
TRANSCRIPT OF PROCEEDINGS

Board of inquiry

Transmission Gully Proposal

HEARING at ENVIRONMENT COURT, WELLINGTON

14 February 2012

BOARD OF INQUIRY:

Environment Court Judge Brian P Dwyer

Environment Court Commissioner Russell Howie

Deputy Chairperson David McMahon

Glenice Susan Paine

David Mitchell

Appearances:

Mr J Hassan, Ms N McIndoe and Ms Meech for
NZTA and Porirua City Council

Mr I Gordon and Mr M J Slyfield for Transpower

Ms S Bradley and Mr J Hardy for

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Department of Conservation

Ms K Anderson for Wellington Regional Council

Mr M Conway for Kapiti Coast District Council

Mr T H Bennion for The Rational Transport Society

COURT RESUMES ON TUESDAY 14 FEBRUARY 2012 AT 09.32 AM**MR HASSAN CALLS****CRAIG SIMON NICHOLSON (SWORN) (0931)**

5 Q. Mr Nicholson, your full name is Craig Simon Nicholson and you are the Principal Project Manager, Transmission Gully for the New Zealand Transport Agency?

A. Yes that's correct.

10 Q. And you have two statements of evidence as I understand. Your evidence-in-chief of the 16th of November and your rebuttal statement of the 20th of January?

A. Yes, that's correct.

15 Q. I just want to ask you a couple of questions and then make sure that if there are any corrections need to be made can be made but first of all the questions. First of all if I could take you – were you here when we presented legal submissions and after that the members of the board asked some questions?

A. Yes I was.

20 Q. Now His Honour asked questions of counsel in regard to the issue of greenhouse gas emissions.

A. Yes I was here.

Q. Can I take you to your rebuttal statement please and to paragraphs 66 to 69?

25 **WITNESS REFERRED TO REBUTTAL STATEMENT DATED 20 JANUARY 2012**

A. Yes.

Q. Now just in terms of those paragraphs, can you refresh your memory on them and just comment on the relevance or otherwise of greenhouse gas emissions to the issue of benefit cost ratio?

30 A. Certainly, those paragraphs of my rebuttal evidence, which were responding to the evidence of Dr Chapman, noted that cost of carbon dioxide emissions are specifically included in the project evaluation framework contained in the economic evaluation manual and that that process was used for the economic evaluation of the

Transmission Gully Project and, in fact, that the analysis showed that positive impact, small positive impact in terms of carbon dioxide emissions which, therefore, led to an economic or a financial benefit rather than a disbenefit. So all of that's included in the economic evaluation as submitted.

CHAIRPERSON JUDGE DWYER – COMMENTS ON LIGHTING

CHAIRPERSON JUDGE DWYER ADDRESSES MR HASSAN

Mr Hassan, just on that matter, I think I was really, I directed that question, it was specifically about that Act I think and whether it precluded these considerations. That was – I mean it was tiny and direct a point as that really.

MR HASSAN:

Yes Sir, and counsel will come back to the Board on that. It's being just checked at the moment, Sir. My suspicion is that it doesn't but –

CHAIRPERSON JUDGE DWYER:

I'd be pretty surprised if it did necessarily and I haven't looked at it myself, I'm sorry.

MR HASSAN:

Yes Sir, so it probably comes down to a question of weight and the relative matter of things.

20 EXAMINATION CONTINUES: MR HASSAN

Q. Now Mr Nicholson, just on a couple of other matters of clarification. Were you here when Mr James was cross-examined by my friend, Mr Bennion?

A. Yes I was.

25 Q. Now I wasn't but I've conferred with Ms McIndoe, so I'll ask you just a couple of questions in regard to that, just a follow on. You're familiar with the project objectives aren't you?

A. I am, yes.

Q. Do you recall when they were formulated and, for instance, what year?

A. Well, I can't recall exactly when they were formulated but I know that they were formulated in the first half of 2007, which was essentially when the first phase of investigation work into the project began.

5 Q. And you're familiar with the government policy statement that's referred to in Mr James' evidence?

A. Yes I am.

Q. And that document is the document that describes the roads of national significance policy doesn't it?

10 A. That's correct, yes.

Q. Do you recall the date when that was government policy, in terms of when it came in?

A. My recollection is that it was around about May of 2009. I know that the roads of national significance were first announced by the
15 Minister for Transport on – oh, no, I'm not exactly sure of the date but it was in March of 2009 and the government policy statement followed. My recollection is reasonably shortly after that, so about May, I think, of that year.

Q. So with reference to those two dated, is there any other observation you
20 think is relevant for the Board that you would make in regard to the objectives?

A. Well, the only observation is obviously then the Transmission Gully Project objectives were set a couple of years before the RoNS were even envisaged and therefore the questioning around how the
25 Transmission Gully Project objectives might have reflected the RoNS objectives obviously is related to the fact that they were set first and we didn't seek to reframe those objectives. We didn't think it was appropriate to change the project objectives after the work had begun.

Q. Now if I could just now just check there are any corrections or not to
30 make to your evidence. Are there any issues that you would highlight in regard to either statement, your evidence-in-chief or your rebuttal?

A. I'm sorry, Mr Hassan, I didn't quite – was there any corrections did you ask?

Q. Yes. Are there any corrections, Mr Nicholson, that you would wish to make to your evidence, either statement, your evidence-in-chief or your rebuttal?

0940

5 A. It was a, this is a very minor correction to paragraph – sorry in my rebuttal evidence at paragraph 4.1(c) where I was listening which – experts from other parties I was responding to and in that I omitted to note that I also responded to John Van Nistelrooy as well as Dr Chapman and Ms Warren in behalf of the Rational Transport Society, 10 so some response to Mr Van Nistelrooy's contained later in my rebuttal but I didn't include him in that list, I'm sorry.

Q. So it's included at paragraph 79 but it's just not listed in 4.1, that's the point?

A. Paragraph 79 did you say?

15 Q. Yes. This is not a big point. It starts at paragraph 79 doesn't it?

A. Correct, that's where it begins but it just wasn't listed unfortunately at the beginning I'm sorry.

Q. So subject to that very minor correction and the answers you gave before, you now confirm your evidence?

20 A. Yes I do.

CHAIRPERSON JUDGE DWYER:

Thank you, now I think we'll go in the order that people are seated and I think the Director-General had indicated some questions is that correct?

25

CHAIRPERSON JUDGE DWYER ADDRESSES MS BRADLEY – POSITION FOR BEST LIGHT

CROSS-EXAMINATION: MS BRADLEY

30 Q. Good morning Mr Nicholson. I'll try to speak up but if I, if you can't hear me properly please say so because I do tend to speak quite quietly. Yesterday in the opening submissions at paragraph 111 there was some discussion about the nationally importance, the nationally important Pauatahanui Inlet and there was comment that there's

inherent complexity in the analysis for sediment yield where there are events and risks?

A. I'm sorry Ms Bradley I'm not actually hearing.

Q. Paragraph – I was talking about paragraph 11 –

5 A. I got that part.

CHAIRPERSON JUDGE DWYER ADDRESSES COUNSEL – TECHNICAL DISCUSSION

CROSS-EXAMINATION CONTINUES: MS BRADLEY

Q. Is that better Mr Nicholson, I think it certainly sounds better for me?

10 A. Yes thank you.

Q. Now there was a point made yesterday in counsel's opening submissions about the nationally important Pauatahanui Inlet and there's inherent complexity in the analysis required for construction and sediment yield, where there are events and risks and their effects on the like and that several witnesses suggest that that context warrants for a cautionary approach. Now as well as the complexity would you also agree that there's a certain amount of uncertainty?

15

A. I think the expert witnesses are probably better able to comment on that but my understanding from the others that we've had with Dr Fisher and Ms Malcolm and so on, I would accept yes that my understanding is that there's some uncertainty in those calculations.

20

Q. Ms Malcolm's evidence is that there could be up to three times the amount of sediment going into the inlet for the baseline, that's right isn't it?

25

A. I'm – sorry because it's well outside my area of personal expertise I'm not actually completely familiar with what Ms Malcolm's evidence says but I – if you say that's what it says I'm sure that's the case.

Q. Well I'm a little surprised because I thought that would have been factored into the management of the project in terms of the nature of the modelling and the amount of sediment that is predicted that is to go into the harbour. Now counsel has submitted that a precautionary approach is warranted as the witnesses have explained. Do you agree that a precautionary is warranted?

30

A. I think that's, I think – as my understanding all of our expert witnesses and I agree that a precautionary approach is appropriate, yes.

Q. Thank you. What would you say would be the necessary elements to ensure that a precautionary approach is taken in managing the project?

5 A. I'm not sure that I'm necessarily qualified to comment on that to be honest. I think Ms Malcolm, Mrs Malcolm and Dr Fisher probably would be better able to answer that, perhaps Mr Gough as well. My understanding as a layperson is that the expert witnesses who've done those analyses on behalf of the NZTA believe that there is a reasonable
10 degree of conservatism and over-estimation if you like in the work that's been done and therefore a precautionary approach is being taken, that's – that is my understanding of our evidence. But as I said the experts would be better able to talk to you about the detail.

Q. Thank you. Now an adaptive management approach is proposed for
15 the project isn't it?

A. The adaptive management, yes.

Q. The adaptive management approach, it's a key, a key part of the framework for managing the project, that's right isn't it?

A. Right, yes.

20 Q. As Mr Hassan noted after the morning adjournment yesterday, I think he said that the open earthworks areas is a focus in this case for adaptive management in the sense that there's ability to stage the project and control the open earthworks areas, would you agree with that?

A. Yes I would.

25 Q. Now the open earthworks area restrictions, they haven't been agreed yet amongst the experts have they?

A. I beg your pardon – they haven't or they have?

Q. They haven't as yet have they?

A. My understanding is that the experts have not yet reached full
30 agreement but that they, as I understand it at least, understand or agree that the revised calculations that Ms, Mrs Malcolm provided in attached to her evidence, her supp, her rebuttal evidence are a good estimation or my understanding is they're a good estimation so all – no I agree that there's no acceptance of I guess you'd say a final expert's statement.

Q. And even though there is, as I understand it, agreement that it is a better estimation there still remains an uncertainty in the amount of sediment that's going to go into the harbour isn't there?

5 A. I think that's implicit in any of the calculations that there's some uncertainty, yes.

Q. Now my understanding of the adaptive management approach that's been approved of in the cases that counsel referred to yesterday, that's the *Crest Energy* and *Clifford Bay Marine Farms Ltd* cases, is that it's a cautious approach. Are you familiar with the adaptive management approach as discussed in those cases?

A. Not particularly aware of it in regard to other cases, I'm familiar with what, you know broadly familiar with what's proposed for this project.

10 Q. So my understanding is adaptive management framework is really based on you do a little, you monitor, then you can do a bit more and then you monitor. It's sort of a red light, green light approach, is that your understanding?

15 A. No, not really. My understanding is that the approach is to not do a little at first but to do what you think is your appropriate amount and then monitor the effectiveness of that and that it may, it may be that, for example, what's been proposed delivers better outcomes than we originally expected or might deliver outcomes that are not as good as we originally expected, or might deliver outcomes that are not as good as we originally expected and that, therefore, the management would be then adapted to reflect what those original, or those initial findings are finding and that's it's a continuous process of refinement to achieve the desired outcomes.

20
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0950

Q. So would you say it's appropriate to start at a conservative baseline and then build from that?

30 A. My understanding is that it's appropriate to start with what you'd consider to be an appropriate amount of mitigation or treatment and that, yes, as I said already, the NZTA's experts have agreed that a precautionary approach is appropriate and, therefore, I would assume

that that would mean that they would take a conservative approach in the initial estimation of what's appropriate.

Q. So would you be able to explain to the Board what you would think would be the factors that go into deciding what's appropriate?

5 A. I beg your pardon, sorry?

Q. Would you be able to describe the factors that would go into deciding what would be appropriate? For example, would that include ecological factors?

A. Would it include ecological...

10 Q. Factors. So would it take into account ecological effects?

A. Yes I would. I assume that that was appropriate, yes.

Q. The proposed earthworks originally proposed by NZTA in terms of the open earthworks area restrictions. Were they based on ecological considerations?

15 A. My understanding is that the open earthworks were designed specifically to reflect the assessed ecological effects. So the calculation of open earthworks led to the calculation of sediment yield expected and then the sediment yield expected was used to assess the ecological effects arising from sediment.

20 Q. So –

A. I'm not sure if that answered your question or not, I'm sorry.

Q. Well they were really based on the modelled scenarios.

A. I beg your pardon?

Q. They were really based on the modelled scenarios weren't they?

25 A. That's my understanding, yes.

Q. Do you know – are you familiar with the current proposed restrictions in Ms Rickard's supplementary evidence? Can you describe what those are based on –

A. My understanding is that –

30 Q. – the numbers in condition M?

A. – they're based on the work that's been done by the sediment and erosion control and sediment yield experts to reach a, although not necessarily in an agreed position yet, but a closer position as to what an appropriate sediment yield and, therefore, what the appropriate amount

of earthworks are to reflect the ecological effects that have already been assessed.

Q. Do those restrictions factor in the uncertainty levels expressed in Ms Malcolm's evidence?

5 A. My understanding is that they reflect the modelling work that's been done and that the NZTA's experts believe that that builds in a level of conservatism and, therefore, cautiousness and is appropriate but, clearly, I'm not an expert to be able to really answer these questions. I think it might be more appropriate to be seeking this information from
10 the experts.

MR HASSAN ADDRESSES THE COURT:

Now Your Honour, I don't want to interrupt cross-examination but I think that's about the fourth or fifth time this person – the witness who isn't an expert has deferred to experts on these matters.

15 **CHAIRPERSON JUDGE DWYER:**

Yes, I understand the reasons why Ms Bradley's exploring it. I think she's looking for some sort of commitment in principle, possibly, on the part of NZTA and I understand that Mr Nicholson is relying on the advice that he's received. I think Ms Bradley probably understands that as well.

20 **MS BRADLEY:**

Yes, yes thank you, Sir.

CHAIRPERSON JUDGE DWYER:

And he has had to defer but it's a topic that you have to take up and I think Mr Nicholson can only take it so far.

25 **MS BRADLEY:**

I understand that, Sir, thank you.

CROSS-EXAMINATION CONTINUES: MS BRADLEY

Q. I want to turn now to sediment loadings specifically and the Pauatahanui Harbour Strategy and Action Plan. Are you familiar with the Strategy and Action Plan?

5 A. No I can't say that I am familiar with it particularly. I'm aware that it exists and at a very broad level I'm familiar with it but I wouldn't say that I have any detailed knowledge of it, no.

Q. Now NZTA's a signatory to the Harbour Strategy and Action Plan isn't it?

10 A. That's correct, yes.

Q. So was the Strategy and Action Plan considered in developing the design of the project?

CHAIRPERSON JUDGE DWYER ADDRESSES COUNSEL – LIGHTING

COURT ADJOURNS: 09.56 AM

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COURT RESUMES: 10.06 AM

CROSS-EXAMINATION CONTINUES: MS BRADLEY

Q. I was starting to ask Mr Nicholson some questions about the Porirua Harbour Strategy and Action Plan and it might be helpful if I provide a copy of that to Mr Nicholson, and I have copies here, Sir.
5 Now this is the draft Porirua Harbour and Catchment Strategy and Action Plan.

WITNESS REFERRED TO PORIRUA HARBOUR AND CATCHMENT STRATEGY AND ACTION PLAN

10 **CHAIRPERSON JUDGE DWYER ADDRESSES MS BRADLEY:**

Will you be making some submissions on the status of this document to us in due course Ms Bradley?

MS BRADLEY:

Well, Sir, I'll be asking Ms Lawler, who's a witness for the Porirua City Council and the NZTA to update the Board on its status.
15

CHAIRPERSON JUDGE DWYER:

Okay. Mr Hassan or Ms McIndoe, I take it you're familiar with this document. Is there any issue that it is what it says it is?

MR HASSAN:

20 I don't think there's any issues that preclude the questions being put to this witness, Sir.

MS BRADLEY:

And Sir, would it be appropriate to have this tabled as an exhibit?

CHAIRPERSON JUDGE DWYER:

25 Yes, we'll produce it. It will be exhibit 1 I think, in due course, but we'll put it to the witness and if he acknowledges it is what you say – well can this become

exhibit 1 by consent? Does anyone have any dispute, Mr Hassan, Ms McIndoe?

MR HASSAN:

Thank you, Sir.

5 **CHAIRPERSON JUDGE DWYER:**

All right, we'll make it exhibit 1.

EXHIBIT 1 PRODUCED - DRAFT PORIRUA HARBOUR AND CATCHMENT STRATEGY AND ACTION PLAN

10 **CROSS-EXAMINATION CONTINUES: MS BRADLEY**

Q. So on the first page over the page from the title it's got NZTA's logo, so I assume that NZTA is a supporter or signatory to this strategy and action plan, is that correct?

15 A. Yes that's correct. Our environmental group from national office have been involved in the process that went into the creation of this document and certainly my understanding is that we're a signatory to it. Our regional director I believe attended the signing ceremony. I can't quite recall when that was.

20 Q. Thank you. And turning to page 10, that sets out the objectives, indicators and targets and that shows key objectives and actions are, number 1 being reduced sediment rates, is that correct?

A. That certainly is what it says. I don't have any knowledge about whether those numbering of any significance, whether number 1 makes it the most significant or not. I have no idea about that I'm afraid but –

25 Q. But it's one of the three?

A. – certainly acknowledge that it says that there, yes.

Q. Thank you. Now my question earlier was, was the strategy document considered in developing the design of the project?

30 A. Well, this strategy document didn't exist during the time that we were developing the project. It's dated, as you mentioned, August 2011, which is the same time, essentially, the documents were lodged but they

were finalised obviously earlier than that to allow for photocopying and so on and so on. So, in fact, the documents that were lodged, in terms of them being completed, was prior to this but as I said, the NZTA was aware that this document was in the process of being created and to the best of my knowledge we have taken account of where we understood the strategy document was heading, if you like, in the development of the project, yes.

5

Q. So has NZTA tried to ensure that the project's consistent with the strategy's objectives?

10

A. Certainly that's my understanding and expectation, yes.

Q. Now I'd like to turn to page 8 which has a discussion on excessive sediment rates and it notes half way down the first paragraph under the heading "Excessive Sediment Rates - Analysis of bathymetric surveys from 1974 to 2009 indicate sediment rates over the past 35 years have averaged about six millimetres per year in the Onepoto arm and nine millimetres per year in the Pauatahanui Inlet." So that's indicating there's around nine millimetres per year perhaps currently dropping below that. Dr De Luca states in her evidence, on behalf of NZTA, "That construction of the project will result in about 50 millimetres of sediment accumulating in the harbour." Now over the six year construction period that would equate to about eight millimetres per year and my understanding is that doesn't factor in the uncertainties that Ms Malcolm discusses in her evidence. So that eight millimetres per year, isn't that just about the whole total for the entire Pauatahanui Inlet currently?

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A. If I've understood the question correctly, I think what you're saying was that the evidence, the NZTA's evidence was that there's been – predicted to be about 50 millimetres in total over the life of the project which equates to about eight millimetres per year.

Q. Yes.

30

A. That's my understanding. Yes, my understanding of our expert witness' analysis is that during the construction period there will obviously more sedimentation but in the longer term, with the land retirement that's proposed to go with the project, then the overall sedimentation rate into the harbour would be reduced and that, as I understand it, in the longer

term there could, or would actually, be a positive net impact on sedimentation into the harbour.

Q. That's a very long term strategy isn't it?

5 A. Well I don't quite know the details of the timeframe. My understanding it would be in the order of 20 years or so, but I assume that this strategy is intended to have a very long term focus. My understanding from my limited involvement in this process is that the expectation is that at the current rate of sedimentation, the harbour will fill up in the order of 150 years, so therefore, having that long term focus, my understand is appropriate.

10

Q. Now in terms of the long term, the eight millimetres a year doesn't factor in the uncertainty referred to in Ms Malcolm's evidence. So if it was three times the amount that she refers to, it could be 24 millimetres per year and Ms Malcolm's evidence is that, as far as I recall, is it would take about 30 years for the 50 millimetres to be compensated for. So if my calculations are right, wouldn't that – if it was three times more, wouldn't that amount to about 90 years before the sediment would be compensated for?

15

A. Well, as a lay person I guess that makes sense to me but clearly I'm not an expert to be able to comment on that.

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CHAIRPERSON JUDGE DWYER ADDRESSES MS BRADLEY:

Really, you're asking this witness technical questions. I mean, if you're wanting some sort of policy response –

MS BRADLEY:

25 Yes.

CHAIRPERSON JUDGE DWYER:

– to how NZTA anticipates how it would deal with this, these propositions –

MS BRADLEY:

Yes.

CHAIRPERSON JUDGE DWYER:

– ask him that?

MS BRADLEY:

That's my next question, Sir.

5 CROSS-EXAMINATION CONTINUES: MS BRADLEY

Q. So has NZTA considered how a better result could be achieved for the harbour for this project?

A. Well I think that basic premise we believe is the appropriate response in that in the longer term the project will lead to less sediment into the harbour and, okay, it might take potentially 30 years or longer, you know, there could be occasion that there would be longer and I can understand why that position might be but the project will continue to be there after that 30 years, so the longer it goes, the better and better the results should be. Well, as a lay person that would be my understanding. So my understanding is that then, initially, obviously it's worse and then it slowly improves relative to not performing the project and after a period it overtakes not having done the project at all and then continues to be better the longer and longer that that focus goes.

Q. Thank you. Now accepting that NZTA is a responsible roading authority, how is it planning to deal with contingency events. For example, large sediments events going into the harbour?

A. Well the conditions, as I understand them, and Ms Rickard would be better able to talk to the detail of the conditions than I can but my understanding, for example, is that one of the conditions requires a sort of a stop work whenever a reasonably large rainfall event is forecast. My understanding from Mr Martel's evidence is that that's likely to be triggered about four times a year, or roughly four to eight times a year, and that all work would then stop and that we would try to employ, or we would employ temporary stabilisation to stabilise effectively as much of the earthworks as is possible before that rainfall event actually begins. And so my understanding of that is that that's one of the areas of considerable conservatism in the analysis because the analysis

assumes that none of that temporary stabilisation actually happens. If my understanding of it correct.

Q. And how would NZTA deal with an event having occurred? What can be done after the event?

5 A. If you're talking about large sediment effect into – a large sediment generating effect into the harbour, I'm not familiar particularly with what effects are – with what mitigation measures are possible. My understanding is that, effectively, once, that if that occurs then there's not a great deal that can be done to address the ecological effects on, in the inter-tidal zone. Again my understanding is that a large sediment load into the deeper basin isn't particularly an adverse effect on ecology but clearly I'm not an expert to be able to comment on that. So I guess the answer to what can be done is that I don't – my understanding is that not a great deal can be done in hindsight to clean up as it were. I do know from discussions with our ecology staff that in the past, in the 10 15 1980s during the development at Whitby, they used to get loader scrapers and other things out into the middle of the inlet to dig out sediment but my understanding is that the world's moved on considerably since then and that's not seen any more to be an appropriate response because although it might remove the sediment, it does more damage to the ecology than it does, than it has benefit in terms of the actual volume of sediment.

20 Q. Now I just wanted to ask you one question in relation to engagement with Transpower. In your evidence you discuss how NZTA and Transpower are working together regarding the road construction and the relocation of the pylons for the transmission line.

A. Sorry, could you give me a reference please?

1020

30 Q. Paragraphs 80 to 83 – I don't want to ask you a question about your evidence, I just want to ask you the simple question, that Transpower is applying for consents later as we heard from counsel yesterday for the earthworks, –

A. Yes.

Q. – in terms of project management for the Transmission Gully Project, what would NZTA do if those consents weren't granted?

