



## **Napier to Wairoa variation for storm damage (Hawke’s Bay)**

### **Executive summary**

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The Napier to Wairoa rail project was announced in February this year and provides capital to reinstate the Napier to Wairoa line bringing it up to a safe operating standard that is suitable for lower speed forestry traffic. Note that \$5 million of PGF funding was confirmed for the project and work to reinstate the line on 26 February 2018.

In early March 2018, a localised weather event occurred in the area between Bayview and Tutira, with the Esk River breaking its banks. The event caused significant storm damage to the line and accordingly an additional \$1.2 million is sought from the PGF to fund these repairs. The total cost of the project is now \$6.2 million.

Key benefits of the project are closely linked to the benefits of the broader Napier to Wairoa line reinstatement. The project will support sustainable economic development, improve road safety and contribute to meeting climate change commitments by removing trucks off roads, and extend and improve freight infrastructure for forestry in the region.

Officials recommend that the application be approved subject to:

- a. the additional funding being included as a variation to the existing contract with KiwiRail for the broader PGF Napier to Wairoa project; and
- b. the additional funds only being used to address storm damage repairs to the line in the Eskdale area.

### **Project overview**

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103. Due to significant damage during a weather event, extra funds are required to address damage done to the rail line in the area between Bayview and Tutira and to assist in reinstating the Napier to Wairoa line.

#### **Regions covered by proposal**

104. Hawke's Bay – a surge region.

#### **Local support for proposal**

105. KiwiRail has been in discussion with Napier City Council and Hawke’s Bay Regional Council.

#### **Key milestones and outputs**

106. The key milestones and outputs of the project form part of the overall reinstatement project of the Napier to Wairoa line:

<b>Key Milestones</b>	<b>Estimated Date</b>
Commence works onsite (vegetation clearance)	Commercial Information
Completion of slip repair works at 203.6km	Commercial Information
Completion of bridge sleepers	Commercial Information



First work train to deliver sleepers	Commercial Information
First Ballast train	Commercial Information
Arrival of Tamper	Commercial Information
First EM80 run for geometry checks	Commercial Information
Second / final EM80 run	Commercial Information
Run NDT car	Commercial Information
Hand back Napier to Wairoa for ordinary service	Commercial Information
First train service (subject to commercial arrangements)	Commercial Information

### **Management and governance**

107. KiwiRail will take responsibility over project management and are experienced in running these types of projects. KiwiRail has strong risk management experiences, and risks will be managed in accordance with existing funding contract requirements.

### **Cost and funding sources**

108. The total project cost is \$6,200,000. The amount of PGF funding being requested is \$1,200,000 grant.

### **Assessment against the PGF criteria**

109. RED Ministers decided in February 2018 that the Napier to Wairoa project met the criteria for funding from the PGF.

### **Benefits**

110. Key benefits of the project are closely linked to the benefits of the broader Napier to Wairoa line reinstatement. The project will support sustainable economic development, improve road safety and contribute to meeting climate change commitments by removing trucks off roads, and extend and improve freight infrastructure for forestry in the region.

### **Risks**

111. The additional funding is a critical requirement of the broader Napier to Wairoa line reinstatement, if it is not funded the whole project will be at risk of non-delivery.

### **Next steps**

112. Officials recommend that the application be approved subject to:

- a. the additional funding being included as a variation to the existing contract with KiwiRail for the broader PGF Napier to Wairoa project; and



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- b. the additional funds only being used to address storm damage repairs to the line in the Eskdale area.

PROACTIVELY RELEASED