



Report 10.371  
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Committee Regional Transport  
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## Review of the North Wairarapa Railway Line

### 1. Purpose

To agree on an approach to the region's involvement in the review of the North Wairarapa Railway line, including an initial meeting with KiwiRail to establish the issues and examine the viability of the Wairarapa railway line between Masterton and Woodville, and to identify potential future uses.

### 2. Significance of the decision

The matters for decision in this report **do not** trigger the significance policy of the Council or otherwise trigger section 76(3) (b) of the Local Government Act 2002.

### 3. Background

#### 3.1 KiwiRail's rail 'turn-around plan'

On Tuesday 18th May 2010 Transport Minister Steven Joyce announced the beginning of a long term plan for rail in New Zealand – with the aims of ensuring KiwiRail becomes a business capable of standing on its own feet financially. The following statement accompanied the release of the turn-around plan:

*“The Government’s commitment to invest \$250 million to support the KiwiRail Turnaround Plan will help increase New Zealand’s economic productivity and put us on the path to faster growth, Transport Minister Steven Joyce says.*

*The Budget 2010 appropriation is the first round of Government support for the objectives of the \$4.6 billion Turnaround Plan.*

*The Government has committed in principle to a total package of \$750 million over the next three years, with final decisions on funding subject to individual business cases.*

*The KiwiRail Turnaround Plan is designed to see the rail freight business become sustainable within a decade by getting it to a point where it funds its costs solely from customer revenue,” says Mr Joyce.*

*In fact, the lion’s share of the \$4.6 billion will come from the business itself.”*

Implementing the plan involves five key areas of investment and work. One of those is to review several ‘minor’ railway lines in consultation with communities, customers and staff. It is possible that these lines will be closed or mothballed unless key ‘anchor customers’ can be identified by 2012. The North Wairarapa Line between Masterton and Woodville is one of these minor lines up for review (see **Attachment 1**).

### **3.2 North Wairarapa line**

The North Wairarapa line is the section of railway line between Masterton and Woodville. KiwiRail advise that the line costs just over \$2.0 million a year (net contribution after capex). This compares with around \$2.3 million for the Napier-Gisborne line, \$3 million for the Stratford-Okahukura line and close to \$7 million for the North Auckland line.

KiwiRail advise that the North Wairarapa line currently earns virtually no revenue because virtually no scheduled services run on it. However, some capital expenditure has been authorised for the line because it is expected to be used to some degree while work is carried out on the North Island Main Trunk line.

### **3.3 Issues raised**

Local Wairarapa councils, together with Tararua District Council and Horizons Regional Council have raised concerns about closure or mothballing of this line which could be needed in future for increases in freight movement north from Wairarapa and/or potential new tourism initiatives. The role of this line as providing alternative rail access to Wellington has also been identified.

## **4. Comment**

### **4.1 Wairarapa Corridor Plan 2010**

The proposed Wairarapa Corridor Plan, recommended for approval at this meeting, includes an action to “Advocate to central government to encourage investment in the rail network that supports the use of rail as a safe, sustainable, and efficient solution for the movement of freight to/from and through the Wairarapa corridor.”

The significant issues identified through the Wairarapa Corridor Plan review related to freight flows from Wairarapa to CentrePort, Wellington. However concern over the future of the North Wairarapa line was raised by some submitters and discussions with KiwiRail over its future is consistent with the measure in the plan.

## 4.2 Discussions with KiwiRail

In Hawkes Bay, where the future of the Napier-to-Gisborne rail line is also under review, a Hawkes Bay Leaders Group has met with KiwiRail to outline concerns about the potential closure of the line and discuss opportunities to grow its current use.

It is recommended that similar discussions are held with KiwiRail in relation to the North Wairarapa line. Initially a meeting of senior leaders is proposed, comprising nominated members of this Committee, Horizons Regional Council, Tararua District Council, Hawkes Bay Regional Council, and senior representatives from the business community and tourism groups. The purpose of this meeting would be to establish the relevant issues, ensure KiwiRail understands the local political dimensions of any decision, and clarify the economic conditions necessary to retain the line.

Further discussions could be facilitated to identify future demand or ‘anchor’ customers that would support continued investment in this section of the rail network. A sub-group could be established to investigate options and if necessary prepare a case for KiwiRail consideration. Specific studies or investigations could be commissioned if needed.

As the issues to be discussed will have a heavy focus on Wairarapa, it is recommended that the three Wairarapa councils be represented at the meeting, together with Greater Wellington and NZ Transport Agency.

The following Committee members are therefore suggested to attend the meeting with KiwiRail:

- Councillor Wilde (Chair of Wellington Regional Transport Committee)
- Mayor Staples (South Wairarapa District Council)
- Mayor McPhee (Carterton District Council)
- Mayor Daniell (Masterton District Council)
- Jenny Chetwynd (NZ Transport Agency)

In addition, interest in these discussions has been signalled from Horizons (Manawatu-Wanganui) Regional Council, Tararua District Council and Hawkes Bay Regional Council.

The following political representatives from outside the region have been nominated by Horizons and Hawkes Bay regions:

- Councillor Vern Chettleburgh (Chair, Horizons Passenger Transport Subcommittee)
- Mayor Maureen Reynolds (Tararua District Council)
- Councillor Alan Dick (Chair, Hawkes Bay Regional Transport Committee)

It would also be useful to have representation from Grow Wellington and the Wellington Employers' Chamber of Commerce, together with key tourism groups such as Positively Wellington Tourism and Destination Wairarapa, to contribute to the discussions.

## 5. Communication

The Chair of the Committee may wish to release a media statement about the establishment of this sub-group following this meeting.

## 6. Voting

Section 107(1) of the amended Land Transport Management Act states that objective and interest representatives have full speaking rights, but are not entitled to vote on matters related to regional land transport programmes. As the subject matter of this report does not relate to the regional land transport programme, objective and interest representatives **may** vote on the resolutions.

## 7. Recommendations

*That the Committee:*

1. ***Receives the report.***
2. ***Notes the content of the report.***
3. ***Agrees to the approach outlined in the report for the region's involvement in the review of the North Wairarapa Line.***
3. ***Resolves to nominate Councillor Wilde, Mayor Staples, Mayor McPhee, Mayor Daniell and Jenny Chetwynd to meet with KiwiRail and other interested parties about the future of the North Wairarapa Line.***

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Attachment 1: KiwiRail Turn-around Plan – 18 May 2010