

Before the Independent Hearings Panel
at Rolleston

under: the Resource Management Act 1991

in the matter of: Submissions and further submissions in relation to the
proposed Selwyn District Plan

and: Strategic Directions Proposal

and: **Lyttelton Port Company**
Submitter DPR-0453

Statement of Evidence of Michael Simmers

Dated: 23 July 2021

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STATEMENT OF EVIDENCE OF MICHAEL SIMMERS

INTRODUCTION

- 1 My full name is Michael Simmers.
- 2 I am the General Manager, Infrastructure and Property at Lyttelton Port Company (*LPC*). I have held this position since September 2018, and have worked for LPC in various roles since December 2013.
- 3 My experience and qualifications include Bachelor of Science and Postgraduate Diploma in Agricultural Science.
- 4 I have been authorised by LPC (submitter number DPR-0453) to provide evidence on its behalf.

SCOPE OF EVIDENCE

- 5 The purpose of my evidence is to give some context and background to LPC's submission and the expert evidence of Michael Campbell Copeland.
- 6 My evidence will address:
 - 6.1 a brief description of LPC's business;
 - 6.2 the role of LPC's Midland Port in the Selwyn District; and
 - 6.3 the importance of the transport network to LPC's operations; and
 - 6.4 reverse sensitivity issues that can affect Midland Port's operations.

EXECUTIVE SUMMARY

- 7 LPC is a wholly owned subsidiary of Christchurch City Holdings Limited, which is the investment arm of Christchurch City Council.
- 8 Lyttelton Port is the South Island's major deep water port and is the international gateway for the South Island. Goods are imported and redistributed to the South Island from other domestic locations via the Lyttelton Port and LPC's inland port facilities. Export cargo originates from across the South Island. Export customers include a wide variety of dairy, meat, forestry, horticultural, mineral extraction and manufacturing businesses.
- 9 In the Selwyn District, LPC owns and operates an inland port facility – Midland Port. Midland Port is a key aspect of LPC's operations and is a vital strategic hub for the distribution and import/export of freight throughout the South Island.
- 10 Mr Copeland discusses the economic significance of Midland Port in more detail. In summary as presented by Mr Copeland:

- 10.1 Lyttelton Port is by far the most significant port in the South Island in terms of total tonnages of cargo, number of containers handled, the value of exports and the value of imports. It is recognised as a “lifeline utility” at a national level, and “strategic infrastructure” at a Canterbury regional level. LPC’s Midland Port is proposed as “important infrastructure” in the draft Selwyn District Plan.
- 10.2 Trade through Lyttelton Port has grown considerably across both containerised and general cargo. In the year ending 30 June 2020 the port handled 446,101 containers, an increase of 2.0% on 2019 (despite the impacts of Covid-19 in the second half of the year ending 30 June 2020) and an increase of 188.5% since 2010. This is equivalent to an average annual growth rate of 11.2%. LPC forecasts ongoing growth for its container terminal to reach well over one million twenty-foot equivalent units (*TEUs*) by 2045. Non-containerised volumes of export and import trades are expected to continue growing but not as fast as containerised cargo.
- 11 LPC seeks amendments to various Selwyn District plan provisions to provide recognition of the vital strategic role that the Midland Port plays in the district’s and region’s economy and prosperity. LPC seeks greater clarity and certainty around the application and interpretation of proposed provisions, and to better enable the efficient operations of Midland Port.

THE ROLE OF MIDLANDPORT IN THE SELWYN DISTRICT

- 12 In 2014 LPC purchased a 27 hectare site at 686 Jones Road Rolleston for Midland Port, shown in more detail at **Appendix 1**. Midland Port is an integral and integrated component within LPC’s infrastructure. At present Stages 1 & 2 have been commissioned. Stage 3 is partially commissioned. Stage 4 is anticipated to be commissioned prior to 2028 and Stage 5 commissioning is subject to demand.
- 13 Midland Port has since been functioning in the Selwyn District as an integrated freight hub that is interwoven with LPC’s portside operations. This combined infrastructure, together with the road and rail links that connect them, are essential to a well-functioning district and regional economy, and the wellbeing of our communities.
- 14 Midland Port is a MPI certified transitional facility and customs-controlled area. The site offers road and rail interchange with receipt and delivery of empty containers, full container loads and break-bulk.
- 15 The Midland Port, together with LPC’s City Depot in Woolston, help to mitigate operational constraints at Lyttelton Port because of ship-side land limitations. These operational constraints will be exacerbated in future as a result of expected future growth in container volumes through the port in Lyttelton.
- 16 Because Lyttelton Port, the City Depot and Midland Port are connected by rail, the Midland Port helps to divert containerised import and export cargo from road to rail through Christchurch City and elsewhere through the South Island. This not only reduces transport costs but also reduces road

transport externality costs such as vehicle emissions, road accidents and road congestion.

