

The Treasury

Budget 2014 Information Release

Release Document

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Key to sections of the Official Information Act 1982 under which information has been withheld.

Certain information in this document has been withheld under one or more of the following sections of the Official Information Act, as applicable:

- [1] 6(a) - to prevent prejudice to the security or defence of New Zealand or the international relations of the government
- [2] 6(c) - to prevent prejudice to the maintenance of the law, including the prevention, investigation, and detection of offences, and the right to a fair trial
- [3] 9(2)(a) - to protect the privacy of natural persons, including deceased people
- [4] 9(2)(b)(ii) - to protect the commercial position of the person who supplied the information or who is the subject of the information
- [5] 9(2)(ba)(i) - to prevent prejudice to the supply of similar information, or information from the same source, and it is in the public interest that such information should continue to be supplied.
- [6] 9(2)(d) - to avoid prejudice to the substantial economic interests of New Zealand
- [7] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials
- [8] 9(2)(g)(i) - to maintain the effective conduct of public affairs through the free and frank expression of opinions
- [9] 9(2)(h) - to maintain legal professional privilege
- [10] 9(2)(i) - to enable the Crown to carry out commercial activities without disadvantage or prejudice
- [11] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice
- [12] 9(2)(k) - to prevent the disclosure of official information for improper gain or improper advantage
- [13] Not in scope
- [14] 6(e)(iv) - to damage seriously the economy of New Zealand by disclosing prematurely decisions to change or continue government economic or financial policies relating to the entering into of overseas trade agreements.

Where information has been withheld, a numbered reference to the applicable section of the Official Information Act has been made, as listed above. For example, a [3] appearing where information has been withheld in a release document refers to section 9(2)(a).

In preparing this Information Release, the Treasury has considered the public interest considerations in section 9(1) of the Official Information Act.



Cabinet

Minute of Decision



CAB Min (13) 34/4A

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This document contains information for the New Zealand Cabinet at must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Redevelopment of Grey Base and Buller Hospitals

Portfolio: Health

On 30 September 2013, following reference from the Cabinet Social Policy Committee, Cabinet:

- 1 **noted** that the Grey District Council has given the West Coast District Health Board (DHB) until June 2020 to demolish or strengthen facilities at Grey Base Hospital, and until 26 September 2013 to advise whether earthquake prone buildings forming part of Grey Base Hospital will be demolished or strengthened, or risk prosecution;
- 2 **approved** a greenfield redevelopment of the Grey Base Hospital and progression to development of an Implementation Business Case (IBC), including concept design and the elements noted in paragraph 5 below;
- 3 **approved** the redevelopment of the Buller Integrated Family Health Centre (IFHC) and the development of an IBC, with the elements noted in paragraph 5 below;
- 4 **approved** the fiscally neutral transfer set out below to enable the Ministry of Health to meet the costs incurred by the Partnership Group to develop the IBCs for Grey Base and Buller Hospitals:

Vote Health Minister of Health	\$(million) increase / (decrease)				
	2013/14	2014/15	2015/16	2016/17	Total
Non-Departmental Capital Expenditure:					
Equity for Capital projects for DHBs and Health Sector Crown Agencies	(0.610)	-	-	-	(0.610)
Health Sector Projects	0.610	-	-	-	0.610
Total Capital:	-	-	-	-	-

- 5 **agreed** that the following elements must be included in the IBCs:
 - 5.1 a completed concept design for a greenfield option for Grey Base Hospital;
 - 5.2 a revised model of care, financial case and value management of scope and design;
 - 5.3 revised commercial cases that provide substantive analysis of potential ownership models, procurement approaches, and reflect testing with the market;

- 5.4 the West Coast DHB's timeline and change management plan for implementing the preferred service option, including workforce and ICT plans;
- 6 **agreed** to extend the term of the Partnership Group until the end of February 2014 to complete the IBCs;
- 7 **agreed** that the Partnership Group be directed to manage the scope of the Grey Base Hospital facility option outlined in the Detailed Business Case to fit within the \$60 million capital budget;
- 8 **noted** that the Minister of Health intends to appoint an additional member to the Partnership Group with a commercial background;
- 9 **noted** that the IBCs, including the elements referred to in paragraph 5 above, should be submitted to the Capital Investment Committee by 31 January 2014;
- 10 **directed** the Partnership Group to report to Joint Ministers with an update on progress of the IBCs in December 2013;
- 11 **agreed** to reserve \$60 million for the Grey Base Hospital in the Health Capital Envelope at this stage, subject to further Ministerial review;
- 12 **noted** that the \$60 million will be financed through the indicative allocation that Cabinet made for health projects from the Future Investment Fund in Budget 2013;
- [10]
- 14 **noted** that the Ministry of Health will continue to provide governance support to the Partnership Group, and manage the necessary contract arrangements required to complete the IBCs.

Secretary of the Cabinet

Reference: CAB (13) 571; SOC Min (13) 22/7

Secretary's Note: This minute replaces SOC Min (13) 22/7. Cabinet added a new paragraph 12.

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