

07-08-2020

Construction Plan External Briefing

Patrick Dougherty, DCE, Construction
and Innovation

Rohan Bush, Chief Advisor, Construction
and Innovation



Construction Plan Briefing: Agenda

| Time | Agenda Item |
|---------|--|
| 9.00am | Introductions |
| 9.15 | Global View of Construction with Q+A |
| 10.00 | Construction Plan Presentation |
| 10.30 | <i>Comfort Break</i> |
| 10.45 | Breakout session – visit two of the five Priority Area tables |
| 11.00 | Breakout session – option to swap tables |
| 11.15 | Construction Plan Performance Measures + Next Steps |
| 11.30 | Pass the microphone – summary comments invited |
| 11.50 | Summary |
| 12.00pm | Close |

Section 1

A global perspective

Auckland

Mark Farmer, Cast Consultancy
(UK)

+

Wellington

Helena Lidelow, Lindbacks / Lulea
Technical University (Sweden)



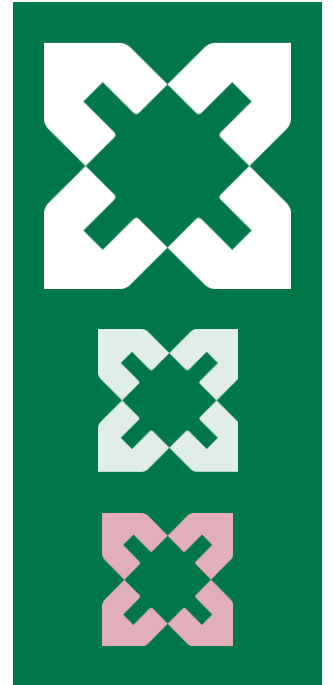
Section 2

Our context and our opportunity



About Kāinga Ora - Homes and Communities

- Kāinga Ora, a new Crown agency, established on 1 October 2019.
- The name Kāinga Ora means wellbeing through places and communities.
- This brought together the people, capabilities and resources of;
 - KiwiBuild unit from MHUD
 - Housing New Zealand
 - HLC



