

Aide-Mémoire

Health New Zealand
Te Whatu Ora

Update on Health Capital Projects as at 30 April 2024

Due to MO:	27 June 2024	Reference	HNZ00048804
To:	Hon Dr Shane Reti, Minister of Health		
From:	Jeremy Holman, Chief Infrastructure and Investment Officer, Infrastructure and Investment Group, Health New Zealand		
Copy to:	Hon Nicola Willis, Minister of Finance Hon Matt Doocey, Minister for Mental Health		
Security level:	In Confidence	Priority	Routine
Consulted	Copied to Ministry of Health		

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Attachments	
Annex 1:	Update on Health Capital Projects as at 30 April 2024
Appendix 1:	Project Performance Summary
Appendix 2:	Mental Health Project Performance Summary
Appendix 3:	Health Capital Envelope – Allocation Summary 31 May 2024
Appendix 4:	Projects with Significant Risks
Appendix 5:	Portfolio Performance Metrics (Updated)

Purpose

1. This Aide-Mémoire provides you with the report 'Update on Health Capital Projects as at 30 April 2024' (monthly report), which is attached at Annex 1, and key updates since the last monthly report.
2. We recommend the monthly report inform your meeting with Health NZ officials on the health infrastructure portfolio on 1 July 2024.

Summary

3. We continue to improve the report based on feedback. This month we have provided:
 - a. An improved cashflow variance that reduced from 40% to 23% disparity (page 6 of the monthly report);
 - b. An extended forecast of monthly spend (page 7 of the monthly report);
 - c. An analysis on the post-implementation closure reports (page 11 of the monthly report).
4. The table below shows the RAG status for the 73 in-flight projects.

Table 1: Project RAG status as at 30 April 2024

	Green rated projects	Amber rated projects	Red rated projects	Total
Number of projects	38	19	16	73
\$ value	\$2,491m	\$770m	\$3,114m,	\$6,376m
Movement	+4	-3	-1	

5. Details of the Red-rated projects and the mitigations actions we are taking are provided in the table below and in the report at Annex 1. A summary is provided in Table 2 below.

Table 2: List of Red-rated projects as at 30 April 2024

Project Phase	Project name (and ID)	Reason for Red rating
Design	Project Pihi Kaha - Whangārei Hospital Redevelopment (10230)	s9(2)(b)(ii), 9(2)(f)(iv)
Deliver	Manaaki Hōhonu - Construction of inpatient ward and ICU, Waitākere Hospital (10204)	Unforeseen ground conditions. High quantities of asbestos. Unfunded local authority development levies. Delays ensuing from previous change request.
Design	Endoscopy Unit Expansion, Christchurch Hospital (10246)	s9(2)(b)(ii), 9(2)(f)(iv)

Project Phase	Project name (and ID)	Reason for Red rating
Deliver	Hillmorton Child, Adolescent and Family Relocation, Christchurch (10259)	s9(2)(b)(ii), 9(2)(f)(iv) [Redacted]
Deliver	Construction of Waitākere Primary Birthing Unit (10238)	s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j) [Redacted]
Deliver	Taranaki Base Hospital Redevelopment - Project Maunga - Stage 2 (10079)	s9(2)(b)(ii), 9(2)(f)(iv) [Redacted] Several risk items require further investigation.
Design	New Specialised Rehabilitation Centre, Manukau Health Park (10225)	s9(2)(b)(ii), 9(2)(f)(iv) [Redacted]
Deliver	Manaia House – Community Mental Health – Whangārei (30025)	Significant water damage occurred just before practical completion due to burst water pipe. Extensive remediation will delay the project by at least 10 months. Budget risk remains until insurance claim complete.
Design	Project Whakatuputupu New Dunedin Hospital - Inpatient Building (100251)	s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j) [Redacted]
Deliver	Project Whakatuputupu New Dunedin Hospital - Outpatient Building (10025)	s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j) [Redacted]
Design	Hawke's Bay Hospital Radiology Facilities Redevelopment (10208)	s9(2)(b)(ii), 9(2)(f)(iv) [Redacted]
Define	Hawke's Bay Hospital Linear Accelerators (102118)	Scope increased to include medical oncology chemotherapy and haematology. s9(2)(b)(ii), 9(2)(f)(iv) [Redacted]

Background

6. Table 3 below provides a list of upcoming construction starts or completion until the second month of the new Financial Year. This table is provided in addition to the Update on Health Capital Projects report at Annex 1.
7. There is a time lag between the completion of the Update on Health Capital Projects Report and when it is provided to you. This is due to the time needed to compile the information and to give the Capital and Infrastructure Committee the opportunity to consider the report. Verbal updates will be provided at the monthly health infrastructure meeting.
8. The dates in Table 3 are as at 17 June 2024 and are based on the latest information available. These may differ from those shown in monthly report.

Table 3: Upcoming key construction dates

Project	Type	Description	Planned Date
Te Kotuku Redevelopment, Whangārei Hospital (Critical Works - Package 2) (10047)	Go live	Addressing capacity constraints and provide relief until the new hospital is commissioned, including Special Care Baby Unit, Acute Assessment Unit, Ambulatory Care/Outpatients and Laboratory	Underway through June 2024 (staged for the individual units)
Christchurch Hospital, Parkside Enhancements - Tranche One (30006)	Issue Practical Completion Certificate	Refurbishment of the wards in Parkside building at Christchurch Hospital.	June 2024
Christchurch Hospital Endoscopy Expansion (10246)	Construction Start	Fit out of four new procedure rooms, construction of two new procedure rooms, and the refurbishment of two existing procedure rooms to provide additional capacity within the endoscopy unit at Christchurch Hospital.	June 2024
Generator and Electrical Upgrade and Electrical Supply to Site (10258)	Construction Start	Electrical upgrade, including supply to site and replacement of ageing generators, replacement of coal boilers	June 2024
Surgical Services Expansion Project (SSEP), Hawke's Bay Hospital (10218)	Practical Completion	Bringing the previously shelled Theatre 8 online, expanding the post anesthesia care unit, and minor modifications to the central sterile services department.	July 2024

Project	Type	Description	Planned Date
Wairarapa Hospital Outpatients Refurbishment (30037)	Practical Completion & Go-Live	Refitting of outpatients' area for a triaging area, plus new office and clinic space.	July 2024
Construction of new building, Tōtara Haumaru North Shore Hospital (10036)	Go Live	Increasing capacity across the Northern region with a new build.	July 2024
Nelson Hospital ED Reconfiguration (30020)	Construction Start	An extension to Nelson ED to support the current and increasing ED attendances until a new ED is completed as part of the broader hospital redevelopment.	July 2024
Mental Health Inpatient Facility Replacement, Grey Base Hospital, West Coast (30041)	Construction Start	A purpose-built, resilient facility to provide a modern, therapeutic environment and enable contemporary models of care.	July 2024
Rotorua Hospital Woman, Child and Family Facility Upgrade (30017)	Practical Completion & Go Live	Women, Child and Family Facility upgrade incorporating the Birthing Unit, Perinatal Unit, Children's Unit, Special Care Baby Unit and a 24-bed general ward.	August 2024
Christchurch Central City Energy Centre and Services Tunnel (10005)	Demolition Close-Out Work	Redevelopment of Energy Centre and Services Tunnel post 2011 Canterbury Earthquakes.	August 2024
Linear Accelerators Replacement, Auckland City Hospital (102115)	Practical Completion	Replacement of linear accelerator cancer radiation machines	August 2024

Next steps

- The next Update on our Health Capital Projects Report, based on 31 May 2024 assurance reports, will be provided to you in July 2024.

Update on Health Capital Projects

as at 30 April 2024

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Executive Summary

1. The Infrastructure and Investment Group (IIG) is delivering approximately 1,600 capital projects across New Zealand. The vast majority are funded through Health New Zealand baseline (depreciation). New Dunedin Hospital has its own appropriation, and the rest are funded through the Health Capital Envelope (HCE).
2. This report focuses on the 73 in-flight projects that are over \$10 million or funded from the HCE. They have a combined value of \$6.376 billion across the range of phases in the project life cycle. The \$6.376 billion includes \$1.59 billion for the New Dunedin Hospital project.
3. One project was completed (Practical Completion) in April 2024, the Specialist Mental Health Services Relocation from The Princess Margaret Hospital to Hillmorton. The services have been operational since September 2023. However, the project could not be completed until the certificate of practical completion had been issued.

Table 1: Portfolio status as at 30 April 2024

	Green rated projects	Amber rated projects	Red rated projects	Total
Number of projects	38	19	16	73
\$ value	\$2,491 m	\$770 m	\$3,114m	\$6,376 m

Health Capital Envelope Allocation

4. The HCE is almost fully allocated to projects as summarised below.

Table 2: Summary of HCE Allocation as at 31 May 2024

s9(2)(b)(ii)



5. s9(2)(b)(ii), 9(2)(f)(iv)
- 

- Given the current pressures on the HCE, and signals of a constrained Budget 2024 appropriation, we are initiating a detailed reconciliation of the HCE. The reconciliation will review all transactions and transfers of HCE appropriated funds since its inception in 2019 to confirm the funds that remain available for allocation. We expect to provide an update on this in future reports.

Portfolio Life Cycle Performance

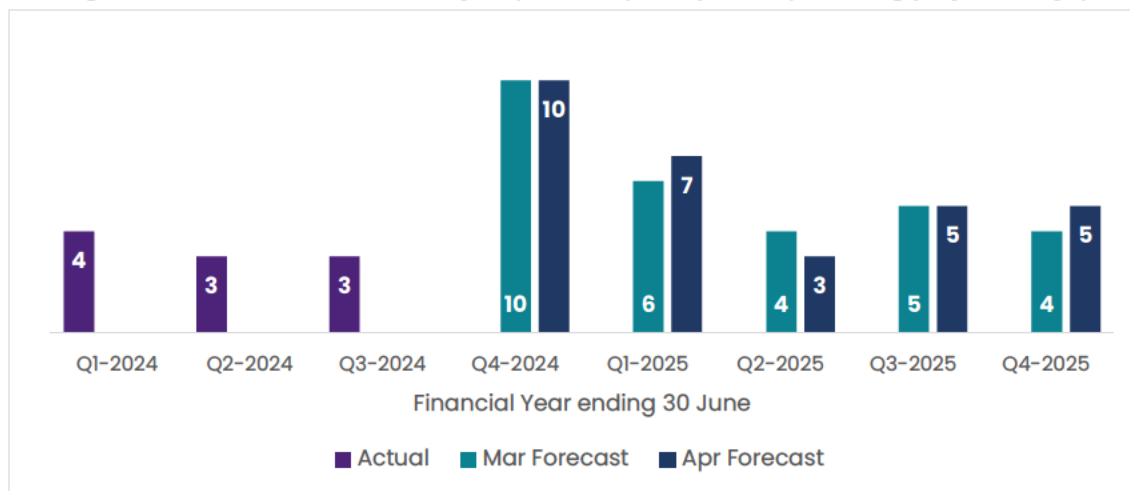
- The 73 in-flight projects over \$10 million or funded from the HCE are in different stages of the project life cycle.

