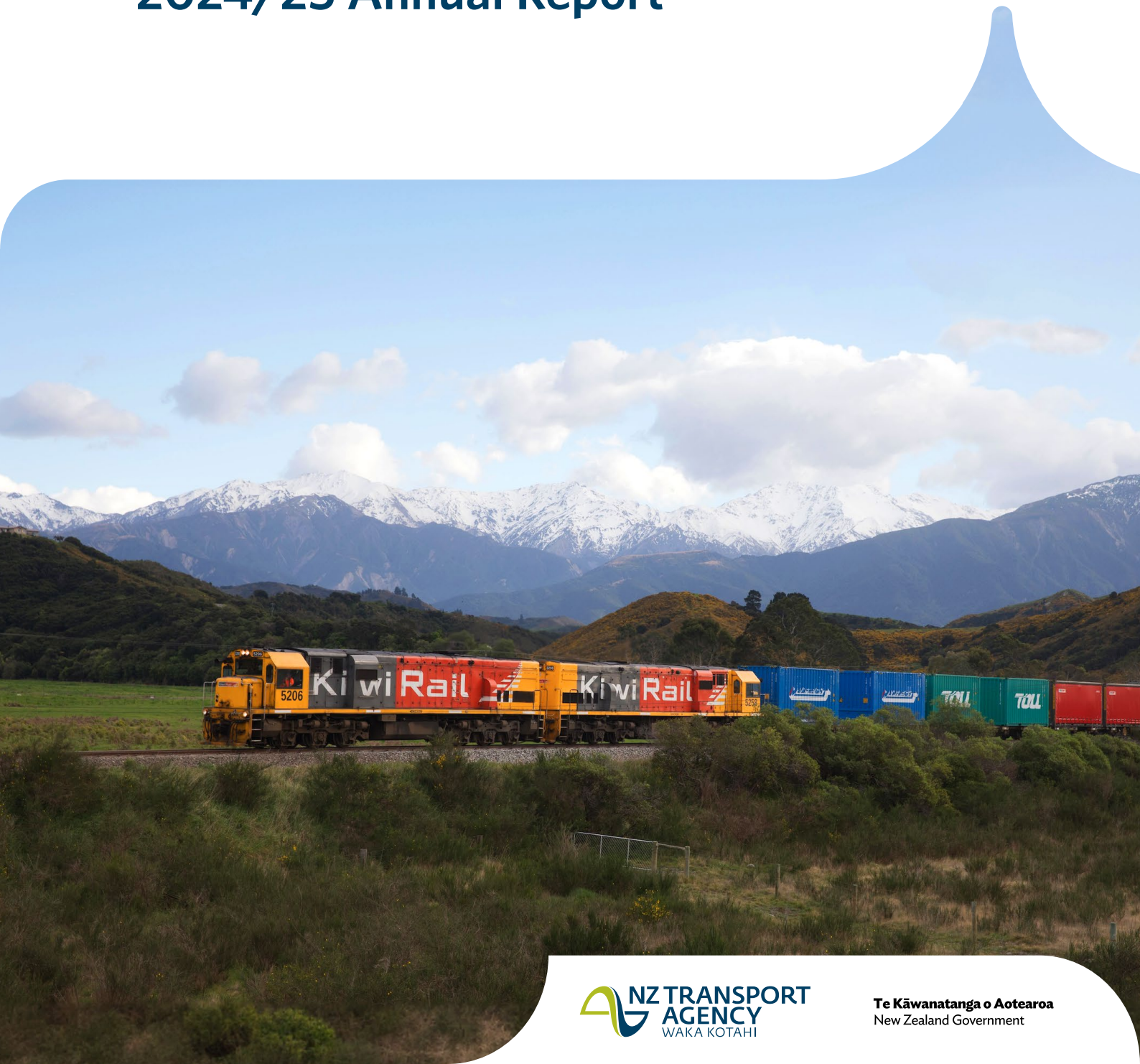
Rail Network Investment Programme

2024/25 Annual Report



NZ TRANSPORT AGENCY
WAKA KOTAHI

Te Kāwanatanga o Aotearoa
New Zealand Government

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Executive summary

NZ Transport Agency Waka Kotahi (NZTA) produces an Annual Report on the Rail Network Investment Programme (RNIP) as part of its monitoring function under section 102A of the Land Transport Management Act 2003 (LTMA).

Progress towards outcomes in 2024/25

The NZ Rail Plan outlines a monitoring framework to assist in measuring the achievement of outcomes across the wider programme of government investments to restore a resilient, reliable, and safe freight and passenger rail network for New Zealand. The framework covers a wide range of topics across KiwiRail's above and below rail businesses. Results for 2024/25 are shown below.

Table 1: Overall outcome results for 2024/25

Outcome	Target	Trend
Improve the value of rail	▲	↑
More freight carried by rail	●	↔
More people travel by rail	▼	↔
Reduced emissions	▼	↓
Fewer fatalities and incidents	●	↓
Rail network is more efficient	▲	↑
Rail network is more reliable	●	↑
Rail network is more resilient	▲	↔
Fair access to the network	▲	↔

Key

▲	Achieved target	●	Within 10% of target	▼	>10% below target	■	Not reported this period (Tri-annual)
Trend (to prior year)	↑	doing better	↔	no change	↓	doing worse	

Summary of key findings

Plant procurements remain critical

Plant remains a critical enabler of productivity and programme outcomes. Progress on plant procurements continues and remains generally in-line with the overall programme with all contracts awarded and all plant items in various stages of production, testing and commissioning. There have been some delays experienced in the last 12 months as these move through design and testing, but all procurements remain generally on track.

Cost pressures and escalation remain a real issue

Cost escalation remains a risk to the delivery of the 10-year programme. Cost pressures remain for materials (which continue to fluctuate due to global conflicts, and the reduced programme size also reduces purchasing power), and labour (which have increased at higher-than-expected levels). The availability of some specialist resources continues to be a challenge with demand for skilled signalling resources remaining high across the world and KiwiRail need to be competitive against international demand.

General cost pressures will continue to become more apparent, particularly in the routine maintenance areas where KiwiRail will need to manage the risk of deferred renewals by undertaking more frequent and widespread asset inspections to maintain safety and compliance. This area of the programme will require efficiencies to be realised and a constant focus on cost controls while delivering the desired outcome.

Metro network affordability

Across the three annual reports of the 2021-24 RNIP we reported significant issues relating to the funding of critical maintenance and renewals in the two metro networks. In the metro networks routine renewal (and maintenance) costs are shared between central and local government. While (at a more macro level) the affordability challenges continue, there has been notable improved alignment in the agreement of co-investment levels for the 2024/25 year, and positive signs for the remainder of the 2024-27 period. That said, the ongoing work to review the cost share, incentive, and affordability aspects of the Metro Rail Operating Model (MROM) remain critical, and NZTA continues to work with the Ministry of Transport, KiwiRail and other rail participants to prioritise this work.

Renewals programme delivery

Measurement of delivery performance is provided within the context of the levels of uncertainty that were experienced this financial year. Formal approvals of the RNIP were delayed and the renewals programme was not finalised until the end of Q1, and we note KiwiRail's conscious response to Government's signals to recalibrate activity and expenditure levels to lower levels. That said, overall renewals delivery has been strong in most asset classes with the delivery of track and sleeper renewal ahead of plan. The structures programme within the RNIP contains the full replacement of nine key structures across the three-year period and KiwiRail has completed the first three structure replacements as planned.

Targeting to the 'busiest and most productive parts of the network'

The Government Policy Statement and land transport 2024 (GPS 2024) provides clear direction that *'investments in rail should be focused on the busiest and most productive parts of the existing rail network'*, and further that *'Government's focus will be to invest in maintaining the network... between Auckland, Hamilton, and Tauranga'* (the golden triangle).

Final actuals for the 2024/25 year and delivery performance demonstrate that the programme has been well targeting and delivered as planned with the upper North Island (including the golden triangle), upper south, and lower South Island all delivering the programme as planned, with a slight variance in the lower North Island.

Metro improvement projects

There have been periodic changes to the metro improvement projects programme throughout the year resulting in a total of $276.2 million of expenditure planned across Auckland and Wellington, with $91.5 million funded by the National Land Transport Fund (NLTF), and $187.1 million funded by the Crown. While funded through a number of discrete activities, over 70 percent of this total is focussed on remediating the overdue renewals in the two metro areas. The final out-turn for the year was 15 percent under budget and this variance is an improvement on previous years and demonstrates increased budget and forecasting accuracy.

Most importantly significant progress was made in the delivery of the overdue renewal project which completed the year within 2 percent of budget. While delivery performance has been strong, we highlight two particular observations in relation to the delivery of this work which should be taken forward by all relevant stakeholders:

- A more enabling access regime in Auckland led to increased outputs and reduced cost. Every effort should be made to continually improve in this area by enabling access regimes that allow increases to productivity and efficiency.
- The limitations of annual funding and delayed and detailed approvals of the workbank meant that KiwiRail only had around 8-9 months to physically deliver the work. This led to inventory issues and some elements not being able to be delivered in the timeframe.

Productivity and efficiency

KiwiRail are members of RIAMBiG (the Railway Infrastructure Asset Management Benchmarking Group). Through this group we are able to see comparative analysis of track maintenance and renewal expenditure performance benchmarked against other RIAMBiG members.

Through these key performance indicators, we can observe that on-time track renewal expenditure within the Auckland and Wellington metro networks is significantly less than the long-term average in the Australian metro networks. The level of track maintenance spend in Auckland currently aligns with the levels observed in the Australian metro networks however is substantially lower within Wellington. While on-time track renewals expenditure within the freight network started to approach the Australian rural network long-term average during RNIP 2021-24, prior to this time it was generally much less, and this gap will start to return in the 2024-27 period.

From these results we can conclude that the long-term trend in relative underinvestment in renewals in the metro and freight networks demonstrate why there is a significant infrastructure deficit and reinforces the need to continue to fund and complete significant levels of overdue renewals and to continue to increase levels of investment in line with any network improvements or increases in service frequency.

