

# NZ Upgrade Programme

## Monthly Report for March 2023

ISSUED ON 1 May 2023



Proudly delivering

New Zealand  
Upgrade  
Programme

New Zealand Government



# Executive Summary

Project Health RAG	Phase	Overall Health	Time	\$
Northland Package	BC			
Papakura to Drury	Imp			
South Auckland Package	DBC	Improved	Improved	Improved
South Auckland - Waihoehoe Road (Drury) Upgrade	Pre-Imp			
South Auckland - SH22 (Drury) Corridor Upgrade	Pre-Imp			
O Mahurangi/Penlink	Imp			
SH1/29 Intersection Improvements	Pre-Imp			
Takitimu North Link Stage 1	Imp			
Takitimu North Link Stage 2	Pre-Imp			
Ōtaki to North of Levin (Ō2NL)	Pre-Imp			
SH58 Safety Improvements – Stage Two	Imp	Improved		Improved
SH2 Melling Efficiency & Safety Improvements	Pre-Imp			
Canterbury Package				
• Brougham St Corridor Improvements	Pre-Imp			Worsened
• Rolleston Access Improvements	BC			Worsened
• SH75 Halswell Road Improvements	Pre-Imp	Worsened		Worsened
• SH73 Weedons-Ross Road Intersection	Imp			
• Walnut Avenue Intersection Improvements	Post-Imp			
• SH1 Tinwald Corridor Improvements	Imp			
Queenstown Package	Pre-Imp			

## Communication & Engagement Highlights

**SH73 Weedon-Ross Road:** Programme completion event scheduled on 4 April.

**SH2 Melling Interchange:** Preferred proponent announced but not named, this is planned for 17 April with the signing of the IPAA.

**O Mahurangi:** Mobile information hub had first community event at the Red Beach School Twilight Fun Fair. Students loved the gamified drive over, and the team are working through ways to more effectively use the hub at future events.

## Sponsor Commentary

March sees the programme remaining as **RED** s 9(2)(g)(i)

The programme's status will be reviewed in May, following recent ministerial direction and decisions on the programme cost pressures.

Items of note this month at a project level are:

- Weedons-Ross Road intersection was opened to traffic in March 23.
- Tinwald Corridor improvements moved from Pre Implementation to Implementation with the commencement of physical works tender process
- RiverLink programme has been awarded the New Zealand Planning Institute's (NZPI) Best Practice Award for 'Integrated Planning and Investigations'

We have seen a deterioration in budget status for projects within the Canterbury package to reflect updated information as design progresses along with updates to escalation rates. s 9(2)(g)(i)

At a programme level the health check and readiness review undertaken by Ken Kanofski Advisory concluded with a workshop in March to discuss the outcomes of the review. These will be presented to Governance Group in May.

During the quarter we captured updated figures of the number of FTE employed on the programme. This includes internal and external FTEs from projects and programme team. Whilst not all projects are able to provide information (primarily due to the nature of the contracts in place) we have ~860 FTEs currently working on the programme.

The programme continues to see substantial cost pressures, although there are signs of a gradual return of escalation rates to longer-term averages. Material prices continue to track relatively steady, while labour costs and increased pressure on the construction industry to support the flood-recovery programme is keeping upward pressure on inflation rates. Next update to escalation rates are expected end of May

## Key Upcoming Project Decisions

s 9(2)(f)(iv)

# 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. Oct 22	P95 Latest Est. Oct 22	Budget Health RAG Status
O Mahurangi/Penlink	124.4	s 9(2)(j)				830	s 9(2)(j)		●
Ōtaki to North of Levin (Ō2NL)	131.1					1,500			●
<b>Higher risk</b>	<b>255.5</b>					<b>2,330</b>			
Papakura to Drury	189.5					655			●
Takitimu North Link Stage 1	188.6					655			●
SH2 Melling Safety Improvements	33.8					420			●
SH58 Safety Imp Stage Two	32.8					105			●
SH1/29 Intersection Improvements	5.1					40			●
Canterbury Package	39.6					300			●
Queenstown Package	21.5					115			●
Takitimu North Link Stage 2	24.0					57			●
<b>Lower risk</b>	<b>534.9</b>					<b>2,347</b>			
Northland Package	13.0					192			●
South Auckland Package	88.6					874			●
Northern Pathway Alt Investment	51.2					782.5			●
<b>Rescoped</b>	<b>152.8</b>					<b>1,848.5</b>			
<b>Grand Total</b>	<b>943.1</b>					<b>6,525.5</b>			

