

The Treasury

Major Projects Performance Information Release

Release Document

July 2016

<http://www.treasury.govt.nz/statesector/investmentmanagement/publications/majorprojects>

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6(a) - to avoid prejudice to the security or defence of New Zealand or the international relations of the government;

9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information;

9(2)(ba)(i) - to protect information which is subject to an obligation of confidence or which any person has been or could be compelled to provide under the authority of any enactment, where the making available of the information would be likely to prejudice the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied;

9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials;

9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice;

9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice;

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.

Major Projects Performance Report

July 2016



THE TREASURY
Kaitohutohu Kaupapa Rawa

The Major Projects Performance Report

Major projects represent government's most complex, high-value investments. The *Major Projects Performance Report July 2016* looks at 55 major projects being delivered across 33 agencies, with a whole-of-life cost of \$36b.

The major projects¹ portfolio comprises billions of dollars of investment, in projects ranging from new hospitals in Nelson, Dunedin, and Christchurch, to large system transformation programmes such as ACC's Shaping Our Future Programme.

By their nature, these projects are high-risk, and need more support throughout their lifecycle than other investments. The government Corporate Centre² and other monitoring entities work with the agencies implementing these projects to support their successful delivery.

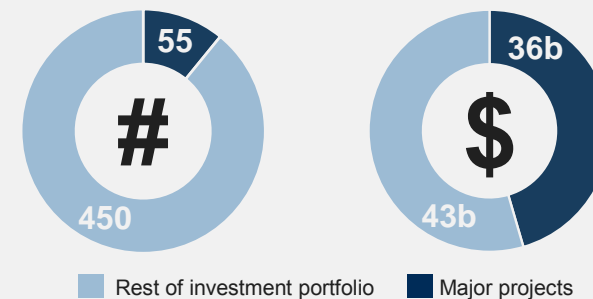
This Report provides an overview of the performance of the major projects portfolio to Ministers, identifying any areas where particular attention might be required.

In this period, the *Major Projects Performance Report* has expanded from 43 to 55 projects. A number of these new projects are monitored by different entities, including the Ministry of Transport and the Ministry of Health.

¹ The word 'project' in this report refers to both projects and programmes.

² Central Agencies (The Treasury, the State Services Commission, and Department of Prime Minister and Cabinet), and the Functional Leads (the Office of the Government

Major projects make up 11% of the government investment portfolio, but account for **45% of the cost**.



Chief Information Officer, New Zealand Government Procurement, and the Government Property Group).

What benefits are major projects delivering for New Zealand?

Major projects deliver a large amount of public benefit. These investments are valuable in their own right in delivering improved public services, but they are also critical social and economic enablers.

As they are government's biggest investments, major projects also deliver significant benefits to the system and to New Zealand.

We have three broad categories of projects:

Keep the Business Running. These investments enable government to continue to run its core services. The Christchurch Schools Rebuild (p 18) is repairing and rebuilding over 100 schools, to provide children with an environment that inspires learning.

Grow the Business. These investments enhance existing services, such as the Ministry of Health's National Bowel Screening Programme (p 41). This nationwide screening rollout for 60-74 year olds will help to save people's lives.

Transformational Change. The majority of our major investment projects fall into this category, which typically involve large-scale change. The replacement of our tax system (p 50) is a once-in-a-generation investment, and Inland Revenue is using this opportunity to look for more effective and efficient ways of working. This will deliver millions of dollars of savings, and improve the services that IR's customers receive.

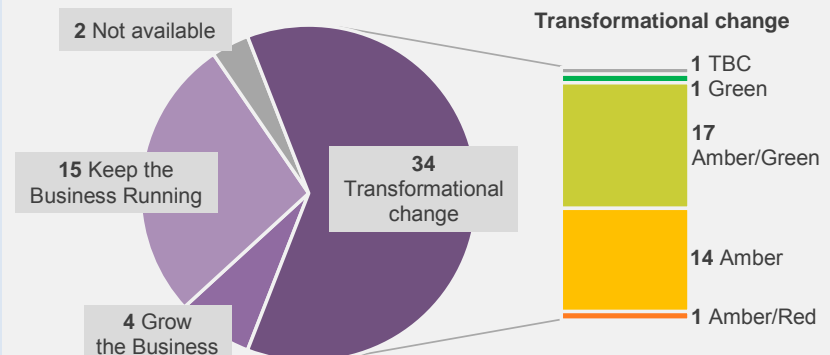
Investing in innovation

Almost two-thirds of major projects are delivering transformational change. These projects are performing well, with 47% Amber/Green or better.

Investment can be a great opportunity for innovation. As an asset reaches the end of its useful life, instead of a like-for-like replacement, we can look for ways to improve and transform to deliver greater value.

It is to be expected that many major projects are innovative, as innovation typically involves significant business change, which can be complex and risky.

What is the investment driver behind major projects?



The projects not available are GCSB projects, for which information is classified

Case Study: Enhanced Pilot Training Capability for Defence

The Pilot Training Capability project aimed to ensure Defence has a fit-for-purpose training programme that is focused on producing world class military pilots.

The aircraft and the pilots who fly them, are a critical part of the New Zealand Defence Force. They provide the Government with response options for events like Cyclone Winston that occurred in Fiji earlier this year.

In 2013 the Pilot Training Capability project was established to ensure pilots are benefiting from the best training available and on modern systems that were found on our new and upgraded aircraft.

The project involved a range of activities to improve the training capability, with the selection of 11 T-6C Texan aircraft, two simulators, and a training and support package, and investment to upgrade existing infrastructure at Ohakea Air Force Base. The T-6C aircraft has a proven track record in service with other militaries and meets the New Zealand Defence Force's performance and safety standards.

Local industry also benefited with Safe Air Limited responsible for maintaining and supporting the aircraft over the next 30 years.

For the first time the Defence Force possesses a fully integrated system utilising computer-based multimedia lessons, high fidelity simulators and turbo-prop aircraft purpose-designed to train military pilots. The first intake of trainee pilots to use this new capability will graduate in early 2017.



The Pilot Training capability was delivered in January 2016, **on time, under budget and less than 24 months** after contract signature.

How are major projects assessed?






Monitoring delivery confidence assessments are not a judgement about whether a project or idea is 'good' or 'bad', but indicate whether a project is on track to deliver its intended benefits within existing constraints.

Major projects are assessed on a five-point monitoring delivery confidence scale, which assesses a project's likelihood of successful delivery.

The monitoring delivery confidence assessment includes consideration of factors relevant to the phase of each project:

- For projects still in business case development, the assessment focuses on areas like governance, stakeholder engagement, and strategic alignment.
- For projects in delivery, focus moves to areas like schedule and cost management, scope and quality, and benefits delivery.

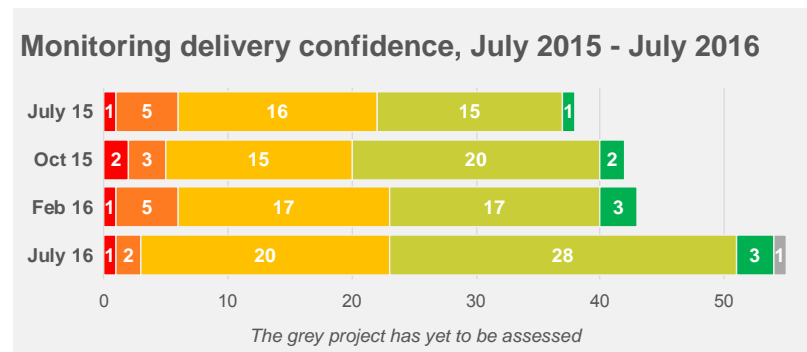
As major projects are government's largest, most complex investments, it is typical for them to move in and out of Amber-Red throughout their lifecycle, as issues are identified and managed. With good management, these issues can be resolved and the project can go on to successful delivery.

 Green	Successful delivery of the project against budget, schedule, scope and benefits, appears highly likely and there are no major outstanding issues that at this stage appear to threaten delivery significantly.
 Amber/ Green	Successful delivery of the project against budget, schedule, scope and benefits, appears probable; however, constant attention will be needed to ensure risks do not materialise into major issues threatening delivery.
 Amber	Successful delivery of the project against budget, schedule, scope and benefits, appears feasible but significant issues already exist, requiring management attention. These appear resolvable at this stage and, if addressed promptly, should not present a cost/schedule overrun or loss/delay of benefits.
 Amber/ Red	Successful delivery of the project requires urgent action to address major risks or issues in a number of key areas. Changes to budget, schedule, scope or benefits may be necessary if the project is to be delivered successfully.
 Red	Successful delivery of the project requires changes to budget, schedule, scope or benefits. There are major issues with project definition, schedule, budget, quality and/or benefits delivery, which don't appear to be manageable or resolvable without such changes being made.

How are major projects performing?

The performance of the major projects portfolio has improved since the previous period, with over half assessed as Amber/Green or Green.

The major projects portfolio continues to perform well. In the previous period, 84% of projects were assessed as Amber or better. This period, this has increased to 92%.



As shown above, the distribution of projects across the monitoring delivery confidence scale has remained fairly consistent over time.

Projects are more likely to move into Amber or Red as they enter delivery and encounter issues, and then move towards Green as they approach closure and certainty increases.

It is typical for 5-10% of major projects to be Amber/Red or Red at any one time.

As projects perform consistently well, these are considered for exit from the Major Projects Performance Report, which means there are typically few green projects in the portfolio.

Eight projects have exited from the Major Projects Performance Report since the previous period:

- **Christchurch Horizontal Infrastructure Programme** performed consistently well over a number of periods;
- the **Residential Red Zone Acquisitions and Management** was substantially complete, and the **Future Use Programme** was no longer considered a major project relative to the rest of the portfolio;
- **Health Payment Systems** has been placed on hold;
- **Defence's Pilot Training Capability and Platform System Upgrade projects** are both successfully delivering their capability and will soon close; and
- **MBIE's Immigration Global Management System and IRD's Child Support Reform Project** have also both successfully delivered and are closing.

Using the Major Projects Performance Report

The dashboards contain data collected from agencies three times per year, along with information and analysis from the Treasury, monitoring entities and the Corporate Centre.

Where does the information in the report come from?

The report presents information provided by the agencies working on each project, including financial, schedule, benefits information, and commentary on progress.

The lead agency explains how the project is going, identifies any variances to the project plan, and explains why these are occurring and how they are being managed.

The report also provides the monitoring delivery confidence assessment along with commentary which is developed by relevant monitoring entities and the Corporate Centre.

Introducing a pre-investment pipeline

In this Report most projects that do not yet have approved funding will be presented on the next page in a pipeline format, rather than having individual dashboards.

Although these projects will be major if they proceed, this is not guaranteed until business cases are approved and funding is secured.

We will report on these potential major projects in the form of a pipeline until funding and approvals are in place. The pipeline dashboard shows:




















- The lead agency
- The name of the project
- The monitoring delivery confidence, and
- An indicative cost range for the project














The pipeline dashboard also indicates whether projects have made use of business case clinics and gateway reviews to help develop their investment proposals. More detailed information will be provided when additional comment is appropriate because of upcoming milestones or a low monitoring delivery confidence assessment.
















The pipeline dashboard can be found on page 13.









Summary of major projects

Sector	Agency	Project/Programme	Delivery Confidence	Change	Responsible Minister	Page
All	Consolidated	Pre-investment major projects dashboard <i>This dashboard provides information about the scale and delivery confidence for projects that will be included in the major projects portfolio if they are funded.</i>				13
Border	Customs	Joint Border Management System (JBMS) Programme <i>Moving to a faster, simpler, more cohesive and reliable system of border management</i>			Hon Wagner	14
Canterbury Recovery	CERA	Christchurch Central Delivery Programme <i>Ensuring timely and effective delivery of anchor projects in central Christchurch</i>	EXITED		Hon Brownlee	
Canterbury Recovery	DPMC	Horizontal Infrastructure Programme <i>Leading the recovery of resilient, sustainable, and cost-effective network infrastructure</i>	EXITED		Hon Brownlee	
Canterbury Recovery	LINZ	Residential Red Zone – Acquisitions and Management <i>Governs and coordinates acquisition and management of land in the RRZ</i>	EXITED		Hon Brownlee	
Canterbury Recovery	DPMC	Residential Red Zone – Future Use of Red Zone Land <i>Determining options for the future use of the Residential Red Zones</i>	EXITED		Hon Brownlee	
Canterbury Recovery	MINEDU	Christchurch Schools Rebuild Programme <i>Will repair and rebuild 115 damaged Canterbury schools by 2022</i>			Hon Parata	15
Canterbury Recovery	MOH	Burwood Hospital Redevelopment <i>Redeveloping Burwood Hospital after the Canterbury earthquake series</i>			Hon Coleman	16
Canterbury Recovery	MOH	Christchurch Hospital Redevelopment: Acute Services Building <i>A new 400-bed acute services building incorporating acute services such as ED and Radiology</i>		NEW	Hon Coleman	17
Canterbury Recovery	MOJ	Christchurch Justice Emergency Services Precinct <i>A new single-site precinct to accommodate justice and emergency services</i>			Hon Adams	18
Canterbury Recovery	Ōtākaro Ltd	Avon River Precinct <i>To deliver Te Papa Ōtākaro in line with the Christchurch Central Recovery Plan</i>			Hon Brownlee	19
Canterbury Recovery	Ōtākaro Ltd	Convention Centre Precinct <i>To deliver a convention centre precinct in line with the Christchurch Central Recovery Plan</i>			Hon Brownlee	20
Canterbury Recovery	Ōtākaro Ltd	East Frame Residential <i>To develop inner city residential accommodation, supporting regeneration.</i>		NEW	Hon Brownlee	21
Canterbury Recovery	Ōtākaro Ltd	Metro Sports Facility <i>To deliver a metro sports facility in partnership with the Christchurch City Council</i>			Hon Brownlee	22

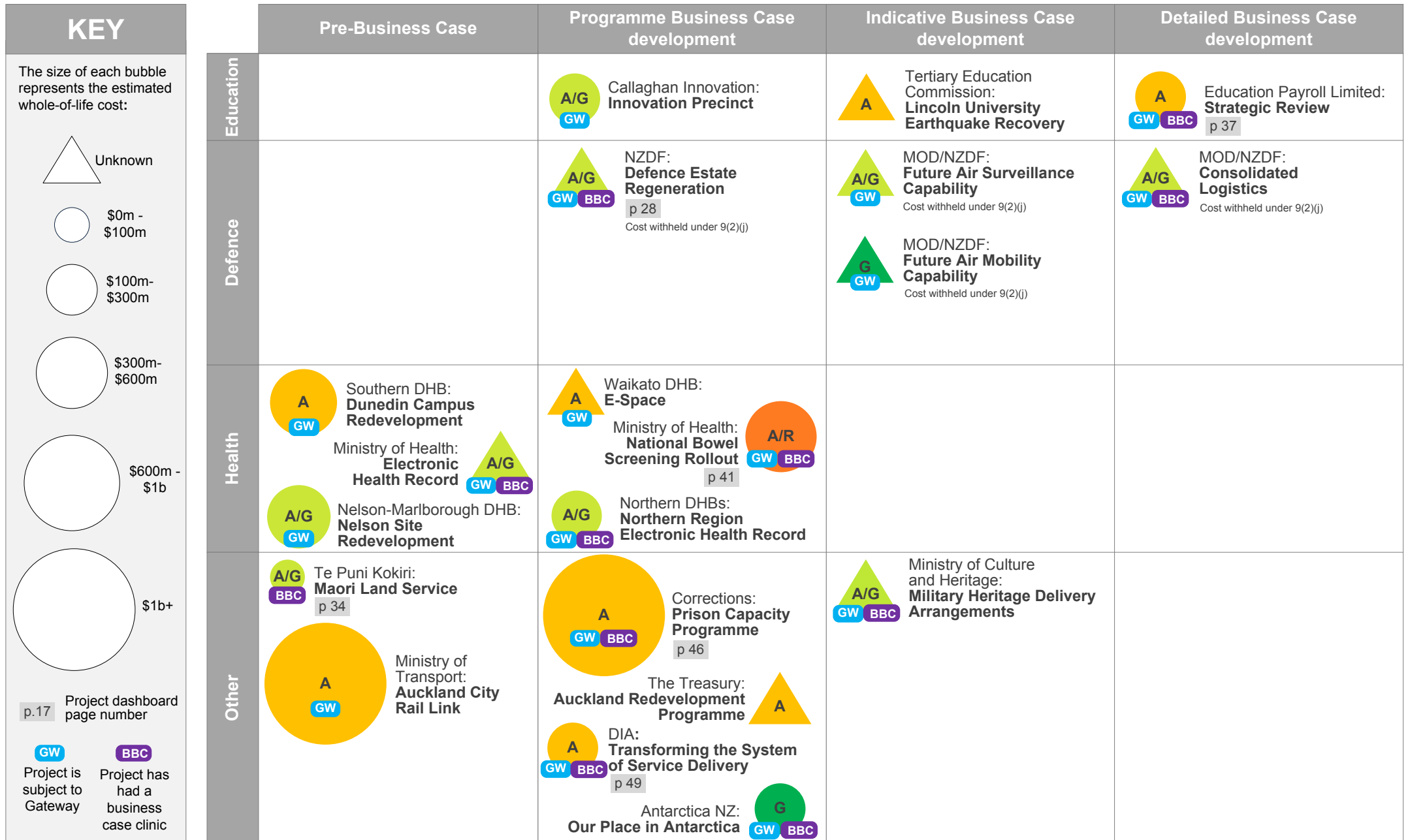
Sector	Agency	Project/Programme	Delivery Confidence	Change	Responsible Minister	Page
Canterbury Recovery	Tertiary Education Commission	Lincoln University Earthquake Recovery <i>Development of an integrated agricultural research and education facility where educators, research organisations and business are co-located together</i>		NEW	Min Joyce	
Culture and Heritage	MCH	Military Heritage Delivery Arrangements Project <i>Options for improving the delivery of military heritage with a national focus</i>		—	Hon Barry	
Defence	MOD/NZDF	Defence Capability Portfolio <i>Implementing the Defence Capability Plan</i>			Hon Brownlee	23
Defence	MOD/NZDF	ANZAC Frigate Systems Upgrade Project <i>Restoring and upgrading the surveillance and combat capabilities of the ANZAC frigates</i>		—	Hon Brownlee	24
Defence	MOD/NZDF	Consolidated Logistics Project <i>Implementing a coordinated, efficient logistics management system across NZDF</i>		—	Hon Brownlee	
Defence	MOD/NZDF	Defence Estate Regeneration <i>Regenerating the Defence Estate to support planned capability investments</i>		NEW	Hon Brownlee	25
Defence	MOD/NZDF	Future Air Mobility Capability (FAMC) Project <i>Sustaining NZDF's strategic airlift capability after the end of life of existing aircraft</i>			Hon Brownlee	
Defence	MOD/NZDF	Future Air Surveillance Capability (FASC) Project <i>Ensuring that NZDF has a continuous relevant air surveillance capability</i>		—	Hon Brownlee	
Defence	MOD/NZDF	Littoral Operations Support Capability (LOSC) Project <i>Providing a capability for continued support of the Littoral Warfare Support Force</i>			Hon Brownlee	
Defence	MOD/NZDF	Maritime Helicopter Capability Project (MHCP) <i>Improving the capability of the Naval Helicopter Force (NHF)</i>			Hon Brownlee	
Defence	MOD/NZDF	Maritime Sustainment Capability (MSC) Project <i>Will replace the HMNZS Endeavour with a new Maritime Sustainment Capability</i>			Hon Brownlee	26
Defence	MOD/NZDF	Network-Enabled Army (NEA) Programme <i>Improving NZDF's electronic information sharing capability</i>			Hon Brownlee	27
Defence	MOD/NZDF	Pilot Training Capability (PTC) Project <i>Modernising the NZDF pilot training system</i>	EXITED		Hon Brownlee	
Defence	MOD/NZDF	Platform Systems Upgrade (PSU) Project <i>Upgrading the platform systems of HMNZS Te Mana and HMNZS Te Kaha, to ensure combat viability</i>	EXITED		Hon Brownlee	
Defence	MOD/NZDF	Secret Information Environment (SIE) Project <i>Upgrading the NZDF's secret-level communications network</i>		—	Hon Brownlee	

