

Hon Simeon Brown

Minister for Energy
Minister of Local Government
Minister of Transport
Minister for Auckland
Deputy Leader of the House



OC240529

Daran Ponter
Chair, Greater Wellington Regional Council
By email: daran.ponter@gw.govt.nz

cc: Nigel Corry, Chief Executive, Greater Wellington Regional Council

Dear Daran,

The Government recognises the value of metro rail to Wellingtonians. There has been historic underfunding of track maintenance in both Auckland and Wellington, which results in more renewals being needed. Many of these renewals have also been deferred because of funding levels. Through Budget 2024 I have secured \$107.7 million to progress critical renewals and avoid the risk of significant network disruptions.

The Government is investing heavily in lifting the performance of the Wellington infrastructure. The previous National Government started the Wellington Metro Upgrade Programme, and the Coalition Government is working with you on the Lower North Island Integrated Rail Mobility programme. The joint investments we are making will lift train frequencies and should result in increased patronage, affording Wellingtonians choice for how they get around their city and alleviating pressure on the road network.

The distribution of the investment between Auckland and Wellington is still to be determined

The \$107.7 million will be distributed between Auckland and Wellington according to projects of highest criticality over the next year. KiwiRail is working on a priority list for each region, which I would like agreed with Auckland Transport and Greater Wellington Regional Council before confirming the programme of work.

As you know, under the current metro funding model, laid out in Network Access Agreements, Auckland Transport and Greater Wellington Regional Council are responsible for funding ~75 per cent and 85 per cent of the annual cost of the respective networks. NZTA contributes 51 per cent of these costs, as a public transport subsidy.

Current indications are that your 2024/25 maintenance and operations funding is likely to be less than what is needed to meet service reliability levels. I understand that GWRC's share is expected to be 83 per cent of what was requested by KiwiRail.

The Government is prepared to cover the necessary funding to progress critical renewals and avoid network disruptions in 2024/25. However, I expect you to increase your

contribution of NMP costs in 2025/26 and I expect to see evidence of this. I seek a response from you on how this will be achieved.

Work is underway to support efficient and reliable metro rail operations

The Budget 2024 announcement is a one-off investment that acknowledges the urgency of the situation you are in, given the previous Government's rejection of your funding bids.

One-off funding announcements are not suitable for a long-term sustainable and transparent funding system. They are a last resort measure from the Government. I expect that your officials continue to work with the Ministry of Transport, NZTA, and KiwiRail on the Metropolitan Rail Operating Model (MROM) review.

The purpose of the review is to:

- develop a clear set of shared objectives for the metro rail system
- develop a sustainable and transparent long-term funding system for metro rail, based on the service level expectations and clarity on user contributions
- ensure all parties:
 - have a shared understanding of the roles, responsibilities, and accountabilities,
 - are appropriately incentivised to deliver on improving metro rail operations
- strengthen metro rail system governance and management to support current and future operations, responding appropriately to changing needs through time.

I look forward to hearing from you.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Simeon Brown', written in a cursive style.

Hon Simeon Brown
Minister of Transport