

NZ Upgrade Programme

Monthly Report for May 2022

ISSUED ON 29 JUNE 2022

Executive Summary

Project Health RAG	Phase	Overall Health	Time	\$
Papakura to Drury	Imp			
Penlink	Pre-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)	BC			
SH58 Safety Improvements – Stage 2	Imp			
SH2 Melling Efficiency & Safety Improvements	Pre-Imp			
Canterbury Package				
• Brougham St Corridor Improvements	Pre-Imp			
• Rolleston Access Improvements	BC			
• SH75 Halswell Road Improvements	Pre-Imp			
• SH73 Weedons-Ross Road Intersection	Pre-Imp			
• Walnut Avenue Intersection Improvements	Imp			
• SH1 Tinwald Corridor Improvements	Pre-Imp			
Queenstown Package	Pre-Imp			
Northland Package	Rescope			
Northern Pathway Active Mode/PT Investment	Rescope			
South Auckland Package	Rescope			

Key Upcoming Ministerial Project Milestones and Decisions

Project	Milestone	Due
---------	-----------	-----

--	--	--

Sponsor Commentary

We are still signalling that the overall programme health is **AMBER** s 9(2)(g)(i) . This reflects the s 9(2)(g)(i) . With scope clarity being key to consenting and property purchase progress, this is presenting an increasing the risk to schedules.

Notwithstanding the programme’s AMBER status significant project milestones have been achieved. These include the signing of the Penlink Alliance Agreement which was attended by Minister Wood. During the signing ceremony iwi gifted a Māori name for the alliance “Ō Mahurangi”. The iwi chair Te Warena Taua explained Mahurangi was a tūpuna (ancestor) onboard the Tainui waka. Demolition of the Park Estate Bridge occurred over one night on Papakura to Drury project. In the Canterbury Package Brougham Street’s Detailed Business Case has been endorsed by I&D committee and Weedons-Ross Road has awarded the contract for physical works. Key assurance activities were also completed for Ō2NL (Treasury Gateway) and South Auckland Package (Stage Gate 2).

Cost pressure risk remains a key area of activity. The latest inflationary update from Infometrics has shown substantial increases to some commodity prices such as oil/diesel and concrete with inflationary pressures amplified by changes in global currency markets. The Reserve Bank now expects OCR to peak at 4% in late 2023 and this is reflected in the latest escalation rates being higher than the previous forecast. This risk is a key focus area for the next two months leading to a workshop on 28th July 2022 to work through potential options and trade-offs for managing the programme over the next 8 years. The workshop will be a collaborative effort between Waka Kotahi, KiwiRail, Te Manatū Waka and Treasury.

A number of projects are signalling some delays to upcoming milestones and work continues to improve schedule maturity and identify risks to construction dates. Any schedule delays that are close to, or breach delegation letter thresholds will be presented to Governance Group and notified to the Joint Ministers.

Recruitment challenges (and a potential further COVID and winter illness wave) will continue to impact the programme, whether internally or externally through our consultants, contractors and partners. We have previously highlighted that the decisions made in August/September alongside delivery expectations and schedule pressures in other projects will need close monitoring to ensure that sufficient resources remain available.

Communication & Engagement Highlights
Ōtaki to North of Levin - Month-long public engagement carried out, with more than 300 people attending a range of community events. Project flythrough video and press release.
Papakura to Drury – release and video on bridge demolition/new bridge opening, visit by Minister Wood.
Takitimu North Link – release and video on bridge construction starting. Flythrough video.
Penlink – minister release on approval of construction, event with minister and release on Penlink alliance agreement.
Look ahead – Canterbury package progress, Brougham Street business case approved, SH73 West Melton construction start, Contractor magazine article, Takitimu North Link ‘girls in high vis’ event.

Upcoming Significant Project Decisions

During the next several months, significant project decisions on the NZUP projects will need to be made. These include the options for the new Northern Pathway/Alternate Investments package (with Joint Ministers for a decision now), the South Auckland rescope project (August 2022), the Northland rescope road safety project (August 2022) and the Ōtaki to North of Levin (Ō2NL) project (August/September 2022).

As noted elsewhere, we are actively investigating project schedules and may need to escalate decisions for any project that falls outside of its escalation thresholds. Any decisions required will be added to this table as they are identified.

