

## Briefing to the Incoming Minister for the Public Service 2020

### Congratulations

Congratulations on your re-appointment as Minister for the Public Service. We look forward to continuing to work with you to make a real difference for New Zealanders.

Your role as Minister for the Public Service is a key one. Governments implement their policy agenda through public service agencies and the public's experience of public services forms their view of the performance of the government of the day. Public services are pivotal in the ongoing creation of an inclusive economy and strong and resilient whanau and communities. It is vital that public services, and the public sector, are fit for purpose and the Minister of the Public Services has the lead role in making sure this is the case.

### This paper

There are four parts to this paper:

- Part 1: About the PSA – key people and numbers
- Part 2: Working well together - the existing arrangements for how the PSA works within and across the Public Service, and with you; and
- Part 3: Our priorities for change in the Public Service
- Part 4: Public Service agencies as exemplar employers

### Summary

In summary, the key priorities we identify and our recommendations to you for change are:

**Part 2: Working well together.** We recommend:

- Progressing the Whakawa already discussed with the Council of Trade Unions to institute tripartite arrangements at the industry level across the Public Service. This is a vehicle for us to jointly progress a plan to improve outcomes on key issues for each party.
- Instituting tripartite governance of institutions with the Public Service of key interest to the social partners, including ACC and WorkSafe NZ; and also through a tripartite advisory board for MBIE's workplace relations area.
- Including in your Expectations for Employment Relations in the Public Service a clear direction to chief executives to strengthen and deepen their constructive engagement with the PSA and embed industrial democracy approaches in their operating models.

## Briefing to the Incoming Minister for the Public Service 2020

**Our priorities for change in the Public Service.** We recommend:

- An approach to public services based on **universal accessibility of basic services**. This can be delivered, over time, through a phased plan of prioritising these services, including **universal access to internet services**.
- Moving with pace to **low carbon public services** through agencies being actively supported and incentivised to make this transition using all of the levers available to them; including procurement, accommodation, service design and workplace practices.
- Deepening the commitment to **open government** through: Actively taking steps to deepen the engagement of civil society with the Open Government process; Reviewing the Official Information Act, including to ensure it is fit for purpose in this digital age; Prioritising progress of the already recommended amendments to the Protected Disclosures Act that strengthen protections for whistle-blowers.

**Public Service agencies as exemplar employers.** We recommend:

- Expediting the settling of our outstanding **equal pay claims** by flowing equal pay rates from claims already settled across the Public Service and to the funded sector through mechanisms such as pay parity and funding contracts.
- **Extending** the requirement to have a **Gender Pay Action Plan**, and the application of the **Gender Pay Principles, to all Crown entities**.
- Extending the work already underway to eliminating gender pay inequity in the Public Service to **eliminating ethnic pay inequality**.
- Providing a strong mandate to accelerate and complete the work on **common terms and conditions of employment** through your **Expectations for Employment Relations for the Public Service**.
- Mandating Te Kawa Mataaho and agencies to engage with us, alongside the process agreed to develop common terms, to develop a **common occupational classification** across the Public Service based on what work is needed now and into the future.
- Require agencies to **apply the good employer and other employment standards** provisions to both **labour hire and contracted workers** in the Public Service
- Mandating Te Kawa Mataaho to work with us on a **vision for the future public service workforce**, agreed **principles and standards for managing technology driven change** and a commitment to a **just transition**.
- The **Digital Government Programme** working with us, and Te Kawa Mataaho and agencies to **develop standards for the gathering, management and use of Public Service employee and worker information** that are consistent with the **International Labour Organisation's Protection of Workers' Personal Data Standard**.

## Briefing to the Incoming Minister for the Public Service 2020

### About the PSA

The PSA's membership spans the public and community sectors, and this positions us to have a broad a comprehensive view of public services. Of the over 76, 000 people who are members of the PSA: 27,195 work for public service departments; 19, 774 work for DHBs; 8662 work for organisations funded by the Public Service; 7855 work for local authorities; and 8298 work for other public sector agencies.

We have included a leaflet with further information about the PSA, its purpose, strategic goals, governance and membership.

### Key people

The PSA is led by its president Benedict Fergusson, the PSA Executive Board and the PSA national secretaries; Erin Polaczuk and Kerry Davies.

We are a bicultural organisation. Te Rūnanga o Ngā Toa Awhina is the Māori structure of the PSA and Māori members working in the Public Service have a voice within Te Rūnanga through the Public Service Sector Māngai and agency level Māori Enterprise Delegates. Bay of Plenty DHB delegate Virgil Iraia and Canterbury DHB delegate Lesley Dixon convene Te Rūnanga o Ngā Toa Āwhina komiti.

