

28 November 2022

[REDACTED]

Kia ora [REDACTED]

Official Information Act request for information – FMA turnover, demographics and use of contractors

- 1) Thank you for your request for information dated 31 October 2022 for:
 - a) Staff annual turnover rates 2011/12 and 2021/22
 - b) Total employees (FTE) 2011/12 and 2021/22
 - c) Average employee salary 2011/12 and 2021/22
 - d) Total contractors (FTE) 2011/12 and 2021/22
 - e) Total contractor spend 2011/12 and 2021/22
 - f) Average contractor hourly rate 2011/12 and 2021/22
 - g) Total women in executive leadership team (or similar) 2011/12 and 2021/22
 - h) Total Māori in executive leadership team (or similar) 2011/12 and 2021/22
- 2) We have interpreted the periods in your request in line with the FMA's financial years, so 2011/12 relates to the FMA financial year 1 July 2011 - 30 June 2012, and 2021/22 the FMA financial year 1 July 2021 - 30 June 2022.

OIA decision

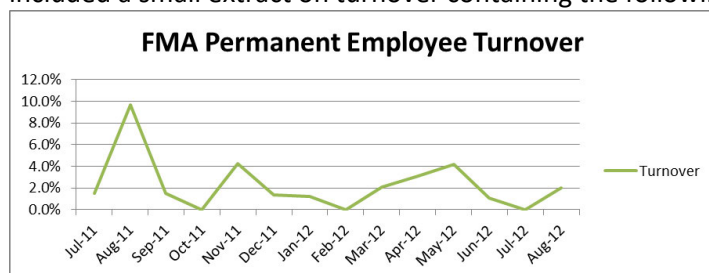
- 3) We have determined to release to you all of the information you have requested under the Official Information Act, if we hold it.
- 4) We therefore provide below most of the information requested.
- 5) We have not been able to immediately provide the contractor information ((d), (e) and (f)) for the earlier period (1 July 2011 - 30 June 2012). We have decided we will provide this information *if we hold it*, as soon as practical and we are actively continuing work on this aspect of your request. To explain, the FMA changed its accounting system during this period. Accordingly we found there is limited broken-down information accessible to us through our accounting system for this earlier period. We are accordingly checking the paper invoice records for this period in order to ascertain the information you have sought. We will provide the information if we hold it. There is a possibility, if the invoices do not contain sufficient detail, for example about the number of hours of work, and number of contractors, each invoice related to, that we do not hold, and thus are not able to provide the contractor information for this earlier period. If that is the case we will decline part of your request on the basis of section 18(g) namely that the

information requested is not held. We will be in touch again, as soon as we have completed the review of the paper invoices and done the required calculations.

Information released under OIA

A: Staff annual turnover rates 2011/12 and 2021/22

- For year ended 30 June 2012 underlying information is no longer held. We hold a document which included a small extract on turnover containing the following graph:



- For year ended 30 June 2022 permanent employee turnover averaged 17.5%.

B: Total employees (FTE) 2011/12 and 2021/22

- As at 30 June 2012 there were 88 permanent employees.
- As at 30 June 2022 there were 267 permanent employees.

C: Average employee salary 2011/12 and 2021/22

- Average FTE salary for YE 30 June 2012 of permanent employees was \$138,130.
- Average FTE salary for YE 30 June 2022 of permanent employees was \$130,532.

D: Total contractors (FTE) 2021/2022

- Total FTE contractors contracted during the YE 30 June 2022 was 18.21.

E: Total contractor spend 2021/22

- Total contractor spend for the YE 30 June 2022 was \$3,926,079.

F: Average contractor hourly rate 2021/22

- The average contractor hourly rate for the YE 30 June 2022 was \$110.33.

G: Total women in executive leadership team (or similar) 2011/12 and 2021/22

- On 30 June 2012, 4 out of 8 executives were women. We have included the CE and the most senior leadership team level staff in this calculation. We refer you to the FMA's Annual Report for the period: <https://www.fma.govt.nz/assets/Corporate-Publications/121203-fma-annual-report-2012.pdf>.
- On 30 June 2022, 4 out of 9 executives were women. We included the CE and the most senior leadership team level staff in this calculation.