Sector	Agency	Project/Programme	Delivery Confidence	Change	Responsible Minister	Page
Economic Development	Callaghan Institute	Gracefield Innovation Precinct <i>Re-invigorate the Innovation Quarter in Gracefield to concentrate High Value Manufacturing and Services talent and equipment into an innovation precinct</i>		NEW	Hon Joyce	
Economic Development	MBIE	Integrated Lifecycle Services (NZBN) Programme <i>Delivering a single business registration service that reduces effort and costs for business based on the New Zealand Business Number</i>		—	Hon Joyce	28
Economic Development	MBIE	Vision 2015/Immigration Global Management System Programme <i>A system to process visa applications more quickly, more accurately, and at less cost</i>	EXITED		Hon Woodhouse	
Economic Development	MPI	National Biocontainment Laboratory Project <i>Replacing the existing Wallaceville biocontainment facility with an enhanced facility</i>		—	Hon Guy	29
Economic Development	STATS	2018 Census Project <i>Coordinating, directing, and overseeing activities related to the 2018 Census</i>		—	Hon Foss	30
Economic Development	TPK	Māori Land Service Programme <i>Supporting Māori land owners to strengthen the management and utilisation of their land</i>		▲	Hon Flavell	31
Education and Skills	MINEDU	DELTA Programme <i>Using digital infrastructure and technology to improve learning outcomes</i>		—	Hon Parata	32
Education and Skills	MINEDU	Education Resourcing System Programme <i>A future-proofed early childhood and schools resourcing system</i>		▲	Hon Parata	33
Education and Skills	EPL	Education Payroll Limited Strategic Review Project <i>Determining the long-term plan for the provision of schools payroll services</i>		—	Hon Joyce	34
Foreign Affairs	Antarctica NZ	Our Place in Antarctica <i>Ensuring Scott Base is fit-for-purpose over the next 50 years</i>		▲	Hon McCully	
Foreign Affairs	MFAT	Programme and Activity Management Project <i>Delivering a core overseas aid management software solution</i>		▲	Hon McCully	35
Health	Health Partnerships	National Infrastructure Platform <i>Delivering clinical and financial benefits for DHBs through a national infrastructure approach</i>		NEW	Hon Coleman	36
Health	Health Partnerships	National Oracle Solution <i>Designing and building a single financial management information system ready for DHBs</i>		NEW	Hon Coleman	37
Health	MOH	Dunedin Hospital redevelopment <i>Redevelopment of Dunedin Public Hospital to address seismic issues, outdated and non-compliant inpatient facilities, and capacity issues.</i>		NEW	Hon Coleman	

Sector	Agency	Project/Programme	Delivery Confidence	Change	Responsible Minister	Page
Health	MOH	Health Payment Systems Project <i>Replacing outdated health payment methods with modern business processes</i>	EXITED		Hon Coleman	
Health	MOH	National Bowel Screening Programme <i>Implementing national screening to reduce the mortality rate from bowel cancer</i>			Hon Coleman	38
Health	MOH	National Patient Flow Project <i>A patient-centred, referral-based reporting system</i>		—	Hon Coleman	39
Health	MOH	Nelson Hospital redevelopment <i>Redevelopment of Nelson Hospital Site to improve service delivery, address seismic issues and future capacity demands</i>		NEW	Hon Coleman	
Health	MOH	Electronic Health Record <i>Implementing a single electronic health record for access by consumers, providers and decision makers to support care delivery and decision making.</i>		NEW	Hon Coleman	
Health	Northern DHBs	Northern Electronic Health Record <i>Delivering a region-wide integrated eMedical record</i>		NEW	Hon Coleman	
Health	Waikato DHB	E-space <i>Improving Midland Region patient outcomes by enhancing clinicians' access to consistent patient information from primary through to tertiary care.</i>		NEW	Hon Coleman	
9(2)(f)(iv)						
Intelligence	GCSB	Cortex Project		—	Hon Finlayson	41
Intelligence	GCSB	CPMI Project			Hon Finlayson	42
Justice and Security	Corrections	Prison Capacity Programme (Phase 2) <i>To ensure there is sufficient capacity to accommodate prisoners over the next ten years</i>		NEW	Hon Collins	43
Services Transformation	ACC	Shaping Our Future Transformation Programme <i>Transforming ACC's operating model to improve delivery of core services</i>		—	Hon Kaye	44
Services Transformation	DIA	Birth of a Child <i>Developing a federated service focused on registering the birth of a child</i>		—	Hon Dunne	45
Services Transformation	DIA	Transforming the System of Service Delivery (TSSD) Programme <i>Transitioning to a digital, joined-up, customer-centric model of service delivery</i>		—	Hon Dunne	46
Services Transformation	IRD	Business Transformation Programme <i>Implementing a modern, efficient, and cohesive tax administration system</i>		—	Hon Woodhouse	47

Sector	Agency	Project/Programme	Delivery Confidence	Change	Responsible Minister	Page
Services Transformation	IRD	Child Support Reform Programme <i>Increasing fairness in the child support system</i>	EXITED		Hon Woodhouse	
Services Transformation	LINZ	Advanced Survey and Title Services (ASaTS) Project <i>Replacing Landonline's outdated and constraining technology platform</i>		—	Hon Upston	48
Services Transformation	MSD	Simplification Programme <i>Simplifying the provision of MSD's transactional services</i>			Hon Tolley	49
Services Transformation	MSD	New Children's Entity/Refocused MSD <i>Establishing the new Children's entity, future MSD and shared services between the entities</i>	Not yet assessed	NEW	Hon Tolley	50
Services Transformation	Police	Human Resources Management Information System Project <i>Delivering a long-term solution to Police's HR needs</i>			Hon Collins	51
Transport	MOT Treasury	Auckland City Rail Link <i>To build the City Rail Link in Auckland, a 3.4km tunnel that will connect Britomart with the existing rail network at Mt Eden</i>		NEW	Hon Bridges	
Transport	NZTA	Roads of National Significance Programme <i>Advancing significant roads to reduce congestion, improve safety and support economic growth</i>		NEW	Hon Bridges	52
Transport	NZTA	Auckland Accelerated Transport Programme <i>To improve the inter-regional trip reliability and support growth and productivity in Auckland</i>		NEW	Hon Bridges	53

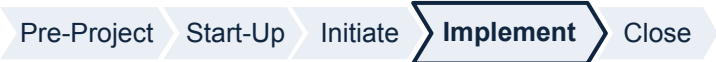
Pre-investment major projects



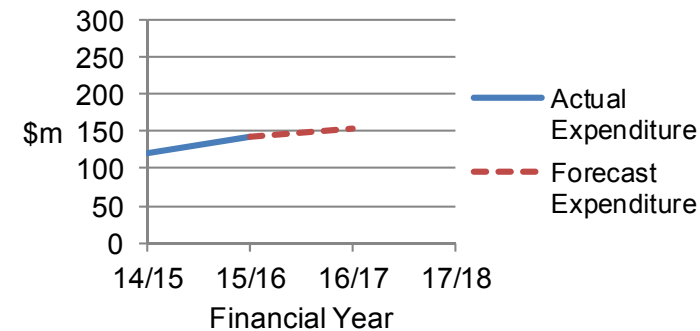
Joint Border Management System - Customs

Moving to a faster, simpler, more cohesive and reliable system of border management

Position in lifecycle



Budget and expenditure



Total project budget	\$148.10m
Expenditure to date	\$143.70m
Whole of life cost	\$207.80m

Benefits

The deliverables expected from the 2009 business case will have been met at the completion of the project and the business benefits expected will accrue, albeit over a longer timeframe than originally planned. Earlier releases of Trade Single Window and Risk and Intelligence continue to deliver benefits as expected both to industry and to Customs/MPI.

Agency assessment



Trade Single Window (TSW) is operating successfully, with 3.8 million transactions processed by June 2016, more than 423 users of self-service registration and 45429 registrations.

The last major release will deliver the final lodgement types for TSW. Testing has taken longer than planned and did not meet commercially agreed timeframes. Risk assessment functions are being uncoupled from release 10 to concentrate on completing TSW. A revised delivery plan and related commercial agreement have been finalised.

Discussions have commenced with the business to plan the completion of the Risk and Intelligence (R&I) capability internally.

Once Systems Integration Testing is finished, Customs will work with Industry to complete final user testing and to plan an appropriate go-live date. Mandatory dates for the adoption of the new message sets will be reset once remaining functionality is in place for Industry to use.

Customs is increasing its capability to use sophisticated analytical tools implemented in 2015 to establish targeting opportunities, as is done in other jurisdictions. A border analytics group is being established in 2016/17 with MPI and MBIE to use the tools.

Corporate Centre comment

The monitoring delivery confidence assessment has improved to Amber, following agreement with the prime vendor, IBM, on a new approach to deliver the final major release. The focus is now on completing the Trade Single Window (TSW) components of the system, with Risk and Intelligence (R&I) tools uncoupled from release 10.

A revised schedule and contract with IBM was needed after it failed to meet a major contractual milestone in February 2016, due to testing delays and an unknown amount of work to complete R&I tools.

9(2)(b)(ii) & 9(2)(ba)(i)

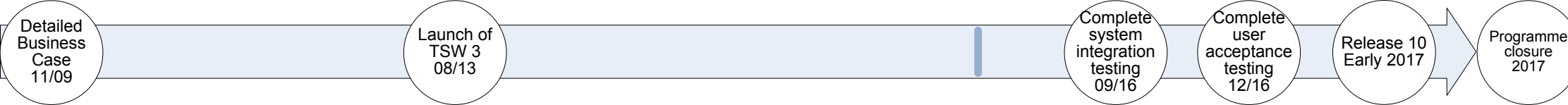
IBM will exit the programme after delivering the fully tested TSW components for release 10.

Customs and MPI will complete a user testing phase before implementing this new functionality. The JBMS programme will be considered closed at this point.

To further strengthen their ability to use R&I tools already provided, Customs, MPI and Immigration have established a new joint border analytics unit.

Upcoming monitoring will focus on quality of the TSW deliverables.

Timeline



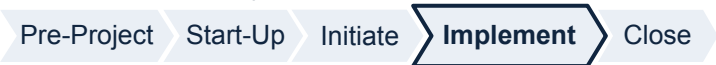
Assurance schedule



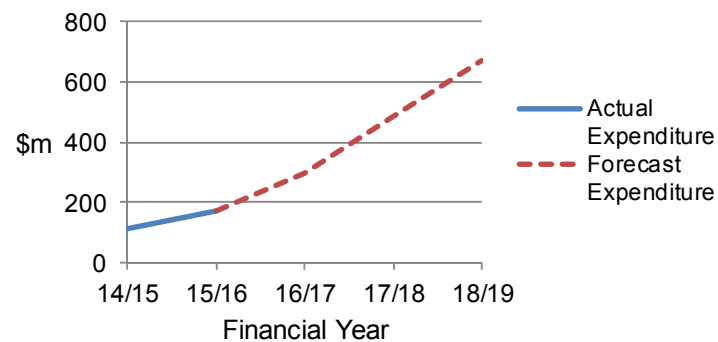
Christchurch Schools Rebuild - MINEDU

To repair and rebuild 115 damaged Canterbury schools by 2022

Position in lifecycle



Budget and expenditure



Total project budget	\$978.30m
Expenditure to date	\$172.30m
Whole of life cost	\$825.70m

Benefits

Post-occupancy reviews are being undertaken after schools have opened, and benefits are being realised and reported on.

Agency assessment

Budget G Timeline G Benefits G Overall G

The programme continues to perform well with seven schools now complete, eleven schools now in construction and a total of 64 actively being worked on in some way. There are 44 schools yet to enter the capital works programme out of a total of 115.

In this period we have completed one further new school build (Lyttelton) and progressed significantly with design work on numerous schools. The now confirmed four Public Private Partnership (PPP) schools, two in PPP2 and two in PPP3, in the CSR programme are progressing, with two in construction and two about to start the interactive tendering process.

Project expenditure below is Christchurch Schools Rebuild spend up to the end of June 2016

Corporate Centre comment

The monitoring delivery confidence assessment has improved to Green, as the programme continues to progress well and is showing improved focus on benefits realisation.

Work is on schedule, and due to roll growth pressures and unexpected levels of building deterioration, some projects will be brought forward, resulting in a likely early programme closeout. An effective procurement strategy has resulted in competitive pricing, and as the market continues to open up in Christchurch, this trend is expected to continue.

The programme management processes developed for the Christchurch programme have been very successful and are being rolled out across the Ministry of Education's schools build programmes nationally.

There are no significant risks or issues. The programme is expected to exit from the *Major Projects Performance Report* in the next period.

Timeline

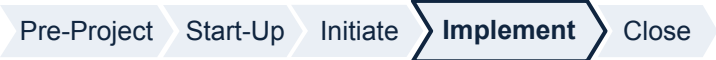


Assurance schedule

Project not subject to Gateway



Position in lifecycle



Budget and expenditure

9(2)(i), 9(2)(j)

Benefits

There will be a slight delay in benefits realisation due to the delay in completing the building.

Agency assessment

Budget	A	Timeline	G	Benefits	G	Overall	G
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The Burwood Hospital has recently been occupied by the District Health Board. The staff and patients alike consider the new facilities to be a huge step forward from The Princess Margaret Hospital which it replaces.

The normal post construction activities being are undertaken such as rectifying defects that normally occur with building of this degree of sophistication and finalising the account.

Corporate Centre comment

The monitoring delivery confidence assessment remains Amber. The facility has been successfully operationalised, Hand-over of the facility to the Canterbury DHB occurred as scheduled in June 2016, with the first patients arriving on 10 June and transfers from Princess Margaret Hospital completed on 14 June. This is an excellent result given the issues that the project has had to manage and the very tight time frames they were working to.

The official opening of the facility occurred in August 2016. The transfer of the asset from the Crown to the DHB did not occur as intended in July, but was completed August 2016.

9(2)(i)

The monitoring focus for the next reporting period will be considering exiting the project from monitoring after the transfer and budget issues are finalised.

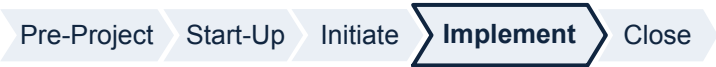
Timeline



Christchurch Hospital Redevelopment: Acute Services Building - MOH

A new 400-bed acute services building incorporating acute services such as ED and Radiology

Position in lifecycle



9(2)(i), 9(2)(j)

Benefits

The project has documented the business benefits in the detailed business case. Key financial benefits include improvements to operational efficiency enabled by the new facilities, and key non-financial benefits are service gains and improvements that translate into better health outcomes for the Canterbury population.

Agency assessment

Budget	A	Timeline	G	Benefits	G	Overall	G
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The main contractor, CPB commenced construction of the Acute Services Building in January 2016. They have received approximately half of the 6,500 tonnes of steel ordered. Of the 3,366 tonnes received, over 1,300 tonnes has already been erected on site. The steel has undergone extensive quality assurance testing in Thailand at the steel mill and more quality assurance testing on arrival in New Zealand. The steel delivered meets all independent tests and relevant standards required standards.

Procurement of long lead items and items that have been identified as having the potential to cause concern with delivery or availability such as precast concrete panels and glass facades have been ordered to reduce the degree of risk.

Progress against our comprehensive programme is forecast as eight days behind schedule for completion meaning that our completion date is now programmed for 1 August 2016.

Corporate Centre comment

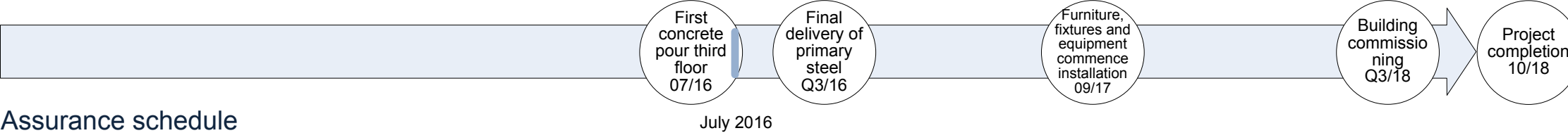
The initial monitoring delivery confidence assessment for this new entry to monitoring is Amber/Green as the project is progressing well and reducing early schedule slippage.

An approved joint business case in March 2013 for the Acute Services Building (ASB) and the now completed Burwood Hospital established this project. The Ministry of Health manages this project, and the Hospital Redevelopment Project Group (HRPG) has oversight of this and the other projects that form part of the Christchurch Hospital redevelopment work. The ASB is to replace the outdated Riverside building, reconfigure other facilities on the Christchurch Hospital campus and provide additional capacity to meet demand pressures for theatres and beds.

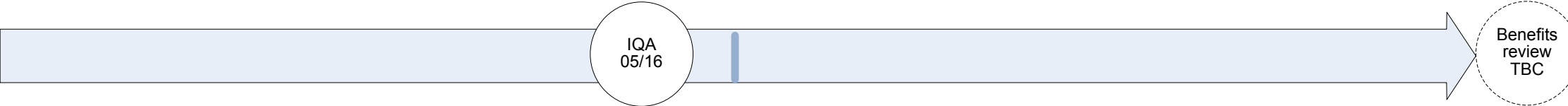
Although the project is tracking eight days behind schedule, it is making good progress in most areas. This includes: finalising contracting prices and closing out value management; independent experts confirming the grade of steel as appropriate for this development; on-boarding a qualified seismic specialist to plan the work and budget required for this activity; and the two tower cranes are on site and working.

Ongoing monitoring focus over the next period will be on performance against the project schedule and the outcome from the value management work.

