites, require either:
    a. 10 percent of new dwellings to be relatively affordable, with the purchase price to be set relative to the median house price in the Auckland region and sold to first home buyers and owned for at least three years; or
    b. 5 percent to be retained affordable, with the purchase price to be set relative to the median household income in Auckland region and sold to Community Housing providers or Housing New Zealand and owned for long term retention.

13. New residential developments containing 15 or more dwellings/sites provide for affordable housing that is distributed throughout the development.

14. Following assessment under the provisions of E1, E3, E15 and Appendix 8, where offsets or compensation are proposed to address residual adverse effects on natural resources that cannot be avoided, remedied or mitigated, consideration may be given to the local restoration opportunity and the multiple ecosystem benefits which could be achieved by directing the offsets to the Oruia Creek Islands Recreation Reserve. Where any such offset or compensation is proposed, it should contain an assessment of the ecosystem values lost or degraded within the precinct and gained on the Oruia Creek Islands Recreation Reserve.

Precinct Plan 2

Auckland Unitary Plan operative in part
15. Require subdivision and development to coordinate infrastructure design, funding and implementation.

16. Ensure subdivision and development is designed and implemented to meet the foreseeable transportation needs of residents within the Precinct by providing and upgrading infrastructure.

17. Manage the adverse traffic effects of subdivision and development on the following parts of the transport network:

- intersection of State Highway 22 and Jasmond Road
- intersection of Great South Road / Firth Street,
- intersection of Firth Street / Norrie Road,
- intersection of Great South Road / Norrie Road / Walka Shoe Road,
- intersection of Great South Road / Karaka Road (SH22),
- intersection of Victoria Street / SH22, and
- the Norrie Road One-Way Bridge.

18. Require subdivision to implement the collector roads and provide for the strategic transport connections by means of the Future Collector Road (New) and Collector Road (Possible Future Arterial Road) shown on Precinct Plan 2.

Precinct rules
The activities, controls and assessment criteria in the underlying Residential - Mixed Housing Suburban zone, Residential - Mixed Housing Urban zone, Residential - Terrace Housing and Apartment Buildings zone, Business - Local Centre zone, Auckland-wide rules and overlays apply in the precinct unless otherwise specified below. Refer to the Precinct Planning Map for the location and extent of the underlying zones.

1. Activity Table

All relevant overlays, Auckland-wide and zone activity tables apply unless the activity is specifically provided for by a rule in Activity Tables A1.1.1.1, and 1.3 below.

A1.1 All Zones

Table A1.1 Activity table: All zones

<table>
<thead>
<tr>
<th>Activity</th>
<th>Activity status</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A1)</td>
<td>Residential activities that do not comply with any clause within Standard 2.2 Affordable Housing</td>
</tr>
</tbody>
</table>

1.1 Residential Zones

Table 1.1 Activity table: Residential zones

<table>
<thead>
<tr>
<th>Activity</th>
<th>Activity status</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential</td>
<td></td>
</tr>
<tr>
<td>(A2)</td>
<td>Integrated Residential Developments</td>
</tr>
<tr>
<td>(A2A)</td>
<td>Integrated Residential Developments that do not comply with Standard 6.3.1(d)</td>
</tr>
<tr>
<td>(A3)</td>
<td>Dwellings that do not comply with Standard 2.1 Density</td>
</tr>
<tr>
<td>(A4)</td>
<td>Activities that do not comply with Standard 4.12 or 5.12</td>
</tr>
</tbody>
</table>

Auckland Unitary Plan operative in part

Auckland Unitary Plan (Operative in Part) - Request to make Private Plan Change 6 (Auranga) fully operative

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### Activation Status Table: Auckland Unitary Plan (Operative in Part) - Request to make Private Plan Change 6 (Auranga) fully operative

#### Infrastructure

<table>
<thead>
<tr>
<th>Activity</th>
<th>Activity Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A7) Overhead electricity lines (a single circuit) up to and including 110kV. Within areas of the Road and Uniformed Road this activity shall have the same status as the adjacent residential zone</td>
<td>P</td>
</tr>
</tbody>
</table>

#### On-site stormwater management (dwellings and impervious areas excluding roads)

<table>
<thead>
<tr>
<th>Activity</th>
<th>Activity Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A8) Impervious areas (excluding roads) of less than or equal to 50m² within a site</td>
<td>P</td>
</tr>
<tr>
<td>(A9) Impervious areas (excluding roads) greater than 50m² within a site that meet hydrology mitigation requirements in the relevant precinct rules below</td>
<td>P</td>
</tr>
<tr>
<td>(A10) Communal stormwater device(x) located within common land serving two or more dwellings that meet hydrology mitigation requirements in the relevant precinct rules below</td>
<td>C</td>
</tr>
<tr>
<td>(A11) Impervious areas unable to comply with the activity controls</td>
<td>RD</td>
</tr>
</tbody>
</table>

#### 1.2 Local Centre Zone

<table>
<thead>
<tr>
<th>Activity</th>
<th>Activity Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A12) Impervious areas (excluding roads) of less than or equal to 50m² within a site</td>
<td>P</td>
</tr>
<tr>
<td>(A13) Impervious areas (excluding roads) greater than 50m² within a site that meet hydrology mitigation requirements in the relevant precinct rules below</td>
<td>P</td>
</tr>
<tr>
<td>(A14) Impervious areas unable to comply with the activity controls</td>
<td>RD</td>
</tr>
<tr>
<td>(A15) Communal stormwater device(x) located within common land serving two or more buildings that meet hydrology mitigation requirements in the relevant precinct rules below</td>
<td>C</td>
</tr>
</tbody>
</table>

#### 1.3 Subdivision

<table>
<thead>
<tr>
<th>Subdivision Activity</th>
<th>Activity Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>(A16) Subdivision in accordance with the precinct plan</td>
<td>RD</td>
</tr>
<tr>
<td>(A17) Subdivision not in accordance with the precinct plan</td>
<td>D</td>
</tr>
<tr>
<td>(A18) Subdivision of sites in accordance with an approved land use consent or a concurrent subdivision and land-use consent</td>
<td>RD</td>
</tr>
<tr>
<td>(A19) Subdivision not complying with Standards 6.1 – 6.6, or 6.8</td>
<td>D</td>
</tr>
<tr>
<td>(A20) Subdivision creating a rear site or sites</td>
<td>NC</td>
</tr>
<tr>
<td>(A21) Subdivision creating a cul-de-sac, except staged road construction as part of a staged subdivision or balance site</td>
<td>NC</td>
</tr>
<tr>
<td>(A22) Subdivision not complying with Standard 6.3(1)(c)(i)(ii) (but otherwise complying with Standards 6.1 – 6.6 or 6.8)</td>
<td>RD</td>
</tr>
</tbody>
</table>

#### 2. Land use controls – residential zones

Auckland Unitary Plan operative in part
The relevant overlay, Auckland-wide and zone standards apply in the precinct, except as specified below.

2.1 Density

1. The number of dwellings on a site must not exceed the limits specified below in Table 2.1.1:
Table 2.1.1 Density

<table>
<thead>
<tr>
<th>Zone</th>
<th>Density</th>
</tr>
</thead>
<tbody>
<tr>
<td>Residential - Mixed Housing Suburban</td>
<td>Maximum allowable average density of 200 m² per dwelling where the requirements of rule 2.1.2 below are met</td>
</tr>
<tr>
<td>Residential - Mixed Housing Urban</td>
<td>No density limits apply where four or more dwellings are proposed and the requirements of rule 2.1.3 below are met</td>
</tr>
<tr>
<td>Residential - Terrace Housing and Apartment Buildings</td>
<td>No density limits apply</td>
</tr>
</tbody>
</table>

2. Within the Residential - Mixed Housing Suburban zone the site:
   a. has a minimum net parent site area of 1000 m²
   b. is at least 20 m wide at the frontage of the site.

3. Within the Residential - Mixed Housing Urban zone the site:
   a. has a minimum net parent site area of 1000 m²
   b. is at least 20 m wide at the frontage of the site.

4. [deleted]

2.2 Affordable Housing

Purpose: To ensure that the precinct contains affordable housing to help address Auckland’s housing affordability needs.

A. General Controls

1. New residential developments containing 15 or more dwellings/vacant sites must provide for affordable dwellings/vacant sites that are either (B) relative affordable or (C) retained affordable that will meet the requirements of clauses 2-8 below.

2. All resource consent applications requiring the provision of affordable dwellings/vacant sites must be accompanied by details of the location, number and percentage of relative and/or retained affordable dwellings/vacant sites.

3. Affordable dwellings/vacant sites must be spread throughout the development, with no more than six in any one cluster.

4. For staged developments, a proportionate number of affordable dwellings and/or vacant sites must be provided at each respective stage on a pro rata basis and spread throughout the development in accordance with clause 3 above.

