



Public Service Association
Te Pūkenga Here Tikanga Mahi

Briefing to the incoming Minister of Local Government

December 2023

Congratulations on your appointment as Minister of Local Government. This briefing sets out how we'd like to work with you over this term of government, and what we consider to be the most important priorities for the local government portfolio.

Working well together

The PSA is an important social partner for local and central government. As the representative of over 10,000 local government workers, we have a strong interest in working with your Government to support well-functioning, effective and efficient local government institutions that provide high-quality services and are underpinned by strong democratic foundations.

At the local level the PSA engages with local government organisations both as employers and on matters of policy (eg, through submissions on Annual Plan and Long Term Plans).

At the national level the PSA has engaged constructively with successive Ministers of Local Government on issues of shared interest, and we wish to continue doing so.

Our priorities for local government

Effective, well-resourced local public services

We support strong, effective public services delivered for the public good. For these to exist, local government organisations need to have access to adequate resources to carry out their role.

The current model for funding local government services is unsustainable and needs to be addressed. We see potential for regional and city deals to help address this through long-term funding commitments. We also recommend the Government works with councils to identify and establish the appropriate legislative tools for local government to raise revenue.

Improving water services and infrastructure

We want to continue engaging constructively with the Government on the future of New Zealand's water services sector.

We support the existing reforms led by the previous Government, and oppose their repeal: they struck what we consider an appropriate balance between economies of scale and local voice, while providing for greater investment, partnership with tāngata whenua and a cohesive approach to workforce matters.

We know the water services workforce needs to grow substantially to deliver the level of infrastructure needed for the future, but right now councils currently face significant uncertainty about how water infrastructure will be funded as they go into the Long Term Plan process. This creates a risk of further under investment and a lack of ability to recruit and retain workers. It is essential that the reforms provide certainty as early as possible. At the same time this uncertainty is driving workers out of the sector and overseas.

We want to make sure that whatever the future state of the water services sector looks like under the new Government, reform is used as an opportunity to build a system that has the capacity to deliver services to an acceptable standard for every community. To ensure the sector maintains this capacity, the new model of water services needs to be able to attract and retain workers. The key components to ensuring this are:

- **Good jobs:** Providing competitive terms and conditions as have already been agreed through the collective agreement recently negotiated for the ten Water Services Entities.
- **Industry-level employment agreements:** The collective agreed for the ten Water Services Entities was developed to form the basis of a national level agreement to provide consistently good terms across the sector. It is already agreed and so needs to be left in place in whatever new water services providers are established under the new model.
- **Training:** A coordinated national approach to improving training across the sector, supported by central government funding and support for apprenticeships.
- **Career progression:** Through national level workforce planning, mechanisms to make it easier for workers to move between water services delivery organisations, and if those organisations have the scale to provide more specialist roles
- **Tripartite engagement:** The basis for a water industry council now exists because of the work done to date between unions and government. This would be especially beneficial in a more fragmented environment than was originally proposed in the reforms.
- **Health and safety worker participation:** This needs to happen at the national and employer level; at the national level the Government can support this by facilitating the setting up of national structures for engagement.

We appreciate and support the firm stance taken by parties in the new Government when they were in opposition, in favour of community ownership and against the privatisation of water. It is critical that you ensure any changes to the water services model retain strong protections against privatisation – both in terms of preventing the divestment of assets and preventing the contracting out of water services to the private sector.

Partnership with Māori in local government

The Government must show leadership to improve Māori representation and participation in local government, to work towards an enduring model of Te Tiriti partnership at the local level.

The last National-led Government made good progress towards establishing constructive models of local partnership, particularly in the management of natural resources. We are hopeful the Government can facilitate informed and respectful debate about structures that will support substantive and meaningful Māori engagement in democratic structures, and in local governance and decision-making.

Coordinated sector employment relations

Standardised terms and conditions across the local government sector, and a consistent employment relations approach, would encourage a real sense of cohesion and spirit of service. It would also assist with career and capability development in the local government sector.

To achieve this we would like to see:

- recognition of service between Local Government organisations when workers move, this would enhance the retention of the workforce when people move areas
- support for regional Multi-employer Collective Agreements, which would provide efficiencies around bargaining and terms and conditions of employment
- support for a local government sector-wide body that could help provide a coordinated approach to workforce matters (eg, training, workforce planning and industrial relations).

Administration of local government elections

The administration of local body elections is contracted out to the private sector in most communities. We don't believe this is an appropriate arrangement for a matter of such importance to the functioning of local democracy. We recommend the Government give responsibility for local body elections to the Electoral Commission. As a publicly accountable public service organisation that already has a track record for delivering Parliamentary elections, we can be confident that with adequate resourcing the Electoral Commission would be more appropriate for this role.

Pay equity

The PSA has an active pay equity claim to address gender-based pay undervaluation of library assistants working in the six largest councils (Auckland, Hamilton, Tauranga, Wellington, Christchurch, Dunedin). The parties are currently in the bargaining phase of the claim. Once a settlement is reached with the current six councils, discussions will need to be had with other councils on how to address the undervaluation for their workers.

Living wage

In the current cost of living crisis it's more important than ever to ensure workers have the income necessary for the basic necessities of life. A living wage would enable workers to live with dignity and to participate as active citizens in society. We would like to see the Government encouraging local government employers to become accredited living wage employers, and to require providers to pay the living wage through procurement rules.

Local government reform

The Review into the Future for Local Government was a comprehensive process that engaged widely with stakeholders across local government to come to a number of important recommendations. The

sector said loud and clear that change was needed, and the report provides a good basis for considering what that change should look like. We would like to see the incoming Government progress this important work by engaging with local government – including local government workers – to progress the report recommendations they think are most important to the sector.

Voting age

The PSA supports lowering the voting age in local body elections as a practical, evidence-based change that makes democratic engagement available to more people, and has the potential for long-lasting improvements to democratic participation across our society. Furthermore, the Crown has not demonstrated sufficient justification for the inconsistency with the Bill of Rights Act 1990 that the current voting age creates.

When the Electoral (Lowering Voting Age for Local Elections and Polls) Legislation Bill is reported back from select committee we encourage the Government to support the Bill's progression through the House.

Resource management reform

The substance of this Government's resource management reform will have an impact on local government's ability to enable housing and infrastructure that communities need while being responsible stewards of the environment.

The previous system (the RMA) was no longer fit for purpose, and reform is needed. If this Government is going to undo the latest round of reforms we believe it is crucial that the new system:

- protects the environment by working within environmental limits
- facilitates the building of affordable, environmentally sustainable housing and infrastructure
- provides for genuine partnership with mana whenua
- contains planning processes that are workable for councils
- is accompanied with adequate resourcing and support for councils to implement
- listens to the voice of local government workers in its development.

We encourage you to work closely with your Cabinet colleagues and the Minister for the Environment to ensure reform listens to the voice of local government (including local government workers) and delivers on the points above.