The six outcomes



Sustainable communities



Quality and affordable



Partnering with Māori



Dignity and independence

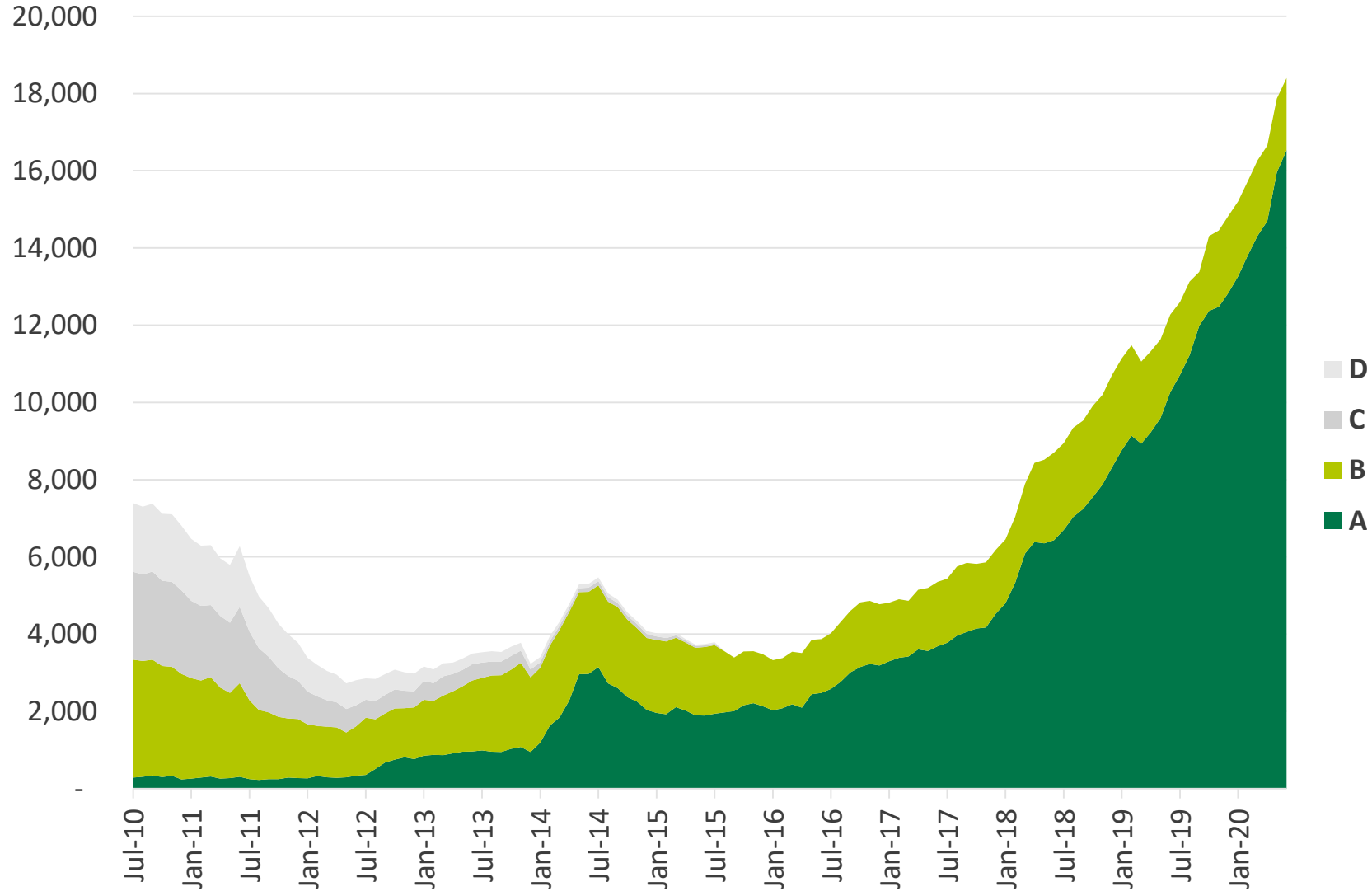


