

Hon Nicola Willis
Minister for the Public Service

Date of Issue: 6 November 2024

Date: 6 October 2024

Title: Government Workforce Policy Statement on Public Sector Employment Relations 2024

Author: Public Service Commission

The Hon Nicola Willis, Minister for the Public Services is releasing the Cabinet paper and Cabinet Minute.

Explanatory note

Included in this release are the following documents:

- Cabinet Paper Government Workforce Policy Statement on Public Sector Employment Relations 2024
 - Appendix 1 – Government Workforce Policy Statement
 - Appendix B – Application of Government Workforce Policy Statement
 - Appendix C – Public Sector Bargaining – 2023-2027
- Cabinet Minute – EXP-24-MIN-0034

In Confidence

Office of the Minister for the Public Service

Expenditure and Regulatory Review Committee

Government Workforce Policy Statement on Public Sector Employment Relations 2024

Proposal

- 1 I propose that Cabinet agrees to issue the attached Government Workforce Policy Statement on Public Sector Employment Relations (the Statement) to replace the expectations issued by the previous Government in a 2021 Statement.

Relation to government priorities

- 2 The draft Statement has been informed by the Government's 100-day plan as set out in the Coalition Government's 100-Day Plan. This includes commitments to:
 - 2.1 reduce public sector expenditure, including on contractors and consultants;
 - 2.2 set and manage for Government priorities, including through developing targets for public services to help maintain momentum at the end of the 100-day period;
 - 2.3 restore 90-day trial periods and repeal fair pay agreements;
 - 2.4 drive public sector performance.
- 3 The Statement is also informed by wider contextual statements made by members of the Government or in the Speech from the Throne, including on performance pay, public service delivery and productivity.

Executive Summary

- 4 The Government will periodically provide the public sector with its expectations for employment relations. The Public Service Act 2020 (the Act) provides an opportunity to issue these expectations as a Government Workforce Policy Statement. The current Statement was released in 2021.
- 5 The Public Service Commission (the Commission) has developed a new Government Workforce Policy Statement (the Statement) to reflect our Government's priorities.

- 6 Affected agencies and unions were consulted on the Statement as required by the Act. Some changes have been made to the Statement in response to their feedback. Other feedback, relating to implementation of the Statement, will be addressed by the Commission as operational matters.
- 7 Following this consultation, I intend to approve the Statement to be released under section 99 of the Act.

Background

- 8 The Government will periodically provide the public sector with its expectations for employment relations. These expectations help agencies align their employment relations policies and practice with the Government's objectives and to foster a consistent, efficient, and effective approach to those matters across agencies. Typically, these expectations cover activity with employees and unions such as remuneration strategies and pay system design, collective bargaining, and pay equity.
- 9 The Act provides an opportunity to issue these expectations as a Government Workforce Policy Statement to which Departments and Crown agents must give effect, and to which many other public sector agencies must have regard, as a matter of law.
- 10 There is a current Government Workforce Policy Statement which agencies are applying, which was issued by the then Minister for the Public Service in 2021 after Cabinet consideration.
- 11 The Public Service Commission has developed a new Government Workforce Policy Statement (the Statement) to reflect our priorities and replace the existing one. This Statement is attached to this paper as Appendix 1.
- 12 The possible scope of the Statement is defined in the Act. I am proposing that the Statement covers Public Service agencies, Crown agents; Autonomous Crown entities (such as Heritage NZ or the Public Trust); Independent Crown entities (such as the Broadcasting Standards Authority and the Electoral Commission); School Boards of Trustees; Crown Entity Companies; Tertiary Education Institutes; the New Zealand Police, the New Zealand Defence Force, and the Parliamentary Counsel Office. This is consistent with the scope of the 2021 Government Workforce Policy Statement. A full list of agencies covered by the Statement is included as Appendix 2.
- 13 These affected agencies and their unions were consulted on the Statement as required by the Act. Some changes have been made to the Statement in response to their feedback. Other feedback, relating to implementation of the Statement, will be addressed by the Commission as operational matters.
- 14 Following this consultation process and subject to Cabinet's consideration, I intend to approve the Statement under section 99 of the Public Service Act. Given the importance of the matters addressed, I want to have Cabinet consideration of the content before I do so. I intend to then issue the Statement quickly subject to any changes we discuss at Cabinet.

