



BRIEFING

Revisiting the Upgrade of Oparara Arches and Access Road Funding Decision

Date:	29 April 2019	Priority:	Medium
Security classification:	In Confidence	Tracking number:	3259 18-19

Action sought		
	Action sought	Deadline
Hon Grant Robertson Minister of Finance	Agree to the recommendation in this briefing	2 May 2019
Hon Phil Twyford Minister of Transport	Agree to the recommendation in this briefing	2 May 2019
Hon David Parker Minister for Economic Development	Agree to the recommendation in this briefing	2 May 2019
Hon Shane Jones Minister for Regional Economic Development	Agree to the recommendation in this briefing	2 May 2019
Fletcher Tabuteau Parliamentary Under-Secretary to the Minister for Regional Economic Development	For information only	N/A

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Kate Styles	Manager, Regional Development (Central/South)	Privacy of natural persons	
Penny Bicknell	Principal Regional Advisor	-	✓

**The following departments/agencies have been consulted**

Department of Conservation

Minister's office to complete: Approved Declined Noted Needs change Seen Overtaken by Events See Minister's Notes Withdrawn**Comments****BRIEFING****Revisiting the Upgrade of Oparara Arches and Access Road Funding Decision**

Date:	18 April 2019	Priority:	Medium
Security classification:	In Confidence	Tracking number:	3259 18-19

Purpose

- On 12 November 2018 Cabinet approved \$5.7 million Provincial Growth Fund (PGF) funding for the upgrade of the Oparara Arches and Access Road at Karamea on the West Coast (DEV-18-MIN-0256 & CAB-18-MIN-0562 refer). There are new costings for the project and this briefing recommends that Regional Economic Development (RED) Ministers reallocate the \$5.7 million grant between the two components of the project on the following basis:

Component of Project	Approved PGF allocation 12/11/2018 (\$m)	Recommended New PGF Allocation (\$m)
Upgrade of Oparara Arches	\$ <small>Commercial Infor</small>	\$ <small>Commercial Infor</small>
Upgrade of Arches Access Road	\$ <small>Commercial Infor</small>	\$ <small>Commercial Infor</small>
Total PGF Funding	\$5.700	\$5.700



Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

a **Note** that on 12 November 2018 Cabinet approved \$5.7 million Provincial Growth Fund funding for the upgrade of the Oparara Arches and Access Road at Karamea on the West Coast consisting of:

- i. \$ Commercial Information for the upgrade of the Oparara Arches tracks and other amenities.
- ii. \$ Commercial Information for the upgrade of the Oparara Arches access road

Noted

b **Agree** to reallocate the \$5.700 million Provincial Growth Fund funding for the Upgrade of the Oparara Arches at Karamea on the following basis:

- i. \$ Commercial Information for the upgrade of the Oparara Arches tracks and other amenities
- ii. \$ Commercial Information for the upgrade of the Oparara Arches access road.

Agree/Disagree

Privacy of natural persons



Kate Styles
**Manager, Regional Development
(Central/South)**
Provincial Development Unit, MBIE

Hon Grant Robertson
Minister of Finance

29/4/19

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Hon Phil Twyford
Minister of Transport

Hon David Parker
Minister for Economic Development

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Hon Shane Jones
Minister for Regional Economic Development

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Reallocating the Oparara Arches Upgrade Funding

2. On 12 November 2018 Cabinet approved \$5.7 million Provincial Growth Fund (PGF) funding for the upgrade of the Oparara Arches and Access Road at Karamea on the West Coast (DEV-18-MIN-0258 & CAB-18-MIN-0562 refer). Cabinet approved the \$5.7 million funding for the upgrade of the Oparara Arches and access road at Karamea on the following basis:
- \$^{Commercial Information} grant for the upgrade of the Oparara Arches tracks and facilities.
 - \$^{Commercial Information} grant in principle, depending on what funding might be available from the New Zealand Transport Agency (NZTA), to upgrade the McCallums Mill Road access to the Oparara Arches at Karamea, with the final decision to upgrade the road made by RED Delegated Ministers in line with their delegations.
3. Tourism West Coast (working with the Oparara Valley Trust - OVT) is the applicant for this project. The funding will, however, be transferred to the Department of Conservation (DOC) through a memorandum of understanding. DoC will assume responsibility for the management and implementation of the project.
4. Since the Cabinet decision, the Provincial Development Unit (PDU) has received updated costings for both the upgrade of the Arches tracks and facilities and the access road. The new costings have been fine-tuned to ensure they remain within the original PGF funding envelope. The following tables set out the old and new funding parameters for the Arches upgrade:

Funding Available

Component of Project	Approved PGF allocation 08/11/2018 (\$m)	Recommended New PGF Allocation (\$m)	Comment
Upgrade of Oparara Arches	\$ ^{Commercial Info}	\$ ^{Commercial Info}	This substantial reduction reflects scaling down of this component of the project to better preserve the unique character of the Arches area while still ensuring safe yet unobtrusive visitor access.
Upgrade of Oparara Arches Access Road	\$ ^{Commercial Info}	\$ ^{Commercial Info}	The access road has a low safety rating with 47 vehicle incidents in 2017 (although reported injuries are rare). The extra expenditure will greatly improve the safety of the road and visitors' experience.
Total PGF Funding	\$5.700	\$5.700	
Other funding available ^{Commercial Information}	\$ ^{Commercial Info}	\$ ^{Commercial Info}	
Total funding available	\$ ^{Commercial Info}	\$ ^{Commercial Info}	

Project Costings

5. The Provincial Development Unit recommends that you agree to reallocate the \$5.700 million Provincial Growth Fund funding for the Upgrade of the Oparara Arches at Karamea on the following basis:
- a. \$^{Commercial Information} for the upgrade of the Oparara Arches tracks and other amenities (down from \$^{Commercial Information})
 - b. \$^{Commercial Information} for the upgrade of the Oparara Arches access road (up from \$^{Commercial Information}).

PROACTIVELY RELEASED