

31 January 2025

Bernard O
fyi-request-29206-51a42d1a@requests.fyi.org.nz

Dear Bernard

Thank you for your request dated 14 November 2024 under the Official Information Act 1982 (the Act) requesting information to respond to 18 questions from Kāinga Ora – Homes and Communities.

On 12 December 2024 we extended the timeframe of your request to 31 January 2025 to allow us time to consult with the appropriate Kāinga Ora employees.

Relevant Kāinga Ora staff have been consulted and I have provided responses to your questions below.

- 1) ***During its existence exactly how many lettable units have been delivered, by financial year, using only the Velocity/HDS system?***
- 2) ***During the same period above, how many lettable units have been delivered under the Construction and Innovation teams?***

From 1 June 2022 to 31 October 2024, Kāinga Ora delivered 536 lettable units through the Housing Delivery System (HDS). Over the same period its Construction and Innovation teams were responsible for the delivery of 4,335 lettable units.

The HDS is designed to scale as needed and has evolved significantly since it was first established, which has included a robust testing programme.

Delivery through this operating model continues to increase, as part of our commitment to deliver and renew Kāinga Ora social housing as cost-effectively and efficiently as possible.

The Housing Delivery Group (HDG) was established as a result and officially begins its operations next Monday (3 February 2025). The HDG brings together three groups — Construction and Innovation, Commercial, Urban Planning and Design — into one group responsible for carrying out our build and renewal programme.

The HDG is tasked with delivering the development, construction, remediation and retrofitting, acquisition and divestment targets for Kāinga Ora.

Financial year	Construction and Innovation	Housing Delivery System
2022/23	1,594	30
2023/24	2,494	377
2024/25 YTD*	247	129
Total	4,335	536

* Year-to-Date as at 31 October 2024

- 3) ***During the same period, what is the Whole Of Life Cost (per the crown legislative description WOLC), of the Velocity/HDS housing systems including all preconstruction, all external consultancies and contractors, all internal resources by wages, all consenting costs, and all construction delivery costs incurred for the entire programme? Exclude shared centralised services within Kainga Ora.***
- 4) ***What is that WOLC of the Velocity/HDS model, divided by the number of units physically delivered per financial year, as a per unit cost, by financial year?***
- 5) ***During the same period, with the same whole calculation of contributed spend as above, what is the WOLC of the Construction and Innovation delivered units, as a per unit cost?***

There is no WOLC reporting at Kāinga Ora therefore I am refusing questions 3, 4 and 5 of your requests under section 18(e) of the Act as this information does not exist.

- 6) ***How many lettable units has the Velocity/HDS team demolished, where new lettable units have not been established on those pieces of land to this day?***
- 7) ***Same question above for Construction and Innovation demolitions?***
- 8) ***How many of the demolitions mentioned above, had FULL BRIEF APPROVAL to proceed with redevelopment vs how many were demolished without full approval to proceed with redevelopment, split by Velocity/HDS and C&I?***
- 9) ***Of the above 2 answers, how many of those undelivered sites are currently underway and expected to be completed in FY25, split between the two programmes?***

I can advise that the total volume of demolitions that have taken place from July 2022 to October 2024 is 2,018 units. However, we do not track the information in a manner that would enable us to differentiate in the way necessary to provide the detailed comparisons that you have requested. For us to provide these detailed comparisons, we would need to generate new processes, procure additional tracking tools, and conduct detailed analysis, which would take significant time.

For the reasons given above questions 6, 7, 8 and 9 of your requests are refused under section 18(f) of the Act as the information requested cannot be made available without substantial collation or research. The greater public interest is in the effective and efficient administration of the public service.

- 10) ***How many sites has Velocity/HDS worked on, where Construction and Innovation teams completed the preconstruction and/design phases and were then required to pass across to Velocity/HDS, over the past whole period?***

In December 2023, 21 projects with a total of 178 units were approved to be transferred from Construction and Innovation to the Housing Delivery System team for consideration.

All those projects underwent a pipeline review to ensure they met value-for-money metrics and aligned with the regional targets. Some of the projects have been re-briefed and consequently typology and number of units has changed.

Out of those 21 projects initially handed over to Housing Delivery System for consideration, it was decided that two projects would be handed back to Construction and Innovation.