Table 3: Project life cycle phases as at 30 April 2024

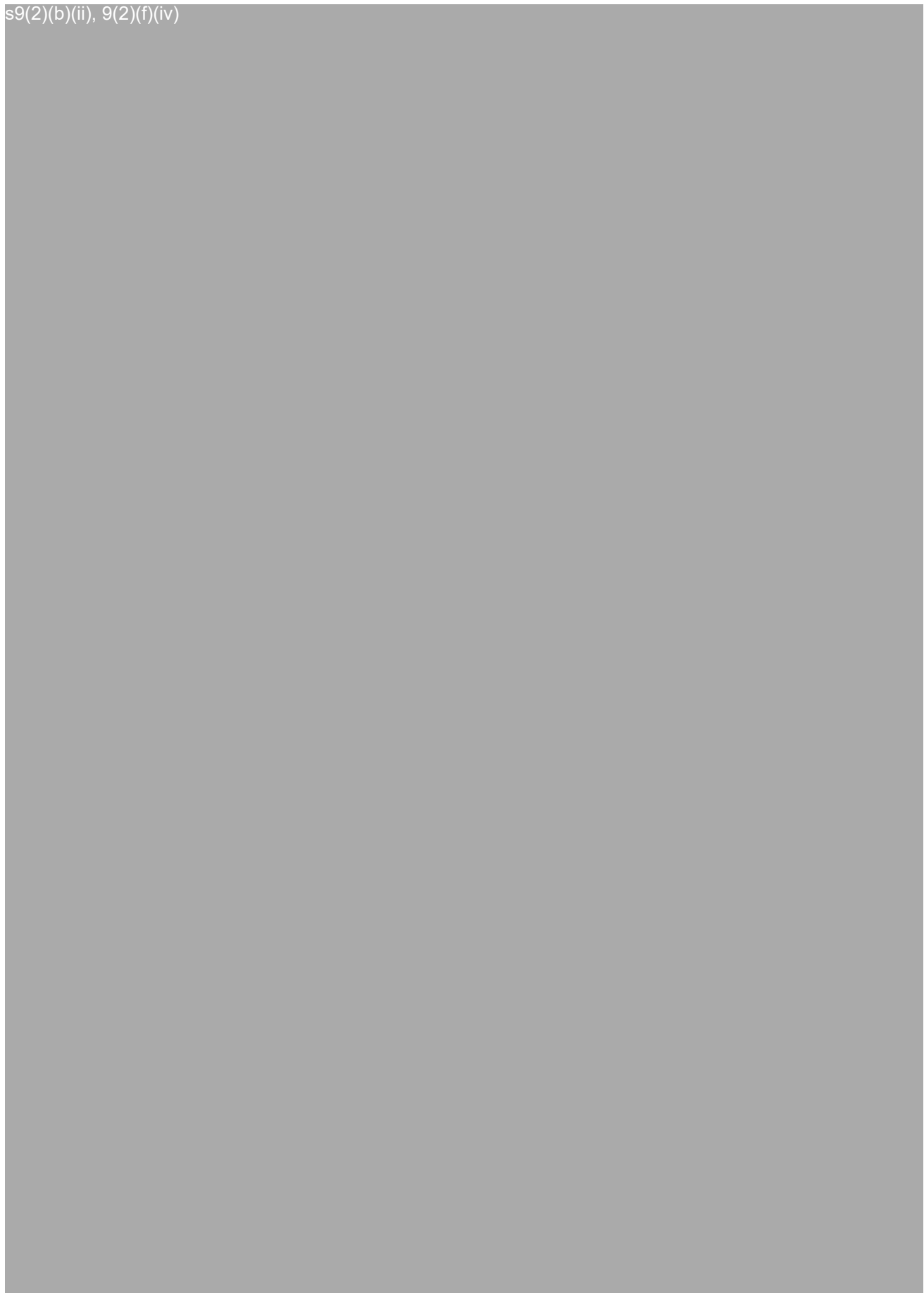
	Define	Design	Deliver	Total
Number of projects	3	21	49	73
\$ value	\$48.2 m	\$2,905.6 m	\$3,422.2 m	\$6,376.0 m
Movement In	0	0	3	1
Movement Out	1	1	1	1

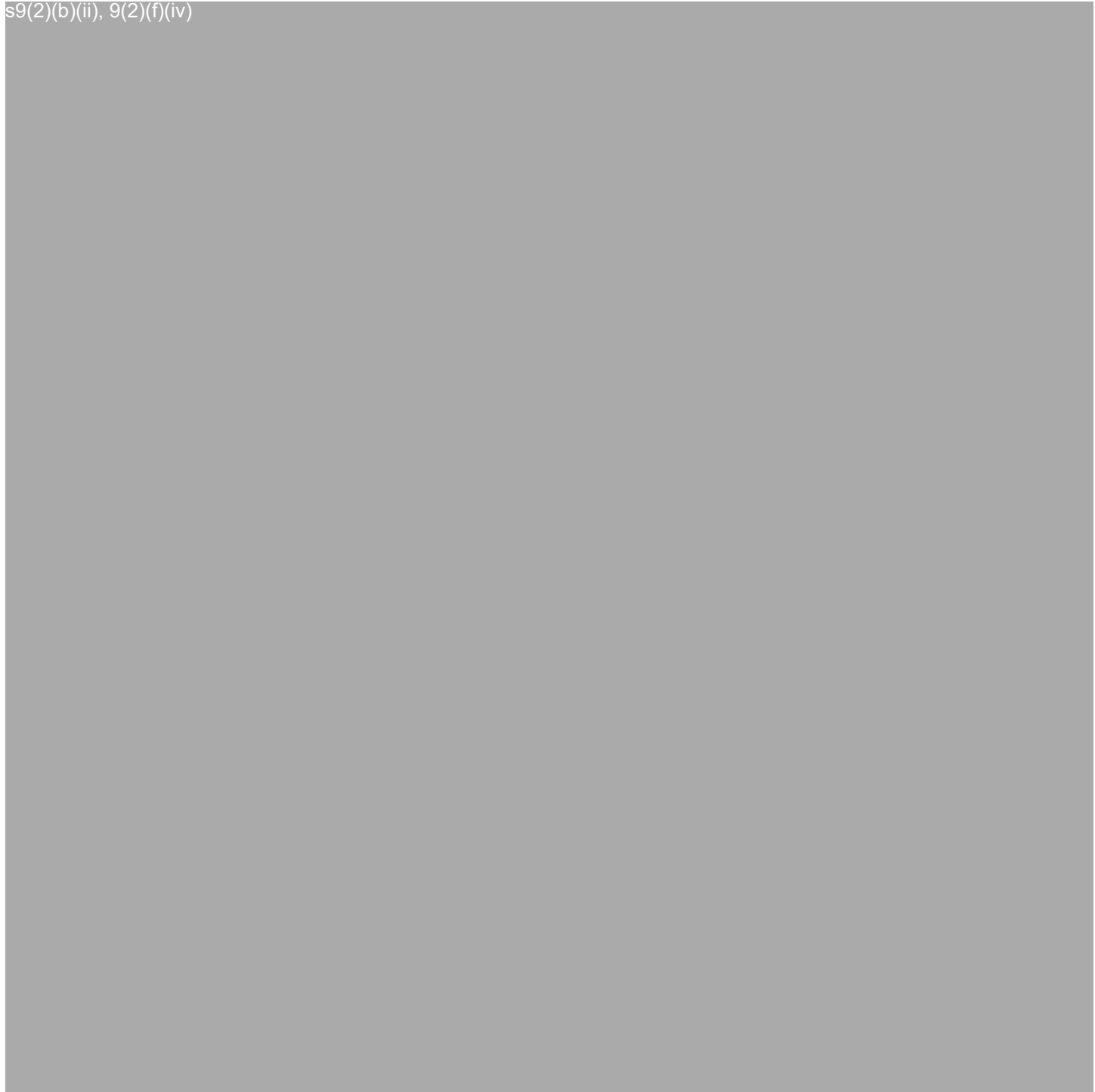
- Copper Pipes Tranche 2 project has moved from Define straight to Deliver following funding approval.
- The Mental Health Inpatient Facility Replacement at Grey Base Hospital has moved from Design to Deliver. It is progressing through the procurement process and has released the tender package for the main contractor.
- One new project was added into Delivery with the Building Recladding project at Counties Manukau being split into two campuses; 10210 covers the buildings at Middlemore Hospital and 102101 covers the Manukau Health Park.
- The Specialist Mental Health Services Relocation from The Princess Margaret Hospital to Hillmorton reached Practical Completion on 18 April 2024.
- Figure 1 below shows the actual and forecast project completions out to FY2025. A more detailed report on the status and schedule of each project, including completion dates, is attached at Appendix 1 and Appendix 2.

Figure 1: Actual and Forecast Project (Practical) Completion (including project delays)



14. There are still 10 projects forecast to be completed in the current quarter ending 30 June 2024, which includes the one project completed this month.
15. Four projects are forecasting to reach practical completion in May (and will be reported on in next month's report):
 - a. Tū Pono Āroha - Hospital Administration Replacement Project
 - b. Hawke's Bay Hospital Seismic Remediation Works
 - c. Building For The Future - Fit-out of shelled theatres, inpatient wards and procedure rooms, Tōtara Haumarū, North Shore Hospital.
 - d. Parkside Enhancements - Tranche One
16. The review of project data quality revealed that the actual completion dates for two projects were earlier than previously reported. The Scott Building Recladding at Middlemore Hospital and the Whanganui Infusion Unit, both initially set to finish in 2024, were completed in November 2023.
17. The Hutt mental health facility enabling works had not previously provided a forecast completion date. They are now forecasting to complete in Q1 of FY 2025. While the completion of enabling works is a prerequisite for a separate project to deliver the main build, it is not on the critical path to impact its schedule.
18. Three projects have changed their completion dates by one quarter:
 - a. The Waitākere Electrical Infrastructure Upgrade has delayed its estimated completion date by 3 months from November 2024 to January 2025, these are the latest dates, due to a change in the programme management team and an audit of the entire programme.
 - b. Taranaki Mental Health Facility Upgrade has delayed its milestones, due to obtaining delegation authority and signing the contract on time, with a practical completion pushed out a further three months. The Construction Contractor is expected to begin works on site in May 2024 and practical completion in May 2025. The original start date was April 2024 with a practical completion date of March 2025.
 - c. Waitemata Waitākere Primary Birthing Unit has a five-month delay in contractor procurement and building consents due to finalisation of Detailed Design. The practical completion date has shifted from May 2025 to Sep 2025.





Portfolio Status Performance

25. Project performance status is measured using a Red/Amber/Green (RAG) rating system, which broadly covers project risk against schedule, budget, and scope.
26. The RAG ratings presented in this report are based on an assessment of the RAG ratings applied to the categories of time, budget, and scope for each project. We will be revising the below RAG ratings next month to bring us in line with wider Health NZ guidance.

Overall programme status rating	GREEN	AMBER	RED
	No significant risks and issues are impacting the overall project.	Some risks and issues could impact the overall project. These are being actively managed by the IIG.	Ministers should be aware of one or more significant risks and issues that require decisions from the Committee, Board and potentially Ministers.

27. Based on the April 2024 assurance reports, Table 5 below shows the number and value of projects in each of the risk categories.

Table 5: Portfolio Status as at 30 April 2024:

	Green rated projects	Amber rated projects	Red rated projects	Total
Number of projects	38	19	16	73
\$ value	\$2,491m	\$770m	\$3,114m	\$6,376 m
Movement In	+7	+3		+1
Movement Out	-3	-6	-1	-1

28. The Mental Health Inpatient Facility Replacement at Grey Base Hospital moved from Red to Amber following the approval of a s9(2)(b)(i), 9(2)(j) funding increase from Health NZ baseline. A breakdown of the RAG rating is provided in Table 6 below.

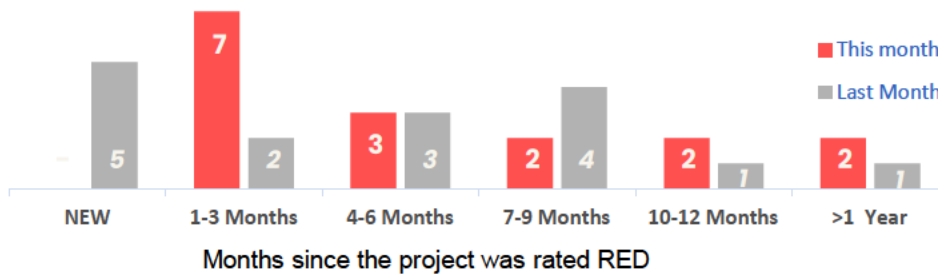
Table 6: Projects De-escalated from Red

Project	Funding Approved	RAG Rating Month	Schedule Status	Scope Status	Budget Status
Mental Health Inpatient Facility Replacement at Grey Base Hospital	s9(2)(b)(i), 9(2)(j)	March Rating	Red	Green	Red
		April Rating	Amber	Green	Green

29. Two projects moved from Green to Amber because of growing schedule risk:
- Tū Pono Āroha - Hospital Administration Replacement Project. Go-live moved from early July to the end of October 2024. Data migration and testing need longer than initially planned to ensure operational confidence.
 - Te Whare Awhiora Mental Health and Addictions Facility, Gisborne Hospital. The reported risk has not impacted forecast dates yet.

