

MEMORANDUM



To: Peter Hughes, Public Service Commissioner

From: Rachel Hayward, Erik Koed and Kate Salmond

Copies to: Hugo Vitalis and Thor Gudjonsson

Date: 25 February 2022

Subject: Handling of a disclosure by Kāinga Ora concerning a sponsored article

Executive summary

1. At the end of last year, concerns were raised with you about an article that Kāinga Ora sponsored in May 2020 (the sponsored article) and related conduct of officials within the agency. You have asked us to look into this matter on your behalf and to provide you with advice about what happened and why.
2. The sponsored article was about the community spirit at Kāinga Ora's Hobsonville Point development. It was drafted in mid-May 2020 and Kāinga Ora arranged for it to be published on the oneroof.co.nz website on 27 May. The focus of the article was the Hobsonville Point Gets Ready Group and its spokesperson, Ms Arena Williams. At the time the article was published, Kāinga Ora was aware that Ms Williams was not far away from announcing that she would be standing as a candidate for the Labour Party in the 2020 general election. That announcement was made on 29 May.
3. After considering the information provided by Kāinga Ora, it is our view that Kāinga Ora's actions in publishing the sponsored article were not in keeping with the principle of political neutrality. While there was no intention to promote Ms Williams' candidacy, and the article did not contain any overt political content, it had the effect of providing positive publicity for a political candidate, just before and during an election period.
4. While the original decision to publish the article was wrong, our main concern in considering this matter is how Kāinga Ora responded when the issue came to light. The agency did not acknowledge its mistake and maintained a position that minimised the issues and contained some factual errors. That is no longer the case. Kāinga Ora has now squarely acknowledged that, given the circumstances Ms Williams disclosed and its position as a public sector body, it should not have published the article. The agency has also accepted that once her candidacy was announced the article should have been taken down.
5. Kāinga Ora has taken a number of steps internally, which give it confidence that a situation like this would not occur again. There have been changes to approval, escalation and issues management processes; increased communications and training in the organisation about public service responsibilities; and its governance capability and capacity has increased, with a particular focus on public sector experience. It has also requested ongoing support from the Commission. The agency recognises that it would benefit from external advice and expertise to test some of the more complex judgement calls it has to make.

Background

6. Kāinga Ora was established in October 2019 when legislation brought Housing New Zealand, the Kiwibuild unit from the Ministry of Housing and Urban Development and HLC together as one organisation. Prior to this, HLC had been a Crown Entity subsidiary: Originally Hobsonville Land Company (established in 2005) and then re-branded as Homes, Land and Community in 2017 to reflect its growing involvement in additional large-scale developments across Auckland.
7. With 2,327 employees and an annual total operating revenue of \$1.721 billion, Kāinga Ora is now one of New Zealand's largest Crown Agents and a key public service agency.
8. Under the Public Service Act 2020 Kāinga Ora's Board is responsible for ensuring that the entity upholds the public service principles when carrying out its functions, including the principle of political neutrality. Kāinga Ora and its employees are also subject to the Standards of Integrity and Conduct (the Code of Conduct), which requires them to be fair, impartial, responsible and trustworthy.

Overview of the facts

9. In setting out the facts and coming to a view as to what happened, we have relied on information in the public domain, and on information provided to us by Kāinga Ora.
10. In May 2020 Kāinga Ora drafted an article about the community spirit at Hobsonville Point during the first COVID-19 lockdown and arranged for it to be published on the oneroof.co.nz website (the sponsored article) (appendix 1). Hobsonville Point is one of the agency's large urban development projects in Auckland. The focal point of the sponsored article was the Hobsonville Point Gets Ready Group and its spokesperson, Ms Arena Williams, a resident in the area. Two days after its publication, Ms Williams announced that she would be standing for Parliament in the upcoming 2020 General Election. She had previously disclosed to Kāinga Ora that she was not far off announcing herself as a Labour candidate (the disclosure).
11. Over a year later, Kāinga Ora received a request under the Official Information Act 1982 (the OIA) for various communications relating to the sponsored article. These were released in August 2021. The information that was released raised questions around whether the principle of political neutrality had been correctly applied. In addition, there were some emails that contained troubling statements such as: "we could proceed as if we didn't know about her impending announcement" and "we can act as if we don't know anything".
12. There was media coverage of these issues in November 2021 and both the Minister of Housing and Nicola Willis MP wrote to you raising concerns. The information released under the OIA and the responses from Kāinga Ora to the media caused you to question whether the agency had taken this matter sufficiently seriously. You decided to investigate.

In scope

13. In looking into this matter there were two distinct time periods that were of interest to us:
 - May 2020, when the decision was made to proceed with the article (the original decision); and
 - 24 June to November 2021, when Kāinga Ora processed the OIA request and responded to media queries about it (the response).

Out of scope

14. When the sponsored article was published it did not carry a disclaimer that it was sponsored by Kāinga Ora. This was a wider issue relating to several articles on the oneroof.co.nz website, which was

resolved in June 2021.¹ The issue is not under reconsideration and reference to it in this memo is for background information only.

Methodology

15. In November last year you wrote to the Board Chair and the Chief Executive of Kāinga Ora and requested further information about the original decision and the response. In particular you asked for:
- a summary of the phone calls mentioned in the information released under the OIA
 - a list of who knew about Ms Williams' potential candidacy and their roles within the agency
 - a description of why and how the decision was made to proceed with the sponsored article, including any mitigations that were considered and/or put in place
 - an explanation as to the management controls that were put in place around the sponsored article and whether that was consistent with the agency's normal practice
 - a copy of the statements Kāinga Ora made to the media in November 2021
 - a description of the steps the agency took in 2021 to determine:
 - whether the conduct of officials had been appropriate
 - why the incident occurred
 - an explanation of the lessons that had been learned to ensure that a similar incident would not occur again.
16. Jointly the Board Chair and the Chief Executive of Kāinga Ora sent you a letter of reply on 3 December 2021, attaching a report responding to your request. We reviewed the letter and report on your behalf and asked Kāinga Ora various clarification questions. We also asked for additional material, which Kāinga Ora provided. The agency also provided us with a copy of a related OIA request response.
17. Having reviewed all of the material provided, we prepared a first draft of this memo, which we shared with Kāinga Ora in confidence for comment on any factual inaccuracies or omitted relevant material. We then finalised this memo taking into account the comments and additional material we received.