5. For apartments, no more than one-third of the total number of identified affordable dwellings shall be located on a single building level/story, unless the development is two levels, in which case no more than half of the identified affordable dwellings shall be located on a single building level.

6. If the calculation of the percentage of dwellings (and/or vacant sites) that must be affordable dwellings (and/or vacant sites) results in a fractional dwelling (or vacant site) of one-half or more, that fraction is counted as 1 dwelling (or vacant site), and any lesser fraction may be disregarded.

7. For avoidance of doubt, the land use rules do not apply to resource consent applications processed under the Housing Accords and Special Housing Areas Act 2013 (HASHAA) as the provisions specified within the relevant Order in Council amendment to that Act apply. The above provisions apply to consents that are not processed under HASHAA.

B. [deleted]

Auckland Unitary Plan operative in part
B. Relative Affordable

Number of Relative Affordable Dwellings or Sites

Purpose: To ensure that the precinct contains price relative affordable housing available to first home buyers to help address Auckland’s housing affordability needs.

1. For new residential developments containing 15 or more dwellings or involving the creation of 15 or more vacant sites, (or a mixture of both with the total cumulative number of dwellings and/or vacant sites being 15 or more), at least 10 percent of the total number of dwellings/vacant sites must be relative affordable and meet the following criteria:

   a. the price at which a dwelling may be sold does not exceed 75 percent of the Auckland region median house price (calculated as an average of three calendar months previous to the date the application for resource consent is approved or the date on which all appeals on the resource consent application are finally resolved, whichever is the later) that is published by the Real Estate Institute of New Zealand.

   b. if the application is for a subdivision consent, the applicant must identify the sites of the subdivision allocated for the building of relative affordable dwellings and must specify the mechanism (consent notice for example) for ensuring that the combined value of the building and the land upon completion will meet that criterion or is a building associated with such a dwelling.

   c. Dwellings must be sold to first home buyers who must reside in the dwelling and retain ownership for three years from the date of first transfer. Any dwellings built on vacant sites identified for affordable housing must be sold to first home buyers who must reside in the dwelling and retain ownership for three years from the date of transfer.

Eligibility for Relative Affordable Housing

Purpose: To ensure relative affordable housing is purchased by appropriate persons

1. Prior to the first transfer of affordable dwellings (including new dwellings that have never been occupied and are built on vacant sites that are identified for affordable dwellings), the consent holder must provide a statutory declaration that confirms the sale complies with the following eligibility requirements:

   a. the purchaser has a gross household income, as at the date of the statutory declaration, that does not exceed 120 percent of the Auckland median household income as set at the date of signing the unconditional sale and purchase agreement.

   b. the consent holder has sold the dwelling (and any associated parking that is required by resource consent and storage) at a price which is not more than that defined by the 75 percent median price in accordance with clause 1(a) above.

   c. the purchaser is a first home buyer and has never owned any other real property.

   d. the purchaser is a natural person purchasing the affordable dwelling in their own name and not in the name of any other person or entity.

2. Prior to the transfer of a vacant site identified for affordable dwellings, the purchaser must be made aware of the consent notice mechanism required to ensure any building built on the site is a dwelling that will meet the relative affordable criteria in 1 above or is a building associated with such a dwelling.

3. Prior to the transfer of a vacant site identified for an affordable dwelling to a purchaser that intends to develop, own and occupy the affordable dwelling themselves, the consent holder must provide a statutory declaration executed by the intended purchaser that confirms the sale complies with the following eligibility requirements:

   a. the purchaser has a gross household income, as at the date of the statutory declaration, that does not exceed 120 percent of the Auckland median household income as set at the date of signing the unconditional sale and purchase agreement.

   b. any development of the site must be such that the combined value of the dwelling and the land upon completion, as confirmed by a valuation carried out by a registered valuer, must be no more than that defined by the 75 percent median price in accordance with clause 1(a) above.

   c. the purchaser intends to own and occupy the affordable dwelling exclusively as their residence for no less than three years from the date of purchase.
d. the purchaser is a first home buyer and has never owned any other real property.
e. the purchaser is a natural person purchasing the affordable dwelling in their own name and not in the name of any other person or entity.

4. A consent notice must be placed on the computer freehold register for the respective affordable dwellings/vacant sites requiring the above eligibility criteria to be met for three years from the date of the transfer to the eligible purchaser.

5. [deleted]

C. Retained Affordable

Eligibility for Retained Affordable Housing

Purpose: To ensure that the precinct contains income related retained affordable housing to help address Auckland's housing affordability needs and to ensure retained housing is appropriately managed by Community Housing Providers to achieve ongoing provision and availability where required.

1. Purchasers in respect of retained affordable housing must be a registered community housing provider or Housing New Zealand Corporation.

2. [deleted]

Number of Retained Affordable Dwellings or Sites

1. For new residential developments containing 15 or more dwellings or involving the creation of 15 or more vacant sites, (or a mixture of both with the total cumulative number of dwellings and/or vacant sites being 15 or more), at least 5 percent of the total number of dwellings, or vacant sites, in any development must be retained affordable and meet the following criteria:
   a. the price at which a dwelling may be sold would mean that the monthly mortgage payments for a household receiving the Auckland median household income (as published by Statistics New Zealand for the most recent June quarter before the date the application for resource consent is approved or the date on which all appeals on the resource consent application are finally resolved, whichever is the later) would not exceed 30 percent of the household’s gross monthly income, based on the assumptions that:
      i. the dwelling is purchased with a 10 percent deposit; and
      ii. the balance of the purchase price is financed by a 30-year reducing loan, secured by a single mortgage over the property, at a mortgage interest rate equal to the most recent average two-year fixed rate. This interest rate used is that published most recently by the Reserve Bank of New Zealand, in relation to the date application for resource consent is made.
   2. As part of the resource consent application evidence must be provided to demonstrate a community housing provider will purchase the dwellings/sites. Prior to the transfer of the retained affordable dwellings/sites a council approved statutory declaration must be returned by the consent holder to demonstrate the dwellings/sites are sold at the price point outlined in clause 1 above.

3. [deleted]

Where the following definitions apply:

Retained affordable

Housing that is:
   a. built by a registered community housing provider or Housing New Zealand Corporation; or
   b. sold to a registered community housing provider or Housing New Zealand Corporation; and
   c. sold at a price defined by the Auckland median household income as published by Statistics New Zealand for the most recent June quarter before the date the application for resource consent is approved or the date on which all appeals on the resource consent application are finally resolved, whichever is the later.
Relative Affordable Housing
Housing that is:

a. bought by first home buyers and remains in the same ownership for three years from the date of first transfer, where the purchaser has a gross household income that does not exceed 120 percent of the Auckland median household income as set at the date of signing the unconditional sale and purchase agreement.

b. sold at a price that does not exceed 75 percent of the Auckland region median house price published by the Real Estate Institute of New Zealand and calculated as an average of the three calendar months previous to the date the application for resource consent is approved or the date on which all appeals on the resource consent application are finally resolved, whichever is the later.

Community Housing Provider
means a housing provider (other than Housing New Zealand Corporation) that has, as one of its objectives, the provision of one or both of the following types of housing:

a. social rental housing;

b. affordable rental housing;

c. rent to own (i.e. as provided by New Zealand Housing Foundation)

Household Income
Household Income shall include all taxable income as defined by the New Zealand Inland Revenue Department.

Show Home
A house on a newly built subdivision which is furnished and decorated to be shown to prospective buyers.

3. Development Controls – All Zones

The following development controls apply to all activities (A8) – (A16) listed in Activity Tables 1.1 and 1.2 above.

3.1 On-site stormwater management (dwellings and on-site impervious areas, excludes roads)

Purpose: ensure appropriate stormwater retention and detention associated with site development.

1. Within catchments draining to streams all new impervious surfaces of 50m² and over must be designed to achieve the following:

Except as provided by o. the following (a. and b.) applies.

a. provide retention (volume reduction) of at least 5mm of runoff depth for the impervious area for which hydrology mitigation is required; and

b. provide detention (temporary storage) and a drain down period of 24 hours for the difference between the pre-development and post-development runoff volumes from the 95th percentile, 24 hour rainfall event minus the 5mm retention volume or any greater retention volume that is achieved, over the impervious area for which hydrology mitigation is required.

c. Where:

i. a suitably qualified person has confirmed that soil infiltration rates are less than 2mm/hr or there are no areas on the site of sufficient size to accommodate all required infiltration that is free of geotechnical limitations (including slope, setback from infrastructure, building structures or boundaries and water table depth); and

ii. rainfall reuse is not available because:

- The quality of the stormwater runoff is not suitable for on-site reuse (i.e. for non-potable water supply, garden irrigation, or toilet flushing); or
- There are no activities occurring on the site that can re-use the full 5mm retention volume of water;

the retention volume can be taken up by providing retention (temporary storage) and a drain down period of 24 hours for the difference between the pre-development and post-development runoff volumes from the 95th percentile, 24 hour rainfall event over the impervious area for which hydrology mitigation is required (minus any designed retention volume that is achieved).
2. The stormwater devices:
   a. must be maintained by the site owner(s) in perpetuity. A consent notice will be registered on the certificate of title to that effect at time of subdivision.
   b. If rainwater tanks are proposed to achieve the retention requirements above, the rainwater tank must be dual plumbed to non-potable uses such as toilet and washing machine in the dwelling.

