

NZ Upgrade Programme

Monthly Report for August 2022

ISSUED ON 30 September 2022



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Executive Summary

Project Health RAG	Phase	Overall Health	Time	\$
Papakura to Drury	Imp			
O Mahurangi/Penlink	Imp			
SH1/29 Intersection Improvements	Pre-Imp			
Takitimu North Link Stage One	Imp			
Takitimu North Link Stage Two	Pre-Imp			
Ōtaki to North of Levin (Ō2NL)	BC			
SH58 Safety Improvements – Stage Two	Imp			
SH2 Melling Efficiency & Safety Improvements	Pre-Imp			
Canterbury Package				
• Brougham St Corridor Improvements	Pre-Imp			
• Rolleston Access Improvements	BC			
• SH75 Halswell Road Improvements	Pre-Imp			
• SH73 Weedons-Ross Road Intersection	Imp			
• Walnut Avenue Intersection Improvements	Imp			
• SH1 Tinwald Corridor Improvements	Pre-Imp			
Queenstown Package	Pre-Imp			
Northland Package	Rescope			
Northern Pathway Alternative Investment	Rescope			
South Auckland Package	Rescope			

Key Upcoming Ministerial Project Milestones and Decisions

Project	Milestone	Due
s 9(2)(f)(iv)		

Sponsor Commentary

As anticipated the programme status has moved to **RED** this month s 9(2)(g)(i)

The programme team is working with KiwiRail, The Ministry of Transport Te Manatū Waka and Treasury to build on the cost pressures and choices information already provided to the Joint Ministers to enable them to make decisions on how the programme will be managed within the funding envelope as per their expectations. Until the Joint Ministers have made decisions we expect the programme to remain in this status. The next meeting with Joint Ministers is scheduled for 31 October 2022, and prior to this further briefings will be provided giving advice and/or information not only on cost, but scope and programme impacts.

However, despite this we continue to make good progress with milestones achieved at a project and programme level. The programme team's focus during August and early September has been the completion of the above mentioned briefings to ministers to provide them with critical information to assist with their decision making, this involved significant input including involvement of project teams and KiwiRail. We also saw the launch of the NZUP Māori Economic Opportunities Roadmap, the result of a piece of work with Height Project Management which is now being piloted by Papakura to Drury.

Project milestones achieved in the month include board approval for the Northland package safety detailed business case and the professional services pre-implementation contract for Halswell Road was awarded. Papakura to Drury in partnership with mana whenua, published a video which demonstrates improvements in stormwater and water quality outcomes.

On costs, there are early indications of expected price falls for some major materials. The latest update from Infometrics has indicated substantial falls in iron ore and diesel spiked by fears of a global recession. The effect of this fall on domestic markets will not be felt until later in the year. However, high domestic interest rates, continued weakness in the New Zealand dollar and sustained wage growth in the labour supply sector, could negate the effect of this flow-through.

Last month also saw the quarterly update to the organisation's price index escalation values. Actual values for last quarter (June 2022) were substantially higher than predicted, with the construction price index almost 2% higher than forecasted. This higher rate aligns with the pessimistic forecast scenario that the programme team has presented to the Governance Group and ministers previously.

Communication & Engagement Highlights

South Auckland re-scoping – Close collaboration between Waka Kotahi, KiwiRail and Auckland Transport to plan an integrated approach to communications and engagement for the Drury projects

Mana whenua partnership communications – The strong partnerships being built with mana whenua have been a focus on communications during the past month, with a video produced with iwi on the Papakura to Drury stormwater improvements and the Takitimu to North Link te reo translation of the contractors' newsletter.

Takitimu North Link – Media and social media to highlight progress to deliver new bridges.

Look ahead – Public information days on Papakura to Drury, O Mahurangi Penlink and SH1/29. Takitimu North Link videos on Māori owned businesses benefiting from project, and video on Wairoa River temporary staging bridge.

Upcoming Significant Project Decisions

Waka Kotahi worked closely with KiwiRail, Te Manatū Waka and the Treasury to consider the cost pressures and trade-off choices and a meeting to discuss these with the Joint Ministers occurred on 11 August 2022.

s 9(2)(f)(iv)

Ministerial Risk category	Project Name	Summary	Approval date *	Contractual Commitment	Approval Level
Higher	s 9(2)(f)(iv)				
Lower					
	Rolleston Access Improvements	Detailed Business Case	Nov-22 (TBC)		Board
	s 9(2)(f)(iv)				
Rescope					

* Dates for project decisions sitting at the Joint Minister approval level indicate when Waka Kotahi will submit a briefing requesting approval.

