



Recorded Transcript

Governance Performance Standard

Content	
Governance Performance Standard	Martin Farmer Community Housing Regulatory Authority

The transcript below was captured at the live webinar and includes minor grammatical adjustments for the readability of the audience.

If you are iwi, marae, hapū or rōpū Māori interested in CHP registration and our resources, please contact us directly by emailing whakamohio@tematapihi.org.nz



TE MATAPIHI
HE TIROHANGA MO TE IWI TRUST

Introduction | Te Matapihi

Jen Deben

So, for many of you that may not realise, I did work with the Community Housing Regulatory Authority and so I have worked with Martin. I was the Lead Evaluator. So that is how through Te Matapihi we're able to give so much advice and help to prepare the templates that we have and also knowing how to or who we need to bring on board for these types of wānanga. So, I am very pleased that Martin's able to join and would also just like everyone to know as well, it isn't just unique that they are delivering to this wānanga for the first time, it is also that you have Martin who was actually part of forming the regulatory framework. So, when you hear him speak, he actually has many years, I'm sure it's up to about a decade now, of understanding the Community Housing Regulatory Authority. Not just in terms of how it is operationalised on the registration and the monitoring side of it, but also on the why. So why do we have these particular performance standards, why are they constructed the way that they are, what is it that they're looking to achieve and what is it that they're hoping that these performance standards will do for you as you grow your business to deliver housing. So that is also a really unique opportunity. It's not often that you get to hear the person who was part of the development of a regulatory framework but also who is part of the operational side. So, I hope that you enjoy the korero from Martin today and when he has finished we'll also have time for Q&A at the end as well. So welcome Martin and I'll pass over to you now. Kia ora.

Governance Performance Standard | Community Housing Regulatory Authority

Martin Farmer

Tēnā koutou katoa, he mihi nui, he mihi mahana ki a koutou katoa. Ko Martin Farmer tōku ingo, kei Porirua e noho ana. Kei Community Housing Regulatory Authority ō e mahi. Kia ora. Hui hui mai tātou. First of all Julian, Christine, Tracey and Anne, kia ora. I not only have to follow those presentations, but I have to do that with a presentation about governance performance standards, so it is going to be a big ask for me and, as Jen said, I was partly responsible for setting up the regulatory framework. I did the policy work in order to establish it and set the performance standards etc. So in June last year we had a fantastic wānanga about regulation at Mataatua Marae. At that time Fiona Fitzgerald, who is the head of the Community Housing Regulatory Authority, and myself. We provided a background to the regulatory framework and that was at a very high level – why is it in place, what’s it designed to achieve, etc. So right at the outset I’d like to acknowledge Te Matapihi’s mahi in organising that event and for organising for us to come back here today to keep that discussion going. So, thank you to Wayne Knox, to Jen Deben, to Kirby and to all Te Matapihi staff and thank you also to Auckland Council for supporting Te Matapihi to hold this event. We are of the view that these sorts of events are absolutely critical to growing the sector and to sharing the knowledge that exists within it. Over the next several days myself and my colleagues from the Community Housing Regulatory Authority, that will be Grace Gentiles-Devery, John Bolsover and Michaela Riley will be talking about the specifics of applying for registration, and in particular we’ll be talking about the performance standards that we assess applicants against.

There are five sets of performance standards, and these are governance, management, financial viability, tenancy management and property and asset management, and together all of those five things represent all the areas of operation that a social housing landlord should have in place in terms of their policies and procedures etc. So, today we’re moving beyond that general introduction to regulation that we gave last time and getting down into what you need to know to submit an application for registration. For you, as Tracey said, this is a very personal journey which has gotten you to this place. We’re the other side of the coin in that we’re here to specifically talk about standards etc while acknowledging and supporting you as you continue on your journey through the application process. So, the second slide, last time I spoke I used this slide and I wanted to show it to you again because this is a list of the Māori housing associations or Māori community housing providers I should say, that were registered when I last spoke in June of 2021. Because we’re going to get down into the detail of the governance performance standards and over the next few days, we are going to talk about the other performance standards. It might seem a little bit daunting at times, but I wanted to show this slide so that you would know that registration is achievable.

For all of us here at the Authority who have spent the last seven years assessing applications for registration, we can honestly say that Māori organisations are often better placed in many ways to achieve registration and have been more successful at navigating this process than non-Māori organisations. In our view that's because of the real commitment that Māori organisations bring to achieving positive housing outcomes for whānau and that is always topmost in the kaupapa of the organisations that come through to us for registration and because they have a real sense of identity and purpose as an organisation about who they are and what they're trying to achieve. And since then, these organisations have gone on to achieve registration so that now 22 of the 67 registered CHPs that we have on our register are Māori organisations, and that's 33% of the total register. So, with that positive spin on it in mind, before I talk about the governance standards I thought that I'd talk to you a little bit about the application process and run you through that at a very high level and then I'll get on to the specific governance performance standards.