## Financial Result

- The Programme reports a March spend of \$36.1m, \$4.1m (10%) lower than forecasted (\$40.2m). This underspend was driven by poor weather and invoice delays. However overall March expenditure tracked closer to forecast than prior months as the cyclone impact on our projects lessened.
- Our full year Program forecast to Jun 23 is \$457m, \$148m (24%) lower than the SPE budget \$605m set at the start of the financial year. The key reasons behind this include; delays due to poor weather s 9(2)(f)(iv)
- The programme will seek to transfer any underspend to the next financial year.

## Estimates at Completion (EAC)

- EAC values are as of October 2022 and reflect the latest estimates provided to Ministers in briefings late last year.
- The latest quarterly escalation rates for Quarter 2 of 2023 are being included into project cashflow forecasts, along with any other updates to costs. This is expected to be completed by mid-April, with a subsequent update on overall programme costs to Governance Group the following reporting period.

## Funding

s 9(2)(g)(i)

# Schedule and Milestone Report

Project	Updated Baseline Construction Start	Latest Construction Start	Updated Baseline Construction Finish	Latest Construction Finish	2022	2023	2024	2025	2026	2027	2028	2029
Papakura to Drury	Early 2021	Early 2021	Late 2027	Late 2027								
O Mahurangi	Late 2022	Late 2022	Late 2026	Late 2026								
SH 1/29	Mid 2023	Mid 2023	Late 2024	Mid 2025								
Takitimu North Link - Stage 1	Late 2021	Late 2021	Mid 2027	Mid 2027								
Ōtaki to North of Levin	2025	2025	2029	2029								
SH58 – Stage 2	Early 2021	Late 2020	Mid 2026	Early 2026								
Melling	Late 2023	Late 2023	Late 2027	Late 2027								
Brougham St	Late 2024	Late 2024	Late 2026	Late 2026								
Rolleston	Early 2025	Early 2025	Late 2027	Late 2027								
Weedons-Ross	Mid 2023	Mid 2022	Early 2024	Mid 2023								
Tinwald	Mid 2023	Mid 2023	Mid 2024	Mid 2024								
Halswell	Mid 2024	Mid 2024	Late 2026	Late 2026								
Walnut	Mid 2021	Mid 2021	Late 2022	Late 2022								
Queenstown	Mid 2023	Mid 2023	Mid 2026	Mid 2026								

5 Major Milestone Completed	42% Major Milestones Complete
2 Advanced Construction End	1 Advanced Construction Start
1 Delayed Construction End	1 Delayed Construction Start

## Key

2022 Updated Baseline Advised to Ministers	
Baseline NOR Lodgement	
Variation to Baseline (Advancement – green) (Delay – red)	

## Programme Commentary

- Whilst construction dates largely remain on track to the updated baseline, risks to the critical path are becoming evident for a number of projects (noted in the next section). These risks and their mitigations will be monitored as part of ongoing quantified risk assessments to understand the potential impact of the overall cost of these delays.
- We continue to see that milestones slippage with 12 (6%) of future Level 1 major milestones showing delays impacting 5 projects. A smaller number of milestones have advanced.
- Consenting risks are being closely monitored as most projects still need designations, consents or other statutory approvals. Property risks remain high on specific projects as mitigations and response to objections are being progressed.
- A deep dive on QRA risk themes is currently being undertaken by the programme team. Early insights show that incorrect schedules is one of the top three biggest risks to the programme.
- Early completion being signalled for SH58 and Weedons Ross Road.
- Northland Package and South Auckland Package (including SH22 Drury Corridor and Waihoehoe Road) will be added to this report when schedules are finalised.

## Project Schedule and Critical Path

s 9(2)(g)(i)



