

3 April 2025

s 9(2)(a)

Dear s 9(2)(a)

Thank you for your email dated 20 February 2025, requesting the following information from Kāinga Ora – Homes and Communities under the Official Information Act 1982 (the Act):

1. Any correspondence between the Chief Executive of Kainga Ora and the Minister for Housing regarding the 109 homes up for sale from the Crown that were built under the KiwiBuild programme
2. Any correspondence between Kainga Ora and the office of the Minister for Housing regarding the 109 homes up for sale from the Crown that were built under the KiwiBuild programme
3. Any advice, reports, aide-memoires provided by Kainga Ora to the office of the Minister for Housing regarding the 109 homes up for sale from the Crown that were built under the KiwiBuild programme
4. Any advice, reports, aide-memoires provided by the Chief Executive of Kainga Ora to Minister for Housing regarding the 109 homes up for sale from the Crown that were built under the KiwiBuild programme
5. Any advice, reports, aide-memoires provided by Kainga Ora to the office of Minister for Housing regarding the 109 homes up for sale from the Crown that were built under the KiwiBuild programme's suitability as social housing
6. Any advice, reports, aide-memoires provided by Kainga Ora to Minister for Housing regarding the priority areas under the current social housing funding allocation framework since November 2023
7. Any correspondence between Kainga Ora and the office of the Minister for Housing regarding the priority areas under the current social housing funding allocation framework since November 2023
8. Any correspondence between Kainga Ora and the office of the Minister for Housing regarding the refocusing of Kainga Ora as a social housing landlord since November 2024.

On 4 March 2025 we transferred questions six and seven of your request under section 14 of the Act, as we believed that the information requested was more closely connected with the functions of the Ministry of Housing and Urban Development.

On 20 March 2025 we also extended the timeframe to respond to your request by 10 working days under section 15A(1)(b) of the Act as, 'consultations necessary to make a decision on the request are such that a proper response to the request cannot reasonably be made within the original time limit.'

Regarding questions one to five and question eight of your request, Kāinga Ora staff have been consulted and we have provided responses below.

The 109 homes referred to in your request are within private market developments that were subject to a Crown underwrite agreement, contracted under the former KiwiBuild programme. As part of the underwrite agreement, the Crown commits to acquiring completed and unsold underwritten homes from the developer if they are unable to sell them to the market after a specified sales period. This is the case here.

Developers who built the 109 homes triggered the underwrite and the Crown has subsequently acquired the homes. This is an expected possible outcome of any underwrite programme. Kāinga Ora, acting on behalf of the Crown, is now on selling the homes and has appointed Bayleys to manage the national sales process.

It is important to note these are not social homes. They were built by private developers and intended for the private market.

Questions one to five

A search of emails between the Chief Executive and the Minister of Housing's office for 'KiwiBuild' from 20 August 2024 to 20 February 2025 was conducted. However, no emails from this search were assessed as being in scope. I am therefore refusing this part of your request under section 18(e) of the Act, as *'...the document alleged to contain the information requested does not exist or, despite reasonable efforts to locate it, cannot be found...'*

A second search of emails between Kāinga Ora and the Minister's office for 'KiwiBuild' from 20 August 2024 to 20 February 2025 was also conducted. Five emails providing information about the sale and discussing media releases were sent. These five email have been included with this response (attachment 1 refers). Some direct contact information has been withheld under section 9(2)(a) of the Act, to *'...protect the privacy of natural persons...'*

Two updates were sent to the Minister in the Kāinga Ora weekly report in December 2025 and January 2025. Excerpts from these reports, relevant to the sale of the 109 homes have been included with this response (attachment 2 refers). As above, some direct contact information has been withheld under section 9(2)(a) of the Act.

No documents about the 109 homes that could be considered advice, reports, aide-memoires, were sent from the Chief Executive to the Minister's office.

Question eight

A third search of emails over the period requested (1 November 2024 to 20 February 2025) resulted in seven results being assessed as in scope of your request, which have been included with this response (attachment 3 refers). Some information has been withheld under section 9(2)(a) of the Act.

For all parts of your request, where section 9 of the Act has been used to withhold information, I have considered the public interest in releasing this information, however, it has been determined that in each instance, the public interest is outweighed by the need to protect the privacy of the individuals in question.

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available online at <https://www.ombudsman.parliament.nz/> or by phone on 0800 802 602.

Please note that Kāinga Ora proactively releases our responses to official information requests where possible. Our response to your request may be published at <https://kaingaora.govt.nz/publications/official-information-request/> with your personal information removed.

Yours sincerely



Greg Groufsky

Deputy Chief Executive - Government and Sector Relationships

**Attachment 1 - Correspondence between Kainga Ora and
Ministers Office for KiwiBuild**

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982

FW: Bayleys' sale document
Sent: February 18, 2025 4:28 PM
From: [Katie Moore](#)
To: [EXT - David Chau](#);
CC: [Martyn Watterson](#); [Rebecca Huang](#); [Lucy Kitching](#);

Hi David,

FYI, in response to the media query in the email below.

Regards,
Katie

If required, please attribute to Mark Fraser, General Manager Urban Development and Delivery

These 109 homes are within private market developments that were subject to a Crown underwrite agreement, contracted under the former KiwiBuild programme.

As part of the underwrite agreement, the Crown commits to acquiring completed and unsold underwritten homes from the developer if they are unable to sell them to the market after a specified sales period.

This is the case here. Developers who built the 109 homes have triggered the underwrite and the Crown has subsequently acquired the homes. This is an expected possible outcome of any underwrite programme.

Kāinga Ora, acting on behalf of the Crown, is now onselling the homes and has appointed Bayleys to manage the national sales process.

It is important to note these are not social homes. They were built by private developers and intended for the private market.

-ENDS-

Katie Moore

Senior Communications Advisor
Urban Development and
Construction

s 9(2)(a)

Email: katie.moore@kaingaora.govt.nz

Freephone: 0800 801 601 | Kāinga Ora – Homes and Communities
PO Box 2628 Wellington 6140 | New Zealand
Government | www.kaingaora.govt.nz

From: Katie Moore <Katie.Moore@kaingaora.govt.nz>
Sent: Tuesday, 18 February 2025 8:31 AM
To: Media Notification <Medianotification@kaingaora.govt.nz>
Subject: FW: Bayleys' sale document

Mōrena,

We're working on the media query below from Anne Gibson, regarding the sale of underwritten homes.

Ngā mihi,
Katie

Katie Moore

Senior Communications Advisor
Urban Development and Construction

s 9(2)(a)

Email:
katie.moore@kaingaora.govt.nz

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RE: Sale of Crown-owned homes - further info

Sent: February 18, 2025 2:09 PM

From: [Garth Stirrat](#)

To: [David Chau](#);

CC: [Katie Moore](#); [JOEL BROWNE](#); [Christine Bennett](#); [Iain Duncan](#); [Tiana Mioceovich](#);

Hi David

I think Katie has a so spoken to you.