Applying for registration is not something that should be entered into lightly, it is a commitment and to ensure that you get some value from registration these are the questions you should ask yourselves. So, what are your organisation's goals and aspirations. It was interesting during the introductions hearing where people were at in their journey and the sorts of housing they were delivering. So, for example, if you are offering transitional and emergency housing only, registration is not necessary. If you want to deliver affordable rental housing and by that I mean housing that is offered at a discount to a market rent, say 80% of the market rent to make it affordable for your tenant cohort, or you're offering affordable home ownership, registration is not necessary. But you will need registration if you want to receive funding for the delivery of income-related rent tenancies and to take public housing tenants off MSD's social housing register. So, there might be instances where you decide to get registered because even if you're not offering public housing because you might, for example, go we want to be independently assessed by the Authority. In a way that we don't get charged, it's essentially treating it as an externally audit. That could be a reason to decide to get registered. But if you're in it to get funding for different tenure types, you only need to be registered if you are trying to access income-related rent subsidy funding for the provision of IRR tenancies. So, getting registered requires time and resource as I've said and after that, well it doesn't end at you becoming registered.

So, the Authority is required to assess at least annually whether you are still meeting the performance standards through our annual monitoring process and in addition to that, if there is something that arises which might lead you to breach one of the performance standards, you'll need to notify us of that through our change and disclosure reporting process. So that's just some things to be aware of. There is an ongoing compliance component to this and that might impact your decision to apply for registration. And lastly and this will be a very important question to some of you, but maybe not to others, what entity should apply for registration. So, if you are a small organisation, that won't really apply to you, you can simply apply in the name of your organisation. However, if you are, say a runanga that oversees multiple business arms

or operates a group structure in another way, you will need to give some consideration to this. So just as a general bit of background. The Authority is concerned with the ongoing financial and operational viability of our registered CHPs. Because social housing is a long-term gain, we want to make sure that organisations that are registered are viable over the long term so that they can continue to offer housing to their people. And because of that our regulations require us to look at the registered entity as a whole.

So just by way of an example, here are two identical runanga – one in the orange box on the left and one in the green box on the right – and as is typical for runanga they both oversee a number of different operations designed to lift the wellbeing of the people. They have education services, health services, housing services and three money-making business ventures operating within the runanga structure. In the first instance, example one in orange, it's the runanga itself that has applied for registration and because the Regulatory Authority is required to look at the organisation as a whole and receive documents to that purpose - so every year as part of annual monitoring we require registered entities to provide copies of unredacted Board Minutes - we look at that registered runanga in the whole and so we would look at the other areas of the business as well, so the education services, the health services, etc. In the second example in the green, the housing services business has applied for registration in its own right. and because of that we would only look at the Board Minutes for the housing business and not the wider entity. And that is, I mean ultimately, it's your choice as to what entity you register, but we do recommend the second option because you don't particularly want us nosing around in your Board Minutes in respect of other services and businesses that you have. We don't particularly want to do it and if you registered just the housing services business and you offer other services as part of your wider business operations, it helps with that separation of services that the Authority actually requires from a registered CHP, and we'll get into why we require that in the next few days. Sorry, that was a lot of information to dump on you but we do recommend, long story short, that you register the housing business only. It makes it easier for you and it makes it easier for us.

So here is, again pinching the terminology that was used before, here's the journey, the application process from start to finish. And it begins in the top left-hand corner and that first box is that slide that I spoke to a couple of slides ago in which the Board asked itself those three questions as to whether registration was appropriate for us. This is something that the organisation does on its own and then it decides whether or not it wants to pursue registration and it's after that that they contact us and it is usually Michaela Riley who is the point of contact for the Regulatory Authority who assists new applicants for registration. The Authority meets with the Board and senior management, usually in a Teams or a Zoom meeting, and we have a further discussion about whether registration is appropriate for you – and this is for both our sakes. We don't want you to waste time and resource on registration if it is not something that will be of any value to you. But it is ultimately your decision whether to apply for registration and we welcome applications for registration if it will be of benefit for you. It is only once we have had that discussion and we have comfort around that, that we will release the

application form to you. You can only get the application form from us after having that meeting, it's not something we have on our website. There may be old copies of the application form floating around out there, if one of those does find its way to you, you shouldn't just complete it and send it to us. We do need to have that discussion first. So, you need to complete the application form that we give you and gather the supporting documentation and that supporting documentation is where the rubber meets the road in terms of the resource and the time that it takes to gather those things together.

So, in total, across those five areas, there are 27 performance standards and we will require documentation for most of them. But on the plus side you shouldn't have to create many documents. These are documents that you should already have to run your business. However, if you are new to housing you may need to write tenancy management and property and asset management policies, and you will also need to submit copies of your financial statements and the Authority's financial adviser John will be discussing the financial viability performance standards with you tomorrow I believe. Once we have all the information, we then assess your application.

Please note it does take up to 60 working days to assess an application for registration, so that's three months. If we need to come back to you for further information if your application is not complete, that process may take longer. It is really important for you to know that this is not a checkbox exercise. We read all of the policies and associated documents and the reason for that is we are the Crown's assurance agency; we are set up in legislation and we need to give the Crown assurance as to your ongoing financial and operational viability. If you are successful, you are added to the register of registered CHPs on our website - it's the happy green box at the end - and you are also provided with a detailed evaluation report. There may be some instances where you didn't quite meet one or two performance standards but the Authority has made a determination that you have provided sufficient information to merit registration and if there are any outstanding items that we think need a little bit more work on from the evaluation report, we will give you a bit of breathing space by adding that to your policies and procedures and make those changes. If you are not successful, it's not the end of the world. We'll also provide you with a detailed evaluation report and you can use this to fix the areas that require additional work and then consider coming back and resubmitting another application at a future point. You will see that orange circular box in the middle of that slide and that is all about Michaela Riley who is available throughout this whole process from the moment you contact us through to the moment you receive your evaluation report, just to answer any questions you have and discuss this process with us, and you can discuss it with anyone else at the Authority as well - I like to think we're a friendly bunch - and so we realise it can seem like a daunting process but we are happy to chat it through with you.

