



Te Kawa Mataaho
Public Service Commission

12 November 2021

Hon Vui Mark Gosche
Chair
Kāinga Ora – Homes and Communities
PO Box 2628
Wellington

By email: mark.gosche@kaingaora.govt.nz

Dear Vui

Yesterday the Minister of Housing raised with me matters relating to Kāinga Ora – Homes and Communities' recent handling of the internal communications regarding an article that appeared on oneroof.co.nz in 2020.

Separately, Nicola Willis MP has written to me to raise her concerns.

I am writing to advise you that I will be investigating these matters.

Political neutrality and trustworthiness are bottom lines for the Public Service. The issues that have been raised go to trust and confidence in a key public service agency. In my role as Public Service Commissioner, I have responsibility for integrity and conduct in the Public Service. Kāinga Ora falls within my jurisdiction in that regard.

I will write to you early next week setting out the process for investigating these matters and the support I will need from your agency.

Given the public interest in the matters raised, I will shortly be issuing the attached media statement.

Thank you for your co-operation in this matter.

Yours sincerely

Peter Hughes (he/him)
Te Tumu Whakarāe mō Te Kawa Mataaho
Public Service Commissioner | Head of Service

cc: Mr Andrew Crisp, Secretary for Housing and Urban Development, Ministry of Housing and Urban Development



Te Kawa Mataaho Public Service Commission

19 November 2021

Hon Vui Mark Gosche
Chair
Kāinga Ora – Homes and Communities
PO Box 2628
Wellington

By email: mark.gosche@kaingaora.govt.nz

Dear Vui

Handling of a disclosure by Kāinga Ora concerning a sponsored article

As you know, concerns have been raised with me about an article that Kāinga Ora sponsored in 2020 and related conduct of officials within the agency. I have decided to investigate the matters to look into what happened and why.

I am writing to you as the Chair of the Board to explain my next steps.

Background

On 27 May 2020, NZME published an article on oneroof.co.nz entitled: “How Hobsonville Point’s community spirit became an antidote to COVID 19”. The article was sponsored by Kāinga Ora (the sponsored article) and centred around an interview with a member of the Hobsonville community. The subject of the interview advised Kāinga Ora, prior to the article’s publication, that she was planning on standing for Parliament in the upcoming General Election (the disclosure). Her candidacy was announced on 30 May 2020.

In November 2021, Kāinga Ora released correspondence under the Official Information Act 1982 concerning the sponsored article. The correspondence does not show the decision-making process that was followed once the disclosure was made. It includes an email that states: “we could proceed as if we don’t know about her impending announcement”.

The chief executive of Kāinga Ora explained to the media that this matter involved an error of judgement on the part of an individual and that the issue had been rectified going forward.

The need to investigate these matters further

As the Public Service Commissioner I am responsible for promoting integrity, accountability and transparency throughout the Public Service.

Kāinga Ora is a key Public Service agency. It is New Zealand's public housing landlord and is responsible for partnering with the development community, Māori, local and central government on urban development projects of all sizes. Political neutrality, trustworthiness and accountability are central to this work and are bottom lines for the Public Service. Both the information that was released under the OIA and the response from Kāinga Ora to the media have caused me to question whether these matters have been taken sufficiently seriously.

There is a need to address the concerns raised by this incident so that public trust and confidence in Kāinga Ora can be maintained.

The matters within scope

I would like to understand what happened here and why, bearing in mind the context of the responsibilities of Kāinga Ora as a Public Service agency.

I would be grateful if you would reassure Kāinga Ora employees and contractors that the review will not focus on the actions of any individuals in isolation.

Next steps

At this stage I see no need for terms of reference or for my team to interview anyone at Kāinga Ora. If, through the course of my investigations, circumstances change or I determine that I need to speak to staff, I will let you know.

In the first instance, I would like to understand more about the relevant facts and the rationale for the actions taken by the agency.

I am interested in two time periods:

1. May 2020, when the disclosure was made and Kāinga Ora decided to proceed with the article (the original decision); and
2. July to November 2021, when the agency processed the Official Information Act request and responded to concerns raised about the correspondence (the response).

