

NZ Upgrade Programme

July 2021 Monthly Report

ISSUED ON 13/07/21

Programme Reporting Pack Updates

Post the Cabinet decision we are making some changes to the Governance Group pack to reflect the changes in the programme and to provide clear information on project health and programme status.

Detailed reporting on rescoped projects has not been included in this month's report as separate papers are being provided.

This report is divided into a main section (including regular and one-off reporting) and an appendix (project updates).

Section 1 – Programme Reporting

- Programme Dashboard – a new dashboard page will be included from July month end (August Governance Group)
- Programme Overview – Programme team commentary on overall health status of the programme, and key RAG indicators at a project level
- Project Readiness Status – This page contains information previously provided to Governance as a separate paper
- Programme Finances – End of year information will not be available in time for Governance Group and an updated position will be advised separately
- Project Resourcing Update – This is a new report in June
- Workstream Updates
 - Delivery Improvement
 - Programme Milestone/Schedule Update
 - Consenting Update
 - Property Acquisition Update
 - Procurement Update
 - Communications & Engagement Update
 - Iwi Engagement Update
 - Highest Programme Risk Update

Programme Overview

Project	Baseline Decision	Phase	Time	\$
NZUP Penlink	Proceed (P95)	Pre-Imp		
NZUP Northern Pathway	Proceed (P95)	Pre-Imp		
NZUP SH1-29 Intersection Improvements	Proceed (P50)	Pre-Imp		
NZUP Takitimu North Link Stage 1	Proceed (P50)	Pre-Imp		
NZUP SH58 Safety Improvements	Proceed (P50)	Pre-Imp		
NZUP SH2 Melling Efficiency & Safety Imp	Proceed (P95)	Pre-Imp		
NZUP Otaki to North of Levin	Proceed (P95)	BC		
NZUP Rolleston Access Improvements	Proceed (P95)	BC		
NZUP Brougham St Corridor Improvements	Proceed (P95)	BC		
NZUP SH75 Halswell Rd Imps	Proceed (P95)	BC		
NZUP SH73 Weedons-Ross Road Intersection	Proceed (P95)	BC		
NZUP Walnut Avenue Intersection Improvements	Proceed (P95)	Pre-Imp		
NZUP SH1 Tinwald Corridor Improvements	Proceed (P95)	BC		
NZUP SH6A Corridor Improvements	Proceed (P50)	BC		
NZUP SH6 Ladies Mile Stage 2	Proceed (P50)	BC		
NZUP Grant Road to Kawarau Falls	Proceed (P50)	BC		
NZUP SH1 Whangarei to Port Marsden H'way	Re-scoped			
NZUP Papakura to Drury South	Proceed (P50) No funding for stage 2			
NZUP Mill Road Corridor	Re-scoped			
NZUP Takitimu North Link Stage 2	Re-scoped			

Programme remains at an overall **AMBER** due to s 9(2)(g)(i)

Programme Update:

Following Cabinet's decision, the Programme has regained certainty over those projects that have been funded to proceed.

We are entering a phase of heightened programme management over the next quarter which includes developing robust contingency management, resourcing reviews, undertaking CIPA reviews and strengthening our assurance practices.

Fast track workstreams have been established and appropriately resourced for rescope projects and these are being reported on to Governance outside of this regular monthly report.

Project Highlights:

Northern Pathway – Finalising details to Professional Services contract variation (as part of interim Project Alliance Agreement (iPAA)). The value of the variation is currently estimated at s 9(2)(i) and will require CE approval. Sign-off planned for end of July.

Papakura to Drury – NoR lodgement complete in June for stage 1B1. Property acquisitions will commence in July.

Queenstown Package – Approvals and sign-off of the Alliance Agreement has been delayed by a month to end of July, due to on-going insurance negotiations. It is expected that the negotiations will be completed by mid-July. It is expected that there will be no adverse effect on the construction start date.

SH58 – s 9(2)(g)(i)

Planned mitigation activities include working towards a design freeze based on "best to date knowledge" and allocating additional resources to assist the project director.

