



**PSA submission on the draft  
report of the review into the  
future for local government, He  
mata whāriki, he matawhānui**

**Prepared for the independent panel**

**February 2023**

## About the PSA

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 85,000 members. Our members include people working in the public service; local government; tertiary education institutions; and non-governmental organisations working in the health, social services and community sectors.

For 110 years people have joined the PSA to negotiate their terms of employment collectively, to have a voice within their workplace and to have an independent public voice on the quality of public and community services and how they're delivered.

We are committed to advancing the Tiriti o Waitangi principles of partnership, protection and participation through our work. Te Rūnanga o Ngā Toa Āwhina is the Māori arm of the PSA membership. The PSA is affiliated to Te Kauae Kaimahi the New Zealand Council of Trade Unions, Public Services International and UniGlobal.

As Aotearoa's largest trade union and as the primary trade union for public and community services, our interest in the future of local government is two-fold. Our purpose is to influence the industrial, economic, political and social environment to advance the interests of our members to improve their working lives. For our 9,500 local government members this involves advocating for well-functioning, effective local government institutions that can be exemplary workplaces. It is also in the interests of all our members across all sectors – and in the interests of all communities in Aotearoa – to advocate for strong public and community services that are accessible to everyone who needs them.

## About this submission

Our submission primarily focuses on the views of our members in local government, both as a group of people with perspectives informed by first-hand experience inside the local government system, and as a group of people particularly impacted by any decisions made about the future of the sector. The submission also draws from the views of the PSA more widely.

In particular, this submission is informed by:

- A survey of over 650 PSA members working in local government in Jan-Feb 2023, asking directly about the extent to which members agreed/disagreed with statements related to the report recommendations
- A survey of around 400 local government members in mid-2022 asking their thoughts more generally about the future of local government
- Input from our local government sector committee and Rūnanga
- Engagement with our members through workshops over the last year

- The PSA’s values, Ngā Kaupapa o Te Rūnanga o Ngā Toa Āwhina, and our strategic goals.<sup>1</sup>

Our submission is divided into:

- An overview of the key themes we think are particularly important from our perspective as a union representing local government workers, and which haven’t been addressed in a substantive way in the draft report
- Individual sections on each of the report chapters, setting out our responses to the issues, and where applicable the questions and recommendations raised by the panel.

Unless specifically attributed, quotes in *red italicised text* are taken from anonymous surveys of PSA members working in local government.

## Overview of key themes

### Local government as exemplary employers

The PSA wants all public and community organisations to be exemplar employers that contribute to high industry standards of employment, where:

- the work culture is positive, safe, inclusive, supportive, trusting and effective
- working conditions empower and meet the cultural, social and employment needs of Māori
- workers are physically, mentally and emotionally safe and healthy, with safe staffing and no bullying and harassment
- there is security and resilience in all forms of work
- workers are free from bias and discrimination
- there is equitable pay and working conditions, including gender and ethnic pay equity
- workers have access to high quality training and opportunities for professional development
- all local government workers, including contractors, being paid at least a living wage
- workers have a real say in their working lives through constructive engagement with their employer.

We want to ensure that local government organisations are, and continue to be, places that people aspire to work.

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*“I would like to see this reform include a focus on making local government a better - more equitable - place to work. It shouldn't matter which council you work for, there should be equitable standards of pay and work conditions.”*

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<sup>1</sup> [Our values, strategic goals](#) and [Ngā Kaupapa o Te Rūnanga o Ngā Toa Āwhina](#) are available on the PSA website.

Work on exploring and designing exemplary employment relations in the public sector is currently under way, and the outputs of this work may also be useful for local government employers. An exemplar employer in the public sector is defined as one which uses modern, progressive employment practices, and is a great place to work; and which wants a productive unified workforce which is grounded in the spirit of service. Exemplar engagement is grounded in ownership of and respect for the relationship by all union and public agency leaders and their role. Regular engagement on the strategic and operational level are integral to exemplar engagement.

The Gender Pay Principles and guidance, along with Kia Toipoto the Public Service Pay Gaps Action Plan<sup>2</sup> could be applied to local government employment practices to reduce and try and eliminate discrimination in the workplace.

## Industrial democracy

As organisations built on a foundation of democratic participation, local councils are well-placed to also be leaders in industrial democracy.

The local government system of the future cannot afford to cut itself off from one of the most important sources of information, experience and innovation: its workforce. We believe significant improvements in the delivery of local public services could be achieved through workplace relations which are based on principles of industrial democracy and implemented through a workplace culture which maximises worker voice. This needs to involve strong relationships between unions and local government employers at both the local level and on a workforce-wide level.

## Public services in public hands

We believe in public services for the public good, not private profit. We would like to see a greater emphasis on building the capacity and capability of the public service to deliver services directly, and a move to a ‘public by default’ approach. We would like to see the use of a broad public interest test before a decision is made to contract out a service. Such a test would consider the impact of outsourcing on democratic accountability and control of a service, employment conditions of workers, the social benefits of contracting out (eg, to iwi and NGOs over private business) and an assessment of the full and long-term costs and benefits to the government and to communities of contracting out.

This is discussed more in the section on local government as a champion and activator of wellbeing.

## Strong local public and community services

Strong public and community services are at the heart of thriving communities. For local public services to be strong, local government organisations need to be resourced to deliver on their role.

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*“Your staff are your biggest asset. I see [politicians] belittling having more public servants as more bureaucrats saying they would cut the numbers, but you need enough staff to get jobs done. Always remember, your staff are your biggest asset.”*

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<sup>2</sup> Te Kawa Mataaho Public Service Commission. [Kia Toipoto — Public Service Pay Gaps Action Plan 2021–24](#)

That requires local government organisations to realise the value their workers bring, and to see resourcing people – by having sufficient staff and paying them fairly – as being an investment that has benefits to their communities. It also requires communities to face up to the real costs of investment in public services, and to make the decision to value public services over short-term costs savings.

Local government also has a pivotal role in building the physical and social infrastructure that underpins a decent society, thriving communities and a well-functioning economy. Both social and physical infrastructure require adequate investment; the consequences of insufficient infrastructure investment have become much more apparent in recent times, but the consequences of insufficient investment in social infrastructure are often less visible. As our population ages, and as the climate crisis starts to affect our way of life more and more, the consequences of under-investment in social infrastructure will likely become more apparent.

## Revitalising citizen-led democracy

The PSA strongly supports the strengthening of local democracy, and this requires new approaches to creating services and policy with citizens instead of treating them as customers or consumers.