This annual report also includes the first year of results for the new efficiency and productivity measures in the RNIP. While only for one year, these results show that targeted unit rates for track renewal activities were achieved, and while the target for a 10 percent reduction on off-site overheads was not achieved, a 6 percent reduction was reported.

A number of cost saving, productivity and efficiency initiatives have also progressed including bulk procurement initiatives, changes to the inventory management strategy to consciously reduced holdings, using standardised designs, and trialling various life extension activities to increase life of existing aged assets without the immediate need for full renewal.

In summary

Renewals delivery has been strong in most asset classes for the national freight network despite the uncertainty in funding levels this financial year, and the need to recalibrate expenditure to lower levels.

Significant works were completed in the two metro networks remediating overdue renewals and we acknowledge the ongoing funding from government over the 2024-27 period.

While network condition Key Performance Indicators (KPIs) have remained variable, there are encouraging signs of overall improvement, but fluctuating investment levels will impact on the achievement of desired results over time. Issues remain in the two metro networks where the ongoing work programmes continue to impact passenger services reliability and punctuality.

Key points for action going forward:

- Sector participants to continue to work together on the MROM to resolve (amongst other things) the affordability issues for renewals and maintenance in the metro networks through the development of a sustainable funding model.
- Sector participants to work together to enable better access regimes that allow increases to productivity and cost efficiency.
- KiwiRail to better adapt their systems in order to provide more meaningful KPI and programme delivery reporting in line with the requirement of Government (i.e. to report more effectively on golden triangle, priority and secondary lines), and to provide access to information more quickly.
- KiwiRail to continue to develop a suite of benchmarks that can effectively demonstrate ongoing productivity and efficiency of key repeatable tasks and comparing these outputs to other rail network equivalents in Australia and elsewhere. We note this has now been an ongoing request for several years through annual reports.

Section 1

Purpose and scope

1. This report is the NZTA Annual Report on the RNIP, as required under section 102A of the LTMA.
2. Under section 102A NZTA must:
   - **a.** monitor the provision of rail activities or combinations of rail activities approved by the Minister under section 22F; and
   - **b.** monitor the extent to which the Rail Network Investment Programme –
     - › contributes to the purposes of this Act; and
     - › is consistent with the Government Policy Statement (GPS) on land transport; and
   - **c.** report annually on its findings to the Minister.

Section 2

Background and context

GPS and ministerial direction

3. GPS 2024 focuses investment on the busiest and most productive parts of the rail freight network to support the efficient movement of freight, particularly within the Auckland, Hamilton and Tauranga triangle, to support the overall objective of economic growth and productivity. The GPS also confirms the ongoing priority of completing major metro network renewals and upgrades to realise the benefits of previous investments in major public transport infrastructure.

4. KiwiRail submitted their RNIP 2024-27 to the Minister of Transport by the requested date of 30 June 2024 and requested approval of the RNIP and release of NLTF for specific activities. This included a forward works programme for the 2024-27 period based on the signalled funding envelope for freight network renewals and maintenance of $1.4 billion.

5. On 10 December 2024 the Minister:

- approved the RNIP and approved funding for the 2024/25 financial year,
- invited KiwiRail to submit an RNIP variation that:
  - fits within a $4-$5 billion funding envelope over 10-years and includes an option to reduce capital funding by $200 million over 2024-27
  - complies with the GPS 2024, and
- invited KiwiRail to take all steps to recalibrate 2024/25 funding in line with the $4-$5 billion funding envelope.

6. KiwiRail has submitted the Variation to RNIP 2024-27 in line with the above, and on 17th September 2025 you approved the 2024-27 RNIP variation and the funding of RNIP activities for the 2025/26 and 2026/27 financial years, up to the amount appropriated for these activities.

7. Throughout this annual report we acknowledge the lag in the RNIP approval, and the immediate request to reduce and recalibrate expenditure levels in the 2024/25 year. These factors have added uncertainty to both programme planning and delivery – both for the year under review and the subsequent two years of the RNIP. We recognise that this uncertainty and change means that a number of the baseline targets for the 2024/25 year will not be fully achieved and acknowledge that KiwiRail has made every effort to deliver an effective programme through this period that responds to the change in direction. On that basis, this annual report will focus more on the targeting of the programme (as per the GPS), and the productivity and efficiency aspects of programme delivery.

8. A summary of RNIP approvals to date, including a table summarising the costs associated with those approvals, is included in Appendix A.

Summary of third annual report

9. In September 2024, we submitted our 2023/24 annual report. This report also provided conclusions relating to delivery over the 2021-24 period. The key findings of this report were:

- KiwiRail continued to build on the delivery momentum that has been established over the duration of the 3-year programme with further increases in the key output areas.
- Delivery outputs increased year-on-year and individual targets for rerail, re-sleepering, and relay have all been exceeded. The benefits of this investment can be evidenced by:
  - Track Quality Index improved from 80 to 100 percent within target on priority routes,
  - 97 percent of condition 5 (very poor) rail has been addressed on priority routes,
  - the majority of condition 5 (very poor) sleepers have been addressed on priority routes.
- We noted significant advances in KiwiRail's asset management data, knowledge, and overall maturity as evidenced and noted in several reviews and assessments including a second Asset Management Maturity Assessment.
- Long run indicators are starting to improve but remain mixed – which is expected only three years into a 10-year+ programme of work.
- Notwithstanding the strong delivery metrics over the period, there are a number of areas that require additional focus going forward:
  - timely development of a wider suite of benchmarking that can be used to demonstrate efficient and effective delivery,
  - improved forecasting accuracy for metro improvement projects,
  - more timely release of performance reports and metrics to enable timely interventions if required.

Section 3

Annual Report on the delivery of the RNIP 2024/25

10. This section summarises the delivery of rail activities approved under section 22F and reconfirms that the activities continue to contribute to the purposes of the LTMA and are consistent with GPS 2024. In this section we will:

- provide a summary of the suite of reporting metrics in the NZ Rail Plan and RNIP to show how the delivery of activities is contributing to the outcomes sought from the investment
- provide a summary of overall delivery, and (in an appendix) a commentary on the delivery of the individual activities
- reconfirm the activities contribution to the LTMA and consistency with the GPS 2024, and
- provide an update on the findings and recommendations from our last annual report.

Part 1: Summary of reporting metrics and contribution to outcomes

11. Until such time as it is updated, we will continue to report metrics and outcomes against the monitoring framework in Section 3 of the NZ Rail Plan (Measuring the benefits of investment). This framework assists in measuring the achievement of outcomes across the wider programme of government investments to restore a resilient, reliable, and safe freight and passenger rail network for New Zealand. The framework identifies seven 'success factors', and several draft indicators to measure progress against the seven success factors.

12. A more detailed reporting framework has been developed within the RNIP that is consistent with the framework in the Rail Plan. There have been a number of changes made to the reporting framework that was used in the 2021-24 period, and these reflect practical experiences of using the framework over the last three years. The changes streamline the results in a more meaningful way and remove KPIs that effectively duplicated each other or were proven not to add significant value to the framework.

13. The framework consists of three levels of reporting that provide increasingly detailed and more granular information which roll-up to demonstrate progress towards outcomes. It contains:

- nine outcomes (the seven Rail Plan success factors, plus two additional outcomes)
  - 12 indicators (cascading up to the nine outcomes)
    - thirty-eight individual KPIs with targets (cascading up to the 13 indicators) (plus other additional KPIs which are only measured every three years).

14. The outcomes and indicators cover a wide range of topics across KiwiRail's above and below rail businesses (such as on-time performance for freight and asset condition indexes). We are satisfied that they are consistent with good practice having reviewed them against international equivalents.

15. This annual report summarises the results at the 'Outcome' and 'Indicator' level for the year under review (2024/25) and a 'trend' which shows how the indicators have moved since last year. It is important to note that outcomes are best measured and monitored over the longer term and improvements in reliability and resilience across the network will take some time to deliver. As such, there is a likelihood of fluctuation in indicators in the short term. Commentary is provided with a focus on the KPIs that pertain to RNIP delivery that flow up to indicators and outcomes.

Table 2: Overall outcome results for 2024/25 and trend demonstrating movement from previous year's results.

Key

▲	Achieved target	●	Within 10% of target	▼	>10% below target	■	Not reported this period (Tri-annual)
Trend (to prior year)	↑	doing better	↔	no change	↓	doing worse	

Outcome		Inductors		Summary commentary (As pertaining to RNIP delivery)
Improve the Value of Rail	▲↑	Value of Rail Report	▲↑	This is measured tri-annually to support Rail Plan & GPS development. This work is now being led by the Australasian Railways Association (ARA) rather than KiwiRail. The ARA has commissioned Ernst and Young to update the Value of Rail exercise. The report identified $2.3 billion of economic externality impacts and approximately $1 billion in Gross Domestic Product (GDP) benefits.

Outcome	Inductors	Summary commentary (As pertaining to RNIP delivery)
More Freight carried by rail 	Mode share for freight 	Total freight volumes across road and rail have remained relatively flat compared to last year. The subdued market continued to be felt across all freight modes and was also reported at ports. The rail sector has seen a slight decline in volumes. The road sector remained flat – although analysis shows a minor increase in Vehicle Kilometres Travelled (VKT) by heavy vehicles, offset by a decrease in average tonnage per vehicle, possibly signalling less efficiency. The proportions carried by mode have remained similar to previous years.
More people travel by rail (passenger mode shift) 	More people travel by rail 	Rail patronage recovery post Covid-19 is taking longer than expected, most likely influenced by changes in working habits (such as working from home, which has seen lower usage on Mondays and Fridays) and disruptions while infrastructure upgrades are progressing (more buses replacements and block of line closures). Overall, there was a slight increase in passenger boardings, but below target.
Reduced emissions 	Reduced emissions/ harmful pollutants from rail freight 	Reduced freight volumes led to running of lighter trains, meaning less fuel-efficient movements; partially offset by improved diesel fuel burn.
Fewer fatalities and incidents 	Number of rail safety incidents 	Within this outcome and indicator is the Total Recordable Injury Frequency Rate (TRIFR). We note TRIFR is 7% lower than the same time last year but the actual result is still failing to meet target. Sprain and strain injuries remain the predominant injury type (~60%).
	Decreasing number of level crossings in service 	One fewer in service.
Rail network is more efficient 	Rail freight productivity/ utilisation 	Operating surplus exceeded target and operating surplus ratio within 1% of target.

