

# 1 Wellington Improvements Major project report

November 2025

## Project overview

The State Highway 1 (SH1) Wellington Improvements project is part of the government's wider Roads of National Significance programme and is included in the [Government Policy Statement on land transport 2024](#).

The project includes construction of a second Terrace Tunnel, a second Mt Victoria Tunnel, a major roading upgrade at the Basin Reserve, and supporting improvements on the remaining state highway corridor. It will allow people and businesses to get where they need to go faster and more reliably, while unlocking productivity and regional economic growth.

## Announcements to date

- » June 2024 — included in the [Government Policy Statement on Land Transport 2024](#)
- » October 2025 — [funding to progress work on design, consenting and early works](#) and geotechnical work for the second Mt Victoria Tunnel to start.

More information on the project can be found [here](#).

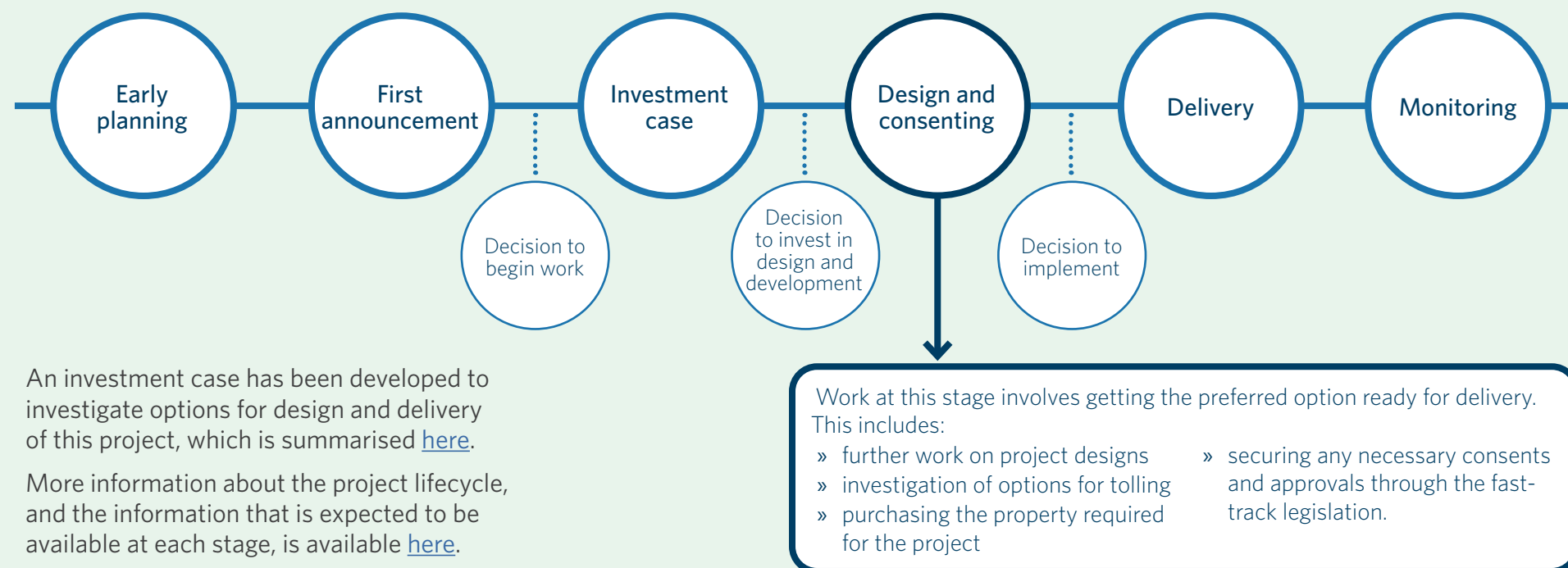
## Next steps

The design and consenting work to prepare for delivery has already begun and is expected to take 3 years. NZTA is exploring options for early enabling works to begin in 2026. These early works may include the delivery of supporting road improvements, housing removal/demolition and site clearance. Once NZTA has completed further planning and design, it will seek approval from the Minister of Transport to proceed to public consultation on tolling. If approved, public consultation will occur once construction funding is confirmed.

Community engagement and geotechnical investigations will be underway by the end of 2025. An application under the fast-track legislation is expected to be lodged mid 2026.

We keep this report updated with the latest information as the project evolves. This report was last updated in November 2025.

## Project lifecycle — where we're at



## Cost information

The indicative investment envelope to design, consent and deliver this project is \$2.9–3.8 billion. We expect the investment envelope to narrow as work is undertaken to increase cost certainty. Cost information will be refined through design, consenting and tendering processes and as delivery work begins.

## Funding

The funding source for work to develop this project is the National Land Transport Fund. Funding of \$185 million has been approved to progress design, consenting and early works. Timing and funding for project delivery has yet to be confirmed.

The investment case work explored the suitability of a range of alternative funding options such as tolling, Infrastructure Funding and Financing levy, developer contributions and co-investment from key stakeholders.

## Potential cost risks and opportunities

Key factors that may cause cost information to change are:

- » project detailed design decisions,
- » project phasing and timing,
- » property acquisition,
- » future escalation of labour costs and materials,
- » ground conditions identified during detailed design phases,
- » changes to consenting and/or other statutory approval requirements or timeframes, such as fast-track legislation,
- » consenting requirements and conditions,
- » market capacity and capability at the point of tendering and the selected procurement method,
- » funding and financing options.