Context for Public Sector Employment Relations

- 15 The scale of public sector employment relations activity is significant.
- 16 The Treasury publishes personnel expenditure each year. The 2023 data indicates that the total personnel expenditure last year was \$36 billion (including wages, superannuation and other direct costs). Public Service departments make up 21 percent of that spend. This compares with the 70 percent that is associated with Crown entities, NZ Police, the legislative branch and New Zealand Defence Force.

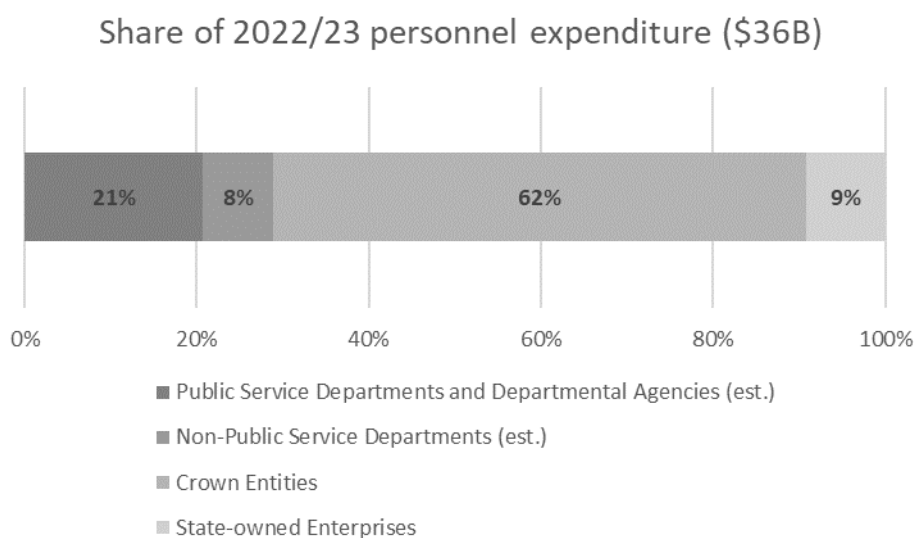


Figure 1. Share of 2022/23 personnel expenditure

- 17 Shifts in this \$36 billion spend will be in large part a reflection of any changes in the size of the public sector. Changes in the spend will also reflect the outcome of collective bargaining and remuneration strategies.
- 18 Most of New Zealand's union members are in the public sector and the public sector also has much higher union density than the private sector (approximately 55 percent are members in the public sector versus 8 percent in the private sector). There are strong similarities between the terms and conditions for unionised and non-unionised staff, with many agencies and sectors mirroring conditions in their collective agreements for staff on individual employment agreements. The Commission estimates that 90 percent of remuneration in the Public Service (departments and departmental agencies) is set through collective agreements. Rates of union membership are also very high in education, police and health.
- 19 An overview of upcoming bargaining in the public sector is attached as Appendix 3. Of particular note is the concentration of expiry dates for Public Service collective agreements towards the end of the year. A legacy of the

Public Sector Pay Adjustment¹ process in 2022 and 2023 is that more than 70 percent of Public Service collective agreements will now expire in the eight months between November 2024 and June 2025, covering approximately 41,400 people. This alignment of expiry dates is unusual and there is a resulting risk of semi-coordination or conflation of industrial pressure or action across multiple agencies.

- 20 The Public Service Commissioner will monitor and support agencies to implement the Statement. The Commissioner is responsible for the negotiation of all collective agreements and pay equity settlements in the Public Service and the compulsory education sector as if he or she were the employer. In practice, this role is delegated to the individual chief executives, although the Commissioner must still approve all bargaining strategies and settlements in the Public Service. The wider public sector does not require the Commissioner's approval, but in practice many agencies seek employment relations advice from the Commission.