Timeline



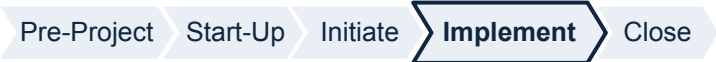
Assurance schedule



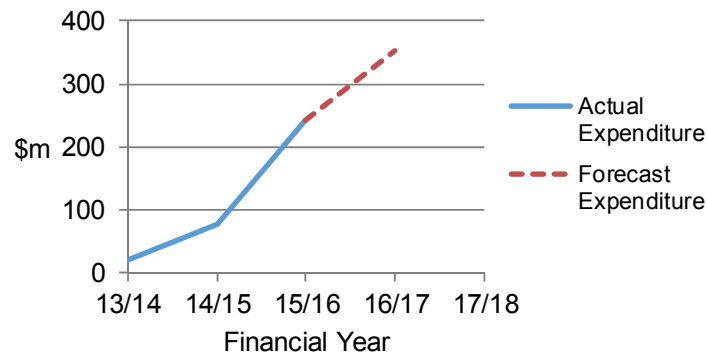
Christchurch Justice and Emergency Services Precinct - MOJ

A new single-site precinct to accommodate justice and emergency services

Position in lifecycle



Budget and expenditure



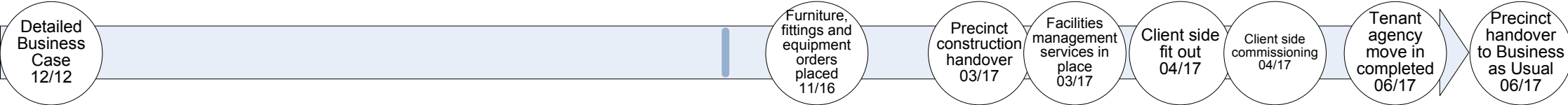
Total project budget	\$351.21m
Expenditure to date	\$241.89m
Whole of life cost	\$392.78m

Benefits

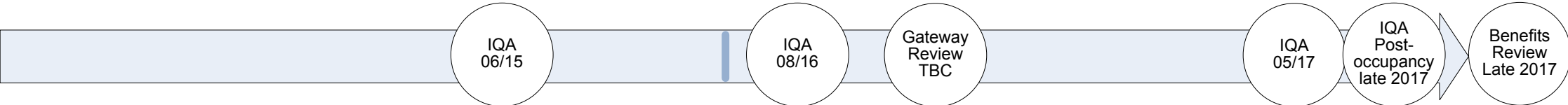
The baseline benefits target was \$9.8m. Financial analysts have valued existing Justice Sector and precinct-wide benefits at approximately \$6.2m, with more expected from the emergency services. Some workstreams are yet to be valued.

Justice sector Deputy Chief Executives continue to encourage their agencies to focus on benefits realisation. A benefits programme manager has been seconded from Police.

Timeline



Assurance schedule



Agency assessment

Budget		Timeline		Benefits		Overall	
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The project remains on track for agencies to move into the Precinct in mid 2017. Notable milestones during this reporting period include:

- The building has completed its second year of construction and the focus will now shift to services installation and interior fit out activities as the structure and envelope works close out;
- Health and safety framework has been revised to align with the requirements of the Health and Safety at Work Act 2015, which came into force on 4 April 2016; and
- Planning is well advanced for the delivery of client side fit out and agencies continue to form up their operational readiness plans for relocation to the Precinct.

Agencies continue to explore benefit initiatives and opportunities that allow for the coordination of services and functions within the Precinct.

Corporate Centre comment

The monitoring delivery confidence assessment remains Amber/Green. Whilst construction is progressing well, schedule pressure continues and will need close management.

Fletcher Construction is reporting a delay of two months against the contract completion date. An updated construction programme has been received from Fletcher Construction by MOJ, supported by independent peer review advice that milestone dates can be achieved with appropriate resourcing of subtrades. MOJ is exploring early access opportunities to mitigate the delay impacting the move-in timeframe for agencies.

The project remains within budget, and change is being tightly controlled.

Work on benefits is progressing well, and agencies continue to work closely and effectively together to identify benefits.

Ongoing monitoring focus will be on the schedule risk and progress on benefits.

Position in lifecycle



Budget and expenditure

9(2)(b)(ii); 9(2)(i)

Agency assessment

Budget	G	Timeline	A	Benefits	G	Overall	A
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- Te Papa Ōtākaro/Avon River Precinct was transferred to Ōtākaro Ltd in April 2016 from the Canterbury Earthquake Recovery Authority (CERA).
- The Terraces Work Package was completed on the 6th of May, and an opening ceremony was held on the 23rd of June, attended by The Prime Minister.
 - Victoria Square work packages are in final stages of design.
 - Work is to be completed and procured under a Design and Build model; Hawkins Infrastructure has been appointed as the preferred contractor.

Corporate Centre comment

The monitoring delivery confidence for this project remains Amber, as there is a rebaselining process underway which is expected to provide greater certainty regarding costs and schedule.

Construction work is progressing well on the advanced works (North Frame, Punt Stop and Worcester Terraces) and the Margaret Mahy Playground, with the Worcester Terraces practically complete.

The design is 75 percent complete for Victoria Square, and the design concept drawings and information were publicly released on 19 July, and public feedback is generally positive.

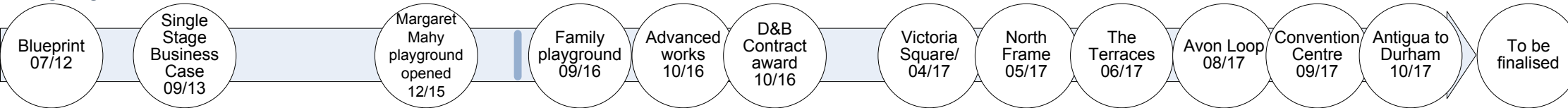
One contractor has been slow to deliver, but this is being actively managed, as part of an increasing entity-wide focus on contract management.

The focus for the next period is on completing re-baselining and managing any impacts of this.

Benefits

The project is expected to be a catalyst for increased economic exchange and activity in and around the Precinct, enhance environmental quality, increase the social value of the precinct, and enhance the cultural identity of Christchurch.

Timeline



Assurance schedule



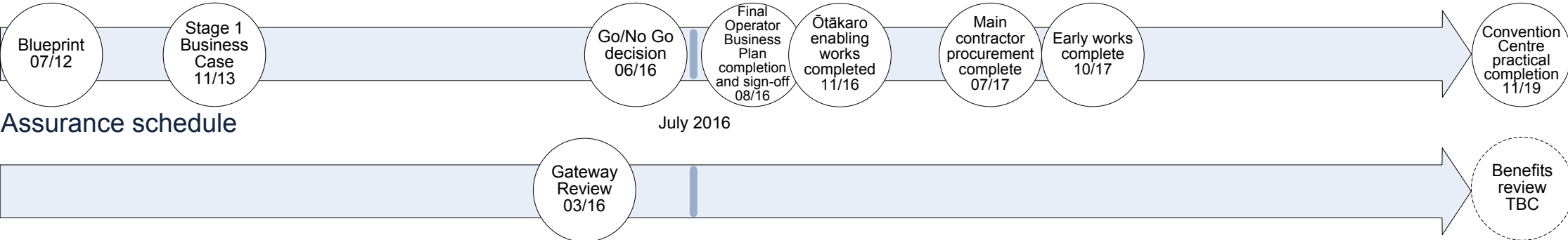
Position in lifecycle



9(2)(b)(ii)

Some benefits, such as regional and national economic development, are on track to be realised as expected, as these are largely driven by the convention centre facility. It is not yet clear how the benefits expected from the balance of precinct will be delivered. The Treasury expects a high-level approach to this to be outlined to Cabinet in November.

Timeline



Agency assessment

Budget	A	Timeline	A	Benefits	A	Overall	A
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- 9(2)(b)(ii)
- The project will transfer to Ōtākaro Ltd in the next reporting period.
 - Ōtākaro is currently transferring PCNZ intellectual property and design consultancies in accordance with its rights under the original PCNZ agreement.
 - A re-baselining exercise has commenced and RFT will be issued in August for key design and engineering works.

Corporate Centre comment

The monitoring delivery confidence assessment has improved to Amber following completion of the early design and master planning stages, and the decision to return to market to complete detailed design and construction.

The Treasury considers this has significantly reduced the risks associated with the project, increasing our confidence in successful delivery.

Enabling works (utilities diversion) began in July, and early works (contamination and ground works) begin in October. Procurement planning is underway for the main contractor, and is expected to conclude mid-2017.

An appropriate schedule is in place, and slippage appears unlikely at this stage. 9(2)(b)(ii)

More detailed inform on the project, 9(2)(b)(ii)

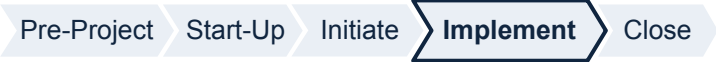
and an assessment of schedule risk, is expected to go to Cabinet in November.

The monitoring focus for the next reporting period is on the November Cabinet paper, early market engagement and procurement.

East Frame Residential Project - Ōtākaro Limited

To develop inner city residential accommodation, supporting regeneration.

Position in lifecycle



9(2)(b)(ii)

Agency assessment

Budget	<div><div>G</div></div>	Timeline	<div><div>A</div></div>	Benefits	<div><div>G</div></div>	Overall	<div><div>A</div></div>
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- The Development Agreement for Fletcher Residential Ltd was transferred to Ōtākaro in April 2016.
- Initial architectural and urban design assessments for lots 4, 7, and 11 has commenced.
- Development documentation for the first 20 townhouses (super Lot 4) has been received and is under review.

Corporate Centre comment

The initial monitoring delivery confidence assessment for this project is Amber/Green as it is tracking as expected.

The first superlot is expected to be passed over to Fletcher after evaluation of the development documentation, which is being assessed for compliance against the requirements in the Development Agreement.

Construction is expected to start in September subject to satisfactory assessment of the development documentation.

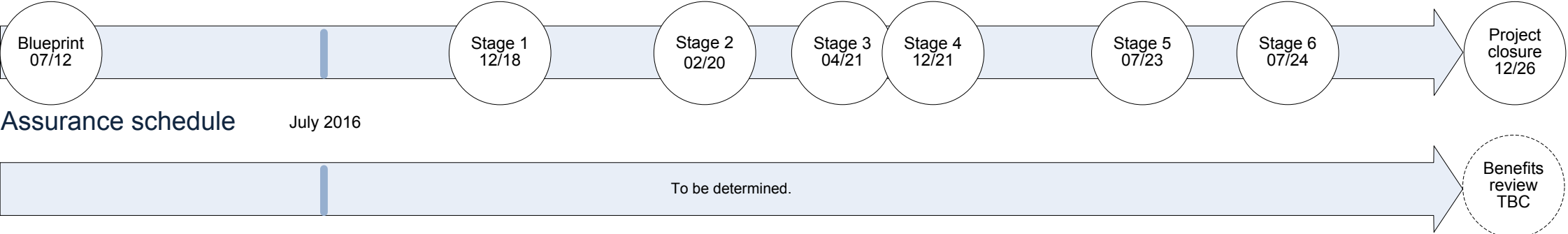
There are specific requirements in place for selling the buildings upon completion, and the market response will influence the timing and speed of build on an ongoing basis.

A paper providing options for the Inland Revenue building has been presented to the Board for consideration.

Benefits

Expected benefits include increased land values and development in the East Frame, increased economic activity within the East Frame, increased social value for residents and visitors to the East Frame, increased residential population in the central city, and a safe and desirable place to live and be.

Timeline





Budget and expenditure

9(2)(b)(ii)

Agency assessment

Budget

Timeline

Benefits

Overall

- Concept design was completed and signed off on 8 April.
- Preliminary design has progressed and has been submitted for final approval on August 24 to Ōtākaro Executive and Christchurch City Council on 8 September.
- Enabling works detailed design completed in June.
- Project is on schedule.
- ECI contractor evaluation is progressing with a single preferred supplier, to be selected in September.
- Preliminary design costs plan is currently being reviewed and undergoing a value management process.

Corporate Centre comment

The monitoring delivery confidence remains Amber/Green, as although additional time has been needed to test the preliminary design, this has been completed successfully.

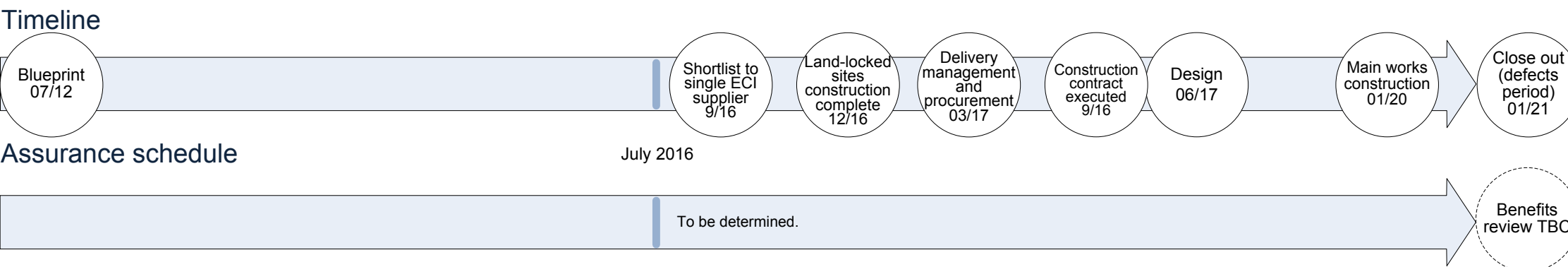
Preliminary Design was submitted on 11 July, and is being reviewed by the Ōtākaro Project Team and CCC staff.

Ōtākaro is engaging well with the CCC, and will seek signoff from them on 8 September, before the break for local elections. If CCC sign-off is not obtained as planned, this could result in delay.

Requests for Proposal for Early Works are being prepared, and are expected to be issued as soon as the Preliminary Design is approved. Enabling works are still expected to commence in September.

The focus for the next period is on the schedule.

The Metro Sports Facility will serve to replace the sport, fitness and aquatic facilities which were lost in the Canterbury earthquakes, providing facilities for a range of sports and skill levels. It is also expected to be a catalyst for flow-on economic benefits to surrounding businesses, improve sport participation and culture, and improve the health and wellbeing of facility users.



Defence major projects

ANZAC Frigate Systems Upgrade

Restoring and upgrading the surveillance and combat capabilities of the ANZAC frigates.

Agency assessment A Monitoring delivery confidence A

Consolidated Logistics

Implementing a coordinated, efficient logistics management system across NZDF.

Agency assessment G Monitoring delivery confidence A/G

Defence Estate Regeneration

Regenerating the Defence estate to support planned capability investments

Agency assessment G Monitoring delivery confidence A/G

Future Air Mobility Capability

Sustaining NZDF's strategic airlift capability after the end of life of existing aircraft.

Agency assessment G Monitoring delivery confidence G

Future Air Surveillance Capability

Ensuring that NZDF has a continuous relevant air surveillance capability.

Agency assessment G Monitoring delivery confidence A/G

Littoral Operations Support Capability

Providing a capability for continued support of the Littoral Warfare Support Force.

Agency assessment G Monitoring delivery confidence A/G

Maritime Helicopter Capability

Improving the capability of the Naval Helicopter Force (NHF).

Agency assessment A Monitoring delivery confidence A

Maritime Sustainment Capability

Will replace the HMNZS Endeavour with a new Maritime Sustainment Capability.

Agency assessment G Monitoring delivery confidence A/G

Network Enabled Army

Improving NZDF's electronic information sharing capability.

Agency assessment G Monitoring delivery confidence A/G

Secret Information Environment

Upgrading NZDF's secret-level communications network.

Agency assessment A Monitoring delivery confidence A

Agency assessment

The Defence White Paper 2016 released by the Prime Minister on 8 June has reset the capital investment portfolio, providing the indicative funding track out to 2030 and outlining the planned force structure to be delivered.

Work is underway to update the Defence Capital Plan and prepare a revised Defence Capability Plan that sets out the planned investments in greater detail and outlines the intended management of the portfolio. These documents are expected to be presented to Ministers for approval in the third quarter of 2016.

Defence is monitoring the delivery of the portfolio through three perspectives:

- projects under delivery;
- projects approaching investment decision within the next four years; and
- initiatives projected further out to 2030.

Projects under delivery are actively monitored and tracked to ensure they remain within the allocated funding and any identified cost pressures are managed and addressed.

The Pilot Training Capability and ANZAC Platform Systems Upgrade projects have exited Treasury monitoring during the reporting period. These projects are nearing closure and have been delivered under the estimated cost at approval.

Where there are cost pressures in other projects in the delivery phase, approval will be sought to manage these through the reallocation of underspends or by capability trade-offs (through either the regular portfolio update or through a specific Cabinet request). Projects approaching investment decision within the next four years will be assessed for potential trade-offs to ensure that the investment decision remains within the indicative funding track. Initiatives projected further out to 2030 are monitored for any potential changes in cost to inform future strategic reviews.

Corporate Centre assessment

This dashboard provides a Defence and Treasury assessment of the overall Defence Capital portfolio, and indicators for projects monitored by Treasury.

As well as this portfolio dashboard, this report includes full dashboards for Defence projects with Cabinet decisions expected in the upcoming period, and delivery phase projects with the greatest risk.

This dashboard includes an Investor Confidence Rating (ICR), which assesses confidence in the agency's overall investment management capability. The ICR process assigned Defence a rating of 'B', and found Defence to be an organisation with strong asset management capabilities.

Defence is in the top tier of capital intensive agencies by value of capital spend. The Government has published an updated Defence White Paper, outlining the security environment and Defence roles and tasks. The Defence White Paper 2016 signals that significant equipment replacement and in some cases enhancement is envisaged between now and 2030. Given the scale of proposed investment, the Ministry of Defence (MOD) and the New Zealand Defence Force (NZDF) will need to tightly manage the cost of the portfolio of investments. As each major investment is considered, MOD and NZDF will need to help Cabinet to evaluate how much and what type of defence equipment it wants to purchase within fiscal settings (considerations should include priority, scaling, cost and timing to manage the portfolio and fiscal impact of each significant investment).

9(2)(j)

Benefits

Defence has implemented a comprehensive benefits management framework which will improve its ability to assign meaningful benefit targets and track and report on achievement of the targets. The Treasury expects that, over time, this will lift performance.

ANZAC Frigate Systems Upgrade – MOD/NZDF

Restoring and upgrading the surveillance and combat capabilities of the ANZAC frigates



Budget and expenditure

9(2)(j)

9(2)(j)

Capital expenditure to date	\$237.30m
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9(2)(j)

The Benefits Management Strategy and Benefits Realisation Plan are being reviewed to meet the requirements of Defence's new Benefits Management Framework.

There is a risk that if NZDF does not appropriately develop its tactics and procedures, the full benefits of the new capability cannot be exploited. Mitigation options are being explored.



Preliminary Design has been completed and a Contract Change Proposal (CCP) for Detailed Design approved on 15 January 2016.

Cost pressures have emerged from the preliminary design and options for managing these pressures are being explored. The first of three Installation Detailed Designs was completed in May 2016. The Ministry has sought from Lockheed Martin Canada (LMC) a costing of the associated Installation Work Package 1 to allow it to do a comparison with the 2014 information that informed the project budget. The Work Package 1 costing information is scheduled to be delivered to the Ministry in September 2016.