30. Six projects moved from Amber to Green in the month ending 30 April 2024:
- Acute Adult Mental Health Facility, Palmerston North Hospital (risk around budget resolved)
 - Critical Infrastructure Interim Works, Palmerston North Hospital (risk around scope and schedule resolved)
 - Te Whare Maiangiangi Remediation and Expansion – Tauranga (reduced budget risk)
 - Copper Pipes Tranche 1 (reduced funding risk due to approval and separation of Tranches 1 and 2)
 - Copper Pipes Tranche 2 (additional baseline and HCE funding approved)
 - Women, Child and Family Facility Upgrade, Rotorua Hospital (reduced schedule risk).
31. The number of in-flight projects has increased by one with the Building Recladding project at Counties Manukau being split into two campuses; 10210 covers the buildings at Middlemore Hospital and 102101 covers the Manukau Health Park.
32. Figure 4 below shows that most Red rated projects have remained unresolved for over three months. Further details on Red-rated projects with total costs over \$10 million, are provided at Appendix 4.

Figure 4: Age of Red Ratings



33. The six projects that have been rated Red for more than six months, and the current action to resolve are noted in Table 7 below.

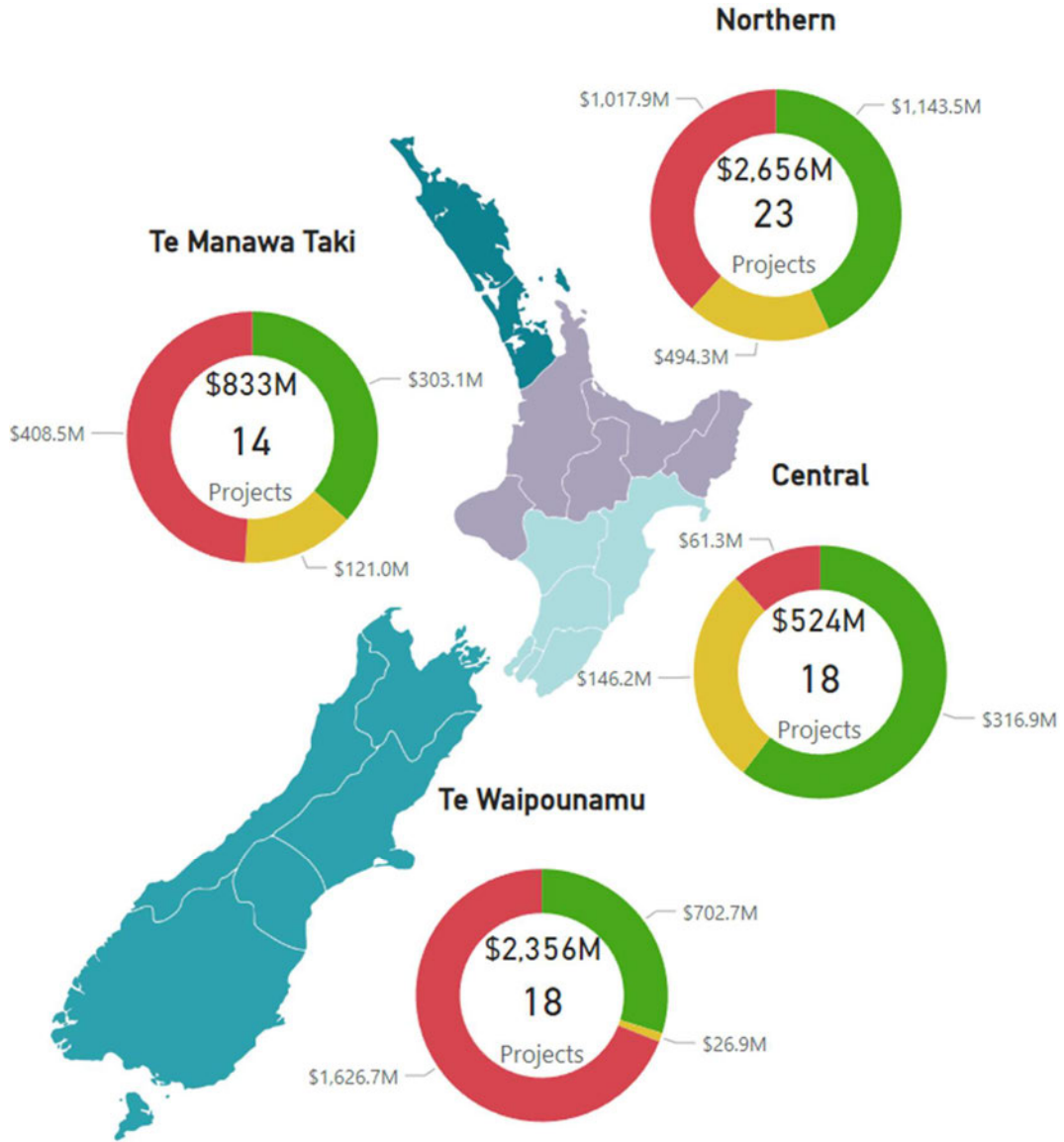
Table 7: Projects rated Red for more than six months

Project ID	Project	Schedule Status	Scope Status	Budget Status	Current Action
10208	Radiology Facilities Redevelopment, Hawke's Bay Hospital	Red	Amber	Red	The replacement Business Case is being finalised and expected to be submitted to the IIG in May and Ministers in July.
30013	Procedure Rooms Upgrade, Hawke's Bay Hospital	Red	Red	Green	Scope change request will be submitted to Ministers in June for consideration.
30030	Rural Primary Birthing Units in Central Otago	Red	Amber	Red	Funding request will be submitted to Ministers in June for consideration.

Project ID	Project	Schedule Status	Scope Status	Budget Status	Current Action
102118	Linear Accelerator & Bunker Installation, Hawke's Bay Hospital	Red	Red	Red	The Business Case is being finalised and expected to be submitted to the IIG in July and Ministers in September.
10025	New Dunedin Hospital (Outpatient Building)	Red	Green	Red	s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j)
100251	New Dunedin Hospital (Inpatient Building)	Amber	Green	Red	s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j)

34. Figure 5 below shows the value of active projects in each of the status categories by region.

Figure 5: Portfolio risk for active projects by region



Post Completion Review

35. As reported in the last update, we have completed a review of Post-Implementation Review and Post-Occupancy Evaluation documentation submitted for completed projects. A full review is to be presented to the Senior Leadership Team in June.
36. This section summarises the findings from benefits reporting in Post-Implementation Reviews, and the approach used to report on those benefits.
37. Of the 16 projects in the review, six projects provided some information on benefits realisation in their project completion reports.
38. Projects under \$10 million all reported 100% achievement of their project benefits and all involved installation of new equipment. A consolidated summary of benefits achieved is provided in Table 8.

Table 8: Summary of benefits achieved by projects under \$10 million.

Project	Measures	Benefits Achieved
Wellington Neonatal and Centralised Monitoring at Neonatal ICU 30007	3	<ul style="list-style-type: none"> Replacement of equipment Reduction of risk Improved productivity, incl. continued revenue stream, avoidance of cost, attraction of quality staff Quality of care, incl. timely access, better treatment efficacy, better work environment
Wellington Linear Accelerators 102114	2	
MidCentral Linear Accelerators 102111	7	

39. Projects over \$10 million reported both achievement and non-achievement of benefits, although this was sometimes the result of a time lag in quantifying results or national KPIs not having been finalised. A consolidated summary of benefits achieved and not achieved is provided in Table 9.
40. An additional project, Individualised Service Units for High-Risk Mental Health and Intellectual Disability Clients, at Capital and Coast, stated that all business case benefits had been achieved.

Table 9: Summary of benefits achieved and not achieved by projects over \$10 million.

Project	Measures Achieved / Not Achieved	Benefits Achieved	Not Achieved or Not Yet Quantifiable (NYQ)
Mason site E Tū Tanekaha Unit 10039	8/3	<ul style="list-style-type: none"> Safe environment, incl. legal compliance, air quality Provision of safe care Support new model of care 	<ul style="list-style-type: none"> Reduction of costs (NYQ) Length of stay (NYQ) Waiting time (NYQ)
Farmers Building – Ground & First Floors 10107	5/2	<ul style="list-style-type: none"> Centralisation & co-location of services Reduction & consolidation of leases Relocation of non-clinical support 	<ul style="list-style-type: none"> Property sale revenue

Project	Measures Achieved / Not Achieved	Benefits Achieved	Not Achieved or Not Yet Quantifiable (NYQ)
Tiaho Mai Acute Mental Health Unit, Counties Manukau 10014	14/4	<ul style="list-style-type: none"> • % of discharges > 35 days • Increase in range of interventions • Reduction in bed occupancy rate • Reduction in assaults, use of restraint, self-harm/attempted suicide • Absence without leave • Improvement in patient experience • Increase in family sessions & ability for partners to stay involved • Improved cultural capability 	<ul style="list-style-type: none"> • Average length of stay • Readmission rate • Reduction in inpatient staff sick leave & turnover • Improvement in staff satisfaction (NYQ)

41. Health NZ is establishing its Portfolio Management Office, that will define a Portfolio, Programme and Project Management (P3M) Maturity Roadmap that identifies a series of initiatives to support monitoring and improving portfolio performance, from project initiation to closure. The roadmap comprises the following key activities to ensure projects are well setup from outset, and well positioned to realise the benefits identified in approved business cases.
- Mature the definition of investment objectives and benefits as part of the Define phase. Business Cases will include clear definition of investment objectives mapped to measurable benefits, and post occupancy evaluation and post implementation assurance expectations.
 - Clearly define the project management expectations (standards, guidance, processes and templates) across the project lifecycle, including revised lessons learned and post completion reporting to ensure consistent information is gathered for portfolio reporting purposes.
 - Implement a Portfolio, Programme, Project Management Tool that centralises all project information, including benefits, lessons learned and project closure documentation.

Portfolio Performance Metrics

Cost per m² and per bed analysis

42. Portfolio metric information for cost per m² and cost per bed are provided at Appendix 5. There have been no new approvals in April to impact on the cost per m² results.
43. We have, following the Ministers feedback, included an average of the cost per bed in the graph.

44. The updated appendix now provides a view of the change in cost per m² over time. It shows that the cost per m² has increased by approximately 60% over the five-year period and this appears consistent with the change in price index for outputs of the non-residential building construction industry in New Zealand.
45. We have requested and are awaiting the cost estimates from the main Quantity Surveyor contractor, RLB, as our analysis has been based on the information in the business case.

Upcoming Ministerial decisions

46. Table 10 below shows projects with near-term submission dates for Ministerial consideration of business case approvals.