A 2006 paper commissioned by the PSA and written by Demos looked at reimagining democracy in ways that are still relevant to Aotearoa in 2022. The researchers said that “the central challenge for governments is to renegotiate their contract with their citizens, creating a more flexible state infrastructure and a more interactive, democratic relationship between the state, markets, individuals and communities. The end goals of government increasingly need to be expressed, not in terms of departments and historic functions, but through a flexible and adaptive state, constantly reconfiguring itself to deliver the things citizens value most.”<sup>3</sup> This needs to involve new models of participation including:

- building a culture of engagement across society by providing people with real opportunities to influence strategy
- bringing people together to solve common problems
- developing the civic infrastructure they need to solve their own problems
- elected representatives and public servants representing the needs and values of their constituents.<sup>4</sup>

The following sections summarise what we think are important considerations in strengthening local democracy and encouraging participation.

### Making local democracy accessible

Accessibility needs to be treated as a foundational principle of engagement.

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<sup>3</sup> Simon Parker and Duncan O’Leary, 2006. [Re-imagining Government Putting people at the heart of New Zealand’s public sector](#). Demos, for the PSA. Page 20

<sup>4</sup> Simon Parker and Duncan O’Leary, 2006. [Re-imagining Government Putting people at the heart of New Zealand’s public sector](#). Demos, for the PSA. Page 39

### *Accessibility for people with disabilities*

Information and engagement processes needs to be accessible, otherwise they will further exclude disabled people. Ensuring information is available in formats such as Braille, Easy Read and Sign and that engagement processes can receive submissions in an equally wide range of formats is an important foundation block, but only one part of a much wider picture. Ensuring that processes are accessible to disabled people must be a central part of the design of the system, rather than something that is considered after or not at all.

### *Accessibility for communities of greatest need*

Traditional consultation processes favour people who have the resources, time, technical understanding and confidence to engage with them. Because of this public consultation processes are generally skewed in favour of older, wealthier people who are often those with a vested interest in maintaining the status quo.

To address this, members we spoke to emphasised the need to make it easy for people to get involved in consultation processes, including by adapting the channels they use both to collect and report on community feedback.

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*“Ensure the democratic processes are actually fit for purpose and work for all. Currently we're told that this is the system and we need to fit ourselves into it, but this isn't democracy if the system doesn't work.”*

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For low-income people the demands of long hours, shift work and multiple jobs may prevent them from being able to dedicate time to engage with local government. Ensuring that opportunities to participate are at times and locations that are convenient for the widest range of people, and resourcing these people to attend (eg, through allowances or childcare) may improve access for people with limited time and resources. One example that we've heard frequently is that public meetings are scheduled during the work day, which ensures only those with time on their hands, or flexible work, are able to attend. This locks out a huge part of the community, in particular those on lower incomes.

Of the roughly 400 PSA local government members we surveyed, over 60% believed local government did at least moderately well when it comes to meeting the overall needs of communities, but only 40% believed local government did at least moderately well at meeting the needs of those who are most marginalised and disadvantaged in communities. We believe approaches to community engagement and decision-making need to actively seek out communities of greatest need and be proactive in seeking their views. It is not enough to just make processes easier to contribute to, when people who are structurally disadvantaged and least likely to participate in local democracy may still be unable to contribute meaningfully because of a range of barriers.

For these communities, there needs to be a combination of reducing the barriers to involvement, and providing the incentives to encourage people to be involved. Facilitating and resourcing the communities to lead engagement themselves, with local government staff and elected members supporting, may be of more value than having engagement led by council representatives – provided this is done in partnership and not through a hands-off, contracting-out model. Again, resourcing for these communities is an important consideration.

Using community engagement as an opportunity to foster the growth of local community leadership could provide a pathway for people in under-represented communities to develop the skills and experience needed to stand for elected office. It would also help ensure that irrespective of how representative councillors are, they are supported by a diverse network of community leaders that can help ensure their people’s perspectives are heard by elected councillors.

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*“Most people aren't going to be interested in local or central government if their main issue is just to cover costs of living/existing, food, clothing, shelter, the basics first. So if we can eliminate poverty in this country we will be a long way ahead in real community involvement/engagement and democracy.”*

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As Te Kawa Mataaho Public Service Commission pointed out in their recent long-term insights briefing, “inequality undermines public trust, breeding alienation and posing risks to social cohesion. Pressure on people’s physical resources can reduce their ability to participate, especially in terms of their time availability. Inequality can also reduce willingness for citizens to engage, where the government seeks input from parts of the public who have consider themselves to have already been failed by that government.”<sup>5</sup> Addressing inequality within the community is also a means to improve democratic participation.

## Making engagement meaningful

For people to see the value in their participation they need to see that they are listened to and that they have a real prospect of influencing outcomes.

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*“Engagement on projects/strategies/plans needs to happen at the very early stages to actually influence key outcomes, policies etc. We then need to NOT OVER-CONSULT those communities. The onus is on local govt to have good processes to ensure that engagement/consultation data is not lost and is instead shared widely and transparently to relevant parts of local govt (eg, departments with projects in the same area, local elected reps, people working on updates/reviews of plans). For example, I have been consulted at least 3 times on a local bike lane project in the last 8 years.... By the last round of consultation I didn't even bother to reply as it was clear that previous response data had not been looked at.”*

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*“Solutions are decided upon, but then consultation is sought, this is backwards to me.”*

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Our members told us that once decisions have been made, councils could do more to tell the story of how funding was allocated and how people in the community were involved in making the decisions. This can help to demonstrate the legitimacy of the decisions councils make.

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<sup>5</sup> Te Kawa Mataaho Public Service Commission, 2022. [Te Kirirautanga: Te Whai Wāhitanga Tūmatanui ki Te Kāwanatanga Anamata | Enabling Active Citizenship: Public Participation in Government into the Future](#). Page

## Digital interfaces for engagement

Members we spoke to talked about the potential for greater use of video and audio channels in consultation and decision-making, and their potential to be more accessible to community members and easier for decision-makers to digest.

However, it is important to recognise that a digital divide still persists, with DIA estimating that as many as one in five people may lack access to affordable and accessible digital devices and services at a time and place convenient to them, as well as the motivation, skills, and trust to use the internet.<sup>6</sup> In this context, maintaining other forms of local support is particularly important – from delivering in-person services through the community, to ensuring locations such as libraries and community hubs are resourced to support people to engage with digital channels.

Accessibility needs to be a foundational principle of digital interfaces. Badly designed digital tools can create barriers to participation through inaccessibility. Principles of universal design and ensuring that a wide range of users are part of any testing are essential to ensure that disabled people are not further locked out of participation with local government.

The PSA's 2021 submission on DIA's *Towards a Digital Strategy for Aotearoa* discussion document<sup>7</sup> contains some suggested principles and considerations relating to the use of digital tools by government, some of which outlined briefly later in this submission under the section on building a digital roadmap for local government. Our 2022 submission on DIA's draft Long Term Insights Briefing *How can community participation and decision-making be better enabled by technology?*<sup>8</sup> also contains some relevant considerations including the impact of inequality and time sovereignty on peoples' abilities to participate online.

## Deliberative and participatory democracy

The members we talked to in local government generally agreed that local government should make greater use of participatory democracy, and the PSA supports greater use of participatory and deliberative democracy practices.

