

NZ Upgrade Programme

Waka Kotahi Board
27 September 2023

KiwiRail

WAKA KOTAHI
NZ TRANSPORT
AGENCY

Proudly delivering

New Zealand
Upgrade
Programme

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Workshop purpose and agenda

Purpose

This workshop aims to familiarise the Waka Kotahi Board with the NZ Upgrade Programme outcomes, current status and challenges.

We will take the Board through our proposed approach to programme progression and decision making over the coming 6 months and seek Board endorsement of this approach.

Agenda

- Programme overview (20 mins)
- Project overviews (30 mins)
- Next steps and decisions (40 mins)



Programme overview

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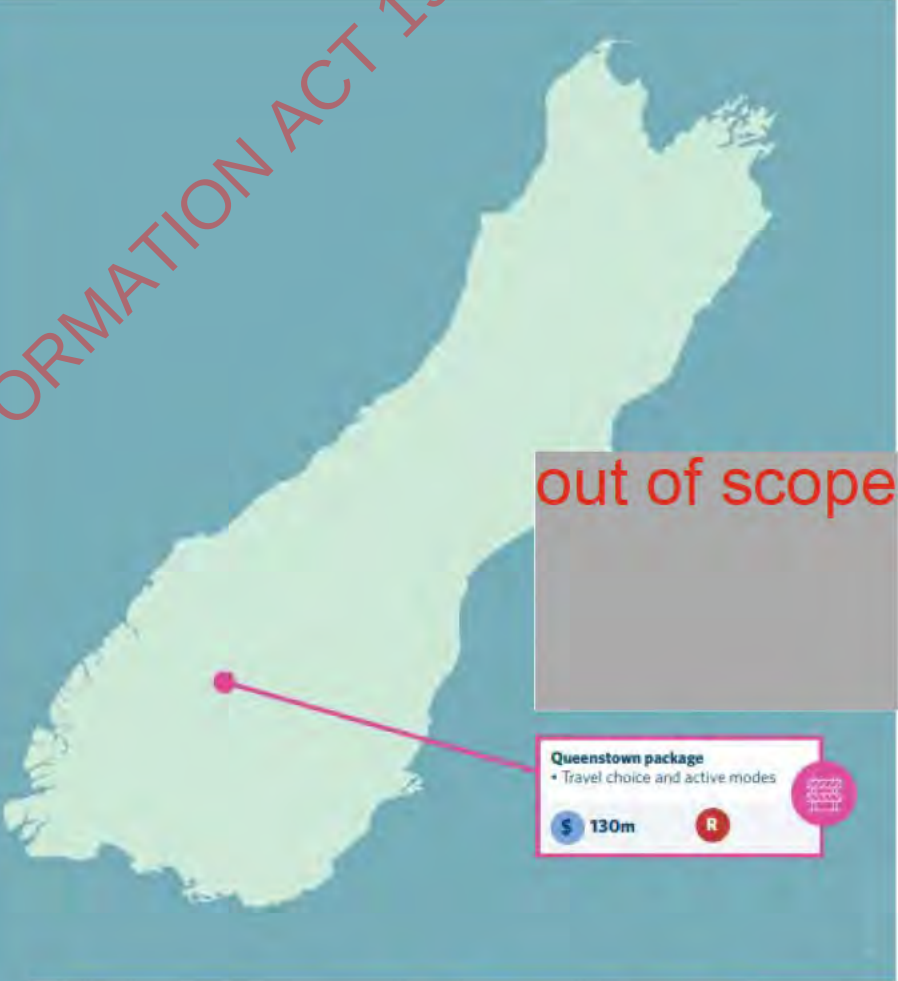
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Programme Summary Waka Kotahi

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Project key

R A G

Budget health

\$

Funding

Construction

Smaller projects

Pre-implementation

¹This project/package can be classified as both in construction (part or full) and a smaller project

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Waka Kotahi delegations received 18 August

Minister decisions

Board response

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Managing funds

- Waka Kotahi may reallocate funding between projects to manage costs and to stay within approved programme funding.
- Waka Kotahi contingency of \$116 million is to be prioritised as follows:
 1. to provide confidence to deliver the projects currently in or near delivery
 2. to provide additional funding for delivery of the Canterbury and Queenstown packages.

Accepted and made clear Waka Kotahi will take a risk-based approach in managing contingency as decisions on Queenstown and Canterbury will be needed soon.

No capacity in NLTF 2021-2024 to support NZUP.

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Projects overview

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Summary of projects

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Projects requiring decisions

Next 6 months

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Queenstown Package

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Queenstown Package



Benefit cost ratio: Greater than 1

Funding allocation: \$130 million

Project and system outcomes: Queenstown Package provides dedicated public transport infrastructure to support greater travel choices and carbon reduction. It includes bus priority measures on State Highways 6 and 6A, bus lanes on SH6, improvements to the existing Frankton bus hub, improvements to the SH6A/SH6 intersection, pedestrian access improvements across SH6 and SH6A and a new roundabout at Howards Drive.

