

# HALF-YEAR REPORT

1 JULY 2025 - 31 DECEMBER 2025



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# Chair's Report

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I am pleased to present this half-yearly report for the New Zealand Railways Corporation (“Corporation”) for the six months ended 31 December 2025.

In the six months ended 31 December 2025, the Corporation has continued to support a sustainable rail business in New Zealand.

As set out in its Statement of Corporate Intent, the Corporation holds approximately 18,400 hectares of railway land on behalf of the Crown. It is not expected to derive any return from the land and is not expected to operate a rail business.

The Corporation continues to lease the railway land under a long-term lease (“Core Lease”) to KiwiRail Limited, a wholly owned subsidiary of KiwiRail Holdings Limited (“KiwiRail”), for nominal consideration to enable KiwiRail to enjoy the commercial benefit of the land and support the Crown’s investment in rail operations as a whole. The Core Lease gives KiwiRail a secure leasehold tenure over the railway land until the end of 2070.

To minimise costs and avoid duplication of work with KiwiRail, there is a Management Agreement under which KiwiRail provides corporate and administrative services to the Corporation for a nominal charge. The unaudited half-yearly financial statements attached to this report show that the Corporation’s operating costs have been fully offset by the charge payable by KiwiRail in accordance with the Management Agreement.

Excluding timing differences, year-to-date operating costs are generally in line with budget.

**Suzanne Tindal**  
Chair

New Zealand Railways Corporation  
**Statement of Comprehensive Revenue and Expense**  
For the six months ended 31 December 2025

	Note	6 months ended 31 Dec 2025 (Unaudited)	6 months ended 31 Dec 2024 (Unaudited)	Year ended 30 June 2025 (Audited)
		\$000	\$000	\$000
Operating revenues	2	78	66	193
Operating expenses	3	(78)	(66)	(193)
<b>Operating surplus</b>		-	-	-
Net gain on sale of land	4	-	-	5
<b>Net surplus</b>		-	-	<b>5</b>
<b>Other comprehensive revenue and expense</b>				
Revaluation of property, plant and equipment		-	-	-
<b>Total comprehensive revenue and expense</b>		-	-	<b>5</b>

The accompanying notes form part of these financial statements.

New Zealand Railways Corporation  
**Statement of Financial Position**  
As at 31 December 2025

	31 Dec 2025 (Unaudited)	31 Dec 2024 (Unaudited)	30 June 2025 (Audited)
	\$000	\$000	\$000
<b>Current assets</b>			
Cash and cash equivalents	1	1	1
Trade and other receivables	30	-	3
Prepayment	16	28	-
Assets held for sale	1,228	1,228	1,228
	<b>1,275</b>	<b>1,247</b>	<b>1,232</b>
<b>Non-current assets</b>			
Property, plant and equipment	4,316,603	4,300,130	4,304,226
	<b>4,316,603</b>	<b>4,300,130</b>	<b>4,304,226</b>
<b>TOTAL ASSETS</b>	<b>4,317,878</b>	<b>4,301,377</b>	<b>4,305,458</b>
<b>Current liabilities</b>			
Trade and other liabilities	30	-	3
Unearned revenue	16	18	-
	<b>46</b>	<b>18</b>	<b>3</b>
<b>Equity</b>			
Equity capital	1,532,446	1,532,446	1,532,446
Retained earnings	(1,290,696)	(1,307,172)	(1,303,073)
Asset revaluation reserve	4,078,082	4,076,085	4,076,082
	<b>4,317,832</b>	<b>4,301,359</b>	<b>4,305,455</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>4,317,878</b>	<b>4,301,377</b>	<b>4,305,458</b>



**Suzanne Tindal**  
Chair  
19 February 2026



**Nicola Greer**  
Director  
19 February 2026

The accompanying notes form part of these financial statements.