Delegates pointed to initiatives like participatory budgeting as a way to empower communities and to get real involvement in determining how to prioritise investment; including the recent example of Toi Moana Bay of Plenty Regional Council's use of participatory budgeting in allocating funding from its School Sustainability & Resilience Fund.<sup>9</sup>

In deliberative processes there need to be safeguards to ensure the people involved are a real representation of the community, and not just the people already most likely to volunteer. In any form of community engagement, if it is always the same groups – the ones with the resources to participate – who are being heard, the engagement will not be truly democratic.

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<sup>6</sup> Te Kawa Mataaho Public Service Commission, 2022. [Te Kirirautanga: Te Whai Wāhitanga Tūmatanui ki Te Kāwanatanga Anamata | Enabling Active Citizenship: Public Participation in Government into the Future](#). Page 24

<sup>7</sup> PSA, 2021. [PSA Submission on Towards a Digital Strategy for Aotearoa Discussion Document to the Department of Internal Affairs](#)

<sup>8</sup> PSA, 2022. [PSA Submission to Department of Internal Affairs on its Draft Long Term Insights Briefing](#)

<sup>9</sup> [Public to decide which school projects get funding](#), Sunlive April 2022



Some of the examples of literature provided by the Panel on its website included mechanisms to ensure a random selection, or mechanisms to ensure that where participation was self-selected it was also controlled for diversity.<sup>10</sup> We support this type of approach.

We also believe that deliberative and representative decision-making should both be present in local governance: one should not replace the other. The role of elected members should involve facilitating communities to come together over problems, listen, and then champion the collective perspectives and ideas they've heard when it comes to decision-making.

## **Systems for managing and promoting good quality engagement with Māori**

We agree with the panel that councils need to develop and invest in their internal systems for managing and promoting good quality engagement with Māori. Around 75% of the members we surveyed thought this was an area where investment was needed.

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*“There needs to be a focus in local government on establishing and maintaining relationships with Māori (especially with local/mana whenua hapū; and iwi). This needs to happen now, and those relationships need to include Māori being involved in setting directions for local govt at a strategic level, flowing down to an operational level. Currently they are often only engaged at the project or regulatory stage, when it is too late to make any meaningful changes and when the outcomes of those projects have already been decided. To make this happen, there should be funding for (and a requirement to participate in) training on Te Tiriti and on local govt obligations to Māori, as well as tikanga Māori. There should also be funding to support teams who will help to hold those relationships with Māori.”*

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## **What might we do more of to increase community understanding about the role of local government, and therefore lead to greater civic participation?**

Suggestions from our members in response to the panel's question included:

- Increasing people's access to elected members, by having elected members more regularly interacting with the public; this may require making elected members' roles full-time in communities where they currently aren't
- Improving the accessibility of communications; both in terms of making them more readily accessible to people with language/communication barriers (eg, greater use of sign language, multiple language translations) and presenting information more simply (eg, greater use of plain language, videos and data visualisation)
- Providing civics education
- Communicating more about how decisions were made and how the community was involved in the process
- Provision of more transparent and easily accessible information about how budgets are developed and how money is spent.

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<sup>10</sup> [http://g1000.org/en/method\\_phase\\_1.php](http://g1000.org/en/method_phase_1.php) and <https://www.newdemocracy.com.au/2017/09/03/learnings-nuclear-jury/>

## Capacity and capability

We agree with the panel that the capability to deliver more meaningful engagement, including participatory and deliberative democratic processes, is constrained by budgets and therefore spread too thinly throughout the system. This is discussed in more detail later in the submission, under the sections on equitable funding and financing and system stewardship.

## Tiriti-based partnership between Māori and local government

We want to see local government evolve in a way that fulfils the Crown’s obligation to Māori under Te Tiriti o Waitangi, and enables Māori to be equal and active partners in the governance of their whenua and taonga.

Around 65% of members in local government we surveyed agreed with the panel that we need a better legislative framework for Tiriti-related provisions that drives a genuine partnership in the exercise of kāwanatanga and rangatiratanga in a local context.

Almost 75% thought that councils need to develop and invest in their internal systems for managing and promoting good quality engagement with Māori, that local government needs a coordinated approach to building capability and capacity in the workforce for partnering with Māori and understanding te Tiriti, and that central government should help with funding for councils and iwi/hapū to build capability and capacity for a Tiriti-based partnership in local governance. Around 65% thought that councils should make more use of tikanga Māori in their organisational systems.

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*“The future of local government should have a framework to adhere to Te Tiriti, He Whakaputanga and te ao Māori values. All these kaupapa should not be just a tick mark. These should be implemented by engaging with iwi and hapū. It is fundamental for kaimahi to understand the history of their region prior to settlers arrival. The council should invest in learning and development heavily to build that knowledge gaps among their staff and elected members.”*

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We agree with the panel that it should be left to a legislative reform programme to devise a specific version of revised Tiriti-related provisions in any new framework for Te Tiriti in local governance, and that this should be the subject of detailed discussion between Māori, local government, and central government agencies.

## Capacity and capability

We support the panel’s suggestion that Te Arawhiti Māori Crown Relations Capability Framework for the public service could be translated to local government organisational and workforce initiatives.

## Allocating roles and functions in a way that enhances wellbeing

This review is an exciting opportunity to re-examine the responsibilities of local government and the value they can bring to their communities, and the overwhelming majority of PSA members we spoke to in local government thought that this is something that should happen.

We agree with the panel that the current allocation of responsibilities can be unclear, and that reforms such as those in three waters have created additional uncertainty about what the roles of councils should be. When we first began to engage with members on three water reforms, one message we heard multiple times was that while people saw the value in reform, they were unsure what would be left for councils if there was a trend of roles like water infrastructure management being centralised.

The purpose of local government is to enable democratic local, community-level decision-making and action, and to promote local community well-being in the present and in the future. Decisions about which responsibilities sit with local government as opposed to other levels of government should reflect this purpose.

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*“Not only should there be a rethinking of the roles of central and local government - but it is essential that there is clear demarcation and public clarity of what is the responsibility of central government and what is local government.”*

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Over 80% of members in local government agreed that the allocation of roles and functions should reflect the idea of subsidiarity, or making decisions at the level as close as possible to the affected community. We note the panel’s suggested principles for identifying where more centralised decision-making would be preferable, and we agree – particularly in situations where consistency is needed to provide equity. Almost two thirds thought the allocation of roles should reflect te ao Māori values, and almost 90% believed local government should be supported to play more of a role in improving community wellbeing (including physical, economic, social and cultural).

However, several members also stressed that a greater focus on wellbeing shouldn’t come at the expense of what are considered core council responsibilities, especially in an environment of tight fiscal constraints and already under-resourced local government agencies. These comments highlight that a shift towards a greater role in community wellbeing needs to be accompanied by the resources to carry out that role. They also highlight variations in people’s understanding of the purpose of local government. This is perhaps underpinned by the tension between the legislative requirement for local government to promote wellbeing, versus the lack of control over the means to promote wellbeing, because of the specific roles local government are tasked with delivering (and the roles they aren’t).

