

NZ Upgrade Programme

September 2021 Monthly Report

ISSUED ON 14th September 2021

 **WAKA KOTAHI**
NZ TRANSPORT
AGENCY

PROUDLY DELIVERING

New Zealand
Upgrade
Programme

Programme Overview

Project	MOT Risk Level	Phase	\$	Time
Penlink	Higher	Pre-Imp		
Northern Pathway	Higher	Pre-Imp		
Otaki to North of Levin	Higher	BC		
SH1-29 Intersection Improvements	Lower	Pre-Imp		
Takitimu North Link Stage 1	Lower	Pre-Imp		
SH58 Safety Improvements – Stage 2	Lower	Pre-Imp		
Riverlink (Melling)	Lower	Pre-Imp		
Brougham St Corridor Improvements	Lower	BC		
Rolleston Access Improvements	Lower	BC		
SH75 Halswell Rd Imps	Lower	BC		
SH73 Weedons-Ross Road Intersection	Lower	BC		
Walnut Avenue Intersection Improvements	Lower	Pre-Imp		
SH1 Tinwald Corridor Improvements	Lower	BC		
Queenstown Package	Lower	Pre-Imp/BC		
SH1 Papakura to Drury	Lower	Imp		
Takitimu North Link Stage 2	Lower	Pre Imp		
Northland Package (Whangarei to Port Marsden)	Rescope	N/A		
South Auckland (Mill Rd)	Rescope	N/A		

Summary

Programme remains at an overall AMBER s 9(2)(g)(i).

Status updates for the rescope projects are reported to Governance in more detail outside of this monthly report.

Programme Update

Activity underway at a programme level includes development of processes and controls to respond to the (draft) Delegations Letter requirements.

The cost impacts associated with the 18th August 2021 lockdown are varied across the projects in the programme. The more material costs are for those projects already in construction (most notable Papakura to Drury). There are also impacts to property negotiations and site investigations, which may have an impact on schedules.

Project Highlights

Several projects have highlighted risks to schedule delays with the main reasons highlighted including property acquisition/consenting delays and the impact of the L4 Lockdown. s 9(2)(g)(i)

- **Penlink** – the AMBER budget status s 9(2)(g)(i)
- **Northern Pathway** – Project tracking as RED to s 9(2)(g)(i)
- **Takitimu North Link Stage 1** – the RED budget status s 9(2)(g)(i)
- **SH58** – Project schedule tracking as RED s 9(2)(g)(i)
- **Walnut Avenue** – Construction commenced 16th August with a sod turning ceremony
- **SH1-29** – Notice of Requirement Lodgement occurred 25th August
- **Queenstown Package:** Project Alliance Agreement awarded

