

# The loss of the Napier to Gisborne rail link

Chris Perley

<i>Turning and turning in the widening gyre</i>	<i>The blood-dimmed tide is loosed, and everywhere</i>
<i>The falcon cannot hear the falconer;</i>	<i>The ceremony of innocence is drowned;</i>
<i>Things fall apart, the centre cannot hold;</i>	<i>The best lack all conviction, while the worst</i>
<i>Mere anarchy is loosed upon the world,</i>	<i>Are full of passionate intensity.</i>

## WB Yeats, The Second Coming

The Napier to Gisborne rail line is closed. A storm created the final straw, with a cost of a few million dollars to repair. There are ironies in that a storm became the excuse, but you need a bit of history and breadth to see them. Yeats' 'passionate' men do not usually see irony, so intense is their fervour and belief.

With fervour and a little spin, one of the peripheral transport network strands is cut from the central rope. This is because, if you look at the costs and returns internal to that one strand, at this time and in this place a case can be made to trim, and so we do. Words such as efficiency are bandied about, meaningless without context

There are decision-making frameworks, but they are the same ones which rationalised the loss of the historically-developed heavy engineering capacity of the Hillside Railway workshops and buying cheap from overseas. Short-term expedience, and an almost pathological avoidance and perhaps fear of thinking strategically about our long-term future, the retention and development of value and legacies, or of building social and economic capacities. We become less resilient by following this path, but someone will be better off. Someone always is.

### Analogy

A forest decision-making analogy is the destruction of the kauri, a rape that Sir David Hutchins referred to as 'one of the saddest features in the history of this fair earth', suggesting it will go down in history as 'a dark blot in the story of Anglo-Saxon colonisation.' Like a mature kauri forest, rail values and capacities extend far beyond the dollar, slow to develop and very easy to destroy.

Then, as with the kauri, we look back on the loss and wonder why it happened and why did those who we trusted to make the right decisions not act in the people's interests over the temptation of the short-term gain. There is a lesson in our butchering of the kauri, lessons we still have not learned and so we keep repeating them. Hutchins' comments are as relevant today as in 1916.

The framework that destroys rather than creates

legacies is about –

- Thinking financially rather than strategically, considering only the short term
- Not thinking beyond the books to service or the future of New Zealand or the regions
- Taking what you can and when you can
- Cutting expenditure rather than building capacity and custom
- A central government ideology of market and private in all things, where there is no need to strategise about transport or the future price and availability of energy, or regional development because the market will do all that anyway.

We may analyse things and cut them up into ever smaller pieces, and then presume we are providing reasons and meaning and some basis for sound judgment. That is one of the myths of the day. By wilfully ignoring anything but that which stands in front of our narrow vision, we can make a path to the other end of the field. Better still to look at our feet while doing so. It is difficult, therefore, to look at the loss of the Napier to Gisborne rail line without touching on some of the 'passionate intensity' ideas behind it all.

### Network economics

The study of the folly of narrow technocrats ought to be sufficient to light a beacon of warning against their possession of decision-making power. Ultimately, the real world tests all hypotheses. But as Jane Jacobs proclaimed in reference to the abandonment of our search for truth and understanding, rather than religious application of one method, when the answers from the real world seem to come slowly, then –

... it is seldom the evidence itself that is slow to appear; rather, observers are blind to evidence or emotionally can't bear to credit it. This is why the crashing of the Berlin Wall was required as an exclamation point, after unheeded evidence of many decades reported that Marxism was untruthful as an economic theory.

Even large shocks have not changed our decision-making bias of short-term narrow expedience and arrogance. A few years ago the Auckland central business district, New Zealand's commercial hub, lost power for five weeks after a cascade effect of failure. The inquiry into the management of Mercury Energy identified problems around corporate governance, risk management, contingency planning, asset management and lack of responsiveness to what engineering staff had warned was at risk.

You need not listen or consult if you know you know it all. In the middle of the debacle, the company chairman repeatedly stated in a radio interview that the company was 'well-run'. Under his narrow definition, it was – he knew.

## Peripherals are important

Rail has had its own debacles. A story within strategy circles tells of the effect of reductionist accounting on United Kingdom rail systems. Primary and secondary rail lines made profits. Many third and fourth order lines did not. So the obvious decision, if your god resides within a spreadsheet, is to close the unprofitable lines. The result was the collapse of the profitability of the next order lines up the chain. Things fall apart, the centre cannot hold.

Within network economics, the peripheries feed the main trunk routes through hubs whether in roads, shipping, rail or air transport. If you make decisions based only on the figures of a peripheral line, it is at the risk of the whole. That approach would mean a high percentage of our county roads would not be financially viable. Without them, New Zealand would not be financially viable. So you have a choice – a financial analysis internal to the parts of the system, or a strategic approach around other decision-making frameworks such as resilience thinking.

We do not close down unprofitable peripheral road networks because transport links are strategic, not financial, and because network economics is the narrowest potentially useful framework. But now with the closure of the Napier to Gisborne line, another feeder line has been cut. It now makes the Palmerston North to Napier line less viable and its potential unrealised.

## Resilience frameworks and transport strategies

The focus on finance internal to one rail line is no basis for intelligent decision-making. Network economics is better, but still too narrow. There are considerably more complete frameworks than even network economics. Far from the narrow expedience of the decision-making complex sits the 'resilience' framework. The principles are similar to those required for the successful survival of a species. They are the capacity to –

- Cope with a shock, whether localised or universal
- Adapt should the unforeseen occur, as it inevitably will

- Shape a new future if possible
- Foresee possibilities to retain capacities and to build those we may need to both reduce uncertainty and cope with shock.