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*“There needs to be stronger steer in the final report on what some of the core roles and responsibilities for local government should be particularly in this current climate to support future direction and investment. If this isn't provided given the current climate of refocusing on supposed 'core services' e.g. rates, roads and rubbish, we will be left with a local government that is not fit for the future and will be unable to deliver for the wellbeing of its citizens.”*

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## **What process would need to be created to support and agree on the allocation of roles and functions across central government, local government, and communities?**

Ten years ago the PSA recommended to the Constitutional Advisory Panel that the legitimacy of local government as a tier of government should be constitutionally protected, and that this could be considered either through entrenched legislation, parliamentary convention, or the New Zealand Constitution Act 1986.<sup>11</sup> Such an approach could still be of benefit in clarifying roles and function, as well as clarifying other matters set out in the Panel's report such as the relationship of local government to Te Tiriti.

## **Local government as champion and activator of wellbeing**

As discussed in the previous section, our members are generally very supportive of local government playing a more active role in community wellbeing. Around 85% of local government members surveyed supported the panel's recommendation of councils being supported to innovate and experiment more in delivering wellbeing outcomes for their communities.

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*“If our councils set standards for accessibility and universal design when building new/replacing/renovating housing, we have the ability as large organisations to drive the improvement of building standards, to model what good practice for benefit of our community could be. Central government can set minimum standards, local government can exceed them = boosting accessibility long term for our community. Again with procurement systems, the scale we have as large organisations is immense. We can model what good procurement systems are for our communities, supporting our local and regional ecosystems. We can again model accessibility and inclusion in procurement systems. As employers, our local authorities are often one of the largest employers in a region - again, we have responsibility to model good practices.”*

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<sup>11</sup> 2013, PSA. [Submission to the Constitution Review Panel](#), page 3

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*“There needs to be some Govt funding for public libraries as we have to assist so many people with their online interaction with Govt departments. It’s so hard to phone or visit a govt dept these days. Not everyone has a computer or knows how to use one.”*

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## Reframing wellbeing

When we discussed this topic with delegates, some of them made the point that the connection between ‘core services’ and well-being often isn’t made – either by decision-makers, or by the public. It’s often not clear to the public how the unseen tasks carried out by local government contribute to people’s wellbeing. In that context it’s more difficult for people to see that local government activity is about wellbeing, which reinforces the idea that sticking to core business means staying out of helping to deliver wellbeing outcomes.

There is a need for councils to do more to communicate how their ‘core business’ interacts with community wellbeing (and therefore how core business decisions are actually wellbeing decisions). There is also a need to ensure that decisions about core business are made using a wellbeing lens. A more consistent understanding between councils, possibly informed by the Treasury’s wellbeing approach, could help support this.

## Councils as networkers

Around 85% of our members supported the suggestion that local government's role should be more about bringing people together and supporting them to solve community problems, instead of trying to put in place solutions from the top down.

As economists Mariana Mazzucato and Josh Ryan-Collins have argued, “the immense challenges of modern-day capitalism can only be confronted through different actors coming together to co-create value by each investing time, energy and imagination on how to solve problems. To do so will require the public sector to develop new dynamic capabilities to explore and experiment, and to learn by trial and error, within the context of the pursuit of societal missions.”<sup>12</sup> This is important both in creating economic growth and in improving wellbeing.

A 2011 University of Birmingham Commission into the Future of Local Public Services identified four broad descriptions of roles it argued would be performed by public servants of the future, including:

- Storyteller: communicating how local public services could be envisioned in the absence of existing blueprints, and communicating options
- Resource-weaver: finding new uses for existing resources, and weaving together disparate material to create something of value
- System architect: describing and compiling coherent systems of public support from the mix of private and public resources
- Navigator: guiding citizens to help them make use of the range of possibilities available within local public services.

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<sup>12</sup> Mariana Mazzucato & Josh Ryan-Collins (2022) [Putting value creation back into “public value”: from market-fixing to market-shaping](#), Journal of Economic Policy Reform, 25:4, 345-360

The Commission saw these roles as sitting alongside longstanding roles (eg, regulator, expert and adjudicator) and newer existing roles (eg, commissioner and broker).<sup>13</sup> This type of approach requires resourcing, training and support for a community of practice.

## Social procurement

We believe that procurement decisions in local government need to look wider than simply the price of the service, and take a holistic view of what they offer to the community. Our members working in local government strongly support social procurement, with around 90% of those surveyed agreeing that there should be greater use of it by local government.

The types of contracts that should be incentivised are ones that:

- provide good wages and conditions for local workers
- provide training and career pathways
- ensure worker participation
- provide decent and secure work
- reduce unemployment
- provides good work, as described by the New Zealand Council of Trade Unions and the Future of Work Forum<sup>14</sup>
- Utilises tools such as the Gender Pay Principles to improve equity in the workplace<sup>15</sup>
- keep profits circulating within the local community
- ensure adequate re-investment in infrastructure over the long term
- support local iwi and improve relationships between mana whenua and local councils.

Central government is guided by the Government Procurement Rules<sup>16</sup>, which include a set of priority outcomes such as improving worker conditions and supporting the transition to a zero net emissions economy. Currently local government organisations are encouraged but not required to adhere to this framework. Applying this framework to local government could help drive better outcomes through procurement.

Other existing examples of practical guidance, such as Auckland Council's Healthy Waters Sustainable Outcomes Toolkit,<sup>17</sup> could be shared to provide a useful framework for use in local government procurement.

We've heard from members that successfully using social procurement requires a deliberate strategy that doesn't just look for co-benefits when making purchasing decisions, but actively plans how to best use procurement to drive the outcomes it is seeking. This required buy-in at a leadership level, and the development of particular skills within the local government workforce.

Procurement processes and outcomes are greatly enhanced by the inclusion of mandated worker voice through the contract design, procurement and implementation process and should be included as part of every tendering process and decision. We recommend that this be required of local government, and that union representation should be mandatory in the ongoing monitoring of

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<sup>13</sup> Helen Dickinson, Catherine Needham, Catherine Mangan, Helen Sullivan, 2019. Reimagining the Future Public Service Workforce.

<sup>14</sup> Future of Work Forum, 2022. [CTU definition of good work](#)

<sup>15</sup> Te Kawa Mataaho Public Service Commission. [Kia Toipoto — Public Service Pay Gaps Action Plan 2021–24](#)

<sup>16</sup> [Government Procurement Rules, MBIE](#)

<sup>17</sup> [Healthy Waters Sustainable Outcomes Toolkit](#), Auckland Council

contracts. This is to ensure that good employment practices are maintained in an open and transparent way.

It is also important that in any procurement or investment arrangements, councils are creating public value by socialising both the risks and the rewards that come with investment.