# Project Readiness Status

Projects	Construction start date as per 2022 Briefings	Next major milestone	State of Readiness		
			Stable Scope	Property purchase	Consenting
Takitimu North Link Stage 1 (Imp)	Underway	s 9(2)(f)(iv)			Extreme
SH73 Weedons-Ross Road (Imp)	Underway				
O Mahurangi/Penlink (Imp)	Underway				
SH1-29 Intersection Improvements (Pre Imp)	Mid 2023				
SH58 Safety Imps – Stage 2 (Imp)	Mid 2023 (Stage 2B)			Trending GREEN	
Queenstown Package (Pre Imp)	Mid 2023				
SH1 Tinwald Corridor Improvements (Imp)	Mid 2023				
SH1 Papakura to Drury (Imp)	Stage 1B1 – Mid 2023				
SH2 Melling Efficiency & Safety (Pre Imp)	Late 2023			Trending AMBER	
SH75 Halswell Rd Imps (Pre Imp)	Mid 2024				
Brougham St Corridor Improvements (Pre Imp)	Late 2024				
Rolleston Access Improvements (BC)	Early 2025				
Ōtaki to North of Levin (Pre Imp)	2025				
Takitimu North Link Stage 2 (Pre Imp)	N/A				
Waihoehoe Road (Drury) Upgrade (Pre Imp)	TBC				
SH22 (Drury) Corridor Upgrade (Pre Imp)	TBC				

Readiness ratings are assigned by the programme Subject Matter Experts and reflects the programme's view of status. **RED** or **AMBER** may not necessarily mean that management intervention is required. Over time all projects would trend to **GREEN** as they enter or near construction with all property, scope and consenting issues resolved.

## Scope

**RED** status reflects scope definition still to be completed/confirmed.

- Ō2NL and Queenstown are showing **RED** to s 9(2)(g)(i)
- SH2 Melling – Decisions made by Joint Ministers in October has seen the status move to **AMBER**. As the project progresses through the Interim Project Alliance Agreement (IPAA) phase and can confirm that the agreed scope can be delivered within funding allocation, the RAG status will shift to green.

## Property

**GREEN** to **RED** status reflects scaled risk based on timeframe to construction start.

- Takitimu North Link Stage 1 – s 9(2)(g)(i) **RED** s 9(2)(i)
- SH58 Safety Improvements - **AMBER** due to acquisition window now circa 18 months with construction on the Moonshine Roundabout to Flightys Rd section not due to commence until Oct 2024. s 9(2)(g)(i)
- SH2 Melling – **RED** reflects tight delivery timeframes for business relocation. s 9(2)(g)(i)
- Rolleston Access Improvements – **RED** reflects the fact that design and land requirements are not yet confirmed.
- Ō2NL – **RED** s 9(2)(i)

## Consenting

RAG status relates to the state of readiness for construction. Projects rated **AMBER** still need designations, consents or other statutory approvals s 9(2)(g)(i). In most cases the pre-lodgement work is underway, or the application package has been lodged. Ongoing uncertainty in scope of some packages has affected lodgement dates.

Projects not yet lodged will be subject to further changes to the resource management framework (e.g., National Policy Statement for Indigenous Biodiversity). There are now four projects (possibly 5) which may be lodged after the new Natural and Built Environments Act comes into effect. This won't necessarily increase consenting risk (depending on final project scope) but may create uncertainty for the process. A review of the consenting strategies for some projects may be required.

s 9(2)(g)(i)

# Upcoming Significant Decisions

Changes to upcoming significant decisions since last month (bold text in table):

s 9(2)(f)(iv)

Contracts and Tenders above \$40m are shown below. s 9(2)(f)(iv)

s 9(2)(f)(iv)

s 9(2)(f)(iv)

# Programme Risk Management

## Key Programme Risks

There have been no changes to key programme risks since our last report. At a programme level we continue to manage 3 extreme risks: funding, escalation and resources.

A review of programme risks will be undertaken in Q2, and any significant changes will be highlighted in a future report. It is likely that Property will move from High to Extreme reflecting property acquisition challenges increasing in some significant projects. The programme team is working with the risk owner regarding mitigation plans. **§ 9(2)(g)(i)**

### Funding – Status reduced from Issue to Risk

We have received Joint Minister's signature on their agreement to progress projects in delivery within an adjusted fixed funding envelope. We have changed the status of this from "issue" to risk. The risk level will be reviewed as part of our wider programme review.

### Escalation & Cost Pressure - Issue

There are no further updates from the last Infometric quarterly report.

The programme continues to see substantial cost pressures, although there are signs of a gradual return of escalation rates to longer-term averages. Material prices continue to track relatively low, while labour costs and increased pressure on the construction industry to support the flood-recovery programme is keeping upward pressure on inflation rates.

The effect of the latest Q2 22/23 escalation rates on individual project cashflows continue to be assessed. Full cost-model analysis will be provided within the next reporting-cycle.