PSA members working in the Pubic Service are represented on the PSA Executive Board by Ministry of Social Development delegate Athol Ringrose (elected to represent members working for departments), WorkSafe delegate Kelly Cotter (elected to represent members working for crown entities) and Southern DHB delegate Stacey Muir (elected to represent members working for DHBs). PSA members working in local government and in community public services are also represented on the board.

### Working well together

The PSA is an important social partner for the Public Service and the Government. As the representative of public servants, the PSA has engaged constructively with successive Ministers of State Services on issues of shared interest. We engage and are the voice of our members at all levels of the Public Service.

### At the industry-level

We have a memorandum of understanding with the Public Service Leadership Team which includes engagement on strategic issues through the PSA/Public Service Leadership Team Strategic Forum.

## Briefing to the Incoming Minister for the Public Service 2020

The Forum has a joint work programme of key strategic projects which we've highlighted below. We invite you to attend the Forum and to support it to achieve its aims and work programme.

We meet regularly with the Public Service Commissioner and Te Rūnanga o Ngā Toa Awhina is further developing its relationships with Te Arawhiti.

The PSA is a party to the Health Sector Relationship Agreement and a member of the HSRA Forum. The Minister of Health attends this forum. We are also a member of the Disability Tripartite Forum. We have provided a separate briefing to the Minister of Health on the PSA in DHBs and our priorities for the health and disability system.

### **At the agency and workplace level**

Within agencies we seek agreed documented frameworks as the basis for the working relationship between the employer and union. This includes putting industrial democracy arrangements in place that make workers' participation in decisions and processes, both directly and through their union, part of business as usual. We know this works and improves both organisational effectiveness and workers' experience of work.

Another part of better supporting social dialogue and worker voice is state sector employers better supporting collective bargaining and union membership. We would welcome your support for this in the next iteration of the Government's Expectations for Pay and Employment Conditions in the State Services. This would include limiting the impact of passing on the benefits of collective bargaining through the use of mechanisms such as union-only benefits and bargaining fees.

We recommend:

- Progressing the Whakawa already discussed with the Council of Trade Unions to institute tripartite arrangements at the industry level across the Public Service. This is a vehicle for us to jointly progress a plan to improve outcomes on key issues for each party.
- Instituting tripartite governance of institutions with the Public Service of key interest to the social partners, including ACC and WorkSafe NZ; and also through a tripartite advisory board for MBIE's workplace relations area.
- Including in your Expectations for Employment Relations in the Public Service a clear direction to chief executives to strengthen and deepen their constructive engagement with the PSA and embed industrial democracy approaches in their operating models.

### Our priorities for change in the Public Service

#### **A commitment to universal access to basic services**

Our public services are essential in our continued fight against Covid 19 and are pivotal in how Aotearoa creates and meets its future. We are seeking your support for the Aotearoa Wellbeing Commitment. We understand that access to the basics in life - health, education, communication, social connection, and financial security - are key to providing the opportunity for us to reach our potential as individuals and enable communities to flourish and thrive.

The Aotearoa Wellbeing Commitment is a new way of making sure all New Zealanders are cared for, regardless of how much money is in our pockets. It is a commitment to ensure all key public services are universally delivered, so everyone gets the chance to do well socially, mentally, and physically.

Here in Aotearoa we value equality, compassion and justice. We invite you to consider how an approach to public services based on the concept of universal access to basic services can show your government's commitment to those values, rather than, for example the kind of individualised social investment approach promoted by previous administrations. We would like to discuss with you how a universal basic services approach can be delivered, over time, through a phased plan of prioritising these services, including universal access to internet services.

#### **Supporting the implementation of the Public Service Act**

We engaged deeply with the development of the Public Service Act and largely welcomed its passing. The Act is world leading in defining the democratic role of the Public Service and including supporting governments to pursue the long-term public interest and facilitate active citizenship.

We look forward to engaging with Te Kawa Mataaho, Te Arawhiti and agencies as they implement the Act and will be working with members to ensure that the public service values and principles are upheld and the spirit of service is nurtured and grown. PSA members have been clear: they want to make a difference and they look forward to working within the new parameters set by the Act to do this. In particular we will be looking to see that:

- Māori Crown relationships are strengthened and agencies and public servants are well supported in this.
- Agencies are actively supported and encouraged to move beyond the rhetoric and realise that purpose of active citizenship. This must include deepening the involvement of both workers delivering services; and service users, and their whanau and communities in the development of policy and design of services. This will require an openness to adopting

## Briefing to the Incoming Minister for the Public Service 2020

both worker involvement and citizen-led processes not consistently used before. It will include developing a stronger understanding of the role of the social partners and including them by default. This will require investment in the capability of all parties.