The refit is now planned to start in June/July 2017, 8 months later than planned in the October 2015 report. This delay was identified by LMC with the CCP in January 2016 due to the Detailed Design phase having a larger than anticipated volume of work than forecast at contract signing in 2014.

The Project will now engage with key stakeholders to determine the optimum refit schedule considering ship departure date, CCP approval process, operational state of the ship(s) and the pre-refit preparation period in Victoria Canada. This will determine the actual refit start date.

The overall project status remains Amber reflecting the risk to budget and schedule noted above.

Corporate Centre comment

The monitoring delivery confidence assessment remains Amber, due to ongoing concerns around cost and schedule pressures.

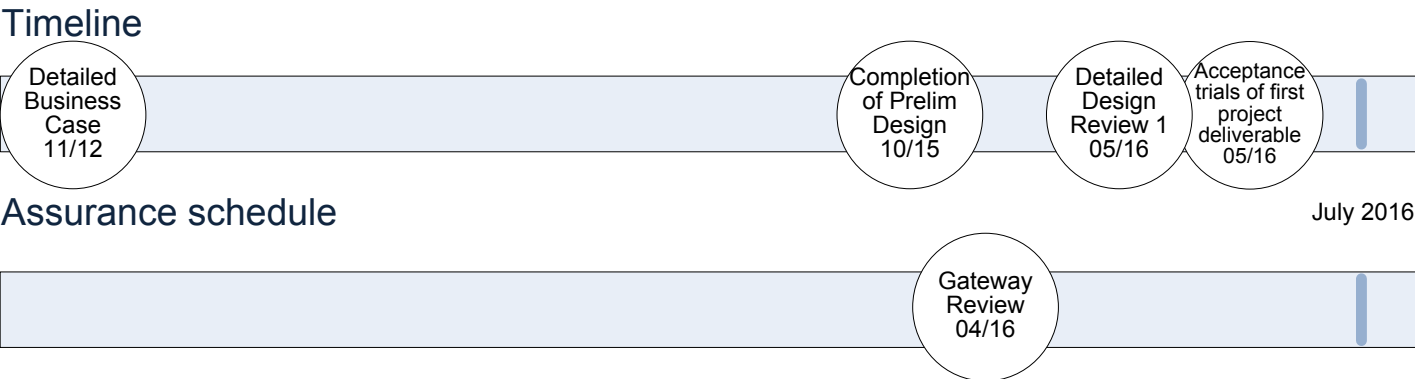
Detailed design continues. The design review for the first of three installation work packages has been completed and cost estimates for this package have commenced. Defence has indicated cost pressures from this work, and as installation costs will not be finalised until May 2017, there is a risk of further pressures.

Defence is looking at a wide range of options to reduce potential cost pressures and is looking to get costing data on Work Package 1 to update the forecasting information on the project installation.

9(2)(j)

As advised in the February 2016 Major Projects Performance Report, the refit start date has been moved back eight months to June/July 2017. Close schedule management is crucial to prevent further delay.

The monitoring focus over the next period will be on the risk of project cost pressures





9(2)(j)

Benefits

The programme business case outlines high-level benefits, which will be further developed in the tranche one business case.

Agency assessment

Budget

G

Timeline

A

Benefits

G

Overall

G

The Defence Estate Regeneration Programme Plan has been prepared for consideration by Ministers.

The Defence White Paper 2016 released in June 2016 confirms the Government’s policy decisions to invest in the Defence Estate.

The Plan is the Defence Force’s blueprint for the future management of the Estate out to FY2029/30. It outlines a regeneration programme of work for the Estate which maximises the value of the indicative funding envelope by prioritising investment in the infrastructure and locations that support capabilities. It also reduces the cost of delivery, so as to deliver a safe, modernised, fit-for-purpose, Estate.

The Plan follows Better Business Case principles and meets Cabinet Office requirements (CO (15) 5) for long term infrastructure investment and asset management.

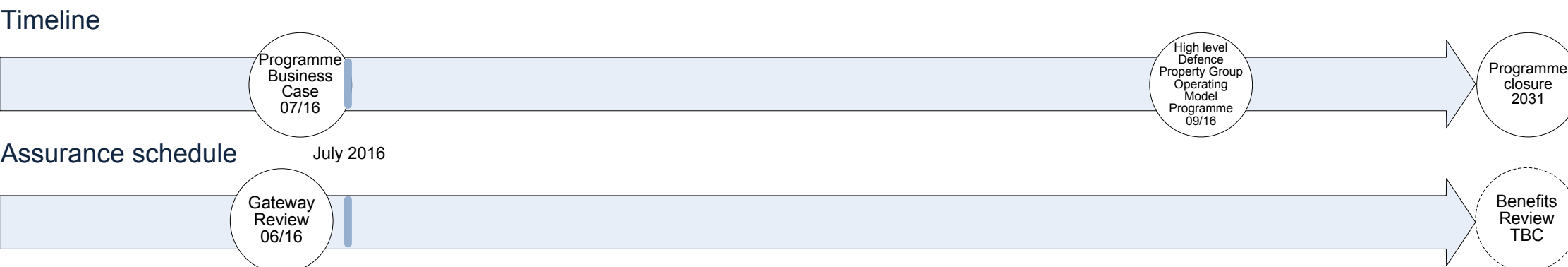
By December 2016, the detail of tranche one investment projects/programmes (FY2017/18 to FY2019/20) will be submitted to the Minister of Finance and Minister of Defence for ‘Approval to Initiate’ works that commence in FY2017/18.

Corporate Centre comment

The monitoring delivery confidence assessment is Amber/Green, reflecting the New Zealand Defence Force’s (NZDF) self-assessment that internal governance and resourcing are not yet in place.

The Defence Estate Regeneration Programme’s objective is to produce a safe, modernised, and fit-for-purpose estate by 2030. The NZDF has developed an overarching programme, which sets out tranches of activity over time. In December 2016, the NZDF will seek approval to initiate the first tranche of investment from Joint Ministers (Finance and Defence). The first tranche focuses on strengthening the NZDF’s property management capacity and capability (i.e. internal governance and resourcing), market engagement, and delivering initial regeneration.

The Treasury assesses that this programme is well placed at this early stage, as it is supported by a robust Programme Business Case.



Maritime Sustainment Capability – MOD/NZDF

Will replace the HMNZS Endeavour with a new Maritime Sustainment Capability

Position in lifecycle



9(2)(j)

9(2)(j)

Expenditure to date	\$5.52m
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9(2)(j)

Benefits

Defence included a benefits realisation plan in the business case approved by Cabinet. There are no major risks to benefits apparent at this stage.

Agency assessment

Budget	<div>G</div>	Timeline	<div>G</div>	Benefits	<div>G</div>	Overall	<div>G</div>
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The Project's focus over the reporting period has been on the development, consultation and submission of the Project Implementation Business Case and associated Cabinet Paper for approval. The project used the new Treasury clinic process for Central Agency business case review and consultation which proved a constructive and efficient means of gaining Central Agency input and agreement on the Project Implementation Business Case.

The Project Implementation Business Case was considered and approved by the Cabinet Economic Growth and Infrastructure Committee on 29 June 2016, and by Cabinet on 4 July 2016. Contract signature is scheduled for late July 2016. The project remains on budget.

The new Maritime Sustainment Capability will be delivered in 2020. 6(a)

Corporate Centre comment

The monitoring delivery confidence assessment has improved to Amber/Green, following approval of the project's Implementation Business Case by Cabinet on 4 July 2016 [CAB 16 Min 03/13].

Approval of the business case was later than previously planned, due to the need to align the Maritime Sustainment Capability with the outcome of the Defence White Paper 2016, and confirm whether it would be ice-strengthened.

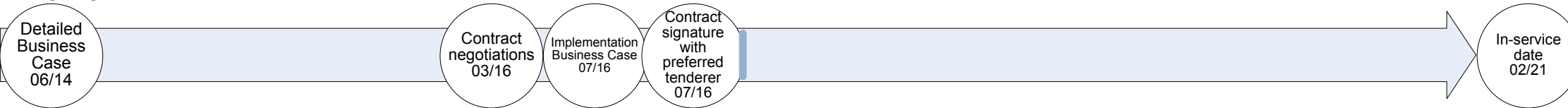
6(a)

The Treasury believes that keeping as close to schedule as possible is of particular importance for this project, 6(a)

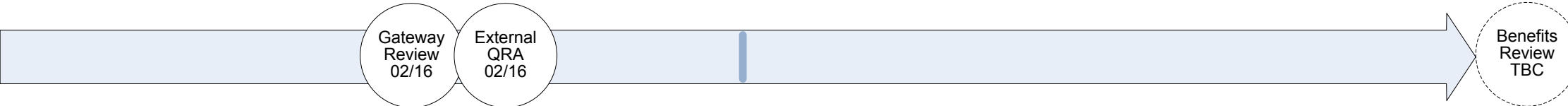
Therefore, careful attention will be needed to ensure any emerging schedule risks are addressed promptly.

Upcoming monitoring focus will be on project schedule.

Timeline



Assurance schedule



Position in lifecycle



9(2)(j)

9(2)(j)

Expenditure to date	\$6.20m
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9(2)(j)

Benefits

The programme has recorded benefits in a Benefits Management Plan. Next steps are to create a Benefits Realisation Plan by the end of tranche one in 2018.

Agency assessment

Budget	G	Timeline	G	Benefits	G	Overall	G
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In early May a series of trials conducted in Waiouru and Trentham demonstrated the Network Enabled Army Mobile Tactical Command System using representative equipment. The Mobile Tactical Command System component of the Network Enabled Army Programme is one of the core capability sets to be delivered and includes combat net radios, display devices, mobile tactical software applications and soldier harnesses.

The demonstration platoon, operating with its Company Headquarters providing command and control, cleared an enemy group occupying several locations.

The Test, Reference and Evaluation Centre to prove capabilities before they are introduced into service is established and contract negotiations are underway to obtain a commercial partner to lead system design work. Orders have been placed for the infrastructure for a deployable command post for the Battalion Group Headquarters and contract negotiations are underway for tactical satellite communications systems.

The overall Programme status during the period is Green noting that Tranche One is under time pressure to meet the planned end date of June 2018.

Corporate Centre comment

The monitoring delivery confidence assessment has improved to Amber/Green as the programme is making good progress in many areas, although resourcing issues and additional time taken with equipment acquisition are still putting pressure on tranche one timeframes.

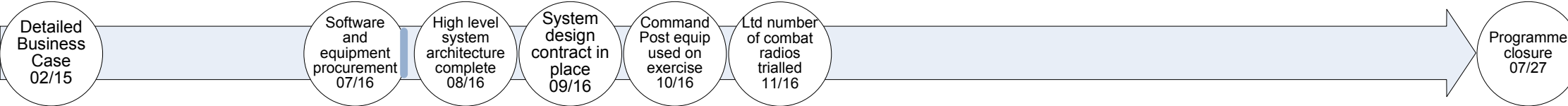
The programme has had role clarity issues that have caused delays while determining ownership of activities. Adding to this pressure is turnover of key personnel that the programme is managing through secondments and recruitment.

The delay in engaging a system designer has added risk to design decision making, as some component design decisions are required now without an overall design to inform them. A high level architecture, expected by 30 August, will help mitigate this risk.

Although later than planned, acquisition activities are underway and other activities are progressing well including: training for battle management software; test planning for command post equipment; tranche one business case; and temporary accommodation for the Test Reference and Evaluation Centre. The programme board is in place and in the process of appointing an independent board member with relevant knowledge and experience to provide impartial advice in support of this significant programme.

Ongoing monitoring focus is the June Independent Quality Assurance review.

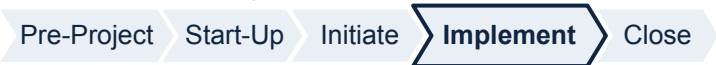
Timeline



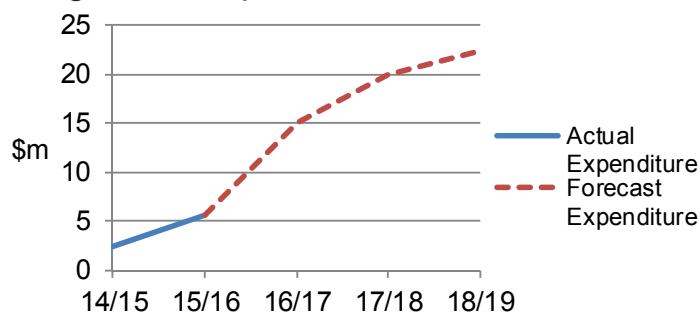
Assurance schedule



Position in lifecycle



Budget and expenditure



Total project budget	\$16.33m
Expenditure to date	\$5.57m
Whole of life cost	\$23.90m

Benefits

MBIE estimates the benefits from introducing NZBN to agencies and business to be \$60m per year but benefits of this size may not be realised until “Tell Government Once” becomes operational. When revision of the benefits plan is complete, Treasury will work with MBIE to establish what range of benefits could be delivered in 2017/2018 and beyond and what plans it has to measure them.

Agency assessment

Budget		Timeline		Benefits		Overall	
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- Public sector implementation of the NZBN (Whole of Government Directions): Cabinet directive issued to government departments on 25 May 2016 and came into force on the same day; Ministerial Direction to Crown entities tabled in Parliament on 26 May 2016 and came into force on 8 July 2016.
- Shared Business Entity Register Project: Project has commenced the build stage of the platform that will hold unincorporated entities e.g. sole traders and partnerships to enable allocation of an NZBN to these businesses from 12 December 2016.
- The NZBN Programme is working with R9 agencies to help them fulfil their commitment to recognise the NZBN in their key business facing systems by the end of 2017.
- Research New Zealand surveyed awareness of the NZBN. The results show that overall awareness of NZBN was 23% amongst all business with awareness highest among larger businesses with 20 plus employees (39%), while sole traders have the lowest level of awareness at 19%. This is to be expected given they have not yet been allocated NZBNs.

Corporate Centre comment

The monitoring delivery confidence assessment remains Amber/Green while the business case benefits are under review. The recent Independent Quality Assurance health check review is expected to confirm the programme is “likely to succeed”.

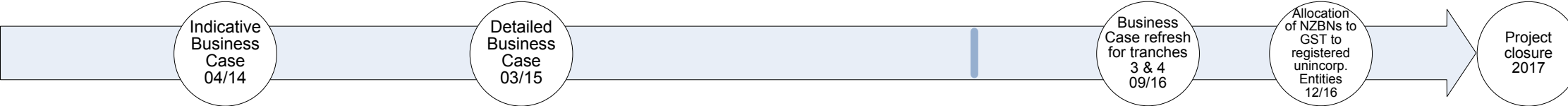
Significant benefits were estimated to be delivered in 2017/18. This timeline represented early thinking and was dependent on agency systems being in place to enable them. Treasury and MBIE now consider it likely that these benefits will take longer to materialise. MBIE is currently reviewing the Detailed Business Case and the associated programme benefit plan.

The issue of the Whole of Government Directions has clarified agencies’ obligations to recognise NZBN and enable Tell Government Once. The cost to agencies of implementing the necessary changes has not yet been determined.

Engagement with the private sector has increased support and prompted some businesses to consider building NZBN into planned upgrades or publicise NZBN to their customers. More engagement is expected with the R9 agencies.

The monitoring focus for the next period will be to review the revised benefits plans and updated business case.

Timeline



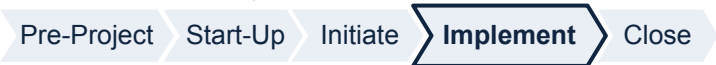
Assurance schedule



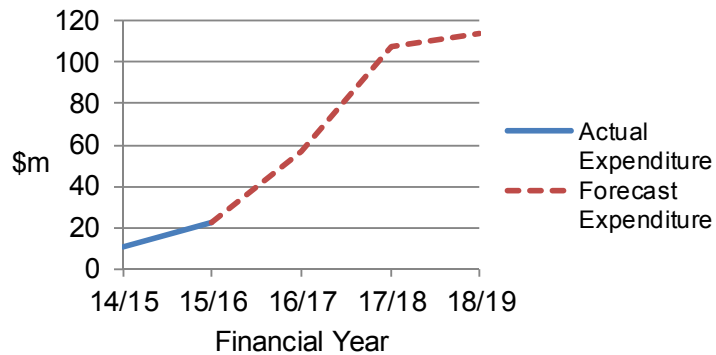
National Biocontainment Laboratory Project - MPI

Replacing the existing Wallaceville biocontainment facility with an enhanced facility

Position in lifecycle



Budget and expenditure



Total project budget	\$127.39m
Expenditure to date	\$21.98m
Whole of life cost	\$444.94m

Benefits

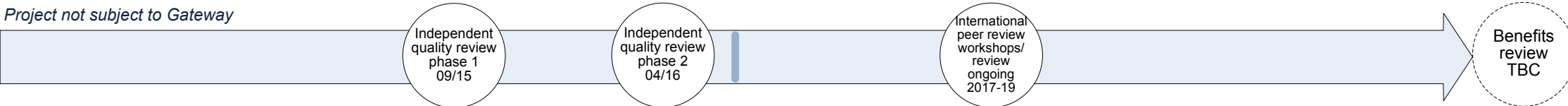
The benefits of the new facility revolve around its key role in response to bio-security incursions, for example a foot and mouth outbreak, and exotic disease investigation. It will also contribute to increased confidence in export certification and continue the provision of safe handling of viruses and bacteria. These benefits remain the focus of the design, build and operation of the facility.

Timeline



Assurance schedule

Project not subject to Gateway



Agency assessment

Budget		Timeline		Benefits		Overall	
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During the reporting period the project performed well. In the period July 2015 - June 2016 final approval to proceed with construction was given by Cabinet and a contract signed with The Fletcher Construction Company. Construction commenced on 22 October 2015 with the first sod being turned by the Minister. Site excavation was completed over the summer 2015/16 period and piles were placed in early 2016. Foundations, including the building’s seismic protection elements (base isolation) have been installed and the ground floor of the facility is under construction.

An Independent Quality Assurance Review was completed in September 2015. Resource issues were identified following review of the project by an international expert panel. This has been addressed through a range of responses including recruitment and identifying and implementing mitigation strategies to “key person” risks. Overall the project remains on track to deliver project objectives.

Corporate Centre comment

The monitoring delivery confidence assessment remains Amber/Green. Overall the project is running to schedule and budget.

