

MINISTERIAL BRIEFING NOTE

Subject	New Zealand Upgrade Programme: options to progress delivery
Date	6 December 2023
Briefing number	BRI-2919

Name	Position	Cell phone	1st contact
Brett Gliddon	Group General Manager, Transport Services	s 9(2)(a)	✓

Action taken by Office of the Minister

- ☐ Noted
- ☐ Seen by Minister
- ☐ Agreed
- ☐ Feedback provided
- ☐ Forwarded to
- ☐ Needs change [please specify]
- ☐ Withdrawn
- ☐ Overtaken by events

6 December 2023

Hon Simeon Brown – Minister of Transport

Hon Nicola Willis – Minister of Finance

NZ UPGRADE PROGRAMME: OPTIONS TO PROGRESS DELIVERY

Purpose

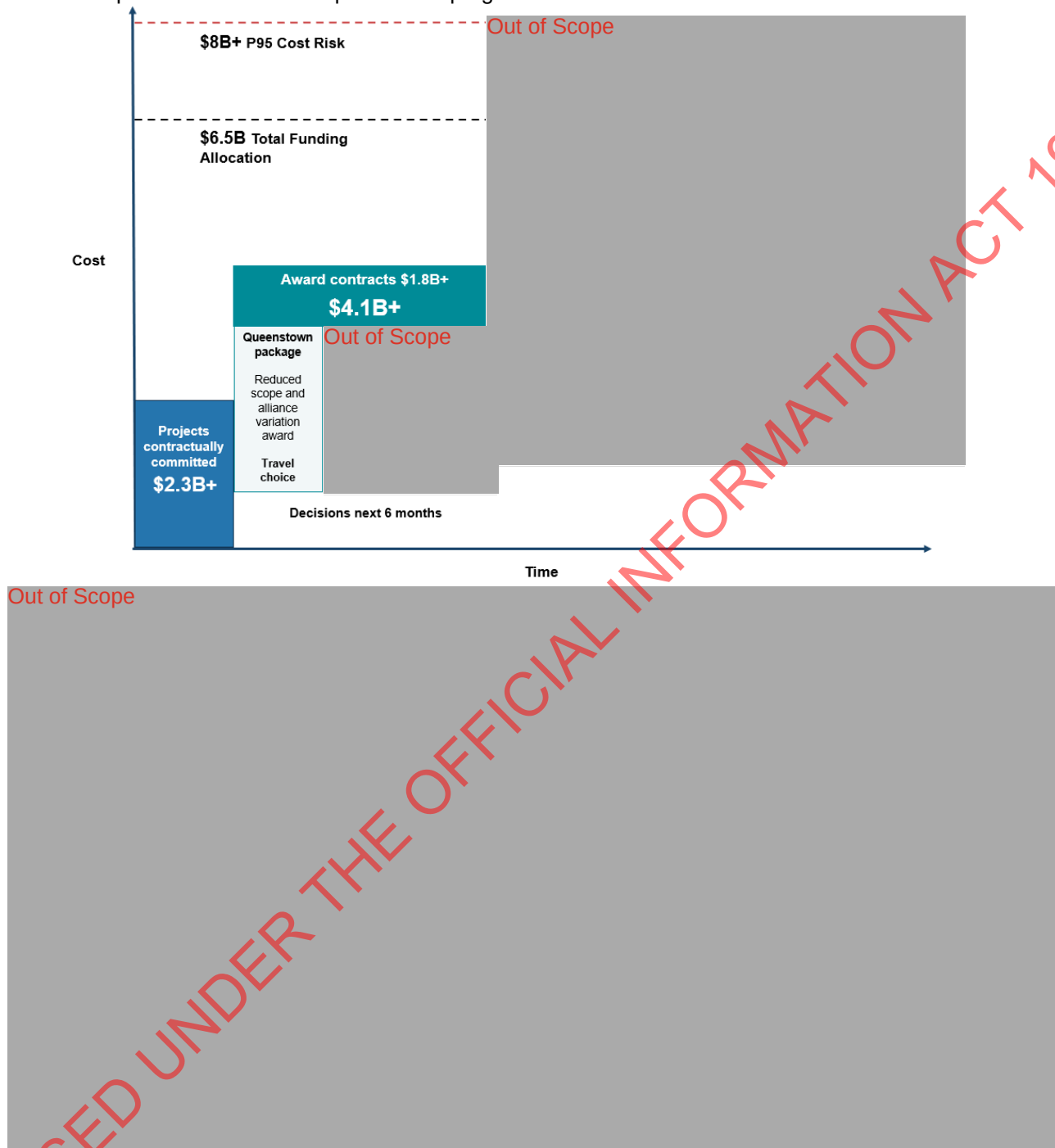
1. This briefing supports information on the status of the NZ Upgrade Programme (NZUP) provided to the Minister of Transport on 29 November 2023 [BRI-2886 refers].
2. It contains options to progress delivery of the programme within the New Zealand Transport Agency Waka Kotahi (NZTA) funding envelope as requested by the Minister of Transport on 30 November 2023.