The original decision (2020)

Introductory overview

18. Throughout 2020 Kāinga Ora had an advertising services agreement in place with NZME. This was a rolling contract for \$25,000 worth of advertising per month. This included three articles per month on the 'Our New Auckland' page of the oneroof.co.nz website hosted by NZME. The purpose of the overall agreement was to raise public awareness and understanding about Kāinga Ora's large scale developments, and to help sell houses within them.
19. At the time, a Senior Communications Advisor (SCA) at Kāinga Ora was living in Hobsonville Point. She had connected on Facebook with Ms Williams who also lived there. Following the COVID-19 lockdown in March, SCA spoke to her colleagues about the great community spirit that had been shown at Hobsonville Point. A Marketing Co-ordinator (MC) suggested that it would make a good story, for Kāinga Ora to use for advertising and marketing purposes. SCA shared with MC one of Ms Williams' Facebook posts about the community efforts and MC suggested that she contact Ms Williams to

¹ This issue came to light following a discussion in Parliament about Kāinga Ora's relationship with NZME. A spokesperson for Kāinga Ora explained that NZME had the "responsibility" for making sure users knew what content was sponsored. They said: "While OneRoof has the responsibility for making sure users of its website know where the information comes from and is appropriately attributed, Kāinga Ora will check with the relevant people at NZME to make sure this is being done." Disclaimers were then added. (See 17 June Stuff article)

arrange an interview. SCA agreed and sent Ms Williams a Facebook message on 11 May asking if she would talk to Kāinga Ora for a “sponsored story”.

20. SCA sent a follow up message on 14 May and then spoke to Ms Williams on the phone. This was when Ms Williams first raised the issue of her intention to stand in the upcoming election (the disclosure) and expressed some discomfort about the story. The next day, 15 May, SCA spoke to her manager (GM) about the issue, sent Ms Williams a Facebook message, and Ms Williams agreed to be interviewed.
21. From 14 to 19 May, SCA worked with two contractors on what was to become the sponsored article: A senior content strategist from Lionshare (a content marketing agency) and a sub-contracted freelance writer (C1 and C2 respectively). Several emails were exchanged between the three of them. C2 also interviewed Ms Williams.
22. On 22 May the GM approved the sponsored article for publication. It was then published on 27 May and on 29 May Ms Williams’ candidacy for Labour, in the Manurewa electorate, was announced.
23. When the non-disclosure of Kāinga Ora’s sponsorship of articles on the oneroof.co.nz website came to light, questions were raised as to whether it was appropriate for Kāinga Ora to have paid for an article about a person who announced their candidacy in the general election only two days later.

What happened and what went wrong?

24. Appendix 2 sets out the detailed facts relating to the original decision. There are several aspects are worth highlighting:

- **Kāinga Ora staff knew about the likely candidacy and impending announcement.** There was public discussion about Ms Williams standing in the 2020 election as early as February, when Newshub published an article about the prospect. Ms Williams disclosed her likely candidacy on 14 May in her first substantive discussion with Kāinga Ora about the sponsored article, and raised it on subsequent occasions.

Based on the contemporaneous email correspondence it is clear that, prior to publishing the sponsored article, the Kāinga Ora staff involved knew that Ms Williams was actively working towards becoming a candidate in the upcoming 2020 Election (although there was doubt as to which electorate) and that she was preparing for an impending announcement. In December 2021, SCA and GM provided a summary of their discussion about the disclosure on 15 May 2020. They noted that they had no definitive information confirming the candidacy, the electorate, or the timing of any announcement. As a result they concluded at the time that there was no possible relevant information to include in the sponsored article.

Our view is that the discussion between SCA and GM on 15 May 2020 was a missed opportunity. Kāinga Ora could have asked Ms Williams to provide more information, could have waited until the situation was definitive and/or could have re-evaluated the situation as more information came to light on 18 and 19 May. Ultimately though, prior to publication, there was sufficient information available to put Kāinga Ora on notice that continuing with the sponsored article carried risks.

- **It was suggested that Kāinga Ora could act as if it didn’t know about the disclosure.** This suggestion was made in two separate emails. SCA said:
 - “we could proceed as though we didn’t know about her impending announcement”
 - “we can just act as though we don’t know anything!”

These comments raise serious questions around compliance with the Code of Conduct, which requires public servants to be trustworthy and honest. Kāinga Ora has dealt with this matter directly with the individual concerned and all parties agree that the comments were unacceptable and unprofessional. The chief executive and the Minister have both made their

expectations clear. Therefore, we did not consider it necessary to make any specific finding or additional comment in relation to these statements, except in the context of the broader response by Kāinga Ora.

