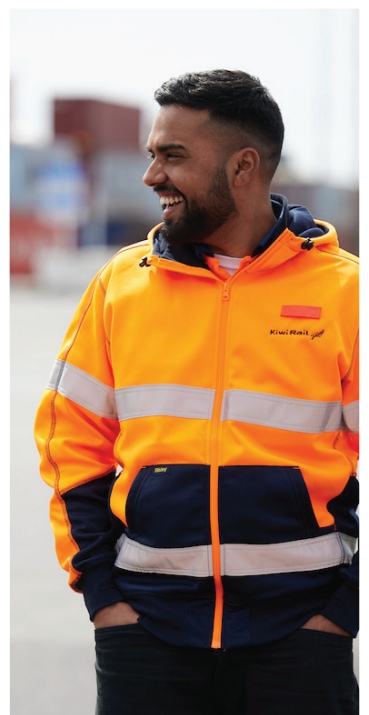




BRIEFING TO INCOMING MINISTER

2023





Robert Mascord, Safety Protector Group

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WELCOME

Welcome to KiwiRail. We move freight and people by rail and sea, and we are stewards of the rail network.

We are a core component of New Zealand's transport network, economy, emissions objectives. We move 14% of freight in New Zealand (on a net-tonne kilometre basis), sail thousands of ferry connections between the North and South islands each year, operate inter-regional commuter services and maintain the metropolitan networks in Auckland and Wellington, and manage land use, leases, and property asset management across more than 18,000 hectares of land holdings.

We look forward to working with you into the future to achieve our vision of Stronger Connections for a Better New Zealand.

CONTACTS

David McLean

Chair of KiwiRail and
the New Zealand Railways Corporation Privacy

Peter Reidy

Chief Executive of KiwiRail Privacy

The Chair is the appropriate contact should a shareholding Minister wish to raise any matter directly with KiwiRail. The Chief Executive is also available, and is typically the direct contact should the Minister of Transport wish to raise any matter directly with KiwiRail.

There are established communication channels between KiwiRail and the offices of the Ministers of Finance, State Owned Enterprises and Transport.

Your offices will deal primarily with Privacy on most matters, alongside a small number of communications professionals should your press secretaries need to discuss anything.

KIWIRAIL'S ROLE

WHO WE ARE

KiwiRail is the state-owned enterprise (SOE) responsible for:

- operating a nationwide business encompassing:
 - rail freight – logs, containers, bulk tankers, coal wagons
 - shipping – four inter-island vessels – rail, road and passenger
 - tourism – three scenic trains – Northern Explorer, Coastal Pacific and TranzAlpine
- managing and maintaining the national rail network – 3,700km of rail lines, including bridges, viaducts, tunnels, signals, culvert maintenance - which provide the foundation for all rail freight and passenger services in New Zealand
- managing 18,000ha of property – including the rail corridor and associated terminals for freight activity.

As a SOE, we report to our Shareholding Ministers - the Minister for State Owned Enterprises and the Minister of Finance. We also work closely with the Minister of Transport as part of their portfolio responsibility and can have links to other portfolios, including Economic Regional Development.

The KiwiRail Board of Directors is appointed by Shareholding Ministers and is accountable to those Ministers for the overall performance of KiwiRail.

Like all SOEs, our principal objective is to operate as a successful business and to be as profitable and efficient as comparable businesses not owned by the Crown, while also being a good employer and exhibiting a sense of social responsibility.

Note - The New Zealand Railways Corporation (NZRC) is a separate statutory company that owns around 18,000 hectares of railway land, which it provides to KiwiRail through a long-term lease. NZRC was established to enable KiwiRail to obtain the commercial benefit of railway land and to support the Crown's investment in rail operations. NZRC and KiwiRail have separate Boards and share a common Chair.

WHAT WE DO

We connect people, networks, journeys, experiences and ways of working that move our customers, the transport system and New Zealand forward. This is epitomised in our purpose of Stronger Connections Better New Zealand.

Rail is a critical enabler for our economy and way of life, providing \$2.1b in benefits up and down the country - economically, socially and environmentally¹.

Our business spans the following areas:

RAIL FREIGHT

KiwiRail plays a critical role in New Zealand's freight and supply chain industries. Our services provide cost-effective and sustainable ways to move goods, supporting our customers to grow New Zealand's economy and GDP.

INTERISLANDER

We operate ferry passenger and freight services across Cook Strait, acting as an 'extension' of State Highway 1 and the Main Trunk Line linking road and rail networks of the North and South Islands.

SCENIC AND COMMUTER

We operate The Great Journeys of New Zealand long-distance passenger train and ferry passenger experiences – comprising the Northern Explorer (between Auckland and Wellington); the TranzAlpine (between Christchurch and Greymouth); the Coastal Pacific (between Picton and Christchurch). In a normal year about a million people travel on our Great Journeys.

We provide the Capital Connection commuter service between Palmerston North and Wellington and operate Te Huia between Hamilton and Auckland.

NETWORKS

We manage, maintain and improve New Zealand's 3,700km rail network and a further 800km of rail in associated yards. We also control train operations across the country, from our National Network Train Control Centre. As a mostly single track network,

train control and safety are closely linked. We provide network access to other rail operators through fair and transparent processes.

PROPERTY

We manage 18,000 hectares of land on behalf of the New Zealand Railways Corporation, including more than 1,500 property assets and more than 8,000 third-party interests in KiwiRail's land.

SUPPORT METROPOLITAN PASSENGER SERVICES

KiwiRail provides and maintains the rail network and train control operations, enabling suburban passenger services in Auckland (operated by Auckland One Rail on behalf of Auckland Transport) and Wellington (operated by Transdev on behalf of Greater Wellington Regional Council).

KiwiRail is well placed to draw on our experience and expertise to take a greater role in the transport sector, advising on how rail can best contribute to the transport system for the benefit of all New Zealanders.

INTEGRATED BUSINESS MODEL

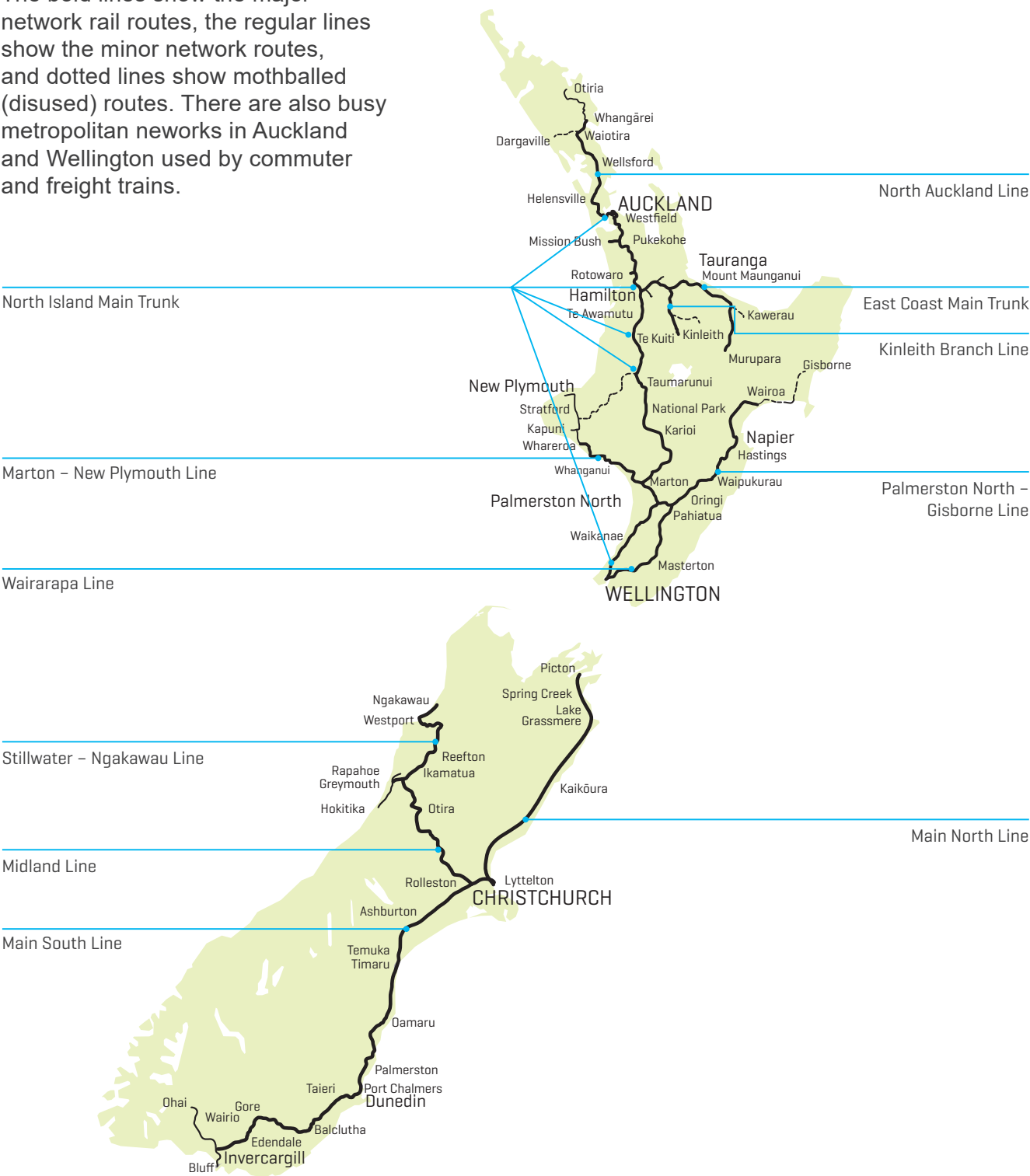
Like many rail networks around the world, KiwiRail operates an integrated business model with responsibility for both 'above rail' operations (locomotives, rolling stock, ferries etc) and the 'below rail' network (including tracks, signals, tunnels and bridges).

