

## MINISTERIAL BRIEFING NOTE

<b>Subject</b>	NZ Upgrade Programme – Prioritisation
<b>Date</b>	15 April 2021
<b>Briefing number</b>	BRI-2158

Contact(s) for telephone discussion (if required)				
Name	Position	Direct line	Cell phone	1 <sup>st</sup> contact
Brett Gliddon	General Manager, Transport Services	s9(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- Withdrawn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

15 April 2021

**Minister of Transport**

**Minister of Finance**

## NZUP BASELINING AND PRIORITISATION

### Purpose

1. This briefing summarises the outcome of the baselining work for Waka Kotahi and provides you with a recommendation on the prioritisation of the programme.
2. To ensure you have visibility of our thinking, this advice is being provided before the Waka Kotahi Board has received and made a decision on it. The Board Chair is aware of this.
3. It should be noted while we have included KiwiRail projects in the Waka Kotahi recommendation, KiwiRail will provide separate advice to you on its projects.

### Background

4. The New Zealand Upgrade Programme (NZUP) was initiated by government in December 2019, with a primary outcome of stimulating the economy by increasing construction activity over the next ten-year period.
5. The final multi-modal transport programme was announced in early 2020 and includes a range of projects across New Zealand, all of which were already included in long term plans.
6. The final programme includes 20 Waka Kotahi projects and 6 KiwiRail projects, with investment focussing on supporting growth, improving safety and providing travel choice across seven of the country's growth areas – Northland, Auckland, Waikato, Bay of Plenty, Wellington, Canterbury and Queenstown. The government allocated \$6.8 billion to deliver these projects.
7. The programme is now in its second year. The availability and quality of information across the programme has significantly increased since completion of the Establishment Report. This will continue as the programme matures and the scope, associated costs, and risks become increasingly visible.
8. On 22 February 2021, Joint Ministers requested a programme baseline to be completed by March 2021 providing a clearer view of scope, benefits, costs, outcomes and schedules for each of the projects.
9. This briefing provides a summary of findings from this baselining exercise and an assessment of prioritisation options in response to the emerging cost pressures identified through the baselining work.

## Baselining

### Key baselining findings

10. The baselining work has now been completed. Key findings are summarised below:
  - a. the Waka Kotahi elements of the programme have increased in cost from the \$5.6 billion identified in the Establishment Report to \$10-\$12 billion. This range is the P50 (expected) estimate and P95 (upper) estimate costs respectively;
  - b. the Establishment Report costs excluded escalation, while the latest baselining numbers include an allowance for cost escalation over the lifespan of the programme;
  - c. including KiwiRail and Waka Kotahi projects, the total programme cost has increased to \$11Bn - \$13 billion, noting that this figure includes escalation costs that were excluded from the initial allocation of \$6.8 billion outlined in the Establishment Report; and
  - d. the schedule for the delivery of the programme has been extended from a completion date of 2029 to 2032.

### Cost pressures

11. As outlined above, the latest programme costs are significantly greater than those anticipated in 2019.
12. These cost changes reflect the challenges observed across the sector including cost increases associated with scope and design development over time, design standards arising from consent conditions, technical specifications for infrastructure, and escalation allowances.
13. For the NZUP programme, the primary elements contributing to increasing costs are:
  - a) property acquisition costs have increased significantly due to market conditions (property escalation), and the number of properties now required to deliver the programme outcomes has increased.
  - b) as the projects have progressed and more information has become available, scope and cost risks have become more apparent. The scope on many of the projects is still fluid, particularly those that are in the business case phase.
  - c) changing standards and specifications e.g. climate change adaption, pavement specifications, environmental requirements.
  - d) a significant increase in contingency allowance due to the level of uncertainty across the programme.
  - e) cost escalation was not included in the initial budget allocations and over 5-10 years, is likely to be significant.

### Cost escalation

14. Cost escalation was excluded from the cost range provided to Ministers in late 2019, which was noted in the Establishment Report.
15. Over the 10-year lifespan of the programme, it is expected that project design and construction (i.e. changes in costs for materials, labour etc) will increase as they have done historically. Based on recent escalation rates this cost could equate to approximately \$1 billion across the programme (excluding property escalation).
16. As this cost was originally excluded from the cost ranges provided to Ministers, accommodating it within the \$6.8 billion allocation will have a significant impact on the scope of the programme and its outcomes.

### Baselining assurance

17. The baselining work has been a substantial undertaking for Waka Kotahi and KiwiRail between October 2020 and March 2021 and has involved close working relationships with the Ministry of Transport, Treasury and the Oversight Group advisors.
18. The work has been undertaken at both project and programme levels, and has included sponsors, project and programme governance, and has been supported by a diverse range of technical staff and consultants.
19. This has resulted in a significant improvement in the understanding of scope maturity, benefits, costs, risks, outcomes and schedules.

### Baselining assumptions and risks

20. Notwithstanding the above, it should be noted that the programme is in its second year and there are substantial risks that will need careful management. There are also some key assumptions that underpin the findings of the baselining work.
21. These assumptions include:
  - a) **scope** - Cost and schedules are based on delivering against the high-level scope as set out in the Establishment Report. Any future changes to scope will impact on both cost and schedules.
  - b) **escalation** - Changes to escalation rates from those assumed could have a material impact.
  - c) **property** - Property prices will increase in line with the escalation allowance included in the estimates; if actual rates exceed this assumption, property acquisition costs will increase.
  - d) **ground conditions** - Many of the larger projects to be delivered later in the programme have minimal site investigations to date; assumptions have been made about ground conditions and necessary engineering solutions.
  - e) **legislative frameworks** - The Resource Management Act (RMA) Reform work and changes to RMA national policy documents create uncertainty across the programme. Policy changes may affect costs and schedules on some projects.

- f) **Covid-19** – The pandemic will continue to create a range of uncertainties in the short to medium term, including economic conditions (e.g. funding availability for related local authority projects) and the availability of resources.

## Prioritisation

### Context

22. The NZUP budget allocation is \$6.8 billion and we understand that this amount is fixed. The following advice has been developed on that basis.
23. As outlined earlier in the briefing, the cost estimate range for the programme following completion of the baselining work is between \$11 billion and \$13 billion. This means that the projects within the programme need to be prioritised to achieve the desired outcomes.
24. The programme responds to a wide range of outcomes and all projects are credible transport system improvements.
25. Ministers have indicated three key priorities: carbon reduction, housing and transit-orientated development, and economic stimulus.
26. As we are still in the early stage of the programme there are a range of viable options, including delivering some projects in stages/phases.
27. A presentation summarising our approach to prioritisation is attached as Appendix 1.
28. A table outlining the latest estimated cost ranges and construction start/finish dates for Waka Kotahi NZUP projects only, is attached as Appendix 2.

