Marija Bakulich

From: Angus Gabara <Angus.Gabara@gw.govt.nz>
Sent: Friday, 12 June 2015 1:58 p.m.
To: Wayne Heerdegen
Subject: FW: WL modernisation budgetary estimates
Attachments: WL Modernisation Budget 12 06 2015.pdf

This will scare you
Can we have a talk about the best way to present this?

Angus Gabara | Manager Rail Operations | Director Matangi Project
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From: [redacted]@kiwirail.co.nz]
Sent: Friday, 12 June 2015 1:44 p.m.
To: Angus Gabara
Subject: RE: WL modernisation budgetary estimates

Angus,
Your email system blocked this with Excel attached.
M

From: [redacted]
Sent: Friday, 12 June 2015 1:35 p.m.
To: Angus Gabara
Subject: WL modernisation budgetary estimates

Angus,

Simply unable to prepare anything serious, given short notice and fragmented state of the data I have to collate. We have lots of data but no simple worked out schemes, as most working has been about what we defer to fit into a financial cap, not scheduling for delivery and scheduling. I cannot make this good in two hours.

All costs are gross- KR + GW share combined where asset is shared and apportioned.

Note that KiwiRail is (very) unlikely to be able to fund its share of accelerated major investment on a commercial basis. There is no way the current low tonnage freight service needs or could support work of the nature envisaged. Without passenger trains line would get the same investment per km as the line from Masterton north (= not much). We have to be looking at some sort of external route investment package.

Track
This is the major short – medium term issue. Renewals funding is not keeping pace with deterioration. This affects entire network, currently gap is biggest on WL (Hutt and Masterton).
In round terms, projected track renewals shortfall is:

[redacted] 9(2)(j)

[redacted]

[redacted]

Out of scope

[redacted]

WL is about 57% of projected spend FY16 – FY25, so very rough rule of thumb (57.3% of above) has WL deferred renewals:
FY17 – FY19 is $12.6 million or $4.2 m per annum
FY20 – 21 is $4.6 million $2.3 m per annum
FY22 – FY25 is $6.9 million $1.7m per annum

We have simply forced FY16 to fit the Fiscal Envelope and this was assumed in all calculations above. As we are addressing the immediate problem of TSRs on the WL I have assumed we bring forward and spread out FY17 - FY19 into FY16 – FY19. $3.2 m a year for four years instead of $4.2 for three years.

We could reasonably spend $500k per annum on formation rehabilitation, to make sure that the new rail, sleepers and ballast sits on firm and well drained foundation. We normally try to ensure this rehabilitation occurs as a part of re-sleepering and re-ballasting, unless short term financial constraints impinge.

Above is presented on table and very rough estimation. In reality, given special funding and time to consider and plan, we would implement a route modernisation scheme which might be able to accelerate expenditure but above is as accurate as time allows.

[redacted]

Out of scope

[redacted]

[redacted]

Out of scope

[redacted]

Disclaimer
This is really rough, all it does is give indication of magnitude of shortfall.
Note that if nothing is done to avoid deferring renewals on Kapiti it will begin to fray also, albeit at a slower rate and smaller scale.

Regards,

[redacted]

KiwiRail

Backbone of integrated transport networks