It looks good - however I would remove “(as outlined by HUD)” in the note as I included that for your FYI only.

The only thing that could possibly be added is to make it crystal clear that these homes are not Kāinga Ora homes built for social housing purposes that are being sold.

Maybe adding and replicating from our proposed statement:

“It is important to note these are not social homes. They were built by private developers and intended for the private market.”

Thanks,
Garth

RE: Sale of Crown-owned homes - further info

Sent: February 18, 2025 1:46 PM

From: [EXT - David Chau](#)

To: [Garth Stirrat](#);

CC: [Katie Moore](#); [JOEL BROWNE](#); [Christine Bennett](#); [Iain Duncan](#); [Tiana Mioceovich](#);

Hi Garth and team, below is the Minister's drafted response to go out in 30 min. It looks accurate to me based on the information previously provide. Please let me know if there is an error.

Thank you, David

Comment from the Minister below:

"These homes were part of the last government's KiwiBuild programme built by private developers to sell at a capped price to (mostly) first-home buyers. The developers were unable to sell the homes, and as a result they exercised KiwiBuild's underwrite option. This meant the Crown (through Kāinga Ora) was obliged to purchase the homes. Kāinga Ora is now attempting to minimise losses to the Crown by selling the homes as a portfolio package."

Note: Before the homes were acquired by the Crown, they were assessed for suitability to be used for social housing purposes and on sold to either CHPs or Kāinga Ora. However, in most cases, they do not meet social housing guidelines (as outlined by HUD) or are not located in a priority areas under the current social housing funding allocation framework

Sale of Crown-owned homes - further info

Sent: February 18, 2025 10:12 AM

From: [Garth Stirrat](#)

To: [EXT - David Chau](#);

CC: [Katie Moore](#); [JOEL BROWNE](#); [Christine Bennett](#); [Iain Duncan](#); [Tiana Mioceovich](#);

Hi David

As per our discussion and further to the updates we have been providing the Minister:

The 109 Crown owned homes that are being marketed for sale by Bayleys are owned by the Crown as a result of underwrites exercised by developers under the old KiwiBuild programme. The homes were built under that programme to be sold by the developers to the targeted cohort of eligible KiwiBuild buyers (for the most part, first home buyers) at a capped price – under an eligibility criteria established in the KiwiBuild programme settings at the time.

The developers were required to sell the underwritten homes to that cohort in the first instance (up to 15% of the underwritten homes could be sold to the open market).

As is well known, the residential housing market has been extremely flat over the last 12 – 18 months and developers have not been successful in selling down the homes. Given uncertain economic conditions, buyers have not returned to the market as anticipated when the respective developers were underwritten – hence developers have exercised their option to underwrite and sold the homes to the Crown.

To assist both developers and the Crown in selling or on-selling the homes, Ministers agreed in September 2024 to remove the requirement for the homes to be sold to a specific cohort of eligible buyers and the price caps – allowing developers and the Crown to sell any underwritten homes to any buyer, at any price. Ministers also agreed to loss limits if the homes were being on-sold by the Crown at a capital loss. (Refer briefing from HUD: HUD2024-005127)

Kāinga Ora, acting on behalf of the Crown, attempted to sell the homes acquired to the buyer cohorts required at the time (for homes purchased prior to the Ministers change of settings we were still attempting to sell to the restricted cohort of buyers, this was changed to any buyer, including investors once Ministers agreed to the changes), however there has been little success due to the ongoing flatness of the residential market.

The change in direction to market the entire portfolio of homes through Bayleys in a national campaign is our next step to sell the homes and attempt to achieve the best return for the Crown.

We would strongly note – these are not Kāinga Ora homes being sold. They are homes built under the KiwiBuild programme by private developers, specifically for private market consumption.

Before the homes were acquired by the Crown, they were assessed for suitability to be used for social housing purposes and on sold to either CHPs or Kāinga Ora. However, in most cases, they do not meet social housing guidelines (as outlined by HUD) or are not located in a priority areas under the current social housing funding a location framework.

Let me know if you need any further information.

Regards
Garth

Garth Stirrat

Principal Advisor – Commercial Products

s 9(2)(a)

Email:

garth.stirrat@kaingaora.govt.nz

WFH – Tuesdays and Thursdays, contact me via email or mobile.

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Attachment 2 - Excerpts from fortnightly status reports

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Status report – 20 December 2024:

Divestment of Crown-owned homes		
<p>As a result of underwrites exercised throughout the year in the Buying off the Plans (formerly KiwiBuild) underwrite programme, the Crown currently owns 100 homes, located in six separate developments (four in Auckland and two in Greater Wellington).</p> <p>Kāinga Ora, on behalf of the Crown, had appointed real estate agents on some of the development sites to market and sell the homes with no success. The predominant drivers behind this are market conditions such as credit-constrained buyers, previous buyer cohort restrictions (prior to policy changes in September 2024), and high levels of existing stock.</p> <p>A number of investors approached Kāinga Ora for an off-market sale of the homes and, for probity reasons, this interest is now being managed through the appointment of a recognised national real estate agency. The portfolio of homes will be soft launched to the market for sale pre-Christmas, and a full marketing campaign completed post-Christmas. This may result in enquiries as to why the Crown is selling homes it owns – which is an anticipated outcome of an underwrite programme and the subsequent on-selling of the homes which is a business-as-usual activity. We will keep you informed as the sales process proceeds.</p>		
Contact Person: Mark Fraser	Position: General Manager – Urban Development and Delivery	Phone: s 9(2)(a)

Status report – 30 January 2025:

Divestment of Crown-owned homes - update		
<p>Kainga Ora, on behalf of the Crown, has now appointed Bayleys to manage the divestment of the 100 homes currently under Crown ownership, as a result of underwrites exercised throughout the year in the Buying off the Plans (formerly KiwiBuild) underwrite programme.</p> <p>Bayleys will be conducting a national promotion to sell the homes as a portfolio, or by development, to interested investment buyers with a deadline sale closing to offers on 13 March 2024. Advertising will commence on 7 February 2025 through property magazines, national print media and digital channels.</p> <p>In addition, Bayleys will be introducing the investment opportunity directly to their key investor contacts.</p> <p>Since our update to you in December, a further development, located in Glen Eden, Auckland has exercised the underwrite option on nine homes, that remain unsold from a total of 20 that were underwritten. Those homes will be added to the portfolio being promoted for sale in the Bayleys campaign.</p>		
Contact Person: Mark Fraser	Position: General Manager - Urban Development and Delivery	Phone: s 9(2)(a)

Attachment 3 - Emails to and from Ministers office for turnover

RELEASED UNDER THE
OFFICIAL INFORMATION ACT 1982

Heads Up: Kainga Ora meeting 21 Feb 2025: Community Housing Providers & the Reset Plan

CRM:0263452

Sent: February 19, 2025 5:07 PM

From: [Government Services](#)

To: [EXT - David Chau](#); [Government Services](#); [Government Services](#);

CC: [Don Badman](#); [Rachel Kelly](#);

Hi David - below is our advice to the Minister's most recent question on this issue:

- We note that some CHPs have very recently started asking about our divestment intentions, so we anticipate the topic may be broached at our meeting this Friday.
- Kāinga Ora is in the process of defining its approach to divestments and asset recycling in response to the agreed Kāinga Ora Turnaround Plan.
- We are currently assessing our housing asset portfolio to understand which assets fit the criteria for divestment and are close to completing our vacant land review and will be confirming what we plan to divest shortly, after we've engaged with HUD and the Minister.
- Subsequent to this, Kainga Ora will be publishing the process for engagement with the goal of an open and transparent process.

