



Office of Hon Simon Bridges

MP for Tauranga

Minister of Energy and Resources

Minister of Transport

Deputy Leader of the House

Associate Minister for Climate Change
Issues

Associate Minister of Justice

2 MAY 2016

Iain Palmer

fyi-request-3815-3df721c4@requests.fyi.org.nz

Dear Iain

Thank you for your request of 28 March 2016 regarding my priorities/vision for rail transport.

The efficient transportation of people and freight is a significant contributor to New Zealand's economic growth and productivity. Rail plays a core role in moving both people and freight, and I expect rail will continue to do this in an efficient and effective manner.

The movement of freight is critical to the economic health of an exporting nation. New Zealand's freight task is forecast to grow by 58 percent in tonnes by 2042 (from 2012), and an efficient rail network can lower supply chain costs, facilitate options for bigger ships and improve safety outcomes for freight.

Moving people is necessary to provide New Zealanders with access to economic and social opportunities and urban rail is an important public transport option in Auckland and Wellington. Rail passenger transport can also significantly reduce urban road congestion. The Government will continue to support rail, where it can move both people and freight in a timely manner.

By the end of June 2016, the Government will have invested \$1.25 billion in the KiwiRail turnaround plan to boost freight options. This reflects the important role KiwiRail plays in the land transport system, including providing rail links to inland ports. The Government has a clear expectation that KiwiRail will continue to drive significant efficiency and productivity improvements which will improve the viability of rail compared to road transport for moving goods within New Zealand.

The Government also supports metro rail in Auckland and Wellington. We provided funding for the recently completed \$1.7 billion upgrade of the Auckland Metro Rail network and trains. This included new and upgraded stations, the electrification of the Auckland network and funding support for new electric trains. Auckland Metro Rail has seen an unprecedented increase in patronage in the past few years. Sixteen million passenger trips were taken over 2015/16, an annual increase of 20 percent.

In Wellington, metro rail has also seen increased patronage and, in 2011, the Government announced an \$88.4 million funding package over eight years to transform Wellington's rail services. This amount has been increased subsequently to help provide modern, fit for purpose and environmentally sustainable rail services.

The Auckland City Rail Link is a priority for the Government, and we are working with Auckland Council to bring forward the start date of the project, subject to addressing a number of complex issues and risks associated with the project. The City Rail Link will provide a 3.4 kilometre underground line from Britomart station through the central business district to connect with the existing western line at Mt Eden station. It will double the capacity of Auckland's rail network, provide two new stations in the central city and benefit commuters whose travel times will reduce significantly.

It is important to keep in mind that our transport modes do not exist independently of each other. Freight and people can be carried on a number of modes, and will often travel on more than one mode in any given journey. In 2015, the Government asked KiwiRail and the New Zealand Transport Agency to work together to investigate a more integrated approach to transport planning and investment across the two networks. This work will look for opportunities to improve the overall efficiency of moving people and freight, across the transport system.

Yours sincerely

A handwritten signature in black ink, appearing to read 'S Bridges', with a long horizontal flourish extending to the right.

Hon Simon Bridges
Minister of Transport