H: Total Māori in executive leadership team (or similar) 2011/12 and 2021/22

- We do not hold records on the ethnicity of the leadership team members in positions at 30 June 2012. We can point you to our publicly available annual report for the year ended 30 June 2012 which contains limited profile information on the leadership team at page 14 – 15 <https://www.fma.govt.nz/assets/Corporate-Publications/121203-fma-annual-report-2012.pdf>.
- On 30 June 2022, none of the 9 executive leadership team were Māori. We considered the CE and the most senior leadership team level staff in this calculation.

Comments

- 6) Staff turnover rates and growth in employee numbers in the periods to which the information relates has been impacted by the significant change impacting the FMA. The FMA was established in May 2011, taking over the role as New Zealand's financial market's regulator from the Securities Commission that was disestablished at the same time. The creation of the FMA saw the combination of a number of organisations, and a significantly altered and increased mandate. Change has continued to impact the FMA in the years following its establishment. This year we saw the passing of legislation for the Conduct of Financial Institutions regime, which will expand our remit to cover the conduct regulation of banks, insurers and non-bank deposit takers. This is a substantial increase in our role and responsibilities that we have been preparing for extending our focus beyond investors to users of financial services generally. As well as this, we now have a mandate for the monitoring and enforcement of climate-related financial disclosures. Given what is at stake, this is an important responsibility that requires us to develop new skills and expertise. These changes have impacted the required staff numbers and expertise. Further, as conduct regulation is a relatively new area for significant parts of the New Zealand financial market, FMA employees are sought after by market participants and their advisers, which also impacts the level of staff turnover. FMA staff turnover in 2021/22 returned to within long-term norms, having fallen sharply in 2019/20 and 2020/21 in response to the COVID-19 pandemic.
- 7) The FMA values and recognises the importance of diversity and inclusion in its employees demographic. During this last year we have significantly progressed work on our Te Ao Māori strategy, which aims to embed Te Ao Māori into the FMA's practices, and identify and respond to financial markets issues and opportunities as part of our commitment to Te Tiriti o Waitangi principles. We have provided Te Reo classes and tikanga workshops for staff, and hosted seminars with external speakers to better understand the Māori world view and issues in the financial sector. These steps are the start of ensuring the organisation builds on its commitment of enduring relationships, fairness and transparency, and cultural confidence.

Questions

- 8) We will be in touch in relation to the remaining contractor information as soon as practical. Please email me if you have any questions about this response.
- 9) I also note you have a right to make a complaint to the Office of the Ombudsman. You can find details on how to make a complaint on their website at <https://www.ombudsman.parliament.nz/>.

Yours sincerely



Natalie Muir

Principal Adviser, Governance Team

15 December 2022

[REDACTED]

[REDACTED]

Dear [REDACTED]

Official Information Act request for information – FMA turnover, demographics and use of contractors – secondary release

Thank you for your patience as we compiled the remaining information for your request dated 31 October 2022.

We have now completed our review of our contractor invoices and can provide the following statistics:

	2011/12	2021/22
Total contractors (FTE)	14.29	20.63
Total contractor spend	\$1,774,320	\$3,926,079
Average contractor hourly rate	\$59.70	\$91.49

Please note these figures are not readily available from the invoices. We have had to manually calculate these figures from the information available on the invoices, and as such the figures are only our best estimates.

For example, some invoices did not include hours worked and/or the invoice may have been for a fixed price. Where invoices did not provide information on hours worked, we have applied the average hourly rate from the other invoices (ie the invoices where we did know the hours worked) in order to estimate the total number of FTE equivalent contractors.

You will also see the figures above on 'total contractors (FTE)' and 'average contractor hourly rate' for the 2021/22 period differ slightly from the figures we provided you on 28 November. The reason for this is because we have since applied a slightly different calculation to obtain the figures.

In our 28 November release, we calculated the average contractor hourly rate by taking an average of the hourly rates across all invoices we had received during the year. The issue with this approach was that

contractors who billed more frequently impacted the average hourly rate more than other contractors, meaning the figure was not necessarily the best representation of the overall average hourly rate.

We have arrived at the new average hourly rate by taking the total contractor cost for the year and dividing that by the total (estimated) contractor hours. We believe this formula provides a more accurate representation of the two categories of information.

We hope this information is of use. Please feel free to contact us with any questions, or if you are not satisfied with the response you have the right to make a complaint to the [Office of the Ombudsman](#).

Yours sincerely

A handwritten signature in black ink, appearing to read 'Mark'.

Mark McIlvride
Solicitor