

## **Technical amendment to the Government Policy Statement on Land Transport 2021/22-2030/31 Rail Network Activity Class**

This is a technical and non-significant amendment to the Rail Network activity class funding ranges and description to provide clarity and enable Waka Kotahi to implement the funding of rail activities under the Rail Network Investment Programme. The amendment reflects the decisions taken by the Crown through Budget 2020 and 2021 to contribute Crown funding to the NLTF for rail activities. This does not impact on existing revenue from the NLTF already outlined in GPS 2021. It simply reflects an increased activity class range in line with the additional Crown funding that has been approved.

Separately, the Government is implementing a track user charge on rail activities. This will be treated as land transport revenue like other existing revenue sources to the NLTF, and therefore does not impact on the Rail Network activity class range changes outlined here.

The additions to the GPS are underlined; any text removed is shown with ~~strikethrough~~.

**Amendments:**

**Amended NLTF expenditure targets to reflect new Crown funding (change to Page 31)**

107: Table 2 reflects the total expenditure target (the expected level of expenditure based on projected revenue for the Fund, plus the Crown funding for rail) along with the maximum and minimum for the first six years of GPS 2021. Actual expenditure will vary with actual revenue collected in the Fund.

	2021/22 \$m	2022/23	2023/24	2024/25	2025/26	2026/27
Expenditure target	<u>4,500</u> <u>4,750</u>	<u>4,550</u> <u>4,850</u>	<u>4,650</u> <u>5,000</u>	4,700	4,800	4,850
Maximum expenditure	<u>4,700</u> <u>4,950</u>	<u>4,750</u> <u>5,050</u>	<u>4,850</u> <u>5,200</u>	4,900	5,000	5,050
Minimum expenditure	<u>4,300</u> <u>4,500</u>	<u>4,350</u> <u>4,600</u>	<u>4,450</u> <u>4,750</u>	4,500	4,600	4,650

## **Amendment Rail Network Activity Class description (replaces the existing description on page 33)**

### *Rail network*

120. Rail is an integral part of the transport system in New Zealand. Rail enables access and mobility, transporting people and goods, supporting productivity and business growth, reducing emissions, congestion and road deaths, and strengthening social and cultural connections between communities.

121. GPS 2021 implements the findings of the Future of Rail Review. The purpose of this activity class is to implement the New Zealand Rail Plan by funding approved activities from the RNIP (prepared by KiwiRail). ~~The priority is to ensure a reliable and resilient national rail network. It provides funding to KiwiRail to maintain and renew the national rail freight network.~~ It provides funding to KiwiRail to maintain, operate, renew and improve the rail freight and tourism network (including a proportionate contribution to the cost of maintaining metropolitan rail networks used in KiwiRail's rail freight and tourism services). The investment priority is to ensure the delivery of maintenance and renewals to enable a reliable and resilient national rail network.

122. ~~The activity class does not show the funding to be provided by the Crown to be invested in RNIP activities. The agreed funding for this is set out in Section 3.6.~~ The activity class reflects the \$834.4 million Crown funding from Budget 2020 and 2021 to support the Rail Network Investment Programme in 2021/22 through until 2023/24. Further funding will be required from 2024/25 through until 2030/31 to support the delivery of the Rail Network Investment Programme.

**Amended Rail Network activity class (replaces Rail Network activity class outlined on page 34/35 of GPS 2021)**

Activity class	Expenditure reporting line	Definition		GPS 2021 funding ranges						Forecast funding ranges			
				2021/22 \$m	2022/23 \$m	2023/24 \$m	2024/25 \$m	2025/26 \$m	2026/27 \$m	2027/28 \$m	2028/29 \$m	2029/30 \$m	2030/31 \$m
Rail network	Rail network	Investment to enable KiwiRail to deliver a reliable and resilient national rail network	Upper	<del>397-170</del>	<del>454-170</del>	<del>493-170</del>	170	170	170	170	170	170	170
			Lower	<del>347-120</del>	<del>404-120</del>	<del>443-120</del>	120	120	120	120	120	120	120