



Headquarters
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December 2025

OIA-2025-5483

[REDACTED]
[REDACTED]@rnz.co.nz

Dear [REDACTED]

I refer to the decision of 16 September 2025, regarding New Zealand Defence Force (NZDF) reports on estate plans and concerns. I apologise for the considerable delay in providing the enclosures to you.

Issues and concerns relating to the NZDF estate are best captured in DEI (Defence Estate and Infrastructure) Dashboard Tactical reports' risk reporting. The three most recent dashboard reports are at enclosures one to three. Information is withheld in accordance with the reasons provided to you in the email of 16 September. Information relevant to DEI problems and risks is also contained in the Executive Summary of the Defence Estate Portfolio Plan 2025-2040 (previously known as the Defence Estate Regeneration Plan). This has recently been made available online¹.

Further to the information provided in the NZDF response OIA-2025-5488, reporting relating to identified risks and issues in the NZDF's IT environment will also be provided to you prior to 19 December 2025.

You retain the right, under section 28(3) of the OIA, to ask an Ombudsman to review this response to your request. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Please note that responses to official information requests are proactively released where possible. This response to your request will be published shortly on the NZDF website, with your personal information removed.

Yours sincerely

GA Motley
Brigadier
Chief of Staff HQNZDF

Enclosures:

1. DEI Dashboard Report October 2024
2. DEI Dashboard Report January 2025
3. DEI Dashboard Report March 2025

¹ www.beehive.govt.nz/release/long-term-plan-rebuild-defence-estate

DEI PORTFOLIO DASHBOARD TACTICAL REPORT

October Month-End FY 2024-2025

Consolidated and Prepared by the DEI Portfolio Management Office



Construction of Maintenance Support Squadron (MSS)
Ground Support Equipment (GSE) building at Base Ohakea



Health & Rehabilitation Centre (HRC) framing at
Burnham



4-bedroom solidier accommodation foundations being
prepared at Papakura

DEI PORTFOLIO DASHBOARD TACTICAL REPORT

October Month-End FY 2024/2025

Portfolio Summary

- Achievements:**
- The New Zealand Infrastructure Commission – Te Waihangā is developing the National Infrastructure Plan and invited agencies (including NZDF) to submit investment proposals in December to be part of the Infrastructure Priorities Programme. Endorsed programmes will form part of the National Infrastructure Plan to be published by the Commission in May 2025, sending a strong signal to decision-makers and the public these investments are priorities for New Zealand.
 - Papakura Military Camp celebrated the start of construction for the foundation for two (of five) houses, part of the Junior Ranks Accommodation project. The project is focused on improving living conditions for soldiers at the Camp by providing them with adequate and modern accommodation that supports the well-being and operational readiness. All five houses are expected to be completed and ready for occupation by February 2025.
 - The Ohakea Infrastructure Programme has completed the construction of the Maintenance Support Squadron (MSS) Ground Support Equipment (GSE) building. The building will provide sufficient space to store large pieces of support equipment within the MSS GSE workshop, preventing degradation caused by extended exposure to the elements.
 - The DEI Change Hub has relaunched the Change Cohort, as Change Champions who facilitate and advocate change to support successful implementation that can be sustained. The Change Hub will provide training and support to Change Champions across DEI teams across the nine camps and bases.

Concerns:

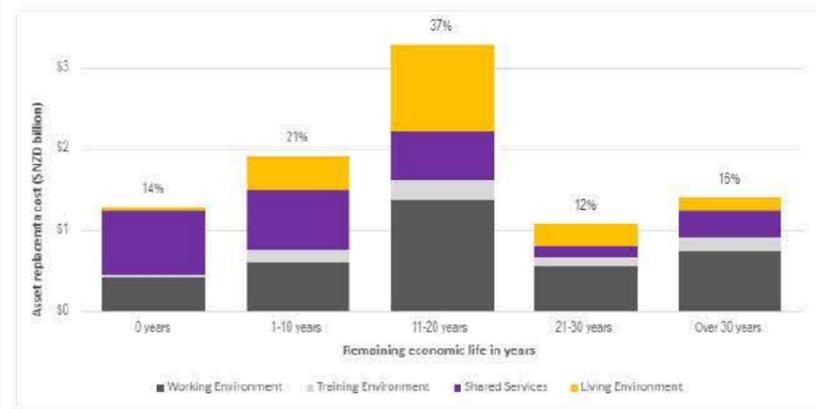
Aging infrastructure combined with years of underinvestment and current budget pressures is having serious impacts (including health and safety and potentially operational outputs):

- s.6(a)**
- Hot water system and power supplies at Waiouru are beyond economic life and have no resilience. Regular failures mean that barracks and other buildings are not heated in winter.
 - Almost half of Devonport Naval Base is at risk of flooding from 2030 due to rising sea levels.

- s.9(2)(g)(i), s.6(a)**
- NZDF has three of the last seven remaining Crown coal fire energy centres, with the Burnham coal fire boiler prone to failure.
 - Poor training, education, and accommodation facilities in some locations means it is difficult to attract, retain, and train the people **s.6(a)** needed to deliver directed Defence outputs.
 - Many Regional Facilities for Careers and Reserves are earthquake prone. Some are closed or have restricted access including facilities in Dunedin and Tauranga. Temporary alternate facilities are required in some locations.

Desperate Need for Significant Estate Regeneration

The graph below shows there is minimal or no remaining useful life in the majority of Estate assets. Many people work in aged assets that are prone to failure, present accelerated deterioration **s.9(2)(g)(i)**. It is estimated that over 70% of the Estate (by replacement value) has less than 20 years remaining useful life and 14% is still used beyond its economic life.



There are 30 years remaining to replace 80% of the Estate to achieve satisfactory utility and condition. 35% of infrastructure assets have less than 10 years remaining life. Providing replacement infrastructure of this magnitude is significantly challenging given the time taken to deliver new facilities.

Programme Health

DEI Programme RAYG Status

Programme	Previous Month Overall	Current Month Overall	Next Month Overall	Scope	Schedule	Budget	Resource	Risk	Issues	Benefits	Quality
1. Capital Major Programme	Y	A	A	Y	A	Y	A	A	A	Y	G
2. Ohakea Infrastructure Programme	R	R	R	G	A	A	G	A	Y	G	Y
3. Accommodation, Messing & Dining Modernisation Programme	R	R	R	G	Y	G	G	R	G	G	G
4. Homes for Families Programme	Y	Y	Y	G	A	Y	G	A	A	G	G
7. Future Naval Base Programme	A	A	A	G	Y	Y	G	Y	A	G	G

1. DERP Capital Programme

The DERP Capital programme RAYG for the current month is Amber due to Capital projects tracking behind plan for the year. The current delivery environment continues to be volatile for a number of reasons such as:

- the age of the estate and years of underinvestment;
- changes to scope during detailed design phase;
- extended business case approval process;
- delays during the procurement processes.

The programme team is focusing on getting projects to market as per the Capital Delivery Plan (CDP) for B24/25. The updated CDP was endorsed by DERPB in November.

2. Ohakea Infrastructure Programme (OIP)

OIP's overall RAYG remains Red due to the lack of funding to complete the remaining tranches. The rating was determined by the Programme Board and will be revisited following the outcome from the Defence Capability Plan (DCP) and advice on progression.

The Fuels Precinct project is aiming to be completed in December 2025. OIP is signalling an overspend in this project due to changes in construction drawings that are not aligned with the approved drawings. This is being worked through and at the OIP Board in October; the Board has approved drawing down \$1M on the OIP contingency.

At the OIP Board in October the programme team gave an update on Tranche 3 and 4. The paper advised the Board that OIP will proactively continue to update the Detailed Business Case (DBC) in accordance with Treasury advice and wait for confirmation on the preferred pathway following the DCP 2024 submission.

As the DBC has been de-scoped and deferred, this may impact the benefits to be realised. This is not yet reflected in the Programme Status Report.

3. Accommodation, Messing, & Dining Modernisation Programme (AMDM)

s.9(2)(f)(iv)

4. Homes for Families Programme

s.9(2)(f)(iv), s.9(2)(g)(i)

Burnham contractor negotiations will commence in November as NZDF seeks updated pricing for new build homes in Burnham. Specification for new housing reissued to be Burnham specific and work is underway to identify further sites, following direction to focus B24 effort solely on Burnham which is likely to deliver 13-17 new homes. Ultrafast Broadband rollout associated with Phase 2 is progressing through a business case.

Constrained funding is still a risk which could result in the programme being scaled back or be unfunded. A Treasury Gateway undertaken in the week of 7 October 2024 noted a green rating assessment for Tranche 1 and amber rating for the remainder of the programme due to funding uncertainty.

5. Capability Programme

A Memorandum of Understanding (MOU) is being developed in partnership with the Ministry of Defence and Capability Branch. This programme will provide a monthly status report once the MoU is finalised and signed off.

6. Planned Maintenance Programme (PMP)

Deferred asset maintenance has contributed to 42% of the Defence Estate being assessed as only marginally fit for purpose. This creates a high-level risk of asset and service, and therefore operational, failure as the Estate deteriorates further, increasing unscheduled maintenance costs and consequent disruptions to services.

The Defence Force spent \$135.9M in FY 2023/24 maintaining these assets to try to ensure critical military outputs are maintained. The funding for FY 2024/25 has been reduced to \$110.5M due to funding constraints.

To mitigate the budget reduction, parts of the planned (proactive) maintenance programme have been deferred into out years. This has contributed to the increase of maintenance backlog which is currently \$480M. No reporting will occur until capacity is available.

7. Future Naval Base Programme (FNB)

s.9(2)(f)(iv), s.9(2)(g)(i)

The uncertainty of funding after completion of the PBC for the regeneration of the Devonport Naval Base (FNB) is reflected in the August 2024 Treasury Gateway review which resulted in an amber rating. **s.9(2)(f)(iv)**

Key Points and Insights for Maintenance Expenditure

FY 2024/25 Maintenance Expenditure

DEI Maintenance YTD is reporting \$4.46M behind budget at the end of October (actuals of \$28.10M against budget of \$32.56). This represents a 21% increase in comparison to a \$2.18M underspend in September.

The main cause of the variance is budget phasing against initial forecast, which became unrealistic following cost savings direction from NZDF. Revised forecast was provided via October Baseline Update (OBU) however it has not been approved.

- Scheduled is \$1.16M behind budget due to delays in processing invoices and variation orders.
- Planned is \$2.78M behind in SAP however it is on track in the Delivery Programme Office tracking sheet. The variance will be corrected once OBU is approved and in place.
- Unscheduled is \$518k behind the budget due to budget phasing.
- Minor new works presented actuals of \$4k however no budget is allocated this month for minor works.



Key Points and Insights for Capital Expenditure

FY 2024/25 Capital Expenditure

October YTD Capex is reporting \$12.2M behind budget, representing a reduction of \$0.4M in comparison with the September variance of \$12.6M (largely from Ohakea Infrastructure Programme (OIP) \$3.6M and DERP Majors \$3.4M).

As noted in the September report the variance remains the result of the initial budget baseline phasing that was to be corrected through the October Baseline Update (OBU).

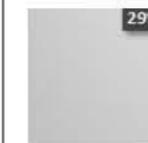
The FY forecast against budget reflects minimal Capex variance, which will also be reflected in the YTD variance once the OBU adjustments are approved.

YTD variance colour coding rules: Ahead of Budget is in **Red**. Behind budget is in **Blue**.

FY 2024/25 YTD Variance: \$12.2M behind Budget



Benefits Management



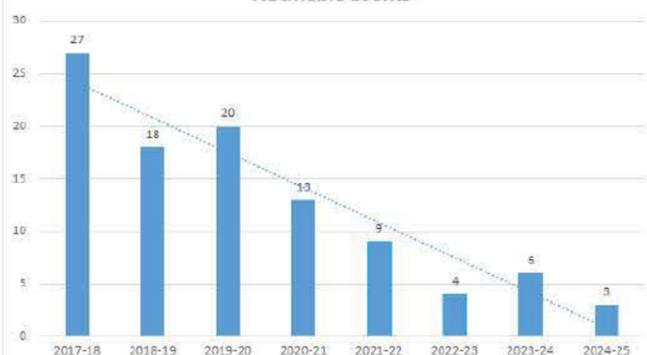
DEI has 271 active projects active projects. 74 of these require Benefit Realisation Plans (BRPs). As at the end of October 65 projects have a completed or in progress BRP.

Work is being undertaken on drafting the outstanding nine BRPs.

Projects by Benefit Realisation	
Approved BRP	23
Survey related	10
Draft BRP	19
Other – Lag reporting	7
Other – No BRP	6
Completed + Progressing	65
To be started	9
Total	74

DEI Health & Safety

Notifiable Events



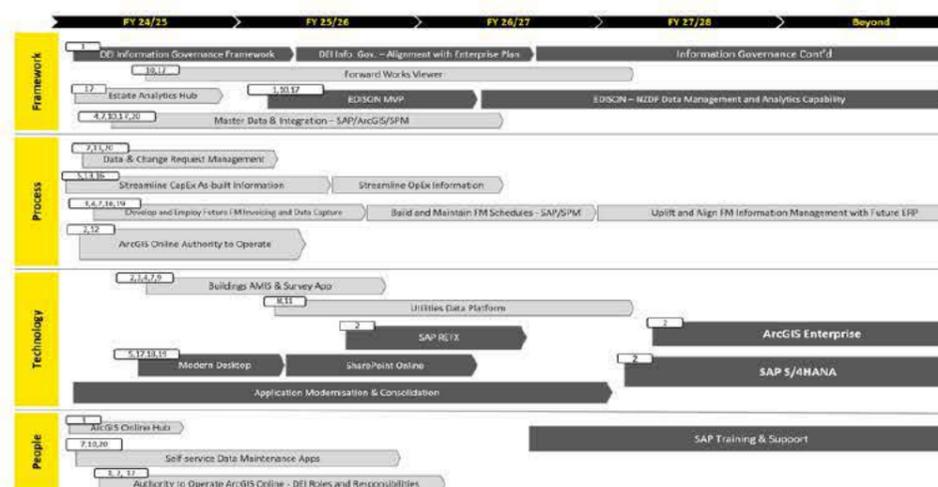
DEI Health & Safety (H&S) graph is showing a downward trend of H&S events that are/were notifiable to WorkSafe NZ (2017-2025), reflecting improvement in our H&S practices.

DEI has been awarded the NZDF Safety Commendation Award for our ongoing efforts and achievements in the contractor Health & Safety (H&S) management space. This is the result of collective efforts.

DEI Health & Safety is seeking approval approval from Head of Defence Estate and Infrastructure (HDEI) that the validity period of the DEI Health & Safety induction for permanent staff on the Estate be extended from 12 to 24 months. This may result in some savings in excess of \$30k per annum.

DEI Health & Safety team are also looking at differentiating construction H&S from failing estate to increase the visibility of the risk of our estate. There is currently some work being undertaken in liaison with the strategy team and aiming for this to be completed March 2025.

Spotlight: The DEI Information Roadmap



The DEI Information Roadmap provides an overview of the current and future work required to support DEI's information needs and to align with NZDF led information management and digital capability.

The work in this roadmap delivers to the top 20 information requirements of DEI. Lifting our information maturity, increasing the completeness and quality of our data and enabling better informed decision making.

Entire DEI Information Roadmap hyperlink [here](#).

If you have any questions or would like further information please contact Dr Wilfred Kittler, Deputy Director Asset Information.