Programme Financials

Project (\$m)	Project Total Spent	% Spent to P50	Budget appropriated (to P50)	Joint Ministers Tagged Contingency	P95 Contingency Appropriated	Funding Allocation	P50 Latest Est.	P95 Latest Est.	Budget Health RAG Status
O Mahurangi/Penlink	84.0	s 9(2)(j)				830	s 9(2)(j)		●
Ōtaki to North of Levin (Ō2NL)	99.7					1,500			●
Higher risk	183.7					2,330			
Papakura to Drury	127.4					655			●
Takitimu North Link Stage One	124.9					655			●
SH2 Melling Safety Improvements	21.8					420			●
SH58 Safety Imp Stage Two	23.0					105			●
SH1/29 Intersection Improvements	4.2					40			●
Canterbury Package	20.3					300			●
Queenstown Package	12.0					115			●
Takitimu North Link Stage Two	17.0					57			●
Lower risk	350.6					2,347			
Northland Package	12.8					192			●
South Auckland Package	84.8					874			●
Northern Pathway Alt Investment	51.6					782.5			●
Rescoped	149.2					1,848.5			
Grand Total	683.5					6,525.5			

Month Financial Result

Actual expenditure for August was \$37.2m (tracking very close to the forecast of \$37.9m). Main areas of spend were: \$8.2m property purchase for Otaki to North of Levin; \$18.2m construction costs for both Papakura to Drury and Takitimu North Link Stage one; and \$6m for Penlink as the project enters Project Alliance contract phase.

Estimates at Completion (EAC)

Over the next few months, and with support from the programme team, project teams will update their forecasts to reflect latest EACs. Once approved, the table above will be updated. Current estimates in the above table reflect those advised for the August cost pressure briefing.

Commentary on high value/high risk projects

There are no significant departures from the information provided previously:

- **O Mahurangi/Penlink:** Confirmation that scope can be delivered within the affordability threshold excluding escalation over and above 2%.
- **Ōtaki to North of Levin :** s 9(2)(j)
- **Takitimu North Link Stage One and Papakura to Drury:** Budget pressure due to cost escalation and programme delays have been highlighted. Full information will be presented in the baseline updates.
- **Riverlink/Melling:** s 9(2)(f)(iv)
- **South Island –** s 9(2)(j)

Cost Pressure Risk

Summary of latest highlights from Infometrics:

- August signalled the latest quarterly round of Waka Kotahi index prices. Large increases in costs were experienced in material prices, resulting in overall costs rising more rapidly than previously forecast in June quarter. Diesel prices were up 29%, ahead of the 23% forecast, while metal prices rose 2.4%, 0.5% higher than forecast. Of the three Waka Kotahi price indexes, the construction price index experienced the most significant rise of the quarter with 4.8%, almost 2% above the previous forecast of 2.9%.
- The effect on NZUP is for higher cost pressures than those already forecasted. Overall impact will be assessed and reported within next month's report. Upcoming project specific briefings/ reports will be updated with the latest escalation rates.
- There are early signs of a decline in commodity prices across the board owing to a fear in a global recession. Both iron ore and crude oil prices have fallen sharply from their highs in the first half of 2022. The drop in prices are not expected to flow-through the domestic market until later in the year (September to October). However, persistently high international shipping costs to New Zealand, increasing interest rates and weakness in the NZ dollar compared to other currencies, could slow or even negate this flow-through to domestic businesses.
- Labour supply costs have continued to rise and show no signs of reversing. Wage inflation is expected to accelerate throughout the rest of 2022 and remain high for 2023. Although the number of advertised positions have fallen substantially, this is owing more to a lack of available workers than a drop in production or activity.

Project Readiness Status

Cost pressures are increasing the uncertainty over scope across a range of projects. Given scope clarity is key to consenting and property purchase progress this is presenting an increasing risk to schedules.