Environmental wellbeing

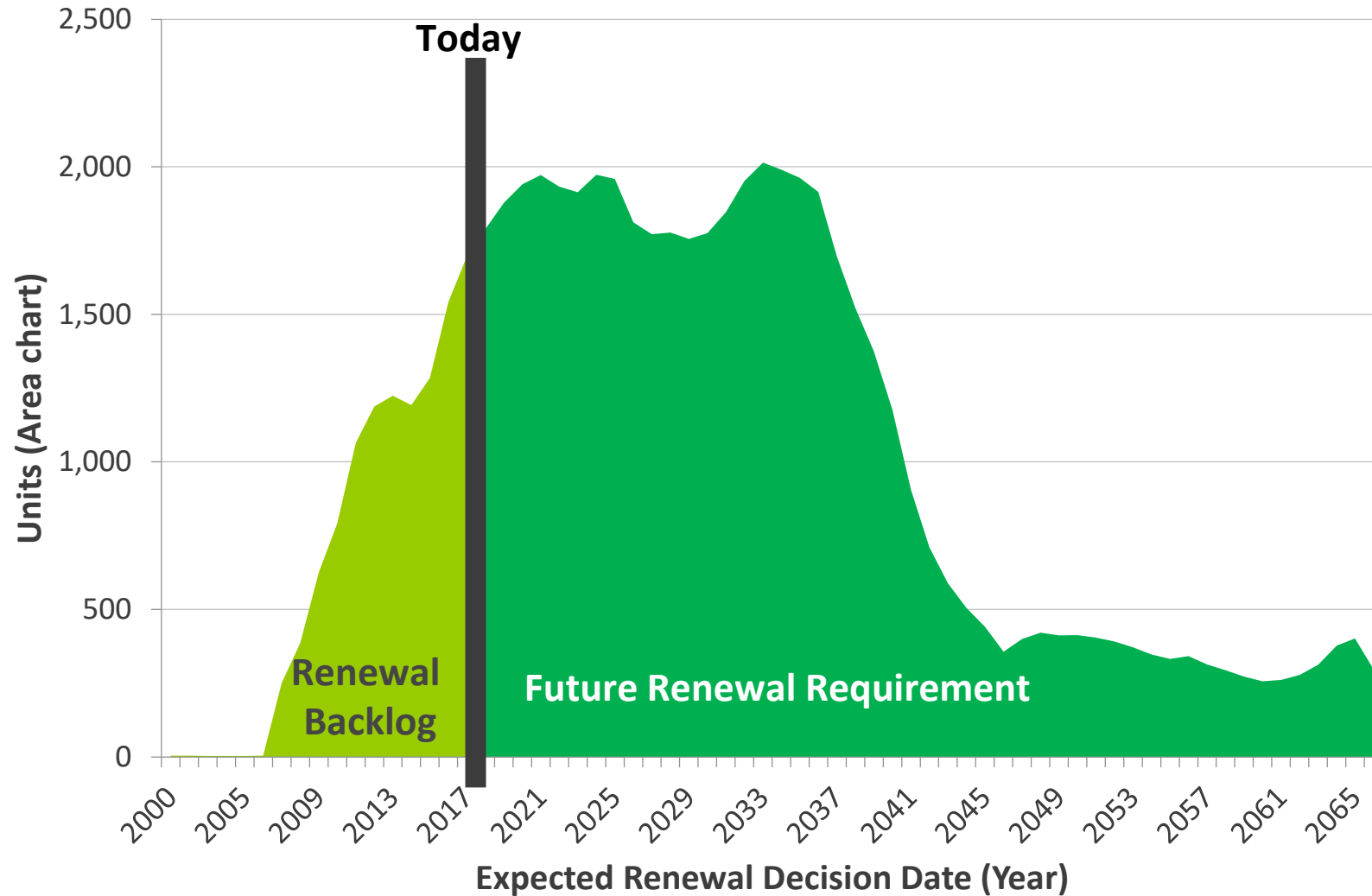


System transformation

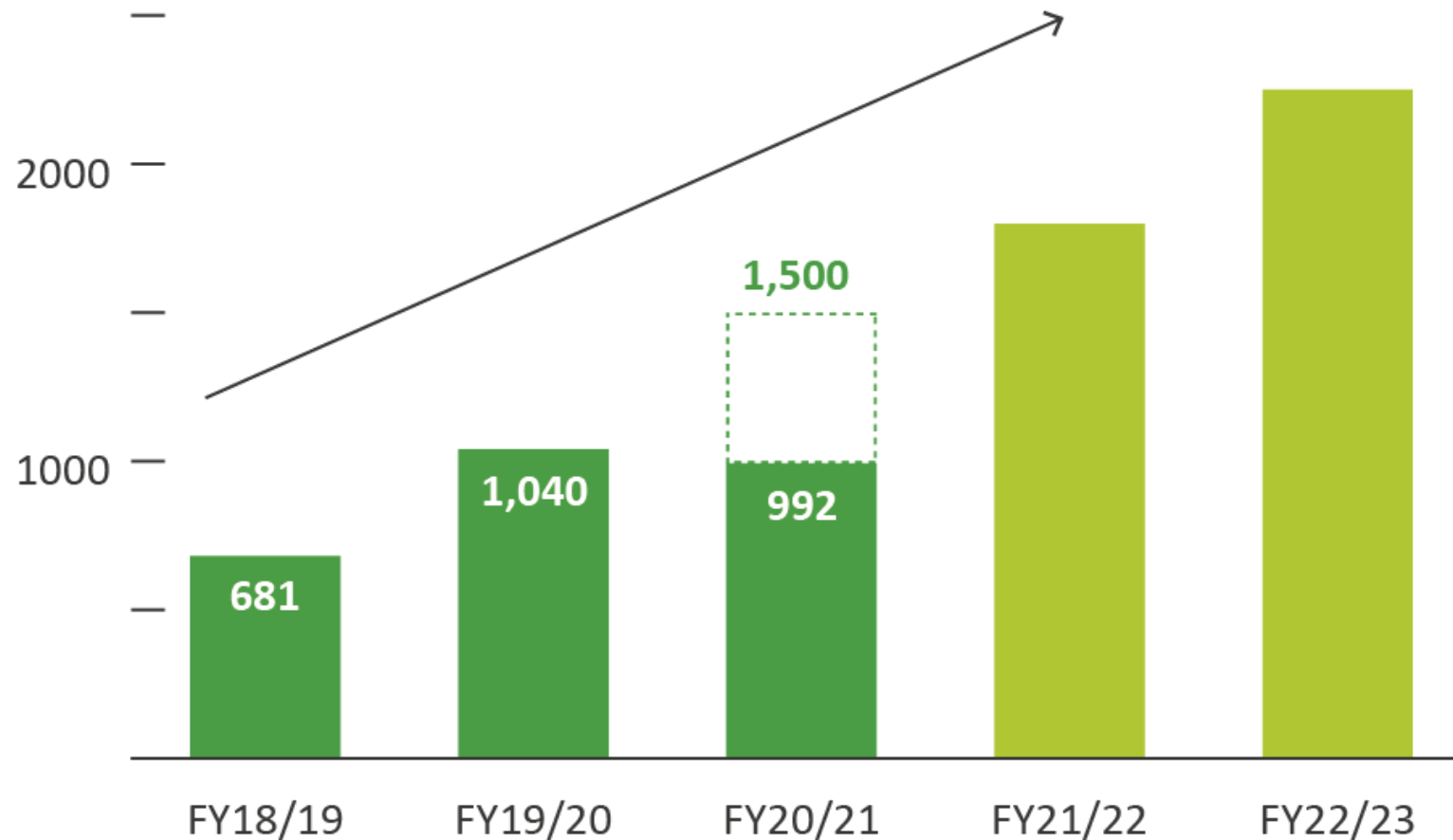