### Previous Advice to Ministers

29. On 11 March 2021, the Ministry of Transport provided a briefing to the Joint Ministers on NZUP funding risks and programme options (ref OC210055). This briefing outlined recommendations to commit to 'Delivery Momentum' projects, while focusing prioritisation decision on the remaining larger projects. Ministers accepted these recommendations in principle subject to the outcome of the baselining work.
30. On 12 March 2021, Waka Kotahi provided a briefing to the Joint Ministers requesting approval for its Board to make a decision regarding the awarding of a design contract for Takitimu North Link Stage 1. Waka Kotahi was advised on 14 April 2021 that Ministers had approved this.
31. On 1 April 2021, the Ministry of Transport provided a briefing to Minister Wood regarding Drury options for investment (ref OC210264). It recommended route protection of the full Mill Road corridor and delivery of the northern end of Mill Road (Manukau section); route protection of the full Papakura to Drury South road corridor; and delivery of the northern end of the Papakura to Drury South project including the Drury interchange (Papakura to Drury South Stage 1).

### **Delivery Momentum projects**

32. There are several smaller projects and some larger projects where construction has started or is imminent. Pausing on these projects is not recommended from an economic stimulus or funding release perspective. These projects also respond well to Ministerial priorities on carbon reduction and housing.
33. The projects included in the Delivery Momentum categories (small and large) are the Canterbury Package (6 projects), the Queenstown package (3 projects), the SH1/SH29 intersection, the SH58 safety improvements, the Auckland Rail Package (3 projects), the Wellington Rail Package (3 projects), Papakura to Drury South Stage 1 and Takitimu North Link Stage 1.

### **Prioritisation approach**

34. Taking the above context into consideration, we have undertaken a strategic assessment of remaining projects against the Government Policy Statement on Land Transport strategic priorities (Safety, Better Transport Options, Climate Change and Improving Freight Connections) and the three strategic priorities identified by the Joint Ministers (Carbon Reduction, Housing and Transit Oriented Development, Economic Stimulus). It should be noted that these projects have also been assessed relative to each other i.e. ranked.
35. In the case of the Northern Pathway, it is difficult to assess this project on an equal basis as the project is quite different to others in the programme. Waka Kotahi recommends that the Northern Pathway is included in the programme due to its potential to have a significant impact on carbon reduction within our largest urban centre and has the potential to be an iconic lead infrastructure asset for active modes. The proposed bridge structure (ref BRI-2118) will also complete a key missing link in the Auckland walking and cycling network.
36. With regard to the housing and carbon reduction outcomes, there is an inevitable tension in that increasing housing provision will increase the need for movement of people and freight in the short to medium term. However, as the vehicle fleet evolves via technology and policy changes, the transport system will become increasingly less carbon intensive over time. NZUP is a multi-modal programme and will provide the foundations for a lower carbon transport system in future.

### **Waka Kotahi recommended prioritised NZUP scenarios**

37. Waka Kotahi has recommended a prioritised scenario for delivery within the \$6.8 billion investment.
38. The scenario includes funding for the 'Delivery Momentum' projects as well as funding for South Auckland as per the Drury Investment Options advice provided to the Minister on 1 April 2021 (ref OC210055).
39. It also allows for work to continue towards a logical defined milestone, which will provide Ministers with the option to continue to the construction phase, subject to the availability of additional funding in the future. The following table sets out the details of the prioritised programme.

<b>\$6.8Bn option</b>	
<b>Projects fully delivered:</b>	
<ul style="list-style-type: none"> <li>• SH1/SH29 intersection</li> <li>• SH58 safety improvements</li> <li>• Canterbury Package (6 projects)</li> <li>• Queenstown Package (3 projects)</li> <li>• Northern Pathway</li> <li>• Takitimu North Link Stage 1</li> <li>• Takitimu North Link Stage 2</li> </ul>	<ul style="list-style-type: none"> <li>• Papakura to Drury South Stage 1</li> <li>• SH2 Melling</li> <li>• KiwiRail Auckland Package (3 projects)</li> <li>• KiwiRail Wellington Package (3 projects)</li> </ul>
<b>Projects partially delivered:</b>	
<ul style="list-style-type: none"> <li>• Mill Road (Manukau section only)</li> <li>• Whangārei to Port Marsden (staging or scope reduction)</li> </ul>	
<b>Projects taken to route protection and 50% of property purchase:</b>	
<ul style="list-style-type: none"> <li>• Mill Road (Takaanini, Papakura, Drury sections)</li> <li>• Papakura to Drury South Stage 2</li> <li>• Ōtaki to north of Levin</li> </ul>	
<b>Projects taken to route protection and completion of property purchase:</b>	
<ul style="list-style-type: none"> <li>• Penlink</li> </ul>	

40. This scenario delivers against a range of outcomes, with investment in Northland, Auckland, Waikato/Bay of Plenty, Wellington, Canterbury and Queenstown. The presentation in Appendix 1 includes illustrations which show how this funding is distributed across the regions, which will support the drive to stimulate the economy.
41. If the funding allocation was to be increased to \$7.6 billion to account for the escalation costs initially excluded from the allocation, Waka Kotahi would be able to deliver the full Whangārei to Port Marsden project.
42. The Waka Kotahi costs for the above scenario are based on a P50 (expected) cost estimate whereas the Kiwi Rail cost estimates are based on a P95 level. A more conservative funding approach would require additional funding or reductions in scope.

#### **Implications of prioritisation**

43. The prioritised scenario will have implications for projects that are proposed to not progress to construction. The specific implications are outlined in Appendix 1, but are summarised here:
- a) Significant changes to the programme will have implications for local authority and developer housing and infrastructure plans, e.g. Penlink and later stages of Mill Road.
  - b) Alternative investment programmes will be required in the short to medium term to address network safety issues, e.g. Ōtaki to north of Levin.
  - c) There are significant stakeholder expectations on some projects. Not progressing to construction, or scope reduction, is likely to have a negative impact on relationships, and reputation e.g. Penlink (industry and community), Ōtaki to north of Levin (community and landowners), Mill Road (community and landowners), Whangārei to Port Marsden Highway (community and landowners).

**Next steps and managing the programme going forward**

- 44. While the recommended prioritisation approach (or other prioritisation choices of a similar scale) provides a programme that is expected to be deliverable within the funding budget, there is an opportunity and need to continue to manage the programme in a dynamic way.
- 45. This could include transparent decision points, significance thresholds and contingency management protocols for the programme, which will enable the delivery of the agreed outcomes within the allocated budget.
- 46. Once final prioritisation decisions are made, we will consider whether further project phasing is required to align with industry delivery capacity, e.g. property acquisition.