Projects *	Construction start date as per Baseline Report	Delivery phase	Next major milestone		State of Readiness		
					Stable Scope	Property purchase	Consenting
Takitimu North Link Stage One	Underway	Imp	Re-Baseline Report	Sept-22			
Queenstown Package	Early 2022	Pre-imp	NOR Lodgement	Sept-22			
O Mahurangi/Penlink	Mid 2022	Imp	Property Purchase complete	Jan-23			
SH1-29 Intersection Improvements	Late 2022	Pre-imp	Detail Design Review and Approval	Sept-22			
SH58 Safety Imps – Stage Two	Mid 2023 (Stage 2B)	Imp	SP2a implementation start	Oct-22			
Brougham St Corridor Improvements	Mid 2023	Pre-imp	PS Contract Award	Sept-22			
SH73 Weedons-Ross Road Intersection	Mid 2023	Imp	Practical completion	May-23	Trending GREEN		
SH1 Tinwald Corridor Improvements	Mid 2023	Pre-imp	Detail Design complete	Sept-22			
SH1 Papakura to Drury	Stage 1B1 – Mid 2023	Imp	Re-Baseline Report	Sept-22		Trending RED	
SH2 Melling Efficiency & Safety Imp	Late 2023	Pre-imp	Registration of Interest release – construction	Late-22			
SH75 Halswell Rd Imps	Late 2023	Pre-imp	NOR Lodgement	April-23	Trending GREEN		
Rolleston Access Improvements	Early 2024	BC	Detailed Business Case endorsed	Dec-22			
Ōtaki to North of Levin	2025	BC	Detail Business Case endorsed	Sept-22			
Takitimu North Link Stage Two	N/A	Pre-imp	Re-Baseline Report	Sept-22			

*South Auckland Package and Northland Package are currently undergoing rescoping and have been excluded from this report. Walnut Avenue is fully in construction and has been removed from this report. Projects appear in order of construction start date.

Readiness is required by the time the construction contract is started, noting that some of the initial projects are being implemented in phases. Note that construction start is as per baseline report. Arrows show movement from prior report.

Scope

RED status reflects scope definition still to be completed/confirmed as part of business case approval process.

- Queenstown Package – Scope is showing RED as affordability issues may result in a requirement to change project scope.
- Ōtaki to North of Levin and Melling Efficiency and Safety Improvements – Scope is showing RED to reflect uncertainty due to s 9(2)(f)(iv) and Project teams are working through affordability issues..

Property

GREEN to RED status reflects scaled risk based on timeframe to construction start. Status should trend to AMBER/GREEN as scope issues are resolved, providing certainty around property requirements. There are 97 property interests currently in negotiation which are forecast to be completed, with active negotiations to commence this year for the majority of remaining interests needed for the programme (excluding re-scoped projects).

- Takitimu North Link Stage One – RED s 9(2)(g)(i)
- SH1/29 Intersection Improvements – RED s 9(2)(g)(i)
- SH58 Safety Improvements - RED due to ongoing delays to confirming land requirements.
- Papakura to Drury Stage 1B1 – Trending RED s 9(2)(g)(i)
- Melling Efficiency & Safety Improvements – RED status reflects tight delivery timeframes, particularly for business relocations.
- Rolleston Access Improvements – RED status reflects that land requirements are not yet confirmed.

Consenting

RAG status relates to the state of readiness for construction. Projects rated AMBER still need consents or other statutory approvals. In most cases the pre-lodgement work is well underway or all or parts of the application package have been lodged. Timeframes are not yet critical but we are continuing to see slippage of some proposed lodgement dates, primarily due to ongoing uncertainty in project scope. This combined with changes to the resource management framework increase consenting and programme risk. No changes to the status are made this month.

- Ōtaki to North of Levin – the RED status reflects the scale of the consenting package and the high consenting risks compared to other NZUP projects. In addition, there are interfaces with significant National Policy Statement “avoid” policies.
- Takitimu North Link Stage Two - the AMBER status reflects the high consenting risks, although with no delivery timeframe there is less time pressure to secure the consents.

Archaeological Authority Appeal – Takitimu North Link Stage One

s 9(2)(i)

Risk Management Summary – Key Programme Risks

Key Programme Risks

Update

- The Programme team have carried out a refresh and re-evaluation of the current risk landscape.
- A new medium risk associated with changes to resource management legislation and policy has been added.
 - The work to assess and uplift the key programme risks is near completion. This has assisted in capturing meaningful information pertaining to management of these risks.
 - Imminent deep dives on control assurance to be conducted on selected top priority risks.

Coming Up

- Workshops with NZUP Sponsors – To provide a governance lens of the risk landscape. **Timeframe – September / October 2022**
- Programme Risks Quarterly Workshop – A September workshop will focus on strengthening risk disciplines in:
 - Ownership and management of risks and control plans by the risk owner.
 - The interplay of project risks with the wider programme, to understand which significant project risks could significantly impact or stop the programme from achieving the required outcomes.