- **A mitigation strategy was discussed but not implemented.** While there was confusion as to the exact nature of the issue (as discussed further below), it is clear that Kāinga Ora saw interviewing other Hobsonville Point residents as a potential mitigation strategy. If Ms Williams was presented as one of many people contributing to the community efforts to connect during lockdown, then it would reduce the risk of the sponsored article being seen as personal promotion for an election candidate. In emails sent in May 2020 SCA and C1 suggested obtaining additional quotes to “balance” the sponsored article and make it appear less “like the Arena show”. Ms Williams agreed to this mitigation and SCA and C2 made several attempts to approach other residents. However, those attempts were unsuccessful and, as C2 stressed at the time, the deadline for the article was 20 May. As SCA explained to the Minister of Housing’s private secretary in June 2021: “At the time we had discussed including other interview subjects as part of the story but this fell away when the freelance writer [C2] managed the interviews and resulting story.” This was a second missed opportunity.
- **In practice, decisions were made at a devolved level.** Kāinga Ora appears to have relied heavily on its contractors, C1 and C2, in the preparation of the sponsored article. SCA asked for their opinions and it was C2 who interviewed Ms Williams, including discussing her fears around the article being seen as election campaigning. While the contractors may not have fully understood public service responsibilities around political neutrality, Kāinga Ora remained responsible for upholding them. Within the organisation, SCA escalated the issue to her manager (GM) who was the Acting General Manager of Marketing and Communications at the time (a tier three position). The issue was not escalated any further in 2020.
- **Kāinga Ora misunderstood how the principle of political neutrality applied in this context.** The contemporaneous email correspondence shows that there was confusion as to whether publishing the sponsored article in light of Ms Williams’ impending candidacy, was potentially problematic for Ms Williams or Kāinga Ora (or both). This was not resolved.

In any event, the staff dealing with the matter seemed to consider that removing any reference to Ms Williams’ candidacy from the sponsored article would address the problem. They also thought that the timing of the publication provided protection as the pre-election period was not due to commence for another three weeks. On 14 May SCA commented to Ms Williams: “We’re well in advance of the election blackout period too so its still BAU good community stories worth sharing.” Similarly she observed to C1 and C2 on 19 May: “We’re getting close to the pre-election period where it’s stipulated that: The neutrality of the public service and other agencies in the state sector must be protected throughout the election period. So while it’s technically safe to publish now, removing the last para does keep us in a safe neutral space ...”

There appears to have been no substantive consideration of whether it was ever appropriate for public funds to be used to give positive exposure to a political candidate in this way.

Government advertising must always be impartial and free from partisan promotion of government policy and political argument.² The guidelines recognise the public concern that government advertising should not be conducted in a manner that results in public funds being used to finance publicity for party political purposes.³ While the risk may be heightened during the election period, it does always exist⁴.

² Guidelines for Government Advertising, paragraph 5(b)

³ Guidelines for Government Advertising, paragraph 2

⁴ Public Service Act, s12(a) and the Standards of Integrity and Conduct

In this case there was a clear risk that Kāinga Ora would be using public funds to pay for an article that – while it did not explicitly refer to party political matters – had the effect of giving positive personal exposure to a person who was in the process of mounting an election campaign. At the very least this warranted a robust discussion, and escalation to senior management.

- **When Ms Williams’ candidacy was formally announced Kāinga Ora did not revisit its original decision.** Ms Williams’ candidacy was announced two days after the sponsored article was published. There is no indication that Kāinga Ora discussed the possibility of taking the article down at that point and it remained on the oneroof.co.nz website throughout the 2020 election period. This was a third missed opportunity.

Kāinga Ora’s view

25. In relation to the original decision Kāinga Ora has acknowledged that it misapplied the principle of political neutrality. It recognises that political neutrality is not just about the motivation of the person or the content of a particular article; it is about the broader context.
26. The agency has explained that the thinking at the time was that Ms Williams had not been selected or announced as a candidate so the article could be published if it was neutral in content. It was also assumed that given the pre-election period had not yet begun, it was safe to publish the story. Kāinga Ora accepts that both of these applications of the principle were wrong and that, in any event, the article should have been taken down as soon as the selection was known.

The response (2021)

Introductory overview

27. In June 2021 it became apparent that there was no disclaimer identifying articles on the oneroof.co.nz website as being generated and paid for by Kāinga Ora. Once this issue was rectified questions began to be asked in Parliament and by the media about whether it was appropriate for Kāinga Ora to have published the sponsored article. This began on 17 June 2021.
28. On 24 June Kāinga Ora received an OIA request for various communications relating to the sponsored article. It was during the process of collating the material to respond to this request that officials became aware of “potential issues with the content and informal language used in the emails”. There was an internal meeting with representatives of several teams and SCA’s manager spoke with her about the matter.
29. Kāinga Ora continued to process the OIA response, including consulting with Ms Williams. An internal memo was prepared on 29 July, which identified numerous risks but noted that “the proposed response reinforces that the approach to Arena Williams to be included in the article was prior to being aware of her candidacy and that Kāinga Ora made the decision to not include any reference to Arena Williams being a potential candidate in the final article to ensure political neutrality.”
30. On 2 August Kāinga Ora consulted the Minister’s office on the proposed response, under the ‘no surprises’ principle. The Minister responded that the conduct in the emails did not meet her expectations and emphasised that Kāinga Ora should operate on the basis that once it knows something, it can’t un-know it. The Minister asked for this message to be re-iterated. The relevant email was promptly forwarded to senior managers and they discussed it.
31. Kāinga Ora responded to the OIA request on 5 August. Later, in mid-August, the chief executive returned from leave and was briefed on the matter. He was advised that the issue had been resolved and that SCA had been spoken to by her manager on 25 June. Nevertheless, the chief executive also personally expressed his disappointment to SCA.

32. On 10 November, the response to the OIA request became public, and Newshub approached Kāinga Ora requesting an interview with the chief executive. The agency provided a statement to be attributed to a spokesperson. Business Desk also emailed later that night asking to speak to someone, and was provided with the same media statement.
33. The next day the Minister raised concerns with the Board Chair and the chief executive about the media statements that had been made over the preceding 24 hours. A revised media statement attributed to the chief executive was sent to Newshub later in the day and the chief executive also provided quotes to Business Desk.

What happened and what went wrong?

