

KiwiRail 

# IPENZ Conference

Hamilton - 30 March 2017



# Who are we



**A trusted Kiwi owned logistics partner growing New Zealand**



## **Freight**

KiwiRail Freight

Interislander



## **Tourism Experiences**

Scenic – TranzAlpine, Coastal  
Pacific & Northern Explorer

Interislander



## **Public Transportation**

Auckland and Wellington's Metro  
Networks



## **Rolling Stock**

Maintenance

Refurbishment



## **Property**

Leasing

Development



## **Infrastructure**

Maintenance

Construction

# Who are we



3,400 employees

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3,500km of track

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18 million hectares of land under management

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4,860 wagons

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302 locomotives

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Over 1,300 bridges

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3 vessels doing over 4,000 sailings per year

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Nearly 1,500 level road crossings

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FY16 CAPEX investment \$254m

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Zero Harm

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# Talking points today



Significance of rail to NZ Inc.

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Kaikoura - impact on supply chain

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The rebuild task

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Outlook for Freight

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Outlook for Tourism

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Your questions

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# Significance of Rail



Moved 18 million tonnes of freight in FY16

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We transport around 16% of NZ's overall freight task

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We transport around 25% of NZ's overall export volumes

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We help commuters make more than 27 million passenger journeys annually

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We carry more than 1 million tourists each year

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Rail is 60-70% more fuel efficient than other land based transport options

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We reduce congestion by taking over 1 million truck trips off roads

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We save NZ over 77 million litres of fuel

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We reduced NZ's carbon footprint by around 210,000 tonnes of CO2 in FY16

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# Steel Wheels

## STEEL WHEELS FY2016 (full year results)

Your partner in sustainable freight



## STEEL WHEELS FY2017\*

Your partner in sustainable freight



\*FY2017 (as at February 2017)



**Kaikoura as we knew it**



# World's view of Kaikoura afterwards





In reality – we dodged a bullet



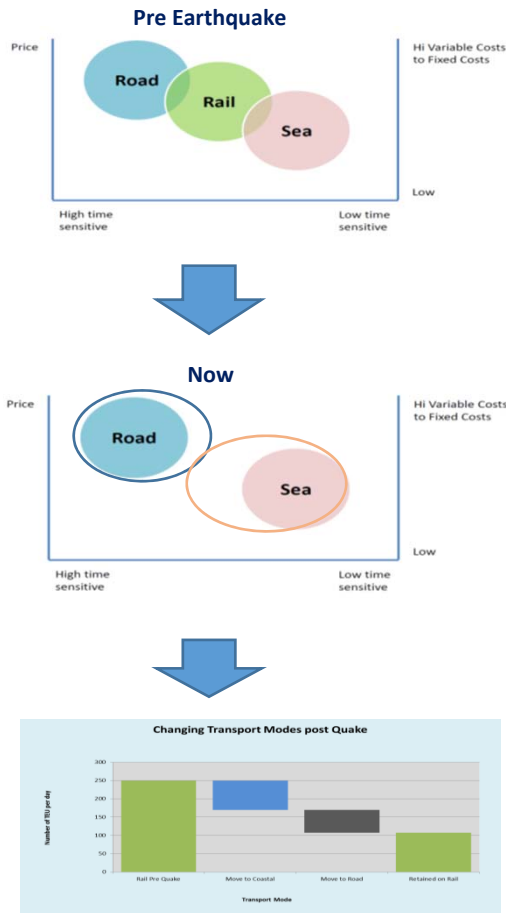








# Is the supply chain developing a new taste?



	Close off	Available
Coastal Shipping : Auckland to Lyttelton	PM Day 1	PM Day 6-8
KiwiRail : Auckland to Blenheim, Road Blenheim to Middleton	PM Day 1	PM Day 3
Road Direct : Auckland to Christchurch	PM Day 1	PM Day 2

# Implications



Freight flows impacting ports and freight forwarders

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JIT “re-think and re-fresh”

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The rise and rise of coastal shipping?

