

Fletcher Building Limited

Private Bag 92114 Auckland 1142 810 Great South Road Penrose Auckland 1061 New Zealand

fletcherbuilding.com +64 9 525 9000

1 July 2020

Pūhoi to Warkworth motorway Update

Please see attached the media release from Waka Kotahi NZ Transport Agency providing an update to the Pūhoi to Warkworth motorway.

Authorised by:
Andrew Clarke
Company Secretary

For further information please contact:

MEDIA

Christian May
General Manager – Corporate Affairs
+64 21 305 398
Christian.May@fbu.com

INVESTORS AND ANALYSTS

Aleida White
Head of Investor Relations
+64 21 155 8837
Aleida.White@fbu.com

MEDIA RELEASE



1 July 2020

New completion date for Pūhoi to Warkworth motorway

A new safer, more resilient route between Pūhoi and Warkworth is now expected to be open to motorists in time for the busy Queens Birthday weekend in 2022.

Waka Kotahi NZ Transport Agency says the new planned opening date of mid-May 2022 is the result of positive negotiations about how to manage the impacts of the COVID-19 shutdown with Fletcher/ACCIONA Joint Venture which has been contracted to build the motorway by the contractor, Northern Express Group (NX2).

The agreement includes a payment of \$85m to Fletcher/ACCIONA, to cover the cost of the delays and other impacts resulting from the five-week COVID-19 shutdown. This is similar to the payments being made to contractors affected by COVID-19 on projects across the country.

When it opens in mid-May 2022, the Ara Tūhono – Pūhoi to Warkworth motorway will extend the four-lane Northern Motorway (SH1) 18.5km from the Johnstones Hill tunnels to just north of Warkworth.

The motorway was scheduled to open at the end of 2021, but the COVID-19 Alert Level 4 lockdown in April meant nearly five weeks of the earthmoving season was lost. The resumption of work under Alert Level 3 with strict health and safety protocols also affected the work programme, says Waka Kotahi Transport Services, General Manager, Brett Gliddon.

"At the time of the shutdown, the earthmoving season was in full swing, to move up to three million cubic metres of earth across the project during the summer months. Not being able to finish that work has had a knock-on effect for the planned winter construction programme, so together with the contractor we have agreed a new programme to get the project finished as quickly as possible while maintaining high standards and keeping health and safety as our top priority.

"We know people have been looking forward to using this spectacular new motorway and while any delay is disappointing, we are pleased with the quality of the project and the progress that had been made prior to COVID-19, and we are pleased we have a good plan for getting it open to the public as soon as possible despite circumstances beyond anyone's control."

Waka Kotahi's key considerations when negotiating the settlement were ensuring quality delivery of the project, with the least delay, while supporting the continued viability of New Zealand's construction sector.

"Waka Kotahi would like to thank Fletcher/ACCIONA and NX2 for their professionalism and commitment to this project. Our solid working relationship means we've worked constructively together to re-map the work timeline.

"We would also like to acknowledge both the contractor and builder for continuing to progress the project while we negotiated a financial settlement for the additional costs they have incurred as a result of the COVID-19 delays, this has meant further delays have been avoided."

A further \$83 million, which had been agreed prior to COVID-19, is also being paid to cover extra costs and delays to work at the northern end of the project, which have been caused by land purchases taking longer than expected, and appeals to the Environment Court. This payment is not related to COVID-19. It brings the NZ Transport Agency's total agreed contribution to the project to \$877.5 million.

As with all projects, the expected completion date is heavily dependent on good weather and no additional unexpected challenges, including further disruption as a result of COVID-19.

NX2 is contracted by Waka Kotahi in a Public Private Partnership to deliver the Pūhoi to Warkworth motorway. While the NX2 private-sector consortium is responsible for financing, designing, building, maintaining and operating the motorway for up to 25 years, the motorway will remain a public asset. The agreements reached are between Waka Kotahi and Fletcher Construction/Acciona and those agreements are now subject to NX2 approval, which is expected in the next few months.

"Waka Kotahi, Fletcher/ACCIONA and NX2 remain committed to continuing to work together to get this project finished. We know that improving the safety, connectivity and resilience of the network between Northland and Auckland will save lives and significantly help to boost the economic potential of the Northland region," says Mr Gliddon.

For more on the project, go to https://www.nzta.govt.nz/projects/ara-tuhono-puhoi-to-warkworth/

Plan ahead for a safe, enjoyable journey. Keep up to date with:

Traffic updates: journeys.nzta.govt.nz/traffic Facebook: facebook.com/TransportAgency

Twitter: twitter.com/nzta news

Journey planner: <u>journeys.nzta.govt.nz</u> Phone: 0800 4 HIGHWAYS (0800 44 44 49)

For more information please contact:

Andrew Knackstedt Media Manager Waka Kotahi NZ Transport Agency

T: 04 894 6285 **M:** 021 276 3222

E: Andrew.Knackstedt@nzta.govt.nz

W: www.nzta.govt.nz



Waka Kotahi NZ Transport Agency works to create transport solutions for all New Zealanders - from helping new drivers earn their licences, to leading safety campaigns to investing in public transport, state highways and local roads.





About MM Careers Contact









© 2020 Waka Kotahi NZ Transport Agency, all rights reserved

New Zealand Government