34. Appendix 3 sets out the detailed facts relating to the response. Again, there are several notable aspects.

- **Kāinga Ora did not immediately acknowledge and distance itself from the suggestions in the emails that the agency could act as if it didn't know about the disclosure.** SCA was spoken to by her manager about her emails on 25 June and afterwards by the chief executive. On 29 July an internal memo noted that there was a potential reputational risk around the emails looking like “we may have tried to hide this fact” (referring to the disclosure). Then on 4 August the Minister raised significant concerns. Despite this the OIA response issued on 5 August and the media statements provided on 10 November, did not specifically address this issue. Instead they focused exclusively on the principle of political neutrality. The first public comment on the issue was made by the chief executive on 11 November who referred to “one incident” where “a staff member” made “quite unfortunate flippant comments”.
- **Early on Kāinga Ora seemed to identify, but not engage with, the central issues** The 29 July internal memo identified “potential reputational risks” around Kāinga Ora being seen as hiding facts (as noted above); being over-relaxed about the disclosure; and not carefully managing the risks around publishing an article promoting the activities of a potential political candidate. These were not just reputational risks they were significant issues requiring some internal reflection. The memo did not grapple with these issues in much detail though. They were just listed, alongside other less significant issues, including a risk that there could be a perceived conflict of interest, given that SCA and Ms Williams had communicated via Facebook and a risk around the use of informal language (eg “any luck getting Arena over the line”). The memo then concluded that the response would reinforce that the agency did not know about Ms Williams potential candidacy when it approached her for the story and removed a reference to it from the article to preserve political neutrality.
- **The media statements did not respond to the central issues** Kāinga Ora's OIA response, media statements and emails to journalists contained a number of recurring phrases. Of note:
 - *Ms Williams was approached solely because of her involvement in the community (OIA response).* While this is true and Kāinga Ora did not intentionally seek out a likely election candidate, it does not eliminate the issues that needed to be considered, once the information did come to light.
 - *Kāinga Ora only became aware of her potential candidacy “during the writing process” (OIA response) / “in the latter stages of the story being put together” (10 November media statements).* This is not accurate. The disclosure was made on 14 May during Ms Williams' first substantive conversation with Kāinga Ora. This was prior to the interview with C2 and prior to C2 beginning to draft the article.
 - *The article was written and published prior to Ms Williams' candidacy being announced (OIA response), (10 November media statements), (10 November email to Business Desk).* This is true, but as explained above, Kāinga Ora knew that her candidacy was likely and that there was an impending announcement.

- A Kāinga Ora staff member made a “personal judgement call” that the disclosure did not matter given the nature of the story (10 and 11 November media statements). In fact there was more than one person involved in the decision. SCA worked closely with MC, C1 and C2 on the article and they were all aware of the issue. She also escalated the issue to her manager GM, who made the initial decision to continue despite the disclosure and the final decision to publish the sponsored article.
- The sponsored article did not include any reference to the potential candidacy “to ensure political neutrality” (OIA response) / “clearly has no political reference or bias” (10 November media statements) / “was politically neutral” (11 November media statement) / “anyone can see its not political, rather its residential or community-focused!” (10 November email to Business Desk). This demonstrates a misunderstanding of political neutrality, in failing to recognise that even though the article did not contain any explicit reference to party political matters, it was publicly funded, had the effect of giving positive personal exposure to a candidate in the 2020 Election, and was written and published when Kāinga Ora was aware of the likely and then actual candidacy. In associated email correspondence on 11 November, the chief executive indicated support for the judgement call to publish. He later clarified that the agency would likely exercise its judgement differently in the future.
- **There is a pattern of minimisation.** When Kāinga Ora became aware of these issues, SCA was spoken to by her manager and later by the chief executive. Those are the only actions that Kāinga Ora appears to have taken in direct response to the concerns raised by its Minister, in Parliament and by the media. The chief executive notes that SCA and her manager received training on the Code of Conduct and travelled to Wellington for training with the Government Relations team. That training took place in mid 2021, after the original decision, but before any concerns about the sponsored article came to light. When the Minister wrote to the agency stating that her expectations had not been met, senior managers met and determined no further action was required given their view of the facts, recent training and changes in approval processes. The chief-executive was not briefed on the OIA response until after the Minister raised concerns and was not briefed in much detail. The media response then shows the agency incorrectly implying that SCA made the original decision on her own, whilst also asserting that the sponsored article was politically neutral.

Kāinga Ora’s view

35. Kāinga Ora accepts that this situation should have been handled better. It has since changed its processes for dealing with situations like this, where an issue is uncovered. The agency has explained that it is working to improve its OIA processes and issues management systems so a much broader group of individuals have oversight, and own and resolve issues proactively and immediately. It has noted that there are now clearer lines of accountability, better processes and the right people are made aware of any issues in a timely way.
36. As well as acknowledging that the agency’s processes require improvement, Kāinga Ora has observed that the disruptions caused by COVID-19 exacerbated the issues. On 17 August 2021, all of New Zealand moved to an Alert Level 4 lockdown. This affected the escalation of the issue to the chief executive. The other numerous lockdowns, particularly in Auckland, resulted in new ways of working, which Kāinga Ora has explained made normal communication and escalation processes harder.

Why did this happen and what is being done to stop it happening again?

Kāinga Ora’s perspective

37. Kāinga Ora has stressed to us that since it was established in October 2019, the agency has made extensive changes to its structure, personnel, processes and culture. Upon establishment a temporary organisational structure was put in place reflecting the three legacy organisations. In its 2019/20 Annual Report Kāinga Ora explained:

Kāinga Ora's structure was designed to bring together all components of our three legacy organisations to enable us to hit the ground running from 1 October 2019 when the new organisation was established.

Our initial structure served a key purpose in maintaining the momentum of our work. However, as a new organisation, with a broad mandate and growing volume of work we need a structure that is fit for the future. During 2019/20 we undertook significant preparatory work to plan for how best to reshape our future structure. Through extensive participation of our people this reshaping work is progressing and will be deployed by late 2020.