Table 10: Upcoming Business Case Approvals

Area	Project Name	Prioritised Crown Funding	Expected Total Budget Request	Indicative Date to Health NZ Board	Estimated Date to Ministers
Bay of Plenty	Whakatāne Mental Health Inpatient Unit Replacement	s9(2)(b)(ii), 9(2)(f)(iv)		TBC	TBC
Hawke's Bay	Hawke's Bay Hospital Radiology Facilities Redevelopment			July 2024	August 2024
Hawke's Bay	Hawkes Bay Linear Accelerator & Bunker Installation			August 2024	September 2024
Southern	Dunedin Sterile Services Unit			TBC	TBC

47. Projects requiring additional funding are accounted for in the HCE Allocation Report (Appendix 3) projections.

48. Table 11 below shows projects which are expected to be presented to Ministers in the coming months.

Table 11: Pending Decisions to be presented in the coming months

Area	Project Name	Decision Request	Additional Funding Request	Estimated Date to Ministers
Southern	Central Otago Primary Birthing Unit	s9(2)(b)(ii), 9(2)(f)(iv)	s9(2)(b)(ii), 9(2)(f)(iv)	June 2024
Hawke's Bay	Procedure Rooms Upgrade			June 2024
Waitematā	Manaaki Hōhonu - Waitakare Hospital Urgent Capacity Bed and Intensive Care Unit			July 2024

s9(2)(b)(ii), 9(2)(f)(iv)

Key Programme Overview

New Dunedin Hospital

Current Costs

49. As reported last month, Cabinet has approved a tagged contingency of \$290 million to meet cost pressures. Once released, this will increase the overall project budget for the New Dunedin Hospital (NDH) to \$1,880 million.
50. The project team will develop a new baseline cost estimate to enable monitoring of budget against this new programme. Programme and budget remain at risk until the construction contract for the Inpatient Building can be executed.
51. s9(2)(b)(ii), 9(2)(j)
52. Based on the latest cost estimates and including the now approved tagged contingency of \$290 million
- The forecast total is currently (excluding risks) at \$1,880 million
 - s9(2)(b)(ii)
53. In accordance with the recent Cabinet decision, the financial elements of the Implementation Business Case (IBC) will be further refined as the project advances, and a final IBC with updated costings and quantitative risk assessment will be submitted to Cabinet in or before December for approval which will show how we are managing scope and risk to deliver the project on budget.

Outpatient Building (Red)

54. There is progress on site with around 27% of the building complete. The building is wrapped to allow works to continue internally during inclement weather.

Table 12: Forecast completion dates for Outpatient Building milestones.

Milestone	Forecast Completion Date
Construction – Main Build	31 July 2026
Go Live (operationally in use)	October 2026

Inpatient Building (Red)

55. Work on the slab removal works on the ex-Cadbury Inpatient Building site is complete and piling is underway with approximately 216 piles fully driven to date and a further 59 piles partially driven out of a total of 324 piles.

- 56. The cost pressure for the Inpatient Building remains, based on continued inflation and exchange rate pressures. The project team has developed an alternative contracting methodology that will mean that the contractor and client work together collaboratively to minimise cost pressures and delays along with early procurement of major subsystems to avoid further cost escalation. However, the delay to approving the drawdown on funding and the review process is adding additional cost pressures.
- 57. There is a requirement to undertake an independent review of readiness, develop an interim Implementation Business Case, and have an Independent Ministerial Advisor appointed. The interim implementation business case continues to progress well. The independent review team, facilitated by Te Waihanga, commenced in the week beginning 15 April 2024 and has delivered a draft report for review.
- 58. Weekly status and coordination meetings on the deliverables required by Cabinet continue to be held between Health NZ, Te Waihanga, the Treasury, and the Ministry of Health. Agencies presented to Ministers the draft high level independent findings and progress on the deliverables required by Cabinet. The Health NZ team remain ready to brief the Specialist Ministerial Advisor as soon as they start.

Table 13: Forecast completion dates for Inpatient Building milestones.

Milestone	Forecast Completion Date
Developed Design	26 February 2024 (complete)
Detailed Design	17 December 2024
Construction – Main Build	s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j) Completion: Mid-2029
Go-Live (operationally in use)	Late 2029 / early 2030

Mental Health Infrastructure Programme

West Coast budget uplift

59. s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j)

MidCentral roof completion

- 61. The **Acute Adult Mental Health Facility, Palmerston North Hospital** recently reached a significant milestone with the completion of the building's roof. The project's next milestone will be the completion of several prototype rooms enabling the clinical team to review and test a selection of specialty products, ensuring they remain fit-for-purpose and will be installed correctly before the wider facility undergoes fitout.

Cost pressures for Hutt Valley

62. The project conducted its first cost review since day-to-day management transitioned to Health NZ. The cost estimate was carried out against 60% Developed Design and will undergo a subsequent estimate when Developed Design completes in May.
63. The Developed Design cost estimate will inform future advice on the project. We are expecting to present this to the Committee and Board in July.

Regional Hospital Redevelopment Programme

Overview

64. The Regional Hospital Redevelopment Programme (RHRP) is comprised of two tranches. Tranche 1 is in the Deliver phase and Tranche 2 is in the planning phase.
65. All projects within the RHRP are of significant capital value (\$500+ million), with a dedicated project director allocated from planning to construction completion.

Project Pihi Kaha – Whangārei Hospital Redevelopment (Red)

66. The project will replace a large section of the main hospital block and includes:
 - a. Project Pukauakaua – Acute Services Building and Ward Building: Building an acute services building for theatres, ED, ICU, a coronary care unit, a cardiac catheter laboratory, radiology and support services, as well as design of a ward tower adjacent to the acute services building. This would accommodate four medical-surgical wards and an acute assessment unit, which is enough new and replacement capacity to fully vacate and decommission the end-of-life surgical wing.
 - b. Project Tira Ora – Child Health Centre: Rebuilding the child health centre in the western part of the campus; this is currently on the site of the proposed acute services building and is in design.
 - c. Project Te Whaea o te Iwi – Whānau House: Rebuilding the Whānau House in the western part of the campus; this is currently on the site of the proposed acute services building and is preparing for construction to start.
67. The Whangārei Whānau House construction continues to make positive progress onsite with practical completion planned in June 2024. The project remains on track within the approved timeframe and budget which is pleasing to report.
68. Project Tira Ora remains on track in accordance with the current programme with design due for completion in mid-May 2024 ahead of consenting and contractor procurement.
69. Request for tenders have been developed ahead of the contractor procurement process commencing in May 2024.
70. Working with the new Head of Infrastructure Delivery the team are developing a Pihi Kaha consultant procurement strategy to engage a single design consortium for the acute services building and Ward Tower, and who may in future transition onto a proposed national hospital design panel. This updated procurement strategy is underway with drafting planned to be completed for approval in May 2024.

71. The previously approved Pihi Kaha business case includes for the design of the Ward Tower, but not its construction. Drafting of the business case for the construction scope of the Ward Tower is now complete and has been endorsed by the Project Steering Group.
72. The single stage business case for additional car parking is also complete and in circulation; this carparking is an essential pre-requisite to clear the site prior to the acute services building works starting. Carpark design services are intended to be provided by the acute service building consortium designers once appointed, for efficiency, co-ordination, and continuity. Both business cases are necessary to achieve the Pihi Kaha investment objectives.

Project Whakatapuranga – Nelson Hospital Redevelopment (Green)

73. Earthquake Prone Building (EPB) related works have started in the George Manson Building. These are expected to take four to five months to complete, depending on the level of complexity associated with aged buildings.
74. The design intent for the remaining EPB notices has been discussed with Nelson City Council. Council have agreed the pathway for the removal of the EBP notices. Design work is to be instructed in the next period to complete the design for the consent application.
75. Updated demand modelling which considers an extended horizon for assessing population data out to 2043 (previously was to 2038) has been reviewed with national and local Hospital and Specialist Services leads. Final consultation is expected to be complete by the end of May 2024.
76. The demand modelling data is required to finalise the schedule of accommodation and to test the final master plan.
77. The updated Master plan and phased approach for delivery will be submitted to the Capital and Infrastructure Committee and Health NZ Board, before progressing to Ministers, with an updated preferred option from the Programme Business Case option.

Tauranga Hospital Redevelopment (Green)

78. Recent project activities include the development of a Clinical Services Plan, detailed seismic assessments of key buildings, an existing site feasibility study, and work on an early site master plan/options analysis.
79. A Strategic Assessment is in progress, and will be followed by a Programme Business Case, due to start in the second half of 2024.
80. A programme approach is being taken in the procurement of the resource required to develop and deliver the RHRP Tranche 2 business cases.
81. The procurement of a supplier for business case development services across Tranche 2 is in progress and a preferred supplier is expected to be identified in April.

Hawke's Bay Fallen Soldier's Memorial Hospital Redevelopment

82. The draft Local Clinical Services Plan (including demand and capacity modelling), future model of care planning, asset management planning, and Site Master Plans for Hawke's Bay Hospital and Wairoa Health have been completed.
83. The Māori health equity plan, cultural narrative and cultural impact assessment will be developed in the next quarter.
84. Work on the Programme Business Case for the project is expected to start in the second half of 2024.

Palmerston North Hospital Redevelopment

85. The draft local Clinical Services Plan and asset management planning, completed in 2023, has now been reviewed by the national Health NZ planning team.
86. Site Master planning for Palmerston North Hospital was on hold until the clinical service plan had been finalised and is scheduled to recommence in May.
87. Work on the Programme Business Case for the project is expected to start in the first quarter of 2025.

Linear Accelerator Programme

88. The Linear Accelerator programme is not managed as a programme but managed individually in each region. Table 14 below provides a summary of progress for the current in-flight linear accelerator projects.

Table 14: Summary of in-flight Linear Accelerator Projects

Area	Project Name	Project Stage	No. of LINAC Machines	Total Project Cost	Forecast Go-live	RAG Status		
						Time	Scope	Budget
Te Toka Tumai Auckland	Linear Accelerators Replacement, Auckland City Hospital	Construction	2	s9(2)(b)(ii)	Oct 24	G	G	G
Te Tai Tokerau Northland	Radiation Oncology Project	Procurement (Main Contractor)	1		May 26	G	G	G
Taranaki	Linear Accelerators	Construction	1		Aug 25	G	G	G
Te Matau a Māui Hawke's Bay	Linear Accelerator & Bunker, Hawke's Bay Hospital	Detailed Business Case	1		Jul 27	R	R	R

89. There have been no changes in RAG ratings for this reporting period.

Project Photos

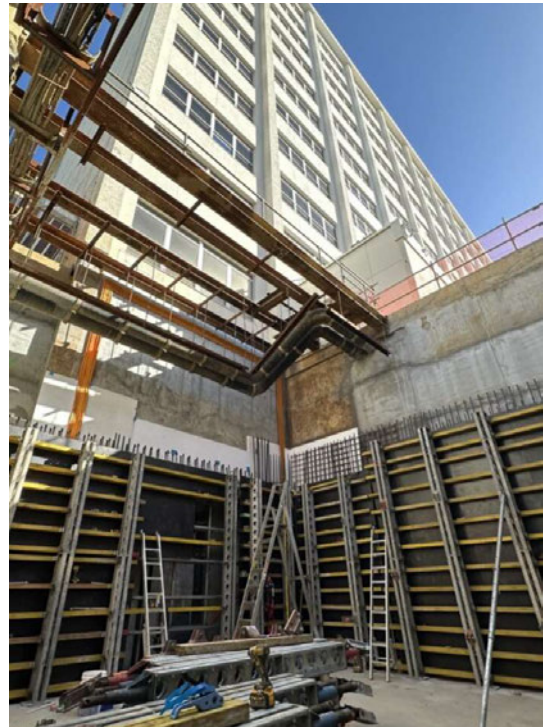
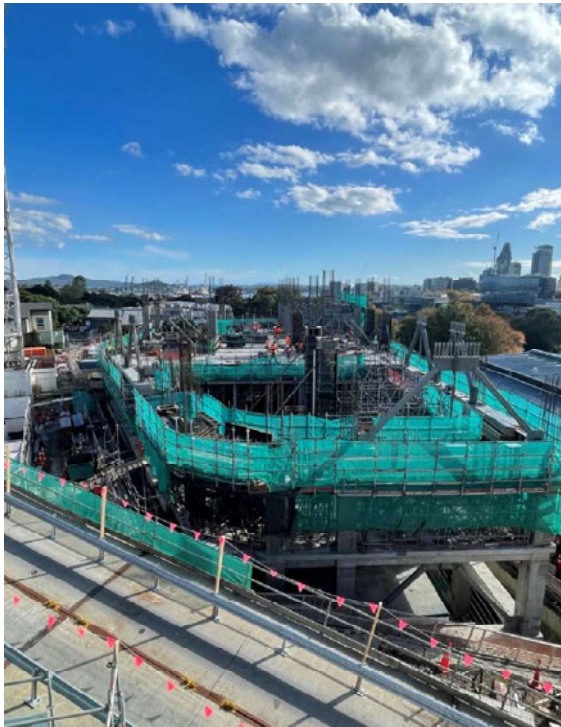
10001 – Facilities Infrastructure Remediation Programme - Tranche 1, Te Toka Tumai Auckland