### Resources Risk: Sector capacity

We remain confident that we have the global resource pool to delivery the NZUP programme as it stands. This is evidenced by contracts continuing to be awarded, the receipt of several professional services bids for Waihoehoe Road and that at least 3 providers showing an interest in SH1/29.

## Current Programme Risk Landscape\*

Extreme Risk	High Risk	Medium Risk
<ul style="list-style-type: none"> <li><b>Funding:</b> <b>§ 9(2)(g)(i)</b></li> <li><b>Escalation:</b> Escalating input cost, labour, material, property and delivery – <b>being managed as an issue</b></li> <li><b>Resources:</b> Inadequate internal &amp; external programme resource</li> </ul>	<ul style="list-style-type: none"> <li><b>Property:</b> Unsuccessful and costly property acquisition</li> <li><b>Delivery Improvement:</b> Outcomes not achieved</li> <li><b>External Capacity:</b> External partner and stakeholder capacity to support programme</li> <li><b>Consents:</b> Project consents and other statutory approvals delayed (either lodgement or statutory process)</li> <li><b>Local Authority:</b> Stakeholders' expectations are not met</li> <li><b>Operation:</b> Inadequate project management practices and disciplines</li> </ul>	<ul style="list-style-type: none"> <li><b>Score card:</b> 5% value of all tender contracts awarded to Māori SMEs requirement not achieved</li> <li><b>Procurement:</b> Market Concentration</li> <li><b>NZUP Initiatives:</b> Programme initiatives / improvements not promulgated and embedded across Waka Kotahi</li> <li><b>Data Quality:</b> Inadequate programme data quality/ currency and consistency</li> <li><b>Resources Management Legislation:</b> On-going changes to resource management legislation and policy</li> <li><b>Governance:</b> Perceived disconnect between programme &amp; project</li> </ul>

\* Key project specific risks can be found in the sponsor commentaries.

# NZ Upgrade Programme – Sponsor Commentary

Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	Sponsor Commentary
Northland	Northland Package (Rescope)	●	●	●	s 9(2)(f)(iv) s 9(2)(g)(i)
		Previous Month GREY	Previous Month GREY	Previous Month GREY	Five transport projects are currently underway between Whangarei and Te Hana. It is proposed that the 5 projects are rolled into a programme structure to ensure greater integration between the projects. In particular resourcing and journey management will be a particular focus for integration as a starter.
Auckland	Papakura to Drury (Imp)	●	●	●	Stage 1A construction continues, noting that the Park Estate Bridge is due to be completed in early June 2023. Several elements of Stage 1B1 have been brought forward into Stage 1A, including the North Island Main Trunk Bridges and a new Southbound on ramp at Papakura, noting that both were provided for in the Stage 1A contract as provisional items. Consideration is currently being given to undertaking extensions to culverts that would have been constructed in Stage 1B1 but earlier than expected land acquisition has meant that these can be built more efficiently now, albeit the cost estimate is much higher than expected due to poor ground conditions – design options being looked at to reduce costs. Building the culvert extensions in Stage 1B1 would be more complex and significantly more expensive again than doing them now.
		Previous Month RED	Previous Month AMBER	Previous Month RED	Stage 1B1 design is nearing completion although some potential changes to pavement design may impact final timeframes for delivery of the associated design package. The project team continue to work with the contractor and designer in the build up to seeking a price for the next stage of works.
	O Mahurangi/ Penlink (Imp)	●	●	●	The EPA appointed a panel in mid-March to consider the Notice of Requirement for Stage 1B2 and we are expecting a decision in July. This is later than expected but at this stage both detailed design and land acquisition processes are on track.
		Previous Month AMBER	Previous Month GREEN	Previous Month AMBER	The project is progressing according to programme and whilst tracking within the overall P95, status is rated AMBER to reflect this is above P50. We are now starting to lock in tangible improvements in the digital space. Our office resources are being stretched and we are mindful of staff fatigue. We are considering a revised design programme together with a reprioritisation of tasks to reduce the pressure. Reporting and measurement of KPI's, delivery improvement ideas and ISC are being reassessed with the aim to simplify. We continue to share learnings and innovation, also sharing what ideas did not work so well. We are excited about the Mental Health Programme and look forward to its outcomes after its launch during March. The project remains in an very positive space.