Project Readiness Status

Due	Projects *	Construction start date as per Baseline Report	Delivery phase	Next major milestone		State of Readiness			
						Stable Scope	Property purchase	Crown land obligations as treaty partners	Consenting
1	SH58 Safety Improvements – Stage 2	Early 2021 (Stage 2A) Mid 2023 (Stage 2B)	Pre Imp	NOR lodgement (stage 2b)	Apr-22		s 9(2)(g)(i)		
2	Walnut Avenue Intersection Improvements	Mid 2021	Pre Imp	Construction finish	Dec-22				
3	Takitimu North Link Stage 1	Late 2021	Pre Imp	Physical Works construction contract (Part B)	Oct 21		s 9(2)(g)(i)	s 9(2)(g)(i)	
4	Penlink	Mid 2022	Pre Imp	Request for Tender release – Physical works	Sep-21	s 9(2)(g)(i)	s 9(2)(g)(i)		
5	SH1-29 Intersection Improvements	Late 2022	Pre Imp	Pre-Imp phase completed	Apr-22		s 9(2)(g)(i)		
6	Northern Pathway	Early 2023	Pre Imp	TBC	TBC	s 9(2)(g)(i)	s 9(2)(g)(i)		s 9(2)(g)(i)
7=	Brougham St Corridor Improvements	Mid 2023	BC	Single Stage Business Case Completion	Oct-21				
7=	SH73 Weedons-Ross Road Intersection	Mid 2023	BC	Physical Works contract awarded	May-22				
7=	SH1 Tinwald Corridor Improvements	Mid 2023	BC	Single Stage Business Case Completion	Oct-21				
7=	SH1 Papakura to Drury	S1 –2021	Imp	Physical Works tender process commenced – Stage 1B1	Nov-22	s 9(2)(g)(i)			
11=	SH2 Melling Efficiency & Safety Imp	Late 2023	Pre Imp	Registration of Interest release - construction	Oct-21		s 9(2)(g)(i)		
11=	SH75 Halswell Rd Imps	Late 2023	BC	Business Case complete	Nov 21				
13	Rolleston Access Improvements	Early 2024	BC	Business Case approved	Feb-22				
14	Takitimu North Link Stage 2	Late 2024	Pre Imp	Lodge RMA applications	Feb/Mar 2022		s 9(2)(g)(i)		
15-17	Queenstown Package (3 Projects)	Early 2025	Pre-imp	Lodge RMA applications	Feb-22				
18	Otaki to North of Levin	2025	BC	Detailed Business Case	Nov-21			s 9(2)(g)(i)	s 9(2)(g)(i)

'Readiness' is required by the time the construction contract is awarded, noting that some of the initial projects are being implemented in phases. Note that construction start is as per Baseline Report.

Scope

- Projects with RED reflect s 9(2)(g)(i)
- Some AMBER projects reflect s 9(2)(g)(i)

Property

Rating relates to timeframes/complexity available to complete property purchase before construction start date. s 9(2)(g)(i)

- Status should trend to amber/green s 9(2)(g)(i)
- Takitimu North Link Stage 1 – Māori Land Court alienation hearing set for September.

Crown land obligations as treaty partners

Two projects have significant work required in this space and continue to be shown as RED

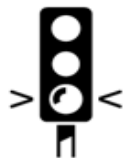
Consenting

All projects rated orange s 9(2)(g)(i). Red projects s 9(2)(g)(i). RAG status here relates to the state of readiness prior to construction and will be different to the consenting slide which depicts complexity, time frames and consenting risk.

- A separate report on consenting is being prepared for the Governance Group meeting in September

*South Auckland (Mill Road) and Northland (Whangarei to Port Marsden) are currently undergoing rescoping have been excluded from this report

Programme Reporting Highlights



Milestone Reporting

Milestones Completed

- **SH1/SH29 Intersection:** Notice of Requirement Lodged
- **Walnut Avenue Intersection:** Construction started
- **SH1 Tinwald Corridor Improvements:** Pre-Imp and MSQA Tender commenced
- **Queenstown Package:** Project Alliance Agreement awarded

Upcoming September Milestones

- **SH58 Safety Improvements – Stage 2:** Complete and Endorse MCA process
- **SH1 Tinwald Corridor Improvements:** Award Pre-Imp and MSQA contract
- **Brougham Street Corridor Improvements:** Project partner endorsement



Delivery Improvement

- **Outcomes Focus:** The Delivery Improvement team has worked to bring an Outcomes focus to give effect to carbon and delivery efficiency objectives in upcoming contracts. This has involved working to onboard elements from the procurement New Procurement Approaches workstream, and this has been synthesised into the Penlink RFP.
- **New Team Lead:** The permanent Delivery Improvement Lead, s 9(2)(a), has joined the team and been working to shape next steps around communications to industry and Waka Kotahi regarding the outcomes, incentivisation, co-design, and prescribed approaches being pursued in tandem to achieve step change outcomes.



Emerging Risks & Issues

- **Costs:** Escalating material costs are increasingly unpredictable in the foreseeable future and are likely to increase project costs beyond expected escalation built into P50 estimates.