Waka Kotahi is also working with KiwiRail, Te Manatū Waka and the Treasury to consider the cost pressures and trade-off decisions that may need to be made. We are meeting with the Joint Ministers at the end of July 2022 to discuss.

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

Programme Financials

Class	Project (\$m)	Funding Allocation	Budget appropriated (to P50)	P95 Contingency Appropriated	Joint Ministers Tagged Contingency	Project Total Spent	% Spent to P50	Budget Health RAG Status
Higher	Penlink	830.0	s 9(2)(j)			64.1	s 9(2)(j)	●
Higher	Ōtaki to North of Levin (Ō2NL)	1,500.0				79.2		●
Sub-Total (Higher Risk Category)		2,330.0				143.3		
Lower	Papakura to Drury	655.0				100.1		●
Lower	Takitimu North Link Stage One	655.0				100.9		●
Lower	SH2 Melling Safety Improvements	420.0				20.4		●
Lower	SH58 Safety Imp Stage 2	105.0				19.7		●
Lower	SH1/29 Intersection Improvements	40.0				3.4		●
Lower	Canterbury Package	300.0				16.1		●
Lower	Queenstown Package	115.0				9.7		●
Lower	Takitimu North Link Stage Two	57.0				16.4		●
Sub-Total (Lower Risk Category)		2,347.0				286.7		
Rescope	Northland Package	192.0				12.3		●
Rescope	South Auckland	874.0				83.7		●
Rescope	Northern Pathway Alt Investment	782.5				50.7		●
Sub-Total (Rescope Category)		1,848.5				146.7		
Grand Total		6,525.5				576.7		

Month Financial Result

- Actual expenditure for May was **\$42.6m** (close to forecast of \$41.8m) and showed an increase of \$15m from prior month. Main spend included s 9(2)(j) Penlink payment to the two proponents and s 9(2)(j) in property acquisitions. Papakura to Drury and Takitimu North Link Stage One are the two major projects in construction and are both tracking close to their forecasts.

Estimates at Completion (EAC)

- Updated EAC estimates for Papakura to Drury and Takitimu North Link Stage One projects will be included in the baseline report, will be provided within updated business cases for Penlink (Implementation BC), Ō2NL, and in briefing papers/updates for the re-scoped projects.
- An updated EAC for Queenstown is expected in late October 2022. The larger urban Canterbury projects are still at relatively early stages of the project lifecycle and cost estimates will be better understood as they progress through the design stages

Commentary on high value/high risk projects

- Penlink:** Confirmation that the preferred proponent can deliver the scope within the Affordability Threshold provides confidence that the project can be delivered within the funding allocation excluding escalation over and above 2%.
- Ō2NL:** As part of the DBC finalisation the cost estimate reconciliation process has calculated an increase in the P50 cost from s 9(2)(j). This has previously been signalled. A briefing to the Minister for direction (prior to DBC endorsement) is being prepared.
- Takitimu North Link Stage One and Papakura to Drury** – As previously reported, budget pressure due to cost escalation and programme delays have been highlighted. Full information will be presented in the baseline updates.
- Riverlink/Melling** – s 9(2)(g)(i)

 , The NZUP Governance Group will be updated again on 23 June 2022, the Investment and Delivery Committee on 6 July with a briefing to the NZUP joint Ministers on 28 July 2022 to consider options associated with the s 9(2)(g)(i).
- South Island** –

 s 9(2)(b)(ii)

 .

Cost Pressure Risk

Summary of latest highlights from Infometrics:

- The month of May saw some commodity prices rise substantially while others remained relatively stable. The Reserve Bank of NZ is now concerned with a depreciating dollar value as a result of the US federal Reserve raising their OCR by 50 basis points. This will amplify inflationary pressures on goods and services in New Zealand, which was already running at 8.5%pa last quarter. As a result, the Reserve Bank has revised up its interest rate forecasts, and it now expects OCR to peak at 4% in late 2023, with limited supply-side capacity and overheated demand continuing to further drive inflation in the near term.
- As expected, oil and diesel prices reversed their slight drop during April. The recent exchange rate movements have exacerbated the increase in New Zealand to 16% and 17% for oil and diesel prices, respectively. Concrete prices have also risen sharply with a record high of 7.9% for last quarter. High demand and limited access to raw materials mean prices will continue to rise for the foreseeable months. The overall effect on the programme is the continuation of higher inflation running for a longer period of time, pushing overall costs above current expectations. Previous conservative forecasts maybe more indicative of the actual situation.
- Labour supply remained tight in the last quarter and the ease of finding labour was very low for both unskilled and skilled workers. This may improve in July when borders fully reopen, although inflow is expected to be modest compared to historical levels.
- The cost model continues to provide regular updates to the programme's cost pressure analysis work.