These risks were presented at NZUP Sponsors Forum Quarterly Session in June. There was strong indication of working together with the programme on these risks and aligning efforts with mitigating similar risks and working collectively on key dependency risks.













Extreme Risk	<ul style="list-style-type: none">• Funding: s 9(2)(j)• Escalation: Escalating input cost, labour, material, property and delivery• Resources: Inadequate internal & external programme resource	High Risk	<ul style="list-style-type: none">• Property: Delayed and/or costlier than forecast property acquisition• Delivery Improvement: Outcomes not achieved• Government Priority: Shifting Government priorities and objectives• External Capacity: External partner and stakeholder capacity to support programme• Consents: Project consents delayed• Local Authority: stakeholders' expectations are not met• Operation: Inadequate project management practices and disciplines	Medium Risk	<ul style="list-style-type: none">• Score card: 5% value of all tender contracts awarded to Māori SMEs requirement not achieved• Procurement: Market Concentration• Crown Expectation: Complex Te Manatū Waka and Treasury programme requirements impacting programme delivery• NZUP Initiatives: Programme initiatives / improvements not promulgated and embedded across Waka Kotahi• Data Quality: Inadequate programme data quality/ currency and consistency• Resources Management Legislation – On-going changes to resource management legislation and policy
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Risk NZ – August Conference













The programme risk landscape is reviewed regularly in line with expert opinions on the global risk landscape. A recent report presented by Aon at the conference, “Global Perspective – exploring the key risk issues that are influencing organisation decision making” highlighted some key future risk areas for the programme to consider and will be covered in the September workshop. The top 10 future risks compared to last year, identified by Aon included:

- New risk - Accelerated rates of change in market factors and cashflow / liquidity risk.
- Higher ranking – Increased prominence given to economic slowdown, price risk (and material scarcity) and business interruption.
- Reduced ranking – Pandemic health crisis.










NZ Upgrade Programme – Sponsor Commentary

NZ Upgrade Programme					Sponsor Commentary
Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	
Northland	Northland Package (Rescope)				Project remains at a RED RAG status. The DBC was endorsed by the Board in August 22. A briefing is being prepared for the Joint Ministers in October to seek approval for funding to proceed. The DBC requests s 9(2)(i) to complete the safety interventions across urban and rural sections of SH1 Whangārei to Port Marsden Highway. An independent assessment of the geotechnical review completed on the causeway has been completed by BECA. The assessment concludes that the expected impacts of the proposed railway causeway will have minimal impact on the SH1 causeway. Further offsetting of the rail causeway will further reduce any potential impacts. The report has been circulated to KiwiRail for review.
		Previous Month RED	Previous Month GREEN	Previous Month RED	
Auckland	Papakura to Drury (Imp)				As per previous reports, the RAG status is RED s 9(2)(g)(i) s 9(2)(f)(iv)
		Previous Month RED	Previous Month AMBER	Previous Month RED	Stage 1A delivery continues to progress well. The pricing and programme for the southbound on-ramp detailed design has been received and is considerably higher than forecast and the programme impacts noted in the last report have been realised. The engineer to contract is working through this and will provide his assessment shortly. Piling work over the North Island Main Trunk (NIMT) lines for new onramp and motorway bridges has commenced. Stage 1B1 detailed design is at 50% and reviews by Waka Kotahi subject matter experts are largely completed. The project is introducing a more thorough independent design review process to reduce the potential for design-based variations during delivery. The objection to the acquisition of a key property associated with Stage 1B1 noted in the last report remains a significant risk to meeting key projected construction dates as the property is needed to undertake critical enabling works. The team are working with Crown Law and are seeking a hearing as quickly as possible noting that the Environment Court is under considerable pressure. Stage 1B2 consenting design is progressing well. An offer of service for detailed design is being assessed.
	Northern Pathway Alternative Investment (Rescope)				The Transport Minister has considered the redefined scope recommendation sent to him in April and has decided not to proceed with any walking and cycling solution across the harbour at this time. The plan for re-allocating the funds requires Cabinet approval. s 9(2)(f)(iv)
		Previous Month GREY	Previous Month GREY	Previous Month GREY	The RAG status has been changed to GREY s 9(2)(g)(i)
	O Mahurangi/ Penlink (Imp)				The project is tracking within cost and progress as per plan and has a GREEN RAG status. Community feedback remains positive with engagement now in full flight.
		Previous Month GREEN	Previous Month GREEN	Previous Month GREEN	Much emphasis on finalising the Environmental Management Plan that is being co-designed with our iwi partners. Our target date of October submission will enable us to start earthworks in January 2023. The team is working close with Auckland Council and it's specialists to ensure that the submission will be reviewed and approved without delay ahead of the Christmas break. Site mobilisation is progressing with our new sustainable site offices ordered. Our project draft key performance indicators are currently being reviewed with much debate to enable better outcomes. Our Alliance Leadership Team is operating well with our project control system now in place to support decision making. We are currently rolling out our Active Risk Management tool and it is adding much value.






















