

10 MAR 2020



Thank you for your official information request dated 11 February 2020 for:

- 1. All policies or staff guidelines relating to international travel and koru club membership*
- 2. Any policy/guideline/instructions if these exist, for staff extending periods of overseas travel paid for by the entity for personal reasons i.e. visiting relatives/sightseeing*
- 3. Overseas travel by members of the executive leadership team (DCE or T2 level) since 2015, including, but not limited to, the reason for travel, costs incurred (flights, taxis, accommodation, expenses etc)*
- 4. If the reason for the travel was to attend a meeting or meetings or interviewing for staff can extra information be provided on why other mechanisms were deemed unsuitable i.e. interviewing via Video conferencing for example including an cost benefit analysis they may have been undertaken*
- 5. If the travel was for interviewing for staff, why was it deemed necessary to seek personal from overseas i.e. is the skill set so specific that there are very few people who would possess them, why someone from NZ couldn't be upskilled etc*
- 6. In relation to the details above, can you please provide details of any travel period that was extended for personal reasons i.e. for the staff member to visit family/sightseeing etc and what the extra costs were, if any incurred by the entity*

The answers to your questions are provided as listed.

- 1. Policies and staff guidelines on travel are outlined in the attached document 'Policy Guidance: Travel' F-132A.*
- 2. As above.*
- 3. Kāinga Ora's expenditure is audited and scrutinised annually by the Finance and Expenditure Committee, since 2014 the following question has been included:*

'How much was spent on international travel in the 2018/19 financial year, how does this compare to each of the previous four financial years, and what proportion of operating expenditure does this represent? Please provide a list of the positions of all spenders on international travel for 2018/19, including the amount spent (broken down by travel, accommodation and other expenditure), locations travelled, reason visited and outcomes achieved. For any items of other expenditure greater than \$15,000 please provide details of what this was.'

The required information is collated annually and published as part of the annual review process on the Parliamentary website. I am therefore declining to provide the requested information for the financial years: 2014/15, 2015/16, 2016/17 and 2017/18 under section 18(d) of the Official Information Act 1982 (OIA) as it is publicly available and can be found here:

https://www.parliament.nz/resource/en-NZ/52SCSS_EVI_82366_SS2474/c4e3b36672bc4e49bfd33bacb2ce817b8822c7d1
Housing New Zealand 2017/18 Annual Review (see Q98 and Q99 re: Koru club)

https://www.parliament.nz/resource/en-NZ/52SCSS_EVI_82366_SS2474/c4e3b36672bc4e49bfd33bacb2ce817b8822c7d1
Housing New Zealand 2016/17 Annual Review (see Q98 and Q99 re: Koru club)

https://www.parliament.nz/resource/en-NZ/51SCSS_EVI_00DBSCH_ANR_71776_1_A546830/cd1ed43330cb13caba7c6bf4f719cbb35c8d8dfa Housing New Zealand 2015/16 Financial Review (see Q93 and Q94 re: Koru club)

https://www.parliament.nz/resource/en-NZ/51SCSS_EVI_00DBSCH_ANR_66288_1_A463179/36c1664b78fd79213cb5a1959f23548dfd5cdd58 Housing New Zealand 2014/15 Annual Review (see Q98 and Q99 re: Koru club)

As the information relating to 2018/19 has been collated but is not yet published I have attached it as an appendix. Information about international travel beyond financial year 2018/2019 has not yet been prepared. I am declining to provide this under section 18(g) of the OIA as it is not held.

4. In July 2018 two senior Housing New Zealand employees travelled to the United Kingdom (UK) to conduct interviews for development related roles. Travel and accommodation costs for this visit were covered by then Housing New Zealand.

The interviews were with a shortlist of 31 candidates, all of whom had been through a rigorous pre-screening process which included video interviews, aptitude tests and background checks by LookSeeBuild, a subsidiary of Haines. Some candidates had visited New Zealand previously at their own expense as part of the LookSeeBuild orientation programme, and others - some of whom applied to us directly - had pre-meetings with two senior Housing New Zealand employees who had been in the UK earlier on personal visits (again at their own expense) and had set aside time to meet with prospective candidates.

Housing New Zealand also engaged directly with Immigration New Zealand, and ran a joint event at New Zealand House for the preferred candidates - and, where relevant, their partners - so they understood more about the immigration process, cost of living, and culture in New Zealand. Candidates from South Africa had travelled to the UK at their own expense to participate in the process. All other transport costs for UK based candidates were also paid by the candidates themselves. The 31 interviews, and the New Zealand House evening event, were completed within eight working days. This process produced 23 offers of roles with Housing New Zealand. A full cost benefit analysis was completed, breaking down the cost per successful hire, and performance and retention of the new recruits as a cohort.

The two Housing New Zealand employees who travelled to the UK to conduct the interviews had arranged other business-related meetings for the same trip in the construction and technology areas, which they each attended separately. These took an additional day in one case, and two days in the other.

5. Demand for development and construction-related roles continues to be very strong in New Zealand, and Housing New Zealand (now Kāinga Ora – Homes and Communities) competes in this area with private sector companies, both in New Zealand and offshore, that uniformly offer remuneration and benefits packages which are highly attractive. There is a recognised skills

shortage that pervades the entire industry, from trades to urban design and at all stages in between.

The level of redevelopment and new build activity in New Zealand continues to escalate, with Kāinga Ora's mandate, and accountabilities, increasing significantly over the past 12 months as we respond to this country's needs across the housing ecosystem. More recently we are seeing increasing interest in opportunities in Australia as the post-fire rebuild commences, which is predicted to shrink the New Zealand resourcing pool further.

While as a state sector organisation we cannot compete on salary and benefits, we seek to attract highly experienced and motivated people for whom the opportunity of being part of building the future for New Zealand, and New Zealanders, is critical to their personal values, aspirations and work ethic. This cannot be conveyed via video conference or online. Our international candidates said uniformly that they were informed and inspired by what they learned through the process of becoming part of what is now Kāinga Ora.

Also, particularly in the UK, there is extensive experience in community regeneration on a scale which is in its relative infancy in New Zealand. The expertise of these people is being shared with their New Zealand colleagues, which is in turn adding to our local skills and knowledge base. This was one of the benefits expected, and delivered, by the offshore recruitment exercise.

6. Overseas travel for business reasons must be approved at the appropriate level, with travel beyond New Zealand and Australia needing the approval of the Chief Executive of Kāinga Ora. The standard approach is to present a business case with the expected value to be delivered, and benefit to be derived, from travel outside New Zealand, plus all associated costs. The overseas recruitment described above was supported by the criteria outlined in my response to Q5, and compared with the ongoing financial and productivity cost of local recruitment which had (and continues to have) limited success.

In every case, the costs of any personal travel and associated expenses are covered directly by the individual. Our people are required to take annual leave to cover any such periods. Expenses incurred during a business-related period offshore are either prepaid by the organisation once approved (airfares and accommodation) or recorded on a person's procurement card report, which is subject to management approval.

I trust you have found this information helpful. You have the right to seek an investigation and review, by the Ombudsman, of my response to your OIA request. Information about how to make a complaint is available at www.ombudsman.parliament.nz or freephone 0800 802 602.

Yours sincerely



Rachel Kelly
Manager Government Relations Unit

