



**Te Tari Taiwhenua
Internal Affairs**

1 June 2018

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Dear Mr Slater

Official Information Act request – 17/18-0404

I refer to your Official Information Act (the Act) request of 19 April 2018 to the Minister Responsible for Ministerial Services, Hon Chris Hipkins, who transferred part of your request to the Department of Internal Affairs (the Department) on 4 May 2018.

The relevant parts of your request and my response are provided below.

Who made the decision to outsource recruitment of the Chief Press Secretary to the Prime Minister to JacksonStone & Partners?

JacksonStone & Partners has been a member of the All-of-Government Recruitment and Consulting Panel managed by the Ministry of Business, Innovation and Employment (MBIE) since 2012. As a member of the Panel, they are available to be engaged by government agencies.

In August 2016, the Department's Ministerial Resourcing team met with JacksonStone & Partners to discuss the specialist recruitment needs of the Executive. JacksonStone & Partners were identified as a specialist recruitment provider for communications and advisory roles and it was agreed that they may be engaged, from time to time, for any specialised or hard to fill roles. To that end, JacksonStone & Partners have been successfully engaged to assist the Ministerial Resourcing team with recruitment for roles within the Executive since that time.

In the week of 19 March 2018, jointly, the Manager Ministerial Resourcing and the Chief of Staff to the Prime Minister (Chief of Staff) made the decision to outsource the recruitment of the Chief Press Secretary role due to its specialist nature. The Ministerial Resourcing team chose to engage JacksonStone & Partners, given the pre-existing relationship and the success of previous recruitment appointments in 2016 and 2017.

The Ministerial Resourcing team followed the standard process for recruitment for the Chief Press Secretary to the Prime Minister role. The role of JacksonStone & Partners, as the recruitment agency, was to identify and shortlist suitable candidates on behalf of the Department.

The Ministerial Resourcing team discussed and agreed the roles and responsibilities for the recruitment process and for working with JacksonStone & Partners and with the Chief of Staff. The Chief of Staff was identified as a member of the recruitment panel for the second stage of the process, the interviewing of candidates. The Chief of Staff played no role in the selection of the recruitment company.

What advice was received, if any, of a potential conflict of interest?

In January 2018, the Department of Internal Affairs was made aware of a potential conflict of interest (COI) in that the spouse of the Chief of Staff to the Prime Minister is employed by JacksonStone & Partners. The newly appointed Chief of Staff proactively verbally disclosed the potential COI to the Manager Ministerial Resourcing as part of routine employment processes, prior to starting in the role.

On 9 March 2018, following a period of leave, the Chief of Staff completed a written COI declaration form advising the Manager Ministerial Resourcing of the potential COI. Specifically, he noted that, as the Chief of Staff to the Prime Minister, he is a part of the recruitment panel for some ministerial office appointments, and that his spouse is employed by the recruitment agency JacksonStone & Partners, an All-of-Government recruitment provider. As JacksonStone & Partners may be used by the Department to assist in recruitment for ministerial office vacancies, this may represent a potential COI.

The potential COI was discussed with JacksonStone & Partners on 23 March 2018. The Department requested that the spouse of the Chief of Staff to the Prime Minister was not involved in the recruitment process for the Chief Press Secretary.

Did the Chief of Staff to the Prime Minister highlight a potential conflict of interest? If so, to whom?

Please refer to my response to the previous question.

What advice was given by Ministerial Services regarding recruitment processes for the Chief Press Secretary to the Prime Minister?

In the week of the 19 March 2018, the Manager Ministerial Resourcing and the Chief of Staff jointly made the decision to outsource the recruitment of the Chief Press Secretary role due to its specialist nature and the need to identify a wider pool of suitable candidates.

The Ministerial Resourcing team then made the decision to engage JacksonStone & Partners, given the pre-existing relationship and the success of previous recruitment appointments in 2016 and 2017.

How much has been paid to JacksonStone & Partners for recruitment advice and processes?

