[Voiceover]

Welcome to the audio version of the draft New Zealand Rail Plan. My name is Richard Manning and I’m a Senior Adviser in the Supply Chain team at the Ministry of Transport. The Ministry very much wished that we could have presented this to you in person, however we hope you enjoy the 15 minute online presentation of the plan.

As you know the Ministry had planned a series of nationwide engagements to discuss both the draft GPS 2021 and the draft Rail Plan and hear your feedback. However the Covid-19 Alert level has now forced us to postpone these events. The Covid-19 virus presents a fast moving situation to everyone in New Zealand, and we expect that we’ll need to consider how the national response to coronavirus impacts both GPS 2021 and the draft Rail Plan priorities.

We will continue to work through what this might look like - but we also want to be able to consider your views on the content that’s there now.

First, I would like to give you an overview of the Plan.

The Plan is divided into four key sections, which I will be discussing individually, include:

• The strategic context

• The Government’s strategic priorities for rail

• How we are going to measure the benefits of investment and performance against objectives

• Next steps.

I won’t go to deeply into the history of rail in New Zealand nor talk too much to the current state of the rail network. However, it is accepted that the network has suffered from under-investment over many years and was in a state of ‘managed decline’.

To arrest this decline and support the goals the Government has for transport, the Future of Rail Review (the Review) considered the challenges faced by rail and recommended significant changes to the way we plan, fund and invest in rail.

The Future of Rail is a cross-agency project led by the Ministry of Transport, working alongside KiwiRail, the Waka Kotahi New Zealand Transport Agency, the Treasury, Auckland Transport, and Greater Wellington to define and develop the Future of Rail in New Zealand.

The review identified two key issues with the way in which the national rail network is planned and funded in New Zealand.

It noted that current framework:

• involves short-term funding decisions, which are inadequate for long-lived assets

• isolates road and rail infrastructure decisions from each other, making co-ordination

of land transport investment decisions difficult.

The review recognised that to take advantage of the wide-ranging and long-term benefits of rail, there was a need for remedial investment. In addition, the review also noted that investment alone was not enough and needed to be accompanied by a substantial change to the existing planning and funding framework for rail.

The review therefore recommended that rail network investment should be planned and funded under the long-term transport planning and funding framework in the Land Transport Management Act (LTMA).

This change will mean a long-term approach is taken to funding the rail network. It is also important to note that the plan does not provide a definitive list of investments for rail over the next decade nor does it provide a funding commitment for any of the projects outlined in the plan.

Developed, in-consultation with KiwiRail, the NZTA and Metropolitan operators Auckland Council and Greater Wellington Regional Council.

Next I’m going to talk to Section 2 of the Plan.

This section outlines the Government’s strategic priorities for rail.These is divided into two parts, which include: Part A: Establishing a new long-term planningand funding framework under the LTMA, and Part B: Investment priorities for a reliable and resilient rail network.

Underneath Part B lies two core strategic priorities: investing in the national rail network to maintain freight rail, and provide a platform for future investments for growth, and investing in metropolitan rail to support growth in our largest cities.

As part of the Future of Rail Review, we are establishing a new long-term planning and funding framework under the Land Transport Management Act.

The new planning and funding framework will:

• Improve the transparency of Government investment decisions on the land transport network

• See investments being made on a more mode-neutral basis, for example, road and rail projects will be assessed on a similar national benefits

basis

• Facilitate a medium to long-term approach towards investment in rail, consistent with other land transport networks, reflecting that rail investment provides long into the future.

One of the aims and benefits of this new approach is that it will provide greater certainty to organisations and agencies involved in rail.

The new approach will see rail network investment decisions taken under the LTMA. This will result in the national rail network being planned and funded alongside the rest of the land transport system, including the road and public transport networks.

These significant changes to the land transport system will take until 2021 to implement and will require amendments to the LTMA. Under the new framework, funding for rail network investment will come from:

• The National Land Transport Fund (the NLTF)

• Track User Charges

• The Crown

Rail network activities will also be outlined in the Rail Network Investment Programme (or RNIP). Further work is also underway to establish Track User Charges. It is intended that the Rail Network Investment Plan will be a 3-year plan, developed by KiwiRail. The Minister of Transport will be responsible for approving the RNIP, following advice from Waka Kotahi NZ Transport Agency.

New Zealand’s two metropolitan rail Regional Land Transport programme’s (RLTPs) will feed into the RNIP, and it will also take its direction from the Government Policy Statement on land transport.

The Land Transport (Rail) Legislation Bill also provides for additional regions to be included within the RNIP process through regulations. The Government’s investment priorities for rail are divided into investments in the freight rail network and the metropolitan rail network. The plan also outlines potential future opportunities.

I refer the listener to Part B: Investment Priorities for rail beginning on page 24 of the draft plan for a detailed description of these.

As I noted earlier, it is important to note that the plan does not provide a definitive list of investments for rail over the next decade nor does it provide a funding commitment for any of the projects outlined in the plan.

The next steps for the draft New Zealand Rail Plan include progress with the Land Transport (Rail) Legislation Bill, which will give effect to the new planning and funding framework. At this stage the plan is to implement these changes in mid-2021 in line with GPS 2021. We also intend to issue the final rail plan alongside the final GPS 2021 in the second half of this year.

The final plan will provide further information on funding sources and principles, including track user charges to support the National Land Transport Management Fund (the NLTF).

We welcome feedback on the plan and consultation closes at the same time as consultation on GPS 2021 – which, as discussed earlier, we have extended the GPS consultation period by 2 weeks, to 11 May 2020.

This will provide additional time to you as you come to terms with significant changes to your priorities, operating models and individual circumstances.

Please feel free to complete the online survey and provide any comments and suggestions you may have to DraftNZRailPlan@transport.govt.nz.

Thank you for taking the time to listen to this presentation.