

3 May 2023

Daran Ponter
Chair, Greater Wellington Regional Council
Wellington
By email: daran.ponter@gw.govt.nz

Dear Daran

RE: WELLINGTON RAIL NETWORK ISSUES

Thank you for your letter dated 2 May 2023.

We are taking these issues very seriously and wish to meet with you at the Chair and Chief Executive levels next week, alongside David Gordon and Samantha Gain. In the meantime, as you indicate, the matters raised in your letter require a written response.

Going forward, we would prefer a working relationship based on direct conversations rather than letter exchanges. Accordingly I have not copied this response to the others on your circulation list.

Disruption to Wellington commuters

The status is that temporary speed restrictions are likely to be lifted on the Kāpiti Line this afternoon, enabling Metlink to return to regular train schedules tomorrow. The track evaluation car completed its work on the Kāpiti Line last night and the relevant data reviews are occurring now. We have provided your team with an update to this effect, and will confirm and announce the temporary speed restrictions once able.

KiwiRail has taken full responsibility for the error and, after the mistakes were escalated to senior management, a risk of weeks-long disruption was managed down to days. As we have since stated in several fora, we own the mistake and accept that we let commuters down with this error. We sincerely apologise for, and are not shying away from, the impact our error has had on Wellingtonians.

We have released core facts regarding the scheduling failure as a matter of open transparency, and we have commissioned our own external review into the issues, which will be bolstered by the Government's review of the matter.

In advance of any review findings, we are amending our forward scheduling of the EM80 to ensure it retains the expected schedule contingency so that unforeseen issues can be managed without compromising compliance periods. Any further actions to be taken by us will await and be determined by the findings of the review(s). We will continue to keep your team updated throughout this process.



Funding the Wellington network

Although not germane to the EM80 issue, I am pleased that you have raised in your letter the wider issue of the maintenance of the Wellington network and I look forward to discussing this further.

KiwiRail appreciates the role of Greater Wellington and central government in funding rail network services in the Wellington region. The Government is a substantial funder, through the Rail Network Investment Programme (RNIP), Wellington Metro Upgrade Programme (WMUP) and the New Zealand Upgrade Programme (NZUP).

The recent Lower North Island Integrated Rail Mobility (LNIRIM) initiative, which KiwiRail publicly supported, includes funding necessary to build improvements into the network to support Greater Wellington's initial scheduling intentions for the new rolling stock.

Just as we did for the introduction of the Matangi Electric Multiple Units (EMUs), which was extremely successful, we will work with you to ensure the new trains can operate appropriately on the network. The Government has already funded some elements through NZUP, and we understand Budget 2023 network funding will be delivered through the RNIP. I can assure you that KiwiRail places a high priority on a resilient and reliable national rail network. The two metropolitan areas are the highest volume sections of line and therefore attain highest priority in terms of investment and associated labour, plant, and planning time.

KiwiRail, through the Wellington Network Access Agreement (WNAA), delivers annual maintenance and network activities for your region through Network Management Plans (NMP). KiwiRail prioritises this work according to the funding provided for it. Greater Wellington funds a share commensurate with its use of the network and the Government, through the Waka Kotahi funding assistance rate (FAR), funds 51 percent of this.

In recent years, the Wellington rail network has not received from Greater Wellington the full extent of funding required to maintain and renew the assets. We appreciate that Greater Wellington can have budget constraints, but these constraints have led to an unfunded backlog of work. A failure to fund the required maintenance leads to a build-up of legacy infrastructure issues which will become increasingly serious over time.

KiwiRail has been open in public Regional Transport Committee (RTC) sessions in both Auckland and Wellington that these affordability constraints indicate the policy settings may need to change. Our management teams have discussed this at our Joint Governance group meetings and with transport agencies.

At present, Wellington's NMP is being under-invested in during 2022/23 and is forecast to again be under-funded for 2023/24 by Greater Wellington. I am somewhat surprised that your letter raises slope stability and signals as a point of fragility in the network. KiwiRail has sought funding from Greater Wellington for your share of these costs, but this has not been provided. We are more than willing to discuss the need to satisfactorily fund the Wellington metropolitan network maintenance, renewals and improvements. Our offer is to continue to jointly advocate for a funding solution to deliver full services.



Management of risk

KiwiRail manages the rail network within the funding available. The Government has supported us to deliver a major programme of catch-up renewals through the RNIP which will lift the national network to resilience and reliability.

The Wellington network is among the busiest in the country, meaning it requires more maintenance and renewal than other parts of the network. Under the existing funding model (and unless and until it changes), Greater Wellington, as the Wellington network's primary user, is responsible for funding its share of these costs.

KiwiRail will always manage the network in the interests of the public's and our staff's safety. If maintenance and renewal cannot occur due to funding constraints, then we must impose safety mitigations like temporary speed restrictions.

We are committed to working collaboratively with you to ensure we achieve our joint objectives for the Wellington rail network. We believe we can best solve these issues working together. I look forward to discussing this further, with a view to reaching an agreed outcome in the best interests of Wellington commuters.

Yours sincerely

A handwritten signature in blue ink that reads "David McLean".

David McLean

Chair

Copied. Nigel Corry, Chief Executive, Greater Wellington Regional Council
 Samantha Gain, General Manager Metlink, Greater Wellington Regional Council
 Peter Reidy, Chief Executive, KiwiRail
 David Gordon, Chief Capital Planning Asset Development Officer, KiwiRail