Project Readiness Status

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

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

*South Auckland Package, Northern Pathway, Active Mode & PT Investment and Northland Package are currently undergoing rescoping and have been excluded from this report. Walnut Avenue is in construction and has been removed from this report. Projects appear in order of construction start date. Readiness is required by the time the construction contract is started, noting that some of the initial projects are being implemented in phases. Note that construction start is as per baseline report. Arrows show movement from prior report.

Scope

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

- Queenstown - scope trending to RED s 9(2)(g)(i)
- O2NL – scope is showing RED s 9(2)(g)(i)
- Penlink – moved to GREEN s 9(2)(g)(i)
- Melling – scope trending towards RED s 9(2)(g)(i)
- Canterbury - AMBER projects s 9(2)(g)(i)

Property

RED to GREEN status reflects scaled risk on timeframes. Status should trend to AMBER/GREEN as scope issues are resolved, providing certainty around property requirements.

Of the planned 71 properties to be acquired this year, 29 purchases are complete, with active negotiations underway for the majority of remaining. 30 of the forecast properties relate to rescoped projects and will not settle in FY21/22. There has been no change to RAG status' this month.

- SH1/29 – s 9(2)(j)
- Melling – the RED status s 9(2)(g)(i)
- Rolleston – the RED status is s 9(2)(g)(i)
- Takitimu North Link Stage One - Construction underway – s 9(2)(j)

Consenting

RAG status for consenting relates to the state of readiness for construction. Projects rated AMBER still need consents or other statutory approvals, but in most cases the pre-lodgement work is well underway or the application package has been lodged. Timeframes are not yet critical but we are seeing slippage of some proposed lodgement dates. This combined with changes to the resource management framework may increase consenting and programme risk.

No changes have been made to the projects' state of readiness.

- O2NL – the RED status s 9(2)(g)(i)
- Takitimu North Link Stage 2 - the AMBER status s 9(2)(g)(i)

Risk Management Summary

Monthly Programme Risk Update

NZUP – Risk Working Group

The NZUP project leadership team meet monthly as a collaborative group and talk about project and programme level risk. Items discussed in the last meeting included:

- National policy for fresh water
- Mitigations for impact on wetlands
- Risk Management Database Software – opportunities within NZUP
- Affordability risk
- Project prioritisation, trade-offs
- Maintaining a lessons learnt register for all projects

Future Programme Risk Activity

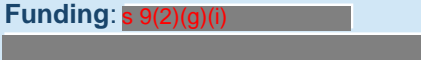
Area	Activity	What Does Good Look Like?	Timeframe	Progress
Project Risk Data Maturity Uplift	A gap analysis is underway to understand risk maturity. This analysis will assist in identifying what actions must be taken to address data quality, aimed at uplifting risk maturity in all areas of NZUP projects.	Consistent risk management discipline across project and programme, giving a clearer risk story. Reliable risk data to assist in informed quality decision-making	September 2022	June 2022 Collaborate with key Waka Kotahi teams on pushing for data quality and maturity upliftment within NZUP projects.
Control Assurance Plan	A staged approach on control assurance on the programme risks to be undertaken. Highlight NZUP projects currently displaying control assurance discipline well.	Robust process in place to provide the level of assurance to management that the controls relating to their highest consequence risks are effective. Risk is adequately managed.	Plan of action July 2022	June 2022 Commence control assurance by working with Programme Director to identify critical controls on our top 4 extreme programme risks
Procurement Plan QRA Capability	Working in partnership with our Procurement Team to procure dedicated external QRA providers. Assist in uplifting internal capability inhouse by deploying a dedicated risk management system	In the next 2 years: <ul style="list-style-type: none"> • We want to be confident and move towards strengthening our own QRA practice – capability build • Assisting us to lift our game on active risk management across the delivery of our projects 	Due Diligence and Plan of Action on external providers by July 2022	July 2022 Next steps: <ul style="list-style-type: none"> • Create a list of potential QRA suppliers. • Provide Procurement with key attributes we would like to see in an approved and preferred QRA supplier.
Transfer of Risk Insurance	Review and assess and plan for Self Insurance on NZUP projects	We understand our exposure and availability in the market. Have an option to transfer or tolerate risks within NZUP	July 2022	June 2022 Initial meeting with Insurance Team provided insights on NZUP projects and their insurance coverage so far. Commenced exploring the process of self-insurance.
Programme Risk Review	Plan and refresh of programme risks and subsequent reviews and monitoring	Aware of our key programme risks and managing it effectively to achieve our objectives	August 2022	July 2022 Workshop Planned