Outcome	Inductors	Summary commentary (As pertaining to RNIP delivery)
Rail network is more reliable	Travel time reliability	Reliability and punctuality targets as reported by Auckland Transport and Greater Wellington Regional Council were not achieved in the two metro networks. On-time performance of premier freight was on target.
	Number of derailments	Two mainline derailments reported against a target of <5
	Network condition	A number of the KPI targets for network condition were reduced in response to the reduction in available funding and the reduced renewals programme in the RNIP variation. Performance against these revised 'funding level' targets has been strong and would indicate a green rating. However, these do not represent the true network condition and performance against previous network wide targets has not been achieved. This continues to indicate further work is required to bring the network to a more acceptable standard.
Rail network is more resilient	Number of outages	250 minutes of unplanned infrastructure outages for Metros reported against a target of <1000 minutes.
Fair access to the network	Track access applications approved	97% of track access applications approved against a target of 90%.

Note: A number of these results also feature in KiwiRail's Statement of Corporate Intent and Annual Report and are subject to audit and confirmation.

16. Of particular importance to measuring the success of investment through the RNIP is the set of KPIs under the network condition indicator. As noted above, a number of these targets have been reduced through the RNIP variation to levels that are more achievable based on the level of funding. When comparing performance to network level targets these have remained variable and temporary speed restrictions (TSRs) continue to be a significant issue on the network.

17. That said, we have seen an improvement in TSR performance on priority routes since last year. This year, 40 percent of line segments were within their TSR targets, up from only 30 percent in the 2024 financial year. In general terms, the causes of the TSRs remain the same and are as a result of tamper availability and reliability, asset condition, and both non-RNIP capital programmes, RNIP and planned renewal activities. Realistically, we do not expect to see a significant change in TSR performance until new plant and equipment is commissioned and in-service.

18. Within the overall KPI results for network condition we can also focus on results within the golden triangle. The golden triangle consists of five priority line segments (the Auckland metro, three North Island Main Trunk, and one East Coast Main Trunk). Results for the golden triangle have been strong across the TSR, Heat 40[1], and Track Quality Index KPIs with all three returning results of 100 percent within targets. These KPI results demonstrate a clear focus on the delivery of appropriate network condition to support service delivery within the golden triangle.

19. Below, we also highlight the performance in the Auckland and Wellington metro networks using resilience and reliability results to demonstrate how customer performance is being delivered.

Auckland metro network performance

20. The results for punctuality (on time performance) and reliability (percentage of services that were not cancelled) as reported by Auckland Transport for the Auckland metro network are shown in the table below. These results include the impact of disruption from capital projects (such as the Rail Network Rebuild).

Table 3: Auckland metro network performance

Measure	Actual	Target	Status	Commentary
Reliability (did the service run?)	95.9%	98%		The target for the 2024/25 financial year was not achieved, but recorded an improvement compared to the previous 2024 financial year (93.6%) Peak time reliability also improved, finishing the year at 94.9%, compared to 92% in FY24
Punctuality (did the service arrive on-time?)	92.4%	95%		The target for the 2024/25 financial year was not achieved, but an improved result compared to the previous 2024 financial year result (87.8%). Peak time punctuality also improved, finishing the year at 87.3%, compared to 79.5% in FY24

21. TSRs are still the leading cause of performance and reliability failures on the Auckland rail network, particularly those following major blocks of line.

22. This year also marked the first full financial years' operation of the Auckland Rail Operation Centre. Improvements in collaboration between agencies is noted ahead of City Rail Link (CRL), however Train Control delays are second only to TSRs on the Auckland rail network, highlighting a need to focus on intended project benefits.

23. Significant work is still required to bring the network condition to the desired standard and achieve the stated level of service. This work is ongoing through the Rail Network Rebuild and overdue renewal projects which continue through the 2026 financial year.

[1] Heat 40s refer to destressing lengths of rail prior to the summer season to avoid the need for operational restrictions over lengths of track that are at a higher risk of rail buckling from excessive (>40 degree) heat.

Wellington metro network performance

24. The results for punctuality (on-time performance) and reliability (percentage of services that were not cancelled) as reported by Greater Wellington Regional Council for the Wellington metro network are shown in the table below. These results include the impact of disruption from capital projects (such as the Wellington Metro Upgrade Programme (WMUP)). We note that the targets for Wellington are higher than in Auckland, as negotiated in the Wellington Network Access Agreement and the disparity in targets and potential costs associated with this disparity is being considered through the MROM review with a view to providing better alignment.

Table 4: Wellington Metro network performance

Measure	Actual	Target	Status	Commentary
Reliability (did the service run?)	99.4%	99.3%		Target achieved but noting it has reduced slightly compared to last year (FY24 result was 99.5%). We also note that within the overall 2024/25 result reliability within the peak period was unchanged at 99.4%.
Punctuality (did the service arrive on-time?)	91.1%	96.6%		Target not achieved and has worsened compared to last year (FY24 result was 94.1%). We also note that within the overall 2024/25 result punctuality within the peak period was 71.66% which has also worsened from last year's result of 83.2%.

25. The punctuality result reflects the ongoing project work across the region, along with the volume of overdue asset renewals required on the network. The peak period punctuality result is disappointing but also demonstrates how off-peak services are much less impacted by network disruption as less services are travelling, and the network is not under as much stress.

26. TSRs account for approximately 70 percent of network delays on all lines, with longer-term TSRs impacting services while awaiting remediation and or completion of project work. The cause of delays was varied and region wide with train control system failures, embankment and slope failures, and general track and points failures throughout the year. Non-project delays in order of delay caused:

- general region wide TSRs
- points failures
- signal failures, and
- network control.

27. As with Auckland, significant work is still required to bring the network condition to the desired standard and achieve the stated level of service. WMUP project work continues as does the remediation of overdue renewals through Government funding, but the benefits are still to be realised for passengers.

Part 2: Summary and commentary on delivery of activities

28. NZTA has developed a Monitoring Plan for RNIP 2024-27 which contains five key areas of focus:

- renewals programme delivery
- programme targeting to the 'busiest and most productive parts of the network'
- Asset Management Continuous Improvement Programme (CIP) delivery
- metro improvement projects delivery, and
- programme level risks and issues.

29. These five areas are discussed below, but we first update three common challenges that had an impact on last year's performance. These challenges were less noticeable this year but still had some impact.

The procurement of plant is progressing well but remains critical to enable delivery performance and productivity improvements.

30. Plant remains a critical enabler of productivity and programme outcomes. It enables KiwiRail to complete core tasks efficiently (both time and cost) and to grow productivity and capacity into the future. Progress on plant procurements remains generally in-line with the overall programme with all contracts now awarded and final 'commissioned and in-service' dates confirmed. Note however, there is still around $130 million of payments to be made in the 2024-27 period to complete the purchases. A summary status of the plant purchases is below:

Table 5: Status of plant purchases

Item	Description	Progress update	Variance to original planned dates
Tamper, regulator and stabilizer sets (4 No.)	Machines used for distributing, profiling and compacting track ballast and improving track stability.	Tamper sets 1&2 field testing due to commence with commissioning now expected by December 25. Tamper sets 3&4 factory assembly completed and acceptance testing complete with commissioning now expected March and April 26. Regulator production continues with commissioning of sets 1&2 due Jan 26 and sets 3&4 due April 26.	Slight delay to Tamper sets 1&2 to enable functional testing with regulator sets.
EM80 Track evaluation car (TEC)	Rail vehicle used to monitor track quality at regular intervals.	Design completed and production has commenced. Delivery estimated March 27 with commissioning due March 28.	6-month slippage has occurred during the design phase.
EWR Wagons (30 No.)	EWR wagons are used to transport and handle lengths of rail. They are critical for the distribution of material to and from the required locations around the rail network.	Prototype production continued, pre-shipping inspection completed in early August in China. Commissioning due June 26.	Slight (2-month) slippage has occurred in the last 12 months due to extended design time and additional time allowed for prototype testing.

Cost pressures and escalation remain a real issue and pose a threat to achieving programme outcomes

31. Cost escalation remains a risk to the delivery of the 10-year programme and continues to feature on the programme risk register. Both labour and material costs continue to cause pressures.

32. Material costs continue to fluctuate due to global conflicts, and the reduced programme size also reduces purchasing power both domestically and from overseas (e.g. concrete sleeper demand has fallen from 150,000 sleepers in FY23 to 60,000 sleepers in 2024/25 and this is forecast to fall by another 30 percent in FY26 based on the forward works programme).

33. Labour costs have also increased at higher-than-expected levels with collective employment agreement (CEA) increases ratified at levels higher than budgeted. (We noted in our advice that there is limited data to benchmark overheads and labour cost increases against, particularly within the government sector. Accessible comparators across the public sector would be useful to aid value for money assessments).

34. The availability of Signalling, Telecommunications, Traction and Electrical (STTE) resources continue to be challenging, and we have reported this constraint in several previous annual reports. Demand for skilled STTE resources remains high and KiwiRail need to be competitive against international demand. Additional capacity is often required as it can take up to two years for new roles to be fully effective through NZ specific training and mentoring. Succession planning is also critical in this area which can lead to surge resourcing.

35. As we noted in our advice on the RNIP variation, there has been, and will continue to be, cost pressures in the Maintenance, Management and Operations (MM&O) programme. While the funding allocated to the MM&O programme has remained static, with the reduction in asset renewals there will be ongoing pressure in this area through immediate additional requirements for corrective and emergency maintenance which are challenging to model.

36. KiwiRail have managed the risk of deferred renewals by undertaking more frequent and widespread asset inspections to maintain safety and compliance and manage service risk. This area of the programme will require efficiencies to be realised and a constant focus on cost controls while delivering the desired outcome.

Challenges remain in the affordability, funding and delivery of metro network renewals but are improving

37. Across the three annual reports of the 2021-24 RNIP we reported significant issues relating to the funding of critical maintenance and renewals in the two metro networks. In the metro networks routine renewal (and maintenance) costs are shared between central and local government, based on network usage, and under the overarching principle that the cost of maintaining the network is recovered from the users of network.