This model ensures an efficient, coordinated approach to design, planning, operation and maintenance, with a primary focus on meeting our customers' needs.

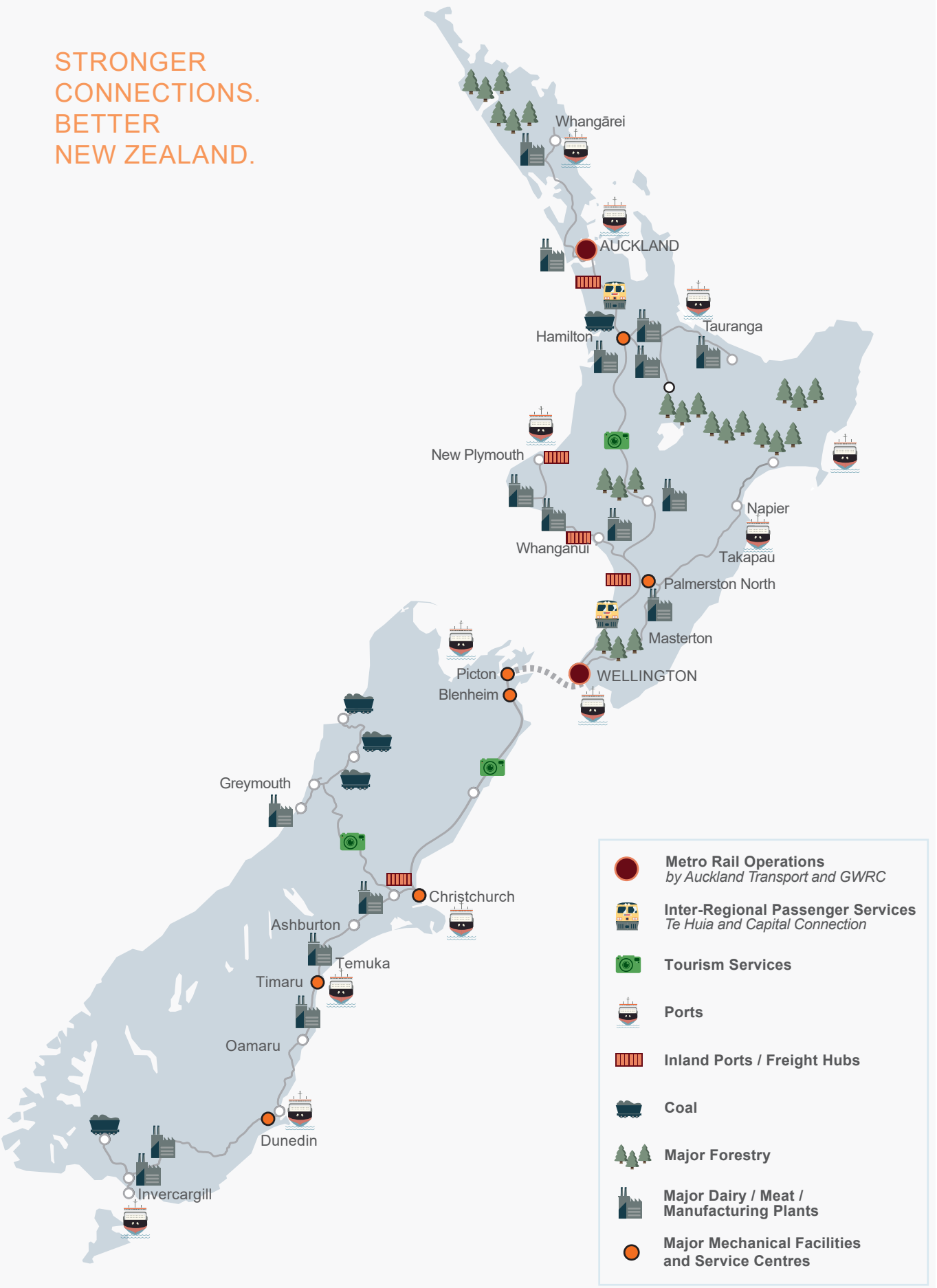
The model also reflects that railways are interconnected systems, which benefit from networks and operations teams working closely together.

THE NATIONAL
RAIL NETWORK

The bold lines show the major network rail routes, the regular lines show the minor network routes, and dotted lines show mothballed (disused) routes. There are also busy metropolitan networks in Auckland and Wellington used by commuter and freight trains.



STRONGER
CONNECTIONS.
BETTER
NEW ZEALAND.



OUR PEOPLE

KiwiRail is one of New Zealand's largest employers with approximately 4,800 people in 50 towns and cities across the country. Around 70% of our staff are union members.

We share a long and proud history with our people, many of whom are the third or fourth generation of their family to work in rail. KiwiRail is committed to being an inclusive and diverse workplace with a workforce fit for the future needs of our industry. As of 30 June 2022, our legacy workforce comprises of just 19.4% women and our average worker age is 44, which could lead to a skills deficit in the next decade as a number of our skilled workers retire.

To address this, KiwiRail is currently expanding its apprenticeship programme to support the upskilling and development of employees to obtain trade qualifications. In the past 24 months we have grown the number of apprentices from 50 to 122, across our Rolling Stock, Infrastructure, and Freight businesses.

We are also committed to developing our people, supporting diversity and promoting Te Ao Māori within our business. Our successful graduate, internships and mentoring programmes are nurturing young talent, and our Toi Toi Leadership Programme is developing leaders who are making a difference in their workplaces, with their whānau and in their local communities. A KiwiRail Young Professionals Network has been formed to further support our youth in professional and personal development. The ongoing development of our people as a means of attraction and engagement, increased productivity and safety is at the core of our people strategy.

In recent years we have developed a High Performance High Engagement (HPHE) programme with our union partners which brings frontline workers together with management to solve challenging issues in the business. KiwiRail is one of only a few New Zealand businesses to implement the programme, HPHE raises productivity, improves safety, engages employees and strengthens customer commitment through enhanced performance and more effective processes. It also

strengthens unions by increasing membership numbers and acting on solutions to business problems devised by the workers who do the jobs, thus cementing the strategic benefit of this partnership.

KiwiRail has a highly unionised workforce. We engage with four unions, being the Rail and Maritime Transport Union (RMTU), Maritime Union of New Zealand (MUNZ), Aviation and Marine Engineers Association (AMEA), and the Merchant Service Guild. The RMTU represents nearly half of KiwiRail's total workforce, while the other three unions represent most of the Interislander workforce.

OUR CUSTOMERS

KiwiRail plays an integral role in supporting the New Zealand economy, particularly in the export sector which accounts for around 30% of Gross Domestic Product.

Each year we move about 18 million tonnes of freight on our rail services and our inter-island ferries carry around 3.5 million tonnes of freight for export or distribution around New Zealand. KiwiRail's rail network transports about 25% of New Zealand's exports, and around 40% of our total revenue has significant exposure to the risks and uncertainties in the global economy.

Over the longer term New Zealand's total freight task is forecast to increase by more than 55% by 2042 [Transport Outlook Future State [November 2017], Ministry of Transport]. KiwiRail currently carries about 14% of New Zealand's freight², and there is considerable scope to move more freight by rail. The platform to achieve this has been laid in recent Budgets with Government support for restoring a resilient and reliable rail network, including replacement locomotives, wagons and new Interislander ferries. Growth will be achieved through greater penetration in current market sectors and targeting new markets to increase the overall amount of freight on rail. This will deliver the benefits of lower supply chain costs to exporters and consumers, as well as increased value to New Zealand.

A number of current markets that rail serves are forecasting growth, including export logs, where harvests

are predicted to remain at levels above 36 million tonnes per year over the next ten years.

Developing innovative solutions for customers is key to meeting demand, and KiwiRail's solution-focused approach highlights how we work with key customers. As an example, Fonterra is KiwiRail's largest customer and enabling the easy and efficient transportation of its products to 140 world markets is a shared focus. We operate dedicated rail services to and from Fonterra's dairy plants, and we invest in upgrades and new rail infrastructure along key routes to serve them and other import/export (Imex) customers.

Commercial negotiations - Section 9 (2)(i)

KiwiRail is also investigating new market opportunities by investing or partnering in land infrastructure such as inter-modal (road-rail) hubs in Palmerston North, Blenheim and other areas where freight multi-party developments may be of merit. These will provide cost and carbon efficient logistics points for freight to be collected and stored before being transported to ships.

We are creating strong customer relationships and developing new partnerships with major producers moving product around New Zealand, including developing 5-10 year strategic plans with customers to develop longer term growth targets. KiwiRail is particularly focused on growing domestic cargo traffic along the main trunk network between Auckland and Invercargill. The new Interislander ferries, expected to arrive in 2025 and 2026, will significantly increase rail capacity and will enable further modal shift to rail.