Procurement

- **Penlink:** A 27 September 2021 release date of the Penlink Physical Works Request for Tender (RFT) to shortlisted proponents has been confirmed.
- **Takitimu North Link Stage 1:** A paper has been provided to Governance Group to request permission to Award part B subject to resolution of the Māori Land Court process.
- **Riverlink (Melling Transport Improvements):** The Principals Technical Advisor has been Awarded to GHD.
- **Assurance:** A procurement runway has been developed by the project controls team to provide better visibility of the steps required from business case to RFT release.

Programme Financials

Risk Category	Project (\$m)	Funding Allocation	Budget appropriated (to P50)	P95 Contingency Appropriated	Joint Ministers Tagged Contingency	Project Total Spent	% Spent to P50
Higher	Penlink	830.0	s 9(2)(j)			42.2	s 9(2)(j)
Higher	Northern Pathway	785.0				45.0	
Higher	NZUP Otaki to North of Levin	1,500.0				53.7	
Sub-Total (Higher Risk Category)		3,115.0				140.8	
Lower	NZUP SH1-29 Intersection	40.0				1.8	
Lower	NZUP Takitimu North Link Stage 1	655.0				35.8	
Lower	NZUP SH58 - Stage 2	105.0				10.7	
Lower	NZUP SH2 Melling	420.0				5.5	
Lower	NZUP Brougham St Corridor Improvements	90.0				2.4	
Lower	NZUP Rolleston Access	125.0				0.6	
Lower	NZUP SH75 Halswell Rd	40.0				1.2	
Lower	NZUP SH73 Weedons-Ross Road Intersection	15.0				0.5	
Lower	NZUP Walnut Avenue Intersection Improvements	15.0				1.0	
Lower	NZUP SH1 Tinwald Corridor Improvements	15.0				0.5	
Lower	Queenstown Package	115.0				4.9	
Lower	NZUP SH1 Papakura Drury South Stage 1	655.0				38.1	
Lower	NZUP Takitimu North Link Stage 2	57.0				7.7	
Sub-Total (Lower Risk Category)		2,347.0				110.8	
Rescope	Northland Package	192.0				9.6	
Rescope	South Auckland	874.0				81.4	
Sub-Total (Rescope Category)		1,066.0				91.0	
Grand Total (Waka Kotahi)		6,528.0				342.6	

Commentary

Project Financials

Baseline allocations were taken from forecasts in SAP following close of July month end. Through August revised funding allocations were realigned based on these forecasts.

Of the P50 contingency 50% is held by the project and 50% by the Programme for all projects except Northern Pathway, Takitimu North Link Stage 2 and the rescope projects.

The P95 contingency has been allocated directly to the Programme contingency (Melling and Canterbury Package).

Overall envelope will be finalised on receipt of Delegations Letter.

August Month Financial Result

Actual expenditure (including admin) for August month end was \$26.4M against the previous forecast of \$28.2M. The major variances were due to

- Uncertainty during forecasting for the rescoping of Northland package s 9(2)(j)
- COVID pause on Papakura to Drury s 9(2)(j)
- Property rephasing on Otaki to North of Levin s 9(2)(j)

Offset by

- Northern Pathway s 9(2)(j)

