

# NZ Upgrade Programme

## Monthly Report for June 2022

ISSUED ON 22<sup>nd</sup> JULY 2022



PROUDLY DELIVERING

New Zealand  
Upgrade  
Programme



# Executive Summary

Project Health RAG	Phase	Overall Health	Time	\$
Papakura to Drury	Imp			
O Mahurangi/Penlink	Imp			
SH1/29 Intersection Improvements	Pre-Imp			
Takitimu North Link Stage 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	Imp			
• Walnut Avenue Intersection Improvements	Imp			
• SH1 Tinwald Corridor Improvements	Pre-Imp			
Queenstown Package	Pre-Imp			
Northland Package	Rescope			
Northern Pathway Alternative Investment	Rescope			
South Auckland Package	Rescope			

## Key Upcoming Ministerial Project Milestones and Decisions

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

## Sponsor Commentary

We continue to report the overall programme health as **AMBER** s 9(2)(g)(i). With scope clarity being key to procurement, consenting and property purchase progress, this is presenting an increasing risk to schedules.

During the month some significant milestones have been achieved. These include the signing of the O Mahurangi/Penlink Alliance Agreement which was attended by Minister Wood, which we reported on last month. Re-baseline reports for Takitimu North Link and Papakura to Drury were presented to Governance Group and in early July the Board endorsed the scope for Melling (subject to funding). In Canterbury a sod turning ceremony marked the commencement of physical works for Weedons-Ross Road (ahead of schedule) and Brougham Street has entered pre-implementation phase. Lessons Learned sessions have been completed for O Mahurangi/Penlink - reflecting on the use of the new Balanced Scorecard during their recent tender process, the RFT process, and lwi engagement.

Cost pressure remains a key risk for the programme. However, the latest outlook from Infometrics has been slightly more positive, with indications of future lower prices for several key materials such as steel. The effect of these potential lower prices on the programme is not yet known and is dependent on uncertain global economic and political conditions. Labour costs are not expected to ease as the lack of available workers combined with rising living costs will drive stronger wage growth throughout the rest of 2022 and 2023.

A cost pressure briefing and workshop is scheduled for August between the joint ministers, Te Manatū Waka Ministry of Transport, Treasury, KiwiRail and Waka Kotahi.

The expected wave of winter illnesses is well underway and this, coupled with the industry wide recruitment challenge, is impacting the programme both internally and externally through our consultants, contractors and partners.

Communication & Engagement Highlights
Ōtaki to North of Levin - A video update on the project was viewed by about 100,000 people
Canterbury package – a media release highlighting strong progress on a number of projects was provided to the minister
SH1 Rolleston – media release, social media and community engagement on plans to better connect the community.
O Mahurangi/Penlink – video featuring animated flyover to share the updated design and communicate construction is coming soon
Takitimu North Link stage one – release and video on construction of 95m bridge starting.
Look ahead – Canterbury package video update, Takitimu North Link proactive content on opportunities for Māori owned businesses and work on bridges, communications and engagement planning for the next steps of re-scoped projects.

# Upcoming Significant Project Decisions

During the next several months significant project decisions on the NZUP projects will need to be made. These include s 9(2)(f)(iv), the rescope Northland SH1 safety improvements, the Ōtaki to North of Levin project (August 2022 board meeting) and the South Auckland rescope project (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 choices. There is a meeting with the joint ministers in August 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	N/A	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	O Mahurangi/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

- At the time of preparing this report we were running an extended financial year-end timetable and the ledger was not closed for June. Tabled results here are to the end of May 2022. We estimated June spend to be approximately \$44.4m which will take the total project expenditure to \$620.8m (12.9% of appropriated budget).

## Estimates at Completion (EAC)

- Updated Estimates at Completion are being finalised in July. These will be communicated through the upcoming August briefing for the meeting with the joint ministers and be a standard item of the monthly report in future. Budget health/RAG status will be reviewed in line with latest EACs at the same time.

