

# Event Briefing

## New Dunedin Hospital Visit

<b>Date due</b>	1 February 2023	<b>Priority</b>	Urgent
<b>To</b>	Hon Dr Ayesha Verrall		
<b>Copy to</b>	Jeremy Holman, Margie Apa		
<b>Security classification</b>	In Confidence	<b>Tracking number</b>	HNZ00010405

<b>Contact for discussion (if required)</b>			
<b>Name</b>	<b>Position</b>	<b>Phone</b>	<b>1<sup>st</sup> contact</b>
Andrea Birtwistle	Principal Comms & Engagement	9(2)(a)	X
Monique Fowler	Director, Delivery - IIG	9(2)(a)	

<b>The following departments / agencies have been consulted</b>
Te Whatu Ora Southern Infrastructure & Investment Group

<b>Attachments</b>	Appendix 1: Runsheet Appendix 2: Full list of attendees Appendix 2: Talking points Appendix 4: Briefing requested: Governance, past decisions, timeline, changes Appendix 5: Q&As / Reactives
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<b>About the Event</b>	
<b>Purpose</b>	The new Minister of Health wishes to meet with the project team for the New Dunedin Hospital to understand more about Te Whatu Ora's largest infrastructure build.
<b>Event / visit details</b>	<b>Date:</b> Thursday 2 February 2023
	<b>Time:</b> 11.00am
	<b>Venue:</b> New Dunedin Hospital site and Project Office, Central Dunedin

	<b>Contact:</b>	Kate Mackersy Communications Team Leader, Southern 9(2)(a)
<b>Attendees</b>	Please see Appendix 2	
<b>Te Whatu Ora Representative(s)</b>	<ul style="list-style-type: none"> <li>• Daniel Pallister-Coward – Regional Director, Hospital and Specialist Services, Te Waipounamu</li> <li>• Monique Fowler, Director Delivery, Infrastructure &amp; Investment</li> <li>• Tony Lloyd, Programme lead, NDH</li> </ul>	
<b>Media</b>	Recommend just a photo-op with Minister on site of the new Dunedin Hospital.	

## Purpose

1. The new Minister of Health wishes to meet with the project team for the New Dunedin Hospital to understand more about Te Whatu Ora's largest infrastructure build.

## Background

2. The New Dunedin Hospital is being built in two stages: an Outpatient building (due late 2025) and Inpatient building (2029). It will be built to modern building codes, IL4 resilience and aiming for a 5-Star Green Star accreditation. The Government has committed a \$1.47 billion budget for this project.
3. An additional \$110 million was announced for the project in December 2022 due to a rise in operational costs. Redesign in some areas of NDH was considered to achieve CAPEX savings of approximately \$90m.
4. On opening, New Dunedin Hospital will include 398 beds, 23 theatres (shell space for 3 more), 2 MRI (shell space for one more MRI and a PET CT scanner), 30 ICU or high dependency beds and associated spaces to support greater delivery of ambulatory care.
5. Current status: Outpatients remains on track. Enabling works for Inpatients will begin in January 2023. Construction start date for the Inpatient building is expected to be slightly delayed due to the value management work and the change to design.

6. **Key messages:**

- Enabling work on the Inpatient Building will start in January 2023 and construction completion is now expected to be 2029.
- The delivery of the New Dunedin Hospital Outpatient Building remains as planned and on track for delivery in late 2025.
- Government infrastructure projects do not get an exemption from the construction cost pressures being felt here in New Zealand.
- The [now] \$1.58 billion New Dunedin Hospital is currently the largest ever infrastructure investment in health in New Zealand.
- The people of Dunedin and the wider southern region will have access to a state of the art, environmentally conscious and fit for purpose health facility.

#### 7. **Supporting messages:**

- The process of reviewing the design and undertaking value management at this stage is standard practice across health projects.
- This escalation has been identified through a standard project review process. These reviews often result in adjustments, the situation with escalating construction costs and COVID-19 has unfortunately meant greater adjustments are needed.
- The project team have undertaken early contractor engagement to better manage evolving risks to the project and providing market-led design innovations and efficiencies.
- With demand for health care growing as our population increases, we need to look at new ways of providing health services and new ways to keep people well and out of hospital.
- New Zealand's health and disability system is multifaceted, the standard of care a community receives does not rest solely on the infrastructure it operates within

#### 8. **Recent communication activities:**

- 20 December 2022 – Additional funding for the NDH announced of \$110m. Media release from Te Whatu Ora IIG.

