

## Frequently Asked Questions

### **Now the designation has been granted, what are the next steps for the Regional Freight Hub?**

Completing the designation is an important milestone in the freight hub project.

KiwiRail had received \$40m seed funding through the Government's Provincial Growth Fund to develop the masterplan for the hub, designate its footprint for rail purposes and begin purchasing land.

With the site selection and the Master Plan complete, land purchase begun and the designation now complete we are moving on to the next phase of the project.

Over the next year we will continue planning activities.

We are currently working on an investment case to build the Hub, which is expected to be completed in late 2024.

The Hub was always intended to be built in stages, over a 30-year period. We expect to start detailed design for Stage 1 (the Palmerston North Airport end of the site) in early 2025. The design and consenting process will likely take at least two years, with enabling works for Stage 1 at least four years away.

### **How much is the Regional Freight Hub going to cost?**

The Regional Freight Hub is a major infrastructure project for the Manawatū-Whanganui region and will support freight growth in the central North Island for many decades to come.

Stage 1, which requires significant enabling works and new roads, could be more than \$700 million. The cost will be clarified through the detailed design phase.

Further investment will be needed to for the later stages, over time.

KiwiRail's Regional Freight Hub is a key part of Te Utanganui, the Central New Zealand Distribution Hub. Led by Palmerston North City Council and the Central Economic Development Agency's (CEDA), Te Utanganui is a unique multi modal distribution hub in the lower North Island, consisting of rail, road, sea and air connections. [Find out more about Te Utanganui here >>](#)

### **How many new jobs will the Regional Freight Hub create?**

With any large infrastructure project, KiwiRail anticipates that there will be a significant increase in employment, through contractors working on the project and also potential for more jobs once the Hub is in operation.

Construction is expected to create around 300 jobs. Once operational, KiwiRail expects that the services at the Hub will encourage more distribution companies to move into the area, which will also grow employment.

Within the first decade of operations there could be hundreds of people working at the site.

### **How will the Regional Freight Hub fit with other developments in North-East Palmerston North, including Waka Kotahi's proposed Freight Ring Road?**

KiwiRail is working with Waka Kotahi and other stakeholders to integrate the Regional Freight Hub development with planned future roading network upgrades, including the Regional Freight Ring Road, and to consider how and when upgrades to the wider roading network needed to support the hub will be delivered.

Both the Regional Freight Hub and Regional Freight Ring Road are projects that form part of Te Utanganui multi modal distribution hub in Manawatū.

Other projects directly planned or aligned with Te Utanganui include:

- Te Ahu a Tūranga: Manawatū-Tararua Highway
- Ōtaki to North of Levin (O2NL) Expressway
- North East Industrial Zone (NEIZ)
- Ruapehu Aeropark
- Kawakawa Industrial Precinct, Feilding
- Palmerston North Airport
- Manawatū Inland Port

### **Why is the Regional Freight Hub so big?**

The Hub covers approximately 175 hectares – a reasonable proportion of which is for mitigation activities such as landscaping and stormwater treatment.

The 175ha is the full, long-term footprint for the site which will be developed in stages over the next 30 years.

The site has to be quite long, in order to accommodate freight trains that can be up to 1,500 metres long. The site also needs to accommodate a container terminal, warehousing for freight partners, a bulk goods loading yard, and KiwiRail's own operations and maintenance buildings.

### **Why do you need so much green space around the Hub?**

The green spaces help mitigate environmental impacts from the Hub, such as:

- Two stormwater detention and treatment areas needed to control and manage stormwater flows from the site.
- Land to be contoured on the northern boundary of the site, near Maple St, to mitigate operational noise from the Hub.
- A new road from Richardson's Line, along the back of the Hub, which will connect to Bunnythorpe. This road is required to enable access to the Hub and will also enable public access between Palmerston North and Bunnythorpe.
- Areas within the unformed parts of Sangsters Road to enable the construction of noise mitigation and culverts along the Hub's eastern boundary. The North Island Main Trunk Line will be moved slightly to the west of its current alignment, which will allow a combination of planted bunds and/or walls to be built along the boundary.
- Considerable tree planting and landscaping on the edges of the footprint and around the stormwater treatment ponds.
- Removal of the footprint from the existing Palmerston North water bore facility on

the southern corner of the site (intersection of Roberts Line and Railway Road).