NZ Upgrade Programme – Sponsor Commentary

NZ Upgrade Programme					Sponsor Commentary
Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	
Auckland (continued)	South Auckland Package (Rescope)				Project has a RED RAG status, s 9(2)(g)(i) s 9(2)(f)(iv)
		Previous Month AMBER	Previous Month AMBER	Previous Month GREEN	Both SH22 and Waihoehoe Road Upgrade projects are underway. Work for confirming key interfaces across projects in the South Auckland area is largely complete. Development of the Offer of Services for the pre-implementation phases is underway. The key critical path item for each project is property purchase. Communications with local landowners adjacent to the designations will commence soon confirming that the projects are underway. Agreements have been drafted between KiwiRail, Auckland Transport and Waka Kotahi for the Paerata roundabout, Waihoehoe Rd intersection and SH22 (Jesmond Rd intersection) projects. The agreements outlines roles and responsibilities, treatment of cost and risk and reporting requirements. Two key risks associated with these projects is (1) that as further design development results in cost estimates above the initial allocations within the package and (2) there is misalignment between all the projects in the corridor (Paerata, SH22, Papakura to Drury and Waihoehoe Road). s 9(2)(f)(iv)
Waikato & Bay of Plenty	SH1/29 Intersection Improvements (Pre Imp)				The project has a RED status s 9(2)(g)(i). The delay reflects the litigation associated with property acquisition and the Resource Management process, including a judicial review. Counsel, including Crown Law, continue to provide guidance to the project team. The Environment Court hearing was held in early September 2022. The hearing for the Section 23 has been scheduled for October with evidence preparation underway.
		Previous Month RED	Previous Month RED	Previous Month RED	An option to strategically purchase s 9(2)(j) was endorsed by the Waka Kotahi Board. The project team is working through a process to commence negotiation for the potential full purchase of the property.
	Takitimu North Link Stage One (Imp)				Project RAG status remains RED s 9(2)(g)(i) s 9(2)(f)(iv)
		Previous Month RED	Previous Month AMBER	Previous Month RED	s 9(2)(j) This property is required by September 2023 otherwise it will impact the project critical path and Waka Kotahi will be liable for costs as outlined above. Preparations are well underway for the start of the earthworks season at the end of September. The Wairoa Awa temporary staging bridge has been completed which will allow haul across the river and for the Wairoa Awa bridge construction to commence. Bridge piling is currently underway at Cambridge Road, with significant engagement continuing with the Seventh Day Adventist School situated next to this site.
	Takitimu North Link Stage Two (Pre Imp)				The project has an AMBER RAG status. Work continues on the alternatives assessment so that an alignment can be confirmed. The challenges of the National Environmental Standards Freshwater management legislation have meant further work is required on alternative options including potential mitigation and compensation scenarios. A multi-criteria assessment process will be undertaken in October with a preferred option to be confirmed late 2022. There have been some delays with the alternatives assessment given changes in hapū representation and challenges with resourcing. A revised engagement plan is in place to ensure full participation in the assessment process. Target for lodgement of NOR and consents is mid-2023.
		Previous Month AMBER	Previous Month GREEN	Previous Month AMBER	