Public Housing Register @ 30.6.20



Forecast of dwellings in need of renewal



Meeting growing demand – with you



Customers

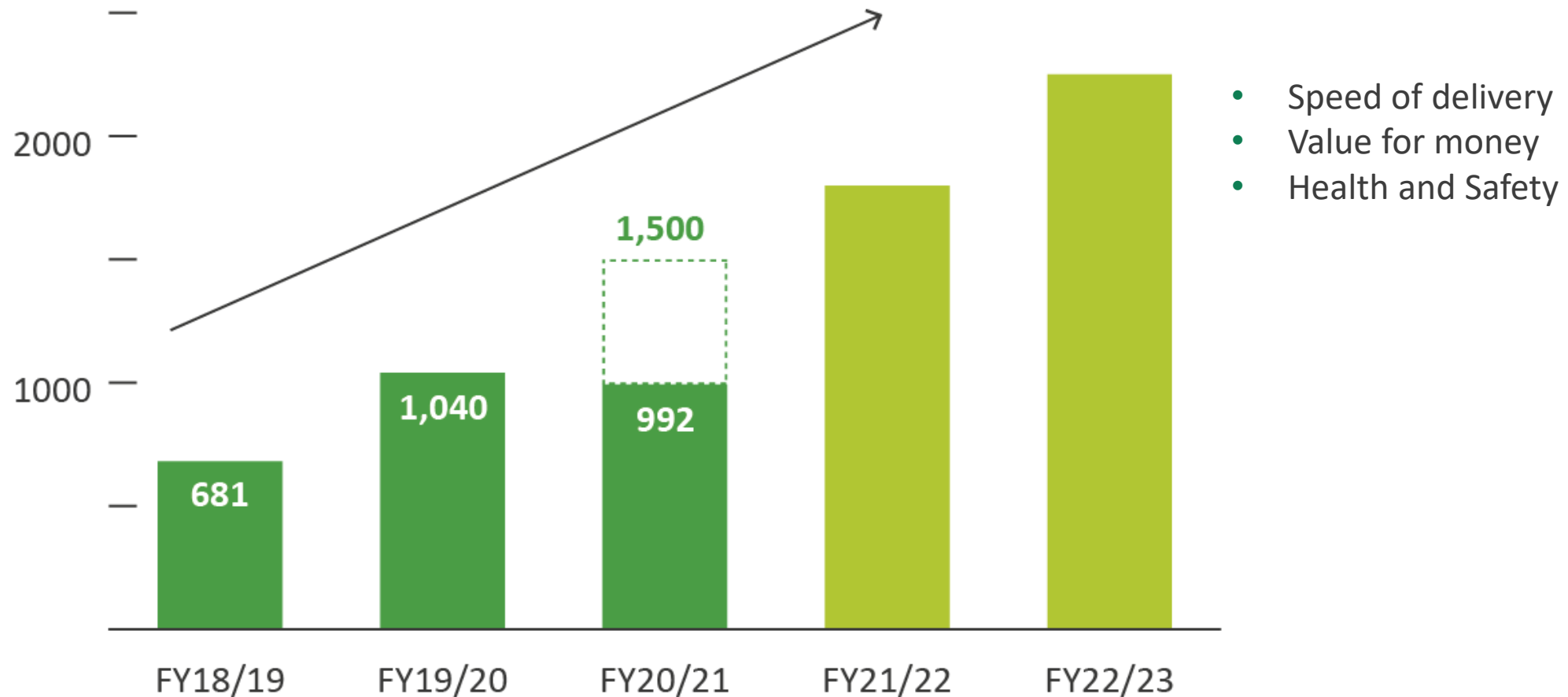