38. While (at a more macro level) the affordability challenges continue, there has been noticeable better alignment in the agreement of co-investment levels for the 2024/25 year, and positive signs for the remainder of the 2024-27 period.

39. That said, the ongoing work to review the cost share, incentive, and affordability aspects of the MROM remain critical, and NZTA continues to work with the Ministry of Transport, KiwiRail and other rail participants to prioritise this work to enable the metro networks to be maintained to modern metro network standards.

40. Again, we acknowledge the additional funding provided by Government through Budget 2025 which will assist in progressing the backlog of overdue renewals in FY26 and FY27 until the MROM review is complete.

Renewal programme delivery

41. Measurement of delivery performance is provided within the context of our earlier narrative on the level of uncertainty this financial year. The renewals programme was not finalised until the end of Q1, and we noted above KiwiRail's conscious response to recalibrate activity and expenditure levels to lower levels. As such, our assessment of renewals delivery performance is compared to the programme that was confirmed at end of Q1. Overall renewals delivery has been strong in most asset classes as shown in the table below.

Table 6: Renewal volumes delivered for all asset classes 2024/25

A percentage complete in excess of 100% indicates delivering more than the planned volumes.

Key

▲ Achieved target ● Within 10% of target ▼ >10% below target

Asset	Annual baseline	Actual	Status	Percentage complete commentary
Total track (km)	36.8	37.5	▲	102%
Turnouts (No.)	15	17	▲	113%
Track level crossings (No.)	27	15	▼	56%
Civils formation/drainage (km)	2.5	2.5	▲	100%
Civils coastal and river protection (km)	0.2	0	▼	0%
Structures (No. of full replacements)	3	3	▲	100%
Telecom fibre cable (km)	13.7	21.4	▲	156%
Active level crossings (No.)	9	3	▼	33%

Freight network renewals delivery has been strong with track renewals exceeding targets

42. Within the overall renewals programme our main focus continues to be the delivery of track renewals. This year's result remained strong with a total of 37.5km of track and sleeper renewal being completed which is 0.7km more than planned. It is noticeable how financial performance ramped down following the invitation to recalibrate activity and expenditure levels.

Figure 1: Track renewal kilometres against plan and expenditure ($ million) against plan 2024/25

43. Consenting delays have impacted the cost and progress on some civils projects causing delays, but we note that minor and unmeasured works have been substituted and completed in the coastal and river protection area.

44. While the level crossings achievement is less than planned, this asset class was heavily affected by the RNIP variation process. The post RNIP variation target for track level crossings was reduced to 18. While still not achieved, this does significantly reduce the variance.

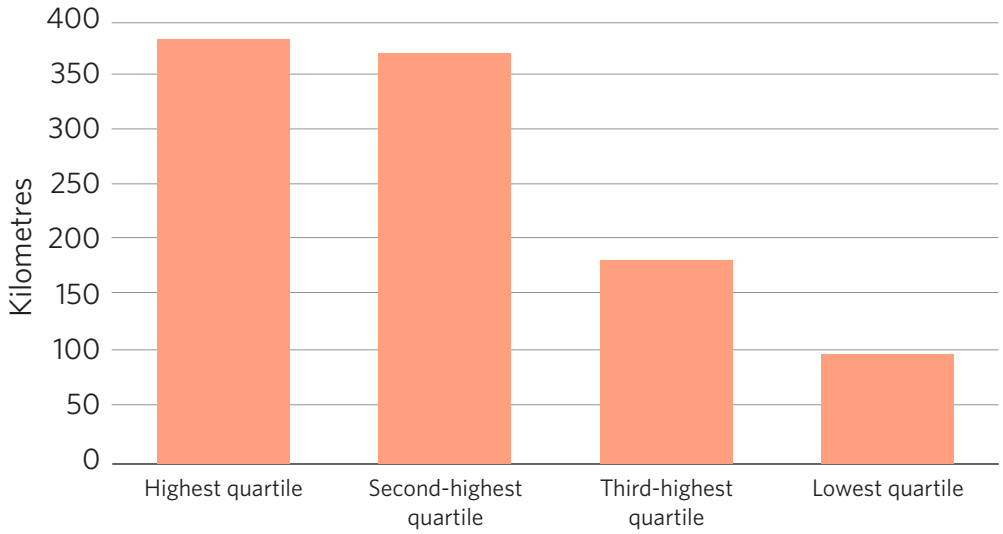
45. The structures programme within the RNIP contains the full replacement of nine key structures across the three-year period. KiwiRail has completed the first three structures replacement as planned.

Programme targeting to the 'busiest and most productive parts of the network'

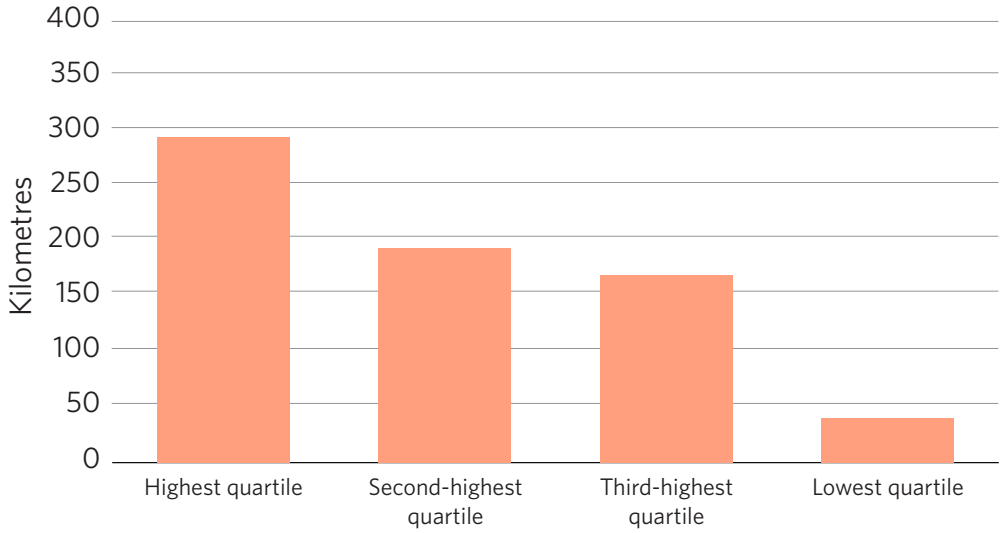
46. The current GPS provides clear direction that 'investments in rail should be focused on the busiest and most productive parts of the existing rail network, to support efficient movement of freight', and further that 'Government's focus will be to invest in maintaining the network... between Auckland, Hamilton, and Tauranga' (the golden triangle). The Minister's letter to KiwiRail in December 2024 further emphasised this point by requesting a revised RNIP that maintains asset health and service levels on the Auckland – Hamilton – Tauranga lines and reverts to safety and compliance works elsewhere.

47. In our RNIP advice to the Minister on the RNIP and RNIP variation, we used KiwiRail's criticality framework to demonstrate how the programme was targeted to the highest and second-highest criticality quartiles (which we agreed represented 'the busiest and most productive parts'). Reductions in overall planned expenditure and further targeting to the highest quartile are noticeable through the RNIP variation.

Figure 2: Planned cost per kilometre by criticality band 2024-27



RNIP variation – cost per kilometre by criticality band 2024-27



48. We noted that the majority of activity in the third-highest quartile related to structures renewals, (predominantly for structures at end-of-life) and supported ongoing investment in these areas.

49. Final actuals for the 2024/25 year and delivery performance demonstrate that the programme has been well targeting and delivered as planned.

Table 7: Regional delivery performance of track assets

Region and track asset delivery	Baseline	Actual	Variance	Status
Upper North Island (incl Golden Triangle)				
Expenditure ($m)	$44.1	$39.9	-10%	
Track (km)	6.8	8.6	26%	▲
Turnouts (No.)	8	9	13%	
Lower North Island				
Expenditure ($m)	$31.7	$34.7	9%	
Track (km)	12.3	12.3	0%	●
Turnouts (No.)	2	3	50%	
Upper South Island				
Expenditure ($m)	$64.5	$65.8	2%	
Track (km)	4.3	5.1	19%	▲
Turnouts (No.)	2	3	50%	
Lower South Island				
Expenditure ($m)	$24.0	$22.7	-5%	
Track (km)	11.4	11.5	1%	▲
Turnouts (No.)	2	2	0%	

The Asset Management Continuous Improvement Programme continues to be delivered, and evidence of increasing asset management maturity is visible.

50. In our last annual report, we noted that KiwiRail had completed a second Asset Management Maturity Assessment conducted by AMCL (a specialist asset management consultancy). This assessment showed a marked improvement in asset management maturity through an objective review. This improvement could be observed through the depth and quality of asset management artifacts provided to support our assessment of the RNIP and RNIP variation.

51. Following the updated assessment the themes and initiatives of the programme were reviewed. As a result, the programme has developed and expanded to include all infrastructure Asset Management initiatives. This includes all initiatives relating to asset class strategies, asset information, compliance, quality management, asset information management, maintenance, and reliability engineering. The programme is now referred to as the Asset Management Improvement Plan (AMIP).

52. The initiatives with the AMIP are generally multi-year initiatives and progress against planned deliverables of the AMIP is shown below.

