



# Cabinet Expenditure and Regulatory Review Committee

## Minute of Decision

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### Nelson Hospital Redevelopment: Detailed Business Case

Portfolio                      Health

On 1 April 2025, the Cabinet Expenditure and Regulatory Review Committee:

- 1        **noted** that in July 2023, the previous government approved the Nelson Hospital Redevelopment Programme Business Case (PBC) preferred option, proposing a large single Acute Services Building and refurbishment of existing buildings, with an estimated cost of \$1.098 billion, later reassessed at \$1.83 billion, across nine projects [SWC-23-MIN-0088];
- 2        **noted** that a revised PBC is under development, shifting to a staged build approach, reducing costs from \$1.83 billion to s 9(2)(b)(ii) , and delivering benefits two years earlier;
- 3        **approved in principle**, subject to Budget 2025 decisions, the Detailed Business Case, attached as Appendix A under EXP-25-SUB-0030, which aligns with the revised PBC;
- 4        **approved** the preferred option for Project 2 of the Nelson Hospital Redevelopment, at a capital cost of s 9(2)(b)(ii) , subject to Budget 2025 funding decisions;
- 5        **noted** that if the Nelson Hospital project proceeds, the Minister of Health will seek approval for:
  - 5.1        a revised PBC in mid-2025 to update and provide detail on Project Three;
  - 5.2        a finalised scope and updated costings for the Detailed Business Case (through a quantity surveyor estimate and Quantitative Risk Analysis based on at least preliminary design) in late-2025; and
  - 5.3        an Implementation Business Case for Project 2 in Q2 2026.

Sam Moffett  
Committee Secretary

Present: (see over)

**Present:**

Rt Hon Christopher Luxon  
Rt Hon Winston Peters  
Hon David Seymour (Chair)  
Hon Nicola Willis  
Hon Shane Jones  
Hon Brooke van Velden  
Hon Simeon Brown  
Hon Erica Stanford  
Hon Louise Upston  
Hon Judith Collins KC  
Hon Casey Costello  
Hon Simon Watts  
Hon Andrew Hoggard  
Hon Mark Patterson

**Officials present from:**

Office of the Prime Minister  
Office of the Chair  
Office of the Minister of Local Government  
Office of the Minister for the Public Service  
Officials Committee for EXP  
Health New Zealand