**It is recommended that you:**

- 1. **Note** the contents of this briefing. Noted
- 2. **Agree** to meet with Waka Kotahi at your earliest convenience to discuss. Yes / No

.....  
**Brett Gliddon**

General Manager, Transport Services

Date: 15 April 2021

.....  
**Hon Michael Wood, Minister of Transport**

Date:

.....  
**Hon Grant Robertson, Minister of Finance**

Date:

Appendix 1 – NZUP Prioritisation presentation

Appendix 2 – Waka Kotahi NZUP Project Summary

DRAFT subject to Waka Kotahi Board endorsement

# Appendix 1: NZ Upgrade Programme Prioritisation

Mark Kinvig – Programme Director, NZ Upgrade Programme

Update for the Minister

15 April 2021

**DRAFT**

subject to Waka Kotahi Board Endorsement

# Contents

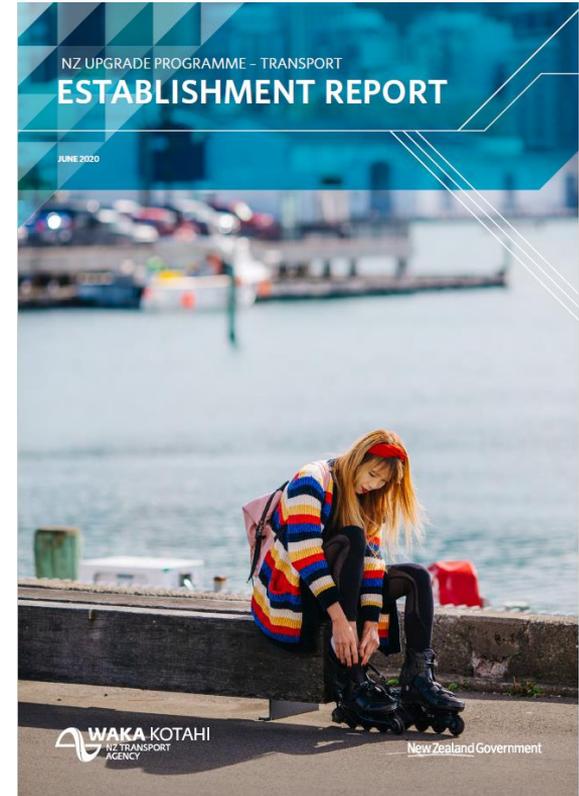
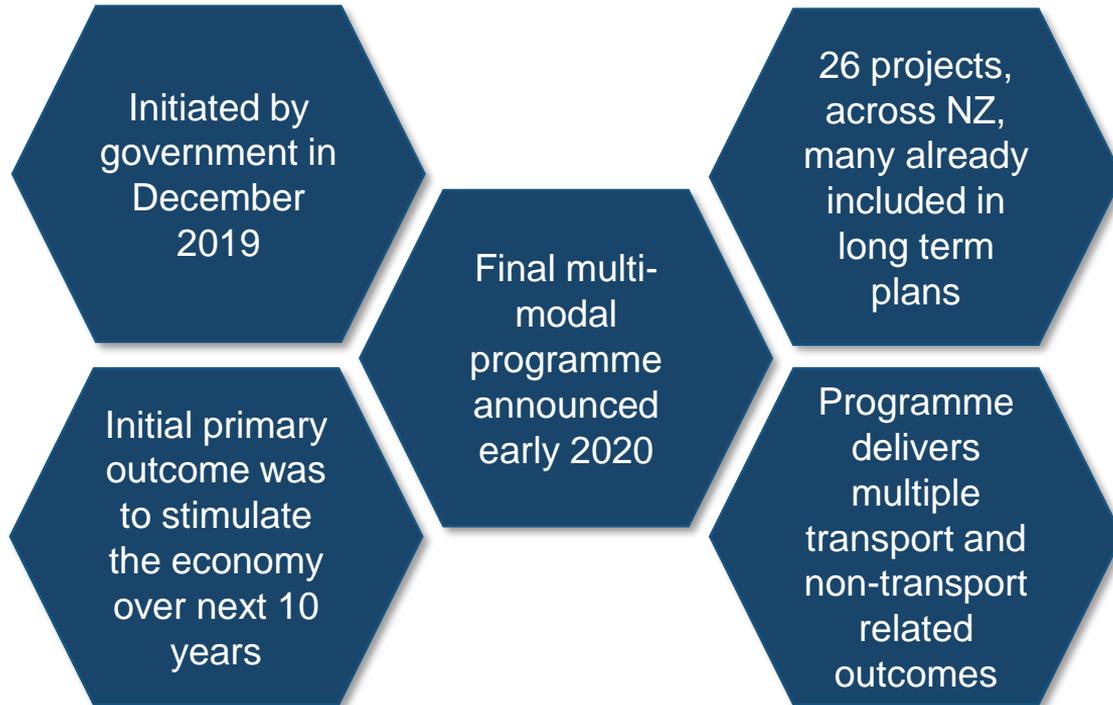
- Programme context
- Balancing carbon reduction and housing strategic priorities
- Prioritisation context
- Prioritisation assessment and preferred option
  
- Appendix 1 - Specific project implications of preferred option





# Programme Context

# Context of the programme



# Government priorities 2021

- Ministers have identified three key desired outcomes from the NZUP:





# Balancing carbon reduction and housing priorities

# The carbon emissions challenge



- We have a growing demand for housing, which generates the need for the movement of people and goods
- In the short to medium term, this will increase carbon emissions due to the nature of the fleet
- NZUP is part of an integrated transport system that maximises public transport choice, provides for active modes, encourages multi-occupancy vehicle use and over time with a changing fleet, will become part of a low carbon transport network

# Reducing transport carbon emissions over time

Multi-modal  
travel  
choices

Encouraging  
lower  
emission  
choices over  
time

Fleet  
transition  
through  
policy and  
technology  
changes

Safe walking  
and cycling,  
special purpose  
lanes and  
enhancing rail  
network

100+ year assets  
providing  
transport  
connections for a  
growing NZ



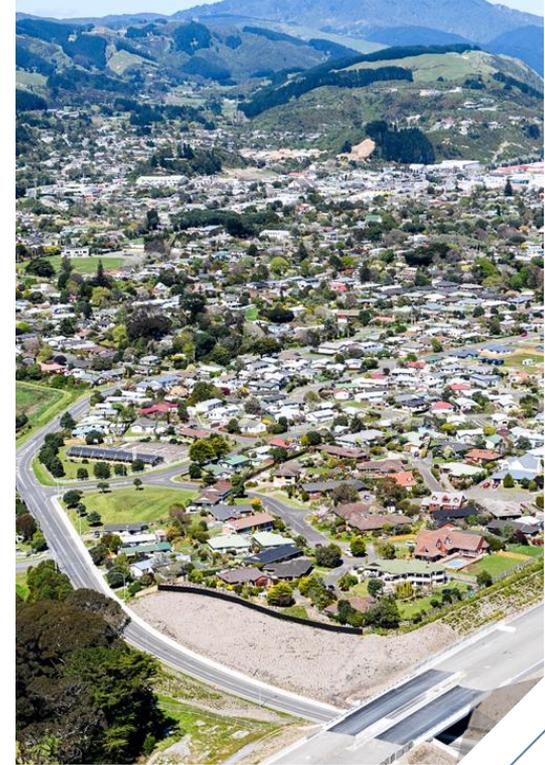
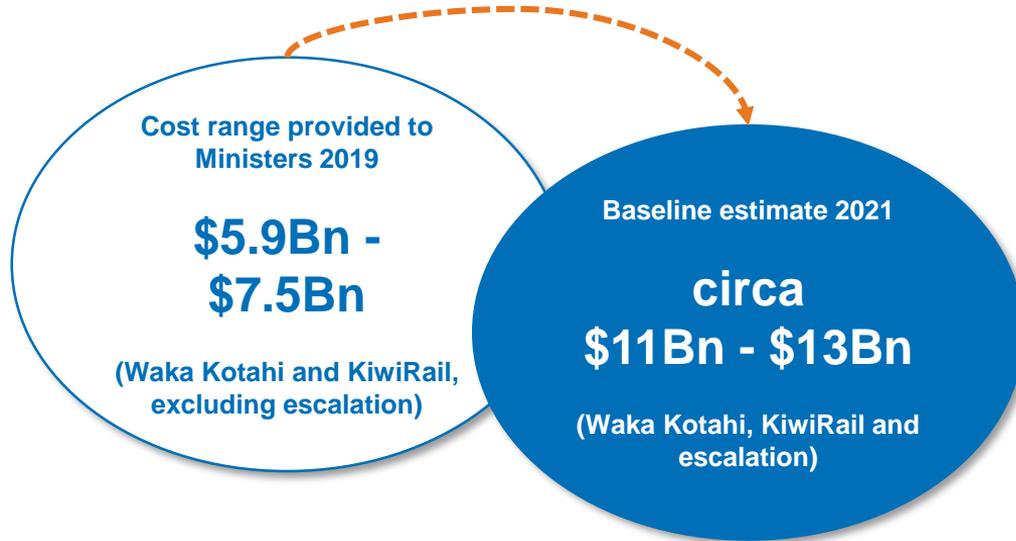
## Key NZUP facts:

- Special purpose lanes – 190 Kms
- Walking and cycling – 106 Kms
- New train stations – 3 (South Auckland/Melling)
- New rail capacity – 8.5 Kms new track; 36 Kms electrification

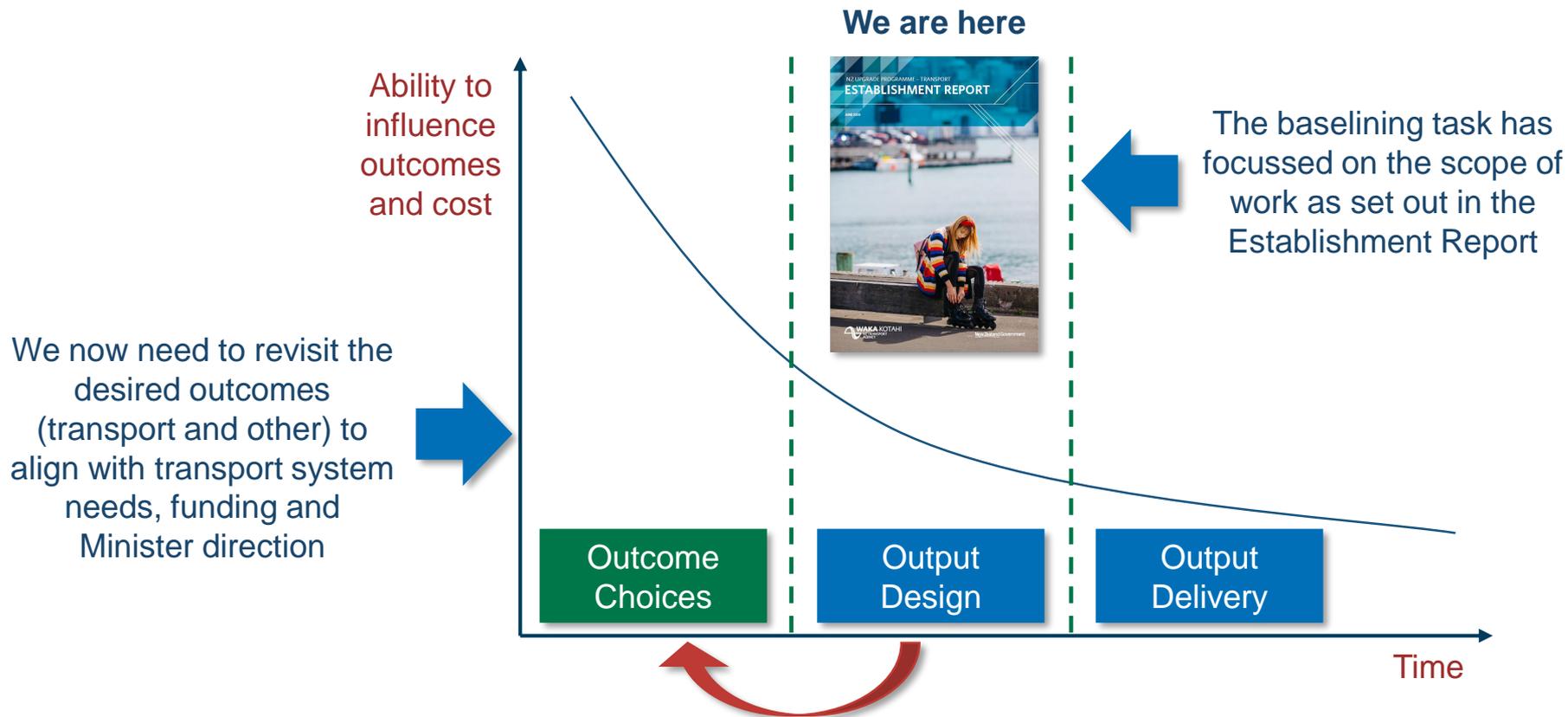


# Prioritisation context

# Increasing programme costs



# Back to outcomes



# Prioritisation of NZUP – Context

- We have a **budget of \$6.8 billion**
- The Programme **responds to a wide range of outcomes**
- All projects are **credible network improvements**
- Parts can be **delivered in stages/phases**
- We are still in an early stage of the programme, with a **range of viable options**



# Project groups

✓ Minister has agreed in principle to proceed with these projects.

✓ Minister has agreed in principle to proceed with some of these projects.

## Continue Delivery Momentum Smaller Projects

- Canterbury Package ✓
- Queenstown Package ✓
- SH1/29 intersection ✓
- SH58 safety improvements ✓
- Wellington Rail Package

## Improve Project Readiness

Take all remaining projects to a logical 'hold point', i.e. route protection and hardship property purchase, as work has already begun on all projects.

Allow work to continue to a defined point where all projects are at a more advanced state of readiness for when funding becomes available.