Risk Management Summary – Key Programme Risks













Key Programme Risks

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













Programme risks are formally reviewed on a quarterly basis with the next review due late June 2022. Therefore the “Quarterly Risk Review” update and “Highest Programme Risks” page is not included in this Monthly Report, instead a summary is shown below.

Extreme Risk	<ul style="list-style-type: none">• COVID: Disruption through Covid Outbreak• Funding: • Escalation: Escalating input cost, labour, material, property and delivery• Resources: Inadequate Internal & External Programme Resource	High Risk	<ul style="list-style-type: none">• Property: Unsuccessful and costly property acquisition• DI: Delivery improvement outcomes not achieved• GPS: Continuously shifting Government priorities and objectives• External Capacity: External partner and stakeholder capacity to support programme• Consents: Project consent's delayed• Local Authority: stakeholder's expectations are not met.• Operation: Inadequate project management practices and disciplines	Medium Risk	<ul style="list-style-type: none">• Score card: 5% value of all tender contracts awarded to Māori SMEs requirement not achieved• Procurement: Market Concentration• Crown Expectation: Complex MoT and Treasury programme requirements impacting programme delivery• NZUP WAYS: Programme initiatives / improvements not promulgated and embedded across Waka Kotahi• Data Quality: Inadequate programme data quality/ currency and consistency
--------------	---	-----------	--	-------------	--










NZ Upgrade Programme – Sponsor Commentary

NZ Upgrade Programme					Sponsor Commentary
Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	
Northland	Northland Package (Rescope)				Project remains at a RED RAG status s 9(2)(g)(i) . KiwiRail have provided further clarification that their cost estimate is s 9(2)(j) , while the updated estimate for Whangarei to Port Marsden Highway Safety is s 9(2)(j) . The W2PMH Safety detailed business case is largely completed and is now progressing through Independent Quality Assurance, Stage Gate Review (early July) and Ministry of Transport/Treasury review. s 9(2)(f)(iv)
		Previous Month RED	Previous Month AMBER	Previous Month RED	
Auckland	Papakura to Drury (Imp)				The re-baseline report is being presented at the June Governance Group meeting. As reported last month, the overall traffic light rating is RED s 9(2)(g)(i) .
		Previous Month RED	Previous Month AMBER	Previous Month RED	The project continues to progress, with successful demolition of the old Park Estate Bridge in one overnight motorway closure on 21 May 2022. The demolition went to plan and the motorway re-opened 2 hours ahead of schedule. Stage 1B1 detailed design continues with 50% design in the process of being issued. A roadmap is in development to confirm the pathway for delivery of Stage 1B1. The roadmap will identify the options available for the delivery of 1B1 physical works. The options will consider price, programme and performance of the incumbent contractor and won't rule out re-tendering if necessary. s 9(2)(g)(i)
	Northern Pathway Active Mode & PT Investment (Rescope)				The redefined scope recommendation was tabled to the Joint Ministers on 4 April 2022. The RAG status remains AMBER s 9(2)(g)(i) .
		Previous Month AMBER	Previous Month GREEN	Previous Month AMBER	Further activities to improve scope definition and reduce cost, and programme risks are on hold.
	Penlink (Pre-Imp)				The project is tracking well within acceptable tolerances, and has a GREEN RAG status. The Project Alliance Agreement was signed on 10 June 2022.
		Previous Month GREEN	Previous Month GREEN	Previous Month GREEN	Focus areas are mobilisation and the enhancement of our risk and contingency management capability. Current risks remain excessive escalation, objections to an alternative bridge form and being late on plans that will support earthworks start. A detail design refinement sprint was kicked off and will run for the next 6 weeks to explore if further value can be unlocked with respect to construction. The preliminary concept design and layouts are locked and the video fly through was shared with the community. The design has been well accepted by all when shared.

