Aide-Mémoire

Health New Zealand
Te Whatu Ora

Budget 25 Asset Remediation Projects

Due to MO:	11 July 2025	**Reference**	HNZ00092869
To:	Hon Simeon Brown, Minister of Health		
From:	Jeremy Holman, Chief Infrastructure Investment Officer, Infrastructure and Investment Group		
Copy to:	n/a		
Security level:	Budget - Sensitive	**Priority**	Routine
Consulted	n/a		
Proactive Release:	This title is not proposed by Health NZ for proactive release		

Contact for further discussion (if required)

Name	Position	Phone	1st contact
Aaron Matthews	Head of Infrastructure Planning and Investment		x
Jeremy Holman	Chief Infrastructure Investment Officer		

Attachments

Appendix 1: National Remediation Programmes – Scope Definitions

Proactively Released

Purpose

1. This aide-mémoire provides an update on proposed implementation of national asset remediation workstreams funded through Budget 2025.

Background

2. Budget 2025 included $100 million in capital funding to enable the accelerated delivery of a range of small-scale infrastructure projects aimed at either:

    a) Addressing asset failure and asset remediation across enabling infrastructure, which will relieve pressure on the Health New Zealand | Te Whatu Ora (Health NZ) operating budget in 2025/26 and 2026/27 (National Remediation Programme); or

    b) Refurbishment or modification of health facilities and assets to improve clinical services delivery to support achievement of health targets (Small Scale Infrastructure Projects).

3. Funding is currently held in a tagged contingency. Advice on the Small-Scale Infrastructure Projects initiatives was provided to you on 4 July 2025 (HNZ00091605 refers). That advice noted a total of [redacted] be spent on the small-scale infrastructure projects, leaving [redacted] for the remediation programme and overall contingency.

4. The National Remediation Programmes are included within the Health Infrastructure Plan (HIP), with planned funding split over several Budgets. Budget 2025 funds represent the initial tranche of funding. The HIP proposes National Remediation Programmes as grouped projects of similar scope managed nationally to provide efficiencies and improve delivery.

5. National Remediation Programmes will increase the rate of delivery through use of shared professional services and project management and streamlined governance that reflects the nature of the work (i.e. non-clinical, low complexity asset replacement and upgrade).

6. Health NZ will only include projects within the National Remediation Programmes where they:

    a) Do not include increased clinical capacity (excluding any decanting space delivered to enable the construction); and

    b) Do not introduce material operating costs (excluding any decanting space delivered to enable the construction).

7. The public HIP document identified the following potential categories of programmes (excluding carparking and mental health investments which are subject to separate advice):

    a) Seismic remediation

    b) Fire protection

    c) Water and gas infrastructure

Proactively Released

d) HVAC systems

e) Hazardous materials

f) Electrical upgrades

g) Site resilience and contingent capacity.

8. To cover off all required work, the following categories of programmes are also being proposed for access (roading and pathways), building management and security systems, and weathertightness.

Discussion

9. The focus on asset replacement for the National Remediation Programmes ensures that they will remain low-risk and low-complexity projects. To achieve the highest rate of delivery, Health NZ intends to manage these as rolling work programmes with clearly defined criteria, rather than individual projects requiring separate business cases for each approval.

10. The Small Scale Infrastructure Initiatives briefing provided you with a list of specific projects that will provide clinical uplifts and the planned completion date of those projects. Unlike those initiatives, the Remediation Programmes will pool work and undertake procurement to achieve as much as possible within the available budget. Works will be progressively rolled out, with no individual completion dates until procurement has occurred. The initial tranche intends to deliver the majority of works this financial year.

11. Based on national planning within the HIP, and regional input into priorities using a nationally consistent risk assessment, Health NZ is recommending that the [redacted] be spent on the following:

12. Works included within each of these individual programmes are outlined in Appendix 1. A seismic work programme has not been included, as Health NZ is currently completing

Proactively Released

planned seismic assessments.