NZ Upgrade Programme – Sponsor Commentary

NZ Upgrade Programme					Sponsor Commentary
Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	
Manawatu / Whanganui	Ōtaki to North of Levin (Ō2NL) (BC)				Our overall status continues to sit at RED s 9(2)(g)(i)
		Previous Month RED	Previous Month GREEN	Previous Month RED	<p>During August the DBC approval process continued with both the DBC and tolling papers approved by the Waka Kotahi Board and the preparation for the ministerial briefings commencing.</p> <p>In parallel to this we are continuing to develop our consenting technical reports and application documentation, so we are ready to submit once we have the ministers' approval of the DBC and clarity on our funding position. Our current planned lodgement date is mid-October.</p> <p>The team are also focused on the next steps beyond DBC approval and a key part of this is the development of our procurement strategy. We are investigating how we can bring our delivery partners into our processes earlier so we can gain the benefits of co-design to help enable opportunities, such as greenhouse gas (GHG) reduction. The preferred procurement model is going through a series of workshops with group leadership teams, due to the national significance it is important that the approach has wide ownership and consideration of industry risks and opportunities. This work is expected to be concluded in September.</p> <p>Partnership continues to be a journey for all parties on the project. The project has been challenged to consider different ways of approaching consenting, the way we consider mitigation, governance and what is partnership on the Ōtaki to North of Levin project. The 'one client' approach taken to partnership needs this sort of challenge to ensure we are collectively aligned.</p>
Wellington	SH58 Safety Improvements – Stage Two (Imp)				<p>The project status is RED. The SH58 Safety Improvements project has two components. Stage 2A (Harris Road to Mount Cecil Road) achieved practical completion on 11 July with the final surfacing to be undertaken in September after winter.</p> <p>s 9(2)(i)</p>
		Previous Month RED	Previous Month RED	Previous Month AMBER	<p>In parallel, consenting documents are being produced, with most specialist reports now being complete.</p> <p>Planned construction start is late 2023.</p> <p>Early delivery of the first section Stage 2B (Harris Road to East of Moonshine Road) where the effects are relatively minor, is proceeding well. s 9(2)(j)</p> <p>Construction contract documents are being prepared for a direct approach to Downer NZ to price the project in August as well as a parallel estimate to be completed by Bond Construction.</p>
	SH2 Melling Efficiency & Safety Improvements (Pre Imp)				<p>The project status remains RED. The project is on track to start construction prior to the NZUP baseline date of 2023 year-end, s 9(2)(f)(iv)</p>
		Previous Month RED	Previous Month GREEN	Previous Month RED	<p>Uncertainty of project direction and timing of decision-making is a key challenge for the team. We are proactively working with NZUP, senior leadership, our RiverLink partners and the market to ensure everyone is across the decision-making processes and implications. There remains strong alignment with our partners and their desire to support Waka Kotahi and represent the RiverLink programme and the impact on their components and communities to decision-makers.</p> <p>An independent RiverLink Board chair and independent programme director have been appointed as we move into the next phases of the programme. The Sponsor is now resetting the Partnership Board membership.</p> <p>s 9(2)(g)(i)</p> <p>An independent Stage Gate 3 process has been initiated for mid-September.</p>

NZ Upgrade Programme – Sponsor Commentary

NZ Upgrade Programme					Sponsor Commentary
Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	
Canterbury	Brougham St Corridor Improvements (Pre-Imp)				<ul style="list-style-type: none"> SH1 Rolleston Access Improvements DBC has identified an emerging preferred option. Public consultation has recently finished and the DBC is currently programmed to be completed in Q4 2022. SH76 Brougham Street Corridor Improvements DBC was endorsed by the Investment and Delivery Committee (I&D) in May. Schedule status remains AMBER s 9(2)(g)(i). Design consultants have been directly appointed to the pedestrian bridge design to speed up this component of the procurement process. SH75 Halswell Road Improvements DBC has been approved and is in the pre-implementation phase. SH73 Weedons-Ross Road, SH73 West Melton Improvements, has awarded the contract for physical works. These have now started and the project is currently ahead of schedule. SH1 Tinwald Corridor Improvements is in pre-implementation with design and consenting underway. SH1 Walnut Avenue Intersection Improvements is in implementation and should be completed by December 2022.
		Previous Month AMBER	Previous Month AMBER	Previous Month GREEN	
	Rolleston Access Improvements (BC)				
		Previous Month RED	Previous Month RED	Previous Month AMBER	
	SH75 Halswell Road Improvements (Pre-Imp)				
		Previous Month AMBER	Previous Month AMBER	Previous Month AMBER	
	SH73 Weedons-Ross Road Intersection (Imp)				
		Previous Month RED	Previous Month GREEN	Previous Month RED	
	Walnut Avenue Intersection Improvements (Imp)				
		Previous Month AMBER	Previous Month AMBER	Previous Month AMBER	
	SH1 Tinwald Corridor Improvements (Pre Imp)				
		Previous Month GREEN	Previous Month GREEN	Previous Month GREEN	
Queenstown	Queenstown Package (Pre Imp)				<p>Kā Huanui a Tāhuna (the Queenstown Alliance) are preparing a Target Out-turn cost (TOC) proposal for the delivery of the NZUP Queenstown Package, which is expected in January 2023. Kā Huanui has prepared an update of the business case cost estimate to either validate affordability expectations, or otherwise enable a review of scope/budget ahead of the TOC proposal being fully developed. s 9(2)(g)(i)</p> <p>A prioritisation process was agreed with Queenstown Lakes District Council (QLDC) and Otago Regional Council (ORC) at staff level and the results of this has been reported to the NZUP Governance Group. Joint Ministers are being briefed on the issue.</p>
		Previous Month RED	Previous Month AMBER	Previous Month RED	