38. The restructure (Shaping Kāinga Ora) occurred in December 2020. Through Shaping Kāinga Ora the organisation's leadership structure, reporting lines, and the division of internal responsibilities changed, along with approval processes. Its purpose was to bring together the different functions and cultures from the three legacy organisations to better enable collaboration, consistency and excellence.

39. Kāinga Ora has emphasised that the original decision was made in mid 2020, prior to the restructure. We have been told that this is significant because the people involved were still operating in a similar way, to the way in which they had operated as employees of HLC – a commercially focused subsidiary company of Housing New Zealand. The individuals making the decision whether to publish the article, were basing it on their understanding of political neutrality, and chose not to escalate it. Since that time, this team has undergone training by the Government Relations Team to better understand the political context in which Kāinga Ora is operating. The individuals concerned were also given additional relevant training in Wellington. Kāinga Ora is confident that they now understand how to apply the principle of political neutrality, and are very confident that the right judgement calls will be made by its people in the future.

40. In relation to political neutrality as it is understood more broadly across the organisation, Kāinga Ora has stressed that it takes its public service responsibilities "very seriously". Employees are regularly reminded of the requirement to be politically neutral, including through comprehensive communications and guidance during the 2020 Election period. We have been told that Kāinga Ora's dedicated Government Relations Team provides additional support in relation to these matters and that the agency is particularly conscious of the need to provide this kind of training to its employees, as many have been recruited from and continue to work closely with, the private sector.

41. Kāinga Ora has reflected that this matter has also been an important lesson for the organisation about the need to maintain high professional standards in email correspondence. We have been advised that this has been communicated widely across the organisation at all levels, and the agency's internal communications, training and induction all emphasise this message.

42. In relation to the wider issues with the response in 2021, Kāinga Ora has explained that the work the agency has been doing on its culture, practices and processes has been, and will continue to be, ongoing. In addition to the changes noted in paragraphs [35], [40] and [41] above the agency has emphasised that:

- It has been conducting further training to reflect the lessons learned from this situation.
- Its induction programme has been further developed, and it highlights the environment Kāinga Ora works in, and the responsibilities employees have as public servants and the support available to people.

- Its governance capability and capacity has increased, with a particular focus on public sector experience. The agency is also using its governance function to provide advice and guidance to the business on public sector standards, expectations, obligations and accountability.

43. Kāinga Ora has also requested ongoing support from the Commission. It has observed: “We are often finding ourselves in ambiguous situations where some judgement is required. It would be very helpful for Kāinga Ora to have a contact point at the Commission where we could get their advice, leveraging their expertise, experience and perspective. Whilst our judgment in such matters in the future will be much more conservative, it would be very helpful to get the Commission’s point of view in such cases.”⁵

Our conclusion

44. If Kāinga Ora had clearly recognised, acknowledged and addressed the problems associated with the original decision when the issues first came to light in June 2021, there would have been no cause for you to intervene. The agency could have owned and publicly accepted that the statements suggesting it could deny knowledge of the disclosure were inappropriate, that the sponsored article was flawed, and that it needed to improve its internal practices. While it may have been well intended and contained no overtly political content, the sponsored article provided publicity that favoured one political party, just before and during an election period.
45. Our main concern in considering this matter has been the response. We considered that late last year Kāinga Ora was still maintaining a position that minimised the issues and contained some errors about key facts, demonstrated a misunderstanding of the principle of political neutrality at all levels within the organisation, and how it should have operated in this context. That is no longer the case. Kāinga Ora now fully accepts that its response should have been handled better, has provided evidence of improvements in its training and processes, and has acknowledged that there is further work to be done, which it is committed to follow through.

⁵ Letter from the Manager – Chief Executive Office, Kāinga Ora dated 15 February 2022

Appendix 1

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How Hobsonville Pt's community spirit became an antidote to Covid-19

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Hobsonville Point resident Arena Williams, with her partner Max Hardy and their two children. Photo / Supplied
In partnership with



How Hobsonville Pt's community spirit became an antidote to Covid-19



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27 May 2020

Share

Neighbours in one of Auckland's newest communities pull together during crisis.

Covid-19 has been a tragedy for those who lost loved ones and a disaster for those who have lost jobs – but a group of neighbours in one of Auckland's newest communities have shown what the virus has done for community spirit.

Back in February, residents in Hobsonville Point got together to talk about the looming crisis of Covid-19. Although it was early days, they were deeply concerned and decided to discuss ways they could be ready for whatever was coming their way.