A. Well the NZTA would then I guess have to look at an alternative road alignment that didn't require the relocation of the towers or would have to discuss with Transpower whether an alternative to what was proposed could – a different alternative. I know at various times other, different alignments for relocating the transmission towers have been talked about during the phase 1 investigations in 2007 and 2008, Transpower at that time had a, provided a high level response to us that they thought it might be appropriate to relocate the whole line from the bottom of the valley up to the top of the hill as a way of kind of keeping it completely away from the road construction. My understanding is that what's now proposed is obviously of a far lesser grand-scale if you like in terms of the amount that's to be changed and the intention of that is to minimise the, you know, the effects of the changes that I guess also minimise the cost of the relocations but I would assume, based on my knowledge of the discussions with Transpower, that other options are available but this is the option that they see as being the most appropriate.

CHAIRPERSON JUDGE DWYER:

Thank you, we'll go to you next Mr Dawson. Now I think if you would like to sit down as well and get that microphone reasonably close to you, sorry Mr Conway, sorry Mr Conway. I think we'll work from you through Mr Jessup, Mr Bennion, KCDC I think did indicate it wants to question Mr Nicholson.

MR CONWAY:

Yes that's right.

CHAIRPERSON JUDGE DWYER:

Well I think if you remain seated as well and you speak into the microphone and hopefully we'll be able to get along all right. Thank you Mr Conway.

MR CONWAY:

Thank you Sir.

CROSS-EXAMINATION: MR CONWAY

Q. Good morning Mr Nicholson, can you hear me okay?

A. (no audible answer 10:22:40)

- 5 Q. Great, now I'd like to start by asking you some questions about the provision of a local road from MacKays Crossing through to Sang Su Corner around Paekakariki and if I can take you to, briefly to paragraph 138 of your evidence-in-chief.

10 **CHAIRPERSON JUDGE DWYER ADDRESSES REGISTRAR**

CROSS-EXAMINATION CONTINUES: MR CONWAY

- Q. And in 138.1 you note there that one of the NZTA's project objectives for the Transmission Gully Project is to provide an alternative strategic link for Wellington that improves regional route security, now if, as currently
15 planned by NZTA, no alternative route is provided between Sang Su Corner and MacKays Crossing, is it correct that this would be the only section of the RoNS between Wellington and Levin that doesn't have an alternative road alongside the state highway?

WITNESS REFERRED TO PARAGRAPH 138, EVIDENCE-IN-CHIEF

- 20 A. Well the other sections of the, well by and large, the other sections of the RoNS haven't been through any consenting process yet so none, I guess none of that can be assumed but my understanding is that certainly the other, the section south of Transmission Gully there is an existing local road network through Wellington City and so on that
25 provides an alternative, alternatives to the whole length of the RoNS from the airport through as far as Linden and north of that the Kapiti sections, my understanding yes is that there will be a parallel local road along each, along each section. There is actually of course an alternative route which is available albeit a fairly tenuous one via the
30 Akatarawa Road so there is still a, an alternative route from north of Transmission Gully to south of Transmission Gully, albeit not one that very many people would probably want to use.

Q. So in terms of that, in terms of the area between say, yes in terms of the route that Transmission Gully will follow, if you were wanting to get to MacKays Crossing from say Porirua, then you wouldn't be able to get there on an alternative route unless you were to drive around, this is
5 assuming that Transmission Gully had a blockage of some sort, along that section between Sang Su to MacKays, then the only other way round while that blockage was in place would be to drive through the Hutt Valley and over Akatarawa and then drive south from Waikanae?

A. That's, that's I think as I understand it, that's correct in that context, yes.

10 Q. So if there was to be a local road provided from Sang Su Corner to MacKays Crossing, would you accept that that would be an improvement to regional route security?

A. My understanding from the expert advice that we've had is that there may be a marginal improvement. The, I mean fundamentally I guess on
15 a day-to-day basis, the biggest risk I suppose is crashes and at the moment it's a single lane in each direction with no median barrier and so what's the proposed is to have multiple lanes in each direction, including a median barrier so the likelihood of all of those lanes being closed by a crash is fairly low so there would be an improvement in that sort of, my
20 understanding at least, in that day-to-day crash risk, even without a parallel local road. In terms of route security in a seismic event, for example, other sections of the coastal route and also actually the Transmission Gully route are likely to be closed for longer and have more significant damage than that particular section so although there
25 would be some marginal improvement, perhaps in accessibility from somewhere north of Paekakariki to north of, somewhere between the Paekakariki township and that corner and points further north, anywhere further than that the actual cliffs above Paekakariki would all likely come down and that then, so there'd be far greater hazards if you like, further
30 south. So I'm sorry that's a very long-winded explanation to say my understanding is that any improvement would be very marginal at best but I accept that there perhaps could be some, some improvement. I guess just finally I would point out though that our belief is that the project will provide a marked improvement in route security for the

region. It's a 27 kilometre improvement not a 600 metre improvement, that's what's been talked about here.

5 Q. So if I can paraphrase then the project is overall going to improve route security or route resilience over the current situation and then in terms of any additional benefit that a local route would provide in this particular 600 metre stretch, you're saying that you accept that there would be a benefit but that you think it would be marginal?

A. That's correct, yes.

10 Q. Thank you. Turning now to the feasibility of actually constructing a local road in this area, do you consider that a local road between Sang Su and MacKays is feasible, in other words could it be constructed?

15 A. Well I mean I guess from an engineering sense virtually anything can be constructed if people are willing to, you know, invest enough in that project, whatever it might be. My personal view is it would be quite difficult to construct a parallel local road in the section I guess just south of the existing MacKays Overbridge, well not project – what's there currently and the, and the reason for that is that is that there's a wetland area and so trying to widen the, what used to be the state highway route but which is now, which has become, effectively, a driveway for a single property, trying to widen that into a format that's suitable to be used for 20 two-way local traffic, my understanding is, would like cause some – well, would like result in some incursion into the wetland area, so I guess there would be questions around the consent ability of that sort of a concept.

25 1030

Q. Sorry, I didn't hear the last bit you said. Questions about the...

30 A. Well my understanding is there would be some significant questions around whether that could be consented or – and, in fact, I guess also, whether it would be an appropriate thing to do for the very low volume of traffic that would likely use it and, therefore, the environmental effect that might result from the marginal benefit that perhaps could accrue in terms of route security.

Q. Picking up on your mention of consent ability, Mr Wignall's evidence for Kapiti Coast District Council is that a local road along that part of the route is feasible within the designation corridor, do you accept that?

5 A. I'm a little bit – oh, what's the right word – uncertain as to quite where the expert conferencing on that went. Obviously my background is as a traffic engineer and transportation planner but I'm not an independent witness, so I didn't attend the witness conferencing that happened before Christmas. My understanding prior to that was that Mr Wignall was talking about a local road in addition to the on and off ramps that
10 the NZTA was already proposing. My understanding following that conferencing was that perhaps he was talking about removing the on and off ramps that we were proposing and constructing a parallel local road instead and I'm still to be – well no, that's no – I'm not really unclear now. When I did meet – Mr Kelly and I met with Mr Wignall and
15 others last week I think it was, we, there was clarification that he was suggesting that an either/or situation might exist. He thought there could be benefits either from an additional parallel local route or as an alternative. So in my evidence I think probably I may have said that I didn't think it was viable within the designation in my original statement
20 of evidence. I may or may not have said that. I can't quite recall to be honest, and that was based on my understanding of trying to fit another road into the designation in addition to what we were already proposing. Subsequently, now that I understand that Mr Wignall thinks that perhaps it could be done by removing some of what we're
25 proposing and providing that instead, yes, I would concede that I think that probably could be done within the designation that's been proposed.

Q. And that would be consistent with, as you've referred to, I think it's the
30 9 December Traffic and Transport Conferencing Statement that I acknowledge you didn't attend or sign, but in paragraph 28 of that – I don't know whether you want to refer to it, I can tell you what it says but if you've got it there, you can refer. It's paragraph 28. It says, "It was agreed that the proposed designation does not preclude the

construction of a two-lane local road within the designation.” So that seems to be the accepted position of those who attended that –

A. Could you just repeat that, Mr Conway?

Q. At that 9 December conferencing, paragraph 28 of the statement, it
5 says, “It was agreed that the proposed designation does not preclude the construction of a two-lane local road within the designation.”

A. I think that’s consistent with what I’ve just said in that there was, as I understand it at least, Mr Wignall provided fuller explanation of what he was envisioning and that perhaps it was an alternative rather than an
10 addition. I know also that last week he also suggested when we met that perhaps the off-road cycleway and walkway that we’re proposing could instead be used to provide a local road and so that, again, is within the designation. My personal view is that that may or may not be an appropriate change to make but that was anticipated to be three or
15 four metres wide, so I would accept that the addition of a smaller extra width to accommodate a local road certainly could be fitted into the designation if other changes were made.

Q. Returning to your evidence-in-chief at paragraph 150. You note there that, “One of the options that was considered and evaluated during the
20 phase 1 investigations for the section of the TGP route between Paekakariki and MacKays Crossing had the main TGP alignment slightly further to the south west.” So in other words, where the current local road is, where Mr Wignall is proposing it would be, and retain the existing State Highway 1 as a parallel local road. And then you say at
25 paragraph 151 that, “This option was discarded for reasons including higher property costs.” Now is that because that option would have required a wider designation corridor along this length of road?

WITNESS REFERRED TO EVIDENCE-IN-CHIEF

A. Well I think that’s certainly right in the context of what was being
30 considered at that time. There’s a slightly different option to what Mr Wignall proposed and he and I discussed that last week and we agreed that it wasn’t quite the same option, so in terms of that higher property cost, that certainly did in that particular option, arise from the fact that it had a larger footprint, if you like.

Q. Have you got a copy of Mr Wignall's evidence available to you there.

A. I have, yes.

Q. If I can get you to turn to the annexure, the very last page which should be A3?

5 **WITNESS REFERRED TO EVIDENCE OF MR WIGNALL**

A. That plan?

Q. Yes that's the one.

A. Yes.

10 Q. So this is Mr Wignall's indicative plan showing a new local road between Sang Su Corner and MacKays crossing, and on that plan there's a – well there's two green lines technically but there's a brighter green line running in the location we're talking about. He's marked it as "Local Link"?

A. Yes, that's right.

15 Q. And so that diagram shows the Transmission Gully main alignment as currently proposed by NZTA but with a local road south west of the main alignment and it's shown as still within that red line, which I understand indicates the designation boundary.

20 A. Well it is but, of course, what's shown is simply an indication. It doesn't show any earthworks extents or anything else associated with the road and it also doesn't show that it's sitting on top of the proposed walkway and cycleway.

25 Q. In terms of its location and what it goes over, you've mentioned the walkway and cycleway. In the – on our plan, well it's the left-hand side, left-hand part of it, but it's the northern end. It's correct there's already some road infrastructure there for part of the length and then an access way for one of the properties for another part of the length isn't there?

30 A. Yes that's correct. There's a house which you can actually see on the plan. It's got a little number on it but I can't see quite what it is but it's where there's a kink, if you like, in the transmission line, at that point there. So that's the house that has a driveway which –

THE COURT ADDRESSES WITNESS AND MR CONWAY:

Mr Conway and Mr Nicholson, can I interrupt this particular cross-examination and I have to say to you that, speaking for myself, I find it quite extraordinary that NZTA and the Council haven't been able to sort this reasonably simple matter out but, I also have to say to you, Mr Conway, we're not going to sort it out on the basis of this indicative plan either. To what extent have NZTA and KCDC got down to the sort of detail that identifies what the real problems would be, how – exactly what would need to be done to put the route where it is, and I realise it's touched on in some of the evidence, to look at a specific proposal to an extent that we say this can feasibly and practically happen, we know that, because we can't do it at the moment on the basis of the evidence we've got in front of us I don't think?

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15 **MR CONWAY:**

No Sir I'm certainly not suggesting that this plan be imposed as a direct requirement but I'm getting to some questions that will cover how this could potentially be implemented.

20 **CHAIRPERSON JUDGE DWYER:**

Well is cross-examination the place to do that, I mean why wasn't it discussed?

MR CONWAY:

25 Sir, it has been the subject of discussions including the discussions last week that Mr Nicholson's referred to. The differences seem to be around who would provide the road –

CHAIRPERSON JUDGE DWYER:

30 And who would pay for it.

MR CONWAY:

– and who would pay for it and whether – as Mr Nicholson alluded to, whether it might be in addition to the existing proposal for slip roads or as an

alternative to that proposal so it seems to be that it would be part of the detailed design where that might be considered and that's the point that we're seeking to get to.

5 **CHAIRPERSON JUDGE DWYER:**

Yes, I mean I would be reluctant to direct and I understand what you're saying about this alternative but I'd be reluctant to direct as part of this process that that be done without being absolutely certain that it practically can be, which I thought is something that the parties could have resolved, whether it can, in fact, be done. The issue as to who pays for it and things of that nature I'm not sure are necessarily our province anyway.

MR CONWAY:

Yes Sir, the Council's evidence is that it would be feasible for it to be constructed but that the investigation and the cost benefit analysis simply hasn't occurred yet and we're seeking that that be done and so those are the types of questions I am intending to put to Mr Nicholson.

CHAIRPERSON JUDGE DWYER:

20 Well that's the problem that I have too.

MR HASSAN:

May I just say one thing at this point. To the extent that these proceedings are about, this notice of requirement by the Transport Agency, there is an issue about the scope, in other words, while Mr Conway's client may want a project here of this kind and of course they've got their own powers to –

CHAIRPERSON JUDGE DWYER:

It actually seems very sensible I must say Mr Hassan.

MR HASSAN:

And from a Council's point of view Sir there are powers for them to proceed with that and there's also an issue to do with funding that is not addressed in this process but through the Land Transport programming processes. But

really the question for this process becomes, this is a project which the Council wants to pursue but it's not the project that the Transport Agency is seeking to have approved.

5 **CHAIRPERSON JUDGE DWYER:**

Yes well as I say, I'm just surprised it hasn't been resolved. Sorry Mr Conway, carry on.

CROSS-EXAMINATION CONTINUES: MR CONWAY

10 Q. Mr Nicholson turning now to the question of, that you've referred to, about whether this local road might be in addition to or an alternative to the proposed slip roads, if we're looking at that same plan we can see there, although it's faint, that NZTA's current proposal includes constructing slip roads and an underpass to allow traffic coming to and from the coastal route to enter and exit the Transmission Gully alignment, is that correct?

15 A. Yes that's correct.

Q. And in your rebuttal evidence at paragraph 26 and then at the joint report from last week's meeting, I think it's fair to say you make it clear the NZTA would be happy to use the detailed design phase to discuss the feasibility of a local road in addition to those slip roads?

20 A. That's correct, yes. My, I mean my rebuttal evidence, paragraph 26 actually states that, "We're happy to discuss the feasibility of a local road during the detail design phase."

25 Q. Yes. And in terms of that configuration, would you accept that, setting aside your views about whether this is what NZTA wants to do, a local road from Sang Su Corner to MacKays Crossing could be an alternative way for that same traffic to enter and exit the Transmission Gully alignment?

30 A. I'm sorry, I'm not quite sure I followed the question. If an alternative could be a way to enter the Transmission Gully alignment it wouldn't be connecting to the Transmission Gully alignment, it would be connecting to the coastal route.

Q. If – perhaps I could put it a different way. If a local road was built in the location Mr Wignall has shown, then that would enable traffic from Paekakariki to enter the Transmission Gully Road through MacKays Crossing and so that would give them an alternative to using those slip roads?

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A. Yes that's correct, the traffic from Paekakariki still, you know, has the ability to access the Transmission Gully route via the on and off ramps that are proposed but if a two-lane local road was provided instead that would be, or as well as, that would be another way that the same could be done, yes.

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Q. So it's possible that that local road could be used instead of the slip roads?

A. Yes it is possible.

Q. Given the existence of the sealed and then unsealed access way along that, part of that section that Mr Wignall was shown, and the fact that NZTA's proposal would involve constructing new slip roads and an underpass, would you say it's possible that the local road connection could be cheaper than, cheaper to construct than the slip roads and underpass?

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A. Well I think it's certainly possible that it may be cheaper, yes, it's a fair comment.

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Q. Could potentially be significantly cheaper?

A. Well Mr Wignall and I discussed last week his suggestion that perhaps it might be \$20 million cheaper. I noted then that the entire MacKays Interchange was built for around about 20 or \$25 million so I believe that any cost saving would be much much smaller than that.

25

Q. And in this case we simply don't know for sure because a full analysis hasn't been carried out?

A. Well the analysis that was carried out, the alternatives that were considered back in our phase 1 and investigations, there were options that were broadly similar, I guess, to what Mr Wignall's proposed, albeit different. You know there were different configurations considered, you know different ideas of how to connect the coastal route to MacKays Crossing Interchange were considered and the one that's

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proposed is the one that was seen to be the most favourable. Also following on from that, when the consultation was undertaken one of the key issues that was raised then was to try to minimise the designation footprint and the, and amount of incursion into private property in that specific location so that's, I guess, further reinforced the, in our mind, the reason why what we're proposing now isn't appropriate – is an appropriate solution.

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Q. In terms of this particular configuration that Mr Wignall's put forward, I think you've confirmed a cost benefit analysis of that option hasn't been done has it?

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A. No.

Q. And presumably that analysis could be done between now and construction of the project or between now and finalisation of whatever design NZTA chooses?

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A. Well I, the difficulty that I have with some of this and it's – was discussed with Mr Wignall and Ms Thompson on behalf of the Council last week, is that the NZTA is concerned, based on our experience, with other projects that if we make changes to what we actually sought consent for then there's a risk that what we're proposing to construct is not in general accordance with the information submitted, so I have a concern that you know, we've been through a process that we think was appropriate to come up with the option that we proposed. If we subsequently decide that we'll do a different configuration, that either removes the ramps and provides a local link road instead or leaves the ramps and removes the pedestrian and cycleway instead, then all of those could be seen by some people to be not in general accordance with the application that we've made, so that's, I guess, the concern that I have really around these suggestion to be making changes.

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Q. At this stage, I suppose at this stage you don't know though whether that would be the case because it hasn't been looked at in sufficient detail?

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A. The, I guess the example that I have in my mind is that for our, for one of our projects in Tauranga, the Tauranga Eastern Link Project, my

understanding is that there was an interchange which was proposed to have the main expressway alignment at ground level and a local road over the top and with a certain ramp configuration and during the detailed design phase it was seen to be a better option to have, potentially at least to have, the main alignment, if you like, raised up and the local road underneath instead and the rationale for that was to not limit heavy vehicles, the size of heavy vehicles that could fit under an underpass and so the sort of, in plan view, what was proposed was exactly the same in terms of the same configuration of ramps and so on but instead of being local road over the top of main road it was main road over the top of local road. And that, I'm not exactly sure of the details, I admit, but I understand that there was some considerable legal wrangling and tangles around the fact that that was seen to be not in general in accordance with what had been, had been consented.

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15 Q. So the concern is that if you went through that process and found that this was a better option but was outside the scope of what the authorisations were under the RMA, you might have to go back for a second round or some more authorisations?

A. That's certainly one of the concerns, yes. You know that is a primary concern that I have as the project manager that we would then open ourselves up to that possibility, yes.

20 Q. Have you got a copy of the opening legal submissions or Ms Rickard's evidence, first statement in front of you?

A. I've got both of those, which would you prefer?

25 Q. If we go to the submissions at paragraph 26.

WITNESS REFERRED TO PARAGRAPH 26, SUBMISSIONS

A. Yes.

30 Q. Part way done paragraph 26 it says and it refers to Ms Rickard's evidence, "However because of the project scale and type it is highly likely that further resource consents will be required in due course as detailed design is progressed and exact construction methods are developed and this is normal for significant projects including roading projects." So the concern that you have is a fairly normal occurrence and it's in fact it's highly likely anyway in this situation isn't it?

- A. No I think what we're talking about, my perception at least is two quite different things. What I'm, as a normal part of the project I think there may be some minor consents or alterations to existing consents that might be sought or required. Those would be issues that the NZTA would, following a design phase, would say to a contractor or would let a contract and would say, here are the conditions that exist based on the primary consenting, we believe it's possible to construct the project within this, if you want to make changes or if you want to do things in a different way then that's the contractor's option to then seek changes to consents or additional consents and you know those, in my mind at least, would be of a minor nature and probably wouldn't require a substantial hearing process. Whereas if we fundamentally changed the option, I mean in essence the NZTA already has a designation of course and yet this process is brought about, obviously partly by the regional resource consents, but also to consider the new designation because it's different to what was previously envisaged, so I would – the concern I have is about a much larger consenting process being required to make a significant change to the project scope.
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- Q. One final question on this topic, you've said and you've referred to it earlier in paragraph 26 of your rebuttal evidence, you've confirmed that NZTA is happy to discuss local road feasibility during detailed design, would, is NZTA prepared to carry out a cost benefit analysis of the local road and the slip roads as alternatives during detailed design?
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- A. My position on that is that the NZTA considers that the project that we've proposed is acceptable and that the configuration of ramps can be consented and is an appropriate way to connect the Transmission Gully route to the coastal route and Paekakariki. So in essence I'm, as I've said in my evidence, I'm happy for us to have discussions with the Council about how we would go about that if collectively we agreed that there was merit in a cost benefit analysis or some other analysis of the relative merits of different configurations, I've got no concern about us doing that and I've said to council officers that we're quite happy to do that. I don't consider it's necessary for there to be a condition that requires that because I consider what we're
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proposing now to be acceptable. One of my colleagues made the slightly glib suggestion in a different context of essentially saying it's a bit like if you applied for a resource consent for a two-storey house and a council said well we want you to build a three-storey house, so
5 anyhow you ordinarily you would say that's very interesting but I want to build a two-storey house, that's – I'm the applicant, that's my prerogative and I guess I would draw the parallel here that we've been through a process that we thin was appropriate including involvement from the councils, albeit I acknowledge that Kapiti have raised various concerns
10 that they think about issues that may or may not have been canvassed with them, but I maintain that the project that we're proposing has an appropriate intersection form at that location so I don't believe that there's any need for conditions to be imposed requiring a different thing to be considered. I said in my evidence that we're happy to have those
15 conversations and I think that would be appropriately left to the parties to resolve among themselves.

COUNSEL ADDRESSES THE COURT – DISCUSSION – NEW TOPIC

CROSS-EXAMINATION CONTINUES: MR CONWAY

Q. Mr Nicholson moving now to a second broad issue, namely the
20 treatment measures on the existing coastal state highway route, once the state highway status is revoked. In paragraphs 153 to 157 of your evidence-in-chief you discuss what will happen to the existing coastal state highway route once Transmission Gully is built and in paragraph 156 you note that, "The substantial traffic volume reduction
25 on the existing State Highway 1 route will enable that route to be redeveloped as a safe multi-functional alternative to the TGP route". Now it's fairly clear I think but can you confirm the reason for that reduction in traffic on the coastal road is because vehicles will be using Transmission Gully instead?

30 A. Yes that's correct.

Q. And you go in that paragraph and then in rebuttal paragraph 31 to note that, "The coastal route will need to be treated or modified to ensure that it operates safely with the lower traffic volumes"?

A. Yes that's correct.

Q. If I can summarise the reason as I understand it for that quite simply, it's that with a lower volume of traffic the chances are that the speed of vehicles on that road will increase because there is less congestion, less traffic and so the overall average speed will probably be higher in the absence of any treatment measures. This may not be a matter that is directly within your knowledge but if I can just use that to introduce my next questions, is that, does that broadly correct from your perspective?

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A. Well that certainly sounds like that was Mr Wignall's perspective, the NZTA's perspective and I guess that of Mr Kelly in particular, I think, differs from Mr Wignall in regard to that. I don't think we would assume that simply removing traffic volumes would lead to an increase in speeds. Certainly there are normal and appropriate measures that we would look to introduce and any off-ramps from motorways and so on to manage the speeds to the appropriate speed limit and so I think it would be reasonable to assume that the same thing can be done in this case. You know, we have on and off-ramps all over the country to motorways and expressways and we are very aware of the issues that arise where there are transitions from open road speeds on state highways to more, I guess you'd say lower speed or urban speeds in – on local roads and so we would look at what the appropriate treatments are for that to manage that transition.