Substation C low voltage & high voltage switch boards



10056 – Facilities Infrastructure Remediation Programme - Tranche 2, Te Toka Tumai Auckland

A40 Site Works, and Tunnel Site B Works



10204 – Manaaki Hōhono - Construction of inpatient ward and ICU, Waitākere Hospital
Western View in early April



Western View in late April



Southern View in early April



10230 – Project Pihi Kaha - Whangārei Hospital Redevelopment
Whanau House



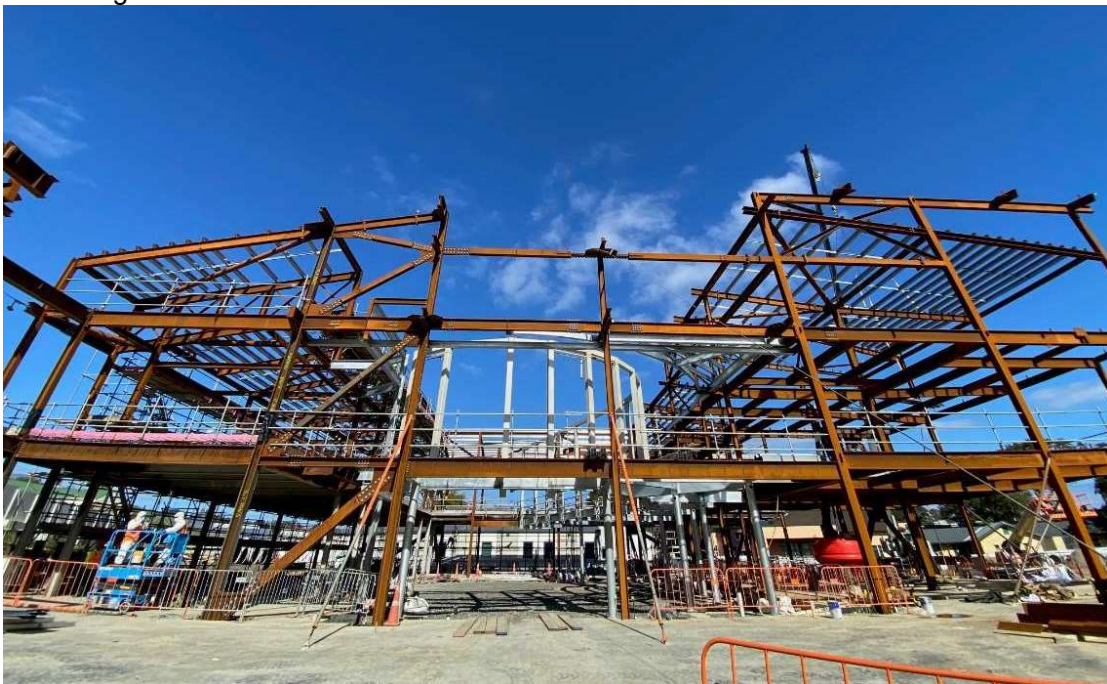
102116 – Radiation Oncology Project, Whangārei Hospital
Site overview



30024 – Wairau Boilers, Nelson-Marlborough
Buffer tanks and pipework in WA14



10050 – E Tū Wairua Hinegaro - Forensic Psychiatric Services Facilities
Replacement, Mason Clinic, Auckland, Waitematā
East Wing structural steel



10079 – Taranaki Base Hospital Redevelopment - Project Maunga - Stage 2
New East Wing Building Atrium with Acute Services Building



New East Wing Building



10073 – Adult Mental Health Facility - Tranche 1, Waikato
Excavation and general site



Internal weather lining installation



10036 – Construction of new building, Tōtara Haumaru North Shore Hospital, Waitematā

View from site camera



102117 – Taranaki Cancer Centre, Taranaki Base Hospital

Camera 1, Foundation



10025 – New Dunedin Hospital (Outpatients Building), Southern Outpatients Building



100251 – New Dunedin Hospital (Inpatients Building), Southern Steel piling work



Appendices

- Appendix 1: Project Performance Summary Period ending 30 April 2024
- Appendix 2: Mental Health Project Performance Summary Period ending 30 April 2024
- Appendix 3: Health Capital Envelope – Allocation Summary April 2024
- Appendix 4: Projects with Significant Risks Period ending 30 April 2024
- Appendix 5 Performance metrics

Appendix 1 Health Capital Project Update

Reporting Period: Period ending 30 April 2024

	ID	REGION	LOCATION/ CAMPUS	BUSINESS CASE NAME	DESCRIPTION	BUSINESS CASE STAGE	FORECAST BUSINESS CASE COMPLETION	TOTAL FUNDING ALLOCATED	INDICATIVE TOTAL COST	PREVIOUS MONTH RISK RATING	CURRENT MONTH RISK RATING
DEFINE	10239	2 - Te Manawa Taki	Hauora a Toi Bay of Plenty	Tauranga Hospital Redevelopment	Redevelopment of Tauranga Hospital	Indicative Business Case	Dec-25	TBD	s9(2)(b)(ii), 9(2)(f)(iv)	Green	Green
	102118	3 - Central	Te Matau a Māui Hawke's Bay	Linear Accelerator & Bunker Installation, Hawke's Bay Hospital	Installation of linear accelerator machine and construction of bunker to expand regional cancer services.	Detailed Business Case	May-24	\$33.2 m		Red	Red
								\$33.2 m			

ID	REGION	LOCATION/ CAMPUS	PROJECT NAME	PROJECT DESCRIPTION	FORECAST DESIGN COMPLETION	FORECAST CONSTRUCTION COMPLETION	TOTAL FUNDING APPROVED		PREVIOUS MONTH OVERALL RISK RATING	CURRENT MONTH OVERALL RISK RATING	CURRENT MONTH SCHEDULE RATING	CURRENT MONTH BUDGET RATING	CURRENT MONTH SCOPE RATING
10225	1 - Northern	Counties Manukau	New Specialised Rehabilitation Centre (SRC)	Relocation of the Auckland Regional Spinal Unit from Counties Manukau's Ōtara campus at Middlemore Hospital to a new purpose built facility.	May-24	Oct-27	\$136.0 m	s9(2)(b)(ii), 9(2)(f)(iv)	Red	Red	Amber	Red	Amber
10059	1 - Northern	Counties Manukau	Core Infrastructure Upgrade	Phased upgrade of essential infrastructure at Middlemore Hospital, e.g., power, lifts, air-conditioning, medical gases, water, etc.	Jan-25	Mar-27	\$33.8 m		Amber	Amber	Amber	Amber	Amber
10230	1 - Northern	Te Tai Tokerau Northland	Project Pihī Kaha - Whangārei Hospital Redevelopment	Replacement of a large section of the main hospital block to address building issues and increase capacity	Oct-26	Feb-31	\$759.0 m		Red	Red	Amber	Red	Red
30026	1 - Northern	Te Tai Tokerau Northland	Kaitiāia Hospital Weathertightness Remediation	Weatherproofing to extend building lifespan.	May-25	Jul-26	\$12.9 m		Green	Green	Green	Green	Green
10247	1 - Northern	Waitematā	Waitematā Infrastructure Services Programme (ISP) Tranche 1B	Programme of remediation projects of critical plant and equipment to ensure compliance with relevant standards and legislation, and projects enabling and supporting campus resilience.	Jul-25	May-26	\$40.9 m		Green	Green	Green	Green	Green
10241	1 - Northern	Waitematā	Waitākere – Electrical Infrastructure Upgrade	Upgrade to critical elements of electrical infrastructure at Waitākere Hospital	Jun-24	Jan-25	\$7.2 m		Green	Green	Amber	Green	Green
10252	2 - Te Manawa Taki	Hauora a Toi Bay of Plenty	Bay of Plenty Seismic Strengthening (Building 20 and Kitchen Refurbishment)	Structural upgrade of building to protect IL4 services (includes relocation of kitchen).	TBC	TBC	\$24.8 m		Amber	Amber	Amber	Amber	Green
10258	2 - Te Manawa Taki	Tairāwhiti	Generator and Electrical Upgrade and Electrical Supply to Site	Electrical upgrade, including supply to site and replacement of ageing generators, replacement of coal boilers	TBC	Jun-25	\$25.0 m		Green	Green	Green	Green	Green
30032	2 - Te Manawa Taki	Tairāwhiti	New Child and Youth Health Community Hub	Centralised location for a one stop shop providing services for children and youth.	TBC	Feb-25	\$5.0 m		Red	Red	Amber	Amber	Green
10226	3 - Central	Capital, Coast & Hutt Valley	Nga Puna Waiora High Voltage Infrastructure Upgrades, Wellington Regional Hospital	Electrical upgrade, including supply to site and replacement of ageing generators.	Dec-25	Dec-27	\$25.0 m		Amber	Amber	Green	Amber	Amber
10256	3 - Central	Capital, Coast & Hutt Valley	Front of Whare	Addresses seismic, configuration and capacity issues. Significant planning required so this will deliver first phase only	May-25	Dec-27	\$10.0 m		Green	Green	Green	Green	Green
30016	3 - Central	Capital, Coast & Hutt Valley	Maternity Ward and Neonatal Unit Upgrade	Facility redevelopment to improve care and outcomes for hapu mama, pepe and whanau.	Aug-24	Dec-25	\$9.5 m		Amber	Amber	Red	Amber	Green
10208	3 - Central	Te Matau a Māui Hawke's Bay	Radiology Facilities Redevelopment, Hawke's Bay Hospital	Refurbishment of Radiology Buildings.	May-24	Oct-26	\$25.1 m		Red	Red	Red	Red	Amber
30045	3 - Central	Whanganui	Waimarino Health Centre Extension	Health Centre redevelopment to co-locate primary and community services.	Dec-24	Feb-26	\$3.3 m		Green	Green	Green	Green	Amber
10243	4 - Te Waipounamu	Nelson Marlborough	Project Whakatapuranga (Nelson Hospital Redevelopment)	Design and construction of a new Acute Services Building and refurbishment of existing clinical buildings across the campus to address seismic issues and critical services infrastructure.	Dec-26	Dec-31	\$73.0 m		Green	Green	Green	Green	Green
30020	4 - Te Waipounamu	Nelson Marlborough	Nelson Hospital ED Reconfiguration	An extension to Nelson ED to support the current and increasing ED attendances until a new ED is completed as part of the broader hospital redevelopment.	May-24	Oct-25	\$1.4 m		Amber	Amber	Amber	Amber	Green
100251	4 - Te Waipounamu	Southern	New Dunedin Hospital (Inpatient Building)	New Dunedin Hospital campus built across the ex Cadbury and Wilson blocks in central Dunedin to replace hospital services currently provided in the Clinical Services Block, Ward Block (acute clinical services, birthing, inpatient units, clinical and non-clinical support services and ambulatory services) and Energy Centre.	Dec-24	Mar-29	\$1296.0 m		Red	Red	Amber	Red	Green
10246	4 - Te Waipounamu	Waitaha Canterbury	Christchurch Hospital Endoscopy Expansion	Fit out of four new procedure rooms, construction of two new procedure rooms, and the refurbishment of two existing procedure rooms to provide additional capacity within the endoscopy unit at Christchurch Hospital.	May-24	Mar-25		s9(2)(b)(ii)	Red	Red	Green	Red	Green