The new Statement

- 21 The provisions of the Act that deal with workforce matters are broadly framed. They encourage us to take a wide view of workforce and employment relations, rather than the traditionally narrower focus on negotiation of collective agreements. Accordingly, the attached Statement has a broad ambit.
- 22 In addition, there are limitations on the Statement. It cannot determine terms and conditions of employees and it cannot alter or undermine employment or other legal rights and obligations applying to chief executives. In effect this means that chief executives can use the expectations as guidance, but must still bargain in good faith and be open to considering claims that do not meet the expectations.
- 23 The new Statement reflects the priorities of our Government. Its key features include:
- 23.1 a clear expectation that agencies will settle within baselines and look to make productivity gains to support workforce investment.
 - 23.2 having employment terms and conditions for some occupations that will support greater mobility of the workforce to assist Government priorities, but removing the previous emphasis on driving towards common terms and conditions across the Public Service.
 - 23.3 removal of a previous expectation that agencies introduce tenure-based pay progression into remuneration structures and providing flexibility for chief executives to make informed, evidence-based decisions on targeting remuneration increases.
 - 23.4 removal of the prioritising of collective bargaining over other forms of engagement with employees (while still acknowledging the impact that

¹ The Public Sector Pay Adjustment was a Government policy that provided for standardised remuneration increases across most of the Public Service (and some of the wider public sector) in 2023 and 2024.

the high levels of union density and collective bargaining have in the public sector).

- 23.5 the inclusion of new expectations relating to the rationale for the introduction of allowances.
 - 23.6 a clear expectation that agencies support the development of capacity and skills to deliver on the Government's priorities for all New Zealanders.
 - 23.7 some process changes to support efforts to build a stronger picture of the cost and implications of employment relations to support our Government and chief executives with informed decision making.
 - 23.8 inclusion of specific reference to workforce size and composition expectations. This has not existed in the expectations before now.
- 24 The Statement does not specify expected rates of increases. Instead, it offers clear guidance to agencies that they should expect to ensure all remuneration strategies and settlements are affordable and responsible, and that changes are sustainable.
- 25 The Statement helps the Public Service manage its workforce to respond to the complex issues that New Zealand faces and the significant fiscal challenge that we have. It sets clear expectations on public sector chief executives to manage their personnel costs within baseline, but also provides the flexibility to allow chief executives to structure their workforce and its conditions in order to target particular pressure points within their workforce (such as areas of skill shortage), reduce costs or help support mobility within the workforce.
- 26 The Public Service Commissioner may develop and issue more specific guidance on areas of the Statement. This allows the application of the Statement to evolve with our agenda and the employment relations environment.


Consultation on Statement

- 27 The Commissioner is required to consult all affected agencies on the draft Statement. The Commission invited feedback between 8 and 19 January from the 131 agencies to which the Statement applies as well as the Council of Trade Unions and 26 public sector unions.
- 28 Agencies noted the alignment of the statement with the Government's stated priorities and some noted that they were encouraged by the link to a culture of productivity and continuous improvement. Several agencies articulated the challenges that they were having in retaining skilled staff, especially if there was competition from the private sector for skills. Agencies were broadly comfortable with the expectation (in priority three) that they have a workforce that is responsive to the needs of all New Zealanders, but some sought clarity on the priority of continued work to close unjustified gender and ethnic pay gaps and Māori Crown relations expectations. A number of agencies also mentioned

the pressure of union claims being hard to manage such as claims to retain across the board increases or to backdate settlements.

- 29 Unions on the other hand sought confirmation that the Statement cannot bind agencies in bargaining and sought to have the removal of expectations around introducing pay linked to outcomes, the discouragement of back dating settlements or references to the management of costs by agencies. Unions sought to have stronger commitments made within the Statement to the use of collective bargaining as the primary way to set pay within the sector and to having ongoing detail within the Statement that committed the public sector (and Government) to specific priorities including ongoing commitments to close gender and ethnic pay gaps and the funding of pay equity settlements.
- 30 In response to feedback, I have made amendments to clarify the expectations on allowances, support ongoing development of skills and capacity within the public sector to deliver on Government goals, to reinforce the expectation that agencies (and unions) will seek to bargain efficiently, clarified that agencies should continue work to close unjustified pay gaps and made a range of less consequential and minor changes.