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Q. If I can take you to the 19 December conferencing statement for traffic and transportation and I'm conscious you weren't present at that one but it did involve the witnesses that – some of the witnesses you have referred to. I just want to take you to paragraph 6 of that statement. Do you have it?

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A. I'm sorry I don't have it because I didn't attend.

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Q. And paragraph 6 of that statement, do you have that in front of you now? Not yet sorry.

A. Sorry sir because I didn't attend the expert conferencing I didn't think I would be needing to comment on them.

- Q. So in paragraph 6 of that statement it says, “The experts agree that a package of measures to address such conditions for all road users include”, I think it should be including, “aspects such as speed, safety, capacity, amenity, should be applied to the existing to State Highway 1 coastal route. This should be appropriately linked with the development of the project.” And so you accept that’s an indication that the traffic experts there were agreed that the package of works as required as a result of the project?
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- A. Well I think that’s quite clear and they noted that those should be appropriate linked to the project and again that’s very consistent with paragraph 31 of my rebuttal evidence where I said I agree with Mr Wignall that the section of State Highway 1 that will be bypassed will required appropriate treatment and management measures. So I don't think that’s in dispute.
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- Q. So the fact that they suggest that they should be appropriately linked to the development, would you accept that essentially that’s a recognition that the construction of Transmission Gully will have an effect on road safety along the existing coastal route?
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- A. I mean I can’t really comment on what they thought but I would assume that they certainly, at the very least, thought that it may have that effect. Whether they thought it would have that effect I’m not sure. You perhaps would be best to ask Mr Kelly or one of the other witnesses who attended.
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- Q. Moving to paragraph 29 of your rebuttal, you note there that, “In early 2010 the NZTA developed a package of indicative measures along the existing State Highway 1 route as part of the assessment of traffic and transportation effects”. So it’s consistent there that it was considered that the need for these measures reflects an effect of the project on that coastal route, doesn’t it? The fact that it was an assessment of effects.
- 25
- A. No that’s not – that wasn't the intention of the package. Again Mr Kelly probably can provide better expert evidence on this but as a traffic engineer I’m happy to comment. My understanding, well at the time, I was involved in the decision making around that, was that we thought it was appropriate to recognise in the traffic modelling the sort of work that
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we thought would be most likely to occur along that coastal route. So the most likely future type of configuration for the coastal route. The intention wasn't to suggest or imply that those works were required to mitigate the effects of the project, in effect, as you know our evidence and so on points out we think there are considerable benefits along the coastal route. So I guess a basic premise of that is that where there are benefits you don't then need to mitigate against adverse effects. So my understanding of that package of work or my, you know, the rationale for that package of work was that we thought that was a realistic future likely configuration for the coastal route as a way of then using in the traffic model, so that we assessed an appropriate traffic pattern to reflect what we thought would be the most likely traffic volume outcomes and therefore the effects such as noise and other traffic related effects.

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15 Q. Turning now to the joint report for the meeting you had with the Council last week. I don't think it's an expert conferencing statement but it was a meeting between experts.

A. Yes I'm familiar with it.

20 Q. It says in paragraph 10, it states, "The parties all present do agree that adverse effects should be addressed as part of the project. However, the parties, Mr Wignall, Mr Kelly and Mr Nicholson cannot agree on whether there will be any adverse effects on the old state highway in the Kapiti Coast District". And I take it from that that the divide between the disagreement is that Mr Wignall on one hand says that there will be adverse effects and Mr Kelly and yourself do not agree that there will be any adverse effects?

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30 A. Broadly speaking that's correct. I'm not sure that it was quite as simple a divide as that. I think the NZTA and I certainly acknowledged and I think Mr Kelly did too, my recollection, that some measures would be necessary to make sure that – to ensure that speeds along the existing coastal route don't increase which may have an adverse safety effect and again I guess I refer to paragraph 31 of my rebuttal evidence where I talked about the sorts of treatments that might be appropriate and I think we would see those things as sensibly and easily being discussed as part of the development of what work needs to be done as part of the

revocation process for the existing state highway in due course once, you know, once we're a bit closer to construction essentially.

5 Q. If the Board was to conclude that there would be an adverse effect of the project on that section of road and as a result those treatment measures were required, would you accept that it would be appropriate to have a condition requiring those matters to be considered during the detailed design and implemented before the state highway status is revoked?

10 A. I think it's probably unnecessary to have a condition because as I mentioned I think that's implicit in the state highway revocation process and similarly in our detailed design process that we would identify the appropriate treatment, threshold treatments and so on as to how to transition from the project to the existing road network. All of that would be subject to safety audit and so that's a perfectly normal everyday part
15 of our project development. I'm not convinced that a specific condition requiring something that always happens anyway is needed.

Q. Conversely if it's going to happen anyway presumably a condition wouldn't be offensive in terms of what it required because that was simply going to occur regardless.

20 1110

A. Well I think that's probably right. I don't think there's, you know, as a general policy I suppose we would prefer not to be tangled up in conditions that have no meaning and no real effect because it's something that happens anyway but as you've said I don't think that
25 would be offensive to the NZTA that it required us to do what we will be doing anyway.

COURT ADJOURNS: 11.10 AM

COURT RESUMES: 11.29 AM

CROSS-EXAMINATION: MR JESSUP

5 Q. Mr Nicholson, you're probably aware the fact that our concern is directed as to whether adequate consideration has been given to alternatives to the TGP, a matter which the Act requires the Board to have particular regard to and in your evidence you say to the best of your knowledge the only time the two have been, TGP and the coastal route have been directly compared was in 2005. Were you part of the – on the scene at that stage?

10 A. In 2005 I was working in a consultancy company, I wasn't employed by NZTA or as it was Transit at that stage, no. So I wasn't directly involved in that process at all. I'm certainly familiar with the details of the process though from following, I guess, as an interested spectator and then subsequently through needing to acquaint myself with it because of the relevance to the project.

15 Q. Well at that time the New Zealand, Transit as it was then, the predecessor of the Transport Agency prepared a submission to the Land Transport – the Wellington Regional Land Transport Committee and I've got copies of that here. Would it be appropriate Sir to table those? It is in fact not the complete report but it has the covering sheet and the last three pages which are relevant to the things I wanted to say.

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CHAIRPERSON JUDGE DWYER:

25 Mr Hassan are you familiar with this document?

MR HASSAN:

I'm not familiar with this document at this point Sir but I'm broadly familiar with the western corridor transport study backgrounds.

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CHAIRPERSON JUDGE DWYER:

It's just a question of how it comes in whether I can accept it by consent as being what Mr Jessup says it is or if I am going to have to ask him to prove it in some way.

5 MR HASSAN:

I take that point Sir, I think unless the witness himself has a view on that.

CHAIRPERSON JUDGE DWYER:

Q. Are you familiar with this document Mr Nicholson?

10 A. I'm not specifically familiar with this one Sir but I'm certainly familiar with the format and the layout and the configuration of the logos and so on. It certainly, I would be comfortable to conclude that it's a report from the study.

Q. It is?

15 A. From the study.

CHAIRPERSON JUDGE DWYER:

All right we'll take it in my consent Mr Hassan as being portions of Western Corridor Transportation Study, 12 August 2005 and I'll put a caveat on it that if
20 you subsequently ascertain that it's something else I'd allow you to come back.

CROSS-EXAMINATION CONTINUES: MR JESSUP

Q. Mr Nicholson, I note that on – I'm not sure the pages are numbered in this thing, but the technical recommendation which I think is the first
25 page you'll have a copy of sets out the fact that the coastal route is technically preferred and it goes on and says, "For the following key reasons: It achieves a better outcome towards key objectives of the NZTS, the RLTS and the LTMA. It has a lower cost, it has a higher project efficiency, it can be staged to suit available funds, benefits will
30 accrue when each stage is completed and has better utilisation of the existing infrastructure" and it goes on, on the next pages, to elaborate on those – each of those points. I just wonder whether you've got any

comment as to whether those reasons are now out of date or no longer appropriate?

- A. Well the reasons why some of them at least are out of date are covered in my evidence as to cost. That was at paragraphs 140 through to 144 essentially of my evidence-in-chief from November last year. Essentially at that time and as I guess is reflected on the bottom of the third page of the handout where it's got a table which talks about annual benefits and expected costs. At that time the coastal route was understood to be – upgrading the coastal route was understood to be cheaper than upgrading, sorry than constructing the Transmission Gully project and my understanding and again I think this was covered in my evidence although I'll have to try and find the relevant reference if you'd like me to.

15 **CHAIRPERSON JUDGE DWYER:**

Q. Refer back to your evidence Mr Nicholson by all means. Evidence-in-chief or rebuttal?

A. I believe evidence-in-chief Sir but I'll have to find it.

Q. 141 is possible, 143, 144 is it?

20 A. Certainly that's as regards to cost, yes those paragraphs 141 to 144.

Q. Perhaps you should answer the question on that basis.

CROSS-EXAMINATION CONTINUES: MR JESSUP

- A. So at that time the coastal route was seen to be considerably cheaper than the Transmission Gully and my understanding, which is the bit that I'm trying to find unsuccessfully but I perhaps can confirm later what the relevant reference is because I'm confident it's covered somewhere in my evidence, I just can't quite find it at the moment, that the planning balance sheet methodology that was used, the Transmission Gully route was actually preferred on all measures apart from cost efficiency but that the cost efficiency, the difference between the two in terms of cost, led to the overall outcomes that are presented here which said that the coastal route was preferred. So it said that the coastal route was preferred in terms of achieving a better outcome towards the key

objectives of all of those documents and my understanding is that was purely on the cost of the – the basis of the cost being so much less. Now subsequently to that and this is where those paragraphs of my evidence are relevant, at the time there was considerable misgivings expressed by various parties about the appropriateness of the cost estimates and quite a bit of time and effort was spent during the hearings that took place at the end of 2005 and into early 2006. I'm trying to verify the robustness of various cost estimates and so on and so, and then subsequently again to all of that in 2009, as part of the NZTA's processes, I guess, before confirming our Board's approval of the or preference for the Transmission Gully route rather than the coastal route, a review was undertaken of the costs of the two routes based on that same information that had been used in 2005 for the coastal route and a number of significant deficiencies were found with that earlier estimate. There were issues such as the preliminary and general cost for the cost within - the cost estimate that was included for the coastal route was something like four percent whereas a realistic figure based on our larger projects and also based on I think the percentage is 23% in the Transmission Gully estimate and that's much more in line with the sort of figure that we typically find for our projects. So there were a number of concerns expressed and so that cost review that was undertaken in 2009 found that the cost of the coastal route, our best estimate based on existing information was that it was considerably higher, around about 50 or 60% higher, oh sorry 55 to 65 it says in my paragraph 143, higher than had been understood at that time and then parallel with that the cost of the Transmission Gully project had been coming down in real terms so when you put those two things together the relative costs of the two projects changed from being the coastal route seemed to be significantly cheaper to the Transmission Gully route seemed to be being cheaper by the time we undertook that analysis in 2009 and so my understanding of the earlier, this report to the Regional Land Transport Committee and other things, is that had that situation been in place at that time then the findings would have been completely different.

1140

CROSS-EXAMINATION CONTINUES: MR JESSUP

5 Q. You've dwelt at some length on the question of costs but the other, there were of course six items there and one of them is, it is not adequate to just look at their costs, it's a case of the staged availability of the funds, of the, the way in which the coastal route could be developed in stages does give it considerable benefits with earlier – earlier benefits with some of the smaller projects?

10 A. I'm sorry I perhaps could have explained, in terms of that the effect of the cost that probably, well not probably, it does relate to point A which is around the better outcomes towards those policy documents and that relates back to this idea around the planning balance sheet approach that was taken and if the costs have been reversed then the outcome would have been different. Obviously point B, point 3 again, efficiency was the benefit cost ratio and so as is reflected on the next page, the benefits for Transmission Gully were already recognised as being higher than the benefits of the coastal route but because the cost was much higher the efficiency was lower and so if that was, if that was – if the cost was lower then obviously the efficiency would then – so it related to

20 several of those points. In terms of being a stage to suit available funds, I'm sure that was the case at the time, I've got no doubt, no reason to doubt that. Subsequently to that I guess there had been some developments such as the full hypothecation of road user charges and fuel excise duty to the National Land Transport fund and so, as I've

25 again set out in my evidence, the NZTA's expectation is that all of the funding for the Transmission Gully Project will come from the National Land Transport fund so –

CHAIRPERSON JUDGE DWYER:

30 Q. Mr Nicholson, can you just come a bit closer to the microphone.

A. Sorry Sir.

Q. I'm hearing you okay but I suspect others might not be.

CROSS-EXAMINATION CONTINUES: MR JESSUP

5 A. So I think I probably would accept that point D there is an element of that conclusion perhaps remaining valid to some degree and I couldn't really speculate on how much. Benefits are accrued at each stage that's completed. I think that's again that's true. One of the points that wasn't recognised at the time in the analysis that was undertaken but was recognised subsequently was that upgrading the coastal route would have significant impact during construction in terms of the inconvenience and the delays and so on that would be created while 10 you were trying to continue to keep State Highway 1 functional whilst upgrading it and so that wasn't recognised in the reasonably simplistic annual benefit calculations that were available at that time. So I think point E, yes there's some validity to that point, there would be benefits as each stage is completed but the counter to that is that there would 15 also be some significant dis-benefits during construction which would also need to be accounted for and in terms of point F, better utilisation of existing infrastructure – I guess without necessarily knowing exactly what that means, it seems like a sensible conclusion to have reached so I think that probably would still be the case, you'd be using the existing 20 route so that sensibly would sound like better utilisation of the infrastructure.

25 Q. Thank you. Just turning to paragraph 34 of your evidence, you talk about, "The outcomes only arrived at some spirit debate at regional level," about the relative benefits, merits of upgrading the existing State Highway 1 and the building of the TGP. I'm wondering if you could just elaborate on, explain what exactly that –

30 A. Well there was a considerable period of public conjecture and there were lots of articles in newspapers and elsewhere there was considerable debate at the Regional Land Transport Committee meetings around the relative merits of the two projects and then I guess probably the thing that I most are referring to was the hearing sub-committee process that took place from the end of 2005 to early 2006 where there was a lot of very heated debate, I'd guess you'd say, as to both the relative merits of the two projects and particularly about

the costs too which was a central point of disagreement among many parties at that hearing.

Q. Referring to that hearings committee, it said – there were various references in the evidence to the fact that it came down on the Transmission Gully side of the debate but the hearings committee itself, I don't know whether you were involved in that either on the fringes or otherwise?

A. As I said I wasn't directly involved. I did attend the hearing on a few days out of my own personal interest as a transport professional but no I wasn't directly involved.

Q. Yes. Perhaps you would agree with me that it wasn't nearly as robust a procedure as these proceedings here?

A. Well I mean it wasn't, it wasn't a Court you know, a judicial process so I guess in that regard it would be natural that it wouldn't be as robust as this proceeding but it was, in my opinion, a very well structured and open proceeding. There were a vast number of submitters who had the opportunity to put their case to the hearing subcommittee verbally, they received something like 6000 written submissions which they reviewed and considered, so my personal view is that the hearing subcommittee undertook their role in an appropriate manner.

Q. Well I wonder whether you'll comment on my suggestion that in fact that many of those submissions were pretty light things, they were just somebody saying well, Transmission Gully, they'd read the publicity, there were some that I remember where there was mother and father –

CHAIRPERSON JUDGE DWYER:

Mr Jessup, I'm not sure that it helps us to explore that.

MR JESSUP:

Well I think it is important Sir that so many people say that the matter has already been decided by that –

CHAIRPERSON JUDGE DWYER:

But it hasn't been decided by this Board.

MR JESSUP:

No, no but it, they rely heavily on the fact that hearings committee came down in favour of it. Some –

5

CHAIRPERSON JUDGE DWYER:

I'm not – it's a straw in the wind, I'm not sure that it's going to be determinative for us, in fact I'm sure it's not.

10 **MR JESSUP:**

Thank you. Someone in fact suggested that the hearings committee countered the submissions rather than read them and came out to a decision –

15 **CHAIRPERSON JUDGE DWYER:**

There was some merit to that approach Mr Jessup.

CROSS-EXAMINATION CONTINUES: MR JESSUP

Q. And finally Mr Nicholson, I'd just like to test you on the fact that, another thing that keeps coming up is the reference to the fact that
20 Transmission Gully is a better way of dealing, it would be welcomed by the coastal communities, they keep talking about – because it's better for them. But the coastal communities, the one that I'm most conscious of is the one at Pukerua Bay which I drove through last night with a great deal of delay and they are singing out for a bypass to get the
25 traffic out of their little village and they think quite correctly, feel that Transmission Gully's not really going to solve their problem, it might alleviate it a little bit and I just wonder whether you wouldn't agree with that comment of mine?

1150

30 A. If I can, I'd just like to find a relevant reference in my evidence Sir. Paragraph 155 of my evidence-in-chief has some relevance to this point and that is that some of the submissions to this Board have misunderstood the likely traffic volumes remaining and through

Pukerua Bay is one of those. That misunderstanding I understand or I believe is based on some an interpretation of some earlier reports, one of which made some comment, as I understand it, that traffic volume through Pukerua Bay would remain at around 17,000 vehicles per day after the Transmission Gully Project is constructed. And that's not the case based on our, based on our investigations for the project. The traffic volume, in fact, is more like 5,000 vehicles per day at the southern end and 3,100 kind of at the northern end. And so some of the views around what the benefits or not of Transmission Gully might be to that community, my understanding is are misunderstandings based on an expectation that the traffic relief through Pukerua Bay will be quite small. In reality the traffic relief will be very considerable and that those traffic volumes are – there's, there's considerable scope for – I guess this a little bit relates to the point – one of the points that Mr Conway was raising with me around future treatments for the coastal route. Once that basic traffic-carrying function of the state highway could be removed, there's considerable scope that those sorts of traffic volumes to be doing different treatments through Pukerua Bay. It might be a, it might, might have signalled pedestrian crossings, there might be roundabouts or traffic lights or – and those are the sorts of things that could and should be discussed with the community at that time to see how they want their community to be configured, because once that basic traffic-carrying capacity function of the state highway is removed, I think that, that road can become much more of a community asset rather than a, I guess, a liability, if you like. I think – I hope that answers your question, Mr Jessup. Sorry if it didn't.

Q. It, it, it does, although one wonders whether those projections to – estimates of future traffic are – how, how they'll turn out in practice. There – you must – the, the communication between Porirua City, which is now a major centre of business and activity and, and the Kapiti Coast is growing all the time and I – our feeling is that those estimates of the traffic flows through Pukerua Bay are on the light side. But, anyway, that's –

CHAIRPERSON JUDGE DWYER:

Right. Thank you, Mr Jessup.

MR JESSUP:

Mr, Mr Kelly can probably better –

5 **CHAIRPERSON JUDGE DWYER:**

Are you going to question Mr Kelly, Mr Jessup? I don't think I had you down to do that.

MR JESSUP:

I haven't been put down to do that. Yes, but I'll...

10 **CHAIRPERSON JUDGE DWYER:**

Well, if – I've indicated I'd be reasonably flexible if it's not too bad time-wise. If you wanted to ask him some questions about that I'd let you do it.

MR JESSUP:

I'll, I'll do some homework on that, Sir. Thank you.

15 **CHAIRPERSON JUDGE DWYER:**

I might put you on a time limit though.

MR JESSUP:

Yes, Sir.

CROSS-EXAMINATION: MR BENNION

20 Q. In answer to a question from Mr Jessup about a costs review in 2009, you said that the costs of – relative costs of the Transmission Gully route were dropping and the coastal route was turning out to be more expensive than had been thought, and that was an important factor at that time?

25 A. That was certainly a factor at that time, yes.

Q. Yes. In your evidence, I'm just going to paragraph 44 of your evidence, and you're saying there that there was a SAR completed –

Scheme Assessment Review, I assume, in June 2008, and that looked at two alignments for Transmission Gully. Now, that was done prior to the cost review that you're talking about with the coastal route?

A. That's correct, yes.

5 Q. And you note there too that the – so when you talk about the review in 2009, you're saying that both on the existing designation and on the designation now sought, the costs were lowering to make it more competitive with the coastal route?

10 A. My – I wasn't particularly meaning that. I was, I was meaning that as part of that Scheme Assessment Report phase, which had identified a preferred alignment which was outside the, the, the existing designation in parts, that alignment was confirmed by the NZTA Board. I think, from memory, it was November or December 2008, as the appropriate alignment to then develop, to bring forward to this consenting phase.
15 And so that reference was relative to that preferred alignment for Transmission Gully. My recollection from the Scheme Assessment, which, which is not shaky, exactly, but I, I wouldn't be able to say I can, can exactly refer – remember the numbers, the, the, the cost for the preferred alignment outside the designation was \$1025 million.
20 1.025 billion. That, that number I definitely do recall. The, the cost for the best alignment within the designation was something like 1.2 billion. I can – if, if it's important I'm happy to find those numbers. They're publicly available. And that number was quite comparable with an escalated version of the earlier 2004, 2005 estimate. If that had been
25 escalated to 2008 dollars those numbers were very comparable, so that best in the, in the existing designation alignment was probably, I would say, within five percent, I think. My recollection is of, of what it would have been based on that earlier assessment.

30 Q. All right. So that, that, the, this alignment was being compared with the coastal route? Is that...

A. Correct, yes.

Q. Yes. Okay. And, and just while we're at that quote, at paragraph 44 of your evidence you say, "Of the two, the alignment unconstrained by the designation is preferred because it provides advantages in terms of

route security, has less impact on environmentally important streams and Pauatahanui Inlet. Now that's in June 2008, and I note that in the assessment of environmental effects, when it talks about the Te Puka Valley, it says that in November 2008 the Geotech engineers
5 visited China, became concerned about bridges on the sides of valleys and those sorts of matters and, and then came back with, with changes. Now, that has some impact on this statement, doesn't it? Where you say it has less impact on environmentally important streams, that was prior to the visit to China and prior to decisions being made to, for
10 example, fill in areas, or more extensive areas, perhaps, or divert more extensive areas of the Te Puka Stream. That be right?

A. The, the statement here which came, came – was written in the Scheme Assessment Report in the middle of 2008, yes, it, obviously, that preceded the site visit of Mr Brabhaharan into China, so he can,
15 yes, he can talk about that if necessary later. In, in terms of, of whether it had an impact on the relative merits of the two routes. That question was considered by Mr Fuller as I recall, so, again, he may well be able to consider that later, and – sorry, address that later, but my understanding was that when it was re-considered the ecological
20 impacts were still seen to be considerably better, fundamentally being on the western side of the valley than on the eastern side of the valley, and, and my understanding of the rationale for that is that most of the, the larger stream tributaries and, and also the larger areas of native vegetation are on the eastern side of the valley, not on the western side
25 which is mostly pastureland and, and, you know, smaller streams. But, but again, some of the experts probably can better address that question than I can. All right. I'll, I'll put that to them. Can I come to the – your discussion in your main evidence about strategic fit, and at paragraph 97 of your main evidence, and you've got a footnote there in
30 – at the bottom of – at the start of paragraph 97, footnote 12. That refers to NZTA's planning policy and funding manual, part G?

A. Yes.

Q. Yes. And so this is the, this is where these criteria are explained and, and it explains how they are to be applied?

A. Correct, yes.

Q. Now, it's, it's a pretty big manual, and I don't want to, to create too much paper here. Can I, can I just put some very simple propositions to you from the manual, and are relevant to your discussion of it there, and, and if you – let, let me know at any stage if you think you need to refresh your memory with the manual, but I –

MR HASSAN:

To be honest Sir I think this is going to be a bit of a disaster unless people have got a copy of the manual, the witness and other parties.

CHAIRPERSON JUDGE DWYER:

Do you have copies Mr Bennion?

1200

15 **MR BENNION:**

Yes. I have a copy of the part G that's been referred to here and I was just attempting to, if it was going to be convenient, reduce the paper but we seem to be going there.

20 **CHAIRPERSON JUDGE DWYER:**

If you are going to put the document to him we need a copy.

