

27 Pipiri 2025

Merepeka Raukawa-Tait
Board Chair

J H Tamihere
Chief Executive Officer

Te Pou Matakana

9(2)(a)

TĀMAKI MAKĀURAU

Tēnā kōrua Merepeka me John

Te Pou Matakana Limited (Te Pou Matakana): Outcome Agreement for Whānau Ora Services and Outcome Agreement for Ngā Tini Whetū

1. I refer to your letter of 26 Pipiri 2025 (attached), in response to our letter of 25 Pipiri 2025.
2. Te Pou Matakana has not provided a substantive response to our questions, including with respect to the obligation of Te Pou Matakana to:
 - a) act consistently with and to promote the standards of behavior expected by the Standards of Integrity and Conduct for State Servants issued from time to time by the Public Service Commission (see clause 4.3 of Appendix 11 of your Whānau Ora Outcome Agreement); and
 - b) identify and manage (if possible) any conflicts of interest.
3. Your letter deepens our concern about the conduct of Te Pou Matakana under the Outcome Agreement for Whānau Ora Services and Outcome Agreement for Ngā Tini Whetū (**Outcome Agreements**). In particular:
 - a) Te Pou Matakana does not seem to realise that it is obliged to ensure that its conduct is required to be consistent with, and to promote the standards of behaviour expected by, the Standards of Integrity and



Conduct for State Servants.¹ This includes acting in a manner consistent with the requirement to be impartial, and through that, maintaining the political neutrality required to enable work with current and future governments. In this case, as mentioned previously, the chief executive officer of Te Pou Matakana is also the president of a political party and, at the very least, the advertisement could create a perception of the lack of political neutrality.

- b) Te Pou Matakana does not seem to accept that it is required to comply with the conflict of interest provisions in the Outcome Agreements. Those provisions require Te Pou Matakana to:
- i) maintain a record of evidence to demonstrate that conflict of interest checks have been completed for each programme/activity it commissions and each "Other Activity" it performs;²
 - ii) put in place, maintain and comply with operating policies and practices that represent then-current general best practice. Te Pou Matakana must be able to demonstrate this is the case, to the reasonable satisfaction of Te Puni Kōkiri;³ and
 - iii) maintain a regularly updated conflicts of interest register.⁴
- c) The definition of a "conflict of interest" under the Outcome Agreements extends to actual or appearance of a conflict of interest, as well as any circumstance, interest or activity that would impair or might appear to impair the ability of the commissioning agency to independently provide the Services. Accordingly, an actual or perceived conflict of interest between your obligations under the Outcome Agreements and any political party role roles and affiliations of directors and executives of Te Pou Matakana would need to be identified and managed in accordance with the Outcome Agreements.

¹ Outcome Agreement for Whānau Ora (Appendix 11, clause 4.3).

² Outcome Agreement for Whānau Ora (Appendix 1, Part A, p 20); 9(2)(b)(ii) and 9(2)(ba)(ii)

³ Outcome Agreement for Whānau Ora (Appendix 11, clause 4.3); 9(2)(b)(ii) and 9(2)(ba)(ii)

⁴ Outcome Agreement for Whānau Ora (Appendix 11, clause 4.3); 9(2)(b)(ii) and 9(2)(ba)(ii)



- d) Te Pou Matakana mentions that the funds for the advertisement are funded by its own surplus resources, without mentioning whether that surplus is from Whānau Ora funds. As you know, at the end of each financial year, a commissioning agency must report any unspent budgeted general commissioning funds, associated operating costs, or funding made available for "Other Activities", with an explanation of that underspend. Unless otherwise advised by Te Puni Kōkiri (at its discretion), the unspent funding will then be applied as part of the funding for the following financial year, as opposed to being spent discretionarily by the commissioning agency.⁵
- e) Your letter's reference to the Outcome Agreement providing Te Pou Matakana with significant discretion does not recognise that a commissioning agency can only spend funds to pay for activities commissioned in accordance with the Annual Investment Plan.⁶ You will know that the Outcome Agreement requires the commissioning agency to document its activity plan for each year, including amongst other things, a high level description and explanation of the planned commissioning and other activities, and the estimated budget for the activities.
4. We are disappointed with your response to our queries. We made those requests in the context of the longstanding relationship between Te Puni Kōkiri and Te Pou Matakana, and the principles of honesty, good faith, open and timely communication, and working in a constructive manner towards the resolution of problems and issues, that underpin that relationship, as included in the Outcome Agreements.

Advance notice

5. As you know, successful commissioning will involve, on an ongoing basis, the monitoring, evaluation and reviewing of the activities of the commissioning agency in a manner which appropriately reflects that the activities are funded by public money. Therefore, given the seriousness of the issues (which have

⁵ Outcome Agreement for Whānau Ora (Appendix 5, p 37)

⁶ Outcome Agreement for Whānau Ora (Appendix 1, Part A, p 10); 9(2)(b)(ii) and 9(2)(ba)(ii)

not been alleviated by the letter dated 25 Pipiri 2025 from Te Pou Matakana), Te Puni Kōkiri provides Te Pou Matakana advance notice that Te Puni Kōkiri will be conducting an independent review of these matters, including as to the conduct of Te Pou Matakana in relation to its financial decisions, conduct obligations, and compliance with conflict of interest obligations.

6. The review will cover performance of the Whānau Ora Outcome Agreement and Ngā Tini Whetū Outcome Agreement by Te Pou Matakana. When a draft report from the independent reviewers is available, we will provide a copy to Te Pou Matakana for comment.
7. Te Puni Kōkiri wishes to complete the independent review as soon as possible, and will be making a public statement about the commissioning of the review. We require Te Pou Matakana to provide information to Te Puni Kōkiri (and the reviewers). We may also require reasonable access to your premises, personnel and records used in the performance of the Outcome Agreements to allow the conduct of the independent review.⁷
8. Te Pou Matakana may wish to provide us with further information as we have requested in our letter of 25 Pipiri 2025, which will assist with the conduct of the independent review and provide Te Pou Matakana with an early opportunity to have its substantive input considered by the reviewers.
9. We acknowledge your commitment to provide us with a dynamic and full report on 14 Hereturikōkā 2025, however, given the seriousness of the issues above, we will be proceeding with the independent review in the meantime.

Preservation of rights

10. 9(2)(h) [REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

⁷ Outcome Agreement for Whānau Ora (Framework Terms, clause 5.7); 9(2)(b)(ii) and 9(2)(ba)(ii) [REDACTED]



11. 9(2)(h)

[Redacted content]

Nāku noa, nā

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