It is long-term in its focus, and accepts uncertainty and uncontrollability rather than predictability and quantifiable risk as the essence of any future. You cannot model uncertainty because, by definition, it is not there. Resilience thinking is the opposite of what we generally see from the technocrats, although more and more the spin doctors will throw in the word to appear to be modern without any appreciation of what a culture change it represents.

Many of the capacities necessary for resilience relate to –

- Integrated infrastructural systems
- Diversity in options
- The integrity of localised nodes or modules that have some decentralised functionality
- A multi-functional landscape rather than a single-function factory of paddocks and compartments
- A vibrant social knowledge system where those at the top are disabused of the delusion that they represent all wisdom
- Social collaboration
- The values of innovation and improvisation.

All of these capacities are destroyed by the prescriptive thinking which goes hand-in-hand with narrow expedience, command, control and faith in quantitative prediction.

## Common sense strategy

Resilience was a main idea of the past Labour-Green government's transport strategy. It emphasised the probability of future fossil-based transport fuel constraints, the need for energy conservation, the disruption of positive feedback loops building growing energy-dependency, creating options including coastal shipping and rail, and regional modularity with transport committees taking an overview. Better yet, it emphasised public transport, walking and cycling, the linking of communities to open spaces and the transport system, as well as integration with the renewables and decentralisation energy strategy, and adapting to climate change.

With the change of government in 2008, as the global financial crash suggested such resilience thinking was at least worth a second thought, the policy went into reverse. Motorways were emphasised. The regions were put back in their place and Auckland given its rightful dues. Climate change was barely mentioned. Expanded oil, gas and lignite extraction was a new hope to stave off any suggestion of the need for thinking change, or simply thinking. Transport strategy was

decoupled from energy, climate change and regional development. Decision-making was centralised where it could be better controlled.

Through all this, rail was an embarrassing failure of privatisation. It was an underfunded system, bled white, first by private sector owners until the public once again was forced to bail out yet another corporate beneficiary, and secondly by the government.

### Vulnerability of Gisborne

The Napier to Gisborne railway is a personal journey, as all journeys are. This is a route on which in days past you could ask the driver of the railcar to drop you off at Matahoura Station, just over the viaduct, and it would be done. It was over these viaducts that road traffic was diverted after the road was cut after the Napier earthquake of 1931. My own grandparents made that trip. But that was a different New Zealand.

The rail system has suffered from major under-investment and deferred maintenance since it was privatised during the 1990s and purchased by a benighted merchant banker, among others. The poor asset management that Mercury Energy was charged with applies, if not more so, for the Napier to Gisborne railway. The levels of travel on the rail are no indicator of potential. Only in the last year tunnel work was undertaken to improve container trade.

This arrested development approach of the short-sighted is not new to the governing board of rail. In the 1990s, requirements for log-carrying rolling stock maintenance led to a choice between upgrading the stock, or discontinuing the service which was due to grow in the South Island. They chose to discontinue, much to the bemusement of the local forestry sector. For these growers, rail was an important tactical choice for producers who transport long distances and want price competitiveness.

The country from Napier through to the East Coast is steep, erodible and subject to major storms. We also have earthquakes. The road and rail have a history of being cut, sometimes both, often just one or the other. Most recently, the Manawatu road access to the east was cut while the rail still ran. The Waioeka Gorge, another major access point for Gisborne, was temporarily cut in the autumn of 2012.

It is not inconceivable for Wairoa and Gisborne to be cut off at any one time. This is more likely in the future in a climate where the incidence of storms is expected to increase, in particular the frequency of south-tracking tropical storm systems. Given that possibility the option of rail is obviously strategic, and internal costs and returns to rail are insufficient, there

seems to be more justification of political will than any attempt at truth and understanding.

### Conclusion

Yeats was presenting his scenario of a dysfunctional world as the basis for some second coming of goodness and purpose. That dysfunctional world is here. The best perhaps lack all conviction, because a broad and long view raises the fuzzy contingency of time, place, point of view and meaning which cannot be logically or easily reduced to a few dimensions. In addition, there is the passionate intensity of the zealots who have no problem with logic and have such a dominant hold on the hierarchy of the government and corporate minds.

The government may have used the promotional option of selectively-chosen financial data, weak and irrelevant though it was. But no attempt was made to take a broader strategic view which considered transport as more than a piecemeal set of unlinked financial entities expected to stand on their own feet outside a wider network. Absolutely no attempt was made to consider this rail link within a broader strategic framework, certainly not one that aligned with resilience thinking, perhaps better expressed as 'basic evolutionary survival strategies'.

In a recent paper to the NZAIA Conference 2012, Geoff Bertram from the Institute for Governance and Policy Studies at Victoria University, changed the challenge from the promoters to we, the public. He strongly advocated that we be aware of the vested interests of the promoters, proclaiming that New Zealand's greatest psychological weakness is gullibility when faced by promoters often using big numbers. He also said that that promoters will only be honest and open in a policy environment where honesty and openness pay, and where naked propaganda does not. For that we need the 'passionate intensity' to be the chosen preserve of the best.

### Further reading

Bertram, G. 2012. *Lessons from Think Big*. Conference paper at NZAIA Conference 2012, Wellington.

Jacobs, J. 2004. *Dark Age Ahead*. Random House, NY. Chapter 4, Science Abandoned.

Roche, M. *Sir David Hutchins and Kauri in New Zealand* available at <http://fennerschool-associated.anu.edu.au/environmentalhist/links/publications/anzfh/anzfh2roche.pdf>

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