

28 September 2021

[Redacted]

Withheld to protect personal privacy

Dear [Redacted] Withheld to protect personal privacy

I refer to your request dated 25 August 2021, pursuant to the Official Information Act 1982 (the Act), seeking:

*"Hello could I please OIA the following briefings from written question reply thank you very much.*

*Reply 30554 (2021) has been answered*

*Portfolio: Transport (Hon Michael Wood)*

*Question: In relation to Reply 29101 (2021), what reports, briefings, memos, aides-memoire, notes or other written advice, if any, did the Minister receive relating to the costs and benefits of Crown funding for Kiwirail, between 1 October 2020 and 22 July 2021, by title and date?*

*Reply: I refer the member to the Ministry of Transport's website, which includes a monthly list of briefings received for the period 1 October 2020 to 30 April 2021. For the period 1 May 2021 to 22 July 2021, I received the following advice from the Ministry of Transport and the Treasury relating to costs and benefits of Crown funding for KiwiRail:*

- Delegated authority for potential further Crown iReX funding, 14 May 2021 (OC210403)*
- Rail Track User Charges Cabinet paper – Speaking points for DEV on 2 June 2021, 26 May 2021 (OC210375)*
- Aide Memoire: Delegated authority for potential further Crown iReX funding – speaking notes, 1 June 2021 (Treasury Report: T2021/1407)*
- Cabinet paper: Delegated authority for potential further Crown iReX funding, 3 June 2021 (OC210403)*
- Aide Memoire: Meeting with KiwiRail on 9 June to discuss Project iReX, 8 June 2021 (T2021/1405)*
- Approval of Rail Network Investment Programme, 9 June 2021 (OC210453)*
- Treasury Report: KiwiRail – advice on Project iReX, 21 June 2021 (T2021/1279)*
- Responding to your comments on the rail network investment programme, 23 June 2021 (OC210487)*
- Technical Rail Amendment to the Government Policy Statement on land transport 2021, 23 June 2021 (OC210483)*
- Treasury Report: KiwiRail – letter from the Mayor of Marlborough District Council, 7 July 2021 (T2021/1622)"*

The table below details the documents that fall within scope of your request and the Ministry's response.

Doc No.	Title	Date	Approach
1	Delegated authority for potential further Crown iReX funding	14 May 2021	Refused under s18(d) – soon to be publicly available.
2	OC210375 – Rail Track User Charges Cabinet paper – Speaking points for DEV on 2 June 2021	26 May 2021	Refused under s18(d) – soon to be publicly available.
3	T2021/1407 – Aide Memoire: Delegated authority for potential further Crown iReX funding – speaking notes	1 June 2021	Refused under s18(d) – soon to be publicly available.
4	Cabinet paper: Delegated authority for potential further Crown iReX funding	3 June 2021	Refused under s18(d) – soon to be publicly available.
5	T2021/1405 – Aide Memoire: Meeting with KiwiRail on 9 June to discuss Project iReX	8 June 2021	Refused under s18(d) – soon to be publicly available.
6	OC210453 – Approval of Rail Network Investment Programme and Rail Amendment to Government Policy Statement on land transport 2021	9 June 2021	Refused under s18(d) – soon to be publicly available.
7	T2021/1279 – Treasury Report: KiwiRail – advice on Project iReX	21 June 2021	Refused under s18(d) – soon to be publicly available.
8	OC210487 – Responding to your comments on the rail network investment programme	23 June 2021	Refused under s18(d) – soon to be publicly available.
9	OC210483 – Technical Rail Amendment to the Government Policy Statement on land transport 2021	23 June 2021	Released, with personal information withheld under s9(2)(a) and advice under active consideration withheld under s9(2)(f)(iv)
10	T2021/1622 – Treasury Report: KiwiRail – letter from the Mayor of Marlborough District Council	28 June 2021	Withheld in full – s9(2)(b)(ii)

Your request for documents **1 – 5** and **7** is refused under Section 18(d) of the Act, as these documents will soon be publicly available. These documents are due to be published on the Treasury's and the Ministry's external websites within the next 30 days.

Your request for documents **6** and **8** is also refused under Section 18(d) of the Act. You also requested these documents on 25 August 2021 through a separate request and will receive copies as part of that response.

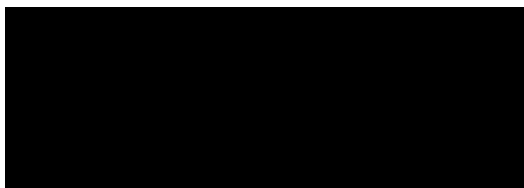
Document **9** is released, with advice withheld under Section 9(2)(f)(iv) of the Act. Document **10** is withheld in full under Section 9(2)(b)(ii) of the Act to prevent prejudice or disadvantage in active commercial negotiations.