We also need to ensure that KiwiRail becomes commercially sustainable. This includes re-negotiating contracts with customers to ensure we are receiving an appropriate return on the capital we invest in rolling stock and infrastructure for use by those customers. However, pricing must

² KiwiRail calculates freight market share on a net-tonne kilometre basis. Net tonne kilometres takes the weight of freight on a service and multiplies it by the distance travelled (given movement is the objective of freight). The road lobby often calculates market shares on a weight-only basis, which presents the role of road freight as being considerably bigger given most urban freight is hauled by road.



Kānoa funded: First DL locomotive freight train on the North Auckland Line after lifting the axle load to 18 tonnes, January 2023.



NZUP funded: First mast erected between Papakura to Pukekohe for the electrification project, January 2023.

always remain mindful of the next-best alternative, such as road freight.

In recent years, we have seen strong growth in the Import/Export sector and from our port partnerships, through our ability to aggregate and move large volumes of freight at speed and in a cost effective and timely manner.

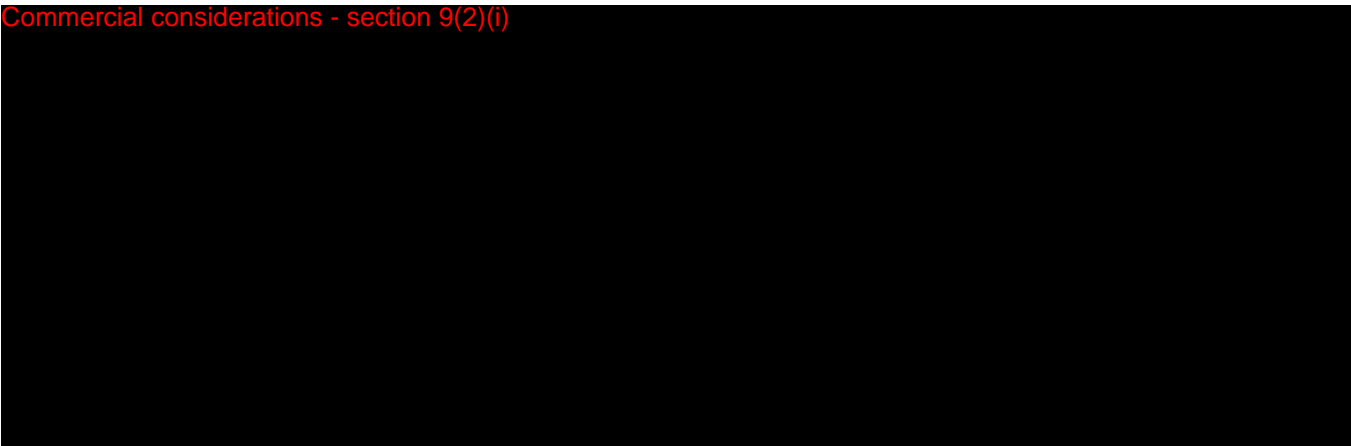
KiwiRail has collaborated with our port partners to service existing intermodal hubs across the country, which have become a vital logistical component for New Zealand's ports. Supply chains rely on rail.

Given this crucial logistics connection, rail is central to discussions around

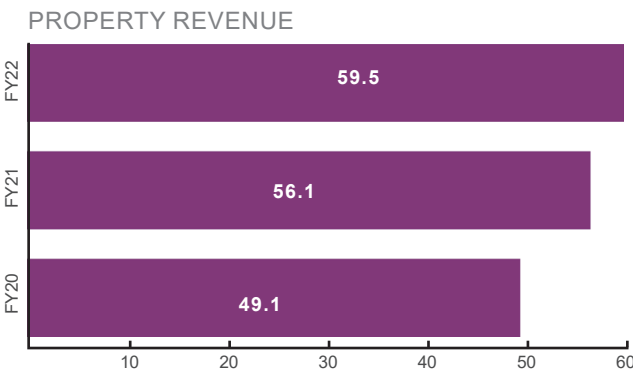
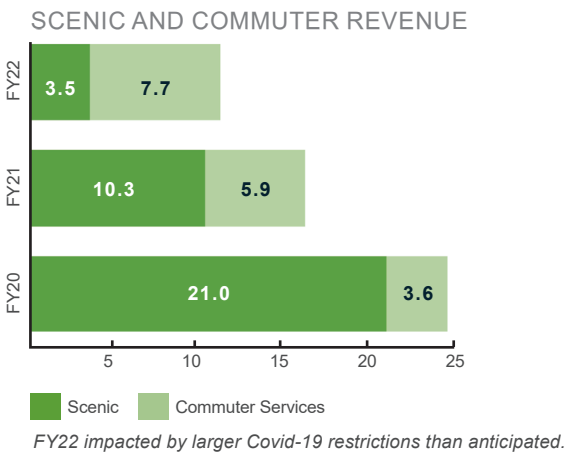
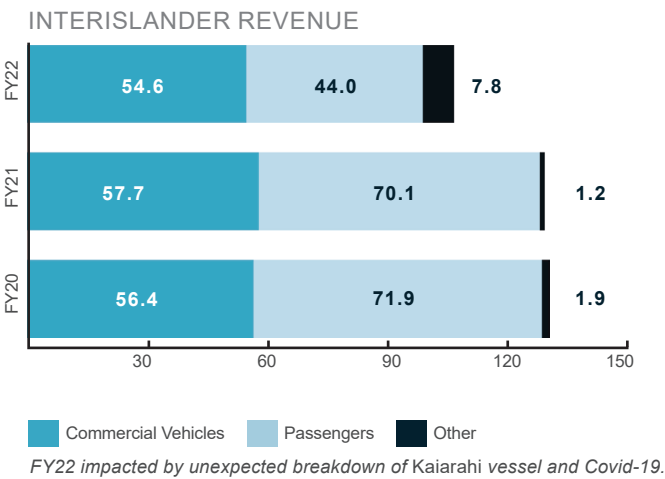
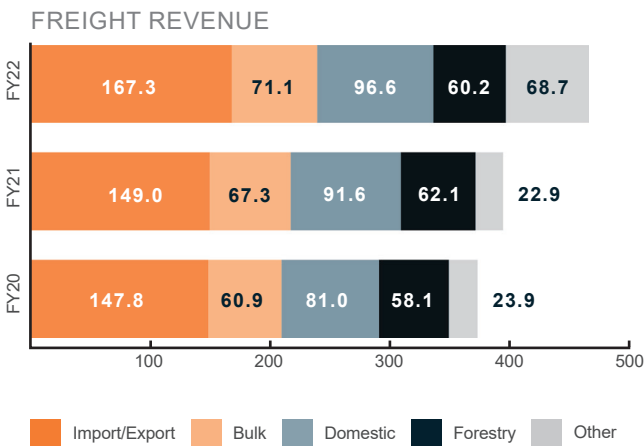
the future of the Ports of Auckland and scenarios for alternatives that are being considered.

Rail has a key role to play in the development of solutions to ensure the supply chain in New Zealand operates efficiently.

KIWIRAIL'S ABOVE RAIL LARGEST CUSTOMERS - COMMERCIAL IN CONFIDENCE



KIWIRAIL'S ABOVE RAIL EXTERNAL REVENUE BY SERVICE LINE



HISTORY

THE EVOLUTION OF RAIL IN NEW ZEALAND

The story of rail in New Zealand dates back to 1863, when engineers designed a rail network that could operate across the country's uncompromising landscape of swamps, rivers, rugged mountains and dense forests.

Over time, otherwise isolated communities and industries were gradually connected to each other and the world.

By 1880, the then New Zealand Railways (NZR) was operating more than 1,900km of track, and carrying almost 3 million passengers and 830,000 tons of freight a year.

The first half of the 20th century was a 'golden age' for rail. By the 1920s, NZR was carrying more than 6 million tonnes of freight and 28 million passengers a year – a remarkable achievement for a nation which then numbered just over a million people – and almost everyone travelling between major centres took the train.

From the 1950s, the growing popularity of road and air travel saw a decline in demand for rail passenger services. As a result, branch lines around the country were progressively closed.

Changes in the transport industry, beginning in the 1980s with deregulation and continuing with law changes to allow larger trucks on our

roads also saw rail's freight market share drop significantly.

With the new millennium, however, has come renewed interest in rail, both here and internationally. This reflects rail's ability to efficiently transport large volumes of freight and people, reduce road congestion and emit less carbon than other forms of land transport.

OWNERSHIP CHANGES

For most of rail's history in New Zealand, it has been publicly owned and operated.

The exception was a period between 1993 and 2008 when it operated either wholly or partly under private ownership.

The first ownership change occurred when the Government sold NZR for \$328 million in 1993, to a joint NZ-US private consortium, led by NZ merchant bank Fay Richwhite. Shortly afterwards, NZR was renamed Tranz Rail Limited.

In 2002, the Government bought back the Auckland metro rail network for \$81 million.

Two years later, Tranz Rail was taken over by Toll, which sold the rest of New Zealand's track infrastructure back to the Government for \$1.

In 2008, rail returned to full public ownership and KiwiRail was born, after the Government bought Toll's rail

and ferry assets for \$690 million and reintegrated the business with the rail network infrastructure.

PERFORMANCE IN A CHALLENGING ENVIRONMENT

Since its formation, KiwiRail has faced significant challenges to its operating and financial performance, and there's been ongoing debate about its optimum organisational form and funding model.