# NZ Upgrade Programme – Sponsor Commentary

Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	Sponsor Commentary
Auckland (continued)	South Auckland Package (Detailed Business Case)	<div></div>	<div></div>	<div></div>	<b>South Auckland Package – DBC Phase</b> Development of the South Auckland Business Case is on track for submission to the Waka Kotahi Board in July 23, for Ministers approval August 23. <div></div>
		Previous Month AMBER	Previous Month AMBER	Previous Month AMBER	<div></div> A review of the Strategic Case and Investment Logic Mapping has been completed and socialised within AT and Waka Kotahi. A range of options to deliver a stronger public transport and walking & cycling proposition associated with the Mill Road corridor has been developed and has been socialised with the steering committee, mana whenua, Pan Partners (Te Manatū Waka, Council, AT, MHUD) and Local Boards. The upgrade options span between Manukau station and Takanini. Feedback to date is positive on the options being explored.
	Waihoehoe Road (Drury) Upgrade (Pre-Imp)	<div></div>	<div></div>	<div></div>	To support the development of the business case, a Future Network Classification is underway in association with Auckland Transport. A draft version has been completed and is under review.
		Previous Month AMBER	Previous Month AMBER	Previous Month AMBER	<b>Drury Projects (Waihoehoe Rd and SH22 Upgrades) – Pre Implementation Phase</b> RAG status for the Drury projects is AMBER. This is driven by risks around property for both projects. <b>Waihoehoe Rd</b> – The proposed bridge alignment runs through the retail centre at Drury township. There is some community opposition to the alignment mainly due to potential loss of services. The project team is focusing on opportunities to relocate the majority services locally to mitigate this potential loss. <div></div>
	SH22 (Drury) Corridor Upgrade (Pre-Imp)	<div></div>	<div></div>	<div></div>	<div></div> <b>SH22 Upgrade – <div></div></b> <div></div>
		Previous Month AMBER	Previous Month AMBER	Previous Month AMBER	The tender for Waihoehoe Rd Upgrade Stage 2B pre-implementation professional services has closed and review of the responses is now underway. We expect to award the professional services contract for this project early May 23. SH22 Upgrade Stage 2B tender will go to market in June 23 once Land Requirement Plans are completed. Engineer to the Contract services will also be tendered in May 23 for Paeraataa Station Roundabout. We expect the ETC services to extend to the two Drury Projects.

# NZ Upgrade Programme – Sponsor Commentary

Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	Sponsor Commentary
Waikato & Bay of Plenty	SH1/29 Intersection Improvements (Pre Imp)	<div></div>	<div></div>	<div></div>	The project remains a <b>RED</b> status <b>s 9(2)(g)(i)</b> The Environment Court granted the Notice of Requirement and resource consent on 29 March with minor amendments. Procurement of construction contract is in progress with planned advertisement May/June 2023 and contract award in August 2023. <b>s 9(2)(f)(iv)</b>
		Previous Month <b>RED</b>	Previous Month <b>RED</b>	Previous Month <b>RED</b>	
	Takitimu North Link Stage 1 (Imp)	<div></div>	<div></div>	<div></div>	Project remains <b>RED</b> RAG status <b>s 9(2)(g)(i)</b>
					<b>s 9(2)(g)(i)</b>
					<b>s 9(2)(g)(i)</b>
					<b>s 9(2)(g)(i)</b>
	Takitimu North Link Stage 1 (Imp)	Previous Month <b>RED</b>	Previous Month <b>RED</b>	Previous Month <b>RED</b>	<b>s 9(2)(g)(i)</b>
					<b>s 9(2)(g)(i)</b>
					<b>s 9(2)(g)(i)</b>
	Takitimu North Link Stage 2 (Pre Imp)	<div></div>	<div></div>	<div></div>	Project is <b>RED</b> RAG status given the number of AMBER factors (risk, schedule, engagement). An emerging preferred alignment option was endorsed by PSC in December 2022 with formal feedback having now being sought from project partners and stakeholders prior to consultation with landowners which is occurring in late March/April. Partner and stakeholder feedback has been balanced with no red flags, but all have noted the importance of feedback from tangata whenua.
					<b>s 9(2)(g)(i)</b>
	Takitimu North Link Stage 2 (Pre Imp)	Previous Month <b>AMBER</b>	Previous Month <b>AMBER</b>	Previous Month <b>AMBER</b>	<b>s 9(2)(g)(i)</b>
					Target for lodgement of NOR and consents is late 2023. This has changed from mid 2023 given the additional time required to complete the alternatives assessment, design requirements for NPS freshwater management changes, and investigations. There is a decision point for the project prior to any lodgement. The impact of additional work for alternatives assessment, design and investigations dues to NPS legislation has meant that funding will need to be moved from the property contingency funding to pre-implementation in order to complete this phase. Omokoroa to Te Puna Safety Improvements (SIP) has been funded for pre implementation however the lack of design resource available has meant this has not progressed. Recent weather events have further strained this resource and it has been prioritised away from this project. Availability of resource and ability to progress will be reassessed in July 2023. Omokoroa Intersection, delivered by Western Bay of Plenty District Council, is progressing, with detailed design and consenting on target for end of 2023.