- Addition of a small extension at the Richardson/Roberts Line intersection for traffic management (so that the Hub can operate without impeding through traffic).

### **How many properties have you bought and when will you buy the rest?**

There are about 30 owners with properties in the Hub footprint.

KiwiRail has already purchased most of properties in Stage 1 of the Hub development. Enabling works for Stage 1 is still likely at least four years away.

Construction for Stage 2 and 3 of the Regional Freight Hub is likely decades away.

Properties would generally be purchased closer to the time works begin.

### **What are the conditions on your designation?**

Many of the designation conditions relate to managing construction activity to minimise effects on roads and surrounding residents. There are also operational conditions relating to noise management and acoustic treatment, air quality and traffic management.

In the next 12 months we will be implementing the Mana Whenua Partnership Framework and establishing community liaison groups.

Planning for Stage 1 includes moving gas and other services, including power infrastructure, away from the core Hub site. This will be undertaken during the enabling works phase.

### **When will you close Railway Road and the level crossings at Clevely and Roberts Lines?**

Railway Road, the two road level crossings and two private level crossings will have to be closed for the full Hub buildout.

We expect some of them will need to be closed for enabling works and the Stage 1 build. Details of any closures will be confirmed in due course.

The road level crossing closures require PNCC (Palmerston North City Council) permission and there is a statutory process to go through.

KiwiRail will build a new road around the back of the Hub which will replace Railway Road.

### **Is the Hub going to have an impact on the Maple St cemetery?**

The cemetery is not inside the Hub proposed footprint. It will be protected from Hub operations by land re-contouring.

### **The stormwater ponds are near the Mangaone Stream. What is going to stop dirty water from the Hub going into the stream?**

The two stormwater ponds on the western side of the Hub will be designed to catch rain that falls on the Hub site. This will be treated and slowly released into the Mangaone Stream.

We are also channelling stormwater from the catchment east of Sangsters Road through a

mix of open and closed culverts big enough to take the flows from storm events, before being channelled into the Mangaone. This stormwater will be protected from Hub activities as it travels through and under the site. The intent is that water leaving the Hub site is as clean as when it came in.

### **Will the Regional Freight Hub result in more heavy traffic through Bunnythorpe or along Roberts Line?**

The Hub will be designed to integrate with future Palmerston North and regional road network upgrades, in order to manage through and local traffic demand. Hub development plans require the closure of the Roberts Line level crossing.

KiwiRail is working with Palmerston North City Council, Manawatū District Council and Waka Kotahi to ensure that appropriate roading is planned.

### **Why do you want to build a freight hub near Palmerston North?**

In the Ministry of Transport's National Freight Demand Study 2014, freight tonnage in New Zealand was expected to increase by more than 58 per cent by 2042.

Palmerston North is a key, strategic freight location for the North Island. It is a distribution point for domestic goods from Auckland and the upper North Island. In addition, it has good access to hinterlands that produce New Zealand export commodities and provides the staging point for these exports out of the ports in Napier, New Plymouth and Wellington, Tauranga and Auckland and is home to one of only three key nodes on the national air freight network, operating 24/7.

Logistics earnings in the city increased by 177 per cent between 2000 and 2018, well ahead of the 121 per cent increase in logistics earnings nationally. Major distribution centres based in the city, including Toyota New Zealand, Foodstuffs and Primary Connect (Woolworths), have contributed to this growth.

KiwiRail believes that rail has a crucial role to play in managing the Palmerston North region's freight growth in the years ahead, which is why we want to create a modern, inter-modal hub that will allow freight to easily shift between rail and road.

Establishing a major freight hub in Palmerston North, with strong links to the main highways, will also help to reduce the amount of freight traffic that currently passes through the city and will improve the resilience of the regional and national transport system.

### **How did you come to the decision to build the freight hub between Palmerston North Airport and Bunnythorpe?**

KiwiRail has been working with stakeholders and iwi to investigate potential sites for the Regional Freight Hub since 2019.

KiwiRail also engaged a range of independent experts (including noise experts, engineers, transport planners and landscape architects) to assess the benefits, impacts and challenges of developing a freight hub across a range of sites near the North Island Main Trunk Line (NIMT).

