



Ministerie van Infrastructuur  
en Waterstaat



# NL Maintenance and Renewal of Railway infrastructure

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# Maintenance and renewal of railways infrastructure (MR)

## Table of content

- > 1. Introduction
- > 2. Developments, demand
- > 3. Financial impact
- > 4. Feasibility
- > 5. Governance. And measures : Basis kwaliteits niveau
- > 6. EU Legal framework, role of the MS
- > 7. Potential EU (rail directors) railway policy dimension



# 1. Introduction maintenance and renewal railway infrastructure

- › Rising demand, key requirement to enable further growth and reliability of rail traffic
- › the number 1 are of financial intervention by the EU MS
- › Less political / attractive:
  - Rerouting for passengers, delays;
  - No new infrastructure route(s);
  - Budgetary pressures
  - Limited EU dimension



## 2. Increase of maintenance & renewal costs

- › Factors:
  - Increasing share of infrastructure that needs renewal => more work to be done.
  - Growing intensity of infrastructure use => more work to be done.
  - Increasing requirements. For example with respect to external safety, working conditions, conservation of nature, sustainability, climate change et cetera => increase of costs and/or more work to be done.
  - Inflation => costs have increased significantly (even with the same amount of work)
  
- › This leads to budgetary concerns, but also to concerns about the 'feasibility' of the total portfolio of work => shortage of staff in all sectors of economy (in rail sector also in specific jobs such as electricians).
  
- › It was necessary to increase budget for maintenance and renewal, but also to find ways to keep the total portfolio affordable and feasible.
  
- › In close cooperation with ProRail (our infra manager) we have taken a critical look at what is minimally required => a so called basic quality level: a stable, long-term and robust maintenance level, so that we can continue to operate trains safely and reliably.



## 3.1 Financial context MR

NL figures 2023

- › Expenditures MR€2358mln (€2028mln subsidy + €330mln from infrastructure charges)
- › Investments in railway infrastructure: €710mln
- › Turnover RU sector (freight / passenger): app. €4.500mln
- › Turnover RU IM sector:  $4500+2028+710 = 7238$
- › RU subsidies : €78mln. PSO €57mln, coordination of transport €21mln
- › Total government expenditures rail: €2816mln (2028+710+78)
- › EU funding CEF (new infrastructure), RRF.

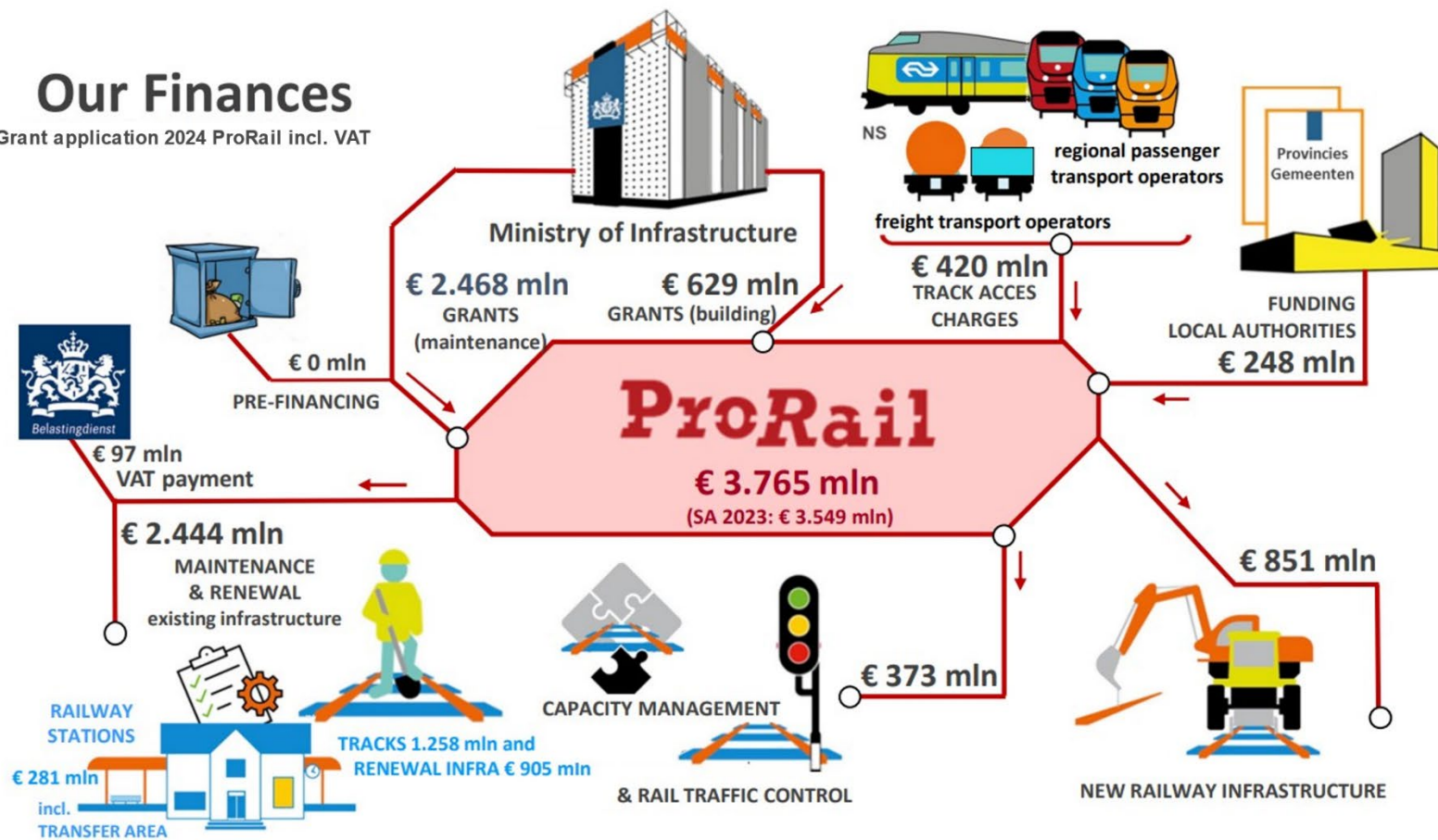
Therefore:

