



TSUNAMI RELIEF

It's clean up time in Samoa after the tsunami – and KiwiRail is helping get aid to the Islands. P5 tells the story of the container transport we're providing to help the relief effort

COOLING OFF

The heats off – well down at least. The length of track subject to Heat 40s is 25 percent lower than at this time last year. See P5.

SAMARITAN CARL

It's the trademark bow-tie most people remember. But Tranz Metro platform representative Carl Sayer's act of kindness in retrieving and delivering a collection of photographs left at Wellington Railway Station makes him a special person in the eyes of Guinney Sorensen. Read Guinney's story about Carl's "above and beyond the call of duty" actions on P9.



HI-RAIL VETERAN

Stephen Leary started work as a shearer and a painter. But he graduated to rail work, operating a hi-rail digger. Read about his 30 years in Rail and his description of his workmates as a "good bunch of jokers" on P9.

OUT THIS WEEK

It's our first annual report – and it's out this week. Information from the KiwiRail 2009 annual report appears on P6.

Aratere completes 20,000th crossing



Aratere crew today (who missed out on the earlier cake and celebration due to rostering), left to right, Robert Chappell, Rebecca Cleworth, Samantha Duffy, Mate Faasu, Nicola Ngatai-Schippe, Kala Enoka

On Monday the Interislander ferry Aratere completed her 20,000th crossing of the Cook Strait. Starting in January 1999 the passenger, vehicle and rail ferry has clocked up around 2 million kilometres. Master Graeme Shepherd was at the helm as Aratere docked in Wellington at 1.15pm.

To celebrate the milestone, Interislander provided a \$500 travel voucher for one passenger lucky enough to be on board the special sailing.

Stuart Newport, from Richmond, was reported to be delighted at winning the draw. The celebrations for the crew were brief, as the Aratere headed back out to sea shortly afterwards.

Later in the week the alternate crew also celebrated with a cake (pictured). On board was Captain Bob Nixon who originally travelled with the vessel on her maiden voyage to New Zealand.

Interislander Picks Up Major Awards

Interislander picked up two major national awards at the Chartered Institute of Logistics and Transport's annual awards ceremony yesterday evening in Auckland.

The Public Transport Innovation award went to Interislander for the project to refit Cook Strait rail and passenger ferry Arahura, making a 25-year-old ship answer modern market demands while upgrading to the latest safety systems.

The commercial vehicle FASTtrack system at Interislander's Wellington and Picton terminals won the award for Supply Chain Innovation. The high tech system speeds vehicle check-in while providing weight information, control and added security.

Last year's \$9 million refit of Arahura increased vehicle and rail capacity, while upgrading safety systems and stability to the latest requirements. The investment has ensured that the ferry can continue to traverse the Cook Strait for several years to come.

The award was accepted by Arahura ship manager Peter Wells on behalf of the Arahura refit team. "It is great to receive recognition for the success of this project. The three and a half months hard work in Singapore, backed up by the hard work here in New Zealand to manage customer services with only two ferries while Arahura was away, really paid off."

The commercial vehicle FASTtrack system uses a number of technologies to achieve significant business benefits at low cost. Trucks are now detected, checked in using barcode or PIN, weighed and managed with lights and barriers at both Interislander terminals. This has increased control and security at the company's 24 hour operations, while weights have brought

benefits to ferry loading speed and management and at the same time provided useful information to customers.

Accepting the award was Craig Anderson, Interislander's manager systems and information. "This ground breaking project was a real team effort, involving imaginative IT resources, terminal and commercial vehicle staff to achieve results," he says. "It has been warmly welcomed by the ships, terminals and customers and the CILT award is an excellent endorsement of that achievement."

The wider rail business was also up for honours. KiwiRail's public affairs manager Kevin Ramshaw won the CILT award for the Most Meritorious Presentation for his talk on the centenary celebrations of the North Island Main Trunk line. Also, ex-rail boss Dr Francis Small, who retired as managing director of Tranz Rail in 2000, was presented with the Sir Bob Owens award for outstanding contribution to the logistics, supply chain sector and community.

Interislander's Peter Wells, Thomas Davis and Craig Anderson with the awards haul.



My impressions of our industry at the RMTU conference

On Tuesday, I talked to the annual conference of the Rail and Maritime Transport Union. It was a great opportunity to meet delegates from around the country and to give them the management team's perspective on the issues we face.

I received a good hearing and delegates asked good questions. I began by providing delegates with my first impressions of the industry as a relative newcomer. It's hard to avoid the shadow of the past – the multiple ownership, the inability to stick to a consistent plan and the lack of investment, all of which has resulted in a business that's in poor shape.

Balancing that is the fact that the industry has a great team of people working in it who have a real passion for what they do. I made the point that New Zealand Post and KiwiRail are two of very few companies that employ staff who have worked in their industries for a long time and invested their lives in the business.

I also passed on my surprise that despite the fact that the industry had been split up relatively recently, there is a surprising amount of disconnect and lack of mutual respect among the different parts of the business. My message to the delegates was: I don't care about the rights and wrongs of the past, we need more mutual respect within the business and we need to be united if we are going to succeed

in dazzling the customer with the service we provide.

It's clear to me that with all the industry has been through over recent years, we've not got the customer as central to our thinking as they should be. The business review we've been working on tells us that we are challenged on all fronts. There is no silver bullet that can change that overnight. If we closed half the network, it wouldn't resolve our financial position.

QUINN "EXPRESSED"

That means we have to look at the business piece by piece – look for growth, improve yields and improve productivity.

Of course we also have to continue to look at each piece of the network commercially and ensure they stand the scrutiny both alone and as part of our network.