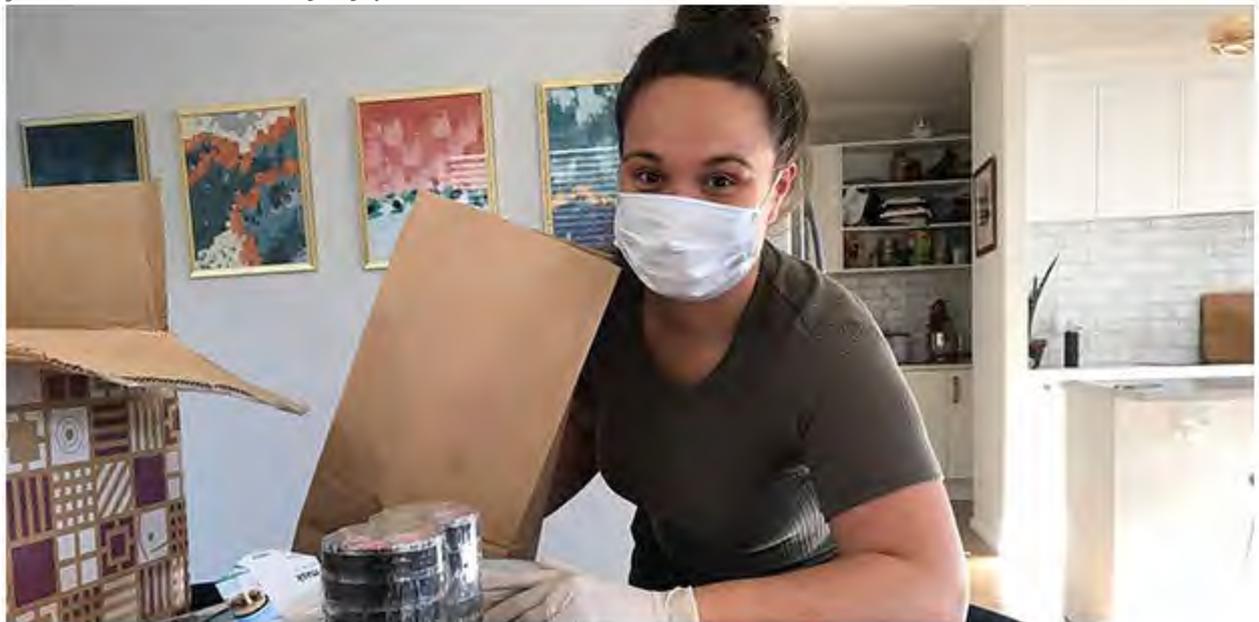
They knew there was evidence that tight-knit, organised communities did better generally – and felt Hobsonville Point was perfectly placed to take advantage.

A driving force in the group was Arena Williams. She and partner Max are both lawyers and committed to Hobsonville Point – and Williams says there is a strong community spirit, supported by an active Residents' Society.

ADVERTISEMENT

“It’s different here because we’re all kind of new,” she says. “There’s a sense of belonging that makes reaching out to others not only possible, but important.” It began with a post by Williams on the Hobsonville Point Community Facebook page – a shout-out to anyone in at-risk groups: the elderly, anyone with medical conditions, or living alone.

Williams invited them to get in touch to be listed with the newly-formed ‘Hobsonville Point Gets Ready’ (HPGR) group. At the same time, the troops were rallying – volunteers who would shop for medication and food for the vulnerable or just check in each day by phone.



Arena Williams packs home-schooling kits for Hobsonville Point families with young children. Photo / Supplied.

It was happening all over the world during the virus crisis – social media has brought people together in the best possible way to look after each other with care and kindness. But the HPGR group, together with other local businesses, went a bit further.

“[Local businesses] Fabric Café donated essential food packs and Peko Peko Japanese restaurant decided to cook all the food they had in stock instead of wasting it,” says Williams. “They made beautiful, ready-made meals so we could provide contactless drop-offs to those in need.”

One memorable visit for Williams was an elderly Chinese man who had no English and whose adult children were stuck in China.

“We found a translator in the end who could work with him but I realised that the simple act of handing over a meal with a smile is its own universal language. Even so, he produced a tablet and used Google translate to say to me, ‘Thank you so much, I’m very grateful’.”

The HPGR team also put together home-schooling packs and delivered them. Due to overloaded couriers they were a bit late, but got there in the end. They also undertook another necessary task – matching childcare to Hobsonville Point’s essential workers.

Hobsonville Point has a few families where both parents were required as essential workers during the crisis – nurses, police, even broadcasters. They needed nannies fast but the entire city was swamped with desperate requests for childcare. However, thanks to their contacts, the group was able to match up local early childhood educators with families in the area to create mutually beneficial scenarios – helped by a bonus incentive for the nannies, donated by the Hobsonville Point Residents Society.

Williams says she’s very happy with the response from Hobsonville Point: “This has been an exercise in community empowerment on a grand scale. It’s brought out the best in us.

“It won’t stop when we are back in Level 1. There are over 300 people in the area who feel we’re better now that we were before, and they want to keep that going. “So we’re setting up a charitable trust as an extension of HPGR that will enable us to reach out and offer help to any members of our community who may need it.”

- This content was supplied by [Kāinga Ora](#)

January
February
March
May
June
August
October

Election announcement

- The Prime Minister announces the General Election date as 19 September 2020.
- The Cabinet Office clarifies that the pre-election period will begin on 19 June 2020.

Article about possible candidacy

- Newsroom publishes article: [Labour's Louisa Wall faces challenge for Manurewa selection](#). The Labour Party President states that the candidates are yet to be confirmed. The article states: "Wall reportedly faces strong challenges from" Arena Williams and Ian Dunwoodie. Ms Williams declines to comment.

Lockdown begins

- The first national level 4 Lockdown to stop the spread of COVID 19 begins on 25 March.

Sponsored article and candidacy announced

- Between 11 and 19 May the sponsored article is drafted.
- The article is verbally approved by GM and sent by SCA to NZME on 22 May.
- on 27 May the sponsored article is published.
- On 29 May AW's Labour Party candidacy is announced.

Pre-election period begins

- The pre-election period begins on 19 June, requiring additional restraint in government advertising campaigns.

Election date changed

- The Prime Minister moves the General Election date to October due to a further COVID 19 outbreak.

General Election

- The General Election is held on 17 October.
- AW becomes a Member of Parliament.

- SCA Senior Communications Advisor
- C1 Contractor 1 - Senior Content Strategist
- C2 Contractor 2 - Freelance writer
- AW Arena Williams
- GM Acting General Manager
- MC Marketing Co-ordinator

Monday 11 May

MC reminds SCA of a conversation they had about the community spirit in Hobsonville Point (where SCA lives) during Lockdown. She suggests it would "make a great story for an HP edm" [Hobsonville Point Electronic Direct Mail, a form of marketing]. SCA replies referencing a recent Facebook post from AW. She agrees and says it could also "be a cool story for NZME". C1 also replies enthusiastically about the story. SCA offers to contact AW via Facebook. MC agrees.