In 2008 KiwiRail inherited aged assets and infrastructure that in many cases were run down and near the end of their useful life.

In spite of this, KiwiRail early on pursued an ambitious strategic plan aimed at making the business self-sustaining by 2021 (the Turnaround Plan: 2010 - 2013).

The plan was thwarted by numerous setbacks, including the Global Financial Crisis, Christchurch earthquakes, rapid reduction in coal prices and volumes, and problems with new locomotives and the Interislander ferry *Aratere* – all of which impacted on revenue and costs, as well as the delivery of services for key customers.

Following the Turnaround Plan, an independent Treasury review of KiwiRail was conducted in 2013, and a year later KiwiRail undertook its own commercial review of the business.

CURRENT CONTEXT

TOWARDS A NEW ERA OF RAIL IN NEW ZEALAND

Here in New Zealand as elsewhere in the world, rail is undergoing a renaissance, driven by growing recognition of the benefits rail can deliver – socially, economically and environmentally.

Rail is an efficient means of transporting high volumes of people and freight, making it an effective way to connect communities and a critical enabler of business and economic growth.

Rail also delivers a range of secondary benefits.

As a low-carbon transport option (with 70% fewer emissions than heavy road transport), rail can significantly reduce transport emissions. This means it can play a key role in helping New Zealand meet its commitment to the Paris Accord, and the transition to net zero carbon by 2050.

By removing cars and trucks from our roads, rail also helps improve road safety and reduce road-related congestion, as well as the costs of road maintenance.

FUTURE OF RAIL REVIEW

Recognising the potential benefits of rail to New Zealand's future, along with

the need to find a sustainable funding model for rail, the Government in 2017 initiated the Future of Rail review.

This aimed to:

- identify the role rail could play in New Zealand's transport system, and
- put in place a sustainable approach to funding rail over the longer term.

The review emphasised strongly that the existing approach to planning and funding rail could not continue.

The review has resulted in:

- new legislation supporting the establishment of a new planning and funding framework for rail, and

- the *New Zealand Rail Plan*, which outlines the Government's long-term vision and priorities for the national rail network.

Ministers have determined that the vertically integrated role of KiwiRail as a rail operator and as a network provider is appropriate for New Zealand. This model is consistent with other countries of similar scale given the efficiencies it offers. The model is supported by the Government's ability to regulate commercial operators for fair treatment of customers, establish rail safety regulation as a Waka Kotahi function, and open and transparent processes regarding access to the network for all rail users.

Implementing the new planning and funding framework is a primary focus for KiwiRail, working alongside the Ministry of Transport, Waka Kotahi and others.

NEW LONG-TERM PLANNING AND FUNDING FRAMEWORK

The new approach to planning and funding rail, outlined in the *New Zealand Rail Plan* took effect in 2021, saw investment decisions on the rail network made under the Land Transport Management Act (LTMA).

This means the national rail network is now planned and funded alongside the rest of the land transport system, including the road and public transport networks. Rail network funding is channelled through the National Land Transport Fund (NLTF), with funding coming from NLTF revenue, track user charges and Crown investment. The Rail Network Investment Programme (RNIP) establishes the activities KiwiRail will deliver.

This is a marked departure from the past, when KiwiRail had to apply annually for funding for rail network renewal and maintenance as part of the Budget process. That approach has proven to be inadequate for planning and funding long-life infrastructure such as rail, leading to short-term decision making and resulting in the railway facing a state of managed decline. Unfortunately the RNIP is not yet fully funded on an ongoing basis.

The new model more clearly recognises and enables both the profit orientation of KiwiRail's business, and the wider benefits of the national rail network to be publicly funded through the NLTF. The new model also supports greater collaboration between transport sector entities.

Funding received via the NLTF is spent on continuous programmes of maintenance, renewal and management of the network, as outlined in the RNIP. KiwiRail prepares this investment programme, which lists planned projects for the coming three years, as well as a 10-year forecast.

Additional improvement projects will be considered for funding where an investment case is demonstrated.

In 2021 the Government established track user charges to ensure KiwiRail and other track users contribute to the cost of the rail network in a fair and transparent way. KiwiRail's freight, tourism and ferry services will continue to be funded as they are now, from commercial revenue, financing and Crown investment.

The Crown may also invest for outcomes outside transport, and purchase those directly from KiwiRail or other providers, such as the previous investment through the Provincial Growth Fund to support regional economic development outcomes, or for commercial purposes as owner.

INVESTMENT TO RESTORE ASSETS AND INFRASTRUCTURE

The introduction of a new planning and funding framework for the national rail network has been complemented by funding commitments of more than \$8 billion to KiwiRail over the past five years.

This funding is to support a multi-year programme to restore a resilient and reliable rail network and replace rolling stock and ferries, alongside some specific projects targeted at regional growth and supporting growth in Auckland and Wellington metro rail.

Between Budgets 2019 and 2022, a total of \$8.6 billion was allocated to KiwiRail – primarily to help us replace ageing ferries, locomotives, wagons

and network infrastructure and to pave the way for enhanced freight services.

The NZ Upgrade Programme has provided \$2 billion to support important rail projects in Auckland and Wellington, including building a third main line between Wiri and Quay Park, electrifying the line between Papakura and Pukekohe, building new stations at Drury and making ongoing improvements to support growth on the Wellington rail network.

The Provincial Growth Fund and National Land Transport Fund have provided further funding for specific rail projects.

This work is primarily focused on assets that are at the end of their life and is critical if we're to continue to provide current services.

The nature of these projects means they won't all return immediate results – for example, it takes up to three years to purchase and commission new locomotives – but they do mean that critical work to secure the future of rail services in New Zealand is now underway.

We know that customers place high value on reliability of services. We are already seeing increased demand from customers, and huge potential for new services. Ambition for rail continues to build, particularly for new lines and services. However, sustained focus and further investment will be required over the next decade just to meet the goal of bringing the existing national rail network up to a resilient and reliable level.

More intermodal hubs can better utilise the existing network as part of a multi mode transport network.

OUR STRATEGY AND FOCUS

KiwiRail is undergoing a significant transformation, with new locomotives, wagons, mechanical depots, terminals, ferries and digital technology supporting the business and the completion of the first three-year Rail Network Investment Programme to improve resilience and reliability of the network.

Our success matters because rail is critical for New Zealand's economy, society, and environment. We are focused on delivering value to all our stakeholders: customers, employees, partners, shareholders, and the New Zealand public. We have set ourselves ambitious goals to maximise the benefits from the investment in rail.

Our 10-year strategy to meet these goals has two phases. The current Statement of Corporate Intent focuses on the next three years of phase one – investing in reliable and resilient

assets. Delivering these new assets is a multi-year programme. Our core operational focus in this period for our Above Rail Business is to maintain our core services, grow yield by getting more from the same assets, and plan our transition for when the new assets arrive. We are improving the integrity of our rolling stock, expanding our Scenic products, re-setting commercial contractual terms with our freight customers, and readying the business for the new rolling stock, ferries and digital solutions.

For the Below Rail Network, we will deliver Government investments to upgrade the rail network to enable resilient and reliable rail services for metro, freight and other rail operators. This work is primarily delivered through the Rail Network Investment Programme, the NZ Upgrade

Programme and other infrastructure funds. Programme Delivery will be focused on delivery of the major capital investment programmes to specification, on time and within budget to ensure the business is positioned successfully for the second phase of our strategy.

Achieving this will springboard us into our second five years, where we will leverage our new, modern assets and increased capacity to continue to increase our market share of freight and passenger volumes.

These are ambitious goals both for New Zealand and for the 4,800 members of the KiwiRail team. Over the next three years we will continue our transformation to deliver this strategy through our key strategic themes.

STRATEGIC THEMES



Customer Centricity and Growth

Improving the reliability of our services and rolling out digital solutions so customers can directly manage and schedule their deliveries.



Commercial Delivery

Driving efficiency through higher asset utilisation, better ways of working, reducing our cost to serve and getting ready for new assets.



Sustainability and Innovation

Further reducing our environmental footprint through our infrastructure and operational activities and enabling our pathway to net-zero carbon emissions by 2050.



People and Safety

Ensuring people are valued and developed, supporting diversity and inclusion and improving our safety outcomes so our team goes home safely every day.



Capital Projects Delivery

Procuring new locomotives, wagons and ferries for the Above Rail Business and delivering the Government's network investments efficiently and effectively.

CUSTOMER CENTRICITY AND GROWTH

Customer Centricity and Growth is focused on putting the customer at the heart of everything we do, providing a digital customer experience and diversifying our revenue streams through new markets and property partnerships. KiwiRail is continuing to make it easier for others to do business with us. Digital improvements are simplifying the way customers make and manage bookings. We are also rolling out wagon traceability which will enable customers to directly manage and schedule their deliveries.

COMMERCIAL DELIVERY

Commercial Delivery encompasses initiatives that will improve our asset utilisation, modernise our ways of working, reduce our cost to serve, and prepare our people and processes for the arrival of our new assets. We will progress operational readiness programmes that are preparing for the arrival of new locomotives, the wagon assembly workshop and the new ships. These assets will provide a once-in-a-generation opportunity to drive organisational change.