FUTURE TRENDS

Growth

- 17 Over 99% of international freight is handled by sea freight in New Zealand, as an island nation we rely on the 'blue highway' to deliver our goods to the international market and to receive imports.
- 18 As the New Zealand population and economy grows, particularly productive sectors, the need for sea freight increases. The increasing import/export freight volumes have been a consistent pattern in the past and is expected to continue.
- 19 LPC specific freight volume forecasts are derived from a range of data associated with the long term growth of the regional economy, in addition to specific initiatives and opportunities around both export and import trade growth.
- 20 Since establishing Midland Port, the theoretical benefits within supply chains have been realised with further developments planned on neighbouring areas which link to Midland Port. For example LPC has direct connections from Midland Port to IPort and IZone to provide efficient service for logistics which is reflected in growth of container volumes through Midland Port.
- 21 Preliminary numbers indicate a reduction in container volume through Midland Port during the FY20/21 year to 33,727 which was due to reduced congestion, changes in markets with COVID19 related impacts and limitations with the rail service. We expect these to be resolved shortly and growth to continue as shown in Figure 1.

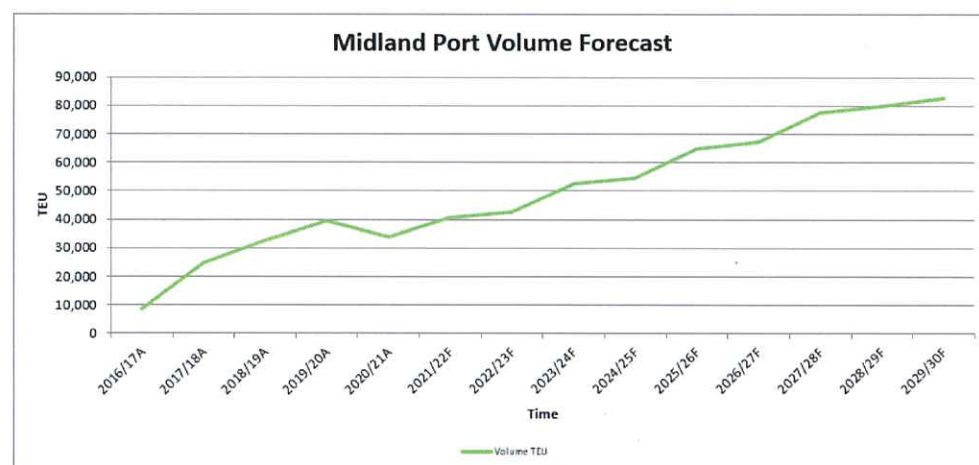


Figure 1 Container volumes (twenty-foot equivalent units) through Midland Port and forecasted to FY29/30.

- 22 The ongoing Port congestion issues within New Zealand as a result of COVID19 have further increased the need for inland ports to alleviate

freight congestion. This recently required LPC to increase its stack heights at Midland Port to increase capacity in a short period of time.

- 27 The future trends identified above highlight the strategic importance of Midland Port and the necessity to have a Strategic Directions chapter which:
 - 27.1 recognises the need to protect and promote the ongoing efficient and effective operation of Midland Port; and
 - 27.2 ensures other development does not restrict or limit the efficient and effective provision, operation, safety maintenance or upgrade of Midland Port.

CONNECTION BETWEEN MIDLAND PORT AND THE STRATEGIC TRANSPORT NETWORK

- 28 The wider transport network (state highways and other roads, rail, airports) is a key strategic asset for the District and the efficient functioning of that network is integral to the functioning of Midland Port.
- 29 LPC relies on this transport network to move freight to and from the South Island and Canterbury region to Midland Port and the Lyttelton Port and CityDepot facilities. It is important to ensure the District Plan provides for the safeguarding and development of this transport network.
- 30 LPC relies on journey reliability to efficiently plan its operations and movement of freight. There are present issues with the road network which compromise this and as a result LPC is seeking a modal shift to rail to provide higher reliability. In addition this reduces inefficient movements of empty containers on the road network adding to congestion and emissions amongst other impacts.

REVERSE SENSITIVITY

- 32 Given the location and nature of our operations, LPC is particularly reliant on the planning framework under the Resource Management Act 1991. District Planning instruments are fundamental mechanisms by which Ports can provide for their existing and future operations, including protection from reverse sensitive effects.
- 33 Midland Port operates continuously, that is, 24 hours each day and 7 days per week. Port activities inadvertently generate significant noise and require sufficient lighting to operate in both an efficient and safe manner.
- 34 LPC established Midland Port at the edge of Rolleston. This location was deliberately selected, as it is some distance from residential development and the sensitive effects of Midland Port activities could be appropriately managed. If the Selwyn District Plan permits sensitive activities (such as residential development) in close proximity to Midland Port, there are likely to be significant consequences in terms of reverse sensitivity effects.

- 35 LPC is also very conscious of its role within the community, particularly within Lyttelton. LPC recognises its responsibilities as a good corporate citizen. LPC is always committed to working actively with the local community and iwi to ensure good environmental outcomes. One of the ways that LPC maintains active engagement is through planning processes such as this one.