3. Compliance shall be demonstrated to the council in conjunction with any application for building consent, or by way of certificate of compliance or at the time of subdivision.

4. Stormwater devices within the National Grid Yard must comply with the New Zealand Electrical Code of Practice for Electrical Safe Distances NZEC8034:2001, including their ongoing operation and maintenance.

5. [deleted]

4. Development Controls – Residential Mixed Housing Suburban Zone

The following development controls apply to activities listed in Activity Table 1.1 of this precinct and Activity Table H4.4.1 of the Residential – Mixed Housing Suburban Zone instead of the development standards listed in Standard H4.8, with the exception of the following standards:

a. H4.6.2 Home occupations
b. H4.6.3 The conversion of a principal dwelling existing as at 30 September 2013 into a maximum of two dwellings

4.1 Building Height

Purpose: manage the height of buildings to:
- Achieved the planned built character of predominantly one and two storeys
- Provide some flexibility to enable variety in roof forms.

1. Buildings must not exceed 8m in height except that 50 percent of a building's roof elevation, measure vertically from the junction between wall and roof, may exceed this height by 1m, where the entire roof slopes 15 degrees or more (as shown on figure 1 below).

Figure 1: Building height
4.2 Height in relation to boundary

Purpose: manage the bulk and scale of buildings and maintain a reasonable level of sunlight access and minimise adverse visual dominance effects to immediate neighbours.

1. The following height in relation to boundary controls apply:
   a. for all lots, the height in relation to boundary control does not apply to the street boundary.

In the case of front lots (not being a corner lot or adjacent to a corner lot) a building height in relation to boundary of 5m and 45 degrees must apply on side boundaries adjoining other front lots, up to a maximum distance of 8m from the rear boundary.

A height in relation to boundary of 2.5m and either 45 degrees (for east or west boundaries), 55 degrees (for north boundaries), 35 degrees (for southern boundaries) must apply to the remaining part of any side boundary that is within 8m from the rear boundary and to all rear boundaries.

In the case of front lots which adjoin a corner lot the following apply:

On side boundaries that adjoin the shortest side boundary of the corner lot, a height in relation to boundary of 2.5m and either 45 degrees (for east or west boundaries), 55 degrees (for north boundaries), 35 degrees (for southern boundaries) must apply to the whole length of the boundary including where that side boundary extends beyond the corner lot.

On side boundaries that adjoin the longest side boundary of the corner lot, a building height in relation to boundary of 5m and 45 degrees must apply up to a maximum distance of 8m from the rear boundary. Rule 1c above must apply to the remaining part of the side boundary that is within 8m from the rear boundary.

In relation to the shortest side boundary of a corner lot (including where that side boundary extends beyond the corner lot) all windows above the ground floor level facing the corner lot (or facing a lot adjoining the corner lot) must have a window sill level at least 1.8m above the floor level or be fitted with opaque glass.

A height in relation to boundary of 2.5m and either 45 degrees (for east or west boundaries), 55 degrees (for north boundaries), 35 degrees (for southern boundaries) must apply to any rear boundary.

In the case of corner lots the following apply:

- On the shortest side boundary of the corner lot, a height in relation to boundary of 2.5m and either 45 degrees (for east or west boundaries), 55 degrees (for north boundaries), 35 degrees (for southern boundaries) must apply.

- On the longest side boundary of the corner lot, a building height in relation to boundary of 5m and 45 degrees must apply up to a maximum distance of 8m from the rear boundary. A height in relation to boundary of 2.5m and either 45 degrees (for east or west boundaries), 55 degrees (for north boundaries), 35 degrees (for southern boundaries) must apply to the remaining part of the side boundary that is beyond 8m from the rear boundary.

- All buildings within 8m of the shortest side boundary must be limited to a single storey and a 5m maximum height.

For all rear boundaries a height in relation to boundary of 2.5m and either 45 degrees (for east or west boundaries), 55 degrees (for north boundaries), 35 degrees (for southern boundaries) apply.

2. This control does not apply to a boundary adjoining sites within the public open space zones or vested reserves exceeding 2000m².

3. Where the boundary adjoins a rear lane (access lot) the control applies from the farthest boundary of the rear lane (access lot).

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4. A gable end, dormer or roof may project beyond the recession plane where that portion beyond the recession plane is:
   a. no greater than 1.5m² in area and no greater than 1m in height
   b. no greater than 2.5m cumulatively in length measured along the edge of the roof.
   No more than two gable end, dormer or roof projections are allowed for every 6m length of site boundary.

5. The height in relation to boundary rule does not apply to existing or proposed internal site boundaries within an application area.

6. The height in relation to boundary control does not apply to site boundaries where there is an existing common wall between two buildings on adjacent sites or where a common wall is proposed.

Figure 2: exceptions for gable ends and dormers

4.3 Yards

Purpose:
- Maintain the built character of the streetscape and provide sufficient space for landscaping in the front yard
- Maintain a reasonable standard of residential amenity
- Ensure dwellings are adequately set back from streams and the coast
- Provide a reasonable standard of visual and acoustic privacy between different dwellings, including their outdoor living space, on the same or adjacent sites

1. The minimum yards must be those in Table 4.3.1.

<table>
<thead>
<tr>
<th>Yard</th>
<th>Minimum depth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front</td>
<td>4m</td>
</tr>
<tr>
<td>Side</td>
<td>1m</td>
</tr>
<tr>
<td>Rear</td>
<td>8m, except that a single storey building (or part of a building) up to a maximum height of 5m, is permitted within the rear yard provided that it is no closer than 3m from the rear boundary.</td>
</tr>
</tbody>
</table>

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2. The rear yard in Table 4.3.1 does not apply to a building up to a height of 7m where the site adjoins a rear lane (access lot).

3. The side yard control does not apply to site boundaries where there is an existing common wall between two buildings on adjacent sites or where a common wall is proposed.

4. A single storey unenclosed verandah / porch space attached to the building is exempt from the front yard setback provided it must not be located within 2m of the front boundary.

5. [deleted]

4.4 Outlook

Purpose: ensure a reasonable standard of amenity for dwellings and encourage building windows to face the road, rear yard and/or rear lane.

1. Where the principal glazing from the principal living room or dining room of a dwelling does not face a road or a rear lane (access lot), an outlook space must be provided as follows:
   a. a depth of 4m within the site measured at right angles to and horizontal from the window to which it applies
   b. a width of 4m measured within the site from the centre point of the largest window on the building face to which it applies
   c. the height of the outlook space is the same as the floor height, measures from floor to ceiling of the building face to which the control applies.
   d. be clear and unobstructed by buildings.

4.5 Impervious Area

Purpose: manage the amount of stormwater runoff generated by a development.

1. The maximum impervious area of the site area must be 70 percent.

4.6 Building Coverage

Purpose: manage the extent of buildings on the site to achieve the planned built character.

1. Maximum building coverage shall comply with Table 4.6.1 below:

<table>
<thead>
<tr>
<th>Site Area or Activity</th>
<th>Maximum Building Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sites over 400 net site area</td>
<td>40 percent</td>
</tr>
<tr>
<td>Sites under 400 net site area</td>
<td>50 percent</td>
</tr>
<tr>
<td>Integrated Residential Developments</td>
<td>50 percent</td>
</tr>
</tbody>
</table>

4.7 Landscaping

Purpose:

- Provide for on-site amenity and an attractive streetscape character
- Improve stormwater absorption on-site.

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1. The minimum landscaped area shall be 30 percent of the net site area.
2. At least 50 percent of the front yard must comprise landscaped area.

4.8 Outdoor Living

Purpose: provide dwellings with outdoor living space that is of a functional size and dimension and is accessible from the principal living room, dining room, kitchen and is separated from vehicle access and maneuvering areas.

1. A dwelling at ground floor level must have an outdoor living space that is at least 20m² that comprises ground floor space that:
   a. has no dimension less than 4m and has a gradient not exceeding 1 in 20;
   b. is directly accessible from the principal living room, kitchen or dining room;
   c. is free of buildings, parking spaces, servicing and maneuvering areas;

2. Where an entire dwelling is located above ground level, it must have an outdoor living space in the form of a balcony or roof terrace that is at least 6m² for studio and one bedroom dwellings and 8m² for two or more bedroom dwellings and has a minimum dimension of 1.8m.

4.9 Dwellings Fronting the Road

Purpose: ensure dwellings are orientated to provide for passive surveillance of the road and contribute to streetscape amenity.

