



17 October 2024

Tēnā koe

### **Official Information Act request**

Thank you for your email of 28 August 2024, requesting information about restructures and redundancies at the Ministry from 27 November 2023 to the date of your request.

I have considered your request under the Official Information Act 1982 (the Act). Please find my decision on each part of your request set out separately below.

- 1. The total sum of money spent on contractors and consultants to assist in any change processes, role disestablishments, redundancy processes and/or restructures, including but not limited to services in HR, recruitment, training, support and legal.*
- 2. A list of all companies contracted to provide consultancy services or contractors as per Q1.*
- 3. The total contract price for each contract and an estimate of the standard hourly or daily rates charged by these services, if possible. For ongoing contracts, please include the current expenditure.*
- 4. Start and end date of each contract related to the aforementioned services, including those that are still active.*

The total sum spent on contractors and consultants for the period requested is \$43,776.55.

Buddle Findlay was contracted in March and April 2024 for a total cost of \$12,268.27, to provide independent legal advice on the Ministry's voluntary redundancy process.

HIVE Workplace Limited was contracted from November 2023 to March 2024 for a total cost of \$25,875, to provide consultancy services and operating model design work.

Inside Consultancy Limited was contracted in June 2024 for a total cost of \$5,633.28, to provide surge capacity support of change processes.

Please note that the Act does not require the Ministry to create information in order to respond to a request. As such, this response does not include an estimate of hourly or daily rates for each contract.

- 5. Any plans for future spend on contractors and consultants to assist with ongoing or future change processes, roles disestablishments, redundancy processes and/or restructures.*

The Ministry has contracted Inside and Future Path to provide outplacement services. Outplacement services are voluntary for staff whose roles have been disestablished, rather than consultant support to develop or guide change processes. The estimated cost per participant is \$1000, should they choose to use this service.

You are welcome to submit a fresh request for the uptake of this outplacement service now that the June 2024 change process has been implemented.

*6. Number of staff affected in the restructure who have change expertise*

No positions with a core focus on leading and managing change were disestablished in the June 2024 change process.

*7. Briefings to ministers about the restructure and its implementation*

As the change processes are an operational matter for the Ministry, there are no briefings to Ministers about the restructure. This part of your request is refused under section 18(e) of the Act as the information does not exist or, despite reasonable efforts to locate it, cannot be found.

*8. Has your agency done, or is it planning to do a review of the impact of the restructure? If so please provide the report.*

No review has been completed, as the restructure ended on 30 September 2024. This part of your request is refused under section 18(e) of the Act as the information does not exist or, despite reasonable efforts to locate it, cannot be found.

*9. Before this year's restructure: total number of permanent employees; fixed-term employees; secondees; contractors.*

Please see **Tables One to Three** in the below **Appendix** for the total number of permanent, fixed-term and contractors as at 30 June 2023, 30 June 2024 and 1 August 2024.

Due to limitations of the information held in the Ministry's HR system on contractors and consultants as at 30 June 2023, the Ministry is unable to report on the total number of contractors that were with the Ministry at that date.

In order to provide you with this information, the Ministry would need to divert personnel from their core duties and allocate extra time to complete this task. The diversion of these resources would impair the Ministry's ability to continue standard operations and would be an inefficient use of the Ministry's resources. As such, your request is refused under section 18(f) of the Act, as it requires substantial collation. 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 requests 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.

*10. Same numbers as Q1 [9] post restructure (or what is planned if restructure not completed).*

At the date of your request, there was a net reduction of 86 filled positions.

*11. Breakdown of number of job cuts (or planned cuts if not complete) including voluntary redundancies, forced redundancies, vacancies, FTEs, contractors, fixed terms. Please also provide breakdown by gender, ethnicity and age (over 50 vs under 50)*

At the date of your request, the June 2024 change process was ongoing. The change process was implemented on 30 September 2024, with some staff members still within the reassignment process. Please note that the response to this question does not include data regarding the age, ethnicity and gender breakdown of staff impacted by the June 2024 change process. You are welcome to submit a fresh request for this information now that the process is complete.

Please see **Tables Four to Six** in the below **Appendix** for a breakdown of staff impacted by the voluntary redundancy process by ethnicity, age and gender.

I note that you have requested a breakdown of the gender, ethnicity and age of planned role reductions. As planned role reductions are based on roles, rather than people, such a predicted breakdown of the gender, ethnicity and age does not exist. Therefore, this aspect of your request is refused under section 18(e) of the Act.

*12. Regional breakdown of job cuts (or planned)*

I have interpreted your request to refer to roles in the Ministry's Service Delivery regions. No staff working for the Ministry's Service Delivery regions were included in the June 2024 change proposals.

As outlined on the Ministry's website, frontline roles were out of scope for voluntary redundancy, but 13 exceptions were made on a case-by-case basis. You can read more about this, here: [www.msd.govt.nz/about-msd-and-our-work/newsroom/2024/voluntary-redundancies-confirmed.html](http://www.msd.govt.nz/about-msd-and-our-work/newsroom/2024/voluntary-redundancies-confirmed.html).