I made the point that the industry is inflexible and that if it wants to be an integral part of the supply chain, it must be prepared to move faster or risk being sidelined. That is one of the key challenges for us – our customers are being forced to move faster and faster and we simply must be able to respond.

On the positive side, I talked about the fact that investment in rail at the moment is greater than it has ever been. This is currently focused on the Auckland and Wellington metro networks.

The freight business may feel under-loved when it looks at metro, but investment in new locomotives is a start and we have to come up with business cases that justify investment in freight.

Because there is so much emphasis on the past in the relationships that exist between rail management and the RMTU, I offered the conference the opportunity to sit down with a blank piece of paper and look at the issues we face as if we were starting from scratch. Even if we don't achieve anything, we'd be able to challenge our thinking about the way we do things.

I made the point that it's a lot more fun working for a company that's profitable. I'm pleased to say that RMTU President Jim Kelly responded positively to my offer.

Jim Quinn, Chief Executive

To get a feel for what was uppermost in the minds of delegates see page 3 for a summary of the questions delegates asked Jim and the answers he gave.

Espresso

BUMMER

A German journalism student found himself the centre of media attention when he was caught with his pants down in a railway station at the northern city of Bremen. The 22-year-old took exception to being thrown off a train for not having a ticket. His reply was to drop his trousers and press his backside against the window of a low-slung double-decker train. Unfortunately for him, his trousers got caught in a carriage door and he ended up being dragged half naked along the platform, out of the station and onto the tracks. "It's a miracle he wasn't badly hurt," said a Railway spokesman. "This sort of thing can end up killing you." The ordeal ended when a passenger pulled the emergency brake. Rescue services were called in, causing rail services between Bremen and Hamburg to be suspended for over an hour. The man was unharmed but now faces charges of dangerous interference in rail transport, insulting the train staff, and may face sizeable a compensation claim for the delays he caused.

LEGO BRIDGE

A new rail bridge at Koputaroa north of Levin was slotted into the North Island Main Trunk Line "like lego" according to workers on the site. The bridge replacement was carried out during a 36 hour line shut-down the weekend before last. It was a joint project between KiwiRail Network (ONTRACK) and Riverside Construction. The bridge parts were pre-cast and it was "very satisfying" that it all fitted together. Riverside's Mark Goodwin told the Horowhenua Mail. "It's like a Lego – everything fitted together," he said.

IN THE LOOP

Auckland City Mayor John Banks has renewed his plea for an underground rail link between Britomart Station and Mt Eden. In an article in the NZ Herald, he says Auckland can't rely on motorways alone to meet the region's future transport needs. He says the number of trips made on Auckland's transport system is expected to increase by 65 percent from 3.2 million to 5.2 million a day. "The rail loop is more than a rail link," he says. "It is a transformational economic development project at the centre of the new Super City. Think of the Circle Line and other examples, like Sydney, where the centre

acts as a hub for the transport network for the whole region." Mayor Banks says the estimated cost of the loop at between \$1 and \$1.5 stacks up well against the \$3 billion or more needed for extra roads and parking if the loop isn't built.

SAVOURY ISSUE

Paddy O'Reilly, who operates the dairy in the South Island town of Temuka, had a surprise visit this morning. Chief Executive Jim Quinn and Freight GM Iain Hill dropped in for a late breakfast or early morning tea – and to talk to Paddy about opposition in the town to the closure of a railway crossing that currently allows traffic and pedestrians to pass through the KiwiRail freight depot. "Paddy had a sign up on his shop windows urging Temuka residents to oppose the crossing closure," said Jim. "Iain bought a pie and I bought some of his savouries. Paddy got quite a shock when I put my business card on the counter with the money for our purchases. We had a good discussion after that." No reports on the Big Ben pie, but Jim said the savouries were very good.

RMTU asks, Jim Quinn replies.

RMTU: Why couldn't the new locomotives be built in New Zealand?

Jim Quinn: One key issue was price but more importantly time - we have to honour commercial commitments to deliver locomotives enable the growth for our customers. That said, I'd love to see the new Auckland EMUs built here but that will be subject to a commercial tender process. If we do opt for a local build, we would need to be sure work can be sustained so that we create long term work opportunities.

RMTU: Why is the new Government not prepared to invest in rail and is talking about turning off funding?

Jim Quinn: The Minister of Transport, Steven Joyce, is pragmatic and thoughtful. But he hasn't dealt with the rail industry in the past. He agreed to sit down with us for a day so that we could explain the industry. It was death by powerpoint but I think he found it very useful. He's continued to ask sensible questions and he's still waiting for us to prove

ourselves. It's not a case of the Government having a pro-road or anti-rail bias. The case for investment in roading had been prepared and was ready to go. In that sense, we were coming from behind the eight ball. It's not correct to suggest the Government has done nothing. It's continued with massive investment in the Auckland and Wellington networks. It has approved KiwiRail investing in new locomotives and long-distance passenger carriages and it could have stopped Auckland network electrification but chose to back the project.

RMTU: Back in the early 2000s, Tranz Rail walked away from business it considered marginal. Is KiwiRail going to attempt to win back that business?

Jim Quinn: I actually think our sales force may be too small to develop all the opportunities. As part of the business review we have been doing, we will look at how we can get sales staff servicing smaller centres. I agree that we need to focus more on the customer. When I first joined the courier business, we used rail. In those days, a trip from Auckland to Wellington by road or by rail was about the same. Today the three or four hour difference reflects the

relative investment made in the two networks. But as we invest and improve our competitiveness, opportunities occur. We need to focus our sales team on these opportunities.

RMTU: What are KiwiRail's intentions for rail development in Gisborne?