#### 9. **Key stakeholders:**

- Dunedin Hospital's Steering Group, ELT and CE Southern Hamish Brown
- Ngāi Tahu and Aukaha
- Jules Radich, Mayor of Dunedin. Clutha Mayor, Waitaki Mayor, Gore Mayor and Otago Regional Council.
- Local Advisory Group
- Otago University

## Appendix 1: Runsheet

Time	Details	Minister's office notes
10.10am	Minister Verrall arrives at Dunedin Airport. Travel to New Dunedin Hospital Project Office (Tony Lloyd and Monique Fowler also on this flight TBC) Location: 83 Castle Street, Central Dunedin	
10.45- 11am	Expected arrival at New Dunedin Hospital Project Office. Greeted by Te Whatu Ora delegates (see appendix 2)	
11-11.10am	Formal welcome	
11.10am - 12noon	Briefing with New Dunedin Hospital Project team	
12.05pm	Health and Safety Briefing	
12.10 - 12.30pm	New Dunedin Hospital Outpatients site tour Led by Tony Lloyd and Bridget Dickson	
12.30pm	Walk across to New Dunedin Hospital Inpatients Building site.	
12.35 - 1pm	New Dunedin Hospital Inpatients site tour Led by Tony Lloyd and Bridget Dickson	
1 – 1.45pm	Lunch Meet and greet with Te Whatu Ora delegates	
TBC	Meet with Mayor of Dunedin (TBC)	Ministers office to arrange
TBC	Minister Verrall departs Dunedin	

## Appendix 2: Attendees

- Kaye Cheetham – Acting Interim Lead – Hospital and Specialist Services, Southern
- Daniel Pallister-Coward – Regional Director, Hospital and Specialist Services, Te Waipounamu
- Bridget Dickson – Programme Director, New Dunedin Hospital Project
- Simon Crack – Deputy Programme Director, New Dunedin Hospital Project
- Emily Gill – Project Co-ordinator, New Dunedin Hospital Project
- Dr Sheila Barnett – Chair of the Clinical Transformation Group, New Dunedin Hospital
- Tony Lloyd – Programme Director, New Dunedin Hospital Project, IIG
- Monique Fowler – Director Delivery, Infrastructure & Investment Group
- Dr David Gow – Chief Medical Officer, Southern
- Jane Wilson – Chief Nursing and Midwifery Officer, Southern
- Patrick Ng - Chief Digital Officer
- Steve Bayne – General Manager, Mental Health, Addictions & Intellectual Disability, Southern
- Mel Green – Director of Nursing, Mental Health, Addictions & Intellectual Disability, Southern
- Janine Cochrane – General Manager, Dunedin Surgical Services and Radiology, Southern
- Matapura Ellison - Kaumatua
- Nancy Todd - Chief Māori Health Strategy & Improvement Officer
- Kate Mackersy – Communications Team Leader, Southern

**Appendix 3: Talking points [in support of additional funding decision]**

- 9(2)(g)(i) [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]
- [Redacted]