Project Readiness Status

Due	Projects	Construction start date	Delivery phase	Next major milestone		Project Steering Committee established	State of Readiness			
							Stable Scope	Property purchase	Crown land obligations as treaty partners	Consenting
1	SH58 Improvements	Mid 2021	Pre Imp	NOR Lodged (stage 2b)	Feb-22		§ 9(2)(g)(i)	§ 9(2)(g)(i)		§ 9(2)(g)(i)
2	SH1 Walnut Avenue	Mid 2021	Pre Imp	Construction start	Mid-21		§ 9(2)(g)(i)			
3	Takitimu North Link - Stage 1	Late 2021	Pre Imp	Physical Works contract awarded	Sep-21		§ 9(2)(g)(i)	§ 9(2)(g)(i)	§ 9(2)(g)(i)	
4	Penlink	Mid 2022	Pre Imp	BC Addendum phase completed	Aug-21		§ 9(2)(g)(i)	§ 9(2)(g)(i)		
5	SH1-29 Intersection Improvements	Late 2022	Pre Imp	Construction contract award	Sep-22		§ 9(2)(g)(i)	§ 9(2)(g)(i)		
6	Northern Pathway	Early 2023	Pre Imp	Lodge RMA Approvals	Dec-21		§ 9(2)(g)(i)	§ 9(2)(g)(i)		§ 9(2)(g)(i)
7=	Brougham St Corridor Improvements	Mid 2023	BC	Business Case complete	Aug-21		§ 9(2)(g)(i)			
7=	SH1 Weedons-Ross Road Intersection	Mid 2023	BC	Physical Works contract awarded	May-22		§ 9(2)(g)(i)			
7=	SH1 Tinwald Corridor Improvements	Mid 2023	BC	SSBC Completed	Aug-21		§ 9(2)(g)(i)			
10=	SH2 Melling Efficiency & Safety Imp	Late 2023	Pre Imp	Notice of Requirement Lodged	Aug-21		§ 9(2)(g)(i)	§ 9(2)(g)(i)		§ 9(2)(g)(i)
10=	SH75 Halswell Rd Improvements	Late 2023	BC	Business Case complete	Oct-21		§ 9(2)(g)(i)	§ 9(2)(g)(i)		
12	Rolleston Access Improvements	Early 2024	BC	Business Case complete	Feb-22		§ 9(2)(g)(i)			
13-15	Queenstown Package (3 Projects)	Early 2025	Pre Imp	Notice of Requirement Lodged	Nov-21		§ 9(2)(g)(i)			
16	Takitimu North Link - Stage 2	TBC	Pre Imp	Lodge Consent Application	Dec-21		§ 9(2)(g)(i)			§ 9(2)(g)(i)
17	Otaki to North of Levin	2025	BC	SSBC Endorsed	Oct-21		§ 9(2)(g)(i)			§ 9(2)(g)(i)

*Projects undergoing rescoping have been excluded from this report

'Readiness' is required by the time the construction contract is awarded, noting that some of the initial projects are being implemented in phases.

Project Steering Committees

Established as BAU

Scope

§ 9(2)(g)(i)

Property

§ 9(2)(g)(i)

Crown land obligations as treaty partners

§ 9(2)(g)(i)

Consenting

§ 9(2)(g)(i)

Project Resourcing

Region	Project	Project Manager	Project Director	Project Sponsor	Project controls	Project Co-ordinator/Administrator	BC/Transport Planning/Design	Property Lead	Comms Team	Legal Lead	RMA
Northland	SH1 Whangarei to Port Marsden H'way	s 9(2)(a)									
Auckland	SH1 Papakura to Drury South										
	Northern Pathway Westhaven to Akoranga										
	Penlink										
	Mill Road Corridor										
Waikato/BoP	SH1-29 Intersection Improvements										
	Takitimu North Link Stage 1										
	Takitimu North Link Stage 2										
Wellington	SH58 Safety Improvements - Stage 2										
	SH2 Melling Efficiency & Safety Imp										
	Otaki to North of Levin										
Canterbury	Brougham St Corridor Improvements										
	Rolleston Access Improvements										
	SH75 Halswell Rd Imps										
	SH73 Weedons-Ross Road Intersection										
	Walnut Avenue Intersection Improvements										
Q-Town	SH1 Tinwald Corridor Improvements										
	Queenstown Package										

* The information here has been collated from a number of sources and it is recognised it may not be complete and quickly can become out of date. Projects have other roles (e.g. iwi advisor, they have been excluded from this reporting).

Transport Services Review

A review of project resources across the End-to-End (E2E) model has recently been undertaken for Waka Kotahi Transport Services. The overall findings are being consolidated and recruitment has commenced where key gaps are being identified.

Notable Insights for NZUP

- There is no one single source of resourcing information at a project level. Planview, SAP and monthly costing sheets have been found to contain different information
- No formal resource demand planning exists across NZUP. Programme schedules are not utilised to identify resourcing plans, current or future
- PMs/PDs may be working across multiple projects. As projects progress through the lifecycle there is likely to be an increased need for experienced full time PMs/PDs. This may lead to competition for resources across Waka Kotahi
- Experienced project controllers are limited across the programme, with roles filled by new staff, contractors or going vacant. Twelve project controllers are being recruited and it is expected that 4 of these will be assigned to NZUP. This is in the early stages of recruitment
- As per the findings of the E2E model review, the role of project co-ordinators/administrators are not clearly defined. Only the major projects have dedicated staff
- Business case/planning/design roles exist, however demand changes throughout the lifecycle and will need to be planned for.