Jim Quinn: I'm often asked about our views on less-frequently used line such as the Napier-Gisborne line. I can only say that we have no closure agenda but of course, if a line has no traffic and no future prospect of traffic, it's hard to justify keeping open. Our job is to get out and find opportunities to generate more business.

RMTU: You've described the rail industry as inflexible. What do you mean?

Jim Quinn: One of rail's strengths is its past - it's steeped in the past. But that can also be a disadvantage. My reference to inflexibility was not aimed directly at the workforce but our business processes as a whole.

Auckland Bus Strike

The industrial dispute which has seen a large portion of Auckland's bus service off the road for the past week has sent commuters flocking to rail instead.

Rail patronage soared by as much as 50 percent at times during the week-long dispute after NZ Bus locked out its 875 drivers and cleaners last Thursday. The move left 700 buses standing idle in its depot until services resumed this morning and 80,000 commuters needing to find alternative transport.

For many that meant heading to their closest rail stations instead, prompting our Auckland network team to introduce a range of extra 'insurance' measures to ensure there were no disruptions to train services.

"With so many commuters depending on rail it was important we were prepared, both proactively minimising any potential issues and being on hand to make our reactive response more effective as well in case there were any faults," says Northern Regional manager Stephen Collett. "And I am pleased to say the network hasn't let us down."

Teams of staff were on standby for the morning and evening peaks at known trouble spots around the network and extra inspections and maintenance

measures were introduced, including daily inspections and greasing of points, particularly in the Westfield yards. The lockout, which the bus company imposed last Thursday in response to notice of a work-to-rule from the unions, has become the longest period of disruption to Auckland transport for decades.

The Auckland Regional Transport Authority arranged extra "skeleton" services on the affected routes, but the real pressure came on Monday morning with resumption of the school term.

By Monday morning Auckland Regional council chair Mike Lee had lost patience and issued a stern message to Auckland Bus to resume services or face loss of its contracts.

The Auckland Regional Transport Authority followed up with a letter giving the company an ultimatum of 5pm on Tuesday to provide proposals for an immediate resumption of all subsidised bus services.

The Employment Relations Authority presented its recommendation for a solution to the dispute and later in the day NZ Bus and unions agreed to return to negotiations.

Whareroa

Just another day in the office - this shot was taken at Whareroa last Friday by LE Andrew Hamblyn, showing in his own words 'our fabulous little yard hard at work'.

The picture shows (from left) the yard shunt pushing 15 wagons onto the main line for 570; the loop with 19 wagons ex 563; road 1 with 18 wagons ex 563; road 2 with 16 wagons; road 3 with 8 OM's from 540; road 4 with 10 wagons; the milk road unloading 540 and yard shunt 2 waiting for yard shunt 1 to finish its move so they can get to road 4.

At the controls is 570's LE, Karen MacDonald, who has a background as a rail operator at Whareroa, and was making up her own train, freeing up the shunt staff to do other work. She is being watched by site manager Murray Cotter, who was back from annual leave to help out.

But wait there is more - what you can't see in this picture is another 15 wagons down Road 8 inside the plant, the VRBs inside the cheese store, reefers inside the butter store and 542 sitting outside at the 'all train stop' board.

"With over 100 wagons on site it was a mighty day, and the team worked well," says Andrew.



Shipping Federation enters transport pricing debate

The New Zealand Shipping Federation has entered the debate over whether road users are paying enough of the costs associated with the roads they use.

Executive Director Sam Buckle says a report commissioned by the New Zealand Transport Agency (NZTA) and undertaken by Rockpoint Corporate Finance has found that users of the State Highway network are paying only 40 per cent of the full costs of providing roading infrastructure.

"The report shows that users of the State Highway network are effectively subsidised to the tune of \$1.5 billion per year," he says.

"This is possibly the biggest issue in the transport sector. It artificially cuts the price of moving freight by road, creates a competitive advantage for trucks, contributes to congestion and emissions and denies taxpayers billions of dollars in much-needed revenue.

"The Government has said it does not want subsidies in the transport sector. It has said it wants the sector to operate commercially and for modal choice to be determined by the market. It has also said it wants to extract better returns from state owned assets. Well, it is time to seriously debate the way we manage and price road use – because the current model doesn't meet any of these expectations."

Sam Buckle says there has been a lot of talk about the cost to the taxpayer of the rail network, its subsidies and the need for it to operate on a commercial basis.

"These are important issues that impact on coastal shipping and which the Government is currently grappling with. However, the chronic under-pricing of roads is the elephant in the room," he said.

Transport Minister Steven Joyce has disputed the Rockpoint figure, saying road user charges alone rake in \$2.8 billion annually.

"We operate a pay-as-you-go system. It's just not correct to say there's any form of subsidy. It would be a wonderful thing if other modes [of transport] could pay for their infrastructure revenues out of current year revenues."

The report, Coastal Shipping and Modal Freight Choice, was commissioned to assess the prospects of coastal shipping increasing its share of the freight market in competition with road and rail. The report emphasises the need for changes to the regulatory regime for coastal shipping, transport externalities and the need for greater certainty about future rail investment.

Based on The Treasury's valuation of the State Highway network at more than \$20 billion, Rockpoint calculated that if it operated on a commercial model, it should be generating approximately \$2.5 billion in revenue per annum. Instead, it only generates approximately \$1 billion. This leaves a shortfall and effective subsidy of \$1.5 billion per year.

On a purely commercial basis, the revenue from all sources would need to more than double to achieve indicated commercial returns inclusive of a return on capital in respect to State Highways, according to Rockpoint.

Rockpoint's calculations did not include the local road network, which constitutes 88 per cent of New Zealand's total roading network and has previously been valued at \$25 billion (Surface Transport Costs and Charges report, 2002).