CHAIRPERSON JUDGE DWYER:

Q. While that's being distributed Mr Nicholson, can I just get you to confirm that what you're looking at there is a copy of NZTA's planning policy and funding manual part G?

A. Yeah it's, Sir it's a document that I'm broadly familiar with, I wouldn't say that I'm familiar with all of the details but certainly it looks to my mind like it's –

30 Q. It's a document you've referred to in your footnote 12?

A. Yes it is, yeah.

Q. Well exhibit 3.

A. To the best of my knowledge it is Sir, yes.

CROSS-EXAMINATION CONTINUES: MR BENNION

Q. Can I quickly take you to, page numbering is interesting here, but page G1-3, you see that on the top right? The page numbers are running on top left and top right. Oh, no sorry G1-4 over the page,
5 “Assessment factors, the following table describes the assessment factors used in the assessment profile” and that discussion there, “Strategic fit, effectiveness, economic efficiency”, that’s the three factors you’re referring to in your evidence, paragraphs 97 onwards isn’t it?

A. That’s correct, yes.

10 Q. And just looking at the description of strategic fit, it identifies how an identified problem, issue or opportunity aligns with NZTA’s strategic investment direction. Now if I turn the page and you see there page G1-5 it talks about, “Guidance on strategic fit rating”. Do you see that?

15 A. Yes.

Q. And the third paragraph down says, “Potential solutions excluded. Strategic fit must be assessed without considering potential solutions”. Now we take that to mean that one looks at matters maybe such as congestion that you might want to address but you don't look at potential
20 solutions at this stage of the – when you’re looking at strategic fit. Is that what that’s saying?

A. To be honest I don't – I’m not entirely clear what that’s saying. The – I perhaps can clarify, the planning, programming and funding manual is essentially a document that is used by our planning and investment
25 group and again to clarify a bit more, NZTA has multiple functions, one of them as is the state highway manager and, you know, developer of state highway projects, that’s how our highways grew percentually and our planning and investment group are the ones who make investment decisions from the national land transport fund. That sort of funder and
30 provider separation was a lot clearer, I guess, when they were two separate organisations, Land Transport New Zealand was the funder, Transit New Zealand was the provider, if you like, of state highway projects at least. So this document really goes with the funder part of that NZTA function and so I’m not intimately familiar in any way, I’m

afraid, with the details of that, it's – what it does is it sets out how our funding assessment people make their decisions on the strategic fit, it's not – it doesn't set out how the Highways Group as a project proponent, we don't assess a strategic fit, the funding group, if you like, the
5 planning and investment group make those decisions as part of their work in advising our Board on how best to utilise the national land transport fund. So I'm sorry that was a long winded way probably of saying I'm not an expert to be able to anticipate exactly what that actually means and it's a little unclear to me to be honest, quite what
10 that must be assessed without considering potential solutions. I think that probably means exactly what it says, that you would look at the problems, I suppose, rather than what the project or package of projects that are being proposed are and how they might address those problems.

15 Q. All right so you're indicating that your familiarity with the document is at a reasonable sort of, let's say high level not detailed level of applying it to this project?

A. That's right. Well this document is not applied to this project. I did discuss in my evidence and again I'll find the relevant section,
20 paragraph 100 of my evidence-in-chief I noted that the Wellington northern corridor RoNS package of which this project is a part was evaluated and that's, I guess, I didn't say there but I can explain now was by our planning and investment group in their advice to the Board, they assessed the project as having high, high and low as the three
25 criteria.

Q. So you don't know, for example, that whether the funding manual states at a later stage that the project is to be given a high strategic fit if it includes a road of national significance?

A. No I am familiar that it says that, yes.

30 Q. So it does say that doesn't it?

A. Well broadly speaking it says that, yeah.

Q. It says, "A road improvement project must only be given a high strategic fit rating if it is a road of national significance and including local roads or services identified as critical to the operation of the RoNS".

A. I'm sorry I'm broadly familiar that that statement along those lines is included but if you can provide me with a specific reference I'm happy to –

5 Q. Yes, I'm just realising that the page concerned is missing from this collection. If I can come back to that.

A. I mean broadly speaking I would agree that it does say something along those lines Mr Bennion.

10 Q. So when you say at paragraph 100 that the RoNS package of which TGP is an integral part has been evaluated as having a high strategic fit, the programme manual actually says it has to have because it's a RoNS, isn't that right?

MR HASSAN:

15 At this point I think really the document has to be in front of the witness because there are two ways of interpreting what Mr Bennion has just said. One is it can't – well I'll leave the rest to you Your Honour, you would have heard yourself.

CHAIRPERSON JUDGE DWYER:

20 Look if we are going to get into that sort of level of detail we have to see the document as does the witness.

MR BENNION:

25 Yes Sir, I've just realised that the page I'm concerned with is actually missing from the –

CHAIRPERSON JUDGE DWYER:

Well I was just trying to find it.

30 **MR BENNION:**

Yes, from what I have handed you and I have my only copy here. Perhaps I'll leave the matter there and I think Mr Nicholson's, perhaps in writing, I'm happy to leave it at that Sir and provide –

CHAIRPERSON JUDGE DWYER:

How does it help us?

MR BENNION:

5 Well Sir, I'm making the point that when Mr Nicholson talks about an evaluation that says that this project has a high strategic fit, it's actually a requirement that it have a high strategic fit because it includes –

CHAIRPERSON JUDGE DWYER:

10 Well that's what you're saying the document says.

MR BENNION:

Yes that's what I'm saying the document says.

15 **CHAIRPERSON JUDGE DWYER:**

Well I don't know.

MR BENNION:

20 I think Mr Nicholson is agreeing but I haven't – I have the page here.

MR HASSAN:

I think that's the problem Sir, I'm not sure if he has or hasn't and he hasn't seen the document.

25

CHAIRPERSON JUDGE DWYER:

But I must say I'm not sure how that assists us but –

MR BENNION:

30 Sir, my point is that in terms of an evaluation, I don't think there's an evaluation, I think there's a requirement. So it simply had – the project has a high strategic fit because the government has said it shall have a high strategic fit.

CHAIRPERSON JUDGE DWYER:

So are you saying RoNS automatically have a high strategic fit?

MR BENNION:

- 5 Yes. It's not an evaluation, it's actually – well it's a matter of simple application of a government policy.

CHAIRPERSON JUDGE DWYER:

Let's see if Mr Nicholson agrees with that general proposition.

10

MR BENNION:

Yes.

CHAIRPERSON JUDGE DWYER:

- 15 Q. Does it flow because that because it's a RoNS it's deemed to have a high strategic fit, Mr Nicholson?

A. Broadly speaking –

Q. If you don't know that's fine.

- A. Broadly speaking, my understanding is that that does flow. The NZTA
 20 statutory functions and so on are discussed in Mr James' evidence but, you know, sort of paraphrasing those, you know, essentially the Government sets a government policy statement and one of our responsibilities is to implement the – not implement sorry, administer the national land transport fund in a way that's consistent with the government policy statement and so there are, you know, our planning
 25 and investment people are the ones who've developed this rating methodology. As I said it's really for their use and it's published so that requiring authorities or roading, road-controlling authorities including ourselves, as well as all the other councils, all of the councils, have an
 30 understanding of how those assessments are made when funding decisions are made but really as I understand it at least, it's a tool which is for the NZTA's internal use and how we go about fulfilling our statutory requirements.

1210

Q. Thank you.

CHAIRPERSON JUDGE DWYER:

Mr Bennion.

5 CROSS-EXAMINATION CONTINUES: MR BENNION

Q. Good morning Mr Nicholson, what weight then should the Board place on it if you're not particularly familiar, it's a background funding matter, yet you put it in your evidence – I'm struggling to understand why you've done that then?

10 A. Well I think if you read paragraph 94 of my evidence, I've actually said that in my view those arguments aren't relevant for the Board because they're part of the NZTA's statutory functions but I've gone onto explain how it works as a way of addressing those particular submissions.

15 Q. If I come to the second criteria which is effectiveness in 97.2, now one component of that is how well proposals contribute to a particular strategic objective. And one component of effectiveness is how a proposal fits the strategic fit, isn't that right?

A. As I understand yes, that's right.

20 Q. And then you've also said, "Proposals achieving long-term integrated enduring solutions rate highest". What long, when you say, "long-term" what do you mean by long-term, over what period?

25 A. These, the text that I've used in my evidence here is actually taken from the NZTA's website using that reference that's at the bottom of the page so I hope I've explained that I'm, it's not an area that I actually am intimately familiar with how that assessment work is done, it's done by a different group within the NZTA. My understanding of what that would mean, in terms of long-term integrated and enduring solutions, would mean you know, long-term I would expect to mean in excess of 20 years probably. And enduring solutions would mean not things that are then –
30 the benefits are going to be eroded over time by other work or by other changes in the road network. For example we often have calls and perhaps the Pukerua Road bypass is an example where people suggest an alternative project that should be done as well as or before a more

significant project to follow later. And so one of the issues that flows from that is that benefits of that project then are not enduring because they would have arisen anyway from another project following on.

5 Q. The benefit cost assessment that you undertake for projects, that runs over a 30 year span doesn't it?

A. That's correct, yes.

Q. So that's, that assesses the long-term viability of a project too doesn't it, in fact in excess of the 20 years you've mentioned?

10 A. I'm sorry, I'm not entirely clear what, quite what the question was, what...

Q. Well the benefit cost analysis under your economic evaluation manual also will, looks at the long-term benefits and costs of a proposal doesn't it?

A. Yes that's right, I mean –

15 Q. Over 30 years?

A. Reasonably long-term, yeah that's right. And when I said "in excess of 20 years" I wouldn't necessarily like to speculate or have any knowledge of whether it means 20 years, 25 years, 30, 40, 50 – I don't know. I mean a lot of our, a lot of our highways are still, broadly speaking, the same way they were 50 or 60 or more years ago and so they still provide benefits to communities far in excess of the length of time of the economic evaluation manual procedure.

20

Q. Just on the effectiveness rating, I'm coming to page G1–17, on that question of strategic fit potential, "To be effective activities in combination, activities must have a significant effect on the potential identified in the strategic fit assessment," so if the strategic fit assessment here is that we're building a RoNS, part of a RoNS, this is going to be an effective project on that criteria isn't it, automatically?

25

A. Sorry I'm just trying to read that full section so I can comment. My reading of the example in the sort of third paragraph if you like of that top section on page G1-17 is that that the high strategic fit rating for a RoNS would influence on the range of assessments that you could make but it wouldn't necessarily determine the outcome but I may be

30

misunderstanding that again. As I've already said, it's not really an area that I have great detailed familiarity with.

Q. Right, if I can take you to page G1-19 and that's guidance on the economic efficiency rating?

5 **WITNESS REFERRED TO PAGE G1-19**

A. Yes

Q. And that states that the, I'm just looking at the fourth paragraph down, "The benefit cost ratio provides a basis to rate the economic efficiency packages and projects," it says well, "Four is high, two to four medium and one to two low," so that's where we get the low rating for the benefit cost ratio or economic efficiency of this proposal, yes?

A. That's correct, yes.

Q. Now if I turn the page at G1-20, we have a BCR in this case of below one?

15 A. No, no we don't. For the package of work we have a BCR of 1.2 I think it was, excluding agglomeration benefits are 1.4. Including agglomeration benefits –

Q. So if I come back –

A. – the purpose of these assessments is for packages of projects and so the whole of the Wellington northern corridor RoNS has been assessed as one, as one package so it's not specific for any of the individual projects within that package, so therefore it's not specific to the Transmission Gully Project.

Q. So if I come to a BCR of below two, at the bottom of page G1-19, do you see BCR of up to two?

A. Yes.

Q. "If the BCR of a package or product is less than two, then if the package or product is to be considered NZTA reserves the right to require peer review of economic efficiency calculations, including any non-monetised benefits and adverse impacts, regardless of its scope". So that's occurred here?

A. There has been a peer review as I understand it, yes of the, well in fact I know that there has of the economic evaluation for the package, yes.

Q. Is that the review undertaken by the Saha, what I call the Saha review?

A. No it's not, it's a peer review undertaken by Peter Bradshaw, I'm not sure, I think who, which consultancy organisation he works for, it was a review of the – so at the time of this, this if you like, business case for the Wellington northern corridor RoNS it's late in 2009, one consultant
5 undertook an economic assessment for the whole package with the sort of seven or eight individual projects within that package and that was undertaken by Opus International Consultants and then it was peer reviewed by a separate independent consultant. I can think of his name, but I can't quite think which organisation he's working for, it might
10 have been, he might –

CHAIRPERSON JUDGE DWYER ADDRESSES WITNESS – SPEAKING UP

CROSS-EXAMINATION CONTINUES: MR BENNION

A. – I think from memory he was employed for, well employed by Becker, I
15 can't quite recall.

Q. All right, so that's, that assessment says if we've got, and I'm looking at your 103 to 105 of your evidence, we've got a BCR of the project at around 0.82, an updated BCR and with these others benefits, it gets to 1.2 for the package. That's, that's what you're saying?

20 1220

A. Broadly speaking.

Q. Possibly 1.4?

A. The, the 1.2 to 1.4 range was assessed in 2009 and so, at that time, the Transmission Gully Project, the BCR was, I think, 0.6. I'm not sure how
25 rounded that way. It might have met 0.60 and it might have meant 0.58 or 0.62, I can't quite recall. I'm not sure. And so in my paragraph 105 of my evidence-in-chief, I, I discuss there the fact that the BCR for the Transmission Gully project has increased since that time of that original assessment, so that would naturally lead to a, an
30 increase in the overall assessment cost on a cost basis the Transmission Gully Project, about a third of the, the total RoNS package, so I guess I would expect, for the BCR would go up by a – I, I guess a third of the difference between 0.6 and 0.8, broadly speaking.

MR HASSAN:

I just wonder if – just one point of clarification. Not to interrupt cross-examination, but the earlier question and answer related to the RoNS package of which TG is part, and the answer there was in regard to the BCR calculation undertaken for the RoNS package. And just as long as counsel is aware it was on TG itself, not the RoNS package.

CROSS-EXAMINATION CONTINUES: MR BENNION

Q. In paragraph 103 you, you talk about agglomeration benefits, taking the package to 1.2. So agglomeration is actually a matter that is calculated in the, in the economic evaluation manual, isn't it?

A. Yes, that's right. There's a procedure specified in the EEM, yes.

Q. All right. And that – agglomeration benefits are about businesses locating or more efficiently locating because of, because the, the new roading infrastructure is in place. It's broadly what's going on there? Or is this, is this something for Mr Copeland or, or someone else?

A. I think probably it's a, it's a matter for Mr Copeland to be able to respond to respond to in detail. That, that broadly speaking, at least, would be consistent with my understanding, but I'm, I'm certainly not an expert in the area of agglomeration benefits, no.

Q. And, and in the next sentence in 103 where you talk about "wider economic benefits", you're aware of a debate about how wider economic benefits relate to the BCR, or does that relate to BCRs or is that something for, for perhaps Mr Copeland?

A. Well, I'm, I'm aware of some of the discussions that there, that there have been around wider economic benefits. I guess what that was reflect was at that time, at least, it was just I – what I'm trying to explain in that paragraph was that at that time an assessment was made they were wider economic benefits of employment. I wouldn't be able to provide any detail, I'm afraid, as to what that actually means in a, in a real sense, other than to say that I know that it was assessed and the impact that it had was to increase the BCR from 1.2 to 1.4. But that's not a core – I acknowledge that's not a core part of EEM BCR process.

Q. Is it fair to say that, that in NZTA's view, conventional cost-benefit analysis is, is still the primary measure of assessment of economic efficiency of these packages? That, that seems to be what's happening with your evidence here, isn't it?

5 A. Well, in terms of the, the economic efficiency assessment criteria that's, that's used, paragraph 97.3 of my evidence-in-chief explains that for proposals that have new or improved infrastructure such as this, economic efficiency criteria is assessed according to the BCR. So that's the way that our planning investment group assess that particular
10 criteria, yes. So that's then one of the three criteria that are used to assess the funding profile for each project, for each project or package of projects.

Q. All right. And now I just want to go on a little bit briefly to the question of tolling which you raise at 113, 114 of your evidence. You, cannot
15 discount that tolling may be considered to help fund the early delivery of the TGP or other parts of the RoNS. So that, that points back, does it, to an answer you gave to Mr Jessup, that whether the other parts of the RoNS will occur is, is, is just something that's not knowable at this stage?

20 A. Well, I, I think it's clear that the, those other projects haven't yet been through a consenting process so that, there's no certainty that, that those projects will, will be confirmed, no, that's true.

Q. Mmm. And I, I made a reference yesterday talking to Mr James about the government policy statement. It talks about, "Government has
25 announced an intention to increase fuel, fuel excise duty." Do you have that in front of you? This is the further documents that NZTA attached to opening legal submissions.

A. I, I do have the opening legal submission, but I...

CHAIRPERSON JUDGE DWYER:

30 Is that the thing headed, "Documents referred to in opening legal submissions"? Which –

MR BENNION:

Yes. And it's document 1 under tab 1 there, and I'm looking at page 19.

CROSS-EXAMINATION CONTINUES: MR BENNION

5 Q. Do you see on page 19, paragraph 74? "The government will closely monitor the actual revenue levels. Where actual revenue significantly varied from forecast a decision would be made whether to revise expenditure, whether to increase the FED." I might – I suppose I put this to Mr Kelly, but do you know if, if potential FED increases have modelled, modelled in the, in the benefit-cost ratio for the, for
10 Transmission Gully?

A. I'm not – I don't actually see any link between the FED levels and the, the – the economic evaluation manual has a process which values time, it values vehicle operating costs, so those things are – there's no direct link for those two to the FED or other –

15 Q. It would raise the vehicle operating costs, wouldn't it?

A. Potentially it would. Yes, that's right. And, and each – the costs are, are re-assessed every year. Update factors are, are published for vehicle operating cost, travel time cost, accident cost and the other various component unit costs of a, of a BCR. And so if, if the relevant, if
20 the relevant cost increased as a result of fuel excise duty, then, then that may well lead to a, to a change in fuel – in, in the vehicle operating costs, I suspect. My only hesitation around that is I'm – I don't have that document in front of me, but I, perhaps, could find out if you, if you particularly wanted to know. My recollection is that the various costs are
25 exclusive of, of all taxes, so they're – it may or may not include – I don't, I – I'm speculating there, Sir, as to whether or not an increase in the fuel excise duty would actually adjust the vehicle operating costs in the, in the economic evaluation manual, manual or not.

CHAIRPERSON JUDGE DWYER:

30 Perhaps ask Mr Copeland that –

MR BENNION:

Yes, yes.

CHAIRPERSON JUDGE DWYER:

– Mr Bennion. He might know.

5 CROSS-EXAMINATION CONTINUES: MR BENNION

Q. Can I move onto your, your rebuttal statement? And at paragraph 58 onwards you deal with Mr Ralph Chapman and the Rational Transport Society, and his discussion of, of greenhouse gases. If, if TGP is built – well, in the assessment of the wider economic benefits, has any assessment been done about the wider economic costs, which might include increased greenhouse gas emissions?

10

A. I've noted in my, in my evidence from paragraph 66 to, to 69 that greenhouse gases are implicitly included in the – sorry, explicitly included in the benefit-cost ratio calculations, and that was the point that was raised by NZTA counsel at the beginning of the day today.

15

1230

Q. Yes but you've just said that the BCR was sitting at 0.8.

A. That's correct.

Q. And that wider economic benefits were then assessed to move that out, so that's in addition to the BCR assessment, to move that out to 1.2 and possibly 1.4, have the possible costs of that wider – as well as the wider economic benefits have wider economic costs been considered, including greenhouse gas emissions?

20

A. As I said earlier I'm not actually familiar with the details of what the wider economic benefits of employment was the factor that changed the core assessment from 1.4 to 1.2. The core assessment was the one that's in accordance with the economic evaluation manual. Unfortunately I'm sorry I can't really answer whether, how that extra assessment was undertaken.

25

Q. All right. Is there someone I can ask about that?

30

A. There's not anybody who's scheduled to be a witness about it. Broadly speaking, because as I've outlined in my evidence, I don't actually think

it's a relevant matter for the Board, so it wasn't something that we had anticipated being enquired about.

MR HASSAN:

5 Assist the Board in whichever way the Board would like assistance.

CHAIRPERSON JUDGE DWYER:

We'll perhaps hear from Mr Bennion when we hear his submissions he might tell us why it's relevant for our considerations and we'll consider the position.

10

MR BENNION:

It's somewhat related to the –

CHAIRPERSON JUDGE DWYER:

15 I'm not convinced that it is at the moment I have to say to you Mr Bennion.

MR BENNION:

Yes if I can briefly explain Sir, some questions that I have for Mr Bailey as well about intentions around the freed up State Highway 1 and what might occur there, rezoning those sorts of matters.

20

CROSS-EXAMINATION CONTINUES: MR BENNION

Q. Can I then just finally come to the reply you made to Ms Warren and that starts, I'm looking here at paragraph 75. You talk about a two lane highway that was considered at the scheme assessment stage and two lane highway on the TGP route. Now you've given an assessment of 1200 vehicles an hour. Now I'm correct in looking at the attachment to your evidence, appendix A, that would be about 17,000 vehicles a day on the northern section and 19,000 vehicles a day on the southern section, is that right?

25

30 A. Yes the calculations outlined there are for specific, you know, single hour time periods but using the same kind of basic assumptions I suppose as are used in the regional model to, what's the right word, convert those three single hour time periods into an expected daily

figure. So those are set out near the top of that page, basic formula point 2, it uses a, you know, multiplies the AM peak hour by 1.55 and the inter peak by 11.06 blah, blah, blah. So that's, I guess, an estimated value of what an equivalent AADT would be relevant to those three peak hour figures that I've actually calculated.

5

Q. And those basic numbers compare to around about 22,300 I think using the northern section of Transmission Gully. So there's a difference of several thousand.

10

A. Probably more relevant is the comparison to the figures which are shown above, which is under the directional splits and so for example in the AM peak it says that the capacity is 1020 and in that higher figure opposite FD equals 0.85, for example it then says the directional split is 1645 in one direction and 487 in the other which says that the total volume is 2120 or 30ish, when you add those two numbers together and so that's saying relative to a theoretical capacity of 1020, the actual predicted traffic volume is 2100 and something or other. That's probably a more relevant comparison for that specific issue that was being addressed in this calculation. So effectively what that was saying then was that the capacity of a two lane road would be far too low to cater for the traffic volumes that would be expected to use the route.

15

20

Q. Sorry but when you say far too low, I'm trying to understand that in relation to vehicles per day, you've 17,000 and then 19,000 vehicles a day.

25

A. Yeah, so what I've tried to explain is that it's not the all day figure that's the relevant comparison, it's the – so it might be sufficient in the inter peak period for example where the capacity is 1200, that perhaps is sufficient to cater for the inter peak time period but during the morning and evening peaks it would be, in the example I just – I said, if you added 1645 to 487, it gives 2131, if my calculations are right 132, and compare that to 1020, you're saying that there's more than twice as much traffic would be trying to use the route in a morning peak as would the capacity that would be available.