13. To improve efficient and expedient delivery, Health NZ is proposing to take the following approach to the delivery of the National Remediation Programmes:

    a) In lieu of business cases, value for money will be maintained through competitive procurement processes;

    b) Professional services (e.g. engineering consulting fees) will be procured nationally via the AOG panel to ensure value for money in line with AOG rate. Procurement will be for the full scope of the programme, providing cost and time efficiencies up front. Evaluation will be undertaken by the Steering Group;

    c) The programmes will deliver works within the categories stated in this aide-mémoire. Aside from prioritisation of work across sites based on risk and ability to deliver, there will be no discretion around scope or total budget for these investments;

    d) As with other Crown funded projects, Health NZ will fund these investments and seek reimbursement;

    e) Reimbursement will be sought from the tagged contingency based on demonstration of the works being within the above criteria, rather than requiring business cases prior to works being undertaken.

14. Costs for professional fees will be drawn from individual programme budgets as appropriate (e.g. fire engineering fees will be drawn from the fire protection programme).

Governance and Reporting

15. Reporting on progress against the programmes will be provided to you via the Ministerial Health Infrastructure Committee once it commences meeting. This will include any current or upcoming procurements (including professional services), details of planned works by campus, and progress/performance of contracted works. This will include financial reporting with forecast and actual spend.

16. As National Remediation Programmes inherently do not include clinical work, the programmes will be governed by a Steering Group made up of members of the Infrastructure Investment Group's senior leadership team. Governance will include:

    a) The Chief Infrastructure Investment Officer

    b) The Head of the Infrastructure Investment and Asset Management Teams

    c) The Regional Heads of Infrastructure

    d) A representative of Health NZ Finance.

17. Any movement of funds noted above between the programmes will require approval by the Ministerial Health Infrastructure Committee. Approval for procurement and access to the contingency will sit with the Steering Group.

18. Clinical consultation will be undertaken on potential disruptions caused by works, and when undertaking risk-based prioritisation.

Proactively Released

Proposed Delegated Authority for National Remediation Programmes

19. Within the Implementation Plan to the HIP, provided to you on 1 July 2025 (HNZ00091326 refers), Health NZ has requested specific delegations be considered for National Remediation Programmes.

20. These delegations are not required to implement the programmes within the Budget 2025 funds. All works for Budget 2025 will be completed within Health NZ's existing delegations, with authority sub-delegated to the National Remediation Programmes Governance Group.

21. As per the HIP, further funds will be required to maintain the programmes and remediate the hospital network over the 10-year period of the Plan. Some investments within the 10-year period will be of much greater cost (for example, major building recladding projects).

22. [redacted]

23. [redacted]

Next steps

24. Subject to your feedback, Health NZ will commence works based on the programmes and criteria outlined in this aide-mémoire.

25. Health NZ will begin reporting on progress against the programme from August 2025.

Proactively Released

Appendix 1: National Remediation Programmes – Scope Definitions

Programme	Programme Includes
Fire protection	Programme scope is limited to the following infrastructure, including upgrade and replacement of existing infrastructure and any installation of new systems to meet regulatory requirements: • Active firefighting systems • Passive firefighting systems • Emergency lighting • Works related to egress and evacuation
Water and gas infrastructure	Programme scope is limited to the upgrade and replacement of existing infrastructure across the following: • Drinking water • Grey and black water • Steam and hot water systems • Medical gases • Storm water
HVAC systems	Programme scope is limited to the upgrade and replacement of existing infrastructure across the following: • Heating • Ventilation • Air conditioning
Hazardous materials	Programme scope is limited to the following infrastructure, including upgrade and replacement of existing infrastructure and any installation of new systems to meet regulatory requirements: • The storage, handling, and management of hazardous materials on site. • Removal of hazardous materials on site where this can be capitalised.
Electrical upgrades	Programme scope is limited to the following upgrade and replacement of existing infrastructure for electrical supply and distribution, including lighting upgrades. Does not include emergency supply (see below).

Proactively Released

Programme	Programme Includes
Site resilience and contingent capacity	Programme scope is limited to the upgrade and replacement of existing infrastructure, and any installation of new systems based on Health NZ Board approved contingency requirements for civil defence and emergency management, across the following: • Emergency power generation • Emergency water supply • Emergency site access
Access	Programme scope is limited to upgrade and replacement of existing infrastructure across the following: • Roading • External pedestrian access • Signage and wayfinding
Building Management and Security	Programme scope is limited to the following: • Upgrade and replacement of existing infrastructure related centralised control of building services and systems; • Upgrade and replacement of existing building and site security systems, and introduction of new building and site security systems.
Weathertightness	Programme scope is limited to the following upgrade and replacement of existing infrastructure across the following: • Roofing systems • Cladding systems • External windows and doors

Proactively Released