ID	REGION	LOCATION/ CAMPUS	PROJECT NAME	PROJECT DESCRIPTION	FORECAST CONSTRUCTION COMPLETION	SPEND TO DATE	TOTAL FUNDING APPROVED	PREVIOUS MONTH RISK RATING	CURRENT MONTH RISK RATING	CURRENT MONTH SCHEDULE RATING	CURRENT MONTH BUDGET RATING	CURRENT MONTH SCOPE RATING
10209	1 - Northern	Counties Manukau	Manukau Superclinic Expansion	Critical expansion of capacity at Manukau Health Park with supporting infrastructure, including outpatients, theatres, renal, radiology, integrated breast care and more.	Nov-25	\$115.8 m	\$316.8 m	Green	Amber	Amber	Amber	Green
10210	1 - Northern	Counties Manukau	KidzFirst and McIndoe Building Recladding, Middlemore Hospital	Year 2 of Stage 2 of the recladding programme to address leaky building and cladding issues.	Apr-27	\$1.5 m	\$41.9 m	Amber	Amber	Amber	Green	Amber
10045	1 - Northern	Counties Manukau	Acute Radiology Unit Relocation, Middlemore Hospital	Relocate existing radiology department from earthquake-prone Galbraith Building to Harley Gray Building.	Jan-26	\$3.3 m	\$44.5 m	Green	Green	Green	Green	Green
102116	1 - Northern	Te Tai Tokerau Northland	Radiation Oncology Project	New radiation oncology facility and redevelopment of the Jim Carney Cancer Centre	Feb-26	\$6.1 m	\$60.9 m	Green	Green	Green	Green	Green
10068	1 - Northern	Te Tai Tokerau Northland	Regional Collaborative Community Care (RCCC)	Implement a new regional platform to support an integrated network of primary, community and hospital-based care.	Sep-24	\$8.5 m	\$17.1 m	Amber	Amber	Amber	Green	Amber
10227	1 - Northern	Te Tai Tokerau Northland	Regional Network Remediation	Replacement of 826 end-of-life network devices.	Jun-24	\$8.4 m	\$12.4 m	Green	Green	Amber	Green	Green
10056	1 - Northern	Te Toka Tumai Auckland	Facilities Infrastructure Remediation Programme - Tranche 2	Building Resilience - New central plant, tunnels and future integration at Auckland City Hospital and Greenlane	Dec-25	\$179.2 m	\$358.1 m	Green	Green	Green	Green	Green
10001	1 - Northern	Te Toka Tumai Auckland	Facilities Infrastructure Remediation Programme - Tranche 1	Remediation of urgent infrastructure at Auckland City Hospital and Greenlane Clinical Centre	Jun-25	\$179.6 m	\$312.8 m	Green	Green	Green	Green	Green
10069	1 - Northern	Te Toka Tumai Auckland	Tū Pono Āroha - Hospital Administration Replacement Project	Delivery of a replacement Patient Administration System (PAS) for Auckland to secure business continuity and integrate with other current Northern Region PAS solutions	May-24	\$29.2 m	\$59.6 m	Green	Amber	Red	Green	Green
30002	1 - Northern	Te Toka Tumai Auckland	Starship Paediatric Intensive Care Unit (PICU) Bed Expansion and Atrium Redevelopment	Expansion of PICU to create an additional 10 beds in the current non-clinical area, and the development of atrium and public spaces on levels two and three in Starship Hospital to accommodate new public spaces, medical day stay and displaced PICU staff.	Jan-26	\$18.9 m	\$48.0 m	Red	Green	Green	Green	Green
102115	1 - Northern	Te Toka Tumai Auckland	Linear Accelerators Replacement, Auckland City Hospital	Replacement of linear accelerator cancer radiation machines	Jun-24	\$6.9 m	\$11.7 m	Red	Green	Green	Green	Green
10204	1 - Northern	Waitematā	Manaaki Hōhono - Construction of inpatient ward and ICU, Waitākere Hospital	Increasing capacity at Waitākere Hospital with a new build comprising a 30-bed inpatient ward and an 8-bed ICU (with 6 ICU beds initially fitted out), with future-proofing for additional clinical space.	Feb-26	\$12.1 m	\$88.9 m	Green	Red	Red	Red	Amber
10222	1 - Northern	Waitematā	Building For The Future - Fit-out of shelled theatres, inpatient wards and procedure rooms, Tōtara Haumarū, North Shore Hospital.	Increasing capacity in Northern region with the fit-out of four surgical theatres, one 30-bed ward and two endoscopy procedure rooms within Tōtara Haumarū. Funding of this project has been spent and forecast as part of 10036.	May-24	\$0.0 m	\$41.4 m	Green	Green	Amber	Green	Green
10238	1 - Northern	Waitematā	Construction of Waitākere Primary Birthing Unit	Construction of a 970sqm primary birthing facility, which includes six birthing/postnatal suites, to meet the urgent demand for maternity services in the West Auckland area.	Sep-25	\$1.7 m	\$12.3 m	Red	Red	Amber	Red	Green
30017	2 - Te Manawa Taki	Lakes	Women, Child and Family Facility Upgrade	Women, Child and Family Facility upgrade incorporates the Birthing Unit, Perinatal Unit, Childrens Unit, Special Care Baby Unit and a 24 bed general ward that is used currently for decanting. These units were in need for substantial investment to bring them standard meeting the needs for both patients and staff.	Aug-24	\$4.0 m	\$6.0 m	Red	Green	Amber	Green	Green
10079	2 - Te Manawa Taki	Taranaki	Taranaki Base Hospital Redevelopment - Project Maunga - Stage 2	This is stage 2 of a 3 stage inpatient building programme. Stage 1 completed in 2014. Recent seismic assessment informed the DHB had 5 EPB buildings (IL4 <34%) + 4 tunnels carrying essential services - all currently housing key clinical services (ED, ICU/HDU/CCU, Radiology, Renal, Pathology Lab, Maternity services). Further the buildings are aged and not fit for purpose - a few exceeding > 55 years. New buildings are planned including ED, radiology, laboratory, pathology services, specialist ICU.	Apr-25	\$270.8 m	\$403.5 m	Red	Red	Amber	Red	Green
102117	2 - Te Manawa Taki	Taranaki	Linear Accelerators	Replacement of Linac and Bunker as part of regional services.	Aug-25	\$17.1 m	\$56.1 m	Green	Green	Green	Green	Green
30048	2 - Te Manawa Taki	Waikato	Tokoroa ED Reconfiguration	Reconfiguration of Tokoroa Hospital to improve infectious disease management, enlarge front of house, provide flexible space, and repurpose a consultation room as a plaster room.	Jun-24	\$1.4 m	\$1.5 m	Amber	Green	Red	Green	Green
30008	3 - Central	Capital, Coast & Hutt Valley	Copper Pipes Tranche 1	Replacement of corroding hot-water pipes in Wellington Hospital.	Dec-26	\$50.4 m	\$50.4 m	Amber	Green	Green	Green	Green
10255	3 - Central	Capital, Coast & Hutt Valley	Copper Pipes Tranche 2	Lifts, copper pipes, seismic and other remediation. Programme exceeds this amount. Phasing to be determined. Programme business case has been completed for lifts element but further work required to scope the remaining remediation elements. Funding is for first tranche only.	Dec-26	\$22.3 m	\$51.8 m	Amber	Green	Green	Amber	Green
10240	3 - Central	Capital, Coast & Hutt Valley	Renewal of Vertical Transport (Lifts) - Tranche 2	Renewal of failing lifts in seven buildings across Wellington Regional Hospital.	Jul-25	\$2.0 m	\$5.8 m	Green	Green	Green	Green	Green
10218	3 - Central	Te Matau a Māui Hawke's Bay	Surgical Services Expansion Project (SSEP), Hawke's Bay Hospital	Bringing the previously shelled theatre eight online, expanding the post anaesthesia care unit (PACU), and minor modifications to the central sterile services department (CSSD).	Jun-24	\$16.1 m	\$18.8 m	Amber	Amber	Amber	Red	Green
10148	3 - Central	Te Matau a Māui Hawke's Bay	Hawke's Bay Hospital Seismic Remediation Works	Seismic strengthening remediation works on theatres, and acute assessment unit.	May-24	\$7.7 m	\$8.8 m	Green	Green	Amber	Green	Green
30014	3 - Central	Te Matau a Māui Hawke's Bay	Main Electrical Supply Upgrade	Replacement the DHB's aging main electrical switchboards in hospital buildings.	Aug-24	\$3.6 m	\$4.0 m	Amber	Amber	Red	Green	Green
30013	3 - Central	Te Matau a Māui Hawke's Bay	Procedure Rooms Upgrade, Hawke's Bay Hospital	Fitout of two procedure rooms in the Ruakopito (Endoscopy) building to enable ophthalmological procedures to be undertaken whilst maintaining endoscopy procedures.	TBC	\$1.6 m	\$3.0 m	Red	Red	Red	Green	Red
10257	3 - Central	Te Pae Hauora o Ruahine o Taranaki MidCentral	Critical Infrastructure Interim Works, Palmerston North Hospital	This is Phase 2 of the Electrical Systems Strategy and comprises the replacement of the Low Voltage Substation 1 together with the associated essential services cables and installation of a new high voltage and LV substation 6 to support both the Acute Mental Health Unit and other site developments.	Dec-25	\$3.8 m	\$30.2 m	Amber	Green	Green	Green	Green
30037	3 - Central	Wairarapa	Outpatients Refurbishment	This funding will enable the outpatients' area to be re-fitted for a triaging area, new office and clinic space which will better position the DHB for future models of care including virtual consultations.	Jul-24	\$0.2 m	\$0.9 m	Amber	Amber	Red	Green	Green
30024	4 - Te Waipounamu	Nelson Marlborough	Wairau Boilers	Replacement of boilers with an energy efficient, sustainable option.	Aug-24	\$4.6 m	\$8.1 m	Green	Green	Amber	Green	Green
10025	4 - Te Waipounamu	Southern	New Dunedin Hospital (Outpatient Building)	New build 15,000m2 Outpatient Building complete with four theatres, as part of wider New Dunedin Hospital. Outpatient be completed first so that local operating theatre capacity restraint is reduced.	Jul-26	\$103.2 m	\$294.0 m	Red	Red	Red	Red	Green
10027	4 - Te Waipounamu	Southern	Urgent Interim Works - Deferred Main, Gastroenterology, Audiology, ICU	Redevelopment of gastroenterology, audiology and ICU facilities, and a deferred maintenance programme at Dunedin Hospital.	Feb-25	\$30.4 m	\$32.6 m	Amber	Green	Green	Green	Amber

9(2)(b)(i), 9(2)(i)(iv)

DELIVER

ID	REGION	LOCATION/ CAMPUS	PROJECT NAME	PROJECT DESCRIPTION	FORECAST CONSTRUCTION COMPLETION	SPEND TO DATE	TOTAL FUNDING APPROVED	PREVIOUS MONTH RISK RATING	CURRENT MONTH RISK RATING	CURRENT MONTH SCHEDULE RATING	CURRENT MONTH BUDGET RATING	CURRENT MONTH SCOPE RATING
10026	4 - Te Waipounamu	Southern	Keeping the Lights on - Stage 2 (Dunedin Hospital Transition Programme - Maintenance) (Critical Infrastructure Works)	Essential maintenance projects to maintain services until completion of the new Dunedin Hospital development.	Dec-25	\$3.0 m	\$23.6 m	Green	Green	Amber	Green	Green
30030	4 - Te Waipounamu	Southern	Rural Primary Birthing Units in Central Otago	Additional facility required due to rapid and sustained population growth in Central Otago.	Oct-25	\$4.9 m	\$7.0 m	Red	Red	Red	Red	Amber
10112	4 - Te Waipounamu	Te Tai o Poutini West Coast	Te Rau Kawakawa Buller Integrated Family Health Centre (IFHC)	Development of Buller Integrated Family Health Centre in Westport.	Jan-25	\$20.8 m	\$27.3 m	Red	Green	Green	Green	Green
10007	4 - Te Waipounamu	Waitaha Canterbury	Christchurch Hospital Redevelopment, Tower 3	The objective of the project is to provide a new ward tower to the existing IL4 Waipapa building (formerly Acute Services Building) to provide provision for 160 bed spaces across five ward (32 bed wards). The project has approval to fit out two of the wards currently to provide 64 beds, with the remaining three to be constructed as shell floors.	Oct-25	\$49.8 m	\$183.5 m	Green	Green	Green	Green	Green
10220	4 - Te Waipounamu	Waitaha Canterbury	Compliance Works Programme	Compliance works for the Christchurch Hospital Main Campus. This includes structural strengthening, passive fire compliance works, structural upgrades.	Jun-26	\$34.8 m	\$76.9 m	Green	Green	Green	Green	Green
10005	4 - Te Waipounamu	Waitaha Canterbury	Energy Centre and Services Tunnel	Redevelopment of Energy Centre and Services Tunnel post 2011 Canterbury Earthquakes.	Jun-24	\$64.6 m	\$71.4 m	Green	Green	Amber	Green	Green
10259	4 - Te Waipounamu	Waitaha Canterbury	Child, Adolescent and Family Relocation	Fit-out of the Hillmorton Laundry space to provide a clinically appropriate and economical accommodation solution for the consolidation of Child, Adolescent and Family outpatient service.	Sep-24	\$3.7 m	\$11.1 m	Amber	Red	Green	Red	Green
30006	4 - Te Waipounamu	Waitaha Canterbury	Parkside Enhancements - Tranche One	Upgrade aims to address many facility issues that hinder staff's ability to provide an adequate level of care for their patients. The proposed investment will support the refurbishment of the wards in Parkside building at Christchurch Hospital.	May-24	\$7.2 m	\$7.1 m	Red	Red	Green	Red	Green
							\$2,809.7 m					

ss(2)(b)(a), 9(2)(iv)