30

Q. Who knows they might use the train.

RE-EXAMINATION: MR HASSAN

- 5 Q. Mr Nicholson, if I might take you in reverse order in terms of my questions just happen to be in that order. So – and the first is just to clarify something when Mr Jessup was asking you questions concerning the work that was done in the western corridor study and the comparisons of the Transmission Gully route and the coastal route, you recall that series of questions?
- A. Yes I do.
- 10 Q. And you struggled to recall where in your evidence you were discussing matters –
- A. I struggled considerably.
- 15 Q. Well it's understandable in this process at times but I could take you to your evidence-in-chief please. Now you did come back to this part of your evidence for a later part of answering questions. Now, I don't want to lead you on the topics but if you could look at paragraph 35 of your evidence and refresh your memory and let the Board know whether or not that's the place in your evidence you were trying to find. So just looking at that paragraph 35. Is that your reference for the other matters?
- 20 A. That's the paragraph I was searching unsuccessfully to find where I specifically was talking about the multi criteria analysis and the fact that the Transmission Gully project scored higher overall than all of the remaining criteria apart from cost, yes.
- 25 Q. Now I just want to ask a few questions in regard to questions from Kapiti Coast District Council and in particular you'll recall His Honour expressing some consternation about matters that are, if you like, not agreed or taken to this Board between the NZTA and KCDC. I want to ask you some questions about what occurred prior to lodgement of the application and if I could take you back to your rebuttal statement please, where you discuss these matters under standard paragraph 17, starting perhaps at paragraph 17, although it may start a bit earlier than that. If you go over the page, so is that discussion starting at 17 going over to 18 and 19 and so forth, is that a discussion of what occurred prior to lodgement in terms of discussions?
- 30

1240

CHAIRPERSON JUDGE DWYER:

I have read all those things Mr Hassan and I think somewhere Mr Nicholson
5 makes the point that the submission is the first time that this particular issue
came up, is that –

MR HASSAN:

Yes Sir.

10 **RE-EXAMINATION CONTINUES: MR HASSAN**

Q. So the question I'd like to ask on that Sir, just on that basis, assuming
that to be your evidence, can you let the Board know whether or not, at
that stage Kapiti Coast District Council gave the NZTA any indication
that it was seeking a local road?

15 A. No prior to the lodgement of the application documents we certainly had
never been aware of any concerns that the Council had raised. There
had been numerous discussions at various levels and I note, for
example, even the day before the public notification which happened on
Saturday the 17th of September, I attended an executive advisory, EAG
20 group meeting at which the Chief Executive of Kapiti Council said then
something along the lines of, "We've got no concerns about the
Transmission Gully project". So I was somewhat puzzled and –

CHAIRPERSON JUDGE DWYER:

25 Can I interrupt you there Mr Nicholson. Mr Hassan we understand all those
things and we think that might be colouring where this discussion has been
going because it seems to me, for example, there do seem to be some
inherent benefits in not putting that sort of local traffic onto the motorway and
off it again and there may be some merit in KCDC's position but we're
30 reluctant to make findings on it in view of what the consequences might be in
technical terms as to how you go about doing it and things like that but we're,
well I'm concerned that the manner in which this has come before the Board
might be colouring in some way the response that the proposition is receiving

and I would like to see some sensible detailed discussion so that we understand if it is feasible what the consequences are and things of that nature and I think Mr Nicholson accepted today in response to an question from Mr Conway that the bypass road or whatever you might like to call it, local road, could be accommodated within the designation. I understood the motorway or the expressway has been designed to be three lanes in this particular area, three lanes each way to accommodate the local traffic that has to come off and on. So there seemed to be some room for tradings and accommodations and things of that nature which is not happening where people are arguing in front of us and I'm not sure we're going to solve it either and I can also understand KCDC saying well, you know, and Mr Nicholson's given assurances that we'll talk about these things but ultimately if NZTA says well, at the end of the talking, well that's the position, that's it, we can't do anything about that and we wonder if this is something that shouldn't be solved and could be solved by appropriate discussion now.

MR HASSAN:

And certainly the agency hears that Sir. I was just wanting to make sure there was no lack of clarity but I understand Your Honour has made that clear that there isn't in terms of the lead up to the project being developed.

CHAIRPERSON JUDGE DWYER:

We understand that and we wonder if that's not the cause of some toe digging in or – to put it bluntly but can we move past that and see if there is a solution that can be reached now.

MR HASSAN:

Yes Sir, well my understanding is obviously that it isn't toe digging but on the other hand also appreciate the Board is keen to know –

CHAIRPERSON JUDGE DWYER:

Well it creates that impression.

MR HASSAN:

Yes.

CHAIRPERSON JUDGE DWYER:

5 Evidence of the nature as to discussions that you had the day before submissions came in and that sort of gives the view that that might be the case.

MR HASSAN:

10 Yes Sir, it's noted as an issue which the Board has. Now Sir –

CHAIRPERSON JUDGE DWYER:

Look I'd quite like to deal with this particular issue by saying can there be some further discussions before Mr Wignall gives his evidence on that point to
15 see if there is some other – and I realise that there have been discussions with Mr Wignall.

MR HASSAN:

Yes Sir.

20

CHAIRPERSON JUDGE DWYER:

To see if this is solvable so that we can, I mean, as I say it seems to me that there is a certain amount of sense in the KCDC's position of not wanting to put that traffic onto a freeway but I could well be wrong.

25

MR HASSAN:

Yes Sir and obviously – and the Board will find value I think in questioning the technical witnesses on the matters in terms of project design.

30 **CHAIRPERSON JUDGE DWYER:**

There maybe – I think there will be some questions of them and perhaps I – but I would like perhaps to suggest that some further discussion takes place between KCDC representatives and NZTA to see if this can't be resolved now.

MR CONWAY:

The Council initiated and had some discussions last week along those very lines. I'd certainly be happy to recommend that they have some further
5 discussions during the hearing if they –

CHAIRPERSON JUDGE DWYER:

Well it might not solve it but the Council does appear to have raised it very late in the piece but let's look past that and see if there is a practical solution.
10

MR HASSAN:

Thank you Sir and I take that direction for my client to consider. I understand it's not a question of whose project it is, it's a question of there's an issue, are there options for it.

15 RE-EXAMINATION CONTINUES: MR HASSAN

Q. Now Mr Nicholson just on another related matter, not a related matter, but just to a point of clarification in regard to your questioning from my friend Mr Conway on conditions, can you just clarify for the Board when it would be anticipated, assuming the project is commenced to
20 construction in 2015, when it would be anticipated that any consideration would be given to revocation of the state highway status along the section of state highway in interest? What approximate date would that be?

A. In general we found the best time to undertake those discussions is sort of two or three years before a new road opens because it gives plenty of
25 time for discussions with the communities about what their preference and ideas are but it doesn't leave so much time that those preferences and ideas change over the intervening period before the road actually comes to be opened and it also seems then to be the most appropriate
30 time to talk about – one of the key issues around revocation is around maintenance issues and any, I guess, potential for residual liabilities, maintenance liabilities that might pass from NZTA to the local authority and those are far easier to be assessed close to the time that the

process actually would be undertaken, than they might be sort of now, 10 years in advance or something like that.

5 Q. Now just coming to another topic and questions from my friend Ms Bradley on behalf of the director general of Conservation and in respect of which you were asked a number of questions on the draft strategy and action plan for Porirua Harbour. Do you have that copy handy to you?

A. Yes I do.

10 Q. Now just in terms of orientation to the document again, on the forward page which Ms Bradley referred to you to, there are the various logos of the organisations and you see there's four organisations and underneath, which there's a line and the Transport Agency's in there alongside the Department of Conservation isn't it?

A. Right.

15 Q. Now just looking above that line, so the four agencies above that line are Porirua, Wellington City, the Regional Council and Te Runanga O Toa Rangatira or Ngati Toa, so if we go to page, the pages are a bit difficult here, they're not paginated I don't think. If you could go into the document please, four pages and there's a heading, 20 "The Porirua Harbour plus Catchment Strategy and Action Plan". Can you tell me when you've found that main heading please.

A. At page 6, the bottom left-hand corner?

Q. Yes. Have you got that, it's got, "Draft, The Porirua Harbour plus Catchment Strategy and Action Plan"?

25 A. Yes.

1250

30 Q. So those – is, is there any significance you see there in the, in the bold area in terms of whose plan it is? Is it, for instance, the Transport Agency's plan? Or is it a plan of other agencies that have been listed on the front page? I can probably lead you on that.

CHAIRPERSON JUDGE DWYER:

Just about answer it as well, but...

RE-EXAMINATION CONTINUES: MR HASSAN

A. Certainly my understanding is that it's, it's a document of those, of those four lead agencies, but that, that, that – Department of Conservation and, and the, the various others, including ourselves, were involved in various meetings and workshops and so on during the development of the, of the, of the strategy. And I, I'm not sure I could really comment exactly on what role or, or function it has to our organisation, but, but certainly, you know, we've been aware of the development of that strategy and, you know, and are, and are comfortable as a, as a study partner or whatever the, whatever the, the significance of the lower group of, of organisations is.

Q. Now, Ms Bradley didn't take you to the action plan section itself at page 14 and 15. Could you go to that section please?

A. Certainly. Yes.

Q. Now, the Transport Agency's mentioned there in one respect, isn't it? At SA16 in the chart on the right-hand side, under education. The last time.

A. Yes, that's right.

Q. Do you have any comment from the point of view of the Agency as to its position on the action plan items listed in that section?

A. The education section, do you mean, or the whole...

Q. Well, can you just comment on what the Transport Agency's position is on, in regard to the intended action plan and participation in that?

A. The, the –

25 CHAIRPERSON JUDGE DWYER:

Are you referring to SA16 in particular?

MR HASSAN:

And – referring to SA16 in particular.

RE-EXAMINATION CONTINUES: MR HASSAN

30 A. Well, that's right there. The NZTA has been working on developing an erosion sediment control standard for state highway projects, so I think

it's entirely appropriate that that's, you know, included there as, as one of the, the relevant factors for, for action as part of this document. I've no, I guess, particular comment other than that.

QUESTIONS FROM BOARD MEMBER MITCHELL:

5 Q. Just following on – just a quick question on the revocation process on the existing state highway. Are there any limits as to what level of work can be done as part of that revocation process? I know it looks at, at maintenance and safety issues, but if the community came up with a strategy for improvements along that, the existing coastal route, is that something that could be included in the, effectively, the NZTA works associated?

10

A. Well, I mean the, the NZTA's policy, I suppose, on it is that, is that we would look at whatever works are necessary from a maintenance perspective to, to, to hand the, the asset, if you like, over in a fit and proper state from an asset management perspective, and, as you also alluded to, the safety perspective of, of whatever that might encompass, to make sure that the project was – sorry, the residual road that would become a local road would then be fit for purpose from a, a safety perspective. I'm not aware that – I'm not aware of any other project of, of other projects where we've sort of gone beyond that brief to also deliver other works along, you know, beyond, beyond that, that scope. We regard that as being then – if the local council and/or communities wanted to further develop that, that road in some different way, whatever that might be, then we would then that – we would see that as then being a local responsibility to, you know, to develop that project and to – potentially they could seek funding from the NZTA in the normal, in the normal way that, that local authorities do for their projects, but that it wouldn't then be a, a sort of NZTA responsibility, no.

15

20

25

Q. Okay. Thank you. Turning to the, I guess, the northern link and our local road that we've been talking about. Now, in reading various pieces of evidence there's clearly been some issues raised in some of the safety audit work that's been done –

30

A. Yes.

Q. – in terms of that merge and weave area, but I haven't seen the audit itself or the, the decision process, I guess, that NZTA went through to get to that position. Are we able to get copies of the, the safety audit and decision tracking forms?

5 A. Certainly. That's, that's fine. There's no, no trouble to provide that. I know we provided the relevant sections to, to Kapiti Coast Council because they wanted to, to review those. There's quite a lot of relevant information in there and, I guess, one of the concerns I didn't raise earlier when Mr Conway was asking me questions but which is related
10 to that safety audit process is a, a significant concern that the auditors raised, that we didn't put traffic back across the, the old level crossing that used to be State Highway 1 and which Mr Wignall's proposal most likely would do and so that's, again, one of the concerns that the Agency has about that, about that. But, but the short answer is, yes, we're more
15 than happy to, to find those safety audit documents and provide them.

BOARD MEMBER MITCHELL:

Mr Hassan or Ms McIndoe, can you arrange for that to come in?

MR HASSAN:

Yes, absolutely, Sir. We'll arrange for that and get it in as soon as we can.

20 **BOARD MEMBER MITCHELL:**

If you can show it to other counsel then hopefully it can just come in by consent as an exhibit.

QUESTIONS FROM BOARD MEMBER MITCHELL CONTINUE:

Q. In counsel's opening and para 280, it was noted there that the main
25 alignment route was specifically designed so as to preserve the World War II brick storage bunker. Now, I understand that the, I guess, the design philosophy at that, at the, at this stage, was to look at the route unencumbered of the existing designation and to minimise the environmental impacts. Do you know if there's any trade-off, perhaps is
30 the best way of putting it, between keeping the brick storage fuel tank

but in fact creating more impacts on any streams nearby? I'm thinking particularly where it comes up the Wainui Saddle and over into that Te Puka Stream at the top.

- 5 A. The, the change that was made – Mr Edwards can probably address that in more detail than I can, but the change that was made was that we, we had, I guess, previously not necessarily recognised the, the cultural heritage of that, of that storage tank and so the understanding had been that, that bridging over the top of it would be an acceptable solution, and it was only subsequently that it was identified by
- 10 Mr Bowman, I guess, or others that it would be better to try to avoid it completely. So the alignment was moved further to the east. So that, that, that has probably – my perception would be, if anything, less impact on the Wainui – on the Te Puka Stream because it's moving further – it was – it moved further away from the Te Puka Stream in that
- 15 area. But, again, I guess, other, you know, expert witnesses probably would be better able to, to comment on that. The only area that I'm aware of where there was perhaps a greater impact was the property take, if you like, or the land, the, the land requirement on the eastern side. It extended slightly further.

20 **QUESTIONS FROM BOARD MEMBER HOWIE:**

- Q. In your rebuttal evidence, at paragraph 68, you, discussing the BCR calculations and the carbon dioxide contribution cost contribution to that, and I take it the analyses with the Transmission Gully project or without it.
- 25 A. That's correct, yes.
- Q. And the end result indicates a positive benefit –
- A. Yes.
- Q. – in terms of CO2 matters. And is that a measure of the efficiency of this, this project compared with doing nothing?
- 30 A. I'm not sure – I think it would probably be a long bow to draw to, to reach that conclusion. I mean, I guess, in that particular context the, the, the contribution that the project makes to carbon dioxide based on that economic evaluation is a positive one, not a negative one, so that,

you know, I, I, I would conclude and I have concluded that, that's a, a positive outcome rather than a negative one. But I'm not sure I would – no, I'd – well, I don't think I probably would take that as far as saying it was an overall efficiency assessment for the project.

5 1300

Q. Okay, thank you. And one other matter is connected with Mr and Mr Senadeera –

A. Yes.

Q. – in Little Collins Avenue –

10 A. Yes.

Q. And shortly before leaving home and coming to this hearing I received an email which had attached to it a plan showing some detail of what was proposed opposite Mrs Senadeera's property right?

A. Yes.

15 Q. Are you able to enlighten me as to what that was all about?

A. Certainly. It might help if we put up a plan of that southern part of the project and I can perhaps stand up and point to it.

Q. It would certainly help me.

20 **UNKNOWN MALE SPEAKER:**

Your Honour if I could just explain that that plan will come in through Mr Edwards' evidence but by all means, just with that indication, it's intended to be put in through Mr Edwards' evidence if that's of help but certainly –

25 **BOARD MEMBER HOWIE:**

Well there's no need to explain to me now as long as it's going to pop up somewhere in the process and we'll be able to understand that, or at least I will.

30 **WITNESS:**

Well maybe I can just talk to it, and that, if it's helpful to do that now. Because of the sort of –

CHAIRPERSON JUDGE DWYER:

Put it up and we'll have a look at it now for all its...

DISCUSSION – VISIBILITY

5

UNKNOWN MALE SPEAKER:

There is a better, far set of plans in Mr Nicholson's evidence which are, I wonder –

10 **CHAIRPERSON JUDGE DWYER:**

Mr Edwards' evidence?

UNKNOWN MALE SPEAKER:

Yes Sir. It's coming in Sir.

15

CHAIRPERSON JUDGE DWYER:

Let's perhaps, we won't deal with it now, we'll see if we get – what sort of answers we get.

20 **UNKNOWN MALE SPEAKER:**

Perhaps try to help over lunch to try to...

QUESTIONS FROM BOARD MEMBER HOWIE CONTINUE:

25 A. I mean, I can explain I hope in a very simply sense which is that because the two roads kind of come together like this, if you move that merge point further up, further north, then the impact on that side is less so it moves, the road moves further away from – so Mrs Senadeera's property down here, I'm moving the merge point further north, it moves the, it moves the, has the effect of moving the project further away so that's in essence what Mr Edwards will be able to explain in far more
30 detail in sensible terms.

Q. And is the plan we saw, just before starting the hearing, include this moving the diverge as you could put – further north. Does it, is that, is it based on that?

A. I'm not, I have to admit I don't quite know what the plan is you saw but as I understand it there were two plans, one which had the project as it was configured at the time all of the expert assessments were done –

Q. Yes.

5 A. – and then shortly after that our discussions with Mrs Senadeera as she raised her concerns and so Mr Edwards looked at a way to make minor modifications that would move the road slightly further away from her and so that was what that plan then reflected was showing an increase in the separation distance from her property to the closest point on the
10 road. But because that wasn't the basis of all the detailed technical assessment work that, that second plan if you like, hasn't been, what's the right term – formally included as part of the application but essentially our intention is as part of the detailed design, that that would be the configuration that we'd look to –

15 Q. Mhm.

A. – to implement. And it's, I mean it is a very minor change.

Q. But not to Mrs Senadeera though perhaps?

A. No, sorry from a sense, from the agency's perspective it's a minor change and we're more than happy to make that change to reduce the
20 effect on her property and I've had numerous discussions with Mrs Senadeera about these issues and she and I have agreed that that's what we'll do with regard to that plan.

Q. Okay, thanks very much Mr Nicholson, thank you Sir.

QUESTIONS FROM BOARD MEMBER PAINE – NIL

25 QUESTIONS FROM DEPUTY CHAIRPERSON McMAHON:

Q. They're very brief questions Mr Nicholson and they're in fact follow ups from Mr Mitchell and the Judge earlier. The first is this issue of the revocation process. Thank you for the explanation of that process. My understanding of what you said was that there's a heavy focus on
30 maintenance and residual type matters in that process in relation to the handing over of the project and that some of the enhancements that

Mr Conway was referring to, for example, might go beyond that process, is that a fair summation of what you were saying?

5 A. I think that's fair, yes certainly historically the process was really solely focused on maintenance issues and asset management and therefore not handing over an asset liability that then required, you know, substantial investment from the local authority –

Q. Yes. And I –

A. – more recently.

Q. Sorry. Carry on.

10 A. More recently the NZTA's policies, I guess, shifted somewhat to make sure that process also encompasses any safety issues that might be, that might arise from the change of form and function of that road –

Q. Yes.

15 A. – and so that would also be, now in our you know current expectations, so any safety issues that arise from those changes in the form and function of the road we would also address as part of that revocation process.

20 Q. Yes and from what I understand from what Mr Conway was saying, he was seeking some sort of formal linkage between the Transmission Gully Project and those sort of works, whether they be maintenance, safety or more environmental enhancement type works and what I heard you say was that that would happen in due course and you didn't see a need for a condition to that effect but you weren't opposed to that condition, is that again a fair reflection of what you were saying?

25 A. Yes, broadly speaking that's right.

Q. Yes.

30 A. I guess upon some reflection during the interval while I was not allowed to talk to anyone, I did look back at my evidence and I noted that, well my rebuttal evidence in fact, that in paragraph 32 of my rebuttal evidence I did talk about this, it's a little bit out of context in that essentially what I was talking about there was our view, that rather than the NZTA dictating what the future form and function of that road should

be and then handing it over in that form, we think it's more appropriate for the councils and their communities to lead that –

Q. Yes.

5 A. – that process, so the reason why I was saying at the end of that paragraph that I don't, didn't think it was appropriate the proposed, the condition that Mr Wignall was proposing was that he was specifically saying works at the Beach Road intersection in Paekakariki and so if I can hopefully clarify and not just confuse matters, I – the NZTA's more than happy that that if there are any safety implications of the revocation, that those should be considered. Firstly if there are effects of the project, then naturally they should be assessed as part of the effects of the project and they should be mitigated and then secondly, if there are then residual effects arising solely from the revocation process, then we agree, I again, we would see, I would see that that should be work that the NZTA would undertake. To my mind and I guess this is as a not independent traffic expert but a person who has a traffic engineering background, I don't understand the rationale for suggesting that there will be adverse effects at the Beach Road intersection in Paekakariki when the effect of the project is to take away 20 80 or 90% of the traffic and the primary difficulty of that intersection is the absence of suitable gaps that people can turn into and so when you take away most of the traffic, you free up –

Q. Yes.

25 A. – a vast number of suitable gaps that people can take, so I have considerable difficulty with that link to that single intersection but the general concept I am very comfortable with.

Q. I appreciate your response in detail was, my question was more at a high level about whether there was a linkage between, whether there should be a formal linkage between the T Gull Project, should it be approved and the sort of works that fall into the safety, remediation and enhancement category.

30

1310

A. And I think your first question was right and sorry if I didn't answer it, I don't think that's really necessary because I think it's a normal part of

the process but I don't have any fundamental objection to it because it's part of the normal process.

5 Q. Do you think there's some encouragement for that sort of linkage in relation to the fourth objective of the work for this project which is to assist the integration of the land transport system by enabling the existing state highway to be developed into a safe and multi-function alternative to the proposed link? That fourth objective of the work by the agency seemed to focus solely on the existing State Highway 1 where the remaining – the first three focus on the new T Gull route and I'm just wondering whether that provides a statutory basis from a policy perspective for formalising a linkage?

10 A. I'm sure that Ms Rickard and others will probably be able to better answer your questions around –

15 Q. Well I'll certainly put that question but from a project management and policy perspective in your role?

20 A. The intention at the time that that objective was set, I guess was to, well firstly was to reflect the outcomes from the western corridor study and plan process which had identified that as - one of the key outcomes that would be of benefit from Transmission Gully project would be that it would enable the coastal route to be returned to the communities and so it was framed in the way of an enabling objective, so that it, yeah, to make it clear that that was one of the benefits that were seen or the ideas that were seen to be able to come from the project would be to enable that to happen, to contrast is suppose upgrading the coastal route which by definition then wouldn't allow the coastal route to be developed into something different.

25 Q. Can I just ask that in a different way, how would the Board have some certainty that that enabling object would be given effect to in the absence of a condition as suggested by Mr Conway and Mr Wignall?

30 A. I mean my perception or my view, I suppose, is that simply by its nature the removal of traffic is the thing that enables that to happen but I think perhaps again Ms Rickard might be better able to talk to the subtlety.

Q. We certainly saw situations in our site visit where the removal of traffic from road that have been revoked had led to overgrown vegetation. In

fact the roads weren't used at all and I'm certainly not suggesting that's the case at all here but certainly in relation to the enhancement components of, you know, particularly developing safe and multi-functional alternatives, I just wondered whether that linkage
5 needed to be more certain and more stronger and I'm happy for Ms Rickard to pick up on that. Final question I had and again it's an issue that's raised by the Judge in particular, that's the local road issue raised by Mr Conway and quite clearly there's been a direction given to see whether this matter can be resolved and put to us. What I'm
10 interested in is if it is resolved how might that solution be delivered and it's probably not a question for you but Mr Hassan, I guess, what I'm signalling is if there is a potential solution and I accept that there might be a scope issue given whose work it might be but if it became a work of the agency, this local road, we've heard from Mr Nicholson that it's
15 possible that the road could be accommodated within the designation corridor. What would be the process, once design had been completed, for incorporating that road into the project? Would it be the outline process that you and Ms McIndoe and Ms Rickard are going to refer to or is it something further that we're not aware of? I mean Mr Conway
20 expressed or explored the issue of future resource consents with Mr Nicholson but didn't touch on the outline plan process as a means of perhaps furthering that.

CHAIRPERSON JUDGE DWYER:

25 Don't try and answer that now because we might take lunch.

DEPUTY CHAIRPERSON McMAHON

Yes, I just wanted to signal that that's the next question that I have depending on what your client comes back with after discussions between Mr Wignall
30 and Mr Nicholson.

MR HASSAN:

Well I've said it to my counsel Mr Conway that we'll have a bit of a chat over the lunch break to work out a process.