Expectations on the use of allowances, including allowances for te reo Māori

- 31 The Statement sets important expectations for agencies introducing allowances for employees. It sets an expectation that employees should primarily be recognised for using specific skills as part of the base salary for their role. However, I also recognise that allowances may still be appropriate to compensate for more occasional tasks or conditions. Such allowances could include higher duties allowances, shift work conditions or reimbursement arrangements.
- 32 As Cabinet is aware, a number of Māori claimants and groups have recently lodged proceedings in both the Waitangi Tribunal and the High Court claiming that actions, or anticipated actions, of the government impact Māori rights and interests. A number of these proceedings refer specifically to the debate that has occurred around the use of allowances to recognise proficiency in te reo Māori by employees in the public sector. As a consequence, feedback on the original draft of the expectation on allowances in the Statement raised concerns that it was at odds with the Government's commitments to te reo Māori.
- 33 9(2)(h) legal privilege

The Commission also consulted with Te Taura Whiri i te Reo Māori | Māori Language Commission and I have considered that advice.
- 34 My view is that the Statement strikes the correct balance between encouraging agencies to place the appropriate recognition of the value that proficiency in te reo Māori can bring to the public sector workforce, the role of learning te reo in the workplace and the broader principle that allowances should not generally be used for the ongoing remuneration of skills that are not drawn on in an employee's role.

Oversight by ministers – Ministerial Employment Relations Forum

- 35 A feature of our public sector employment relations system is devolved responsibility for remuneration setting. In this context key levers for Ministers are control over the Budget process, scrutiny of bids that have workforce implications, and management of access to in-between contingencies. I would also expect that Ministers will work with their chief executives to stress the importance of the Statement in their individual agencies. However, scrutiny by Ministers with wider system employment relations oversight has also proved useful to reduce the size and frequency of out-of-cycle budget requests or other ‘surprises’ from workforce activity.
- 36 I am therefore requesting support from Ministers to convene a Ministerial forum that would meet as required to provide this oversight. These types of groups have existed since 2009 and are typically chaired by the Minister for the Public Service and supported by the Minister of Finance and the Minister for Workplace Relations and Safety. Its scope is intended to be the State sector and its roles can include:
- 36.1 monitoring and providing oversight of critical negotiations and related funding decisions before these matters are considered by a Cabinet committee
 - 36.2 providing feedback and advice to responsible Ministers and department chief executives about bargaining, pay equity and remuneration strategies
 - 36.3 considering public sector employment relations over the medium and longer term and supporting change to New Zealand’s employment relations framework
 - 36.4 helping to maintain consistent expectations that Ministers have about cost management and identify any concerns about the creation of precedent effects in bargaining, pay equity and remuneration setting.
- 37 I am also recommending that the group is able to consider policies and trends relating to the public sector workforce size.
- 38 I am proposing that Cabinet invites me to establish such a group for the term of this Government. Noting my dual role of Minister of Finance and Minister for the Public Service, I intend to invite Hon Shane Jones and the Hon Chris Bishop to attend as Associate Ministers of Finance. I also intend to invite the Attorney-General and the Minister for Women to be core members of the forum. Other Ministers would attend to support agenda items relevant to their portfolios.
- 39 It is not intended at this time that the group would have any established delegated authority to make decisions, but there are scenarios where limited authority can be useful in relation to a specific negotiation or other significant ongoing issue. In such cases I would return to Cabinet to seek appropriate authority.

40 The Public Service Commission would provide the secretariat support for this forum, and advice is provided to Ministers by the Public Service Commission, The Treasury and the Department of Prime Minister and Cabinet for each meeting.

Cost-of-living Implications

41 This paper has no cost of living implications.

Financial Implications

42 This paper has no financial implications. However, the Statement is an important mechanism to support agencies in managing personnel cost pressures, which contributes to meeting the Government's fiscal management objectives.

Legislative Implications

43 This paper has no legislative implications.

Impact Analysis

Regulatory Impact Statement

44 This paper has no regulatory implications.

Climate Implications of Policy Assessment

45 This paper has no climate implications.

Population Implications

46 This paper has no population implications.

Human Rights

47 This paper has no human rights implications and is not inconsistent with the New Zealand Bill of Rights Act 1990 and the Human Rights Act 1993.