New Zealand Railways Corporation  
**Statement of Changes in Equity**  
For the six months ended 31 December 2025

	Note	Equity Capital	Retained Earnings	Asset Revaluation Reserve	Total
		\$000	\$000	\$000	\$000
<b>As at 1 July 2024 (Audited)</b>		<b>1,532,446</b>	<b>(1,316,944)</b>	<b>4,076,085</b>	<b>4,291,587</b>
Net surplus for the period		-	-	-	-
<b>Other comprehensive revenue and expense</b>					
Revaluation of property, plant and equipment		-	-	-	-
<b>Total comprehensive revenue and expense</b>					
<b>Transactions with owners</b>					
Sale and purchase of land	4	-	9,772	-	9,772
<b>As at 31 December 2024 (Unaudited)</b>		<b>1,532,446</b>	<b>(1,307,172)</b>	<b>4,076,085</b>	<b>4,301,359</b>
Net surplus for the period		-	5	-	5
<b>Other comprehensive revenue and expense</b>					
Revaluation of property, plant and equipment		-	3	(3)	-
<b>Total comprehensive revenue and expense</b>			<b>8</b>	<b>(3)</b>	<b>5</b>
<b>Transactions with owners</b>					
Sale and purchase of land	4	-	4,091	-	4,091
<b>As at 30 June 2025 (Audited)</b>		<b>1,532,446</b>	<b>(1,303,073)</b>	<b>4,076,082</b>	<b>4,305,455</b>
Net surplus for the period		-	-	-	-
<b>Other comprehensive revenue and expense</b>					
Revaluation of property, plant and equipment		-	-	-	-
<b>Total comprehensive revenue and expense</b>					
<b>Transactions with owners</b>					
Sale and purchase of land	4	-	12,377	-	12,377
<b>As at 31 December 2025 (Unaudited)</b>		<b>1,532,446</b>	<b>(1,290,696)</b>	<b>4,076,082</b>	<b>4,317,832</b>

The accompanying notes form part of these financial statements.

New Zealand Railways Corporation  
**Statement of Cash Flows**  
For the six months ended 31 December 2025

	6 months ended 31 Dec 2025 (Unaudited)	6 months ended 31 Dec 2024 (Unaudited)	Year ended 30 June 2025 (Audited)
	\$000	\$000	\$000
<b>Cash flows from operating activities</b>			
<i>Proceeds from:</i>			
Receipts from customers from non-exchange transactions	64	45	151
<i>Proceeds utilised for:</i>			
Payments to suppliers and employees	(64)	(45)	(151)
<b>Net cash flow from operating activities</b>	-	-	-
<b>Cash flows from investing activities</b>			
<i>Proceeds from:</i>			
Sale of land	-	-	7
<i>Proceeds utilised for:</i>			
Purchase of land	(12,377)	(9,772)	(13,870)
<b>Net cash flow from investing activities</b>	<b>(12,377)</b>	<b>(9,772)</b>	<b>(13,863)</b>
<b>Net cash flows from financing activities</b>			
<i>Proceeds from:</i>			
Equity injection from Shareholders	12,377	9,772	13,870
<i>Proceeds utilised for:</i>			
Equity withdrawal by Shareholders	-	-	(7)
<b>Net cash flow from financing activities</b>	<b>12,377</b>	<b>9,772</b>	<b>13,863</b>
<b>Net decrease in cash and equivalents</b>		-	-
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1</b>	<b>1</b>	<b>1</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1</b>	<b>1</b>	<b>1</b>

The accompanying notes form part of these financial statements.

New Zealand Railways Corporation  
**Notes to the Financial Statements**  
For the six months ended 31 December 2025

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**1. CORPORATION INFORMATION**

**(a) REPORTING ENTITY**

New Zealand Railways Corporation (“Corporation”) is a statutory corporation established pursuant to the New Zealand Railways Corporation Act 1981 and is included within the First Schedule of the State-Owned Enterprises Act 1986. The Corporation is designated as a Public Sector Public Benefit Entity (“PBE”) defined as “a reporting entity whose primary objective is to provide goods and services for community or social benefit and where equity has been provided with a view to supporting that primary objective rather than for a financial return to equity holders”. The Corporation’s parent is the New Zealand Crown.

The primary objective of the Corporation is to make available approximately 18,400 hectares of railway land to KiwiRail Limited to enjoy the commercial benefit of the land for nominal consideration.

The unaudited, condensed interim financial statements are for the six months ended 31 December 2025 (“the interim financial statements”) and were authorised for issue by the Board of Directors on 19 February 2026.

**(b) BASIS OF PREPARATION**

**Statement of compliance**

The interim financial statements have been prepared in accordance with PBE IAS 34 Interim Financial Reporting. They meet the requirements of the New Zealand Railways Corporation Act 1981 and the State-Owned Enterprises Act 1986.

The interim financial statements do not include all information and disclosures required in the annual financial statements and should be read in conjunction with the audited financial statements for the year ended 30 June 2025 included in the Corporation’s Annual Report.

The financial statements have been prepared on a historical cost basis, except for land that is measured at fair value.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000) unless otherwise stated.