For example, the new fleet of mainline locomotives for the South Island will be supported through the construction of new mechanical depots, and an asset management strategy that encompasses inventory management and preventative maintenance schedules. These changes will be required to allow for the new engine technology and will contribute to improved locomotive availability and, most importantly, fleet reliability. Similarly, the Interislander business readiness programme is critical to get the most out of our two new, rail-enabled, higher capacity, low-emissions ferries and the improved passenger experiences they will offer.

Key to this workstream is the delivery of Ngatahi, a four-year software implementation project which began in June 2021 that will transform how we plan and execute our rail and Interislander operations. It will enable multiple benefits including better capacity management and greater slot utilisation; reduced train operating costs through better utilisation of people and assets to match the freight demand; and faster recovery after an on-network incident to improve our resilience and service performance.

PEOPLE AND SAFETY

People and Safety covers initiatives that support our aims to achieve Zero Harm, to attract key talent and retain our people to improve engagement and our diversity.

We are committed to reducing our critical risks and improving our environmental accountability to implement and sustain a Zero Harm environment. We are progressing initiatives to improve the safety culture at KiwiRail, outlined in the 'Areas of Current Focus' section later in this document.

We manage worker-led safety initiatives through our network of Health and Safety Action Teams and through a High-Performance, High-Engagement (HPHE) strategy with our union partners. Our "Safety Rules Transformation" project is transforming the way we develop and communicate our rules, and verify they are complied with.

We will continue to implement our people strategy, underpinned by four key pillars:

- Attract: Diverse talent and the skills we need in the right place at the right time
- Develop: Our people have the capability they need to grow and deliver
- Care: A positive employee experience where people belong and can be their best
- Enable: Efficient people services and digital solutions now and in the future.

SUSTAINABILITY AND INNOVATION

We are focused on a sustainable net zero carbon future and digitisation to future proof the business. We are kaitiaki of the rail corridor, and with that comes a responsibility to care for and protect the health of the environment, our community and the economy.

The central pillars of our Rautaki Whakauka Sustainability Strategy are environment, community and economy. These reflect the Te Ao Māori values Kaitiakitanga (guardianship), Manaakitanga (care and protect), and Whanaungatanga (sense of connection) respectively. We bring these values to life by:

- Acknowledging the importance of our strategic partners and stakeholders, taking action to meet their needs and building strong, enduring relationships
- Future-proofing our business by taking a long-term view of risks and opportunities, informing smart investment and minimising business disruption
- Playing our part to decarbonise our transport system, and drive the efficient use of resources and responsible environmental stewardship
- Building a trusted brand for our people and our future workforce
- Contributing to responsible economic development in regional communities / takiwā.

INVESTMENT IN KIWIRAIL

The Government's investment in rail is guided by the *New Zealand Rail Plan*. It is time-limited for the Above Rail Business, as this is a renewal programme to support us in our pathway to self-sustainability. It is ongoing for the Below Rail Network, as the national rail network serves all rail operators and New Zealanders as a whole. Key milestones in this planning period are identified in our Key Performance Indicators.

ABOVE RAIL BUSINESS ROLLING STOCK

KiwiRail is renewing its fleet of locomotives and wagons. The Government has committed \$1.7 billion across Budgets 2019 and 2022 to support this renewal programme, and we will spend \$1.0 billion across the next three years. The new assets will arrive progressively across the next few years, with the final tranche to arrive by 2026/27. Renewing the fleet will improve service reliability and reduce maintenance costs and is essential for us to grow revenue, increase volumes on rail, and ultimately self-fund the next generation of rolling stock assets.

MECHANICAL DEPOTS

KiwiRail is upgrading 12 mechanical depots across New Zealand (including building a new Waltham facility), supporting the safe work of our



C8 Newmarket - Installation of two new diamonds on slab.

maintenance crews and improving the efficiency of our operations. The Government has committed \$207 million to support this activity, with the final spend occurring in 2024/25.

The Government has also provided \$105 million to rebuild the Hillside Workshops in Dunedin and assemble up to 1,500 wagons in the new workshops between 2023 and 2026 (through an \$85 million funding agreement with shareholders and \$20 million from the Provincial Growth Fund).

FERRIES, TERMINALS

KiwiRail is leading the delivery of Project iReX, the once-in-a-generation renewal of the Interislander ferry fleet and upgrades to the portside infrastructure in Wellington and Picton. The project carries a total investment value of \$1.45 billion, for which the Government is providing \$435 million as equity and an additional amount in contingency, alongside investment by CentrePort Limited in Wellington and Port Marlborough New Zealand in Picton. KiwiRail is also investing its own funds and has taken on \$350 million in debt to support the procurement of the new ferries. They arrive in 2025 and 2026.

CORE ASSET MANAGEMENT

The Government appropriated \$87.3 million in Budget 2021. To support other commercial initiatives such as maintaining our existing assets and relocating our Wellington Train Control Centre for resilience purposes. This funding reduces to zero by 2024/25.

KĀNOA – ABOVE RAIL BUSINESS

KiwiRail is purchasing land for a future Central North Island Freight Hub in Bunnythorpe Palmerston North (\$40 million), completing a programme to refurbish tourism carriages and extend the platform in Greymouth (\$24 million), and progressing initial work on the development of Hillside Workshops in Dunedin (noted above).

COMMUTER RAIL

KiwiRail operates two commuter services, the Capital Connection between Wellington and Palmerston North and Te Huia between Auckland and Hamilton. These public transport services are funded by local Regional Councils, who access National Land Transport Fund funding to support

their service. We are also refurbishing Capital Connection carriages with the support of the New Zealand Upgrade Programme (\$26 million), expected to be completed in 2022/23.

ELECTRIC FLEET REFURBISHMENT

KiwiRail is refurbishing some of the Electric Fleet locomotives. The Government provided \$35 million for this purpose, with the refurbishments scheduled to be completed by mid 2025 (with most assets refurbished by mid 2024). The refurbishment will extend their economic lives and help to reduce carbon emissions.

Active consideration - Section 9(2)(f)(iv)

BELOW RAIL NETWORK

RAIL NETWORK INVESTMENT PROGRAMME

KiwiRail will continue to deliver the Rail Network Investment Programme (RNIP). This supports:

- Investment in the national rail network to restore rail freight and provide a platform for future investments for growth
- Investment in the metropolitan rail networks to support growth and productivity in our largest cities
- Engage effectively with regional and community stakeholders on rail-related projects.

The first RNIP provides \$1.35 billion over the three-year period (2021/22 to 2023/24). The RNIP provides for \$406.1 million in 2022/23 and \$446.4 million in 2023/24 for the national network, and an additional \$62.5 million in 2022/23 and \$45.8 million in 2023/24 for improvement projects to support metro operations in Auckland and Wellington.

We will seek approval of the next three-year investment programme commencing in 2024/25, from the

Minister of Transport, before 1 July 2024.

NEW ZEALAND UPGRADE PROGRAMME

KiwiRail is the delivery agency for rail transport projects in the New Zealand Upgrade Programme (NZUP), representing up to \$2.0 billion in improvement value:

- Papakura to Pukekohe Electrification – \$375 million to electrify 19km between Papakura and Pukekohe, including installation of overhead equipment, a new traction power feed and signaling upgrades. Expected completion in 2024/25.
- Wiri to Quay Park – \$318 million to provide a third rail line to ease the bottleneck between Wiri and Westfield, increase capacity around Westfield Junction and improve rail access to the Ports of Auckland and Quay Park. Expected completion in 2024/25.
- Drury Rail Stations – \$495 million to construct three new passenger rail stations at Drury Central, Drury West and Paerata and the associated bus interchange, park and ride facilities and connector roads. Expected completion in 2025/26.
- Wellington Metro Upgrade Programme – \$88 million to enable a safe and reliable increase in the frequency of train services at Wellington Railway Station and \$156 million for infrastructure upgrades to the Wairarapa Line to increase capacity and support a planned increase in the frequency of passenger services. Both projects are expected to be completed in 2025/26. In addition \$26 million was allocated to the interim refurbishment of the Capital Connection carriages (noted above) and upgrade of platforms north of Waikanae which is due to be completed by mid-2023.
- Northland Package – the Government announced its \$692 million Northland Package in June 2021 for rail works and SH1 roading improvements. The rail components are:
 - a new Marsden Point Rail Link, which is subject to Joint Ministers' approval of

the Detailed Business Case (DBC). The project is expected to take up to five years from initiation to completion.

- Whangārei and Otiria rail upgrades to 18-tonne axle load and system improvements. The project commenced in early 2022 and completion is expected late 2024.
- Ashburton Fairfield Freight Hub – \$2.5 million contribution to the rail component of a new inter-modal freight hub in Ashburton, enabling emissions reduction through mode shift.

AUCKLAND METRO GROWTH, REMEDIATION AND CITY RAIL LINK READINESS

As noted, work is underway on Papakura to Pukekohe electrification, Drury Stations and Wiri to Quay Park projects through the NZ Upgrade Programme.

We will also continue delivering the Rail Network Growth Impact Management programme to ensure the Auckland metro network is keeping pace with patronage and freight growth (\$166.8 million remaining), progressing the Auckland remediation programme to address the issue of rolling contact fatigue (\$30.1 million remaining), building a new substation to the west, and undertaking Be Ready contracts to support City Rail Link Limited in the completion of the City Rail Link (\$11.9 million remaining).

We will also deliver the Auckland Integrated Rail Management Centre project enabling co-location and integrated operations of multiple rail organisations (\$30.1 million remaining).