Maturity People, processes and tools are available and sufficiently mature to successfully deliver infrastructure investments.	Delivery A fit for purpose Estate and Infrastructure is delivered to NZDF as expected by government.	Confidence NZDF, Treasury and Ministers have confidence in DEI's ability to deliver and manage its portfolio.	Affordability DEI remains within indicative funding envelope set by DERP 2019.	Coherence DEI capability coherence is maintained to levels that ensure ability to deliver on Estate capital and maintenance expectations.																														
NZDF Risk Appetite																																		
Cautious Our overall philosophy for risk taking is a preference for safe delivery. We will only put this at risk if the possibility of failure is limited and heavily outweighed by benefits.	Cautious Our overall philosophy for risk taking is a preference for safe delivery. We will only put this at risk if the possibility of failure is limited and heavily outweighed by benefits.	Minimal Our overall philosophy for risk taking is extremely conservative. We will only put this at risk if essential, and the possibility of failure is limited.	Flexible Our overall philosophy for risk taking is to take strongly justified risk. We will only put this at risk if we can manage the impacts.	Cautious Our overall philosophy for risk taking is a preference for safe delivery. We will only put this at risk if the possibility of failure is limited and heavily outweighed by benefits.																														
Indicators and RAYG Status																																		
DEI people, processes and tools are increasing the speed of project progress. <table border="1" data-bbox="118 829 578 903"> <thead> <tr> <th>Last</th> <th>Current</th> <th>6mth Forecast</th> </tr> </thead> <tbody> <tr> <td>Medium</td> <td>Medium</td> <td>Medium</td> </tr> </tbody> </table>	Last	Current	6mth Forecast	Medium	Medium	Medium	Increased delivery against budget and schedules of projects prioritised from asset information <table border="1" data-bbox="697 829 1157 903"> <thead> <tr> <th>Last</th> <th>Current</th> <th>6mth Forecast</th> </tr> </thead> <tbody> <tr> <td>High</td> <td>Very High</td> <td>Very High</td> </tr> </tbody> </table>	Last	Current	6mth Forecast	High	Very High	Very High	Feedback on key investment decisions and a secured construction funding pipeline. <table border="1" data-bbox="1261 829 1721 903"> <thead> <tr> <th>Last</th> <th>Current</th> <th>6mth Forecast</th> </tr> </thead> <tbody> <tr> <td>Medium</td> <td>Medium</td> <td>Medium</td> </tr> </tbody> </table>	Last	Current	6mth Forecast	Medium	Medium	Medium	Development of Programme budget tolerances, delegations and contingencies. <table border="1" data-bbox="1825 829 2285 903"> <thead> <tr> <th>Last</th> <th>Current</th> <th>6mth Forecast</th> </tr> </thead> <tbody> <tr> <td>Very High</td> <td>Very High</td> <td>Very High</td> </tr> </tbody> </table>	Last	Current	6mth Forecast	Very High	Very High	Very High	The quantity of changes or deviations from approved construction and maintenance plans. <table border="1" data-bbox="2404 829 2864 903"> <thead> <tr> <th>Last</th> <th>Current</th> <th>6mth Forecast</th> </tr> </thead> <tbody> <tr> <td>Medium</td> <td>Medium</td> <td>Medium</td> </tr> </tbody> </table>	Last	Current	6mth Forecast	Medium	Medium	Medium
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<ul style="list-style-type: none"> Following the completion of the Cabinet Office circular CO (23) 9 attestation, the focus is now on the non-compliant areas of the assessment. However the progress of the work is slow due to limited resource capacity and lack of funding. A pilot of the climate change risk assessment and adaptation planning project has been completed, it provided plans to address climate hazards for major NZDF sites. The implementation of recommendations however, is subject to funding. Working continues on improving DEI maturity. E.g. the development of the asset information roadmap which will be spotlighted on the monthly DEI dashboard report. The DEI Capital Delivery Plan was approved by EIC in October. The plan forecasts capital spend by quarters, with consideration to sequencing, dependencies and risk. 	<ul style="list-style-type: none"> The Modernising Army Training Capability Programme (former Plan Mere) is being formally established with its programme mandate approved by the Capability Management Board. The development of the business case will be funded by Army, DEI has no funding for the implementation of the programme. 70% of horizontal infrastructure is at end of life or maximum capacity and unable to support delivery of new vertical assets. Project budgets are blowing out as there projects have to absorb these costs. Continued deferral of horizontal infrastructure through re-prioritisation and budget constraints, is decreasing usable life, increasing risk of failure. Deferred projects and increased repair costs continue to challenge the Estates Maintenance Programme. The \$23M in maintenance projects deferred in 2023/2024 and this FY funding constraints means that \$480 million is now the level of Identified but unfunded maintenance in the Defence estate. 	<ul style="list-style-type: none"> MBIE has approved the SIS (Sustainable Infrastructure Standards) V2 as an alternative Building Rating System to Green Star. The NZDF Homes for Families Programme's Request for Proposal (RFP) for Waiouru has been completed and a preferred supplier has been identified. The Implementation Business Case has been approved by EIC in October and is now going to be presented to Ministers / Cabinet. Accommodation Messing Dining Modernisation (AMDM) - Linton pilot – Cabinet had endorsed the Detailed Business Case. The Infrastructure Commission has developed a national infrastructure plan related to the national infrastructure pipeline and infrastructure priorities programme. The intent is to provide more visibility to Ministers, supporting better infrastructure related decisions. NZDF/DEI are contributing to the plan via DEI Strategy. 	<ul style="list-style-type: none"> The Estate Capital budget for this FY has been increased to \$150M (\$30M above the previous year allocation) however, based on asset age and condition, the increased budget still behind of the \$300M to \$400M per annum required annually to enable DEI to deliver a fit for purpose and sustainable infrastructure for NZDF. DEI opex allocation has resulted in reduction in planned maintenance to focus on scheduled and unscheduled maintenance as immediate priorities. The move has reduced DEI capacity to invest in improvement activities and strategic programmes. Post Defence Capability Plan (DCP) approval, an assessment will need to be undertaken to understand the impact on associated DEI risks and issues related to all five categories presented on this report (Maturity, Delivery, Confidence, Affordability and Coherence). 	<ul style="list-style-type: none"> DEI and CapBr have developed a MOU based on the DEI Alliance professional services approach (within the DEI Alliance Agreement) for the Capability projects PRICIE infrastructure elements. This will provide Capability projects access to design standards and whole of life costing approach developed by DEI Alliance, which will improving integration of new infrastructure into DEI operation and maintenance systems Delivery of new and anticipated projects in Devonport such as the Wahi Tiri and other projects part of the Future Naval Base programme will be logistically challenging in an already congested site. A risk assessment of the impacts of the operating funding cost pressures across DEI was completed and presented to the Head of DEI. The assessment information is to be part of a Minute to be presented to CDF and VCDF informing them of the potential residual impacts across the portfolio. 																														
Evidence & Measures																																		
<ul style="list-style-type: none"> DEI Alliance KRAs. Improvements in Business Case methodology. Defence Climate Change Roadmap. Procurement using multiple accepted methods. FM Providers KRAs. 	<ul style="list-style-type: none"> Promulgation of PMP projects and ongoing tracking and reporting of progress against plan to all stakeholders. Metrics demonstrating greater accuracy of costs and estimates through the project life cycle. Compare AIP / ATI to ACF and final costs. 	<ul style="list-style-type: none"> All documentation reflects government policy. Annual report on progress of the DERP, to reflect benefit realisation. A monthly portfolio report delivered to governance requirements. Maintenance of strong engagement with iwi. 	<ul style="list-style-type: none"> Engagement with Ministers, Ministry of Defence and the Treasury. Ministers well informed. Organisational flexibility (agility to re-plan). Active monitoring of emerging legislation changes. Cabinet approval of DERP funding in budget 25. 	<ul style="list-style-type: none"> Regular refresh of camps and bases master plans. Business Continuity Plan execution and reporting on lessons identified. Application of PRICIE on CapBr linked programmes. Future Naval Base Programme Business Case 																														

Programme Status Summary

Estate Capital

October- November 2024

SRO: Wally Butt

Programme Director: s.9(2)(g)(i)

PROGRAMME STATUS

RAYG STATUS	Y	A	A
	Previous Month	Current Month	Future Month

12/11/2024

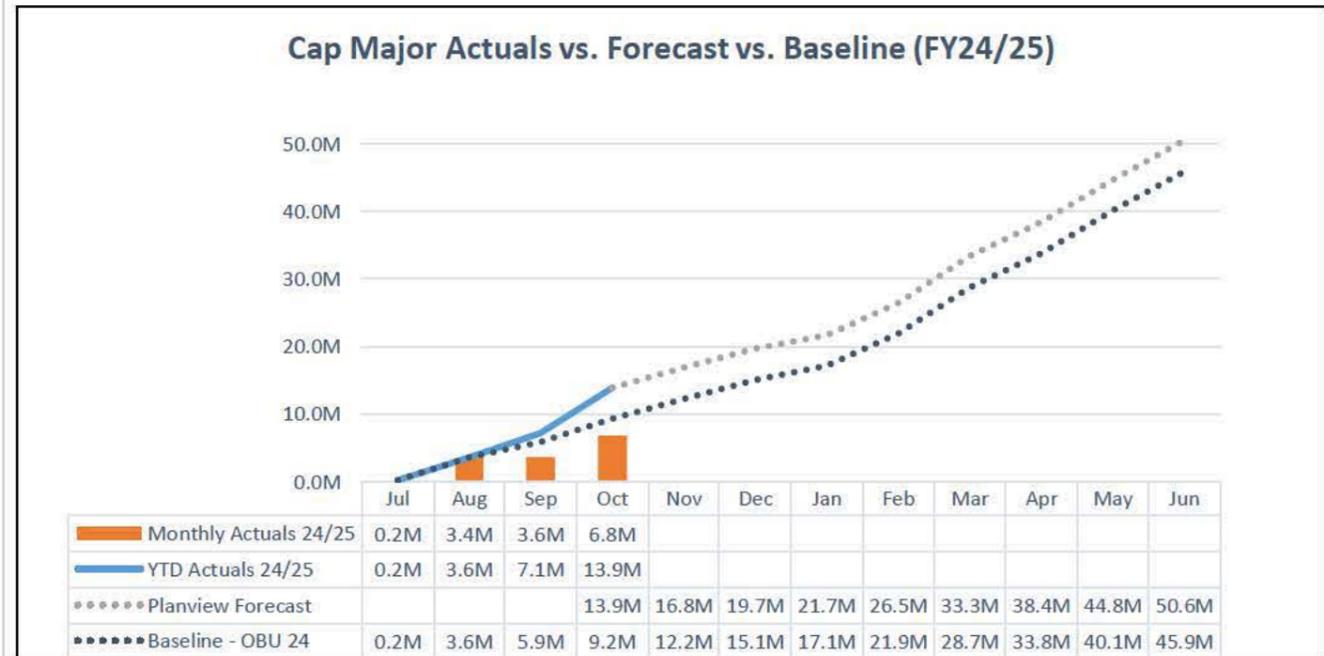
Summary:

The programme RAYG for the current months is Amber. This is due to the Capital projects tracking behind plan for the year. The current delivery environment continues to be volatile for a number of reasons:

- a. Continued ageing of the Estate has caused asset closures requiring immediate action to maintain current capabilities.
- b. Changes to scope during detailed design phase has led to additional design work, extended design timeframes and in some cases increased capital cost. This has also resulted in one project ACF date moving into FY25/26.
- c. s.9(2)(f)(iv), s.9(2)(g)(i)
- d. Extended procurement process has resulted in expiration of tender validity period for one project, however the contractor held the price so there was no impact to the project price.
- e. Projects taken to market have generally come in at or under their cost estimates, reflecting the current soft market conditions and the recent improvements in cost estimation. This has resulted in a saving of \$2.53M to the programme.

The programme team are focusing on getting projects to market that are scheduled in the Capital Delivery Plan (CDP) plan for B24/25. The updated CDP plan was endorsed by the DERP on the 11th November. This version of the CDP plan sought allocation of funding to take projects off hold that are seeking ACF5 for construction in B25/26, in order to allow time to complete a compliance review, refresh design if required and update the cost estimate and business case (if applicable). This is to support in mitigating point b, c and d above. The projects that this applies to include BHM – 2/1 New Zealand Infantry Regiment Facilities (noting this project is in BIP), DPT Workshop Gantry Cranes and LIN - CSS (Ammo) Hangar & Offices AND ESH. This will better support these projects achieving ACF in early B25/26.

Expenditure for Capital Major Projects for Jul 2024 to Jun 2025



The Capital Programme spend year to date is \$13.9M which is below the Mains forecast year to date of \$21.2M. However, as mentioned in previous reports the OBU forecast is \$45M below the Mains analysis from earlier this year due to project commitment rollovers into FY25/26, affecting the cash flow. We have been made aware by FinBr that the OBU numbers will be loaded in the next month and then OBU will be the reporting baseline.

The Capital Programme is above plan for the month against the OBU forecast with an October spend of \$6.8M against a \$3.4M forecast and a year to date variance of \$4.7M above plan. The majority of the overspend against the OBU forecast can be attributed to the 3 projects below. We will continue to monitor this variance and make required changes in the MBU update if required.

WBS	Project name	Monthly actuals	OCT OBU forecast	OBU Monthly Variance	Comments
W-12023	WHP Standby Power Replacement	\$ 2,516,853.52	\$ 52,444.58	-\$ 2,464,408.94	\$2.5M was allocated in October for major equipment purchase to reduce risk. However, the majority of the cost will be deferred to November due to delivery delays. This project cost fits within the current project budget.
W-11715	PAP Rennie Lines Civil Infrastructure	\$ 480,718.63	\$ -	-\$ 480,718.63	ADFin due to less than suitable sub soil condition. Re-engineering is complete and works have recommenced. This AdFin has not been reflected in the forecast.
W-62308	DPT - Wahi Tiri	\$ 316,486.42	\$ 55,960.00	-\$ 260,526.42	Project has been delayed owing to an enabling project being respecified with additional design timeline implications. This issue is now resolved but the project movement was not reflected in the OBU update.

Progress Since Last Period

The capital programme has 75 projects in the portfolio with 31 projects in progress, 23 in closure and 21 (Capital value - \$350M) on hold pending funding as per the CDP. All projects currently working towards AIP and ACF5 approvals have seen delays. The PgMO have been working with project teams to remove any roadblocks that are causing these delays.

Plan & Design

- **DPT - Wahi Tiri Main Works** has experienced delays in achieving key milestones. Business case ministerial Approval In Principle (AIP) has been delayed from December 2024 to February 2025 due to delays in the approvals process and further delays due to DEI minimum staffing period and Christmas break timeline. This will result in a delay of 2-3 months to project milestones AIP and ACF5. The project is now unlikely to achieve ACF5 in FY 24/25. The overall project delivery completion date is at large due to the dependency on the enabling Decanting Facility project.
- **DPT - Wahi Tiri Decanting Facility** has experienced delays in achieving key milestones. Decanting scope was removed from the Wahi Tiri Main Works project. The project team is planning and seeking approval for a separate decanting facility (DPT – Multi Purpose Office Accommodation – Stage 1) design and build approach to fast-track the project, however the decanting facility is on the critical path and any delays will impact the delivery of the main works of the Wahi Tiri project.
- **WHP - Arch Hangar Intensive Refit** has experienced delays in achieving key milestones. Business case ministerial approval has been pushed out from December 2024 to March 2025 due to delays in finalising the business case due to other project prioritisation and Planning Officer resource shortage. The project milestones AIP and ACF 5 contractor will be delayed by 2-3 months. The project is unlikely to achieve ACF Contractor in FY 24/25
- **PAP - Barracks 1 (24 beds)** has experienced delays in achieving key milestones. AIP date is likely to be pushed out to February 2025 (TBC), however the project team is exploring different options to seek AIP earlier. The PgMO are also working to prioritise approval tasks and engage with stakeholders to identify and address any potential bottlenecks.

Procurement

- The **Dunedin Regional Facility** project stage 2 ACF contractor has been approved and contract has been awarded in October.
- **DPT - Dry Dock Portal Crane** – Crane supply contract ACF contractor has been approved and contract has been awarded in October. Ancillary contract tender has been issued out to market in 1st week of October.
- **WHP - Portable Water Reticulation** – ROI issued out to market in 1st week October and closed by end of October and moderation in progress. Planned estimated Issue of RFT is 2nd week of November.
- **WAI - Water Training Abstraction** has experienced delays in achieving key milestones. Procurement is on hold due to design changes. The project has now completed the additional condition assessment and revised design options have been provided for review and to provide direction on a way forward.
- **WAI - Water Treatment Plant** has experienced delays in achieving key milestones. The planned date for issuing the tender has been pushed from November 2024 to the first week of December 2024.

Construction

- **PAP Junior Ranks Accommodation** has commenced construction in 1st week of October.
- **LIN Water Projects** held their sod turning ceremony in October.
- **DPT Full WWTP Replacement** has achieved practical completion.
- **WHP - Standby Power Replacement** has experienced delays in achieving key milestones. The initial planned construction start date was mid-September, however construction has not started yet due to the pre procurement and delivery delays of generators.

Attribute	Current RAYG	Last Period RAYG	Trend	Commentary
Scope	Y	Y	➡	One project, WAI Training Area Water Abstraction, has had to return to design phase after achieving Design Gate 3 (DG3). The project has now completed the additional condition assessment and revised design options have been provided to DEI for review and direction. This is an example of the risk of different size / material / location of horizontal infrastructure discovered during construction phase, leading to changes to scope. While new procedures are in place to minimise this risk for future projects, the programme should expect this risk to continue to impact projects underway given the known risk of the quality of historical asset data.
Schedule	A	A	➡	Our biggest risk to projects completing their schedule in line with baseline, is the time taken to move projects from Design Gate 3 to commencement of Construction. The Business case writing, endorsement and AIP approval continues to struggle with insufficient Planning Officer resource. We are also exceeding our target baseline durations for awarding contracts post tender evaluations.
Cost	Y	A	⬆	Projects that have received ACF are progressing within budgets. The total project changes to be endorsed through the PCG this month are low, with an accumulate to a total of \$62k. Please refer to the table at the end of the report for a full break down. The PgMO will continue to support the programme by analysing monthly variances and supporting those projects that require additional attention.
Resource	A	A	➡	The programme remains short of resources to meet demands, we currently have insufficient Planning Officers to complete Business Cases and drive the AIP process. Given the current HR initiatives and reviews, it is unlikely that this situation will change within the next 12 months. The current workload within the planning team includes; <ul style="list-style-type: none"> a. 19 projects in Phase 0 at various stages from active to not started b. 10 projects in Phase 1 at various stages (3 in development, 4 awaiting phase start, 1 awaiting reactivation, 2 on hold) c. 23 projects in Phase 2 at various stages (9 in development, 4 awaiting reactivation, 3 awaiting phase start, 4 awaiting submission, 2 on hold) The current team is working with 2 Planning Officers and with the current workload the team are seeking to expand to a team of 4. Alliances resources are being brought in to support this resource gap, RAYG status to be reviewed once the new resource are fully onboarded.
Risk	A	Y	⬆	We have seen a sudden increase in the number of high and very high risks due to the PAP Barracks project coming off hold and completing a new risk analysis, identifying that the project has a tight timeframe for delivery. This is currently being monitored by the programme. DPT Decant Facility project also has a tight delivery timeframe as an enabler for DPT Wahi Tiri and is at high risk of delay due to a number of factors including the process to develop User Requirements, design timeframes and extended Business Case approval processes. This is currently being monitored by the programme. s.6(a) . DPT Wahi Tiri 's. 6(a) has taken longer than expected, which increases the risk of late changes to the design. This remains a risk for other projects s. 6(a) . We are seeking a management solution with stakeholders. Projects are now well aware of below ground risk, with many projects electing to carry out in depth ground contamination surveys prior to engaging contractors. This is working well to assist in reducing the number of unexpected variations in construction phase.
Issues	A	A	➡	This month's project issues highlight Papakura projects, where we have increased construction activity, with more to come in the next few months. One of the new contractors are requiring additional support to understand NZDF nuances like CHES and security clearances. This issue could worsen particularly at Papakura as there is a shortage of mature capital programme resourcing and the number of planned projects is increasing and could lead to delays and wider issues on the camp.

