



---

# Using construction to create better local economic, social & community outcomes for Māori

Progressive procurement strategies with Warner Cowin

**Warner Cowin** | Founder & CEO, Height Project Management

**MAORI RŪMA INGOA**  
ENGLISH ROOM NAME

## Unemployment

**9.0%** for Māori

**4.9%** for all New Zealanders

**9.5%** for Pasifika (*December 2020 MBIE*)

## Unemployment

Māori rates are **4X** the European rate

Pasifika rates are **6X** the European rate

the rates of severe housing deprivation were **highest among Pasifika and Māori** under the age of 24

**14.6%** of all children

**18.5%** of all Māori children

**20%** of all Pasifika children

Household income **less than 50%** of median before housing costs

## Poverty

**18.2%** of all children

**20.8%** for Māori children

**19.8%** for Pasifika children

Household income **less than 50%** of median after housing costs

## Poverty

# Question

**What economic, social, cultural or environmental change do you want to affect in your community?**

# Objectives

- Social and economic potential in infrastructure
- Broader outcomes 101
- Practical Iwi / Community Engagement in Infrastructure
- Building business capability



Meet Martin

Yakas Construction  
- Kerikeri





# Meet Māori business

# Māori / Pasifika Business and the Construction Market

- 271 businesses
- 50% businesses “mum and dad” type of business
- Turnover of less than \$500,000
- Twelve of the 271 businesses turnover > \$5,000,000
- Most businesses under 10 full time employees
- 22% of the businesses - 10-50 full time employees
- 2% (6 businesses) -100 full time employees

*Source – Amotai May 2020*

# The challenges faced by Māori / Pasifika construction businesses (and all SMEs)

- Resources – they are busy, on negotiated private work
- Access to capital
- Ability to scale and grow – systems and processes
- Cash flow
- Relationship based contracting – not commercial
- Limited number can act as primes (sub-contractors)
- Comparatively little formal compliance i.e. HSEQ plans and associated certification






Meet Kat Kaiwai

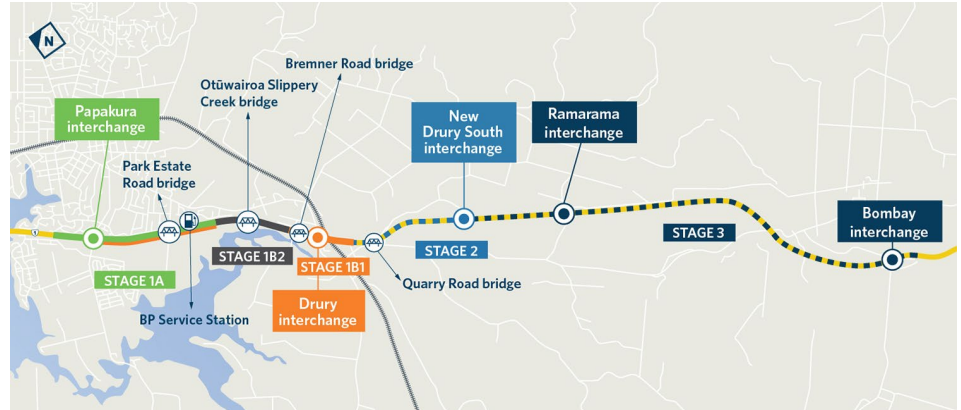
Tairāwhiti Contracting  
- Ruatoria





# Social Potential with infrastructure

# SH1: Papakura to Drury: \$655M



# Breaking it down (approximates)

---

- 10% - Planning and Design Services
- 90% - Construction

## CONSTRUCTION

- 40 – 50% Labour
- 30 – 50% Materials
- 10% Plant

# 40 – 50% Labour

---

At the peak of this job 300 – 400 on-site or supporting this project

- 30 – 50% on-site staff trainees
- 10 – 30% design staff trainees, cadets, and graduates

Supplier / Subcontract opportunities

- 30- 90% - Construction activities subcontracted

# Planning and Design Services

Category	Opportunity
Community Engagement and consultation	Community engagement
Town Planning	Town Planners / Resource Management Lawyers
Consent application	Town Planners / Resource Management Lawyers
Consent monitoring regime	Town Planners / Resource Management Lawyers
Design intent and visualisation	Traffic Design Architects / Landscape Architects
Traffic design and safety	Traffic design
Survey	Surveyors
Geotechnical Investigation	Geotechnical engineering and lab testing
Water and environmental testing and monitoring	Environmental engineers and lab testing
Earthworks Design	Civil engineers
Civils – Pavements and surfacing Design	Civil and pavement engineers

