

J Floyd  
fyi-request-21954-82a70147@requests.fyi.org.nz



29 March 2023

Dear J Floyd

### **OIA 22-23-27: External recruiter fees**

Thank you for your email of 1 March 2023 to New Zealand Trade and Enterprise (NZTE), making a request under the Official Information Act 1982 (the Act). You requested the following information:

Answers to your questions are as follows.

1. Information on the contractual status of the relationship with "Agency 6", including
  - a. Is there a master agreement?
    - No
  - b. How are fee calculated per "case"?
    - The fee is set at a percentage of the salary of the successful candidate. From time to time, a retainer may be paid for an extended search.
  - c. Is a separate agreement signed for each "case"? If so, who is the signatory and what process is followed to sign?
    - Yes, the relevant hiring manager will sign the agreement.
2. What is the process for each "case" and the decision to appoint Agency 6?
  - External recruiters are used by NZTE from time-to-time, usually in relation to very specialist roles. This is something that is discussed by the Talent Acquisition Team and the hiring manager, and a decision will be made on the appropriate path forward. The decision to appoint Agency 6 on a case-by-case basis was due to the agency's sector expertise.
3. What freedom do recruiting managers have to use other recruiters?
  - NZTE hiring managers who have specialist role requirements have the ability to use external recruiters if the need arises. As noted in OIA response 22-23-16 found here: <https://fyi.org.nz/request/21073-external-recruiter-fees#incoming-81287>, other recruiters have been used over the past five years.
4. How many years of the last 5 has the spend with Agency 6 exceeded \$100,000?
  - Two years (one year's total being made up of 13 contracts, and the other year being made up of 16 contracts).
5. What internal or external advice has been given that your approach with Agency 6 is consistent with the procurement rules?
  - There was no specific internal or external advice sought in regard to the approach with Agency 6 being consistent with the procurement rules. NZTE has policies, guidelines and systems for procurement which set out our practices and reference the Government Procurement Rules. These support our people in applying the relevant approach.

6. Have any internal complaints been made to the Business Assurance team regarding invoices raised from Agency 6?
  - NZTE undertook a search of its systems and found to the best of our knowledge that no evidence of any internal complaints raised in regard to invoices made by Agency 6.
7. What were these complaints and how were these dealt with?
  - Please see the answer to question six.
8. Has "Agency 6" ever invoiced for work that they were not involved in? If so, what was the outcome of this invoice (paid, credit noted etc).
  - To the best of NZTE's knowledge, no. Once an invoice is received by NZTE and the work has been completed as per the contractual arrangement, it is approved by the respective business unit budget holder or one up if required. NZTE only approves invoices for work once it has been completed.
9. How many events (dinners, lunches, rounds of golf etc) has the GM of Investment had with Agency 6? Please provide the locations of these events.
  - 22/06/20 - The GM of Investment participated in the same golf tournament as Agency 6 in Taupo.
  - 21/12/21 - End of year meeting at Soul Bar & Bistro at 11am.

You have the right under section 28(3) of the Act to seek an investigation and review by the Ombudsman. Information about how to make a complaint is available at: [www.ombudsman.parliament.govt.nz](http://www.ombudsman.parliament.govt.nz) or freephone: 0800 802 602.

Yours sincerely



Melissa Trochon  
**Director – Board & Ministerial**