Neither did their calculations include externality costs, which Rockpoint notes are 12 times higher for roading than for coastal shipping.

Marsden Pt rail link a step closer

KiwiRail is now a step closer to designating land for a rail link to Marsden Pt port in Northland. Last Friday a panel of independent Commissioners recommended that KiwiRail be allowed to proceed with the designation.

At this point there is no funding secured to build the line and no timetable for its construction, however designating the corridor is critical to protect the proposed route from development that would be incompatible with building and operating a railway line in future.

As well as confirming the designation, KiwiRail sought consents to build, operate and maintain the line. This package of consents was considered by the independent Commissioners in a hearing early in September.

At the hearing our representatives made the argument that the consents and designation were necessary to protect the rail corridor and eventually link the deepwater port at Marsden Pt to the national rail network, providing an alternative safe, sustainable option for moving freight to, from and within Northland and helping the region's future economic growth.

The Commissioners also considered 81 submissions on the proposal, with a majority of submitters in support of the plan. On Friday the Commissioners recommended KiwiRail be allowed to proceed, albeit with some conditions, which are currently being considered by our legal team. As a Requiring Authority, KiwiRail can now choose whether or not to accept the recommended designation conditions. Both KiwiRail and other submitters can also appeal the decision to the Environment Court.

The Commissioners said they supported the proposal as the link would provide economic benefits to Northland and they were satisfied that any adverse effects could be mitigated. Confirming the designation, they felt, would provide long-term certainty to landowners after decades of discussions about a possible rail line.

Northland Regional Council Chairman Mark Farnsworth agreed with the Commissioners that the proposed rail link would bring long lasting economic benefits to the region. "Northland Regional Council has worked closely with KiwiRail to ensure this key transport link and the route it will along is protected on behalf of all Northlanders," he said.

The largely double track rail link would start at Oakleigh (near Whangarei) on the North Auckland Line and connect with the deep water port at Marsden Point, a distance of approximately 20km.

New national IMEX manager

KiwiRail Freight has announced the appointment of Michael Lambert to the role of National Manager Import Export (IMEX).

Freight's GM Sales, Leonard Sampson, says Michael will be responsible for the development and growth of this market in conjunction with key partners such as international shipping lines, major exporters and port companies.

Michael has worked in the rail industry for the past nine years with most recent experience in the IMEX market as a Key Account Executive. Michael also has extensive rail experience across Customer Services, Equipment Management and Metro Passenger.

He has also previously worked for Carter Holt Harvey, Forest Management and London Underground.

Rick on recce



Rick van Barneveld, who will join KiwiRail permanently on 9 November as General Manager Network, spent several days this week familiarising himself with the business.

Pictured is a visit on the Napier Gisborne Line with (L to R) Peter Steel, William Peet, Karen Paterson, Walter Rushbrook, Iain Hill, Bill Rarere, Ross Hayward, Rick van Barneveld, and Phil McQueen.

In next week's edition Express will farewell Chief Operating Officer William Peet, who is leaving KiwiRail after 15 years in the rail industry.

In the interim between William's departure and until Rick takes up his new role, Phil McQueen will be Acting General Manager Network.

Heat 40s down

The amount of the network under 'Heat 40' restrictions is 25 percent less than the same time last year, which represents a significant reduction in the expected speed restrictions this summer.

'Heat 40s' are a way of managing the effects of heat on the rail, a real issue during hot summer months.

KiwiRail Network has a system of heat sensors across the rail network which measure rail temperatures. When a trigger temperature is reached train speeds are reduced to 40 kph on affected sections of track. Track Engineering Manager Mark Gullery says there is currently 780 km of track around the country which will be monitored for Heat 40 restrictions, a 25 percent improvement on the same time last year.

Mark says the reduction is due to a significant increase in the amount of rail destressed, with three new destress supervisors and three new destress gangs established this year. "There was about 74km of line destressed in the first three months of the year which is more than double the average rate previously," he said.

"We've also really closely analysed the track a lot harder so we can be even more precise about which areas really need to be under Heat 40s. This has dramatically reduced the impact on our primary freight routes.

"Thanks to the destress teams around the country and the Wellington-based track engineering team for the efforts they've put in, we should be looking at a better summer for train operations.

"I hope the trend will continue positively during the coming months."

Tsunami Aid

KiwiRail is doing its bit to help the aid effort for tsunami-ravaged Samoa by moving donated goods free of charge. When approached by one of our shipping customers, Reef Shipping, our commercial team were only too happy to help, says Richard Kasper. Seven containers will be railed from Wellington to Auckland on 27 October, free of charge, to meet the Southern Lily which will deliver the goods to Apia. One of those was also delivered, with no cost to the Samoan Baptist Church in Wainuiomata to be filled, and will be returned to the Wellington CT site in time to be loaded onto the northbound service that will meet the ship.

An eighth container being moved from Wellington in conjunction with Toll Networks is also Samoa bound.

Port and crossing issues discussed in South Canty

Chief Executive Jim Quinn and Freight GM Iain Hill have spent today in South Canterbury, talking to local people about KiwiRail issues including traffic through PrimePort Timaru and the increasing amount of rail traffic through Temuka.

During the day, they met representatives of the local Chamber of Commerce, toured the port with the port company and met Timaru District Council Mayor Janie Annear.

In all three cases, one of the major topics for conversation has been Fonterra's decision to shift fairy products from Clandeboye dairy factory away from Timaru's PrimePort and carry it by rail to Lyttelton.

Discussion with the Mayor also included KiwiRail's decision to withdraw a notice of requirement to alter its designation of land at Temuka for rail purposes, but to continue with our proposal to close a level crossing that passes through the rail yard.