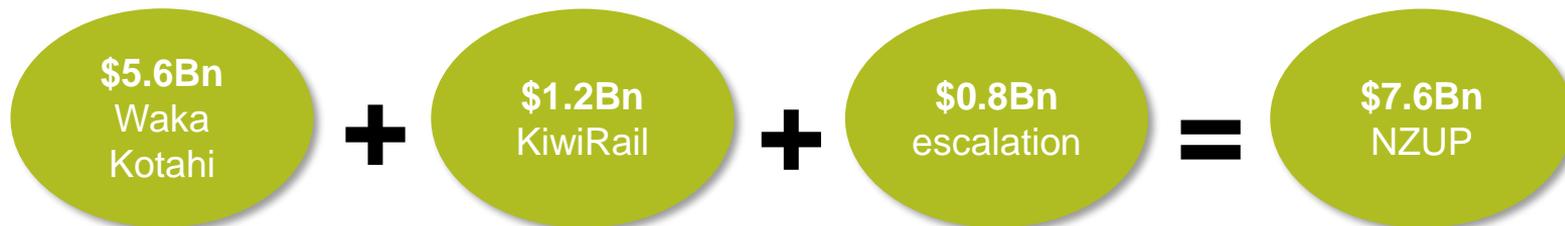
## Continue Delivery Momentum Larger Projects

- Papakura to Drury South Stage 1 ✓
  - Takitimu North Link Stage 1 ✓
- (Approved by Ministers for Waka Kotahi Board contract award decision)
- Auckland Rail Package ✓

## Choices – Scope, Stage, Defer

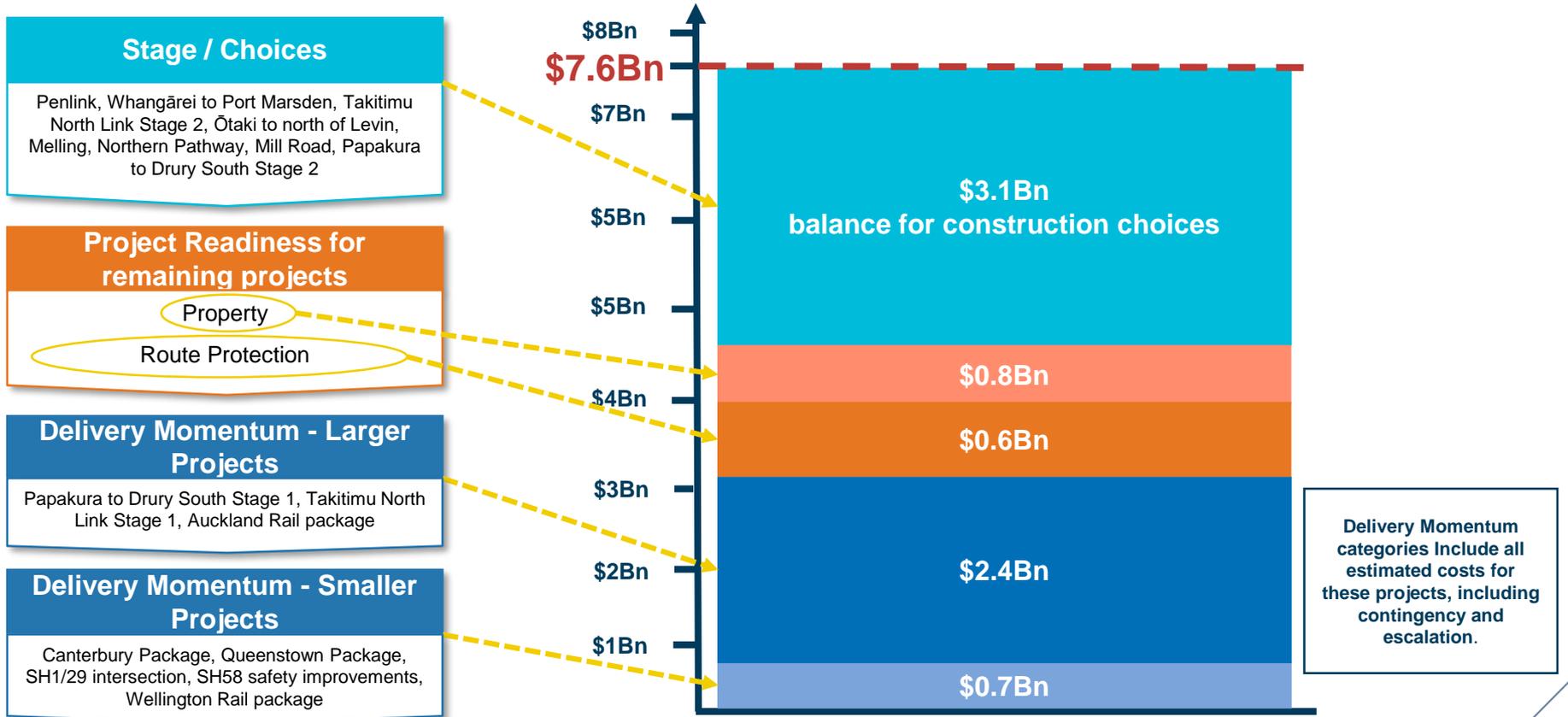
- Penlink
- Whangārei to Port Marsden
- Takitimu North Link Stage 2
  - Ōtaki to north of Levin
    - Melling
    - Northern Pathway
    - Mill Road
- Papakura to Drury South Stage 2

# Prioritisation assumptions looking forward



- Escalation over the 10 year programme lifespan was excluded from the \$6.8Bn in December 2019
- For the purposes of providing a view on prioritisation, we have included an escalation scenario
- KiwiRail's estimated costs are ~\$1.2Bn. They also have an additional ~\$300m of additional scope above the cost estimate for their current scope, including the cost of the third station in Drury

# Prioritisation – \$7.6Bn budget breakdown





# Prioritisation assessment and preferred option

# Proritisation Choices – Enduring benefits for NZ

- Ministers have indicated outcome priorities of housing and transit orientated development, carbon reduction and economic stimulus
- We have also considered the projects against current GPS priorities
- These benefits are all considered to be enduring for this set of projects
- We have also considered the interdependencies of these projects with investments by others e.g. Melling



# Prioritisation Criteria – South Auckland

- On 1 April, MoT provided a briefing to Minister Wood regarding Drury options for investment
- The briefing was completed in consultation with Waka Kotahi, KiwiRail, Auckland Transport, the Supporting Growth Alliance, Auckland Council and the Ministry of Housing and Urban Development
- It recommended:
  - Route protection of the full Mill Road corridor and delivery of the northern end of Mill Road
  - Route protection of the full Papakura to Drury South road corridor
  - Delivery of the northern end of the Papakura to Drury South project including the Drury interchange (Stage 1)
- **We have considered these recommendations in our prioritisation scenarios**

# Relative benefits assessment

- The following assessment considers the **highest to lowest ranking projects** against each of the criteria included in the table
- Those projects that have a lower number are ranked as a higher priority
- Northern Pathway **can't be equally assessed** against other projects in the programme
- Mill Road (reduced scope) and Papakura to Drury South Stage 2 projects have been assessed in the context of them being **part of a suite of multi-modal network improvements to support significant housing growth**
- **Assessing carbon reduction at a system level is complex. We have included a separate transport options assessment.**

Refer to Appendix A for data which supports this assessment

	Government Policy Statement on Land Transport Strategic Priorities Alignment				Housing	Score Summary (lowest score illustrates better alignment)
	Safety	Better Transport Options	Climate Change (Carbon Reduction)	Improving Freight Connections		
Takitimu North Link Stage 2	2	5	See assessment on following slide.	1	3	11
Whangārei to Port Marsden	1	3		3	5	12
Ōtaki to north of Levin	3	3		2	4	12
Mill Road (Manukau section + route protection and 50% property for remaining sections)	4	2		4	2	12
Melling	5	1		6	6	18
Penlink	6	6		5	1	18
Papakura to Drury South Stage 2 (Route protection and 50% property)	Route protection only, so not assessed					
Northern Pathway	Not able to be equally assessed					

# Relative benefits assessment

Projects ranked 1-6 against each strategic priority.