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Port infrastructure requirements – Wellington and Picton

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Ferry configuration and optimisation

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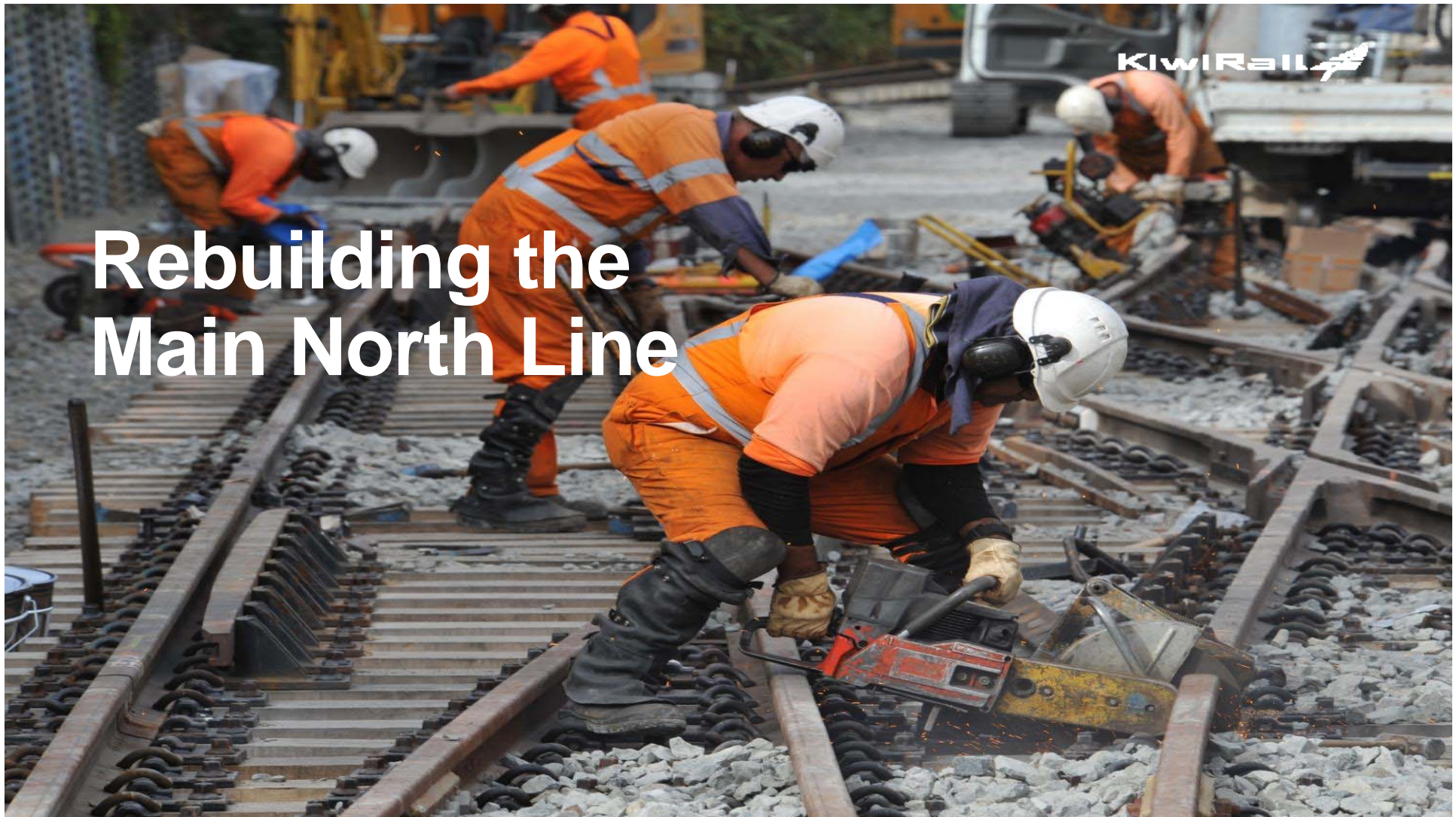
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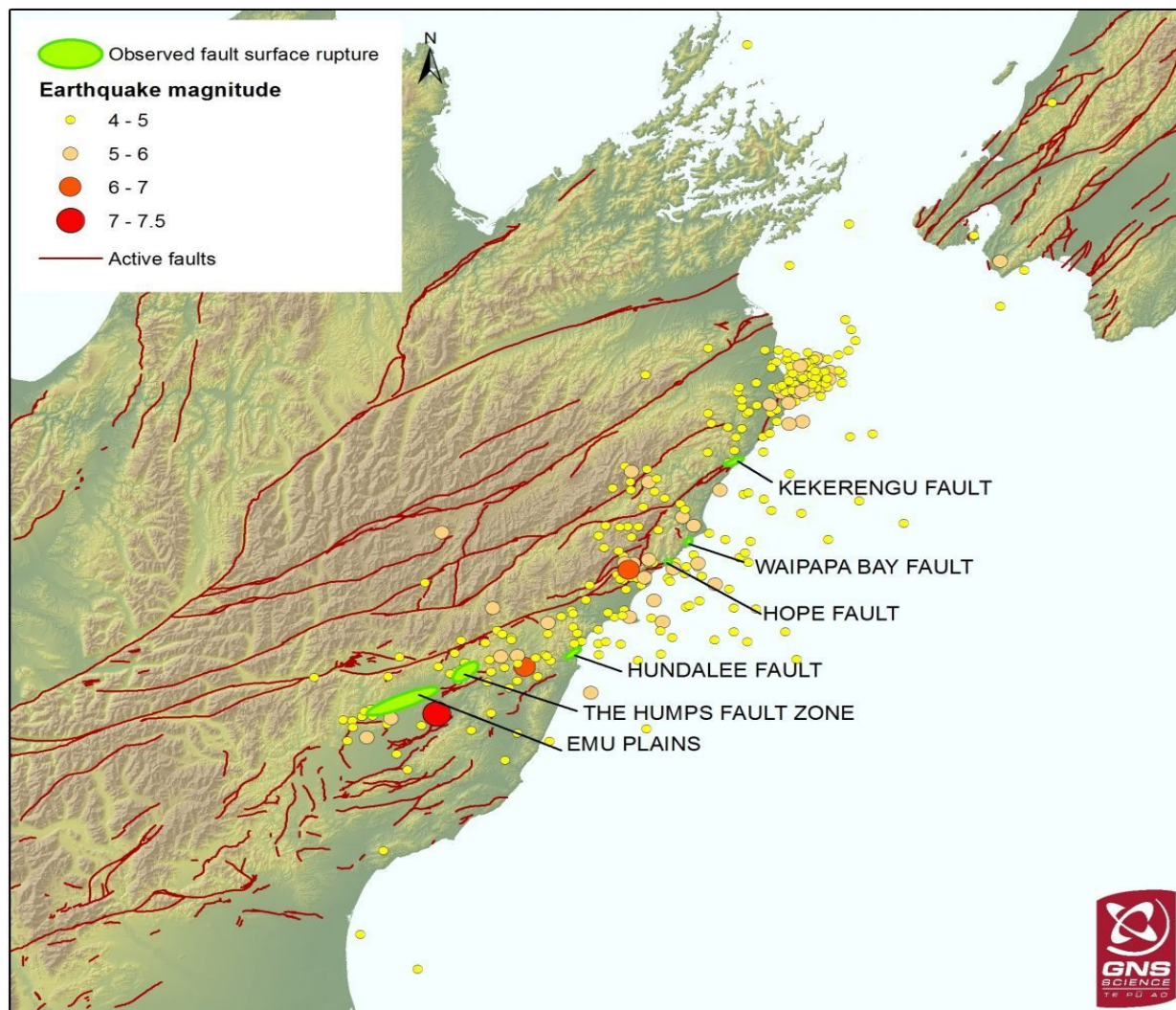
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# Rebuilding the Main North Line