Estimate at Completion & Access to Contingency

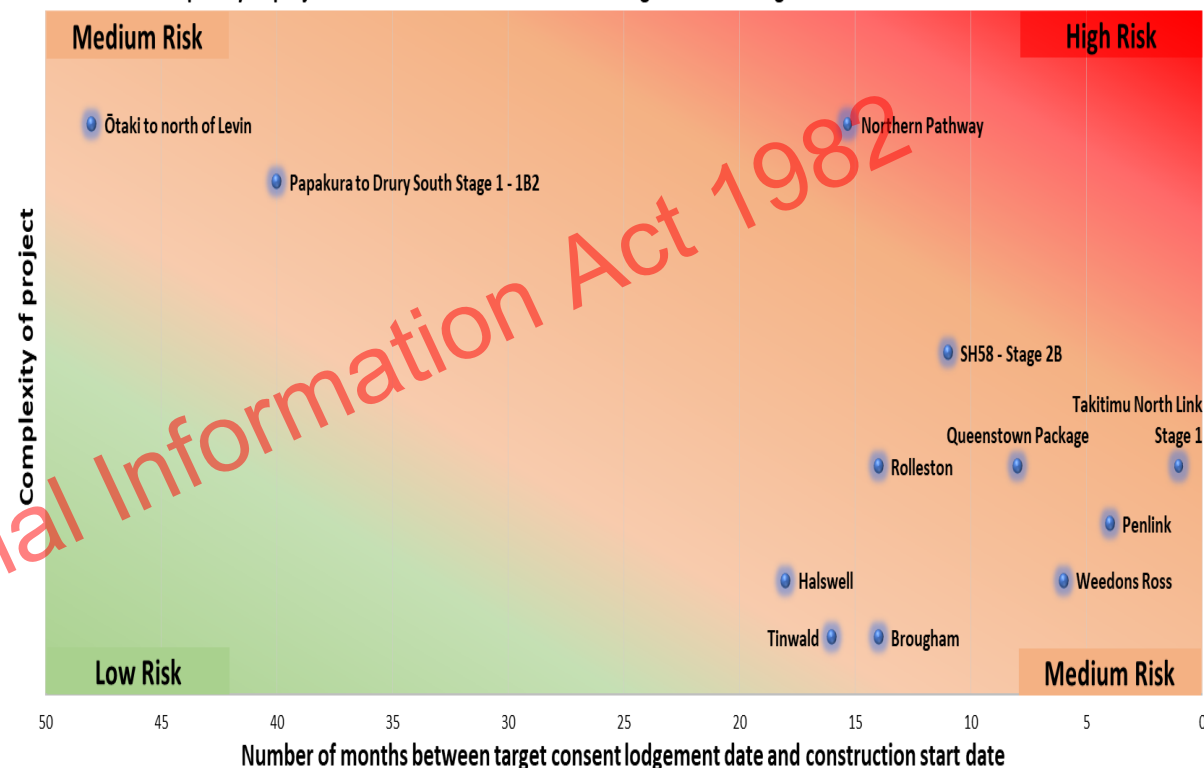
Process to provide insights around cost management and access to contingency are being developed as part of our response to the Delegations Letter.

Programme Consent Lodgement Insights

Project	Current consenting status	Overall consent complexity and risk rating	Comments
Penlink	Not yet underway		Alterations to designation and consent conditions required
Northern Pathway Westhaven to Akoranga	On Hold		Listed project in Fast Track Act
Otaki to North of Levin	Preparing application		Scale and extent of project increases complexity
SH1-29 Intersection Improvements	Application lodged		Landowner risk increases complexity
Takitimu North Link Stage 1	Preparing application		Alterations to designation required
SH58 Safety Improvements – Stage 2B	Preparing application		RMA complexity rating may reduce if effects on wetland avoided
SH2 Melling Efficiency & Safety Imp	Lodged on 30 July 2021		RMA complexity rating higher due to partnership arrangements
Brougham St Corridor Improvements	Preparing application		
Rolleston Access Improvements	Not yet underway		
SH75 Halswell Rd Imps	Preparing application		
SH73 Weedons-Ross Road Intersection	Preparing application		
Walnut Avenue Intersection Improvements	No further RMA approvals required		
SH1 Tinwald Corridor Improvements	Preparing application		
Queenstown Package	Preparing application		Consent requirements TBC
SH1 Papakura to Drury South Stage 1 - 1B1	Application lodged		Listed project in Fast Track Act
SH1 Papakura to Drury South Stage 1 - 1B2	Preparing application		Listed project in Fast Track Act

*The Overall rating is calculated based on the complexity of the project, RMA approvals and other statutory approvals. This is different to the RAG rating shown on the Programme Readiness page.