This one is quite an easy one. It is how you should organise your policies and procedures and this might seem like a very basic point to you and it's also a matter for you as an organisation to determine how you organise your policies and procedures. Our recommendation, and it's only

that, our recommendation is that you maintain a separate policy manual for each of the five sets of standards. And that's not just to satisfy us. Policies and procedures should be what we call living documents, they should inform the day-to-day running of the business, and we can really tell when an organisation submits policies which are designed just to placate us. But when they are a policy that has been written with the business in mind and how it can best serve tenants, that's also really obvious to us. The arrangement that I've got on the screen at the moment makes it easier for staff to find the policies and the procedures that they need when they need to find them. It's up to you, and for example you might be an organisation that's been operating solely in the provision of support services previously and you might have an existing set of policies and procedures that are organised to reflect that. That's fine too, but just one point on that – if you have been solely a support service provider in the past, the policies and procedures that you submit to us as part of your application for registration will need to be updated so that they are applicable to the provision of housing services. So, for example, if you have a complaints policy and it refers to clients because previously it was only about support services offered to clients, this will need to be broadened to include tenants, or a separate policy for tenants drafted. And that might seem like a really fussy point, but tenants have specific rights that are covered by the Residential Tenancies Act and clients receiving support services have very specific rights that are covered by the Health and Disability Commissioners Code. So, it is important that tenants are referenced in the policies.

So, what makes a good policy? In that box on the left is just a sample policy and it sort of picks up a few of the points in the bullet points on the right. Easy to read and not too complex is the first one. So, running a CHP is challenging but your policies and procedures shouldn't be. They should be easy to understand and provide a good basic framework for staff to follow. They don't need to cover every situation that could arise, but they need to be accessible. It should include introduction and purpose statements because it is good for staff accessing those policies to know what the organisation is thinking about the policy that they've put in place, and again the complaints policy is another really great example of that. If you have an introductory statement that says we value complaints, they highlight to us opportunities to improve our business and tenants will not be unfairly penalised for making a complaint, it won't impact their tenancy or anything. Staff know that that's an opportunity to improve the business and that they should be treating tenants with respect over any complaints that are made. Where necessary in a policy, so a policy is the broader statement in respect of a specific aspect of the business. Where necessary the policy should include clear procedures, so steps that staff can follow. And again, policies are living documents, and they should inform the way that your organisation provides housing. So, staff will need to refer to these policies on a regular basis and by having procedural steps for how they deal with complaints or rent arrears or maintenance issues. That ensures that there is a timely service to these tenants and that tenants are all treated in a consistent way.

A good policy shouldn't be a policy to have a policy and when an organisation is a little bit unsure of an area, this is how it usually presents itself and quality management is a great

example of that, and I'll be getting on to that in a bit. But a policy to have a policy is where general statements are made that the organisation will do something and will, for example, ensure quality management is undertaken. That in itself is not enough. What we are looking for in these policies are that there are really concrete steps about how to deal with a specific situation or issue and not just kicking the can down the road by saying that we will have these processes in place. A good policy references legislation where necessary and has links to internal documents. So just in that sample policy I gave on the left-hand side it does reference the Residential Tenancies Act in respect of how often rents can be reviewed and it does say that in instances where a tenant is experiencing hardship there may be some allowance made to them and the rent not raised and that the staff member should refer to the Tenant Hardship Policy for further information. So, referencing and linking to other policies links all these policies and procedures together into a whole and should increase your ability to offer an effective and cohesive service. And lastly, version control, and again that might seem like a fussy point but if as part of your quality management you are doing yearly reviews of a set amount of policies, it is good to have on a particular policy when it was last updated so that it is easy to see when it might need to be updated again.

So now I'm going to talk to you a little bit about the governance performance standards specifically. On the left-hand side are the full five performance standards that we have and on the right side in the purple box are all the governance performance standards. You will see that there is a comprehensive list of things that you will need to show us. But before you get totally disheartened, please know that there are 27 performance standards across all five areas there, from governance through the property and asset management. Thirteen of the performance standards, of those 27 performance standards, are about governance and that shows how important governance is to us and that's because very often, and this is the experience here in New Zealand and internationally in other jurisdictions, if there is an issue with tenancy management or property and asset management or the ongoing financial viability of an organisation, one of those other four sets of performance standards, quite often it can be traced back to a governance issue. So, we do cover governance in some detail, and I will just restate it – governance is really essential. I am going to spend the rest of my time going through the governance performance standards and I'll provide you with some information on what we're looking for in regards to each one.

I don't want to totally bury you in information so I will try and keep it to a minimum and here is where I also put a shout out to Jen Deben at Te Matapihi. As Jen said, she used to work with us at the Community Housing Regulatory Authority where she was the Lead Evaluator so she knows very well how we assess the performance standards and what your policies and procedures should have in them, and because Te Matapihi has the best interests of the Māori housing sector at its heart and, it commissioned Jen to develop a set of policy templates that they might be kind enough to let you use as the basis of your application for registration. So, if there is one piece of advice that you'd probably take away from today's presentation from me,

pick up the phone and call Jen because she can have a chat with you about registration and what that entails.