In relation to the original decision, I would be grateful if Kāinga Ora would provide me with a summary of the phone calls mentioned in the information released under the Official Information Act. The summary should also include:

- who knew about the disclosure, including a description of their role
- why and how the decision was made to proceed with the article following the disclosure, including any mitigations that were considered and/or put in place (a timeline would be helpful),
- what appropriate management controls, and who, were included in that and whether that was consistent with normal practice within Kāinga Ora.

In relation to the response, I would be grateful to receive a copy of the statements Kāinga Ora made to the media. I would also like to know what steps the organisation took to determine:

- whether the conduct of officials was appropriate
- why the incident occurred and what lessons could be learned to ensure that a similar incident would not occur again.

If any other information comes to light that you think I should be aware of, I would appreciate if you would pass that on.

I am conscious that this will be a stressful time for Kāinga Ora and for the individuals involved in this matter. For that reason, I would appreciate if you would provide me with the requested material by 3 December. My aim is to be able to get to the bottom of this matter and provide my view of it early in the New Year.

I also appreciate that as Board Chair you will likely have someone within the organisation to undertake this work for you. Catherine Williams, Deputy Commissioner Integrity, Ethics and Standards is the person leading this work within Te Kawa Mataaho and she will be happy to get in touch with your person within Kāinga Ora. Catherine's contact details are: Catherine.Williams@publicservice.govt.nz or you can contact her on 9(2)(a) privacy. Of course, I am very happy to discuss any of the matters raised in this letter with you directly.

Yours sincerely



Peter Hughes (he/him)
Te Tumu Whakarae mō Te Kawa Mataaho
Public Service Commissioner | Head of Service

Copy to: Andrew McKenzie, Chief Executive, Kāinga Ora – Homes and Communities



22 December 2021

Sarah Butler
Office of the Chief Executive
Kāinga Ora – Homes and Communities
PO Box 2628
Wellington

By email: sarah.butler@kaingaora.govt.nz

Dear Sarah

Handling of a disclosure by Kāinga Ora concerning a sponsored article

Thank you for the information Kāinga Ora provided to the Public Service Commissioner on 3 December 2021. My team has carefully reviewed the material to understand more about the facts and rationale for the actions taken in relation to:

- the subject of a sponsored article disclosing their intent to stand for parliament at the 2020 election (in May 2020); and
- the response from Kāinga Ora to queries about the sponsored article raised between July and November 2021.

In the covering letter to the response, Kāinga Ora has acknowledged errors of judgment on the part of an individual. The letter states, however, that the sponsored article was politically neutral. Given this, in addition to understanding individual decision-making, we are interested to learn more about how Kāinga Ora understands political neutrality at an organisational level.

Additional information about political neutrality and Kāinga Ora

To better understand the way Kāinga Ora approaches political neutrality, we would like to see the following documents, referred to in your response:

1. Information about the election period – Atamai link, page 54
2. Explanation of the standards – Atamai link, page 71
3. Onboarding modules: Te Kawa Mataaho Public Service Commission and Standards of integrity and conduct – page 74

We would also welcome the provision of any other information demonstrating how you understand and apply political neutrality at Kāinga Ora. This might include further information about the work of the Government Relations team.

In addition, we are keen to learn more about the Shaping Kāinga Ora restructure, which is mentioned on page 3 of your response. The response notes that there was a temporary structure in place in May 2020, when the sponsored article was published, and that the restructure introduced a new leadership structure later that year. We would like to get a better sense of the impact of the restructure on Kāinga Ora's ways of working and organisational culture.