Complexity of project vs Number of months between target consent lodgement and construction start



Project	Current consenting status	Overall rating
Re-Scoped Projects		
SH1 Whangārei to Port Marsden Safety Improvements	Project to be rescope. Timing for lodgement of any NOR or consent applications (if required) is unknown.	
Mill Road (Northern Section)	NOR to alter existing AT designation lodged May 2021. 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 (route protection)	Lodge NOR for route protection (TBC) Feb/March 2022	

Communications & Engagement

Overview

Summary

Walnut Ave, the third NZUP project to begin construction, had a positive sod-turning event with the local MP and media just before Covid-19 restrictions putting construction on hold. Work to advance programme stakeholder engagement is progressing well, with an updated plan and stakeholder mapping completed.

The carbon emissions from the programme will have an increased focus in the months ahead with CIPA assessments going to Cabinet and likely to be proactively released. Messaging on the assessments and our actions to reduce carbon are being developed to support this.

Key Issues/Risks

- **Northern Pathway** - likely Government decision to change the project may increase media/political scrutiny of Waka Kotahi's project management and decision making.
- **Climate Impact Policy Assessments** – release of assessments (proactive or through OIAs) will see increased focus on the emissions impacts of some projects, raising questions about Waka Kotahi's response, particularly for construction, and could see challenges through judicial review or consenting. Transport and Climate Change ministers have expressed a strong interest in reducing construction emissions.
- **Takitimu North Link** – s 9(2)(j) [redacted], which is likely to end up in the media.

Stakeholder Engagement

What stakeholders are saying (themes):

- **Brougham Street** – s 9(2)(g)(i) [redacted]
- **SH75 Halswell Rd** – mix of positive feedback and those who felt changes un-needed. Concerns about access to properties, side streets and for emergency vehicles, cyclists sharing bus lane.
- **Takitimu North Link** – NLTP announcement saw concerns about decision on stage 2 expressed through media

Communications & Engagement Activity

Programme

- Programme stakeholder engagement plan and stakeholder map updated
- Messaging developed to support likely release of CIPA results.

Projects

- **SH1/Walnut Ave** – Sod turning event and media release to mark construction start, which was paused due to lockdown
- **Rolleston flyover** – community engagement, which included seven pop up events, was completed. Initial findings being used to help explore options.
- **Brougham St improvements** – positive meeting with MP Megan Woods and Addington community to listen to safety and community severance concerns **Penlink** – update for MP Marja Lubeck and local councillors
- **Northland package** – e-newsletter to community and stakeholders to update on process for re-scoping project
- **SH1/29** – Communications to support lodgement of NoR and request for direct referral to Environment Court
- **O2NL** – SH1 safety improvements and speed engagement concluded with high levels of feedback

Upcoming Activities

September

- **Programme** – likely proactive release of CIPA results
- **Queenstown** – Communications with adjacent landowners on investigation work on Ladies Mile
- **Brougham St** – engagement with Christchurch City Council, Ecan, community boards to build understanding and support ahead of public consultation in November
- **Walnut Ave** – communications to support re-start of work
- **SH1/29** – information days on Cambridge to Piarere corridor projects, engagement with key stakeholders
- **Takitimu North Link** – planning sod turning event and communications for proposed start of work in November.
- **Penlink** – announcement of tender for alliance
- **South Auckland** – presentation to southern local boards forum