1. The front façade of a dwelling on a site must contain:
   a. glazing that is cumulatively at least 20 percent of the area of the front façade measured on the basis of a storey height of 2.4m per storey (excluding garage door);
   b. a main entrance door that is visible from the road.

4.10 Fences

Purpose: enhance passive surveillance over the road and maintain the open character of front yards.

1. Fences in a front yard must not exceed 1.2m in height.

4.11 Garages

Purpose:
- Minimise the dominance of garages as viewed from the road
- Avoid parked cars over-hanging the footpath.

1. A garage door facing a road:
   a. must be no greater than 50 percent of the width of the front façade of the dwelling to which the garage relates;
   b. must not project forward of the front façade of a dwelling;
   c. must be set back at least 5m from the site’s frontage.

2. If the site is served by a rear lane (access lot) there must not be a garage on the site’s road frontage.

4.12 Vehicle Access

Purpose: maintain a safe road frontage and shared space footpath uninterrupted by vehicle crossings.

1. Sites fronting a road with a 3m shared footpath on the site’s frontage must not have direct vehicle access to that road frontages.

2. Where the site is served by a rear lane (access lot) there must not be direct vehicle access from the road.

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3. [deleted]

4.13 Minimum dwelling size

Purpose:

- Dwellings are functional and of a sufficient size to provide for the day-to-day needs of residents, based on the number of occupants the dwelling is designed to accommodate.

1. Dwellings must have a minimum net internal floor area as follows:
   a. 30 m² for studio dwellings
   b. 45 m² for one bedroom dwellings
5. Development Controls – Residential Mixed Housing Urban Zone

The following development controls apply to activities listed in Activity Table 1.1 of this precinct and Activity Table HS.4.1 of the Residential – Mixed Housing Urban Zone instead of the development standards listed in Standard HS.6, with the exception of the following standards:

   a) HS.6.2 Home occupations
   b) HS.6.3 The conversion of a principal dwelling existing as at 30 September 2013 into a maximum of two dwellings.

5.1 Building Height

Purpose: manage the height of buildings to:
   - Be consistent with an urban residential character
   - Maintain a reasonable standard of amenity for adjacent sites
   - Support intensification of residential density and intensity
   - Provide some flexibility to enable variety in roof forms

1. Buildings must not exceed 11.5m in height.

5.2 Height in relation to boundary

Purpose:
   - Enable building height and intensity to be located in the front of the site to provide a built character and streetscape consistent with the planned urban environment and its density
   - Manage height in the rear yard of the site to minimise adverse visual dominance, allow the establishment of spacious rear yards, solar access to rear yards, and reasonable outlook and privacy (subject to rear lane-accessed housing)
   - Enable the passive surveillance of the rear lanes by providing for minor dwelling or habitable space above the garage

1. The following height in relation to boundary controls shall apply:
   a. no height in relation to boundary control shall apply to the road boundary or a boundary with a rear lane (access lot),
   b. no height in relation to boundary control shall apply to the side boundaries located outside the 8m rear yard,
   c. a height in relation to boundary of 2.5m and either 45 degrees (for east or west boundaries), 55 degrees (for north boundaries), 35 degrees (for southern boundaries) shall apply to the site boundaries located within the 8m rear yard.

2. A gable end, dormer or roof may project beyond the recession plane where that portion beyond the recession plane is:
   a. no greater than 1.5m² in area and no greater than 1m in height
   b. no greater than 2.5m cumulatively in length measured along the edge of the roof.

3. No more than two gable end, dormer or roof projections are allowed for every 8m length of site boundary.

4. The height in relation to boundary rule does not apply to existing or proposed internal site boundaries within an application area.

5. The height in relation to boundary control does not apply to site boundaries where there is an existing common wall between two buildings on adjacent sites or where a common wall is proposed.
5.3 Yards

Purpose:
- Maintain the built character of the streetscape, enable more intensive development adjoining the road and interaction with the road, and provide reasonable transitional space for landscaping in the front yard
- Maintain a reasonable standard of residential amenity
- Ensure buildings are adequately set back from streams and the coastal edge to maintain water quality and provide protection from natural hazards
- Provide a reasonable standard of visual and acoustic privacy between different buildings, including their outdoor living space, on the same or adjacent sites
- Provide an additional setback along Jesmond Road

1. The minimum yards must be those in Table 5.3.1.

Table 5.3.1 Yards

<table>
<thead>
<tr>
<th>Yard</th>
<th>Minimum depth</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front</td>
<td>2.5m, except that a 2.5m front yard applies to the length of Jesmond Road identified as &quot;Collector Road&quot; on Plan B. The Plan B area is subject to the requirements of Chapter D.17.4 Urban Coastal Areas.</td>
</tr>
<tr>
<td>Side</td>
<td>1m</td>
</tr>
<tr>
<td>Rear</td>
<td>8m, except that a single storey building (or part of a building) up to a maximum height of 5m, is permitted within the rear yard provided that it is no closer than 3m from the rear boundary.</td>
</tr>
<tr>
<td>Riparian</td>
<td>10m from the edge of all permanent and intermittent streams</td>
</tr>
<tr>
<td>Coastal</td>
<td>10m</td>
</tr>
</tbody>
</table>

2. The rear yard in Table 5.3.1 does not apply to a building up to a height of 7m where the site adjoins a rear lane (access lot).

3. The side yard control does not apply to site boundaries where there is an existing common wall between two buildings on adjacent sites or where a common wall is proposed.

4. A single storey unenclosed verandah / porch space attached to the building is exempt from the front yard setback provided it must not be located within 1m of the front boundary.

5. [Deleted]

6. The 8.5m front yard required in Table 5.3.1 shall lapse two years after it becomes operative unless a plan change is registered prior to that date, seeking to have Jesmond Road classified as an Arterial Road in the Auckland Unitary Plan. If a plan change has not been notified, the 2.5m yard shall apply thereafter.

Note: Additional yard setbacks may be required to meet the requirements of Chapter D.26 National Grid Corridor Overlay.

5.4 Outlook

Purpose: ensure a reasonable standard of amenity for dwellings and encourage building windows to face the road, rear yard and/or rear lane

1. Where the principal glazing from the principal living room or dining room of a dwelling does not face a road or a rear lane (access lot), an outlook space must be provided as follows:
   a. a depth of 4m within the site measured at right angles to and horizontal from the window to which it applies,
   b. a width of 4m measured within the site from the centre point of the largest window on the building

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face to which it applies

c. the height of the outlook space is the same as the floor height, measures from floor to ceiling, of the
building face to which the control applies,
d. be clear and unobstructed by buildings.

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5.5 Impervious Area
Purpose: manage the amount of stormwater runoff generated by a development.
1. The maximum impervious area of the site area must be 70 percent.

5.6 Building Coverage
Purpose: manage the density of buildings on the site consistent with the urban residential character.
1. Maximum building coverage shall comply with Table 5.6.1 below:

<table>
<thead>
<tr>
<th>Site Area or Activity</th>
<th>Maximum Building Coverage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sites over 400 net site area</td>
<td>40 percent</td>
</tr>
<tr>
<td>Sites under 400 net site area</td>
<td>50 percent</td>
</tr>
<tr>
<td>Integrated Residential Developments</td>
<td>50 percent</td>
</tr>
</tbody>
</table>

5.7 Landscaping
Purpose:
- Provide for on-site amenity and an attractive streetscape character
- Improve stormwater absorption on-site.
1. The minimum landscaped area shall be 30 percent of the net site area.
2. At least 50 percent of the front yard must comprise landscaped area (excluding the area of an unenclosed verandah space from rule 4.3.4 above).

5.8 Outdoor Living
Purpose: provide dwellings with outdoor living space that is of a functional size and dimension and is accessible from the principal living room, dining room, kitchen and is separated from vehicle access and maneuvering areas.
1. A dwelling at ground floor level must have an outdoor living space that is at least 20m² that comprises ground floor space that:
   a. has no dimension less than 4m and has a finished gradient not exceeding 1 in 20;
   b. is directly accessible from the principal living room, kitchen or dining room;
   c. is free of buildings, parking spaces, servicing and maneuvering areas;
2. Where an entire dwelling is located above ground level, it must have an outdoor living space in the form of a balcony or roof terrace that is at least 5m² for studio and one bedroom dwelling and 8m² for two or more bedroom dwelling and has a minimum dimension of 1.8m.

5.9 Dwellings Fronting the Road
Purpose: ensure dwellings are orientated to provide for passive surveillance of the road and contribute to streetscape amenity.
1. The front façade of a dwelling on a site must contain:
   a. glazing that is cumulatively at least 20 percent of the area of the front façade measured on the basis of a storey height of 2.4m per storey (excluding garage door).
   b. a main entrance door that is visible from the road.
2. A habitable room facing a rear lane (access lot) must have a façade that contains glazing that is
cumulatively at least 20 percent of that storey’s façade to the rear lane.

5.10 Fences
Purpose: enhance passive surveillance over the road and maintain the open character of front yards.
1. Fences in a front yard must not exceed 1.2m in height.