In regard to the information that has been withheld under section 9 of the Act, I am of the opinion that there are no countervailing considerations that make it desirable, in the public interest, to make the information available.

You have the right under section 28(3) of the Official Information Act to make a complaint about the withholding of information to the Ombudsman, whose address for contact purposes is:

The Ombudsman  
Office of the Ombudsmen  
P O Box 10-152  
**WELLINGTON**

Yours sincerely



Withheld to protect personal privacy

Harriet Shelton  
**Manager, Supply Chain**

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**Ministry of Transport**

TE MANATŪ WAKA

**BRIEFING**

23 June 2021

OC210483

**Hon Michael Wood**  
**Minister of Transport****Action required by:**  
Monday, 28 June 2021**TECHNICAL RAIL AMENDMENT TO THE GOVERNMENT POLICY  
STATEMENT ON LAND TRANSPORT 2021****Purpose**

Seeking your agreement on a technical amendment to the rail activity class in the Government Policy Statement on Land Transport 2021 (GPS 2021) to reflect Budget 2021 decisions.

**Key points**

- In order to support approval of KiwiRail's Rail Network Investment Programme (RNIP) (OC210453 refers), we recommend that you make a minor and non-significant amendment to the rail activity class in the GPS. The proposed amendment can be found in Annex 1.
- These changes update the activity class to reflect Budget 2020 and 2021 decisions on Crown funding to support the RNIP and provide clearer technical wording to enable Waka Kotahi to successfully implement the new activity class.
- You are receiving a separate briefing addressing feedback from yourself and Shareholding Ministers on the RNIP.

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**Recommendations**

We recommend you:

- |   |   |          |
|---|---|----------|
| 1 | <b>approve</b> the attached non-significant amendment to the Government Policy Statement on Land Transport 2021.                          | Yes / No |
| 2 | <b>note</b> that officials will work with your office to make the amendment available on the Ministry website, once the RNIP is approved. | Yes / No |

Withheld under s9(2)(a)

s9(a)

Harriet Shelton  
**Manager, Supply Chain**

.23. / .06. / .2021.

Hon Michael Wood  
**Minister of Transport**

..... / ..... / .....

**Minister's office to complete:**

☐ Approved

☐ Declined

☐ Seen by Minister

☐ Not seen by Minister

☐ Overtaken by events

**Comments**

Withheld under s9(2)(a)

**Contacts**

Name	Telephone	First contact
Joanna Heard, Principal Advisor	s9(a)	✓
Zac Neill, Advisor		

## TECHNICAL RAIL AMENDMENT TO THE GOVERNMENT POLICY STATEMENT ON LAND TRANSPORT 2021

*You have recently received the inaugural RNIP and KiwiRail has updated it following Ministers' feedback*

- 1 You recently received the inaugural RNIP for your approval (OC210453 refers). We have received Ministers' feedback on the RNIP and have referred it back to KiwiRail.
- 2 KiwiRail has updated the RNIP and resubmitted it for your approval. We have prepared a separate briefing for you on the updated RNIP.

*In order to support the approval on the RNIP we recommend minor changes to the GPS*

- 3 As we have previously discussed with you, in order to support approval of the RNIP we also recommend that you make a minor and non-significant amendment to the rail activity class in the GPS. Attached to this briefing are the proposed amendments.
- 4 The amendments raise the level of the activity class range to take into account the additional Crown funding into the National Land Transport Fund (NLTF), provided through Budget 2020 and 2021. This funding, alongside the original activity class funding from the NLTF, enables the rail network component of the RNIP to be fully funded over the next three years.
- 5 The amendments allow for sufficient room in the activity class range to manage the actual spend in the overall continuous programme of maintenance and renewal year-on-year. The expenditure targets in the GPS are also being amended to take into account the Crown funding.
- 6 The amendments make minor changes to the description of the activity class to more accurately reflect what is being funded. For example, it now makes clear the funding can be provided to enable operation and improvement of the freight and tourism network, where it previously just referred to the priority being for maintenance and renewals. While maintenance and renewals are still the priority, the wording makes clearer that the other activities are in scope. This was always the intention of the GPS, and the amendment will provide more clarity to make the activity class easier for Waka Kotahi to implement it and provide better direction to KiwiRail.
- 7 The changes do not impact any of the public transport infrastructure funding available for the RNIP, which comes from the public transport infrastructure activity class.
- 8 Because this is a technical, non-significant amendment, you have statutory authority under section 90 of the Land Transport Management Act 2008 (LTMA) to make this change.
- 9 Waka Kotahi and KiwiRail have been closely involved in the development of the changes.

*You are planning further GPS amendments to make your decarbonisation priorities clearer*

- 10 We have provided you with separate advice on how you could amend GPS 2021 to make clearer your expectations for future investment in decarbonisation (OC210402)

refers). We will provide you with further advice on what an amendment could look like in July 2021.