RAG, Risks and Issues

- RAG - s 9(2)(g)(i) [Redacted]
- Risks – s 9(2)(g)(i) [Redacted]
- Issues – s 9(2)(g)(i) [Redacted]

Delivery Improvement Update

Workstream	Initiative Name	Change Category	Status and Delivery
Delivery Efficiency	Invest in and trial new ICT Technology	Step Change	<ul style="list-style-type: none"> Minimum Requirement (trialled on Waikapu Transport Alliance) has been further developed, with support provided by Mott MacDonald to respond to Alliance feedback and align with best practice. Broader work underway to define programme end-state vision and work required to achieve this
	Maintenance and Whole of Life Considerations in Design	Reinforcing BAU	<ul style="list-style-type: none"> Guidance has been prepared and introduced in Deliver Efficiency Workshop to Project Managers, further project-level engagement and Intranet Collateral is underway
	Alternative working hours and full road closures	Continuous Improvement	
	State Target Outcomes and Constraints early and maintain throughout the project lifecycle	Continuous Improvement	
	Reward consistency and succession planning in supplier teams	Continuous Improvement	<ul style="list-style-type: none"> Adjustments to Tender Process trialled to date on P2DS and Penlink (ROI) to collate lessons learned. Guidance has been prepared and introduced in Deliver Efficiency Workshop to Project Managers, further project-level engagement and Intranet Collateral to follow.
	Staged opening to achieve early benefits for customers	Continuous Improvement	<ul style="list-style-type: none"> Guidance has been prepared and introduced in Deliver Efficiency Workshop to Project Managers, further project-level engagement and Intranet Collateral is underway. Particular opportunities being identified on Riverlink and Brougham Street.
	Improve Risk Identification and Allocation	Reinforcing BAU	<ul style="list-style-type: none"> Workshop held with Industry on Risk Improvement. Key initiatives identified and developed for trial quickly focus on allocation and identification, particularly in the early phases of projects and on hard money contracts.
Health and Safety	HS KPIs and Lead Indicators	Continuous Improvement	<ul style="list-style-type: none"> A new Lead Indicator framework is in the process of being rolled out (live for July) as part of the Delivery Improvements workstream. Webinars for Contractors held week ending 9/7/21.

Delivery Improvement Update (cont.)

Workstream	Initiative Name	Change Category	Status and Delivery
Health and Safety	Early critical risk assessment for construction	Continuous Improvement	<ul style="list-style-type: none"> Under development with Critical Risk team, workshop being held to present in a tangible way how these initiatives can be given effect on our projects (with case studies and tool kits) in week 2 July.
	Periodic Full Road Closures / Solid Barriers	Continuous Improvement	
	Health and Safety Critical Risk Management	Reinforcing BAU	
	Worker Wellbeing	Continuous Improvement	
Social and Sustainability	Mandatory Environmental, Cultural and Social Standards	Reinforcing BAU	<ul style="list-style-type: none"> Guidance has been prepared and introduced in Workshop to Project Managers, further project-level engagement and Intranet Collateral to follow.
	Embedding the ISCA Sustainability Rating Tool	Continuous Improvement	<ul style="list-style-type: none"> Minimum Requirements for ISCA have been included in contracts thus far that meet the requirements of the spec, with SH58 trialling a new ISCA Lite platform for projects under 100M. Work is being done to understand better the benefits, costs and requirements associated with ISCA and different rating levels to better inform the programme approach.
	Environmental Enhancement	Continuous Improvement	<ul style="list-style-type: none"> Guidance has been prepared and introduced in Workshop to Project Managers, further project-level engagement and Intranet Collateral underway.
	Broader Outcomes Alignment and Activation	Reinforcing BAU	
	Creating opportunities for community ownership	Continuous Improvement	
	Being Good Neighbours	Continuous Improvement	
	Iwi Participation	Continuous Improvement	
	Iwi Partnership Governance	Continuous Improvement	

Programme Schedule

Project Name	Planview Milestones align with Baseline Report - Construction Dates	Detailed Schedule granularity	Updated detailed schedule since the baseline decision?	Well defined activity & summary?	Relationship established between activities?	RAG Status
	Yes / No		Yes / No	Yes / No	Yes / No	
Penlink	Yes	High-level summary E2E	Yes	Yes	Yes	
SH1 Papakura to Drury South - Stage 1	No change; dates in the report only represent the Stage 1A	Detailed Programme only for Stage-1A	No	Yes	Yes	
Northern Pathway Westhaven to Akoranga	Yes	Yet to be reviewed	Unknown	Unknown	Unknown	
SH1-29 Intersection Improvements	Yes	Developed only until Consenting lodgement	Yes	Yes	Yes	
Takitimu North Link Stage 1	Yes	Summary E2E schedule with no status date & more constraints	No	Yes	Yes	
SH58 Safety Improvements - Stage 2	Yes	Detailed MS Project Stage 2A - Full programme Stage 2B - Consenting lodgement	No	Yes	Yes	
SH2 Melling Efficiency & Safety Imp	No	Developed only until Consenting lodgement (nothing planned in beyond 02/08/21)	No	Yes	Yes	
Otaki to North of Levin	No	Developed only until Consenting lodgement	Yes	Yes	No	
Brougham St Corridor Improvements	Yes	Detailed	No	Yes	Yes	
Rolleston Access Improvements	No	None	NA	NA	NA	
SH75 Halswell Rd Imps	Yes	Detailed	No	Yes	Yes	
SH73 Weedons-Ross Road Intersection	No	Detailed	Yes	Yes	Yes	
Walnut Avenue Intersection Improvements	Yes	None	NA	NA	NA	
SH1 Tinwald Corridor Improvements	No	Detailed	No	Yes	Yes	
SH6A Corridor Improvements	Yes	None	NA	NA	NA	
SH6 Ladies Mile Stage 2	Yes	None	NA	NA	NA	
Grant Rd to KF Bridge Improvements	Yes	None	NA	NA	NA	