NZ Upgrade Programme – Sponsor Commentary

NZ Upgrade Programme					Sponsor Commentary
Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	
Auckland (continued)	South Auckland Package (Rescope)				Project has an AMBER RAG status, s 9(2)(g)(i) ty. s 9(2)(f)(iv)
		Previous Month AMBER	Previous Month AMBER	Previous Month GREEN	A briefing has been provided seeking s 9(2)(j) drawdown to cover the pre-implementation phase & property costs for Waihoehoe Rd and SH22 Upgrades. Last month it was noted that the updated estimates for the package was in excess of the allocation by approximately s 9(2)(j) . The project has identified opportunities to remove this cost to be within the \$874 million allocation through value engineering and scope change, without a reduction in the proposed outcomes. A Stage Gate 2 Review was completed last month with an Amber rating provided. The review team commended the team on the work done to date. The primary feedback focused on needing to strengthen the story regards Mill Rd and the fit with the broader long term strategy for South Auckland, the need to confirm ownership around Mill Rd, need to include tasks within the business case to address the gaps resulting from a Sprint business case. s 9(2)(g)(i)
Waikato & Bay of Plenty	SH1/29 Intersection Improvements (Pre Imp)				The project has a RED RAG status s 9(2)(g)(i) . s 9(2)(j)
		Previous Month RED	Previous Month RED	Previous Month AMBER	Counsel continue to provide guidance to the project team. The Environment Court has requested that Waka Kotahi consider combining the Section 23 (property acquisition) hearing with the Resource Management Hearing, to which we will accept. The focus for this month will be on agreeing a schedule for the hearing with the Court and the subsequent preparing of evidence. s 9(2)(j)
	Takitimu North Link Stage One (Imp)				Project has a RED RAG status. s 9(2)(g)(i) . The Project has submitted a paper to NZUP governance seeking endorsement to notify the Joint Ministers of the s 9(2)(g)(i) . This is due to delays in the Māori Land court decision and covid related delays to allow archaeological investigations to commence. The Baseline Update Report was presented to Programme Sponsor Advisory Group (PSAG) in May. A verbal update was given that highlights that s 9(2)(j)
		Previous Month RED	Previous Month AMBER	Previous Month RED	A project health check is being undertaken focused on the nature and effectiveness of the contract interfaces between Waka Kotahi, Principals Agent and the Contractor. A number of challenges are being faced between the different parties involved in delivering this project. s 9(2)(a) Principal Project Manager will undertake the Health Check. Given the cost pressures facing the project, cost savings opportunities are being identified jointly with the Contractor. Initial review suggests that obtaining significant cost savings will be challenging at this point of design and construction. Health & Safety on site remains a significant focus for the PMB given the number of incidents and near misses still occurring. This will also be a focus in the Health Check.
	Takitimu North Link Stage Two (Pre Imp)				The Project has a RED RAG status. The PSC held a special meeting to review the consenting approach and endorsed seeking consents for Stage 2A & 2B and that the recommendation progress to the NZUP Governance Group. The change in consenting approach creates a s 9(2)(g)(i)
		Previous Month RED	Previous Month RED	Previous Month AMBER	Work is underway to solidify the RMA alternatives assessment to confirm the preferred route. A external gap analysis has been completed on the alternative assessments process and the team is acting on the recommendations. Once the assessments process is completed and a preferred route confirmed, a paper will be submitted to the NZUP Governance group seeking guidance on an appropriate ecological compensation package.

