



**MINISTRY OF SOCIAL
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA

11 NOV 2016

Dear

On 7 October 2016 you emailed the Ministry requesting, under the Official Information Act 1982, information regarding the job recruitment companies which are used by Work and Income to place job seekers into employment. On 12 October 2016, the Ministry contacted you to clarify whether you were requesting information about all contracted employment focussed and work preparation services purchased or those services that are specifically related to traditional recruitment agencies where Work and Income clients may go to, to seek employment.

As you were advised, the Ministry purchases a range of employment focussed and work preparation services. These services cover a range of non-governmental organisations, private training establishments, employers and independent individuals. On 13 October 2016, you advised that you were interested only in recruitment agencies that the Ministry contracts for the purpose of delivering an employment service.

For clarity I will address each of your questions in turn:

- *A full list of the names of all the recruitment companies that Work and Income are currently using.*

The recruitment agencies currently contracted by the Ministry are:

- Manpower Services New Zealand Limited
- The Labour Exchange Limited
- Adecco Personnel Limited
- Randstad Limited
- National Personnel Ltd
- NZ Labour Hire.

Please note that this is only a list of contracted recruitment agencies. These agencies are contracted to deliver specific Skills for Industry or Employment Placement Service contracts. This list does not include any information in regards to the recruitment agencies the Ministry may provide Flexi-wage subsidies to or have a direct relationship for recruitment with. Further information about flexi-wage subsidies is available at: www.workandincome.govt.nz/employers/employ-staff/flexi-wage.html

- *Confirmation on whether the Government are subsidising these recruitment companies, a breakdown of the subsidy and the total amount of money that has been paid to these companies each year since the subsidies began.*

The Ministry does not subsidise recruitment agencies. The Ministry does, however, contract recruitment agencies for the provision of a service- either Skills for Industry

or Employment Placement Service. All services are paid for on an outcome based framework. For the services listed in the table below, recruitment agencies are paid based on the outcomes achieved i.e. placement into employment, a training plan and retention of employment (career support). Please note that the contract value may be higher than the actual contract spend.

As the Ministry does not provide subsidies to recruitment agencies, this part of your request is refused under section 18(e) of the Official Information Act as this information does not exist. The Ministry is able to provide you with the table below which shows the recruitment agencies the Ministry has purchased contracts with for the previous three years. Please note not all of these contracts are current.

You will note some recruitment agencies appear in the table below more than once. This is because the services are contracted for in different regions or more than one service is contracted from the same recruitment agency.

Further information about Skills for Industry can be found on the Work and Income website at www.workandincome.govt.nz/employers/employ-staff/skills-for-industry.html

Provider	Contract Value	Number of positions contracted for	Service contracted for
The Labour Exchange Limited	\$50,000	10	Skills for Industry - Construction
The Labour Exchange Limited	\$50,000	10	Skills for Industry - Construction
Manpower Services (New Zealand Limited)	\$150,000	30	Skills for Industry - Construction
Manpower Services (New Zealand Limited)	\$50,000	10	Skills for Industry - Construction
The Labour Exchange Limited	\$200,000	40	Skills for Industry - Construction
Adecco Personnel Limited	\$100,000	50	Employment Placement Service
Adecco Personnel Limited	\$100,000	50	Employment Placement Service
Adecco Personnel Limited	\$90,000	45	Employment Placement Service
Adecco Personnel Limited	\$19,000	50	Objective of the service was to create a talent pool for Care Giving
Enterprise Recruitment Chch Limited	\$35,000	10	Skills for Industry – Multi Sector
Enterprise Recruitment Chch Limited	\$35,000	10	Skills for Industry – Multi Sector
Enterprise Recruitment Chch Limited	\$35,000	10	Skills for Industry – Multi Sector
Turbo Staff Limited	\$4,000	6	Skills for Industry - Construction
Adecco Personnel Limited	\$40,000	20	Skills for Industry – Adecco Placements