Programme Schedule Quality Review

Schedule quality (critical path, relationships, duration etc) is a key project control. NZUP workstream contains targets around the uplift of schedule quality and maturity.

A review of schedule quality undertaken during June highlighted that many projects do not have the "end state" schedule quality and maturity that is required for a programme of this size and duration.

Key findings include

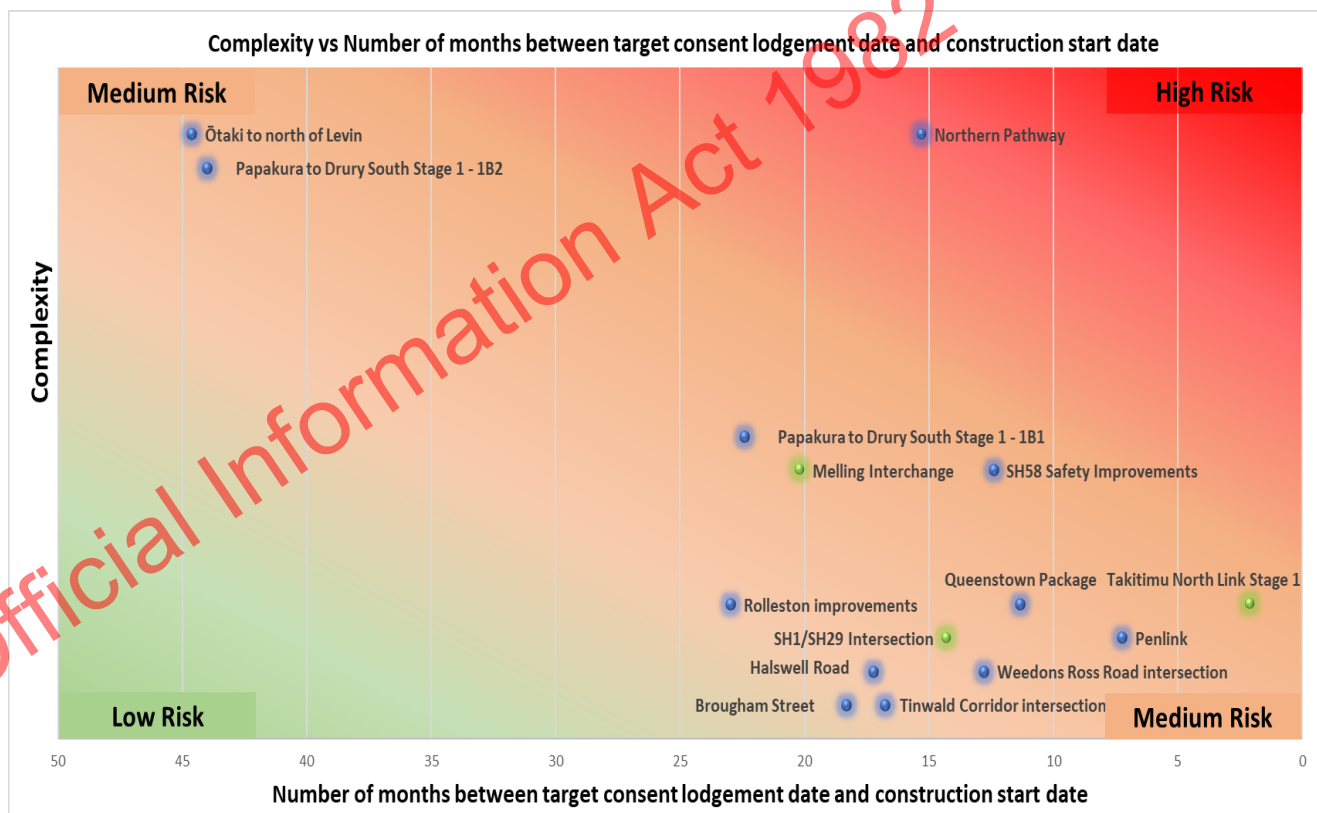
- Planview not updated post baseline for many projects
- Where updated, dates in schedules/Planview do not always agree to key dates in the baseline report
- Detailed schedules not present for many projects(except key milestones in Planview)
- Project schedules not completed to the required stage of the project lifecycle
- Information in project schedules is not well defined, relationships and critical paths are not clear.

