



WEEKLY REPORT

Kāinga Ora – Homes and Communities

For period ending 12 April 2024

13

Proactive release

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1. Decisions or consultations sought this week

There is one consultation sought this week on the proposed Significant Track Business Case – Ferncliffe Farm.

For upcoming advice to be delivered in the next month please refer to section 5

2. Updates for the Minister of Housing

Kāinga Ora realignment update

- There is an existing realignment programme at Kāinga Ora, the majority of which has been in train for the last nine months with several recent components beginning eight weeks ago. The first part of the programme was to remove 300 vacancies across the business with a saving of \$45m annual reduction in people costs as set out in the BIM.
- The next phase is focused on identifying, and actioning, workflow efficiencies and consequent savings in both delivery timing and quality, and employee numbers. The emphasis has been on ensuring support functions are engaged on delivery of results prioritised by the business, with costs managed assertively, and that all actions are informed by transparent, and cost-conscious, decision-making.
- This work is prior to the outcome of the Independent Review into Kāinga Ora by Sir Bill English and the setting of overall budgets, and these will be incorporated into future change considerations. However, as a result of current work several proposals are being shared with the relevant teams this week which include proposed reductions in employee numbers. In addition voluntary redundancy will be offered to only those people working in areas subject to the review/proposal processes.
- Kāinga Ora has committed to our people whose roles are potentially affected by these proposals that they will be the first recipients of information on proposed reductions. However, should you require a verbal update on draft targets we will be happy to share this with you, and we commit to keeping you informed as our programme progresses, including any subsequent proposals in other parts of Kāinga Ora.
- As with other agencies Kainga Ora will be reporting change data to the Public Service Commission on 15 April 2024.

Next steps

Kāinga Ora will keep the Minister updated on any significant proposals as they are released.

Due

Ongoing

Contact person

s 9(2)(f)(iv)		Due
[REDACTED]		(1) 12 April 2024
[REDACTED]		(2) 19 April 2024
[REDACTED]		(3) Ongoing
Contact person		
Patrick Dougherty	General Manager - Construction and Innovation	s 9(2)(a)

Solar Multiple Trading Trial		
<ul style="list-style-type: none"> From 15 April 2024, Kāinga Ora will begin communicating with around 180 Wellington-based customers about its upcoming solar innovation trial, which will begin staged implementation in late April 2024. Key electricity sector stakeholders are also being briefed on the project to understand its purpose and to mitigate any operational concerns. The trial is managed in partnership with Ara Ake, New Zealand's future energy centre, and is known as a Multiple Trading Trial. It allows Kāinga Ora to make better use of the surplus solar energy generated on our homes in Wellington by monetising the electricity exported to the network. Our customers will continue using their choice of retailer for electricity supply, but any excess solar electricity will be traded on behalf of Kāinga Ora by our chosen retailer, Paua to the People. This approach allows Kāinga Ora to aggregate and trade the energy at spot prices, currently over 20 cents per kwh, compared to customers receiving between 8-17 cents per kwh through individual retailer contracts. The trial is the first of its kind running in the New Zealand electricity market. It aims to demonstrate how well this solution works in practice and help shift the dial towards a more flexible, competitive electricity market for all New Zealanders. To enable the trial, the Electricity Authority has granted Electricity Code exemptions to metering equipment providers Bluecurrent and Intellihub, Wellington Electricity Lines Company and retailer Paua to the People. The exemptions have been gazetted by the Electricity Authority and are described on their website. The Minister of Energy, Simeon Brown has been briefed on the trial by both the Electricity Authority and Ara Ake. 		
Next steps		Due Date
A briefing can be provided to the Minister on request.		N/A
Contact person		
Gareth Stiven	General Manager - Strategy Finance and Policy	s 9(2)(a)