I can advise that the standard rate for placing a permanent or fixed-term role is a one-off payment of 9-12%, calculated on the annual salary of the position. For this reason I am withholding the provider fee rate paid for recruitment advice to JacksonStone & Partners, under section 9(2)(b)(ii) of the Act, as the provision of this information would unreasonably prejudice the commercial position of JacksonStone & Partners.

The total provider fee paid to JacksonStone & Partners for recruitment advice would make it possible to calculate the salary offered to the incumbent in the position, so I am withholding the total amount paid for provider fees under section 9(2)(a) of the Act to protect the privacy of natural persons.

I am withholding the amount paid to JacksonStone & Partners for the All-of-Government Administration fee of 1% of the (salary + the provider fee) collected on behalf of MBIE as this information would also make it possible to calculate the salary offered to the incumbent in the position. I am withholding this information under section (9)(2)(a) of the Act to protect the privacy of natural persons.

The amount paid to date to JacksonStone & Partners for recruitment processes is \$4,040 (excluding GST) for the costs of advertisements placed in the Dominion Post, on Stuff, LinkedIn and on Seek.

Who authorised any payments to JacksonStone & Partners for recruitment advice and processes?

The Manager Ministerial Resourcing, as the budget holder, authorised the payments for recruitment advice and processes to be made to JacksonStone & Partners.

Have any payment (sic) been made and how were they calculated? if they haven't been made, how will they be calculated?

JacksonStone & Partners have submitted two invoices, the first of which has been paid. Regarding the first invoice, I am withholding the recruitment provider fee under section 9(2)(a) of the Act to protect the privacy of natural persons. I am also withholding the rate at which this was paid under section 9(2)(b)(ii) of the Act as the provision of this information would unreasonably prejudice the commercial position of JacksonStone & Partners.

The first invoice from JacksonStone & Partners included an amount of \$4,040 (excluding GST) for the advertising of the Chief Press Secretary to the Prime Minister role. This amount is made up of the costs of three advertisements placed in the Dominion Post and advertising on Stuff, LinkedIn and Seek. There are no payments outstanding for advertising.

The second invoice has been submitted to the Department and is currently being processed. The second invoice consists of a provider fee for recruitment advice, an All-of-Government Administration fee of 1% of the (salary + the provider fee) collected by JacksonStone & Partners on behalf of MBIE, and a fee for candidate background checks.

As above, I am withholding the total amount invoiced for the provider fee, as this information would make it possible to calculate the salary offered to the incumbent in the position. I am withholding this information under section 9(2)(a) of the Act to protect the privacy of natural persons.

The provider fee rate for recruitment advice is commercially confidential. For this reason I am withholding the provider fee rate for recruitment advice paid to JacksonStone & Partners under section 9(2)(b)(ii) of the Act as the provision of this information would unreasonably prejudice the commercial position of JacksonStone & Partners.

The second invoice also includes an All-of-Government Administration fee collected on behalf of MBIE. As above, this is paid at the standard rate of 1% of the (salary + the provider fee).

The remainder of the second invoice covers candidate background checks. This includes candidate reference checks, criminal checks, credit and qualification checks. I am withholding the amount payable to JacksonStone & Partners for these services under section 9(2)(b)(ii) of the Act as the provision of this information would unreasonably prejudice the commercial position of JacksonStone & Partners.

How many recruitment agencies were approached or offered a role in sourcing candidates for the role of Chief Press Secretary to the Prime Minister?

JacksonStone & Partners were the only recruitment company to be offered the role. JacksonStone & Partners are a specialist recruitment company who have previously successfully filled ministerial office positions for the Department in 2016 and 2017.

Have JacksonStone & Partners been retained by Ministerial Services for any other recruitment since 1 October 2017, and if so for what roles?

JacksonStone & Partners have not been retained for any other recruitment by the Ministerial Services portfolio since 1 October 2017.

If you have any concerns with the decisions referred to in this letter, you have the right to request an investigation and review by the Ombudsman under section 28(3) of the Act.

Yours sincerely



Morag Ingram
General Manager
Ministerial Services and Secretariat Support