WELLINGTON METRO GROWTH AND REMEDIATION

In addition to the NZUP projects described above, we completed the remediation of the track overhead, and we continue with tunnel, track and

bridges renewals particularly on the Wairarapa Line, upgrade the junction at Plimmerton and increase the resilience of the power supply.

In parallel, we will work closely with GWRC to ensure the introduction of new regional trains runs as smoothly as it did under our last partnership for the Matangi trains.

We are also replacing the current signalling system with European Train Control System (ETCS), having recently signed the contract with Alstom.

PROVINCIAL GROWTH FUND – BELOW RAIL NETWORK

KiwiRail is progressing essential repair works on the North Auckland Line (\$178.5 million) and purchasing land in preparation for the Marsden Point Rail Link (\$40 million).

HOW KIWIRAIL CREATES VALUE



BUSINESS ACTIVITIES

MOVE
FREIGHT

SIMPLIFY
SUPPLY
CHAINS

CONNECT
CUSTOMERS
BETWEEN
PORTS
AND REGIONS

EXTEND STATE
HIGHWAY 1
BETWEEN THE
NORTH AND
SOUTH ISLANDS

ENABLE
COMMUTER
JOURNEYS

MAINTAIN THE
NETWORK
INFRASTRUCTURE
AND OPERATIONAL
FLEET



KIWIRAIL VALUES

WE CARE AND PROTECT: WE LOOK AFTER OURSELVES, OUR MATES, AND OUR ENVIRONMENT.

WE WORK AS ONE WINNING TEAM: POSITIVE, EMPOWERED AND COLLABORATIVE.

WE ARE STRAIGHT AND TRUE: HONEST, UPFRONT, AND TREATING OTHERS WITH RESPECT.

WHICH HELPS US DELIVER GREAT CUSTOMER EXPERIENCES AS WE GO THE EXTRA MILE.



COLLABORATE
WITH PUBLIC
AND PRIVATE
PARTNERS

OFFER
WORLD-CLASS
TOURISM
SERVICES

KAITIAKI
(GUARDIAN)
OF THE
NETWORK
CORRIDOR

LEVERAGE
THE
PROPERTY
PORTFOLIO

PROMOTE
PUBLIC
SAFETY

INVEST IN A
SUSTAINABLE
FUTURE

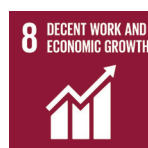
VALUE OF RAIL

EVERY TONNE OF FREIGHT CARRIED BY RAIL HAS 70 PER CENT FEWER GREENHOUSE GAS EMISSIONS THAN IF THE SAME FREIGHT WAS CARRIED BY TRUCKS. THE 2021 VALUE OF RAIL REPORT INDEPENDENTLY ASSESSED THE VALUE OF RAIL FOR NEW ZEALAND AT UP TO \$2.1 BILLION PER ANNUM³.

SUSTAINABLE DEVELOPMENT GOALS

WE RECOGNISE THE IMPACTS OF OUR OPERATIONS AND EMBRACE THE ROLE WE CAN PLAY IN ADVANCING THE SUSTAINABLE DEVELOPMENT GOALS.

WE WILL CONTINUE TO SUPPORT THE DELIVERY OF THESE GOALS IN LINE WITH OUR ORGANISATIONAL STRATEGY AND BUSINESS ACTIVITIES.



3 The Value of Rail in New Zealand – EY 2021

SUSTAINABILITY

KiwiRail plays a critical role in New Zealand's transport system and in the health of the economy, our communities, and the environment. We operate throughout the country including cities, suburbs, rural areas, isolated landscapes, National Parks and the Cook Strait. We have a duty and desire to minimise the environmental impacts of our operations across these spaces and beyond.

In New Zealand, the transport sector is the second biggest contributor to greenhouse gas emissions and in 2017 it accounted for 19.7% of all emissions. While emissions from rail account for only a small portion of this total, it is imperative for KiwiRail to continue its focus on improving the energy intensity of our operations and to support New Zealand in meeting its climate change targets.

Rail has a natural advantage as an energy-efficient and low-carbon mode of transport, with every tonne of freight moved by rail producing 70% fewer carbon emissions compared with heavy road freight over the same distance.

We measure our carbon emissions on an intensity basis for our rail freight operations and on an absolute basis for the organisation. In FY22, our carbon footprint for scope 1 and 2 emissions was 207,790 tonnes of CO₂ equivalent (t CO₂-e).

Together, emissions from fuel used by our locomotives and ferries make up approximately 93% of our carbon footprint. The remaining 7% of KiwiRail's footprint is emitted from across the business and includes emissions from: diesel used in forklifts and generators; diesel and petrol used in our road vehicle fleet; electricity used for traction, signalling, and communications; as well as electricity and natural gas used by our facilities.

Achieving a low-emissions future is important to KiwiRail. Through our Sustainability Strategy we have primarily focussed on activities that help to drive energy efficiency and carbon reduction across our operations. A key aspect of our

Sustainability Strategy is our close collaboration with the Energy Efficiency and Conservation Authority (EECA).

The Programme includes two carbon emissions reduction targets over the medium to long term. These are:

- By 2030 – achieve a 30% reduction in carbon emissions below 2005 levels in line with the Paris Agreement (using FY12 as a proxy).
- By 2050 – achieve net zero carbon emissions in line with the Climate Change Response (Zero Carbon) Amendment Act.

KiwiRail has the potential to make the transition to a low-carbon business within several decades by smart asset planning and taking early action. While this transition will have cost implications, it will also bring about benefits and opportunities for the environment, society and the economy.

For example, the new diesel-electric hybrid Interisland ferries, which are expected to arrive in 2025, will make considerable use of batteries for manoeuvring and are being designed for alternatives to diesel to be adopted in the future. They will deliver 40% reduction in emissions on arrival, rising to 100% by 2050.

As well as the new ferries, progress towards a low-carbon future for KiwiRail will likely be dependent on:

- Further network electrification where the economic and carbon case is clear (usually on intensively used routes). Like Auckland-Hamilton-Tauranga.
- On less intensively used routes where electrification is not justified, a combination of battery and hybrid technologies could be phased in as rolling stock approaches scheduled replacement. This includes:
 - Bi-mode locomotives – can operate on electrified network or diesel engine. Provide continuous journey along partially electrified routes without a change of locomotive and eliminates unnecessary diesel usage.

- Tri-mode locomotives – combination of bi-mode and hybrid technology in one trainset. Can run on electrified network, diesel engine, and battery power.

- Continued focus on driving operational efficiency across energy consuming assets.
- Renewable energy generation.

KiwiRail continues to monitor developments in alternative fuels and their commercial viability. The use of hydrogen as a fuel source, for example, is still in its infancy internationally and it is expected to be some time before it would be technically/commercially viable for freight locomotives.

We will complete an Indicative Business Case on Fleet Decarbonisation this year, which will help to inform future rolling stock procurement and future network planning on issues like electrification. We have kept officials apprised of this work, and more information is provided in the 'Areas of Current Focus' section of this briefing.

GOVERNANCE

With a large transformation programme ahead of us, including significant capital investment, strong governance will be required to ensure success.

The KiwiRail Board of Directors is appointed by the Shareholding Ministers and is accountable to those Ministers for KiwiRail's performance. The governance expectations of the Shareholding Ministers are communicated each year to the Board via the Letter of Expectations from Shareholding Ministers, and also set out in the Owner's Expectation Manual, administered by The Treasury.

The role of the Board is to guide the strategic direction of KiwiRail and to direct and oversee management. It does this by establishing objectives, setting strategies and monitoring performance, within the context of approved policy, risk and compliance frameworks. The Board has delegated the day-to-day management to the Group Chief Executive.

Typically, the Board meets 11 times during the year as part of the regular meeting agenda. There are also four Board committees which meet throughout the year (Risk, Audit and Assurance; Capital; Health, Safety and

Environment; and Governance and Remuneration). These are open to any Director to attend, and Directors who are not Committee members regularly attend these meetings.

The Capital Committee meets regularly and assists the Board with the prioritisation of capital expenditure, delivery and financial performance of capital expenditure programmes, and the assurance system over the capital expenditure programmes.

In addition, management level Programme Boards operate as programme level steering committees and provide oversight and advice for significant capital investment programmes. Some of these Boards include external members such as independent experts and government agency representatives.

(See Appendix for details of KiwiRail's Board and Executive team).

MONITORING AND REPORTING ARRANGEMENTS

KiwiRail's performance as an SOE is monitored on behalf of Shareholding Ministers by Treasury's Commercial

Operations team. In addition, KiwiRail has monitoring and reporting arrangements in respect of Crown funding with:

- Waka Kotahi – for National Land Transport Fund (funding) projects delivered through the Rail Network Investment Programme
- Waka Kotahi, Maritime New Zealand, WorkSafe – for rail and maritime safety performance.
- Ministry of Transport (MoT) – for funding from Vote Transport, including some PGF funded projects
- MBIE's Provincial Development Unit – for PGF funded projects
- Treasury Commercial and Institutional Performance – for some PGF funded projects, and the EF refurbishment project

We are working with agencies to streamline and enhance monitoring and reporting arrangements.



Peter Reidy, Chief Executive talking to staff at the Palmerston North Depot.