# Opportunities identified by Mana Whenua on Papakura to Drury

Item	Description	Expected Works involved	Iwi Opportunities/Mana Whenua Owned Businesses	Waka Kotahi / Prime Contractor	Mana Whenua Pātai /Issues Raised
1	Environmental Compliance	Noise & Vibration Monitoring; Air Quality; Erosion & Sediment; Groundwater Monitoring Contamination testing; Archaeological; Ecological; Stakeholder & Communication	Advice/input on monitoring priorities and their meaning relating to wider talao	Assigning roles within contractors/subcontracting provision throughout delivery to ensure mātauranga Māori is captured; - Cadetship opportunities as part of the professional services contracts.	- Sub-contracting of Archaeological Services; - Investment to capture and upskill mana whenua in Environmental Compliance; - Cadetship Opportunities - Recognise mātauranga Māori
2	Earthworks	Initial Site Clearing; Earth Works Contract; Material; Earthworks Plant Hire Equipment; Dumpsites and Storage	Earthworks; Aggregate Supply; Earthworks Plant equipment hire	What is the potential for sub-Contractors?	
3	Ground Improvements	Geogrid; Geotextile; GAP100		Cadetship Opportunities?	
4	Drainage	Drain Laying; Concrete Work; Outfalls; Stormwater Ponds and Treatment; Subsoil and pavement; Concrete and Pipe Supply	Drain laying; Concrete work; Stormwater Ponds and Treatment; Civil and Earthworks	Sub-Contractor Opportunities? Cadetship/apprenticeship opportunities?	
5	Pavement and Surfacing	Pavement Preparation; Pavement Layering; Surfacing; Material Supply	Pavement Prep and layering; Asphaltting; Material Supply; Haulage and Trucking.; Plant Hire	Sub-Contractor Opportunities? Cadetship/apprenticeship opportunities?	
6	Bridges	Major Components – Foundations, Piling; Materials – Steel, Concrete, Aggregate; Associated Works – Craneage, Temporary Works	Piling; Craneage; Transportation/ Haulage	Sub-Contractor Opportunities? Cadetship/apprenticeship opportunities?	
7	Retaining Walls & Noise walls	Piling; Retaining Wall Construction; Lifting equipment	Piling; Craneage	Sub-Contractor Opportunities? Cadetship/apprenticeship opportunities?	
8	Traffic Services	Street Lighting, Traffic Signals, Signs; Marking and Delineation; Barriers; Fencing;	Fencing; Electricians; Road Signage	Sub-Contractor Opportunities? Cadetship/apprenticeship opportunities?	
9	Service Relocations	Water; Electrical; Gas; Telecommunications; Street Lighting	Drainlayers; Plumbers/Gasfitters; Electricians	Sub-Contractor Opportunities? Cadetship/apprenticeship opportunities?	
10	Landscaping	Transplanting; Pruning; Planting; Mulching; Grassing	Iwi owned Nursery – Te Uri O Hau; Te Wai-O-Hua; Ngā Maru	Procurement Plan for Landscaping and Material Provision & Supply in a Sub-contracting capacity Recognise Mana Whenua as Kaitiaki	Procurement Plan for Landscaping and Material Provision & Supply in a Sub-contracting capacity Recognise Mana Whenua as Kaitiaki
11	Traffic Management and Temporary works	Traffic Management; Scaffolding; Formwork and Falsework; Lift Support; Shoring; Excavation Support	Traffic Management; Scaffolding;	Sub-Contractor Opportunities? Cadetship/apprenticeship opportunities?	





# Te Auaunga

Employment and upskilling of local community



Economic well-being

Mana Whenua involvement and influence



Cultural well-being

Community Advisory Group established



Social well-being

On-site eco-sourced plant nursery in partnership with local school



Environmental well-being





# Practical Broader Outcomes

## Our Reason Why

With nearly \$2.5B PA to spend on providing housing and urban development, there has never been a better time to address and resolve social, economic, environmental and cultural wellbeing issues for our Iwi partners and Māori customers.