Major advance for rail industry in public ownership

The rail industry took a bigger step forward during the 2008-09 financial year than it has done for many years, KiwiRail Chairman Jim Bolger says in the company's annual report tabled in Parliament yesterday.

"The advance has not only been the establishment of KiwiRail but in the development of projects that are improving both the rail infrastructure and rolling stock," he said. Jim said that the Government's agreement in March of this year for KiwiRail to buy 20 new locomotives will add the first new diesel locomotives to the fleet in 30 years. Agreement at the same time for KiwiRail to buy 17 new passenger carriages will help modernise the long-distance passenger fleet.

"Rail has a natural advantage in transporting high volumes of bulk freight over long distances and urban passengers in major cities," he said. "For rail to be truly relevant in today's and future markets, it must deliver efficiently and economically on the needs of its customers and shareholders. One of the most important issues for us this year has been to develop a long-term strategy for rail. We have worked closely with shareholding Ministers and officials to develop our business plan and to discuss long term strategy and investment in rail.

"The Board expects that it will provide to the Government during the current financial year a long-term plan to support further investment being made in the business. The plan will identify a case to enable the business to deliver future benefits by way of specific investment strategies and initiatives."

Jim Bolger said the economic recession has inevitably influenced trading results. Trading conditions have been volatile as customers move freight in irregular patterns. As a result, freight volumes were down 13 percent on the previous year.

"Freight volumes and passenger numbers on the ferries are significantly down on budget and previous trading years. Like us, our freight customers are under pressure to cut costs, improve productivity and drive efficiencies in their businesses," he said. However, urban and long distance passenger transport businesses went against the trend. Reporting on the 2008-09 financial year is complicated by the purchase within the reporting period of the Toll and United Group operations.

KiwiRail is reporting a surplus after taxation of \$238.7 million. The surplus occurs as a result of the Crown and Regional Council operating and capital grant receipts being recorded as an asset on the balance sheet.

When the effect of capital expenditure issues are excluded, KiwiRail reports a \$63.3 million positive result before depreciation, interest, taxation and funding support. This becomes a loss of \$186.6 million after depreciation and finance charges, largely due to the significant depreciation expense on the network assets at more than \$167.4 million.

Financial summary	Total (\$'000)
Revenue.....	518,009
Total Income.....	636,624
Total Expense	(573,294)
KiwiRail earnings before Depreciation, Interest and Tax	63,330
Depreciation	(215,868)
Losses before Crown/Regional Council Funding.....	(186,631)

Staff contribution recognised

KiwiRail Chairman Jim Bolger, writing in the company's annual report, paid tribute to the

contribution of staff during the past year. "Change has been a constant this past year," he said. "Change is a challenge for staff and customers.

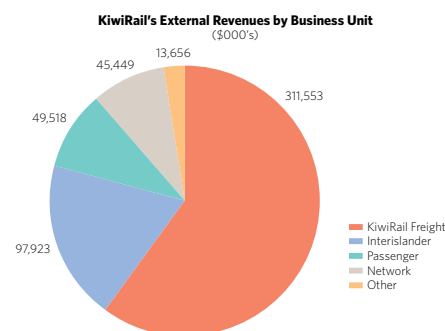
"I would like to take this opportunity to thank the staff and management for all their hard work and effort over the year in dealing with the uncertainty and in imparting their knowledge and understanding of the business to the new members of the management team."

Jim Quinn said in the annual report that the loyalty and dedication of staff is both "amazing and humbling".

He also commented on the emphasis placed in recent years on safety in the rail industry. "Safety in the workplace is one of the major issues the rail industry faced 10 years ago. Since then, a lot of work has been done to improve safety consciousness and safety standards.

"This work was recognised earlier in the year when KiwiRail won the overall award in the Safeguard Magazine National Safety Awards."

Jim Bolger thanked departing ONTRACK Chief Operating Officer William Peet for his work as Acting Chief Executive between October and March and for his services to the rail industry over the past 15 years.



Volume of freight carried on the network

Measure	2004-05	2005-06	2006-07	2007-08	2008-09
NTK carried	4,321,782,019	4,311,691,732	4,329,486,671	4,555,858,408	3,962,000,000

Measuring improvements to network infrastructure and performance

Measure*	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09
New rail laid (km)	11	25	29	32	27.2	33.4
New sleepers laid (000)	50	75	70	102	103	103
Line de-stressed (km)	130	180	180	100	107	156
Bridges replaced (m)	197	509	850**	562	555	947***
Timber spans replaced (m)	102	350	288	354	367	368
Timber piers replaced	8	33	35	35	61	132
Derailments	61	60	42	48	45	36

* includes renewals and upgrades (including DART and other projects, although these are not included in target figures).

** includes Cobden Bridge.

*** includes bridges replaced with large box or pipe culverts.

KiwiRail contractor wins award for work on Arahura Bridge

The work of replacing the Arahura road rail bridge on the Hokitika Branch Line was recognised last weekend when KiwiRail contractor HEB Structures won two awards for their role in the project.

HEB Structures were the Overall Winner of the Nelson Marlborough Branch of the New Zealand Contractors Federation 8th Annual Awards. They also won the category for projects over \$500,000.

Work has gone so well on the new \$25 million joint project between KiwiRail and NZTA that the new bridge is expected to be completed ahead of schedule. The bridge has been kept open to road traffic throughout construction, although it was closed to rail traffic during the quiet dairy dry season earlier this year.

The bridge replaces the more than 120-year-old single lane bridge across the Arahura river on the West Coast. As well as separating road and rail traffic, the new structure includes a dedicated pedestrian / cycle lane which will improve safety for all bridge users.