QUESTIONS FROM CHAIRPERSON JUDGE DWYER:

Q. I have got one more thing and I'm conscious of where we are timewise, but Mr Nicholson you answered some questions from Mr Bennion about the alternative that's apparently been floated about the two lane replacement highway, one lane each way for TGP and you talked about the hourly peak demand, as I understood it, of about 2100 vehicles per hour.

5

A. Yes.

Q. Are you able, over the lunch hour, to calculate what, if there's any increase in that peak demand or what happens to that if the coastal highway was closed, for example? Is it possible to calculate what that does to the –

10

A. I assume you mean closed by an accident or a slip or something?

Q. No by a slip. Say it was closed for a period of time, that's one of the reasons for putting – what does that then do to that figure you've given us?

15

A. I mean in broad terms I can probably answer that right now. Would you like a – you'd like detailed numbers?

Q. Yes and I've got no problem if you need to talk to someone else about that and you may be able to do it yourself. It's a quite specific question. Let's assume there's a tsunami or a slip or something and the road's closed or an earthquake, it's closed for a number of months, what that does. We won't do it now, we'll take the break. We'll come back to it straight after lunch.

20

25

CHAIRPERSON JUDGE DWYER:

I can just say to counsel we're in day two or day one and a half and we are a mile behind our timetable, so people are going to have to sharpen up on cross-examination and really get pertinent please.

30

COURT ADJOURNS: 1.16 PM

COURT RESUMES: 2.15 PM**QUESTIONS FROM CHAIRPERSON JUDGE DWYER CONTINUE:**

Q. Do you remember what I asked you before lunch?

5 A. I think I do, Sir. You were asking me if I could provide a comparable number to the number that I talked about in my analysis of the, of the actual expected traffic volume relative to if, if the coastal route was closed.

Q. If the coastal route was out. Yes.

10 A. So I think the relevant, the relevant diagram to refer to for traffic volumes would be figure 4.13 in Technical Report 4, which is part of volume 3, volume 3, folder 1. It's a, it's a page that doesn't have a page number on it, but it comes immediately after – page 59 is on the left-hand side and it's a page on the right-hand side. Figure 4.13.

Q. Now, 4.13. Oh, yes. Yes, "Traffic Flow Data"?

15 A. That's it, yes.

Q. 226 with Transmission Gully.

20 A. Yes, that's it. So, so in that earlier analysis that I did, those were numbers that were based on the traffic modelling that, that was – that existed at the time of assessment that was done then. So that was 2008. There have obviously been some changes to traffic numbers and things. So these are the, obviously, the latest numbers. So in the, in the morning peak, the AM peak, those are the green line, which is the sort of third, the third line down in each of the boxes.

Q. Yes.

25 A. So, for example, in the northern section, south of Paekakariki but north of Pukerua Bay, if you like, on Transmission Gully, the volumes are 1490 southbound and 530 northbound. So that adds up to 2020. And the volume on the coastal route –

Q. Which, which box is that again?

30 A. It's just above where it says legend. Over on the right-hand side there's a...

Q. Yes. I see, yes. Sorry, I was looking at the wrong box.

A. Sir, the, those, those two boxes there that I'm pointing to are the ones I'm –

Q. Yes. No, no I've got that.

5 A. – referring to on that page. So in the morning peak, the AM peak, the number on Transmission Gully southbound, 1490, plus northbound, 530, so that gives you 2020. The comparable number on the coastal route is 230 southbound plus 90 northbound.

Q. Yes, I see that.

A. Which is 320. So, adding those two numbers together you get 2340.

10 Q. Yes.

A. So that would be the, the comparable number, essentially, to compare against the, the capacity, which I think, from memory, we calculated was 1020. I calculated was 1020. Similarly, the same, you know, further down in those same box, the bottom line, the red line, is the PM peak.

15 Q. Yes.

A. Those – all of those same equivalent four numbers add up to 2300 and, and in the inter-peak period, which are the black line second to the bottom –

Q. Yes.

20 A. – so between the AM peak and the inter-peak, 570 plus 570 on TG and 60 plus 100, 100 – so all of those add up to 1300, and so, referring back to my – to the original statement that is attached to my, to my evidence even in that, in that inter peak period the theoretical capacity in that northern section was 1210. So even in the inter peak period the actual
25 combined volume would be slightly above that capacity.

1420

FURTHER QUESTIONS FROM BOARD MEMBER HOWIE:

30 Q. Just on the same issue, I didn't understand it quite. If you look at Transmission Gully just above the legend.

A. Yes.

Q. The AADT both ways is 22,300 is that right?

A. Yes, that's right, yeah.

Q. And at the same time the traffic on the coastal route, AADT, is 3090, is that right?

A. Yes.

Q. And that's in the future with both roads operating?

5 A. Correct, yes.

MR HASSAN:

Sir, just one other matter, I have no idea what the witness wants to clarify because I didn't ask him the detail of it but he asked me the question, "In
10 principle, if I needed to clarify anything with the Board can I do so?"

FURTHER QUESTIONS FROM CHAIRPERSON JUDGE DWYER:

Q. Yes, all right, that's fine. Is there something you want to clarify Mr Nicholson?

15 A. Yes it was just in relation to, now I've misplaced it, where is it? Oh there it is. The report that Mr Jessup was referring to and which he referred me to.

Q. Yes.

A. I'm not entirely sure whether it was clear or unclear.

20 Q. That's the western corridor transportation study?

A. That's right, the report to the RLTC.

Q. Yes.

A. August 2005.

Q. Yes.

25 A. At the time I know that I commented that it did look indeed like one of the reports from the study and that still is the case. I just wanted to perhaps clarify that. These reports in these formats were produced by the study team which was predominantly a consultant, Maunsell Group, on behalf of Transit and Greater Wellington. It wasn't actually a – and
30 so it was a process that was in chain I suppose you'd say. It wasn't actually a final outcome from the study. This was – the date here was on the way towards public consultation on the, at that time the draft western corridor plan and so I guess I just wanted to clarify that it wasn't an NZ – a Transit New Zealand –

Q. Well look either yourself or counsel if there's a further document that is of any significance in terms of being different in some way, that's relevant that can be drawn to our attention later.

5 A. No, I didn't mean to imply that there's something different or contrary Sir.

Q. No.

A. Simply that it was a report from the study consultant, not actually a report from Transit New Zealand, albeit it had our logo on it as one of the clients for the study.

10 Q. That's fine.

WITNESS EXCUSED

MR HASSAN CALLS**MIRIA LOUISE WOODBINE POMARE (SWORN) (1423)**

Q. And your full name is Miria Louise Woodbine Pomare?

A. Yes it is.

5

MIHI**EXAMINATION CONTINUES: MR HASSAN**

Q. Kia ora Ms Pomare. Now just before I ask you to confirm your evidence, there's only a single statement dated the
10 17th of November 2011?

A. Yes.

Q. Now were you present in Court this morning when Mr Jessup was asking questions of Mr Nicholson?

A. Yes I was.

15 Q. Now one of the topics that was traversed there was the cost benefit analysis undertaken on comparing the project with the coastal route.

A. Yes.

Q. Do you have any comment from your perspective?

A. Yes, thank you sir, I do have a comment to make in relation to that. If I
20 can refer you to paragraph 88 of my evidence, I refer there to the benefits – and I refer there to some of the positive effects of the mitigation intended as part of the project and in particular I note the extensive areas of land proposed for retirement and re-vegetation which undoubtedly reduce sediment discharge to freshwater and marine
25 environments over the longer term and other long term benefits including the creation of corridors of riparian communities and stream inhabit of increased value particularly in relation to the Horokiri Stream but what I failed to include in there which is a very significant benefit from Ngati Toa's point of view is the alleviation of increasing traffic
30 volumes along the coastal route as a result of the building of Transmission Gully and the elimination of the need for upgrading the coastal highway which would require the damage or destruction of numerous sites of cultural significance, including Wahi Tapu, along that

route, particularly in the vicinity of Ngati Toa domain and also along Centennial Highway and in all likelihood if reclamation was involved there, the insignificant Mahinga Mataitai could also be destroyed. So I really just wanted to say that from a cultural perspective the coastal route simply isn't sustainable and so in our view Transmission Gully offers significant benefits in comparison to the coastal route where cultural matters are concerned.

5

Q. Ms Pomare, are there any corrections you need to make to your evidence?

10 A. No, not that I'm aware of.

CHAIRPERSON JUDGE DWYER:

Well in light of what Ms Pomare has just said I'm not sure if – it goes beyond her brief I think in quite a significant way. So it may be that other counsel have some questions.

15

CROSS-EXAMINATION: MR BENNION

Q. So Ms Pomare are you familiar with the package of measures that are intended for the coastal highway if Transmission Gully proceeds, the changes that might be made to the road network from Linden?

20 A. No, I'm not familiar with that package of measures.

Q. Would it be important to you that the – if there are lower traffic levels through from Linden to MacKay's Crossing that there was some mechanism to ensure that those lower traffic levels were maintained and not somehow increased through other developments?

25 A. Yes I understand what you're saying and obviously from a safety point of view I'm sure that Ngati Toa would be concerned to ensure that those measures were in place.

1430

QUESTIONS FROM BOARD MEMBER MITCHELL – NIL

30 **QUESTIONS FROM BOARD MEMBER PAINE:**

Q. Just one question, your evidence was lodged on the 17th.

A. Yes.

Q. So are you still quite happy with the measures and the agreements that you've made with the applicant?

5 A. Yes, I am aware that there have been a number of conditions added to both the notice of requirement and the resource consent application in relation particularly to the ecological effects and the erosion and sedimentation and we support all of those additional conditions because we believe that they will strengthen the mitigation measures that are being proposed.

10 **QUESTIONS FROM BOARD MEMBER McMAHON:**

Q. I just wanted to check, have you been involved in any of the expert caucusing or conference that's occurred on those conditions?

A. No I haven't.

Q. No, I didn't think you had.

15 **QUESTIONS FROM CHAIRPERSON JUDGE DWYER – NIL**

WITNESS EXCUSED

MR HASSAN CALLS**PETER ARNOLD BAILLEY (SWORN) (1431)**

5 Q. Your full name is Peter Arnold Bailley, you're the general manager, Asset Management and Operations at Porirua City Council and have the responsibilities set out in your evidence-in-chief, is that correct?

A. That's correct.

Q. There are two statements of evidence that you've prepared, your evidence-in-chief of the 15th of November and statement of rebuttal of the 18th of November, is that correct?

10 A. That's correct.

Q. Since writing your rebuttal evidence there was a supplementary 42A report prepared by Mr Kyles, have you had a chance to consider that report?

A. Yes I have.

15 Q. Now at page 8 and at, I think pages 8 and 50 he refers to a condition requiring monitoring of the Kenepuru Link. Are you aware of that?

A. I'm aware of that statement in the document, page 8.

Q. Do you have any position on it?

20 A. In my rebuttal evidence, paragraph 12, I spoke about that matter and I think after seeing the part 2 of section 42 report I thought maybe I should add some further information to what I put in the rebuttal evidence. There were three aspects I see in regards to a condition for monitoring the traffic on Kenepuru Road. As I said there in paragraph 12 primarily it's a core business of Council to be monitoring traffic volumes and congestion levels around its network. The second issue that I see that I hadn't put in there is that I would expect, bearing in mind the implementation of Transmission Gully is 10 years away or more, that the city would expect to see growth in the Broken Hill industrial area. There's a number of empty sections that we'd see
25
30 occupied there over that period.

CHAIRPERSON JUDGE DWYER:

Q. Where's Broken Hill? Is that where the off-ramp is going to come into –

A. No sorry.

Q. – where the Bowlarama or whatever it was we saw?

A. No, Broken Hill is a major industrial area running off Raiha Street. So it's about 200 metres up from the Kenepuru intersection so it attracts quite a lot of commercial industrial traffic. There is also the hospital site which is a very large site which we expect in 10 years time will start to be redeveloped, the old Porirua Hospital site and there is also significant developments that are happening or would be expected to happen in the Elsdon industrial area. So – and any other changes to intersections around the city are likely to affect flows at that intersection. So the traffic coming from Transmission Gully would probably be overshadowed by those changes, particularly in 10 years time. The third aspect of it is the traffic that moves –

Q. Just hang on Mr Bailey I just want to get that last answer. So the traffic coming from Transmission Gully will be overshadowed, did you say, by the newly generated traffic you're talking about?

A. Yes, it's likely to have a significant effect on it.

Q. Yes and your third matter?

A. Third point is that the traffic that comes to that intersection from Transmission Gully is largely a transfer from traffic that's existingly exiting at Mungavin which is an intersection where we have quite a large level of congestion at present. So really we're moving that traffic down to the Kenepuru connection to Transmission Gully and the Council sees that as quite a benefit that it's relieving the traffic load at Mungavin Interchange.

25 **EXAMINATION CONTINUES: MR HASSAN**

Q. Mr Bailey finally, your evidence-in-chief refers to various responses to submissions, including land owner submissions and your rebuttal evidence also makes further responses in regard to submissions. In regard to land owner submissions, is there any update you wish to give the Board?

A. Yes I'd like to update the Board that at the time of writing I thought that David Bradford representing Whitby Coastal Estates was satisfied with the process that we were running with the designation across his land. I

had prior to writing this, had discussions with him about the principle that we would designate a route across his land, as I've said there and that we were prepared to refine that as he refined his subdivisional plans. He said at the time he wasn't interested in developing the detail of his subdivision further because it could be some five or six years before he needed that and he wanted that subdivision to match the commercial environment at the time. So he was marketing sections for that. Since writing that he's made me aware that he is unhappy with that now, in that he feels that time is running out and timeframe awaiting to develop that area, he is wanting to come to some other settlement with Council. I assure you that, to the Board, that as I've said in my evidence Council will continue to discuss and negotiate with him to see if we can reach some settlement that's suitable for both parties.

15 **CHAIRPERSON JUDGE DWYER:**

Q. Are you likely to do that and have it signed off before we conclude this hearing?

A. I would like to do that but I -

Q. He was here this morning I thought, but yes he's gone.

20 A. I would like to say we could do that but I think in practicality that would be an unrealistic undertaking.

Q. Presumably any settlement would have to be formalised in some way?

A. Yes, that's right with resolution by Council and really the issues I see are more about settlement in terms of land purchase and – which are a Public Works Act activity, although we won't hold back, we'll progress those as we can.

25

EXAMINATION CONTINUES: MR HASSAN

Q. Subject to those additional comments, are there any corrections you wish to make to your evidence?

30 A. No there are not.

CROSS-EXAMINATION: MR BENNION

1440

5 Q. So my questions just have to do with the reductions in traffic that are anticipated from Transmission Gully and whether the benefits of that will accrue as is being suggested. Can I just understand first of all that when I read traffic report 4, the technical traffic report, that sets out a package of measures doesn't it that would be applied to, what we'll call the Coastal Highway, from Linden through to MacKays Crossing, around the cost; are you familiar with those changes?

10 A. I'm not familiar in the final set of changes that are in there. I had discussions with representatives from NZTA and my staff had further discussions with them about the concepts of what needed to be done to create a lower speed environment. The purpose of those discussions was to inform the modelling work that NZTA was to do. Tim Kelly can probably go in more detail about what he actually or what was actually included in the models but the principal was that we needed to do work to create a lower speed environment. What I would expect at this stage, I know that there's been some calls to come up with some detail on that, but again I see this as 10 years away before those are needed and the way I would expect Porirua City would want to develop those is with the community at the time. If we developed a set of detailed packages now, in 10 years' time we'd be dealing with different people and we'd need to start again.

20 Q. Can I look at just two parts of the road, of the Coastal Road, with a, with the TGP in place, now the first is the road from Linden through to Paremata and my understanding from the traffic diagrams is that there's going to be about 26,000 vehicles' movements per day still along that route.

30 **CHAIRPERSON JUDGE DWYER:**

Do you want to refer Mr Bailey to specific documents or are you referring to the technical report.

MR BENNION:

Well Sir I thought the easiest might be the Traffic and Transport Report, part of the AEE, perhaps the simplest – there's a diagram there on page 242.

CHAIRPERSON JUDGE DWYER:

5 All right, well do we have a copy somewhere that – it's behind you Mr Bailey, if you can find. Which volume? Is it in volume 1 or volume 2 of the AEE? Sorry folder?

MR BENNION:

10 Page 242, there's some diagrams.

UNKNOWN MALE SPEAKER:

It is volume 1 Members of the Board.

15 **CHAIRPERSON JUDGE DWYER:**

Which particular, what are you referring to Mr Bennion?

MR BENNION:

Sir, I'm looking at a diagram or figure 13.2 on page 242.

20

CHAIRPERSON JUDGE DWYER:

242.

MR BENNION:

25 242.

CHAIRPERSON JUDGE DWYER:

Thank you. Yes just ask the question again.

CROSS-EXAMINATION CONTINUES: MR BENNION

30 Q. Yes, Mr Bailey, you can see a diagram, figure 13.2 and if you look at – have you got that diagram in front of you?

A. Yes.

Q. Now do you see a bubble on the left called "State Highway 1 south of Paremata"?

A. Yes I do.

5 Q. And it shows that in the base model, without TGP, well without TGP there in 2026 there'll be 43,000 movements, with TGP there will be 26,800 movements, do you see that?

A. Yes.

10 Q. So my understanding is that that's actually more than the traffic that would be going down Transmission Gully in terms of vehicle movements per day, is there any – I don't see any intention to – when I look at the package and the measure that are talked about in the expert report or the tech report and you may have a comment on this, there are no particular measures to reduce speed in that area but simply to perhaps change traffic lights for ease of turning movements to and from that area of the road, is that right?

15 A. Certainly my discussions, when I had the discussions and I'm not aware of any suggestion at the moment to change these speed environment there because I would see that that's still quite a heavy arterial road but there could be a possibility to do some changes.

20 Q. I'm just trying to explore how much of a possibility it is, I mean I'm looking at paragraph 21 of your evidence, you talk about, for example, people travelling to work, having important appointments, connections to Wellington Airport; there's going to be a tension isn't there between maintaining times and perhaps measures to reduce speed, that's going to be a tension that's in any proposal isn't it?

25 A. That's correct.

Q. What's the likelihood in real terms that you would, for example, close that part of the road down to two lanes, a lane each way?

30 A. That's, at this stage, I haven't investigated what we might do with that section in terms of reducing its capacity. As I said, when we discussed speed environment changes that was more in relation to Plimmerton north on the existing state highway.

Q. Okay, so let's go north, the next – on the same diagram there's a bubble that says, "State Highway 1 south of Pukerua Bay" and it says, "Without the project 24,100, with the project in 2026 5900" do you see that?

A. Yes I do.

5 Q. Now in the package of measures that are talked about in the technical report it says, "Retain two lanes in each direction" and then have an 80 kilometre an hour speed limit. My question is, isn't that an incredibly limited response at this stage to what is a drastic drop off in traffic in that section?

10 A. The character of that road, it could be safely travelled at that speed and until there was further development along there and measures that would naturally need to reduce the speed on it, then it wasn't seen that it necessarily had to be at this stage.

15 Q. Yes I, the road will have two lanes each way as it does now so it's capacity, I guess, looks very similar to the TGP route and yet the vehicle movements are many, many times less but there's no proposals to close any lanes. Again isn't that a – extremely tentative on your part or the Porirua Council's part to be, not to be even entertaining that as a solid proposal at this stage?

20 A. Again we really saw that these were details we'd work out nearer the time, that the road would come to the community and what the community wanted. And it was also, I'm also aware and I mentioned the Porirua development framework which identifies an area of that part of rural land to be possibly rezoned so depending on the timing of the changes, the timing of the finishing of Transmission Gully there could be further changes that are done to that road.

Q. So when you talk about "rezoning" do you mean rezoning for a residential or possibly industrial purpose?

30 A. Ms Lawler can probably give you greater detail about the Porirua development framework. It's looked out over 20 years, where the city would develop. My recollection of that at the moment is part of it as residential, part of it is lifestyle rural lifestyle development and a quite intensive rural lifestyle development. This is on the eastern side of the highway, not into the Taupo Swamp side.

1450

Q. If that were to be re-zoned, as we come up to the project coming into place, what sort of assurance would we have that that level of 5900 daily trips would, would remain? Especially if the re-zoning was perhaps for commercial, residential, that might actually generate some further traffic.

A. I'd expect that the traffic would grow from there. Mmm.

Q. Do you know if anyone's done any, in terms of looking at TGP and its results and its, its wider economic benefits, for example, anyone's done any modelling of what that might look like?

A. No, I'm not aware of that, but Mr Copeland may be able to answer questions on that. It certainly opens up the opportunity and the possibility for the city to develop in that area.

RE-EXAMINATION: MR HASSAN – NIL

15 QUESTIONS FROM BOARD MEMBER MITCHELL:

Q. Going to your rebuttal evidence, sections 15 and 16 dealing with the storm water and flooding mitigation, in section 16 you say that after further consideration you conclude that the storm water can be remedied by essentially installing retention tanks as part of that designation. Are you comfortable that there's enough room, effectively, within, within the designation to look at retention devices?

A. It may, may, we may need to acquire some land outside the designation, although my staff say that they can design it within the land the Council already owns. There is some land down on Collins Avenue. When they had the suggestion about upgrading the storm water network rather than the detention was that – it meant that that land could be used for a car parking lot or some over development. So those are – what I had seen in my comments here is that we should leave those options open for Council as we go through the detailed design to evaluate it. But Council's preferred position is to mitigate or attenuate the, the storm water runoff and treat it before it goes into the storm water network. So we would be endeavouring to do that. I just – I'm not

sure whether it's fully aware, the Council has done a complete evaluation of its storm water network and it has a large amount of upgrading that needs to be done to provide for the current development around the city. There's a number of areas where it's under capacity.

5 Q. Okay. And, and in terms of the storm water, then, in this area, is there anything in the Council long-term plan at this stage? Or is that, sort of, still going through the process?

A. We're, we're actually still going through the process, but there are projects in this area. They are small projects, as in a large number of
10 small projects related to each storm water line.

QUESTIONS FROM BOARD MEMBER HOWIE – NIL

QUESTIONS FROM BOARD MEMBER PAINE – NIL

QUESTIONS FROM DEPUTY CHAIRPERSON MCMAHON:

15 Q. Were you present this morning when Mr Nicholson was giving evidence?

A. That's correct.

Q. You were? Thank you. And you would've heard the questions of the Board to Mr Nicholson regarding the, the revoking or revocation process associated with State Highway 1?

20 A. That's right.

Q. Yes. Were you satisfied with Mr Nicholson's description of that process? Did it accord with your understanding of how that handover might occur?

A. Yes, although I would say, in my experience, it's normally gone a little
25 bit past when the – past the time of the finishing of the construction of the project.

Q. Yes.

A. My experience, it can go on for three or four years afterwards, and bearing in mind the issues and expectations, I think that could be quite a
30 useful area because then the community can see the effects of the

reduction of traffic and tailor the measures to suit what it really looks like rather than speculate.

5 Q. So there's a – in your view it's important to not only have a sufficient lead-in to the revocation but also a sufficient post-revocation component also?

A. That's correct.

Q. From the Council's perspective, would you be opposed to any condition linking some of the enhancement and safety works associated with the project for – to State Highway 1, the State Highway 1 route?

10 A. No. No, I wouldn't.

Q. And would they be in accord with your own Council's objectives as set out in the requirement notice?

15 A. I'm sorry. I'll need to just refer to... I, I wouldn't, I wouldn't expect them to be not in accord with them, because we – the one aspect that really arises here is not so much a safety aspect but a connectivity aspect. And that's the aspect that, really, the community has got to see what the road's like, because at the moment there is, as Mr Nicholson explained, there is some confusion about what would be the residual traffic volumes.

20 Q. Yes. And I presume your comment about having a period after the revocation to assess those is important?

A. That's correct.

QUESTIONS FROM CHAIRPERSON JUDGE DWYER – NIL

WITNESS EXCUSED

25

MS McINDOE CALLS**PETER TERRENCE McCOMBS (SWORN) (1457)**

Q. Please confirm for the Board that your full name is Peter Terrence McCombs?

5 A. It is.

Q. And that you have the experience and qualifications set out in paragraphs 225 of your evidence-in-chief?

A. I do.

10 Q. I understand you've prepared two statements for this Board: a statement of evidence-in-chief dated the 13th of November, and a rebuttal statement dated the 17th January 2012. Is that right?

