

‘Shovel ready’ Infrastructure Projects: Project Information Form

About this Project Information Form

The Government is seeking to identify ‘shovel ready’ infrastructure projects from the Public and certain Private Infrastructure sector participants that have been impacted by COVID 19.

Ministers have advised that they wish to understand the availability, benefits, geographical spread and scale of ‘shovel ready’ projects in New Zealand. These projects will be considered in the context of any potential Government response to support the construction industry, and to provide certainty on a pipeline of projects to be commenced or re-commenced, once the COVID 19 Response Level is suitable for construction to proceed.

The Infrastructure Industry Reference Group, chaired by Mark Binns, is leading this work at the request of Ministers, and is supported by Crown Infrastructure Partners Limited (CIP).

CIP is now seeking information using this Project Information Form from relevant industry participants for projects/programmes¹ that may be suitable for potential Government support. The types of projects we have been asked to consider is outlined in Mark Binns’ letter dated 25 March 2020.

CIP has prepared Project Information Guidelines which outline the approach CIP will take in reviewing and categorising the project information it receives (Guidelines).

Please submit one form for each project that you consider meets the criteria set out in the Guidelines. If you have previously provided this information in another format and/or as part of a previous process feel free to submit it in that format and provide cross-references in this form.

Please provide this information by 5 pm on Tuesday 14 April 2020.

As an initial task the Infrastructure Industry Reference Group has been asked to prepare a report on infrastructure projects/programmes that are ready for construction and could, if the Government deemed it appropriate, be deployed as part of a stimulatory package. It should be noted that the full impact of COVID 19 on the economy will not be known for some time, and the Government’s decision to accelerate any construction-related spend will be determined by its assessment of priorities at the time. This information is being sought in good faith, but no undertaking can be made that the criteria or any other considerations will not change or that any projects coming forward from the Reference Group will be accelerated, or any of the Reference Group’s recommendations adopted. This situation we all find ourselves in is truly dynamic.

This document relates to the gathering of project information only and is not a Notice of Procurement. It does not form part of any procurement process. It does not commit the Government or CIP to take any further steps, or provide any financial or other assistance, in connection with any information in response to this document or the projects to which that information relates.

¹ We refer to “projects” throughout. This term includes programmes of work in all cases.

Section 1: Key Information [Criteria 2 and 3]

1. Project Title: The Whale Trail ®

2. Please provide your details:

Organisation Name:	Marlborough Kaikōura Trail Trust		
Entity Type:	Charitable Trust		
Contact Name and Role:	Katherine Hume-Pike, Trust Executive Officer		
Email Address:	Privacy of natural persons	Telephone:	Privacy of natural persons

3. Please provide a very brief description of the infrastructure project:

[Briefly outline the project and confirm that it is an infrastructure project that provides a clear public benefit. You can include links to / sources of other project information]

The Whale Trail ® is a 194 kilometre cycling and walking path from Picton to Kaikōura. The Marlborough Kaikōura Trail Trust, (the Trust), was formed in December 2017 to develop, promote and construct the trail. Since then the Trust has completed a technical study, identifying the route and detailed project costs, and a business case that identified the project would deliver significant public benefit. A copy of the business case is attached. Specifically, the business case outcomes included a net economic benefit of \$23.1million at a regional level and \$27.2m at a national level. The business case concluded project would lead to significant job creation with an average of 42 full time jobs over a three-year construction phase and on average 137 full time jobs once the trail is operational. Business Case is Withheld as Not for Public Release

The trail will connect the communities of Picton, Blenheim, Seddon, Ward, Kekerengu, Clarence and Kaikōura. Building the trail would also complete a key part of the NZ’s cycling infrastructure with a vital link to Picton and the Cook Strait ferries which carry over a million passengers per year. The Whale Trail is unique in many ways, one of which is its potential to work in with the existing KiwiRail’s Coastal Pacific passenger train services from Picton to Kaikoura and the Marlborough Flyer, (a private train service running periodically on the main north line). It will provide a genuine alternative transport option for local users and visitors to the region, provide an easily accessible recreational asset and offer an exciting additional drawcard for visitors to Marlborough and Kaikōura.

The trail will be suitable for most walkers and riders, both local community users and visitors, including those on e-bikes. The trail will be designed consistent with guidelines for the New Zealand Cycle Trail and be generally Grade 2 (easy) with sections of Grade 1 (easiest) and occasional Grade 3 (intermediate) sections.

The project will build on existing infrastructure in the regions and encompass existing sections of walk/cycle trails around Blenheim and Kaikōura, follow quiet country roads and require new cross-country trails to be constructed. The proposed route follows private land, council land, DoC land, KiwiRail corridor, LINZ and road reserves. Users of the trail would include commuters, school children, bike packers and local and visiting walkers and cyclists using the trail as a multi-day experience or for a few hours.

The trail development is planned to be undertaken in sections prioritising those sections that are expected to have the most use, link to existing paths and infrastructure and have less development and permission risk. Each section would offer immediate and significant benefits to the community once completed. The phasing of construction is flexible and can be adapted to the availability and priority of the targeted funding.



Figures and \$ by MartinJenkins and Roam Consulting 20 December 2019



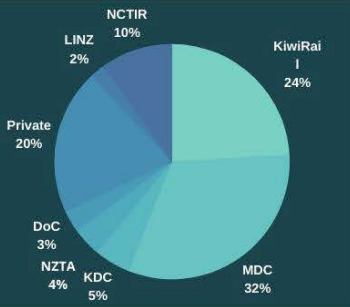
The Whale Trail

A world-class cycle trail that offers exceptional recreational experiences while providing wide-ranging and long-lasting benefits for our communities.