Iwi Engagement & Treaty Partnership

Key Themes

Project Iwi Engagement Updates

- Penlink:** Penlink team along with NZUP advisor & Pou Arahi met with mana whenua representative from Kawerau-a Maki following a letter to CE and Minister of transport with s 9(2)(g)(i). A positive outcome was reached with this hui. s 9(2)(g)(i). All parties agreed to work in partnership moving forward including inviting iwi as a member on the Penlink PAB.
- Riverlink Project & mana whenua Steering Group:** NZUP Māori advisor working closely with Riverlink project team and mana whenua steering group, re- Māori outcomes. The MWSG is the same group of members on the Te Ara Tupua project in Wellington, which has recently been named a finalist in this year's IAP2 awards for its work in building iwi partnerships. Te Ara Tupua was used as a case study in the NZUP Guidance Note and its outcomes can be seen within the NZUP Māori Outcomes and Engagement Framework. The Riverlink project will continue to build on the strong relationship with mana whenua.
- Ka Huanui a Tāhuna:** Iwi representative has been selected to join the alliance PAB. s 9(2)(a) comes with governance experience and has attended a board meeting as part of induction and is working with the board chair around the how s 9(2)(a) would want to participate.
- Otaki to Levin:** s 9(2)(j). Iwi specialist is in place. The team are investigating ways to resource iwi to effectively engage. Governance conversations have commenced with iwi and an approach is being prepared. Learnings from Te Ahu a Turanga, Penlink and Riverlink can be shared with O2NL around iwi participation in the alliance. The relationship with iwi and the project is reported as healthy.

Key Activities this reporting period

- ONRAMP NZUP section under “Working with Māori” has been updated for projects to locate the NZUP Māori Outcomes and Engagement Framework and the Guidance Note for Iwi Participation. Next phase will be launch of NZUP intranet page for all tool kits and guidance notes for projects which will be updated as the programme matures.
- Discussion and planning with Te Matangi around best approach for measuring the relationship with iwi and Waka Kotahi. This does not appear to be widely happening across other government agencies. If a framework was to be developed it should use te ao Māori concepts with input from iwi. A Survey approach was recommended to be avoided.

Upcoming Activities

- Complete setting next NZUP Q2 work targets ensure achievable by end of Q2.
- Investigate possible development of Māori Procurement strategy for Iwi to take advantage of the 5% procurement contract targets for Māori.
- Update NZUP guidance notes and socialise across program re-guidance around iwi in project governance.
- Book Te Tiriti o Waitangi and Kaitiakitanga workshop in Auckland and Wellington: Pending Covid 19 Alert level restrictions.
- Complete iwi engagement status stocktake from all NZUP projects and report back to SG.

Highest Programme Risks

Only the highest programme risks are reported here.

Risk Description	Causes	Existing Controls	Controlled Risk Level	Additional Controls (Treatments)	Risk and Control Monitoring
Inadequate Internal Programme Resource	<ul style="list-style-type: none"> Inadequate resource planning Lack of resource capacity Lack of resource capability Covid-19 amplifies this issue Tight market Reprioritisation of Programme 	<ul style="list-style-type: none"> End-to-end resourcing model 	Extreme	<ul style="list-style-type: none"> Targeted staff training programmes Baselining outcomes to clarify capability and capacity needs Build great NZUP culture People focused leadership discussions and actions Quarterly governance reporting NZUP Health check survey 	<ul style="list-style-type: none"> Governance reporting NZUP survey
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 Other emerging markets developing that may lower risk Not seen as platinum employer anymore 	High (Previously 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 Major projects/ programme meetings Regular procurement updates to GG Market share intelligence
Inadequate Quality Assurance	<ul style="list-style-type: none"> High expectations re timeframes High profile project Legacy issues - 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 Inadequate commercial consideration by SME's into different options Outcomes currently not clearly aligned 	<ul style="list-style-type: none"> Steering committee Sponsors PSC Internal readiness reviews Governance group 	Extreme	<ul style="list-style-type: none"> Actions arising from programme review Implementation of stage gate process Introduction of VOS committee Scrutiny and review of projects estimates pre procurement Transfer of lessons learned from stage gate reviews Implementation of TS operating model 	<ul style="list-style-type: none"> Weekly meeting minutes with Delivery lead, sponsor etc Governance Group meeting Fortnightly Steering Group updates Weekly meetings with project sponsor