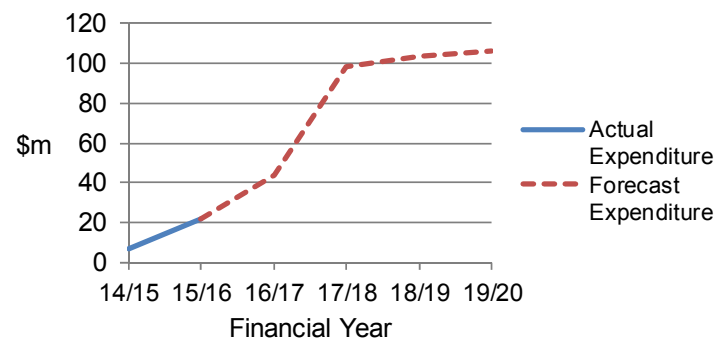
Minor construction slippage to date is expected to be made up and the increased cost of enhanced fire suppression is planned to be funded from contingency. Resourcing issues identified by a recent Independent Quality Assurance review have been addressed by the recruitment of more specialist staff. The process of certification of the design and construction detail highlighted some risks with the cleaning of elevated plant and laboratory air leak rates and effective solutions have been proposed and are being evaluated. The additional cost associated with these responses should be estimated during the next reporting period. Any cost increases are also expected to be covered from contingency.

Monitoring focus for the next period will be progress with the building certification and consent and assessing any increase in costs.

Position in lifecycle



Budget and expenditure



Total project budget	\$113.73m
Expenditure to date	\$21.85m
Whole of life cost	\$95.20m

Benefits

A Census Benefits Management Strategy and Realisation Plan is in place. The Programme has revised the plan and measures and is seeking internal governance sign off during July 2016.

Agency assessment

Budget G

Timeline G

Benefits G

Overall G

- The Governor General proclaimed Census Day as 6th March 2018.
- A test of 22,000 households was held in March 2016. The final response rate of 59.3% exceeded expectations as did the internet response rate of 63.7%.
- A second test, of census content, is currently in progress using the Auckland Council People’s Panel for testing the online sample & a further sample of 8,000 households for paper form testing. This is a test of new & changed topics including topics like sexual orientation, housing quality, and a third option for people to select if they are neither male nor female biologically.
- RFP for paper related products & services was published on GETS on 6 May 2016 (this contract includes printing, logistics, mail services and scanning).
- A decision has been made to use a recruitment agency for the employment of two of the four levels of our field staff in 2018. A RFP was released on GETS on 12 July.
- Changes implemented to enhance the programme governance, particularly in the area of managing the critical dependencies between 2018 Census & other Statistics NZ projects required for Census’ success.
- Programme risks to be reviewed at a Risk Workshop to take place July/August 2016.
- Phase 2 Programme and Project Plans endorsed and signed off & baseline budgets accepted, KPIs signed off & benefits are being reviewed.

Corporate Centre comment

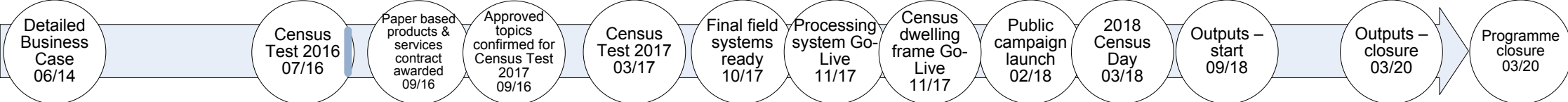
The monitoring delivery confidence assessment remains Amber as the programme has key risks and issues that require active management and governance. These risks and issues include: technical review findings to address; critical dependencies with internal and external suppliers for the ICT environment needed for the Census; and integration risks.

A key finding of the technical review was confirmation that the programme had a well thought through overall design solution. It also noted areas to improve: lack of clarity for some roles; unclear ownership of key programme components; tensions for projects delivering both corporate and Census requirements; and a need to strengthen integration management and programme governance. Statistics is addressing the issues raised with many in progress and the new roles and new governance arrangements fully in place. Over time these changes should reduce the programme’s risk profile.

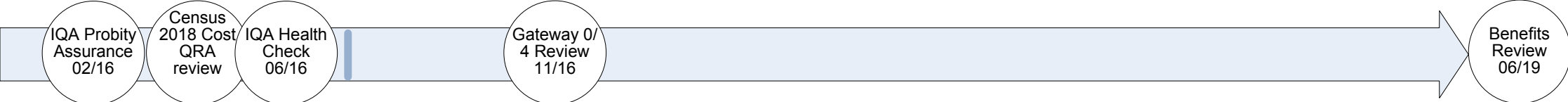
The July Census content test and market tender processes are tracking well. Statistics governance has signed off phase two plans and the programme remains on track for the Census 2018 go-live on 6 March 2018.

Ongoing monitoring will focus on addressing the technical review findings and management of key dependencies, issues and risks.

Timeline



Assurance schedule





Budget and expenditure

Forecast expenditure not available.

Total project budget	\$9.10m*
Expenditure to date	\$0.40m
Whole of life cost	TBC

*Project budget for 2016/17 only.

Benefits

High level benefits and costs have been developed as part of the Programme Business Case, and will need to be reviewed in conjunction with the updated implementation plan. A benefits realisation plan will be developed as the business case progresses.

Agency assessment

Budget	Timeline	Benefits	Overall
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The Māori Land Service (MLS) will support Māori land owners to strengthen the management and utilisation of their land as proposed by the Te Ture Whenua Maori (1993) Act (the Act) reform. This programme will deliver on the vision of the Act's reform.

Achievements include the establishment of the Programme Governance Board and appointment of an independent member; the appointment of four members to the Chief Executive's Māori Land Service Advisory Group; the appointment of the Director, Māori Land Service Design and the near completion of the procurement process to select suppliers to complete the detailed service design of the Māori Land Service and a Māori Land Service Business Case. Initial planning to undertake a series of engagement with key stakeholders (especially Māori landowners and treaty partners) to co-design the delivery options for the Māori Land Service is underway. These options will be included as part of the Māori Land Service Business Case.

The programme team has a robust relationship with the Corporate Centre and have incorporated guidance where appropriate. Of concern is the possibility of alterations during the passage of the Bill through the House in 2017 which may impact service design. Additionally the budget split between capex and opex funding will need to be reviewed in conjunction with the ICT workstream.

Corporate Centre comment

The monitoring delivery confidence assessment has improved to Amber/Green, following successful engagement of programme management capability and establishment of a governance group with a well-considered composition.

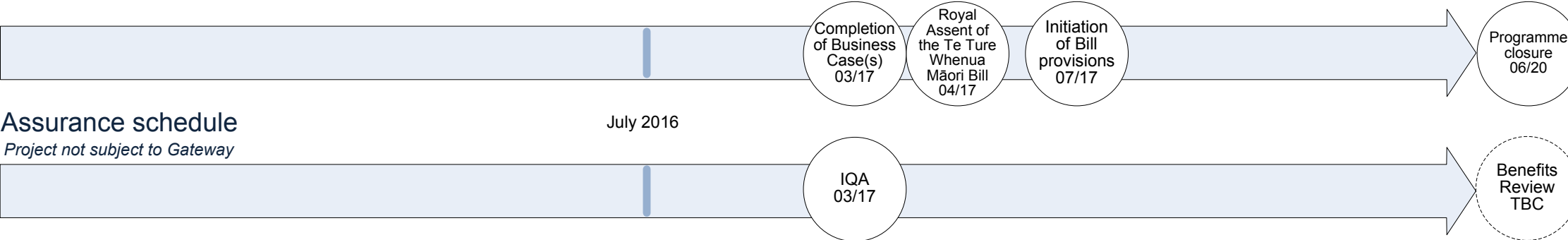
TPK will now develop an implementation plan, with a target of presenting a Single-stage Business Case to Cabinet in March 2017.

Key risks to manage in the upcoming period include the interdependencies with LINZ's ASaTs system procurement, achieving sufficiently timely and effective stakeholder engagement, and delivering a quality business case in the desired timeframe.

NZGP reports that TPK have engaged with NZGP as they work to secure the necessary initial resources – Programme Management, service design and business case writing. NZGP has provided support to TPK in planning and evaluation of the initial procurement. TPK may wish to consider timely engagement of specialist commercial expertise to provide support in subsequent stages of the project.

The monitoring focus for the next reporting period will be on governance, business case development and risk management.

Timeline



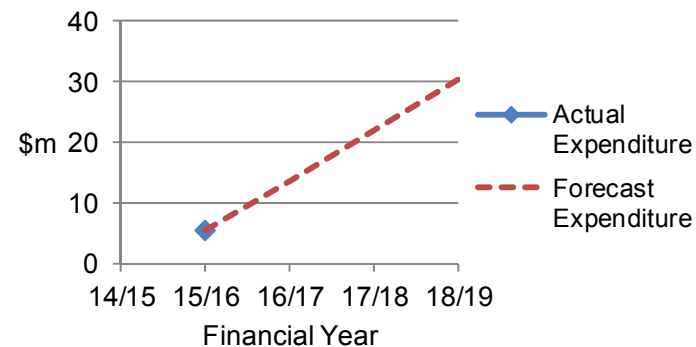
Assurance schedule

Project not subject to Gateway

Position in lifecycle



Budget and expenditure



Total project budget	\$53.45m
Expenditure to date	\$5.55m
Whole of life cost	\$42.86m

Benefits

The programme is progressively delivering the benefits as the DELTA Programme V1.2 benefits plan, and the benefits plan will be updated once the strategic review has been completed.

Education Infrastructure Services is currently developing a benefits realisation report.

Agency assessment

Budget		Timeline		Benefits		Overall	
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Programme highlights include growth in the numbers of schools signed up to use PaCT; stage 1 of the integration of Te Waharoa Ararau (TWA) into the PaCT platform is on track for implementation in July 2016; the final Student Information Sharing Initiative (SISI) report has been released; launched the Grass Roots Ideas Initiative to investigate and share learning ideas from teachers which take advantage of digital tools and resources; completed development of online resources designed to assist teachers on the use of digital technologies in teaching and learning.

The technical proof of concept project to move schools administration from on-premises into the cloud is on track for implementation in July 2016

Progress towards the benefits realisation remains on track and the overall status of the programme is Green.

The DELTA Programme is included in a wider strategic review to ensure alignment with the Ministry's Digital Strategy which is expected to be completed in September 2016.

Technology in Schools (TiS)

Transition to benefits realisation is underway and work continues on the benefits realisation plan. The outgoing programme director remains available for continuity purposes and it is envisaged that a plan will be complete by the end of July 2016.

Corporate Centre comment

DELTA

The monitoring delivery confidence assessment remains Amber/Green as component projects are continuing to progress and meet milestones. A strategic review of the ICT work programme is underway. The outcome of this review and the effect on the DELTA programme is expected to be confirmed by September 2016.

Monitoring focus for the next reporting period will be confirming the strategic review.

Technology in Schools (TiS)

The ultra-fast broadband infrastructure, which underpins the digital learning outcomes, is over 95% complete and Education Infrastructure Services (EIS) is currently preparing a benefits realisation report.

Education ICT Portfolio

The Treasury and Ministry of Education had previously discussed how this programme aligns with the 2015-2020 ICT Strategy and the wider Education System. The Ministry is considering the development of a system wide portfolio approach which is a positive step towards aligning the education system. Treasury acknowledges that the alignment of the system is complex by nature and will support the Ministry through this process.

Timeline



Assurance schedule





9(2)(b)(ii)

Expenditure to date	\$2.36m
Whole of life cost	TBC

Benefits

The programme has included high level costs and benefits in the Programme Benefits Case. This will be refined and Benefits Realisation Plan developed in the implementation business case due November 2016.

Agency assessment

Budget

Timeline

Benefits

Overall

G

G

G

G

The programme is rated by the Ministry as being at Green status.

The Programme Business Case was approved by Cabinet on 21 March 2016. Subsequent to Cabinet approval, the Ministry issued a Request for Proposal (RFP) to the IT services market for a new resourcing system. The RFP evaluation process is currently underway and a preferred vendor will be selected by November 2016.

The outcome of the RFP process will inform the Implementation Business Case that will be finalised for approval by Joint Ministers of Education and Finance in November 2016.

The ERS programme remains on track and on budget to replace the current resourcing system by 2020, when support for the current system finishes.

Corporate Centre comment

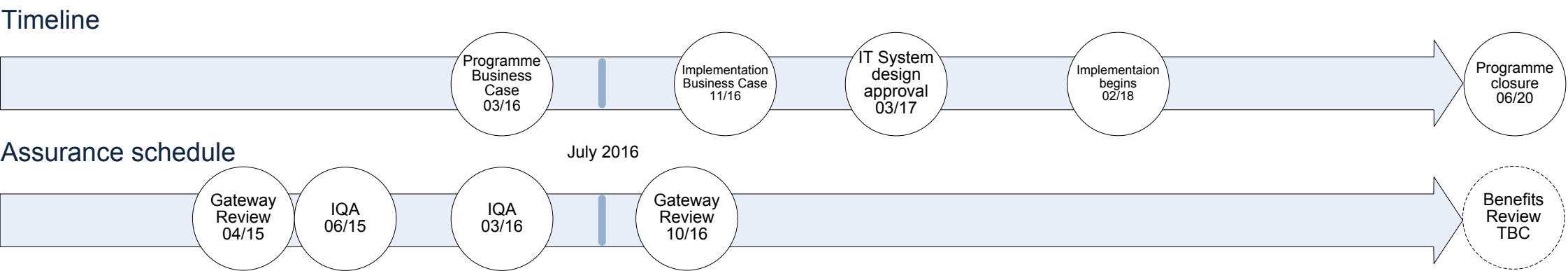
The monitoring delivery confidence assessment has improved to Amber/Green due to the revised timeline and milestones being met.

The Programme Business case was approved by Cabinet in March 2016, the RFP IQA was completed, and the procurement process for an ERS has commenced. The Implementation Business Case is due to be completed for submission to Joint Ministers in November 2016 for approval.

The monitoring focus for the next reporting period will be progress of the procurement process and submission of the Implementation Business Case for approval.

Education ICT Portfolio

The Treasury and Ministry of Education had previously discussed how this programme aligns with the 2015-2020 ICT Strategy and the wider Education System. The Ministry is considering the development of a system wide portfolio approach which is a positive step towards aligning the education system. Treasury acknowledges that the alignment of the system is complex by nature and will support the Ministry through this process.





Budget and expenditure

9(2)(f)(iv)

Total project budget	TBC
Expenditure to date	\$0.60m
Whole of life cost	TBC

Benefits

The programme has developed high level costs and benefits in the Indicative Business Case. This will be refined and developed during the detailed business case phase due for completion in October 2016.



The programme has undertaken the analysis, development, and planning required for a detailed business case that will ensure a long-term sustainable payroll service. The programme has completed a Draft Detailed Business Case reviewed by the EPL Board, Ministry of Education, and Treasury. Formal reviews are planned for August including a Better Business Case clinic, technical review, benefits review, and a Quantitative Risk Assessment. In parallel work will be completed on funding implications and options. The Final DBC is expected to be available for Targeted Investment Review by 19 September.

Corporate Centre comment

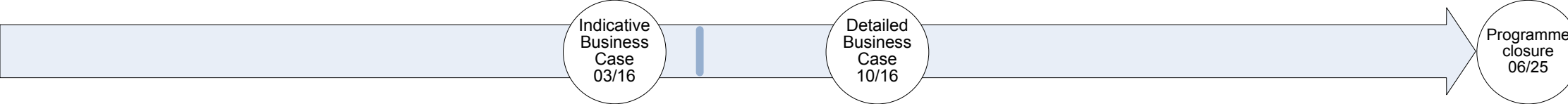
The monitoring delivery confidence assessment remains Amber, as the long-term strategic direction for the Payroll Services remains unclear.

The Treasury and Ministry of Education had previously discussed how this programme aligns with the 2015-2020 ICT Strategy and the wider Education System. The Ministry is in the early stages of developing a system-wide portfolio approach which is a positive step towards aligning the education system. Treasury acknowledges that the alignment of the system is complex by nature and will support the Ministry through this process to inform the Detailed Business Case (DBC).

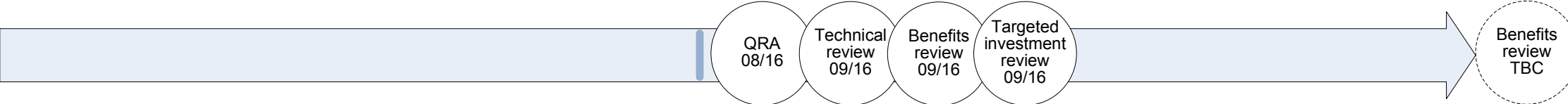
The Indicative Business Case was approved by Joint Ministers and the EPL board in March 2016. The alignment of the programme to Ministry strategy and options are being discussed as part of the development of the DBC. The DBC is due to be completed in October 2016.

The monitoring focus for the next reporting period will be completion of the DBC and alignment to the Ministry of Education strategic portfolio approach.

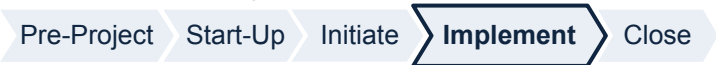
Timeline



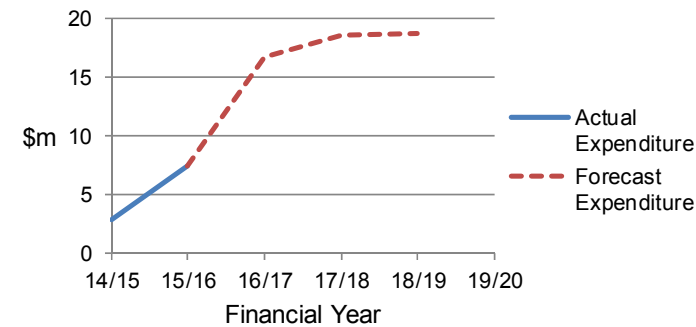
Assurance schedule



Position in lifecycle



Budget and expenditure



Total project budget	\$18.66m
Expenditure to date	\$7.40m
Whole of life cost	\$23.20m

Benefits

The project has identified clear benefits and has developed a Benefits Management Plan. Processes are in place to monitor and measure benefits, and the benefits owner and manager have been identified. The benefits plan will be updated to reflect any changes resulting from the re-baseline.

Agency assessment

Budget G Timeline A Benefits G Overall A

Overall the project is expecting to deliver to baseline dates.

The prime vendor has delivered on time an initial build of the enQuire product. This has successfully been installed on the new infrastructure that the Ministry has built for the PAM Project testing cycles.

MFAT staff who will be future enQuire users have been engaged early to conduct Initial Acceptance Testing on the product commencing in June and will continue in planned test cycles to November. The project still has a number of critical dependencies on other Ministry projects and close coordination is continuing, and all projects are being monitored at appropriate levels of governance in the Ministry.

Confirmation of delivery dates for critical dependencies are still to be confirmed. MFAT has assessed its status as Amber/Green for March to June 2016 period. It is too early to forecast status for the next quarter pending confirmation of delivery dates as noted above.

SRO comment

The Project is making good progress and the PAM Project and dependent projects are working closely together. There remain challenges to the delivery of the integrations with other Ministry systems as these are introducing new technologies to the Ministry but these are being actively managed.

Corporate Centre comment

The monitoring delivery confidence assessment has improved to Amber/Green, as the programme has been re-baselined, confirmed delivery milestones are in place, and the project end date is forecast to be completed by December 2017 as originally planned.