There is a large gap before the end state can be realised. Action plans, including the recruitment of project control staff and filling the Principal Advisor – Scheduling role in the NZUP Reporting and Control Team, are being developed to resolve this risk.

RAG Status	
Red	No detailed schedule available in any format
Amber	Detailed schedules exist in some form or other; Summary type of schedule that covers only certain project phases
Green	Detailed schedule available/ Well resourced to produce a detailed schedule

Programme Consent Lodgement Insights

Region	Project	Current consenting status	Complexity of Project	RMA approvals complexity	Other statutory approvals	Overall rating	Comments
Auckland & Northland	Papakura to Drury South Stage 1 - 1B1	Application lodged					Listed project in Fast Track Act
	Papakura to Drury South Stage 1 - 1B2	Submitted for approval					Listed project in Fast Track Act
	Northern Pathway	Preparing application					Listed project in Fast Track Act
	Penlink	Preparing application					Alterations to designation and consent conditions required
Waikato & BOP	Takitimu North Link Stage 1	Preparing application					Alterations to designation required
	SH1/SH29 Intersection	Preparing application					Landowner risk increases complexity
Wellington	SH58 Safety Improvements - Stage2B	Preparing application					RMA application complexity rating may reduce if effects on wetland avoided
	Melling Interchange	Preparing application					Complexity Rating higher due to partnership arrangements
	Ōtaki to north of Levin	Preparing application					Scale and extent of project increases complexity
South Island	Walnut Avenue intersection	No further RMA approvals required					
	Tinwald Corridor intersection	Preparing application					
	Weedons Ross Road intersection	Preparing application					
	Halswell Road	Preparing application					
	Rolleston improvements	Preparing application					
	Brougham Street	Preparing application					
	Queenstown Package	Preparing application					Consent Requirements TBC



Rescoped Projects

Whangārei to Port Marsden

- Project to be rescoped. Timing for lodgement of any NOR or consent applications (if required) is unknown

Mill Road

- Consents for site specific vegetation removal in northern section lodged early June 2021, now on hold. Timing for lodgement of any NOR or consent applications (if required) is unknown

Papakura to Drury South Stage 2

- No longer part of NZUP. Timing for lodgement of any NOR or consent applications is unknown

Takitimu North Link Stage 2

- Lodge NOR for route protection (TBC) Dec 2021

Procurement Overview

Project	Current Phase	Delivery Model	Supplier	Next Procurement Phase
SH58 Stage 2	Physical Works	Measure and Value	Professional Services: Stantec Physical Works: Downers	Award stage 2b
Papakura to Drury South	Physical Works	Measure and Value with Lump Sum	Professional Services: Aurecon Physical Works: FH	Negotiation of stage 1B
Northern Pathway (including SeaPath)	Physical Works	Pure Alliance	Professional Services: N/A Physical Works: FH, HEB, McConnell Dowell and Freyssinet	N/A
Queenstown Package	Physical Works	Pure Alliance	Professional Services: N/A Physical Works: FH, Downers, WSP and Beca	N/A
Takitimu North Link Stage 1	Physical Works	Design and Construct	Professional Services: BBO Physical Works: FH/HEB	Award Contract B
Walnut Avenue Intersection Improvements	Physical Works	Measure and Value	Professional Services: Beca Physical Works: Tenders Closed	Award of Physical Works
Rolleston Access Improvements	DBC	Measure and Value	Professional Services: Stantec/Jacobs Physical Works: N/A	Pre-Implementation
Penlink	Pre-implementation	Hybrid Alliance	Professional Services: GHD Physical Works: N/A (Shortlisted only to FH/HEB, Aurecon, T&T, Roadlab, FCC, Acciona, Jacobs and Beca)	Physical Works
Riverlink (Melling Interchange)	DBC	Hybrid Alliance	Professional Services: GHD Physical Works: N/A	Pre-Implementation
Otaki to North of Levin	DBC	Collaborative Model	Professional Services: Stantec Physical Works: N/A	Pre-Implementation
SH1/29 Intersection	Pre-implementation	Lump Sum	Professional Services: WSP Physical Works: N/A	Physical Works
SH75 Halswell Road Improvements	DBC	Measure and Value	Professional Services: WSP Physical Works: N/A	Pre-Implementation
Brougham Street Improvements	Pre-implementation	Measure and Value	Professional Services: Beca Physical Works: N/A	Physical Works
Tinwald Corridor Improvements	DBC	Measure and Value	Professional Services: GHD Physical Works: N/A	Pre-Implementation
Weedon Ross Road Intersection	DBC	Measure and Value	Professional Services: Aecom Physical Works: N/A	Pre-Implementation
SH1 Whangarei to Port Marsden	DBC	Collaborative Model	Professional Services: Jacobs Physical Works: N/A	Re-Scoped
Mill Road (Northern Central and Southern sections)	DBC	Collaborative Model	Professional Services: Supporting Growth (Beca and Aecom) Physical Works: N/A	Re-Scoped
Takitimu North Link Stage 2	DBC	Variation to Stage 1	Professional Services: BBO Physical Works: N/A	Re-Scoped