Provider	Contract Value	Number of positions contracted for	Service contracted for
Adecco Personnel Limited	\$40,000	10	Skills for Industry – Adecco Personnel
NZ Labour Hire	\$30,000	20	Skills for Industry – New Zealand Labour Hire
NZ Labour Hire	\$52,500	35	Skills for Industry – New Zealand Labour Hire
NZ Labour Hire	\$98,600	58	Skills for Industry – New Zealand Labour Hire
NZ Labour Hire	\$51,000	30	Skills for Industry – New Zealand Labour Hire
National Personnel Limited	\$330,000	60	Skills for Industry – National Personnel Ltd
National Personnel Limited	\$247,500	45	Skills for Industry – National Personnel Ltd
National Personnel Limited	\$270,000	85	Skills for Industry – National Personnel (Provider)
National Personnel Ltd	\$257,500	50	Skills for Industry – National Personnel
Randstad Limited	\$75,000	30	Skills for Industry – Randstad Limited
Randstad Limited	\$75,000	30	Skills for Industry – Randstad Limited
Lowie Recruitment	\$20,000	20	Skills for Industry – Lowie
Lowie Recruitment	\$120,000	30	Skills for Industry – Infrastructure
Lowie Recruitment	\$60,000	30	Skills for Industry Lowies
Agoge Training Limited	\$27,000	10	Skills for Industry Warehousing and Logistics
Drake NZ Limited	\$125,000	50	Skills for Industry Drake

The Ministry also funds Student Job Search to provide assistance to tertiary students looking for holiday and in-term employment and to assist in the administration of Jobseeker Support Student Hardship.

The Ministry's current three year contract with Student Job Search expires on 30 June 2019. The annual payment agreed under the contract is \$3,336,400 (excl GST).

- *The number of Jobseekers who have signed contracts with these recruitment companies.*
- *Of those who have signed these contracts, the number of people who have been sanctioned for not fulfilling their work obligations.*
- *The number of Jobseekers that have been placed into employment through these recruitment companies. And of those placed in employment:*
 - (a) How many have returned to Jobseekers?*
 - (b) How many were given a 13 week stand down after returning to Jobseekers?*

The placement of job seekers into employment is not always through the recruitment agency contracted. In order to provide you with this information, Ministry staff would have to manually review hundreds of client files and manually cross reference

information. As such this part of your request has been refused under section 18(f) of the Official Information Act. The greater public interest is in the effective and efficient administration of the public service.

I have considered whether the Ministry would be able to respond to your request given extra time, or the ability to charge for the information requested. I have concluded that, in either case, the Ministry's ability to undertake its work would still be prejudiced.

Additionally, if the Ministry were to collate the information you have requested, providing this information could have the potential to identify individual clients. The Ministry has an obligation to protect the privacy of clients and the information would be withheld under section 9(2)(a) of the Act. The need to protect the privacy of these individuals would outweigh any public interest in this information.

- *Information on whether these recruitment company contracts are screened by MSD staff prior to being signed by Jobseekers? If so:*
 - (a) *What is the process for screening these contracts?*
 - (b) *Who is authorised to screen these contracts?*

Individual employment agreements are not screened by Work and Income. Under the contract arrangement with the Ministry, the agency has a minimum set of requirements they are required to meet to receive any outcome payments.

The principles and purposes of the Official Information Act 1982 under which you made your request are:

- to create greater openness and transparency about the plans, work and activities of the Government,
- to increase the ability of the public to participate in the making and administration of our laws and policies and
- to lead to greater accountability in the conduct of public affairs.

This Ministry fully supports those principles and purposes. The Ministry therefore intends to make the information contained in this letter available to the wider public after ten working days. The Ministry will do this by publishing this letter on the Ministry of Social Development's website. Your personal details will be deleted and the Ministry will not publish any information that would identify you as the person who requested the information.

If you wish to discuss this response with us, please feel free to contact OIA_Requests@msd.govt.nz.

You have the right to seek an investigation and review by the Ombudsman of this response. Information about how to make a complaint is available at www.ombudsman.parliament.nz or 0800 802 602.

Yours sincerely



Ruth Bound
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