*13. Percentage of workforce cut in restructure (or planned).*

*14. Amount of savings achieved/expected in restructure.*

At the date of your request, the June 2024 change process was ongoing. As staff are still within the reassignment process, an accurate percentage of the change in workforce or total savings following the restructure cannot be provided. As such, the information is refused under section 18(e) as it did not exist at the time of your request.

You are welcome to submit a fresh request now that the change process is complete.

*15. Did your recent restructure include contractors - ie were contractors also laid off?*

The change processes affected Ministry staff, rather than contractors and consultants.

*16. Were permanent staff prioritised over contractors - ie if a position needed to be disestablished and there were permanent staff and contractors doing that work, would the permanent employee be kept and the contractor let go?*

Where appropriate, yes. Please refer to the consultation documents which have previously been published on the Ministry's website for more information about

ringfenced positions and the process for people whose roles were proposed for disestablishment. You can access these documents here:

[www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2024/july/31072024-proposal-documents-prepared-to-give-effect-to-the-government-s-directive-to-reduce-expenditure-in-the-public-service.pdf](http://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/official-information-responses/2024/july/31072024-proposal-documents-prepared-to-give-effect-to-the-government-s-directive-to-reduce-expenditure-in-the-public-service.pdf).

*17. What was the total amount spent in redundancy payouts this year - for how many people? If the amounts have not been finalised yet please provide the expected/projected spend. Please provide a breakdown between voluntary and forced redundancy payouts.*

The voluntary redundancy process applied to 217 people and resulted in a voluntary redundancy compensation cost of \$14,795,164.75 gross.

At the date of your request, the June 2024 change process was ongoing. As staff are still within the reassignment process, a total cost for any redundancies following the restructure cannot be provided. As such, the information is refused under section 18(e) as it did not exist at the time of your request.

You are welcome to submit a fresh request now that the change process is complete.

*18. Are there any further savings targets to be achieved? If so, please provide the amount that needs to be saved, and the number of job losses forecasted to achieve these.*

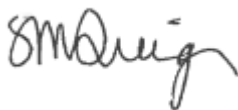
Currently there are no further savings targets to be achieved.

I will be publishing this decision letter, with your personal details deleted, on the Ministry's website in due course.

If you wish to discuss this response with us, please feel free to contact [OIA\\_Requests@msd.govt.nz](mailto:OIA_Requests@msd.govt.nz).

If you are not satisfied with my decision on your request, you have the right to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at [www.ombudsman.parliament.nz](http://www.ombudsman.parliament.nz) or 0800 802 602.

Ngā mihi nui

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Magnus O'Neill  
**General Manager**  
**Ministerial and Executive Services**

## Appendix

**Table One: FTE count of permanent and fixed-term employees as at 30 June 2023, 30 June 2024 and 1 August 2024**

<b>As at</b>	<b>Permanent</b>	<b>Fixed Term</b>	<b>Total</b>
30 June 2023	8740.4	336.1	<b>9,076.5</b>
30 June 2024	8576.3	231.6	<b>8,807.9</b>
1 August 2024	8416.9	233.0	<b>8,649.9</b>

**Table Two: FTE count of internal and external secondments as at 30 June 2023, 30 June 2024 and 1 August 2024**

<b>As at</b>	<b>External Secondments</b>	<b>Internal Secondments</b>	<b>Total</b>
30 June 2023	16.9	825.4	<b>842.3</b>
30 June 2024	12.0	569.4	<b>581.4</b>
1 August 2024	11.0	536.1	<b>547.1</b>

**Note for Table Two:**

- Please note that the numbers included in Table Two are counted as part of the FTE numbers in Table One.

**Table Three: FTE and headcount of contractors as at 30 June 2024 and 1 August 2024**

<b>As at</b>	<b>Contractors (FTE)</b>	<b>Contractors (headcount)</b>
30 June 2024	31.0	196
1 August 2024	26.0	139

**Note for Table Three:**

- Contractors are not typically counted as FTE and rather as a headcount due to the variation of contractor hours. The FTE count does not provide a complete picture of the actual number of contractors in the business.

**Table Four: Ethnicity breakdown of the staff impacted by the voluntary redundancy process**

<b>Ethnicity</b>	<b>Percent</b>	<b>Total</b>
Māori	21%	43
Pasefika	12%	25
Asian	13%	27
MELAA	2%	6
European	61%	123
Undeclared	7%	16

**Notes for Table Four:**

- It is optional for Ministry staff to provide their ethnicity.
- Ministry staff can choose to select up to three ethnicities that they identify with. This may result in staff being counted more than once by identifying with different ethnicities.
- MELAA refers to Middle Eastern, Latin American and African.

**Table Five: Age breakdown of the staff impacted by the voluntary redundancy process**

<b>Age</b>	<b>Percent</b>	<b>Total</b>
< 20	0.0%	0
20 < 30	13%	30
30 < 40	21%	47
40 < 50	11%	26
50 < 60	14%	31
> = 60	38%	83

**Table Six: Gender breakdown of the staff impacted by the voluntary redundancy process**

<b>Gender</b>	<b>Percent</b>	<b>Total</b>
Undeclared	0.4%	1
Female	63%	137
Male	35%	76
Another Gender	0.9%	2
Unknown	0.4%	1