NZ Upgrade Programme – Sponsor Commentary

NZ Upgrade Programme					Sponsor Commentary
Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	
Manawatu / Whanganui	Ōtaki to North of Levin (Ō2NL) (BC)				<p>May has been a busy month for the project team with a focus on finalising the DBC for the main project, including commencing the assurance and approvals processes, with a view to an August Waka Kotahi Board endorsement.</p> <p>As part of the DBC finalisation we completed the reconciliation process for the cost estimate and QRA and this has s 9(2)(j) s 9(2)(g)(i), s 9(2)(i). As we have been signalling for the last few months this now moves the project status to RED. We have begun discussions with the programme team and sponsor around a plan to provide a briefing to the Minister prior to DBC endorsement for direction.</p>
		Previous Month AMBER	Previous Month GREEN	Previous Month AMBER	<p>The project team have also been preparing for our Treasury Gateway Review and Internal Stage Gate Review. The Treasury Gateway Review started in the last week of May and has reported a s 9(2)(a)(i) s 9(2)(g)(i). The remainder of the report is very positive and reflects well on the work done by the team in producing the DBC.</p> <p>In preparation for the lodgement of consents later this year we carried out a comprehensive public engagement exercise over 3 weeks. Turn out and interest was modest with a general “get on with it” response being received. The team all put significant additional hours in to be available at public meetings in the evening and at weekends. Whilst encouraged to take time off in lieu, it feels current workloads are too high at present to do this as the challenges with managing Covid related sickness continues.</p>
Wellington	SH58 Safety Improvements – Stage Two (Imp)				<p>The project status is RED. The SH58 Safety Improvement project has two components. Stage 2A (Harris Road to Mount Cecil Road) is currently under construction. A small extension of time has been given with substantial completion now programmed for 28th June, with the final surfacing to be undertaken in September after winter.</p>
		Previous Month RED	Previous Month RED	Previous Month GREEN	<p>Land requirement plans have been completed for Stage 2B (Mount Cecil Road to Transmission Gully) and landowners have been approached for agreement. We are currently responding to issues being raised by landowners. In parallel, consenting documents are being produced, with most specialist reports now being complete. Planned construction start is March 2023.</p> <p>We are investigating possible early delivery of some sections on Stage 2B where the effects are relatively minor, only minor property is required and may be more easily consented through a non-notified process (consents are about to be requested), we aim to have construction begin on this section by late 2022.</p>
	SH2 Melling Efficiency & Safety Improvements (Pre Imp)				<p>The project status is RED s 9(2)(g)(i) (based on March 2022 interim update), but it is on track to start construction before the NZUP baseline date end of 2023. s 9(2)(g)(i)</p> <p>The NZUP Governance Group will be updated again on 23 June 2022, the Investment and Delivery Committee on 6 July with a briefing to the NZUP joint Ministers on 28 July to consider s 9(2)(g)(i)</p> <p>Following the Environment Court hearing in April, both the submitters and the parties filed their closing statements on the 6 and 20 May respectively. The cyclist group of submitters have since filed an additional memo to the Court questioning elements of the Riverlink closing statements. As these questions were not considered material, Riverlink has chosen not to reply to these comments. A reply could also increase the risk of delay to the court decision. Riverlink is now waiting for the Courts decision. There is no time frame within which the Court must release its decision however we are expecting a decision in August.</p>