Jen Deben

Kia ora on that one Marty, I feel like you've just expanded my mahi, so kia ora. I just wondered before you hop into governance and delving into that detail, if you just maybe wanted to pause and see if there were any questions that people might want to ask about some of the other slides that you've passed on.

Martin Farmer

Yes sure. Thank you. Kia ora.

Jen Deben

Kia ora. I'll pass it over to you Lynette for your patai.

Lynette Wharerau

Just in terms of the governance, I'm really grateful for the mahi that's been put forward not just from CHRA but from yourself as well Jen regarding getting these available for aspiring CHP or other organisations and entities. The feedback in the first initial framework was really helpful, especially for a lot of our members who are sitting here and who are in Zoom who are new to some of this information, and it is a pretty long haul when you are dealing with mataawaka in this space, but it is going to happen. One key thing that is not in there is around Te Tiriti o Waitangi and so I'm mindful and I'm curious around that response, or if you have a response of that being a part of the governance policy and procedure in general, as a general statement in terms of the wellness check or Te Tiriti check as well of the entity, but also for yourself as well, for CHRA? Kia ora.

Martin Farmer

Kia ora. Thank you for that. No, it's not. And the other thing you will also not find in the performance standards is any reference to a standard in respect of offering appropriate cultural supports or that sort of thing to tenants. It is not something that we have ignored, it is something that we have given a lot of consideration to over the years and my manager, Fiona Fitzgerald, did present at a recent Waitangi inquiry into housing and was asked about this issue. On the surface of things, it doesn't appear that difficult but the deeper we delved into it the more difficult it became and in particular how appropriate was it for us to have standards in respect of cultural aspects of running a business and for us as a government department to assess a Māori organisation on those aspects of running a business. It is not something that we would be against considering in future and we welcome any feedback on that about how we can do that. We are currently working with Te Kura Kāinga Ora, the Māori housing team within HUD, to see what a cultural performance standard would look like. At the moment we consider that there is sufficient room within the performance standards for organisations to include their

own tikanga and how they respond to this and in respect of Te Tiriti as well. But we are happy to have that conversation if you would like to go into it in more detail.

Lynette Wharerau

Yes, thanks for that Martin, it has and we would definitely like to put our hands up given that Wai 2750 claimants are a part of the combination and the makeup of our entity so creating this foundation that actually articulates that and contemplates that as part of our leadership and partnership role, especially around engagement in framing that up in practice that we're delivering what we want to deliver for whānau and whenua Māori, so kia ora.

Jen Deben

Kia ora, thank you. Anybody else?

Anne Candy

You actually answered the question I wanted to ask but I still want to ask. I know that when places were getting their Qualmark qualifications that Te Mahurehure applied for Qualmark licensing, and they were the first marae to get it but they said that the standards that was set were not fully meeting what marae should get as a Qualmark. So the Ministry did up some Qualmark standards for marae and soon after that I think it was six marae got Qualmark registration because of the marae standards that had been looked at through Te Mahurehure and if you're going to be building Māori housing I think it is the same sort of thing, I think that in a Treaty country that it is appropriate that there are standards that are applicable to those that wish to provide Māori housing because there are different values and different responsibilities that are inherent responsibilities that can actually be disempowering to the culture that they're wanting to perpetuate. It's like carrying on a journey and to not recognise that, especially in something that's as imperative as a warm, safe, healthy home there are things that aren't part of mainstream that I think would give not only lustre but I think it would give kudos to becoming a Māori housing provider and that disempowers applicants from incorporating that to enhance their wellbeing in incorporating that. It's like fitting into the majority culture of the country instead of a partnership of the tangata whenua walking alongside the majority culture and I think that it would be wonderful to have a conversation whereby there are some Māori standards for Māori housing as the tangata whenua of Aotearoa New Zealand that are incorporated in the CHP standards. I just felt the need to say that because we found it difficult because our whole essence was to infuse generations of desires and dreams and aspirations and it can be conveyed in narratives but it's more than just a narrative, it's more of ensuring that the narrative doesn't stop this chapter, that the narrative is instilled in future generations and that they add chapters after and meeting compliance standards as it is doesn't actually incorporate that, that pathway that should actually be perpetuated long after we've gone. I just wanted to say that.

Martin Farmer

Kia ora, and thank you very much for that, I think that it's a very good starting place and as I said we would welcome that conversation. You've raised a really interesting point about the mainstream culture not perhaps recognising what a Māori housing provider specifically is and the essence that it brings to all of this. The Regulatory Authority is on as much of a journey in regards to this as the sector is itself and each individual organisation is within the sector as well. So we're learning and we're growing and when we first set up the Regulatory Authority, when I first did all that policy work to do it, the question arose – should there be a separate Māori Regulatory Authority to regulate Māori CHPs and at that time we thought no because the standards that they would be regulated against would largely be the same standards. They would need to have in place tenancy management policies, property and asset management policies, they would need to be financially viable, and in addition there might be some performance standards that related specifically to aspects of Māori culture and how these were incorporated into everything that a CHP does. But we didn't think that that perhaps warranted a separate Māori housing authority. As we have gone along in this journey and we were considering the questions raised during the Waitangi Tribunal inquiry into housing, we came to a place where we thought, you know, in future if this question arises again, from a partnership perspective we could see that a separate Māori regulatory authority might be a useful and a viable thing for Māori organisations. That is not something I'd have a particular opinion on and a decision of whether to set one up would be made at a pay grade far above mine. But we are at that place where we do have to recognise that if we are genuine about partnership, it is something worth considering and how those Māori organisations that are coming through for registration have their specific essence recognised in this whole process.