# NZ Upgrade Programme – Sponsor Commentary






















Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	Sponsor Commentary
Manawatu / Whanganui	Ōtaki to North of Levin (Ō2NL) (Pre-Imp)	<span style="color: red;">●</span>	<span style="color: green;">●</span>	<span style="color: red;">●</span>	<p>The project continues to report an overall status of <span style="color: red;">RED</span> s 9(2)(f)(iv)</p> <p>Our current procurement plan for physical works has us issuing an expression of interest (EOI) to the market April 2023. <span style="color: red;">s 9(2)(g)(i)</span></p> <p>We have currently been allocated <span style="color: red;">s 9(2)(i)</span> for the pre-implementation and property purchase phases and are currently tracking <span style="color: green;">GREEN</span> on the budget for these activities. If the project was fully funded we would rate the overall project status at <span style="color: orange;">AMBER</span>.</p> <p>The team are currently making good progress on some of our key areas: we have now engaged our PTA (Professional Technical Advisors) for the pre-implementation phase, including the assisting with the Dual-Alliance procurement process; we have now achieved the purchase of 42% of the required property and agreed the process with LINZ to commence submissions of Section 18's in April; we continue preparing for the Environment Court Hearings; and we held our first Whakawhanaungatanga, cultural induction, to welcome the PTA into the team.</p> <p><span style="color: red;">s 9(2)(g)(i)</span></p>
		Previous Month <span style="color: red;">RED</span>	Previous Month <span style="color: green;">GREEN</span>	Previous Month <span style="color: red;">RED</span>	

# NZ Upgrade Programme – Sponsor Commentary

Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	Sponsor Commentary
Wellington	SH58 Safety Improvements – Stage Two (Imp)	●	●	●	The project status is <b>GREEN</b> . The SH58 Safety Improvements project has two components. Stage 2A (Mount Cecil Road to Harris Road) achieved practical completion on 11 July with the final surfacing being completed in December following the winter shutdown. Median barrier is complete.
		Previous Month <b>AMBER</b>	Previous Month <b>GREEN</b>	Previous Month <b>AMBER</b>	Land requirement plans have been completed for Stage 2B (Moonshine Road to Transmission Gully) and landowners have been approached for agreement. <b>s 9(2)(g)(i)</b>
	SH2 Melling Efficiency & Safety Improvements (Pre Imp)	●	●	●	Construction of the first section of SH58 Stage 2B (Harris Road to Moonshine Road) was awarded to Downer NZ at a contract price of <b>s 9(2)(j)</b> on 7 December 2022. This results in Stage 2B effectively commencing 8 months ahead of baseline (1 August 2023). All consents have been received, and construction is underway. A full weekend road closure has been approved commencing 28 April for critical pavement work.
		Previous Month <b>AMBER</b>	Previous Month <b>GREEN</b>	Previous Month <b>AMBER</b>	The project status remains <b>AMBER</b> <b>s 9(2)(g)(i)</b> I am delighted that the team achieved an important milestone for Melling Transport Improvements. After years of extensive and hard mahi we have confirmed AECOM-Fletcher as the preferred Alliance to deliver the programme. The focus of the Alliance over the next six months to explore innovative and value for money improvements that potentially reduce costs but not compromise on the outcome we seek. We are seeking approvals from Brett Gliddon, GM Transport Services to award the contract. RiverLink Partnership Board had a workshop in mid-March to discuss, update and inform the strategic and programme risks for our risk-register system. We will further strengthen our risk assessment and mitigation plan by working closely with the Alliance. Work continues on the RiverLink Partner Agreement. KMPG are working with the partners to detail the agreed commercial principles. We expect this work to wrap up late April. The partner property agreement is closer to its completion. The agreement will require Waka Kotahi board approval (it will be over \$20m) and we're aiming for the 25 May board meeting. This will meet the GWRC requirement to receive payment prior to 30 June 2023. On project completion there will be a reconciliation to ensure the property agreement aligns with what was built. I am pleased to share the good news that RiverLink programme has been awarded the New Zealand Planning Institute's (NZPI) Best Practice Award for 'Integrated Planning and Investigations'. I am proud of what our Waka Kotahi team have achieved collectively with Hutt City Council, Greater Wellington Regional Council, and mana whenua partners in a complex environment.