A. Yes, I have.

Q. Have you taken part in any conferencing sessions in the context of this, these applications?

15 A. Yes, I have and I, I have taken part in two conferencing sessions and they are both covered by minutes: one of the 9th of December and the other of the 19th of December.

Q. Do you have any corrections to make to your evidence?

A. No, I do not.

20 Q. Can you please confirm that that's a true – that the evidence that we've got recorded is a true and correct statement of views?

A. Yes, that's true.

CROSS-EXAMINATION: MR CONWAY

25 Q. Were you here this morning when Mr Nicholson was being cross-examined?

A. Yes, I was.

30 Q. I'll be traversing some similar issues as I did with him. Mr McCombs, you've seen, I expect, Mr Wignall's indicative local road route attached to his evidence. Have you got a copy of that with you? It's probably not essential if you don't but it's what I'll be referring to.

1500

A. There's a copy that could be put on the screen if that was helpful.

CHAIRPERSON JUDGE DWYER:

Q. Have you got a copy in front of you there at all Mr McCombs?

A. No I don't.

Q. It might be helpful if you did because when you're answering questions

5 –

A. Yes.

Q. – you probably need to be speaking into the microphone rather than trying to look at that document. Madam Registrar can you find please Mr Combs a copy of Mr Wignall's evidence.

10 **WITNESS REFERRED TO MR WIGNALL'S EVIDENCE**

Q. Have you seen that document before Mr McCombs?

A. Yes I have.

Q. It's presumably a copy of what's on the board behind you there, on the wall behind you is it?

15 A. Yes.

CROSS-EXAMINATION CONTINUES: MR CONWAY

Q. Now Mr McCombs you can confirm that that diagram there shows the Transmission Gully main alignment as currently proposed by the NZTA with the local road southwest of the main alignment but still within the designation?

20

A. Yes that is correct, Mr Wignall drew it that way. Whether it's possible or not is a different issue.

Q. In paragraph 99 of your evidence-in-chief and then again in paragraphs 13 and 18 of your rebuttal evidence you state the view that a local road in this location offers little practical gain.

25

A. Yes that is my view.

Q. Would you accept that little practical gain means there would still potentially some gain even though it may be small in your view?

A. Yes. I think the qualification that it's small is the key point. In my view it's not worthwhile.

30

Q. In your evidence the conclusion that there would not be a worthwhile or justifiable change appears to be based on that conclusion that it would offer only a little practical gain.

A. Yes.

Q. In terms of a cost benefit analysis, my very basic understanding would be that the improvement of a benefit cost ratio could either be achieved by an increase in benefit or a reduction in cost, is that a fair paraphrase from your perspective?

A. It would be a useful start but it would hardly determine the matter.

Q. If a – if the local road there had a lower construction cost, would that be relevant to a consideration of whether it would stack up against the other option in a cost benefit analysis?

10 A. You would weigh up the cost on the one hand and the marginal costs on one hand against the marginal benefits on the other but first you would be anxious or in fact bound to determine that it was a useful idea.

Q. Has an analysis of that nature been carried out in relation to this local road proposal?

15 A. You mean has a benefit cost analysis been prepared, no it has not but an appraisal of its merits against its value has been considered and I describe my consideration in my evidence.

CHAIRPERSON JUDGE DWYER:

20 You asked Mr Nicholson, I think questions also about that. It seems to me that as a proponent of this particular proposition it probably should be the Council if anyone that's undertaking that analysis.

MR CONWAY:

25 Sir it's really just a question of whether this proposal has been considered. I'm not taking it further than that at this point.

CHAIRPERSON JUDGE DWYER:

Q. Thank you, I'm sorry to interrupt.

30 A. But Sir, I'll just make it clear the proposal has been considered, has been weighed in the sense that I describe in my evidence-in-chief and in my rebuttal. The opinions of others have been contributed as well and we've stated – I've stated the view I've come to. It's not a worthwhile practical gain.

CROSS-EXAMINATION CONTINUES: MR CONWAY

Q. I think you may be referring to paragraph 14 of your rebuttal evidence. Have you got that in front of you?

A. Yes I have.

5 Q. You state there, you refer to the manner in which such an arrangement and other local options in this vicinity were considered and assessed in the course of the design development process. My understanding from Mr Kelly's rebuttal evidence that a configuration such as that proposed by Mr Wignall has not be modelled in the phase 1 investigations, is that
10 correct?

A. He can speak for himself but I understand that to mean modelled in the sense of a traffic model.

Q. And a detailed – as we've said a detailed cost benefit analysis hasn't been carried out on that option.

15 A. We haven't got a detailed design to prepare a detailed cost from. It's just a sketch that Mr Wignall drew. But that doesn't – I don't mean to imply Sir that it's been treated in a trivial manner, it has been given some careful thought and the view that I've come to is the one expressed in my evidence. It does offer some gain but it's of little value.

20 Q. In paragraph 18 of your rebuttal you note that you remain of the view that the local road shown offers little practical gain and would not be a worthwhile or justifiable change to the presently intended design.

A. Yes, thank you.

25 Q. If a local road was less costly and would either have similar benefit or slightly more benefit as opposed to the slip road arrangement, would it not be the slip road arrangement that might not be justifiable?

A. Well I think a good designer would turn their mind first to what the needs are and how they would best be provided for. Designs are not typically driven by the kinds of propositions you're putting to me. Those are the appraisals that would be made after a good design has been prepared
30 but in this case there is some small practical gain, despite the fact no detailed drawing has been made but if we wish to discuss why I am of that view I am more than happy to elaborate.

Q. I will expect that will be the subject of some further discussions outside this process and I don't intend to take the Board's time up any further on it now, I wish to simply put those questions which I've done and I can move on now.

5 A. Well perhaps it's suffice to say that I describe those reasons in my rebuttal evidence. I think it a convoluted way of solving a relatively simple problem.

Q. And that's your –

10 A. I should add that I think the design that's been put forward in the principal application is a better design.

Q. And you're aware that Mr Wignall holds a different view on that point?

A. Yes. I am aware that Mr Wignall has put this proposition as something to be thought about.

15 Q. Turning now to the question of treatment of the existing coastal route once the Transmission Gully project is constructed and referring first to the 19 December conferencing statement which I understand you attended.

A. Yes I have a copy with me.

20 Q. It states in paragraph 6 that, "The experts agree that a package of measures to address such conditions for all road users include aspects such as speeds, safety, capacity, amenity, should be applied to the existing State Highway 1 coastal route. This should be appropriately linked with the development of the project". Turning initially to that last sentence, when –

25 A. I just missed the paragraph number you were reading.

1510

Q. Sorry paragraph 6, it's on page 3.

A. You might be looking at different copy to me.

30 Q. 19, I've got one that's 19 December on the first proper page it's called "Expert conferencing joint report".

A. Second conferencing.

Q. Yes second meeting of experts.

WITNESS REFERRED TO PARAGRAPH 6

A. Yes. Thank you, yes.

Q. And you've signed that statement. I'm just interested to know what you meant when you were signing up to, "This should be appropriately linked with the development of the project". What did you have in mind when that written and you agreed to it?

5 A. Timing, the timing of the works to be done and the –

Q. And what would your professional opinion be about the best timing for those works to be implemented?

A. Well that would begin with the view that, Your Honour, that clearly the removal of traffic from the existing road creates opportunities. Those opportunities are of different kinds to different people and the different interests involved and I think it would appropriate for that, those opportunities to be considered by the Council and they would – I have listened to Mr Bailey's views and I agree with him, they would be discussed with the community as well. It's quite apparent that the community looks forward to those opportunities, as reflected by what I've described as the "let's get on with it" view that people have. And the manner in which those opportunities are able to be developed by the Council in consultation with the community is for them to determine but what I have, what is said in this conferencing note is that it should be appropriately linked with the development of the project and by that I meant have in mind the timing of the work.

10

15

20

Q. In terms of the completion date of the Transmission Gully Project, what would you say that timing, how would the relative timing work. Would it be, would the treatment measures need to be before or after or at the same time, how does it relate?

25

A. Well once the project construction is committed and the timing of delivery is known, having been involved in several of those kinds of projects before I would have thought that something like one or two years before the completion of the project would be about the right period to start talking about what is to be done.

30

Q. Would you accept that the package of measures, the treatment measures required on the existing State Highway 1 in terms of making it fit for purpose, I think as essentially Mr Nicholson said earlier today,

would you say that's necessary because of the Transmission Gully Project?

A. It's an opportunity that's created by the Transmission Gully Project.

5 Q. So essentially but for Transmission Gully none of these questions about treatment measures would arise would they?

A. No I do not agree with that statement at all. It's quite apparent that if Transmission Gully were not in mind the opportunities for the coastal route would be very different.

10 Q. Looking at some of the specifics of what will happen on that coastal route once Transmission Gully is completed, one of the, the key changes is reduction in volume of traffic, correct?

15 A. It is one of the changes. And I've heard, I've listened to the questions that have put along those lines but it's I think relevant to point out it's not simply reduction in volume that you have in mind, it's also a change in the purpose of the travel along the route that occurs as well. So for example there'll be more local trips, there'll be a greater emphasis on access, on turning movements to and from driveways, of access turning movements at intersections, there'll be new opportunities for pedestrians and cyclists, possibly for streetscaping you might – all sorts of things change; it's not simply the volumes which is the manner which I have heard you putting the questions so far.

20 Q. And you phrase those as opportunities but some of the, some of the treatment measures would also be requirements would they not? They would need to occur in order for that to be fit for whatever purpose it is you've broadly described?

25 A. I can generally agree with that, they should be done and they are statement in the conferencing note that you referred to says that.

30 Q. Would you accept you Mr Wignall's view that these measures are necessary because the Transmission Gully Project will have an effect on the coastal route?

A. It's not the words I would choose, no.

Q. Can I just take you to Mr Wignall's evidence, have you got – did we manage to get that in front of you earlier?

A. A copy of Mr Wignall's evidence. Thank you. 21st December?

Q. Yes that sounds right. And paragraph 5.3?

WITNESS REFERRED TO PARAGRAPH 5.3

A. Yes I've read that.

5 Q. And I'm conscious this relates to the issue of traffic volumes and the related issue of speed which you've commented on but if I can just take you through that paragraph. It says at the start of 5.3, "As a result of TG implementation, a range of treatment and management measures on the existing State Highway 1 are required," do you accept that?

10 A. I don't, it's not expressed in a way in which I find myself easily able to agree with that. I'd simply say that as a good practice would intend that with the reduction in volumes brought by TG then a range of treatment and measurement – in management measures would follow and my understanding is that indeed is what both the agency and the Council, Porirua City Council, intend. Now Kapiti Council interest I think
15 particularly is focused at Paekakariki and to the north and I would expect that they would similarly take the opportunity to make changes to the existing road. I hesitate to use the word "required" here because it's quite apparent the road is capable of carrying 20,000 vehicles a day and it's just as capable of carrying 5000 vehicles a day which you're wanting
20 to do, as it says here, management measures produce a better outcome for the community.

Q. Could you have a quick read through the rest of that paragraph?

A. Yes I've read it.

25 Q. Do you agree with what it says there about the relationship between volume and speed of traffic?

A. Yes but it's not, it's written here as if it's the principal issue and I don't think it is, it is one –

Q. Well focusing on this –

A. – of the issues.

30 Q. As one of the issues –

A. Yes.

Q. – focusing on it, do you accept that there is a relationship between volume and speed of traffic as Mr Wignall's noted there?

1520

A. Yes but implicit is that his concern is focussed on safety and that's what he probably goes on to mention in the fourth sentence, yeah.

Q. And do you have a different view about his view about the relationship between speed and safety?

5 A. No I don't but it's part of a package of measures that should be done. It's not the only thing, by itself it wouldn't be sufficient.

Q. As part of that package some measures to ensure that safety is maintained or improved as necessary –

10 A. Yes, but it might be safety for other drivers but equally it could be safety for pedestrians or safety for cyclists or convenience of access and egress and so on, as I have said.

Q. And these are some of the things that need to be considered –

A. Yes.

Q. – if we're taking a large volume of traffic off that road?

15 A. Yes.

Q. And that's what Transmission Gully will do?

A. It is.

CROSS-EXAMINATION: MR BENNION

20 Q. Mr McCombs, I just want to get a focus first on the current safety issues and state of safety on the route. You say at paragraph 11 of your evidence that you've been involved in the Coroner's enquiries you assisted and there was an installation of essential wire rope median barrier now in place on Centennial Highway. That's resulted in a significant drop in fatalities there?

25 A. Yes, I would describe it as a useful improvement.

Q. Has it resulted in a significant drop in fatalities?

A. There have been fewer fatalities since.

30 Q. Now when I come to paragraph 36 of your evidence you talk about safety performance of the existing corridor. So when did the wire rope go in?

A. Well I'm not exactly certain but I think it was about 1996.

Q. The wire rope -

A. Oh 2006 I'm sorry.

- Q. You say in 36, “Nearly quarter involve injury with 10 involving fatalities and over this period no discernable downward trend evident in the total number of incidents. This record is not acceptable”. Now of course we can all agree that is, you know, not acceptable. Do you agree though that there is a – there’s been a downward trend in fatalities in the region?
- 5
- A. Yes. That’s not brought about by this though. It’s brought about by a whole range of things.
- Q. I’m not questioning the issue of – well I’m not at this moment looking at the TGP itself, I’m just wanting to set the scene if you understand. Are you aware of the KiwiRAP road assessment programme?
- 10
- A. Yes I am.
- Q. And that’s a road safety partnership, AA, Transport, Ministry of Transport and others, is that right?
- 15
- A. Yes perhaps by way of explanation we could describe what it is.
- Q. Yes thank you.
- A. It’s a means of ranking roads by their injury and crash rates. In other words it’s an outcome based assessment.
- Q. All right and I have a note that the State Highway 1 Pukerua Bay to MacKays Crossing is rated as, in terms of – you’re aware a collective risk, it’s very high?
- 20
- A. Yes.
- Q. But in terms of personal risk low, does that sound like the assessment you’re aware of from KiwiRAP and can you explain it?
- 25
- A. I couldn’t say that I particularly studied the numbers and rankings which KiwiRAP has given to this particular set of roads, no but that would be consistent with my understanding of what’s occurred.
- Q. Can I come to your rebuttal. No sorry still in your main evidence. I want to look at paragraph 144. You say that the TG project, just one component in a whole series of interconnected actions to be undertaken providing for the wider transport needs of the region as a whole.
- 30
- A. Yes and I set those out in some detail earlier in the evidence.
- Q. All right. Do you include in that statement the rest of the RoNS package?

A. In the sense that the TG project is one component in a whole series of interconnected actions, what I there was talking about had to do with the relationship with public transport and the regional transport strategy as a whole. No, I'm not especially seeking to include them all as one.

5 Q. Coming to your rebuttal evidence and I'm looking here at your paragraph 25 where you're talking about, "A net outcome of the TG project is promotion of a positive shift to public transport". So you were involved in the traffic expert conferencing.

A. Yes.

10 Q. Producing the second statement and I'm thinking here about the table 2 attached to the second statement. Do you have that in front of you? Do you have that?

A. Table 1?

Q. I think table 2 hadn't been attached to an initial setting and –

15

CHAIRPERSON JUDGE DWYER:

Table 1, assessment against WRLTS outcome. What's table 2?

MS McINDOE:

20 There was supposed to be a table 2. Mr Kelly noticed, who is the other traffic witness noticed that the version of the conferencing statement that was on the EPA website didn't include a table 2 and so I provided that to the EPA a couple of weeks again and I understand it's there now but it might've been that when –

25

WITNESS:

I have it.

MS McINDOE:

30 Oh you found it. I was going to say it might have been that when Mr McCombs went on the website to print off –

WITNESS:

It's in my working papers, yes I do have it.

CHAIRPERSON JUDGE DWYER:

It's not on the one on my iPad.

COURT ADJOURNS: 3.29 PM

5

COURT RESUMES: 3.43 PM**CROSS-EXAMINATION: MR CONWAY****Audio missing 3.43 - 4.11 pm**

- 5 Q. Read through paragraph 5.3 and then just confirm whether you agree with what Mr Wignall has written there.
- A. Well, I think – unrelated to what I've just given you in my last answer, I think we can agree up to the point that traffic speeds would increase. I think where we then differ is an inference that that automatically means
- 10 a safety problem. In my view, I don't believe there's automatically a safety problem.
- Q. In terms of a safety issue, would you accept that one way to test that might be the frequency of crashes and, and another measure is the severity of crashes?
- 15 A. Well, yeah. I mean, safety is made up of a, a number of different measures. Number of crashes and their severity, I agree. Yes.
- Q. And, generally, if the, if there is a lower volume of traffic on the road, we might expect there to be a lower frequency of accidents?
- A. The extent that traffic volumes are a measure of exposure, then, yes, a,
- 20 a reduction of a particular percentage could be expected to lead to a reduction in the number of crashes. And that, that, indeed, is the basis of our wider crash assessment for the project as a whole.
- Q. And in – turning now to the other component, in terms of severity of crashes, would you accept that an increase in the average speed along
- 25 a section of road could increase the severity of crashes?
- A. Could do. It depends on whether the speed of the residual traffic is inappropriate for the conditions and, as I've said, there are established speed limits through there and an established speed environment which I consider to be appropriate. So I'm, I'm satisfied that there won't be
- 30 any significant change to the – well, there won't be a significant deterioration in the safety performance of existing route.

Q. Is it worth looking at that before that state highway status is revoked, from your perspective?

A. From my perspective, I mean, in terms of that issue, together with the, the measures we applied to the coastal route, I think the answer
5 Peter McCombs gave, which was you would start to look at all those issues, maybe a couple of years out from construction would be appropriate.

Q. And so then when we turn to the 19 December conferencing statement and the part – paragraph 6, that I took Mr McCombs to, where it says,
10 “The experts agree that a package of measures to address such conditions for all road users, including aspects such as speeds, safety, capacity, amenity, should be applied to the existing State Highway 1 coastal route, and this should be appropriately linked with the development of the project.” Would you accept that that’s an indication
15 that it’s the project that is the trigger for the need to look at what those measures might be along that stretch?

A. Well, to that extent the project is always the, the trigger to the extent that it has always been anticipated, both in the objectives for the project and also in the, the Wellington Regional Land Transport Strategy that a
20 package of measures would be applied to the existing route consummate with its intent and significant change in function then as a, a local route. And that includes a range of issues, including speed, safety, capacity, amenity, as it states there. And I, I stress, those are not regarded as a package of mitigation measures. It’s a package of
25 measures to, to enforce that function of the route. And the context of speed in that environment is, perhaps, as a means of affecting the attractiveness of that route for through traffic. Speed – lowering speed limits, for example, could be used simply to make that route slightly less attractive and deter some through trips.

30 Q. Putting a question to you that I put to Mr McCombs earlier, but for – would you accept that but for the Transmission Gully Project there would be no imperative to look at that package of measures for that coastal state highway route?

A. Well, I think the package of measures, as I said, is, is anticipated to have the, the function of reinforcing the benefits arising from the Transmission Gully route. It, it's really capitalising on the opportunities that that route – sorry, that that project creates.

5 Q. Turning now to paragraph 79 of your evidence-in-chief, you note there that, “The core assessment of the project is necessarily reliant on a number of assumptions,” and then in paragraph 80, you say that, “A range of tests were taken to assess what would happen if those assumptions change.” And you've put that under the heading,
10 “Sensitivity testing”. In paragraph 80 you also note that one of those assumptions related to the implementation of that package of measures that we've just been discussing. And I understand that those treatment measures that you used for your sensitivity testing were the indicative measures described in that assessment of traffic and transportation effects. Is that correct?

15 A. That's correct, yes.

Q. When the time comes to design the actual package of treatment measures for the coastal route, would the assumptions about traffic volumes need to be re-considered?

20 A. I, I think what you're asking me is whether that package would change. Is that correct? Or have I misunderstood your question?

Q. Essentially. You'd need to test it again to find out whether it was appropriate.

A. You would. We, we adopted that package simply because we wanted
25 the modelling to be as representative as possible and it would be unrealistic to assume that nothing happened to the, the existing coastal route, and that was the reason why we developed the package. As, you know, we're not, not saying that is what will be the – definitely be the outcome, we're saying it is indicative, and that, that's the operative word here, simply to give us modelling results which are reasonably realistic.

30 Q. Turning now to your discussion at paragraph 68 of your evidence-in-chief and 69 where you talk about safety. I'm returning to this point. You note, obviously, there that, “A transfer of vehicles from the coastal route to Transmission Gully will result in a large reduction in

the frequency of crashes,” and it’s 42% overall, I think, combined between the State Highway 1 as at present and the Transmission Gully route. Does that calculation assume that the existing coastal route will have a package of treatment measures implemented?

5 A. I don't believe it did, no.

1620

Q. And what was the reason why you didn't include that treatment measure package there?

10 A. Simply because at the time, as I said, the package was indicative and with indicative set of measures it’s sort of impossible to really second guess exactly what will be ultimately adopted and what the impacts would be. In that respect it wasn't considered to be important to the overall assessment of crash performance associated with the project because it would probably have a fairly marginal effect in any event.

15 Q. In that part of your evidence and elsewhere I don't seem to be able to find any reference to crash severity. Did you take that into account?

20 A. No what we did was, we undertook an analysis which simply compared the frequency of crashes, in other words the established crash history from the past few years and then looked at what the traffic volume changes would be on each road in the network and hence provided an indication of what the changed numbers of crashes would be. It wasn't intended to be a detailed crash analysis as you might do for an economic assessment for example. It’s simply really tailored to an assessment of effects.

25 **CROSS-EXAMINATION: MR BENNION**

Q. Can I just start by picking up a couple of points from AEE report on traffic. Do you have that in front of you, that chapter?

A. Yeah, the AEE yeah. I should say I have excerpts from it here in anticipation of questions. I may be okay.

30 Q. Can I just ask a prior question, can I assume I can ask you questions about the technical report 4 – technical report 4, on traffic if I need to?

A. Yes you can, yes.

Q. Which and this is a summary from that, is it, this AEE is a summary derived in part from that report?

A. The report was the detailed assessment if you like and what was presented in the AEE was a summary of that document.

5 Q. And in terms of benefit cost matters, you're familiar with those matters?

A. No, we – well I am familiar with benefit cost matters but I am not an expert witness in benefit costs and that was not part of our assessment in that document.

10 Q. Sorry I might go to Mr Copeland with that. All right, can I just take you to this question of congestion. I'm looking at page 236, which talks about traffic congestion on the State Highway 1 corridor.

A. 236?

Q. Yes I'm looking at –

A. Yes I have it.

15 Q. Yes, do you see there it starts, "Traffic congestion on the State Highway 1 corridor results in increased travel times during weekday peak periods". In the next paragraph you talk about severe congestion. So you're making a distinction here between congestion and severe congestion. What's the difference there?

20 A. Well there's a difference in terms of the analysis, in that the analysis we undertook using the models was for a typical weekday morning peak, evening peak and inter peak conditions and because of the high variability that you get at other periods it's not possible to build a reliable model of those conditions. So I guess the point of this statement was
25 really just to make it clear that the assessment we've undertaken in that sense is really quite conservative in that we have not attempted to evaluate what the benefits would be during those periods of severe congestion. The Friday nights before holiday weekends, public holidays and so forth.

30 Q. So just to be clear, those are the periods when severe congestion is occurring. Has there been – the fact that those occur on weekends, Friday nights and holiday periods, has there been any reflection about the impacts of that on economic issues, given that you're moving into a

period – it's not during weekdays that the severe congestion is occurring?