Table 8: Asset Management Improvement Programme – update on progress against deliverables

Focus asset	Initiative	Status	2024/25 commentary
Create a cohesive and aligned organisation	1C. Embed Asset Management Assurance and Review Framework	Ongoing as planned	Prepared the Quality Management Standard
Improve evidence-based decision making	2B. Clarify and Improve Decision-Making Criteria and Framework	Ongoing as planned	Established monthly compliance reporting to EXCO and GMs
	2E. Develop Asset/System Climate Resilience Strategy	Ongoing as planned	Updated SAMPs to include climate change adaptation
More outcomes driven investment programme	3B. Improve maintenance strategy, standards and planning	Ongoing as planned	Standardised principles and standards templates and aligned them with RSAS Created Risk Based Inspections (RBIs) for at-risk bridges Implemented the new Structures Inspection Standard
Improve works planning and delivery	3K. Review and deploy new technologies and techniques	Ongoing as planned	Roll out of Rail Standards GPT (an AI tool that allows for easy searching of Engineering's Principles and Standards)
Create robust asset knowledge from effective data and technology	4C. Implement existing asset information management strategy	Ongoing as planned	Started to refine attributes for signals assets
Enhance human capital	5B. Implement AM improvement roadmap and AMS Management of Change Process	Ongoing as planned	Developed AMIP as well as Power BI reporting

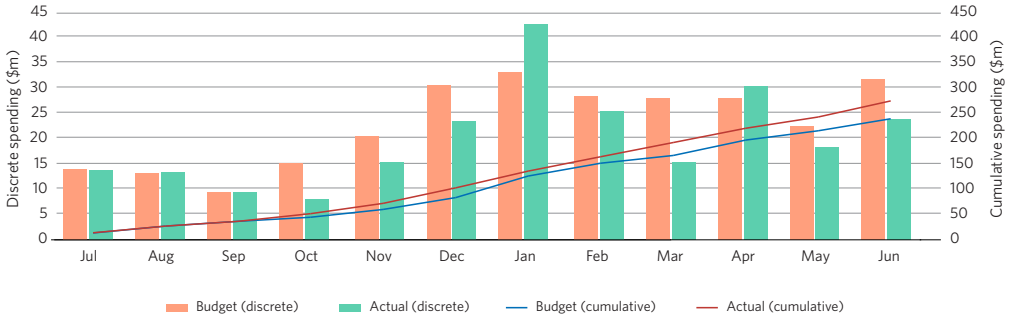
The delivery of metro improvement projects has been generally strong with some delays experienced

53. There have been periodic changes to the metro improvement projects programme throughout the year with only the projects carrying forward from 2021-24 featuring at the start of the year, then a number of subsequent approvals granted through the approval of the initial RNIP submission (for additional NLTF funded activities), and final approvals confirmed through Budget 25 for Crown funded projects. This has resulted in a total of $276.2 million of expenditure planned across Auckland and Wellington, with $91.5 million funded by the NLTF, and $187.1 million funded by the Crown.

54. While funded through a number of discrete activities, over 70 percent of this total is focussed on remediating the overdue renewals in the two metro areas – with $147.1 million invested in Auckland, and $52.9 million invested in Wellington.

55. The final out-turn for the year was $240.7 million ($35.5 million (15 percent) under original budgets). While under budget, this variance is an improvement on previous years and demonstrates increased budget and forecasting accuracy. We also note that 85 percent of the variance has occurred on projects either in a business case / development phase or in a defect liability/close-out phase. The two most significant projects are discussed below, with commentary on all activities in Appendix B.

Figure 3: Metro improvement projects expenditure against plan 2024/25



Significant projects

56. Significant progress was made in the delivery of overdue renewal projects in both Auckland and Wellington. These are critical works to improve the reliability of services for customers in the two metro networks.

57. In Auckland, increased access provisions allowed KiwiRail to deliver significantly more ballast, turnouts and re-sleeper work than originally planned while remaining in the total funding envelope. Significant progress was also made on signalling, crossovers, and some civils assets. However, some areas of a lesser priority (such as design of culverts and structures) were delayed due to resource prioritisation given the later than ideal funding approval.

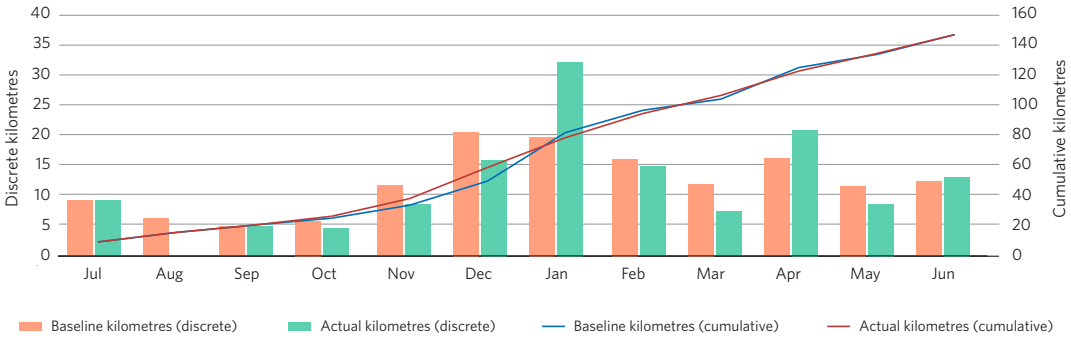
58. In Wellington, the programme was delivered as planned across track, turnouts and crossovers, traction and stabling. The replacement of sleepers and rail to Bridge 19 Ava Bridge walkway was deferred (by agreement) to Christmas 2025 block of line, and the bridge repainting program was deferred due to seasonal deliverability issues.

59. While delivery performance has been strong, we highlight two particular observations in relation to the delivery of this work which should be taken forward by all relevant stakeholders:

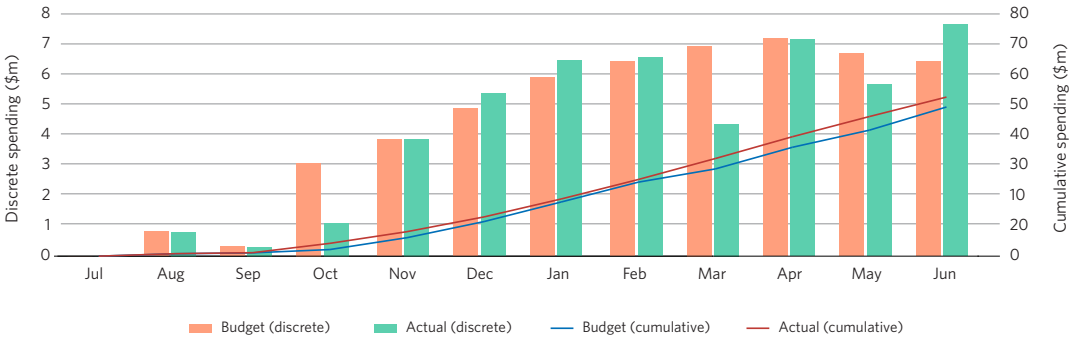
- A more enabling access regime for the delivery of maintenance and renewals significantly increased output and reduced cost. Every effort should be made to continually improve in this area.
- The limitations of annual funding, delayed funding release and the requirement for the approval of the workbank (which included the approval of a detailed list of individual assets), meant that KiwiRail only had around 8-9 months to physically deliver the work. This led to inventory issues and some elements (such as the repainting programme) not being able to be delivered in the timeframe.

Figure 4: Overdue renewals ($ million) against plan 2024/25

Auckland metro



Wellington metro



60. In previous reports we have also commented on the Additional Power Feed project. The two Static Frequency Convertors are now commissioned, and while there is remaining post-commissioning testing to be completed this is a significant milestone for the project which will support the CRL Day One services.

Programme level risks and issues have been well identified and mitigations are effective

61. KiwiRail continues to manage RNIP delivery risks and report them to NZTA as part of monthly and quarterly reporting. We consider that these documents cover the relevant delivery risks and issues and have suitable mitigation plans in place. The risks consider the wider KiwiRail works portfolio in their assessment and management. The most significant risks include:

- council co-funders not meeting their share of maintenance and renewal funding. This risk considers both the immediate and future years of the programme leading to further degradation of asset health and disruption on the metro networks
- funding uncertainty (central and local government) impacting detailed scoping, design and procurement of key materials (particularly rail)
- plant unavailable to complete all works due to competing demands from other funded programmes leading to delays to RNIP works
- increased level of incidents due to effects of climate change leading to reduced availability of the network and a diversion of resources to deal with incidents, and
- risk of finding contaminated soil making disposal difficult leading to delays or stopping projects, increased costs for disposal, Safety, Health & Environment concerns.

62. We are continuing to work with KiwiRail on mitigations, and ways to maximise the opportunities that the multi-year funding provides. Currently, KiwiRail only have a maximum of two-years of funding certainty and with rail procurement typically only happening only every 18-months, continuing uncertainty can affect their ability to deliver an efficient and effective future programme.

Part 3: Confirming contribution to the LTMA and consistency with the GPS

63. Under section 22C of the LTMA, NZTA is required to consider whether the RNIP:

- contributes to the purpose of the LTMA (to contribute to a safe, efficient and effective land transport system),
- is consistent with the Government Policy Statement on land transport.

64. Our recent advice on the RNIP variation (submitted May 2025) confirms that the activities contained in the RNIP contribute to an effective, efficient, and safe land transport system in the public interest through restoring the rail network to a resilient and reliable state. We consider that the proposed investments will:

- support mode shift that reduces pressure on the wider land transport network
- improve the movement of people in our largest metro centres in an efficient and effective way.

65. GPS 2024 sets out the direction for rail investment. We consider that the activities included in the RNIP are consistent with the investment priorities set out in the GPS. Our reviewed, but unchanged, assessment can be found in Appendix C.

Part 4: Productivity and efficiency

International benchmarking

66. KiwiRail is a member of the Railway Infrastructure Asset Management Benchmarking Group (RIAMBiG). Through this group we are able to see comparative analysis of KiwiRail's track maintenance and renewal expenditure performance benchmarked against anonymised data from the other RIAMBiG members. Through these key performance indicators, we observe investment trends and performance with a focus on renewals, maintenance and improvements.

67. The KPI data received highlights the following:

Metro networks

- On-time track renewal expenditure within the Auckland and Wellington metro networks has been, and continues to be, significantly less than the long-term average on-time track renewal expenditure within the Australian metro networks.
- The level of track maintenance across the Auckland metro network aligns with long term expenditure levels observed in the Australian metro networks. However, track maintenance within the Wellington metro remain substantially lower than the Australian equivalents.
- Average Business As Usual (BAU) track improvement expenditure within the Auckland and Wellington Metro networks (i.e. excluding special projects such as Wiri to Quay Park, Papakura to Pukekohe and the Wellington Metro Upgrade Programme) is on average much less than the long-term average within the Australian Metro networks.