# NZ Upgrade Programme – Sponsor Commentary

Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	Sponsor Commentary
Canterbury	Brougham St Corridor Improvements (Pre-Imp)				<p>There are no major updates to report for the Canterbury package. Commentary remains largely as per the previous month and is noted below.</p> <ul style="list-style-type: none"><li>SH1 Rolleston Access Improvements – DBC has identified a preferred option. The DBC is being completed and an internal phase readiness review (previously known as stage gate) is also being completed. <span>s 9(2)(g)(i)</span></li><li>SH76 Brougham Street Corridor Improvements – DBC. The pre-imp tender closed at the end of February 2023 and a tender is in the process of being awarded. Schedule status remains AMBER <span>s 9(2)(g)(i)</span></li><li>SH75 Halswell Road Improvements – DBC has been approved and is in the pre-implementation phase. <span>s 9(2)(g)(i)</span></li><li>SH73 Weedons-Ross Road, SH73 West Melton Improvements - Good progress has been made, and we are ahead of schedule.</li><li>SH1 Tinwald – We are aiming to start construction in mid/late 2023.</li><li>SH1 Walnut Ave – Construction was completed in November 2022.</li></ul> <p><span>s 9(2)(g)(i)</span> <span>s 9(2)(g)(i)</span></p>
		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 GREEN	Previous Month AMBER	
	SH73 Weedons-Ross Road Intersection (Imp)				
		Previous Month GREEN	Previous Month GREEN	Previous Month GREEN	
	Walnut Avenue Intersection Improvements (Post-Imp)				
		Previous Month AMBER	Previous Month GREEN	Previous Month AMBER	
	SH1 Tinwald Corridor Improvements (Imp)				
		Previous Month GREEN	Previous Month GREEN	Previous Month GREEN	
Queenstown	Queenstown Package (Pre Imp)				<span>s 9(2)(g)(i)</span>
		Previous Month RED	Previous Month RED	Previous Month RED	<span>s 9(2)(g)(i)</span>

# Communications & Engagement

## Overview/Highlights

Project completions, announcements and road closures were among the communication activity this month. Communication has been collaborative across iwi and governance, to ensure our messaging aligns. Community engagement has also been on the agenda across several projects, for O Mahurangi this included the ability to 'test out' the new road via VR.

## Issues/Risks

**Takitimu North Link Stage 1:** s 9(2)(g)(i)

**SH2 - Melling interchange:** Some concern that property owners/tenants in the construction zone don't want to move. Relocation of premises through compulsory acquisition. Possible issues around vacant properties if demolition doesn't proceed quick enough.

**O Mahurangi:** Local roads used to access the project site are in worse condition than expected, risk of the perception the project has worsened them. Increase in tolling questions expected, will become a reputational risk as it has now been a year since community consultation. An announcement is imminent from the Minister, and I kely to impact the reputation of the project.

## Communications & Engagement Activity

**Takitimu North Link Stage 1:** Wairoa Awa (River) construction bridge completion posted on [LinkedIn](#) and climate change design of new bridge. Ōmokoroa Road Intersection, Wairoa Cycleway and Cameron Road (SH2 / Fifteenth Ave) projects will begin to make an impact on the corridor in 2023 - seeking alignment of comms with WBOPDC/TCC project teams.

**Takitimu North Link Stage 2:** A review of previous investigations into online safety and accessibility upgrades between Te Puna and Ōmokoroa is complete with funding for pre-implementation for ISZ, wide centrelines and reseal. It is I kely the community will push for greater investment. No design resource available to progress this work - to be reviewed mid-2023.

**SH58 Safety Improvements Stage 2:** Resource consent has now been lodged for the final section (Moonshine Road to Transmission Gully SH1 interchange). Indications from the planning team suggest it is likely to be limited notified consent process. A full weekend road closure has been approved commencing 28 April for critical pavement work. Engagement & communications is well advanced and there has been a [media release](#).

