

Jasper Brownley
fyi-request-27850-9d14915e@requests.fyi.org.nz

10 September

Dear Jasper,

OIA 24-25-09: Further information on redundancy

Thank you for your email of 30 July 2024 to New Zealand Trade and Enterprise (NZTE), making a request under the Official Information Act 1982 (the Act). You requested the following information:

Regarding my previous request about redundancy pay outs:

- 1. In your reply you state the redundancies were due to a: "NZTE led initiative designed to realign the organisation following the loss of a COVID-19 specific funding package". Is it therefore correct you paid out 71 redundancies packages at 4 months each, even though you knew, when hiring those additional people, that your funding was only temporary?*
- 2. Why weren't fixed term positions offered for this short-term temporary increase in funding given the COVID funding was never going to be permanent to counter the need for any redundancy payouts?*
- 3. What was the sum total of those taxpayer funded four-month redundancy payouts?*
- 4. You replied that 'this minimum financial package is to ensure we have - to the extent we can - cared for our people during what is a challenging time'. Why was this time deemed more challenging to your people than those going through the current government cost-cutting measures?*

Answers to questions 1 and 2 are as follows.

- It would be misleading to suggest that temporary funding was used to hire 71 permanent roles that were then all made redundant when funding ceased.
- The COVID-19 funding was for a four-year period. Some of the roles hired with the additional COVID-19 funding were on a fixed term basis and others were hired on a permanent basis; decisions were made on a case-by-case basis.
- The 2023 reorganisation involved looking across NZTE's operations to ensure our expenditure matched customer need. Redundancies did not simply relate to those who were hired as a result of COVID-19 funding. For example, with COVID-19 funding NZTE expanded its presence in high GDP per capita markets like the United States and Australia, where exporters could earn a premium and customer demand was rising. Through the 2023 reorganisation NZTE maintained its presence in these markets and reduced its presence in markets with declining customer demand.

Answer to questions 3 and 4 are as follows.

- As at 19 August 2024, the total cost of redundancies as part of the 2023 change process was \$3.48 million (all international money converted into NZD). In some cases, internationally, local labour law meant that redundancy payments were greater than 4 months.
- The 2023 change process was a global, NZTE-led process designed to realign the organisation to address the removal of a COVID-19 specific funding package, it was not driven by a broad cost reduction directive. The 2024 organisation changes were driven by a broad cost reduction directive across the public service. In this context, it would not be appropriate to deviate from the standard New Zealand redundancy term of three months.

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 or freephone: 0800 802 602.

Yours sincerely



Melissa Trochon
Director – Board & Ministerial