## Appendix 4: Briefing requested

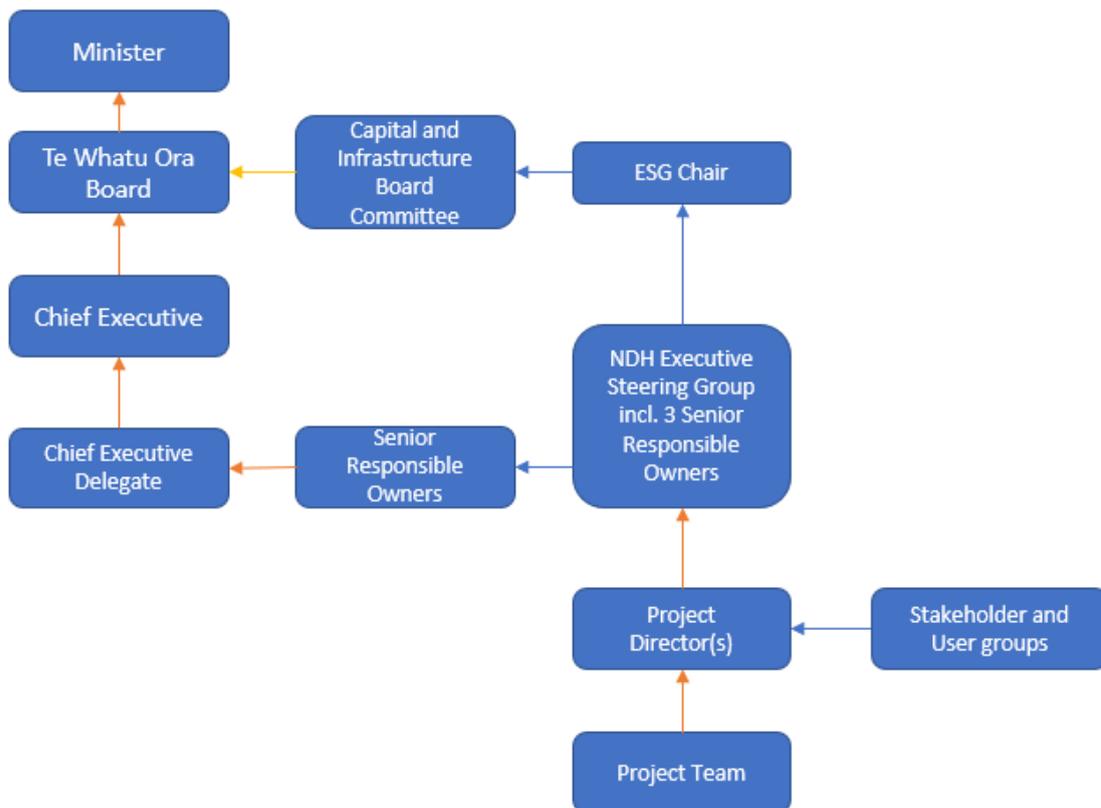
### 1. Governance Structures

The governance for the New Dunedin Hospital has been through multiple changes over the project's life. Changes to governance have been, in the main, responding to Treasury Gateway Reviews.

Prior to the establishment of Te Whatu Ora the Executive Steering Group for NDH was appointed by the Minister of Health when the Ministry of Health was responsible for its delivery. With the transition to Te Whatu Ora the governance arrangement necessarily required an updated and this provided the opportunity to strengthen project governance in response to the latest Gateway Review.

The key changes recommended by the Gateway was for the establishment of a single project steering group accountable for the NDH and that integrates all workstreams and realisation of all the benefits. This project governance structure was supported by the Te Whatu Ora Board and Joint Ministers and is in the process of being implemented for all major projects within Te Whatu Ora.

Joint Ministers also requested that the current Chair of the NDH Executive Steering Group, Mr Evan Davies, along with the majority the current members, remain on the project steering group along with additional members to support the additional workstreams along with Te Aka Whai Ora. The new governance structure for NDH is as follows:



## 2. Past decisions made

The Detailed Business Case (DBC) for delivery of the New Dunedin Hospital (NDH) was approved by Cabinet in April 2021 [CAB-21-MIN-0124].

In March 2022, Joint Ministers agreed to a series of cost saving measures that equated to \$89 million resulting in an additional risk of \$111m being recognised as a pressure against the Budget 22 appropriation to address cost escalation estimates of \$200m for the New Dunedin Hospital project. Joint Ministers noted that any further significant deviations from what has been agreed needed approval from Joint Ministers [HR20220041 refers].

The other changes agreed along with the estimated cost savings were:

- Façade value engineering \$15 million
- medical equipment budget reduction \$10 million
- removal of the Pavilion building and one link bridge \$47 million

During value management activities since March 22, it became apparent that it was not possible to achieve the savings articulated to Joint Ministers and additional changes to the design would have to be undertaken to achieve the savings target agreed. This has resulted in the period between March and November being dedicated to a redesign of the inpatient building.

The value management options were considered by the Capital and Infrastructure Board Committee on 13 October and the Board on 28 October 2022.

Updated advice was provided to the Capital and Infrastructure Board Committee on 8 December 2022 and endorsed by the Board on the same day.

## 3. Timeline

April 21	Detailed Business Case approved by Cabinet
Dec 21	Gateway Review recommending advice goes to the Minister of Health on resolving cost escalation issues and the potential trade- offs with the scope and scale of the NDH.
Feb 22	Initial advice provided to Joint Ministers
Mar 22	Additional advice provided to Joint Ministers
Mar 22	Joint Ministers approval of cost savings.
May 22	\$110 million indicatively prioritised in Budget 22 for cost escalation at New Dunedin Hospital
Oct – Dec 22	Advice provided to the Te Whatu Ora Capital and Infrastructure Committee and Board on outcome of cost saving exercise
Dec 22	Final advice provided to and agreed by Joint Ministers on cost savings of \$90 million

## Changes

The changes to the NDH scope are outline as below.