Freight network

- On-time track renewals expenditure within the NZ freight network started to approach the Australian rural network long-term average during RNIP 2021-24.
- However, prior to levels of investment received through the 2021-24 period, the annual level of renewal expenditure on the NZ freight network was generally much less than the Australian rural long-term renewal expenditure average. With the reduced levels of investment through the RNIP variation for 2024-27, this gap will start to return and result in an increasing level of future overdue renewals.
- The level of track maintenance on the NZ Freight networks remains substantially lower than the Australian rural networks equivalents.
- Average BAU track improvement expenditure on the NZ freight network is on par the long-term average expenditure on enhancements within the Australian rural networks.

68. From these results we draw the following conclusions:

- the long-term trend in relative underinvestment in metro network renewals demonstrates why there is a significant infrastructure deficit and reinforces the need to continue to fund and complete significant levels of overdue renewals within both networks
- continuing similar levels of track maintenance is critical in Auckland and a step change must be prioritised to increase the levels in Wellington
- ongoing investment levels in renewal and maintenance in the metros must continue to increase in line with any network improvements or increases in service frequency delivered in the metro networks
- we reinforce our ongoing concerns relating the levels of renewal investment in the freight network and this must be carefully considered when confirming investment levels for future programmes, and
- the results and conclusions above relating to metro network investment performance should become a key consideration as part of the MROM review.

RNIP Productivity and Efficiency KPIs

69. Within the overall reporting framework discussed above in this report are also a number of efficiency and productivity measures. These seek to demonstrate that the delivery of RNIP investments is becoming more efficient by benchmarking repeatable tasks over time.

70. In our advice on the RNIP we noted that KiwiRail has now developed an updated, and more robust cost capture and reporting methodology driven from its central asset management system, and from this they have set firm benchmarks for the 2024-27 period. These include production rates for renewal activities and for the management of overheads.

71. This annual report includes the first year of results under this new approach, and the results are shown below.

Table 9 Productivity and Efficiency Benchmarking Results - Average nominal unit rates ($/m) increase by less than CPI

Key

Achieved target | Within 10% of target | >10% below target | Not reported this period (Tri-annual)

Measure	KPI target ($m)	Actual ($m)	Status
Metro rerail	$447	$440	▲
Non-metro rerail	$422	$419	▲
Metro relay	$919	No activity	■
Non-metro relay	$795	$784	▲
Metro re-sleeper	$530	No activity	■
Non-metro re-sleeper	$427	$388	▲

72. The RNIP also includes a KPI targeting a 10 percent reduction on off-site overheads (excluding insurance). This target was not achieved, but a 6 percent reduction was reported as achieved.

Cost saving, productivity and efficiency initiatives

73. KiwiRail has continued to focus on savings, productivity and efficiency. Initiatives include:

- Bulk procurement initiatives continue but have become more challenging with the reduced quantities noted earlier in this report. However, procurement and supply chain initiatives continue to return positive results.
- A change to the inventory management strategy to consciously reduced holdings. This has led to a $13 million reduction in spend in 2024/25 compared to FY24 with the added benefit of reducing working capital and obsolescent stock provisions.
- Completing more site investigations upfront to de-risk projects prior to contracting and construction.
- Using standardised designs for major structures programmes enabling efficient design and construction through repeatable processes and lowering the whole of life maintenance costs with consistent components.
- Prioritising and trialling various life extension activities to increase life of existing aged assets without the immediate need for full renewal.

74. NZTA supports these initiatives, and we continue to strongly encourage KiwiRail to develop further initiatives driven by data, technology and innovation to better understand the condition of their assets, reduce waste, improve customer satisfaction, and increase value.

Part 5: Update on findings from previous annual reports and recommendations

Adaption of reporting and a timelier release of performance reports and metrics to enable timely interventions is still required

75. We encourage KiwiRail to better adapt their own systems in order to provide more meaningful reporting on the programme in line with the requirement of Government i.e. to report more effectively on golden triangle, priority and secondary line with respect to both overall KPIs and programme delivery. These changes are required for both reporting on the current programme, and to inform the development of the RNIP for the 2027-30 period.

76. The timely release of performance and other information remains a challenge and continues to hamper transparency, visibility and effective monitoring by NZTA and other agencies. We encourage KiwiRail to provide access to information more quickly and look to remove the sign-out processes that appear to slow the release of information to stakeholders.

Continuing to develop of a wider suite of benchmarking that can be used to demonstrate efficient and effective delivery is critical

77. Noting our commentary above and the results we have seen to date from RIAMBiG and KiwiRail, continuing to develop a suite of benchmarks that can effectively demonstrate ongoing productivity and efficiency is critical and comparing these to other rail network equivalents in Australia and elsewhere. This both aids assessments of future programmes and provides confidence and transparency to stakeholders for works delivered with inhouse resources.

78. We consider that the continuation of the development of a wider and robust set of benchmarks continues to be a matter of priority and recommend that KiwiRail progresses this at pace.

We have observed improved forecasting accuracy for metro improvement projects

79. Positively, this year has seen a marked increase in forecasting accuracy – particularly for metro network improvement projects. This is particularly important as the investment levels continue to increase with the ongoing funding of overdue renewals. We look forward to this continuing into future years.

Section 4

Other issues

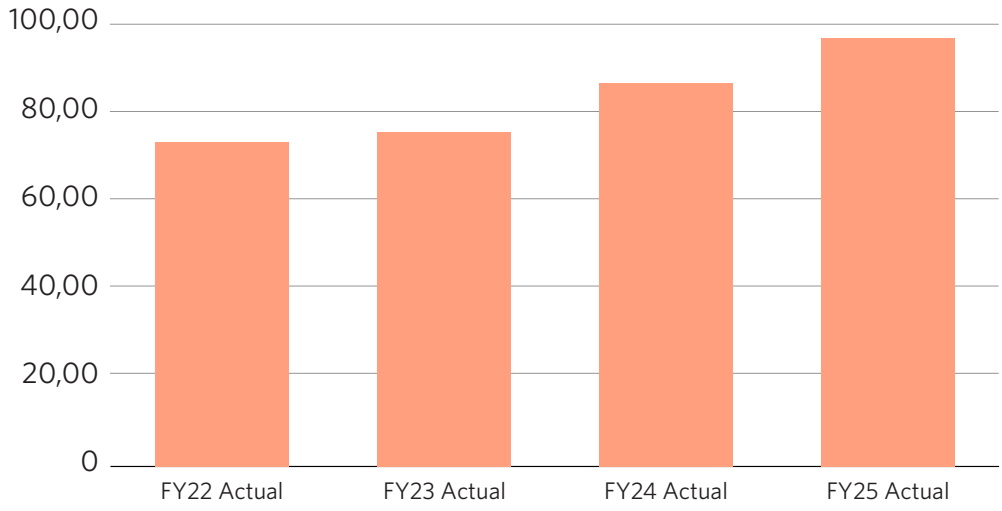
Maintenance activity

80. As we noted in our advice on RNIP 2024-27, with future funding constrained (reflecting wider fiscal conditions) KiwiRail has made decisions on the composition of its future programme to deliver best value for money. These decisions mean that KiwiRail will need to more heavily rely on maintenance activities to manage risks and support outcomes given the decision to reduce the renewals programme and focus on managing safety and compliance.

81. Over the four years of RNIP delivery to date, we have monitored two key indicators for maintenance activity. These are inspection hours and the reduction in outstanding service requests. Inspection hours are a useful lead indicator for asset health as it demonstrates proactive efforts to maintain and assess asset condition, potentially preventing future failures. Equally a reduction in outstanding service requests demonstrate issues are being dealt with in a timely manner.

82. Over time we have observed encouraging results in both of these areas with ongoing reductions in outstanding service requests - cumulatively now at 33 percent less than at the start of the first RNIP. We have also observed a steady increase in maintenance inspection hours as demonstrated below. We will continue to monitor these, and other indicators that demonstrate the effectiveness of maintenance activity.

Figure 5: Annual inspection hours



Geospatial platform development

83. Over the last year we have collaborated with KiwiRail through a 'shared services framework' under which NZTA now provides KiwiRail with access to a managed Spatial Platform. The shared service enables KiwiRail to self-manage its geospatial capability within a secure, scalable environment, while leveraging NZTA's existing infrastructure and support services. This is a critical step forward in a time of increasing demand for integrated infrastructure and data-driven decision-making.

84. This arrangement delivers significant value to both organisations: KiwiRail benefits from accelerated access to enterprise-grade geospatial capability without the overhead of building and maintaining its own platform resulting in cost savings and improved operational readiness. Based on our own experience in developing the platform, this initiative has saved KiwiRail between one and two years of work to build, test and deploy the platform. For NZTA, the partnership strengthens inter-agency collaboration on national transport priorities and enhances platform maturity through shared innovation and feedback. Both agencies also align with the Government Chief Digital Officer's direction to invest in common capabilities.

85. The partnership fosters mutual benefits through enhanced information visualization and sharing. By operating on a common spatial platform, both agencies gain a more comprehensive view of national transport infrastructure, enabling better coordination, faster insights, and more informed decision-making. This shared visibility supports a culture of openness, trust, and continuous improvement across agency boundaries and supports overall cost efficiency and effectiveness.

Rail safety regulator perspective

86. In addition to working with KiwiRail, AT and GRWC to fund the rail network, we have primary regulatory responsibility for rail safety in New Zealand under the Railways Act 2005. Our role is to provide independent assurance to stakeholders and the public of the effective management of rail safety risks by rail participants.

87. Section 104A of the LTMA creates a Director of Land Transport role within NZTA, reinforcing the independence of the regulatory functions that we are responsible for.

88. As the independent safety regulator, we remain impartial to funding decisions but note that reduced investment levels may impact the reliability and resilience of the rail network which are both important indicators of a safe system. The RNIP variation signals a shift in focus. Instead of rejuvenating the national rail network, the priority is now to maintain a safe and compliant network. Investment will be concentrated in the busiest and most productive parts of the network which includes the metro networks and the freight corridor between Auckland, Hamilton and Tauranga. We will continue to engage with KiwiRail as projects are scoped and delivered, with a particular interest in how changes to maintenance practices and renewal strategies affect safety outcomes across the wider network.