Appendix 2 Health Capital Project Update

Reporting Period: to 30 April 2024

PHASE	ID		LOCATION	PROJECT NAME	INTER-VENTION LEVEL	PREVIOUS MONTH RATING	CURRENT MONTH OVERALL RATING	CURRENT MONTH SCHEDULE RATING	CURRENT MONTH BUDGET RATING	CURRENT MONTH SCOPE RATING	SPEND TO DATE	INDICATIVE TOTAL COST	COMPLETION CALENDAR YEAR (PRACTICAL COMPLETION)
DEFINE	30004	1. Define	Hauora a Toi Bay of Plenty	Whakatāne Hospital - Te Toki Maurere - Mental Health and Addictions Acute Inpatient Unit redevelopment	3	Amber	Amber	Red	Red	Amber	\$0.0 m	\$0.0 m	TBA
DESIGN	30003	2. Design	Hauora a Toi Bay of Plenty	Tauranga Hospital - Te Whare Maiangiangi - Mental Health and Addictions Acute Inpatient Unit redevelopment*	3	Amber	Green	Amber	Green	Green	\$0.3 m	\$23.1 m	Q3 2027
	10232	2. Design	Waitaha Canterbury	Hillmorton Hospital - Masterplan Redevelopment Tranche 1	2	Green	Green	Green	Green	Green	\$8.2 m	\$129.3 m	2028
	300151	2. Design	Capital, Coast & Hutt Valley	Hutt Hospital – Tranche 2 - Mark Dunajtschik Mental Health Centre**	3D	Amber	Amber	Red	Red	Green	\$0.0 m	\$80.0 m	Q4 2026
DELIVER	30041	3. Delivery	Te Tai o Poutini West Coast	Grey Base Hospital - Mental Health and Addictions Facility replacement	3	Red	Amber	Red	Green	Green	\$1.6 m	\$26.2 m	Q3 2026
	10073	3. Delivery	Waikato	Waikato Hospital - Te Pae Tawhiti - Mental Health Adult Acute Inpatient Facility replacement	2	Green	Green	Green	Green	Green	\$27.6 m	\$175.6 m	Q3 2026
	30033	3. Delivery	Taranaki	Taranaki Base Hospital - Tukapa House and Te Puna Waiora - Acute Inpatient Mental Health Facility upgrade	0	Green	Green	Green	Amber	Green	\$3.7 m	\$9.0 m	Q4 2024 - Tukapa House Complete – Te Puna Waiora upgrade
	10075	3. Delivery	Lakes	Rotorua Hospital - Mauri Ora - Mental Health and Addictions Inpatient Facility redevelopment	3	Amber	Amber	Amber	Amber	Green	\$11.8 m	\$50.0 m	Q3 2025
	30015	3. Delivery	Capital, Coast & Hutt Valley	Hutt Hospital Acute Mental Health Unit Tranche 1 - Enabling Works**	0	Amber	Amber	Amber	Red	Amber	\$7.0 m	\$9.2 m	Q3 2024
	30021	3. Delivery	Nelson Marlborough	Nelson Hospital - Wāhi Oranga Mental Health Inpatient Unit refurbishment	0	Amber	Amber	Green	Red	Amber	\$3.6 m	\$6.4 m	Q4 2024
	10207	3. Delivery	Tairāwhiti	Gisborne Hospital - Te Whare Awhiora - Acute Mental Health and Addictions Facility	3	Green	Amber	Amber	Green	Green	\$19.7 m	\$29.9 m	Q4 2024
	10050	3. Delivery	Waitematā	Mason Clinic - E Tū Wairua Hinengaro - Tranches 1A and 1B	1	Green	Green	Green	Green	Green	\$53.7 m	\$192.8 m	Q3 2025
	10020	3. Delivery	Te Pae Hauora o Ruahine o Tararua MidCentral	Palmerston North Hospital - Acute Mental Health Unit replacement	2	Amber	Green	Amber	Green	Green	\$22.7 m	\$66.6 m	Q2 2025
	30025	3. Delivery	Te Tai Tokerau Northland	Whangarei - Community Mental Health Hub at Manaia House	0	Red	Red	Red	Amber	Green	\$21.4 m	\$21.6 m	Q4 2024
DEBRIEF	10010	4. Complete	Waitaha Canterbury	Specialist Mental Health Services Relocation from The Princess Margaret Hospital (TPMH) to Hillmorton Hospital	0						\$81.7 m	\$81.8 m	
	10012	4. Complete	Capital, Coast & Hutt Valley	Rātonga-Rua-O-Porirua campus - Manawai - Individualised Service Units	0						\$13.3 m	\$13.3 m	
	10014	4. Complete	Counties Manukau	Middlemore Hospital - Tiaho Mai - Mental Health Inpatient Unit	0						\$62.9 m	\$62.9 m	
												\$977.8 m	

The IIG refer to estimated practical completion rather than ‘go live’ dates. Practical completion refers to the infrastructure component of the project, when the building and fit out is complete. ‘Go live’ incorporates operational decision-making including service change management and staffing. Actual cost and practical completion are only confirmed once a project is completed. There are key stage gates where accuracy of an estimate is enhanced, these are generally at business case decision, at the end of each design phase and main contract award. For this reason, IIG recommends that project information is updated (rebaselined) at key stage gates.

*\$30 million was allocated through Budget 2022. The use of \$23.1 million is approved for this project with the remaining \$6.9 million placed in reserve.

** From June 2023, the Mark Dunajtschik Mental Health Centre project at Hutt Hospital was separated into two projects (enabling and main build) for reporting purposes.

s9(2)(b)(ii)





Appendix 4


Projects with Significant Risks


This document provides commentary on progress and mitigations for **Red-rated projects with total costs over \$10 million** including projects of the Mental Health Infrastructure Programme (MHIP) as at **30 April 2024**. A list of all projects, their stage and RAG rating is provided in Appendices 1 and 2.


Project Name	Location	Rated Red since	Page
Project Pihi Kaha - Whangārei Hospital Redevelopment	Te Tai Tokerau Northland	March 2024	2
Manaaki Hōhonu - Construction of inpatient ward and ICU, Waitākere Hospital	Waitematā	March 2024	3
Christchurch Hospital Endoscopy Expansion	Waitaha Canterbury	March 2024	4
Child, Adolescent and Family Relocation, Christchurch	Waitaha Canterbury	March 2024	5
Construction of Waitākere Primary Birthing Unit	Waitematā	March 2024	6
Taranaki Base Hospital Redevelopment Project Maunga - Stage 2	Taranaki	January 2024	7
New Specialised Rehabilitation Centre, Manukau Health Park	Counties Manukau	January 2024	8
Manaia House - Community Mental Health, Whangārei	Te Tai Tokerau Northland	October 2023	9
Project Whakatuputupu - New Dunedin Hospital – Inpatient Building	Southern	August 2023	10
Project Whakatuputupu - New Dunedin Hospital – Outpatient Building	Southern	August 2023	11
Hawke's Bay Radiology Facilities Redevelopment	Te Matau a Māui Hawke's Bay	June 2023	12
Hawke's Bay Hospital Linear Accelerators	Te Matau a Māui Hawke's Bay	June 2022	13


Project Pihi Kaha - Whangārei Hospital Redevelopment 10230	Total project funding: \$759 million
Rated Red since March 2024	
	
ISSUE s9(2)(b)(ii), 9(2)(f)(iv) <div style="background-color: #cccccc; height: 10px; width: 100%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 10px; width: 95%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 10px; width: 85%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 10px; width: 65%; margin-top: 5px;"></div>	
KEY MITIGATION ACTION A revised development estimate is underway to capture all known development costs to achieve investment objectives, such as the ward tower and car parking, and utilising current market rates along with other major regional development budget considerations and allowances and will be submitted via a change request in due course. A concept validation exercise is planned within the revised master programme and design team procurement planning to re-baseline the project scope.	PROGRESS IN THE MONTH A revised development estimate is underway to capture all known development costs, such as the ward tower and car parking, and utilising current market rates along with other major regional development budget considerations and allowances and will be submitted via change request in due course. The project team is targeting submission to the June Project Steering Group.
PROJECT BACKGROUND <ul style="list-style-type: none"> • June 2021: Joint Ministers agreed that a programme approach be adopted for the delivery of the Whangārei and Nelson Hospital redevelopment projects, forming Tranche 1 of the Regional Hospital Redevelopment Programme (RHRP). • The preferred option by the DHB had an estimated cost of \$917 million but was not affordable at the time. • Budget 22 prioritised \$700 million for the redevelopment of Whangārei Hospital. • November 2022: Government approved \$759 million from the health capital envelope for the Whangārei Hospital Redevelopment – Project Pihi Kaha. • The redevelopment is to be carried out in 2 stages. Funding is for Stage 1 only which includes the Acute Services Building – 10 surgical theatres, expanded ED, ICU, coronary care unit, radiology, and support services; a new Child Health Centre; Whānau House; and design only of a Ward Tower. • The intent was to seek funding for Stage 2 which included construction of the Ward Tower and carparking lost due to the proposed site of the ASB prior to construction so that both stages could be built together. 	


Manaaki Hōhonu - Construction of inpatient ward and ICU, Waitākere Hospital 10204	Total project funding: \$88.9 million
	Rated Red since March 2024
ISSUE The project is rated Red due to costs relating to unforeseen ground conditions, including higher quantities of asbestos, unfunded local authority development levies and cost risk due to delays from the previous change request.	
KEY MITIGATION ACTION s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j) <div style="background-color: #cccccc; height: 15px; width: 100%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 95%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 85%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 90%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 80%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 75%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 60%; margin-top: 5px;"></div>	PROGRESS IN THE MONTH A Change Request is being prepared for the June CIC and Board meetings, prior to is going to Joint Ministers for approval.
PROJECT BACKGROUND <ul style="list-style-type: none"> December 2021: Joint Ministers approve the business case for a new inpatient building accommodating a 30-bed inpatient unit and an Intensive Care Unit at Waitākere Hospital for \$65.1 million. March 2023: A change request for additional \$23.81 million is approved to address cost escalations in the construction market, scope changes and consent requirements. 	


Christchurch Hospital Endoscopy Expansion 10246	Total project funding: \$11.4 million
Rated Red since March 2024	
	
ISSUE s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j)	
KEY MITIGATION ACTION s9(2)(b)(ii), 9(2)(f)(iv)	s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j)
PROJECT BACKGROUND <ul style="list-style-type: none"> July 2022: Ministers approved the former Canterbury District Health Board's Endoscopy Expansion project at a total cost of \$11.4 million funded entirely from baseline depreciation. The project is to fit out four new endoscopy procedure rooms in the old ICU space to meet bowel screening targets and meet backlog. It has also allowed for two interim procedure rooms in the old Radiology facility as a stop-gap measure and be decommissioned at project completion. This will bring the total number on campus to eight). 	