CONCLUSION

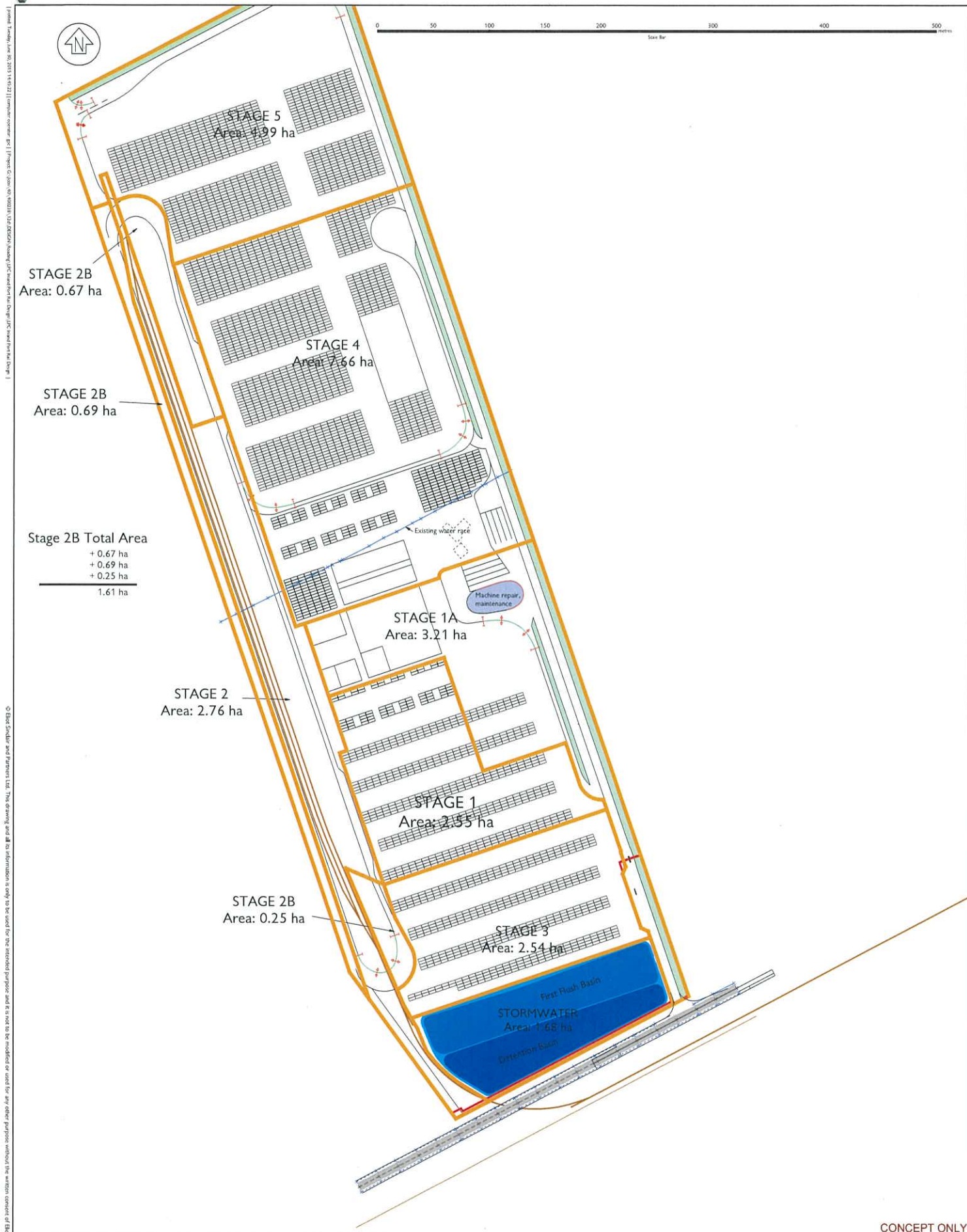
- 36 LPC generally supports the intent of the Strategic Directions chapter. LPC does however seek that the Chapter is amended to more directly recognise the strategic importance of Midland Port as regionally and nationally significant infrastructure, for the reasons set out in my evidence.

Dated: 23 July 2021

A handwritten signature in blue ink, consisting of a large, stylized 'M' followed by a horizontal line extending to the right.

Michael Simmers

APPENDIX 1



no.	amendment	initial	date	designed	G Crouchley	surveyed	origin of levels
C	Addition of Stage 2B and 24 Carriage Rail	GPC	15/5/15	manager	E Shaw	ESP	
D	Stage 2B changes	GPC	18/5/15	drawn	G Crouchley	surv. date	
E	Stage 2B changes	GPC	18/5/15	checked		Dec 2014	datum
F	Various	GPC	18/6/15				
G	Various	GPC	18/6/15				

CONCEPT DESIGN LAYOUT PLAN
OVERVIEW
for Lyttelton Port Company

Scale: 1:1500 (A1) 1:3000 (A3)
Date: 18/06/2015

Drawing Set
400238 M1
111 Concept Design

Sheet
1 of 4
REV. G

Eliot Sinclair
surveyors | engineers | planners