Benefits	Y	Y	➔	Benefits reporting is being actively worked on, pending confirmation of resources. No benefit changes have occurred in the last period and all projects continue to track against the benefits specified in the benefits realisation plans of the respective project business case.
Quality	G	Y	➩	While cost pressures are affecting funding and schedules, DERP projects are being deferred 'to the right', rather than cancelled so programme quality remains unchanged. We are continuing to ensure good governance and transparency through the project lifecycle reporting through to the DERPB.

Recommendations, Decisions or Actions Required

Recommendations to raise to PCG:

Risks

- DPT - Full WWTP Replacement - Potential PFAS in SY (Additional testing)
- LIN - Potable Water Reticulation - Stage 1 - Potential for pipe replacement already complete.
- PAP - Barracks 1 (24 Beds) - Some in-complete designs at SSLBC approval
- PAP - Barracks 1 (24 Beds) - ~~s. 6(a)~~ input not complete during Detailed Design
- TRN - Corporate Accommodation Fit out - Unknown ownership of ICT Opex costs
- WHP - Potable Water Reticulation - AdFin for Soil Disposal Plan

Issues

- PAP - Junior Ranks Accommodation - Introduction of another Separable Portion

Changes

Project	Change Name	Funds Required	Change reason
LIN - Watercourse & Stormwater / Wash Point	Realignment of Alliance services	(\$26,181)	Alliance scope reduction
PAP - Barracks 1 (24 Beds)	Parallel Design/investigation of 2 HV Routes	\$10,000	Project scope increase
PAP - Junior Ranks Accommodation	Additional effort required due to 40% Psums	\$30,000	Alliance scope increase
TEK – Potable Water Reticulation	Additional QS Effort	\$8,082	Alliance scope increase
WHP - Phased Hardstanding Replacement	Bravo and Stand Infill addition to scope	\$40,000	Project scope increase

Disclaimer: The Monthly Capital Programme Status report records the performance of the Capital Programme. The scope of this report does not encompass the Burnham Infrastructure Programme (BIP), Rolling Replacement Programme (RRP), Ohakea Infrastructure Programme (OIP), Accommodation Messing and Dinning Modernisation (AMDM), Housing Programme, and other capability funded projects. This report should be read in conjunction with the DERP Capital Procurement Pipeline report, Construction Dashboard and Risk/Issue dashboard.

Programme Status Summary

Homes for Families Programme

November 2024

SRO: Phil Gurnsey

Programme Director: Graham, Julian

PROGRAMME STATUS

RAYG STATUS	Y	Y	Y
	Previous Month	Current Month	Future Month

The ImpBC for WAI New Housing received approval at EIC in October. **s.9(2)(f)(iv), s.9(2)(g)(i)** Potential risk to the contractor's price validity period for the construction of the homes will increase (currently end 2024). A Gateway review this month resulted in a green rating for the investment cases.

Pilot 13 ImpBC **s.9(2)(f)(iv), s.9(2)(g)(i)** ImpBC is being revised to ensure it is detached; sufficiently from WAI ImpBC and will be submitted for final NZDF approvals.

Phase 2 (FY24/25): BHM contractor negotiations will commence next month - NZDF seeking updated pricing for new build homes in BHM. Specification for new housing reissued to be BNM specific and work underway to identify further sites, following direction to focus B24 effort solely on BNM. A business case is in preparation. Ultrafast Broadband rollout associated with Phase 2 is progressing through a business case.

Progress Since Last Period

WAI New Housing: **s.9(2)(f)(iv), s.9(2)(g)(i)** Further Geotechnical investigations are being progressed for the site to support foundation types and potential additional homes.

Pilot 13: **s.9(2)(f)(iv), s.9(2)(g)(i)** Refinement of sites is being undertaken with local EDDs and investigations on any local council requirements with respect to subdivision of larger lots.

Phase 2 (FY24/25): Site visit to BHM undertaken to review potential brownfield lots - NZDF seeking updated pricing for 10 new build homes in BHM from the second placed RFP respondent (final number estimated to be 13-17). A business case has been initiated to gain ACF for Ultrafast Broadband rollout.

Recommendations, Decisions or Actions Required

s.9(2)(f)(iv), s.9(2)(g)(i)

Decision to focus B24 effort on BNM. Likely to deliver 13-17 new homes.

EXPENDITURE FOR Housing Capital Sub-programme for May 2024 to Apr 2025													
May 2024	Jun 2024	Jul 2024	Aug 2024	Sep 2024	Oct 2024	Actuals TD	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Apr 2025	Total Forecast for displayed periods
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$1,000,000	\$1,500,000	\$3,000,000	\$3,000,000	\$3,500,000	\$3,000,000	\$15,000,000

Attribute	Current RAYG	Last Period RAYG	Trend	Commentary
Scope	G	G	→	TOC5H: UFB scope in development along with SSBC. TOC5A: Alliance Services Board approval provided. WAI New Housing: SOW variation/addition required for Cabinet paper and additional rework of WAI ImpBC. Advanced Geotechnical survey planned to further inform design. Likely to hold planned civils design for additional WAI homes until greater certainty.
Schedule	A	Y	↑	Waiouru ImpBC now approved and ready to be submitted, s.9(2)(f)(iv), s.9(2)(g)(i) Pilot 13 s.9(2)(f)(iv), s.9(2)(g)(i) and remains on track. Contract will be ready for signing on approval. Phase 2 (FY24/25): Contractor for BHM housing to provide updated indicative pricing pre christmas to inform this business case.
Cost	Y	G	↑	The programme continues to operate within its established \$3.1M drawdown of tagged contingency and other alternative funding sources. UFB at Burnham is temporarily utilising the Horizontal Infrastructure contingency due to the the urgent need to engage suppliers there based on open trenches. TOC5A is utilising B24 allocated funds, subject to Alliance Services Board approval and Geotech testing is being funded in the short term by Delivery.
Resource	G	G	→	Additional scopes for resources are being prepared. A JD for capitalised programme role has also been put forward for approval to recruit.
Risk	A	Y	↑	WAI New Housing: Contract signing likely delayed to February s.9(2)(f)(iv), s.9(2)(g)(i) . Delays with contract signing may result in cost escalations by contractor and delays to the programme schedule - this is actively being managed with contractor. Pilot 13: s.9(2)(f)(iv), s.9(2)(g)(i) Phase 2 (FY24/25): Risk review undertaken, Register to be established an updated. Gateway review results will be submitted and discussed at the next RAC meeting in November.

Issues	A	G	↑	s.9(2)(f)(iv), s.9(2)(g)(i)
Benefits	G	G	→	The Gateway review recommended a lower level of refurbishment, or a do minimum approach to these modernisations as a way of benefiting more families sooner with less funding. The team and SROs have been considering this approach and what it could mean for the programme. Whilst worthy in intent, such an approach would fall short of the intended benefits of the programme which is to transform existing housing into fit for purpose homes suitable for modern family living as measured by reduced housing related attrition levels. The do minimum approach would alleviate much of the thermal performance issues of existing house and complaints associated with this, however this is current the domain of the PMP programme delivered through Opex funding. The programme intends to investigate a higher level of refurbishment that seeks to achieve further benefits than do minimum but may be less than the DLS and measure this to see if a hybrid approach is viable, before recommending a way forward.
Quality	G	G	→	x

	COUNT OF PROJECTS BY PHASE									PROJECT BUDGET (\$M) BY CURRENT PROJECT PHASE									
	Not started	Pre-Project	Project Initiate	Plan & Design	Execute	Monitor & Control	Closure	Closed	Total	Not started	Pre-Project	Project Initiate	Plan & Design	Execute	Monitor & Control	Closure	Closed	Total	
Housing Capital Sub-programme	6	0	0	0	0	0	0	0	6	Housing Capital Sub-programme	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total	6	0	0	0	0	0	0	0	6	Total	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

DEI PORTFOLIO DASHBOARD TACTICAL REPORT

January Month-End FY 2024-2025

Consolidated and Prepared by the DEI Portfolio Management Office



The construction of a new Aviation Fuels facility at RNZAF Base Ohakea is underway and scheduled for completion in December 2025



Papakura Junior Rank Accommodation; 2 of the 5 flats are completed; Second Tranche due to be completed end of Feb 2025.



Burnham Health and Rehabilitation Centre - Jan 2025

TACTICAL REPORT - SUMMARY

DEI PORTFOLIO DASHBOARD

January 2025



PORTFOLIO SUMMARY

Achievements:

- Future Naval Base Programme Business Case has been endorsed by EXCO
- Accommodation Messing and Dining Modernisation Linton Project Detailed Business Case has been endorsed by Cabinet
- Preferred supplier for 50 new Homes at Waiouru Military Camp has been confirmed
- Defence Estate Climate Change Adaptation Planning was awarded a 'Highly Commended' commendation in the New Zealand Defence Force (NZDF) Kaitiakitanga Award Category of the Innovation of the Year 2024 competition
- The ArcGIS Online Hub is 'live' and providing users with a centralised resource to easily locate apps, access authoritative data, explore recommended training and a new automated maps page.
- The ArcGIS Online Self-Service Applications are now available to help users update and maintain Defence Estate and Infrastructure (DEI) asset data
- Asset Management Training Pilot across DEI has been approved and will commence in the upcoming month. This is planned to be rolled out across DEI to uplift Asset Management Capability.
- DEI Portfolio Management Office (PfMO) created a role in May 2024 to support enhanced Portfolio Stakeholder and Governance functions. Feedback from Single Service representatives is that this role is contributing to enhanced engagement and communication between DEI and Singles Services

Concerns:

- DERP PgMO are indicating they are constrained by resourcing issues and the ability to support the DERP Programme.
- DERP are indicating that Projects in construction continue to raise risks that they may fully expend their contingency and require additional funding from the programme to complete construction. While the programme team is monitoring the risk they are unable to mitigate the risk.



HUMAN RESOURCES

Civilian	192
Regular Force	7
Contractors/ Consultants	422
Under Recruitment	1



RISKS & ISSUES

1. DERP Capital Major Programme

DERP Capital Major Programme risks are reporting **amber**. Projects in construction continue to raise risks that they may fully expend their project contingency and require additional funding from the programme to complete construction. The programme does not have a programme contingency to support additional funding requests; instead, additional requests would require the deferral of a project in the Capital Delivery Plan. The DERP programme team continue to monitor this risk, however without programme contingency, the programme remains unable to mitigate this risk.

The Devonport Decant Facility project delivery timeframe remains a risk as an enabler for the Devonport Wahi Tiri project. It is at high risk of delay due to multiple factors which include: the process to develop User Requirements, design timeframes and extended Business Case approval processes. Risks are actively monitored by the programme.

2. Ohakea Infrastructure Programme

OIP risks are **amber** due to risks related to Fuels Precinct such as pre-contract design changes, measure and values in design, and commissioning plans in place. These risks are rated 'high' and could impact the programme significantly. Controls are in place and monitored regularly.

3. Accommodation Messing Dining Modernisation Programme

The Defence Capability Plan has not identified funding for the AMDM Linton Pilot Project ^{s.9(2)(f)(iv)}. Risks include the overall condition of barracks, and their continued deterioration over time. There is a risk of cost escalation over time due to inflation in materials and labour costs in the construction market. The overall programme risk status is **yellow**.



DEI PROGRAMME RAYG STATUS

Overall - DERP Capital Major - Amber

Projects in construction continue to raise risks that they may fully expend their contingency and require additional funding from the programme to complete construction. While the programme team is monitoring the risk they are unable to mitigate the risk.

Next Overall - AMDM - Yellow

Still progressing as Yellow due to the Detailed Business Case (DBC) for the pilot at Linton Military Camp being endorsed by Cabinet. There is existing CAPEX budget to start the pre-procurement phase, however procurement cannot commence ^{s.9(2)(f)(iv), s.9(2)(g)(i)}.

Programme	Previous Month Overall	Current Month Overall	Next Month Overall	Scope	Schedule	Budget	Resource	Risk	Issues	Benefits	Quality
1. DERP Capital Major Programme	A	A	A	Y	A	Y	A	Y	A	Y	G
2. Ohakea Infrastructure Programme	R	R	R	G	A	A	G	A	Y	G	Y
3. Accommodation, Messing & Dining Modernisation Programme	Y	Y	Y	G	Y	G	G	Y	G	G	G
4. Homes for Families Programme	Y	A	A	G	A	Y	G	A	A	G	G
7. Future Naval Base Programme	A	A	A	G	A	Y	G	Y	A	G	G

Overall - Ohakea Infrastructure - Amber

Ohakea Infrastructure Programme (OIP) overall programme is 'red', to reflect the lack of funding for subsequent tranches. PfMO's assessment is that the Programme should be 'amber' because the funded tranches in delivery are progressing well. OIP advise that the rating will be revisited following the Defence Capability Plan (DCP) outcome and advice on progression.

Next Overall - Future Naval Base - Amber

The Future Naval Base Programme (FNB) Business Case was endorsed on 12 November 2024 by NZDF Executive Committee, ^{s.9(2)(f)(iv), s.9(2)(g)(i)}.

Risk - Homes for Families - Amber

The Waiouru New Housing contract signing is likely to be delayed to post June 2025, once B25 funding is confirmed for the sale and leaseback (unless the Programme is able to secure an internal funding source ahead of this). Delays with contract signing will almost certainly result in cost escalations by contractor and delays to the programme schedule.

4. Homes for Families Programme

Hff risks are reporting **amber**. The Waiouru New Housing contract signing is at risk of being delayed to post June 2025, which could result in cost escalations by contractor and delays to the programme schedule. This risk is being actively managed with the contractor and a deadline for the contract to be signed by 12 June 2025 is in place. The Pilot 13 Implementation Business Case (ImpBC) is scheduled to be submitted to the Chief Finance Officer and Chief of Defence Force as soon as it is ready however ^{s.9(2)(g)(i)}.

7. Future Naval Base Programme

Funding certainty for the regeneration of Devonport Naval Base continues to be the main risk. Failure to secure sufficient funding will lead to the inability to deliver the volume of works required at the right time to maintain an operational naval base. It is noted that the FNB Programme Business Case provides a clear forecast of spending requirements over time and the Financial Case identifies potential funding sources and shortfalls. To minimise risk, spending requirements should be updated regularly through tranche Detailed Business Cases, and projects will be designed in a manner that minimises interdependencies between tranches. The overall programme risk status is **amber**.

TACTICAL REPORT - FINANCE & BENEFITS

DEI PORTFOLIO DASHBOARD

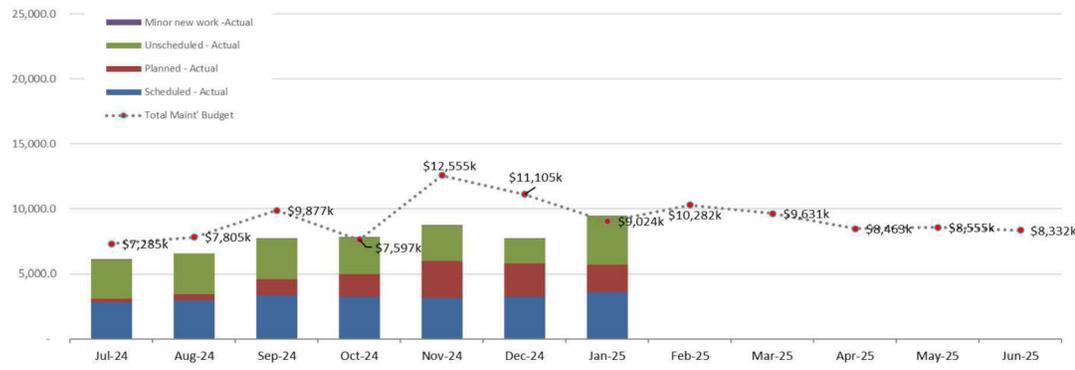


MAINTENANCE EXPENDITURE

DEI Maintenance January YTD is reporting \$11.31M behind budget (actuals of \$53.94M against budget of \$65.25). This represents a 3.7% decrease in comparison to a \$11.74M underspend in December 2024. Although this is a large variance, there is a planned approach to accelerate spend and it is expected that the variance will be immaterial at year end. This will be monitored closely over the next couple of months given the size of the gap to close.