Benefits

1. Facilitating quake recovery
2. Building community connections and encouraging local recreational use in a sustainable environment
3. Increasing understanding of local taonga and history
4. Attracting new and regular visitors and encouraging them to spend more and stay longer
5. Increasing access to existing and new amenities
6. Completing the missing link in the South Island cycle trails
7. Encouraging and growing small and medium businesses

Trail



Capital Cost \$19.49M

Trail Development Costs	\$8.55M
Bridge Costs	\$9.40M
Trail Structures	\$0.50M
Development Costs	\$1.04M

Jobs



42 full time jobs per year over three years of construction



137 full time jobs per year over 28 years

Users

Year 4 (when trail complete) vs Year 2028

Category	Year 4 (when trail complete)	Year 2028
Local Users	5,720 locals use trail 50,000 times per year	9,216 by year 28
Regional Visitors	50,000 regional visitors per year	97,754 by year 28
International Tourists	6,750 international tourists per year	13,197 by year 28

Regional

\$367M additional visitor spend over 28 years

NPV \$23.1M

cost: benefit 1:2.0 internal rate of return 14%

Visitor benefits (GDP) \$40.6M
 \$4.33M Health benefits
 Consumer surplus \$795k

National

\$54.7M additional visitor spend over 28 years

NPV \$27.2M

cost: benefit 1:2.2 internal rate of return 15%

Visitor benefits (GDP) \$7.62M
 \$17.9M Health benefits
 Consumer surplus \$24.3M



Co-funding ...

Local \$2M	NZTA (potential) \$3.17M	PGF (application) \$14.33M
------------	--------------------------	----------------------------

Thank you from



4. This project will be located in which Territorial Authority:

Marlborough and Kaikōura

5. Please confirm the project sector, category and type of infrastructure: Construction and then local tourism

Project Sector	<input checked="" type="checkbox"/>
Accommodation	<input type="checkbox"/>
Agriculture, Horticulture and Forestry	<input type="checkbox"/>
Alcohol Availability	<input type="checkbox"/>
Bioscience and Biotechnology	<input type="checkbox"/>
Construction	<input checked="" type="checkbox"/>
Energy	<input type="checkbox"/>
Film and Television	<input type="checkbox"/>
Imports and Exports	<input type="checkbox"/>
Information communications and technology	<input type="checkbox"/>
Manufacturing and Production	<input type="checkbox"/>
Retail Trade	<input type="checkbox"/>
Tourism	<input checked="" type="checkbox"/>
Wholesale Trade	<input type="checkbox"/>
Central Government	<input type="checkbox"/>
Local Government	<input type="checkbox"/>
Other	<input type="checkbox"/>

Project Categories	<input checked="" type="checkbox"/>
Three waters	<input type="checkbox"/>
Transport	<input checked="" type="checkbox"/>
Buildings and Structures	<input type="checkbox"/>
Other infrastructure	<input type="checkbox"/>

Project Type	<input checked="" type="checkbox"/>
Critical infrastructure	<input type="checkbox"/>
New infrastructure	<input checked="" type="checkbox"/>
Replacement/refurbished infrastructure	<input type="checkbox"/>
Repurposed infrastructure	<input type="checkbox"/>

6. What is the total cost of the project (NZ\$M):

\$19.5m

7. Provide a high-level breakdown of this spend (e.g. construction costs, professional fees, land, other etc.):

A detailed budget has been completed for the project which looks at the Trail development, bridges and other trail infrastructure for each of the five discrete sections. The construction costs of the 40 bridges required are significant and have been estimated separately from the rest of the trail development. The required land access is by way easement or license and therefore no land is required to be purchased.

Table 1. The Whale Trail Capital Expenditure Estimate

	Trail Development (incl. contingency)	Bridge Costs	Trail infrastructure Toilets and Shelters	Other	Total Cost
1 Picton to Blenheim	\$ Commercial Information	\$ Commercial Information	\$ Commercial Information		\$ Commercial Information
2 Blenheim to Seddon	\$ Commercial Information	\$ Commercial Information	\$ Commercial Information		\$ Commercial Information
3 Seddon to Ward	\$ Commercial Information	\$ Commercial Information	\$ Commercial Information		\$ Commercial Information
4 Ward to Clarence	\$ Commercial Information	\$ Commercial Information	\$ Commercial Information		\$ Commercial Information
5 Clarence to Kaikōura	\$ Commercial Information	\$ Commercial Information	\$ Commercial Information		\$ Commercial Information
Subtotal	\$ Commercial Information	\$ Commercial Information	\$ Commercial Information		\$ Commercial Information
Construction Management				\$ Commercial Information	\$ Commercial Information
Interpretation, Branding				\$ Commercial Information	\$ Commercial Information
Consents, KiwiRail, Survey				\$ Commercial Information	\$ Commercial Information
Total Construction	\$ Commercial Information	\$ Commercial Information	\$ Commercial Information	\$ Commercial Information	\$ Commercial Information

It is estimated that the trail, excluding bridges will cost \$8.55m to construct including trail project management and contingency. The bridge costs are an additional \$9.40m and there is a further \$0.51m of trail infrastructure primarily toilets and shelters required. There are also the other project overhead and permission costs estimated to be \$1.04m.

More detail on each of these categories of costs is outlined below.

