

Aide-Mémoire

Health New Zealand
Te Whatu Ora

Project Financing Arrangements & Car park EOIs

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|------------------------|--|------------------|-------------|
| Due to MO: | 19 March 2025 | Reference | HNZ00081817 |
| To: | Hon Simeon Brown, Minister of Health | | |
| From: | Jeremy Holman, Chief Infrastructure and Investment Officer, Infrastructure and Investment Group | | |
| Copy to: | N/A | | |
| Security level: | Budget - Sensitive | Priority | Routine |
| Consulted | N/A | | |

Contact for further discussion (if required)

| Name | Position | Phone | 1st contact |
|----------------|--|-----------|-------------|
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| Jeremy Holman | Chief Infrastructure and Investment Officer, Infrastructure and Investment Group | s 9(2)(a) | |

Purpose

1. This Aide-Mémoire responds to your request for advice on the use of Sale and Lease Back, and Build Operate Own and Transfer (BOOT) arrangements for medium-term planned small-scale projects, as well as financing arrangements and timelines for carpark.

Summary

2. Health New Zealand | Te Whatu Ora (Health NZ) uses private sector financing to fund its infrastructure requirements in the form of leases – either leasing premises for clinical and non-clinical uses or ground leases for private sector to build complementary services, or in some instances a sale and lease back arrangement where the asset on top of the land was sold and then leased back.

s 9(2)(f)(iv), s 9(2)(b)(ii), s 9(2)(j)

Background

7. The Government has developed an Improving Infrastructure Funding and Finance programme to support the Crown to make better use of existing assets and sustainably address New Zealand's infrastructure deficit [ECO-24-MIN-0076 refers].
8. Cabinet has set out support for using the private sector to develop innovative ideas to resolve infrastructure challenges and other policy issues under the programme [ECO-24-MIN-0264 refers]. Specifically, exploration of external financing should include consideration of extra costs weighed against risks and potential benefits (e.g., whole-of-life project optimisation, improved asset management, and higher-quality service delivery).
9. Sale and Lease Back and BOOTs are examples of private sector financing whereby the private sector partner receives payments directly from the public sector partner for services provided, and/or income through charges to users.

The remainder of the document is withheld under section 9(2)(b)(ii), 9(2)(f)(iv) and 9(2)(j)