- 12 projects have been handed back to Development Strategy.
- 4 projects (3 Housing Delivery System, 1 Construction and Innovation Group) are part of the FY26 pipeline review which is currently underway.

- 5 projects (4 Housing Delivery System, 1 Construction and Innovation Group) are actively worked on with a planned delivery in FY25.

In February 2024, an additional 5 projects with a total of 51 units were approved to be transferred from Construction and Innovation to the Housing Delivery System team for consideration. Those additional projects also underwent the pipeline review and as a result were returned to Development Strategy.

11) How many sites has Velocity/HDS worked on, including preconstruction, where the site was then passed to Construction and Innovation because it couldn't fit the Velocity/HDS delivery model?

Nil.

12) How many sites has Velocity/HDS started work on, including preconstruction, where the site was paused or cancelled because it couldn't fit the Velocity/HDS delivery model?

Nil.

13) What are the reasons why those Velocity/HDS projects were either paused, cancelled, or passed onto C&I to complete, separated and numbered by main category?

Nil.

14) What is the total cost of preconstruction, planning, consulting, design, consents of the sites Velocity/HDS were unable to complete, and was that cost included in the WOLC of the delivered lettable unit calculation?

Nil.

15) What has been the ongoing employment costs of all Velocity/HDS staff, internal and external, including all external consultants on fixed term contracts, by month and financial year over the entire period? (Excluding shared centralised resources)

16) What has been the ongoing employment costs of all C&I staff, internal and external, including all external consultants on fixed term contracts, by month and financial year over the same period? (Excluding retrofit staff and consultants, and shared centralised resources)

In response to questions 15 and 16 of your request, the table below show the personnel costs for C & I and HDS staff by Financial Year.

Personnel costs for C & I and HDS staff by Financial Year

Personnel costs (\$)	FY2022/23	FY2023/24	2024/25YTD*
C&I	26,383,534	24,892,110	6,547,626
HDS	5,890,600	11,370,414	4,449,699

* Year-to-Date as at 31 October 2024

Concerning the monthly personnel costs for C & I and HDS staff, I refer you to the two spreadsheets attached which provide the information by month.

17) What has been the cost, per financial year, of the Velocity/HDS teams additional private building leased in Newmarket Auckland?

For the building leased at 79 Carlton Gore Road, the current annual amount for rent, carparks and OPEX for FY2024/25 is:

- Rent	\$1,439,610 + GST
- Carparks	\$186,389 + GST
- OPEX	\$341,432 + GST

Total: \$1,967,431

This covers two floors which are managed on two separate leases and have been combined for the purpose of this response.

18) Multipart question: What is the cost, per financial year, of the main Kainga Ora Newmarket building? And; how many seated desks with monitors were set up in that entire main Newmarket office in 2022? And; how many of those desks have now been left unusable over the past 1-2 years because the monitors were removed to be instead taken to the Velocity/HDS building, rendering large parts of the main leased building unusable?

For the building leased at 107 Carlton Gore Road (the main Kāinga Ora Newmarket building), the current annual amount for rent, carparks and OPEX for FY25 is:

Rent and carparks	\$2,763,802 + GST
OPEX	\$455,931 + GST.

Total: \$3,219,733

In 2022, there were 430 sit/stand desks with two monitors each, and 32 static desks with one monitor each, set up in 107 Carlton Gore Road (the main Kāinga Ora Newmarket office).

There are currently 42 sit/stand desks without monitors on level 2 at 107 Carlton Gore Road.

Monitors from these sit/stand desks were removed in January 2023 to accommodate Housing Delivery System contractors who needed to bring their own monitors. This was done to accommodate one 'Mini Business Unit' (MBU) based at 107 Carlton Gore Road. This MBU was later moved to 79 Carlton Gore Road.

Removing monitors does not make the desks unusable. Every employee within the organisation has been issued with a laptop so they are able to work at desks without monitors if required.

Repurposing equipment and furniture are an ongoing exercise to ensure we use our resources efficiently, deploying them where there is highest need.

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 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-requests/> with your personal information removed.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'CMcDowall', enclosed in a thin black rectangular border.

Caroline McDowall
General Manager – Housing Delivery Group