Community

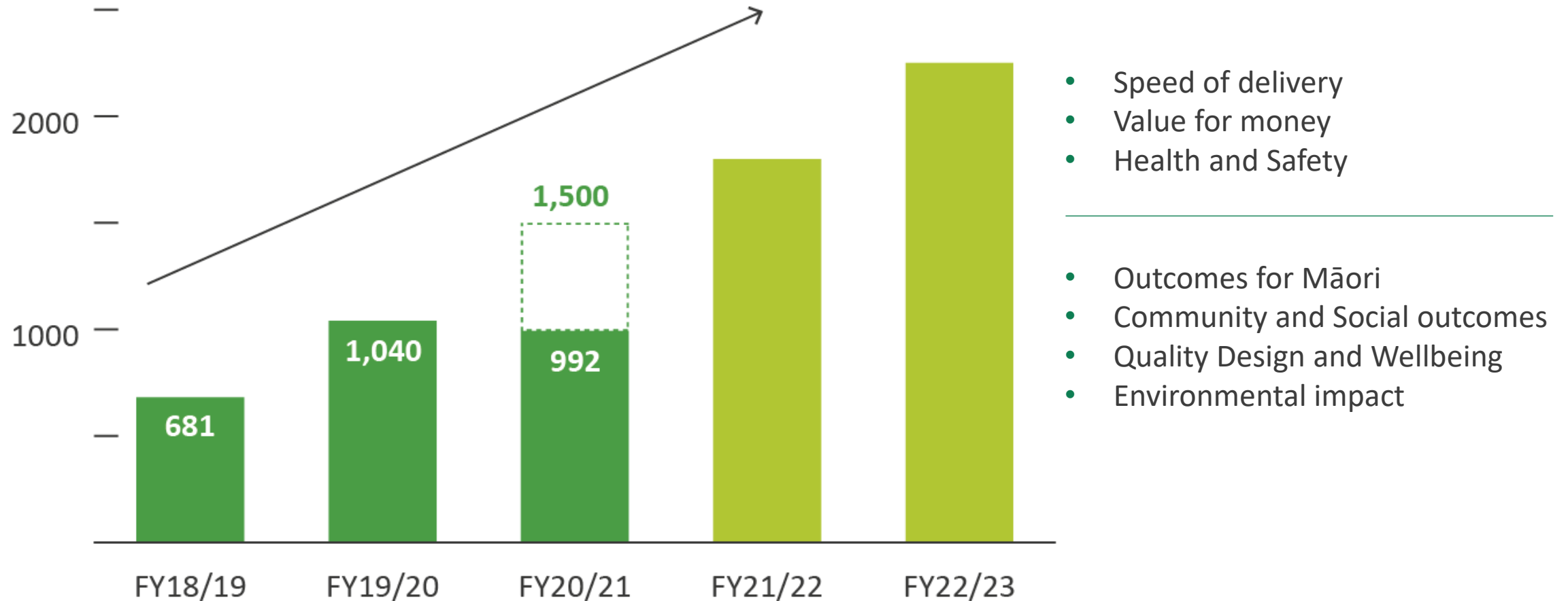


Suppliers

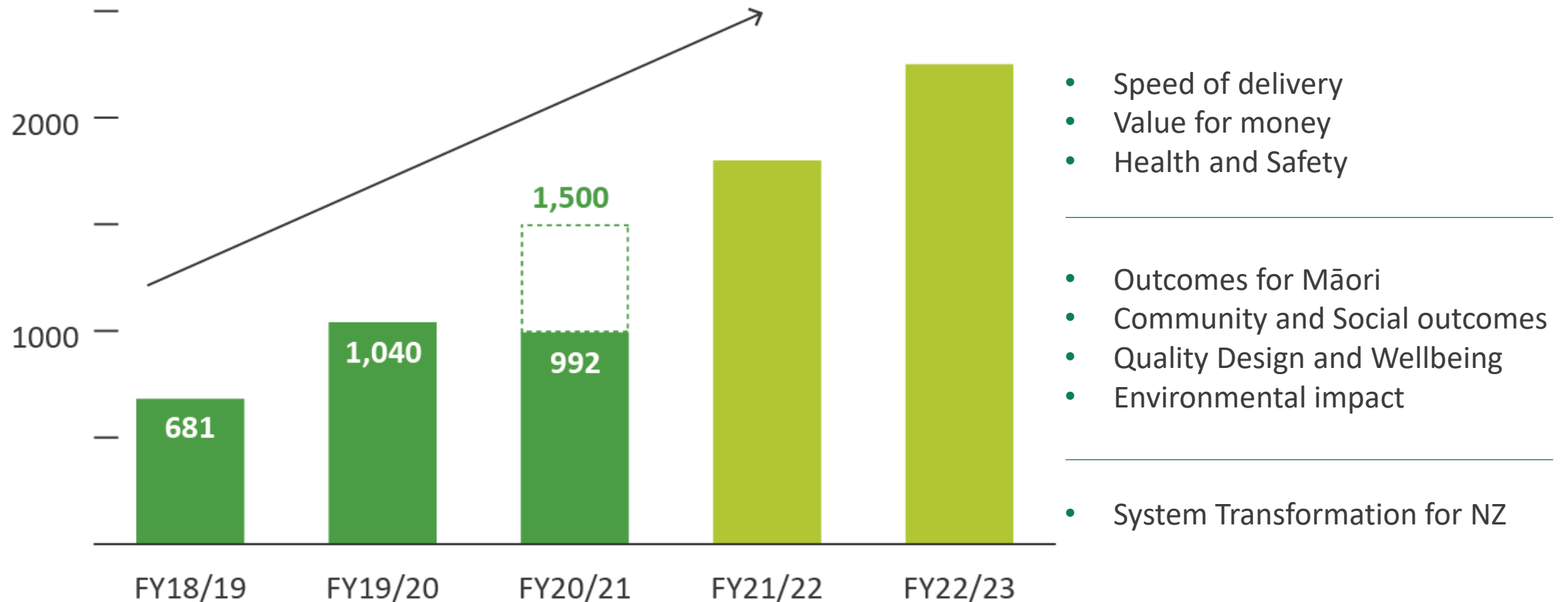
Meeting growing demand + doing it better



