



PSA Submission

to Ministry of Social Development

Work and Income – Regional Office Review

20 August 2013



For a better working life

New Zealand Public Service Association

Te Pūkenga Here Tikanga Mahi

The Public Service Association

The Public Service Association (PSA) is the union for Ministry of Social Development (the Ministry) staff and currently represents over 6000 members within the Ministry nationally; the PSA represents over 58,000 staff across the public sector.

SUBMISSION BACKGROUND

This submission is based on feedback from PSA members from Work and Income's Regional Office across New Zealand, and PSA senior representatives from across the Work and Income Service line. It addresses the consultation document on the Work and Income Regional Office Review.

A draft change management protocol has been agreed in principle between the Ministry and PSA and is being consulted on as part of the consultation phase. This protocol includes:

- Principles associated with the change protocol
- Scope of the change
- Approach to change: reconfirmation, reassignment, internal recruitment to unfilled roles in the new structure, next steps
- Reassignment Appointment Review Process: outcome
- Employee Assistance Programme (EAP)
- General application
- Definitions and terms.

FEEDBACK

Engagement has been flawed

The PSA is very concerned that the PSA was not involved early in the development of the review, which is contrary to the change management principles in the PSA/WISSIS Collective Agreement and the relationship principles in the PSA/MSD MIPPS (Modern, Innovative and Productive Public Services) Agreement. The path this Restructuring has taken is one that PSA has had no say in. As such, the PSA has advised the Ministry that we will not be a formal party to the Review but we are participating in the Review through making this submission. We do so as a means of strongly representing PSA members' interests as an independent party. Without the usual early participation to enable us to be working alongside the Ministry on this matter, we cannot be a party to the Review.

Reviews are unsettling for all employees, particularly when job losses are a prospect. The PSA observed that when members realised that the PSA had not been involved, many of them lost trust in the Ministry, on top of their anxiety about the impending change process. This will make it significantly more difficult for the Ministry to bring an engaged and productive workforce with them into the new structure.

The PSA also notes that some key leadership roles, for example Regional Directors, Operations Managers and others, were not involved in the development of the proposals. The unusually limited

involvement of members and staff was a missed opportunity to capture the valuable insight they could have brought to the review.

We are further concerned that external stakeholders in the community do not appear to have been consulted, given the impact these proposals may have on regional communities.

The PSA recommends a fundamentally different approach to considering the future structure within and across the Work and Income Regional Offices should be. This conversation and consideration should be re-started within a more appropriate timeframe with meaningful engagement of PSA representation from the start.

The timing of the review is poor

The timing of the review coming straight on top of the early stages of the implementation of welfare reform is counterproductive. Many staff worked extremely hard and put in long hours to support the July implementation of the welfare reform programme. The news of a significant restructure hard on the heels of this effort has further contributed to the demotivation and loss of engagement from members. Some members have described that as a 'slap in the face' and it is disheartening to see such committed staff of the Ministry feeling that way.

The PSA also notes that the July Welfare Reform changes have had no opportunity at this stage to bed in and the implications and impacts of what they will mean operationally for the Ministry are as yet unknown. Again that supports the PSA recommendation for a delay to this Review and a fundamentally different and more engaged approach.

The PSA is concerned that the proposal is vague about the impact or otherwise of the transfer of some Housing New Zealand assessment functions. The Ministry Proposal document states 'it is not anticipated that the transfer of functions (from Housing New Zealand) will impact on the proposed regional office structure'. The PSA is aware, and the Ministry Proposal document acknowledges, that planning for the transfer of functions from Housing New Zealand to the Ministry is in the early stages only. As that planning is developed impact on the proposed regional office structure may well occur.

The timing of the review would have been better to have waited until the implications of this transfer were known.

The numbers don't add up

The repeated assertion by the Ministry in the news media that only 35 positions will be disestablished is misleading. The PSA understands that in fact 88 positions are being disestablished and that over 40 of those positions are vacant. The disestablishment of 88 positions is actual and potential establishment resource that is being removed from the Ministry.