	Government Policy Statement on Land Transport Strategic Priorities Alignment				Housing	Score Summary (lower score illustrates better alignment)
	Safety	Better Transport Options	Climate Change (Carbon Reduction)	Improving Freight Connections		
<b>Takitimu North Link Stage 2</b>	<b>2</b>	<b>5</b>	<b>See assessment on following slide</b>	<b>1</b>	<b>3</b>	<b>11</b>
<b>Whangārei to Port Marsden</b>	<b>1</b>	<b>3</b>		<b>3</b>	<b>5</b>	<b>12</b>
<b>Ōtaki to north of Levin</b>	<b>3</b>	<b>3</b>		<b>2</b>	<b>4</b>	<b>12</b>
<b>Mill Road</b> (Manukau section + route protection and 50% property for remaining sections)	<b>4</b>	<b>2</b>		<b>4</b>	<b>2</b>	<b>12</b>
<b>Melling</b>	<b>5</b>	<b>1</b>		<b>6</b>	<b>6</b>	<b>18</b>
<b>Penlink</b>	<b>6</b>	<b>6</b>		<b>5</b>	<b>1</b>	<b>18</b>
<b>Papakura to Drury South Stage 2</b> (Route protection and 50% property)	<b>As per MoT Drury Investment Options advice, route protection only, so not assessed</b>					
<b>Northern Pathway</b>	<b>Not able to be equally assessed</b>					

# Carbon qualitative assessment

	Walking & cycling	Special Purpose Lanes	Upgrade of existing route (not a new route)	Integration with Adjacent Public Transport	Score summary (from previous page)
Takitimu North Link Stage 2	✓	✓			11
Whangārei to Port Marsden	✓	✓	✓		12
Ōtaki to north of Levin	✓	✓			12
Mill Road (Manukau only)	✓	✓		✓	12
Melling	✓		✓	✓	18
Penlink	✓				18
Papakura to Drury South Stage 2 (route protection only)					N/A
Northern Pathway	✓				N/A

# Waka Kotahi view on prioritisation

## Not Funded for Escalation (~\$6.8Bn)

### Delivery Momentum Projects

Waka Kotahi and KiwiRail projects

### Mill Road

Reduced scope – Manukau section + Route protection & 50% property for remaining sections of Mill Road

### Papakura to Drury South Stage 2

route protection & 50% property

### Northern Pathway

### Whangārei to Port Marsden

\$500m for staging or scope reduction

### Melling

### Takitimu North Link Stage 2

### Ōtaki to north of Levin

Route protection and 50% property

### Penlink

Route protection & all property (completed)

## Funded for Escalation (~\$7.6Bn)

### Delivery Momentum Projects

Waka Kotahi and KiwiRail projects

### Mill Road

Reduced scope – Manukau section + Route protection & 50% property for remaining sections of Mill Road

### Papakura to Drury South Stage 2

Route protection & 50% property

### Northern Pathway

### Whangārei to Port Marsden

full project

### Melling

### Takitimu North Link Stage 2

### Ōtaki to north of Levin

Route protection & 50% property

### Penlink

Route protection & all property (completed)

Difference



# Implication of recommended scenarios

Appendix 1 includes details of project specific implications



Changes to projects may have implications for local authority and developer housing and infrastructure plans e.g. Penlink and later stages of Mill Road

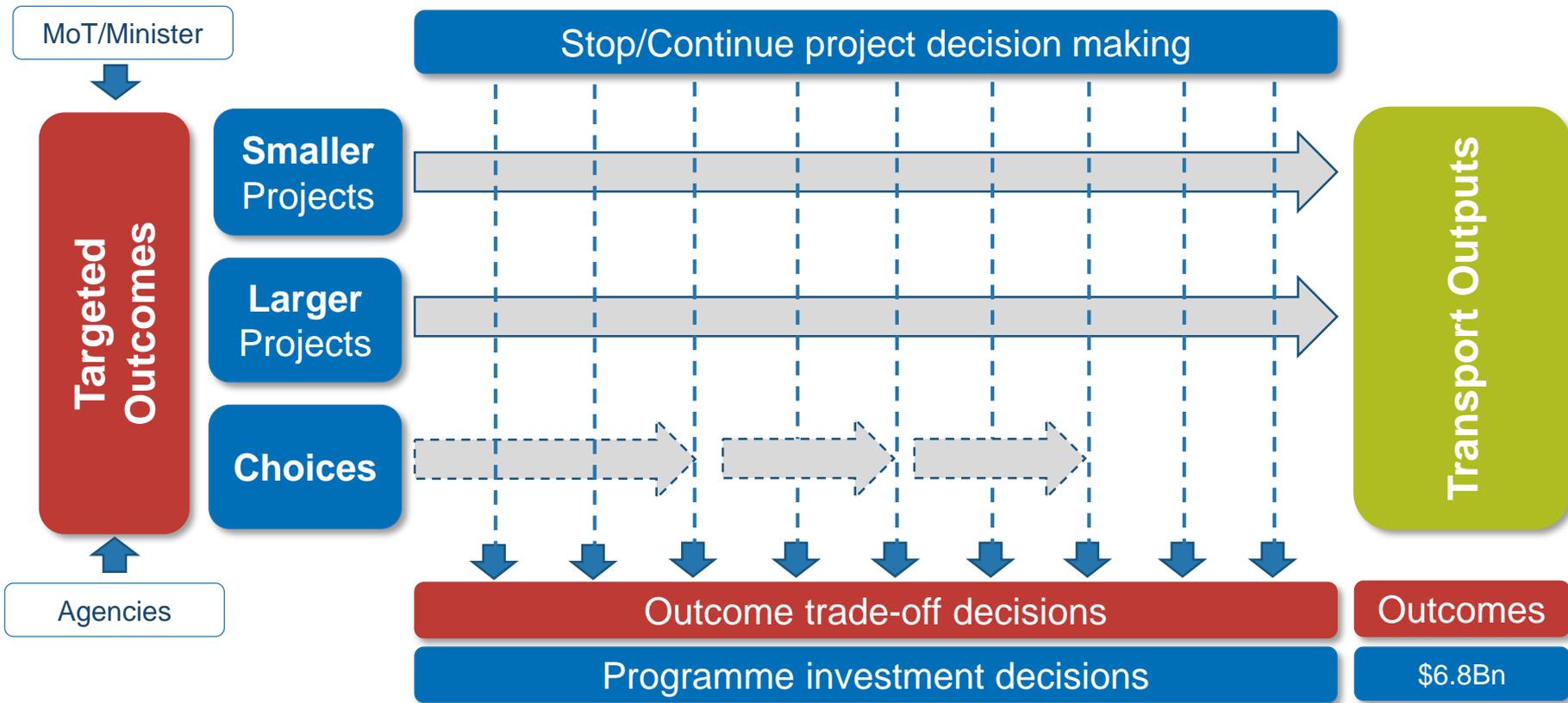


Safety issues will need to be addressed through alternative programmes of work e.g. Ōtaki to north of Levin