Communications & Engagement

<div> <div>Overview/Highlights</div> <p>The strong partnerships being built with mana whenua have been a focus of communications during the past month, with a video produced with iwi on the Papakura to Drury stormwater improvements and the Takitimu North Link te reo translation of the contractors' newsletter.</p> <p>There continues to be a high level of collaboration between Waka Kotahi, Auckland Transport and KiwiRail to plan communications and engagement for the Drury projects which are part of South Auckland re-scoping.</p> <p>The potential impacts of cost pressures continue to be managed, with a strong focus on engaging transparently with partners and key stakeholders on projects that may be impacted by choices ministers have to make. Media coverage also resulted from OIA releases of previous monthly reports highlighting the risk to the programme.</p> <p>The programme and projects continues to support responses to a large number of WPQs and OIAs.</p> <div>Issues/Risks</div> <div> <div>Cost Pressures – s 9(2)(g)(i)</div> <div></div> </div> <p>Walnut Ave closure – the planned seven-week closure to allow work at the rail crossing may generate community concern and media coverage, with the potential for this to be amplified in the lead into local body elections.</p> </div>		<div> <div>Stakeholder Engagement</div> <div>What stakeholders are saying (themes)</div> <p>Northland package – The closure of the Mangamuka Gorge has put a spotlight on the standard of resilience within the Northland state highway network, heightening community frustration at perceived underinvestment in this area.</p> <p>SH1/29 Intersection Improvements – The community want to see progress including building the Cambridge to Piarere expressway and the SIP planned improvements nearby.</p> <p>SH2 Melling interchange – Parking loss concerns highlighted by businesses, transition planning underway to address this.</p> </div>
<div> <div>Proactive content</div> <ul style="list-style-type: none"> Progress on Melling welcomed – media release. New bridge at Cambridge Road under construction on Takitimu North Link – media release. Temporary staging bridge on Takitimu North Link – LinkedIn. Partnership with mana whenua to improve stormwater at Papakura to Drury – YouTube. Papakura to Drury – realignment of SH1 southbound traffic lanes – media release Walnut Ave closure - Facebook </div>	<div> <div>Communications & Engagement Activity</div> <p>Walnut Ave – Major update in advance of seven-week closure of Walnut Avenue between East and West Streets. Media interest highly likely.</p> <p>O Mahurangi/Penlink– Two public information open days for the Whangaparaoa community with over 130 people attending. Met with landowners in relation to refined design, with most very positive. Met with businesses, New World, Auckland Transport, and Weiti Bay residents.</p> <p>Papakura to Drury – In partnership with mana whenua, finalised and published stormwater video. Planning and collateral in train for 24 September open day. Assisting development of SH22 & Waihoehoe project workshops and communications package.</p> <p>Takitimu North Link – Provided content, design and te reo Māori translation for Fulton Hogan/HEB newsletter. Hosted 35 Māori and Pasifika students from Tauranga Girls' College and Adventist School in August as part of a career pathways visit, and this was received very positively.</p> <p>Ōtaki to North of Levin – Project office open day 25 August. Engagement strategy refresh completed.</p> <p>Weedons-Ross Road, SH73 West Melton Improvements – Ongoing engagement with property owners and businesses due to work in front of the shopping centre. Signage installed advising the shopping centre is open and article in the Selwyn Times.</p> <p>South Auckland Package – Working closely with KiwiRail and Auckland Transport to plan an integrated communications and engagement approach for Drury projects.</p> </div>	<div> <div>Upcoming Activities</div> <p>Papakura to Drury – Public information day on 24 September.</p> <p>O Mahurangi/Penlink – Public information day for Stillwater residents on 11 September and meeting with Hibiscus Coast environment groups to explain our approach for ecology and mitigation.</p> <p>SH1/29 Intersection Improvements – Public information day on 27 October in Cambridge. Preparing communications for judicial review and outcomes of Environment Court hearing, which began 5 September.</p> <p>Takitimu North Link – Video on social procurement for Māori-owned businesses, highlighting welding start up subcontractor. The Wairoa River bridge video on the temporary staging bridge from Mangere project re sustainability and bridge build.</p> <p>Walnut Ave – Communications to support seven-week closure.</p> <p>Queenstown Package – Communications and engagement to support Notice of Requirement lodgements.</p> <p>Tinwald Corridor Improvements – Letters to residents, shops and businesses along the highway outlining changes expected when the project is complete - parking changes, expected increase in traffic volume, walking and cycling.</p> </div>