## Insourcing

The draft report has not discussed insourcing in any great detail, and we believe the final report should set out recommendations to encourage keeping services in-house and bringing back in-house where they've been contracted out – especially core council services, but also support services. We believe that having direct control of the delivery of services, and the conditions of workers delivering those services, would be an important contributor to a council's ability to act as an anchor institution, and would provide more levers to influence wellbeing.

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*“A tremendous amount of money is wasted trying to save money by outsourcing and contracting, and kicking cans down the road.”*

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Too often the focus of procurement decisions in local government is based largely on keeping costs as low as possible for ratepayers. For core services (eg, bus driving, cleaning and administering parking rules) this can lead to a race to the bottom, where private companies compete to win contracts by providing the cheapest service but not necessarily the best. Although competition provides an incentive for innovation and efficiency, this can only achieve so much. Instead, private companies far too often gain a competitive advantage by paying low wages and delivering poorer quality services.

Our current public transport networks are an example of the result: a procurement system that results in councils prioritising low cost has contributed to the screwing down of wages by private companies seeking to use public transport networks as a way to extract wealth. In Wellington for example, the result of this has been a bus network in disarray, with thousands of services cancelled<sup>18</sup> due to driver shortages while the contracted provider fought to avoid fairly paying its drivers. In this case the company's own workforce passed a unanimous motion of no confidence in the management, declaring the company was not fit to run public transport services in New Zealand;<sup>19</sup> and a solution was only achieved after local and central government provided additional funding to top up the substandard pay.<sup>20</sup>

The benefits of insourcing have been well-known for a long time. Case studies in a 2009 paper from the UK's Association for Public Service Excellence show that bringing services back in house can improve performance, cost-efficiency, community satisfaction, local employment, flexibility to adapt

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<sup>18</sup> Stuff, July 2020. [Wellington Bus operators fined 30,000 times for late and cancelled services](#)

<sup>19</sup> Stuff, May 2021. [Wellington bus drivers reject pay offer, declare no confidence in NZ Bus to run public transport](#)

<sup>20</sup> Stuff, July 2021. [Wellington bus drivers accept pay deal from NZ Bus, securing pay raise and retaining conditions](#)

to changing council priorities, service integration, working conditions, quality of services and environmental sustainability.<sup>21</sup>

One example of this was the move by Wellington City Council in 2013 to bring parking services workers back in-house, at living wage pay rates, after previously contracting them out to a provider that kept costs down by paying poverty wages. Then-Mayor Celia Wade-Brown said that “bringing [parking services] in house makes sense from an ambassadorial, financial and human resources sense. This move delivers a greater focus on customer service, better value for money and better oversight on parking operations.” Andy Foster, then-Chair of the council’s Transport and Urban Development Committee said that “we will also save money and have more direct control – which will lead to a more nimble service – one that can make changes and respond to the needs of the city and the public more effectively.”<sup>22</sup>

### **What feedback do you have on the roles councils can play to enhance intergenerational wellbeing?**

Councils have a critical role to play in creating a just transition for people affected by climate, technology and other change. A just transition requires partnership between government, unions, iwi, community groups, education and business to drive:

- equitable sharing of responsibilities and fair distribution of the costs across society
- clean job opportunities and the greening of existing jobs through public and private investment
- formal education, training, retraining, and life-long learning for working people, their families, and their communities
- organised economic and employment diversification policies within sectors and communities at risk.<sup>23</sup>

All of these are areas where the decisions of local government, and the active presence of local government in long-term planning of areas like training and job creation, could significantly improve wellbeing for future generations.

### **What changes would support councils to utilise their existing assets, enablers, and levers to generate more local wellbeing?**

Some of the specific changes that we believe could help councils use their existing levers to generate wellbeing include:

- Specific requirements on local government organisations to use social procurement, along with the tools, guidance, training and sharing of best practice to support council staff to do it well
- Ensuring council jobs pay sufficiently to enable full participation in the community, through a requirement for all local government organisations and contracted organisations to pay at least the living wage to staff and implement steps towards pay equity

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<sup>21</sup> Association for Public Service Excellence, 2009. [Insourcing: A guide to bringing local authority services back in-house](#)

<sup>22</sup> [Scoop, December 2013. Council to end parking services contract, staff to be re-employed on living wage](#)

<sup>23</sup> Based on just transition principles from CTU, 2017. [Just Transition: A Working People’s Response to Climate Change](#)



- Coordinated workforce development across the local government sector to build capability in areas that support staff to act in a systems networking capacity, such as co-design and facilitation
- Support for local government to play a greater role in the provision of social housing (eg, through changes that would give council housing more ready access to the Income Related Rent Subsidy)
- A ‘public-first approach’ that encourages insourcing.

## A stronger relationship between central and local government

Like the Panel, the PSA believes a stronger and better-functioning relationship between central and local government is needed.

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*“There is currently a feeling that central government doesn’t understand the needs and challenges of local government. As an example, when central government releases plans/policies/legislation for consultation, the timeframe to provide feedback is usually too short for it to go through the proper local government governance processes.”*

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*“At the moment it feels as if central government dictates what should happen at a local government level but provides no support for it. This should be more of a partnership approach - a collective impact model where decisions are made jointly and financial and resource implications are understood from the beginning. If we can’t get our internal partnerships working better, there’s no hope for our community engagement to improve - trust and respectful relationships needs to start at the top.”*

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Members also told us they felt a need for central government to recognise that ‘community’ does not look or act the same nationwide, and local flexibility is needed to suit local circumstances.

The Public Service Act 2020 brought in new models to support public sector organisations to collaborate on complex issues, such as interdepartmental ventures<sup>24</sup> and interdepartmental executive boards.<sup>25</sup> There may be lessons from how these have been used, and what has worked well and what hasn’t, that could help inform whether/how local government could participate in these or similar arrangements.

### Workforce considerations

A more cohesive public service with stronger workforce links to local government workers could contribute to stronger interpersonal relationships between central and local government workers.

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<sup>24</sup> Te Kawa Mataaho Public Service Commission. [Supplementary guidance note — interdepartmental ventures](#)

<sup>25</sup> Te Kawa Mataaho Public Service Commission. [Supplementary guidance note — interdepartmental executive board](#)

Workers from across different agencies coming together more often for training and networking at a local level creates professional relationships that could help improve how agencies work together. Regional Skills Leadership Groups, and joint ventures between multiple local and central government agencies, could have a role to play in supporting this.

Several of our members suggested that decentralising central government and enabling more central government staff to work in different locations around the country could help local and central government form better working relationships, especially in areas that have a strong link to social wellbeing. As David Shand argued in 2019, “centralisation in terms of allocation of functions between tiers of government may arguably be appropriate for our country of less than 5 million people. But at least it should be tempered by the second aspect of centralisation – local offices of central government – so that local knowledge and needs are fully considered in the delivery of central government services.”<sup>26</sup>

This should not be interpreted as support for a restructuring approach that forced the dispersal of public service organisations into wider geographic areas. Rather, we think that enabling workers to live more widely distributed (co-locating or regularly meeting with other organisations for reasons of convenience to the worker) and recruiting for jobs that can be delivered anywhere, has the potential to create central-local government relationships, as well as helping to create a more sustainable public service. In addition, we believe local government institutions should be required to adopt the same kind of ‘flexible by default’ employment provisions as the public service.