Rotorua Relational Agreement Pilot

- Kāinga Ora is currently trialling a new innovative model for build and material supply contracts to further improve the efficiency of our Housing Delivery System.
- A pilot we are conducting in Rotorua will see us more actively involved in the housing delivery supply chain to increase productivity and deliver homes more efficiently
- The commercial agreement is being co-designed with our supplier and build partner, ensuring aligned outcomes and shared accountability.
- We're aiming to save at least 30% in costs per home delivered, through increased productivity, material savings and reduced overheads through a culmination of our the programme areas.
- As contractual and material supply arrangements are reshaped, these reductions should increase significantly.
- The relational agreement is being piloted on the construction of more than 100 homes across 15 sites in Rotorua scheduled to be delivered through the new Housing Delivery System.
- Our supplier partner, Mitre 10, has recently briefed Minister Simon Watts on this initiative as an example the initiatives it is working on to help reduce waste and emissions, and improve efficiency on job sites.

Next steps

The project is due to begin on the first project sites in early May. Further updates are available to the Minister on request and you will be advised of any significant matters.

Due

N/A

Contact person

Matt Hulett

General Manager - Delivery Transformation Group

s 9(2)(a)

Planned remediation works for s 9(2)(a) homes

Background

- In 2023 Kāinga Ora was contacted by homeowners from a s 9(2)(a) home development in (Napier), with concerns about the building work of their property, including reports of movement and some interior cracking.
- Kāinga Ora contracted Advanced Building & Construction Limited (AdBuild) to build the homes in 2019. The homes were sold to eligible buyers under the KiwiBuild underwrite scheme. The homes met design, consenting and regulatory requirements.
- AdBuild has since been placed in liquidation. Kāinga Ora therefore committed to investigating the issues for the homeowners and engaged GDC Consultants, a structural engineering firm, to carry out an independent survey on nine properties. The tenth property was remediated separately in late 2022.

Current status

- GDC Consultants' preliminary survey work on the nine homes was followed by additional site investigations to verify the proposed solution and prepare a full remediation plan.

- The final survey report for the nine homes concludes the building structures are in good condition and the homes remain safe to occupy.
- The remediation approach recommended by GDC Consultants is to install further sub-floor bracing, to mitigate any movement that might have been encountered. This will be in the form of a timber and plywood frame, to replace the original sub-floor exterior cladding.
- Kāinga Ora will appoint a building contractor to carry out the planned works, which are expected to commence once building consent has been obtained from Napier City Council.

Next steps		Due
Kāinga Ora is now sending communications to homeowners, informing them of the remediation plan and next steps. Further updates are available at the Minister's request.		Ongoing
Contact person		
Patrick Dougherty	General Manager - Construction and Innovation	s 9(2)(a)

Kāinga Ora Building Consent Authority Consentium performance data		
<ul style="list-style-type: none"> • s 9(2)(f)(iv) 		
<ul style="list-style-type: none"> • Consentium has submitted our first data set up to the end of the first quarter of 2024. Consentium's performance remains strong. We reported 932 building consents were processed (490 Building Consent and 42 Code Compliance Certificate). The average live days is 7.4 days for BC issue and 1.7 days for CCC, against a statutory timeframe of 20 days. Both measures are at 99.8 per cent compliance level in accordance with statutory time frames. • We have implemented a regular framework to produce this reporting that will enable ease of collection, consistency and accuracy in processing data in a timely manner. 		
Next steps		Due
Further information on Consentium is available on request.		The data will be published by the week of the 29 April 2024
Contact person		
Nick Maling	General Manager – National Service	s 9(2)(a)