The detail outlined in this update is reflective of the information we will be sharing with the Boards of CHA and Te Matapihi.

Regards

Gabby Boag

Team Leader, Government Services

Government and Sector Relationships

s 9(2)(a)

Freephone: 0800 801 601 | Kāinga Ora – Homes and Communities

PO Box 2628 Wellington 140 | New Zealand Government | www.kaingaora.govt.nz

From: Government Services <Government.Services@kaingaora.govt.nz>

Sent: Friday, 14 February 2025 3:30 PM

To: David Chau <s 9(2)(a)>

Cc: Don Badman <>

Subject: Heads Up: Kainga Ora meeting 21 Feb 2025: Community Housing Providers & the Reset Plan
CRM:0263452

Afternoon David - just sending you this head up, regarding a meeting Friday 21st February.

In recent months, Kāinga Ora has experienced an increase in communications from Community Housing Providers (CHPs) wanting to discuss opportunities to work with Kāinga Ora in response to the Review of Kāinga Ora and the Reset Plan.

Kāinga Ora is meeting with the Community Housing Aotearoa Council and the Te Matapihi Board next Friday the 21st of February, at Kāinga Ora in Wellington to discuss the Reset Plan, Kāinga Ora transformation activity, and identify and shared interests and opportunities to work together. We anticipate CHPs will be interested in discussing our intended approach to divestments.

The aim of this meeting is to establish clear and transparent channels for communication in the future, to contribute towards a consistent national approach when it comes to how Kāinga Ora partners with CHPS.

The Chairs and Co-Chair of each organisation include:

Community Housing Aotearoa

Co-Chair: Hope Simonsen, Emerge Aotearoa

Co-Chair: Nick Greene, Habitat for Humanity

Te Matapihi

Chair: Jordon Robertson

Deputy Chair: Nanaia Mahuta

Regards

Gabby Boag

Team Leader, Government Services

Government and Sector Relationships

s 9(2)(a)

Subject: Turnaround Plan

Sent: February 18, 2025 8:20 AM

From: [EXT - David Chau](#)

To: [Government Services](#); [EXT - Cole Blair](#); [Don Badman](#); [Rachel Kelly](#);

Hi team, for any reports, aides memoire, briefings, updates, correspondence, emails, and anything else you can think of-

For any reference to the Turnaround Plan, please do not refer to it as the Reset Plan. If you don't want to refer to it as the Turnaround Plan, then refer to it as the Plan.

Thank you, David

David Chau

Private Secretary – Housing | Office of Hon Chris Bishop

Minister for Housing | Infrastructure | RMA Reform | Transport | Associate Finance |

Associate Sports & Recreation | Leader of the House | MP for Hutt South

s 9(2)(a)

Website: www.beehive.govt.nz

Private Bag 18041, Parliament Buildings, Wellington 6160, New Zealand

RE: turnaround plan?

Sent: December 18, 2024 3:31 PM

From: [Martyn Watterson](#)

To: [EXT - David Chau](#);

Here's the full transcript (it wouldn't let me save it as word doc).

Nothing else in there of note. There's a reference at the 15min mark to customer segmentation, but besides that, ok.

Ask The CE - 4 December 2024

0:08

Kia ora everyone, and welcome to the Ask the CE session for today.

0:13

Ko Willow tōku ingoa

0:13

I'm the Manager of Internal Comms and I'm just going to be hosting the session with Matt today.

0:19

He'll be answering quite a lot of questions today.

0:20

We've got a good amount of time for Q&A towards the end.

0:23

So just a reminder, if you have a question during the session, please pop it into the chat.

0:27

Matt is going to be very focused today on talking about the Reset Plan, the OHI survey and also transforming Kāinga Ora.

0:35

So, I'm going to hand over to Matt.

0:37

Actually, before I do that, I'm going to do the Karakia, the most important part.

0:40

So, please join me if you'd like to whiria te pō, te pō whiri mārama Tomokia te ao, te ao whatu tāngata Haumi e, hui e, tāiki e!

0:51

Over to you, Matt.

0:54

Right, thank you, Willow and kia ora koutou everyone.

0:59

If we could move on to the Reset Plan slide.

1:02

Thank you.

1:03

I think as you're all aware, the current Government asked us to submit what they call a turnaround plan that was due in November.

1:13

Simon Moutter, the Chairman and myself have both been clear and have stood our ground that we don't see this as a turn around.

1:20

That's where you take something that's fundamentally broken and fix it.

1:23

And we don't see that as being the case here.

1:25

But we do believe that there's a need to reset.

1:28

And the core of the nature of the reset is in recent years Kāinga Ora has put a huge focus on ramping up our housing delivery and growing more broadly and has done a fantastic job of that.

1:42

But we need to now move into a new phase, which has got more sustainable levels of housing build, more operationally repeatable processes and we need to really get more cost effective and commercially sustainable.

1:57

So, we're going to need to focus more on that cost efficiency side of the equation.

2:02

Importantly, we won't be undermining our tenant and wider community outcomes, but we have to do that for the sustainability of the organization.

2:11

So again, I really encourage you all to have a mindset, given that we've got tight constraints on budgets, on budget deficits and on a debt cap that every dollar we waste and every dollar we're not spending as efficiently and effectively as we can, is a dollar.

2:27

We're not spending on building houses, maintaining houses or providing great support to our tenants.

2:32

Now, I'm really pleased to say that we submitted our Reset Plan on time on November 20.

2:40

I've talked about it before, and I can confirm, I'm confident we've put our best foot forward there.

2:46

So this is our proposed plan.

2:48

It is now under consideration with the Government and expected to go into Cabinet during December.

2:54

So, we'll await feedback from that process and the aim is as soon as possible for us to have a confirmed approved Reset Plan that we can get on with.

3:04

Again, as I've talked about previously, the core of the proposed Reset Plan is actually about delivering on what we've already committed to, in particular the housing, maintenance and financial outcomes over the next two financial years, including this one.

3:20

So again, I would really stress for people, stay focused on the good mahi that you're already doing to deliver against the commitments

3:28

we've already signed up, and we'll await to see the feedback that comes from that plan.

3:36

The next slide, please.