- Continued reform of the different systems that make up public services: including those part of the Education Work Programme, Hāpaitia Te Oranga Tangata Safe and Effective Justice reforms and the Health and Disability System Review; are coherent in design and express and deliver on the purpose of the Public Service, its principles and values. For these reforms to achieve their aims, citizen and worker participation are essential. PSA members work in all of these systems and are ready to continue to engage.
- People working in public services are able to exercise their civil and political rights with confidence.
- Unions and workers are actively engaged to participate in moves to more joined up and regional approaches to services. The PSA is well-placed to facilitate this, with members working across all parts of the Public Service and also local government and the funded sector.
- The provisions of the Act that enable greater mobility of people around the Public Service are operated in a way that builds capability (including context and subject matter expertise) and careers. In particular we emphasise the need for prioritisation of work to achieve common terms and conditions across the Public Service.
- The good employer and diversity and inclusion obligations in the Act are realised.

### **Deepening the commitment to open government**

While we support Aotearoa's membership of the Open Government Partnership; and have welcomed improvements in the administration of the Official Information Act and the review of the Protected Disclosures Act, there is some way to go before actual open government is achieved.

We recommend:

- Actively taking steps to deepen the engagement of civil society with the Open Government process
- Reviewing the Official Information Act, including to ensure it is fit for purpose in this digital age

## Briefing to the Incoming Minister for the Public Service 2020

- Prioritising progress of the already recommended amendments to the Protected Disclosures Act that strengthen protections for whistle-blowers.

### Low carbon public services

Public services have a key role in a just transition to a low carbon future for Aotearoa through policy, regulation and services. Agencies within the Public Service are well-placed to show leadership through how they themselves move to low carbon approaches. PSA members want the organisations where they work to move with pace to achieve this.

We are confident this can be done - the Public Service has in the past taken significant steps towards this, for example through the discontinued but very successful Govt3 initiative led out of the Ministry for the Environment.

We recommend that agencies are actively supported and incentivised to make this transition using all of the levers available to them; including procurement, accommodation, service design and workplace practices.

### Public Service agencies as exemplar employers

To deliver 21<sup>st</sup> century public services, employment arrangements must nurture the commitment of state servants to the wider cause of public service, facilitate whole-of-government practices and high-trust, effective, productive and innovative workplaces. This is no small ask.

The PSA seeks employment arrangements that support exemplary workplaces and underpin exceptional service delivery. The PSA's [Transforming our Workplaces](#) agenda<sup>1</sup> and its companion [Ngā Kaupapa o Te Rūnanga o Ngā Toa Āwhina](#) - creating a better working life for Māori - set out what a great workplace looks like. A copy of a leaflet with further information about Ngā Kaupapa is included.

We need workplaces where there is trust in the relationship between employees and managers and where everyone is supported to perform well, contribute and be productive. Workplace cultures and systems shouldn't get in the way of being able to do a good job and change things for the better. There is a strong link between workplaces that are effective and productive and good management where workers are trusted and have a strong voice. And for all of this to happen we need workplaces where everyone has fair working conditions and a secure future and where their skills and career and safety, health and well-being are looked after.

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<sup>1</sup> <http://www.psa.org.nz/CampaignsAndIssues/Transformingtheworkplace.aspx>

## Briefing to the Incoming Minister for the Public Service 2020

### **Your support for our joint PSA/PSLT Engagement Forum work programme**

We would welcome your strong support for the joint projects we are progressing with the Public Service Leadership Team to achieve equal pay and pay equity and common terms and conditions.

### **Equal pay**

While we celebrate the agreement and now implementation of the Gender Pay Principles during the Government's last term there is still much to do to embed the implementation of these principles within the systems and processes within work and to achieve equal pay. We recommend:

- Expediting the settling of our outstanding equal pay claims by flowing equal pay rates from claims already settled across the Public Service and to the funded sector through mechanisms such as pay parity and funding contracts. A common occupational classification would greatly assist with this – further detail below.
- Extending a requirement to have a Gender Pay Action Plan, and the application of the Gender Pay Principles, to all Crown entities
- Extending the work already underway to eliminating gender pay inequity in the Public Service to eliminating ethnic pay inequality
- The Public Service providing an example to the economy by moving to pay transparency.

