



Frequently Asked Questions

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.

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 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 near 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.

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 66% fewer carbon emissions than the same amount of freight carried by road. Greater use of rail supports New Zealand's goal of being carbon neutral 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 near Palmerston North 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. The approach aligns with the Government's Policy Statement on Land Transport 2018, in supporting "mode-neutral" transport decision making.

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 Manawātū-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.

Where is the preferred site of the Regional Freight Hub?

The preferred site is located close to the North Island Main Trunk (rail) line (**NIMT**) between the Palmerston North Airport and Bunnythorpe, on the western side of Railway Road. It is partially located in the North-East Industrial Zone and on land zoned Rural.

How did you come to the decision to build the freight hub there?

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

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 NIMT.

Each site 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 preferred 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 NZTA / PNCC road projects, including the future freight ring road.

Will Railway Road have to be removed?

As Railway Road sits between the Hub and the NIMT, it will have to be removed. A new road connecting Palmerston North and Bunnythorpe will need to be built. KiwiRail is working with PNCC to determine the most appropriate location for an alternative route and will ensure that access to existing properties is maintained.

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.

KiwiRail is working with PNCC, Manawatu District Council and NZTA to ensure that appropriate roading is planned.

Why is KiwiRail looking at land outside the Hub footprint (indicated by white arrows on map)?

The footprint on the map just shows the Hub's operational area. Additional land may be required for property access or site mitigation. Site investigations are still underway to determine how much additional land may be needed. KiwiRail is talking directly to those potentially affected landowners.

Did KiwiRail consider siting the Regional Freight Hub in Longburn?

KiwiRail looked at several sites in Longburn. Informed by expert environmental assessments, as well as KiwiRail's own objectives for the project, it was determined that there were some key issues with developing the Regional Freight Hub in this location from an environmental effects perspective. There was increased flooding risk and some important ecological features and archaeology from past settlement that would be difficult to avoid and / or would be adversely affected by the development of the Hub in this location. Also, these sites did not align with key future land use planning strategies, as the Hub had the potential to impact on future residential development.

Why don't you re develop 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.

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

KiwiRail would look at moving operations out of the current depot over time, 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.

How big will the Regional Freight Hub be?

The Hub footprint will be in excess of 100 hectares.

The site has to be quite long, in order to accommodate freight trains that can be up to 1,500 metres. 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.

How much is the Regional Freight Hub going to cost?

The Government has invested \$40 million, through the Provincial Growth Fund, which will cover the cost of designing and planning the Hub, identifying and designating the site, and purchasing any land required.

Additional funding will be needed to build the Hub. This could be done through a development partnership model.

Did you consult with the community about the preferred site?

KiwiRail has kept the community informed of the process of hub development, including this year holding a public meeting in Bunnythorpe to ensure locals were aware that that KiwiRail was looking to locate the hub in the vicinity of Bunnythorpe.

The location of the Regional Freight Hub has a number of technical requirements to meet KiwiRail's needs and is also affected by environmental constraints, given its size. Due to these requirements and constraints we did not consult publicly on locations prior to identifying the preferred site.

We worked as quickly as possible to identify the site and aimed to give the community certainty about its location. However, the Covid-19 lockdown and further disruption halted KiwiRail's engagement programme.

Now that we have confirmed the preferred site, our engagement is restarting. It is important to us that the community has the opportunity to provide that feedback in a meaningful way, particularly as we design mitigations to manage any potential impacts on the surrounding area.

KiwiRail contacted directly affected landowners (prior to the preferred site being announced) and will continue to work with those landowners. Engagement with the wider community will also be ongoing.

We are currently providing online and face to face feedback options.

Through the designation process, there will also be the opportunity for the public to make submissions.

Why do you need to “designate” land?

KiwiRail designates its railway corridor throughout New Zealand, including all of our freight handling depots and yards.

A designation is a Resource Management Act 1991 mechanism used by requiring authorities (like KiwiRail). A designation authorises work on the site, subject to conditions which will be confirmed through the designation process.

To begin the designation process KiwiRail will provide a notice of requirement to the Council, which will then be publicly notified, and anyone can make a submission. We expect that that will occur from September 2020.

When will you begin building the Regional Freight Hub?

KiwiRail needs to first complete the designation process for the Hub. When the designation is approved, the construction phase is expected to be over two years from that date, subject to funding.

How many new jobs will it 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.