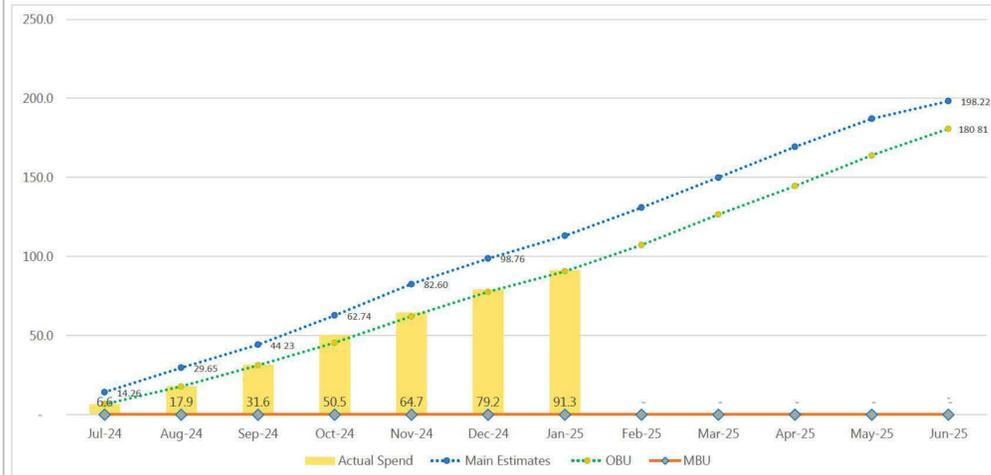
- Scheduled is \$1.29M ahead budget.
- Planned is \$7.8M behind budget.
- Unscheduled is \$2.23M behind budget.
- Minor New Work is 36K behind budget

Figure 3 - DEI All Maintenance - Actual spend v's Budget



CAPITAL EXPENDITURE

January YTD Capex is reporting \$0.67M ahead of budget, this represents a reduction of \$0.86M in comparison with the December variance of \$1.53M. This result represents only 1% variance when compared to the YTD OBU forecast. As per December 2024, the variance has been balanced across the Burnham Infrastructure workstream accelerating construction, and the Ohakea Infrastructure Programme - Fuels Precincts bonds not being paid as per the original forecast, due to supplier decision. Noting that these payment will eventually be made within the current financial year.

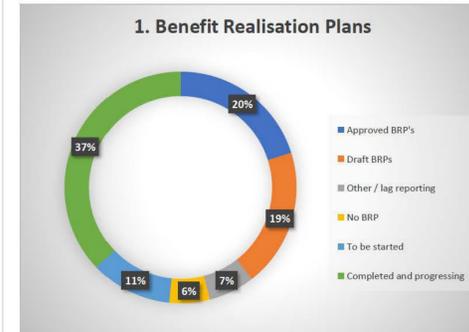


January 2025

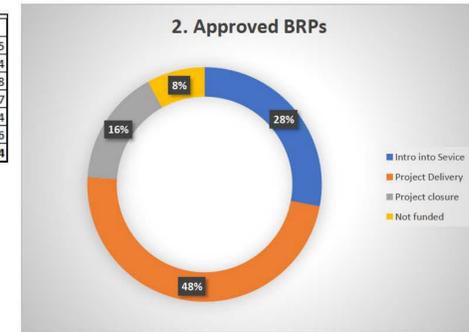


BENEFIT REALISATION

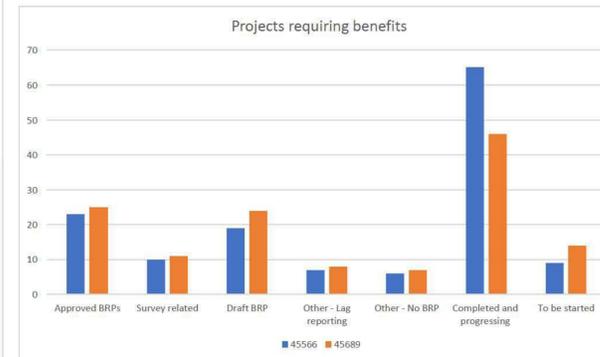
DEI has 271 active projects of which 77 require Benefit Realisation Plans (BRP's), 4 have been completed since the previous reporting period. As at the end of January 2025 46 projects have been completed or are in progress which are all making steady progress. Work is progressing on drafting the outstanding BRP's, it is anticipated the outstanding BRP's will be resolved by end of financial years.



BRP's	Count
Approved BRP's	25
Draft BRP's	24
Other / lag reporting	8
No BRP	7
To be started	14
Completed and progressing	46
Total	124



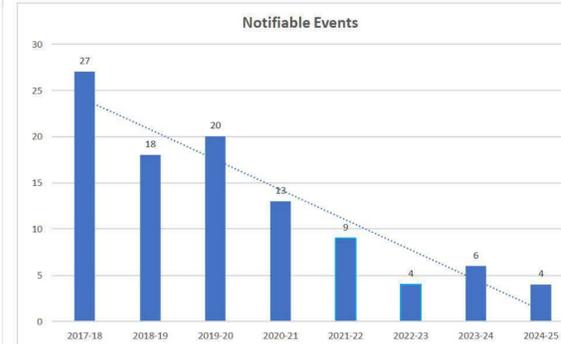
Approved BRP's	Count
Intro into Service	7
Project Delivery	12
Project closure	4
Not funded	2
Total	25



Projects Requiring Benefits	Oct-24	Feb-25
Approved BRP's	23	25
Survey related	10	11
Draft BRP	19	24
Other - Lag reporting	7	8
Other - No BRP	6	7
Completed and progressing	65	46
To be started	9	14
Totals	139	135



HEALTHY & SAFETY



DEI Health & Safety (H&S) graph is showing a downward trend of H&S events that are/were notifiable to WorkSafe NZ (2017-2025)

Updates
There has been 1 increase of Notifiable Events since the October 2024 report. Notifiable Events remain steady from previous years but with a need to monitor.

DEI Health and Safety obtained approval for the 12-24 month extension for the validity period for permanent Facilities Maintenance staff on the Estate.

DEI Health and Safety continue to work alongside DEI Strategy to differentiate construction related H&S events from failing Estate related events to increase and to improve visibility of Estate risks.

Achievements
DEI received the NZDF award for Best Significant Safety Initiative with the Construction Health Environment and Safety Specifications CHES.

DEI is a finalist (one of three) for the Site Safe Awards, for the Safety Leadership Award category. An awards dinner will take place on 5 March in Auckland.

Upcoming
DEI will be hosted on the Facilities Management Australia and New Zealand breakfast series across the country on 11, 12, 13, 26 and 27 February.

The next Pause for Safety is planned for April, it will focus on Human Factors. Human Factors has been chosen in an attempt to raise awareness with workers to support them to understand how the brain works and why we often make the decisions we make in the workplace.

TACTICAL REPORT - QUARTERLY RISK PROFILE

DEI PORTFOLIO DASHBOARD

January 2025



Defence Estate and Infrastructure (DEI) RISK PROFILE REPORT – Oct 2024

Previous report Jul 2024, next update Feb 2025

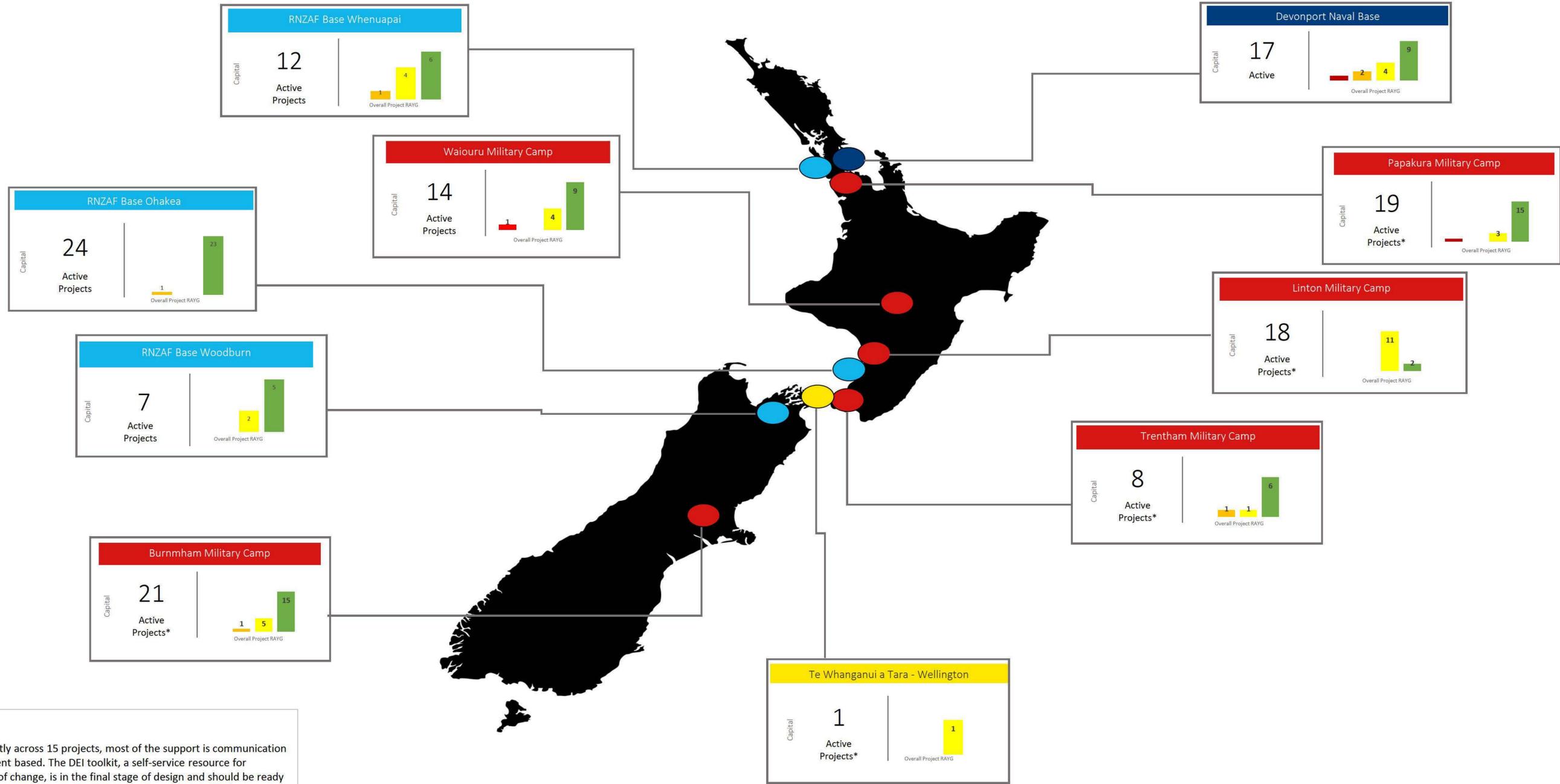
Maturity	Delivery	Confidence	Affordability	Coherence																														
People, processes and tools are available and sufficiently mature to successfully deliver infrastructure investments.	A fit for purpose Estate and Infrastructure is delivered to NZDF as expected by government.	NZDF, Treasury and Ministers have confidence in DEI's ability to deliver and manage its portfolio.	DEI remains within indicative funding envelope set by DERP 2019.	DEI capability coherence is maintained to levels that ensure ability to deliver on Estate capital and maintenance expectations.																														
NZDF Risk Appetite																																		
Cautious Our overall philosophy for risk taking is a preference for safe delivery. We will only put this at risk if the possibility of failure is limited and heavily outweighed by benefits.	Cautious Our overall philosophy for risk taking is a preference for safe delivery. We will only put this at risk if the possibility of failure is limited and heavily outweighed by benefits.	Minimal Our overall philosophy for risk taking is extremely conservative. We will only put this at risk if essential, and the possibility of failure is limited.	Flexible Our overall philosophy for risk taking is to take strongly justified risk. We will only put this at risk if we can manage the impacts.	Cautious Our overall philosophy for risk taking is a preference for safe delivery. We will only put this at risk if the possibility of failure is limited and heavily outweighed by benefits.																														
Indicators and RAYG Status																																		
DEI people, processes and tools are increasing the speed of project progress. <table border="1" style="width: 100%; text-align: center;"><tr><th>Last</th><th>Current</th><th>6mth Forecast</th></tr><tr><td>Medium</td><td>Medium</td><td>Medium</td></tr></table>	Last	Current	6mth Forecast	Medium	Medium	Medium	Increased delivery against budget and schedules of projects prioritised from asset information <table border="1" style="width: 100%; text-align: center;"><tr><th>Last</th><th>Current</th><th>6mth Forecast</th></tr><tr><td>High</td><td>Very High</td><td>Very High</td></tr></table>	Last	Current	6mth Forecast	High	Very High	Very High	Feedback on key investment decisions and a secured construction funding pipeline. <table border="1" style="width: 100%; text-align: center;"><tr><th>Last</th><th>Current</th><th>6mth Forecast</th></tr><tr><td>Medium</td><td>Medium</td><td>Medium</td></tr></table>	Last	Current	6mth Forecast	Medium	Medium	Medium	Development of Programme budget tolerances, delegations and contingencies. <table border="1" style="width: 100%; text-align: center;"><tr><th>Last</th><th>Current</th><th>6mth Forecast</th></tr><tr><td>Very High</td><td>Very High</td><td>Very High</td></tr></table>	Last	Current	6mth Forecast	Very High	Very High	Very High	The quantity of changes or deviations from approved construction and maintenance plans. <table border="1" style="width: 100%; text-align: center;"><tr><th>Last</th><th>Current</th><th>6mth Forecast</th></tr><tr><td>Medium</td><td>Medium</td><td>Medium</td></tr></table>	Last	Current	6mth Forecast	Medium	Medium	Medium
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Medium	Medium	Medium																																
Current Commentary and Treatment																																		
<ul style="list-style-type: none"> Following the completion of the Cabinet Office circular CO (23) 9 attestation, the focus is now on the non-compliant areas of the assessment. However the progress of the work is slow due to limited resource capacity and lack of funding. A pilot of the climate change risk assessment and adaptation planning project has been completed, it provided plans to address climate hazards for major NZDF sites. The implementation of recommendations however, is subject to funding. Working continues on improving DEI maturity. E.g. the development of the asset information roadmap which will be spotlighted on the monthly DEI dashboard report. The DEI Capital Delivery Plan was approved by EIC in October. The plan forecasts capital spend by quarters, with consideration to sequencing, dependencies and risk. 	<ul style="list-style-type: none"> The Modernising Army Training Capability Programme (former Plan Mere) is being formally established with its programme mandate approved by the Capability Management Board. The development of the business case will be funded by Army, DEI has no funding for the implementation of the programme. 70% of horizontal infrastructure is at end of life or maximum capacity and unable to support delivery of new vertical assets. Project budgets are blowing out as these projects have to absorb these costs. Continued deferral of horizontal infrastructure through re-prioritisation and budget constraints, is decreasing usable life, increasing risk of failure. Deferred projects and increased repair costs continue to challenge the Estates Maintenance Programme. The \$23M in maintenance projects deferred in 2023/2024 and this FY funding constraints means that \$480 million is now the level of Identified but unfunded maintenance in the Defence estate. 	<ul style="list-style-type: none"> MBIE has approved the SIS (Sustainable Infrastructure Standards) V2 as an alternative Building Rating System to Green Star. The NZDF Homes for Families Programme's Request for Proposal (RFP) for Waiouru has been completed and a preferred supplier has been identified. The Implementation Business Case has been approved by EIC in October and is now going to be presented to Ministers / Cabinet. Accommodation Messing Dining Modernisation (AMDM) - Linton pilot - Cabinet had endorsed the Detailed Business Case. The Infrastructure Commission has developed a national infrastructure plan related to the national infrastructure pipeline and infrastructure priorities programme. The intent is to provide more visibility to Ministers, supporting better infrastructure related decisions. NZDF/DEI are contributing to the plan via DEI Strategy. 	<ul style="list-style-type: none"> The Estate Capital budget for this FY has been increased to \$150M (\$30M above the previous year allocation) however, based on asset age and condition, the increased budget still behind of the \$300M to \$400M per annum required annually to enable DEI to deliver a fit for purpose and sustainable infrastructure for NZDF. DEI opex allocation has resulted in reduction in planned maintenance to focus on scheduled and unscheduled maintenance as immediate priorities. The move has reduced DEI capacity to invest in improvement activities and strategic programmes. Post Defence Capability Plan (DCP) approval, an assessment will need to be undertaken to understand the impact on associated DEI risks and issues related to all five categories presented on this report (Maturity, Delivery, Confidence, Affordability and Coherence). 	<ul style="list-style-type: none"> DEI and CapBr have developed a MOU based on the DEI Alliance professional services approach (within the DEI Alliance Agreement) for the Capability projects PRICIE infrastructure elements. This will provide Capability projects access to design standards and whole of life costing approach developed by DEI Alliance, which will improve integration of new infrastructure into DEI operation and maintenance systems Delivery of new and anticipated projects in Devonport such as the Wahi Tiri and other projects part of the Future Naval Base programme will be logistically challenging in an already congested site. A risk assessment of the impacts of the operating funding cost pressures across DEI was completed and presented to the Head of DEI. The assessment information is to be part of a Minute to be presented to CDF and VCDF informing them of the potential residual impacts across the portfolio. 																														
Evidence & Measures																																		
<ul style="list-style-type: none"> DEI Alliance KRAs. Improvements in Business Case methodology. Defence Climate Change Roadmap. Procurement using multiple accepted methods. FM Providers KRAs. 	<ul style="list-style-type: none"> Promulgation of PMP projects and ongoing tracking and reporting of progress against plan to all stakeholders. Metrics demonstrating greater accuracy of costs and estimates through the project life cycle. Compare AIP / ATI to ACF and final costs. 	<ul style="list-style-type: none"> All documentation reflects government policy. Annual report on progress of the DERP, to reflect benefit realisation. A monthly portfolio report delivered to governance requirements. Maintenance of strong engagement with iwi. 	<ul style="list-style-type: none"> Engagement with Ministers, Ministry of Defence and the Treasury. Ministers well informed. Organisational flexibility (agility to re-plan). Active monitoring of emerging legislation changes. 	<ul style="list-style-type: none"> Regular refresh of camps and bases master plans. Business Continuity Plan execution and reporting on lessons identified. Application of PRICIE on CapBr linked programmes. Future Naval Base Programme Business Case 																														

TACTICAL REPORT - CAMP & BASES PROJECT OVERVIEW

January 2025

DEI PORTFOLIO DASHBOARD

*Please note these are approximated project numbers



DEI Change

The Change team is currently across 15 projects, most of the support is communication and stakeholder engagement based. The DEI toolkit, a self-service resource for managing the people side of change, is in the final stage of design and should be ready for circulation to DEI shortly.