**Accounting policies**

All accounting policies have been applied on a basis consistent with those used and described in the audited financial statements for the year ended 30 June 2025.

New Zealand Railways Corporation  
**Notes to the Financial Statements**  
For the six months ended 31 December 2025

**2. OPERATING REVENUES**

	<b>6 months ended 31 Dec 2025 (Unaudited)</b>	<b>6 months ended 31 Dec 2024 (Unaudited)</b>	<b>Year ended 30 June 2025 (Audited)</b>
	\$000	\$000	\$000
Operating revenues from non-exchange transactions	78	66	193
<b>Total operating revenues</b>	<b>78</b>	<b>66</b>	<b>193</b>

Operating revenue consists solely of management fees charged to KiwiRail Holdings Limited (KHL) under the Management Agreement. In accordance with the Management Agreement any operating costs incurred by the Corporation are charged to KHL as management fees, such that the Corporation makes no operating surplus or deficit.

*Revenue recognition*

Revenue is measured at the fair value of the consideration received or receivable by the Corporation and represents amounts receivable for goods and services provided in the normal course of business once significant risk and rewards of ownership have been transferred to the buyer.

**3. OPERATING EXPENSES**

	<b>6 months ended 31 Dec 2025 (Unaudited)</b>	<b>6 months ended 31 Dec 2024 (Unaudited)</b>	<b>Year ended 30 June 2025 (Audited)</b>
	\$000	\$000	\$000
Directors' fees	60	36	76
Insurance	18	21	42
Audit fees	-	9	52
Professional fees	-	-	19
Other expenses	-	-	4
<b>Total operating expenses</b>	<b>78</b>	<b>66</b>	<b>193</b>

New Zealand Railways Corporation  
**Notes to the Financial Statements**  
For the six months ended 31 December 2025

**4. SALE AND PURCHASE OF LAND**

From time to time the Corporation may sell parcels of railway land. Under the lease agreement with KiwiRail Limited (part of the KiwiRail Holdings Limited Group (“the Group”)) entered into on 31 December 2012, the Group may identify railway land that should be sold and request the Corporation to sell it or surrender it from the lease. The sale proceeds are provided to the Group to support its business as the State-Owned Enterprise responsible for the financial performance of the Crown’s investment in rail operations. The Corporation may incur an accounting loss following a sale of railway land because the value of the land is in the Corporation’s asset base.

Where land has previously been revalued any gain or loss is based on the valuation and any revaluation reserve relating to the land sold is released through the Statement of Changes in Equity.

Similarly, the Group can identify new parcels of land that are required for rail purposes. The Group will fund the acquisition of the land and can transfer it to the Corporation to be included within the lease.

The sale and purchase of land are treated as common control transactions as the Crown is the ultimate parent of the Group and the Corporation. The sale of the Corporation’s land and the transfer of the proceeds is regarded as a reduction in equity of the Corporation whilst the Group’s acquisition of land for the Corporation is treated as an increase in equity of the Corporation.

The following represents the financial impact of land sold and purchased after the vesting date which impacts the current financial period.

	6 months ended 31 Dec 2025 (Unaudited)	6 months ended 31 Dec 2024 (Unaudited)	Year ended 30 June 2025 (Audited)
	\$000	\$000	\$000
Net proceeds from land sold	-	-	(7)
Cost of land acquisitions	12,377	9,772	13,870
<b>Net impact of sale and purchase of land charged to equity</b>	<b>12,377</b>	<b>9,772</b>	<b>13,863</b>

	6 months ended 31 Dec 2025 (Unaudited)	6 months ended 31 Dec 2024 (Unaudited)	Year ended 30 June 2025 (Audited)
	\$000	\$000	\$000
Carrying value of land sold/transferred	-	-	(3)
Net proceeds from sale of land	-	-	8
<b>Net gain on sale and purchase of land recognised in Statement of Financial Performance</b>	<b>-</b>	<b>-</b>	<b>5</b>

**5. CONTINGENT LIABILITIES**

**Treaty of Waitangi claims**

Claims lodged under the Treaty of Waitangi Act 1975, in respect of land and other assets currently or previously administered by the Corporation, have not been recognised in these financial statements. Since 1 July 1993 such claims are considered to be the responsibility of the Crown rather than that of the Corporation and administered by the Office of Treaty Settlements, Ministry of Justice. The outcome of these claims is uncertain at this stage and an estimate of financial effect is not practicable.