5.11 Garage
Purpose:
- Minimise the dominance of garages as viewed from the road
- Avoid parked cars over-hanging the footpath.
1. A garage door facing a road:
   a. must be no greater than 50 percent of the width of the front façade of the dwelling to which the garage relates.
   b. must not project forward of the front façade of a dwelling.
   c. must be set back at least 5m from the site’s frontage.
2. If the site is served by a rear lane (access lot) there must not be a garage on the site’s road frontage.

5.12 Vehicle Access
Purpose: maintain a safe road frontage and shared space footpath uninterrupted by vehicle crossings.
1. Sites fronting a Future Collector road (New), Collector road (New), Collector road (Existing), Collector road (possible future arterial) and a Collector road – Protected Cycleway identified on precinct plan 1 or 2 or a road with a 3m shared footpath on the site’s frontage must not have direct vehicle access to that road frontage.
2. Where the site is served by a rear lane (access lot) there must not be direct vehicle access from the road.
3. [deleted]

5.13 Minimum dwelling size
Purpose: Dwelling are functional and of sufficient size to provide for the day-to-day needs of the dwelling is designed to accommodate.
1. Dwellings must have a minimum net internal floor area as follows:
   a. 30 m² for studio dwellings
   b. 45 m² for one bedroom dwellings

6. Subdivision Controls
Unless specified below, the standards applicable to the overlays, zones and Auckland-wide provisions apply to all activities listed in Activity Table 1.3.
The following standards do not apply to activities listed in Activity Table 1.3:
(1) Chapter E36 Subdivision – Urban: E38.8.2.3 Vacant sites subdivisions involving parent sites of less than 1 hectare

6.1 Minimum Site Sizes for Vacant Sites – Residential Zones
1. Minimum vacant site sizes shall comply with Table 6.1.1 below:

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Table 6.1.1 Minimum Site Sizes for Proposed Vacant Sites – Residential Zone

<table>
<thead>
<tr>
<th>Site Width</th>
<th>Minimum Site Size</th>
</tr>
</thead>
<tbody>
<tr>
<td>Minimum site size where the minimum front site width is 12.6m or greater</td>
<td>325m²</td>
</tr>
<tr>
<td>Minimum site size where the minimum front site width is between 10m and 12.49m and Table 7 (Alternative Front Site) is complied with and the site’s frontage is not to a road on the north-west to north-east boundary</td>
<td>200m²</td>
</tr>
</tbody>
</table>

2. [deleted]

3. There are no minimum site sizes where subdivision is proposed as part of an integrated land use consent or to subdivide around an approved land use consent for a residential development.

4. [deleted]

6.2 Minimum Site Dimensions for Vacant Sites

1. Minimum site dimensions for vacant sites shall comply with Table 6.2.1 below:

Table 6.2.1 Minimum Site Dimensions for Proposed Vacant Sites – Residential zones

<table>
<thead>
<tr>
<th>Site Type or Measurement</th>
<th>Dimension</th>
</tr>
</thead>
<tbody>
<tr>
<td>Front Site: Minimum Width in metres</td>
<td>12.5m</td>
</tr>
<tr>
<td>Alternative Front Site: Width in metres where a legal mechanism restricts the width of a garage and vehicle crossing for any subsequent building development to a single car width or where a rear lane provides legal access</td>
<td>10m to 12.49m</td>
</tr>
<tr>
<td>Front Site: Minimum Depth in metres</td>
<td>20m</td>
</tr>
<tr>
<td>Minimum Legal Width of Rear Lanes in metres</td>
<td>7m</td>
</tr>
</tbody>
</table>

2. There are no minimum site dimensions where subdivision is proposed as part of an integrated land use and subdivision consent or to subdivide an approved land use consent for a residential development.

3. [deleted]

4. [deleted]

6.3 Movement Network

1. All subdivision must comply with the following controls:
   a. all new subdivisions, roads and lots shall comply with the following:
      i. maximum block length: 250m
      ii. maximum block perimeter: 750m

   For clarity the measurements above may be curvilinear.

b. [deleted]

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c. collector roads must be provided in accordance with the alignments in precinct plan 1 and 2.

d. roads must be constructed to the standards illustrated in Figures 3 to 11 below (with reference to precinct plan 1 and 2) or where not contained in the figures below, the relevant Auckland Wide rules shall apply. Except that:

i. where a road is located within the National Grid Corridor Overlay, the road will be constructed with a design specific to the accommodation of the Corridor. The design will be determined as part of the resource consent required by Chapter D26 National Grid Corridor Overlay.

ii. The future collector road (new) is required to be:
   a. formed to a Local Road standard only as set out in Figure 11 – Road 1 Future Collector Road (New) – Interim Local Road formation;
   b. vested to enable the future construction of the Future Collector Road (New) as set out in Figure 10.

Note 1:
1. The alignment of the future collector road (new) as shown on Precinct Plan 2 is indicative and may vary by up to 20m. The exact alignment of the future collector road (new) will:
   - be determined through detailed design in conjunction with subdivision and/or land use consent applications;
   - provide for the length of the road to connect across property boundaries i.e. the road will be constructed up to the boundary of the adjoining property to allow it to be continued;
   - connect at its eastern end with the road in Precinct Plan 1; and
   - connect at its western end with Jasmond Road.

2. Prior to the occupation of any new dwelling or unit in the Precinct Plan 2 area, the intersection of SH22 and Jasmond Road must be upgraded with a double lane roundabout with approach lanes, or traffic signals (including approach lanes) where the posted speed limit supports their implementation to provide a safety and capacity solution, unless an interim traffic safety solution has been approved by the New Zealand Transport Agency as the requiring authority for State Highway 22. This rule:
   - also applies to integrated residential developments sought as a land use consent application; and
   - continues to apply to each application for subdivision or development within the Precinct Plan 2 area until such time as the intersection of State Highway 22 and Jasmond Road has been upgraded with a double lane roundabout or traffic signals.

Note 1: If an interim traffic safety solution has been implemented at the SH22/Jasmond Road intersection under this rule, applicants are advised that they are required to consult with the New Zealand Transport Agency and Auckland Transport to determine whether this interim solution needs to be upgraded to a roundabout or traffic signals to address safety and capacity matters, prior to any further subdivision or development proceeding within the Precinct Plan 2 area.

f. SITES fronting the Collector Road (possible future arterial) shall provide for a 5.5m front yard setback along the boundary with the Collector Road (possible future arterial) at the time of subdivision. This rule shall lapse two years after it becomes operative unless a plan change is notified prior to that date, seeking to have Jasmond Road classified as an Arterial Road under the Auckland Unitary Plan.

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Figures 3 to 11 Road Cross Sections

Figures 3 and 4

NOTES:
ROAD B:
COLLECTION ROAD CROSS SECTION

ROAD A:
COLLECTION ROAD CROSS SECTION

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attachment A

item 11
Figures 5 and 6
Figures 7 and 8
Notes:
1. stormwater device width to be confirmed subject to width of device used.

6.4 Park Edge Roads

1. Where subdivision adjoins an Open Space Zone or Future Esplanade Reserve on precinct plan 1 and 2 or a recreation reserve to vest then park edge roads must be provided.

2. [deleted]

6.5 Site Access

1. Where subdivision adjoins a Future Collector Road (New), Collector Road (New), Collector Road (Existing), Collector Road (possible future arterial) or a Collector Road – Protected Cycleway identified on the Precinct Plan 1 and 2 or a road with a 3m shared footpath on the site’s frontage, rear lanes (access lot) or access from side roads must be provided so that no vehicle access occurs directly from the site’s frontage to the 3m shared footpath or the road frontage.
6.6 Riparian Margin

1. Riparian margins must be planted on either side to a minimum width of 10m measured from the bank of the stream. This rule shall not apply to road crossings over streams.

2. Any planting required will be implemented in accordance with a council approved landscape plan and must use eco-sourced native vegetation, be consistent with local biodiversity and planted at a density of 10,000 plants per hectare.

3. [deleted]

6.7 Stormwater Management

1. Within catchments draining to streams, stormwater runoff from impervious surfaces within roads (and future roads) of 50 m² and over must be directed to a stormwater device(s) designed and sized to achieve the following stormwater hydrology mitigation requirements:

Except as provided by a, the following (a. and b.) applies.

a. provide retention (volume reduction) of at least 5mm of runoff depth for the impervious area for which hydrology mitigation is required; and
b. provide detention (temporary storage) and a drain down period of 24 hours for the difference between the pre-development and post-development runoff volumes from the 95th percentile, 24 hour rainfall event minus the 5mm retention volume or any greater retention volume that is achieved, over the impervious area for which hydrology mitigation is required.

c. where:
   i. a suitably qualified person has confirmed that soil infiltration rates are less than 2mm/hr or there are no areas on the site of sufficient size to accommodate all required infiltration that is free of geotechnical limitations (including slope, setback from infrastructure, building structures or boundaries and water table depth); and
   ii. rainfall reuse is not available because:
       • The quality of the stormwater runoff is not suitable for on-site reuse (i.e. for non-potable water supply, garden irrigation or toilet flushing); or
       • There are no activities occurring on the site that can reuse the full 5mm retention volume of water,

   the retention volume can be taken up by providing detention (temporary storage) and a drain down period of 24 hours for the difference between the pre-development and post-development runoff volumes from the 95th percentile, 24 hour rainfall event over the impervious area for which hydrological mitigation is required (minus any designed retention volume that is achieved).