TRAIL DEVELOPMENT

The trail development costs include trail construction, fencing, culverts, traffic management plans, barriers, signs, underpasses, rail crossings and miscellaneous works. Price estimates are based on market rates or recent tenders for similar construction and include a % contingency.

Overhead items directly linked to constructing the trail such as design and surveying, project management of trail construction and building consents are also included.

The following table provides a breakdown of the trail development costs.

Table 2. Breakdown of Trail development Costs

Section	Track Formation	Gravel	Fencing	Structures Signage	Rail Crossing s	Project Mgt	Contingency	Total
1 Picton - Blenheim	Commercial Information	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Info	Commercial Inform	Commercial Inform	Commercial Information
2 Blenheim - Seddon	Commercial Inform	Commercial Info	Commercial Info	Commercial Info	-	Commercial Info	Commercial Info	Commercial Inform
3 Seddon - Ward	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Inform	Commercial Information
4 Ward - Clarence	Commercial Information	Commercial Inform	Commercial Inform	Commercial Info	Commercial Info	Commercial Inform	Commercial Inform	Commercial Information
5 Clarence - Kaikoura	Commercial Inform	Commercial Info	Commercial Info	Commercial I	-	Commercial Info	Commercial Info	Commercial Inform
Total	\$ Commercial Information	Commercial Inform	\$ Commercial Inform	\$ Commercial Inform	\$ Commercial Inform	\$ Commercial Inform	\$ Commercial Information	\$ Commercial Informa
% of cost	Comm %	Com %	Com %	Com %	Com %	Co %	Comm %	100%

Track formation

Approximately Commercial of the construction costs of the trail itself is the formation of the track. These costs cover the earthworks required to build the track and include the following:

- Clearing of vegetation
- Formation of track bench
- Cutting and filling to achieve the required track levels
- Installation of water tables, swales and culverts
- Stacked rock retaining walls
- Remediation alongside the track
- Disposal of spoil/slash

Gravel

These costs cover the surfacing of the track Commercial Information. The cost estimates include the purchase, transportation, laying of basecourse and laying and compaction of gravel.

Fencing

Fencing requirements vary depending on the requirements of landowners and activities adjacent to the trail. A generous rate has been included for fencing to reflect that fencing for cycle trails often requires a high proportion of strainers, stays and gates. Additional allowance has also been made for fencing alongside the railway to reflect KiwiRail’s specific requirements.

Structures and signage

These costs include cattle stops (where the trail passes through farmland), boardwalks, retaining walls, barriers, (chicane barriers allowed for at places where trail crosses a road and safer to slow cyclists down), and signage both on-trail for cyclists/walkers and on-road for vehicles.

Note the bridge structures have been costed separately.

Railway crossings

The trail will cross the railway several times mostly utilizing existing public crossings. Two new crossing points will be constructed, an underpass north of Ward and the upgrade of a private crossing north of Clarence.

Project Management

The Project Management for the trail area activities directly associated with the construction of the trail and cover liaising with landowners, preparation of build maps and notes, tendering of contracts, supervision of trail construction, structures and minor bridges, trail inspections and signoff. This is based on a percentage of capital works, based on that used for similar cycle trail projects.

Contingency

A contingency of ^{Comm}% has been budgeted for.

Commercial Information

This higher rate is to cover factors such as changing market conditions, a possible lack of local contractor experience in constructing cycle trails, the length of travel required for contractors, increased complexity of work in close proximity to the railway, SH1 or coastal areas.

TRAIL INFRASTRUCTURE – Shelters and toilets

The provision of additional trail infrastructure such as toilet and shelters has been based on the NZCT design guide which recommends that for Grad 1-2 trail there is a toilet every 7.5-10kms. One new shelter per section has also been budgeted for, which when taken in to account existing shelter areas, there will be some sort of shelter every 20kms along the trail (average distance 15kms). The budget also provides for a seat to be placed every 5km along the trail.

The Trust engaged a very experienced trail engineer Hamish Seaton ^{Privacy of natural persons}

. There has been significant fieldwork to explore and evaluate route options and determine the proposed route. Detailed inspections and documentation of the entire route proposed has been completed. The experience of the personnel involved together with the significant amount of work already undertaken mean we have a high degree of confidence in the estimated costs.

Detailed costings schedules are available if required.

BRIDGE COSTS

The Trail has 40 crossings over rivers and streams. Six are significant rivers that require structures attached to either a NZTA SH1 bridge (Wairau, Waima and Kekerengu Rivers) or a KiwiRail bridge (Awatere, Clarence and Hapuku). A seventh crossing over the Tirohanga Lagoon also requires a significant but independent structure.

The cost of these seven bridges is \$^{Commercial Info} which is ^{Comm}% of the overall bridge cost of \$^{Commercial Info}. The total bridge cost accounts for ^{Comm}% of the \$^{Commercial Inf} projected construction cost of the Trail.

A key component of the technical study for the Trail is an analysis of the bridge requirements and estimation of costs, risks and timeframes. The Trust has worked closely with NZTA and KiwiRail on trail's bridge requirements. The Trust was fortunate to be supported in this workstream by Ian Bond a retired professional civil engineer. ^{Privacy of natural persons}

The Bridge work has categorised the 40 crossings according to their complexity and to the asset owner of the host structure, if applicable.