## Overnight Beds

Ward	Current Dunedin Hospital Capacity 2023	NDH 75% Developed Design March 2022	NDH Option 4.5a – Approved Dec 2022	Change from Final Detailed Business Case
Maternity	21	24	24	No Change  Note the maternity beds cover both secondary and tertiary services
Neonatal	19	22	22	No Change
Self-care, transitional beds	4	12	12	No Change
Paediatric	19	16	16	No Change
Medical / Surgical (includes Medical HDU)	234	235	235 (including 3 beds to be delivered in the future on Level 6 with MHOP and 8 beds to be co-located with the rehabilitation ward)	The Final DBC referred to 246 Med/Surg beds and 421 beds in total.  During the redesign work it was identified eleven beds had been inadvertently doublecounted in the Schedule of Accommodation.
Mental health services of older people	12	21	21 (including 12 on opening and 9 to be delivered in future)	In total there are spaces for 12 future beds planned for Level 6 of Inpatients - 9 MHOP beds and 3 Med/Surg beds
Rehabilitation	34	40	40	No change but will be delivered in 2 x 24 wards incl 8 Med/Surg beds
Intensive care, HDU surgical (Stage 1 and Stage 2)	24	40 (incl 10 built as shell)	40 (incl 10 built as shell)	No Change
<b>Total</b>	<b>367</b>	<b>410</b>	<b>410</b>	<b>The Final DBC referred to 421 due to the doublecount of 11 Med/Surg beds</b>

## Operating Theatres (Inpatients and Outpatients)

Operating theatres	Current Dunedin Hospital Capacity 2023	NDH 75% Developed Design March 2022	NDH Option 4.5a – Approved Dec 2022	Change from Final Detailed Business Case
Acute and elective	9	15 theatres (incl 4 built as shell)	13 (incl 3 built as shell)	There were 15 theatres in the Final DBC (including 4 built as shell)
Same day	3	5	5	No Change
DSA / angiography	1	2	2	No Change

		(incl 1 hybrid)	(incl 1 hybrid)	
Cardiac catheter laboratory	1	2 (incl 1 hybrid)	2 (incl 1 hybrid)	No Change
Endoscopy rooms	3	4	4	No Change
<b>Total</b>	<b>17</b>	<b>28</b> <b>(including 4 built as shell)</b>	<b>26</b> <b>(including 3 built as shell)</b>	<b>28 in Final DBC</b> <b>(including 4 built as shell)</b>

### Same day and ambulatory rooms

Same day and ambulatory rooms	Current Dunedin Hospital Capacity 2023	NDH 75% Developed Design March 2022	NDH Option 4.5a – Approved Dec 2022	Change from Final Detailed Business Case
<b>Same day/bed equiv</b>				
Acute dialysis unit	10	4	4	The Final DBC referred to 8 but this is now being delivered as 4 acute dialysis beds with additional capacity (8x) for dialysis function in adjacent medical HDU
Day medical	5	16	16	No Change
Day surgical	11	30 + 15 recliners in DOSA	30 + 15 recliners in DOSA	No Change
Day recovery (Outpatient)	17	21 + 14 recliners	21 + 14 recliners	No Change
23-hour unit	0	20	20	No Change  The 23 hour unit is a new model of care that will seek to get greater efficiency from operating theatres and inpatient beds
Birthing rooms	7	9	9	The Final DBC referred to 10. There will be <ul style="list-style-type: none"> <li>• 5 rooms for secondary birthing</li> <li>• 3 for primary birthing</li> <li>• 1 for Te Puna, Aroha</li> </ul> There will be an additional 3 overnight rooms in primary
Maternity assessment unit	4	7	7	No Change

Same day and ambulatory rooms	Current Dunedin Hospital Capacity 2023	NDH 75% Developed Design March 2022	NDH Option 4.5a – Approved Dec 2022	Change from Final Detailed Business Case
Paediatric assessment unit	5	4	4	No Change
Paediatric day unit (Outpatients)	2	4	4	No Change
ED bays	31	53	53	No Change
Emergency psychiatric	5	5	5	No Change
<b>Ambulatory rooms</b>				
Clinic consult rooms	n/a	64	64	No Change Outpatient activity currently occurs in a variety of spaces including dedicated outpatient clinic rooms plus offices.
Specialty clinic rooms	n/a	20	20	No Change
Procedure rooms	1	4	4	No Change
Medical physiology labs	24	29	29	No Change
Transit care	0	12	12	No Change

## Imaging

Modality	Current Dunedin Hospital Capacity 2023	NDH 75% Developed Design March 2022	NDH Option 4.5a – Approved Dec 2022	Change from Final Detailed Business Case
MRI	2	3	3 (including 1 built as shell)	3 in Final DBC. (1 MRI now built as shell.)
CT	2 <sup>1</sup>	4 (incl 1 built as shell)	4 (incl 1 built as shell)	No Change
Ultrasound	4	6	6	No Change
Fluoroscopy	1	1	1	No Change
OPG/cone	0	1	1	No Change
General x-ray	6	8	8	No Change
Mobile x-ray	7	6	6	No Change
Mobile image intensifiers	3	4	4	No Change
Mammography	3rd party	0	0	No Change
SPECT CT	1	1	1	No Change
DEXA	1	1	1	No Change
PET CT	0	1	0	Shell space to be provided

<sup>1</sup> An additional CT scanner is primarily used as a treatment planning scanner for Southern Blood & Cancer which is out of scope of NDH project.