2. Within catchments draining to the coast, stormwater runoff from impervious surfaces within roads (and future roads) must achieve water quality treatment to all impervious surfaces based on rain gardens (or the equivalent) with a surface area sized to 2 percent of the contributing catchment.

3. Stormwater devices within the National Grid Yard must be designed to comply with the New Zealand Electrical Code of Practice for Electrical Safe Distances NZEC34:2001, including their ongoing operation and maintenance.

4. [deleted]

6.8 Affordable Housing

1. Rule 2.2 shall apply to subdivision applications containing 15 or more vacant sites.

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7. Assessment – Land Use Control Infringements

7.1 Matters of Discretion

In addition to the general matters set out in standard C1.9(3) and the specific matters set out for infringements in the relevant underlying zones and Auckland-wide rules, the council will restrict its discretion to the matters below for the relevant land use control infringement:

1. Stormwater Management
   a. the council will restrict its discretion to
      i. the matters set out in E10.6.1(1) of the Stormwater management area – Flow 1 and Flow 2 chapter
      ii. whether the non-compliance occurs on siteslots intended for affordable housing or higher density development.

2. Development Control Infringements
   a. For development control infringements within the Residential – Mixed Housing Suburban Zone, the council will restrict its discretion to those matters listed in H4.6.1(4), and the following matters:
      i. For infringements to 4.9 Dwellings fronting the road, 4.11 Garages and 4.12 Vehicle access, the any policy which is relevant to the standard; the purpose of the standard; and the effects of the infringement of the standard
      ii. urban design outcomes and density enabled by infringements to building coverage
   b. For development control infringements within the Residential – Mixed Housing Urban Zone, the council will restrict its discretion to those matters listed in H5.8.1(4), and the following matters:
      i. For infringements to 4.9 Dwellings fronting the road, 4.11 Garages and 4.12 Vehicle access, the any policy which is relevant to the standard; the purpose of the standard; and the effects of the infringement of the standard
      ii. urban design outcomes and density enabled by infringements to building coverage

3. Integrated Residential Development
   a. Within the Residential – Mixed Housing Suburban Zone, the council will restrict its discretion to those matters listed in H4.6.1(3)
   b. Within the Residential – Mixed Housing Urban Zone, the council will restrict its discretion to those matters listed in H5.8.1(3)

7.2 Assessment Criteria

In addition to the specific assessment criteria for the infringement in the relevant underlying zones and Auckland-wide rules, the council will consider the relevant assessment criteria below for the development control infringement:

1. On-site stormwater management
   a. the assessment criteria set out in E10.8.2(1) of the Stormwater management area – Flow 1 and Flow 2 chapter
   b. where the non-compliance occurs on siteslots intended for affordable housing or higher density development applicants may demonstrate that runoff from the impervious surfaces can be accommodated within the public stormwater system/network.

2. Development control infringements
   a. For development control infringements within the Residential – Mixed Housing Suburban Zone, the council will consider the criteria listed in H4.6.2, and the following matters:
      i. For infringements to 4.9 Dwellings fronting the road, 4.11 Garages and 4.12 Vehicle access, refer to Policy 8 of this precinct
      ii. Urban design outcomes and density enabled by infringements to building coverage

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Attachment A
b. For development control infringements within the Residential – Mixed Housing Urban Zone, the council will consider the criteria listed in H5.8.2, and the following matters:
   i. For infringements to 5.9 Dwellings fronting the road; and 5.11 Garages refer to Policy 6 of this precinct
   ii. For infringements to 5.12 Vehicle access, refer to Policy 5(c) of this precinct.
   iii. Urban design outcomes and density enabled by infringements to building coverage

c. The extent that any infringement of building coverage enables quality urban design outcomes and higher density development.

3. Integrated Residential Development
   a. Within the Residential – Mixed Housing Suburban Zone, the council will consider the criteria listed in H4.8.2(3)
   b. Within the Residential – Mixed Housing Urban Zone, the council will consider the criteria listed in H5.8.2(3)

8. Assessment – Subdivision

8.1 Matters of Discretion

1. Subdivision
   a. The council will restrict its discretion to those matters listed in E38.17.1 within Chapter E38 Subdivision – Urban, and the following matters:
      i. Consistency with precinct plan 1 and 2
      ii. Stormwater management
      iii. For subdivision within the National Grid Corridor Overlay, the matters listed in D25.5(1) and (1A) within Chapter D25 National Grid Corridor Overlay.
      iv. Transportation Management
      v. Effects of additional traffic on the intersections identified in Assessment Criteria C8.2(3)(c) and the NorSea Road one way bridge and mitigation proposals for those effects.
      vi. Effects associated with the intersection of Burberry Road and SI022 and mitigation for those effects, prior to forming a physical connection to Burberry Road.
      vii. For subdivision not complying with Standard 8.3(1)(c)(i) these additional matters apply:
          • Protection of the route for the future collector road (new)
          • Integration of the proposed subdivision with the future collector road (new)
          • Effects on the transport network.

8.2 Assessment Criteria

1. For development that is a restricted discretionary activity, the following assessment criteria apply in addition to the criteria specified for the relevant restricted discretionary activities in the zone and Auckland Wide Rules:
   a. The structural elements of precinct plan 1 and 2 are incorporated into the subdivision design.
   b. The approach to stormwater management for roads, lanes (access lots) and sites addresses the recommendations of the Stormwater Management Plans (May 2016) for sites located within Precinct Plan 1 or March 2018 for sites located within Precinct Plan 2 (including those relating to the catchments discharging to both the streams and estuary), and that the hydrology mitigation requirements outlined in the relevant rules can be met. Consent Notices may be required on the titles of all new sites to ensure compliance with the onsite stormwater management requirements contained in the rules of this Precinct and where recommended with the subdivision application to implement the Stormwater Management Plans (May 2016 for sites located within Precinct Plan 1 or March 2018 for sites located within Precinct Plan 2).
c. the design of low impact outfalls as lengths of manmade channels with a natural form (materials and planting) to dissipate energy and minimise erosion for outfalls to streams and the coast.

d. the assessment criteria listed in E38.12.2 within Chapter E38 Subdivision – Urban.

2. The implementation of relevant upgrades to the roading network
Development of up to 50 households should occur when the following transport requirements are met:

- Bommer road approach to the Ngaokoro Stream Bridge to a two lane urban road (as required by the consented development) including separated cycle lanes (including a shared path on one side of the Ngaokoro Stream Bridge)

- Footpaths to link the Drury 1 precinct to Drury Township, as per Drawing Reference A1.1013-QG1EX022 by McKenzie and Co Consulting

- SH22/Victoria Street intersection – changes to the intersection refer diagram below

- Pedestrian Improvements at Norrie road/Great South road intersection, as illustrated at Figure 5-4 of the ITA

- Pedestrian upgrade (one side only) of Bommer road motorway overbridge, including safety improvements to the footpath and handrail structure.

- Great South road/Firth street intersection priority changes to the intersection

  a. prior to the development of 100 cumulative dwellings being constructed across the Drury 1 precinct, the Firth street/Great South road intersection improvements, including markings and curve realignment as per Drawing 1, Revision A, dated 20 June should be implemented.

  b. prior to the development of 400 cumulative dwellings being constructed across the Drury 1 precinct, a dedicated cycle facility should be constructed across State Highway 1, alongside Bommer road.

3. Effects of additional traffic on the intersections identified in (a) below and the Norrie Road one way bridge and mitigation proposed for those effects

  a. Whether the proposal avoids, remedies, or mitigates adverse traffic effects to maintain the safe and efficient operation of the transport network at the following locations.

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- intersection of Great South Road / Firth Street,
- intersection of Fifth Street / Norrie Road,
- intersection of Great South Road / Norrie Road / Waihoehoe Road,
- intersection of Great South Road / Karaka Road (SH22),
- intersection of Victoria Street / SH22 and
  the Norrie Road One-Way Bridge.

Assessment of these adverse effects and mitigation proposed will be based on the transport assessment required to be provided with any subdivision application as outlined in Special Information Requirement 2.

b. The extent to which the road network within Precinct Plan 2 integrates with and takes into account information and outcomes associated with NZTA projects, and Auckland Council’s structure planning for Drury/Opateke.

c. The extent to which there is evidence of consultation regarding the proposal with Auckland Transport and NZTA.