Meeting growing demand + doing it better



Meeting growing demand + doing it better



Construction Plan: our new context

We have used **six principles** to guide our **COVID-19** responses:

1. Keeping our people and our contractors **safe and healthy**
2. Doing **no harm** to anyone we come into contact with
3. Providing regular and open **communications**
4. Supporting **our customers** to stay safe and healthy
5. Supporting **our suppliers and partners** to stay in business
6. Ensuring our decisions are made based on **facts**



Section 3

Our approach



Why we need a Construction Plan

The need for **internal transformation**:

- Be a more effective partner
- Learning to deliver at scale
- Greater transparency + sharing knowledge
- Consistency + lean delivery
- Commitment to ongoing innovation
- Standardise smarter
- Be bolder

The need for **System Transformation**:

- Skills + labour shortages
- Poor Health & Safety
- Slowness to innovate incl offsite / MMC
- Lack of collaboration + knowledge sharing
- Fragmented leadership
- Poor risk understanding + lack of trust
- Poor business management
- Poor procurement
- Low margins

Building on Innovate Partner Build (IPB) success

| | | |
|---|--|--|
| \$105m projected savings over 3 years | -10weeks reduced time in procurement thru CPA | \$52.8k average contracted savings per unit through CPAs in Auckland |
| 9 CPA 3 year Contracts across 7 build partners | 1600+ standard plan houses contracted through CPA over 3 years | Construction Partner Management team established |
| CONSENTIUM BCA established | 51% reduction in days for consenting based on Auckland BCA pilot | 75% standard plans multiproofed |
| 72 apprentices recruited and supported | Construction Sector Accord establishing and coordinating industry engagement | 62 suppliers engaged in the materials supply chain |

Relationships

‘The Kāinga Ora team is open to new ideas and appreciates good design—always with the occupant in mind.’

‘Through the use of rational designs, standardised typologies and modular building forms, we are reducing cost and time in the delivery of projects.’

peddlethorp



<https://architecturenow.co.nz/articles/state-housing-the-new-generation/>

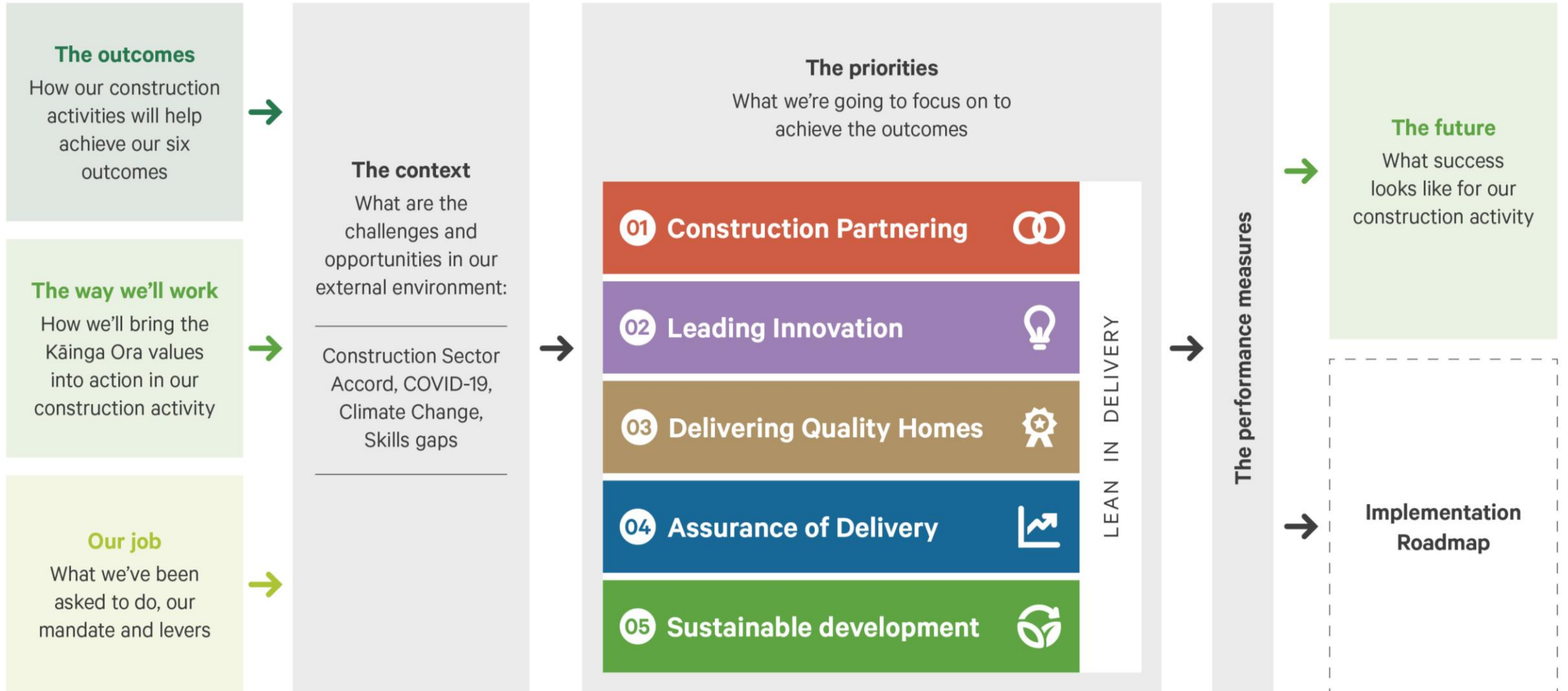
We are **transforming**
ourselves +
together **we will transform**
the construction system