Tamper across the bridge in August 2009.

Solid Energy disappointed with record result

Major KiwiRail customer Solid Energy New Zealand Ltd has reported an after-tax profit of \$111 million (2008: \$34 million) for the year ended 30 June 2009. The company describes it as a record but disappointing result, and below forecast, after the global economic downturn saw international coal demand and prices plummet in the second half of the year.

The company's base revenue almost doubled to \$980 million, supported by record international prices achieved in the first five months of the year with hard coking coal at US\$300/tonne.

Solid Energy Chairman, John Palmer, says revenue and profits were above plan through to October 2008 but by November international steel makers were running down coal stockpiles and cutting production as a result of the worldwide reduction in steel demand. By January spot coal prices had fallen below US\$100/tonne and thermal to US\$50/tonne. Customers began to defer export shipments and seek substantial price reductions. Every planned December coal shipment was deferred and, through to June, customers continued to cancel or defer significant contracted volumes, impacting heavily on all areas of the business.

Coal exports in the year were down slightly at 1.8 million tonnes (mt) (2008: 1.9 mt) and New Zealand coal sales were 2.2 mt (2008: 2.5 mt). An additional 0.2 mt, the company's 51% share of Spring Creek Mine sales, lifted total coal sales for the year to 4.2 mt (2008: 4.5 mt). During the year the company's Renewable Energy business produced 12,500 tonnes of wood pellets and 0.73 million litres of biodiesel from used cooking oil, and its New Energy business produced 0.34 terajoules of coal seam gas.

John Palmer comments: "Despite the record profit, the second half of the 2009 year has been extremely difficult for the company. During the year, we committed to a number of important capital projects to secure future value, but these will draw heavily on our balance sheet over the next few years. Our operating cash flows will be lower than forecast previously and our debt will increase. The company will need to work hard over the next 12 months to deliver this major capital investment programme on time and on budget. Our challenge is maintaining a strong balance sheet to manage out of the downturn, while still progressing our long-term energy projects that are very important for the future."

Coal shortage means just two trains a day to Upper Hutt

A 1951 timetable board found during the current upgrade work at Petone Station had bad news for travellers: a shortage of coal meant that the Upper Hutt Saturday service was just two railcars each way.

The board, in the old ticket office on the up platform, came to light during rebuilding of the platform for the new Matangi units. Project Manager Peter Coles advised the Rail Heritage Trust of New Zealand - who just happened to want such a board for their restored station at Wingatui, near Dunedin.

Thanks to help from Chris Goldsbury, Marlon Ratene and Phil Taney of Fletchers, the 1930 mm by 1160 mm solid wood board now sits in the garage of Mike Mellor, RHTNZ's Executive Officer, while he scratches his head about how to get it down south!





FLM Presentation and Graduation Day for 2009

Sixteen KiwiRail staff graduated from the Front Line Management programme last week.

Speaking at the ceremony on 8 October, Chief Executive Jim Quinn talked about the importance of good leadership within the organisation, and the need to ensure KiwiRail offers continued support, training and development for current and potential leaders.

As part of the graduation process, each of the students presented on a project they had led during the year, as part of the training programme delivered by the New Zealand Institute of Management.

Kerry Pritchard, Corporate HR Training Facilitator, said the presentations and graduation were the culmination of the year's work.

"The presentation and graduation day is seen as the final point of the journey, which started at the beginning of 2009," he says.

"The quality of the presentations from all students was considered to be of a very high standard and the welcome presence of many senior managers lent significant support to the ideas and outcomes identified in the presentations. The quality of each presentation kept those who attended interested and entertained."

The graduation ceremony was attended by about 40 people from across the business including senior management, coaches and students. Representatives from the NZIM and Competenz (the industry training organisation which supports the rail and maritime industry) also attended.

The level 4 students who successfully graduated last Thursday were awarded with a National Certificate in Business (FLM) (Level 4). They were:

- Darren Murdie (Freight)
- John Keenan (Freight)
- Bruce Wood (Freight – CT Terminals Northern)
- Leigh Bush (Freight)
- Ewen Heron (Interislander)
- Gillan Coles (Information Services)
- Bronwyn Montague (Mechanical Services)
- Brent Goodman (Rail Passenger)

Mike Ngan was unable to attend on the day but will make his presentation tomorrow.

The level 5 students were awarded with the following qualifications: NZIM Diploma in Frontline Management (Level 5); ABT Diploma of Business (Frontline Management); (Australian National Diploma Level 5); and the National Certificate in Business (FLM) (Level 4).

The Level 5 students included:

- Alastair Cumming (Freight Southern)
- Geoff Postlethwaite (Freight)
- Lisa Ashford (Interislander)
- Ivan Zvegintsev (Interislander)
- Jan Kruger (Information Services)
- Gary Greyling (Information Services)
- Robert Whitaker (Freight)
- Colin Vickery (Freight)

In addition to the presentation of the qualifications, there were also awards for three individual categories in both levels.

- 2009 Top Student FLM Level 5 – awarded to Lisa Ashford (Interislander)
- 2009 Top Presentation Level 5 – awarded to Colin Vickery (Rail & Freight)
- 2009 Top Coach Level 5 – awarded to Ian Harding (ISG)
- 2009 Top Student FLM Level 4 – awarded to Bronwyn Montague (Hillside)
- 2009 Top Presentation Level 4 – awarded to Leigh Bush (Southdown CT)
- 2009 Top Coach Level 4 – awarded to Matt King (Hillside)

The evening ended with a special presentation from NZIM and Competenz to Andrew Graves, in recognition of the contribution he has made towards the development and growth of the FLM training programmes during the last three years.