Anne Candy

Thank you for that. I wasn't actually asking for a whole new structure, but I think it can be incorporated in the current structure. But I just think that it needs to be recognised that there are points of difference. Absolutely. Points of difference and some of them are inherent points of difference that are really, really important that they're disempowering.

Martin Farmer

Right, and we would welcome that conversation and to hear about what that would mean specifically for how the Regulatory Authority functions, absolutely we would.

Anne Candy

Thank you, thank you.

Shelby Young

Kia ora Martin, I also, whaea Anne, I just want to tautoko what you're saying, it really got me thinking, and I think to myself, you know, a lot of our CHPs actually serve Māori tenants and actually that obligation, that Te Tiriti obligation there, should ensure that we have policy that does cover cultural responsiveness and cultural embrace. So, I completely tautoko what you're

saying, not just from a Māori perspective of having something separate for us, but actually right across, you know, Aotearoa is essentially whenua Māori, and so actually wherever we are housing our Māori, our whānau, it needs to be considered in order for their wellbeing to be completely embraced and acknowledged. Sure, absolutely, I'd agree with that. And Martin actually this is a very topical issue for me as well, so I've put it in the comments, but my Board we're going through some significant contracting at the moment, development agreements and relationship agreements with some of our land trusts and our marae and our Board has rightly embedded Kaupapa Māori, te ao Māori, mana motuhake, all those consents, whanaungatanga, in those agreements and it was very important for them that that's the foundation or the guiding principles in the way we relate and engage and connect and they've sort of asked the questions, like when we register as a CHP without those values embedded in that does it undermine the way we operate because in some respects it's more important the way we operate than it is that we meet certain standards. I've sort of explained that if we get registered it just shows that we've got the capacity and we've got all the policies and procedures but that doesn't actually confine us to operating in a totally te ao Pākehā way, we can actually operate in a te ao Māori way. But it would be really quite useful, every CHP whether it's a Māori one or a non-Māori one, they have values and missions and they've got ways of operating and it would be really useful to have some way that we can put those in our application for registration that we can say these are our values, these are the way we are going to operate and then all the policies and procedures and governance and the way we operate come through from those guiding principles. It could be just a values statement that is part of the application.

Martin Farmer

Sure, absolutely, and just so everybody knows I know Robert Macbeth very well, actually mentored me somewhat when I was setting up the Regulatory Authority. We do think that at the moment, I mean part of our legislative function is to grow an efficient, effective and transparent community housing sector and that's not one cookie cutter organisation, that is a whole range of organisations that are meeting very specific needs in their communities and are of different sizes, have different values, all of those things. We do not want to trample on those values in any way, shape or form and we do think that at the moment there is a lot of flexibility in those performance standards and how they are met and things like strategic plans and operational plans, things like codes of conduct, that an organisation can express their values and we welcome that, it's not something that an organisation should shy away from.

Jen Deben

Kia ora, I just want to acknowledge the korero that has gone on today. I actually paused because I thought it would be a nice time for Martin to take a break and just to check in to see what might be sitting along the rōpū. I think this is actually really fantastic what has come up here today and I can see that we have another korero coming at a later stage. I don't feel like we've unpacked everything that needs to be unpacked when it comes to acknowledging Te Tiriti or also allowing rōpū Māori to bring their essence forward if they are applying to be a CHP.

So, thank you for that, we will definitely, the korero will not stop here, we will pick it up at a later time and I'd really like to acknowledge Martin on behalf of the Regulatory Authority that has acknowledged that they are really open to that korero as well and just as much wanting to learn and be shaped by you. So, I feel like we've got a really good pathway forward here. Thank you so much for that pause. Martin, we'll now pass back over to you, and we'll bring these up so that you can move on with the governance performance standard.

Martin Farmer

Sure, so you had done these templates which is absolutely fantastic and I also wanted to insert just one word of warning and that is that just having those templates won't guarantee that you'll be registered. You'll need to adapt those to reflect your businesses, the scale of your housing delivery, your tīkanga, etc. So that does follow on quite nicely from the discussion that we've just had. So, once you've got the templates there is still work to be done to become a registered CHP. And just as an example for that, so one of the documents that you are required to provide us is a strategic plan. If you do that and you currently have no properties and you say that you are going to have a thousand properties in three years, we would probably assess you, unless you're Barbara Browne of course from Kāhui Tū Kaha who's done an incredible job, we would probably assess you as not quite meeting that standard because it's not really a realistic strategic goal. Your thoughts in your strategic plan should be on how to get those first properties and then some more and then some more. So yes, you will have to adapt any templates that you take from Jen to your current situation and reflect who you are as an organisation and give some thought to that.

