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National strategy needed to address NZ rail workforce gaps

A new report launched today by the Australasian Railway Association (ARA) and New Zealand's Hanga-Aro-Rau Workforce Development Council outlines the need for a national strategy to build a skilled, resilient and diverse rail workforce for New Zealand.

Released at the ARA's RailNZ 25 conference in Auckland, the *Building New Zealand Rail Skills for the Future* report makes several key recommendations, including that the government review the New Zealand Rail Network Investment Programme to ensure long-term certainty for the industry.

The report, prepared by PwC, also recommends procurement frameworks and policies be reviewed to prioritise local workforce development as well as regulatory reform to enhance interoperability and reduce barriers to adopting new technologies.

ARA CEO Caroline Wilkie said the report provides a blueprint to overcome mounting workforce pressures, including an ageing workforce, skills shortages and limited training pathways.

"This report lays the groundwork for a national rail workforce strategy to address critical skills gaps, particularly in highly specialised areas, that will support long-term infrastructure delivery and meet future demand for rail services," Ms Wilkie said.

"With more than one in four rail workers expected to retire in the next decade in New Zealand, now is the time to implement forward-thinking measures that support a more sustainable rail workforce."

The report – which found only 27 per cent of rail organisations offer apprenticeships or scholarships – also recommends increasing attraction and retention rates through diversity initiatives, reshaping outdated perceptions of rail, and developing rail courses at university to help expand entry pathways.

Deputy Chief Executive of the Hanga-Aro-Rau Workforce Development Council for the manufacturing, engineering and logistics sectors, Samantha McNaughton, said the future of New Zealand's rail sector hinges on a skilled, future-ready workforce.

"This report highlights the critical need for coordinated action to attract and retain talent, invest in training, and align workforce development with our infrastructure ambitions," Ms McNaughton said.

"At Hanga-Aro-Rau, we are committed to working alongside industry to ensure that rail careers are accessible, inclusive, and resilient to the challenges ahead."

The report notes the industry is experiencing rapid technological advancements, with digitalisation, automation, and sustainability initiatives transforming rail operations. It says rail operators, government and education providers must collaborate to support skills in specific areas such as digital signalling, traction maintenance, and cyber-secure operations.

"To remain competitive and future-ready, New Zealand must prioritise workforce upskilling, international collaboration, and investment in training pathways aligned with sector needs. Ensuring a sustainable pipeline of skilled workers will be critical in supporting ongoing infrastructure investment and rail expansion projects," the report states.

Building New Zealand Rail Skills for the Future

Key Findings and Challenges:

- **Skills Shortages and an Ageing Workforce:**
 - More than one in four people in the rail workforce is likely to retire within the next 10 years, creating an urgent need for succession planning and recruitment strategies.
 - Specialist skills, including signalling engineering, overhead traction, and digital rail systems, remain in high demand but are difficult to source locally.
- **Limited Education and Training Pathways:**
 - New Zealand lacks dedicated vocational education and university qualifications for rail engineering and operations.
 - While vocational training exists, sector engagement with tertiary education providers remains inconsistent, limiting whole-of-workforce development opportunities.
- **Barriers to Talent Attraction and Retention:**
 - The sector struggles with low awareness among young professionals, outdated perceptions of rail careers, and limited pathways for career progression.
 - Flexible working arrangements and more diversity initiatives are needed to improve workforce retention and inclusion.
- **Technological and Digital Transformation:**
 - The sector's move towards digital signalling, automation, and predictive maintenance requires new skills in data analytics, cybersecurity, and digital engineering.
 - Without proactive training initiatives, the existing workforce may struggle to build the expertise needed for future rail operations.
- **Fragmented Investment and Workforce Planning:**
 - The cyclical and uncertain nature of infrastructure funding has led to workforce instability, with inconsistent demand for skills.
 - A long-term, bipartisan rail investment strategy is essential to provide stability and support workforce planning.

Download the [Full Report](#) and [Summary](#) of *Building New Zealand Rail Skills for the Future*.

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