NZ Upgrade Programme – Sponsor Commentary

NZ Upgrade Programme					Sponsor Commentary
Region	Project name	Overall Health Status (RAG)	Schedule Health Status (RAG)	Budget Health Status (RAG)	
Canterbury	Brougham St Corridor Improvements (Pre-Imp)				<p>SH1 Rolleston Access Improvements Detailed Business Case (DBC) has identified an emerging preferred option. Public consultation will begin in June and the DBC is currently programmed to be completed in Q4 2022.</p> <p>SH76 Brougham Street Improvements DBC was endorsed by the I&D Committee in May. Schedule status of AMBER s 9(2)(g)(i)</p> <p>SH75 Halswell Road Improvements DBC has been approved to proceed to Pre-Implementation phase.</p> <p>SH73 Weedons Ross Road, West Melton Improvements, has awarded the contract for physical works. These are about to start and the project is currently ahead of schedule.</p> <p>SH1 Tinwald corridor improvements is in Pre-Implementation, with design and consenting underway.</p> <p>SH1 Walnut Avenue is in Implementation and should be completed by December 2022. The current estimates for the six projects are above the P50 baseline.</p> <p>The larger urban Canterbury projects are still at relatively early stages of the project lifecycle and cost estimates will be better understood as they progress through the design stages. There may still be unforeseen costs as more detail is progressed through consenting, property acquisition, design and construction stages. Scope reduction and cost-saving opportunities are been explored across the package.</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 AMBER	Previous Month AMBER	
	SH73 Weedons-Ross Road Intersection (Imp)				
		Previous Month RED	Previous Month GREEN	Previous Month RED	
	Walnut Avenue Intersection Improvements (Imp)				
		Previous Month AMBER	Previous Month GREEN	Previous Month AMBER	
	SH1 Tinwald Corridor Improvements (Pre Imp)				
		Previous Month GREEN	Previous Month GREEN	Previous Month GREEN	
Queenstown	Queenstown Package (Pre Imp)				<p>Kā Huanui a Tāhuna (the Queenstown Alliance) are preparing a Target Out-turn cost proposal for the delivery of the NZUP Queenstown package. First visibility of this interim cost is expected at the end of October. As this is some months away, Kā Huanui has prepared an update of the business case cost estimate to either validate affordability expectations, or otherwise enable a review of scope/budget ahead of the TOC proposal being fully developed.</p> <p>s 9(2)(j)</p>
		Previous Month RED	Previous Month AMBER	Previous Month RED	

Communications & Engagement

<div>Overview/Highlights</div> <p>There has been a high level of communications activity across the programme with key highlights being the Penlink alliance agreement/tolling announcement and the demolition/opening of bridges for Papakura to Drury. Minister Wood attended the Penlink alliance signing and visited the Papakura to Drury site.</p> <p>Other communications included releases on the regional package, Kawakawa and Cromwell roundabouts, bridge construction beginning on Takitimu North Link and a Ō2NL project fly-through. Proactive videos got good engagement for the Ō2NL flythrough, two Takitimu North Link flyovers and the demolition of a bridge for Papakura to Drury.</p> <p>More than 300 people attended community engagements event in each of the Takitimu North Link Stage One and Ō2NL projects.</p> <p>There continue to be a high level of WPQs and OIAs requiring high levels of input from projects and the programme team, there has been a particular focus on cost in the last month.</p> <div>Issues/Risks</div> <p>The next three to four months will see some key decisions made on rescoped projects. We expect there to be a high level of community, political and media interest in these decisions which will need to be proactively managed and coordinated with ministers.</p>		<div>Stakeholder Engagement</div> <div>What stakeholders are saying (themes)</div> <p>Northern Pathway – There continues to be a very high level of media enquiries, OIAs and WPQs, particularly regarding the topic of lane reallocation, the vacant Northern Pathway Alliance office space in Pier 21 and the Northcote Point properties.</p> <p>SH2 Melling Interchange – Focus on mitigating risks to river species during flood protection works and protecting heritage around the Melling railway station relocation and ensuring all modes of transport (including cycling and walking) see improvements through the works.</p> <p>Queenstown Package – Discussions are continuing with Way To Go and Queenstown Lakes District Council to ensure NZUP alignment.</p>
<div>Proactive Media & Social Media</div> <div>Proactive content</div> <p>Minister Wood release: Government gives Penlink green light – link</p> <p>Kawakawa roundabout celebrated – link</p> <p>SH57 detour lifted as safety improvements continue – link</p> <p>Cromwell roundabout ready for use over winter – link</p> <p>Meet the team as bridge construction begins on Takitimu North Link – link</p> <div>Social media content</div> <p>Papakura to Drury bridge demolition – link</p> <p>Ō2NL project fly-through – link</p> <p>Takitimu North Link flyover – link</p> <p>Work starts on TNL’s Wairoa Road overbridge – link</p>	<div>Communications & Engagement Activity</div> <p>Ō2NL – Press, radio, digital and digital billboard advertising preceded extensive pre-consent engagement in May including stakeholder briefings, 10 drop-in events and one public Zoom with approximately 300 attendees in total.</p> <p>Northland package – A C&E strategy has been approved as part of DBC development.</p> <p>SH1 Papakura to Drury – Intensive engagement with residents affected by overnight demolition of Park Estate bridge on 21 May, in addition to a video and minister’s press release.</p> <p>Penlink – Met with the Whangaparaoa Rotary Club to provide an update on the project and next steps. Further engagement planned after 10 June announcement when we can share more information.</p> <p>Takitimu North Link Stage One – A community engagement event held at Bethlehem Hall was very successful with 320 people attended, 81 new subscribers to e-newsletter, positive feedback and media coverage.</p> <p>Takitimu North Link Stage Two – SH2/Ōmokoroa Road Intersection funding announcement and response provided for WBOPDC media release.</p>	<div>Upcoming Activities</div> <p>Papakura to Drury – The project team is working in partnership with iwi to develop a stormwater video from a Te Ao Māori perspective. Updates are planned for Local and Community Boards, and a community open day at Papakura.</p> <p>Penlink – Preparing for expected increased interest and questions following the signing of PAA and onboarding of the alliance. The Stillwater community will have questions about Weiti bridge, and we anticipate negative feedback on the tolling decision.</p> <p>Takitimu North Link stage 1 – An activity worksheet has been produced to involve local tamariki in the project as part of planned schools’ engagement through the winter months. A ‘girls in high vis’ event will be held on 17 June in partnership with Connexis.</p> <p>Ō2NL – SH1 Levin to Foxton safety improvement engagement starts 7 June and SH1 Otaki to Levin speed consultation concludes 15 June.</p> <p>SH2 - Melling interchange – A pop-in lunch time RiverLink engagement pod on Andrews Ave, where people view information and talk to the project team, will continue to be open through June (weather permitting).</p> <p>West Melton - SH73 Weedons-Ross Rd intersection – Preparations are underway for a blessing and sod-turning in June ahead of the start of construction work.</p>