3. Updates for the Associate Minister of Housing, Hon Tama Potaka

Meeting with Kāinga Ora Te Kurutao Group Māori		
<ul style="list-style-type: none"> Te Kurutao Group Māori is seeking an opportunity to discuss the role and function of its Māori housing and development portfolio. This discussion is requested to understand the role it can play to support the increase of supply of housing to iwi ropu Māori across the housing system. In addition to this, Te Kurutao Group Māori would like to discuss its supplier diversity, workforce skills development programmes and commercial partnering Maori – urban development initiatives. Other areas covered by Te Kurutao Group Māori are: <ul style="list-style-type: none"> Māori Housing Delivery Initiatives Kāinga Ora Māori Land Development Feasibility Assessment Reports Kāinga Ora Māori Commercial Partnerships Urban Development Programme Kāinga Ora Māori Supplier Diversity and Workforce Skills Development Kāinga Ora 		
Next steps		Due
If the Minister is agreeable, a suitable opportunity will be found for a discussion.		At the Minister’s discretion
Contact person		
Te Ariki Pihama	Ringa Raupa Deputy Chief Executive - Maori	s 9(2)(a)

Proactive release

4. Summary of papers sent

Paper	Purpose
BN 24 004 Consultation on the Significant Track Business Case – Ferncliffe Farm	The purpose of this briefing is to consult you on the proposed Significant Track Business Case – Ferncliffe Farm.

5. Upcoming advice to be delivered in the next month

s 9(2)(f)(iv)			
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6. Kāinga Ora OIA requests

Reference number	Requestor	Topic	Date due to Minister's Office	Date due to requestor
OI 24 138	Member of the public	<i>Information</i> Request for Kāinga Ora Remuneration Framework definitions	n/a	20/04/2024 extended
OI 24 152	Bonair Action Group	<i>Development</i> Request for information about a Silverdale development	n/a	24/04/2024 extended
OI 24 164	Ohakune Residents and Ratepayers Society	<i>Development</i> Request for information about an Ohakune development	n/a	12/04/2024
OI 24 166	Member of the public	<i>Information</i> Request for information about an IAF project in Whangārei	n/a	15/04/2024
OI 24 170	Member of the public	<i>Developments</i> Request for information about an developments in Tairāwhiti/Gisborne for past ten years	n/a	16/04/2024
OI 24 171	Ohakune Residents and Ratepayers Society	<i>Development</i> Request for information about an Ohakune development	n/a	16/04/2024
OI 24 172	Member of the public	<i>Development</i> Request for information about an Ohakune development	n/a	17/04/2024
OI 24 173	Ohakune Residents and Ratepayers Society	<i>Development</i> Request for information about an Ohakune development	n/a	17/04/2024
OI 24 177	Louis Te nouth (RNZ)	<i>Statistics</i> Request for Healthy Homes statistics	10/04/2024 FYI	17/04/2024
OI 24 178	Member of the public	<i>Information</i> Request for advice provided to Ministers relating to the Sustaining Tenancies Framework since 2023	n/a	19/04/2024
OI 24 180	Member of the public	<i>Statistics</i> Request for information and statistics relating to Winton	12/04/2024	19/04/2024
OI 24 186	Eugene Bingham (freelance journalist)	<i>Statistics</i> Request for statistics relating to tenants and tenancies	11/04/2024 FYI	18/04/2024

OI 24 195	Member of the public	<i>Documents</i> Request for reports relating to Homestar or the Homestar transition standard	n/a	23/04/2024
OI 24 199	Member of the public	<i>Information</i> Request for policy or ministerial decision to increase supported housing services to market level rents	n/a	29/04/2024
OI 24 210	Member of the public	<i>Information</i> Request for expenditure on Public Relations and Communications support	n/a	02/05/2024
OI 24 216	Jacon McSweeny (RNZ)	<i>Development</i> Request for information regarding the Northcote TLC modular build	29/04/2024	06/05/2024

7. Ministerial OIA requests

Reference number	Requestor	Topic	Date due to Minister's Office	Date due to requestor
OI 24 188	Adam Pearse (NZME)	Request for the advice Minister Bishop referred to relating to the decision to end the Sustaining Tenancies Framework	10/04/2024	17/04/2024
OI 24 189	Member of the public	Request for information relating to the decision to end the Sustaining Tenancies Framework	10/04/2024	17/04/2024