... The Hobsonville Point Development Team would love to get in touch with you to do a story on this, probably for the Hobsonville Point website but maybe even to send to NZ Herald/OneRoof? ... Let me know if you'd be interested in helping out and I'll connect you with the team ...

Hmmhmmhmmhmmhmm hmmm I'm VERY keen to promote HP (I'm a total HP cheerleader any time, not just now) but let me talk to Max and get back to you! [name]and [name] might be better people to ask - [name] runs ... and [name] is running ...

Monday 18 May

C2 asks SCA for help contacting AW and X. She notes "time is running out - deadline is Wednesday." SCA agrees and suggests contacting a third person as well. They discuss AW:

Also, I promised Arena she could take a look at the copy too (presuming you end up interviewing her) so please factor that into your deadline. She's a little nervous as there are some sensitivities around her impending political announcement and doesn't want the story to be seen as campaigning

All good re Arena, we discussed those issues - done. Yay!

Thursday 14 May

C1 asks SCA for an update and notes that time is running out to get the EDM out next week. SCA thanks C1 for the reminder and contacts AW on Facebook asking: "Can I sway your interest in an interview on this?" She also asks whether there are others it might be better to speak to instead. AW asks SCA to call her. SCA summarises the call in an email she sends to C1 and MC shortly afterwards:

Ah, ok so I got the lowdown from Arena (she asked me to call her). It turns out she's not far off announcing herself as the Labour candidate, possibly even in Upper Harbour (Hobsonville Point electorate). She was worried that putting herself out there in the media might suddenly seem like she's helping coordinate some publicity for herself. I assured her it wasn't a problem in my view and **we could proceed as though we didn't know about her impending announcement**. In my view it is very apparent to anyone in the community that she was very much involved in this work, but also I told her I would understand if she wanted to keep her powder dry. She said she'd love to talk about this work, and how covid was really just the start of a really cool grass roots community movement that continues to gain momentum, and she just wanted to let me know in the interests of full disclosure. I can go down the track of getting [X's] details, but I wonder if we still progress this with her, maybe get some quotes from both her and [X] to "balance it"? And if we can promise to show her a copy for approval, she might get some additional comfort from that. What do you think?

1

Friday 15 May

SCA calls her GM to discuss the issue. She then sends a Facebook message to AW at 11am and a follow up email to C1 at 11:30am, after AW agrees to the interview.

Our GM reckons there are no big red flags if we interview you for this story - we'll also bulk it up with interviews with [X] too so I'll get on to contacting them. And happy to let you look at the draft too. Our view is that whatever political announcements may follow don't have any bearing on the significant work you've done for HP as a community member. And we're well in advance of the election blackout period too so its still BAU good community stories worth sharing.

I've convinced Arena that its all good to call her, and we'll bulk up the story with one more interview subject if that's ok - I'll get hold of [X] and come back to you with contact details for that ASAP. ... Have also promised we'll let her look at the draft if that's ok, especially since we're likely earmarking this for NZME too. She's understandably nervous about people perceiving this as her electioneering ahead of her campaign announcement. But I think having another interview subject will balance it out as a good news story about a bunch of local community members starting a grassroots movement, and obviously all the questions won't have any political framing anyway, **we can just act as though we don't know anything!**

2

Tuesday 19 May

C2 drafts the article and emails it to C1, noting that AW has signed off on it. C1 replies to C2 and SCA and the following exchange of emails occurs:

Its great, but I wonder if we need a quote from one or two other participants (eg X) so it doesn't seem to much like the Arena Show? Although really that was more Arena's concern than ours, so if she's signed off on it, I think we're probably good to go. Though perhaps it might be best to drop the mention of her candidacy, so it doesn't come across as campaigning

Without reading, yes please remove any mention of her Labour candidacy from this - it keeps Kāinga Ora's powder dry too!

PS - I know you both said to me that Arena was leery of being seen to be campaigning and I was open with her about this ... But if you mean that Kāinga Ora would rather not be seen to be leaning either way, that's another matter and I'm happy to explain that to her and take it out and I'm sure she'd be fine with that. Mind you, with recent polling ... I'm sure no-one would be surprised, ha ha

Oh how interesting, perhaps I misread her reticence! Or perhaps she was just interested in giving me full disclosure and leaving it up to us. I had assured her that we were fine and the story would be geared towards her community work - so perhaps pull out the last paragraph. We're getting close to the pre-election period where it's stipulated that: The neutrality of the public service and other agencies in the state sector must be protected throughout the election period. So while its technically safe to publish now, removing the last para does keep us in a safe neutral space, especially as most people won't know about these rules.

Based on contemporaneous email correspondence

1

In December 2021 SCA recalls: AW said words to the effect of "I'm just thinking about whether I should do this because I'm thinking of standing as a Labour candidate in the next election". SCA asked if she was standing in Upper Harbour, the electorate Hobsonville Point is in, AW replied that she did not think so, but wasn't sure yet. SCA didn't prompt for further detail because AW seemed hesitant. SCA advised that she would run it past her manager to check if there were any issues, but that she didn't think so. She said she'd be happy to work with her to find someone else to be interviewed. AW shared the details of one other member of the group, who SCA attempted to contact. AW seemed comfortable with someone from Kāinga Ora making the call on her involvement.