## Commentary on high value/high risk projects

- O Mahurangi/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.
- 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)(i)(iv)

## South Island – s 9(2)(j)

## Cost Pressure Risk

Summary of latest highlights from Infometrics:

- Labour and material shortages in the New Zealand construction industry persist, increasing costs and construction timeframes. Inflation rates across the globe continue to rise and this has added pressure to the value of the NZ dollar. However, expectations for weaker economic growth is also increasing, with fears of a global recession as banks raise interest rates to combat soaring inflation. The Reserve Bank raised the OCR to 2.5% earlier this month, and this trend is expected to continue into the next year. Expectations on future material prices is mixed, as the effects of a global recession, increasing inflation and political instability creates uncertainty in markets.
- A price drop of 1.8% for steel and a ~1% decrease in shipping container index were experienced during the month of June. Adding to these declines are recent significant drops during July. Steel rebar prices have dropped ~35% and shipping index values ~50% from recent highs to be only 20% and 25% above values from early 2021, respectively. If these lower prices continue for the remainder of the year, and other material prices remain stable (or lower), then this will start to alleviate some of the cost pressures experienced by the NZUP.
- Crucial to this potential lowering of cost pressures on the programme are labour, concrete and diesel costs, which continued to rise for the month of June. However, crude oil prices have recently lowered during July to be below USD\$100 per barrel for the first time since February 2022. If this trend continues, this will have a flow-on effect to lowering supply-chain costs. Labour costs are not expected to ease as the lack of available workers combined with rising living costs will drive stronger wage growth throughout the rest of 2022 and 2023.

# Project Readiness Status

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

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

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

## Scope

RED status reflects scope definition still to be completed/confirmed as part of business case approval process. No changes to status are made this month.

- Queenstown – scope is continuing to trend towards RED s 9(2)(a)(i).
- Ō2NL – scope is showing RED s 9(2)(a)(i).
- Melling – scope trending towards RED s 9(2)(a)(i).
- Canterbury – AMBER s 9(2)(a)(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. Thirty-eight of the of the planned 71 properties for this year 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 are no changes to RAG status\* this month.

- SH1/29 – s 9(2)(j).
- SH58 - trending to RED s 9(2)(a)(i).
- P2D – Trending RED to reflect s 9(2)(i).
- Melling – the RED s 9(2)(a)(i).
- Rolleston – the RED s 9(2)(a)(i).
- Takitimu North Link Stage One – Construction underway – s 9(2)(j).

## Consenting

RAG status 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 continuing to see slippage of some proposed lodgement dates, primarily due to ongoing uncertainty in project scope. This combined with changes to the resource management framework may increase consenting and programme risk. No changes to status are made this month.

- Ō2NL – the RED status s 9(2)(g)(i).
- Takitimu North Link Stage Two - the AMBER status s 9(2)(g)(i).

## Archaeological Authority Appeal – Takitimu North Link Stage One

s 9(2)(j)

# Risk Management Summary – Key Programme Risks

## Key Programme Risks

The programme team have carried out a refresh and re-evaluation of the current risk landscape.

- Total risks dropped from 16 to 15
- COVID–19 is considered to be an issue under management
- No major change to the risk landscape
- No emerging risks were identified that could directly impact the programme
- Imminent deep dives on control assurance to be conducted on selected “Top Priority Risks”

## Quarterly Risk Review Outcomes

Item	Discussions
Cost escalation lens	This risk is a sub-set of funding. We proactively manage our cost escalations at both programme and project level
Key stand-out risks	Consistent themes: <ul style="list-style-type: none"><li>• Clear direction on Delivery Improvement</li><li>• Cost pressures</li><li>• Resources and pressures implicitly on internal resources</li></ul>
Emerging prominent risk	Climate change was discussed as an emerging risk. Programme waiting on imminent agency response to the climate change adaption emerging risk  Legislative change risk is currently not noted in our risk landscape. Working towards capturing this prominent risk with the right risk owner

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.



