

In confidence

NZUP Governance Group update

ELT owner: Brett Gliddon, Group General Manager Transport Services
Issue owner: Mark Ratcliffe, NZUP Governance Group Independent Chair

Whāinga | Purpose: For discussion

This paper provides an update on the New Zealand Upgrade Programme (NZUP) from the NZUP Governance Group Chair's perspective.

Take matua | Key points

Out of Scope

- The reduced scope Queenstown Package is unaffordable within the allocated funding. A board decision on the alliance contract will be required in December 2023. To maintain delivery momentum the project intends to progress non-abortive works at the State Highway 6/6A intersection.

Out of Scope

Out of Scope

Time

Queenstown Package

As previously advised, cost estimates for the Queenstown Package significantly exceed the funding allocation of \$130 million. The project is progressing, as per Governance Group and Board direction in April 2023, to produce a complete design, total outturn cost and reconciliation for a reduced package comprising the intersection of State Highway 6/6A, the Frankton bus hub and the Howards Drive Roundabout.

Based on the current 70 percent design the alliance estimates confirm that the reduced package is unaffordable within allocated funding, requiring circa ~\$120 million additional funding. Reconciliation of this estimate is currently being worked through by an independent estimator and will be completed in early November.

The project team is exploring non-abortive works of circa ~\$50 million made up of inground and services relocation works at the State Highway 6/6A intersection. Non-abortive works continue to have benefits if they are stopped and returned to later. Progressing non-abortive works would maintain programme momentum, avoid programme extension and related costs, and avoid costly alliance demobilisation and remobilisation. These works are not designation-dependent and could start in early 2024.

A further update will be provided to the Investment and Delivery Committee in December requesting a board decision on awarding the reduced package of works to the alliance.

Out of Scope

Upcoming decisions summary

Project	Decision	Date	Delegation
Queenstown Package	Scope and contract variation	Dec-23	Waka Kotahi Board

Out of Scope