Clarifications

In reviewing your response we have also identified some specific areas where either clarification or more information would be helpful:

1. The OIA response to 9(2)(a) privacy includes redactions. Your response says that "in general [the information withheld] included names and information about people contacted to be part of the story". Could you please review the information you redacted from those emails and Facebook messages and provide any information that is not names or information about other people who were contacted to be part of the story. For example, on page 31 of your response to the Commission, a line is removed from an email from 9(2)(a) privacy to 9(2)(a) privacy which appears to relate to Arena Williams' concerns about the sponsored article.
2. Media coverage in November included reference to an email from a senior media advisor to Business Desk - <https://businessdesk.co.nz/article/politics/shocking-revelation-kainga-oras-selective-memory-on-labour-links>. Please provide that email and any other correspondence exchanged with media responding to questions about the sponsored article.
3. The timeline you provided says that on 19 May 2020, 9(2)(a) privacy received and approved the draft story from the freelance writer. We weren't able to track this decision through the documents you provided. If you have any correspondence to help clarify the decision-making process that would be helpful. We would also like to understand whether 9(2)(a) privacy approved the draft article before or after the paragraph about Ms Williams' intention to stand for parliament at the 2020 election was removed.
4. Your response explains that 9(2)(a) privacy was 9(2)(a) privacy manager in May 2020. Could you please explain the relationship between 9(2)(a) privacy and 9(2)(a) privacy, who was copied in on some of the relevant correspondence in the OIA response.

Next steps

I have stepped into the role of Deputy Commissioner Integrity, Ethics and Standards, previously held by Catherine Williams, and I will be leading this work within Te Kawa Mataaho. I will continue to work with you as the Kāinga Ora key contact but please let me know if that needs to change for any reason.

We do not currently foresee the need to interview anyone at Kāinga Ora. However, if you think that speaking with key staff would help us to better understand any documentation or relevant issues, then we are happy to arrange for that to happen in January.

Please continue to reassure Kāinga Ora staff that this review is not focussed on the actions of individual employees in isolation. It remains the Commissioner's intention to provide his view of this matter early in the New Year.

Yours sincerely

A handwritten signature in black ink, appearing to read 'H. Vitalis', with a thick horizontal line underneath.

Hugo Vitalis

Kaikōmihana Tuarua

Deputy Commissioner Integrity, Ethics and Standards

Copy to: Glenn Phillips – glenn.phillips@hud.govt.nz



Te Kawa Mataaho

Public Service Commission

1 March 2022

Hon Vui Mark Gosche
Chair
Kāinga Ora – Homes and Communities
PO Box 2628
Wellington

By email: mark.gosche@kaingaora.govt.nz

Dear Vui

Handling of a disclosure by Kāinga Ora concerning a sponsored article

Thank you for meeting with me on 14 February to discuss these matters.

Having reviewed what happened and why, I have concluded that Kāinga Ora misapplied the principle of political neutrality, became entrenched in its view, and initially failed to take the concerns that were raised with it seriously enough. In addition, there were unacceptable comments made in email correspondence, but I accept those comments have been dealt with separately.

Kāinga Ora's overall handling of this matter was disappointing and fell below the standards I expect of a public service agency. The principle of political neutrality is fundamental to the New Zealand public service, and it is essential that when an issue arises it is appropriately escalated and robustly considered. The right calls need to be made on these issues and the agency missed several opportunities to do this.

I was heartened when we met to hear that the Board shares these views and that you are very committed to ensuring that Kāinga Ora continues its work to make the necessary changes to its processes and practices.

The Chief Executive has squarely acknowledged that Kāinga Ora made significant mistakes in its handling of this matter. In addition to the actions being taken internally, the Chief Executive has asked for ongoing support from Te Kawa Mataaho Public Service Commission to enable Kāinga Ora to test some of the more difficult judgement calls it needs to make. I am happy to provide that assistance, by making one of our Assistant Commissioners available on an as needed basis.

Errors of judgement have been made but Kāinga Ora is reflecting on and owning that. The key thing now is to learn from what has happened and to put measures in place to ensure it does not happen again. I am confident that that is exactly what you and the Chief Executive are doing. You will have support from both Te Kawa Mataaho and the Ministry of Housing and Urban Development, as Kāinga Ora's monitoring agency, to assist with that.

Thank you for the leadership you have brought to resolving these matters.

Yours sincerely



Peter Hughes (he/him)
Te Tumu Whakarae mō Te Kawa Mataaho
Public Service Commissioner | Head of Service

Copy to: Andrew McKenzie, Chief Executive, Kāinga Ora – Homes and Communities