Programme Status Summary

Estate Capital Major Active Projects	December - February 2024	SRO: Wally Butt	Programme Director: s.9(2)(g)(i)
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RAYG STATUS	A	A	A	Disclaimer: The Monthly Capital Programme Status report records the performance of the Capital Programme. The scope of this report does not encompass the Burnham Infrastructure Programme (BIP), Rolling Replacement Programme (RRP), Ohakea Infrastructure Programme (OIP), Accommodation Messing and Dining Modernisation (AMDM), Housing Programme, and other capability funded projects. A comprehensive list of projects is available on request.
	Previous Month	Current Month	Future Month	

The programme RAYG remains Amber for the current month. We continue to see project slippage across the programme due to delay in approvals and funding constraints.

- The change in Whole of Life Cost (WOLC) calculation methodology from Treasury has now been managed in partnership with FinBr. Some projects have been impacted / deferred, however we don't expect this to worsen.
- Projects taken to a competitive market have generally come in at or under their cost estimates, reflecting the current soft market conditions and the recent improvements in cost estimation.
- Projects in construction continue to raise risks that they may fully expend their contingency and require additional funding from the programme to complete construction.
- Resourcing issues in Planning Team have been temporarily addressed, however length of their engagement is not confirmed. The programme remains vulnerable to resourcing constraints.
- The ATI minutes for high priority projects DPT – Multi Purpose Accommodation and PAP – Barracks 2 & 3 were not signed by CDF. These were endorsed to progress by DERP as part of the CDP, so should be resubmitted to CDF for signing.
- Extended Business Case approval process (mainly due to Planning Officer resource shortages) has resulted in delay of three projects issuing tenders to market this month. This year this issue has resulted in four projects' ACF date moving into FY25/26.

Recommendations, Decisions or Actions Required

Risks – N/A
Issues

Project	Issue Name	Impact Type
LIN – Water Supply Upgrade	Pipe Bridge Design / Construction Delay	Additional design costs and loss of time
TRN – Corporate Accommodation Fit Out	TAAS network OPEX cost	WOLC and capital cost increase
WAI – Training Area Water Abstraction	Scope of Work Agreement time	Loss of time
WHP - Phased Hardstanding Replacement	Stand 10-9 joint failure	Additional capital cost increase, loss of time
WHP - Standby Power Replacement	Programme Extension - Switchgear procurement.	Potential additional design cost

Changes

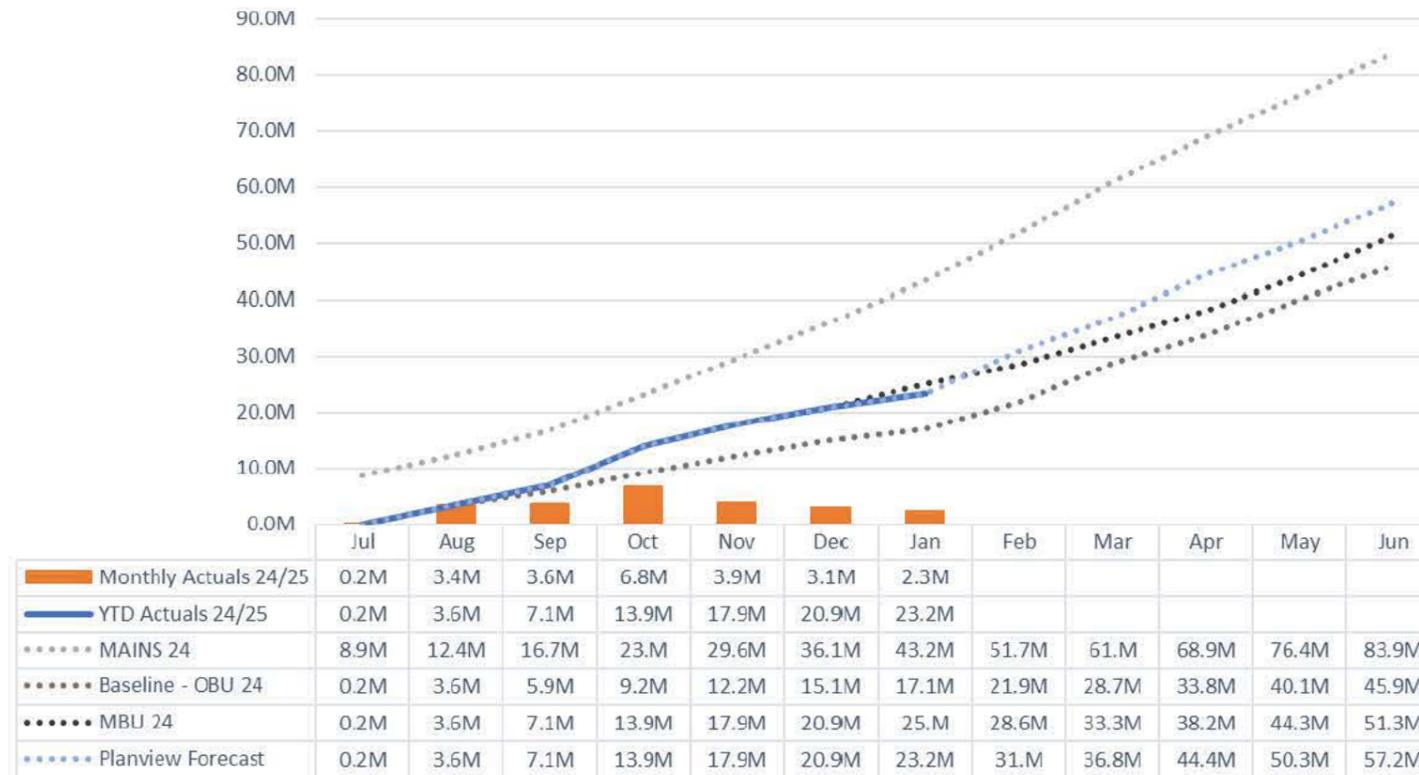
Project	Change Name	Change reason	Funds Required
DPT Dry Dock Portal Crane	Site Survey for Crane	Scope Change	\$8,247
DPT Wahi Tiri	Additional Security Scope	Scope Change	\$36,674
DPT Wahi Tiri	Existing Fire Engineering Compliance on Building	Scope Change	\$20,054
DPT Wahi Tiri	Project Elongation	Project Elongation	\$95,850
PAP Barracks 1 (24 Beds)	Scope Change & Project Elongation	Scope Change & Project Elongation	\$25,560
PAP Barracks 1 (24 Beds)	Scope Reduction TOC/WOLC	Scope Reduction	-\$10,575
WHP Standby Power Replacement	Soakage Pit Design	Scope Change	\$10,172
TOTAL			\$185,982

Approvals

Current projects working through approvals	Project	Commentary
ATI Minutes	DPT – Multi Purpose Office Accommodation	Both ATI minutes were turned down by EXCO due to the need to limit new design entering the programme. However, these projects were approved to be included in the CDP due to operational criticalities and project dependencies.
	PAP – Barracks 2 & 3	
DG Minutes	N/A	
AIP Approvals	TRN – Paint Booth [Replacement]	Both Investment Cases are currently undergoing final changes before seeking HDEI approval.
	TRN - TTS Electronic Wing Laser Testing Facility	
	WAI – Training Area Water Abstraction	SOW signed by GMED and now with the independent estimator.
ACF 5 Approvals	N/A	

Project approvals coming up next month	Project	Commentary
ATI Minutes	WAI – Bridge 17 Replacement	Project brief currently in development. ATI Minute being developed by Strategy team.
DG Minutes	DPT Workshop Gantry Crane	Detailed Design issued for stakeholder consultation. Project targeting Feb PPWG.
AIP Approvals	N/A	
ACF 5 Approvals	N/A	

Cap Major Actuals vs. Forecast vs. Baseline (FY24/25)



The capital program’s year-to-date (YTD) expenditure stands at \$23.2M, which is \$1.8M below the recently submitted MBU forecast of \$25M YTD, resulting in a 7.2% underspend for the year.

For month-to-date (MTD) expenditure, actual spending was \$1.3M, below the MBU forecast of \$3.1M, reflecting a 58.1% underspend for the month.

The introduction of the MBU forecast has played a key role in addressing previous overspends by incorporating a more extensive risk-based and data-driven approach to forecasting than the previous OBU update. These earlier project forecasts included in OBU relied on internal cost estimates, which underestimated costs as projects moved in to construction. With MBU, expenditure forecasting has transitioned to utilising actual construction cost schedules, aligning projected cash flows more closely with actual contract commitments.

Spend variations may now occur due to differences in forecasting methodologies; however, MBU has been utilised to ensure consistency with updated internal reporting and board approvals.

WBS	Project name	YTD Actuals	MBU YTD Forecast	Variance	Commentary
W-42404	PAP Junior Ranks Accommodation	\$4,877,767.42	\$5,685,796.24	-\$808,028.82	The underspend is primarily due to delays processing of contract claim, resulting in deferred expenditure and a shift in forecast cash flow.
W-12023	WHP Standby Power Replacement	\$698,068.23	\$1,225,160.53	-\$527,092.30	The underspend is primarily due to the Contractor delayed in starting on site, resulting in less spend this month than forecast.
W-42301	LIN Water Supply Upgrade	\$1,621,711.72	\$2,027,901.47	-\$406,189.75	The underspend is primarily due to delays in entering in to contract, resulting in deferred expenditure and a shift in forecast cash flow.
W-52200	WHP Phased Hardstanding Replacement	\$3,953,451.27	\$4,231,704.32	-\$278,253.05	The underspend is primarily due to rescheduling of defect works.
W-42300	LIN Potable Water Reticulation Upgrade	\$199,586.66	\$386,087.57	-\$186,500.91	The underspend is primarily due to delays in entering in to contract, resulting in deferred expenditure and a shift in forecast cash flow.

Attribute	Current RAYG	Last Period RAYG	Trend	Commentary
Scope	Y	Y	→	No change in project scope in the last period.
Schedule	A	A	→	The biggest issue in our schedules is projects taking longer than planned to get from Design Gate 3 to Award Contract. s. 9(2)(g)(i) For FY25/26 we are trying mitigate the risk of delays by initiating projects into the BC & AIP process earlier (as agreed at last DERPB meeting).
Cost	Y	Y	→	Projects that have received ACF are currently progressing within budgets. There are no project changes seeking to be endorsed through the PCG this month, however, a late minute request for Project LIN – Watercourse & Stormwater / Wash Point is currently being assessed at the time of this report, “Requesting for funding for the Installation of BMS”. The PgMO will continue to support the programme by analysing monthly variances and supporting those projects that require additional attention.
Resource	A	A	→	Resourcing constraints within the programme remain, which is expected to continue over the next 12 months. However, following DERPB approval of the Capital Delivery Plan, additional planning officers have been on boarded and briefed on projects requiring Business Cases close out and AIP this FY and to prepare for the next FY. Note there are two Statements of Work yet to progress through the scope addition process. The current workload within the planning team includes; a) 16 projects in Phase 0 (3 in development, others pending resourcing/funding) b) 14 projects in Phase 1 at various stages (5 in development, 6 awaiting phase start, 1 awaiting reactivation, 2 on hold) c) 23 projects in Phase 2 at various stages (9 in development, 4 awaiting reactivation, 3 awaiting phase start, 4 awaiting submission, 2 on hold).
Risk	Y	A	↓	Projects in construction continue to raise risks that they may fully expend their contingency and require additional funding from the programme to complete construction. This risk was identified as a programme risk earlier this year, as the programme does not have additional contingency to support additional funding requests, any additional funding requests will require the deferral of a project in the Capital Delivery Plan. The programme team continue to monitor this risk, however without Programme Contingency, the programme remains unable to mitigate this risk. DPT Decant Facility project delivery timeframe remains a risk as an enabler for DPT Wahi Tiri and is at high risk of delay due to a number of factors including the process to develop User Requirements, design timeframes and extended Business Case approval processes. This is currently being monitored by the programme.
Issues	A	A	→	Recent issues raised on projects include: <ul style="list-style-type: none"> Delays in effort of project enabling teams – this could be delays in signing of Scopes of Works for design teams impacting design timelines or limited resource in the environmental team impacting response times for tender reviews. Our project teams have limited influence to mitigate these issues, so we continue to see delays to timelines. A DEI wide response is required. TRN Corporate Accommodation Project has identified an issue with the operating costs of the new TaaS network, which could add a monthly OPEX cost of \$21K. This will impact the WOLC significantly and could also become an issue for other similar projects. The project recommend that the Programme review a programme wide mitigation.
Benefits	Y	Y	→	Benefits reporting is on hold due, pending confirmation of resources.
Quality	G	G	→	Programme quality continues to improve. We are continuing to ensure good governance and transparency through the project lifecycle reporting through to the DERPB.

Programme Status Summary

Homes for Families Programme

February 2025

SRO: Phil Gurnsey

Programme Director: Graham, Julian

PROGRAMME STATUS

RAYG STATUS	Y	A	A
	Previous Month	Current Month	Future Month

WAI New Housing: The ImpBC for WAI New Housing received approval at EIC in October. **s.9(2)(f)(iv), s.9(2)(g)(i)**

Pilot 13 ImBC: has been prepared **s.9(2)(f)(iv), s.9(2)(g)(i)** and FinBranch review has been completed. The Pilot ImBC is currently with CFO ahead of VCDF and CDF **s.9(2)(f)(iv), s.9(2)(g)(i)** approval.

Burnham 10+: Southbase has been engaged to provide a revised proposal for the circa 10 homes at Burnham. Updated pricing was received on 13 Dec. Southbase have been asked to update their proposal and pricing based on initial design feedback. A business case for the Burnham homes has been drafted with main financial case updates to progress once further pricing has been received and reviewed. Final tags are being negotiated with Southbase.

s.9(2)(f)(iv), s.9(2)(g)(i)

Progress Since Last Period

WAI New Housing: **s.9(2)(f)(iv), s.9(2)(g)(i)**

Pilot 13: A standalone Pilot ImBC **s.9(2)(g)(i)** has been completed and is with CFO for approval and VCDF/CDF thereafter. The Pilot has been updated to factor in GST costs, and present as a standalone ImBC to be submitted ahead of the delayed WAI ImBC. **s.9(2)(g)(i)**

Phase 2 (FY24/25): BHM contractor negotiations are progressing with the NZDF closing out final tags on Southbase's proposal. Once finalised the BHM ImBC will be completed and circulated for consultation in the next month ahead of internal signout processes. UFB rollout associated with Phase 2 is progressing through a business case. A business case has been initiated to gain ACF for UFB rollout.

s.9(2)(f)(iv), s.9(2)(g)(i)

Recommendations, Decisions or Actions Required

s.9(2)(f)(iv)

Pilot 13 ImpBC as standalone will require expedient CFO and OCDF signout **s.9(2)(g)(i)**.

EXPENDITURE FOR Housing Capital Sub-programme for Aug 2024 to Jul 2025

Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Actuals TD	Feb 2025	Mar 2025	Apr 2025	May 2025	Jun 2025	Jul 2025	Total Forecast for displayed periods
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000,000	\$3,500,000	\$3,000,000	\$4,000,000	\$23,035,554	\$6,000,000	\$42,535,554

Attribute	Current RAYG	Last Period RAYG	Trend	Commentary
Scope	G	G	→	UFB now out of scope following confirmation that this will require Opex not Capex. Works that already include elements of UFB such as new housing at Waiouru are unaffected. High priority locations such as Waiouru and Burnham will also be addressed with PMP funding, work continues with Chorus and is progressing to contract this FY. TOCSA: Alliance Services Board approval provided and ACF approved by HDE. WAI New Housing: SOW variation/addition required s.9(2)(f)(iv), s.9(2)(g)(i) . Advanced Geotechnical survey completed to further inform design.
Schedule	A	A	→	Waiouru ImBC is approved in principle s.9(2)(f)(iv), s.9(2)(g)(i) s.9(2)(f)(iv), s.9(2)(g)(i) Pilot 13 s.9(2)(f)(iv), s.9(2)(g)(i) is ready for signout by CFO and CDF. s.9(2)(g)(i) . BHM pricing for Southbase proposal will be finalised imminently and the ImBC can be finalised and submitted to HDEI for review. A contract can be signed with Southbase to begin construction once approved.



TE OPE KĀTUA O AOTEAROA
DEFENCE FORCE

**Defence Estate
and Infrastructure**

DEI PORTFOLIO DASHBOARD TACTICAL REPORT

March Month-End FY 2024-2025

Consolidated and Prepared by the DEI Portfolio Management Office



Linton pool refurbishment is underway and to be completed in April



The Papakura Military Camp now has temporary accommodation project. The first of 35 Kāinga Ora (KO) units has been successfully placed on its foundation



Aerial Shot of the Ohakea Fuels President which has just passed 70% complete

TACTICAL REPORT - SUMMARY

DEI PORTFOLIO DASHBOARD

March 2025



PORTFOLIO SUMMARY (Including April)

- Following the announcement of the Defence Capability Plan (DCP), DEI teams are now adjusting their plans for the next four years for alignment with DCP directions. Even with the funds indicated in the DCP, the total funding to be received is insufficient to regenerate the Estate as per the DERP 2019 Plan. The DCP option approved by Ministers also reflects constrained funding in the next few years and will mean that Programmes will need to consider the tension between requirements and affordability, as noted at March EIC.
- Defence Estate Regeneration Portfolio Business Case is being reviewed and aligned with the DCP. The document has been renamed to the Defence Estate Portfolio Plan (DEPP) to recognise the wider Portfolio, particularly the inclusion of CapBr/MoD initiatives with Estate outcomes. The DCP is likely to increase the need for Portfolios across Defence to ensure prioritisation across Portfolios are aligned. March EIC noted some risks around Estate regeneration requirements (especially due to the size of the Estate) against new capability requirements and the balance between OPEX and CAPEX investment.
- Two Programmes (DERP and FNB) within the Portfolio have updated their status to Red (from Amber); both identifying Schedule impacts. These are significant Programmes within the Portfolio. It does not appear that the issues identified by the Programmes will be easily resolved. It will be important over the next few months to understand the impact of the issues on Programmes and the plan to move the status back to Green. [Redacted]
- [Redacted]
- Barracks have been closed at Burnham and Linton due to leaking and black mould. HDEI presented these issues to NZDF Org Committee, requesting additional funds to manage these issues. Additional funding has been granted and renovations on both barrack blocks are expected to occur early in the new financial year.
- The Special Procurement Advisory Board (SPAB) approved the Facilities Maintenance Services procurement plan.
- DEI continues to focus on Asset Management maturity uplift with training for all DEI staff initiated. The training is delivered through accredited trainers, Āpōpō.