1. Bespoke conceptual designs have been developed for all three structures that are proposed to be hosted by KiwiRail bridges and for the independent bridge to cross the Tirohanga lagoon. Preliminary designs have been developed by ^{Commercial Information}

KiwiRail collaborated with the Trust through the design process. With the conceptual issues resolved, KiwiRail has granted 'in Principle agreement' for the three major crossings where these structures will be attached to an existing KiwiRail bridge. These crossings constitute ^{Comm}% of the overall budget for all crossings.

2. There are three major crossings where structures are proposed to be attached to existing NZTA road bridges, referred to as 'clip-ons'. The Trust has worked with NZTA and their engineering consultant ^{Commercial} WSP has undertaken preliminary assessment of these three bridges and concluded that the substructures (the piers and/or piles) should be sufficient to support a cycleway structure independent of the superstructure.

Commercial has been responsible for designing similar cycleway bridge structures. The Trust and NZTA have agreed Commercial can be engaged, (by the Trust) to develop preliminary designs for the 'clip-on' structures for these bridges, and Commercial are currently working on the preliminary design for the Wairau River crossing. These crossings constitute Commercial % of the overall budget for all crossings.

3. The remaining crossing are small to medium bridges where there is generally a good basis of knowledge, standard designs that can be amended for specific locations and reliable benchmark costs. Medium crossings of 12-30m in length are generally steel trusses and single span up to 18m and either twin span or an arch truss where their length exceeds 18m. There are 19 simple short structures less 12m in length required to span across narrow creeks and irrigation ditches. The design concept is for simple and cost-efficient single span timber structures utilising timber stringers or poles with a timber deck.

OTHER PROJECT COSTS

In addition to direct development costs, Construction/Operational Management will be required to ensure that the project build progresses in an effective manner and with appropriate level of stakeholder management and governance. Project management and operational costs associated with the development of the trail are estimated to be \$ Commercial Informa

Installation of interpretation and storytelling information and signage along the route of trail will provide an opportunity for important natural, cultural and historical stories associated with the land, people and the trail to be told. This will provide an opportunity for local Iwi to choose to tell the stories of their lands and sites in a meaningful and sensitive manner. This aspect of the trail will greatly enhance the user experience. It is estimated that the initial expenditure on interpretation/story telling/branding will be \$ Commercial Informa Further installations are envisaged overtime which will be funded locally.

A further \$ Commercial Inform has been budgeted for consenting and permissions such approval for detailed design from KiwiRail.

8. Briefly outline the value the project will deliver in terms of employment contribution.

[Briefly describe the employment contribution the project will make (whether directly or within the supply chain). Further information can be provided in section 3]

The Whale Trail is expected to generate on average Commercial full-time jobs each year thought the construction phase assuming a Commercial construction programme. Adding operations and maintenance, and including jobs created through visitor activity over the project lifespan the proposed trail will sustain about Commercial full-time jobs each year.

Jobs are created during the construction phase of the trails and from providing services to users of the trail. There will also be maintenance work associated with the trail.

9. Briefly describe how the project is currently/intended to be funded:

Current Funding through Feasibility Phase

The Marlborough Kaikōura Trail Trust has received funding from Commercial Information and the PDU. In May 2019 the Provincial Development Unit provided a grant of up to \$322,000 on a co-funding basis specifically for the completion of the Technical study. The Technical study confirmed the route, provided a detailed construction cost and infrastructure requirements. A business case for the project was also undertaken by Commercial Information as part of this programme of work.

Construction Funding

Going forward the Marlborough District Council Long Term Plan has provided \$ Commercial towards construction of the trail as well as an annual contribution of \$ Commercial Info per annum for trail maintenance. The \$ Commercial Info is equal to Commercial of the ongoing trail maintenance costs.

Although Kaikōura District Council are very supportive of the project the council is facing very challenging financial circumstances, firstly still recovering from the earthquake and now with a significant reduction in tourism activity. 23% of Kaikōura work in the tourism sector and 40% of visitors to Kaikōura are international which was forecast to

grow to ^{Comm} % by 2025.

The Trust has liaised with NZTA, who are supportive of the project, refer attached letter of support, which refers to the potential for funding.

Following the completion of the Technical Study the Trust has applied to the PDU for a grant for the cost of the construction of the Trail less the MDC construction and any contribution that NZTA may provide.

10. Has this project previously applied for funding with any part of Government? Yes: No:

- If Yes, please describe which part of government (i.e. PGF, NZTA FAR etc.), the outcome of the discussions and who such discussions were with (what Ministry and official).

As outlined above the PDU has funded the technical study that confirmed the feasibility of the project. Following the completion of the Technical Study in February 2020 the Trust. Following completion of the technical study the Trust submitted an application for construction funding to the PDU through the Top of the South team, Regional Lead is Pip Jamieson.

There has been strong support for the project from several members of the NZTA both at a regional level and a national level. The Whale Trail is in RLTP for Marlborough. The project is also linked to a NZTA low cost low risk project within the NLTP 2018-2021 to build a 700 meter shared pathway for providing an alternative route for cyclists heading south on SH1 from Picton up the elevation.

Section 2: Construction Readiness [Criteria 1]

11. Please briefly explain the status of the project including confirmation that the project will fall into one of the three categories of readiness (see 12 below).

[Briefly describe project status]

Having established the feasibility of the project the Trust and MDC are now keen to get underway initially with construction of two sections of the Whale Trail being Picton to Blenheim and Blenheim to Seddon. The Kaikōura District Council also supports a partial construction of the Kaikōura to Clarence section which would be from Kaikōura township to the surf breaks “Meatworks” and “Spot X” north of the Hapuku River. All these sections are relatively straight forward to consent, with landowners’ permission already concluded or very close to being finalised. These sections would all deliver immediate and significant benefit to the communities. Whilst these initial sections are being progressed the Trust would work to get the required permissions in place for the remaining sections.