- 11 The technical amendment for rail funding can be considered separate to any other potential changes as it is an update and clarification of existing policy. We propose to progress the two amendments separately because the rail funding amendment is time critical and approving it before July 2021 enables funding to commence from the beginning of 2021/22.

- 12 [REDACTED]  
[REDACTED]  
[REDACTED]

Withheld under s9(2)(f)(iv)

*Next steps – once approved we will prepare for publication on the Ministry website, alongside the RNIP*

- 13 The provisions of the LTMA relating to the availability of an amended GPS do not apply where the amendment is not significant. Despite this, we propose to publish the amendment on the Ministry website, at the same time the RNIP is approved.
- 14 As the amendment is minor, we do not propose to republish the entire GPS at this time. We will incorporate this amendment in full in any future republication of the GPS.
- 15 Once the RNIP is approved, officials will work with your office to prepare a communications package for the RNIP and the GPS amendment. This will include a letter to the Waka Kotahi Chair advising the Board of the amendment.

## ANNEX 1 – TO BE PUBLISHED ON THE MINISTRY OF TRANSPORT WEBSITE

### Technical amendment to the GPS 2021 Rail Network Activity Class

This is a technical and non-significant amendment to the Rail Network activity class funding ranges and description to provide clarity and enable Waka Kotahi to implement the funding of rail activities under the Rail Network Investment Programme. The amendment reflects the decisions taken by the Crown through Budget 2020 and 2021 to contribute Crown funding to the NLTF for rail activities. This does not impact on existing revenue from the NLTF already outlined in GPS 2021. It simply reflects an increased activity class range in line with the additional Crown funding that has been approved.

Separately, the Government is implementing a track user charge on rail activities. This will be treated as land transport revenue like other existing revenue sources to the NLTF, and therefore does not impact on the Rail Network activity class range changes outlined here.

The additions to the GPS are underlined; any text removed is shown with ~~strikethrough~~.



**Amendments:****Amended NLTF expenditure targets to reflect new Crown funding (change to Page 31)**

107: Table 2 reflects the total expenditure target (the expected level of expenditure based on projected revenue for the Fund, plus the Crown funding for rail) along with the maximum and minimum for the first six years of GPS 2021. Actual expenditure will vary with actual revenue collected in the Fund.

	2021/22 \$m	2022/23	2023/24	2024/25	2025/26	2026/27
Expenditure target	<del>4,500</del> 4,750	<del>4,550</del> 4,850	<del>4,650</del> 5,000	4,700	<del>4,800</del>	4,850
Maximum expenditure	<del>4,700</del> 4,950	<del>4,750</del> 5,050	<del>4,850</del> 5,200	4,900	5,000	5,050
Minimum expenditure	<del>4,300</del> 4,500	<del>4,350</del> 4,600	<del>4,450</del> 4,750	4,500	4,600	4,650

**Amendment Rail Network Activity Class description (replaces the existing text on page 33)***Rail network*

120. Rail is an integral part of the transport system in New Zealand. Rail enables access and mobility, transporting people and goods, supporting productivity and business growth, reducing emissions, congestion and road deaths, and strengthening social and cultural connections between communities.

121. GPS 2021 implements the findings of the Future of Rail Review. The purpose of this activity class is to implement the New Zealand Rail Plan by funding approved activities from the RNIP (prepared by KiwiRail). ~~The priority is to ensure a reliable and resilient national rail network. It provides funding to KiwiRail to maintain and renew the national rail freight network.~~ It provides funding to KiwiRail to maintain, operate, renew and improve the rail freight and tourism network (including a proportionate contribution to the cost of maintaining metropolitan rail networks used in

KiwiRail's rail freight and tourism services). The investment priority is to ensure the delivery of maintenance and renewals to enable a reliable and resilient national rail network.

122. The activity class does not show the funding to be provided by the Crown to be invested in RNIP activities. The agreed funding for this is set out in Section 3.6. The activity class reflects the \$834.4 million Crown funding from Budget 2020 and 2021 to support the Rail Network Investment Programme in 2021/22 through until 2023/24. Further funding will be required from 2024/25 through until 2030/31 to support the delivery of the Rail Network Investment Programme.

**Amended Rail Network activity class (replaces Rail Network activity class outlined on page 34/35 of current GPS)**

Activity class	Expenditure reporting line	Definition		GPS 2021 funding ranges						Forecast funding ranges			
				2021/ 22 \$m	2022/ 23 \$m	2023/ 24 \$m	2024/ 25 \$m	2025/ 26 \$m	2026/ 27 \$m	2027/ 28 \$m	2028/ 29 \$m	2029/ 30 \$m	2030/ 31 \$m
Rail network	Rail network	Investment to enable KiwiRail to deliver a reliable and resilient national rail network	Upper	397 170	454 170	493 170	170	170	170	170	170	170	170
			Lower	347 120	404 120	443 120	120	120	120	120	120	120	120