

# **TERMS OF REFERENCE – RAPID REVIEW OF KIWI RAIL’S HANDLING OF RECENT DISRUPTIONS TO PASSENGERS**

## **Context**

KiwiRail Holdings Limited (KiwiRail) is a state-owned enterprise responsible for rail operations and rail network infrastructure in New Zealand. To do this, KiwiRail works closely with Councils and operators who deliver passenger rail services on KiwiRail assets.

On Friday 28 April 2023, KiwiRail and Metlink advised the public that speed restrictions would be required on the Wellington Metro rail network’s Kāpiti Line from Monday 1 May 2023 due to KiwiRail’s track evaluation safety car (EM80) being unavailable. These speed restrictions led to a reduced timetable and significant disruption to passengers. KiwiRail lifted the temporary speed restrictions on the Kāpiti Line on Wednesday 3 May 2023, enabling Metlink to resume regular scheduled services on Thursday 4 May 2023.

These events follow other service disruptions to commuters on the KiwiRail network in recent years. These have been experienced as the heavy rail system is being restored from a period of underinvestment, but have also cumulatively led to questions about:

- whether KiwiRail has given appropriate priority to metro passenger rail operations and can reliably support their delivery
- what if any barriers need to be removed or enablers put in place for KiwiRail to provide effective, reliable support for metro passenger rail.

KiwiRail plays a significant role in providing metro passenger rail services to New Zealand’s cities. The successful delivery of these services is important to their growth. Sponsoring Ministers have directed that an investigation be undertaken into the causes of continued disruptions to passenger services including, but not limited to, the April 2023 disruption. This is to ensure that lessons are learned from significant incidents and to ensure public confidence is maintained in passenger rail delivery.

## **Participation in the Review**

This Review will be sponsored by the Minister of Transport, in consultation with KiwiRail’s shareholding Ministers (the Minister of Finance and the Minister for State Owned Enterprises) (collectively Sponsoring Ministers). Sponsoring Ministers will appoint independent experts to conduct this review (the Reviewers).

The Reviewers will report to sponsoring Ministers, and will be independent of KiwiRail. The reviewers will work with KiwiRail to undertake the Review and respond to the purpose of the

Review. The Ministry of Transport – Te Manatū Waka and The Treasury – Te Tai Ōhanga will provide the Reviewers with secretariat support as required.

### **Purpose and scope of the Review**

The Review will inquire into the causes and management of recent service delivery issues affecting metro passenger services across New Zealand, with a particular focus on the disruption to Wellington's Metro rail network arising from maintenance issues with KiwiRail's track evaluation safety equipment.

In particular, the Review will consider, but is not limited to:

- How well is KiwiRail, across the organisation, aware of the importance of their role in supporting and enabling high performing metro passenger rail services?
- How well did KiwiRail manage the situation that arose from the EM80's unavailability, in the timeframes available, to minimise disruption to commuters? This may include consideration of other parties (Metlink and Transdev) response to the disruption and what changes to the relationships between them are advisable to limit the risk of reoccurrence, ensure impacts on passengers are minimised and build confidence in reliability of services.
- Do broader arrangements and practices in KiwiRail including levels of service, funding and delivery give appropriate regard to supporting metro passenger rail services? In particular, how does KiwiRail balance the priority for track maintenance in the interests of all rail users? Is this prioritisation adequately and transparently represented in the agreements between the relevant parties with appropriate governance oversight? To the degree that there is an agreed process for prioritisation of maintenance between freight and passenger networks, has this been followed correctly by KiwiRail?
- How is the maintenance scheduling carried out with respect to:
  - The EM80 within its asset management lifecycle approach (including whether actions that contributed to the asset's unavailability could have been avoided or undertaken earlier)
  - The timing of the track inspection across the Wellington Metro network, and whether this inspection could have occurred earlier and not immediately before certification expired.
- Is the current track inspection methodology in relation to the metro passenger network consistent with International best practice? What is the supporting analysis behind the required frequency of these inspections and the requirement to limit speeds if these inspections are not carried out within a certain number of days?
- Does KiwiRail have a clear view of the critical points of failure to deliver passenger outcomes on the Metro networks and a plan to address and manage these points of failure?

- Is there sufficient redundancy within the plant and equipment to as far as practicable avoid disruption in the context of the growing passenger network demand?

The overall focus of this Review is to be at the operational level to inform actions that can be taken quickly to improve the performance of, and confidence in, the passenger rail network. The performance of the Interislander ferries, KiwiRail's rail tourism services, wider Transport system settings, KiwiRail's entity form, and structural separation of KiwiRail's activities, are out of scope of this review.

Although not the focus of the review, the Reviewers are invited to identify wider issues if the issues are a significant underlying factor or cause of performance problems on the national network. The reviewers may refer to the findings of KiwiRail's review of the incident of Wellington disruptions and the Independent Review into Auckland Metro Rail System Issues (February 2022).

### **Deliverables and timing**

The Reviewers will deliver to Sponsoring Ministers a written report outlining the findings of the Review within 30 working days of the appointment of the Reviewers and agreement of a final terms of reference with sponsoring Ministers.

Reviewers will engage with any relevant external agencies and experts as the Reviewers consider necessary. Where the reviewers make findings in respect of any agency, that agency will have an opportunity to comment on those findings prior to the report being finalised.

### **Confidentiality and next steps**

All personal information collected through the Review is subject to an obligation of confidence. All people interviewed or spoken to as part of this Review will be advised that notwithstanding the above commitment to confidentiality, the report, its findings and recommendations are intended to be released by the Sponsoring Ministers in due course. The Review will not make any findings nor make any comment on the conduct, performance or competence of any individual.

Sponsoring Ministers, having considered the Review's findings, will agree on the next steps, including the timing to make announcements, if any, and the timing to proactively release the Review's findings.

Sponsoring Ministers reserve the right through the course of the Review to amend these Terms of Reference in consultation with the reviewers.