So, I'll move on now to the specific governance standards. So, the first performance standard is 1.1(a), and that is just that you have a suitably skilled Board in place. Now the mandatory documents that you need to submit as part of your registration are in the orange box and all that is biographies of each of your current Board members, and that's it. And those biographies don't have to be pages and pages, just a paragraph or two will be fine, outlining the skills and experience of each Board member. There are some general skills that are useful to have on Boards of a housing provider, or pretty much any organisation – accounting and finance, legal skills, housing skills for a housing provider and general business skills. But in terms of what skills are appropriate, that's largely for you to decide. The only real dealbreakers would be if you had someone on your Board who was disqualified from being a Board member because of past conduct or something like that. So, they must be legally allowed to be a Board member. In this performance standard we do outline a couple of discretionary documents that you can provide, and these are really useful for you to have in place for your organisation regardless of registration. And a skills matrix is the first of those and I'd say that that's really useful and I've just provided a very basic example of what a skills matrix is. They don't have to be complex, it's just a simple table shown in this example that has the desirable skills listed down one side and the Board members, Board member 1, 2, the skills that currently exist on a Board and where there are any gaps. And if you do a regular, say, an annual review of skills in the Board and you

identify gaps, when it comes to succession planning it can help you assess what kind of Board member and what skills you're looking for to replace existing Board members. And also, at the moment the other thing is Board member training and recruitment, you've currently got a Board, they're great, they're doing a fantastic job, it's always useful if you are of sufficient scale and can afford it to keep training your Board members, offering training in things like financial management etc etc so that they can increase their skills and make your Board stronger. But at the moment all that's required are biographies of Board members as a mandatory document to meet that performance standard.

The next performance standard requires you to provide strategic business and financial plans and those are in the mandatory documents in the orange box. On the right you can see what the focus of each should be. So strategic plans should be for the longer term, they should contain the strategic vision of the organisation and they should show ideally an understanding of the context in which your organisation operates. So what is the housing need in your particular area and how you are going to meet that housing need at that operational level. As a tip, your plans, all three of your plans, your strategic, your business and your financial, should reflect the scale of your operations and your aspirations for growth. So what we expect to see in terms of a strategic plan from a provider like Ōtautahi Community Housing Trust which manages 3,000 units is very different from what we'd expect to see from a three unit provider somewhere else. For a really small provider with several units or which doesn't currently have any units but wants to get into this space, a very brief strategic plan is fine and may be linked very closely with the business plan. Also, as an organisation you might have 10 units and you might have no particular aspirations for growth, and again that's fine, and again your strategic plan in that instance would be very brief. As I've said before, be realistic in your strategic plans about how fast you can grow your aspirations for growth etc. And the business and operational plan links very closely to the strategic plan but it sets out in greater specificity over a very shorter timeframe, say one or two years, how you will achieve your strategic plan and it includes specific actions.

And in terms of your financial plan, it's things like budgets etc which essentially outline you're going to pay for this and I can't reiterate enough, it depends on the scale of your organisation what we expect to see there and so if you've got any questions about that please give Michaela a call and she will be happy to help. We require providers to provide quality and risk management documentation, and just in respect of that I had something I specifically wanted to say so I'll bring up my notes again. Quality management plans, you'll see at the bottom of the page that your quality management plan should be specific, and I spoke before about not having a policy to create a policy. And under quality management plans is where we usually see that, general statements like we will undertake quality management plans to ensure high quality performance. That is great as a statement of intent but to be useful your plan should state the specific quality activities that will be undertaken. So, examples would be annual reviews of a number of your policies to ensure they are fit for purpose, external audits, either

yearly or once every two years of your organisation and again whether or not you have external audits and how they occur will depend on the scale of your organisation.

Another specific thing could be using complaints data to see where your business could be improved. So, every year getting the information off your complaints register and seeing if there's any changes you need to make to your existing policies or procedures to see how they could be improved. What really helps under quality management to make your policy specific, and not a policy to have a policy, is to include a calendar of quality management activities in the policy and that would state what activities you will undertake in a year and when you will do it. For example, you could have a policy review scheduled to happen in November each year where you review a portion of your policies and then in early December any amendments made to those policies go to the Board for approval, and that would make your quality management policy more specific. In terms of risk management policies, it should have information on how risks can be raised by staff. So, for example, is there a dedicated person in your organisation that they can contact. If your organisation is small this might be the CEO.

It should also cover how risks are categorised and recorded and I'll talk a little bit more about in a moment. And lastly, your Board needs to be aware of risks that your organisation is facing, so the risks need to be centralised in a document and reported to the Board preferably as a standing agenda item but at least on a regular basis. And in the past, we haven't really dictated how that happened but going forward we are going to make a change because the risk management stuff is really important to governance, so we are going to make the provision of a risk register a mandatory document.

And again, it doesn't have to be too complex, and I've included there a very basic example of what a risk register is. You have a description of the risk, a risk rating based on likelihood and potential impact on the business, and this one uses a simple traffic light system, the mitigations that are in place to minimise at least that risk and hopefully eliminate it and the review date of how often that risk needs to be considered by the Board and senior management. And that's a really useful document so if you don't have one now you will probably need to provide that to us at some point in the future.

Effective accountable and transparent arrangements for decision-making, and these are all the policies that are essential to good governance, and we have two mandatory documents under this and that is governance policies and procedures and a copy of your empowering document and the reason we require both is because there can be policies or provisions relating to governance issues in your empowering document and so we do like to check your governance policies and your empowering document to make sure that those policies align with each other and align with the provisions in your empowering document. And it covers things like how are decisions made, so how are things like actions proposed at a Board meeting, are they seconded, are they passed, and is there a policy which states how that happens. How are meetings minuted, and that's really crucial to keep an accurate record of discussions and decisions made by the Board.