Industrial democracy, both within central and local government organisations, could also make a positive contribution. When workers are able to input their views into the design of services and the operation of their workplaces, they utilise their expertise built up through their experience of to help find ways of doing things better. They also bring perspectives informed by their positions as a members of a community, not only as employees of an organisation.

## Replenishing and building on representative democracy

### Electoral Commission oversight

Our members in local government expressed a clear view that they favour the Electoral Commission having oversight of the administration of local body elections.

The PSA does not consider it appropriate for something as pivotal as democratic local government elections to be operated by private companies for profit. We strongly support this role being taken on by the Electoral Commission.

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<sup>26</sup> Shand, David. (February 2019). [Local government role and autonomy: Some additional perspectives. Auckland: The Policy Observatory](#), page 4

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*“The election process to elect local Councillors is horribly flawed. It does not provide voters with the information they need and instead those who are interested have to go to great efforts to figure out who would be representative of their interests.”*

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The lack of a cohesive national system for running local government elections also inhibits the public being well-informed. At every election, the task of simply identifying a single national list of election candidates is an unnecessarily difficult task for civil society groups, as no such central list is held. This makes it difficult for civil society to provide any useful information about how various candidates perform against the issues they believe are important, or what their platforms are. This alone is a barrier to civil society contributing to an informed citizenry.

We note that the Justice Select Committee recommended in both 2017<sup>27</sup> and 2019<sup>28</sup> that local elections be run centrally by the Electoral Commission, and that they also saw this as a way of making voting more accessible to the public.

## Voting method

In general our members in local government were strongly in favour of STV being adopted more widely as the primary method for voting in local elections. However a significant number of respondents (around a quarter) said they either didn't know or didn't have an opinion. We believe this is probably indicative of how little-understood different voting methods are, and it indicates that any such change would need to be accompanied by widespread public education.

## Voting age

Voting age was one of the few areas where our members were relatively divided in their views. Around 53% supporting lowering the voting age at least to some extent, compared to around 40% who opposed it at least to some extent, with around 7% undecided.

It should also be noted that while our survey reflects the views of local government members (as a group of people most informed on and affected by local government functions), the voting age is an area where there will be particularly strong interest from the wider population.

With the current review of the electoral system raising the question about the voting age in Parliamentary elections, and with the recent declaration by the Supreme Court that the provisions of the Electoral Act and of the Local Electoral Act on voting age are inconsistent with the Bill of Rights, now is the right time for a broad public debate that all New Zealanders have the opportunity to participate in. We believe that in any debate, however, special care must be taken to ensure the people whose rights are up for debate have the opportunity to meaningfully participate and make their voices heard.

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<sup>27</sup> Report of the Justice Committee, 2019. [Inquiry into the 2017 General Election and 2016 Local Elections](#)

<sup>28</sup> Interim Report of the Justice Committee, 2020. [Inquiry into the 2019 Local Elections and Liquor Licensing Trust Elections, and Recent Energy Trust Elections](#)

## Electoral term

The majority of members we spoke to working in local government expressed a preference for moving to a four year term, however a sizeable majority (over a quarter) disagreed.

## Remuneration

We believe it is important that the remuneration offered to elected members is sufficient to attract people from a diverse range of backgrounds, and that it's enough to provide financial security for people who go into these roles without other forms of income or wealth. For representative democracy to be truly representative it needs to be something that not just the wealthy can afford to do. We support the principle of fair pay for everyone, including elected members.

However, we note – as did several of our members when asked about this section of the report – that the report doesn't make any recommendations about fair remuneration for council staff. Although almost half the members surveyed supported increased pay for elected members, this was one of the report recommendations with the lowest support from members, and the comments showed that for some this came down to a perceived hypocrisy in singling out elected members as deserving of better pay without also including staff.

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*"It's a bit galling to be asked whether or not elected officials deserve a pay rise given the increasing complexity of their role, when council employee remuneration is so poor and the increasing complexity of their jobs is rarely discussed."*

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Everyone deserves to be paid fairly for the work that they do. If there is an argument for increasing remuneration for elected members based on the complexity of the role this should apply equally to staff. Many local government organisations currently use 'performance-based' remuneration systems that are arbitrary, subject to bias, unfair to staff, and that contribute towards gender and ethnic pay inequality.

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*"There is a mention of increasing pay for elected members because of the complexity of their roles, while these very elected members will vote to deny employees of councils a fair increase who also have complex and multi-faceted roles that are important for the community - see Librarians, Library assistants."*

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*"It's VERY unfair that elected members, and especially the CEO are getting regular decent pay and support increases while other staff (library particularly) are left with nothing or very close to nothing while expected to take on more tasks and responsibilities (Covid tracing, scanning in, responding to increased work from social services WINZ etc, being subject to daily abuse) - ALL staff should be valued and paid correctly for the work they do, not just the people at the top."*

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*"The backbone [of local government] is those who will or whom are already delivering services to the community, those who know their communities best, those who are already working on the frontline in assistive roles. These roles are often the lowest paid and least recognised by local government."*

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We want to see a shift away from performance pay and towards fairer pay systems across the entire local government sector, and we want to see all staff being paid fairly for the work they do. As we mentioned earlier in this submission, the public sector Gender Pay Principles and associated guidance could assist local government in moving towards fairer remuneration systems.

## Code of conduct and relationships between elected members and staff

PSA members we surveyed in local government supported:

- better professional development for elected members (around 80%)
- more guidance and mechanisms to support councils to resolve complaints under their codes of conduct (around 70%)
- ability to refer code of conduct complaints to an independent investigation process, conducted and led by a national organisation (around 80%).

The comments we heard from some of our members working in local government indicate that bullying from elected members is considered a far too common reality of working in local government that workers are often told they need to just accept.

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*“As an employee I have no protection over bullying tactics from elected members... I don't want to continue to hear the comment from senior leadership when being bullied or bad mouthed by elected members 'that you have to take comfort in the fact you're doing a good job' because there is no effective way of stopping the behaviour.”*

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*“The professional development support for elected members - should include Chief Executives and Mayors. They need to know that the officers who have to enforce legislation should not be coerced into bending the law for local situations just because of their positions.”*

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We also see problems where elected members put undue pressure on staff working in democracy services roles that support elected local board or council members. More accountability for elected members (eg, a code of conduct or an independent body to support the performance and integrity of the system) could help protect local government workers from this type of activity. We would like to see code of conduct mechanisms that better protect staff from bullying and inappropriate influence from elected members.