Child, Adolescent and Family Relocation, Christchurch 10259	Total project funding: \$11.1 million
	Rated Red since March 2024
ISSUE s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j) <div style="background-color: #cccccc; height: 15px; width: 100%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 80%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 95%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 90%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 10%; margin-top: 5px;"></div>	
KEY MITIGATION ACTION The project team is redrafting a scope change.	PROGRESS IN THE MONTH s9(2)(b)(ii), 9(2)(f)(iv) <div style="background-color: #cccccc; height: 15px; width: 100%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 90%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 75%; margin-top: 5px;"></div> <div style="background-color: #cccccc; height: 15px; width: 50%; margin-top: 5px;"></div>
PROJECT BACKGROUND <ul style="list-style-type: none"> November 2020: The Canterbury District Health Board (CDHB) approved \$7.17 million to fit out about 2,707m² of the Hillmorton Laundry space to provide a clinically appropriate and economical accommodation solution for the consolidation of the Child, Adolescent and Family outpatient service following relocation from The Princess Margaret Hospital. November 2021: CDHB approved a budget increase of \$2.4 million following a detailed options analysis. June 2022: CDHB approved further funding of \$1.5 million for refurbishment following further provision of detail on the entrance and internal design, and increased costs due to supply and resource constraints. The Maia Charitable foundation has supported this project and has raised more than \$5.4 million of the \$6 million they have committed to the project via a series of public campaigns. February 2024: The project was newly entered into the Investment Monitoring database. 	


Construction of Waitākere Primary Birthing Unit 10238 NEW	Total project funding: \$12.3 million
Rated Red since March 2024	
	
ISSUE s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j)	
KEY MITIGATION ACTION s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j)	PROGRESS IN THE MONTH s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j)
PROJECT BACKGROUND <ul style="list-style-type: none"> • August 2017: Waitemata DHB approved the development of the West Auckland primary birthing unit on the basis that the facility was to be funded and constructed by a third party with the facility leased back to the DHB. • December 2022: Health NZ received a copy of the business case with a proposal to utilise a social investment model. Capital investment was to be provided through the Well Foundation. • In the same month, Treasury advised the need to allocate a funding source to such investments to account for the liability incurred. Health NZ subsequently suggested to utilise HCE funding instead until a national policy on social investor models has been established. • August 2023: Joint Ministers approved \$12.3 million from the HCE for the Waitākere Primary Birthing Unit. • The preferred option is for a free-standing, purpose-built 970 m² unit in the Waitākere Hospital Campus with six birthing/post-natal suites, whānau room, teaching room, staff areas, ambulance bay and amenities. 	


<p>Taranaki Base Hospital Redevelopment Project Maunga - Stage 2 10079</p>	<p>Total project funding: \$403 million</p>
<p>Rated Red since January 2024</p>	
	
<p>ISSUE s9(2)(b)(ii), 9(2)(f)(iv)</p>	
<p>KEY MITIGATION ACTION Project has been provided Additional governance support - the Head of Infrastructure Delivery or nominee will join the project steering group. There will be monthly onsite attendance of Infrastructure and Investment Group construction management expert to support project team and to report to IIG national team.</p>	<p>PROGRESS IN THE MONTH The project has presented a deep dive review paper which went to the Capital and Infrastructure Committee in May. Additional support and oversight from IIG have been provided. A change request will be submitted for confirmation of funding and next steps.</p>
<p>PROJECT BACKGROUND</p> <ul style="list-style-type: none"> • August 2020: Joint Ministers approved the Detailed Business Case with Crown funding of \$336 million. • April 2022: The budget increased by \$61.1 million due to increased main contract cost and inflation. • \$6.4 million other funding from EECA grants for boiler and energy efficiency works and donations for the helipad. 	


<p>Counties Manukau New Specialised Rehabilitation Centre, Manukau Health Park 10225</p>	<p>Total project funding: \$136 million</p>
<p>Rated Red since January 2024</p>	
	
<p>ISSUE s9(2)(b)(ii), 9(2)(f)(iv), 9(2)(j)</p>	
<p>KEY MITIGATION ACTION The project team is exploring value management options and opportunities to address the cost drivers through a review of the implementation options. Design assurance review is being undertaken to test potential design changes to reduce cost. Hospital and Specialist Services (HSS) has also been engaged on a possible test of the model of care to see if that would support a more efficient design.</p>	<p>PROGRESS IN THE MONTH s9(2)(b)(ii), 9(2)(f)(iv)</p>
<p>PROJECT BACKGROUND</p> <ul style="list-style-type: none"> April 2022: Joint Ministers approved a budget of \$136.0 million (\$135.4 million Crown funded from the HCE) for a 60-bed facility with Green Star 5 rating. 	

<p>Te Tai Tokerau Northland Manaia House – Community Mental Health, Whangārei 30025</p>	<p>Total project funding: \$21.6 million</p> <p>Rated Red since October 2023</p>
	
<p>ISSUE</p> <p>The project is rated Red due to pressure on budget and schedule.</p> <p>In October 2023, significant water damage occurred due to a pipe bursting within the facility.</p> <p>Scoping is still ongoing, and repairs will take at least 10 months. The repairs are expected to be covered by insurance.</p> <p>s9(2)(b)(ii), 9(2)(j)</p> <p>[Redacted]</p>	
<p>KEY MITIGATION ACTION</p> <p>Health NZ is working with insurers, loss adjusters and the new main contractor to establish the remediation scope, programme, and the insurance claim.</p> <p>Tenancy agreements for the facilities that currently provide mental health and addiction services to the community are being extended.</p> <p>Health NZ legal are working through the ramifications of the liquidation.</p>	<p>PROGRESS IN THE MONTH</p> <p>s9(2)(b)(ii), 9(2)(f)(iv)</p> <p>[Redacted]. The final remediation pricing will then be issued to governance and the insurance company for approval.</p> <p>The loss adjuster has suggested a cash settlement.</p> <p>s9(2)(b)(ii), 9(2)(f)(iv)</p> <p>[Redacted]</p>
<p>PROJECT BACKGROUND</p> <ul style="list-style-type: none"> 27 August 2020: Joint Ministers approved a \$12.1 million budget, of which were \$8.4 million Crown funding, for the Northland Community Mental Health Hub Project to purchase and fit-out Manaia House in central Whangārei to better integrate with community health services in a centralised community hub. 19 November 2021: additional \$11.1 million Crown funding were approved to cover necessary re-design (\$7.4 million) and Northland DHB's original self-funding contribution (\$3.7 million) as it was unlikely to be able to contribute. 	

Project Whakatuputupu – New Dunedin Hospital – Inpatient Building 100251	Total project funding: \$1,296 million
	Rated Red since August 2023
ISSUE NDH requires an initial urgent additional funding of ~\$290 million to enable entering a construction contract for the Inpatient Building.	
KEY MITIGATION ACTION Cabinet has agreed to the additional funding subject to a number of conditions, including a review of readiness of the project, the engagement of an independent Ministerial Advisor and the development of an interim Implementation Business Case.	PROGRESS IN THE MONTH The interim implementation business case is progressing well. The independent review team, facilitated by Te Waihanga, commenced in the week beginning 15 April, has delivered a draft review for consideration. Weekly status and coordination meetings on the deliverables required by Cabinet are being held between Health NZ, Te Waihanga, the Treasury, and the Ministry of Health. Agencies presented an update on 21 May to Ministers on the independent review findings and progress on the deliverables required by Cabinet.
PROJECT BACKGROUND <ul style="list-style-type: none"> 15 April 2021: Cabinet approved in principle the final Detailed Business Case for the New Dunedin Hospital (NDH) project at a total budget of \$1,470 million. 1 November 2022: Ministers approved an additional \$110 million to manage market cost escalation. This resulted from a \$200 million cost increase identified during a review of the cost of all health infrastructure projects. A design update was then implemented to reduce the cost increase by \$90 million. 10 April 2023: Ministers agreed to further funding of \$10 million from the Day One Health System Capital – Contingency. March 2024: NDH split into two projects for the Inpatient and Outpatient Buildings for reporting purposes. 	

Project Whakatuputupu – New Dunedin Hospital – Outpatient Building 10025	Total project funding: \$ 294 million
	Rated Red since August 2023
	
ISSUE The project needed to change the façade supplier to remain within budget. This caused change to structural elements of the building and has delayed completion by six months.	
KEY MITIGATION ACTION The delay and associated cost has been agreed to. The new façade supplier will be working on the outpatient building and will save the programme approximately \$16m in overall cost.	PROGRESS IN THE MONTH The façade was delivered on time in anticipation of the first panels being installed shortly. The quality of the panels looks good and was within budget.
PROJECT BACKGROUND <ul style="list-style-type: none"> • See background for NDH Inpatient Building above. NDH was split into two projects for the Inpatient and Outpatient Buildings for reporting purposes in March 2024. 	

<p>Te Matau a Māui Hawke’s Bay Radiology Facilities Redevelopment 10208</p>	<p>Total project funding: \$25.1 million</p> <p>Rated Red since June 2023</p>
	
<p>ISSUE</p> <p>s9(2)(b)(ii), 9(2)(f)(iv)</p> <p>The increase, if approved, will be funded from baseline.</p>	
<p>KEY MITIGATION ACTION</p> <p>A new project manager was appointed in May 2023.</p> <p>The IIG is providing additional resources to support the development of the business case.</p> <p>Further advice on the business case is expected to be presented to the Board in April 2024.</p>	<p>PROGRESS IN THE MONTH</p> <p>Development of the updated business case has been the focus, including review of the options and recommended way forward. The business case will be finalised in May 2024 and will be submitted for Ministerial consideration in July 2024 following the internal Health NZ review and approval process.</p>
<p>PROJECT BACKGROUND</p> <ul style="list-style-type: none"> Joint Ministers have previously approved \$10 million of Crown funding and \$15.1 million of local funding for this project. July 2021: The project was placed on hold due to an unfavourable seismic assessment. May 2022: The (then DHB) internally approved a rescope of the project and proceeded with design work. This has not been approved by the Board, Manatū Hauora, or Ministers. August 2022: the IIG initiated an updated business case to outline a range of proposed options. 	

<p>Te Matau a Māui Hawke’s Bay Hospital Linear Accelerators 102118</p>	<p>Total project funding: \$33.2 million</p> <p>Rated Red since June 2022</p>
	
<p>ISSUE</p> <p>s9(2)(b)(ii), 9(2)(f)(iv)</p> <p>In September 2023, a revised business case was not approved by Ministers following differing advice from Manatū Hauora and Health New Zealand - Te Whatu Ora (Health NZ) on funding source and whether the increased costs reflected scope changes. In April 2024 Ministers directed that the scope be reverted back to what was originally outlined and agreed in the 2021 business case.</p>	
<p>KEY MITIGATION ACTION</p> <p>The business case is being reworked with scope to include one building with two bunkers. One bunker will house a new linear accelerator machine, with the second as shelled-space for future service expansion.</p>	<p>PROGRESS IN THE MONTH</p> <p>A new building design and programme timeline is currently underway. The business case will be finalised in July 2024 and will be submitted for Ministerial consideration in September 2024 following the internal Health NZ review and approval process.</p>
<p>PROJECT BACKGROUND</p> <ul style="list-style-type: none"> • November 2021: Joint Ministers approved the original business case of \$33 million subject to a check of the preferred site location and the future planning of the Regional Hospital Redevelopment Programme (RHRP). • December 2021: a new site was selected. The relocation of relevant clinical services, and the future layout of the hospital grounds was then assessed. • March 2022: the Health Infrastructure Unit endorsed the site change and the testing of scope through the business case process. • The updated business case was approved by both the Committee and the Board. It was submitted for Ministerial consideration in August 2023. 	

Appendix 5

s9(2)(b)(ii), 9(2)(j)



s9(2)(b)(ii), 9(2)(j)



Appendix 5 – Portfolio Performance Metrics *(updated)*

s9(2)(b)(ii), 9(2)(j)

Appendix 5 – Portfolio Performance Metrics *(updated)*