3:42

A key part of the proposed reset is around enhancing our organisational health, culture and capabilities.

3:49

And a really important thing we've completed now to inform that is the Organisational Health Index survey.

3:56

I want to do a big thank you to everyone who participated.

4:00

We had around about 80% participation rate across all of our people and that just means that we've got a great representative set of inputs there that we can draw on as we work out what the key strengths to build on and what the key priorities to address are.

4:16

The outcomes of the survey will be communicated during December and are going to be very critical for informing what our top organisational imperatives are.

4:26

So, part of when we communicate it will be confirming the process to move forward to refine what the key priorities are and what we'll do about them and how we'll engage you in that process.

4:36

But again, thank you very much for your participation.

4:39

That's going to be incredibly valuable.

4:43

If we just move on to the next slide, please.

4:47

I'm going to talk now, and you know, I've talked previously about our imperative to transform Kāinga Ora, but I want to talk today more about what we have confirmed and have launched with our Senior Leaders and will be engaging you all on moving forward.

5:05

Firstly, I asked for this particular image to go behind this Transforming Kāinga Ora because last week the board and I were hosted by Mike Fraser and his team around the Mount Roskill and the Northcote LSP's.

5:21

This one here is the Northcote one.

5:22

And this really is a true transformation of that area and really the broader suburb.

5:28

And it was quite impressive and exciting to see what went in there.

5:31

So, I thought it was quite a good backdrop for our transformation messaging here.

5:35

And thanks to everyone who'd been involved and continues to be involved in that particular LSP.

5:41

If we move on to the next one, we've got a big and exciting programme of work that we need to do to really transform the way that we're operating and the way we're organising to work together in Kāinga Ora.

5:57

So, it's important that we deploy best practice transformation.

6:01

And I think as you're aware, I've done a lot of big pan enterprise transformations over the last 10-15 years.

6:08

And these are some of the best practice models, features are the best practice that we're bringing to the approach we're taking here.

6:15

I'm going to quickly touch on these so we can leave time for pātai, but importantly, it's pan company, pan organisation.

6:21

So, we will be looking across all of Kāinga Ora.

6:24

It's not just in housing delivery or maintenance

6:26

We're looking for all of Kāinga Ora where there's opportunities for us to identify that waste and drive operational organisational cost efficiencies.

6:38

Importantly, it needs highly aspirational targets.

6:40

If you set incremental targets, you get incremental thinking and incremental change.

6:45

Now fortunately or unfortunately, depending on which way you want to look at it.

6:48

And I think if it's a fortune, we've already signed up some to some highly aspirational targets and we're going to have to push our thinking and go for even more than that in order to be confident of delivering what we've already committed to.

7:01

And as I've said many times, it's critical we deliver on what we've already committed to because we are still in the process of building trust of this Government.

7:09

And we need that confidence in order to get the support and the multi-year funding to do the mahi that we want to continue to do for our tenants and community.

7:17

We have clear transformational role accountabilities and dedicated resourcing to support it.

7:23

I'm going to give you more detail on those accountabilities in a moment.

7:27

Very rigorous planning and execution.

7:29

So, a level of rigor beyond I think what we've seen for business improvement initiatives to date here to really make sure not just the activity plan makes sense, but the financial planning and delivery is on track.

7:43

A really key focus on org health, culture and capabilities.

7:46

We've talked about that a lot.

7:48

That's why we've done the OHI.

7:50

There's no point doing a whole bunch of initiatives if we don't also address the organisational culture, capability and other factors that we need to sustain those improvements in the long term.

8:00

And really importantly, it needs the right mindsets and behaviours and the right role modelling of that value from our leaders.

8:07

I don't have time to talk about the most important mindsets and behaviours here, but some of the key ones that are front of mine is about taking ownership and being willing to hold yourself and your colleagues to account on delivering against their accountabilities.

8:20

And about being willing to challenge each other, but being willing to challenge each other with respect, to push our thinking to help each other do better and do even better,

8:29

great things for our tenants and communities.

8:33

I could spend a lot of time talking about these.

8:37

Not enough time for today.

8:38

But these are some of the features that we're putting in place in our transformation.

8:43

If we could move to the next slide.

8:46

This is the workstream structure.

8:48

Again, a lot on this page, I won't be able to go through all of this.

8:52

I wanted to start though by saying that on this page and these have been announced previously, I think, but I wanted to take the opportunity to celebrate three key appointments to my leadership team, which we're now referring to as the Executive Leadership Team.

9:07

We will no longer be the CE's Leadership Group.

9:10

We are the Executive Leadership Team.

9:13

So, as you've heard, firstly, Caroline, congratulations on appointment to GM Housing.

9:18

Welcome to Tracey Taylor, who's joined to replace Ro, as the GM of PGC.

9:23

Her first day was yesterday, so she's with us today

9:27

And the other one here is Matt Hulett.

9:31

He's agreed to take a widening of his roles beyond DTG, which has been mainly focused on housing and maintenance, to be the GM of Transformation, covering our entire transformation.

9:42

So, I just wanted to celebrate those appointments upfront.

9:47

What you can see here is the structure of the transformation is around nine key workstreams.

9:54

The vertical work streams you can see here are the primary sort of PNL focused ones and the primary axis.

10:02

And I won't trawl through all of these, but you can see that they cover the key areas where there's opportunities and where there's activities that we drive from housing delivery through to a specialist workstream focused on technology.

10:18

Each of those has a workstream sponsor, which is either the Exec or other Senior Leader who's accountable for delivery of the targets for those workstreams and the activity needed to deliver against those.

10:32

Each will have a Workstream Lead, typically full time, that's like the Chief of Staff for the workstream.

10:40

And each of them will have a formal Finance Lead who has a role to sign off on the financial aspects of initiatives, both as they're approved to be executed within, confirming that they've delivered what they've had.

10:52

We do have a number of workstream leads confirmed already, but we haven't gotten them all yet, so we haven't included them here.

10:57

But you can see those vertical workstream Exec Sponsors listed across on the slide there.

11:05

There's also three key, what we call horizontal workstreams that bring coordination and alignment across those verticals.

11:14

The three key areas around labour productivity.

11:17

So, this is around how we're doing things more efficiently and effectively so our people can be more productive in what we're doing either, across build maintenance or the way we support our tenants. External spend,

11:28

So, we're spending money externally, both procurement but just our usage.

11:34

Are we doing that as efficiently, as effectively, what more value

11:37

can we drive through improved procurement for example?

11:41

And finally, organisational health, which as we've commented on a number of times is going to be absolutely critical.

11:47

So those are the three horizontal workstreams that will bring a coordination lens across those vertical workstreams.

11:54

So, there's a lot to take in here.

11:56

And then, sorry, I should have covered it there.

11:57

There's a Transformation Office that Matt over sees, and I'll give you a little bit more flavour of what they do in a moment.

12:04

But this is the central control tower, if you like, for the transformation.

12:10

So, there's a lot to take in on this page and I don't want to shortchange time for pātai.