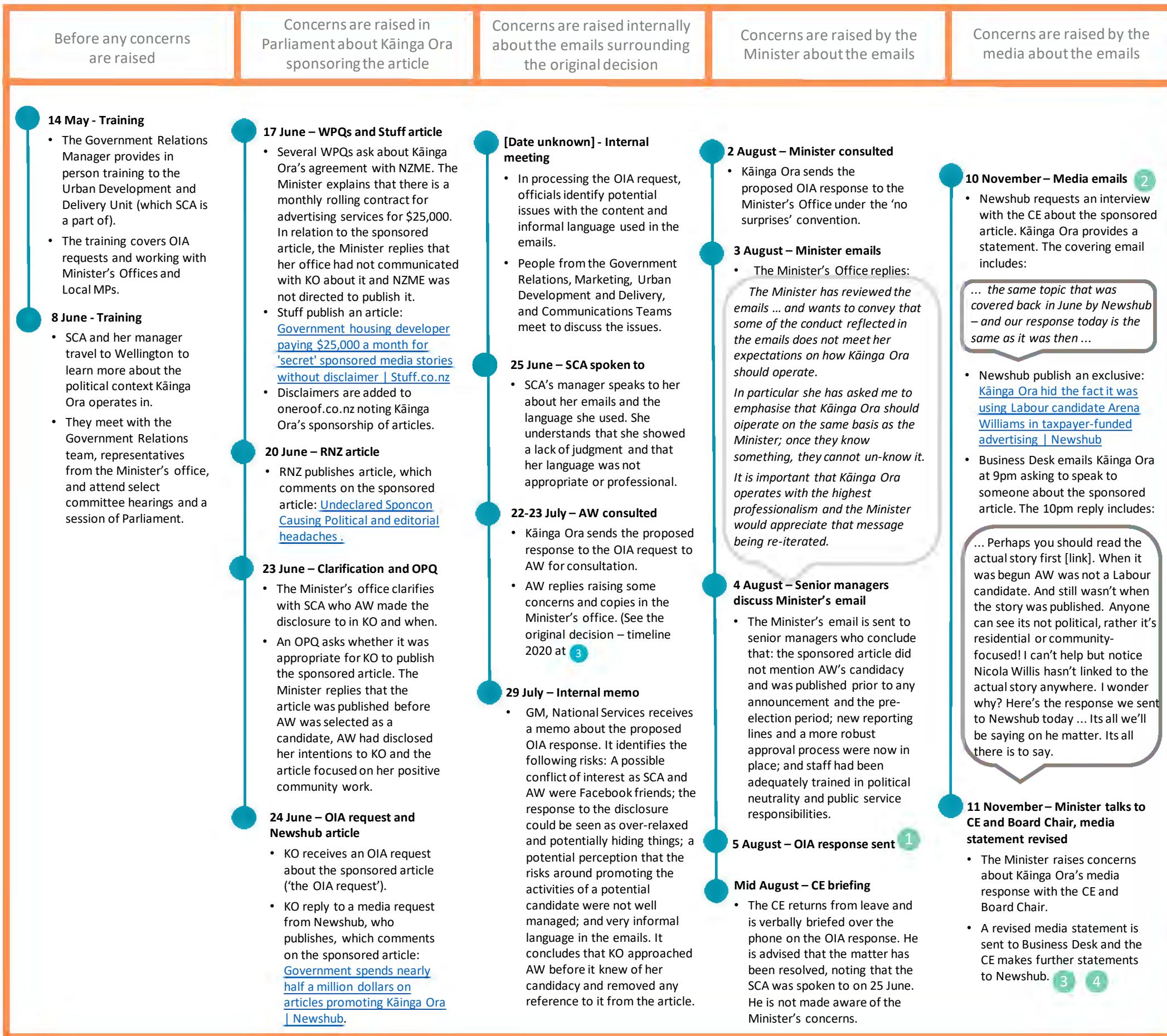
2

In December 2021 SCA and GM recall that they discussed having no definitive information confirming that AW would be standing as a Labour candidate; no knowledge of which electorate she was considering standing in; and no information on the timing of any announcement. They concluded that there was no issue as there was no possible relevant information to disclose in the article, as it focused on the Hobsonville Point community.

3

In July 2021 AW recalls: Once the article was written and the chances of me being selected had become more possible, I suggested that the final paragraph should link to the newsroom story ... which explained that I was in the running but far from a sure thing. I now see that the writer [C2] had misunderstood my request for this proactive disclosure. Despite the fact that I had been clear from the start that avoiding the perception of political promotion was my primary concern, she assumed that I was asking for political promotion. That's simply not fair in the context of my other discussions with KO where I was at pains to make sure the article was not electioneering.

Based on additional information about phone calls provided in 2021



Excerpts from media statements

- Covering letter for OIA response**

KO takes its responsibility regarding political neutrality seriously. The article was written and published prior to AW's candidacy being announced. The information provided shows that AW was approached to take part in the article because of her involvement in the community and KO only became aware of her potential candidacy during the writing process. KO chose not to include any reference to the potential candidacy in the article to ensure political neutrality.
- A spokesperson to Newshub and Business Desk**

In the latter stages of the story being put together Kāinga Ora was made aware of the fact that one of the story's main interviewees was potentially going to be a political candidate. A Kāinga Ora staff member made a personal judgment call that as the story was about a Hobsonville Point community response to helping out Hobsonville residents, this did not matter. The story clearly has no political reference or bias.

Kāinga Ora takes its responsibility regarding political neutrality seriously. The article was written and published prior to AW's candidacy being announced. However, as a result of this matter, to make sure Kāinga Ora maintains its neutral position ..., the relevant staff were reminded to check with senior management to ensure all the necessary steps are taken to fulfil those obligations.
- CE to Business Desk**

Kāinga Ora takes its responsibility regarding political neutrality seriously ...

While the article was politically neutral, one of our people made a personal judgment call that the story was about a Hobsonville Point community response and was being published prior to AW's candidacy being announced. This situation should have been handled better, and as Kāinga Ora takes its responsibilities around political neutrality very seriously, the employees involved were reminded about their obligations under the Public Service Code of Conduct. This was done via an in person meeting with the employees. In addition targeted training was given to this team in person by the Government Relations Manager and information on the Public Service Act provided.
- CE to Newshub**

I think there were quite unfortunate flippant comments that were made.

What's happened here is we've got one incident where a staff member has made some flippant comments. We've spoken to them."