Once these positions are disestablished (whether filled or not) they cannot be quickly re-established should the need arise. In this sense, the proposal does not support one of the review's objectives, to "have the flexibility to adapt our service delivery quickly and effectively to do more of what works best."

Community engagement is still critical to achieving regional economic development

The PSA is very concerned that the investment approach has placed much greater emphasis on the basic function of funding and contracting, and neglects the vital importance of working with communities to build up communities and create sustainable employment growth.

This is particularly evident in the proposals to:

- Disestablish the Enterprising Community Advisor and Industry Partnership Advisor positions and replace them with a single Senior Labour Market Advisor
- Disestablish the Social Development Manager and Regional Strategic Planner positions and replace them with Business Analyst and Senior Advisor positions
- Place greater emphasis on planning rather than communication in the proposed job description for the Community Liaison Advisor.

The PSA fundamentally disagrees with the assertion that there is no longer a need for resource dedicated to achieving broader social development outcomes. This appears characteristic of a Government direction described by Paul Dalziel, Professor of Economics, Lincoln University, as 'a sharp divide between economic and social policy to the detriment of both'.¹

The PSA believes that flexible and properly resourced roles to develop relationships and partnerships with local communities are needed to help develop local employment solutions that are responsive to the particular needs of those communities and local labour markets. One size does not fit all.

Different regions have unique labour markets and populations. As an example the East Coast region has two distinct labour markets focussed on Tairāwhiti and the Hawkes Bay. These labour markets are based on forestry, dairying, fishing, farming, horticulture and viticulture. In addition there are six advisory roles which engage and partner with a number of Māori business clusters.

In recognising diversity with respect to regional labour markets it would similarly follow that Labour Market teams would be ideally best placed to determine how supply and demand dynamics are addressed when making decisions around employment and training related investments. An integrated and collaborative approach that acknowledged relationships and engagement with internal as well as external stakeholders is a key to ensuring appropriate alignment of programme delivery, relevance with market need, return on Crown investment, improved outcomes and most productive use of staffing resource.

To this end, and given the high proportion of employment/training related investments, there would seem to be a need for an associated structural link between Labour Market and Contracts teams.

Our comments on specific roles are outlined below.

Enterprising Community Advisor and Industry Partnership Advisors

The PSA has for several years raised with the Ministry questions about the role of Enterprising Community Advisors (ECAs). The PSA has never had a response, other than the Ministry continues to value the expertise of these members and the PSA will be involved in any thinking about change, until this proposal for structural change and the disestablishment of the role. Some PSA members have seriously questioned the Ministry's good faith obligations to these staff. This has seriously damaged the trust relationship with the Ministry for many members.

¹ Stopping the Rot: Creating a new vision for Economic Wellbeing – Paul Dalziel, Professor of Economic, Lincoln University

This was also a vital lost opportunity to work together to examine the role and adapt it in way that was much less disruptive to the members concerned and to the employer.

ECA's have been willing to be flexible to support the business needs of the Ministry and will now be disadvantaged by these proposals to move them to lesser positions (albeit with equalisation). In general they have not had the opportunity in recent years to up skill and train to enable them to take up better positions.

Similar observations apply to Industry Partnership Advisors (IPAs) in some regions. A number of IPAs suggest that the IPA role and the proposed role of Senior Advisor Labour Market is essentially the same and that reassignment should be considered. A more appropriate approach to this review including early PSA engagement may have enabled considered development and member supported change to the IPA role rather than the anxiety of the Ministry's hard change approach.

The disestablishment of the ECA and IPA roles also removes a career pathway for employees, who will now likely need to go to National Office to develop their careers further.

Community Liaison Advisor

The proposed new Job Description for this role creates confusion and duplication between the Community Liaison Advisor and Senior Advisor roles. For example, many of the Key Result Areas in the new Community Liaison Advisor and proposed Senior Advisor job descriptions are identical, which will cause confusion and risk for the Ministry in terms of who is accountable for what.

Too much emphasis is also being placed on the planning aspect of the Community Liaison Advisor role, at the cost of the specialised communication nature of the job.