KiwiRail







## Facts

Magnitude 7.8 earthquake

21 fault ruptures

14 November 2016

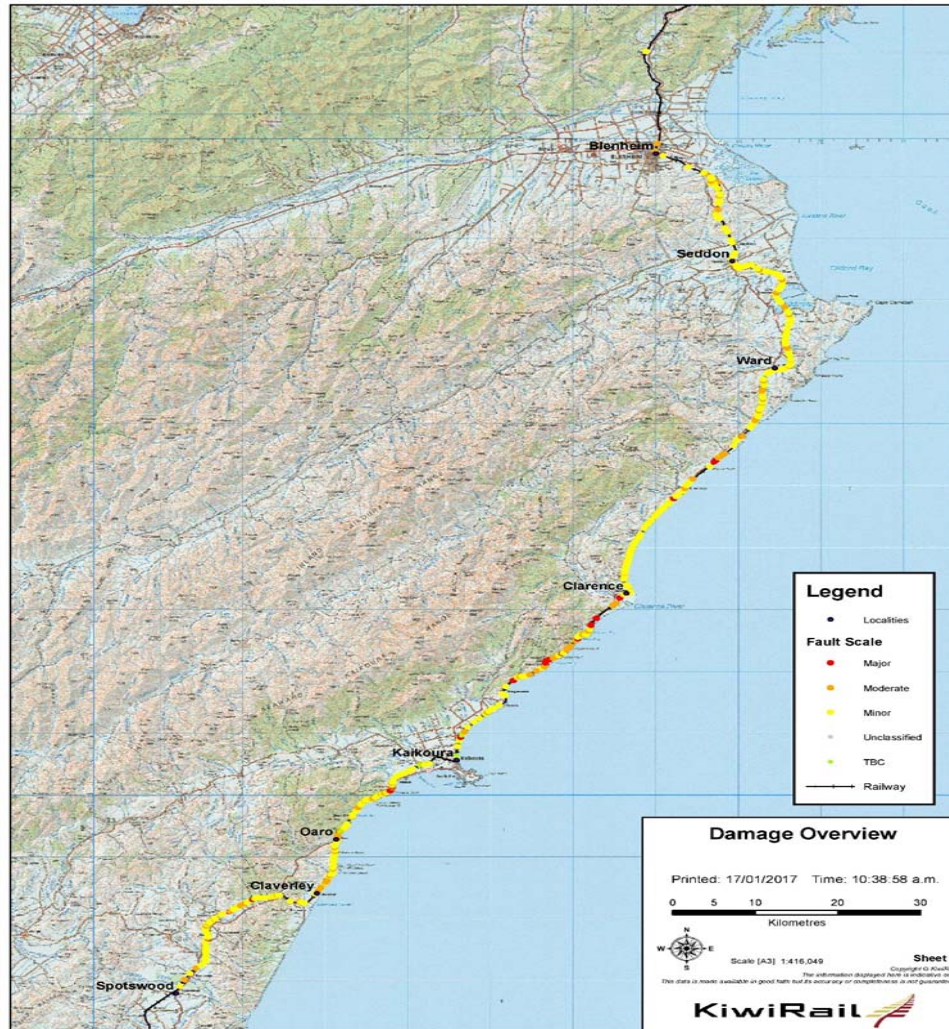
Shaking lasted for 120 seconds

Over 60 aftershocks above  
M5.0

Over 4,000 aftershocks in the  
week after the quake

Over 12,000 aftershocks





## Significant Damage was done to the Main North Line

**200km** of track and structures damaged/affected

**800** individual damage sites

**36** major damage sites (tunnels, bridges, embankments)

**427** track faults

Several massive landslides >100,000m<sup>3</sup>

**60** bridges damaged

**21** tunnels damaged

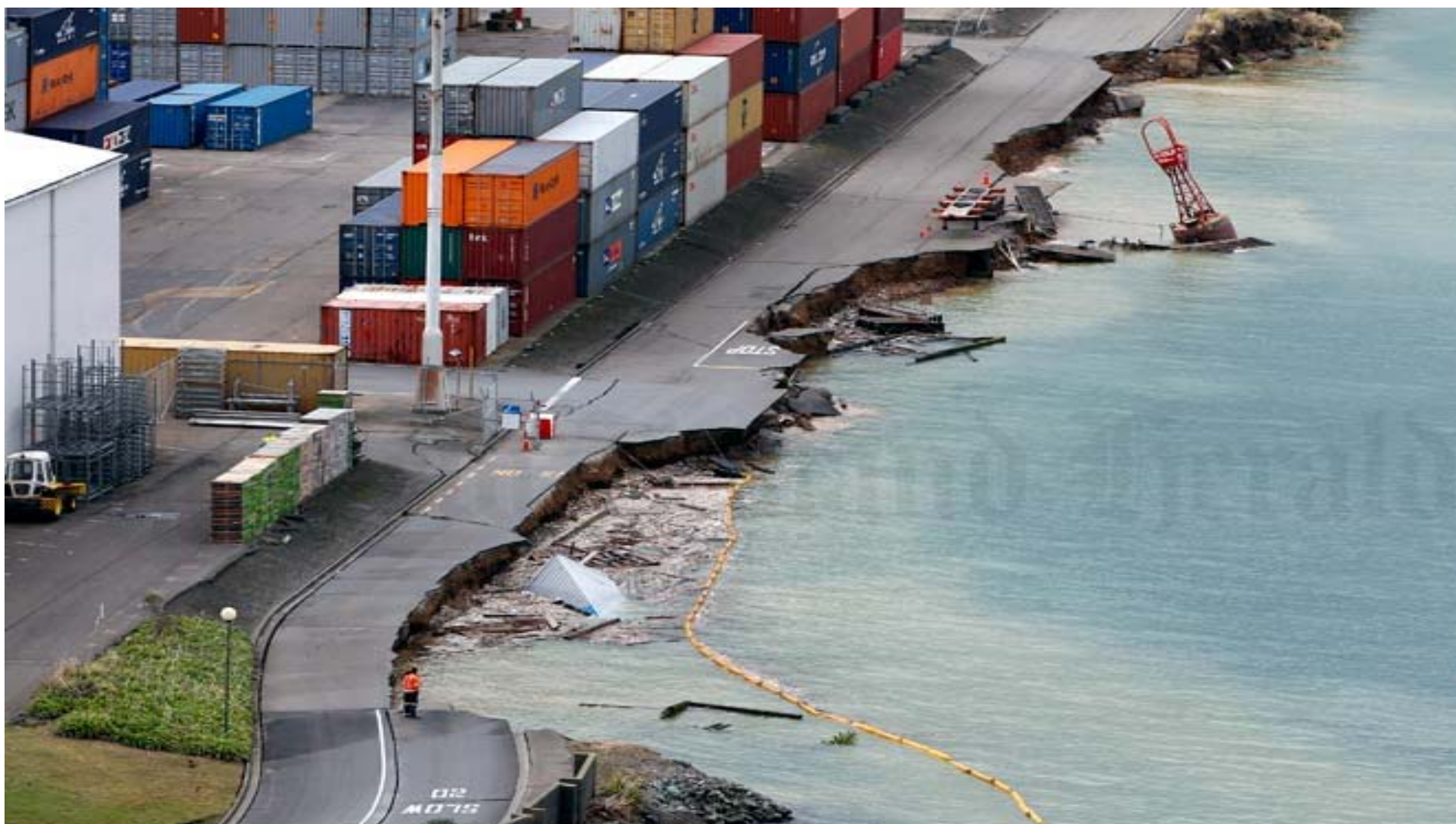
**206** culverts and other infrastructure items damaged

# **Businesses changed in a heartbeat – and not just in Kaikoura**





























Railway Line



































Railway Line

State Highway 1





In some locations the toes of slips have bulldozed the rail line sideways by up to 100 metres



Many bridges suffered severe damage,  
one collapsed completely



The railway to nowhere.....





# Shhhhhhsh – on track for June

KiwiRail working under NCTIR alliance – expecting to be open and moving freight in June

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Capacity restrictions – will favour rail users vs those non rail users