Section 4

Our Construction Plan Overview



Construction Plan Overview



Supporting industry transformation



Construction Plan: Pipeline Reporting (October 2020)

What we will measure,
report or share quarterly:






- 1 Location:** Region, City, Suburb
- 2 Typology:** House (Duplex or Terrace), 3 Level Walk-up (3LW) or Apartment (2-3 Storeys or 4+ Storeys) + New Build or Redevelopment
- 3 Scale:** Approx. number of housing units + projects
- 4 Status:** Scope (planned or completed), tendered, contracted, under construction, completed
- 5 Future Intentions (3-4 years / 5-10 years):** Region, typology, issue of Request for Pricing (RFP) month / year, size of project

Section 5

Priority focus areas



Construction Plan: our Priority Focus Areas

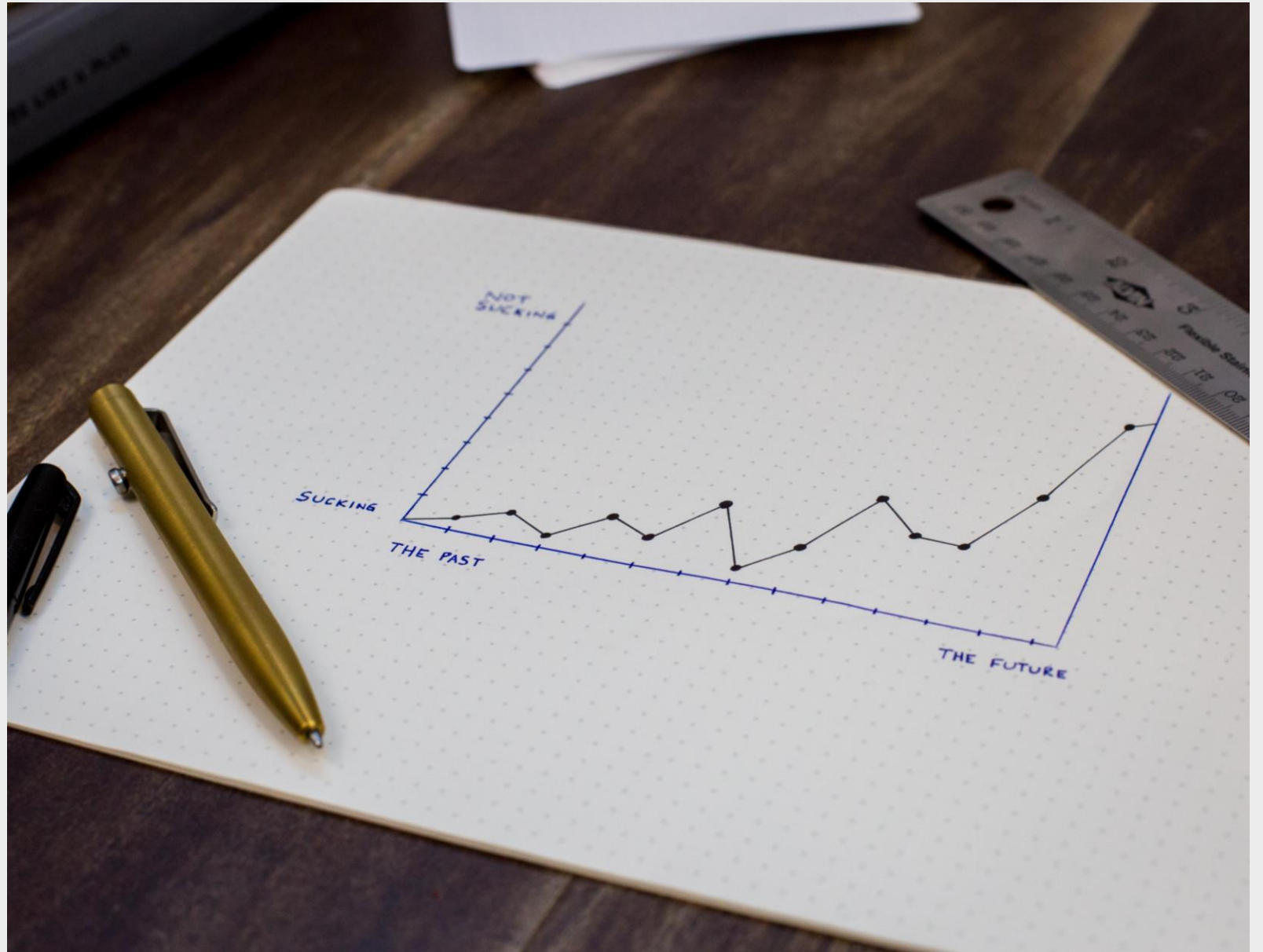
| | Our 10 big shifts: | What it means to you: | What it means to industry: |
|---|---|--|--|
|  Partnering | <ol style="list-style-type: none"> 1. Partnering with Māori on more contracts 2. Expanding capacity partnering agreements + including consultants | <ul style="list-style-type: none"> ✓ More opportunities to partner ✓ Clear roles + ways to engage ✓ Partnering agreement contracting | <ul style="list-style-type: none"> ✓ Collaborative shared pathways ✓ Inclusive + consultative engagement ✓ Longer-term agreements |
|  Innovation | <ol style="list-style-type: none"> 3. Creating innovation programme + process from R&D to BaU 4. Mainstreaming offsite / MMC + digital | <ul style="list-style-type: none"> ✓ Invitations to pitch more ideas ✓ Potential to fund innovative ideas ✓ Support to understand + integrate offsite + digital | <ul style="list-style-type: none"> ✓ Collaborate + share both risk + reward ✓ Open-source transparency ✓ Collaborate on testing + R&D |
|  Design Quality | <ol style="list-style-type: none"> 5. Repeating 'plug+play' components 6. Designing for whole-of-life | <ul style="list-style-type: none"> ✓ A clear definition of what is needed ✓ Specialisation growth opportunities ✓ Measuring whole-of-life | <ul style="list-style-type: none"> ✓ Shift from lowest cost to whole-of-life ✓ Open-source access to repeatable components, designs + their makers ✓ A platform-based design approach |
|  Delivery | <ol style="list-style-type: none"> 7. Sharing our forward growth programme 8. Delivering consistent projects + programmes | <ul style="list-style-type: none"> ✓ Using data, measuring + improving ✓ Iterative feedback loops to learn ✓ Deliver more, faster, with better processes | <ul style="list-style-type: none"> ✓ A culture of continuous improvement ✓ Share, collaborate, open-source... ✓ At scale at pace = growth + better |
|  Sustainability | <ol style="list-style-type: none"> 9. New homes reaching zero carbon 10. Reducing waste in design + construction | <ul style="list-style-type: none"> ✓ Measuring + valuing carbon ✓ Shared ways to measure waste ✓ Moving ahead of regulation | <ul style="list-style-type: none"> ✓ Market for zero carbon products ✓ Industry agreed waste standards ✓ KO as a market-maker + leader |