4. Effects associated with the intersection of Burberry Road and SH22 and mitigation for those effects, prior to forming a physical connection to Burberry Road.

a. The extent to which, prior to the forming of a physical connection to Burberry Road, upgrading work has been undertaken to the intersection of Burberry Road and SH22 to ensure there are safe and appropriate connections.

5. For subdivisions not complying with Standard 6.3.1(c)(b)(9) which requires the future collector road (new) to be constructed to local road standard as set out in Figure 11 with additional land reserved to enable upgrading to a final 28m formation as set out in Figure 10 these additional assessment criteria apply:

a. Whether the proposed road is set aside for the future collector road (new) with the formation identified on Figure 10 - Future Collector Road (New) - Final 28m formation, and in the location identified in Precinct Plan 2. This includes:
   - clearly identifying the land to be set aside for the future collector road (new) on any subdivision plan;
   - the mechanisms to be used, such as conditions including requiring a covenant under s102C(2) of the RMA or a consent notice under s271 of the RMA or written legal agreements, to ensure that the land will be available for the future collector road (new) and will be kept clear and unobstructed by buildings or structures. Such mechanisms may include a time limit whereby they lapse after an appropriate period if the land no longer needs to be kept available for the future collector road (new).

b. Whether the proposed subdivision layout is designed to provide for integration with the future collector road (new) once it is constructed. This includes:
   - providing connections for pedestrians and cyclists to the future collector road (new);
   - providing local road access to the future collector road (new) and to any interim local road constructed within the future collector road (new) corridor on adjacent sites.

c. Whether the proposed road network can efficiently and safely accommodate walking, cycling and vehicles (excluding buses). This includes:
   - providing pedestrian and cycling connectivity with the surrounding network;
   - avoiding generating high volumes of traffic onto local roads;
   - demonstrating through traffic modelling and vehicle tracking that the intersections serving the subdivision will operate safely and efficiently.

Auckland Unitary Plan operative in part

Attachment A
Special Information requirement:
1. All subdivision consent applications for development within Precinct Plan 2, must include a traffic assessment undertaken by a suitably qualified and experienced traffic engineer that addresses whether the proposal complies with (a) and (b) below. The assessment must utilise traffic data no older than two years at the time that a subdivision resource consent application is lodged.

The baseline scenario for the assessment is the operation of the road network at the time, plus development enabled in Precinct Plan 1 and activities that have already been consented in Precinct Plan 2.

a. Road Intersection Performance
i. All-day: No individual traffic movement shall have a LOS worse than LOS E, or have a degree of saturation higher than 95%. If the baseline scenario is already at LOS F, then:
   - degrees of saturation shall be no more than the baseline scenario; or
   - delay shall not increase beyond the baseline scenario by more than 10%.
ii. The overall intersection LOS shall be no worse than LOS D

For the purposes of this standard, the relevant road intersections are:
- Great South Road / Firth Street
- Firth Street / Norrie Road
- Great South Road / Norrie Road / Waiheke Road
- Great South Road / Karaka Road (SH22)
- Victoria Street / SH22

b. Norrie Road One-Way Bridge
i. All-day: No individual traffic movement from upstream and downstream intersection shall have 85\% percentile queues resolving or crossing the one-way bridge
ii. Queues at the approaches to the one-way bridge shall not extend to and through the upstream intersection
iii. Delays on the bridge shall not have LOS worse than LOS D.
Attachment A

Item 11

Auckland Unitary Plan (Operative in Part) - Request to make Private Plan Change 6 (Auranga) fully operative
Appendix 6.35.1 [deleted]
9. Precinct Plan 1

The Drury 1 Precinct plan 1 is deleted and replaced with the following plan:
10. Precinct Plan 2

The Drury 1 Precinct plan 2 is deleted and replaced with the following plan:
Auckland Unitary Plan (Operative in Part) - Request to make Private Plan Change 6 (Auranga) fully operative
Auckland Unitary Plan (Operative in Part) – Request to make Private Plan Change 19, (90 Felton Mathew Avenue, St Johns) operative

File No.: CP2020/00193

Te take mō te pūrongo
Purpose of the report
1. To make operative Private Plan Change 19, 90 Felton Mathew Avenue, St Johns to the Auckland Unitary Plan (Operative in Part).

Whakarāpopototanga matua
Executive summary
2. Private Plan Change 19 is a privately initiated plan change by Fletcher Residential Limited to rezone 90 Felton Mathew Avenue, St Johns from Business – Light Industry Zone to Residential – Mixed Housing Suburban Zone. The site comprises 4,380m$^2$ of land, and is owned by Fletcher Residential Limited (refer Attachment A).
3. The plan change was limited notified on 21 March 2019. Two submissions were received and were later withdrawn.
4. As the two submissions were subsequently withdrawn there were no further submissions and no need for a hearing.
5. Private Plan Change 19 was considered by an independent hearing commissioner, and a decision was issued on 19 December 2019. The decision supported the private plan change with no modifications.
6. No appeals were received, and therefore the plan change can now be made operative.

Ngā tūtohunga
Recommendation/s
That the Planning Committee:

a) approve Private Plan Change 19, 90 Felton Mathew Avenue, St Johns to the Auckland Unitary Plan (Operative in Part), under clause 17(2) of Schedule 1 of the Resource Management Act 1991

b) request staff to complete the necessary statutory processes to publicly notify the date on which the plan change becomes operative as soon as possible, in accordance with the requirements in clause 20(2) of Schedule 1 of the Resource Management Act 1991.

Horopaki
Context
7. Private Plan Change 19 seeks to rezone 90 Felton Mathew Avenue, St Johns from Business – Light Industry Zone to Residential – Mixed Housing Suburban Zone in the Auckland Unitary Plan (Operative in Part).
8. The plan change was limited notified on 21 March 2019. Two submissions were received. The submission by Vector Limited was withdrawn on 1 October 2019, and the submission by Auckland Transport was withdrawn on 22 October 2019.
9. As the two submissions were subsequently withdrawn, there were no further submissions and no hearing was held.

10. Private Plan Change 19 was considered by an independent hearing commissioner, and a decision was issued on 19 December 2019 to support the plan change without modification.

11. No appeals were received, and the plan change can now be made operative.

Tātaritanga me ngā tohutohu
Analysis and advice


13. Clause 17(2) states that a local authority may approve part of a policy statement or plan, if all submissions or appeals relating to that part have been disposed of. No appeals were received and the council can now approve the plan change.

14. Clause 20 of Schedule 1 sets out the process that is required to be undertaken for the notification of the operative date. Plans and Places staff will notify the operative date as soon as possible following the Planning Committee’s resolution.

Tauākī whakaaweawe āhuarangi
Climate impact statement

15. As a procedural request, impacts on climate change are not relevant to this recommendation.

Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera
Council group impacts and views

16. Specialist advice was received from staff in Auckland Transport, Healthy Waters, Infrastructure and Environmental Services and Watercare Services. These specialists provided advice on Private Plan Change 19 and the supporting section 32 report.

17. Auckland Transport subsequently withdrew its submission of support for the plan change to avoid the need for a hearing.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views

18. The Ōrākei Local Board was consulted on Private Plan Change 19 prior to limited notification. The Local Board advised that it was not opposed to the plan change and considered that a mixed housing suburban development would have fewer adverse impacts on adjacent residential properties than light industrial activities.

19. Local board views were not sought for this report as making the plan change operative is a procedural matter.

Tauākī whakaaweawe Māori
Māori impact statement

20. Fletcher Residential limited (the applicant) for Private Plan Change 19 advised staff that it had engaged with 15 iwi groups recognised as having an interest in the site, prior to the plan change request being lodged with the Council.

21. The applicant also advised staff that Ngāti Tamaoho, Ngāti Te Ata, and Te Ākitai Waiohua accepted the opportunity to meet; and were appreciative of the forewarning of the intentions of the plan change, could see value in the request, and would wait to be approached by the Council following lodgement of the plan change. No iwi groups submitted on the plan change.
22. Making the plan change operative is a procedural matter that will not have an impact on Māori.

**Ngā ritenga ā-pūtea**

**Financial implications**

23. There are no financial implications associated with making the plan change operative.

**Ngā raru tūpono me ngā whakamaurutanga**

**Risks and mitigations**

24. There are no risks associated with making the plan change operative.

**Ngā koringa ā-muri**

**Next steps**

25. The final step in making the plan change operative is to publicly notify the date on which it will become operative, and to update the Auckland Unitary Plan (Operative in Part).