There's all sorts of little niggly things around governance admin, so the preparation of agendas and Board papers and these being sent out prior to each meeting. And another big part of this is rules for achieving a quorum and quite often that's in the empowering document how that happens so that decisions can be made that reflect the will of the Board. We'd be happy to have the discussion with you in the future about what it should look like when we receive your application for registration. If your organisation is quite large, you might have a subcommittee structure in place and documentation about how that operates would be useful if you do.

And finally as part of this, we request a small number of mandatory documents and Board Minutes – unredacted Board Minutes are one of those – we view these as absolutely essential because they show us how the Board is complying with its policies and procedures in practice and they also show us how the organisation is meeting all of the performance standards, including tenancy management and property and asset management.

So that's been in place for several years now in respect of annual monitoring. We are making the provision of unredacted Board Minutes a requirement for registration purposes as well. This one I don't propose to spend too much time on. This can also be found in your empowering document embedded amongst all those provisions on how the Board operates. Sometimes it is, sometimes it's not, and sometimes it could just be in a separate governance policy. It is particularly relevant in regard to organisations that haven't been involved in housing development in the past and are going into that space. It is an area that there is risk associated with. So, I was looking at those slides of that fantastic papakāinga development before and it is really a beautiful thing and something you should be rightly proud of because it is, you know, that has represented a real commitment by you. So, if you are entering into property development for the first time, because it's risky we want to see, for example, that there are policies for accessing external expertise if it doesn't already exist on the Board and housing development might not currently exist on your Board. It doesn't have to be a great deal, but it has to say that Board members can access external expertise in fulfilment of their duties, and it might have some provisions about that's done, whether or not it requires sign-off from the Chair for example.

So, there's two performance standards here – one is that the provider abides by all legislative, legal and regulatory requirements. Of course, organisations, like people, are required to follow the law and what this usually means in terms of a policy is that there's a statement that the organisation will comply with legal requirements, to get across to staff members that that is a mandatory thing to do. It's helpful to have a list of applicable legislation and depending on the size of your organisation a summary of key parts of key legislation is also really useful. So, for example, you could have a list which includes the Residential Tenancies Act 1986 and within that you could say this section of the Tenancies Act refers to rent setting, this refers to rent arrears, this refers to the provision of smoke alarms and that sort of thing. And finally, it's useful to have a policy for reviewing your legislative compliance policy as well and the reason for that is there have been over the last seven years while I've been back in New Zealand

working in this sector, quite frequent changes to legislation. So, it is good to review your legislation summaries occasionally to see whether or not they need to be updated to reflect any changes that have been made to legislation. One example has just popped into my head, the Privacy Act of 1993 is no longer the Privacy Act and it includes provisions that in some instances the Privacy Act is overridden by the Oranga Tamariki Act and the Family Violence Act. So that's something that providers should be aware of and include in their general summary of legislation.

It is really important that the second performance standard, 1.3, that the governing body understands the financial status of the provider at all times. And that's another area where the provision of Board Minutes is really useful. The other component is having an actual policy or a statement within another policy on how regularly the Board will review the Board Minutes. Our preference is that the Board should at every Board meeting be made aware of the financial position of the organisation but it might be that it happens on a semi-regular basis, so once every two months or three months etc. We require probity policies and procedures and while I was putting together this presentation, I did have to look up probity. I was thinking I know it's kind of like integrity. And it is, so it's the quality of having strong, moral principles, honesty and decency. So, it is very similar to integrity. For an organisation, we've said it is a mandatory document, probity policies and procedures, but for an organisation the best evidence is usually provided through procurement policies and so when it comes to the expenditure of funds that this takes place in an honest and appropriate fashion and there's usually some pillars to that. Procurement should be undertaken impartially – so all potential bidders for a contract get treated fairly. There should be confidentiality that one bidder's information is not shared with another bidder's information. There should be accountability and transparency so the whole process in your policies and procedures should be recorded, and it should be able to be referenced in future to show that that procurement took place in a fair manner. And any conflicts of interest that staff members who are undertaking that procurement have should be recorded.

And lastly, there should be value for money. I mean value for money might not be the only consideration when I'm taking a procurement, the other half of that equation is that the services or goods purchased are of sufficient quality, but value for money should definitely be a consideration. So that is what we are looking for – probity policies and procedures which are general policies and procedures about operating in an appropriate way and at the heart of that procurement policies and procedures.

We also require under 1.4(b) a code of conduct. A code of conduct is, and following on from our discussion before, it's a really good place to include aspects of the tikanga of your organisation and kaupapa and how you as an organisation want to approach the business of providing housing and what you expect from your staff and your Board members as they go about that process. So, the only mandatory document there is the code of conduct. Now that arrow that points to the right is just an example just to show that one best practice way of doing this is to

have a place at the end of that code of conduct that staff or Board members can sign it and date it to show that they've been made aware of it and that they understand the contents and that they're going to abide by it. It is also useful if that code of conduct references disciplinary policies and procedures in it, so some statement along the lines of these are the standards we expect you to meet, if there is a really significant departure from these standards by you, we may have to implement some sort of disciplinary procedure and please see our disciplinary policy in respect of this.