Carl to the rescue

The gallant efforts of Tranz Metro platform representative Carl Sayer last week have not gone unnoticed.

A passenger on a Masterton train was so grateful after Carl helped rescue some precious family photos she contemplated writing to the Minister of Transport to make sure Carl's act of kindness was acknowledged.

Mrs Guinny Sorensen was taking the Wairarapa train to meet her 99-year-old mother and deliver a bundle of treasured photos of her as a young woman.

"I got on the train and as I was settling into my seat discovered that my photographs had gone. I completely panicked, thinking that I would never see the photos again."

After calling lost property, Mrs Sorensen was put through to Carl, who found the package near the ticket booth in Wellington Railway Station. She asked that the package be left for her to pick up on her return on Sunday – which meant she wouldn't be

able to share the photos with her mother, but at least they would not be lost.

According to Mrs Sorensen, what happened next 'blew me away'. Carl, who lives in the Wairarapa, offered to take the photos home with him that night so that her mother could see them that weekend.

"I was so grateful, and it just "blew me away" that someone could do that much," she said. For Carl, it was just part of the job.

"The lady was so tearful on the phone, but I was only too happy to help," says Carl, "and they were very appreciative."

"I like to be helpful, it's what I'm like on the platform as well - part of customer service and I really didn't mind doing it."

For Mrs Sorensen this 'random act of kindness' meant a lot.

"I am so very grateful. The photographs will give me and my family a great deal of pleasure. I just want to make sure that somehow this man's act of kindness does not go unnoticed," she said.



30 years approaches for Stephen Leary

KiwiRail Network Senior Track Maintainer Stephen Leary will reach three decades service in the rail industry on October 31. Commencing his career in the shearing and painting industries, Stephen joined rail as a Rangiora-based Track Worker before moving on to Christchurch where he has since worked predominantly in Renewal Gangs and now drives a Hi Rail Digger.

Asked for his most fond memories, Stephen says it has to be the workmates he has met over the years.

"They've been a good bunch of jokers mostly," he says. His most challenging experience came while working on the Lyttelton Coal Siding about 14 years ago.

"It was just the weather conditions and everything -- you had 130-kilometre winds and so forth, so was a bit hard to stand up."

In terms of hobbies and interests, Stephen says he enjoys PlayStation but "loves" rugby league. "Best game in New Zealand. I used to play and was a manager years ago, but am just a fan now."

Approaching the age of 50, Stephen says he is quite content in his current employment and looks forward to the future with KiwiRail. Stephen's Acting Manager Anzac Pritchard fondly recalls one of the "highlights" of Stephen's career being when making the news for toppling a digger.

"Yeah, he over-estimated himself and ... 'bang'," quips Anzac. "But he's pretty good at reaching across the bar for those sevens [ounce glasses], it takes a lot to tip him over there. "He's been a good worker. Whenever I've asked him to do things he's been sweet as - a nice guy to have around."

Have you seen this man?

Putting in a request for a new boiler suit for Interislander staffer Ian Bircher, the Chief Engineer of the Aratere supplied this photo as evidence, just in case there were any questions about the need for a new uniform!

Should be on the "Dirty Jobs" TV Show!



To apply for any of these vacancies go to www.kiwirail.co.nz click on **JOBS** and **CAREERS** or contact the relevant Recruitment Advisor.

KiwiRail Network Jobs

ELECTRICAL SAFETY PROTECTOR, WRRP Project - Wellington, 16 month fixed term contract, 20 Oct

As an Electrical Safety Protector you will be responsible for providing onsite electrical safety protection, working with contractors to conduct safety inductions and assisting with the preparation of safety plans and land entry permits. You will have good knowledge about workplace health and safety, the ability to interact well with staff and contractors, a current driver licence and can work outdoors in all weather and varied rosters including some weekend and night work.

TRAINER AND ASSESSOR – Rules and Regulations Wellington, 21 Oct, Ref TAHR11400

You will have a background in rail operating rules and regulations and be able to travel nationally delivering quality training and NZQA Assessments to employees. You will be responsible for facilitating rules and regulations training nationally, assessing employees against national unit standards and assist with the development of training modules and packages.

SIGNALS MAINTAINER / TECHNICIAN, WLG, 29 Oct

As a Signal Maintainer or Technician you will be responsible for maintaining, servicing and installing all signaling equipment within the Wellington area. You will be reliable, enthusiastic and has a strong commitment to Health and Safety.

TRAINEE TRACTION / TRACTION LINE MECHANIC, WLG, 27 Oct, Ref TLM90221

Traction Line Mechanic's are responsible for the service, maintenance and repairs of all overhead electrical systems (Traction systems) and associated equipment within the Wellington area.

KiwiRail Freight Jobs

MANAGEMENT ACCOUNTANT, Takapuna AKL, Fri 16 Oct

The primary role of the Management Accountant is to provide financial support to KiwiRail's Commercial and Operations groups including revenue reporting and analysis (Commercial), cost reporting and analysis, including cost control (Operations), and Service Level Agreements (SLAs) with related KiwiRail Business Units; capital expenditure proposals; corridor profitability; input into financial processes and systems improvements and other strategic project initiatives. The ideal candidate will have a thorough understanding of the Company's revenue and cost processes, drivers and systems, and have demonstrated an ability to take a lead role in providing financial support to the business. This is an INTERNAL ONLY role. Full details and PD on KiwiRail intranet.

KiwiRail Mechanical Jobs

TEAM LEADER SERVICING, Palmerston North, 25 Oct, Ref: MSR07

Based at the Palmerston North Locomotive Depot, we are seeking a suitably qualified Team Leader, or Trades Person seeking advancement. Ideally you would have come from a Rail background or have relevant Heavy Industry experience. While this will be an advantage, we welcome applications from Mechanical or Electrical Trades persons, who are looking for a challenging change in their career direction. Full PD online.