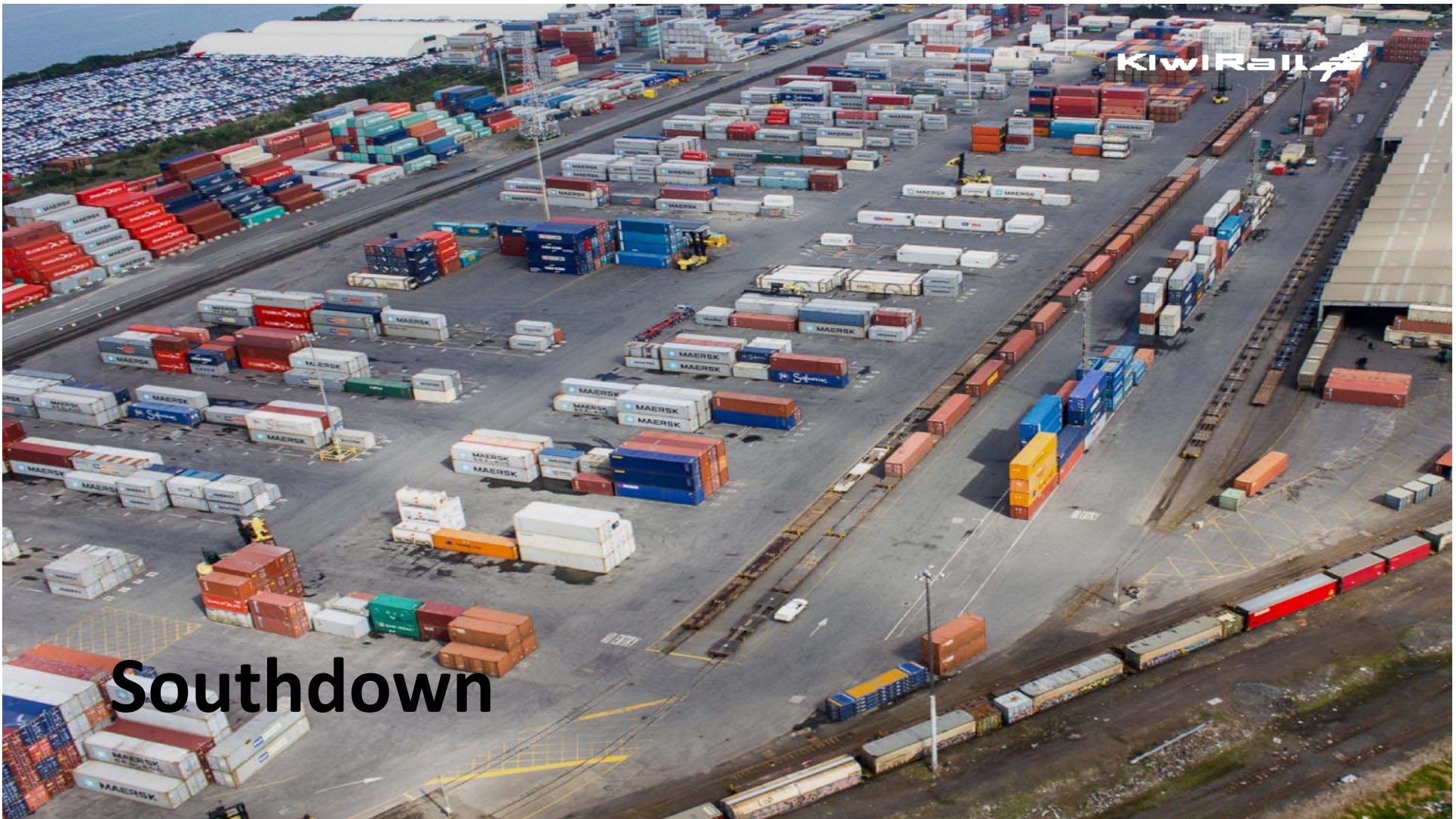
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Limited rail capacity upon resumption