## Integrity and transparency

Local government organisations have a critical role in helping to ensure people can trust the information they receive to inform their decisions. A 2018 article by Bernard Hickey identified the lack of trust and accountability as a barrier to central government providing greater funding to local government.<sup>29</sup>

There are opportunities for public sector organisations to make progress on this, for example:

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<sup>29</sup> Bernard Hickey, Newsroom, 2018. [Should we devolve taxes to councils? Not yet](#)

- taking a stronger role in public education and communication that is at arm’s length from elected councillors, so the public can be confident that they are receiving impartial information that’s not biased towards political interests
- making more use of methods like data visualisation tools to make public data more accessible, so people can make decisions based on an accurate evidence base
- providing government information (eg, datasets, LGOIMA responses) in digital formats that are able to be more easily used by the people receiving them
- releasing more information proactively.

## Equitable funding and finance

We agree with the panel that the current funding arrangements for local government are not fit for the future. Political incentives to keep rates low, and restrictions on council borrowing, contribute to a model that fails to provide sufficient investment over the long term. With the increasing level of investment required to mitigate and adapt to climate change, this cannot continue.

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*“Politicians promising low rates by cutting funding for staffing and operational matters is hugely unfair to staff and to the communities they serve.”*

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*“The rating structure for LG needs to be reassessed. LTP/AP procedures are underpinned by political interest in keeping rates low for property owners in the area covered by a TA. Property owners and landlords are often considered first because ratepayers are seemingly more engaged electors, leading to decision-making at the governance level that focusses on benefit for ratepayers, by prioritising lower rates increases and value for property owners.”*

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Equitable funding for government requires the equitable distribution of wealth, and people contributing equitably to the greater good. Our society is currently a highly unequal one; at the same time, both central and local government have insufficient resources to meet the needs and expectations of communities. Although there are undoubtedly more logical and equitable ways to split the revenue between central and local government, what is far more important is to increase public revenue – increasing the size of the pie, rather than just cutting it differently – by taxing income and wealth fairly.

This means requiring greater contributions from the wealthiest people in the community, and potentially those who get the most financial gain from public infrastructure (eg, those who benefit significantly from the benefit of public infrastructure projects to their property value).

### New funding mechanisms

Over 85% of the local government members we surveyed thought that councils should have access to additional funding mechanisms.

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*“Local govt should have more ways to raise funds. This should include some form of land value increase capture which returns some of the land value increase (caused by re-zoning, new infrastructure etc) to the local govt.”*

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*“Allocate all revenue from capital gains tax to the Council in which it is collected and remove most of the CGT exemptions from investment properties. Introduce the power to collect a 'windfall' tax on property sales where the value has increased (>10%) due to rezoning or delivery of infrastructure.”*

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In addition to fairly taxing wealth (as mentioned above) revenue collection should also be based on a polluter pays approach. However, the distributional effects of any new types of charges designed to incentivise behaviour change (eg, congestion taxes or other environmental charges) need to be carefully considered so as not to unfairly disadvantage those without the resources to change their behaviour.

Members had a range of suggestions about more equitable funding that would help disrupt the perverse incentives to keep rates low and avoid public investment. Some members suggested having rates being set independently; others suggested central government top-ups to ensure that minimum standards of wellbeing could be met in all communities irrespective of the wealth of those communities and their ability to pay through rates. We don't necessarily support any one specific approach, but what this highlighted was that people saw the need to ensure that all people everywhere have access to a basic level of services.

## **The unfunded mandate**

The unfunded mandate local government continues to be given by central government is a source of frustration for local government workers. Members have told us they feel like they are seen as just a delivery arm of central government, but without the resources to deliver and with limited control over what they can influence.

Several of the local government members we spoke to told us they believe central government has a responsibility to assist with local government funding.

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*“Central Government needs to stop foisting more responsibilities onto local government without providing funding. I know that taxpayers and ratepayers are often the same - but I've seen this happen time and time again over my career in local government.”*

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Members in local government were supportive of the panel's recommendations for central government to more fully assess the costs for local government through regulatory impact analysis, and for central government to undertake an assessment of regulation currently in force that is likely to have significant future funding impacts for local government, and make provisions to help fund it.

## **Intergenerational fund for climate change**

Local government has a pivotal role to play in responding to the global challenge of climate change, and weather-related events over recent years have highlighted that much more substantial

investment in infrastructure is needed to give communities the capacity to respond to climate change.

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*“Yes, central government needs to step up and adequately fund local government above and beyond rates. We are on the frontline for climate change adaptation and biodiversity protection, but there is zero additional funding to help us actually address those existential issues. I have no idea how we are expected to fund those new programmes of work from existing funding.”*

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*“Emergency management functions and climate change response functions in local govt need to be properly resourced and funded by central govt. This includes more full-time emergency management kaimahi, more staff trained to support the emergency management teams, and capital and operational funding to rapidly adapt to better cope with climate change.”*

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Members we surveyed in local government generally supported the idea of an intergenerational climate change fund, created by central government and with local government input into how it is used.

## System design

### Local government structure

The PSA does not have a view on any of the example structures provided in the draft report, or on whether structural change is needed. The report sets out a good case for why the current structure of local government is not sufficient for the future, but we also think it is important to consider whether those changes could also be brought about through changes in resourcing, culture, platforms for collaboration, and system stewardship.

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*“I think there also needs to be a review of the roles and functions of local and regional councils. Most of my experience in local government has been in unitary authorities but I currently work in a local council and the level of dysfunction/lack of coordination between the local and regional council is shocking.”*

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*“There needs to be more cross-TLA collaboration to take climate action at a wider regional level than just the regional councils. Regional councils across greater areas need to be working together more, especially on inter-regional public transport and other de-carbonising initiatives.”*

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### Shared services collaboration



In general our members see potential for a greater amount of shared services and collaborations between councils. We support the panel's recommendation of a programme to identify opportunities for greater shared services collaboration, subject to some principles discussed below.

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*“Overall I hope for more shared services among Council technical staff, as well, because many councils do not have (and cannot afford) the technical expertise to assess increasingly complex proposals and consent applications. Councils should be empowered to work with each other to properly assess proposals and monitor works.”*

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We note a 2012 paper published by the UK's Local Government Association found that the implementation of shared services often made the bulk of their cost savings through a reduction in staff, largely – but not exclusively – in management roles.<sup>30</sup> While there is likely to be value in reducing the duplication of senior management roles, our members do not want to see the implementation of shared services used as an opportunity to reduce numbers of workers delivering services. Sharing services is an opportunity to achieve more with existing resources, not an opportunity to reduce resources.

Neither should the implementation of shared services equate to outsourcing to private providers. As we covered earlier in this submission, privatisation of public services as a cost-cutting measure is a deeply flawed approach.