In-scope services included in each building<sup>2</sup>

Inpatient Building	
<p><b>Patients Areas</b></p> <p>Medical/Surgical Inpatient Unit</p> <p>High Acuity Inpatient Unit</p> <p>Rehabilitation Inpatient Unit</p> <p>Mental Health Services Older Persons</p> <p>Children's Inpatient &amp; Paediatric Assessment Day Unit</p> <p>Intensive Care Unit (10 Shelled Bays)</p> <p>Acute Renal Dialysis Unit</p> <p>Neonatal Intensive Care Unit</p> <p>Maternity Unit + Interventional Suite</p> <p>Primary Birthing Unit</p> <p>Haematology &amp; Oncology Inpatient Unit</p> <p><b>Interventional Areas</b></p> <p>Operating + Interventional Suite</p> <p>23 Hour Ward</p> <p>Emergency Department including &amp; Satellite Radiology</p> <p>Emergency Psychiatric Service (EPS)</p> <p>Assessment Planning Unit</p> <p>Acute Radiology</p> <p>Nuclear Medicine</p> <p>Mortuary</p> <p>Day Surgical Unit</p> <p>Cardiac Interventional Suite</p> <p><b>Public &amp; Community Areas</b></p> <p>Front of House</p> <p>Retail (<i>Shell Only</i>)</p> <p>Multi-Faith Centre</p> <p>Whānau Spaces</p>	<p><b>Labs &amp; Processing Areas</b></p> <p>Medical Physiology Labs</p> <p>Pathology Laboratory (<i>Shell only</i>)<sup>3</sup></p> <p>NZBS - Blood Bank (<i>Shell only</i>)</p> <p><b>Supplementary Services</b></p> <p>Pharmacy<sup>4</sup></p> <p>CETES: Clinical Engineering</p> <p>Sterile Services Unit</p> <p>Security</p> <p>Information Services</p> <p>Building &amp; Property</p> <p>Integrated Operations Centre</p> <p>Staff Amenities</p> <p>Heliport</p> <p>Collaborative Workspace</p> <p><b>Supplementary Services</b></p> <p>Back of House - Linen, Waste, Mail &amp; Support</p> <p>Food Services (<i>Shell only</i>)</p> <p>Procurement &amp; Supply</p>

<sup>2</sup> The historic Dairy Building will be now used to deliver up to 2000m<sup>2</sup> of space as part of the scope of services for the Inpatient Building.

<sup>3</sup> The shell area for pathology has been reduced from 1300m<sup>2</sup> to 350m<sup>2</sup> under Option 4.5a

<sup>4</sup> The aseptic manufacturing unit for pharmacy has been deleted under Option 4.5a

<b>Outpatient Building</b>	
<p><b>Clinical Areas</b></p> <p>Day Procedures Unit</p> <p>Planned Radiology</p> <p>Specialist Clinics</p> <p>Day Medical Unit</p> <p><b>Public &amp; Community Areas</b></p> <p>Front of House</p> <p>Retail (<i>Shell only</i>)</p>	<p><b>Labs &amp; Processing Areas</b></p> <p>Transit Care Unit</p> <p>Pathology Collection (<i>Warm shell</i>)</p> <p>Supplementary Services</p> <p>Back of House - Linen, Waste &amp; Support</p> <p>Satellite Security</p> <p>Satellite CETES</p>

**Out of scope services accommodated in residual Dunedin campus**

<b>Out of Scope</b>	
<p>Breast Care including BreastScreen Aotearoa</p> <p>Community Care Hub based Ambulatory services</p> <p>Sexual Health</p> <p>Urgent Care Centre</p> <p>Orthotics and Prosthetics</p> <p>NZ Artificial Limb Service</p> <p>Renal Home Training Unit</p> <p>Clinical and Corporate Information Management</p>	<p>Central Intake Service</p> <p>Information Services</p> <p>Transport</p> <p>Building and Property</p> <p>Procurement &amp; Supply</p> <p>Additional carparking</p> <p>Creche</p> <p>Gibson Day Unit (Older persons' mental health)</p>

N.B. A final appendix is withheld in full under section 9(2)(g)(i) of the OIA and has been removed from this document