

The Treasury

Budget 2017 Information Release

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[1]	to prevent prejudice to the security or defence of New Zealand or the international relations of the government	6(a)
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[33]	to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials	9(2)(f)(iv)
[34]	to maintain the effective conduct of public affairs through the free and frank expression of opinions	9(2)(g)(i)
[36]	to maintain legal professional privilege	9(2)(h)
[37]	to enable the Crown to carry out commercial activities without disadvantages or prejudice	9(2)(i)
[38]	to enable the Crown to negotiate without disadvantage or prejudice	9(2)(j)
[39]	to prevent the disclosure of official information for improper gain or improper advantage	9(2)(k)
[40]	Not in scope	

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) and section 18 of the Official Information Act.



Cabinet

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Kaikōura Earthquake: Reinstatement of South Island Transport Corridors

Portfolio Transport

On 5 December 2016, Cabinet:

Rebuilding the Coastal Transport Corridor

- 1 **noted** that several strategic options have been considered for the reinstatement of the critical South Island transport routes damaged by the Kaikōura earthquake sequence;
- 2 **agreed** to rebuild and improve State Highway 1 and the main rail trunk line along their current coastal route, with improvements to the safety and resilience of the route, at an estimated cost in the range of \$1.4 billion to \$2.0 billion;

Legislative implications

- 3 **noted** that an Order in Council will be required under the proposed Hurunui/Kaikōura Earthquakes Recovery Bill to modify certain enactments to provide for: any activity that is necessary or desirable for the repair and rebuilding of the coastal route; and safety enhancements to, and improvements to the resilience of the coastal route;
- 4 **authorised** the Minister of Transport, in consultation with the Minister of Civil Defence, the Minister of Finance (and all Ministers responsible for legislation covered by the proposed Order in Council), to take decisions on submitting any Order under the proposed Hurunui/Kaikōura Earthquakes Recovery legislation to the Executive Council that relates to rebuilding and improving the coastal route;
- 5 **invited** the Minister of Transport to issue drafting instructions to the Parliamentary Counsel Office to prepare the necessary Order in Council under the Hurunui/Kaikōura Earthquakes legislation;

Financial implications

6 [25]

7 [25]

- 8 **agreed, in principle**, that the Crown fund the uninsured cost of reinstating the rail line;
- 9 **agreed** that the Crown fund the roading component of the costs of reinstatement works on the South Island Transport Corridor along the coastal alignment;
- 10 **invited** the Minister of Transport and the Minister of Finance to report to Cabinet with updated cost estimates and a proposed Crown-led funding approach in early 2017;
- 11 **agreed** that any Crown contribution to the reinstatement and the funding approach will be confirmed as part of the Budget 2017 process;
- 12 **noted** that officials will refine the cost estimates to confirm the required Crown contribution and that funding details will be confirmed as part of Budget 2017;
- 13 **noted** that the mechanism to give effect to these decisions is that the Minister of Transport will invite the Board of the New Zealand Transport Agency to lead and coordinate with the Board of KiwiRail to deliver the reinstatement of the South Island Transport corridor project on behalf of the government;
- 14 **noted** that preparatory work for the preferred option, as well as work on the alternative Springs Junction/Lewis Pass route and the emergency inland route, will be funded from the emergency works allocation of the 2015-18 National Land Transport Programme;

Next steps

- 15 **noted** that the New Zealand Transport Agency and KiwiRail expect to begin work immediately and that it is hoped that restricted access to Kaikōura from the south will be available prior to Christmas and that restricted access will be available from the north in approximately 12 months;

Publicity

- 16 **noted** that a press release will be issued announcing the decisions set out above.

Michael Webster
Secretary of the Cabinet

Hard-copy distribution:

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Minister of Finance
Minister for Economic Development
Minister of Transport
Minister for the Environment
Minister for Primary Industries
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