12. Confirm which of the following categories the project best falls into.

Status	✓	Further commentary (briefly set out barriers to commencement)
A. Projects which currently are (or were) in the construction phase but have been put on hold due to COVID 19 and are likely not to progress, or to progress at a much slower rate or scale/scope, if not supported post COVID 19	<input type="checkbox"/>	<i>[Insert your relevant commentary here]</i>
B. Projects which have a high expectation of commencing the construction phase within the next <small>Commercial Information</small> (by <small>Commercial Information</small>), but are unlikely to do so due to COVID 19	<input type="checkbox"/>	<i>[Insert your relevant commentary here]</i>
C. Projects which could have been expected to commence the construction phase within the next <small>Commercial Information</small> (by <small>Commercial Information</small>), but are unlikely to do so due to COVID 19	<input checked="" type="checkbox"/>	Some of our next steps require field inspections not possible under the current lock down conditions. We also anticipate that COVID 19 may potentially cause some delay in the processing of resource consent applications. Furthermore COVID 19 may impact on the availability of funds from the PDU.

13. Confirm the status of key milestones

Note as we are planning to progress the project in stages these Milestones are for the initial section.

Status		✓	Expected Date
Procurement	<i>Suitable tender complete</i>	<input type="checkbox"/>	
	<i>Tender evaluation in progress</i>	<input type="checkbox"/>	
	<i>Request for Tender in the Market</i>	<input type="checkbox"/>	
	<i>About to put out a Request for Tender to the market</i>	<input type="checkbox"/>	Commercial Info
Detailed Design	<i>Detailed Design Complete</i>	<input type="checkbox"/>	
	<i>Detailed Design Underway</i>	✓	Commercial Info
	<i>Detailed Design to commence</i>	<input type="checkbox"/>	
Designations/Consents	<i>Approved</i>	<input type="checkbox"/>	
	<i>Lodged</i>	<input type="checkbox"/>	Commercial Info
	<i>In preparation</i>	✓	
Land Acquired	<i>Yes No land will be purchased - Some of our land access agreements are signed and all others are currently being negotiated.</i>	✓	Various
	<i>Being negotiated under PWA (please indicate stage below)</i>	<input type="checkbox"/>	
	<i>Has not commenced</i>	<input type="checkbox"/>	
Business Case or Investment Case	<i>Approved</i>	✓	
	<i>Draft</i>	<input type="checkbox"/>	
	<i>Underway</i>	<input type="checkbox"/>	
	<i>None</i>	<input type="checkbox"/>	

14. Briefly outline any other comments on the key project timetable or key milestones.

The construction of The Whale Trail is proposed to be undertaken in stages. The initial section from Picton - Blenheim will link the existing Spring Creek cycleway to a proposed NZTA-funded trail up the Picton side of the Elevation. NZTA funding is confirmed for the trail up to the Elevation. Only 18.5km of new trail needs to be built to complete the 30km Picton – Blenheim section (11km of trail is already built). A completely off-road trail between Blenheim and Picton will have significant safety benefits through taking riders off the busy stretch of SH1. The completed trail will have a high number of users given its proximity to population centres. Users will be a mix of commuters and recreational cyclists. Construction is relatively simple, being through pasture and forestry land.

Agreement in principle has been provided for all KiwiRail land and assets for the whole trail. A significant part of the Picton to Blenheim section is located within the KiwiRail corridor and therefore requires KiwiRail Stage 2 approvals. Most of the land is owned by KiwiRail, the MDC or NZTA. Only ^{Comm}% of the new trail will be on private property, and there are only ^{Comm} private landowners. All private landowners have agreed to provide access and some of these agreements are already signed.

There is one significant bridge crossing within Picton to Blenheim section which is a clip-on to the SH bridge over the Wairau River. Preliminary design is currently underway for this structure.

The Blenheim to Seddon section requires only 5.8km of new trail to complete this 33km section. The rest of the trail is on existing county road or existing cycle trail. It is considered that it would be possible to commence this work at that same time as the Picton to Blenheim section.