Highest Programme Risks

Risk Description	Causes	Existing Controls	Controlled Risk Level	Additional Controls (Treatments)	Risk and Control Monitoring
Step Change Outcomes/ Opportunities not achieved/realised	<ul style="list-style-type: none"> Insufficient resource Too many initiatives / lack of prioritisation Initiative development cannot keep pace with project timing Initiatives create a burden Initiatives do not result in meaningful improvement. Initiatives poorly communicated / not understood Lack of coordination with broader Waka Kotahi initiatives 	<ul style="list-style-type: none"> Communication Governance structure Draft individual initiative Implementation strategies Step change workshops Part time SME and support resources in place 	High	<ul style="list-style-type: none"> Implementation Strategy Develop online resource to communicate initiatives Complete and implement resourcing strategy Further develop implementation strategies Establish community of practice with PMs and Step Change champions Delivery improvement implementation plan Quality assurance checks pre procurement 	<ul style="list-style-type: none"> Delivery improvement plans Regular meetings with SME's around understanding of delivery improvements Project health tracker for GG oversight

Emerging Programme Risks

Risk Description	Causes	Existing Controls	Controlled Risk Level	Additional Controls (Treatments)	Risk and Control Monitoring
Escalating Material and Shipping Cost	<ul style="list-style-type: none"> Covid-19 related supply chain issues Increased shipping costs Material cost increases at source Covid-19 driving changes in international consumer patterns - changes shipping priorities Access difficulties to required materials through suppliers cornering market i.e.. owning quarries Difficulties in access new quarry/local aggregate sources Strong construction sector both infrastructure and buildings pressing supplies in NZ and Australasia 	<ul style="list-style-type: none"> Contingency allowance including risk provision for material cost increases Programme schedules covering material scheduling and accessing Material and cost estimation as part of procurement planning Material scheduling and construction methodology 	High	<ul style="list-style-type: none"> Reporting and visibility to Board and Ministers Regular (quarterly) expert insight on current market conditions and future forecasts and trends Consider forward approaches to procurement and risk allocation between WK and supplier 	TBD

NZ Upgrade Programme – Project Updates

Region	Project	Current Phase	* P50 Baseline Budget (\$m)	* Total Spent (\$m)	* % Budget Spent	RAG Status		Commentary
NZ Upgrade Programme Overview						\$	🕒	
Northland	Northland Package (Whangarei to Port Marsden)	Rescope	s 9(2)(j)	9.56	s 9(2)(j)			<p>Budget status is AMBER s 9(2)(g)(i)</p> <p>The Detailed Business Case work underway and subsequent decisions will progressively reduce this uncertainty</p> <p>Schedule status is AMBER s 9(2)(g)(i)</p>
Auckland	SH1 Papakura to Drury	Pre Implementation		38.09				<p>Prior to lockdown Stage 1A physical works was progressing well with earthworks 90% complete. For Stage 1B1 the recommendation of the award of value engineering and detailed design was approved by Waka Kotahi and value engineering has commenced.</p> <p>Schedule status remains AMBER s 9(2)(g)(i)</p> <p>Given this project is in construction and in Auckland, it is the project within the programme most vulnerable at this stage to lockdown impacts. We are continuing to monitor this impact closely.</p>
	Northern Pathway Westhaven to Akoranga	Pre Implementation		44.97				<p>Project tracking as RED to s 9(2)(g)(i)</p>
	Penlink	Pre Implementation		42.18				<p>Project budget RAG status is AMBER s 9(2)(g)(i), s 9(2)(j)</p> <p>The Affordability Threshold has been determined and will be endorsed mid-September. The RFT is being finalised for release to shortlisted consortia on 27 September.</p> <p>Progression through these next steps of procurement will provide greater certainty on the physical works pricing by late February. Waka Kotahi will also continue to monitor and report on cost escalation trends across the sector.</p>
	Mill Road Corridor	Rescope		81.40				<p>Final steps of close out works on previous scope underway with due date of October 2021. Draft business case for rescope on track for October completion, followed by review and approval processes.</p> <p>Schedule and Budget status are AMBER to s 9(2)(g)(i)</p>