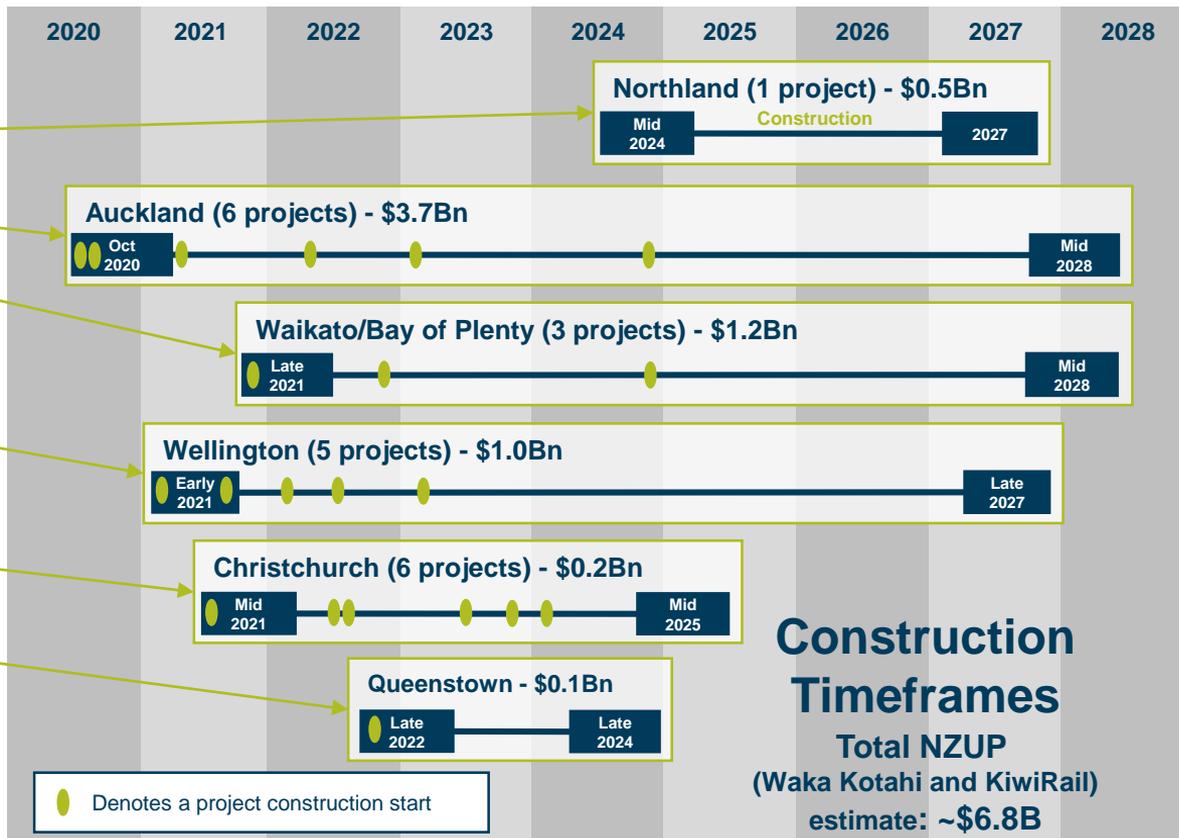
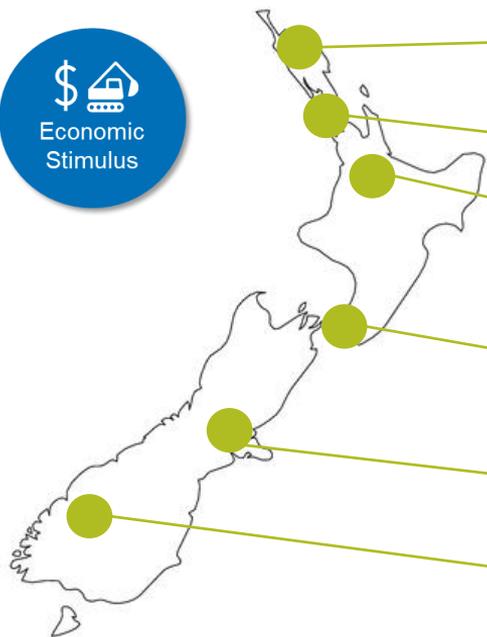


There are significant stakeholder expectations on Penlink (industry and community), Ōtaki to north of Levin, Whangārei to Port Marsden and Mill Road (community and landowners), so not progressing to construction or scope change is likely to have a negative impact on relationships and reputation

# Dynamic programme decision making

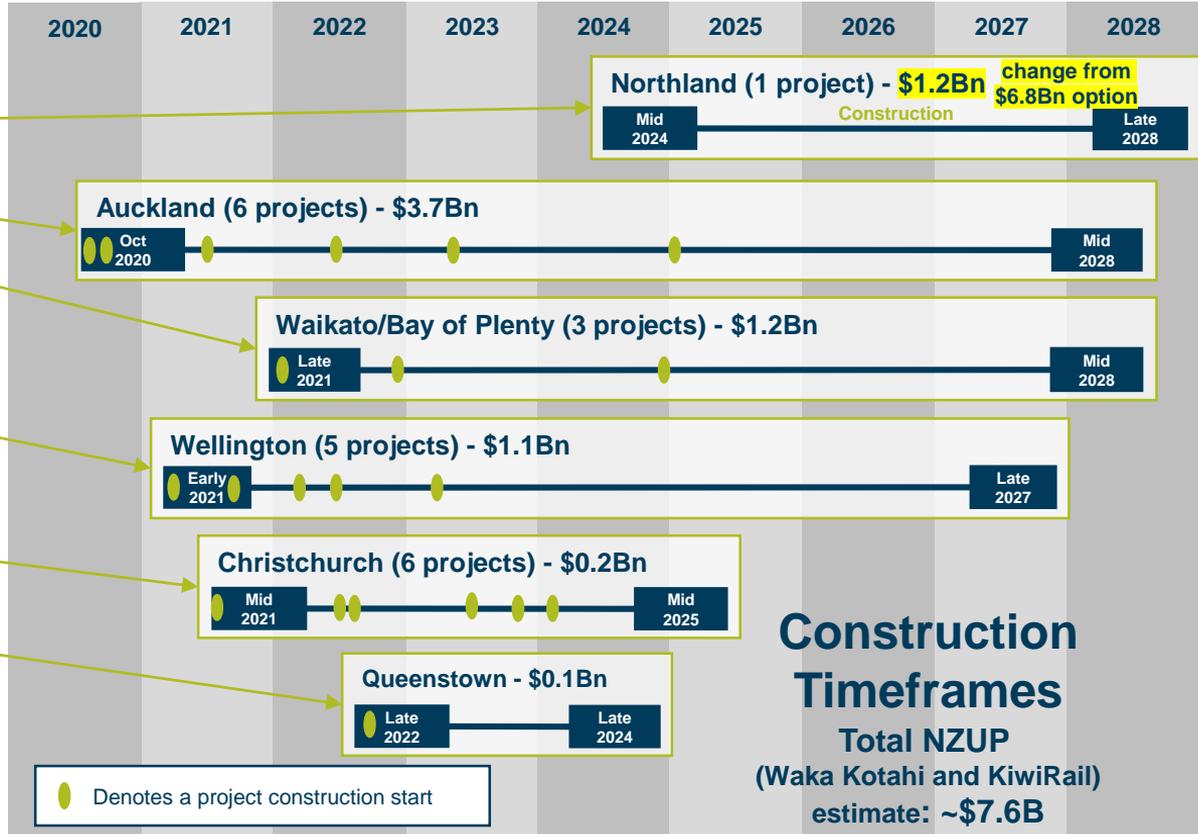
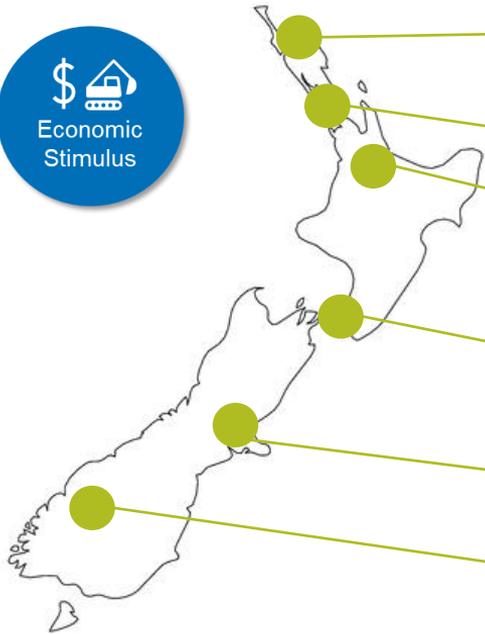