KiwiRail Interislander Jobs

CHIEF ENGINEER, Wellington based, Ref: 17286, 16 Oct

Candidates need to hold a Class 1 Foreign-going certificate with a current sea-going licence endorsed, or capable of being endorsed, by New Zealand Maritime Safety Authority

- Have a minimum of 3 years experience roll-on-roll-off ferry operations
- Be trained, and capable of being trained to a high level of competency

Applicants must be prepared to undergo psychometric assessment to determine suitability.

3RD MATE, Wellington based, Ref: 17242, 16 Oct

All applicants shall preferably hold a 1st Mate Foreign-going Certificate with a current sea-going licence endorsed, or capable of being endorsed, by the New Zealand Maritime Safety Authority and have a minimum of 1 years experience in roll-on-roll-off passenger ferry operations. This role is a walk-on-walk off position based in Wellington.

TRAINEE ABLE BODIED SEAFARER, WLG, 25 Oct, Ref: 17296

As a Trainee, you will over a period of up to five years on our vessels, undertake all aspects of training relating to the necessary deck and engine room duties while at the same time accumulate the required sea time, to ultimately achieve a Deck Watch Rating and an Engine room Rating as an Able Bodied Seafarer. For candidates showing the right potential and initiative, this role could lead to opportunities as a Deck Officer Trainee (good results in Maths and Physics would be required for consideration for this career path). Full PD online

Recruitment Advisors

Corporate and KiwiRail Network
Sheronika Shandil, 04 498 3315, sheronika.shandil@ontrack.govt.nz

KiwiRail Freight and KiwiRail Mechanical
Maree Williams, 09 363 7326, maree.williams@kiwirail.co.nz

ISG, KiwiRail Interislander and KiwiRail Passenger
Rowena Foster, 09 363 7328, rowena.foster@kiwirail.co.nz

Events Calendar & Notices

Take a Model Train to Work Day - Friday 20 November

That time already Take a Model Train to Work Day is steaming up on us. Friday 20 November is the day model railway enthusiasts around the world are encouraged to bring their trains to work. The Day was launched in the United States in 2001. "There is no better advertisement for model railroading than the 500,000 American adults who spend \$500 million annually on the pastime," says Model Railroader Editor, Terry Thompson. "Take a Model Train to Work Day encourages them to voice their passion for model trains and spark conversations with their colleagues and friends about the ways they can get involved."



Grand Anniversaries

1/10/79	Paul Thomas Milne, Team Leader, KiwiRail, 30 years
1/10/79	Peter Smart, Mechanical Engineer, KiwiRail, 30 years
1/10/84	Glenn Hughes, Team Leader, KiwiRail, 25 years
5/10/89	Murray Kane, Second Cook, Interislander, 20 years
8/10/84	John Mitchell, Team Leader, KiwiRail, 25 years
8/10/74	Tangata Renata, Car Marshall Relief, Interislander, 35 years
10/10/79	John Raimona, Network, 30 years
14/10/74	Michael Campbell, Locomotive Engineer, Rail Passenger, 35 years
15/10/79	Kelvin Goss, Team Leader, KiwiRail, 30 years
15/10/79	Toni Yorke, Team Leader, KiwiRail, 30 years
15/10/84	Kenneth Dixon, Team Leader, KiwiRail, 25 years
15/10/84	Neville Black, Remote Control Operator, KiwiRail, 25 years
16/10/89	Jennifer Lovegrove, Clerk, KiwiRail, 20 years
18/10/79	Henry Wong, Passenger Operator, Rail Passenger, 30 years
23/10/84	William Palmer, Locomotive Engineer, Rail Passenger, 25 years
24/10/89	Stephen Dent, Linehaul Service Manager, KiwiRail, 20 years
29/10/74	Anthony Watkins, Locomotive Engineer, KiwiRail, 35 years
29/10/74	David Brown Truscott, Master - Kaitaki, Interislander, 35 years
29/10/84	Dennis Te Wake, Locomotive Engineer, KiwiRail, 25 years
29/10/84	Ian Thornton, Locomotive Engineer, KiwiRail, 25 years
29/10/84	Robert Brydone, Locomotive Engineer, KiwiRail, 25 years
29/10/79	Peter Marshall, Network, 30 years
31/10/79	Stephen Leary, Network, 30 years

Railway Motorcycle Rally

FRIDAY 6TH TO SUNDAY 8TH NOVEMBER

2 Belt Road Seaside Holiday Park New Plymouth
Get in early to book your accommodation 06 758 2379. Cheap drinks and good food to be had.

ENQUIRIES TO:

Phil Simmons 021 124 8337 or 07 544 0773
Maurie Bridge 027 280 9839 or 06 758 0307

REGISTRATION BY: 31 October

\$25 registration fee for the weekend (does not include accom).

Friday night - rally badge, mix & mingle, bbq & cheap drinks

Saturday - ride, golf, shopping, dinner

Sunday - breakfast

130 years of the Otago Central Railway

Details on the 130th anniversary of turning the first sod of the Otago Central Railway (now part of the Taieri Gorge Railway) can be found on www.dunedintrainfestival.co.nz

Te Kupenga Mahi

HUI-A-TAU - 16-18 OCTOBER 2009

Te Kuratini Marae, Massey University Campus, Wellington

For more information contact:

Sam Kahui - 021 242 6055

Darin Campbell - 021 366 008

Percy Williams - 021 211 9109

Celebrating 20 years of networking