HUMAN RESOURCES

Civilian	182
Regular Force	7
Contractors/ Consultants	416
Under Recruitment	1

- Four DEI roles are 'proposed affected' in the Workforce Savings proposal: [Redacted]. Disestablishment of these roles [Redacted] will likely have flow on impacts on DEI.
- The Change Team are operating at reduced capacity, with the reduction of 2 FTE (1 through paternal leave and 1 through attrition). Operating at reduced capacity impacts on ability to support effective Change Management, which is a risk considering increasing demand for change support across DEI Programmes. The internal recruitment process to fill the vacant roles resulted in filling just one Change Manager position via a 12 month secondment. The 12 month Change Manager secondment was filled by the DEI Portfolio Management Office (PfMO) Portfolio Stakeholder and Governance Advisor (resulting in the loss of 1 FTE for 12 months from PfMO). In response, the PfMO is reprioritising, slowing, and stopping work as a result of the reduced capacity.
- The Programme Management Office (PgMO) has raised that they are working with reduced capacity; they are down to 1.5 FTE Programme Coordinators (from 4 FTE). The Planning Team is operating with reduced capacity of 2 FTE. The DERP Programme has identified the impacts of reduced capacity on the Business Case approvals and reporting processes and raised it as a Programme risk.



DEI PROGRAMME RAYG STATUS

1. DERP Capital Major - RED

The DERP overall status has changed to Red due to continued Project slippage [Redacted]. This has resulted in over \$90M of commitments being carried over to the 25/26 financial year.

Projects in construction are continuing to raise risks that they may fully spend Project contingency and require additional funding to complete deliverables.

3. AMDM - Yellow

[Redacted]

DCP has identified funding for the Linton Project in 2025-2028. The programme has raised risks around Health & Safety as barracks continue deteriorate over time.

Programme	Previous Month Overall	Current Month Overall	Next Month Overall	Scope	Schedule	Budget	Resource	Risk	Issues	Benefits	Quality
1. DERP Capital Major Programme	A	R	R	Y	R	Y	A	Y	A	Y	G
2. Ohakea Infrastructure Programme	R	R	R	G	A	A	G	A	Y	G	Y
3. Accommodation, Messing & Dining Modernisation Programme	Y	Y	Y	G	Y	G	G	Y	G	G	G
4. Homes for Families Programme	A	A	A	G	A	Y	G	A	A	G	G
5. Future Naval Base Programme	A	R	A	G	R	A	A	Y	R	G	A

2. Ohakea Infrastructure - Amber

The OIP overall status remains Red as a reflection of the lack of funding for subsequent tranches. The Portfolio Management Office considers the Programme to be at Amber because funding for current tranches has already been secured. The Programme will review these statuses during their first board meeting after the announcement of the DCP.

Following the announcement of the DCP, the Programme Team has advised they are ready to progress with one single Business Case for the full funding indicated, or alternatively two separate Business Cases for Tranches 3 and 4.

4. Homes for Families - Amber

[Redacted]

5. Future Naval Base - Red

[Redacted]

The Programme has been provided with enough operating funding for completion of the Programme Business Case.

TACTICAL REPORT - RISKS & ISSUES

DEI PORTFOLIO DASHBOARD

March 2025



Estate Top 10 Programme Risks

The risks listed below are being managed by respective programmes, their boards and the Portfolio Management Office. Portfolio level analysis of these risks will be added to future reports.

#	DEI Programme or Project	Risk Id	Date Raised	Threat / Opportunity	Risk Description	Cause(s)	Consequence(s)	Risk Owner	Existing Controls	Residual Risk Rating			Risk Response	
										Likelihood	Impact	Risk Level		
1	DERP Capital Programme	R-345354	14/11/2023	Threat	§.9(2)(g)(i)	§.9(2)(g)(i)	If delays §.9(2)(g)(i) are not resolved within FY24/25.	Then a number of FY25/26 projects would be at risk of not achieving ACF which will impact cost and time resulting in further deferral of projects into outer years. Projects at risk, totalling approx. \$70M+ includes: BHM - 2/1 NZ Infantry Regiment Facilities,	Wally Butt	1. §.9(2)(g)(i) 2. Application to ACCAP to support start Design Gate 3 and procurement early ahead of AIP, to be ready for market July 2025. 3. Capital Delivery Plan includes Design ACF to progress and approve business cases a year early.BHM - 2/1 NZ Infantry Regiment Facilities etc.	Almost Certain	Major	Very High	Escalate
2	DERP Capital Programme	I-349658	1/09/2024	Threat	Projects coming off hold 26/27		If a detailed refresh review is not carried over on projects coming off hold...	Then projects on hold following Design Gate 3 awaiting funding will likely be delayed as they will require: - Design review against any changes to Building Code; - Cost estimate refresh, including updating the Whole of Life Costs (WOLC) where required; - Draft Business Case refresh; - Project Team reestablishment; - Review of User RequirementsProject refresh may take longer than 6 months which could impact the projects achieving ACF in the allocated funding year. This will increase time and cost of these projects.	Wally Butt	1. Trial of an effective process to take project off hold based on the lesson learned based on BHM - 2/1 NZ Infantry Regiment Facilities, has commenced. 2. Application to ACCAP to support start Design Gate 3 and procurement early ahead of AIP, to be ready for market July 2025.	Possible	Major	High	Escalate
3	DERP Capital Programme	R-349650	28/02/2025	Threat	DCP increases funding allocation		If the programme does not take into account the new capability priorities identified at the DCP, including new infrastructure requirements	Then projects within the DERP might need be changed if they do not align with the DCP priorities. An increase in delivery pace of the DERP projects may also be required to reflect alignment with overall NZDF / MoD.	Wally Butt	1. Intergrate the Domain lead into Cap8r to inform outcomes and priorities. 2.Improved governance reporting to DERPB support informed decision making and impacting expectation outcomes. 3. Improved Financial forecasting and CDP reporting.	Possible	Major	High	Treat
4	DERP Capital Programme	I349803	1/04/2025	Threat	Papakura Project Delivery		If issues related to the location of the Kainga ora flats leased for temporary accommodation in Papakura are not solved (flats have been placed on the site ear-marked for the PAP Medical and Dental Centre and PAP - Multi-Purpose Gym and Physiotherapy)...	Then the programme won't be able to build Barracks 1 and Barracks 2 & 3 as per plan: delivered and introduced into service by Jan-27, to enable the delivery of the PAP Medical and Dental Centre and PAP - Multi-Purpose Gym and Physiotherapy projects (hard dependency).	Wally Butt	The following options are provided for consideration: 1. Reassess and update the Master Plan Q1 FY25/26.As the Kainga Ora short tern accommodation has been placed on their allocate site. 2. Provide a new site for PAP Medical and Dental Centre and PAP - Multi-Purpose Gym - noting this would require a return to early design phase and incur sunk costs already spent on design. This option would also likely delay delivery to B27/28. Thus PAP Medical and Dental Centre and PAP - Multi-Purpose Gym will move right to B27/28 to allow sufficient time for the Barracks 1, 2 & 3 to be completed. This option requires the urgent progression of ATI for Barracks 2 & 3, noting the accommodation review activities could be concluded as part of the preliminary design phase.	Possible	Major	High	Escalate
5	Ohakea Infrastructure Programme (Fuels Precinct)	I-345019	11/09/2024	Threat	Detailed design requirements needing clarification		If design documents and / or specifications are unclear or conflicting...	Then delays and rework might be required, increasing time and cost to the programme.	§.9(2)(g)(i)	Treat as identified, working with design team and contractors to solve ASAP when occurring. Should be occurring less as construction progresses through different phases.	Likely	Moderate	High	Treat
6	Ohakea Infrastructure Programme (Fuels Precinct)	I-345020	12/07/2023	Threat	Consenting		If required consents are not granted as expected...	Then work will be delayed, impacting schedule, time and cost.	§.9(2)(g)(i)	Design team producing new drawings and specifications highlighting all changes from Consented to construction drawings. These will be submitted as amendments to the original consent, requiring approval.	Likely	Moderate	High	Treat
7	Ohakea Infrastructure Programme (Fuels Precinct)	E345022	15/03/2024	Threat	Construction Measure and Value		If post contract changes are required to the initially agreed and approved requirements...	Then delivery costs will increase.	§.9(2)(g)(i)	Changes to design or inaccuracies with the SOQ's and actual quantities required, have caused an increase in cost.	Likely	Moderate	High	Treat
8	Accommodation Messing & Dining Modernisation	R-220433	12/06/2019	Threat	Programme funding		If additional funding is not provided consistently to the programme plans...	Piecemeal repair and replacement will continue and desired national step change and wellbeing benefits will not be realised.	Phil Gursney	The need for significant investment in barracks and messes across the estate is widely felt across all users of such. Whilst maintenance continues, the AMDM programme is needed to modernise facilities that are used by many and it is very likely that additional funding will be required to achieve this. DCP has identified funding for the Linton Project in 2025-2028, §.9(2)(f)(iv), §.9(2)(g)(i)	Possible	Major	High	Tolerate
9	Homes for Families	R-348996	TBC	Threat	Delays resulting from Sale and leaseback funding requirement		If funding cannot be established through Budget 25, and/or agreement gained from Ngāti Rangī to proceed, and/or agreement from Cabinet is not achieved...	Then NZDF may have to seek alternative funding internally, may have to initiate construction without agreement or may have to let the RFP expire potentially forcing NZDF back to market impacting time and cost.	Phil Gursney	WAI New Housing: Contract signing likely delayed to post June 2025 as a worst case scenario once B25 funding is confirmed for the sale and leaseback, the Programme has been unable to secure an internal funding source ahead of this. Delays with contract signing will almost certainly result in cost escalations by contractor and delays to the programme schedule - this is actively being managed with contractor and likely mitigated by low construction cost inflation. A deadline of 12 June 2025 exists to have a contract signed §.9(2)(g)(i) or risk the RFP validity period expiring. Phase 2 (FY24/25): Risk review undertaken, Register to be established an updated.	Likely	Major	Very High	Treat
10	Future Naval Base	TBA	5/07/2024	Threat	Programme funding		If DEI is unable to secure funding through central budget processes due to competing funding priorities within the wider NZDF...	Then the programme will be unable to deliver the volume of works required at the right time to regenerate and maintain an operational naval base.	CDRE Karl Woodhead	To minimise this risk, spending requirements are to be updated regularly through tranche DBCs, and projects will be designed in a manner that minimise interdependencies between tranches.	Possible	Major	High	Treat

TACTICAL REPORT - FINANCE & BENEFITS

DEI PORTFOLIO DASHBOARD

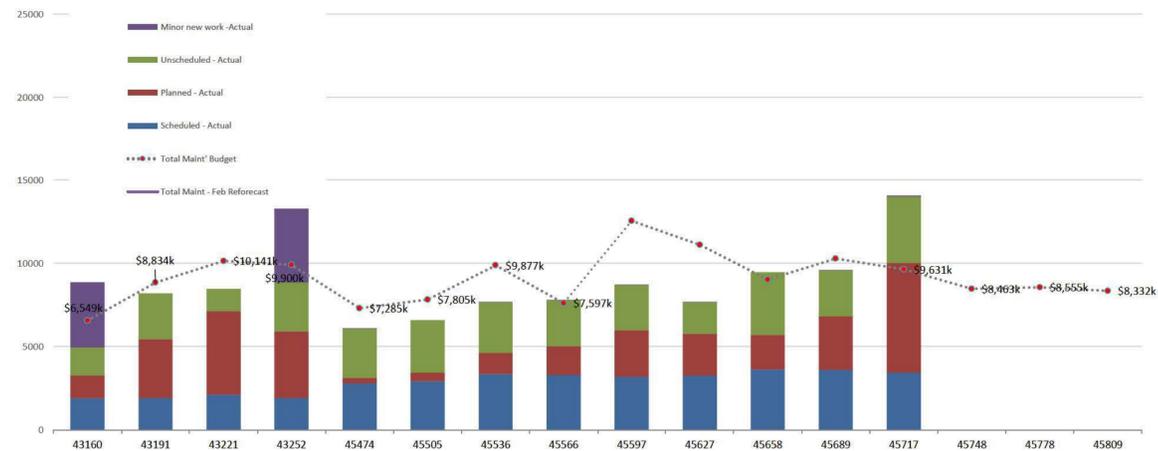
March 2025



MAINTENANCE EXPENDITURE

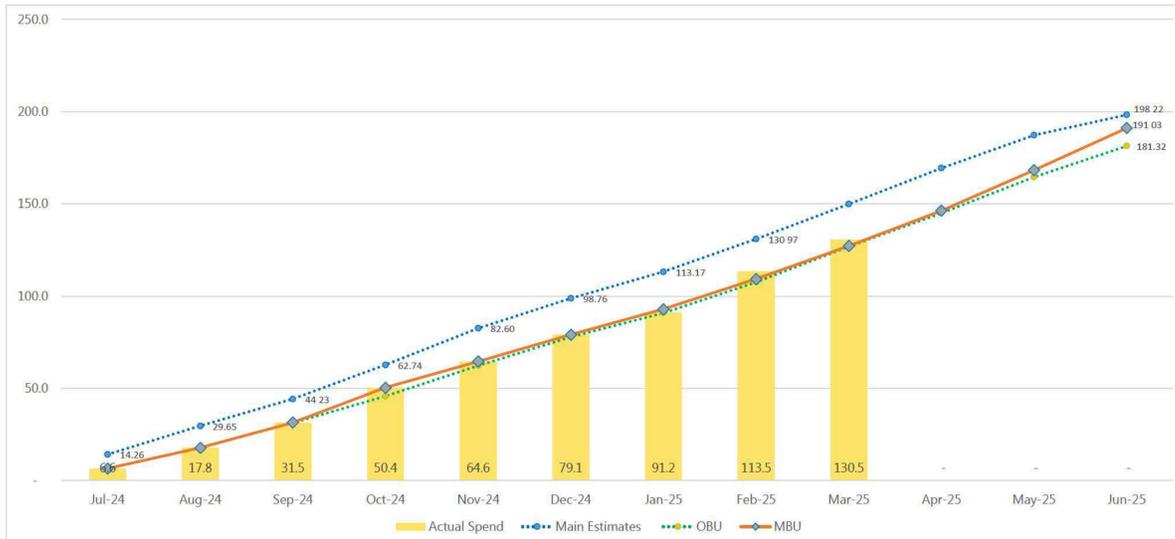
DEI Maintenance March YTD is reporting \$7.5 behind budget (actuals of \$77.62M against budget of \$85.2). This represents a 37.5% decrease in comparison to a \$12M underspend in February 2025. Although this is still a large variance, DEI Delivery has a planned approach and a continued focus to accelerate maintenance spend and close the variance gap before the end of this financial year. The variance gap has been consistently reduced since January, although there is a potential that actual spend may exceed the budget slightly by year-end.

Figure 3 - DEI All Maintenance - Actual spend v's Budget



CAPITAL EXPENDITURE

March YTD Capex is reporting \$3.29M ahead of budget, representing a 2.5% variance when compared to the March YTD Forecast. This shows a decrease of \$3.11M in comparison with the February variance of \$6.4M. Two large programmes are driving that variance: Ohakea Infrastructure and DERP Capital. Both programme have indicated that this is a phasing issue and variances are expected to be reduced by the end of this financial year.

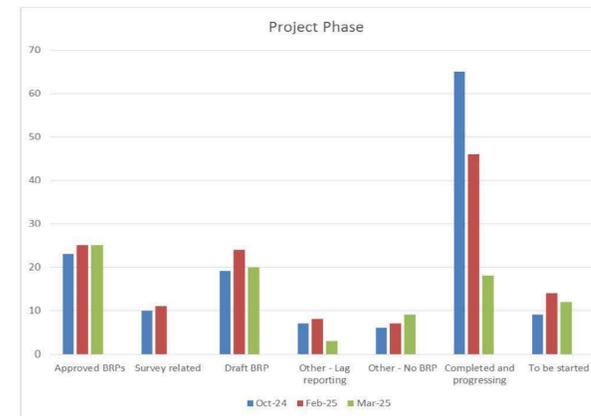


BENEFIT REALISATION

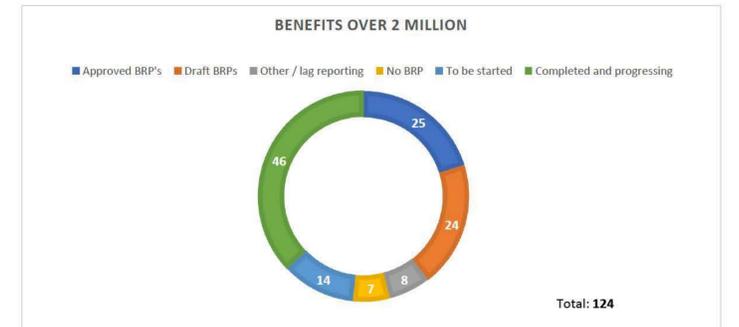
DEI has 244 active projects of which 124 are over the 2 million dollar mark and therefore require Benefit Realisation Plans. 46 project Benefit Realisation Plans have either been completed or are in progress.