The design approach has changed for some components from a waterfall to an agile methodology.

New Zealand Government Procurement has some residual concerns over the capacity of the prime provider to support delivery of the platform within agreed timeframes.

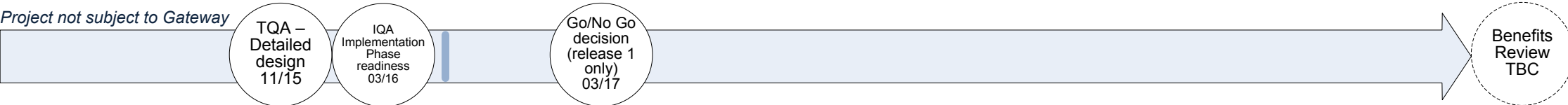
MFAT has identified a number of mitigation measures for delivery risks should they be required.

The monitoring focus for the next reporting period will be progress of the project against revised milestones.

Timeline



Assurance schedule



Position in lifecycle



Budget and expenditure

Forecast expenditure not available

9(2)(b)(ii), 9(2)(j)

Expenditure to date Not available

9(2)(b)(ii), 9(2)(j)

Agency assessment

Budget

A

 Timeline

R

 Benefits

A

 Overall

R

DHBs were scheduled to start migrating from their current 40 data centres of varying size, age, quality and adherence to standards, to two modern IBM-managed data centres from July 2015, as Infrastructure-as-a-service (IaaS). However, on behalf of its 20 DHB shareholders, NZ Health Partnerships has twice made the decision to delay the launch of the NIP 9(2)(b)(ii), 9(2)(j)

The collaboration includes two recent technical assessments of IBM's solution. The first was led by NZ Health Partnerships (March 2016) with the assistance of DHB Chief Information Officers and other subject matter experts. The second was conducted by the GCIO (May 2016).

9(2)(b)(ii), 9(2)(j)

9(2)(b)(ii), 9(2)(j)

Ministry of Health comment

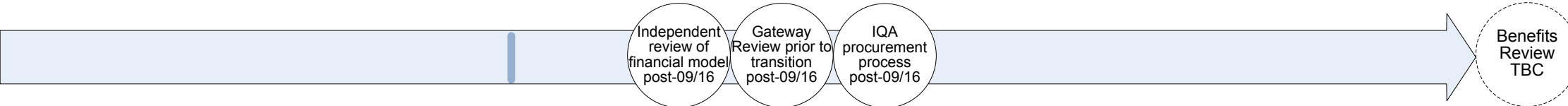
The monitoring delivery confidence assessment is Amber/Red due to the non-performance of the vendor 9(2)(b)(ii), 9(2)(j)

The Programme is currently in a rest phase with a Stage Gate in September 2016, the purpose of the Stage Gate being a decision whether there is a viable way forward for the programme.
Ongoing monitoring focus will be on the Stage Gate decision, and the implications of any decisions arising from that Stage Gate.

Timeline



Assurance schedule



Interim IT infrastructure arrangements are in place at DHBs to mitigate operating risk.



Budget and expenditure

Forecast expenditure not available

Total project budget	\$65.00m
Expenditure to date	\$59.00m
Whole of life cost	Not available

Agency assessment

Budget

Timeline

Benefits

Overall

G

G

G

G

Background

The National Oracle Solution (NOS) is a common suite of integrated applications that are used to manage and report on core DHB activities including financial management accounting, supply chain management and business intelligence. Utilising Oracle’s Enterprise Resource Planning software, the NOS will be managed and delivered to all 20 DHBs as a common service.

Programme’s performance in the reporting period:

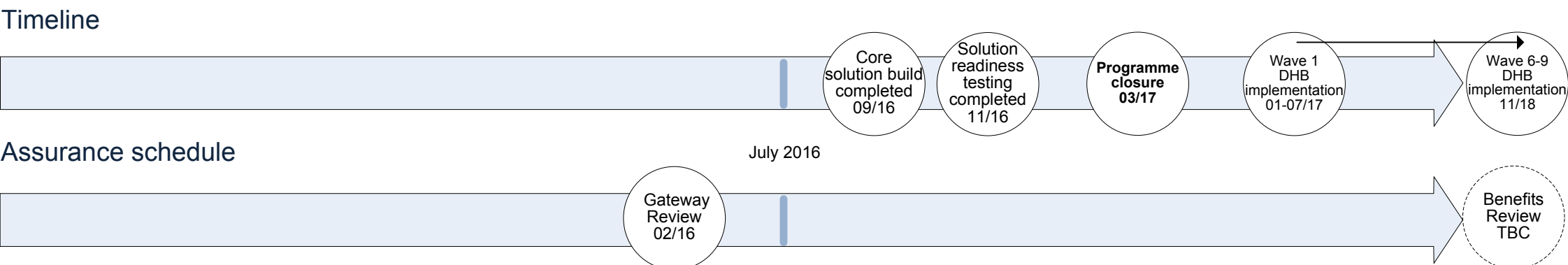
- The NOS programme passed its November Stage Gate, with the time and cost components to complete the build of the core solution approved.
- The NOS programme completed the Treasury Actions required from the November Gateway review.
- The build of the core solution (technology) commenced prior to 31 March 2016 and is currently 90 per cent complete.
- The development and proof of concept environment was built by the end of June 2016.
- An infrastructure as a service (IaaS) contract was signed with Datacom in April 2016.

Ministry of Health comment

The monitoring delivery confidence assessment is Amber/Green.

With the issues encountered by NZ Health Partnerships in relation to the National Infrastructure Programme, timely delivery of the information as a service for NOS may be challenging as the first wave of DHBs to transition onto NOS is scheduled for the beginning of 2017.

Ongoing monitoring will continue to focus on progress against the project plan.





Budget and expenditure

9(2)(f)(iv)

Expenditure to date	\$0.73m
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9(2)(f)(iv)

Benefits

The Ministry is including the high level costs and benefits in the Programme Business Case for Cabinet approval in August 2016. The main benefits include: reduction in bowel cancer mortality; reduction in bowel cancer incidence; increase in five year relative survival rate for colorectal cancer; improved service delivery; and more cost effective healthcare.

Agency assessment

Budget	<div>G</div>	Timeline	<div>A</div>	Benefits	<div>G</div>	Overall	<div>A</div>
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As part of Budget 2016 Cabinet approved partial funding to commence the work for a staged roll-out of a national bowel screening programme (NBSP). Cabinet approval of the re-stated NBSP Programme Business Case is required before the Budget 2016 operating funding can be spent (due to Cabinet in August 2016). The ongoing funding for the programme is subject to a Budget 2017 bid.

The Ministry has worked with DHBs and given them a range of information including indicative screening and treatment volumes and the screening pathway. On the basis of the information provided, all DHB CEOs have agreed in principle to implementing a national bowel screening programme for their population by the end of 2019. The Ministry will continue to work with DHBs in developing IT system requirements and necessary infrastructure to support national roll out. The Ministry is managing the risk that the national IT system will not be ready in January 2018 for the roll-out of screening to the Tranche 2 DHBs during 2018. In addition, Professor Des Gorman, Executive Chair of Health Workforce New Zealand, has written to Investment Ministers stating that based on the current workforce modelling and plans in place; HWNZ supports the implementation of a national bowel screening programme. A revised PBC is due to be considered by Cabinet in the next few months.

Hutt Valley and Wairarapa DHBs are on track to commence bowel screening in July 2017.

Corporate Centre comment

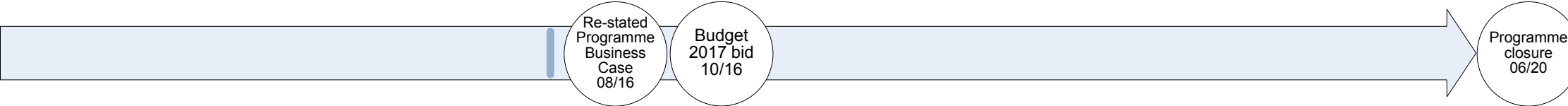
The monitoring delivery confidence assessment has improved from Red to Amber/Red. Good progress has been made on improving the Programme Business Case (PBC), which is based on a strong value proposition with the potential to deliver significant benefits to the health system. However, the Treasury has concerns about programme delivery, and in particular the programme rollout schedule still appears extremely difficult to achieve.

In light of the very compressed timeframe, the Ministry is appropriately seeking independent advice about the programme delivery method, including the approach to the delivery of the supporting IT platform, and achievability of the timeframe. This will inform the rollout plan.

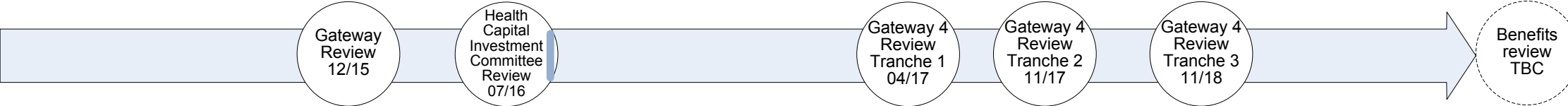
The Ministry sought programme funding from Cabinet from Budget 2016. Cabinet held the capital funding and approved the operating funding subject to their approval of a restated PBC that includes: agreement in principle to the PBC from District Health Boards; options analysis for the IT system; letter from Chair of Health Workforce New Zealand confirming sufficient workforce capacity to deliver the programme; and evidence the Waitamata bowel screening pilot findings support the PBC.

The Ministry sought feedback from the Corporate Centre on the restated PBC during July, and will seek Cabinet approval in August, and budget 2017 funding for the remaining programme costs. These are focus areas for the next period.

Timeline



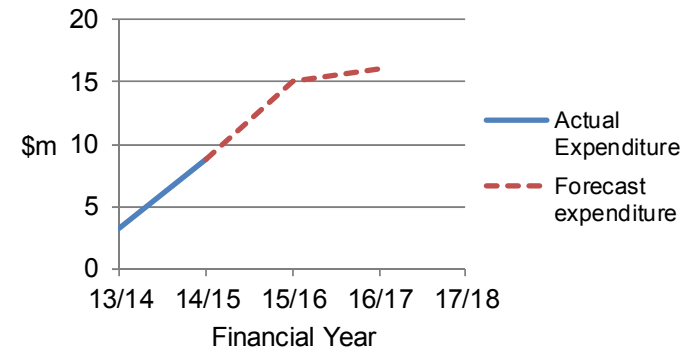
Assurance schedule



Position in lifecycle



Budget and expenditure



Total project budget	\$16.40m
Expenditure to date	\$7.50m
Whole of life cost	Not Available

Benefits

Full benefits realisation may take a little longer than originally planned due the potential delay in collecting all the required phase three data.

Agency assessment

Budget	G	Timeline	A	Benefits	A	Overall	A
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The first public release of NPF First Specialist Assessment (FSA) Referral data from Phase 1 was published in April 2016 with a second release scheduled for July and quarterly thereafter.

Data capture and submission for the additional Phase 2 Referral scope is underway.

DHB implementation plans and readiness assessments for Phase 3, being the full scope of the collection, show notable gaps and schedule issues for wholesale change. This is expected to delay some of the benefits realisation for this project as it requires national data to fully achieve the expected benefits.

Appropriate risk management and strong ongoing service delivery management are critical success factors to facilitate quality and completeness of the data collection as it develops over time.

Corporate Centre comment

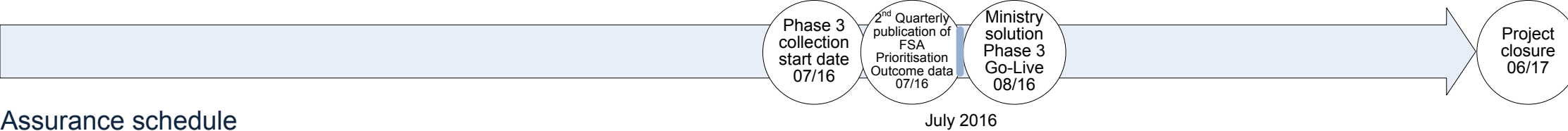
The monitoring delivery confidence assessment remains Amber due to ongoing issues with gaps in data completeness and quality, and funding pressures.

The project has cost pressures for phase three as phase one and two costs were \$1.3m higher than projected in the approved business case. The Ministry is managing this by prioritising deliverables with business stakeholders to identify reductions in scope that will not compromise providing core capability and realisation of the expected benefits.

Project phase one is completed and the Ministry published the available data in April 2016. 17 of the 20 DHBs are granted provisional compliance for Phase 2 data collection in the production environment. Early indications from DHBs for phase three planning are that some may not be able to deliver the required data collection and data quality. This could delay full benefits realisation for the project. The Ministry is continuing to work closely with DHBs to help improve data quality and completeness.

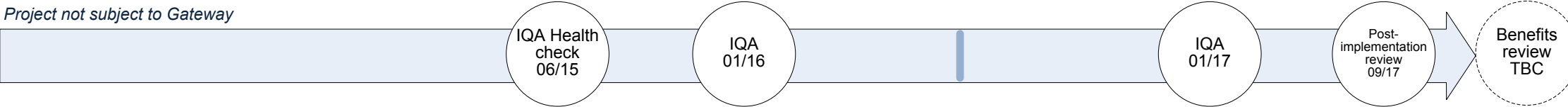
The areas of monitoring focus for the next reporting period is the DHB data quality and completeness for phases two and three, and the impact of any reductions in project scope.

Timeline



Assurance schedule

Project not subject to Gateway



Position in lifecycle

Pre-project Startup Initiate Implement Close

Budget and expenditure

Total project budget

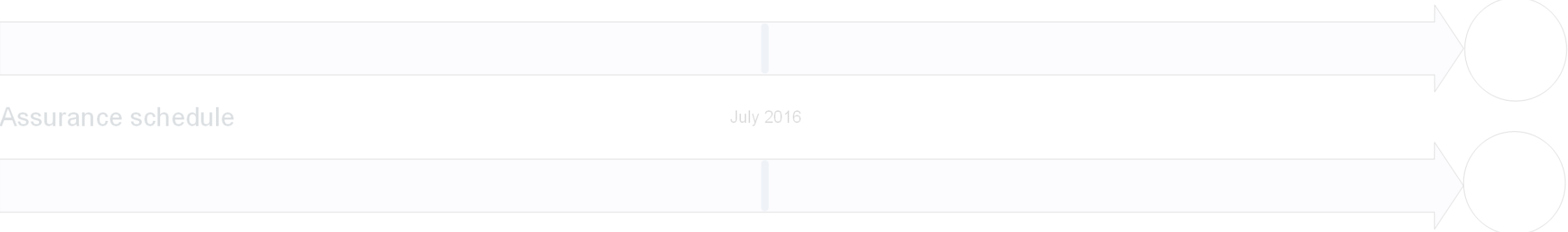
Expenditure to date

Whole of life cost





Benefits

A Benefits Review Plan is in place and quarterly benefits reviews are occurring. GCSB continues to refine performance measures associated with some of the forecast benefits but baselines are being established to schedule. A recent IQA assesses that CORTEX is on track to realise the benefits set out in the project’s business case.

Timeline



Agency assessment

Budget  Timeline  Benefits  Overall 

CORTEX is a project to counter cyber threats to organisations of national significance – for example to operators of critical national infrastructure.

The project involves GCSB implementing capabilities to protect these organisations against advanced malicious software (‘malware’). The capabilities also enable advanced malware to be detected and disrupted. CORTEX operates with the explicit agreement of the organisations that are protected from cyber threats.

The overall project status remains Green. There are ongoing resourcing risks, but mitigations are in place.

Corporate Centre comment

The monitoring delivery confidence assessment remains Amber/Green, due to resourcing risks. GCSB is applying mitigations to counter these risks but some are likely to remain until later this calendar year.

A recent Independent Quality Assurance (IQA) review has found CORTEX to be well-run, achieving maturity scores not normally seen for government projects. The IQA report notes particular strengths exist around project leadership and management, the operation of the project board (which “discharges governance and challenge roles well”) and clarity of purpose.

The project’s focus is now turning to transitioning the newly-built capabilities to “business-as-usual” ownership. The Treasury believes this focus is the correct one at this point in time.

The project schedule has been extended by 4 months to allow the timing of the on-boarding of new staff (which has been slow for some specialist roles) to better align with customer demand for CORTEX services (which remains strong). GCSB is confident that the project budget will not be exceeded, even allowing for this minor schedule amendment.

Upcoming monitoring focus will be on transition processes as well as ongoing resourcing risks.

Position in lifecycle

Pre-project Startup Initiate Implement Close

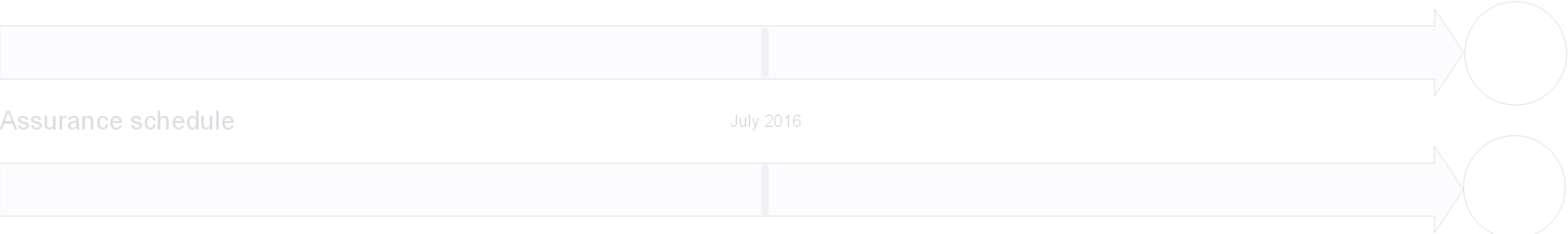
Budget and expenditure

Total project budget
Expenditure to date
Whole of life cost

Benefits

A Benefits Management Strategy is in place, and accountability for realisation of benefits has been assigned to specific owners. Business case benefits appear achievable, but benefits measures need refinement to fully reflect the value of what is being delivered.

Timeline



Assurance schedule

Agency assessment

Budget

G

 Timeline

A

 Benefits

G

 Overall

A

CPMI is a project to replace the infrastructure which ensures highly classified government communications are secure. The current infrastructure – operated by GCSB and relied upon by a number of government agencies – is obsolescing. Funding for this project was set aside as part of Budget 2015, subject to presentation of an Implementation Business Case. The Implementation Business Case was approved by Ministers in March 2016.

The detailed design phase of the project is now underway. The project status is rated as Amber/Green rather than Green because of schedule risks arising from likely capacity constraints of the main external supplier.

GCSB is currently considering additional actions to mitigate these risks, which are not unanticipated.

Corporate Centre comment

The monitoring delivery confidence assessment has declined to Amber, due to pressure on schedule.

Schedule pressure is being driven by two factors. The first is a possible supply chain constraint on an external dependency. The impact on the project will be assessed over the coming month. The other factor causing schedule pressure is recruitment related issues.