GROWTH

Section 6

Our Performance Measures



Performance Measurement

Monitoring and evaluation is critical to ensure long-term success of initiatives, plans and actions.

It will help demonstrate accountability to stakeholders and communities.

By measuring the performance of each priority we will:

- Understand our contribution to broader **wellbeing outcomes** for New Zealanders.
- Monitor and report progress towards our **inputs, activities , outputs and outcomes** and make changes when needed.
- Track the **effectiveness of initiatives and projects** over time.
- Make **informed decisions based on facts** on what services to deliver, policies to work on and what capability to invest in.

Performance Measurement – potential measures

- Number of state **homes completed** for retrofit programme
- Number of **newly constructed** state + supported homes
- **Sustainability** – carbon impact, Homestar rating, diversion of construction and demolition waste
- **Quality and wellbeing** – warm and dry, safety in design, urban design
- **Innovation** – use of OSM and innovative solutions, digital uptake, use of BIM.
- **Social** – number of **new trainees** actively engaged and sustained in apprenticeship programme
- **Partnering** – percentage of programme contracted through partnerships + with Maori
- **Cost and value** – whole of life measures
- **Time** – percentage of homes delivered within agreed timeframes

Timeline + Next Steps:

- **Briefings + workshops – early August:**
 - 12th August - Innovation – driving change through the build programme
 - 13th August - Quality, Design and Sustainability
 - 14th August - Partnering and programme delivery
- **Test + refine the plan – late August**
- **Write final plan – September**
- **Kāinga Ora Board approval – October**
- **PLAN RELEASE + INDUSTRY WORKSHOP – Rebuilding Nations, Infrastructure NZ – October**
- **Implementation planning + delivery – November onwards**

Section 7

Your feedback