

KiwiRail commits to continuing Capital Connection service

KiwiRail has today announced that it will continue to operate the Capital Connection service for another two years before making a final call on whether or not it will be closed.

“KiwiRail has been working with other parties on the long-term viability of the Capital Connection service, but ultimately its future depends on more people using it every day.

“KiwiRail is very aware of the public preference for the continued operation of the daily commuter service by a train, and has made the decision to continue the service for another two years, before reviewing it again in June 2015,” says KiwiRail’s General Manager, Passenger, Deborah Hume.

To minimise the losses the service is currently making, KiwiRail will continue to run the Capital Connection with minimum capital investment and annual fare increases with a view to seeing if the service can at least break even, Ms Hume says.

“An annual review of the service will be conducted and KiwiRail is committed to continuing the service until June 2015 unless annual losses exceed \$1 million.”

“In order for KiwiRail to break even by 2015, daily patronage needs to have increased by 61 passengers in each direction and the average ticket prices need to be 40 percent higher. In practise that will see KiwiRail attempting to grow patronage while increasing fares about 10 percent year on year. We know this will be very challenging,” says Ms Hume.

In the intervening time KiwiRail will continue to undertake marketing activities to grow patronage and ensure service costs are optimised and tightly controlled.

“The future of the Capital Connection had been in the balance for more than six months, and during KiwiRail’s various discussions with a number of parties to look at options to fund and manage the service in the future, strong support for the train was expressed from many in the geographic market it serves.

“Growing patronage will be crucial for the survival of the train. If we don’t have continued support and additional passenger growth, the commercial viability of the service becomes very challenging. If we don’t have enough people using it to cover the cost of running it, the service won’t survive. We ask customers and the respective Councils to advocate within their communities to increase patronage and translate the strong calls to retain the service into more people using it every day.”

Currently, the average passenger ticket price is \$10.29 (i.e. the average of all fare types for all section lengths along the route). The daily average number of passengers traveling from Otaki station and north is 174 (60 percent), and from Waikanae station and south is 116 (40 percent).

“We are pleased to be able to offer Capital Connection passengers more certainty around the operation of the service and I would like to take this opportunity to personally thank them for their patronage and continuing support,” says Ms Hume.

ENDS

Issued by KiwiRail (Contact: Sophie Lee, Senior Communications Advisor, KiwiRail (04) 498 3181 or (027) 435 9464 sophie.lee@kiwirail.co.nz)