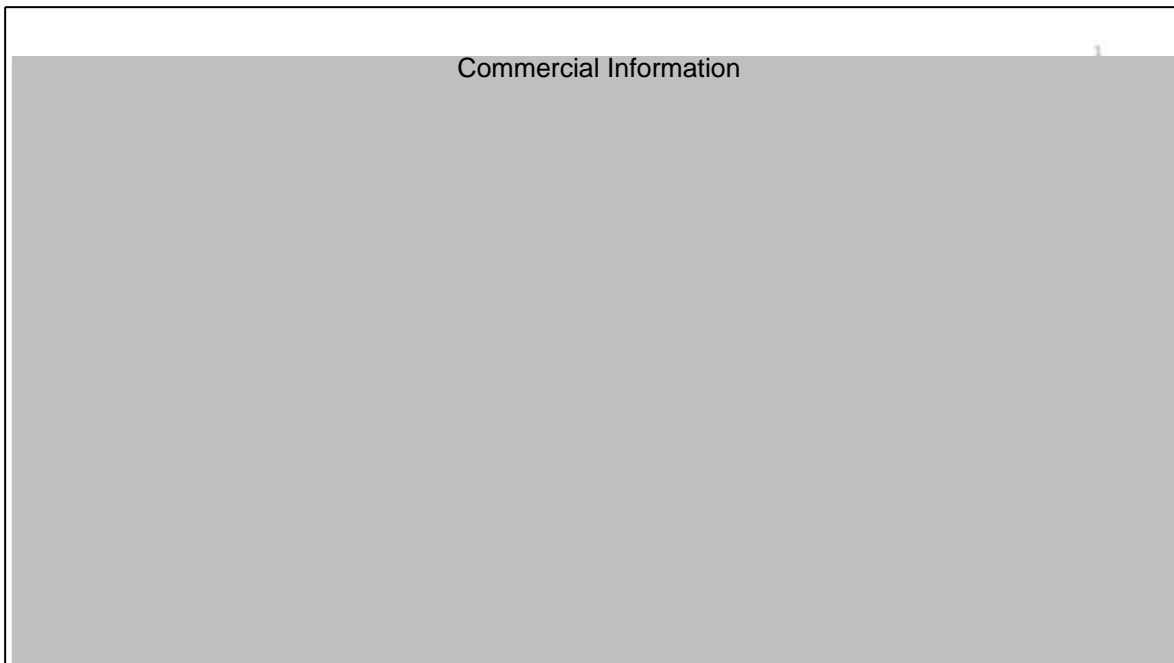
There is one significant bridge in the Blenheim to Seddon section which is an addition to the rail bridge over the Awatere River. A preliminary design/concept for this structure has been agreed with KiwiRail.

Construction of part of the Kaikōura to Clarence section which would be from Kaikōura township to the surf breaks “Meatworks” and “Spot X” north of the Hapuku River could also occur on the same time frame as Picton to Blenheim.

The key barriers to the project being ‘shovel ready’ are processing of KiwiRail Stage 2 approvals and obtaining resource consents which the Marlborough District Council, a unitary authority, and Kaikoura District Council and ECAN. Preliminary work that assessed consent requirements indicated these should be relatively straightforward for the three sections discussed above.

- Construction phasing

The following high level overview of proposed construction phasing was outlined in the business case completed in February 2020 and could be amended if required.



Section 3: Overall Benefits and Risks [Criteria 4]

Please advise at a high level whether a project brings real value (in an economic, social and/or environmental sense) to New Zealand as a whole or the region in which it is located in line with Treasury’s Living Standards Framework² and Sustainable Development Goals³. Please take into account, where relevant, the draft 2021 Government Policy Statement on land transport, available at <https://www.transport.govt.nz/multi-modal/keystrategiesandplans/gpsonlandtransportfunding/gps-2021/>, and the priorities that it establishes.

15. Briefly outline the social, environmental and economic benefits of the project to the local region and New Zealand and overall value for money.

The business case undertaken for The Whale trail used Treasury Social Cost Benefit analysis. The following table from page 71 of the business case reports summaries the results. **Business Case is Withheld as Not for Public Release**

Table 3. Summary of Benefits

Outcome	Regional benefits	National benefits
Trail users	About 5,720 locals are expected to use The Whale Trail in the year after it is completed ^{Commercial Information} increasing to 9,216 by year 28. By ^{Commercial Inform} about 50,000 New Zealanders from outside the region are expected to ride the Trail, increasing to 97,754 by year 28. 6,750 international visitors are expected to ride the trail once it is completed, increasing to 13,197 in year 28.	
Visitor expenditure	\$ ^{Commercial Information}	\$ ^{Commercial Information}
Jobs	an average of ^{Commerc} full time jobs.	
% Discount		
CBA	Net Present Value of \$ ^{Commercia} ; Benefit: Cost Ratio of ^{Commer} ; Internal Rate of Return of ^{me} percent.	Net Present Value of \$ ^{Commercia} ; Benefit: Cost Ratio of ^{Commer} ; Internal Rate of Return of ^m percent
Visitor benefits (GDP)	\$ ^{Commercial Information}	\$ ^{Commercial Information}
Health benefits	\$ ^{Commercial Information}	\$ ^{Commercial Information}
Consumer surplus	\$ ^{Commercial Information}	\$ ^{Commercial Information}
% Discount		
CBA	Net Present Value of \$ ^{Commercia} ; Benefit: Cost Ratio of ^{Commer} ; Internal Rate of Return of ^{me} percent.	Net Present Value of \$ ^{Commercia} ; Benefit: Cost Ratio of ^{Commer} ; Internal Rate of Return of ^m percent
Visitor benefits (GDP)	\$ ^{Commercial Information}	\$ ^{Commercial Information}
Health benefits	\$ ^{Commercial Information}	\$ ^{Commercial Information}
Consumer surplus	\$ ^{Commercial Information}	\$ ^{Commercial Information}

² <https://treasury.govt.nz/information-and-services/nz-economy/higher-living-standards/our-living-standards-framework>

³ <https://www.mfat.govt.nz/en/peace-rights-and-security/work-with-the-un-and-other-partners/new-zealand-and-the-sustainable-development-goals-sdgs/>

The business case is attached. The sections pages 35-44 detail the alignment to national and regional strategies polios and outcomes. The section on pages 71-92 sets out the cost benefit analysis and results. Business Case is Withheld as Not for Public Release

As well as the benefits that are quantified using the social cost benefit analysis approach there are other benefits such as social cohesion, cultural and environmental benefits that would result from the project but are not captured by the cost benefit analysis. The investment in the Whale trail not only delivers a clear economic benefit but produces other benefits consistent with the Living Standards Framework.