12:15

So, watch this space.

12:16

You'll be getting more communication around what these workstreams are, how you participate in them, how you can contribute to them.

12:25

And each will be communicating both broadly, but each of those workstream sponsors will be engaging with the respective parts of the business to give you more details.

12:33

And we'll make sure you know how you can participate and we'll be providing training and other things to get you up to speed so you can contribute as effectively as possible.

12:45

Just a little bit more on the Transformation Office.

12:47

And look, I don't want to use too much time here.

12:52

As I said, this is really the control tower for the transformation.

12:58

A couple of things.

12:59

I will say, this is more than a programme office.

13:02

This is not just a programme office, managing process, etcetera.

13:06

And in fact, we're not referring to this as our transformation programme.

13:11

A programme is time bound.

13:13

This is the transformation of Kāinga Ora, which is going to take multiple years.

13:18

In my experience, it takes at least four or five years, the first phase of which is the Reset Plan.

13:23

But this is not a program that disappears in the next year or two.

13:27

This is a transformation that will endure over time.

13:31

So, the Transformation Office does oversee process, does help control and coordinate what's going on, but really, they're a lot more.

13:41

I'm asking Matt and the team to really challenge our thinking, but also provide the support for our people to be able to deliver against improvement initiatives and the benefits that come from that.

13:52

So, you'll be seeing a challenging but supportive role coming from the Transformation Office.

13:58

So, I think that ends the presentation upfront.

14:03

As we said, we really wanted to leave a decent amount of time for pātai.

14:07

I know there's been quite a lot of questions that have been coming in to date.

14:12

And I think over to you, Willow, both for questions that have come in to date that I'll respond to or I'll ask for help from my team to respond to.

14:21

And then if we've got time, anything new that's come from today as well.

14:25

But over to you, Willow.

14:26

No, problem

14:27

All right.

14:28

So, we'll start with the questions that have come through the Ask The CE Inbox, Matt.

14:32

So, the first question is, will the transformation workstreams deliver change at the same time through one larger process or will they be carried out when ready by individual workstreams?

14:46

Yeah, look, that's a great question.

14:48

Usually when I've done this, all of the workstreams will start concurrently, but because of our situation here, we're going to take a slightly more staged approach.

14:59

So clearly there's some workstreams where there's already been a lot of work going on, notably around housing delivery and maintenance.

15:11

So, they will obviously be kicking off immediately.

15:15

There's some other workstreams like external spend where we've got to get a few more things lined up before it makes sense to launch those.

15:23

So external spend will be a workstream that will probably kick off in the new year.

15:27

Now the exact timing of when we'll be standing up of other workstreams is being driven by the exec sponsors in charge of them.

15:36

A really key one to maybe point out is in the tenant management one.

15:40

And as I think I've said before, one of the biggest things that we'll be doing in the tenant management space is doing quite a disciplined piece of work that starts top down, looking at the needs of our tenant and customer base and what are the key segments of their customer base.

16:01

And then use that to inform key things around our customer service design, where we can actually help with technology to enable it, so on and so on.

16:10

So that'll be one of the things that will kick off in the new year.

16:13

But there are a number of things in the tenant management space that are already in flight and that there's already been a lot of good thinking on.

16:19

So, I think Daniel's intention is to stand something up there before Christmas and get going.

16:23

But the heaviest lifting of the that will be informed and I'll repeat what I've committed previously.

16:28

You know, I do not want to go in and do any kind of clungy interventions onto our frontline tenant facing people.

16:34

I want that to be quite thoughtfully done through that piece of work.

16:37

But we will absolutely have to be looking at how do we drive efficiencies through that.

16:42

But how do we do that in a way that doesn't undermine our tenant outcome.

16:44

So, the answer to the question is that it will be phased slightly and watch this space for confirmations around what we're starting when and the primary decision maker driving that is the sponsor is the person who's accountable for those workstreams.

17:01

This next question is more sort of around how the transformation office is actually going to be stood up.

17:06

So the question is, can you provide some more detail, firstly around how the office will be set up, for example, how will people be recruited, appointed into the roles?

17:16

Will these be fixed terminal, secondment?

17:18

And how do people go about applying for these roles?

17:22

Yeah, another great question.

17:24

I'm actually going to hand over to Matt Hulett to answer that question as the GM of Transformation overseeing the TO.

17:32

Yeah, thanks, Matt.

17:33

Look, at the moment what we're working with is we're not looking to create additional FTE to establish the TO, think of it more as a bit of a morph, if you will, of Delivery Transformation Group.

17:46

But there are going to be some of the roles that we won't be able to fill within the skill set because some of them are quite specific.

17:51

And we will be leaning over to the HR group to help us sort of do that

17:57

work.

17:58

So that's sort of the work.

18:00

These will be secondments.

18:02

They're like the transformation workers.

18:05

It's not something that would go forever.

18:07

It's going to be there to support the verticals as they need to deliver.

18:11

So that's sort of how that would be working and the training that would be provided.

18:16

The training is going to be provided for a lot of people, not just the Transformation Office team.

18:23

And the training really is going to come in a whole heap of different forms.

18:27

18:27

Which is one of the programmes we're going to be getting.

18:29

But it does have a training like really sitting inside it.

18:34

But there's a lot of initial training to get people started and set up.

18:37

Well, then there's a lot of learn by doing the pilot as a support.

18:40

So, it's going to be a really cool way of working and I'm really looking forward to getting started.

18:49

Yeah, thanks, Matt.

18:50

That's right.

18:50

Thank you, Matt.

18:51

And the only thing I'd add to that is, so that's absolutely right.

18:54

These are time bound roles, but I think we're probably going to need the Transformation Office and those roles for a couple of years

19:02

So, they're not short, short-term roles

19:04

But you know, when I was in the equivalent role to Matt, you do yourself out of a job by doing your job well, because once we get really confident about running all of this, the bees can run all of this themselves.

19:17

So, but we've got a lot of work to do that and a lot of training before then.

19:21

And yeah, Matt will be working to fill those roles, including where there's opportunities to bring people in from other parts of the organisation as soon as possible.

19:33

So, the next question again, another really great transformation question.

19:37

In context of the fact that we're starting this transforming Kāinga Ora work, does this mean all medium to large structural and organisational change will be put on hold?

19:48

For example, what does this mean for the Future State programme, which suggested further changes, particularly for procurement that will be taking place in 2025?

19:58

Because obviously the question is saying is this on hold?

20:01

What's the next step with that particular piece of work?

20:05

Yeah, so another great question, but no, those are not on hold.

20:10

And in fact, you know, part of what we need to look at in the transformation plan is actually, you know.

20:18

What's the right timing and best way to look at those areas and what other areas should we be looking at to drive efficiencies?

20:26

And look, you know, as I think I've already signalled, but I'll signal it again, we have to continue to push our thinking around hunting out where there's waste or ways that we could do more things efficiently and effectively.