**Ngā tāpirihanga**

**Attachments**

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<tr>
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<td>Zoning of land under Private Plan Change 19</td>
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**Ngā kaihaina**

**Signatories**

<table>
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<tr>
<th>Author</th>
<th>Authorisers</th>
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<tr>
<td>David Wong - Principal Planner</td>
<td>John Duguid - General Manager - Plans and Places</td>
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<td>Megan Tyler - Chief of Strategy</td>
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</table>
90 Felton Mathew Avenue, St Johns, Rezone to Residential – Mixed Housing Suburban Zone

Legend
- Residential - Mixed Housing Suburban Zone
- Open Space - Informal Recreation Zone
- Business - Town Centre Zone
- Business - Light Industry Zone
- Strategic Transport Corridor Zone
- Road (i)
Auckland Unitary Plan (Operative in Part) - Update on appeals and making additional parts of the Plan operative

File No.: CP2020/00038

Te take mō te pūrongo
Purpose of the report

1. To update the committee on the outcome of two appeals against the council’s decisions on the Proposed Auckland Unitary Plan:
   - CIV-2016-404-2290 Wāitakere Ranges Protection Society
   - ENV-2017-AKL-000167 Strategic Property Advocacy Network.

2. To obtain resolutions to allow staff to undertake the statutory processes to publicly notify the operative status of additional parts of the Auckland Unitary Plan (Operative in Part) that are no longer subject to appeals.

Whakarāpopototanga matua
Executive summary

3. The Wāitakere Ranges Protection Society (the Society) lodged an appeal at the High Court following the council’s decision to accept the recommendation of the Auckland Unitary Plan Independent Hearings Panel. This related to making subdivision beyond the amount allocated by the Plan a non-complying rather than a prohibited activity. The Society considered that the Independent Hearings Panel recommendation relied on an error in the interpretation of case law which, following further consideration, the council accepted.

4. The Strategic Property Advocacy Network (SPAN) then appealed against the decision (as issued by the High Court) to reinstate prohibited activity status for subdivision beyond specified density limits in some parts of the Wāitakere Ranges Heritage Area (WRHA). Following extensive mediation, there was no resolution of this appeal. The Environment Court therefore set down an evidence timetable so that the appeal could be heard. At that point in time SPAN decided to withdraw its appeal. This means that the decision to apply prohibited activity status to subdivision in some parts of the WRHA is now beyond challenge, and those provisions can be made operative.

Ngā tūtohunga
Recommendation/s

That the Planning Committee:

a) note that the following appeals in respect of the council’s decisions on the Proposed Auckland Unitary Plan are now fully resolved:
   i) CIV-2016-404-2290 - Waitakere Ranges Protection Society
   ii) ENV-2017-AKL-0000167 – Strategic Property Advocacy Network

b) authorise staff to complete the necessary statutory processes to publicly notify the date on which the parts of the Auckland Unitary Plan (Operative in Part) become operative as soon as practicable, in accordance with the requirements in section 160 of the Local Government (Auckland Transitional Provisions) Act 2010 and clause 20(2) of Schedule 1 of the Resource Management Act 1991.
Horopaki

Context

5. The Society lodged an appeal to the High Court (CIV-2016-404-002290) seeking the reinstatement of prohibited activity status in the Auckland Unitary Plan (Operative in Part) (AUP) for some types of subdivision in some parts of the WRHA. The Society did not oppose the majority of the subdivision provisions, which include minimum lot sizes and site-specific subdivision rules.

6. Council had previously accepted the Independent Hearing Panel’s recommendation to change the approach taken to some subdivision in the Auckland Council District Plan (Wāitakere Section) (District Plan), where prohibited activity status was included in that District Plan. This occurred following extensive litigation and the passage of the Wāitakere Ranges Heritage Area Act 2008. Prohibited activity status was the planning method used to avoid ad-hoc subdivision in some parts of the WRHA.

7. The Society’s appeal sought the reinstatement of prohibited activity status in those locations where it was applied under the previous District Plan. The prohibited activity status would apply to the southern parts of the Swanson Structure Plan, and those areas that were located in the legacy “Bush Living” and “Waitakere Ranges” Human Environments (but which were not part of Titirangi Subdivision Area 1 and Titirangi-Laingholm Subdivision Area 2).

8. The Council resolved to reinstate prohibited activity status in some locations. This led to council agreeing with the Society and its view that the recommendation by the Independent Hearings Panel to apply non-complying activity status was based upon an error of law. Council and the Society presented a joint memorandum to the High Court requesting that the Court issue a consent order to reinstate prohibited activity status in some parts of the WRHA. The High Court issued the consent order on 17 September 2017. This represented a rejection of the recommendation of the Independent Hearings Panel, which enabled submitters to appeal that decision to the Environment Court.

9. The SPAN Environment Court appeal arises from the High Court decision to reinstate prohibited activity status for subdivision beyond specified density limits in particular parts of the WRHA. Mediation narrowed the scope of the SPAN appeal to specific sites in Swanson. The first draft consent order was not issued by the Environment Court, as neighbours to one of the sites subject to the appeal raised issues about the adverse effects of subdivision on their property. The Environment Court therefore directed that further mediation occur, to try to resolve the appeal. Further mediation was not successful. The Environment Court therefore set down an evidence timetable to hear the appeal. At that point SPAN decided to withdraw its appeal. This withdrawal means that the decision to apply prohibited activity status to subdivision in some parts of the WRHA is now beyond challenge, and those provisions can be made operative.

Tātaritanga me ngā tohutohu

Analysis and advice

10. This report deals with procedural matters – notifying additional parts of the AUP that are now operative.

Tauākī whakaaweawe āhuarangi

Climate impact statement

11. As this report is recommending a procedural step under the Resource Management Act 1991, there are no impacts on climate change.
Ngā whakaaweawe me ngā tirohanga a te rōpū Kaunihera Council group impacts and views
12. The final step in making additional parts of the AUP operative is a procedural step and therefore does not have any impact on the council group.

Ngā whakaaweawe ā-rohe me ngā tirohanga a te poari ā-rohe
Local impacts and local board views
13. Local Boards have been involved in the development of the AUP since mid-2012. Their views were not sought for this report as it addresses factual and procedural matters.

Tauākī whakaaweawe Māori
Māori impact statement
14. The final step in making additional parts of the AUP operative is a procedural step and therefore does not have any impact on Māori. Impacts on Māori have been considered throughout the process of developing the AUP and the resolution of appeals.

Ngā ritenga ā-pūtea
Financial implications
15. The cost of making the AUP operative is covered by the Plans and Places department’s operational budget.

Ngā raru tūpono me ngā whakamaurutanga
Risks and mitigations
16. There are no risks associated with making the parts of the AUP relating to subdivision in the WRHA operative.

Ngā koringa ā-muri
Next steps
17. The final step in making the plan change fully operative is to publicly notify the date on which it will become operative, and to update the AUP.

Ngā tāpirihanga
Attachments
There are no attachments for this report.

Ngā kaihaina
Signatories

<table>
<thead>
<tr>
<th>Author</th>
<th>Eryn Shields - Team Leader Planning - North West</th>
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<tr>
<td>Authorisers</td>
<td>John Duguid - General Manager - Plans and Places</td>
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<td>Megan Tyler - Chief of Strategy</td>
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Purpose of the report

1. To provide a summary and public record of memos or briefing papers that have been distributed to committee members.

Executive summary

2. This is a regular information-only report which aims to provide greater visibility of information circulated to committee members via memo/briefing or other means, where no decisions are required.

3. The following information items are attached:
   - Planning Committee workshop schedule February 2020 (Attachment A)
   - Auckland Monthly Housing Update December 2019 (Attachment B)

4. The following memos were circulated to members:
   - 10 December 2019 – Better Travel Choices - the Auckland Mode Shift Plan (Attachment C)
   - 12 December 2019 – Waikato District Growth and Economic Development Strategy (Attachment D)
   - 19 December 2019 – Upper North Island Supply Chain Strategy: Final report (Attachment E)
   - 20 December 2019 – The Draft New Zealand Rail Plan (Attachment F)
   - 20 December 2019 – Land Transport (Rail) Legislation Bill (Attachment G)
   - 23 January 2020 – Auckland Council’s input into the government’s ‘Implementation of the Globally Harmonized System of Classification and Labelling of Chemicals, Revision 7 (2017)’ (Attachment H)
   - 28 January 2020 - Auckland Council submission on Waikato 2070 (Attachment I)

5. The following workshops and briefings took place:
   - 11 December 2019 – Resource management system reform (Attachment K)

6. The following correspondence is attached:
   - 20 December 2019 – Letter to Auckland Transport on Mode Shift Implementation Plan (Attachment L)

7. **Staff will not be present to answer questions about the items referred to in this summary.** Committee members should direct any questions to the authors of each information item.

8. The attachments for this report have been published separately at the following link: [http://infocouncil.aucklandcouncil.govt.nz](http://infocouncil.aucklandcouncil.govt.nz) > Planning Committee > 4 February 2020 > Extra Attachments
Ngā tūtohunga
Recommendation/s
That the Planning Committee:

a) receive the Summary of Planning Committee information items and briefings – 4 February 2020 report.

Ngā tāpirihanga
Attachments

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<th>Duncan Glasgow- Kaitohutohu Mana Whakahaere / Governance Advisor</th>
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