GCSB is responding appropriately to these developments, and at this stage the Treasury is confident the schedule pressure can be managed without impacting the success of the project.

Monitoring focus over the next period will be on progress responding to these pressures.

Prison Capacity Programme (Phase 2) - Corrections

To ensure there is sufficient capacity to accommodate prisoners over the next ten years

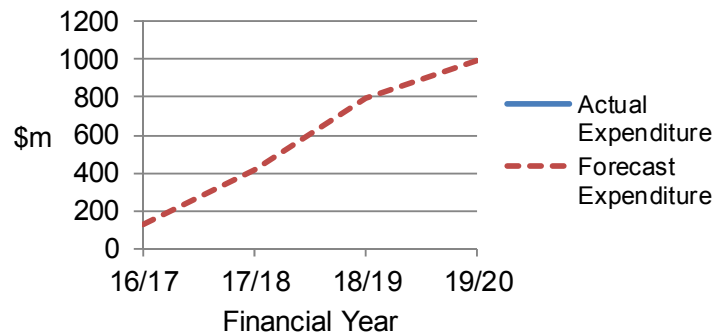
Monitoring delivery confidence A

Previous NEW

Position in lifecycle



Budget and expenditure



Estimated total capital costs	\$1,192.96m
Expenditure to date	\$0m
Whole of life cost	TBC

Benefits

A benefits plan is being developed in conjunction with the program business case and Treasury expects that the plan to be complete before consideration of the business case by Ministers.

Agency assessment

Budget G Timeline G Benefits G Overall G

The Department of Corrections is developing a Programme Business Case to ensure there is sufficient capacity to accommodate prisoners over the next ten years. This Programme Business Case will consider the likely shortfall between future demand for prisoner places and available capacity as well as broad options for building new capacity, and a cost estimate of these options.

The Programme Business Case is being developed in accordance with Treasury's Better Business Case guidelines and in consultation with Treasury, MBIE, Police, Justice and other key stakeholders. The Business Case will determine the recommended investment options to meet the Department's capacity requirement and will also outline how projects that result from the PBC could be financed, managed and procured.

Corporate Centre comment

The initial monitoring delivery confidence assessment for this new programme is Amber at this early stage of business case development due to the significant investment that may be required and the uncertainty of forecast demand.

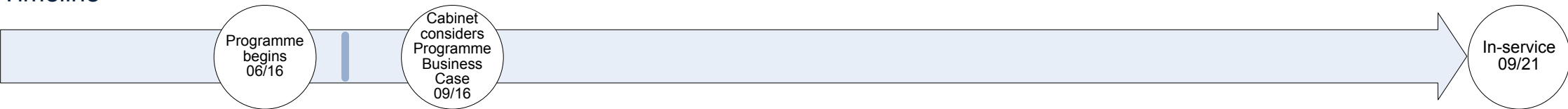
The programme's primary objective is to deliver a safe and fit for purpose prison network that can accommodate expected demand growth and be resilient to demand uncertainty. The demand uncertainty is driven by uncertainty about the effect of new policies which could vary the additional demand required by +/- 10%.

Phase one of the programme is delivering tactical capacity growth by double bunking in four existing prisons. The phase two programme is proposing additional double bunking and new buildings on brownfields sites.

Engagement with the Corporate Centre is strong. There have been a number of collaborative workshops on delivery options for the phase two business case.

The focus over the next reporting period will be on completion of the programme business case, with immediate capacity growth requiring approval, to be presented to Cabinet in September 2016.

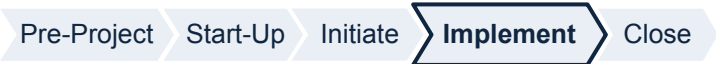
Timeline



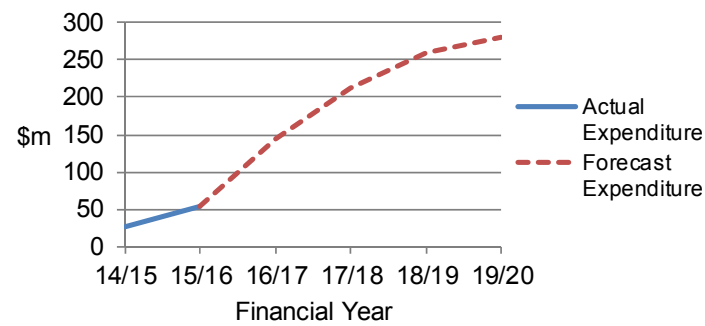
Assurance schedule



Position in lifecycle



Budget and expenditure



Total project budget	\$280.00m
Expenditure to date	\$53.00m
Whole of life cost	\$456.00m

Benefits

Benefit delivery remains on track. New initiatives have been identified with Xero, MYOB and Westpac and processes introduced to speed up weekly compensation payments and improve the look and feel of invoices. Others are under consideration. Some of the quick win initiatives may improve customer satisfaction and deliver time saving benefits earlier than planned.

Agency assessment

Budget	G	Timeline	A	Benefits	G	Overall	G
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The Transformation Programme is currently completing a planned six monthly review of the Updated Business Case. In this update the programme is also confirming the Integrated Programme Plan for the Delivery Phase.

The Transformation Programme has completed the Diagnostic, Integrated Planning, and Design phases, and is progressing with Delivery. The Benefits Realisation Plan remains current.

The updated Business Case and Integrated Programme Plan will be presented to the Shaping Our Future Board Committee for their consideration on 27 July with no change to the approved approach currently in place anticipated.

The Programme is negotiating contracts with the preferred Transformation Partner and is also working closely with the preferred Policy and Levy Management (PLM) vendor. Once contracts have been negotiated and signed, ACC intends to formally announce the Transformation Partner and the PLM vendor to our internal staff and external stakeholders.

Corporate Centre comment

The monitoring delivery confidence assessment remains Amber/Green.

The Programme is entering the contracting phase for its two largest procurements. A due diligence period with the prospective transformation partner has been completed, with ACC taking into account lessons learned from Novopay and previous/existing clients of the preferred transformation partner, and the experiences of other agencies of integrator contracting and partnering activities. A vendor to supply the Policy and Levies system has also been selected. New Zealand Government Procurement has provided advice on development of the commercial approach for both vendors.

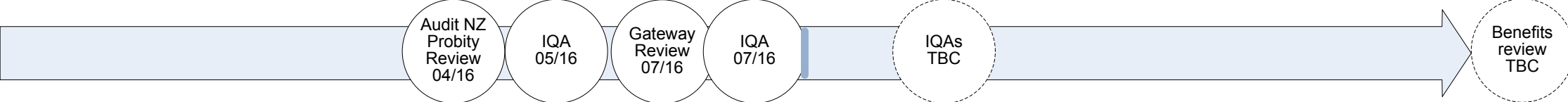
Treasury has facilitated the Programme's engagement with the digital strategy and standards team in Ministry of Health to enhance each other's detailed understanding of their on-going and planned digital initiatives. ACC has confirmed it has developed similar arrangements with IR and MSD.

ACC is refreshing the Programme's Implementation Plan as part of the six monthly refresh of the Programme Business Case. ACC has indicated that no change to the current approach is expected. Treasury will test the line of sight between the updated and original business cases and the Target Operating Model in August, and also review the updated Assurance Plan. This will allow for a more thorough assessment of the delivery confidence rating.

Timeline



Assurance schedule



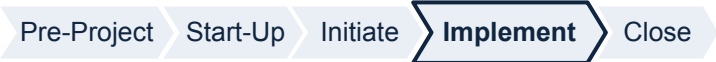
Birth of a Child - DIA

Digital access to integrated information and services around the birth of a child

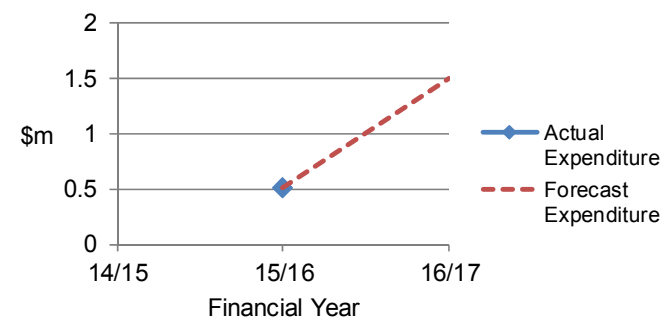
Monitoring delivery confidence A

Previous A

Position in lifecycle



Budget and expenditure



Total project budget	TBC
Expenditure to date	\$0.52m
Whole of life cost	\$1.77m

Benefits

The project is developing whole of life costs and benefits to form part of the Accelerate Business Case on a Page to support investment decision making.

Agency assessment

Budget	G	Timeline	G	Benefits	G	Overall	A
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The overall health rating remains Amber as the Accelerate Business Case on a Page is being completed in July 2016.

The Service Innovation Working Group approved funding of \$0.991m (with a \$0.099m contingency) on 21 April 2016. The project has engaged a software developer for Release 1 using Agile and Accelerate process.

The focus for the next reporting period will be the completion of the Accelerate Business Case on a Page and an update on the delivery of Release 1 of the Birth of a Child product, scheduled for December 2016.

A high level strategic review is due to be completed in July 2017.

Corporate Centre comment

The monitoring delivery confidence assessment for this project remains Amber, due to uncertainty around scope and dependencies.

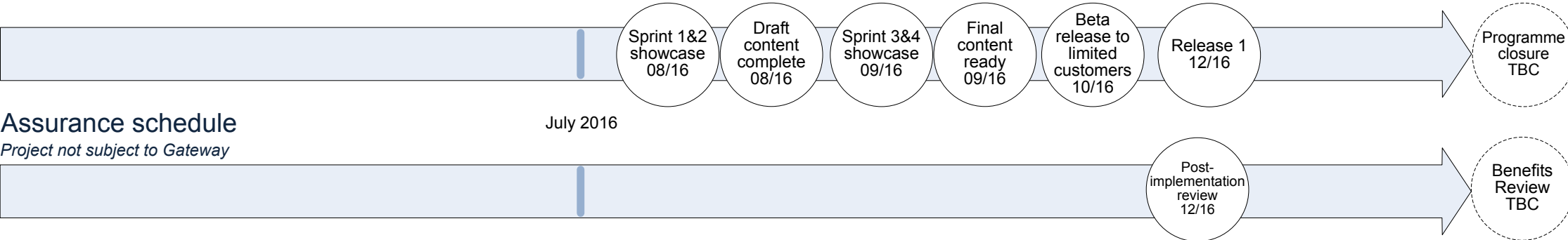
Birth of a Child is the first of DIA's 'Life Event' initiatives, which have been identified by the GCIO as key contributors to the ICT Strategy and delivery of Better Public Services Result Area 10: 'New Zealanders can complete their transactions with government easily in a digital environment'.

The initiative has significantly de-scoped, with the whole of life cost being scaled down to \$1.77m, though DIA reports that costs are yet to be confirmed.

The Treasury is seeking greater understanding from DIA as to how the Life Event initiatives will be affected by the Transforming the System of Service Delivery Programme.

Monitoring focus for the next period will be on considering exiting the Birth of a Child initiative from major projects reporting.

Timeline



Assurance schedule

Project not subject to Gateway

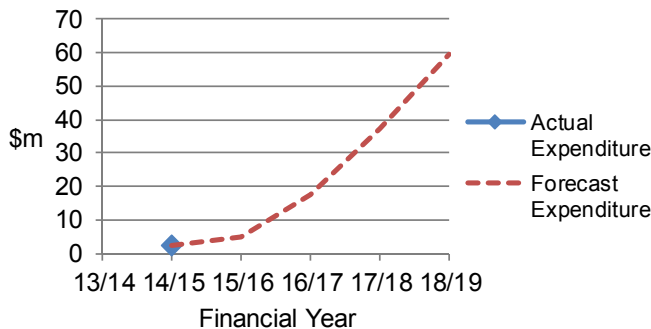
Transforming the System of Service Delivery -DIA

Transitioning to a digital, joined-up, customer-centric model of service delivery

Position in lifecycle



Budget and expenditure



Total project budget	TBC
Expenditure to date	\$5.52m
Whole of life cost	\$120.70m

Benefits

High level benefits and costs will be developed as part of the Programme Business Case and further detailed as the business case process progresses.

Agency assessment

Budget G Timeline G Benefits G Overall A

We completed a strategic scan to consider broader and evolving linkages between TSSD and Better Public Services and the ICT Strategy. Consistent with this work, we engaged Statistics New Zealand to discuss our critical role in supporting complex problem-solving across government through enabling improved information insights. We plan to further develop our linkages with Data Investment Framework stakeholders in the next reporting period to support strategic alignment and coordination.

We reviewed our programme scope to clarify the role of the programme relative to business as usual. This work was informed by an early market sounding report, which was completed in April and provided insights on programme structure and delivery following consultation with eight suppliers. The delivery timeframe of the programme has since been reduced to five years. We also updated our base case to reflect the change to a ten-year validity period for adult passports. We developed a TSSD Delivery Roadmap and Technology Landscape and are revising our cost and benefits to reflect this additional clarity around our scope.

An updated Programme Business Case is being developed to reflect developments.

Corporate Centre comment

The monitoring delivery confidence assessment remains Amber, as DIA is currently redeveloping the programme's strategy, delivery options, and benefits realisation plan.

In February 2016 the Corporate Centre provided feedback on the Programme Business Case (PBC), which it did not believe had a sufficiently developed strategic case. Since then, DIA has reviewed the Programme's scope, and is redeveloping the PBC on this basis. DIA will soon provide the updated PBC to the Corporate Centre.

DIA intends to take the updated PBC to Cabinet in October 2016. We recommend DIA engages closely with the Corporate Centre and with Ministers prior to this, and presents the PBC to the Investment Panel in September.

The monitoring focus for the next reporting period will be on supporting DIA in redeveloping the PBC.

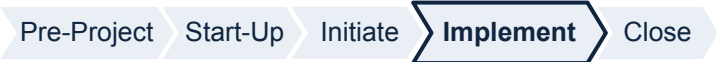
Timeline



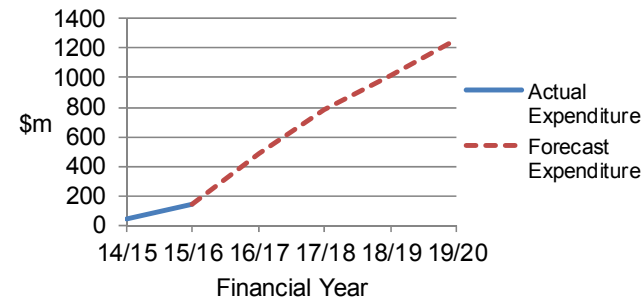
Assurance schedule

July 2016

Position in lifecycle



Budget and expenditure



Total project budget	\$1,377.00m
Expenditure to date	\$137.11m
Whole of life cost	\$1,770.00m

Figures exclude capital charge, depreciation, and adjustments for inflation. Spending is tracked from 1 July 2014 as approved in the Business Case in November 2015.

Benefits

IR has commenced reporting progress against a series of key performance indicators to Cabinet twice a year. There has been no change in benefits realisation by IR and the first benefits are expected to be achieved in 2017 with the completion of the stage one GST build.

Agency assessment

Budget		Timeline		Benefits		Overall	
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Note: Based on the Treasury guidelines, the programme's overall project health is Green. Against the programme's 10 key rating, the programme is reporting Amber.

The programme continues to meet all its major milestones and deliver under budget. A significant milestone was reached this quarter when the programme transitioned from Stage 1 Detailed Design to Stage 1 Solution Delivery.

The major focus is preparing for the release of GST on the new system. This involves testing and validating the new services with our GST customers and our delivery partners, e.g., banks, tax agents and other government agencies. Stage 1 benefits have been confirmed and these were included in the first interim update for Cabinet that was completed in June.

In this quarter the programme has commissioned new data centres which are scheduled to be fully operational end of July. The development of both START (Simplified Tax and Revenue Technology) solution and the Heritage systems is progressing well. Burst testing, which focuses on particular functionality within START, with front line staff was very successful and we are preparing to start system configuration testing in July and usability testing with our customers in October.

The programme is on track in preparing for Stage 2 Detailed Design.

Corporate Centre comment

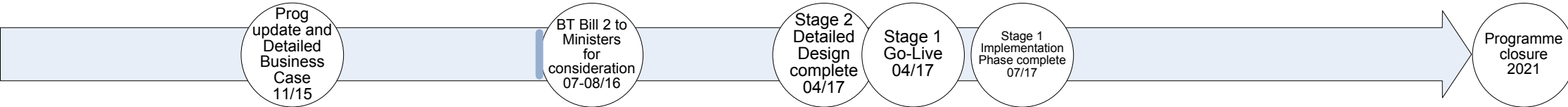
The monitoring delivery confidence assessment remains Amber/Green as the programme proceeds through the build and into the implementation phase of stage one, GST, which remains on target to complete in July 2017.

Overall risks are being effectively managed. A key risk for successful implementation is how co-existence of the old and new systems is managed. The mitigation plan has been completed and implementation is on track.

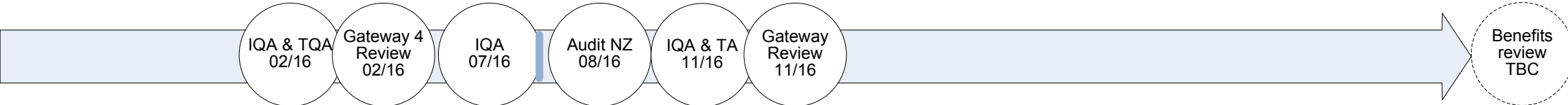
IR Business Transformation Programme continues to provide best practice methodology, such as programme financial management, to other government agencies as expected of an 'A' rated Investor Confidence Rating agency.

Monitoring over the next reporting period will focus on the completion of the build phase of stage 1 GST and the formation of stage 2, PAYE.

Timeline



Assurance schedule



Advanced Survey and Title Services Project - LINZ

Replacing Landonline's outdated and constraining technology platform



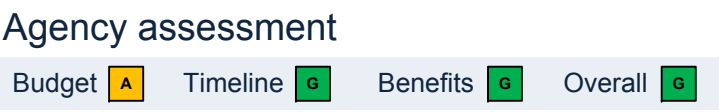
Budget and expenditure

Financial information will be confirmed once the Go/No-Go decision on the 'as a service' approach is taken in October 2016.

Total project budget	TBC
9(2)(i)	
Whole of life cost	TBC

Benefits

The estimated benefits remain in the range of 9(2)(i). The ability of the short-listed vendors to deliver or improve on these benefits will need to be tested during the Dialogue process commencing in August 2016.



The project is in the Market Engagement phase, following the investment decision by Cabinet in April 2016. The Economic Growth and Infrastructure Committee (EGI) agreed to LINZ proceeding to market with a whole of life cost envelope based on the 'as-a-service' delivery model. This model requires no new Crown capital and will be funded by the eventual market supplier, with LINZ and its customers paying operating costs only. EGI noted that should market engagement show that the ASaTS project cannot be delivered by an 'as-a-service' model, LINZ would seek capital funding as part of Budget 2017.