Work is progressing on drafting the 24 outstanding BRP's, draft BRP numbers are consistent with March numbers whilst approved BRP's are down on March's numbers of 25. Benefits plans that are either progressing or are closed are up on the March numbers.

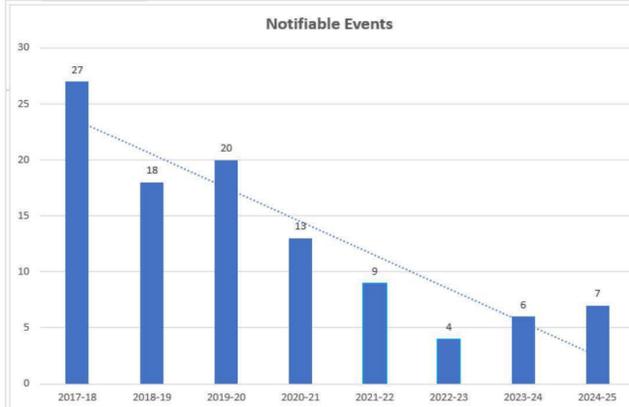
It's also worth noting that there are a significant number of benefits (25) that are blank in planview in terms of which stage of development they are at.



	Oct-24	Feb-25	Mar-25
Approved BRP's	23	25	25
Survey related	10	11	0
Draft BRP	19	24	20
Other - Lag reporting	7	8	3
Other - No BRP	6	7	9
Completed and progressing	65	46	18
To be started	9	14	12
Totals	139	135	87



HEALTHY & SAFETY



DEI Health & Safety (H&S) graph showing the trend of H&S events that are/were notifiable to WorkSafe NZ (2017-2025)

Updates

- There has been 3 more Notifiable Events since the January 2025 report which was at 4 Notifiable events. Health & Safety will need to have discussions at the next Leadership meeting on how can we prevent certain types of recurring events happening at our camps and bases with a closer need to monitor to prevent future events.
- DEI Health and Safety continue to work alongside DEI Strategy to differentiate construction related H&S events from failing Estate related events to increase and to improve visibility of Estate risks.
- DEI Health and Safety has begun work alongside DEI DATA Management to improve the ArcGIS Project Layer to provide greater visual representation of active and upcoming projects on the Estate.
- The ozone generating system at Linton (for deterring birds) at Farrier Lines is about to be started up this week and Woodbourne is having theirs replaced in the coming weeks as well.
- The DEI H&S team are working on reviewing the Permit to Work A-B document to better clarify the permit issuing and receiving processes. This piece of work should be completed by April.
- Our next Pause for Safety event (and the first one for 2025) is scheduled to take place across all camps/bases on 02 May. The theme is focused on the impact of human factors on work and what workers can do to reduce such impact.

TACTICAL REPORT - QUARTERLY RISK PROFILE

DEI PORTFOLIO DASHBOARD

March 2025



Defence Estate and Infrastructure (DEI) RISK PROFILE REPORT – Feb 2025

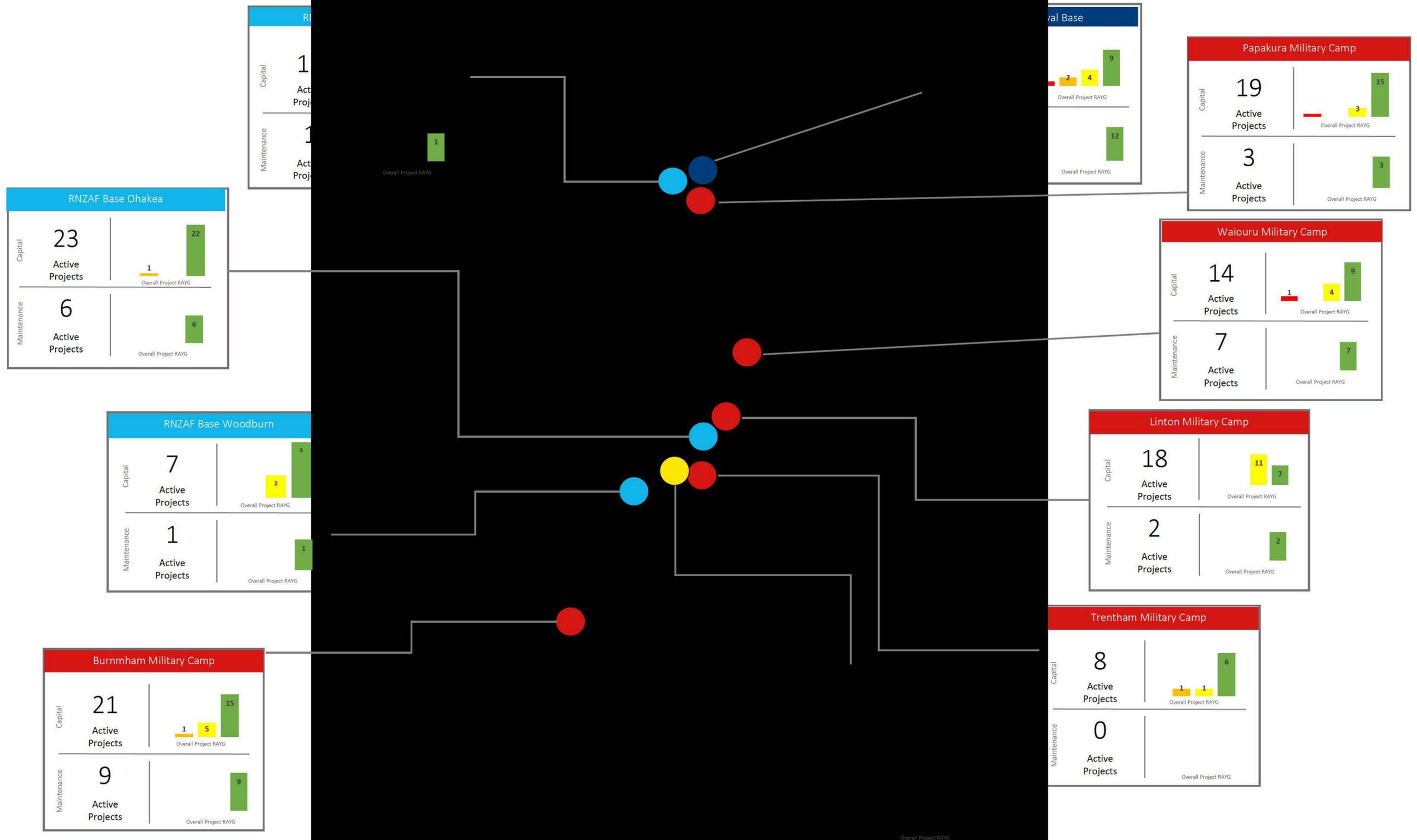
Previous report Oct 2024, next update Apr 2025

Maturity	Delivery	Confidence	Affordability	Coherence																														
People, processes and tools are available and sufficiently mature to successfully deliver infrastructure investments.	A fit for purpose Estate and Infrastructure is delivered to NZDF as expected by government.	NZDF, Treasury and Ministers have confidence in DEI's ability to deliver and manage its portfolio.	DEI remains within indicative funding envelope set by DERP 2019.	DEI capability coherence is maintained to levels that ensure ability to deliver on Estate capital and maintenance expectations.																														
NZDF Risk Appetite																																		
Cautious Our overall philosophy for risk taking is a preference for safe delivery. We will only put this at risk if the possibility of failure is limited and heavily outweighed by benefits.	Cautious Our overall philosophy for risk taking is a preference for safe delivery. We will only put this at risk if the possibility of failure is limited and heavily outweighed by benefits.	Minimal Our overall philosophy for risk taking is extremely conservative. We will only put this at risk if essential, and the possibility of failure is limited.	Flexible Our overall philosophy for risk taking is to take strongly justified risk. We will only put this at risk if we can manage the impacts.	Cautious Our overall philosophy for risk taking is a preference for safe delivery. We will only put this at risk if the possibility of failure is limited and heavily outweighed by benefits.																														
Indicators and RAYG Status																																		
DEI people, processes and tools are increasing the speed of project progress.	Increased delivery against budget and schedules of projects prioritised from asset information	Feedback on key investment decisions and a secured construction funding pipeline.	Development of Programme budget tolerances, delegations and contingencies.	The quantity of changes or deviations from approved construction and maintenance plans.																														
<table border="1"> <thead> <tr> <th>Last</th> <th>Current</th> <th>6mth Forecast</th> </tr> </thead> <tbody> <tr> <td>Medium</td> <td>Medium</td> <td>High</td> </tr> </tbody> </table>	Last	Current	6mth Forecast	Medium	Medium	High	<table border="1"> <thead> <tr> <th>Last</th> <th>Current</th> <th>6mth Forecast</th> </tr> </thead> <tbody> <tr> <td>Very High</td> <td>Very High</td> <td>Very High</td> </tr> </tbody> </table>	Last	Current	6mth Forecast	Very High	Very High	Very High	<table border="1"> <thead> <tr> <th>Last</th> <th>Current</th> <th>6mth Forecast</th> </tr> </thead> <tbody> <tr> <td>Medium</td> <td>Medium</td> <td>Medium</td> </tr> </tbody> </table>	Last	Current	6mth Forecast	Medium	Medium	Medium	<table border="1"> <thead> <tr> <th>Last</th> <th>Current</th> <th>6mth Forecast</th> </tr> </thead> <tbody> <tr> <td>Very High</td> <td>Very High</td> <td>Very High</td> </tr> </tbody> </table>	Last	Current	6mth Forecast	Very High	Very High	Very High	<table border="1"> <thead> <tr> <th>Last</th> <th>Current</th> <th>6mth Forecast</th> </tr> </thead> <tbody> <tr> <td>Medium</td> <td>Medium</td> <td>Medium</td> </tr> </tbody> </table>	Last	Current	6mth Forecast	Medium	Medium	Medium
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Current Commentary and Treatment																																		
<ul style="list-style-type: none"> The Cabinet Office Circular CO (23) 9 mandates that agencies annually verify their investments and asset management practices meet expectations. DEI has completed a six months report back noting only two non-compliant areas out of 16. There is an expectation that the non-compliant situation will remain for the next six to 18 months due to resource constraints and lack of funding. Since its approval by the Estate Investment Committee in October last year, the Capital Delivery Plan continue providing cost and forecast efficiencies to Capital Programme stakeholders. s. 9(2)(f)(iv) The impacts of the Workforce Savings Programme on NZDF and DEI held expertise. The decision to not proceed with the previous agreed Alliance to FTE has undermined the benefits of the DEI Transformation Programme. 	<ul style="list-style-type: none"> The Modernising Army Training Capability Programme (former Plan Mere) is being formally established with its programme mandate approved by the Capability Management Board. The development of the strategic assessment business case will be funded by Army, DEI has no funding for the implementation of the programme in FY 24/25. 70% of horizontal infrastructure is at end of life or maximum capacity and unable to support delivery of new vertical assets, projects are blowing their Budgets out as they have to absorb these costs. Continued deferral of horizontal infrastructure through re-prioritisation and budget constraints is decreasing usable life and increasing risk of failure. Deferred projects and increased repair costs continue to challenge the Estates Maintenance Programme. The \$23M in maintenance projects deferred in 2023/2024 contributed to the \$514 million backlog of identified but unfunded maintenance initiatives within the Estate. 	<ul style="list-style-type: none"> The Sustainable Infrastructure Standards (SIS) V2 as an alternative Building Rating System to Green Star has been approved by MBIE and officially launched. The NZDF Homes for Families Programme's Request for Proposal (RFP) for Waiouru has been completed and a preferred supplier has been identified. The Implementation Business Case to be presented to Ministers / Cabinet is subject to funding of sale and lease back differentials. s.9(2)(f)(iv) The Infrastructure Commission is developing a national infrastructure plan to provide more visibility to Ministers and support better decisions. NZDF/DEI are contributing to the plan via DEI Strategy. 	<ul style="list-style-type: none"> The Estate Capital budget for this FY has been increased to \$150M (\$30M above the previous year allocation) however, based on asset age and condition, the increased budget still behind of the \$300M to \$400M per annum required annually to enable DEI to deliver a fit for purpose and sustainable infrastructure for NZDF. s. 9(2)(f)(iv) DEI opex allocation has resulted in reduction in planned maintenance to focus on scheduled and unscheduled maintenance as immediate priorities. The move has reduced DEI capacity to invest in improvement activities and strategic programmes. Post Defence Capability Plan (DCP) approval, an assessment will need to be undertaken on the impact on associated DEI risks and issues related to all five categories presented on this report (Maturity, Delivery, Confidence, Affordability and Coherence). 	<ul style="list-style-type: none"> DEI and CapBr have agreed a MOU based on the DEI Alliance professional services approach for the Capability projects PRICIE infrastructure elements. Projects will now have access to design standards and whole of life costing approach developed by DEI Alliance, which will improving integration of new infrastructure into DEI systems s.9(2)(g)(i) The impact of workforce savings process and outcome on civilian functions in DEI that support delivery of the DERP, coupled with the high reliance on people networks within NZDF. DEI (and other services that support delivery of DERP) potentially facing further organisational changes / disruption in the new financial year with relocation of major functions. The overwhelming amount of work DEI LT will have to deliver within the next three months as they are expected to respond to these risks while also developing an opex budget for 25/26 and deliver a balanced budget for 24/25. 																														
Evidence & Measures																																		
<ul style="list-style-type: none"> DEI Alliance KRAs. Improvements in Business Case methodology. Defence Climate Change Roadmap. Procurement using multiple accepted methods. FM Providers KRAs. 	<ul style="list-style-type: none"> Promulgation of PMP projects and ongoing tracking and reporting of progress against plan to all stakeholders. Metrics demonstrating greater accuracy of costs and estimates through the project life cycle. Compare AIP / ATI to ACF and final costs. 	<ul style="list-style-type: none"> All documentation reflects government policy. Annual report on progress of the DERP, to reflect benefit realisation. A monthly portfolio report delivered to governance requirements. Maintenance of strong engagement with iwi. 	<ul style="list-style-type: none"> Engagement with Ministers, Ministry of Defence and the Treasury. Ministers well informed. Organisational flexibility (agility to re-plan). Active monitoring of emerging legislation changes. s. 9(2)(f)(iv) 	<ul style="list-style-type: none"> Regular refresh of camps and bases master plans. Business Continuity Plan execution and reporting on lessons identified. Application of PRICIE on CapBr linked programmes. Future Naval Base Programme Business Case 																														

TACTICAL REPORT - CAMP & BASES OVERVIEW

March 2025

DEI PORTFOLIO DASHBOARD



are those available in Planview that have not yet reached the Closed phase.

Programme Status Summary

Estate Capital Major Active Projects	April 2025	SRO: Wally Butt	Programme Director: s. 9(2)(g)(i)
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RAYG STATUS	A	R	R	Disclaimer: The Monthly Capital Programme Status report records the performance of the Capital Programme. The scope of this report does not encompass the Burnham Infrastructure Programme (BIP), Rolling Replacement Programme (RRP), Ohakea Infrastructure Programme (OIP), Accommodation Messing and Dinning Modernisation (AMDM), Housing Programme, and other capability funded projects. A comprehensive list of projects is available on request.
	Previous Month	Current Month	Future Month	

The programme RAYG has increased to red this month. This is due to the continued project slippage across the programme due to extended Business Case timeframes. This has now resulted in over \$90M of commitments to date being carried over to the next Financial Year. This issue is likely to continue to impact the programme for the next financial year. Proposed mitigations for this issue include a review of the Business Case process, starting the Business Case process earlier and starting project 'refresh reviews' earlier. Resource constraints in the PgMO and the Planning Team continue to impacting the ability to progress these mitigations. The programme team therefore recommend continuing to bring the Business Case development phase earlier, as per the DERP approved trial, to continue to mitigate this issue. This will be reflected in the next update of the Capital Delivery Plan.

Progress updates:
DPT – Multi-Purpose Office Accommodation achieved ATI. This has enabled DPT – Wahi Tiri to start some procurement activities, however the Multi-Purpose Office Accommodation will need to achieve AIP prior to Wahi Tiri's release to market so that tenderers are provided an accurate timeline.

- LIN Water Supply Upgrade and LIN - Potable Water Reticulation - Stage 1: Main Contractor appointed and commenced on site.
- TRN – Paint Booth and TRN - TTS Electronic Wing Laser Testing Facility: both brought forward into this FY in Nov-24, both now achieved AIP and will progress to procurement.
- DPT - Dry Dock Portal Crane: Contract 1 - Crane Supply; Fabrication commenced. Quality Assurance tasks underway. Contract 2 - Crane Enabling; ACF awarded and contract signed 28 Mar.
- The ATI minute for DPT – Multi Purpose Accommodation has been approved and is on the critical path for DPT – Wahi Tiri (recently achieved AIP). We are now waiting on the Business case to provide AIP to ensure the timing of the delivery to support the Wahi Tiri co-dependency. An SOW for Alliance support for Planning is proceeding to enable Wahi Tiri to continue at pace.
- PAP – Barracks 2 & 3: ATI for two further units was not signed by CDF, the programme team is now waiting on the outcome of the PAP accommodation strategy paper and PAP Barracks 1 functional review (early April). This project is currently forecast to have funding committed in FY25-26, which it will not achieve. This will leave an approximately \$30M gap in the CDP for next financial year FY25/26 to be addressed within the Q4 FY24/25 CDP review.
- Projects taken to a competitive market have generally come in at or under their cost estimates, reflecting the current soft market conditions and the recent improvements in cost estimation.
- Projects in construction continue to raise risks that they may fully expend their contingency and require additional funding from the programme to complete construction. Programme contingency would prevent further projects being moved right a review and development of way forward is in progress, informed by the Tolerance Framework due for to be presented in April.

