

21 October 2022

Infrastructure New Zealand Submission to The Transport & Infrastructure Select Committee's Inquiry into the Future of Inter-Regional Passenger Rail

1. Introduction

- 1.1 Infrastructure New Zealand (INZ) welcomes this opportunity to make a submission to Parliament's Transport and Infrastructure Select Committee Inquiry into the future of inter-regional passenger rail.
- 1.2 Infrastructure New Zealand is New Zealand's membership organisation for the infrastructure sector. We promote best practice in national infrastructure development through research, advocacy, and public and private sector collaboration. Our members come from diverse sectors across New Zealand and include infrastructure service providers, investors, and operators.

2. General Remarks

- 2.1 We welcome the Select Committee's inquiry into the future of inter-regional passenger rail particularly given its potential to contribute to the transport emissions reductions necessary to meet our domestic and international climate obligations.
- 2.2 One of INZ's strategic pillars is focused on climate change and the role of infrastructure to mitigate its effects through sustainable infrastructure.
- 2.3 Another of INZ's key strategic focuses is on the sustainable funding of infrastructure, including its operation and renewal.
- 2.4 INZ recognises that to meet our emissions reduction targets we cannot only build new, so must use existing infrastructure more effectively to meet our commitments.
- 2.5 This focus on improved use of existing infrastructure to meet our climate goals and infrastructure deficit is also a key principle of Rautaki Hanganga o Aotearoa – the New Zealand Infrastructure Strategy.

- 2.6 There is an opportunity to design, build and connect our cities in a way that makes them more sustainable places to live and that enables Crown, local authorities, and private sector investment in public transport modes to achieve optimal value for money.
- 2.7 INZ strongly supports passenger rail as a mode which can contribute to our zero-carbon emission goal. However, the development of new inter-regional passenger rail services and supporting infrastructure needs to be considered as part of the wider planning for rail and the land transport system, in terms of the existing priorities, funding availability, and resource capacity.

3. Discussion Points

Planning for new rail services

- 3.1 All infrastructure and transport service investment decisions need to be assessed to determine the relative merit and timing of the investment. There is an existing framework both at the national level and the pan-regional / regional level to have new passenger rail infrastructure and services considered against other potential transport infrastructure projects and services. Where inter-regional passenger rail initiatives stack up, then they will be incorporated into the responsible organisations' long-term plans.
- 3.2 The first New Zealand Rail Plan was released in May 2021 having gone through a public consultation process during its development. This Plan has provided a degree of priority and certainty for the work needed to upgrade the national rail infrastructure which services both freight and passenger services.
- 3.3 The NZ Rail Plan, and the infrastructure projects identified within it, has been prioritised and planned on a national basis. It is critical that there is certainty around this pipeline. Additional initiatives such as new rapid inter-regional passenger rail services need to be assessed in terms of how they compare to the other planned projects, many of which are focussed on the critical reinstatement and upgrade of track and signals across the network.
- 3.4 All significant infrastructure projects, including those projects in the NZ Rail Plan, are also reflected in Te Waihangā / New Zealand Infrastructure Commission's national infrastructure pipeline. Ultimately the pipeline independently prioritises our infrastructure development programme, including managing the timing and phasing of work across all the different sectors. This is also critical in terms of determining the construction market's capability and capacity to deliver new infrastructure.
- 3.5 At the local government level, metro and inter-regional passenger services are required to be included in all relevant Regional Public Transport Plans (RPTPs). Preparation of RPTPs also includes a public consultation phase. The RPTPs provide the public transport content for consideration in the Regional Land Transport Plans under the Land Transport Management Act 2003.
- 3.6 This means that all rail infrastructure and service initiatives must have support of the organisations responsible for their planning and funding. It also ensures that services can be integrated and prioritised as part of the planning and funding of regions' wider public transport services and land transport networks. The proposed Sustainable Public Transport Framework

will make the provisions much clearer in relation to inter-regional rail and ensure this integrated approach and INZ supports this.