**Queenstown Package:** SH6/6A had a full road closure residential/business letter drop, stakeholder engagement including Emergency Services and freight, print and radio advertising, press release, [social media](#) occurred.

**O Mahurangi:** Mobile information hub had first community event at the Red Beach School Twilight Fun Fair. Students loved the gamified drive over, and the team are working through ways to more effectively use the hub at future events.

**SH73 Weedon-Ross Road:** Programme completion event scheduled on 4 April.

**SH2 Melling Interchange:** Preferred proponent announced but not named, this is planned for 17 April with the signing of the IPAA.

## Stakeholder Engagement

What stakeholders are saying (themes)

s 9(2)(g)(i)

## Upcoming Activities

**Takitimu North Link Stage 2:** Landowner engagement continues. Collateral / packs for landowners to be prepared for April.

**South Auckland Package:** Pan partner hui, meetings local board and councillors due to occur within the next couple months as per business case engagement prep.

**SH2 Melling Interchange:** Preparation for community engagement with surrounding neighbourhoods of potential skatepark location, and around areas where housing is being demolished for project works.

**O Mahurangi/Penlink:** Presenting to the H biscus Coast Rebus Club on the project with a focus on the construction methodology. Organising a community drop-in event in Stillwater to update the community on the upcoming bridge works.

# Iwi Engagement & Treaty Partnership

## Ngā Pūrongo | Key Themes

### Genuine Partnership

Across several projects we are working closely with Mana Whenua and iwi, including monthly Mana Whenua steering groups, iwi integration meetings, and hui to discuss how we can continue to work closely together.

### Cultural Capability Building

Projects teams are working closely with local iwi discussing cultural significance within the project areas. Project teams are working to continue to be guided by mana whenua principles and are actively working towards an increased understanding of how to work with Iwi in an alliance context.

### Risks

Takitimu North Link Stage 1: s 9(2)(g)(i)

### Broader Outcomes – Māori Business Engagement and 5% Contract Value

The programme has undertaken a review to document and understand the current baseline of Māori business engagement across projects. The results are wide ranging from little or no engagement, through to clear targets being considered as part of KRAs. We will also be communicating with the Commercial and Corporate Procurement Team as they develop initiatives to gain industry level Information and how this may provide data for NZUP projects. Future work will be progressed when we have the skills and capability in the team following succesful recruitment into the vacant NZUP Principal Māori Advisor position.

## Ngā Hīnonga | Projects

**Takitimu North Link Stage 1:** Waka Kotahi Te Matangi team had a two-day noho at Tawhitinui Marae, Ōmokoroa, west of Tauranga in early March and took the opportunity to visit the Takitimu North Link site office. Site visit happened in March and hapu reps impressed with progress. Cultural artworks designs have been approved to progress. Contacted design team to set up interviews with artists when time is right.

**O Mahurangi:** The Alliance engage with iwi through Te Aukaha, the projects iwi working group. A focus has been on developing the groups work programme and specific KPI. Co-design work has begun on the CEDF and landscaping opportunities.

**South Auckland Package:** Minister O'Connor (LINZ) has endorsed NZ Geographic Board (NZGB) recommendation to adopt the following names for the three Southern Stations: Drury, Ngākōroa and Paerātā Railway Stations. s 9(2)(g)(i)

**SH2 Melling Interchange:** Monthly meetings with Mana Whenua Steering Group, with update from project director and partner leads as required. Chamber of Commerce is facilitating discussions on trades training and employment with local iwi, MSD, and wider sector. Project name transition is progressing well, and expected to be implemented alongside the signing of the IPAA.

**SH1 Ōtaki to North Levin:** 'One client' approach being take with our project partners hapū of Ngāti Raukawa and Muaūpoko Tribal Authority. Kaimahi from our partners are active within the day-to-day project activities, at events and have representation on the PSC. Site blessing held 15 March for SH1 SIP with project partners, KCDC mayor and community bd chair, WTA and Downer contractors. First stages of Kaupapa Poutama Ō2NL/ induction and education campaign held with Whakawhanaungatanga day to welcome the PTA team to the project on 29 March. New collateral was developed for the induction and co-ordination of the induction framework was developed by Waka Kotahi and partners.

**SH1 Papakura to Drury:** SIIG monthly hui covering Stage 1A construction update and further information and discussion regarding an additional Stage 1B1 consent being sought for scour protection around Ngākōroa Bridge piers.