Recommendations, Decisions and Actions Reported

Risks

Project	Risk Name	Impact Type	PCG Resolution
DPT Multi-Purpose Office Accommodation / DPT Wahi Tiri	Delivery Resourcing	Resourcing	Reid to have discussion with Wally regarding this. To be left open.

Issues

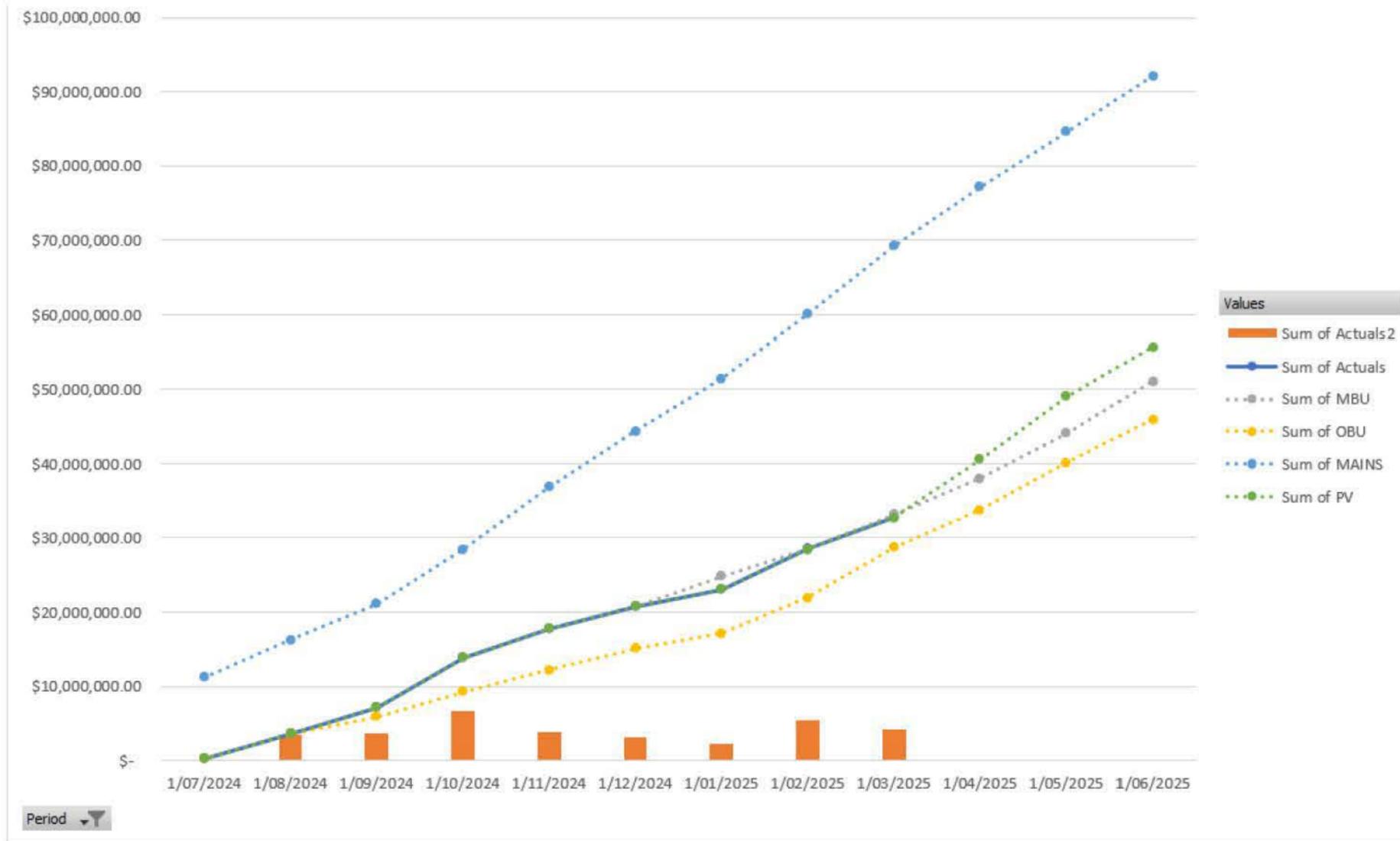
Project	Issue Name	Impact Type	PCG Resolution
LIN Water Supply	Additional Backfill Aggregate required	Potential for large project variation	Noted
LIN Water Supply	Turitea School Hill Realignment costs	Potential for large project variation	Noted

Changes

Project	Change Name	Change reason	Funds Required	PCG Resolution
LIN Water Supply Upgrade	Chatham Ave Entry Gate Automation	Scope Change	\$TBD	Endorsed, project contingency to be used.
PAP Barracks (24 Beds)	Waste Water Connection	Potential re-design	\$150,000	Reid to talk to Phil Gurnsey regarding this and get back to Andrew.
PAP Junior Ranks Accommodation	Scope Adjustment – FFE	FFE Scope Adjustment	\$40,000	Endorsed, project contingency to be used.
WHP Potable Water Reticulation	Engineering Plan Approval – Trig Road	Scope Change	\$14,111	Endorsed, ADFin required.
TOTAL			\$211,902.00	

Approvals

Project approvals in MARCH	Project	Commentary	Approval Date
ATI Minutes	DPT – Multi Purpose Office Accommodation	This project required approval to be included in the CDP due to operational criticalities and project dependencies. This project is on critical path of DPT Wahi Tiri Main Works. Approved – signed by CDF approval.	18 Mar 25
	WAI – Bridge 17 Replacement	RRP Allocation Minute approved	28 March 25
	PAP – Barracks 2 & 3	NOTE: ATI has been rejected due to full occupancy review of PAP Junior Ranks accommodation and PAP Barracks 1. It's inclusion in the CDP will be discussed at the next DERP Board meeting on the 30 th April.	
DG Minutes / PPWG	N/A		
AIP Approvals	DPT – Wahi Tiri	Approved – signed by Minister	4 March 25
ACF 5 Approvals	DPT Dry Dock Portal Crane	This is for the Crane Ancillary works. Approved – signed by HDEI	25 March 25
Approvals planned for APRIL	Project	Commentary	Planned Approval Date
ATI Minutes			
DG Minutes / PPWG	DPT Multipurpose Office Accommodation	PPWG was delayed, but date now confirmed. April 30th	30 April 25
AIP Approvals	TRN – Paint Booth	Approved – signed by HDEI	3 April 25
	TRN - TTS Electronic Wing Laser Testing Facility	Approved – signed by HDEI	3 April 25
	TRN - Corporate Accommodation Fit out		30 April 25
ACF 5 Approvals			



EOY Variance (Forecast vs Mains)	-42.55%
EOY Variance (Forecast vs OBU)	17.45%
EOY Variance (Forecast vs MBU)	3.57%
Current YTD Variance (Actuals vs approved baseline MBU)	-1.07%

The current approved NZDF baseline has now been updated and MBU has now been approved.

MBU

The Capital Program’s year-to-date (YTD) expenditure stands at \$32.72M, coming in \$0.36M below the current MBU Forecast of \$33.08M YTD. This slight 1.1% underspend suggests continued alignment between forecasted and actual expenditure, with most project spending tracking closely within expected Forecasts for the March Budget Update (MBU).

The underspend can largely be attributed to a few key projects with notable variances. The WHP Standby Power Replacement project is the most significant, showing an underspend of \$1.1M (43%), primarily due to difficulties pinpointing off-site construction costs and a portion of uncommitted contingency remaining. Other notable underspends include LIN Consolidated Parking (underspent by \$202K), Dunedin Regional Facility Project (\$256K underspent due to revised contingency timing), WAI Wash Point (\$149K), and LIN Water Supply Upgrade, which saw a \$217K underspend following delays in project commencement due to protracted contract negotiations.

Conversely, all current overspends fall within a ±5% range, indicating that no major overspend risks have materialised this month. This level of variance is acceptable and reflects well-managed expenditure patterns across the program.

The forecasting methodology remains stable, with no changes made since the baseline was established. This approach has continued to support financial accuracy by preventing reactive adjustments and allowing for clearer analysis of project performance. Notably, the WHP Standby Power Replacement project remains a key focus area due to its significant variance and forecasting challenges, most notably the impending Generator procurement for \$3.0M being pushed out to July 2025.

WBS	Project name	YTD Actuals	MBU YTD Forecast	Variance	Commentary
W-12023	WHP Standby Power Replacement	\$ 1,464,774.04	\$2,570,368.65	-\$1,105,594.61 (-43%)	Underspend due to off-site cost uncertainty and uncommitted contingency.
W-62102	LIN Consolidated Parking	\$ 346,102.47	\$548,495.43	-\$202,292.96 (-37%)	Underspend attributed to project phasing and slower initial progress.
W-62310	Dunedin Regional Facility Project	\$ 2,148,779.84	\$2,404,645.74	-\$255,865.90 (-11%)	Revised contingency unable to be profiled monthly; creates underspend.
W-12005	WAI Wash Point	\$ 1,310,460.08	\$1,459,267.70	-\$148,807.62 (-10%)	Slight phasing delay; minor underspend from slower expenditure.
W-42301	LIN Water Supply Upgrade	\$ 2,980,578.52	\$3,197,897.27	-\$217,318.75 (-7%)	Project start delayed by 3.5 months due to contract negotiations.

Attribute	Current RAYG	Last Period RAYG	Trend	Commentary
Scope	Y	Y	→	PAP – Barracks 1 (24 beds) continues to suffer from design changes in the refresh process due to horizontal infrastructure constraints. The current wastewater design connection for the Barracks is at high risk of having to be re-designed at time of construction due to current service site investigations being inconclusive. The project team suggest early enabling works to mitigate this risk. The project is also at risk of a variation (approx. \$400k) due to the new electrical connection, this will likely use up a large proportion of the project's contingency. Capital cost increases will be confirmed by the revised project estimate at the conclusions of the current design activities.
Schedule	R	A	→	<p>We now have additional FY24/25 projects that have slipped and will not be able to achieve ACF Contractor by 30 June 2025. This will result in further carry over of funding into FY25/26.</p> <ul style="list-style-type: none"> DPT Multipurpose Office Accommodation (aka Decant Facility) – delays to ATI sign off DPT Naval Fuels Controls System – tender closing date extended TRN Corporate Accommodation Fitout – project team considering impact of TaaS WAI Water Treatment Plant - tender closing date extended <p>Projects are taking longer than the scheduled forecast to get from Design Gate 3 to Award Contract. s. 9(2)(g)(i)</p> <p>Wahi Tiri main facility achieved AIP in March (total duration to achieve AIP = 303 days)</p> <p>The following factors have contributed to these extended AIP timeframes: Planning Team resourcing shortages, changes to WOLC calculations and revisions/rework through the Business Case endorsement process. For FY25/26 we are trying mitigate the risk of delays by initiating projects into the BC & AIP process earlier in the current fiscal year (as agreed at the last DERPB meeting).</p>
Cost	Y	Y	→	Projects with Approved Capital Funding (ACF) are progressing within budgets, with only two potential budget increases requiring PCG endorsement this month, namely PAP - Barracks 1 (\$150,000.00), PAP - Junior Ranks Accommodation (\$40,000.00). The Capital Delivery Plan remains unaffected. No significant variance themes are emerging, though WHP Standby Power Replacement, LIN Consolidated Parking , and Dunedin Regional Facility are impacted by time delays and phasing issues. These are manageable and do not pose risks to overall performance. The Cost Manual continues to perform well, with market conditions remaining favourable, and its predictions aligning closely with current outcomes. The PgMO will keep monitoring monthly variances and support projects where needed.
Resource	A	A	→	<p>“Capacity” to execute the programme is causing delays.</p> <p>The resource constraints in the PgMO and the Planning Team are impacting the ability for carry out a full review of the Business Case review and approval process, this issue is likely to continue to impact the programme in the next Financial Year. The programme team therefore recommends a Business Case process review, alongside continuing to bring the Business Case development phase earlier, as per the DERPB approved trial, to continue to mitigate this issue. This will be reflected in the next update of the Capital Delivery Plan, Q4 FY24/25.</p> <p>The PgMO have lost 4 Programme Coordinator roles in the last 18 months who assist with Business Case approvals process. The PgMO now has only 1.5 Programme Coordinator resources to support a programme working at pace. Planning now has only two FTE staff, one of which is a junior.</p> <p>Construction Project Managers managing capital projects in delivery are also signalling they are at capacity, impacting reporting. A resource levelling plan for the programme is required.</p>
Risk	Y	Y	→	Lessons learnt from the DERPB approved trial process to take ‘on-hold’ projects through a design review prior to going to market suggest that generally project refresh activities may take longer than 6 months which could impact the projects achieving ACF in the allocated funding year. Five projects in 26/27 are at risk, totalling approx. \$90M. This risk will be mitigated by allowing more time within the CDP to complete project refresh and by formalising the refresh process. Project refresh activities could also be more extensive than expected, resulting in an increase in capital cost. However, this activity is critical for all projects, to continue to decrease the residual projects risk going into construction, to reduce the risk of projects expending their contingency and the potential for ADFINS. The programme team continue to monitor this risk.
Issues	A	A	→	<p>The Barracks 1 and Barracks 2 & 3 are currently enablers for the delivery of the PAP Medical and Dental Centre and PAP - Multi-Purpose Gym and Physiotherapy projects. However, the current estimated Practical Completion dates for the Barracks projects are too late to enable the PAP Medical and Dental Centre and PAP - Multi-Purpose Gym and Physiotherapy projects in their current design. This issue will be addressed as part of the Q4 CDP update.</p> <p>Recent issues raised on projects include:</p> <ul style="list-style-type: none"> Projects entering construction continue to be impacted by underground risks, recent example on LIN - Water Supply Upgrade – these variations are currently managed within project contingencies, however the risk remains that they may fully expend their contingency and require additional funding from the programme to complete construction. We continue to expect this issue to improve with increased investigation effort in design phases.
Benefits	Y	Y	→	<p>Resourcing in PgMO for Benefits management to increase in the next FY to increase our fidelity.</p> <p>Benefits reporting is on hold due, pending confirmation of resources.</p>
Quality	G	G	→	Programme quality continues to improve. We are continuing to ensure good governance and transparency through the project lifecycle reporting through to the DERPB.

Programme Status Summary

Housing for Families Programme

April 2025

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PROGRAMME STATUS

RAYG STATUS	A	A	A
	Previous Month	Current Month	Future Month

WAI New Housing: The approval of an ImBC to contract the preferred tenderer and drawdown funding for the construction of the housing is subject to confirmed funding for the leaseback of the properties on completion of construction. **s.9(2)(f)(iv), s.9(2)(g)(i)**

Pilot 13 ImBC: Has been approved by Ministers.

Burnham 10+: Southbase has provided a revised proposal for the circa 10 homes at Burnham following initial design feedback. This was incorporated into the business case, currently with Finance for review, and is expected to be signed by 17 April.

Budget 25: The Programme team has re-socialised proposed works and priorities with Single Service representatives. **s.9(2)(f)(iv), s.9(2)(g)(i)**

Progress Since Last Period

WAI New Housing: **s.9(2)(f)(iv), s.9(2)(g)(i)**

Pilot 13: ImBC was approved 01 April. Contract **s.9(2)(g)(i)** expected to be signed by 17 April.

Phase 2 (FY24/25): BHM contractor negotiations are progressing with the NZDF closing out final tags on Southbase's proposal. Consultation is nearing completion for the business case and it will then be submitted through SROs for HDEI approval.

Burnham 10+: The business case updated WOLC to reflect South Base's revised proposal. The business case is in a second round of Finance review and expected to be signed before 17 April.

s.9(2)(f)(iv), s.9(2)(g)(i)

Recommendations, Decisions or Actions Required

s.9(2)(f)(iv), s.9(2)(g)(i)

EXPENDITURE FOR Housing Capital Sub-programme for Jul 2024 to Jun 2025

Jul 2024	Aug 2024	Sep 2024	Oct 2024	Nov 2024	Dec 2024	Jan 2025	Feb 2025	Mar 2025	Actuals TD	Apr 2025	May 2025	Jun 2025	Total Forecast for displayed periods
\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,000,000	\$4,000,000	\$23,035,554	\$30,035,554

Attribute	Current RAYG	Last Period RAYG	Trend	Commentary
Scope	G	G	→	WAI New Housing: s.9(2)(f)(iv), s.9(2)(g)(i) . Current work is being undertaken at risk pending further draw down of funding s.9(2)(f)(iv), s.9(2)(g)(i) . Feedback from Pilot 13 and Burnham 10 has been used to refine WAI business case.
Schedule	A	A	→	Waiouru ImBC is approved in principle s.9(2)(f)(iv), s.9(2)(g)(i) BHM WoLC report for Southbase proposal now finalised and the ImBC is now being socialised before submission to HDEI for review. A contract can then be signed with Southbase to begin construction once approved, expected late April.
Cost	Y	Y	→	The programme has operated within its established \$3.1M drawdown of tagged contingency and other alternative funding sources like ACF1, however this is now exhausted. ACF2, to be reviewed by Finance, supports on-going programme costs as part of phase 2 (B24 16M).