## Key Programme Risks – Next Steps

- **Programme Risks** – Post-workshop plan and refresh of programme risks and their subsequent reviews and monitoring. Programme risks will be updated and movement will be reported to the Governance group for Q1. **Timeframe – September 2022**
- **Control Assurance Plan** – A staged approach to control assurance on the programme risks to be undertaken on top priority key risks. The control assurance “deep dive” will be carried out through working with key risk owners and subject matter experts across the programme to identify and analyse causes, controls and monitoring requirements. **Timeframe – October 2022**

# 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)	<span style="color: red;">●</span>	<span style="color: green;">●</span>	<span style="color: red;">●</span>	Project remains at a <span style="color: red;">RED</span> status <span style="background-color: #cccccc;">s 9(2)(q)(i)</span> . Completion of the business case is on track with both the Stage Gate Two Review and Te Manatū Waka reviews being completed. No significant issues were raised through these reviews. IQA is slightly delayed due to staff sickness but will be completed prior to going to governance group. The project is presenting the case to the Value, Outcomes & Standards Committee (VOS) on 22 <sup>nd</sup> July prior to the Board in August.
		Previous Month <span style="color: red;">RED</span>	Previous Month <span style="color: green;">GREEN</span>	Previous Month <span style="color: red;">RED</span>	
Auckland	Papakura to Drury (Imp)	<span style="color: red;">●</span>	<span style="color: orange;">●</span>	<span style="color: red;">●</span>	<span style="background-color: #cccccc;">s 9(2)(f)(iv)</span> . As per previous reports, the overall traffic light rating is <span style="color: red;">RED</span> <span style="background-color: #cccccc;">s 9(2)(q)(i)</span> .
		Previous Month <span style="color: red;">RED</span>	Previous Month <span style="color: orange;">AMBER</span>	Previous Month <span style="color: red;">RED</span>	Stage 1A delivery continues to progress well with the new median barrier install going well, and the second half of the Park Estate Bridge proceeding to plan. The detailed design for the southbound on-ramp has been received by the contractor for pricing, noting that this part of the project is behind schedule. The programme will be addressed once the design is assessed by the contractor.
		Previous Month <span style="color: red;">RED</span>	Previous Month <span style="color: orange;">AMBER</span>	Previous Month <span style="color: red;">RED</span>	Stage 1B1 detailed design is at 50% and being reviewed by Waka Kotahi subject matter experts. The roadmap for 1B1 through to commencement of delivery is in preparation and will be reported in July to the Project Steering Committee (PSC). <span style="background-color: #cccccc;">s 9(2)(i)</span>
	Northern Pathway Alternative Investment (Rescope)	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	<span style="color: orange;">●</span>	The redefined scope recommendation was tabled to the joint ministers in April. The RAG status remains <span style="color: orange;">AMBER</span> , <span style="background-color: #cccccc;">s 9(2)(g)(i)</span>
		Previous Month <span style="color: orange;">AMBER</span>	Previous Month <span style="color: green;">GREEN</span>	Previous Month <span style="color: orange;">AMBER</span>	A new business case was developed and is currently in a final draft state, ready to progress through the approval process where it is to be shared with Te Manatū Waka and Treasury. At the Project Steering Committee in June it was decided to put the project on hold and not progress externally with the business case until direction from the minister is obtained.
	O Mahurangi/ Penlink (Imp)	<span style="color: green;">●</span>	<span style="color: green;">●</span>	<span style="color: green;">●</span>	Further activities to improve scope definition and reduce cost, and programme risks are on hold.
		Previous Month <span style="color: green;">GREEN</span>	Previous Month <span style="color: green;">GREEN</span>	Previous Month <span style="color: green;">GREEN</span>	The project is tracking well within acceptable tolerances, and has a <span style="color: green;">GREEN</span> RAG status. The Project Alliance Agreement was signed on 10 June 2022 and the project was gifted the Māori name O Mahurangi. Team mobilisation is in full swing. Activities support the alternative bridge form, management plans, required early works and archaeological authorities are well progressed. The detailed design refinement value sprint will conclude in July. Preliminary concept design and layouts remain locked in and the video fly through is consistently being shared. Interface meetings with Auckland Council, Auckland Transport and stakeholders are in progress to add definition at interface points and align expectations. Engagement is underway with council regulatory teams on statutory process and additional consents required. The Project Alliance Board is established and the iwi participants are present. Workshops to formalise delivery improvement opportunities are in progress and lessons learnt to date have been shared within the rest of the organisation.