LINZ completed work on an Expression of Interest (EOI) document which was released to market on 26 April 2016, along with a well attended Vendor briefing on 6 May with potential New Zealand and international suppliers. Due to the needs of an 'as-a-service' model, which required existing market capability in land administration systems, and given that this was the final time LINZ would be in open market activity with vendors; the EOI was very thorough in seeking detailed and considered responses from the market.

Following the close of EOI responses on 21 June 2016 LINZ has put considerable resource into assessing, scoring and moderating market responses. The number and quality of responses was a good reflection of pre-engagement work with vendors in the land administration area. Shortlisting recommendations will be made to the ASaTS Project Board on 10 August 2016.

Corporate Centre comment

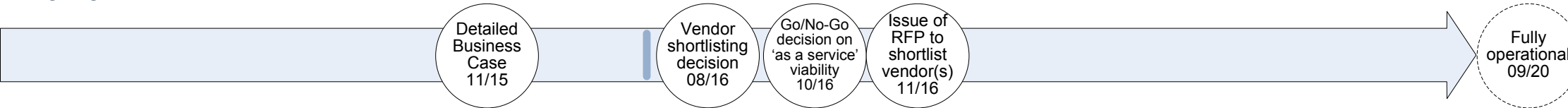
The monitoring delivery confidence assessment remains Amber/Green. The project is evaluating the responses to the Expression of Interest (EOI) issued in April and expects to commence Dialogue with the shortlisted vendors during August-October. It is on track to issue a Request for Proposal (RFP) in December 2016.

The selected delivery option is to use an "as a service" model and it will be funded from operating expenditure and accumulated depreciation.

LINZ is mitigating the commercial risk of negotiating an appropriate "as-a-service" contract and the capability risk of LINZ's lack of expertise by using a competitive dialogue approach to the procurement, appointing senior managers from New Zealand Government Procurement (NZGP) and DIA to the Project Board as advisors and using NZGP procurement experts throughout the procurement process. NZGP has had discussions with LINZ around the possible outcomes of the EOI and potential pathways forward. Maori Land Service is an important dependency. Its requirements will increase the scope of ASaTS and delays in it completing its own design by the time the RFP is issued, could impact the later ASaTS design and implementation phases.

The monitoring focus for the next period will be to review the procurement risks and management of project dependencies.

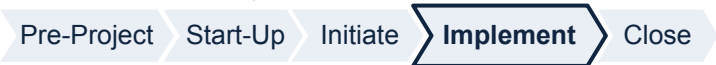
Timeline



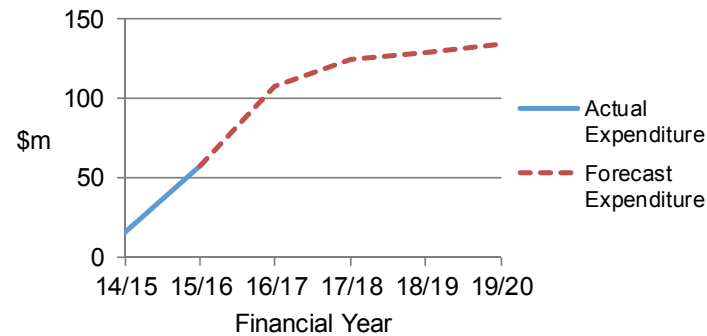
Assurance schedule



Position in lifecycle



Budget and expenditure



Total project budget	\$119.90m
Expenditure to date	\$58.07m
Whole of life cost	\$149.41m

9(2)(f)(iv)

Agency assessment

Budget	G	Timeline	G	Benefits	A	Overall	A
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MSD has a programme of work to simplify the provision of financial assistance and support ('transactional services') by redesigning the client experience with a simpler service that makes far greater use of digital channels and automated and streamlined processing.

MSD reset the delivery and benefits schedule in April. To cover an extended duration of 12-18 months, \$14m of capital contingency has been drawn down. The programme's net present value remains highly positive.

Development and improvement of digital channels is largely complete, and clients are receiving them positively. Over 100,000 clients were registered for MyMSD as at 30 June 2016. Smarter use of data, automation, information sharing, and back-end systems are being developed and progressively implemented to reduce transactional work effort. Programme benefits are tracking to plan.

Increased momentum and good progress over the reporting period has meant a positive change in programme status.

Corporate Centre comment

The monitoring delivery confidence rating has improved to Amber.

Re-baselining of the programme has made it feasible to deliver to expectations, provided key issues such as online service take-up are effectively managed.

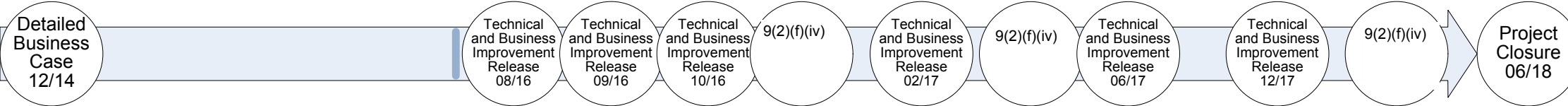
Take up of MyMSD and MyAccount has steadily increased. The use of Digital Appointments, Change in Circumstances (CiCs, Benefit Applications, e-lodgement of medical certificates and voice-enabled self-service have all shown slight rises above their targets. Take up still needs to rise considerably over the next 12 months. Targets for the reduction in work effort are running slightly behind expectations.

Re-planning has extended the period over which operational savings will be delivered by 12 to 18 months

Later delivery of the benefits have required deferment of a scheduled repayment to the Crown of \$9m for one year. Additional capital spending of \$14m will be funded through baseline capital reprioritisation.

The monitoring focus for the next reporting period will be on the revised programme plan, and benefits management.

Timeline



Assurance schedule



Position in lifecycle



Budget and expenditure

Expenditure data not yet available.

Total project budget	N/A
Expenditure to date	N/A
Whole of life cost	\$30-45m

Benefits

The ambitions for the impact from this programme are significant. Treasury has not yet seen the detailed benefit information for this work.

Agency assessment

Budget	TBC	Timeline	TBC	Benefits	TBC	Overall	A
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To deliver on the Cabinet direction resulting from consideration of the final report from the Expert Advisory Panel on the review of the best approach to *Investing in New Zealand’s Children and their Families*, MSD has created a Transformation Portfolio comprising the following three programmes to support the creation of a new child-centred care and support system for vulnerable children, and a refocused MSD:

- *Investing in Children* - creating a New Children's Entity (NCE) with a child-centred operating model;
- *Future MSD* - creating a future state MSD that will continue the improvement of outcomes for New Zealanders; and
- *Shared Corporate Services* - establishing MSD as a provider of a range of Corporate Shared Services for both MSD and the NCE and establishing essential day 1 items for NCE operations.

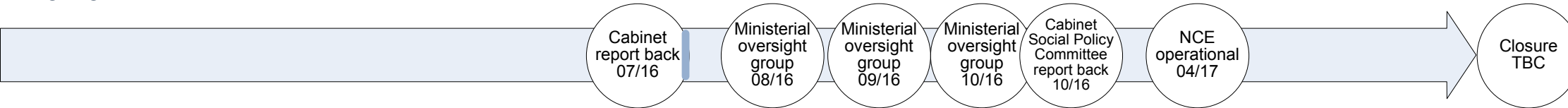
The July 2016 Cabinet report back has been completed and the paper considered by Cabinet on 11 July 2016 after discussion at the Cabinet Social Policy Committee on 6 July 2016. This paper sets out the roles, and functions for NCE and MSD. Further analysis of some functions is required and will be completed for the October 2016 report-backs. At this time MSD must also report on the transition and Corporate Services arrangements and the trade-offs and associated costs to fund the establishment of the NCE.

Corporate Centre comment

We have not yet established a monitoring delivery confidence assessment for this portfolio, though it is large, complex and evolving quickly. It is inherently risky given the number of potential stakeholders impacted.

The timeframes for this portfolio, including those for having the New Children’s Entity established, are ambitious. At this stage there is still a great deal of uncertainty. There is work underway to put appropriate structures for the change in place. Treasury’s monitoring of this work began in late July and working arrangements and visibility over the change are still being established.

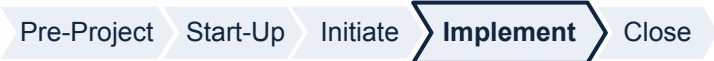
Timeline



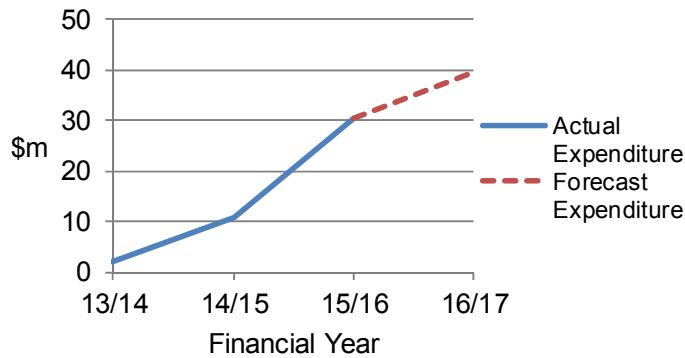
Assurance schedule



Position in lifecycle



Budget and expenditure



Total project budget	\$44.10m
Expenditure to date	\$30.40m
Whole of life cost	\$63.63m

Benefits

Police are reviewing the expected business benefits and measures prior to go-live for phase one to confirm achievability.

Agency assessment

Budget A

Timeline R

Benefits A

Overall R

Good progress has been achieved against key activities over the last reporting period, with current go-live date scheduled for 26 September 2016. However slippage against some key milestones places pressure on timeline.

- Completed:
- Build, configuration and testing of SAP to Kronos integration.
 - Integrated training environment build.
 - All online and instructor led training courses.
 - Dress rehearsal 2.
 - Parallel payroll cycle 1.
- In Progress:
- Significant progress made on data cleaning ahead of go-live.
 - End-to-end testing nearing completion; exit reports due for approval in July.
 - Parallel payroll testing cycle 2 behind schedule placing this phase on the critical path. Plans are in place to ensure no further delay.
 - Preparations for user acceptance testing are underway but dependent on finalisation of other processes.

Potential solutions and impact assessments for the exception-based time-sheeting issue are being carried out. Regression testing planning is underway. Potential unknown risks to emerge during user acceptance testing and cycle 3 of parallel payroll testing are being monitored. Commercial discussions are ongoing between New Zealand Police and PwC in respect of delays already encountered.

Corporate Centre comment

The monitoring delivery confidence assessment has declined to Red because successful delivery of a sustainable workforce management and payroll solution is likely to require further changes to budget and schedule.

The project is in the testing phase and given its complexity it is not surprising that testing has identified defects, though the number and severity of these has significantly exceeded expected levels and has put pressure on the schedule and budget.

Police reported to the SEC Cabinet Committee on 29 June 2016, which noted the decision to move the go-live date for phase one from 4 July to 26 September. SEC also noted the Minister and Police meet with the CEO of the lead vendor regularly to ensure ongoing commitment to project delivery.

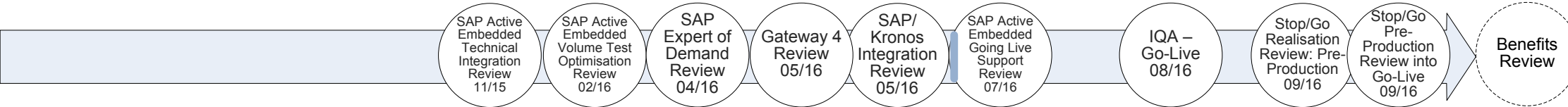
Police are continuing commercial conversations following vendor performance issues and project delays. There is ongoing risk that further major defects add to delays and costs.

The Treasury is confident that Police are using good practices, seeking appropriate independent advice, and are taking the necessary actions to deliver a quality solution that will meet requirements. Police are clear that the new system will not go live until it will deliver what is expected. The Treasury strongly supports this. Ongoing monitoring focus is on schedule performance and costs.

Timeline




Assurance schedule



Roads of National Significance

Christchurch Motorway

Agency assessment




Began July 2009, expected to complete December 2019.

Total project budget	\$938m	Expenditure to date	\$337m
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Puhoi to Wellsford

Agency assessment




Began July 2009, expected to complete July 2022*

Total project budget	\$943m	Expenditure to date	\$36.2m
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*Costs and schedule for Warkworth to Wellsford component to be confirmed

Tauranga Eastern Link

Agency assessment




Completed August 2015

Total project budget	\$455m	Expenditure to date	\$360m
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Victoria Park Tunnel

Agency assessment



Completed June 2013

Total project budget	\$340m	Expenditure to date	\$331m
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Waikato Expressway

Agency assessment



Began July 2009, expected to complete June 2020.

Total project budget	\$2300m	Expenditure to date	\$877m
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Western Ring Route

Agency assessment











Began July 2009, expected to complete June 2018.

Total project budget	\$2278m	Expenditure to date	\$1743m
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Wellington Northern Corridor

Began July 2009 completion date unknown.*

Total project budget	\$2500m*	Expenditure to date	\$777m
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Component projects	Agency assessment
Airport to Mount Victoria	
Tunnel to tunnel	
Terrace Tunnel duplication	
Ngauranga to Aotea Quay	
Transmission Gully	
MacKays Crossing to Peka Peka	
Peka Peka to Otaki	
Otaki to Levin	

Agency assessment

The seven Roads of National Significance (RoNS) programmes continue to progress well towards completion.

Christchurch Motorways – all projects either in construction or complete, with no significant risks to report.

Puhoi to Wellsford – moving through the final stages evaluating the Puhoi to Warkworth construction contract (through a PPP model), with the Warkworth to Wellsford project proceeding through its scheme development phase, aligning to the outcomes sought from the wider Auckland to Whangarei corridor programme.

Tauranga Eastern Link – open to traffic.

Victoria Park Tunnel – open to traffic.

Waikato Expressway – all projects either in construction or complete, with no significant risks to report.

Western Ring Route – all projects either in construction or complete, with no significant risks to report.

Wellington northern Corridor – The Kapiti Coast projects of the Wellington Northern Corridor are proceeding through the final stages of design and construction (including Transmission Gully as a PPP), with the inner city elements currently under review and forming part of the wider 'Keeping Wellington Moving' investigations.

Benefits

Benefits – The 7 Roads of National Significance have an overall benefit cost ratio of 1.8.

Of the individual projects that are now open to traffic on the Waikato Express, early indications are that the desired travel time savings and reliability targets are being achieved.

Traffic volumes on the new Tauranga Eastern Link are exceeding expected levels indicating increased early benefit realisation.

Ministry of Transport Comment

The initial monitoring delivery confidence assessment for this programme is Amber/Green, as the Ministry of Transport (the Ministry) believes work on the Roads of National Significant (RoNS) projects is generally progressing on time and on budget.

The only exception to this is the Wellington RoNS. It is providing the biggest challenge to the NZTA in terms of delivery of the overall RoNS package.

The declined consents for the Basin flyover has resulted in NZTA needing to reconsider its options for the city centre to Wellington airport section of the Wellington RoNS, however work continues north of the city. NZTA is currently working with other parties on potential options.

The other RoNS projects either are completed or have work underway. The NZTA indicates that these projects are all progressing to schedule.

The Ministry is confident that the NZTA can deliver the majority of the programme on time and to budget. The Ministry will continue to monitor the progress on the Wellington RoNS to identify issues as early as possible.

Component projects

Northern Corridor Improvements			Agency assessment 
<i>Began June 2013, expected to complete December 2021</i>			
Total project budget	\$710m	Expenditure to date	\$5.5m
East-West Connection			Agency assessment 
<i>Began June 2013, expected to complete July 2025</i>			
Total project budget	\$1500m	Expenditure to date	\$11.0m
SH20A to Airport			Agency assessment 
<i>Began June 2013, expected to complete December 2017</i>			
Total project budget	\$157m	Expenditure to date	\$89.3m
Southern Corridor Improvements			Agency assessment 
<i>Began June 2013, expected to complete October 2018</i>			
Total project budget	\$268m	Expenditure to date	\$37.4m

Benefits

Benefits – all projects are still under development but are on track to deliver significant benefits.

- Northern Corridor – travel time benefits with a benefit cost ratio of around 3.0
- Southern Corridor – travel time benefits with a benefit cost ratio of between 6 and 9
- SH20A - travel time benefits with a benefit cost ratio of around 3.1
- East West Connection - travel time benefits with a benefit cost ratio of around 1.5

Agency assessment

Budget 	Timeline 	Benefits 	Overall 
Northern Corridor Improvements – Additional complementary investment has been approved by the NZTA Board as part of the project, most specifically the inclusion of the Northern busway extension at a cost of \$162m. This has led to a revised total cost of \$683M. Development work continues to plan. Public and stakeholder engagement is progressing with Iwi, Bike Auckland, Business North Harbour, and other relevant groups.			
East West Connection - Design is progressing well for main works package with initial details issued to experts for assessment. Presentations to local boards and Auckland Council Development Committee progressing as planned. Geotechnical (ground investigation) ongoing at selected sites. Noise monitoring and other environmental studies are underway. A significant milestone has been achieved with the issue of tender documents for the early construction package. Tenders are now being evaluated.			
SH20A to Airport – Additional complementary investment has been approved by the NZTA Board as part of the project, including a cycle provision. This has led to a revised total cost of \$157M. Construction works continue at pace on SH20A, while we work with Auckland Airport on the concept design of the Landing Roundabout. Final property acquisitions ongoing. Significant milestone achieved with traffic now 'switched' to temporary alignment to allow mainline construction to continue.			
Southern Corridor Improvements – Additional complementary investment has been approved by the NZTA Board as part of the project, most specifically the inclusion of an off-road cycleway at a cost of \$23m. This has led to a revised total cost of \$268M. Construction works have commenced, and are progressing well with road construction, bridge upgrades, services protection and retaining walls all underway.			

Ministry of Transport Comment

The monitoring delivery confidence assessment for this programme is Amber/Green as key components of these projects that have been brought forward through the Accelerated Auckland Rooding Package are progressing well.

NZTA is doing a good job in communications, consultation, and community liaison which is an important step to enable successful consenting of these projects. NZTA is also using stretch targets in schedules to challenge themselves to deliver more quickly.

The cost and scope of some projects have increased as a result of the NZTA Board taking decisions to include additional features within the wider programme – such as with the Northern and Southern Corridor improvements. The Ministry is comfortable that NZTA is able to manage the cost implications of these additional features within the National Land Transport Fund. However, changes to the scope and budget can impact the benefit-cost ratio of these projects.

The Ministry is comfortable that the NZTA board decisions are consistent with the Government's intention though the Accelerated Auckland Rooding Package. The Ministry of Transport is working with the NZTA on quality improvements to reporting on the programme.

This page also reports on the East-West Connections programme. The Ministry is comfortable with NZTA's management of this programme of work and expects that further milestones will be identified as the programme progresses towards its ambitious target completion date of 2025.

The focus for the next reporting period is on ensuring consistent and up-to-date information is provided that clearly identifies any further changes or slippage to scope, budget, or milestones.