A. Sorry do you mean economic issues in terms of cost benefit or in terms of –

5 Q. Yes I think I'd be thinking in terms of cost benefit. Not your area?

A. No that is Mr Copeland's field of expertise.

Q. Can I come to page 238 and you see there's a discussion about other RoNS projects have been included because the project is only one component of a package. Sensitivity testing discussed in technical report 4 concluded that the assessed benefits of the project will be largely unaffected by the completion of the other RoNS projects and it's a point that I put to Mr McCombs. So do I understand from this that the other RoNS projects will neither take away benefits from TGP nor add to the value significantly that TGP brings?

10
15 A. The purpose of the test, of the exercise if you like, was really to review the robustness, if you like, of the core benefits of the Transmission Gully Project were the other RoNS projects not to take place. Now we would regard that as a very low likelihood but nonetheless technically there is a likelihood there, so it was felt appropriate to look at and really the conclusion of that was that Transmission Gully is not totally independent but the core benefits associated with the project are fairly solid, whether or not you do those other projects. So the time savings, the reduction in travel time variability, all those things, the benefits to communities would all still occur whether or not you do the other RoNS projects.

20
25 Q. Now I'm just thinking of it in these terms that if the – we would not therefore to expect the score for Transmission Gully to go up significantly, it's a benefit cost ratio to go up significantly whether or not the other RoNS projects were built. That's another conclusion – that's another side of that same conclusion isn't it?

30 A. Well I can only speak to the performance on the transportation network which is that the effects or the benefits of the Transmission Gully Project are not changed significantly by whether or not you construct the other RoNS.

Q. Can I come to page 246 and there's a paragraph 13.6.2 effects on total travel demand and mode of travel. Yes do you see that there?

A. Yeah I have that.

5 Q. Now reading that, those paragraphs deal with induced trips, that's – you've got that in quotes but we're looking at induced trips that would otherwise not occur, yes?

A. Yes, yeah.

10 Q. I'm just looking for what sort of – what are the numbers, the raw numbers around those induced trips in general terms? Are we talking hundreds of new trips?

15 A. Well the first thing I'll say is throughout the analysis we've been quite open about the fact that this project will generate some trip induction. Now as we infer in that paragraph we talk about a number changes to travel behaviour and you'll appreciate that there are a range of behavioural responses to a major piece of infrastructure like this of which trip induction is one but that overlaps with things like trip redistribution and mode transfer and it's very difficult to isolate the effects. My view is that trip induction is quite small on its own, as distinct from mode transfer for example.

20 1630

Q. But, in terms of numbers, are we talking hundreds of trips? Over a thousand trips? Thousands of trips?

A. In my view we're talking hundreds, not thousands.

Q. That's hundreds per day.

25 A. Per day, yes.

30 Q. All right. I'll come, I'll come back to that. The last thing on this document, I just want to take you to page 247 and there's a discussion about 13.6.4, "Effects on travel times". Do I understand from that discussion that in terms of minutes saved in terms of travel time, people travelling from the Hutt Valley are going to gain the most reduction in travel time because they'll be so much closer to the – if you're travelling from the Hutt Valley up to MacKays Crossing, they'll be able to access a major road much more quickly. Is that what you're discussing there?

- 5 A. Yes, that, that's true, and I think that actually addresses what I believe is a very often misunderstanding about this project, that it is often regarded as simply – which is a project which is simply there to make life better for commuters between Kapiti and, and Wellington. What the analysis shows is major beneficiaries are those travelling between the Hutt Valley and State Highway 1 to the north and, and, really, that's just what you would expect if you're familiar with the road network as it stands at the moment. It's very difficult making that journey along roads which are unsatisfactory, and the project will bring major benefits to those movements.
- 10 Q. Mmm. So in terms of the focus of the, the RoNS, that's – the travel time savings here, the major ones actually accrue to the Hutt and not to people travelling into the CBD in Wellington. That's what you're saying there.
- 15 A. The, the travel time saving for a vehicle between the Hutt Valley and State Highway 1 North is greater than the travel time saving for a vehicle that's running north-south between Linden and MacKays. I –
- Q. And, and significantly greater.
- A. I haven't quantified what the total is in terms of multiplying that by the number of vehicles involved. The unit saving is certainly greater, yes.
- 20 Q. Mmm. All right. Can I take you to the agreed statement – second agreed statement from the experts conference. Take you to table 1. And you're comparing the proposal against the Wellington Regional Land Transport Strategy. I just want to put to you the same matter I put to Mr McCombs. That if we take key objective – key outcome 1.1, “Increased peak period public transport mode share”, it's been agreed the project doesn't comply, and you say that when the Western Corridor Plan goes in place it will, but your table 2 that you refer to still shows a lasting effect, doesn't it? You're still not going to get the uptake of public transport that you would otherwise have got without TGP. Isn't that what your table 2 shows?
- 25
- 30 A. What table 2 shows are, are three stages. Essentially the 2006 situation, then 2026, the base without the project and 2026 with the project, and the, the – I guess the point we're simply trying to make

there is that when you move from 2006 to 2026 with the project there is a net improvement in public transport use, and what that is reflecting is the application, if you like, of the whole balanced package for the corridor. We're, we're trying to stress the point, if you like, that in solely
5 looking at the effects of Transmission Gully, a roading project on its own, it necessarily has the effect of diverting some trips from rail to road and, in my view, that's an inevitable consequence, and we have to look at the package as a whole, which is what that table is doing.

Q. I'm, I'm trying to understand. If the project now does not comply with
10 that outcome, how does your table show that it, it subsequently will comply?

A. When you say in table 1 it doesn't comply, it doesn't comply with one
outcome area of the RLTS. I think you'll understand that there are a
range of outcome areas that relate to public transport and relate to
15 roading, and no one project will ever comply with all of those outcome areas. The, the issue is whether the, the package as a whole complies or not. I think in that regard it, it's useful to note that if we were seriously not compliant with the intent of the Wellington Regional Land Transport Strategy, I don't believe Greater Wellington would be here submitting in
20 support of the project.

Q. But it is clear from this table, isn't it, that some of the –

A. By table 1 or table 2?

Q. Sorry, table 1. That if the other parts of the package, the western
corridor plan don't get funded or for whatever reason don't occur, you
25 will have aspects of TGP that are non-compliant with the WRLTS. That's what the table is also saying, isn't it?

A. Well, in theory, yes. although that's a rather strange interpretation given
that the other major part of the package is the rail upgrade which is
largely complete in terms of new infrastructure, new rolling stock. So I
30 can't believe a scenario in which that didn't happen is in any way realistic.

Q. Although even with all of that new rolling stock in place, you're still going
to be pulling people away from rail, aren't you, with this, with the TGP
project who might otherwise have, have gone on the rail network?

- A. Well, going back to table 2, and again the point being made is that moving forward to 2026 without the project there is a significant uptake in public transport use, and I acknowledge that and that's quite clear in the modelling, and the effect of Transmission Gully is then to cause some people to divert from rail to road.
- 5
- Q. Okay. Now, can I go to your rebuttal statement? I want to deal with the, the – firstly with your response to Dr Krumdieck who suggests that vehicle kilometres –
- A. Sorry, could, could you give me a paragraph?
- 10 Q. Oh, sorry, paragraph 40. Peak in congestion has already occurred and it will gradually decline. Now, she references – I'm just trying to find, she has a reference to the vehicle fleet numbers which is just – I'm just missing. The, the, the vehicle fleet, the vehicle fleet has declined in New Zealand? Do you know... Have you had a look at those sorts
- 15 of figures?
- A. I haven't.
- Q. In response to her?
- A. I haven't looked at vehicle fleet numbers. My response was in terms of firstly the historical growth on State Highway 1 and I, in my rebuttal
- 20 evidence, I provide a, a chart which is figure 2 which shows that there has been fairly consistent growth in traffic volumes in the corridor through a period of both recession and significantly rising fuel prices.
- Q. So – and, and if I come to paragraph 45, Mr Wood presents an assessment of historical rates of local and national traffic growth. He
- 25 concludes the rates of traffic growth are slowing need considers that's consistent with trends overseas. Similarly, your response is to say, "Yes, but if you look at the growth rates in this corridor, the pattern seems reasonably clear that it's, it's a continuing growth." Is that how I should characterise your response?
- 30 A. Well, my response was really in two parts. Firstly, if you look at historical growth that is true. We've seen fairly solid growth throughout that period as I've, as I've said, with recession and rising fuel prices. But as, as always, you don't just assume and extrapolation of the historical trend into the future, but in, in looking at the future I, I guess,

you look at the underlying factors behind traffic demand which are economic development and demographic factors. None of those factors really point to any major reduction in traffic demand any time soon.

5 Q. You've modelled a, an oil price rise in, in the technical report? I think that – I read a sensitivity test that looked at oil price rises and I mean Mr Wignall refers to this as well in his evidence.

1640

10 A. In the model, the model and this is the regional model I'm talking about now, it assumes a fuel cost. Now that fuel cost is not the retail price at the pump, it's the real price of fuel with an adjustment for improving vehicle efficiency. So it's a net cost if you like. So assumptions are made in that regard and what we assumed in the modelling was entirely consistent with what is applied to – by that model to the assessment of other projects around the region.

15 Q. I'm picking up, I guess, something Mr Wignall says too. Are we able to translate what you modelled in terms of a petrol price, to give us a rough idea? I'm just trying to work out what it might be.

20 A. Well not simply, no. I mean that's the point I'm making, it's not simple, it's a rather complex interrelationship if you like in the modelling and you can't just say this is the pump price and that's, you know, what's in the model. The reason for doing the sensitivity test, I think, was quite important. I mean that emerged as an issue so we ran the test and what that showed was that there didn't appear to be a very significant response to a change in assumed net fuel cost and that's – that again is consistent, if you like, with the evidence in the charts that I produced at my rebuttal evidence which show the solid growth for a period of, I think, 25 68% rise in fuel price and by that I mean pump price.

Q. I guess I'm just wondering, I mean can we say that we modelled a \$3.50 per litre price, something like that? Are we able to –

30 A. I can't tell you what it means in terms of the pump price because it's a, you know, very complex relationship.

Q. Well how do we get a handle on whether or not you've – I mean I notice that the WRLTS and other documents do talk about Begoil and those sorts of issues. How do we get a handle on whether you've, your

sensitivity testing on this has modelled a, you know, a high oil price versus a moderate one or a medium one?

5 A. Well I guess what I'm telling you is that we consider we've modelled a realistic range of possible fuel price outcomes for the future. Now obviously we can speculate endlessly about what fuel prices might do in the future but in that sense I go back to, well let's look at what's happened in the past and despite a 68% increase in retail fuel prices, the growth over recent years hasn't taken a nose dive, it's done the quite the opposite, it continues to be fairly strongly positive.

10 Q. If I come to 53 with induced traffic and Dr Chapman, this is in your rebuttal 53, "Dr Chapman suggests that increases in traffic activity predicted to occur as a result of the project could be a gross underestimate of trips, drifting north to the locus of new economic activity. Do you know has there been any thinking about how, if wider economic benefits have been considered in the ranking for this project, has there been any thought about possible greenhouse gas emissions in relation to that? Come across anything of that nature?

15 A. Sir, I'm not sure whether you're asking me about the way in which this project is ranked nationally in terms of priority, in which case that is not my area at all.

20 Q. No I guess my question is, have you seen any of the wider economic benefit analysis, will be the first part of the question?

A. No, I'm generally aware of what has been done but that is not my area of expertise.

25 Q. If I come, just on this matter though, if I come back to the agreed statement and the table 1 again, and the assessment against WRLTS outcomes, it was agreed by everybody that in terms of reduced greenhouse gas emissions the project did not comply with that and that in terms of the western corridor plan, including the project, the net effect was unclear or not determined sorry. So it was agreed by everyone that won't be a reduction in greenhouse gas emissions from this project.

30 A. I think to be fair the "no" there more strictly means that we can't say whether or not it complies simply because the assessment isn't required.

Q. So was that a matter of – that was a matter of – all right so the assessment wasn't required. That was the feeling of the traffic experts?

A. Well I should make it clear that this – the table 1 to which you're referring, that was a table that I undertook to assemble as an action
5 arising from the first conferencing session and I put that together and made it quite clear that that was my assessment of the compliance or otherwise of the project with each of those outcome areas and as I say by the "no" under greenhouse gas emissions I mean that I can't say it complies because no assessment is required, in the same way that if
10 you're looking at a new supermarket proposal, for example, you're not required to assess greenhouse gas emissions and there are procedures at a national level to address that issue.

Q. That's a jurisdictional "no" from you if we put it that way?

A. Yeah I think that's fair, yeah.

15 Q. A question that I put to – just the last question, a question that I put to Mr Bailey, there are going to be substantially reduced traffic flows on what we call crudely the coastal road from Linden around the coast to MacKays Crossing. Has there been, apart from the package of measures that you looked at in the technical report, has there been any
20 thinking about how to provide greater certainty that those numbers will remain, those improvements in terms of traffic numbers will remain, you know, roughly at that level into the future?

A. Well apart from the package of measures applied to the coastal route, no because we've seen that as the means of reinforcing those benefits
25 and that traffic reduction.

Q. And – but none of those include, for example, closing, until we get to the Centennial, well beyond the Centennial Highway, there's no closing of lanes at all is there proposed in that package of measures?

A. Sorry when you say we get beyond the Centennial Highway, are you
30 talking about the point to the south of Pukerua Bay?

Q. Yes well let me just generally ask, in terms of that package I thought I saw one lane closure, but are there any lane closures in that package?

A. There were no specific lane closures included as part of the indicative package. That's not to say that Porirua City might decide that that is an

appropriate measure at the appropriate time when it considers those in more detail. I think –

5 Q. How likely is that? When I look at the technical report it says, you know, there's not committed designs for the work but a number of the most likely outcomes were used to reflect, you know, effects the expected changes. I mean how likely is it or you just can't say that lanes will be closed or not?

10 A. Well I think if you're referring to the point from Pukerua Bay southwards and I think referring back to your question of Mr Bailey and I think you were talking about the residual traffic volumes in that area. The residual volumes are reasonably high in that area because it's serving quite a large population catchment and the natural orientation of a lot of those people is to and from Wellington. So you would expect the residual volumes to be quite high. So I think at this early stage in proceedings it would be rather premature to be talking about lane closures and reducing capacity significantly on that section of the road.

15 Q. Well I gave Mr Bailey the numbers that you've got from your technical report which is 5900 vehicle movements per day on a four lane road. That's an extraordinary low number, isn't it, for a four lane highway?

20 A. The 5900 vehicles is at Pukerua Bay. The traffic volumes increase progressively as you move south from that point. I've acknowledged the volumes on the Taupo Swamp section would be low relative to the standard of that road and, you know, I can't presume what measures might be applied to that section of road at this point in time.

25 1650

CHAIRPERSON JUDGE DWYER:

Ms McIndoe?

CROSS-EXAMINATION: MS McINDOE

30 Q. Just one question Mr Kelly, Mr Bennion was just asking you about the number of lanes closed which you had or the lack of, in his view, lanes which had been closed in your modelling, can you comment on if you had assumed – I know you haven't done the modelling, but in your

professional opinion if you had assumed that some of those lanes would have been closed, what do you expect that would have shown in terms of the numbers of traffic and where they would have gone on the network?

- 5 A. Well the effect would vary according to which specific section of road we're talking about. If it was the Taupo Swamp section I would not expect it to have a significant effect on the model traffic volumes. If it was further south, for example south of the Paremata Roundabout where the residual volumes are reasonably high, I would expect that to
- 10 have a more significant effect in terms of traffic diversion and delays and conditions on the existing route.

CHAIRPERSON JUDGE DWYER:

Mr Mitchell.

15 **QUESTIONS FROM BOARD MEMBER MITCHELL:**

- Q. Thank you Mr Kelly. Start off with your evidence-in-chief paras 43 and 44, I just want to clarify one of the figures in here, there's been lots of different growth figures included in lots of evidence in the Courts in there. Para 44 you say that, "Heavy HCV movements in the corridor will
- 20 continue to grow by 84%," so that's 84% with the project in place or without the project in place or is there a difference between the two?
- A. For heavy vehicle movements it's irrespective of the project and that's the, one of the points we want to make is there is a forecast to be a quite significant increase in heavy vehicle movements in the corridor and hence one of the benefits of the project is obviously catering for that
- 25 increase in demand.
- Q. Is that growth based on historical trends?
- A. It's based more on forecast economic factors for the region. Again we take those figures from the Regional Council but I understand they're
- 30 based on economic growth forecast for the region.
- Q. Now in para 43.3 you talk about private vehicle trips potentially being impacted by Greater Wellington Regional policies to constrain growth

and travel demand, is that one of the factors that you've taken into account when you've been assessing the growth factors for the project?

5 A. It is a factor we've taken into account. The modelling assumed, from memory, a 5% reduction in the journey to work trips by road in response to or expected to be a range of travel demand management measures in the region as a whole.

Q. Okay.

A. So that's just one factor that suppresses growth if you like.

10 Q. Now in para 60 you talk about a small overall change in the Ngauranga Gorge, what I'm interested in is whether you've modelled, I guess, the effect of changing the bottleneck, if you will, you have for southbound traffic and particularly during that morning peak period beyond the designation by effectively taking that bottleneck out whether there's a change in the arrival pattern, if you will, to say
15 Ngauranga Gorge where you've got the existing bottleneck whether that has consequential effects on the network.

A. For Ngauranga Gorge I should make it clear that the modelling both for the base case without the project and then with the project assume that the Granada to Petone link road is in place and that provides significant
20 relief to Ngauranga Gorge. To the extent that the effects of Transmission Gully upon Ngauranga Gorge are then much reduced.

Q. Now Mr Bennion I think talked a little bit about the severe congestion at the weekend periods. I'm curious just to get your opinion, on long weekends when there's a lot of traffic heading north and the sort of
25 existing queues, I guess, that form on that State Highway 1 at the moment, what sort of length do those sort of queues get to?

A. Well from personal experience, sat in near stationery traffic on occasions it can go well back down to Taupo Swamp, up to Pukerua Bay and even build all the way back from Paraparaumu and Waikanae
30 so on a bad evening and may be due to an incident, it can be quite extensive.

Q. So given that at the moment there won't be any other works further north of here, is there a possibility that that queuing could extend back up into the 8% downgrade section coming down from Wainui Saddle?

- A. Sorry you're asking with Transmission Gully in place whether that queuing would –
- Q. Yes so for that north-bound traffic where you still have Paraparaumu at the north which is effectively in the north which is effectively a stop point
- 5 –
- A. Mmm.
- Q. – is there, I suppose a likelihood the traffic could back up along that section and get onto that 8% downhill grade, I'm just –
- A. Well I suppose if the MacKays to Peka Peka improvement did not
- 10 proceed so that the likelihood of an incident on the expressway or the existing route to the north was somewhat greater than, I guess in theory, there's a possibility of that happening but I would think it's fairly remote especially if MacKays to Peka Peka is in place.
- Q. Now para 68 and we talked a little bit about it earlier in terms of the
- 15 greenhouse gas emissions not being evaluated and I just want to, it's a point of probably clarification really.
- A. Sorry paragraph 68?
- Q. Yes 68 of your rebuttal evidence sorry. Now in terms of greenhouse
- 20 gas emissions are you talking about a particular study on greenhouse gas emissions or carbon dioxide costs being allowed for in the economic analysis because certainly Mr Nicholson I think talked about the fact that the CO2 emissions were included in the benefit calculations?
- A. In terms, I think there's a distinction between an assessment of effects
- 25 and an economic assessment, in terms of the assessment of effects which I'm really reporting here, my understanding – I'm advised that greenhouse gas emissions are not an effect under the RMA because they're controlled at a national level. Under an economic assessment there is a price per tonne of CO2 which is allowed for in the assessments.
- 30 Q. Yes, that clarifies that. And just finally in para 79 and I think there've been a couple of places where recreational tracks and things have been identified as well, particularly in terms of the brick fuel tank and possibly trying to maintain recreational access up to the brick fuel tank, is there

any or has there been any discussions about maintaining the recreational track along the full length of the route?

A. Not for the full length of the route. My understanding is a route is proposed between the north end of the scheme and the Battle Hill Farm Forest Park but not necessarily south of that point. But I think the important point is that all of the mountain bike routes and walking routes, that they're not going to be severed by the project, there will be provision to maintain that accessibility so we're not creating a line of severance with this project.

10 Q. Thank you Mr Kelly that was all I had.

QUESTIONS FROM BOARD MEMBER HOWIE – NIL

QUESTIONS FROM BOARD MEMBER PAINE – NIL

QUESTIONS FROM DEPUTY CHAIRPERSON McMAHON:

15 Q. Mr Kelly, I just wanted to seek some clarification in relation to an initial matter of examination that was put to you by Ms McIndoe regarding Mr Kyle's report and that related to some works or measures in relation to Paekakariki Hill Road and Takapau Road, page 8 of Mr Kyle's report. And Mr Kyle had said that he wasn't clear whether it was intended, whether it was intended that those obligations would be a condition of the designation or whether they're inherent in the Construction Traffic Management Plan or some of the supplementary plans and I wasn't sure that I heard your answer correctly, could you just repeat that?

20 A. Okay, my response is that we have a condition 35, NZHA35 which already requires, what we call, site specific traffic management plans which sit under the CTMP if you like –

Q. Yes.

25 A. – and they provide for the safe and efficient movement of construction vehicles to and from construction sites and my view is that that sufficiently encapsulates the additional, effect of additional movements on both Paekakariki Hill Road and the Takapau Road.

30

Q. Thank you for that.

QUESTIONS FROM CHAIRPERSON JUDGE DWYER:

- 5 Q. Just going to your paragraph 43 on your print, your first statement of evidence Mr Kelly. I was just trying to track back to the breakdown that you got there with your HCV movements, which is your paragraph 44 and see if I could track down through the evidence we've got in front of us the figures that establish that, that growth by 84 percent. Are you able to point me to the figures? I've looked at figures 4.2 and 4.11.
- A. Sorry, you're wanting to understand the justification for that graph?
- 10 Q. Yes. Where that comes from.
- A. To be honest, we may not have provided sufficient detail in that area, and I'm happy to provide further information in that regard if you – if that would be helpful to you.
- Q. Well, it would be.
- 15 A. Yes. Yes.
- Q. Because it's – I think it's a very important figure in the –
- A. Yes.
- Q. – context of these considerations.
- A. Yes, I can do that.
- 20 Q. All right. Well, could you do that perhaps overnight? Or do you need a bit... Look, I'm sorry, I realise people have a life outside of these proceedings. I shouldn't have even asked.
- A. A little bit longer would be nice. We, we can certainly do it.
- Q. Yes. No, look, I would really like to –
- 25 A. Yes. I can understand that and that's okay.
- Q. I haven't noticed it in the evidence that I've seen of the other parties. Has, has anyone challenged that figure in the evidence that's been presented?
- A. It's –
- 30 Q. You've read the evidence of all the other traffic people.
- A. Yes. that figure hasn't been challenged I don't think, no.
- Q. Yes, I don't recall –
- A. No, no.

Q. – see the challenge. All right. That would be helpful, and if you can give – if you can perhaps say what that means in a numerical sense in – as well –

A. Okay.

5 Q. – the numbers of this. Well, not just the percentage increase, what the numbers increase is going to be.

A. Yes. Yes, we can do that.

Q. I'm sorry, while you were giving – talking to the other people I was desperately flicking through the AEE and everything else I could find –

10 A. Mmm.

Q. – to see if I could track down the statistic. You know, the –

A. No, that's okay.

Q. – the basis for that statement. Can you do that over the next couple of days? Not overnight.

15 A. I will. Yes.

Q. And come – if you can let Mr Hassan or Ms McIndoe know when you've got that, and if that can be tabulated in some form and produced, and then we might have to have Mr Kelly re-called and other people and other people might need – well, other people haven't challenged his figure on it, his calculation.

20

MR HASSAN:

I think, Sir, we'll be in the Board's hands on how much licence you want to get out of – into other parties.

CHAIRPERSON JUDGE DWYER:

25 Well, let's see it first and then we'll see whether – I couldn't recall anyone challenging that particular part of Mr Kelly's evidence. It was in his evidence-in-chief.

COURT ADJOURNS: 5.04 PM

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