20:40

And that does include looking hard at our overheads, like we have a lot of overheads in Kāinga Ora.

20:49

Now in the Reset Plan, we haven't committed to any specific restructures.

20:55

There's nothing in there that's locked or loaded.

20:57

But we have signalled quite clearly in that Reset Plan that we've got more work to do in order to identify efficiencies and effectiveness.

21:04

And that includes looking at our overheads, looking at the way we're organised and operating more broadly.

21:11

So that will be things that we'll be continuing to look at as part of these work streams.

21:19

Another sort of detailed question, Matt. What is the rationale behind splitting out the Technology workstream from the Support Function workstream?

21:29

Yeah.

21:29

So, the rationale for that comes from a few different places, but part of it is that technology itself is a

substantial cost improvement opportunity with quite a substantial target yet to be confirmed, but it's going to be large.

21:48

So, we wanted to bring the appropriate focus to what's quite a specialist workstream to focus on finding and driving those cost efficiencies.

22:00

The other reason is that at least as important as the cost efficiencies by saving costs within the technology area is the imperative to find ways for how we can use technology enablement to support the benefits in the other workstreams.

22:19

So for example, when we look at the customer and tenant facing one, once we've got that strategy work, the process design, you know, which elements of that can we actually better technologically enable to make it easier for our people and where can we push our thinking to make it easier for our tenants and to be able to actually self-manage more.

22:41

So, it's really important that we have a focus on where that enablement would be and how do we make the most of the new Business Enablement team and the agile processes

22:52

They've got better support more broadly.

22:53

So, for both those reasons, we want to make sure there's quite a clear focus on the technology space through this transformation.

23:02

That's a good segue into the next question actually

23:04

talking about the Business Enablement team, this is more of a performance type question.

23:09

Business Enablement are currently using OKRs which is objectives and key results to set goals and identify measurable success criteria.

23:18

Is there a plan to use OKRs throughout the wider organisation so that we have a common language across Kāinga Ora?

23:28

Yeah.

23:28

So, OKRs which are basically about outcomes and key results, I think it is, is an agile term. At this point

23:40

It's not my intention, though

23:42

I have an open mind. We are not going to be trying to apply agile all over Kāinga Ora.

23:52

So, it's not my intention to do that.

23:54

But what an OKR is effectively just clarity on what a key KPI or outcome target will be, and we'll absolutely be having them everywhere.

24:03

What we will be doing though right across Kāinga Ora is aligning around a quarterly cycle that sets the top-down priorities for the entire organisation from a top-down perspective.

24:21

And that is used as an input into the agile processes where Andy and the team then use those priorities to set the work that's going on in the value stream teams that they've got there.

24:33

So, we will be actually doing across the organisation, prioritisation, but I don't think we'll necessarily be setting OKRs everywhere but will be making sure those quarterly processes inform both agile and our wider set of priorities, for example, the priorities within the wider transformation programme.

24:52

I'm going to dip into a question around the internal governance structure that sort of was announced earlier this week.

24:57

So, can you outline what the internal governance structure is, the key point, and also explain the rationale for change, why some of those changes have been made that you've put forward for Kāinga Ora?

25:10

Yeah, absolutely.

25:11

So, the rationale for it is, I think, while there were good reasons and some really good value that I think came from many of our governance forums, notably the the Ngā Paē Tātaki's, our internal kind of decision making and governance has become too complicated and it was too hard for our people to see where they could go to get decisions made.

25:43

And we just have too much to do for us to continue to have that level of complexity and lack of clarity.

25:51

So, I engaged with my Executive Team and drew an input from a bunch of other people around the organisation to review the situation and come up with what we think's a more streamlined and clear approach.

26:07

And the key thing there is two new executive committees, a Customer and Operations Executive Committee and an Assets and Investments.

26:18

Executive Committee and they will be where the key operational things that need to get decided and discussed are done below the Executive Lead Team.

26:32

And then we'll have Executive Lead Team meetings that will be used primarily for strategy matters, for things that cut right across the entire of Kāinga Ora

26:45

And we'll be having our own Executive TI meeting as part of the oversight of the transformation.

26:52

Now importantly, what we don't want to lose is part of the strength of the Pae's was the ability to be bringing in people from all levels of the organisation.

27:03

And so, as we form up those executive committees, we'll be looking some of them on a sort of probably permanent or semi-permanent basis but also making sure we're rotating to bring the right people in to be involved.

27:17

But the Pae Tātaki's and the PGB's will be being disestablished during this month, and we'll be standing up those committees and that's where you go to get the decisions. We'll be sharing more information on the scope and mandate of those two committees.

27:34

so you know exactly which topics go where, who the GM chair of that is, etcetera.

27:40

So, watch this space and you know, we'll need to work with you to make sure that they're working effectively.

27:46

But those will be decision making and guidance forums and places that you can take things to get decisions in those key areas.

27:57

This question, Matt, is more aligned to sort of Reset Plan type question.

28:01

So, is the proposed Reset Plan that's been sent to the government available to share with Kāinga Ora staff?

28:08

Yeah.

28:08

So, it is not at this stage available to share.

28:13

It has been submitted

28:14

We need to wait and get the feedback from the Government on it once it's been through their Cabinet process.

28:21

As soon as we have an approved plan, we of course will be communicating that widely across Kāinga Ora and externally.

28:30

We're going to use it as an opportunity for a reset on our story that we're telling externally as well.

28:38

We know we've got a lot of work to do there, but the Chairman and I and the Executive Leadership Team want to use this as an opportunity to start a reset of the way the public sees us.

28:48

We know that's not going to happen overnight.

28:53

So, at that point, we'll be communicating and not only internally, but more widely.

28:57

But unfortunately, at this point, it is confidential pending the feedback from the Government.

29:02

Again, I'll just stress that you shouldn't expect anything from the Reset Plan that takes Kāinga Ora at right angles and away from where we are.

29:13

So, for example, big asset transfers or changes into the scope of what we're doing. It's much more about refocusing us around our core mission, which as you've heard me articulate before is about building and maintaining quality social houses and about being a good, supportive but firm landlord to our tenants on the other hand.

29:35

And that's going to be more of where the core is.

29:38

I will stress that, you know, don't expect anything out of the Reset Plan that takes us off in oblique direction.

29:46

And as I said earlier on, we haven't got locked and loaded in that Reset Plan.

29:51

any restructures, we absolutely are going to have to look hard and push our thinking around how we can drive the cost efficiencies.

29:59

And that does include needing to have a good look at overheads and where they're adding value and where we've got the right amount and we've got the right balance between frontline and overheads, for example.

30:09

And some of those could be quite big.

30:10

So, I don't want you to misunderstand what I mean when I say don't expect anything taking us at, you know, radically different directions from the reset plan.

30:19

So hopefully that gives you a bit more clarity and obviously we'll communicate the approved plan absolutely as soon as we can.

30:28

Thank you.

30:29

This is more about sort of retaining great skills in the organisation.