- › Government budget for Maintenance and renewal accounts for 86% of total expenditures MR
- › MR accounts for 73% of total IM subsidy
- › IM subsidies account for 98% of government contribution to railways
- › MR accounts for 33% of rail sector turnover (RU / IM)



# Our Finances

Grant application 2024 ProRail incl. VAT



**ProRail**



## 3.2 Share of maintenance and renewal costs in expenditure

<b>Period*</b>	<b>M&amp;R (average/year)</b>	<b>Construction (average/year)</b>	<b>Total (average/year)</b>	<b>% M&amp;R</b>
2009 – 2011 <sup>1</sup>	1,47 bln.	0,84 bln.	2,31 bln.	63%
2014 – 2016 <sup>2</sup>	1,30 bln.	0,94 bln.	2,24 bln.	58%
2019 – 2021 <sup>3</sup>	1,47 bln.	0,43 bln.	1,9 bln.	77%
2022 – 2024 <sup>4</sup>	2,06 bln.	0,47 bln.	2,53 bln.	81%
2026 – 2028 <sup>5</sup>	2,42 <i>bln.</i>	0,49 <i>bln.</i>	2,91 <i>bln.</i>	83%

\*) Periods of 3 years due to fluctuations in expenditures in specific years

1) Source: national budget 2010 (price level 2009)

2) Source: national budget 2015 (price level 2014)

3) Source: national budget 2020 (price level 2019)

4) Source: national budget 2024 (price level 2023)

5) Forecast (not decided yet)



## 4. Feasibility aspects M+R

- > Rising volumes 2026-2030.
- > Shortage materials, labour market, inflation, regulations
- > More capacity needed for TCR's, possessions
- > Cooperation IM / RU / contractors / stakeholders is essential.
- > Labour market :
  - Work at night
  - Legacy technology
  - Specific expertise required .
- > Capacity infrastructure:
  - International coordination, role RFC's
  - Ambition for growth international rail as sustainable transport mode
  - Parallel track works and rail traffic
- > Experience other networks?





## 5. 1.a Governance

› Dutch “Railway law”: government grants concession to a infrastructure manager (containing):

- a) Maintenance and renewal
- b) Fair, non-discriminatory and transparent capacity allocation;
- c) Traffic control
- d) Advice to ministry
- e) Construction of new rail infrastructure and stations



› Granted for 10-year periods (without tendering).

› Concession contains all kinds of conditions and agreements that ProRail must meet.

- Annual management plan, half-yearly accountability reports, performance indicators, improvement programs, benchmarks etc.
- Aim: continuous improvement of performance, output based when possible, input based when not possible.

› ProRail receives a yearly lump sum subsidy for tasks a, b c and d.

› Ministry of infrastructure decides about new infrastructure => subsidy per project tot ProRail.

› Ministry is also 100% share holder of ProRail (a private limited company).



## 5. 1b. Governance

- › 7 Performance indicators, a.o.:
  - ‘punctuality of passengers’ measured against 5 and 15 minutes of scheduled arrival at destination.
  - ‘high impact disruptions’ of the infrastructure
  - Customer satisfaction of railway operators
  
- › 40+ Information indicators, a.o.
  - General information: train kilometers, number of requested train paths etc.
  - Safety and Environment: collisions, derailments, work safety incidents, environmental violations, CO2-emissions etc.
  - Reliability / Punctuality: train punctuality, cancellations, time in transit of international freight trains, recovery time after disturbance etc.
  
- › Transparency with online dashboard





## 5.2 Measure: Basiskwaliteitsniveau spoor

- Purpose: feasibility and financing
- More M+R
- Scope reduction, mitigation M+R
- Analyse efficiency of M+R and prepare proposals
- Starting point: assets that must be replaced should be renewed and financed, ensure safe and reliable operations
- Impact on railway undertakings: more Temporary Capacity Restrictions due to works, reroutings



## 6. International dimension

- › Potential issues for cooperation, policy issues:
  - Address relation maintenance & renewal / railway performance / capacity utilisation and productivity
  - Strategy, including multi-annual contracts infrastructure management
  - Innovation, productivity of track works
  - Safety of track workers;
  - maintenance industry



# 7. Questions

- Q1. What is your main challenge in maintenance and renewal program / budget / framework?
- Q2. DO you see issues of common interest?