Consultation

48 The Treasury and the Department of Prime Minister and Cabinet (PAG) were consulted about this paper and the revised Government Expectations from a policy perspective ^{9(2)(h) legal privilege}

Consultation also occurred with Te Taura Whiri i te Reo Māori | Māori Language Commission on specific parts of the advice.

49 The Public Service Commission sought feedback on the draft Statement from all agencies to which the Statement is intended to apply, include departments, departmental agencies, Crown agents, Crown entities, New Zealand Police, New Zealand Defence Force, and Parliamentary Counsel Office. Public sector

unions were also consulted, including the New Zealand Council of Trade Unions, the Public Service Association and health and education sector unions.

- 50 The response to feedback received through the consultation process is covered above.

Communications

- 51 The Public Service Act requires that the Commissioner makes the Statement known to affected agencies and the public as soon as practical after my approval is given to the new Statement.
- 52 It is important that the Statement is understood by agencies, employees and unions. The Public Service Commission is preparing a communications plan to support the release of the Statement.

Proactive Release

- 53 I propose to proactively release this paper, subject to any redactions for legal or industrial bargaining reasons, within 30 days of decisions being made by Cabinet.

Recommendations

- 54 The Minister for the Public Service recommends that the Committee:
- 54.1 **note** that the Public Service Act 2020 provides an opportunity to issue a Government Workforce Policy Statement on Public Sector Employment Relations that agencies must either give effect to, or have regard to, as a matter of law.
 - 54.2 **note** that the Public Service Commission has developed a new Government Workforce Policy Statement that reflects the Government's priorities for Public Sector Employment Relations.
 - 54.3 **note** that the attached Government Workforce Policy Statement has been the subject of consultation with affected agencies and with unions, as required by the Public Service Act 2020, and that some changes have been made to the Government Workforce Policy Statement in response to feedback.
 - 54.4 **agree** the contents of the attached draft Government Workforce Policy Statement.
 - 54.5 **note** that the attached draft Government Workforce Policy Statement will replace the existing Cabinet-mandated Expectations [CAB-21-MIN-0103].
 - 54.6 **note** that subject to any final minor amendments which are consistent with Cabinet's discussion, the Minister for the Public Service intends to approve the Policy Statement as a Government Workforce Policy Statement in accordance with section 99 of the Public Service Act 2020.

- 54.7 **invite** the Minister for the Public Service to convene a Ministerial Employment Relations Forum, comprising of the Minister for the Public Service, the Minister of Finance, the Attorney-General, the Minister for Workplace Relations, the two Associate Ministers of Finance and the Minister for Women that will convene occasionally to:
- 54.7.1 with the responsible Minister, monitor and provide oversight of critical negotiations and related funding decisions before these matters are considered by a Cabinet committee
 - 54.7.2 provide feedback and advice to responsible Ministers and Department chief executives about bargaining, pay equity and remuneration strategies
 - 54.7.3 consider public sector employment relations over the medium and longer term
 - 54.7.4 help to maintain consistent expectations that Ministers have about cost management and identify any concerns about the creation of precedent effects in bargaining, pay equity and remuneration setting.

Authorised for lodgement

Hon Nicola Willis

Minister for the Public Service



Purpose

This Government Workforce Policy Statement outlines expectations for an effective employment relations environment in the public sector that will support the delivery of high performing, trusted, and efficient public services.

This Statement covers a range of workforce matters including remuneration, negotiation of employment agreements, capacity and composition of the workforce, pay equity, diversity, data and information. It does not predetermine the outcome of bargaining with unions but should influence employers' bargaining strategies and proposed settlements.

This Statement should be read in conjunction with any other guidance which the Public Service Commissioner (the Commissioner) may issue on workforce matters and on the operation of this Statement.