# 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)	<div></div>	<div></div>	<div></div>	Project remains an <b>AMBER</b> status, s 9(2)(g)(i) s 9(2)(f)(iv)
		Previous Month <b>AMBER</b>	Previous Month <b>AMBER</b>	Previous Month <b>GREEN</b>	Given this progress, a new steering committee is being established with membership from AT/KiwiRail, Waka Kotahi and mana whenua. This will commence in September 2022. The sponsor is s 9(2)(a), supported by an independent chair, s 9(2)(a) (also chair for Waihi to Tauranga corridor steering committee). Project teams are now being established for SH22 and Waihoehoe Rd projects. A project manager (PM) has been recruited from AT to manage Waihoehoe Rd. An external PM has being sourced for SH22. Interface design work is well underway and progressing to plan. Agreements between Waka Kotahi, KiwiRail and AT are under development. These are required to allow cross-agency teams to be established and support delivery of scope from within the NZUP KiwiRail stations projects e.g. Paerata roundabout and intersections on Jesmond Road and Waihoehoe Road.
Waikato & Bay of Plenty	SH1/29 Intersection Improvements (Pre Imp)	<div></div>	<div></div>	<div></div>	The project has a <b>RED</b> status s 9(2)(g)(i) s 9(2)(j) Counsel continue to provide guidance to the project team. The Environment Court hearing for the Notice of Requirement has been scheduled for early September, with a likely hearing for the Section 23 appeal in late October/early November. The focus for this month has been on preparing evidence for the hearing.
		Previous Month <b>RED</b>	Previous Month <b>RED</b>	Previous Month <b>RED</b>	s 9(2)(j)
	Takitimu North Link Stage One (Imp)	<div></div>	<div></div>	<div></div>	The project has a <b>RED</b> status, s 9(2)(g)(i) s 9(2)(g)(i)
		Previous Month <b>RED</b>	Previous Month <b>AMBER</b>	Previous Month <b>RED</b>	Construction activity is in a lull due to winter conditions and consent requirements. The project held a community engagement day at the end May with 320 people attending. Feedback has been very positive. The project is undertaking a health check in relation to how well we are managing the construction contract. This is being undertaken by s 9(2)(a) from the Infrastructure Delivery team. Results will be presented to the steering committee in July. Resource levels across the project team are a key concern currently as a number of staff have left the organisation coupled with a number of staff taking leave. The health check will help identify some of the resourcing gaps.
		Previous Month <b>RED</b>	Previous Month <b>AMBER</b>	Previous Month <b>RED</b>	s 9(2)(j)
	Takitimu North Link Stage Two (Pre Imp)	<div></div>	<div></div>	<div></div>	The project has an <b>AMBER</b> status. The s 9(2)(g)(i) The project is currently reconfirming the preferred option to take forward for designation and consenting. Work is underway to solidify the RMA alternatives assessment to confirm the preferred route. The multi-criteria assessments are expected to be completed later this month with a preferred option being submitted in September/October.
		Previous Month <b>RED</b>	Previous Month <b>RED</b>	Previous Month <b>AMBER</b>	