AREAS OF CURRENT FOCUS - COMMERCIAL IN CONFIDENCE

SAFETY CULTURE

In August 2022, KiwiRail received a joint letter from Waka Kotahi, Maritime New Zealand and WorkSafe expressing concern at the safety culture at KiwiRail. This matter is taken extremely seriously by our directors, executive team and the wider KiwiRail team. We are committed to improving the safety culture so that our team has a widely held belief that all injuries are preventable. This belief can only occur when safety is lead from the top and across all leadership roles and when staff see that our safety systems are preventing injuries.

KiwiRail is currently engaging DSS+ to support improvements with our health and safety culture. DSS+ has completed over five million safety reviews in the past 30 years. The work programme has three key steps:

1. Understand the current issues
2. Mirror workshop and risk-based improvement roadmap
3. Coaching programme to embed the change commitments

We have completed step 1 and step 2 is commencing shortly.

SELF-SUFFICIENT BUSINESS

KiwiRail relied on equity from the Government to cover core asset maintenance in recent years. The last of this funding will end in 2023/24, with only equity to support major asset acquisitions continuing to 2027. Our objective is to utilise your investment through a renewed rolling stock, mechanical facility, and ferry fleet to reduce our operating costs and increase revenue from a more reliable and valuable service for our customers.

Commercial considerations - section 9(2)(i)

The potential for a disruption from asset failure, natural disaster or events

like Covid-19 could have a material impact on the business.

PROJECT IREX

Project iReX is a \$1.450 billion investment to renew the Interislander fleet and landside infrastructure in Picton and Wellington. The ferries will be larger, faster, and more resilient, offering a great service to freight and passenger customers, while also reducing Interislander emissions by 40% on day one through its hybrid battery-diesel technology. The terminals will deliver better integration with the State Highway and Main Trunk lines, alongside the resilience to natural disasters and weather events required for a lifeline utility connection between the North and South Islands in areas prone to seismic events and facing the reality of climate change.

Commercial considerations - section 9(2)(i)

BUDGET 2023

Active consideration - section 9(2)(f)(iv)

S.

RAIL NETWORK REBUILD

Auckland's network will be transformed following the completion of the City Rail Link, however this requires a wider programme of work which KiwiRail is delivering through the Rail Network Rebuild (RNR). We announced the work in October 2022.

The work involves rebuilding formations of the network and renewing components like rail and sleepers, alongside delivering major improvement projects like electrifying Papakura to Pukekohe and building a third main line. To achieve this before CRL is completed, we are closing sections of the network to enable large work programmes to be delivered. If we did this work during long weekends and nights (our normal approach), this work would not be completed until 2041 and Aucklanders would experience a network that is not to the standard they expect.

KiwiRail is working with Auckland Transport closely to ensure coordinated communication to the public, and to minimise disruptions. Auckland Transport is running rail replacement bus services.

We will provide monthly updates to Ministers on RNR delivery.

CORE LEASE EXTENSION

KiwiRail is currently engaging with iwi regarding our proposal to extend KiwiRail's core lease on New Zealand Railways Corporation railway land from 2070 to 2170 (from 50 years remaining to 150 years). In 2022, shareholding Ministers agreed that the commercial case for this approach is in the best interests of KiwiRail and that the proposal should be considered following an engagement process with iwi. It strengthens the case for other parties to enter long-term agreements with KiwiRail to make use of the rail network, and in turn contributes to the

Government's objective to increase the role of rail in the freight market to attain emission reduction and other benefits. It better aligns with the long-term asset lives of the infrastructure the Government is building, given bridges and other rail assets often last longer than 50 years.

Our engagements are intended to ensure iwi are assured that their rights to first refusal for railway land will not be changed by an extension to the core lease, and to broaden our engagements on the potential for iwi to invest in potential commercial developments into the future. This process has been led by KiwiRail, with input on our approaches by Te Arawhiti and Treasury. It is important that iwi views are canvassed and understood prior to Ministers being asked to extend the core lease.

KiwiRail will report back to you in the coming months following the conclusion of our engagements with iwi. We will continue to provide advice to you on this matter alongside the Treasury.

NEW ZEALAND UPGRADE PROGRAMME

KiwiRail is the delivery agency for rail transport projects in the New Zealand

Upgrade Programme (NZUP).
Active consideration - section 9(2)(f)(iv)

We report to the Minister of Finance and the Minister of Transport as NZUP Joint Ministers on a regular basis regarding NZUP. Treasury and the Ministry of Transport are the lead monitoring agencies for the programme, however responsibility for delivery rests with our Boards and responsibility for funding decisions rest with NZUP Joint Ministers.

INTER-REGIONAL PASSENGER RAIL

Passenger rail is in the DNA of KiwiRail. We are proud to operate New Zealand's only inter-regional commuter rail services being Te Huia between Hamilton and Auckland and the Capital Connection between Palmerston North and Wellington. We operate these

services for Waikato and Greater Wellington/Horizons regional councils respectively.

We sense a growing interest in passenger rail services, and we are pleased to see regional councils leading this through their public transport planning systems. This is the appropriate process to consider any new service, as public transport is best understood by the communities that need them with benefits and costs fairly tested.

KiwiRail's role is as an operator of passenger services, and as provider of the network to ensure it can support passenger services where they operate. Given our expertise in these roles, we can help councils and the Government with planning a new service – understanding the infrastructure, rolling stock, and operational (crews, maintenance, etc.) requirements to respond to the demand modelling that councils lead. Waka Kotahi is the lead on funding public transport per the Government Policy Statement on Land Transport.

We continue to be engaged in discussions about potential services for inter-regional passenger rail. The Minister of Transport leads the Government's involvement in these processes.



Nathan Smith, Gate In Officer.

BOARD OF DIRECTORS



David McLean
Chair

David has had a career as a lawyer and banker. He retired as CEO of Westpac NZ in June 2021. David is a member of the Council of Te Herenga Waka Victoria University of Wellington, the National Advisory Council on the Employment of Women, and is a former chair of the NZ Bankers Association, former co-Chair of Champions for Change, former chair, and Distinguished Fellow, of INFENZ, and former member of the council of Infrastructure NZ.



Sue McCormack
Deputy Chair

Sue practised as a corporate commercial lawyer for 35 years before retiring from her partnership at Mortlock McCormack Law in 2019. Sue served on the University of Canterbury's Council for 13 years and as Chancellor from 2018 to 2022. Her background assisted the University as it worked through its \$1.2 billion post-earthquake construction programme. Following the Christchurch earthquakes and the rebuild she had a strategic and legal role in the CBD development and The Terrace development. She is a Chartered member of the New Zealand Institute of Directors, Judicial Officer of the Canterbury Earthquakes Insurance Tribunal, and a former director of the Lyttelton Port Company and NZ Symphony Orchestra, The Public Trust, and trustee of Canterbury Museum.



Bruce Wattie
Director

Bruce was appointed to the KiwiRail Board in March 2020. He has been specialising in providing corporate finance advice and assistance to clients since 1985. He was a partner with PricewaterhouseCoopers (PwC) for 25 years and continues to provide a diverse range of commercial and financial advice to both the private and public sectors. Bruce is a director of the New Zealand Institute of Economic Research.

Bruce's technical specialisations include large-scale infrastructure procurement processes, infrastructure financing, financial analysis, capital structuring, business case development, economic regulation, business and share valuations, and cost of capital.

Bruce holds a Bachelor of Commerce and Administration in Economics and Accounting and completed the International Business Programme at Harvard Business School, Boston, USA. He is a Chartered Accountant with the New Zealand Institute of Chartered Accountants.



Mike Williams
Director

Mike is CEO of the New Zealand Howard League, a long established penal reform charity dedicated to prisoner education, reducing offending, and assisting with positive reintegration into communities. A former New Zealand Labour Party President, Mike was previously a director of Genesis Energy, the New Zealand Transport Agency, GNS Science, the Auckland Regional Transport Authority, Auckland Transport and Ontrack. He established two companies – Insight Research (now UMR), a market research company and Insight Data, which specialised in data management software and marketing.



Rachel Pinn
Director

Rachel is the director of her own transport consultancy business. She brings significant local and central government experience in strategic planning, passenger transport and procurement. Rachel has board experience in both central government and the not-for-profit sector. Rachel is the past Chairperson of the Tauranga Budget Advisory Service and a member of the Bay of Plenty Department of Conservation Board. Rachel is a full member of the New Zealand Planning Institute and has a master's degree in transport studies and is an NZQA assessor for the NZ Certificate in Infrastructure Procurement Procedures.



Maryan Street
Director

Maryan was appointed to the KiwiRail Board in July 2022. She has previously served on the Board of Housing NZ (2000-2005), including a period as Deputy Chair; as an establishment and then permanent member of the Centre for Housing Research Aotearoa/ NZ; and as a government member of the Crown Forestry Rental Trust (2001-2005). She was the President of the New Zealand Labour Party from 1993-95. Before becoming a Member of Parliament in 2005, Maryan was a teacher, a union official, an academic and an industrial relations practitioner. She was Minister of Housing and of ACC, and Associate Minister of Tertiary Education and Economic Development in the fifth Labour Government (2007-2008). She has a BA (Hons) in English from Victoria University of Wellington and a Master of Philosophy with First Class Honours in Industrial Relations from Auckland University. She also has an AMusTCL in music theory.