Each site option was assessed using criteria that was relevant to the consultant's expertise and was

informed by KiwiRail's own project objectives.

We undertook a multi-criteria analysis on nine sites, with scoring allotted for each site against the individual criteria. The criteria that were assessed included:

- Resilience
- Economic
- Connectivity
- Community cohesion
- Natural environment
- Heritage
- Visual and Landscape
- Rail (eg. proximity to the North Island Main Trunk line)
- Property degree of difficulty
- Engineering degree of difficulty

Following that analysis, three sites on the NIMT around Bunnythorpe were shortlisted and a further detailed assessment was undertaken on each.

The final site had advantages over other site options mainly due to it:

- being close to future potential customers and Palmerston North Airport;
- having no major impact on existing main infrastructure (including not being in the airport flight path, over Feilding Aerodrome or any existing schools);
- being best aligned with Palmerston North City Council's (PNCC) development strategy (partially located in and connected to the North-East Industrial Zone); and
- being aligned with Waka Kotahi / PNCC road projects, including the future freight ring road.

### **What are the benefits of moving freight by rail?**

KiwiRail currently moves about 18 million tonnes of freight around New Zealand each year – which is only 16 per cent of the country's total freight task (or 25 per cent of exports), so there is a lot of potential to shift more freight by rail.

Every tonne of freight carried by rail has 70% fewer carbon emissions than the same amount of freight carried by road. Greater use of rail supports New Zealand's goal of being net carbon zero by 2050.

Enabling more freight to be carried by rail also reduces road congestion and road maintenance costs and improves road safety, by reducing the number of trucks travelling long distances.

The planned Regional Freight Hub in Palmerston North, Manawatū, will be designed to integrate rail and road transport modes which creates greater efficiency for moving goods between rail and road, making rail transport a more attractive freight mode.

### **How much rail freight currently goes through Palmerston North?**

About 2.55 million tonnes of freight passed through Palmerston North by rail in the last financial year (which was made up of: ~290k tonnes to Palmerston North; ~340k tonnes from Palmerston North; and ~1.92m tonnes transiting Palmerston North).

This consisted of domestic freight coming into Palmerston North from Auckland; logs from Palmerston North to Napier and Wellington ports; and a range of products transiting Palmerston North (dairy, bulk milk, pulp and sawn timber, north and southbound domestic freight).

However, rail is a relatively small component of the total freight volumes coming into and out of the Manawatū-Whanganui region (13.5m tonnes from, 11.5m tonnes into the region each year).

Palmerston North is unique in that it is the only rail freight terminal that has mainline freight services transiting it from North-South and East-West directions.

The new Regional Freight Hub is designed to grow rail freight volumes by improving rail access for freight forwarders and other logistics companies, and better integrated rail and road freight to improve efficiency and reduce costs.

#### **Why don't you redevelop KiwiRail's existing rail depot in Palmerston North?**

The Regional Freight Hub is being designed to accommodate 100 years of growth. The Palmerston North Rail Depot was built on the outskirts of the city in 1964. More than fifty years later, the city has expanded, and the existing site is too small (even if it was redeveloped) to deliver the capacity required to meet future freight growth.

The existing depot is also located in a part of the city (Tremaine Ave) that is becoming more congested. Redeveloping a hub in this location would increase the heavy traffic on city roads, which is not a positive outcome for the city.

In addition, the layout of the existing depot and its buildings is fragmented, and the buildings are also nearing the end of their useful life. Significant investment would be required to improve their efficiency, to create modern fit-for-purpose facilities and to upgrade the overall environment to today's improved standards.

Moving to Te Utanganui will better connect the Hub with the opportunities afforded by the 24/7 consented freight through Palmerston North Airport and the network of distribution and logistics companies and 3PL's.

#### **What will happen to the current KiwiRail depot in Palmerston North?**

KiwiRail will look at moving freight operations out of the current depot to the new Hub site over time and opening up the site for redevelopment and investment aligned with wider city objectives.

We would consult widely with our union partners and key stakeholders prior to relocating our operations and undertaking any further development on the site.

#### **Does this mean you will be moving the Palmerston North train station from its current site in Matthews Ave?**

No, KiwiRail considers that it is better to leave passenger services as close to town centres as possible. The Regional Freight Hub is for freight.