# 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>The primary focus for the team in June has been continuing to advance through the relevant assurance processes to achieve s 9(2)(f)(iv). At the start of the month we completed our Treasury Gateway Review and our Internal Stage Gate review. Both these reviews had positive feedback for the team around the quality of work and their commitment to the project. s 9(2)(f) d. s 9(2)(g)(i) the project status remains RED. During s 9(2)(f)(iv)</p> <p>I'm pleased to note our relationship with Horowhenua District Council (HDC) is continuing to improve and a member of their executive team joined our Project Steering Committee this month. HDC have also confirmed their support for the DBC, recognising the importance of Ō2NL to the development of Levin and the wider region.</p> <p>Whilst the DBC may be the primary focus, the team continue to prepare for lodgement of consents and designation. We remain on track to be able to lodge these shortly after the ministers approve the DBC.</p>
		Previous Month RED	Previous Month GREEN	Previous Month RED	
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 with substantial completion now programmed for 15 July (delayed due to excessive wet weather) with the final surfacing to be undertaken in September after winter.</p> <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.</p> <p>Planned construction start is late 2023.</p> <p>Early delivery of the first section Stage 2B (Harris Road to East of Moonshine Road) where the effects are relatively minor, is proceeding well. s 9(2)(i) We aim to have construction begin on this section by late 2022.</p>
		Previous Month RED	Previous Month RED	Previous Month GREEN	
	SH2 Melling Efficiency & Safety Improvements (Pre Imp)				<p>The project status remains RED. The project is on track to start construction before the baseline estimate of the end of 2023 but with a s 9(2)(g)(i) s 9(2)(f)(iv). This is the critical programme risk and is being actively managed with the NZUP team and senior leadership.</p> <p>Any programme slip will likely cause longer delays to construction start with the procurement programme being forced to run over or after Christmas. This will have material impacts on the market and our partners, who require the early flood protection work to start in October 2023 to ensure the full season is available for the river works. Our partners will expect to have the opportunity to represent the programme and the impact on their components and communities to decision-makers.</p>
		Previous Month RED	Previous Month GREEN	Previous Month RED	

# 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)				<div>Released under the Official Information Act 1982</div> <ul style="list-style-type: none"><li>SH1 Rolleston Access Improvements DBC has identified an emerging preferred option. Public consultation is underway and the DBC is currently programmed to be completed in Q4 2022.</li><li>SH76 Brougham Street Improvements DBC was endorsed by the Investment and Delivery Committee (I&amp;D) in May. Schedule status has worsened to <b>AMBER</b> to s 9(2)(g)(i).</li><li>SH75 Halswell Road Improvements DBC has been approved and is in the Pre-Implementation phase.</li><li>SH73 Weedons Ross Road, West Melton Improvements, has awarded the contract for physical works. These have now started and the project is currently ahead of schedule.</li><li>SH1 Tinwald corridor improvements is in Pre-Implementation with design and consenting underway.</li><li>SH1 Walnut Avenue is in Implementation and should be completed by December 2022.</li></ul> <p>s 9(2)(i). However, 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.</p>
		Previous Month <b>AMBER</b>	Previous Month <b>AMBER</b>	Previous Month <b>GREEN</b>	
	Rolleston Access Improvements (BC)				
		Previous Month <b>RED</b>	Previous Month <b>RED</b>	Previous Month <b>AMBER</b>	
	SH75 Halswell Road Improvements (Pre-Imp)				
		Previous Month <b>AMBER</b>	Previous Month <b>AMBER</b>	Previous Month <b>AMBER</b>	
	SH73 Weedons-Ross Road Intersection (Imp)				
		Previous Month <b>RED</b>	Previous Month <b>GREEN</b>	Previous Month <b>RED</b>	
	Walnut Avenue Intersection Improvements (Imp)				
		Previous Month <b>AMBER</b>	Previous Month <b>GREEN</b>	Previous Month <b>AMBER</b>	
	SH1 Tinwald Corridor Improvements (Pre Imp)				
		Previous Month <b>GREEN</b>	Previous Month <b>GREEN</b>	Previous Month <b>GREEN</b>	
Queenstown	Queenstown Package (Pre Imp)				Kā Huanui a Tāhuna (the Queenstown Alliance) are preparing a Target Out-turn cost (TOC) 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. s 9(2)(g)(i)
		Previous Month <b>RED</b>	Previous Month <b>AMBER</b>	Previous Month <b>RED</b>	

# Communications & Engagement

## Overview/Highlights

Engagement activities across the projects in June have been comprehensive and diverse, with proactive content on several projects.