89. We have an expectation that safety criteria and legislative requirements are considered in the design stage of projects, in order to maximise safety benefits and investment outcomes. Once an asset is built, the safety risks arising from the asset must be managed for the asset's lifetime. The more safety risks that can be engineered out of an asset during its design and construction, the safer the asset will be.

90. Working with the relevant stakeholders, we will continue to develop and implement processes for identifying and managing system risk. Alongside this, we will be ensuring the requirements of the Railways Act 2005 are being met, including that rail participants, and in particular rail licence holders such as KiwiRail, are managing safety risks effectively and meeting the 'so far as is reasonably practicable' test, including during the design and build phase.

91. Our regulatory strategy Tū ake, Tū maia, sets out the strategic intent of our regulatory model and the requirement to be an evidence-led and risk-based regulator. We will continue to work with KiwiRail in the spirit of our Te Ao Māori principles in the next phase as they seek to establish a safe and compliant rail network.

KiwiRail procurement procedures

92. No updates to the KiwiRail procurement manual were notified during 2024/25

Appendix A

Summary of RNIP approvals for 2024-27

The table below reflects approvals made under the RNIP variation, and also includes decisions taken in Budget 24 and 25. This resulted in the maximum contribution from the NLTF being $2,135.2 million.

Table 10: Summary of RNIP approvals for 2024-27

#	Region	Activity	Phase	NLTP activity class	Total
1	National	Freight network renewals	Implementation	Rail network	$738.6
2	National	Freight network maintenance and operations	Implementation	Rail network	$487.1
3	National	Freight network improvements	Business case	Rail network	$13.5
4	National	North Island weather events	Implementation	Rail network	$121.2
5	Auckland	Progressive fencing and security	Business case and implementation	PT Infrastructure	$2.7
6	Auckland	Additional traction feed (West)	Implementation	PT Infrastructure	$31.8
7	Auckland	Integrated rail management centre	Implementation	PT Infrastructure	$4.7
8	Auckland	Infill signalling	Business case and implementation	PT Infrastructure	$4.9
9	Auckland	European train control system upgrade	Business case	PT Infrastructure	$3.6
10	Auckland	Rail network rebuild	Implementation	PT Infrastructure and Crown	$244.1
11	Auckland	Overdue renewals	Implementation	Crown	$98.2
12	Auckland	Traction control software system renewal	Implementation	PT Infrastructure	$5.6
13	Auckland	Auckland area train control software upgrade (TMS R9K)	Implementation	PT Infrastructure	$11.2
14	Auckland	Single-line running switches	Business case	PT Infrastructure	$1.1

#	Region	Activity	Phase	NLTP activity class	Total
15	Wellington	Wellington rail network re-signalling	Business case	PT Infrastructure	$13.6
16	Wellington	Overdue renewals	Implementation	Crown	$153.1
17	Wellington	KiwiRail elements of LNIRIM	Business case	Crown	$75.1
18	Wellington	Substation upgrade	Implementation	Crown	$111.8
19	Auckland	Strategic future planning	Implementation	Investment management	$13.3
		Total			**$2,135.2**

Appendix B

Commentary on the progress of individual activities

Delivery of continuous programme – freight and tourism network

Table 11: Freight and tourism network - Summary of progress and commentary on all activities

Key


Proceeding as planned

RNIP outcome secure,
but risks or delays experienced


Overall outcome at risk, or major variance
to plan deferring into RNIP 2024–27

Region	Activity	Phase	Delivery metrics			Cost			Commentary and indicator		
			2024/25 Targets (significant metrics only)	2024/25 Actual	2024/25 Variance	2024/25 Funding ($m)	2024/25 Actual ($m)	2024/25 Variance ($m)		2023/24	RNIP 24-27
National	Freight Network Renewals	Implementation	Track renewal: 36.8km Rerail 15.6km Re-sleeper 18.7km Relay 2.4km	Track renewal: 37.5km Rerail 12.0km Re-sleeper 21.7km Relay 3.9km	+0.7km (+2%)	$273.6	$232.7	-$40.9	Delivery has been strong with track renewals delivery exceeding target, although we note that due to funding constraints the planned quantity of renewals has reduced. The FY25 financial out-turn was under budget, aligning with the request from Government to recalibrate expenditure. Cost escalation and design and consenting delays have impacted Civils and Structures work with some planned structures works now expected to be completed in FY25. Where this has occurred, KiwiRail has prioritised the completion of safety critical works. In FY25 three full bridge replacements were completed as planned (Bridge 202 MSL, Bridge 189 MNL, and Bridge 88 MDLND). In addition, Bridge 16 MDLND was also completed which was a major multi- pier and abutment renewal project.	▲	▲
			Turnouts: 15	17	+2 (+13%)						
			Structures: full replacement of 3 key structures	3	0						

Region	Activity	Phase	Delivery metrics			Cost			Commentary and indicator		
			2024/25 Targets (significant metrics only)	2024/25 Actual	2024/25 Variance	2024/25 Funding ($m)	2024/25 Actual ($m)	2024/25 Variance ($m)		2023/24	RNIP 24-27
National	Freight network maintenance and operations	Implementation	Outstanding service requests: 5% reduction	9.2% reduction	+4.2%	$162.4	$162.0	-$0.4	There was a further increase in inspection hours which is a positive result and will increase the overall understanding of asset condition and health. Outstanding service requests rolling 12-month average also exceeded the target. The FY25 financial out-turn was in-line with budget.	▲	▲
			Inspection hours: (maintain increased target of 85,000 hrs)	96,800 hrs	+11,800 hrs (+14%)						

Region	Activity	Phase	Delivery metrics			Cost			Commentary and indicator		
			2024/25 Targets (significant metrics only)	2024/25 Actual	2024/25 Variance	2024/25 Funding ($m)	2024/25 Actual ($m)	2024/25 Variance ($m)		2023/24	RNIP 24-27
National	North Island weather events	Implementation	N/A	N/A	N/A	$101.2	$65.6	-$35.6	There have been some delays to the Hawkes Bay works which are being delivered by the TREC Alliance (NZTA – roading; KiwiRail – rail). Rail works have been delayed as critical roading works (such as rebuild of Devil's Elbow and SH reinstatements) have taken priority. This meant that design approvals have been delayed due to resource allocation. There has also been reassignment of Auckland resources to urgent and unforeseen works (such as the Tawhai Tunnel), and as most of the works require block of line conditions to deliver. As a result, some works have moved to the first quarter of FY26.		

Region	Activity	Phase	Delivery metrics			Cost			Commentary and indicator		
			2024/25 Targets (significant metrics only)	2024/25 Actual	2024/25 Variance	2024/25 Funding ($m)	2024/25 Actual ($m)	2024/25 Variance ($m)		2023/24	RNIP 24-27
National	Freight network improvements	N/A	Ongoing implementation	Largely delivered as planned with some slight delays.		$11.6	$10.5	-$1.1	Improvements have included Remutaka Tunnel gas monitoring and ventilation, HIMA (signalling system) development, data centre upgrades, digital shield application upgrade, field mobility application and Maximo (asset management system) upgrade, and the North Island Electrification detailed business case.		

Delivery of metro network improvement projects

Table 12: Metro improvements – summary of progress and commentary on all activities

Region	Activity	Phase	Delivery metrics		Cost			Commentary and indicator		
			2024/25 Targets	2024/25 Actual	2024/25 Funding ($m)	2024/25 Actual ($m)	2024/25 Variance ($m)		2023/24	RNIP 24-27
Auckland	Additional traction feed (West)	Implementation	Power feed commissioned	Power feed commissioned	$24.5	$24.4	-$0.1	Safety stage gates and commissioning has been achieved for both Static Frequency Convertors (SFC). Post-commissioning testing should be completed by September 2025 when the project will be complete.		
Auckland	Integrated rail management centre	Implementation	Ongoing commissioning and controller training	Ongoing commissioning and controller training	$3.5	$1.6	-$1.9	The Integrated Rail Management Centre was formally opened by the Minister of Transport on 14 March 2024. Train controller and traction controller training is ongoing. A surplus of funds of $2.4 million has been declared.		

Region	Activity	Phase	Delivery metrics		Cost			Commentary and indicator		
			2024/25 Targets	2024/25 Actual	2024/25 Funding ($m)	2024/25 Actual ($m)	2024/25 Variance ($m)		2023/24	RNIP 24-27
Auckland	Metro infill signalling	Implementation	Construction in progress	Hander to delivery for metro scope	$1.3	$1.3	$0.0	The original scope of work for additional signalling to support metro services is now complete. Additional funding was allocated to support the installation of balises for the freight ETCS project. This work is ongoing.	▲	▲
Auckland	Progressive fencing and security	Implementation	Complete implementation of remaining Auckland metro sites	Complete	$2.7	$2.7	$0.0	This project was not funded through the 2024-27 RNIP and this year's activity was funded through the carry-forward from the 2021-24 period. The project is now complete and has delivered 11.82km of fencing across 120 sites, comprising 10.53km of new fencing and 1.29km of fence repair to provide both safety and security improvements, which is important for maintaining reliable service and ensuring the safety of those on or around the rail network.	▲	▲

Region	Activity	Phase	Delivery metrics		Cost			Commentary and indicator		
			2024/25 Targets	2024/25 Actual	2024/25 Funding ($m)	2024/25 Actual ($m)	2024/25 Variance ($m)		2023/24	RNIP 24-27
Auckland	KiwiRail strategic future planning	Implementation	Implementation	Proceeding to plan but slightly behind schedule	$5.8	$2.8	-$3.0	The strategic future planning funding enables KiwiRail to progress planning and route protection activities on several near-term metropolitan projects to a stage where funding for business case development can be sought. Activity for this year included Auckland route protection strategy and pre-lodgement work to support future notice of requirements for Avondale to Southdown. The FY25 financial out-turn was below budget but will carry-forward.		
Auckland	European train control system upgrade	Business case	Detailed business case ongoing	Business case commenced but slightly behind schedule	$2.6	$1.2	-$1.4	Business case development is ongoing but behind schedule. The Strategic case has been socialised, reviewed and reviewed and endorsed by Programme Governance Board and a detailed multi criteria analysis (MCA) and options development has been completed, reviewed and approved.		