Expectations

The Government is committed to improve the effectiveness, efficiency and responsiveness of public services. To this end, the Government's four priority areas of focus, and the associated expectations, for public sector employment relations are:

- 1. Employment outcomes are fiscally sustainable and respond to the current fiscal context and any current budget advice**
 - Ensure that all workforce costs, including the outcomes of remuneration reviews and collective bargaining are affordable within an agency's baseline, and sustainable in the long term (see section on roles and responsibilities below for further detail). Any increases or changes in terms and conditions should not lead labour market movements and trends.
 - Ensure that the costing of bargaining and remuneration strategies and settlements takes into account the cost of all adjustments to pay and conditions, including built-in progression through pay scales, and performance-based pay increases, as well as any changes to other conditions.
 - Identify and take into account the flow-on implications of settlements, both within and beyond the agency and sector, and have plans in place to manage these. This includes targeting pay increases, where informed by evidence, to particular workforces or occupations (as opposed to across-the-board increases).
- 2. Employment conditions and remuneration settings support a high performing public sector and delivery of effective, efficient, and responsive services**
 - Ensure that employment conditions, and remuneration settings, support the achievement of agency and public sector performance objectives and priorities. This includes having remuneration strategies that provide for the pay of public sector chief executives and deputies to be linked to outcomes to encourage high performance and ensure accountability.



- Have an employment relations and remuneration strategy that supports the delivery of high quality, trusted and accessible services and supports the attraction, retention and development of key skills.
 - Foster a culture within the public sector based on continuous improvement and enhancing productivity in pursuit of the delivery of better services to New Zealanders and achievement of Government priorities. This includes the expectation that agencies work together to take a future focused approach to building capability in the public sector.
 - Adequately plan for and recognise specific skills required for the employee to perform their role within the base salary for that specific role. The payment of allowances in addition to base salary may be acceptable in limited circumstances, for example, to recognise skills or duties which are occasional, rather than core to the role. The payment of allowances can be justified where the agency can demonstrate that payment of that allowance will be an effective way for the Crown to uphold its obligations including under Te Ture mō Te Reo Māori 2016/the Māori Language Act 2016 or any other Act or obligations.
 - Ensure employment conditions enable the mobility of public servants to support the system to deliver efficiently on Government priorities, including in emergency situations.
 - Have employment settings and reward practices that are fair, and standards that ensure there continues to be trust and confidence in the public sector.
 - Ensure that there is active management of workforce productivity regardless of work location(s) contributing to a broader ongoing focus on productivity improvement within the public sector.
 - Avoid backdating any components of adjustments to pay and conditions (either through effective dates or compensatory lump sum payments). To support this, bargaining teams are expected to plan for bargaining and be prepared to engage well ahead of a collective agreement's expiry. Agencies should undertake and resource activity efficiently to avoid unnecessary delay.
- 3. Have a workforce that is responsive to the needs of all New Zealanders**
- Build a diverse and inclusive workforce that can develop policies and deliver services that are effective and responsive to all who need and use them.
 - Establish equitable employment and remuneration practices and take steps to close unjustified pay gaps.
 - Agencies can provide workplace development, where it is needed to deliver on this priority, including to enhance the Public Service's ability to support the Crown in its relationships with Māori and to uphold Te Ture mō Te Reo Māori 2016/the Māori Language Act 2016.
- 4. Agencies manage their workforce size and composition, including to reduce expenditure on consultants and contractors**
- Be active in managing workforce composition to meet expectations on the size of the Public Service or sector (including anticipating and managing peaks in demand) and to reduce the use of, and expenditure on, contractors and consultants.



Roles and Responsibilities

Under the Public Service Act 2020, the Commissioner may:

- provide advice and guidance on workforce matters to agencies
- advise affected agencies on the operation of this Statement; and
- facilitate the operation of this Statement in conjunction with affected agencies.

Under this Statement, the Commissioner may request information relating to the matters listed in s 97(2) of the Public Service Act 2020. A request for information may specify requirements about how that information must be collected, classified, and reported to the Commissioner, and may be made to all agencies to which this Statement applies. A Public Service agency and a Crown agent must give effect to any request for information made under it. All other entities covered by this Statement must consider any request for information made under it.

Public sector chief executives are expected to deliver on the expectations in this Statement. They are also expected to take a constructive approach with their employees and any representatives (including unions) to managing and resolving issues and have protocols in place to support parties to employment agreements to work together respectfully, effectively, and in good faith and to ensure that the public sector continues to be held in high regard. This includes being aware of, and proactive in meeting, their obligations arising from the Public Service Act 2020 and employment legislation, including the Employment Relations Act 2000, Human Rights Act 1993, Equal Pay Act 1972 and the Holidays Act 2003. Chief executives should also promote the collective responsibilities of employers, employees and their unions for health and safety.