This included media releases, social media and videos on Penlink, SH1 Rolleston, Ōtaki to North of Levin and Takitimu North Link. A video update on Ōtaki to North of Levin was viewed by about 100,000 people.

Engagement included Takitimu North Link hosting a site visit for 27 students and teachers attending the “Girls with High Vis” event in partnership with Connexis and the RiverLink team showcasing the project at a careers pathway event.

The programme and projects continued to support the minister’s office to respond to a large number of WPQs and OIAs.

## Issues/Risks

Cost pressures – global cost escalation and the impact on NZUP projects is of increasing interest to stakeholders and media.

Re-scoped projects – s 9(2)(g)(i)

Takitimu North Link Stage Two – s 9(2)(g)(i)

## Stakeholder Engagement

### What stakeholders are saying (themes)

**Penlink** – Positive feedback on the new bridge design from the Stillwater community. Concerns from residents on new intersection and planned AT bus station.

**Takitimu North Link Stage One** – The community event had a high level of interest, mostly positive as people see stage one progress.

**Ōtaki to North of Levin** – There have been requests for a bridleway to be included along with walking and cycling, which is being considered.

**South Auckland package** – Landowners are concerned about the uncertainty of Mill Road.

## Proactive Media & Social Media

### Proactive content

NZUP article in QLDC Scuttlebutt magazine - [link](#)

Momentum builds as **Penlink** partners put pen to paper - [link](#)

Feedback sought on plan changes for SH1 through **Rolleston** – [link](#)

**Rolleston** better connected - [link](#)

**Penlink** animated flyover - [link](#)

Have your say **Ōtaki to North of Levin** preliminary concept designs – [link](#)

**Ōtaki to North of Levin** will provide safer transport options - [link](#)

Girls with High Vis site visit **Takitimu North Link** – [link](#)

Work underway on 95m bridge for **Takitimu North Link** - [link](#)

## Communications & Engagement Activity

**SH73 West Melton**– A sod-turning and blessing was held to mark the start of early works construction.

**O Mahurangi/Penlink** – PAA signing ceremony, media release and video. Meetings with a range of key stakeholders including Stillwater Residents Association, Auckland Transport, ward councillors and landowners.

**SH1 Papakura to Drury** – Engagement with Stage 1B2 landowners. Community information day on 18 June and 3x local/community board updates presented in June.

**South Auckland Package** – Communications planning to prepare for the pre-implementation phase of projects.

**Melling** – A career pathways event hosted by the Hutt Valley Chamber of Commerce was attended by the RiverLink team to showcase the project to local businesses and hundreds of local students looking to get into trades.

**Brougham Street** – The consultation summary following the November 2021-January 2022 consultation has been published.

**Rolleston** – Media release, social media and community engagement on plans to better connect the community.

## Upcoming Activities

**Canterbury package** – Video update on projects in the region.

**Rolleston** – Community engagement continues.

**Takitimu North Link** – Proactive content underway on a range of topics, including works beginning on Cambridge Road Overbridge and Wairoa River staging bridge, economic benefits for Māori owned businesses and traditional eel fishing techniques and ecology.

**Tinwald** – Residents will receive letters outlining the minor changes and benefits they can expect once the project is finished.

**Walnut Ave** – KiwiRail and Waka Kotahi have explained the coordination process re the interdependency of the rail level crossing work and traffic lights to the Ashburton District Council and the community, to improve understanding of why the traffic lights won’t be operational until the end of the year.