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# Outlook for Freight

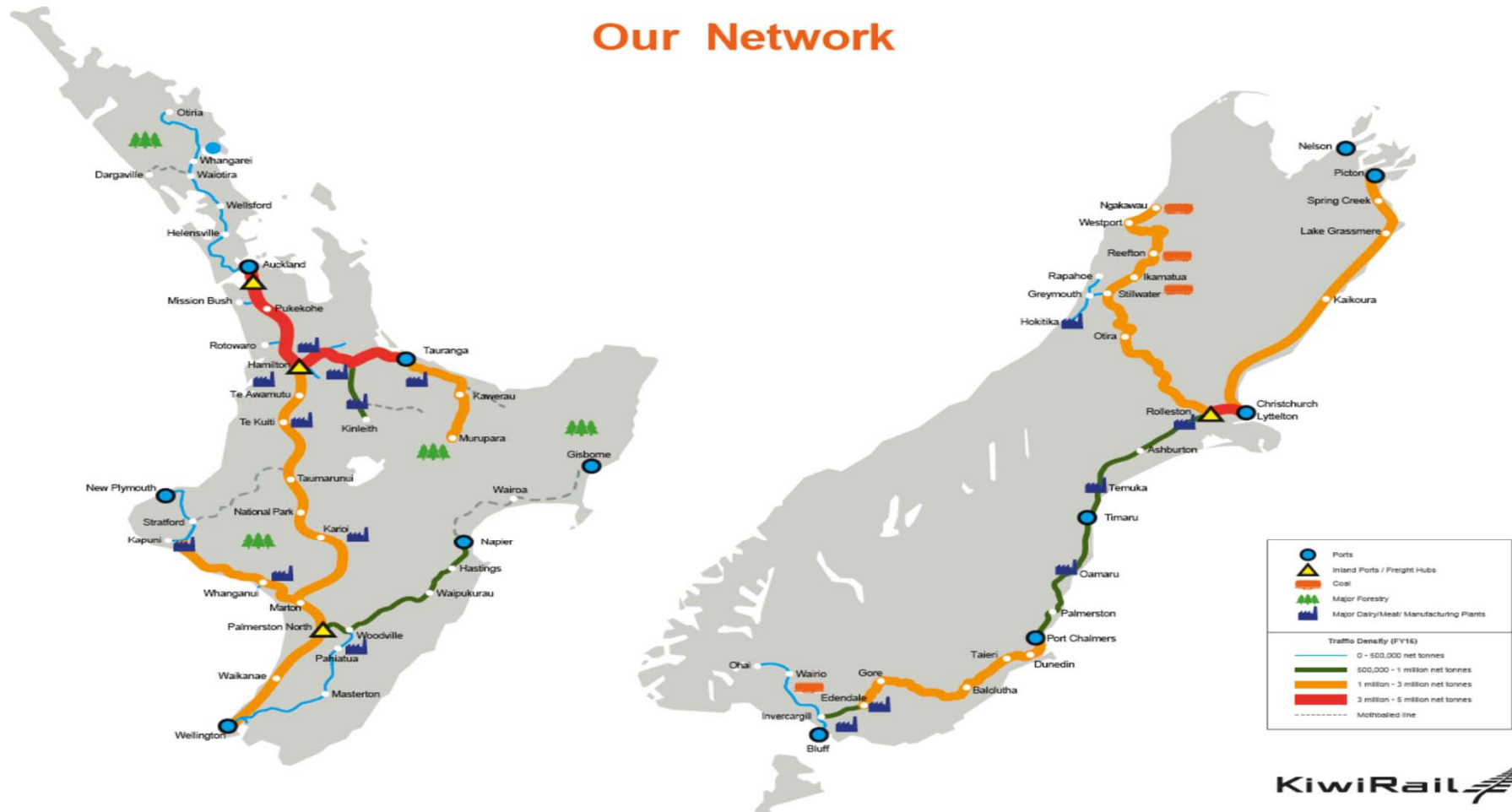




KiwiRail

Southdown

## Our Network



KiwiRail



# Freight outlook



## Forestry

Forestry volumes very strong  
High levels of availability  
Commercials currently beneficial

## Bulk

Some challenges with Solid Energy's demise  
Milk volumes reducing  
CRL spoil opportunity

## Dairy / Meat

Poor weather impacted milk collection affecting Fonterra FY17 volumes  
Anticipating an end of season lift  
Expecting a more normal season in FY18  
Meat volumes relatively steady  
Meat industry aggregation?

# Freight outlook



## IMEX

Growth phase with strong economic signals

MetroPort program near capacity - investment in rolling stock, locos and infrastructure

Tauranga benefiting from short term Centreport container terminal closure

Inland port development – PoA's in Horotiu, Longburn, Tainui's in Ruakura, PoT's in Rolleston, LPC's in Rolleston, CODA's in Onehunga

More volume on rail / off road in Auckland

Rail an enabler

## Domestic

Volume decline on rail this year, short term impact

Operational and commercial re-set required

Rail enabled land becoming scarce in Auckland

North / South Supply Chain changes

Toll investing in new freight terminal in Auckland – enabling growth

CODA emerging as volume player on key Auckland Palmerston North laneway



# Outlook for Tourism

KiwiRail 





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# Outlook for tourism

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New owner for Strait Shipping – CHAMP PE

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Expecting a bigger fight for passenger \$\$

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Focus on yield improvement for the CV market

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Vessel re-tonnaging strategy

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Common use vessel terminals

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Tranz Scenic journeys

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Coastal Pacific not re-opening until next year

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TranzAlpine is world renowned

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Carriage development and design

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# Tourism growing



- Visitor numbers grow from 3 to 5 million by 2025
- Tourism focus:
  - Quality tourism
  - Dispersal to the regions
  - Seasonality
  - Sustainability
- New Zealand has infrastructure challenges to meet influx
- Tourism growth driven by multiple inbound markets



Questions?