Region	Activity	Phase	Delivery metrics		Cost			Commentary and indicator		
			2024/25 Targets	2024/25 Actual	2024/25 Funding ($m)	2024/25 Actual ($m)	2024/25 Variance ($m)		2023/24	RNIP 24-27
Auckland	Overdue renewals – FY25 Government top-up funding	Implementation	Ongoing implementatio	Largely delivered as planned	$25.9	$25.7	-$0.2	Strong progress across all three individual projects and as noted above increased access provisions allowed KiwiRail to deliver significantly more ballast, turnouts and re-sleeper work than originally planned, while remaining in the total funding envelope.	▲	▲
Auckland	Rail network rebuild completion	Implementation			$82.1	$88.3	+$6.2		▲	▲
Auckland	Rail network growth impact management - RNIP PTI	Implementation			$39.1	$33.0	-$6.1		▲	▲
Auckland	Auckland Metro - Traction control software system renewal	Business case	Business case ongoing	Business case commenced but slightly behind schedule	$1.1	$0.2	-$0.9	The project has commenced with the formal approval of initiation/design stage project management plan by Programme Governance Board, project team onboarding, and engagement of consultants.	●	▲
Auckland	Auckland Metro - Single-line running switches programme	Business case	Business case ongoing	Business case commenced but slightly behind schedule	$1.1	$0.1	-$1.0	The project has commenced with the formal approval of initiation/design stage project management plan by Programme Governance Board, project team onboarding, and engagement of consultants.	●	▲

Region	Activity	Phase	Delivery metrics		Cost			Commentary and indicator		
			2024/25 Targets	2024/25 Actual	2024/25 Funding ($m)	2024/25 Actual ($m)	2024/25 Variance ($m)		2023/24	RNIP 24-27
Auckland	Auckland area train control software upgrade (TMS R9K)	Implementation	Not due to commence until FY26		$0.0	1.0	+$1.0	No planned progress in FY25.	▲	▲
Wellington		Business case	Detailed business case complete	Business case complete but not yet approved	$3.8	$3.5	-$0.3	The Detailed Business Case (DBC) has been completed and presented to the KiwiRail Board. The next step is to submit the DBC to Ministry of Transport, NZTA, and Treasury. While the DBC itself is almost complete, it is likely that further work will be required on implementation options in conjunction with funding discussions with the Crown.	●	▲
Wellington		Implementation	Ongoing implementation		$52.9	$49.6	-$3.3	Good progress across almost all assets noting some delays to structures due to late release f funding.	▲	▲
Wellington		Implementation	Complete scope, schedule and budget definition	Scope, schedule and budget definition completed	$23.8	$7.0	-$16.8	While actual expenditure was significantly under budget the scoping and budget definition work has been completed as planned and fed into the overall affordability review for the LNIRIM programme.	▲	▲

Appendix C

Contribution to the LTMA purpose and consistency with GPS 2024

Table 13: RNIP activities contribution to the LTMA purpose and consistency with the GPS 2024

Title of activity or combination	Overview	Contributes to the LTMA purpose and is consistent with the 2021 GPS
Freight network renewals	Continuous programme of renewal work on the national freight network	Activity contributes to the LTMA purpose because investing in rehabilitation of the national rail network will enable it to operate more effectively, efficiently and safely. Activity aligns to the Economic Growth and Productivity and Increased Maintenance and Resilience strategic priorities in the GPS.
Freight network maintenance and operations	Continuous programme of maintenance, management and operations on the national freight network	Activity contributes to the LTMA purpose because investing in rehabilitation of the national rail network will enable it to operate more effectively, efficiently and safely. Activity aligns to the Economic Growth and Productivity and Increased Maintenance and Resilience strategic priorities in the GPS.
North Island weather events	Repair and Make Safe works on damaged lines from the North Island Weather Events.	Activity contributes to the LTMA of an effective, efficient, and safe land transport system in the public interest and that the requirements of section 20 have been met.

Title of activity or combination	Overview	Contributes to the LTMA purpose and is consistent with the 2021 GPS
Freight network improvements	Funding requested mainly to develop business cases for minor improvements to the national freight network, with some constructing beginning in 2023/24. This now includes the North Island Main Trunk electrification business case.	Activity contributes to the LTMA purpose because investing in rehabilitation of the national rail network will enable it to operate more effectively, efficiently and safely. Activity aligns to the Economic Growth and Productivity and Increased Maintenance and Resilience strategic priorities in the GPS.
Progressive fencing and security	Fencing across the network does not currently meet requirements and progressive investment to address this is required.	Contributes to the purpose of the LTMA, but only moderate to low levels of alignment to GPS priorities. Activity will cease this financial year.
Additional traction feed (West)	Installation of an additional grid exit point and traction power feed to the Auckland rail network.	Activity contributes to the LTMA purpose by enabling the Auckland rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth strategic priority in the GPS.
Integrated rail management centre	Establishing the Integrated Rail Management Centre (IRMC) in Auckland.	Activity contributes to the LTMA purpose by enabling the Auckland rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth strategic priority in the GPS.
Progressive fencing and security	Fencing across the network does not currently meet requirements and progressive investment to address this is required.	Contributes to the LTMA purpose through increasing the safety and security of rail yards to ensure that the network can operate in an efficient, safe and secure manner – including guarding against track incursions. Aligns to the Better Travel Options strategic priority.
Infill signalling	Investment in improvements to the existing European Train Control System (ETCS) Level 1 rail signalling system to make the Auckland rail network better capable of supporting the level of service and performance required when the Auckland CRL opens.	Activity contributes to the LTMA purpose by enabling the Auckland rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth strategic priority in the GPS.

Title of activity or combination	Overview	Contributes to the LTMA purpose and is consistent with the 2021 GPS
European train control system upgrade	Upgrade of the Auckland metro train control system to Level 2.	Activity contributes to the LTMA purpose by enabling the Auckland rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth strategic priority in the GPS.
Rail network rebuild	KiwiRail has used asset models to identify the remaining overdue renewals in Auckland. This project addresses the remaining historic overdue renewals resulting from legacy underinvestment in the Auckland network to achieve the service levels expected from a modern metropolitan railway.	Activity contributes to the LTMA purpose by enabling the Auckland rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth and Productivity (less congestion and increased patronage on public transport) and Increased Maintenance and Resilience (a more resilient road and rail network) strategic priorities in the GPS.
Auckland overdue renewals	KiwiRail has used asset models to identify the remaining overdue renewals in Auckland. This project addresses the remaining historic overdue renewals resulting from legacy underinvestment in the Auckland network to achieve the service levels expected from a modern metropolitan railway.	Activity contributes to the LTMA purpose by enabling the Auckland rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth and Productivity (less congestion and increased patronage on public transport) and Increased Maintenance and Resilience (a more resilient road and rail network) strategic priorities in the GPS.
Traction control software system renewal	Renewal of the out of support Realflex system that controls the Auckland electrical network to enable its safe and efficient operation.	Activity contributes to the LTMA purpose by enabling the Auckland rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth and Productivity (less congestion and increased patronage on public transport) and Increased Maintenance and Resilience (a more resilient road and rail network) strategic priorities in the GPS.
Auckland area train control software upgrade (TMS R9K)	Upgrading Auckland's traffic management system to optimise planning and management of train operations and integrate this as part of KiwiRail's wider national train control software renewal.	Activity contributes to the LTMA purpose by enabling the Auckland rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth and Productivity (less congestion and increased patronage on public transport) and Increased Maintenance and Resilience (a more resilient road and rail network) strategic priorities in the GPS.

Title of activity or combination	Overview	Contributes to the LTMA purpose and is consistent with the 2021 GPS
Single-line running switches	Continuation of a switch implementation programme started by Wiri to Quay Park (W2QP) and RNGIM that allows single line running during maintenance windows. This is necessary to extend the maintenance windows and improve productivity on the Auckland Network.	Activity contributes to the LTMA purpose by enabling the Auckland rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth and Productivity (less congestion and increased patronage on public transport) and Increased Maintenance and Resilience (a more resilient road and rail network) strategic priorities in the GPS.
Wellington rail network re-signalling	Renewal of the Wellington Metropolitan Rail Network Resignalling and Train Control System to a modern, safer and more operationally flexible system.	Activity contributes to the LTMA purpose by enabling the Wellington rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth and Productivity (less congestion and increased patronage on public transport), Increased Maintenance and Resilience (a more resilient road and rail network) and Safety (reduction in deaths and serious injuries) strategic priorities in the GPS.
Wellington overdue renewals	KiwiRail has used asset models to identify the remaining overdue renewals in Auckland. This project addresses the remaining historic overdue renewals resulting from legacy underinvestment in the Auckland network to achieve the service levels expected from a modern metropolitan railway.	Activity contributes to the LTMA purpose by enabling the Auckland rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth and Productivity (less congestion and increased patronage on public transport) and Increased Maintenance and Resilience (a more resilient road and rail network) strategic priorities in the GPS.
KiwiRail elements of LNIRIM	Infrastructure elements of the Lower North Island Rail Integrated Mobility project.	Activity contributes to the LTMA purpose by enabling the Wellington rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth and Productivity strategic priority in the GPS.

Title of activity or combination	Overview	Contributes to the LTMA purpose and is consistent with the 2021 GPS
Substation upgrade	The project will renew existing, and add additional, substations to provide resilience and this will enable KiwiRail to meet Greater Wellington's RS1 timetable requirements	Activity contributes to the LTMA purpose by enabling the Wellington rail network to operate more efficiently/effectively. Activity aligns to the Economic Growth and Productivity (less congestion and increased patronage on public transport) and Increased Maintenance and Resilience (a more resilient road and rail network) strategic priorities in the GPS.
KiwiRail Strategic Future Planning	Funds to support KiwiRail to undertake strategic planning for future investments in the Auckland network.	Contributes to a more effective and efficient network by providing funding to ensure that rail projects are considered within the broader transport and land use planning context. This activity applies best practice planning and processes including adopting a coordinated approach with relevant partners and stakeholders and will consider approaches for addressing all GPS priorities: Economic growth and productivity – connecting people and freight quickly and safely to support economic growth. Increased Maintenance and Resilience - a more resilient road and rail network. Safety - reduction in deaths and serious injuries. Value for money - better use of existing capacity.

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