

By email

7 June 2024

Hon Simeon Brown
Minister of Transport
s.brown@ministers.govt.nz

Tēnā korua Hon Simeon Brown

Thank you for your letter received by email on 31 May 2024 regarding the Lower North Island Rail Integrated Mobility Programme. We also agree this is an exciting Programme, and we are motivated to ensure the outcomes and benefits are delivered within the funding available.

The Detailed Business Case showed that this Programme has a strong Benefit Cost Ratio of 3.5. In addition, the Greater Wellington led programme procurements are being delivered in accordance with the LNIRIM Procurement Strategy (aligns with NZTA Waka Kotahi's Procurement Rules), which is designed to ensure we undertake a fair and transparent procurement, while creating market tension and managing risk, with a primary objective of obtaining the best value for money. We therefore strongly believe and are willing to commit that this programme will deliver value for money for New Zealand.

[Redacted]

- [Redacted]
- [Redacted]
- [Redacted]

You also asked for information on the expected travel time savings on the Wairarapa and Manawatū lines, (which aligns with the Detailed Business Case assumptions):

Peak timetabled services on the Wairarapa line currently timetabled to take 104min from Wellington Station to Masterton Station. On completion of the LNIRIM programme it is forecast this same trip will be 15 minutes faster (or 89min total journey time) as a result of:

- Rolling stock performance improvements (increased acceleration and deceleration)
- Reduction in dwell times at stations from 60 seconds to 30 seconds due to the door /passenger flow improvements in new rolling stock
- Line speed improvements in the Wairarapa from 90km/hr to 110km/hr due to network improvements - funded and delivered via the WMUP III and WMUP 6b Programmes
- Signalling System improvements (moving from a manual Track Warrant system to automatic signal block system) - funded and delivered via the WMUP 6b Programme
- Reduced level of Temporary Speed Restrictions on the Wairarapa Line due to the work outlined above

Timetabled services on the Manawatu line currently timetabled to take 125 minutes from Wellington Station to Palmerston North Station. The new trains have the potential to be 2 minutes faster, but with uncertainty of rail network maintenance and renewals funding it is possible that the extent of Temporary Speed Restrictions may increase by 2 minutes, resulting in no net gain in journey time for this line. However, the new trains will increase the frequency of trains on this line (two in the morning and evening peak, and additional interpeak and weekend services).

We note your expectation that costs of the Programme will be managed within the existing budget and confirm that is our intention. The Funding Agreement includes provisions for confirmation of costs at various points, how contingencies are to be managed along with mechanisms for dealing with any challenges related to costs exceeding the budgeted funding allocations.

We will continue to work with Horizons and the Ministry of Transport to achieve the mutual agreement on the RFP content you refer to in your letter and finalise the funding agreement to reflect the intent of your letter.

Please feel free to contact me, or arrange another meeting, if this letter fails to provide you with the reassurance you are requiring.

Thanks again for your support in delivering this exciting LNIRIM Programme.

Nga mihi



Daran Ponter
Council Chair

Copy to: Rachel Keedwell, Chair, Horizons Regional Council
Nigel Corry, Chief Executive, Greater Wellington Regional Council
Michael McCartney, Chief Executive, Horizons Regional Council