

SECURING NEW ZEALAND'S FUTURE



**BUDGET
2026**

**Rt Hon Winston Peters
Minister for Rail**

**Hon Chris Bishop
Minister of Transport**

28 May 2026

Rail infrastructure fully funded

The Government has committed up to \$1.075 billion to KiwiRail's planned network investments between 2027-2030, alongside \$106.9 million to continue critical metropolitan rail infrastructure renewals, Rail Minister Winston Peters and Transport Minister Chris Bishop announced today.

"New Zealanders invested sweat, blood and tears to build their national rail network, but previous Governments let it rot," Winston Peters says.

"We are putting New Zealanders' rail assets to work once again.

"Rail infrastructure is funded like the State Highway network thanks to our law reforms when last responsible for Rail, and this is the first time a government has fully funded a three-year programme up front to put rail on the same sure footing as many other infrastructure categories.

"Rail freight covers its own costs by competing commercially and we are now seeing rail freight volumes, revenues, profits and reliability improve after a concerted effort to deliver a strategy that makes best use of national rail assets.

"KiwiRail can now use this funding allocation in Budget 2026, combined with the approximately \$60 million its freight customers contribute to Track User Charges, to prepare the 2027-2030 Rail Network Investment Programme for approval by the Government.

"Rail infrastructure investment already sees 66 cents in every dollar going to maintenance and renewals, well above the 60 cent benchmark the Infrastructure Commission recommends and we expect this will increase over time, ensuring a great network condition for families and freighters.

“The Government expects value for money and cost efficiency from KiwiRail having enabled the procurement of modern plant and equipment to underpin faster and simpler rail network operations,” Winston Peters says.

Transport Minister Chris Bishop says the \$106.9 million to continue critical renewals on the Auckland and Wellington metropolitan rail networks will help improve their reliability and resilience.

“Thousands of people rely on trains every day to get to work, school, appointments and events. They deserve services that are reliable, resilient, and able to keep pace with growth in our biggest cities,” Chris Bishop says.

“Auckland and Wellington have suffered from historic under-investment in their metro rail networks.

“This Government’s funding builds on investment into metropolitan rail renewals in Budgets 2024 and 2025. It will help continue to address the backlog of overdue renewals, including replacing and upgrading core rail assets like track, sleepers and ballast, as well as slope remediation and formation works.

“These basic, essential projects are not glamorous but they are exactly what is needed to improve the performance of the network and give passengers a better service.

“Reliable metro rail matters. When trains run well, more people have a real choice about how they travel, pressure comes off busy urban roads, and transport networks work more efficiently.

“With the need for fiscal responsibility, the Government is focused on getting better value from every transport dollar. That means maintaining transport assets properly and ensuring we have efficient transport networks on which New Zealanders can rely.”

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Notes to editors:

Rail Network Investment Programme

- The Rail Network Investment Programme is a statutory three-year investment programme that sets out how rail infrastructure will be funded, maintained, renewed, managed and improved. It is prepared by KiwiRail and approved by the Minister of Transport in consultation with the Minister for Rail and Minister of Finance.

Metropolitan rail investment

- This investment continues to address the backlog of overdue renewals on the Auckland and Wellington metropolitan rail networks. This long-term programme (which has been running for two years so far) will improve service reliability, and network performance.

- The types of works and resources it will fund include purchase and installation of rail products (such as rail, sleepers and ballast), slope remediation, and formation works.

Hillside

- Budget 2026 returns \$7 million in unspent funds from the Hillside Workshop programme, reflecting improved wagon assembly efficiency. The funding was part of a wider redevelopment of the old Hillside Workshops to rebuild the precinct and build up to 1,500 wagons. The final assembly will see 1,350 wagons assembled, reflecting demand modelling and following 1,304 wagons procured prior to the assembly programme.