Iwi Engagement & Treaty Partnership

Ngā Pūrongo | Key Themes

Kōtuitanga me ngā Hononga ā Iwi | Iwi Partnerships and Iwi Engagements

He Tirohanga Whakamuri kia Anga Whakamua: “Understanding our past to move forward into the future”

The review of iwi partnerships, iwi engagement & Māori outcomes has been underway across NZUP. The review will be reported back to the Programme Sponsor Advisory Group (PSAG) in July and August governance group hui. Insights and key themes from the Penlink review hui were shared and included in the recent Penlink lessons learnt conducted by the NZUP delivery improvement team.

Ngā Hīnonga | Projects

Penlink: Mana whenua partners attended the Project Alliance Agreement (PAA) signing ceremony on 10th June attended by the Honourable Minister Michael Wood. During the ceremony iwi gifted a Māori name for the alliance “Ō Mahurangi”. The iwi chair Te Warena Taua explained Mahurangi was a tūpuna (ancestor) onboard the Tainui waka. The 3 iwi leaders joining the Project Alliance Board (PAB) are Te Warena Taua (Kawerau a Maki), Mike Baker (Ngāti Whanaunga) and Mook Hohneck (Ngāti Manuhiri), who will also lead the blessing of the alliance office.

Canterbury Package: The project teams are strengthening relationships with iwi groups. s 9(2)(g)(i)
The project team are working with iwi to resource a full-time equivalent position to support iwi.

South Auckland Package: There has been governance level mana whenua representation at stakeholder workshops and throughout the long and short list option refinement process. At this stage, all mana whenua engaged have indicated their support for the preferred option. Mana whenua conditionally support the programme.

Takitimu North Link Stage 1: The delivery improvement area is undergoing a reset with hapu members to keep on track with what has been agreed in the contract. Cultural artworks are moving through design process and a lead designer has been appointed.

SH2 Melling Efficiency & Safety Improvements: Iwi members have been involved in discussions and drafting of the balanced scorecard. Iwi are not just signing off on delivery improvement but have been a strong voice and are fully integrated into the process. Iwi are invited into the PAB however they have expressed inclusion in the RiverLink Board is sufficient.

SH1/29: Consenting on environmental issues has gone smoothly and the project has the support of iwi to go to Environment Court. The project has set up structures to support a collaborative approach, such as the iwi co-chair hui, there is also identified working space in the office, iwi feel part of the team and not “external”.