Our members had a range of suggestions about areas where collaboration and shared services could be useful:

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*“All councils have to monitor water. Why can't there be a single approach, it'd make it easier for larger consent holders as well, who have consents across regions.”*

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*“Can see opportunities for cost savings to reduce the reinvention of the wheel. For example access to legal advice that can be shared amongst all Councils, Policy and Strategy Templates, templates/unified processes for future legislative requirements, eg for regional spatial plans where there will probably be a lot of time spent with each region developing their own methods, tools etc.”*

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*“We miss huge cost savings by repeating systems in each council rather than in this day and age leveraging of sharing a system across councils. GIS is a classic example. Central Government could establish a NZ wide GIS system, do one set of aerial photography and give private layers to each council, and even sell private layers to companies that would like a GIS presence but cannot afford one independently. Then provide the ability for users to stipulate information sets that they don't mind sharing, so in this way utility companies could share location of pipes for example.”*

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<sup>30</sup> Local Government Association, 2012. [Services shared: costs spared? An analysis of the financial and non-financial benefits of local authority shared services](#), p10-11

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*“There need to be mechanisms (shared services agreements, for example) for operational sharing of expertise among councils, so councils with fewer resources can still call on support of other councils as and when required. This can be much less expensive than contracting out, for example, and get better, more consistent outcomes.”*

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A 2018 report commissioned by the Independent Review of the Australian Public Service recommended the adoption of open, platform-based institutional architectures. The report suggested that “the ideal future approach is for organisations and local partnerships to use these platforms, tailor them to regional needs and personalise services for individuals. [Central government] agencies and portfolios will need to become providers of specialist platforms aligned to their areas of expertise.”<sup>31</sup>

The UK’s Local Government Association’s 2012 paper also highlighted the importance of engaging with unions in processes to establish shared services.<sup>32</sup>

We recommend that shared services be pursued subject to the following principles:

- Shared services are used as an opportunity to do more for communities with the resources available, and not used as an opportunity to reduce numbers of workers.
- Shared services are not used as a way of outsourcing public services to the private sector. Outsourcing of shared services is only used where the services would already have to be outsourced, are not part of core business, and where the purchasing power of councils in the private market would be improved (eg, purchasing software or cloud computing). In all other cases publicly owned models of shared services (eg, jointly owned CCOs, partnerships or inter-council contracting) are preferable.
- The role of central government is more about providing shared platforms local government can tailor and use, than about imposing prescribed models from the top down (and this requires investment in such platforms)
- There is meaningful engagement with unions throughout processes of establishing shared services.

Local government workers can be a valuable source of ideas about how councils could better collaborate to be more effective and efficient. Enabling workers to identify issues and feed in their ideas for improvement through strong industrial democracy mechanisms would help bring these types of innovations to light more easily and more often. This is part of the case for greater industrial democracy and worker voice.

## Digital transformation for local government

As mentioned earlier in this submission, the PSA’s 2021 submission on DIA’s *Towards a Digital Strategy for Aotearoa* discussion document contains some useful principles to include in a local government roadmap, including:

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<sup>31</sup>Boston Consulting Group, 2018. [Scenarios for 2030: A report for the Independent Review of the Australian Public Service \(APS\)](#), p33

<sup>32</sup> Local Government Association, 2012. [Services shared: costs spared? An analysis of the financial and non-financial benefits of local authority shared services](#), p5

- policies and practices that ensure as safe a workplace as possible for employees that provide services digitally in the future
- taking account of suppliers' socially responsible practices when procuring digital services, including compliance with legislative obligations to employees; and value for money over the whole-of-life, rather than just the initial cost
- ensuring everyone in the community has access to digital services
- strong, fit for purpose services to support people to effectively use digital technologies
- worker participation in digital service design, and for workers to be involved in decisions about technology used in their workplaces to have confidence in the purpose for its use.<sup>33</sup>

### **Fundamental shift towards a unified public service**

We support the panel's view that there needs to be a more deliberate shift towards a joined-up public service across central and local government. This is discussed more in the following section on system stewardship and support.

## **System stewardship and support**

We support the idea of a nationally coordinated stewardship function, in particular in the following areas:

### **A more cohesive local government workforce**

From a workforce and employment relations perspective, local government is fragmented. The PSA currently bargains separately with each council – sometimes with multiple collective employment agreements within a single council. Occupations are common across councils, but there is limited coordinated workforce development and planning, especially in sector-specific roles such as building inspection and compliance.

The Local Government Act establishes the chief executive of each local authority as the employer, meaning that common terms and conditions are practically impossible to achieve in the sector.

Within central government, Te Kawa Mataaho Public Service Commission provides coordination and leadership on a range of issues. The PSA is able to engage with them on a range of issues affecting the public service workforce as a whole (eg, on developing and implementing Kia Toipoto the Public Service Pay Gaps Action Plan). Being able to adopt a similar approach with the local government workforce would help local government make progress on systemic workplace issues.

The PSA wants to see:

- good terms and conditions standardised across the local government sector
- a consistent employment relations approach across the sector to support collaboration rather than competition in terms of workforce

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<sup>33</sup> PSA, 2021. [PSA Submission on Towards a Digital Strategy for Aotearoa Discussion Document to the Department of Internal Affairs](#)

- a ‘whole of public service’ approach where local government staff can access training and resources along with central government on core competencies that both sectors share
- mechanisms for unions to engage with the local government sector as a whole on workforce issues such as gender and ethnic pay equity.

This would encourage a real sense of cohesion and spirit of service and assist with local government sector career and capability development.

The panel’s draft report has discussed a range of areas in which they believe capability-building is necessary, including in participatory democracy processes, engagement with Māori, tikanga and te reo, co-design, partnering and innovation, and social procurement, to name a few. A coordinated approach to workforce skills development would help spread skills, experience and good practice throughout local government.

## Integrity and conduct for local government staff

Local government workers have the same rights as anyone else to participate in democratic processes, but in some cases feel unable to do so.

For public servants working in the core public service, the Public Service Act 2020 explicitly sets out that if the Public Service Commissioner issues guidance on integrity and conduct, it must address the right to freedom of expression and the responsibilities of individuals who have obligations as a member of a profession. Local government has no such consistent direction, which means that although council workers have the same rights to political expression as other New Zealanders, there can be variation in how individual councils interpret that right and communicate it to workers

We would like to see clearer and more explicit protections for the rights of public service workers to freedom of political expression. This, and other sector-wide guidance on integrity and conduct for local government workers, could be incorporated in a nationwide stewardship function.

## Conclusion

We appreciate the work that has been undertaken by the panel to get us to this point. We appreciate the opportunity to participate in this consultation, and we are happy to engage further with the panel on the content of this submission. We look forward to seeing the panel’s final report to the Government later this year.

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*“The Panel has done a great job and it is important that this work doesn't get lost or forgotten. However, without dedicated staff going forward, there won't be implementation, as councils themselves are too stretched and don't have a mandate to lead across the country.”*

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*He mata whāriki, he matawhānui* has raised a range of important questions about the future of our local democracy and local public service delivery, and it is important that this work continues. We hope that the Minister of Local Government builds on this work by taking forward some of the recommendations, and by enabling public debate on others. Overall we look forward to seeing some of the shifts in this draft report becoming a reality.

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