Iwi Engagement & Treaty Partnership

Ngā Pūrongo | Key Themes

NZUP iwi Partnerships, iwi engagements and Māori Outcomes review | He Tirohanga whakamuri kia anga whakamua – *Understanding our past to move into the future*

This month's update has included presenting the findings and key themes of the Māori Outcomes review across teams and disciplines, including the independent chairs group. Next month the review will be on the agenda as the main discussion with the Investment and Delivery Committee.

One of the findings from the review was the need to develop a Māori outcomes reporting tool. Initially around understanding delivery on Māori progressive procurement targets and uplifting the Māori Economy. The team are investigating what this looks like currently and what is possible.

Māori Economy | Road-map Update – NZUP have been working with Māori-owned consultancy, "Height Project Management" in developing a road-map to guide NZUP projects to meet their Māori business Progressive Procurement targets. The Papakura to Drury team are now piloting the road-map which was developed in partnership with mana whenua partners Ngāi Tai ki Tāmaki, Ngāti Tamaoho, Ngāti Te Ata Waiohū, Ngāti Whanaunga, Ngāti Maru, Te Ākitai Waiohū, Te Ahiwaru and Ngāti Pāoa. The road-map was presented to the NZUP Programme Team and will now be socialised across the programme. Projects are showing strong interest and believe that iwi partners would gain value from having a road-map which details opportunities to realise iwi economic aspirations.

Thriving Māori businesses and a growing Māori economy helps to address the imbalance of wealth between Māori and non-Māori in Aotearoa. NZUP supports supplier diversity and progressive procurement policy targets to increase the participation of Māori businesses in our projects.

The road-map will guide NZUP projects to achieve:

- Procurement targets of 5+%.
- Uplift in the capacity and capability of iwi / mana whenua businesses, and mātauranga/Māori businesses.
- Increase employment, education, and training opportunities, and social and sustainable outcomes for Māori.
- Develop and strengthen a stronger relationship between NZUP partners and mana whenua.

Ngā Hīnonga | Projects

South Auckland Package – An e-mail has been drafted to iwi chairs, regarding iwi interest on the Project Steering Committee (PSC), and the plan is to call a hui with iwi leadership. From recent announcements, there is a moderate to high risk to the project and iwi relationships, as iwi were supportive of an option where the environment is impacted only once. Mana whenua have strongly raised concerns around cost reduction options and wanted these articulated to the Minister at recent briefings.

Papakura ki Pukekura: Te Mana o te Wai

For mana whenua, the SH1 Papakura to Drury site is wāhi tapu, meaning it has cultural, spiritual, ancestral, traditional, and customary significance.

Partnership with iwi is an important part of the project's success and enhancing and regenerating the waterway by improving stormwater and water quality outcomes has been an important journey for the team.

Partnership with iwi is an important part of Papakura to Drury project success. As mana whenua are particularly passionate about the environment, the team have developed a video on the importance of wai/water and stormwater treatment to showcase how we are working in partnership to improve stormwater and water quality outcomes as part of the project.

One hundred percent of all stormwater is now treated as it comes off this section of the motorway, and this is done through vegetated swales, wetlands and in some places, we are using gross pollutant traps.

A lessons learnt session was also held with the PSC and three iwi PSC members. Key learnings, including the mana whenua section, are added as a regular agenda item. This lessons learnt has been shared across leadership, PSC and the independent chairs group. The cultural induction for PSC members has been completed with positive feedback from chair around the importance of learning about the iwi rohe and wāhi tapu.