30:33

How will you ensure we can identify and retain our best people through this transformation, when the transformation itself is predicted on being a smaller organisation?

30:45

Yes, I'm going to give you a couple of thoughts there.

30:48

The first one is that as we go through any restructures that come through this, we'll continue and ensure we've got robust processes to make sure that we are reviewing our internal talent to make sure we're making the right appointments with the right capabilities.

31:08

And then if there's areas where we don't have the right capabilities, we'll bring in people from outside.

31:14

But those will be done really robustly and internal people will be given the first opportunity for that.

31:19

So again, I believe we have been doing that to date, including still in progress in the housing delivery system restructuring.

31:27

We'll absolutely be continuing to do that.

31:30

I want to build on that though, and say that the the transformation and participation in it is a fantastic opportunity to build your capabilities and build your career

31:42

And I have to say that my very favourite thing of all of the transformations I've been involved in is when you see people who were buried a little bit in the organisation, but who are massive talent, often quiet achievers who didn't blow their own horn, through the transformation.

32:01

Just kick goals all over the place and actually really come to visibility and succeed and see them promoted a couple of levels up the organisation.

32:13

So, it's a great opportunity both for you to build your capabilities, but also to take a lead, make things happen and show your stuff.

32:22

And I can tell you that you can see that people doing that and good things come to them career wise.

32:27

So, I would strongly encourage you to make the most of this opportunity to build your skills, to take ownership, to role model the behaviours that are there and good things will come to you career wise from that.

32:41

Excellent, thanks, Matt.

32:43

This is this is more of a values-based question.

32:44

So obviously we've got our values of Manaakitanga, Mahi Tahi and Whanake.

32:49

How do you see this transformation work aligning to our values that we have within Kāinga Ora?

32:54

What do you see as the alignment there from your perspective?

32:57

Yeah, sure.

32:57

So, yeah, because on my road trip and other discussions, quite a lot of people have asked me, so does this mean we're going to ditch the values and come up with some new values?

33:09

And that is absolutely not the case from where I sit, if we get some insights from the OHI survey that suggests people don't like the values or think they need to change, and we'll consider that.

33:20

But I actually think they're a great set of values.

33:23

And I did look quite hard at this.

33:25

It was quite fortunate.

33:26

True story, on the day of our Senior Leaders forum last week, we were asked by the Internal Comms team to reboot our computers in the morning so that they didn't glitch as we were doing it.

33:41

And I did it.

33:41

And the first thing that comes up is the screensaver.

33:44

And I looked at it and I went, we should be talking about them this afternoon.

33:47

And because the values absolutely are what we need to lead and live to pull off this transformation.

33:56

So, I asked for Sarah Butler to magic up a copy of that and get it into the PowerPoint with about 30 minutes notice.

34:02

And I think it did resonate with the Senior Leaders.

34:04

So just give me a second to speak to it.

34:07

So, around the people value on one hand, you could look at it and go, well, hang on in an environment where we've already had to let people go and there's more of that coming, how can we be living that value?

34:23

And I'd say we absolutely have to live that value, both in terms of showing respect for our people and being thoughtful about the impact on our people, and making sure that we're selecting the right people, but then also supporting the people who don't get roles.

34:39

So, I think it's really important that we live that value.

34:41

And I also think we're living that value because at heart, we're doing this because of people.

34:47

And the most important people in this entire place are our tenants.

34:52

And as I've commented today and talked about lots of times, we have to do this so we can keep doing good things for the people that matter most, and that's our tenants and the communities that they live in.

35:03

So, I absolutely think we have to live that that value. On the working together.

35:11

There is no way we can deliver this transformation in silos.

35:14

And you'll see the way those workstreams are structured, they are they don't necessarily neatly line up with the way we're currently structured and organised

35:23

And that's because the biggest opportunities are going to be captured by working across our organisation.

35:31

So, on the tenant management one, for example, there's big interfaces that will have to be right across the organisation in terms of how we can do that.

35:38

So, I don't think we can deliver this transformation without working together well.

35:43

And the final one is be bold.

35:45

And you heard me say earlier on that the best practice transformations to set highly aspirational targets and we have highly aspirational targets, and we will not deliver against those targets.

35:56

And we won't pull off this transformation unless we're bold about what we achieved going after, bold about the ideas that we're bringing to the table to get us there, and bold about the way we execute and the way we support each other in it.

36:12

And that's going to involve taking risks in some places, probably more risks than this place is culturally used to.

36:18

And so, we're going to have to be bold team to pull it off as well.

36:21

So, I think you're perfect to be quite honest with you.

36:23

And I think that resonated with the Senior Leaders when I talked them through that at the event last week.

36:31

Thanks, Matt.

36:32

That actually that leads nicely onto the final question that I'll post to you today.

36:37

This person's asked.

36:37

I'm keen to get my head around the mind shift required moving from a traditional waterfall to agile style working, how best to handle it and bring others along

36:47

Do you have any particular books, podcasts or any other reading that people can get into over the summer break, so that they can start to get up to speed and understand what we're going to be doing here with the organisation over the next two years?

37:02

That's a big question.

37:05

So firstly, I don't have any front of mind books or other things there.

37:11

I suspect Andy will be the best guy to speak to that.

37:15

So, maybe reach out to Andy offline because I think Andy's done an amazing job of upskilling himself around agile.

37:24

And so, I'm sure he's got some favourites that he'd like to share with you.

37:27

I've had a lot of experience with our job and introducing, pardon me, agile personally.

37:34

So, we introduced Agile to Optus when I was the Chief Transformation Officer there.

37:42

And we were rolling out Agile in Vodafone New Zealand when I was there.

37:47

And this isn't always done well and it wasn't done well at the start I think in Vodafone and there was a need for course correction.

37:55

And sometimes the issue can be trying to do agile in too many places too quickly.

38:05

Some things are well suited to agile and agile ways of working and in particular things like new product design, marketing campaigns.

38:17

And then for us here, I think things like process enhancement, improving services that we provide our customers are very well suited to agile where you can in an agile way try things, test them with customers, adapt them.

38:33

And having those agile teams doing it. In other places, like for example, ERP upgrades or something around Oracle, those are much more suited to waterfall.

38:47

And I was reassured that when I got Andy and Jan to take me through the Business Enablement model that they're putting in place, that I believe they've got the right kind of balance within Business Enablement and technology around what's agile and what's not agile.

39:07

And again, Andy can talk that through much better than I can.

39:11

So, there is not an intention to bring agile widely everywhere across Kāinga Ora, but where there are opportunities, we will take them.

39:21

Now important to stress, while it's not agile in the classical sense of that the housing delivery system is an agile style of intervention.

39:33

It's sort of grounded more in lean operations, but it has got the agile element of those texts and running and learning and adapting as you go.

39:41

So I wouldn't call it classic agile of squads and tribes and all that kind of thing that I absolutely see it's there.