Overview

Procurement remains s 9(2)(g)(i)

s 9(2)(i)

Key Insights

- **Strategic Alliance/Board leadership:** With the increasing number of Alliance type contracts and a shortage of experienced Project Alliance Board members we need to identify who is going to represent Waka Kotahi on the various NZUP Project Alliance Boards; and where appropriate identify any training needs.
- **Match fit delivery teams:** With an anticipated increase in the level of pressure to be applied to teams procuring projects it is critical that we undertake an assessment of the 'Match fit' abilities of both our project team and their supporting professional services providers. This will ensure that we have the right people in right roles to get the right project outcomes.
- **Fit for purpose documentation:** We need to ensure that we have fit for purpose documentation that protects Waka Kotahi contractually, embraces our Delivery Improvements programme, other NZ Government Policy requirements and delivers good value project outcomes. A pre-document release value gate process has been initiated.

Note: As reporting matures post-baselining additional procurement readiness/health information will be provided for those projects nearing procurement commencement

Communications & Engagement

Overview

Summary

Following the Government’s announcement on NZUP there has been significant media and political interest in the programme.

Focus has largely been on the Government’s decisions, particularly the increase in Northern Pathway funding vs roading projects being re-scoped. Criticism of Waka Kotahi in relation to costs increases has been limited.

About 80+ Ministerials have been managed (written & oral Parliamentary Questions, Ministerial & Chief Executive correspondence, OIAs).

Key Issues/Risks

- **Property owner uncertainty** in South Auckland, Northland, Takitimu North Link stage two areas as next steps and the implications of route protection not being funded through NZUP are worked through
- **Re-scoped projects** s 9(2)(g)(i)

Stakeholder Engagement

What stakeholders are saying (themes):

- Strong political and community desire for Ōmokoroa roundabout to deal with SH2 safety issues (Takitimu North Link stage two)

Communications & Engagement Activity

Programme

- Updated C&E outline strategy to reset following decisions
- Responding to a large number of parliamentary questions, OIAs, Ministerial and CE correspondence
- Meetings with programme stakeholders – e.g. DoC, EPA, Auckland deputy mayor
- Managing issues related to re-scoped projects
- Agreeing with KiwiRail an integrated approach to C&E for re-scoped projects

Projects

- **All** – updates to stakeholders, communities and landowners following Government announcement
- **SH1/29** media release, stakeholder updates, newsletter and landowner engagement on new roundabout
- **O2NL** four community group meetings
- **Melling** stakeholder meetings held, contact with affected landowners
- **Queenstown** – alliance launch, including gift of name ‘Kā Huanui a Tāhuna

Upcoming Activities

July

- **Programme** – develop NZUP narrative to use throughout all communications
- **Papakura to Drury** community open days
- **Queenstown** minister visit on 15 July to QLDC led projects
- **Rolleston** – media and community engagement on option begins
- **Walnut Ave** – potential construction award announcement
- **O2NL** – proactive video featuring Kuku resident, Levin project office to open
- **Brougham Street** – meeting with MP Megan Woods and Addington School Board

August

- **Walnut Ave** – media and sod-turning event to start construction (subject to approvals etc)
- **O2NL** property owner mitigation conversations start
- **Melling** C&E support for consent lodgement
- **Penlink** updates on geotechnical investigations

Iwi Engagement & Treaty Partnership

Key Themes

Iwi partnerships

- **Ka Huanui a Tāhuna:** A significant milestone in partnership was reached for the Queenstown alliance team with the gifting of the name Ka Huanui a Tāhuna by mana whenua to the alliance. Members of the PAB visited iwi and held many hui with mana whenua and members of the kaitiaki liaison group. This helped decide upon the name and the development of a partnership plan to include iwi members on the alliance governance board.
- **Northern Pathway:** The project team worked with a Māori translation service Ōkupu to translate a bilingual monthly pānui (newsletter) to keep iwi updated on the project. 13 July has been scheduled for a governance hui with Mana whenua leadership – the outcomes from this meeting are hopefully mana whenua representation on the alliance board and confirmation of the partnership management plan.

Project Iwi Engagement Updates

- **Penlink:** Mana whenua have selected a design specialist to support them in their design aspirations. The design specialist will also work with the two proponents to develop the best options, including the design elements. Ongoing partnership discussions with Iwi groups to seek their view on Iwi representation at Governance.
- **Mill Road:** s 9(2)(g)(i)
- **Papakura to Drury:** Individual hui going well and have identified areas of opportunity, but also areas of focus which may affect timeframes. Ngāti Te Ata wants an MOU in place before progressing further with engagement. The MoU can be accommodated. Plan to be implemented on how the project can meet the NZUP directive of iwi partnership with the proposal to PSC on iwi involvement in PSC.
- **Rolleston:** The project team is waiting for a response from Taumutu Runanga regarding their involvement in this project. Whilst the project continues to progress forward, there are risks around project delays, not realising cultural opportunities and not fulfilling obligations as a Treaty partner.
- **Takitimu Stage 1:** Te Paerangi members are now involved in the cultural review of management plans, and requiring significant input.. Fulton Hogan and HEB started Geotechnical investigations and Iwi supported this with Karakia blessing.