Where employment relations outcomes are unable to be met from within baselines, chief executives should initially seek to fund proposed changes through productivity improvements or workforce re-organisation; or

- make any proposals for extra funding through the normal annual budget initiatives process
- follow current advice on funding for pay equity settlements (where applicable); and
- liaise with Treasury and the Commission about those workforce pressures well prior to the date that budget bids are to be lodged.

Any chief executive seeking additional Crown funding to cover workforce costs through the annual Budget process must comply with any stipulations included in the guidance issued by Treasury.

Chief executives conducting bargaining under delegation from the Commissioner must have a bargaining strategy consistent with this Statement approved by the Commissioner before starting bargaining. They must not commit to an outcome (including final Terms of Settlement) without further approval from the Commissioner.

Other agencies with a statutory requirement to consult with either the Commissioner or a monitoring department, should have bargaining and remuneration strategies consistent with this Statement as the basis for that consultation.

If the Commissioner or monitoring department considers any agency's proposed approach could be inconsistent with this Statement or have adverse system-wide implications, the Commissioner



may request that the agency consult with its responsible Minister and some or all of the Ministers that sit on the Ministerial Employment Relations Forum.

Application

This Government Workforce Policy Statement is issued under Part 4 of the Public Service Act 2020, and in accordance with s97. It applies to:

- (a) All Public Service agencies
- (b) All Crown agents; autonomous Crown entities; independent Crown entities, school boards of trustees, Crown entity companies
- (c) the New Zealand Police, the New Zealand Defence Force, and the Parliamentary Counsel Office; and
- (d) tertiary education institutes.

As set out in s101 of the Public Service Act 2020, Public Service agencies and Crown agents must give effect to this Statement. All other forms of agencies listed above must have regard to this Statement. From time to time, the Commission will issue an updated list of the agencies that this applies to on its website.

This Statement replaces the Government Workforce Policy Statement on the Government's Expectations on Employment Relations in the Public Sector, which Cabinet agreed in 2021. It applies from 7 July 2024.