Engagement with Maori and Pacific

The provision for engagement with Maori and Pacific is insufficient in the proposal. Pacific communities are not mentioned at all. The Senior Labour Market Advisor will be responsible for, amongst other things, forming relationships with iwi to deliver sustainable employment outcomes through the development of Maori asset bases.

The PSA believes that dedicated resource will be needed to adequately support engagement with these communities to achieve sustainable employment outcomes.

Impact on Service Centres

The presentation on the proposal states that this review is about *a new structure for Regional Office not Service Centres. Provides strong and clear leadership and support for frontline sites. One of the design principles is to strengthen support for frontline client facing roles.* Members are unconvinced that the disestablishment of 88 positions will improve the ability of Regional Office to support Service Centres. To the contrary the PSA is concerned that Service Centre and client facing services will be disadvantaged by this Proposal.

For example, the proposed single Senior Labour Market Advisor role (essentially to replace ECAs and IPAs) would compromise the link with frontline service delivery, and the scope and scale of key relationships currently being realised in the regions would be unachievable. The link between the labour market team and frontline service delivery is crucial. In some regions, the brokers are housed in frontline offices, but report to the labour market manager supported by the labour market team. In this way, plans can be collaboratively developed with a high degree of buy-in from brokers and frontline staff. The flow of labour market information both to frontline staff and regional and national office staff can be more effectively maintained and utilised, thereby improving the efficiency and quality of service delivery at the frontline.

The PSA is aware that in some regions, if not most, Regional Office have been taking on work from frontline services. This review does not appear to take account of that. The proposal risks exacerbating current under-resourcing of the Service Centres. For example, some Regional Offices are doing the labour market testing for immigration that should be done by Work Brokers.

Employer Model

We acknowledge that Work Brokers are out of scope of this review. However, the review has raised concerns among many Work Brokers about the possible impact of the proposal on their roles. The PSA is concerned that the review may pre-determine changes in the way the Work Broker role is undertaken in future and who they report to in future. These concerns have been exacerbated by the lack of PSA involvement in the development of the current proposal.

The PSA therefore requires enhanced engagement with MSD about the Work Broker role in the near future.

Redundancy

The PSA has received a number of queries and concerns about whether members whose roles are disestablished will be forced to accept roles that they do not want, or roles that are a step backwards in regards to their career development, or else forfeit redundancy. The PSA does not support members being forced to take roles they believe are untenable, or risk losing the right to redundancy. The PSA does also not support a potential future state where staff are still called upon for their high level expertise, even though they are employed in a lower range position.

The PSA's priority is always the job security of members and so redundancy should always be the last option. Where redundancy is contemplated by the employer though, staff preferences should be accommodated in a transparent way wherever practical to minimise disruption to the wider workforce. The PSA recommends the Change Protocol is amended to enable some process of voluntary redundancy and job matching to occur.

The PSA has also received feedback about members being concerned that managers and senior specialist staff do not have the option of a two year equalisation to salary – only to an equivalent lump sum. The PSA notes that while PSA represents members in the area of Managers and Senior Specialist staff, PSA was not consulted on the draft Change Protocol for that group.

Recommendations

The PSA recommends that the Ministry:

- Adequately resource community engagement as a critical means of supporting sustainable employment growth in local labour markets and communities
- Adequately resource engagement with Maori and Pacific communities
- Amend the Change Protocol to enable voluntary redundancy/job matching and resolve inequities between the two Change Protocols
- Consult with external stakeholders
- Delay the timing of the review to enable robust engagement with the PSA and external stakeholders, and once the implications of the transfer of some Housing New Zealand functions are known.

- Engage properly with the PSA in line with the change management provisions of the Collective Agreement and with the MIPP Agreement on a fundamentally different approach to considering the future structure within and across the Work and Income Regional Offices should be. Restart this conversation and consideration with meaningful engagement of PSA representation from the start.

Thank you for the opportunity to provide this feedback. The PSA would appreciate the opportunity to discuss our submission with the Ministry.