- 3.7 It is important that these existing national and regional planning and prioritisation processes continue to be adhered to.

Prioritising Metro Rail

- 3.8 A significant proportion of the value of rail is generated from urban areas where over 100 million passenger trips are taken annually on Auckland and Wellington Metro services.
- 3.9 Both the Auckland and Wellington Metro systems have significant upgrades underway after decades of neglect. The recent announcements of the significant Auckland metro network closures planned for 2023- 2025 to undertake urgent essential work are a result of under investing in maintenance of the track and its foundations. This historical poor asset management is now resulting in significant work to modernise the rail network.
- 3.10 The cost of these upgrades and the extent of the work needed to be undertaken has been under-estimated but is vital for these cities to maintain their existing passenger train services. The Crown is contributing significantly to these remedial works, but Auckland Council and Greater Wellington Regional Council are also providing large amounts of funding, which reflects their public transport responsibilities.
- 3.11 Any new passenger rail services must have sustainable funding in place, both for the operation of the services, and for the ongoing maintenance of the track that they operate on.
- 3.12 INZ believes that government should stick to its current priorities for rail, particularly focussing on ensuring that the mass transit systems in Auckland and Wellington can operate reliably and provide zero emission alternatives for the huge numbers of current and future passengers.
- 3.13 The other immediate focus should be ensuring the rest of New Zealand's rail network is resilient able to be used reliably to increase the amount of freight carried by train. Shifting increasing volumes of freight from road transport to rail will also significantly reduce our emissions.
- 3.14 Right now, INZ does not consider that New Zealand should divert its focus to developing further inter-regional passenger services trips while we have seriously substandard rail infrastructure in both our largest city and our capital city.

The best solution for inter-regional passenger travel

- 3.15 However, INZ does believe that inter-regional rail has the potential to play a larger role in our transport system. Given the significant costs involved in infrastructure development of track and stations, operation, and appropriate ongoing maintenance, such an investment needs careful evaluation.
- 3.16 INZ welcomes the investigation of key inter-regional rapid rail between Auckland and Hamilton and a possible extension to Tauranga already tasked to Te Manatū Waka / the Ministry of Transport and other partner agencies. INZ agrees with the prioritisation of this investigation

work on these corridors connecting the Golden Triangle, and other connections where there is sufficient demand is demonstrated.

- 3.17 Inter-regional rail services are expensive, not only in terms of initial capital but ongoing services and maintenance costs. INZ considers it vital that other zero emission technologies and service alternatives are properly considered as part of any business case.
- 3.18 Cost effective alternatives to rail should be consider such as improved affordable inter-regional coach services. Electric and hydrogen for inter-city coach services would offer similar benefits but with less capital investment required.
- 3.19 Existing inter-regional services are not meeting customers' travel requirements. Both Te Huia and The Capital Connection run limited services which currently don't meet people travel needs, particularly outside the normal daily commuter requirements. Post-covid passenger travel patterns are different with much more remote working and less travel for face-to-face meetings in a large number of sectors.
- 3.20 The Te Huia trial, while affected badly by Covid related interruptions has shown that there is untapped demand particularly for more weekend and holiday trips, including better timing for services from Auckland. Traditional travel patterns are changing with more passenger demand for travel outside the commuting peaks and the need to provide travel solutions for a wider section of the population who are not travelling inter-regionally for a 9-5 job.

4 Conclusion

- 4.1 INZ considers that there are clear urgent priorities now for NZ rail infrastructure and services focussing on the two metro operations in Auckland and Wellington which will take some time to fully address and bring the track infrastructure back up to an acceptable standard again.
- 4.2 Similarly upgrading and addressing deferred maintenance across the wider NZ rail network to initially assist with more reliable freight is the other critical focus.
- 4.3 Investigation of key inter-regional rapid rail already tasked to Te Manatū Waka / the Ministry of Transport is supported.
- 4.4 We thank the Select Committee for giving INZ the opportunity to make this submission and would be happy to present this as an oral submission.



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