Ed Sims
Director

Ed Sims has almost 40 years' experience in aviation, logistics, transportation, and wholesale and retail industries spanning the private and public sectors of the UK, Australia, Canada and New Zealand.

Ed has extensive transformation experience, notably within Air New Zealand in the early 2000s after the collapse of subsidiary Ansett Australia.

As a member of the Air New Zealand Executive Leadership Team, responsible for the international airline, Ed restored the commercial strength and reputation of the long-haul operation while his work on aircraft interiors like the Economy Skycouch seat won global accolades

Ed was appointed CEO of SOE Airways in 2011, managing 30 million kms of airspace for New Zealand's air traffic controller. Over this time Airways built a world leading reputation for safety, operational efficiency and financial sustainability.

In 2017 Ed moved to Calgary, Alberta to join WestJet, Canada's second largest airline. Within months he was appointed as CEO of an organisation with more than 180 aircraft, 14,500 employees, and a turnover of over \$5bn CAD. The global pandemic hit shortly after Ed had driven the largest private equity deal in aviation history with the sale of WestJet to Onex for \$5.5 bn CAD in late 2019.

Over the last decade his board and governance experience has included organisations like New Zealand Police, the office of the NZ Auditor General, the Canadian Business Council and as Global Chair of CANSO, the Civil Air Navigation Services Organisation.

Rob Jager ONZM
Director

Rob has extensive executive, industry and board experience following a career of more than 43 years with Shell in a variety of executive roles, including Chairman and Vice President of the Shell Companies in New Zealand and more recently as Vice President of Shell Australia's Prelude Floating LNG and wider East Browse assets offshore of Western Australia. Rob served as an independent non-executive director of Beach Energy in Australia until he stepped down from the Board in November 2022 for personal reasons. Rob also served as an independent non-executive director of Air New Zealand for nearly nine years, including as chair of the Board health, safety and security committee.

Rob chaired the independent taskforce on Workplace Health and Safety for the New Zealand Government, which has been instrumental in encouraging fundamental changes to New Zealand's approach to workplace health and safety.

In 2013, Rob received the Energy Executive of the Year Award at the New Zealand Deloitte Energy Excellence Awards for his "standout performance in the New Zealand energy sector". He was elected a fellow of the Institute of Professional Engineers in 2015 for his contribution to the advancement of engineering practice and leadership in the profession and was recognised with a Safeguard Life-time Achievement Award in 2017.

In 2018, Rob was awarded an Officer of New Zealand Order of Merit (ONZM) for his services to business and health and safety. During his career Rob chaired the Petroleum Exploration and Production Association of NZ as well as the Business Leaders Health and Safety Forum.

He holds a BE Mechanical Engineering (Hons), MBA (distinction), MAICD, and is a CMinstD, and FENZ.

KIWIRAIL EXECUTIVE

**Peter Reidy**

Chief Executive

Peter re-joined KiwiRail as Chief Executive in August 2022. He had previously held the same position from 2014 to 2018, before holding the role of CEO Fletcher Construction from 2018-2022.

Prior to KiwiRail, Peter was CEO of Downer New Zealand, and then held senior leadership roles with Downer Group in Australia and Singapore, including Board roles on the KeolisDowner Joint Venture operating Yarra Trams in Melbourne, and Gold Coast Light Rail. He has also held senior leadership roles with Todd Energy and Freightways New Zealand. More recently, Peter was Co-Chair of the NZ Government Construction Accord.

Peter holds a Bachelor of Commerce from University of Auckland and has completed the CEO programme at Wharton University.

**David Gordon**

Chief Operating Officer - Capital Assets

David oversees KiwiRail's strategic capital projects. David joined KiwiRail in 2007 and before then he worked as a consultant in the transport infrastructure market, was Planning and Development head for Wellington International Airport, and a Senior Manager in the strategy consulting team of Ernst and Young. David is executive sponsor of KiwiRail's Rainbow Network.

David served as Acting Chief Executive from 13 January 2022 to 30 July 2022.

**Helen Rogers**

Group General Manager - Transformation

Helen leads KiwiRail's collaboration with government agencies on transport policy, funding and investment frameworks. She also oversees our ICT, Communications, People & Culture and Strategy functions, as well as the Scenic and Commuter business.

She joined KiwiRail in 2014 and has more than 20 years' experience leading finance, funding, and strategy teams. As a Chartered Accountant, she has worked across a range of local and central government agencies, with a particular focus on the transport and infrastructure sector. Prior to KiwiRail, Helen worked as a consultant leading finance transformation programmes in the public sector after several years as Financial Controller for Wellington City Council. Helen is a champion for diversity and inclusion and is the Chair of KiwiRail's Diversity and Inclusion Committee.

Helen served as Acting Deputy Chief Executive from 13 January to 30 July 2022.

**Siva Sivapakkiam**

Chief Operating Officer - Rail Operations

Siva is KiwiRail's Chief Operating Officer – Rail Operations, overseeing all operational parts of the business including commercial revenue, freight logistics, networks infrastructure, engineering, and rolling stock asset services, areas which account for around 3000 of KiwiRail's staff. Prior to that he was the Executive General Manager Operations, overseeing the Freight Logistics, Networks Infrastructure, and Engineering business groups.

Siva joined KiwiRail in 2015 and has worked in various leadership roles, including General Manager Operations – Upper North Island and North Island Networks Services Manager. Before moving to KiwiRail Siva had more than 15 years in the roading and construction industries both as a consultant and as a contractor.

**Rod Lay**

Chief Financial Officer

Rod is KiwiRail's Group Chief Financial Officer, responsible for the Company's accounting and finance operations, together with providing governance over all financial processes and policies. Rod is an experienced financial executive and leader in both professional accounting and industry environments. Rod has spent over 20 years in senior financial leadership roles working in the network transport and logistics industry, having worked at both Tranz Rail and Toll New Zealand. Rod is a qualified chartered accountant with CAANZ and joined the KiwiRail executive team in August 2019.

**Walter Rushbrook**

Executive General Manager
- Interislander

Walter is the Executive General Manager Interislander leading the team providing a freight and passenger ship operation across Cook Strait. Prior to this he was the GM Strategic Projects and led the infrastructure recovery after the 2016 Kaikoura Earthquake for KiwiRail. Walter is senior engineer and manager with a large amount of experience with transport infrastructure, logistics/operations and preparing business cases. He has also led delivery of a large number of other major transport infrastructure projects and operations throughout New Zealand.

**Anna Allen**

Acting Executive General
Manager Property

Anna is the Acting Executive General Manager Property, overseeing property development and partnering, leasing, facilities management, resource management, crown land use and iwi engagement. She has been at KiwiRail since 2020 in the role of GM Development & Partnering. Anna has previously worked in various property roles in both New Zealand and London including in finance, property management and development.

**Alastair Cumming**

Group General Manager -
Zero Harm

Alastair is currently the Group General Manager for Zero Harm and has been with KiwiRail more than 30 years with extensive experience across all parts of the organisation both at an operational and delivery level.

His various roles have included shunter, locomotive engineer and trainer, and more recently he has been Christchurch Terminal Ops Manager and Head of Strategic Change for Zero Harm.

He has added to his rail knowledge with a Post-Graduate Diploma in Rail Safety and is completing a Masters in Transport Safety Management.

KIWIRAIL EXECUTIVE

**Robert Gibbes**

Chief Operating Officer -
Construction Delivery

Robert leads the KiwiRail construction team responsible for delivering the significant programmes of capital works - ensuring the business achieves the targeted benefits, safely and on time. The team includes plant and protection and supports the various capital programmes to achieve the objectives required to ensure the successful transformation of KiwiRail over time.

Robert joined KiwiRail in 2020 and brings a wealth of experience from almost 30 years in the building and infrastructure industry. Robert has experience in commercial construction, has owned an infrastructure construction business and undertaken his own building developments. Originally from the dairy industry, Robert also led a range of businesses during his 20 years at Fletcher Building.

**Sue Jensen**

Group General Manager -
People and Culture

Sue is the Group General Manager People and Culture, overseeing HR strategy and operations, employment relations, learning and development, culture and diversity programs, talent acquisition, strategic workforce planning, and HR technology systems. She joined KiwiRail at the end of 2019 and brings 20 years of extensive experience working within and leading teams in large complex highly unionised organisations. Before joining KiwiRail she held the role of Director for HR and Organisation Development at the New Zealand Blood Service, an essential service in the public health sector.

**Garry Collings**

Chief Information Officer

Garry is KiwiRail's Group CIO, overseeing objectives and strategies for the IT department, selecting, and implementing suitable technology to streamline all internal operations and deploy systems and platforms to improve customer experience. Garry has 23 years of experience in CIO and general management operational positions within the transport and logistics sector. Prior to KiwiRail, his previous roles included CIO Mondiale, General Manager ANZ for Coretex, General Manager Specialised Transport for Toll, Group General Manager IT for Tranz Rail and CIO at Mainfreight.

**Nigel Wilson**

Acting Group General
Manager - Communications

Nigel leads our communications team which is responsible for internal and external communications, media relations, community engagement, brand, and graphic design.

He joined KiwiRail in 2016, following roles at Fonterra, Spark, Auckland Council and Bank of New Zealand. Nigel has a Bachelor of Arts, Bachelor of Science and a Post-Graduate Diploma in Business. He has more than 15 years' communications and brand experience in New Zealand and overseas.