Scale of funding shortfall: \$100 million+ (revised scope)

Phase and upcoming decision: Pre-Implementation. Scope, funding and contract decisions are required by in late 2023.

Ability to pause or stage: Scope being priced has already been revised (to improvements to the existing SH6A/SH6 intersection and existing Frankton bus hub, plus a new roundabout at Howards Drive).

Key risks / opportunities:

- **Cost:** uncertainty due to updated estimates being significantly higher than budget allocation.
- **Cost and schedule:** Pricing and resourcing is based on a 29 January start date. Failure to meet this, will have adverse flow-on effects on programme, cost and resource. But could be mitigated through initial work package (non-abortive in ground and service relocation works)
- **Contract:** project is in a live alliance.



Key Points

- Significant cost management challenge
- Highly constrained corridor
- High growth environment

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Next steps

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Factors to consider in forward approach

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Limited choices - There are few choices. We have 7 large Waka Kotahi projects that are not contractually committed. Only 3 have significant scope reduction choices (out of scope Queenstown out of scope).

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Waka Kotahi NZUP total expected spend, September 2023



Prioritising in flight delivery: Proposed approach



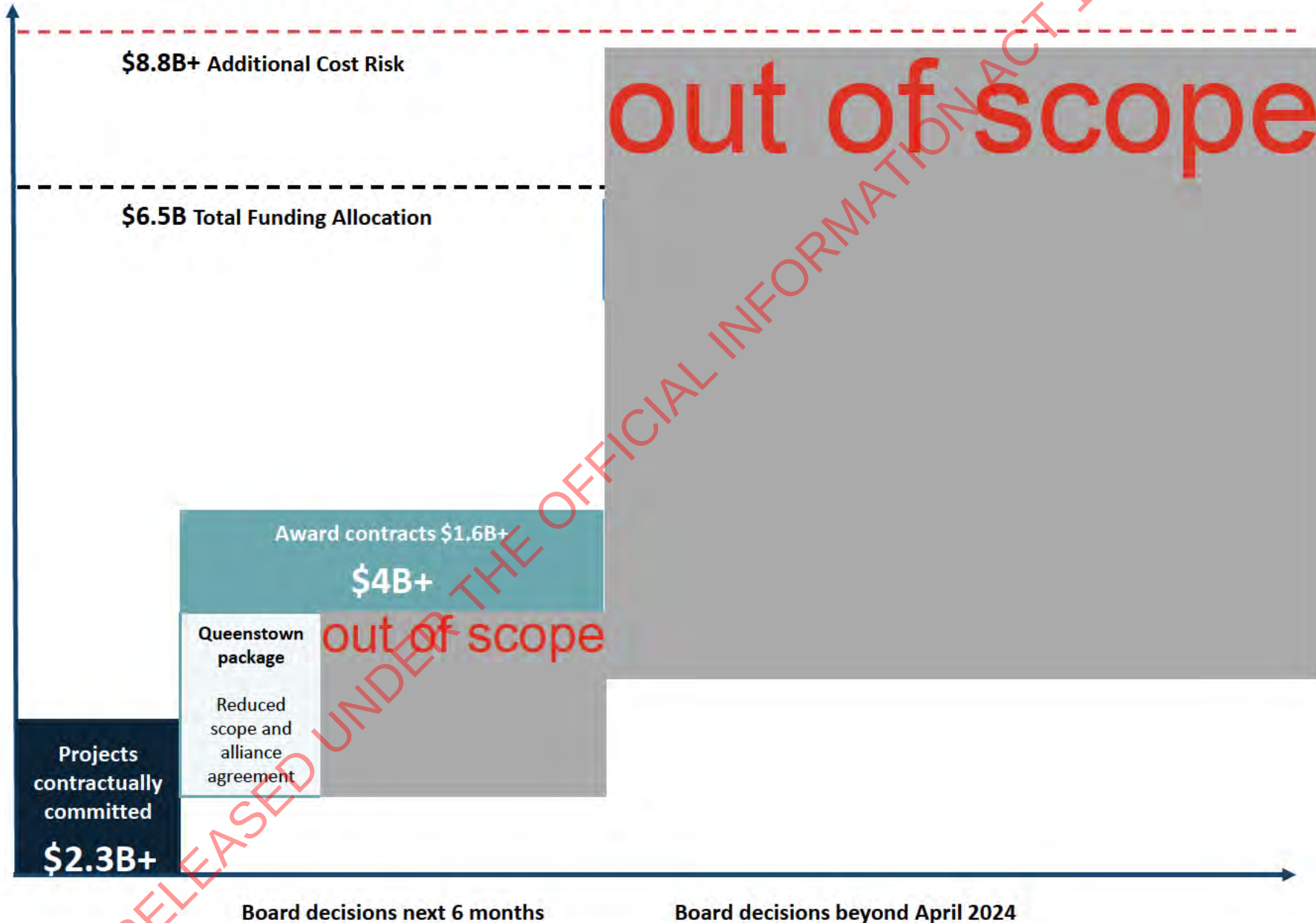
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Prioritising in flight delivery: overview



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Attachment A: Overviews of projects

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