### **Moving to a coherent and systems approach to pay and occupational classification**

Public servants are motivated by their desire to make a difference and will go the extra mile to do a good job. In return they need to feel assured that they are paid fairly. Agencies are not funded for increases in rates of pay. As a result they are able to deliver neither appropriate adjustments to rates of pay nor meaningful progression to recognise the development of context and subject expertise.

Each agency has its own rates of pay and approach to pay. Information about this is not shared across the system and there is no attempt made to take a systems approach or even identify key areas of pressure. It's time for Te Kawa Mataaho to assist agencies to develop a more coherent approach that supports whole of system talent management and career development.

In part, this lack of coordination and coherence around pay is underpinned by the lack of a shared approach to the classification of occupations. This undermines the measures in the Public Service Act aiming to create greater system mobility, better careers and better utilisation of capability. It

## Briefing to the Incoming Minister for the Public Service 2020

also works against the elimination of pay inequality and the Public Service's ability to ensure it is developing the workforce it needs for the future.

We recommend that you mandate Te Kawa Mataaho and agencies to engage with us, alongside the process agreed to develop common terms, to develop a common occupational classification across the Public Service based on what work is needed now and into the future.

### **Common terms and conditions**

As recognised in the Moran Report<sup>2</sup> in Australia, to improve the connection between services and across agencies it is important to achieve more consistent pay and conditions to increase mobility and improve the capability and adaptability of staff.

The Public Service Act has provided the Commission and agencies with the tools to move to common collective terms and conditions. We have begun this work through our joint PSA/PSLT Strategic Engagement Forum work programme and we seek the Government's leadership and support to ensure this work has priority and impetus.

We recommend that you provide a strong mandate to accelerate and complete this work through your Expectations for Employment Relations for the Public Service.

### **Equal employment rights for everyone working in the Public Service**

Approximately 10% of those working in Public Service departments have contingent work and fewer working rights as contractors or those engaged through labour hire companies. Having this contingent workforce enables agencies to reduce costs, but this is at the expense of either basic employment rights (in the case of contractors) or decent pay (in the case of those engaged through labour hire companies).

We recommend that agencies are required to apply the good employer and other employment standards provisions to both labour hire and contracted workers in the public service.

### **The future of work in public and community services and a just transition**

We are thinking and planning for the coming wave of technology driven change, which has in fact already started. We are supportive of the tripartite approach the Government is taking through the Future of Work Forum. Within our areas of coverage, we are engaging constructively with employers where this kind of change is underway however we are strongly of the view that the

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<sup>2</sup> *Ahead of the Game: Blueprint for the Reform of Australian Government Administration*, March 2010  
[http://www.dpmc.gov.au/publications/aga\\_reform/aga\\_reform\\_blueprint/docs/APS\\_reform\\_blueprint.pdf](http://www.dpmc.gov.au/publications/aga_reform/aga_reform_blueprint/docs/APS_reform_blueprint.pdf)

## Briefing to the Incoming Minister for the Public Service 2020

Public Service would benefit from agreed principles and standards in managing this kind of change, which would include commitments to a just transition for workers and participation of workers and their unions in design. We recommend that you mandate the Commissioner and agencies to work with us to develop these principles and standards.

It is essential that the Public Service is thinking and planning for the future of work in public services. We have an agreed project with the Public Service Leadership Team on this, but this work has not been able to be prioritised by agencies or Te Kawa Mataaho.

We recommend that you mandate Te Kawa Mataaho to work with us on a vision for the future public service workforce, agreed principles and standards for managing technology driven change and a commitment to a just transition.

### **Robust data protection standards to apply to people working in the Public Service**

Just as it is vital that New Zealanders have trust and confidence in the way government manages their personal information, people working in the Public Service need to have trust in confidence in the way government as their employer manages the personal information it gathers and holds for them in the course of their employment.

The Digital Government programme is developing robust standards and guidance for agencies in terms of their management of New Zealanders' personal information. However, we are concerned that agencies' capability in relation to their management of the personal information of employees and other workers is not yet as strongly developed.

Agencies now routinely gather significant amounts of personal data about workers – including biometric data. The extent of remote working that has emerged through the pandemic period has highlighted this. An increase in the remote use of employer devices has increased the potential for surveillance; and some employers are increasingly using algorithms to supplement or replace management decision making for example in recruitment and selection and the use of psychometric testing as a shortcut to dealing with large volumes of people in change management.

We recommend that you mandate the Digital Government programme to include working with us, and Te Kawa Mataaho and agencies to develop standards for the gathering, management and use of Public Service employee and worker information that are consistent with the International Labour Organisation's Protection of Workers' Personal Data Standard.