**41,000**  
homeless in Aotearoa

**IN AUCKLAND**  
**43%** of rough sleepers are  
Māori despite being  
11% of the population

**DEMAND FOR STATE HOUSING**  
**more than 50%**  
registered on national waiting list are Māori

**25% OF MĀORI CHILDEN**  
live in overcrowded homes

**28%** of Māori adults own their own home  
**COMPARED WITH**  
**56%** of non-Māori

For Māori in urban areas such as  
**WHANGAREI, SOUTH AUCKLAND, TAURANGA, & ROTORUA,**  
home ownership has fallen by as much as  
**40% OVER THE LAST 30 YEARS.**

To remain a great place to live, the region needs to address three key challenges.

1

Reducing  
environmental  
degradation

2

Sharing  
prosperity  
with all  
Aucklanders

3

Population  
growth and its  
implications



# Gisborne District Council Broader Outcomes Strategy

This broader outcomes strategy has been developed in alignment with the Tairāwhiti 2050 spatial plan which outlines key challenges our region faces and high level outcomes that we must all work towards. We have identified four key outcomes areas that we can tangibly support and achieve through our procurement spend. In partnership with Mana Whenua, we will identify priorities for each project/programme so that our contracts can deliver meaningful positive outcomes for our community.

## Resilient and protected local environment

## Meaningful partnerships with Mana Whenua

## Thriving local industry and people

## Community wellness and prosperity



### Why?

Our region is facing significant environmental challenges. Climate change impacts, a growing waste problem, and water supply issues are key issues that will adversely affect our communities.

### Where are we now in 2022?

Some progress across projects to improve planning, recycling, and materials selection. There is more work to do to stop the further degradation of our local environment during projects.

### Where do we want to be in 3 years time?

We are monitoring our carbon footprint on all major contracts and we are working with our contractors to actively reduce carbon. We are monitoring our waste streams on major contracts and contractors are identifying opportunities to reuse materials that would previously have gone to landfill and we are seeing water takes monitored, and ideally reduced. We have examples of innovative approaches to integrating mātauranga Māori in preserving our natural environment.

### How will we get there?

In all procurements we will look for opportunities to embed and deliver these broader outcomes:

**Net-zero carbon** – we will seek suppliers who are striving to reduce their carbon footprint through innovation in delivery efficiency, lower emissions, and leveraging local industry.

**Reduced waste to landfill** – we will seek suppliers who conserve our natural resources, separate waste, reduce waste to landfill and implement circular economy principles throughout delivery.

**Water protection** – we will seek suppliers who conserve and protect our water, and can help improve water quality in our region.

### Why?

To ensure we are working in a manner that is consistent with our Treaty partnership commitments and aspirations. We will also ensure our level of cultural competence and capacity is of a standard that upholds our partnership commitments.

### Where are we now in 2022?

Some good examples of partnership but we are inconsistent and are at the start of this journey. We don't have everyone on the waka yet.

### Where do we want to be in 3 years time?

GDC is consistent in its consideration and application of Treaty partnership intentions and broader outcomes strategy.

### How will we get there?

In all procurements we will look for opportunities to embed and deliver these broader outcomes:

**Genuine partnerships with Mana Whenua** – we will seek suppliers who understand our obligations to te Tiriti/the Treaty and will support this partnership. We will also support Mana Whenua with their commercial aspirations.

**Cultural competency and capacity** – we will seek suppliers who are competent in tikanga, understand the importance of te reo Māori and value diversity of their team.

### Why?

In order to ensure the resilience of our delivery pipeline and regional economies we need to support the long term sustainability of our local businesses and nurture our future workforce by including those that are currently disengaged.

### Where are we now in 2022?

There is no on going commitment to training and upskilling programmes within our region. Small businesses aren't engaged as much as they should be and there is a huge shortage of specialised skills in our region.

### Where do we want to be in 3 years time?

Have evidence of a thriving and competitive local business /supply market. We will be seeing a growing number of Māori businesses contracting with the Council and growing sustainably. Our people will be engaged in training and upskilling through our projects.

### How will we get there?

In all procurements we will look for opportunities to embed and deliver these broader outcomes:

**Māori businesses are thriving** – we will seek to engage more Māori businesses in our supply chain and suppliers who are committed to growing Māori businesses and providing opportunities in our region

**Training and Upskilling** – we will seek suppliers who are committed to providing opportunities for people in our region particularly from priority social groups to grow their skills and attain qualifications.