Key activities this reporting period

Social and Sustainable Outcomes for Māori

- Māori and Engagement framework guiding teams on iwi partnership, iwi governance and iwi leadership completed for Intranet page
- Māori advisor leading the Wellness and Māori houora health model initiative with the Delivery Improvement team.

Cultural Capacity

- Te Reo Māori and Tikanga capabilities continue to grow throughout Programme with the new Te Hiwa app.
- Kia Tupu Te Ao Māori course for beginners attended by Auckland teams

Upcoming Activities

- 2 August Principal Advisor Māori meeting with Ministry of Pacific Peoples re database of Pasifika small businesses. There are significant opportunities to meet our progressive procurement targets with strategic relationships with partners by unlocking gateways for Māori and Pasifika business to NZUP projects
- Principal Advisor Māori meeting with Te Matangi 2-day site visit with Te Ahu a Turanga sharing of information around iwi partners in governance, cultural inductions, social procurement for Maori and Pasifika
- 28 July last Kia Tupu Workshop for Auckland and Whangarei project teams.

Highest Programme Risks

Programme risks have been reviewed in July. Only the highest programme risks are reported here.

Risk Description	Causes	Existing Controls	Controlled Risk Level	Additional Controls (Treatments)	Risk and Control Monitoring
Imbalance in Market	<ul style="list-style-type: none"> One or two suppliers too successful winning and delivering work Risk appetite of some suppliers might be capped so they will choose jobs with a spread portfolio Other opportunities considered more attractive Geographical remoteness of some projects restricts choice Less likelihood of overseas suppliers to deliver large infrastructure opportunities through Covid 19 restrictions Reduced opportunity to redress imbalance due to reprioritisation 	<ul style="list-style-type: none"> Dashboard for tracking supplier percentages and forward workload Other programmes of works - limited effectiveness Contractual model levers Regular engagement and liaison meetings active control Pipeline of works - limited effectiveness 	Extreme	<ul style="list-style-type: none"> Embedding level field playing practice at procurement stage Strategic review of programme wide procurement approach 	<ul style="list-style-type: none"> Dashboard tracker Industry liaison meetings Programme meetings Regular procurement updates to GG Market share intelligence
Partner Expectations not met	<ul style="list-style-type: none"> Expectations not captured, clarified or well understood Decisions made by external agencies i.e. Minister prevent partner expectations from being met Partner expectations reset in line with environmental expectations Failure in delivery - not met to time, cost and standard Failure to communicate limitations 	<ul style="list-style-type: none"> Oversight group Governance group monthly reporting against agreed outcomes Programme steering group monthly update on partner interactions and relationship health Project steering groups involving key partners Monthly stakeholder and partner heatmap Working with DRR's Informal meetings and feedback from key partner senior management and governance Internal programme and project management reporting and controls 	Extreme	<ul style="list-style-type: none"> Greater partner embedment within programme and project governance structures Periodic review of governance and oversight effectiveness Increased frequency of informal partner engagement Regular review with DRR's of timeliness 	<ul style="list-style-type: none"> TBC

