

New Zealand has completed its second full week at COVID-19 Alert Level 2, having moved there on 14 May 2020. As we enter a more 'normal' phase of business activity, this publication will move to a monthly frequency and will now be sent to you on the last Friday of each month.

With gatherings increasing to 100 from today, we will be able to open homes, including show homes and sales suites, and development sites for visits. While this change is not an open door for large events, it's a positive step. We will continue to update our guidance as it is released by the Government.

Alert Level 2 measures remain in places for all Kāinga Ora sites and workplaces to ensure everyone's safety, including that of our partners, suppliers and contractors. These align with the **Construction Health and Safety New Zealand (CHASNZ) COVID-19 Construction Protocols**.

This website is updated on an ongoing basis, so please check it regularly for the latest information on how to keep your teams safe. Please also refer to building.govt.nz for latest COVID-19 industry-related updates.

Our priorities

- Health and safety
- Accelerating supplier payments
- Extending retrofit programme
- Keeping you informed

Message from our land development, construction and urban planning leaders

The lockdown period and its aftermath has had a range of impacts on the way Kāinga Ora does business, but one thing that has not slowed down is our payments to our suppliers.

You'll read more on the next page about our ongoing work to ensure our partners and suppliers get paid more rapidly. That initiative began in lockdown and adheres to the **Construction Sector COVID-19 Response Plan**, which has an aim of keeping cash flowing in the sector. Kāinga Ora is part of the Construction Sector Accord, which is leading the Government-industry COVID-19 response.

As you might expect, Kāinga Ora has had a number of approaches recently from firms that have not built for us before.

In Auckland, we are encouraging new applications for the construction of multi-level apartment buildings. However, it is unlikely we will take on new construction partners in either Auckland or Christchurch for single-level or two-storey state homes in the immediate months ahead as we are at capacity with our current contracts.

We are open to looking at land and development proposals for these two centres and elsewhere, and would welcome conversations with interested groups. We are actively recruiting builders throughout the rest of the country for the construction of new homes of various typologies.

We are also seeking builders to join our retrofit programme. Through this programme, we are upgrading and improving our older homes to enhance the wellbeing of our customers. The programme's objective is to bring the homes up to, or above, the new build and 6 Homestar standards – adding another 50 years to the life of the property.

Following our successful pilot in the Hutt Valley, Kāinga Ora is extending the retrofit programme to 18 new centres across New Zealand. If you are interested, please take a look at the information on **Tenderlink** and the Government Electronic Tender System (GETS).

Panels currently open on Tenderlink:

- HNZN-755825: 100% HNZ Redevelopment Panel for Auckland
- HNZN-759297: Offsite Manufactured Solutions Panel
- HNZN-827333: Regional Development Panel
- General Reinstatement Panel (to be released June 2020)

In early May we released to market an RFP for the Porirua Civils Alliance programme. Over seven years, this civils alliance will deliver a \$350 million programme of civil design and construction works for the **Porirua Development**, a 25-year project in partnership with Ngāti Toa Rangatira and the Porirua City Council to regenerate Eastern Porirua.

The New Zealand Construction Industry Council (NZCIC) has raised with us directly a number of concerns relating to our procurement practices, and we plan to meet with its Chair Graham Burke and some NZCIC members to explore these.

In the last bulletin we let you know about the work we're doing to revise our consultancy agreements. While we like to hear about what is working, it's also important that we learn about what aspects of our business practices are not working for our partners and the wider construction industry. You can contact us directly or via updates@kaingaora.govt.nz.

We are increasing our use of offsite manufacturing (OSM) for our state redevelopment build programme, which has more than 3,000 homes under construction or contracted. Not only will this help our capacity to deliver more homes at a greater pace, it has the potential to support regional growth and diversity in the construction industry.

We have analysed our current build programme and almost 15 percent of homes in procurement or under construction use either timber or steel offsite solutions. That comes to almost 40 percent if we include concrete offsite panels.

You can hear more about our plans to increase the use of OSM when Patrick Dougherty speaks at the **PrefabNZ CoLab20 Virtual Conference** on 11 June.



Patrick Dougherty
Construction and Innovation,
Deputy Chief Executive



**Caroline McDowall and
Mark Fraser**
Urban Development – Delivery,
Deputy Chief Executives (Joint)



Katja Lietz
Urban Development – Planning,
Deputy Chief Executive

Prompt payments provide silver lining

A Kāinga Ora initiative to pay build partners and suppliers within 10 working days is to remain in place permanently, effectively halving the time it used to take.

The prompt payment scheme, introduced during the COVID-19 lockdown, aims to have all invoices matched, receipted, confirmed and paid as quickly as possible. For most suppliers this is well within a 10-day timeframe. Prior to the lockdown, the default payment cycle was 20 working days.

The State Services Commission requested all government agencies make payments within 10 days. However Kāinga Ora made this change before we were asked to.

Signature Homes Chief Executive Gareth Ready says the fast-tracking of payments has helped immensely during a period of great uncertainty.

“Prompt payment provides a lot of surety and allows you to have a more efficient cashflow model. It also has a good flow-on effect for sub-contractors and suppliers.”

“Having this payment model in place permanently will be one of the silver linings to come out of COVID-19.”

Kāinga Ora Construction and Innovation Deputy Chief Executive Patrick Dougherty says the organisation is committed to making it as easy as possible for partners and suppliers to do business with Kāinga Ora so that, together, we can continue delivering thousands more warm, dry and healthy homes.

“Since the rapid payment model was rolled out, we’ve made almost 13,400 payments totalling more than \$430 million. The bulk of these invoices were processed within five days.”

“We’re pleased with the response we have had to this initiative, and thrilled our build partners and suppliers will continue to benefit from this scheme moving forward.”



The Signature Homes team: Gareth Ready, Chief Executive; Michelle Brown, Project Administrator; Donna Halford, Project Administrator; and Darryl Mackenzie, Technical Manager

Introducing the Kāinga Ora Landscape Design Guide

Kāinga Ora has launched a design guide on landscaping standards to help deliver sustainable landscaping in our state and transitional housing developments.

The Landscape Design Guide for State Housing was largely compiled by Senior Urban Designer Nick Karlovsky and supported by Senior Landscape Architect Rob Bark in collaboration with landscape architecture consultants Greenwood Associates.

The guide contains 10 key design principles that inform different components of the landscape design process. These principles reflect the priorities, values, and expectations for the landscapes within our developments to ensure quality outcomes for Kāinga Ora, our customers and the neighbourhoods they live in.

“Landscaping plays an important role in community building and place making,” Rob says. “With the number of new housing developments we have in the pipeline over the next few years, this guide will help us to create thriving communities.”

The guide sets out expectations for community focal points, seating, transport connections, streetscape layout, fencing, trees and other vegetation, and maintenance.

“Kāinga Ora aims to start implementing the thinking within the guide across all of our projects as soon as practicable,” Rob says.

The Landscape Design Guide will be made available to Kāinga Ora consultants to ensure the guidance is implemented across our entire state housing and transitional housing portfolios.



Kāinga Ora Landscape Design Guide for State Housing



Our housing developments such as the corner of Great North Rd and Titirangi Rd, Auckland, draw on the design principles outlined in our Landscape Design Guide.



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