### Why?

When our communities lack access to quality job opportunities there is strain not only on an individual's wellness but on the community as a whole.

### Where are we now in 2022?

There is inequitable access opportunities across communities. There have been targeted projects that specifically called for local people to deliver which have been delivering good outcomes.

### Where do we want to be in 3 years time?

Evidence and examples of local people are delivering local projects and quality employment outcomes, new businesses and new jobs emerging

### How will we get there?

In all procurements we will look for opportunities to embed and deliver these broader outcomes:

**Quality jobs in all communities** – we will actively seek out businesses that are domiciled in our small towns and communities. We will also seek suppliers who are creating new quality jobs, pay the living wage to local people and enabling them to thrive.

# What are broader outcomes?

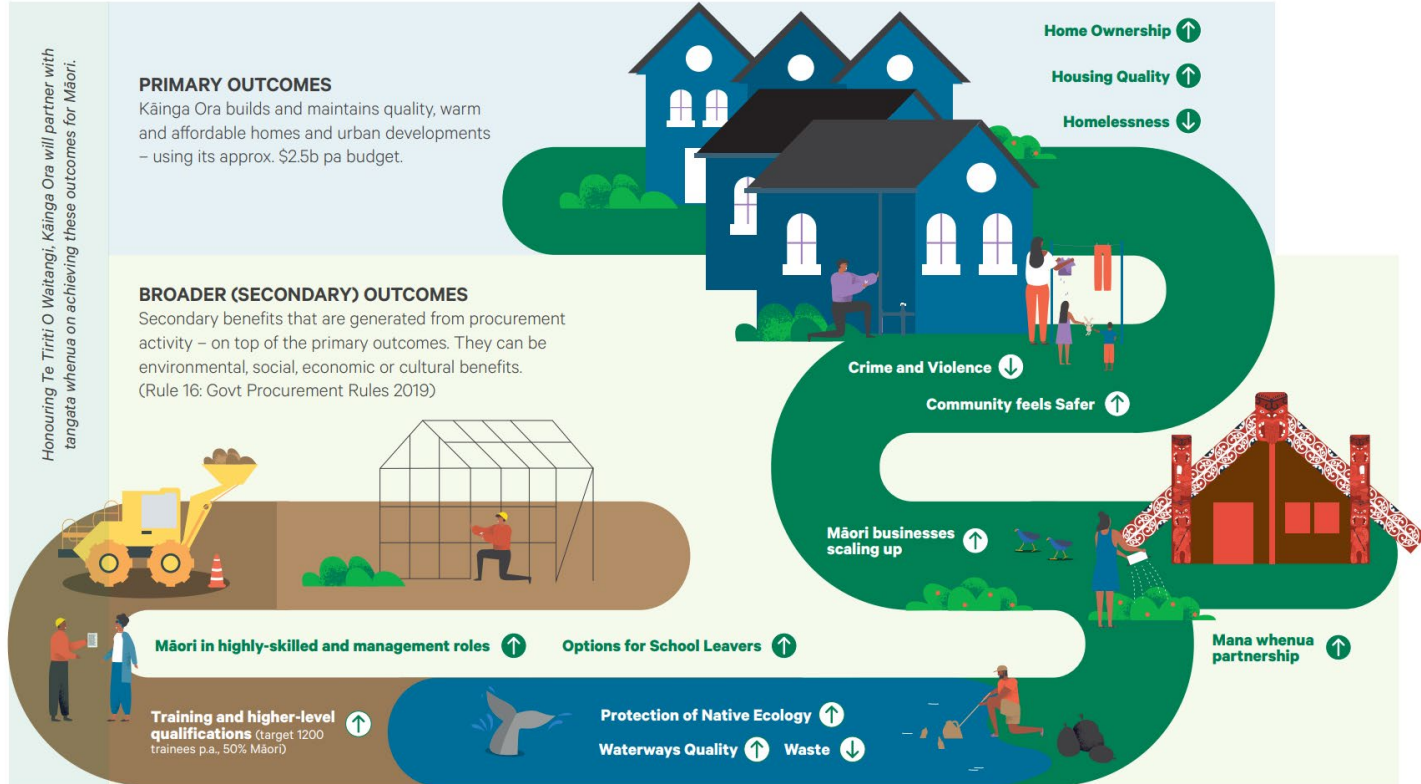
Honouring Te Tiriti O Waitangi, Kāinga Ora will partner with tangata whenua on achieving these outcomes for Māori.