Highest Programme Risks

Risk Description	Causes	Existing Controls	Controlled Risk Level	Additional Controls (Treatments)	Risk and Control Monitoring
Projects Procured Prematurely	<ul style="list-style-type: none"> High expectations re timeframes High profile project Legacy issues - already numerous iterations Industry dependency - must win Professional provider lacking required depth of capability New project structure - end to end New project director Possible scope/ specification creep Multiple reporting lines Lots of questions but not many answers - how to close them out Conflicting directions - 60kmh vs 80kmh Inadequate commercial consideration by SME's into different options Silo mentality Outcomes currently not clearly aligned 	<ul style="list-style-type: none"> Steering committee Sponsors PSC 	Extreme	<ul style="list-style-type: none"> Resolution of technical issues - Go-To Committee Issues captured and raised at right level i.e GLT Sponsor taking issues back to GLT Increased NZUP Programme Team support Change tack Sprint Agreed process for resolving difficult project issues Define clear ownership of this risk and controls Define way forward with sponsor 	<ul style="list-style-type: none"> Weekly minute meetings with Delivery lead, sponsor Governance Group meeting Weekly / Fortnightly Steering Group updates Weekly meetings with project sponsor
Insufficient controls for scope, cost and schedule changes in place	<ul style="list-style-type: none"> Absent/not fit for purpose policy and process on project controls aligned with Waka Kotahi Poor control over access to contingency estimates Not understanding the risk profile of projects Not following a robust process to develop estimates Lack of transparency over project changes Late project changes Lack of adequate project management Inadequate mapping of capacity and capability to project needs No connection to quantitative risk analysis Lack of accountability/ consequences NLTP funding culture still embedded Specification creep 	<ul style="list-style-type: none"> Monthly project and programme reporting Baselining Project and programme governance Planview tracking tool for changes - not robust PLA process - not fit for purpose Post implementation reviews Project review board - not widely known 	High	<ul style="list-style-type: none"> Establishment of consistent processes for project control Embed assurance Complete project reviews Fully establish project governance Retrospective insights/ lessons learned Fit for purpose post implementation reviews Development of NZUP programme control process Formalised delegated authority (VAC) Clear communication of change processes 	<ul style="list-style-type: none"> Monthly report - Steering/ Governance Independent reviews - Planview
Government and Programme Outcomes Not Fully Realised	<ul style="list-style-type: none"> Outcomes and benefits not repositioned to additional/ changed ministerial requirements Land use plans/ outcomes change Related/ linked transport projects not delivered/funded due to: Reduced/ lack of local authority funding/Reduced funding for WK projects/Poor coordination and communication between NZUP and interrelated external projects Mis-alignment of projects to programme outcomes Poor/ineffective programme/project establishment and operation Untracked/ unknown scope change from projects Political/Societal/Legislative changes 	<ul style="list-style-type: none"> Close working relationship with KiwiRail Project engagement with local authorities Transport services regional model Governance structures at programme and project level Established WK QA processes and PMT Internal readiness review/ gateway Treasury review 	High	<ul style="list-style-type: none"> Establish outcome/ benefits framework Identify projects wide outcomes/benefits and responsible parties Prioritise wider benefits Strengthen connectivity with responsible parties Hardwiring benefits back to NZUP scope Clear statement of programme outcomes and communicated Revise change management process Strengthened programme authority to pause projects 	<ul style="list-style-type: none"> Project governance Programme Steering Group and governance MoT oversight group Programme dashboard incorporating outcome monitoring

Highest Programme Risks

Risk Description	Causes	Existing Controls	Controlled Risk Level	Additional Controls (Treatments)	Risk and Control Monitoring
Inadequate external partner and stakeholder capacity to support programme – e.g KiwiRail, Councils, Iwi groups	<ul style="list-style-type: none"> Partner not adequately informed of requirements Lack institutional capacity to engage in a timely way Competing demands for scarce/ restricted resource Immature/ poorly developed relationships Stakeholders and partners not engaged in timely fashion Lack of alignment with partner and stakeholder and business partner planning processes Not being aware of Internal shortcomings External partners have different priority focus Partners have poor understanding of programme support requirements 	<ul style="list-style-type: none"> Early and proactive engagement with stakeholders and partners Regional relationship roles Stakeholder/ partner engagement through project governance and steering groups Memorandum of understanding for managing dialogue and providing support Internal project governance and project management arrangements i.e. Sponsors Existing working relationships i.e. KiwiRail 	High	<ul style="list-style-type: none"> Early and proactive engagement with stakeholders and partners Funding support to backfill functions Regular and ongoing engagement through whole programme lifecycle Monitoring of demands on stakeholders and partners being by competing projects Strategic forums for large projects/ programme delivery Provide support to Iwi groups to ensure they have sufficient resources to engage Review process with partners looking at effectiveness of engagement resources and support 	<ul style="list-style-type: none"> Stakeholder and partner engagement plan reporting - GG/ SG MoU's to Board level i.e. Auckland Council, AT Directors of regional relationships Stakeholder and engagement plan reporting Stakeholder and partner engagement heatmap including specific heatmap Iwi
Unable to complete programme within funding envelope	<ul style="list-style-type: none"> Inaccurate project estimates Inadequate scope control and management Property prices and constructions costs escalate beyond contingency allowance Inadequate contingency risk and control management Inadequate governance discipline Onerous consenting conditions and requirements Evolving standards/ specs cost implications Pressure to achieve more with same amount of money Changing legislative environment, government policies and objectives i.e. carbon reduction Covid 19 impacts on supply chain 	<ul style="list-style-type: none"> NZ Upgrade Programme and project governance established Programme contingency management established Close working relationship with MoT and Treasury to ensure alignment Regular Minister updates and briefings Preliminary assurance plan outline established Programme review planned for end of financial year TS GLT leadership review on standards/ specs cost implications initiated Stepped estimation process Gateways and readiness reviews Layered contingency management established 	High	<ul style="list-style-type: none"> Strengthen governance arrangements More independent value engineering Successful implementation of new TS delivery model Review of key project management documents Programme review and assurance framework established and implemented Programme Management Plan rolled out Financial forecasting and insights reporting Layered contingency management embedded as BAU 	<ul style="list-style-type: none"> Monthly risk report to SG Quarterly deep dive risk report Monthly reporting regime Embed controls and actions in workplan