

Peter Hughes
Te Tumu Whakarae mō Te Kawa Mataaho
Public Service Commissioner

2 March 2022

Tēnā koe Peter

Handling of a disclosure by Kāinga Ora concerning a sponsored article

Thank you for your letter of 1 March 2022 regarding the matters that were reviewed by Te Kawa Mataaho in relation to the handling of a disclosure by Kāinga Ora concerning a sponsored article. I welcome your conclusions and the opportunity to share the changes that Kāinga Ora has already made, and the ongoing improvements underway.

As I have stated to you personally and have said publicly, I was not satisfied with the decision by Kāinga Ora and its subsequent handling of the matters. I have made it very clear that it was unacceptable and that I expect that it will not happen again. Kāinga Ora has taken the matter very seriously and has worked with Te Kawa Mataaho to provide assurance that it understands and accepts where mistakes were made.

I am confident that Kāinga Ora has learnt from this experience, that changes to its organisational systems, training and processes have already been put in place, and that it will continue to work on further improvements to ensure that this kind of situation will not occur again.

I have asked the Chief Executive of Kāinga Ora to write to me to outline what actions he and the organisation have taken and the improvements underway; this letter is attached.

Please do not hesitate to contact me if you would like to discuss any aspect of my response.

Nāku noa, nā



Vui Mark Gosche
Board Chair
Kāinga Ora

Vui Mark Gosche
Board Chair
Kāinga Ora

28 February 2022

Kia ora Vui

This letter sets out the actions and improvements that Kāinga Ora has taken since May 2020 when an issue arose in relation to the handling of a sponsored article by Kāinga Ora, and the obligations of political neutrality that Kāinga Ora has as a public sector organisation.

Since then, this matter has been reviewed by Te Kawa Mataaho. We accept the findings made by Te Kawa Mataaho, that our decision to publish the article and subsequent handling of this matter was wrong, and we are committed to learning from this experience to ensure that this situation will not be repeated.

Since May 2020, there have already been extensive changes to structure, personnel, processes and culture, and the insights and suggestions from Te Kawa Mataaho while they were investigating these matters have prompted further changes. Kāinga Ora has already put in place changes and improvements, which are outlined below, and we will continue to make further improvements over time.

Lessons learnt and improvements

There are three areas where we have identified key issues and lessons learnt:

- *The judgement call to decide to publish the Onerooft article*

We recognise 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 in which we operate and our obligations as a public sector organisation. In addition, we need to be aware of this context and manage how we consider it and respond.

While the decision made to publish the article was not politically motivated, it was the wrong decision and we would not publish an article under these circumstances again.

This was a situation requiring judgement by individuals, who applied their understanding of political neutrality principles, which they now know was incorrect. Our role as an organisation is to support our people with good systems and guidance so they can make the right judgement calls. It is clear that more definitive guidelines were required for this type of situation.

Since the time the article was published, Kāinga Ora has made improvements to our organisational systems, processes, communications and induction as well as conducting further training to reflect lessons we have learned from this situation.

There is a far greater level of resource applied to our governance responsibilities, new processes have been developed to ensure the right people have visibility and the opportunity to intervene where required, and reporting has been improved to give more visibility to a broader range of people.

Our induction programme has been further developed, and we have ensured it highlights the environment we work in, responsibilities we have as public servants and the support available to our people.

We understand that given the circumstances that were disclosed and our position as a public sector body, we should not have published the article; and furthermore once her candidacy was announced we should have taken it down from the website.

- *Our response to political neutrality issues*

When issues of political neutrality arise, we need to be very clear about how to proceed and how to resolve them.

The advice from the Commission about how we should respond to these issues has been very valuable, including that we should have been far more transparent and open about where the wrong decision had been made, acknowledging the central issues, and escalating issues appropriately.

Our processes for dealing with situations like this where we uncover an issue have changed. We have improved our Official Information Act processes and issues management systems and set up a team of people in senior roles from Communications, Government Relations and Governance to better triage emerging issues and recommend appropriate actions. This includes determining our responsibilities, addressing or fixing issues, informing Ministers, Board, senior management and other key stakeholders, and ensuring appropriate external communications plans are prepared and executed. There are now clearer lines of accountability, better processes and the right people are made aware of any issues. We are also continuing to consider where we can make further process improvements in our governance functions.

Our governance capability and capacity has also increased since our establishment, with a particular focus on public sector experience. Given the responsibilities that Kāinga Ora now has, we are also using our Governance function to provide advice and guidance to the business on public sector standards, expectations, obligations and accountability.

- *Response to language in internal emails*

We agreed that the language and sentiments used in the emails released under the OIA by one of our people were unacceptable and unprofessional. The person involved was spoken to by their manager and the Chief Executive about their conduct and was given in-person targeted training by the Government Relations team. The comments were flippant and not an indicator of personal integrity, and we are very confident that the individual will not do this again.

It has been an important lesson for the organisation about how we need to conduct ourselves to the highest standards. This has been communicated widely across the organisation at all levels, and our internal communications, training and induction emphasises this message.

Since this time, we have emphasised with our people through various forums, including with senior leaders and in regular business alerts, the importance of remaining impartial on a public level including on social media, appropriate email conduct, treating each other fairly and respectfully, and how this is all underpinned by our obligations as public servants and the Public Service Commission Code of Conduct.

We are aware that these communications and guidance need to be provided on a regular and ongoing basis, as we grow as an organisation and new employees begin, and to ensure that these messages permeate through all parts of the organisation. There are further opportunities for developing this capability, which are being planned for currently.

Kāinga Ora will incorporate the findings from Te Kawa Mataaho and lessons learnt through this process into actions that will form part of our business plans.

Future support

We have also agreed that it would be useful to have a contact point at Te Kawa Mataaho to get their advice on any ambiguous situations in the future where some complex judgement is required, and leverage their expertise, experience and perspective. The Commissioner has agreed that Kāinga Ora will have a dedicated contact at Te Kawa Mataaho; we have already met and agreed to continue to meet regularly.

Monitoring progress

I have also committed to report back to you and the Board with progress against the actions and improvements outlined in this letter. In the meantime, if you have any questions, please do not hesitate to contact me.

Nāku noa, nā



Andrew McKenzie
Chief Executive