## PRIMARY OUTCOMES

Kāinga Ora builds and maintains quality, warm and affordable homes and urban developments – using its approx. \$2.5b pa budget.

## BROADER (SECONDARY) OUTCOMES

Secondary benefits that are generated from procurement activity – on top of the primary outcomes. They can be environmental, social, economic or cultural benefits. (Rule 16: Govt Procurement Rules 2019)



In partnership with mana whenua, we will identify the priorities for each contract/project, and embed targets into procurements.



	1.SOCIAL		2. CULTURAL		3.ECONOMIC		4.ENVIRONMENTAL	
	Health & wellbeing	Local Stakeholder engagement	Māori Cultural Heritage	Mana Whenua Engagement	Employment of Priority social groups	Training & upskilling	Net Zero Carbon	Environmental Guardianship
ID number	1.1	1.2	2.1	2.2	3.1	3.2	4.1	4.2
	Opportunity to provide health, support and wellbeing initiatives	Opportunity to consult or involve local stakeholders	Opportunity to incorporate Māori culture into project /contract	Opportunity for mana whenua or Iwi involvement, engagement and/or partnership	Opportunity to hire priority social groups	Opportunity to provide training and upskilling – in particular for Maori or priority social groups	Opportunity to apply energy efficiency techniques, use renewable energy sources, reduce CO2 emissions	Opportunity to support the protection and enhancement of the natural environment
Project [X] activities								
Construction		Potential	Potential	Potential	Potential		Potential	Potential
Mobilisation								
Site survey				Potential		Potential		
Earthworks		Potential		Potential	Potential	Potential		
Drilling					Potential	Potential		
Concrete works					Potential	Potential		Potential
Planting	Potential		Potential	Potential	Potential	Potential	Potential	Potential

Step 1A:  
Define key project activities

Step 1B:  
Identify opportunities



# Workshop

The Council is building a new \$650K community recreational facility within a rural community. The facility will be used by youth and local sporting teams. The community has a large Māori population and challenges with unemployed youth.

Identify the broader outcomes potential!

2 Tailor RFX questions using Question Guide as a base

3 Supplier responses are evaluated based on overall sustainable outcomes

4 Hold the supplier to account via KPI's and in some cases, incentives

### SECTION 3: ECONOMIC WELLBEING

#### RFX QUESTION EXAMPLE

##### 3.1 EMPLOYMENT OF PRIORITY SOCIAL GROUPS\*

Will your organisation hire anyone from priority social groups\* for this contract and if so, how many from each group and through what recruitment process?

Provide details on any ongoing mentoring support or similar that will be provided to those within this priority

#### EVALUATION GUIDE EXAMPLE

##### 3.1 EMPLOYMENT OF PRIORITY SOCIAL GROUPS

Evaluate based on the:

1. Committed number of hires
2. Duration of hire period
3. Category of Priority Social Group that the hire falls into.

##### Further evaluation considerations:

- Specifically consider whether Maori or Pasifika people are positively impacted.
- Consider the recruitment process used. For example, how the supplier intends to market opportunities. Consider whether the approach lends itself to a high success rate in targeting a priority social group.
- Consider whether the supplier will be providing any ongoing support or mentoring to ensure the success of the hires for individuals within this priority social group.

*\*Priority social groups include: Māori, Pasifika, apprentices, cadets, graduates, ethnically diverse, refugee background, long-term unemployed, those with disabilities, mental health history, recidivists, vulnerable youths and vulnerable society members.*

#### KPI MEASUREMENT GUIDE EXAMPLE

##### 3.1 EMPLOYMENT OF PRIORITY SOCIAL GROUPS

Council may require the supplier to provide evidence of the following during the contract, as part of an annual report or upon completion:

1. Number of [full-time] / [contract] employees
2. Number of [full-time] / [contract] employees that fall within a priority social group
3. Within the number of priority social groups, break down the number that fall within each of the following categories:
  - a. Apprentices/Cadets/Graduates
  - b. Long-term unemployed
  - c. Māori
  - d. Pasifika
  - e. Criminal history
  - f. On disability allowance
4. Number of dedicated mentors/pastoral care employees or contractors provided to support the success of priority social groups.
5. Average length of service for all employees
6. New annual organisational hires that fall within a priority social group.