Out of Scope



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5. The graphic below outlines the current approach to delivery and upcoming decisions, as well as cost pressures for the later parts of the programme.



Proposed way forward for NZUP

10. The proposed way forward for delivery of NZTANZUP projects is summarised in the diagram below. The recommendations in the section below assume no new funding is available. Additional information is provided in Attachment 1 project summary table.



Out of Scope

Significant projects in procurement – deliver planned scope

16. The Queenstown Package, Out of Scope
are significant projects progressing through procurement and are in commercial

Out of Scope

negotiations which are expected to be complete by mid-2024. Industry is mobilised to deliver these projects and contract decisions will be required within the next six months.

17. The projects have strong transport outcomes of safety, resilience, supporting growth, and travel choice. Partner investment is committed for the Queenstown Package **Out of Scope**
[Redacted]
[Redacted]
18. NZTA is aware of fiscal challenges for local government partners on the Queenstown Package **Out of Scope**. These challenges may have implications for the current funding arrangements. NZTA is in discussions with the relevant councils around funding options and cost reduction levers.
19. As previously advised, the full Queenstown Package is unaffordable within NZUP, and NZTA is progressing a reduced scope package of the critical elements to achieve the travel choice and safety outcomes sought [BRI-2886 refers]. The remainder of the package is a regional priority for future investment outside of NZUP.
20. Commercial negotiations are most advanced for the Queenstown Package and requires the least funding. **Out of Scope**
[Redacted]
[Redacted]
21. **Out of Scope**
[Redacted]
22. NZTA recommends completing the reduced scope Queenstown Package **Out of Scope**
[Redacted]
[Redacted]

Out of Scope
[Redacted]

Out of Scope

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Ministry of Transport and Treasury comments

Out of Scope



38. The Ministry is supportive of descoping the Queenstown Package and recommends you agree to this change. Out of Scope
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Out of Scope



Next steps

44. Out of Scope

A decision on the

Queenstown Package will be sought from Joint Ministers in January 2024.

Out of Scope

It is recommended that you:**Minister of
Finance****Minister of
Transport**

Out of Scope

2. **Approve** completion of the reduced scope Queenstown Package.**Yes / No****Yes / No**

Out of Scope



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Brett Gliddon

Group General Manager Transport Services
New Zealand Transport Agency

Date: 6 December 2023

.....
Hon Simeon Brown, Minister of Transport

Date: 2023

.....
Hon Nicola Willis, Minister of Finance

Date: 2023

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Attachment 1: Project summary table

Phase, cost to deliver and project outcomes	Project	Status	NZTA recommendations	Ministry of Transport recommendations/ comments (Briefing paras 37 -39)	Treasury recommendations/ comments (Briefing paras 40-43)
Out of Scope					
In procurement – significant projects Out of Scope	Queenstown Package	- In live alliance contract. - Full scope not affordable within NZUP. Progressing reduced scope package of critical elements to achieve outcomes Out of Scope	- Complete the reduced scope Queenstown Package. - Out of Scope	- Supportive of descoping the Queenstown Package and recommends you agree to this change. - Out of Scope	- We support the proposal to descope the Queenstown Package now to avoid further sunk costs. - Out of Scope
Out of Scope					