**Queenstown package** – Q&A ad in Mountain Scene and circulated to key stakeholders. Topics stakeholder have requested more information on include active travel routes, traffic light numbers, timeframes, speed and general traffic lanes.

# Iwi Engagement & Treaty Partnership

## Ngā Pūrongo | Key Themes

**NZUP iwi Partnerships, iwi engagements and Māori Outcomes review completed** – NZUP programme review of iwi partnerships, engagement, and Māori outcomes completed, and review paper presented to the Programme Sponsor Advisory Group (PSAG) on 8 July. Review focused on three of the seven NZUP Māori outcomes: “Genuine partnership”, “Enabling Māori aspirations for cultural, economic and social wellbeing”, and “Building NZUP cultural capacity and capability”. Key themes included the importance of having iwi in governance, resourcing iwi specialists on projects and strong leadership from passionate individuals leading the way helping to build a stronger treaty partnership culture. Some key challenges included budget and cost pressures, not set up to respond to and resolve past grievances and the need to better understand the Māori economy and Māori businesses. An action plan to address next steps is underway, which may include undertaking a review of iwi partnership spend, reviewing case studies for supporting iwi capacity, and developing a tool to report on Māori outcomes across NZUP. NZUP will continue regular monitoring and evaluation of its performance with iwi partnerships and engagement every 12 months or at significant project and programme milestones.

**Māori Economy** – Māori economic opportunities roadmap pilot completed for Papakura to Drury in partnership with mana whenua. NZUP stage two roadmap now being finalised before approving final draft for socialisation across the program. There is an increasing trend from iwi partners in Māori economic opportunities, not just environmental.

**KiwiRail** – Monthly regular hui arranged with the KiwiRail iwi engagement advisor to share learnings, insights and updates on iwi engagement and Māori Outcomes. NZUP has a robust Māori Outcomes & Engagement framework and Te Ara Kotahi that is guiding our projects on how to partner and respond to Māori Aspirations. KiwiRail have yet to finalise their new Māori Rautaki (strategy), there is opportunities to share case studies and lessons.

## Ngā Hīnonga | Projects

**Canterbury Package: West Melton – SH73 Weedons-Ross Rd** – Blessing conducted by mana whenua iwi Ngai Te Ruahikihiki ki Taumutu attended by Waka Kotahi and Fulton Hogan. **Rolleston** – Relationship with rūnanga continues to grow via hui and other NZUP engagements. **Brougham St** – The iwi cultural advisory rep has provided his feedback to the Bridge Feedback Group (BFG) and he has also outlined his vision for the iwi cultural narrative being incorporated into the project.

**SH1 Papakura to Drury** – Filming for partnership videos has taken place – the first focusing on wai (water) and the importance of stormwater treatment. The final economic wānanga facilitated by Height was undertaken – which has resulted in a roadmap for mana whenua and Māori procurement. Mana whenua participated in the second workshop for Stage 1B1 and 1B2 climate change adaptation in early June. This was followed up with further kōrero at iwi Integration group (IIG).

**SH1/29 Intersection Improvements** – Hui continue on a monthly basis and are progressing very well. The next hui is scheduled for 27 July. The cultural symbolism discussion needs to continue.

**Takitimu North Link stage 1** – Cultural artworks are moving through design process and designers are working with the Joint Venture to progress proposals. s 9(2)(g)(i)

**Takitimu North Link stage 2** – Further investigations are underway related to NES/Freshwater, this also relates to potential cultural impacts.

**SH1 Ōtaki to North of Levin** – A “one client” approach being taken with iwi project partners Ngāti Raukawa and Muaūpoko Tribal Authority. Kaimahi from our partners are active within the day-to-day project and have representation on the Project Steering Committee.

**South Auckland Package** – The partnership strategy is being jointly drafted. Iwi are interested in representation on the project steering committee, and are keen for lessons to be applied from the Papakura to Drury project.

s 9(2)(g)(i)