# Regional Economic Stimulus – ~\$6.8Bn option



**Construction Timeframes**  
 Total NZUP  
 (Waka Kotahi and KiwiRail)  
 estimate: ~\$6.8B

# Regional Economic Stimulus – ~\$7.6Bn option





# Appendix 1

## Specific Project Implications of Preferred Option

# Specific Project implications

## Penlink

- Project is mid-way through a procurement process and there would be a negative industry reaction to this project not proceeding.
- Growth and infrastructure plans proposed by Auckland Council and developers may be affected.
- A strong negative reaction from stakeholders and the community would be expected, as this project has a long history of starting and stopping, with a high expectation construction will start soon.

## Whangārei to Port Marsden

- Some impacts on outcomes (i.e. safety) and growth plans as a result of the reduced scope.
- Strong stakeholder support may be impacted, and there may be a perception that with issues on the corridor are not being dealt with properly.

## Mill Road & Papakura to Drury South

- While some transport outcomes, for example safety, will be addressed for the Manukau section of the corridor, other transport issues will remain for the existing corridor through Takaanini, i.e. safety.
- There are growth and infrastructure plans proposed by Auckland Council and developers that may be affected.
- There would be a mixed stakeholder response, welcomed by some concerned about climate change impacts but opposed by supportive stakeholders and developers. Landowner responses would also be mixed.

## Ōtaki to north of Levin

- There are existing transport issues (particularly safety) that will not be addressed, which will require alternative investment.
- There are growth and infrastructure plans proposed by local authorities and others that may be affected.
- This project has a long history of delays and changes, which has created a stressful situation for landowners and a low level of trust in the project.
- Although these relationships are being rebuilt through engagement on the proposed route, trust will be hard to regain if there is a delay to construction.

## Appendix 2: Waka Kotahi Project Summary

Project	Original cost range provided to Govt – 2019 (excluding escalation)	Funding allocation - late 2019 (excluding escalation)	Baseline funding estimate 2021 (P50, including escalation)	Original construction completion date	Baseline construction completion date	Project Phase	
<b>Whangārei</b>	<b>\$611-772m</b>	<b>\$692m</b>	<b>\$1,200-1,310m</b>				
Whangārei to Port Marsden	\$611-772m	\$692m	\$1,200-1,310m	2027/2028	2028	Business case	
<b>Auckland</b>	<b>\$2,234-2,803</b>	<b>\$2,548m</b>	<b>\$5,555-6,500m</b>				
Penlink	\$363-459m	\$411m	\$740-830m	2025	2026	Pre-imp	
Mill Road	\$1,197-1,512m	\$1,354m	\$2,900-3,500m	2027/2028	2032	Business case	
Papakura to Drury South	Stage 1 - \$374-472m Stage 2 – not provided	Stage 1 - \$423m Stage 2 – not funded	Stage 1 - \$655-720m Stage 2 - \$510-600m	2025	2027	Stage 1a – Physical works award Stage 1b – Pre-imp, Stage 2 – Pre-imp	
Northern Pathway	\$300-360m	\$360m	\$760-830m	2023/24	2025/2026	Pre-imp	
<b>Waikato and Bay of Plenty</b>	<b>\$902-1,116m</b>	<b>\$991m</b>	<b>\$1,240-1,420m</b>				
SH1/SH29 Intersection	\$58-74m	\$58m	\$40-50m	2024	2024	Pre-imp	
Takitimu North Link Stage 1	\$442-534m	\$478m	\$655 - 740m	2025	2026	Physical works tender evaluation	
Takitimu North Link Stage 2	\$402-508m	\$455m	\$545 - 630m	2027	2028	Pre-imp	
<b>Wellington</b>	<b>\$1,007-1,273m</b>	<b>\$1,134m</b>	<b>\$1,680-2,050m</b>				
SH58 Safety Improvements	\$52-66m	\$59m	\$105-130m	2023	2026	Stage 2a - Construction Stage 2b and 2c - Pre-imp	
Melling Interchange	\$233-295m	\$258m	\$375-420m	2026	2027	Pre-imp	
Ōtaki to north of Levin	\$722-912m	\$817m	\$1,200-1,500m	2029	2029	Business case	
<b>Canterbury Package</b>	<b>\$159m</b>	<b>\$159m</b>	<b>\$218-300m</b>				
Walnut Avenue intersection	No range provided		\$13-15m	2021	2022	Physical works tender process	
Tinwald Corridor intersection			\$34m	\$10-15m	2022	2024	Business case
Weedons Ross Road intersection			\$10-15m	\$10-15m	2023	2024	Business case
Halswell Road			\$25m	\$30-40m	2025	2025	Business case
Rolleston improvements			\$60m	\$90-125m	2025	2026	Business case
Brougham Street			\$40m	\$65-90m	2023	2025	Business case
<b>Queenstown Package</b>	<b>\$90m</b>	<b>\$90m</b>	<b>\$115-145m</b>				
SH6A Corridor	No range provided	\$90m	\$115-145m	2024	2024	Pre-imp	
SH6 Ladies Mile Corridor				2024	2024	Pre-imp	
Grant Rd to Kawarau Falls Bridge				2024	2024	Pre-imp	
<b>Totals</b>	<b>\$5,000-6,400m</b>	<b>\$5,650m</b>	<b>\$10,008-11,725m</b>				