39:48

And look, maybe there'll be some other places that those opportunities come up, but it's not currently the intention to roll out a formal agile model beyond Business Enablement.

39:58

And there's a lot of work to do getting it to work in Business Enablement in the short term.

40:03

So, as I said, reach out to Andy if you've got further questions on that and he certainly, I'm sure, will be happy to share

40:11

the books and other things that he's found most insightful to get the head around that job, how to make the most good.

40:18

Yeah, thank you.

40:18

And I'm just going to say with the Transforming Kāinga Ora Hub that will be launched probably in the next week or so, there'll be lots of information for everyone around different skills, tools that they can utilise.

40:29

So that will be there for people as well outside of just agile and waterfalls.

40:32

So, there's going to be lots of resources available for everyone.

40:35

Yeah.

40:36

And before we wrap, I will say that hopefully the discussion this morning helps you understand where things are at on reset.

40:49

And gives you a bit of flavour about what's the launch of our transformation

40:55

I do not expect you to have fully understood everything talked about today and know exactly what needs to happen from here.

41:03

So, there is going to be a lot more communication, a lot of training and a lot of engagement over the coming months and beyond.

41:11

So, watch this space, you'll need to lean into that.

41:15

There's some really good training that's coming up that I encourage you to participate in where that makes sense and both the Exec sponsors and in turn, through your People Leaders will help drag you into that.

41:27

I do encourage you to lean into this and participate.

41:31

It's important we can deliver it.

41:33

It's going to make a difference for ultimately, our tenants and customers, but it's also going to allow us to work together better and will be a great learning and career opportunity for you all.

41:44

So, thank you in advance for your support of our transformation and watch this space for more support coming for you.

41:51

Thanks, Matt.

41:52

Well, that takes us to the end of the session.

41:55

I just want to remind everyone that if you put questions in the chat and they haven't been answered today, that that will be pulled through into Q&A document that will be available in Matt's communication page.

42:04

So, you can go in there and see all the questions and see all the responses to that.

42:10

So, on that note, I'll close out the session with our Karakia today.

42:15

Kua whiria te pō Kua tomokia te ao Kia puta ai ki te whai ao, ki te ao mārama Haumi e, hui e, tāiki e! Mā te wā

RE: turnaround plan?

Sent: December 17, 2024 4:18 PM

From: [Martyn Watterson](#)

To: [EXT - Mikaela Bossley](#); [EXT - David Chau](#);

FYI

To be attributed to Simon Moutter, Board Chair, Kāinga Ora – Homes and Communities

The Kāinga Ora board and senior leadership support the need for a plan to significantly improve the agency's performance and we are completely aligned with the Ministers of Finance and Housing in this regard.

The independent review into Kāinga Ora identified areas where the agency can do better and we agree with those findings, which in essence require the resetting of the organisation's focus and performance.

The Board has delivered a comprehensive plan to the Government to ensure the organisation is financially sustainable and focused on improving its tenancy management, looking after its homes, and serving communities well.

We have a solid platform to deliver new homes, as demonstrated by last year's delivery of over 4800 new builds.

Mr Crockett was simply recognising that specific achievement in the process of readying the organisation for execution of the plan once it is approved by Government.

Ends//

RE: turnaround plan?

Sent: December 17, 2024 3:56 PM

From: [Martyn Watterson](#)

To: [EXT - David Chau](#);

FYI – here's a transcript from the session where it refers to the plan

- Over to you, Matt.
- Right, thank you, Willow and kia ora koutou everyone.

- If we could move on to the Reset Plan slide.
- Thank you.
- I think as you're all aware, the current Government asked us to submit what they call a turnaround plan that was due in November.
- Simon Moutter, the Chairman and myself have both been clear and have stood our ground that we don't see this as a turn around.
- That's where you take something that's fundamentally broken and fix it.
- And we don't see that as being the case here.
- But we do believe that there's a need to reset.
- And the core of the nature of the reset is in recent years Kāinga Ora has put a huge focus on ramping up our housing delivery and growing more broadly and has done a fantastic job of that.
- But we need to now move into a new phase, which has got more sustainable levels of housing build, more operationally repeatable processes and we need to really get more cost effective and commercially sustainable.
- So, we're going to need to focus more on that cost efficiency side of the equation.
- Importantly, we won't be undermining our tenant and wider community outcomes, but we have to do that for the sustainability of the organization.
- So again, I really encourage you all to have a mindset, given that we've got tight constraints on budgets, on budget deficits and on a debt cap that every dollar we waste and every dollar we're not spending as efficiently and effectively as we can, is a dollar.
- We're not spending on building houses, maintaining houses or providing great support to our tenants.
- Now, I'm really pleased to say that we submitted our Reset Plan on time on November 20.
- I've talked about it before, and I can confirm, I'm confident we've put our best foot forward there.
- So this is our proposed plan.
- It is now under consideration with the Government and expected to go into Cabinet during December.
- So, we'll await feedback from that process and the aim is as soon as possible for us to have a confirmed approved Reset Plan that we can get on with.
- Again, as I've talked about previously, the core of the proposed Reset Plan is actually about delivering on what we've already committed to, in particular the housing, maintenance and financial outcomes over the next two financial years, including this one.
- So again, I would really stress for people, stay focused on the good mahi that you're already doing to deliver against the commitments.

we've already signed up, and we'll await to see the feedback that comes from that plan.

Select committee - turnaround plan KMs

Sent: November 27, 2024 10:48 AM

From: [Martyn Watterson](#)

To: [EXT - Mikaela Bossley](#);

CC: [EXT - David Chau](#);

Hi Mikaela

FYI here are some turnaround plan KMs prepared for the chair and CE ahead of next Tuesday's select committee appearance.

As noted, as the plan has been submitted and is being considered by ministers, they're unable to say anything specific or detailed and that will be their main response.

The messaging does however provide a high level steer on how the plan is geared towards KO delivering on its core functions in a more financially sustainable way etc etc.

Cheers
Martyn

Turnaround plan - select committee messages

- It is important that the Kāinga Ora Board restores confidence in Kāinga Ora, through a credible plan that outlines how the agency will deliver on its core job of providing and managing quality social housing and being a good landlord in a financially sustainable way, so it can continue to meet the needs of New Zealand's vulnerable communities.
- The plan that was provided to Government on 20 November is in response to the independent review into Kāinga Ora led by Sir Bill English and in response to the letter of expectation from the Ministers to the Board of Kainga Ora.
- At this stage, as Ministers are currently considering the plan, we are unable to comment specifically on it.
- What we can say is the plan outlines how Kāinga Ora can reset and renew its operations to better serve New Zealand communities and to ensure a sustainable social housing legacy for future generations.
- By getting back to basics and focusing on our core mission, we will provide safe, warm, dry, homes for those in need and act as a good, supportive landlord to tenants and communities, while ensuring long-term financial sustainability.

Martyn Watterson	
Manager Corporate Communications and Media	s 9(2)(a)
National Services Group	