And the other aspect of this, which is useful to see as well, is staff training. So that on a regular or semi-regular basis as part of staff training if you've got sufficient size and scale to do this that staff go through some sort of refresher in terms of what is in the code and how they should be operating in a way that aligns with that. And so, the tip there is that your code of conduct should reflect your organisation's values and essence and that's a really good place for it to be. Partly, not entirely of course, we do accept and expect that essence to be imbued through everything that your organisation does. Performance standard 1.4(c) is in respect of recruitment and employment policies, the life cycle of the employment process is a fairly accepted set of interrelated aspects of employment, beginning at recruitment, going through the selection process, talking about staff performance and development and then the staff member transitioning out of employment. What we are interested in and what our specific focus is on how these recruitment and employment policies protect your organisation. So, in terms of that initial step of recruitment we are interested to see that there is policies and procedures for the scoping of roles and the sign-off of roles. In terms of selection, we want to see that selection takes place on the basis of skills and experience and as staff members may be working with vulnerable tenants, for example, we want to make sure that there has been some reference checking in respect of those staff members to make sure that everyone's kept safe during that process. Under performance, disciplinary policies can be provided, also training policies. But we just want to get a good sense that there is a good set of recruitment and employment policies in place that protect your organisation.

Fraud and criminal conduct. This is an interesting one. We require fraud and criminal conduct policies, and they should refer to everyone in your organisation from Board members to staff and there is a range of things that I have included there about what should be included in them. So how to raise a suspected instance of fraud or criminal conduct is one. And what you could give consideration to is if, for example, the policy might state you should contact the CEO but there should perhaps be two possible areas for raising this in that what happens if the conduct involves the CEO. The policy should include how suspected instances of fraud and criminal conduct will be investigated and as part of that, I have included it also underneath in another bullet point, principles of natural justice are important. The person who has been accused or is suspected of fraud or criminal conduct has the right to be considered innocent until the case is investigated and they have been proven to have committed that act. Any instances that are serious should be reported to the Board at the earliest opportunity and if required notification to authorities once the organisation has assessed the situation, if that's necessary as well. The

one tip which is really important because for some reason we see it every time, the performance standard talks about fraud and criminal conduct, but organisations usually only provide a fraud policy and don't cover criminal conduct. It might seem like a small point, but the performance standard does require it. It shouldn't change your policy too much in that how you investigate a suspected instance of fraud and criminal conduct would probably be the same, but it should definitely be included. It's just that additional layer of protection for tenants that they know that they should be treated with respect that instances of assault or drug use or anything like that would be dealt with severely and that there are policies and procedures to cover it. It's not something that we expect to happen with any of our staff members who are usually very valuable people and very important to the organisation, but it is important that you have these policies and procedures in place should this situation arise.

The next performance standard, identifying and abiding by relevant accounting and auditing practices. Essentially that's just saying that you will abide by the generally accepted accounting principles as part of annual monitoring and for registration we do require copies of financial statements for registration and ongoing monitoring and these will automatically be prepared in accordance with GAP. But in all your financial documents you should be looking towards that particular standard and John will be talking financial viability tomorrow. And lastly under governance, the provider does not bring the reputation of the community housing sector into disrepute. One way that you can demonstrate that is that reputational risks are covered in your risk register and also that staff are aware of and adhere to your code of conduct. It doesn't have to be too complex what you provide in respect of meeting that performance standard, but we just want to see that some thought has been given to how you deal with reputational risks and ensure that your organisation doesn't bring the sector into disrepute. And I think that's me. So, one of our team members added this little black box which apparently you can shine something at it, and it does something. But if you do have any more questions and you want to get in touch with us, please feel free to do that and we'd be happy to answer any questions that you have. And that's our email address for you to do so and our phone number. Thank you so much for inviting me today, it's been a real pleasure.

Jen Deben

Kia ora, thank you Martin and thank you for attending and you covered that very well and I think as quick as could possibly be covered. Couple of things, I'd just like to point out I think your human side, and particularly your humour, showed through on that. I really liked some of the icons that were on there. It was very enjoyable, a lot more enjoyable than you think talking about governance would be. And I think there's a couple of things, some of the information in your slides I looked at them and I thought that would be great to just cut and paste into a template, so thank you for the heads up on those. I appreciate it, I'll be looking out for those. I did also think you gave some valuable information on that registration requires time and resource. So I do remember from my time at the Authority some people would come in thinking they could do it solo, that it was actually a one-person job, and it just really isn't and that's one

of the things that I really want to acknowledge Te Mahurehure Marae for is that they really did build up an experienced team, and I think that's really reflected today in the amount of mahi that they're doing. To take on the development of new whare, but also Te Taumata o Kupe at the same time, I mean that takes, that is something else. And one of the things they didn't touch on is how they've actually achieved that by also adding into it the number of applications that they've put in for grants in order to make this as affordable as possible. So there really is, you would have heard from everybody today how much depth there is, how much more they could have spoken and shared with you. I think we've been really blessed today by all that we have seen. Thank you very much Johnny for closing our hui today. Kia ora.

John Panapa

Tēnā koe Jen, tēnā tātou katoa, kia ora mai koutou mō tō koutou whakaaro i te take nuinga, te take... he whare hou mō te iwi Māori. Nō reira, kia tau ki a tātou katoa, te atawhai o tō tātou Ariki a Ihu Karaiti. Me te aroha o te Atua, me te whiwhinga tahitanga ki te wairua tapu, ake, ake, amine.