NZ Upgrade Programme – Project Updates

Region	Project	Current Phase	* P50 Baseline Budget (\$m)	* Total Spent (\$m)	* % Budget Spent	RAG Status		Commentary
NZ Upgrade Programme Overview						\$	🕒	
Waikato & Bay of Plenty	SH1-29 Intersection Improvements	Pre Implementation	s 9(2)(j)	1.75	s 9(2)(j)	🟢	🟡	NOR and consents lodged during August. Schedule status remains AMBER s 9(2)(g)(i)
	Takitimu North Link Stage 1	Pre Implementation		35.78		🔴	🔴	Schedule status is RED s 9(2)(g)(i) Budget status remains RED s 9(2)(g)(i) We will be providing a briefing to the I&D committee and Ministers in September on both the issues above and upcoming contract award
	Takitimu North Link Stage 2	Pre Implementation		7.73		🟡	🟡	Ongoing assessment work for route protection continues along with communication with landowners. Schedule and Cost status remains AMBER s 9(2)(g)(i)
Wellington	SH58 Safety Improvements – Stage 2	Implementation		10.73		🟡	🔴	Schedule status is set to RED s 9(2)(g)(i) The Stage 2b business case was approved by Governance Group during August and is being submitted to the Investment and Delivery Committee in September for approval, which will provide more certainty for the project and the schedule.
	SH2 Melling Efficiency & Safety Imp	Pre Implementation		5.52		🟡	🟢	Lodgement of Notice of Requirement and consents occurred on 29 July. Procurement is progressing and progressing towards an October 2021 release to the market of the Registration of Interest for the physical works contractor.
	Otaki to North of Levin (O2NL)	Business Case		53.70		🟢	🟡	Change to the Detailed Business Case approach are being considered to further develop the carbon response for this project, as well as aligning timing with tolling and revocation workstreams. This is expected to change the timing for approval of the Detailed Business case. What changes this may mean to subsequent milestones is still being assessed (including mitigation options) but there may be some impact on lodgement of Notices of Requirement.

NZ Upgrade Programme – Project Updates

Region	Project	Current Phase	* P50 Baseline Budget (\$m)	* Total Spent (\$m)	* % Budget Spent	RAG Status		Commentary
NZ Upgrade Programme Overview						\$	🕒	
Canterbury	Brougham St Corridor	Business Case	s 9(2)(j)	2.38	s 9(2)(j)			This project is nearing completion of the Business Case phase due for Board approval in late November.
	SH73 Rolleston Access	Business Case		0.65				The emerging option has been identified and is being refined following community engagement.
	SH75 Halswell Rd	Business Case		1.22				Detailed business case is complete and will now proceed through reviews and approval. Parallel estimate work has been commissioned to provide confidence in cost estimates which are approximately s 9(2)(g)(i).
	SH73 Weedons-Ross Road	Business Case		0.52				Schedule remains AMBER s 9(2)(g)(i) Budget remains AMBER s 9(2)(g)(i)
	Walnut Avenue Intersection	Pre Implementation		1.03				Sod turning event was on 16 th August, one day prior to Lockdown. Lockdown has had an impact, although minimal, on this project.
	SH1 Tinwald Corridor	Business Case		0.50				Geotech testing commenced. Pre-Implementation Request for Tender on track to award in September. Planned communication updates on website for August did not go ahead due to COVID and are now moved to September.
Queenstown	Queenstown Package	Pre-Implementation/Business Case		4.90				Project Alliance Agreement awarded. Ongoing work includes geotechnical testing. Moving into pre-implementation phase, there is some emerging risk relating to integration of the project with the new Marina development.(SH6A). There are some emerging risks relating to property acquisition however engagement with landowners (Ladies Mile) and DoC on acquisition of part of a recreation reserve (Grant Rd) are progressing well.