The anticipated benefits are widespread and varies for example the trail will create a high level of community engagement as people come together to explore and share some of the lesser known stories of our region. The ability of locals to explore their local area in a new way will improve social cohesion and connectivity. The creation of the trail will provide an opportunity to enhance the regional environmental outcomes through native plant restoration and the trail could facilitate improved predator control.

The project is tightly aligned with three of the four strategic priorities of the draft 2021 Government Policy Statement on land transport, Safety, better transport options and climate change.

Alignment with 2021 Government Policy Statement on land transport

1. **Safety** - Developing a transport system where no one is killed or seriously injured.

The trail is generally an off-road trail. For those sections which are on road those roads (i.e. Redwood Pass and Seaview) have very low traffic counts consistent with the New Zealand Cycle Trail design standards.

The Blenheim to Picton section will take cyclists off of State Highway 1. Sections of The Whale Trail around Blenheim are likely to be used by local commuters resulting in less vulnerable road users on the road.

2. **Better Transport Options** - Providing people with better transport options to access social and economic opportunities.

The Whale Trail has been designed to connect communities and businesses through a new experience that has a wide appeal. It will promote trail users to walk or bike to these destinations where previously there was only an option for motorised transport.

The Whale Trail will provide important key strategic connections to other existing and proposed trails in the region and also other transport hubs such as the Picton ferry. The proposed trail essentially completes a missing piece of the South Island cycling network.

3. **Climate Change** - Developing a low carbon transport system that supports emission reductions, while improving safety and inclusive access.

The trail will enable and incentivise walking and cycling opportunities between Picton and Kaikōura. This will result in low emission transport opportunities (as an example cycling and walking the length of the trail results in zero carbon emissions where an average car undertaking the same trip will generate 31 kilograms of CO²) and healthier communities through increased commuting and opportunities for environmental enhancement. Native tree planting and pest trapping will be incorporated into sections of the trail.

The Whale Trail is also consistent with other relevant policies such as the regional land transport plans for Marlborough and Canterbury and tourism and regional and district economic development strategies. (Discussed in pages 38-45 of the business case.) Business Case is Withheld as Not for Public Release

16. What is the expected contribution to local/ national employment?

[Provide estimated number of jobs. Cross refer to question 0 as required]

The Whale Trail is expected to generate on average Comm full-time jobs each year thought the construction phase assuming a Commercial Information construction programme. Adding operations and maintenance, and including jobs created through visitor activity over the project lifespan the proposed trail will sustain about Comm full-time jobs each year.

Jobs are created during the construction phase of the trails and from providing services to users of the trail. There will also be maintenance work associated with the trail.

We anticipate that the majority of the jobs will be within the region. There are firms located within Nelson and Marlborough that could undertake the fabrication of the bridge structures. It is important to note that the New Zealand Cycle trail, (NZCT), was founded on the premise of job creation and tourism. The labour-intensive nature of the cycle/walk path construction has been substantiated by the experience of constructing and enhancing the NZCT

network.

Another feature investment into cycle trail is the resulting spread of expenditure to and throughout the regions. Jobs will be created within the smaller communities through which the trail will pass.

17. What are the risks associated with the project? Each risk should be ranked as high, medium or low and include a short explanation as to why it was given that risk rating.

Risk	Low/ Med/ High	Further commentary on risk
A. The risk of the project not commencing within the advised timescale	Low	Although there is always a risk with respect to the consent process at least part of the project will be able to commence consistent with the advised time frames and the other sections can follow.
B. The risk the project will not be completed on time, to cost or to specification	Low	<p>The feasibility study involved a very thorough investigation of the route by a highly experienced trail engineer, Hamish Seaton. There was also extensive peer review of the of the business case including the operating and capital costs by people with broad and deep knowledge of this field including [redacted] Business Case is Withheld as Not for Public Release</p> <p>The risk around the cost of the bridges has been mitigated to some extent by the level of contingency applied to the cost estimates. The trust has strong support from the Marlborough and Kaikoura District Councils, NZTA and KiwiRail which is crucial for its ability to deliver the project on time, to cost and to specification.</p>
C. Risk the project will not realise the benefits outlined above	Low/ Medium	<p>There is future uncertainty with respect to tourism activity and as some of the benefits from this trail rely on increased visitor expenditure there is some risks around these estimates of benefits from visitors to the region.</p> <p>However, the projected user numbers and growth rates included in the study were seen as very achievable targets by those who reviewed them. There is also a relatively comprehensive understanding of the NZCT infrastructure, its users and the benefits it delivers. Across the NZCT 87% of users are domestic. The design of the trail and the approach to developing the trail in sections with the proposed phasing means the benefits from the early sections will be relatively easy to achieve.</p>

18. Are there any other key project risks or any other information which would be useful background or context at this stage?

*[Outline any other key project risks not covered above.
Provide additional information which may be of use to us at this stage]*

The following risk assessment was included with the business case.