*Council reserves the right to do appropriate due diligence through audit or interviewing to validate the data provided above. This may include hire documentation during the contract/employment period to confirm the hires, evidence of advertisements and medium where these were placed and details of any target organisations to enable successful priority group recruitment.*



## Two in a Ute



# Practical Iwi Integration



# Porirua Development



**Kāinga Ora**  
Homes and Communities



WAITANGIRUA

EASTERN PORIRUA

ASCOT  
PARK

CANNONS CREEK

RANUI

TITAHI BAY

TAKAPUWAHIA  
AND ELSDON

TAWA

WESTERN PORIRUA

# The Partnership Opportunity for Iwi in Procurement

Typically each project will work through a staged approach, with each stage requiring a number of key decisions and inputs.

Kāinga Ora's Te Kuratao team will facilitate Mana Whenua partners to define their aspirations, input into decisions and support delivery of them.

## 1. FEASIBILITY

Options assessment – what are needs of mana whenua?

Business case – what is feasible?

### Procurement

- Plan
- Tender document
- Tender evaluation
- Supplier recommendation

### Strategic Plans

- Community Consultation
- Mana whenua matāwaka

### Culture/values

- Relationship charter
- Regular meetings

## 2. DESIGN

Co-design with mana whenua (ie decisions have not already been made)

Māori outcomes in design

Co-lead on implementation of broader outcomes, eg training/development opportunities for Māori

Sign off on design



## 3. CONSTRUCTION

Co-lead on implementation of broader outcomes:

- Training/development opportunities for Māori
- Conduit for recruitment/pathway to employment and suppliers
- Pastoral care for Māori, including rangatahi and long-term unemployed



## 4. HANDOVER/MAINTENANCE

Facilities maintenance opportunities could be led by mana whenua/ Māori businesses, in partnership with Kāinga Ora.



# Construction Alliance

## How do we integrate lwi into a Construction Alliance?

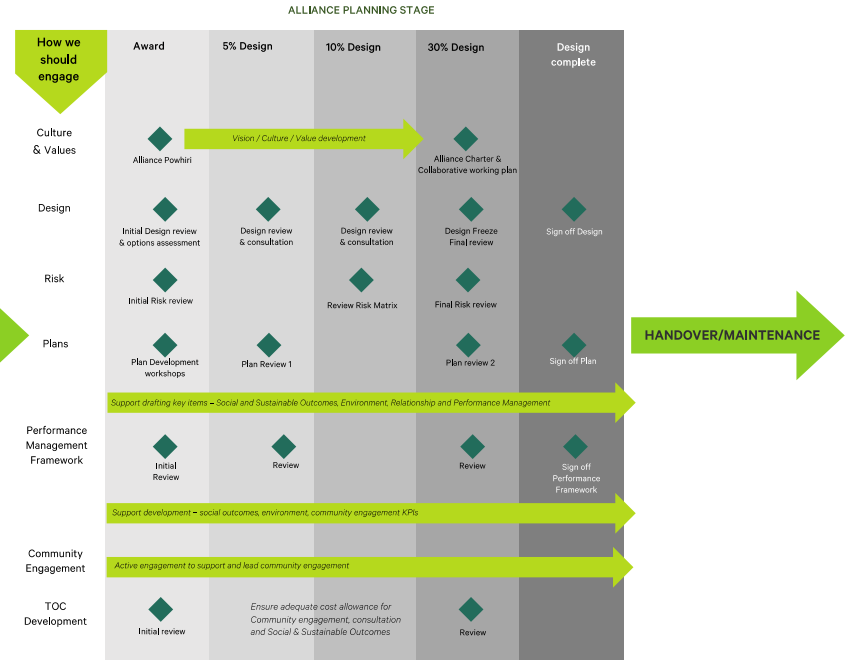
- Project Governance (ongoing)
  - Project Alliance (PAB)
  - Alliance Management Team
- Integrated within project
  - Broader Outcomes
  - Community engagement
  - Recruitment and pastoral support or staff and trainees.