Risk	Description	Level of risk	Response

Land Access	Land access may not be able to be secured along parts of the proposed route. This includes private and public conservation land.	Low	Continue to actively engage with relevant landowners. Identify alternative routes for the trail along easier tenure.
Section 5 Clarence to Hapuku	A shared use path proposed as part of NCTIR rebuild of SH1 has met with resistance from locals and the iwi Te Rūnunga O Kaikōura. At this stage iwi are not supportive of a shared use trail being completed through the NCTIR section.	Medium	Focus on trail up to Clarence with Section 5 to be developed in the future if iwi support is obtained. This is seen to be the most realistic option to enable the wider trail in the short term. Use of shuttle service for incomplete section. Marlborough Kaikōura Trail Trust continue to work with Te Rūnunga O Kaikōura and other key iwi groups in all aspects of trail planning. Engage local iwi to be part of the trail planning process and ensure that a comprehensive cultural assessment and response is undertaken. Explore cultural, social, environmental and economic opportunities associated with the development of the trail with iwi.
Iwi Support	Engagement with iwi around the trail has been mixed. Support from iwi will be important in its development, operation and also securing permissions.	High	Marlborough Kaikōura Trail Trust continues to work actively with local iwi along the route of the trail. Free and frank opinions [REDACTED] Opportunities for iwi involvement (including potential representation on the trail governance board) in the trail are explored, this includes cultural, social, environmental and economic opportunities.
Permissions	Resource consents are required to be secured prior to trail development occurs. This could delay the development of the trail, increase costs if there is an appeal or affect the route of the trail.	Medium	Ensure that the due diligence, including technical reports associated with applications is undertaken comprehensively and in a professional manner. Marlborough Kaikōura Trail Trust works with key parties who may have an interest in the application (i.e. Iwi, Fish and Game and community groups) once the route of the trail has been finalised.
Funding – Construction	\$19.4 million is required to develop the trail. There are a range of funding options available but there is uncertainty over how much funding is going to be secured from the different sources.	High	Marlborough Kaikōura Trail Trust Board and Executive Officer actively identifies and pursues key local and national funding opportunities. A funding strategy is developed and implemented. A strategic approach to trail development is taken whereby funding is sought on a section by section basis as opposed to the whole trail.

<p>Funding – Operational</p>	<p>It is estimated that \$^{Commercial Informa} will be required on an annual basis for the operation and management of the trail.</p>	<p>Low</p>	<p>Marlborough Kaikōura Trail Trust works with local government, operators and key local and national agencies to develop a series of ongoing income streams.</p> <p>The Marlborough Kaikōura Trail Trust’s Executive Officer and Trail Marketing Manager works with current and potential funders to develop income streams.</p> <p>A funding strategy is developed and implemented.</p>
------------------------------	--	------------	---

Section 4: Impact of COVID-19

19. Please briefly comment on the likelihood and timing of the project recommencing once the COVID 19 Response Level is suitable for construction to proceed

[For example when the Government moves away from level 4 restrictions will you be able to immediately commence/restart the project?

What are the key conditions or barriers to commencing/ restarting the project? Please include cross reference to Q21 response (below) if Government support is required for the commencement/restart]

The major barrier to recommencing the project is the availability of funding for the construction phase.

20. What is the best estimate of the impact (financial/social/environmental) COVID 19 has had on the project and on local industry associated with the project?

[Please provide the best estimate in \$ amount (or ranges) and unemployment numbers, and describe the nature of those impacts]

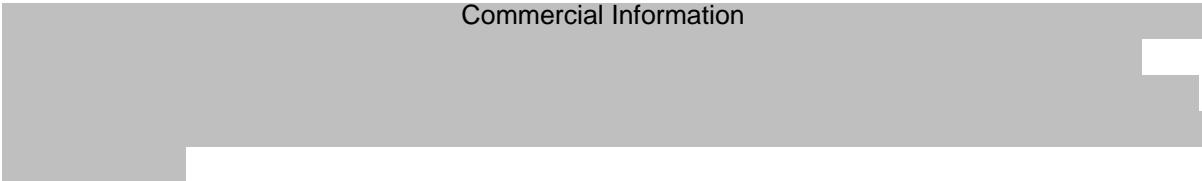
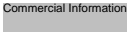
The projections for International visitors to NZ and therefore Marlborough may reduce following COVID 19. This will not affect the project job creation in the construction phase. Additionally the majority of visitors projected are locals rather than international. Although a reduction in international visitors may affect the projected economic benefit of the trail once operational, the significant benefit to the local community and benefits from NZ based visitors will still be available.

21. Has this project already, or is likely to benefit from already announced Government led financial support for businesses (e.g. wage subsidy scheme/business finance guarantee scheme) Yes: No:

- If Yes, please describe the scheme and extent of the support you have received/expect to receive.

22. Briefly outline the top 2-3 things that the Government can do to help progress this project. Please consider both financial and non- financial levers such as lowering regulatory barriers, adjusting Government procurement practices, fast-tracking resource consent processes.

[Top 2-3 actions (financial and non-financial) that Government can do to help progress or remove barriers to the project.]

1. Provision of government funding to support the existing local government commitment to the project is essential. This needs to be at a level which is realistic reflecting the challenges faced by local authorities post COVID 19. It is unrealistic to make funding for this project contingent on the ability of Kaikoura District Council to provide financial support. It is also important to note when considering co-funding requirements that other sources of potential funding that the Trust may have been able to access for construction are likely to be more difficult to achieve in the near term.
2. Providing an option to fast track resource consents for infrastructure would be of great assistance to reduce risk with respect cost and timeframes. If resource consent are not able to be fast tracked it is really important that there is sufficient resources to process consent applications within the target/statutory timeframes.
3.  Commercial Information
4. The Picton to Blenheim section of trail is linked to an approved NZTA project to be undertaken within the current 2018-2021 RLTP. The timeframes on the NZTA project were tight prior to COVID 19 and therefore an extension by  on those timeframes if required should be permitted.

Please indicate clearly whether you consider any information you have provided in this form to be confidential. Confidential information will not be publically released, other than in anonymised form, except to the extent that any release is required by law.