note at the peak of construction we will be spending 3000 - 3700k / week

- Better design optimisation and whole of life costs 10 MONTHS

A community that designs the asset and cares for the asset | reduced cost of maintenance and ownership





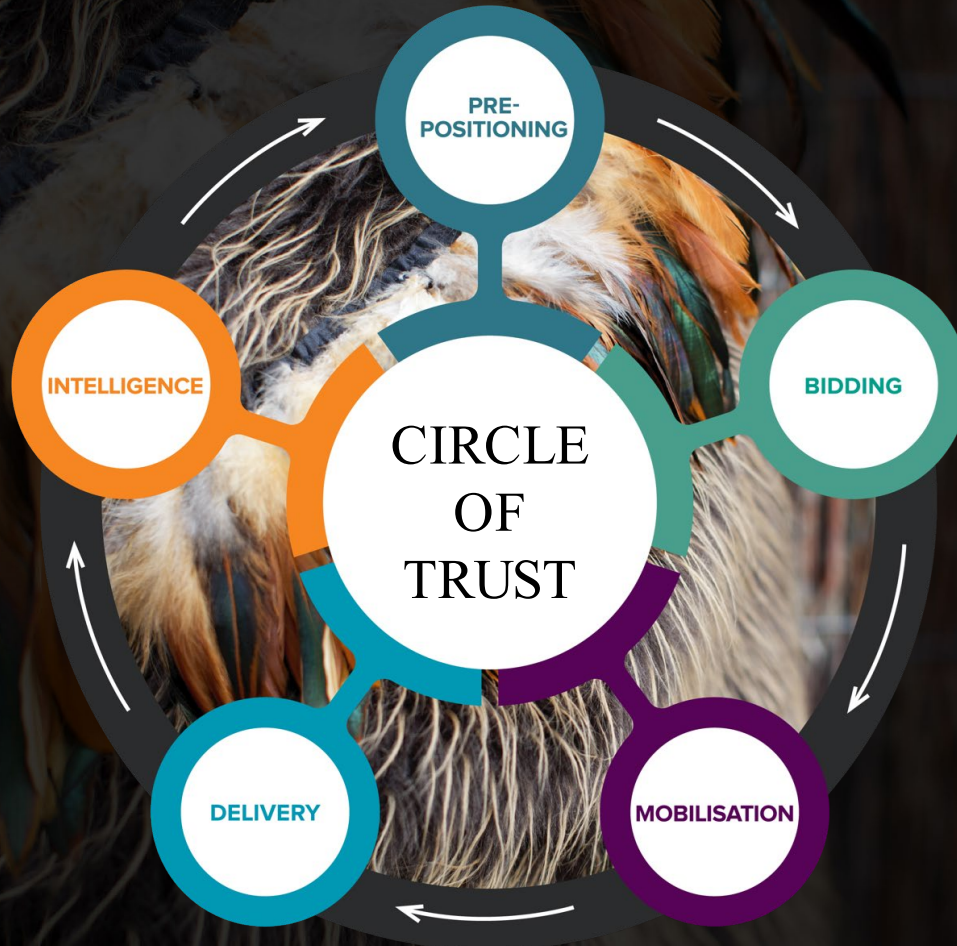




# Businesss Capability Uplift

# Capability Uplift Programme

- Delivered by Height for Te Puni Kokiri
- Support for 100 Māori businesses over two years
- Improve capability to secure, deliver and make money from Government contracts
- 37 businesses are tender ready
- Total of \$28.7M of contracts won (20 : 1 ROI)
- Average per business \$386K



# Wha Out Builders



Sector: construction (offsite manufacturing)



Started Capability Uplift Programme 2022



TBC



Founded: 2009



Action Plan



Arvida Retirement Village, Paihia



Team: 10+



Tender Collateral



MoE Opportunities



# Challenges

- Set targets and policies within Council
- Integrated broader outcomes considerations into business cases and funding approvals
- KPI measures in Annual report
- Why would a Māori business want to work with your Council?
- Remove barriers and give permission to your executive.
  - Delegations
  - Business Case and funding application
  - Reporting and measuring

# REACHOUT

**E** [warner@heightpm.co.nz](mailto:warner@heightpm.co.nz)

**M** 0276290785

**W** [heightpm.com](http://heightpm.com)

 [linkedin.com/company/height](https://www.linkedin.com/company/height)