Appendix B - Application of Government Workforce Policy Statement 2024

As at 24 June 2024

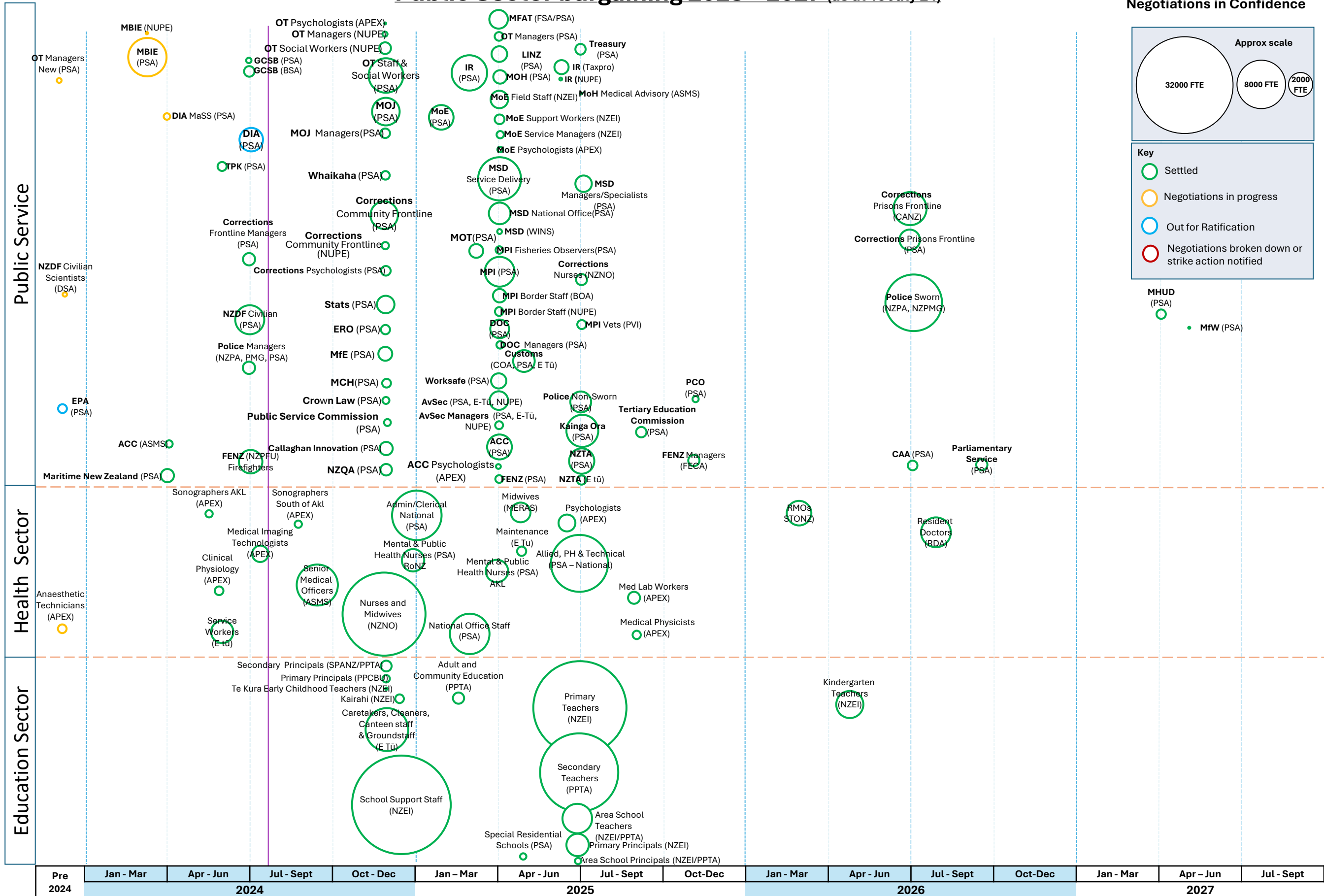
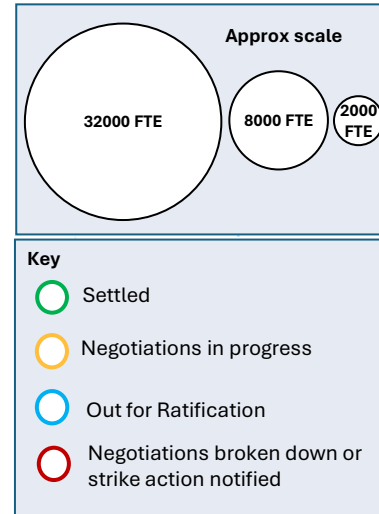
This list will be updated from time to time to reflect changes in agencies. This will include an update to reflect new agencies following engagement on the Statement with those agencies.

Must give effect to	
<p>Public Service Agencies</p> <p>Departments as named in Schedule 2, Part 1 of the Public Service Act 2020:</p> <ul style="list-style-type: none"> • Crown Law Office • Department of Conservation • Department of Corrections • Department of Internal Affairs • Department of the Prime Minister and Cabinet • Education Review Office • Government Communications Security Bureau • Inland Revenue Department • Land Information New Zealand • Ministry for Culture and Heritage • Ministry for Pacific Peoples • Ministry for Primary Industries • Ministry for the Environment • Ministry for Women • Ministry of Business, Innovation and Employment • Ministry of Defence • Ministry of Education • Ministry of Foreign Affairs and Trade • Ministry of Health • Ministry of Housing and Urban Development • Ministry of Justice • Ministry of Māori Development – Te Puni Kokiri • Ministry of Social Development • Ministry of Transport • New Zealand Customs Service • New Zealand Security Intelligence Service • Oranga Tamariki—Ministry for Children • Public Service Commission • Serious Fraud Office • Statistics New Zealand • The Treasury 	<p>Public Service Agencies</p> <p>Departmental agencies as named in Schedule 2, Part 2 of the Public Service Act 2020</p> <ul style="list-style-type: none"> • Aroturuki Tamariki—Independent Children’s Monitor • Cancer Control Agency • Ministry for Disabled People • Ministry for Ethnic Communities • National Emergency Management Agency • Office for Māori Crown Relations • Social Wellbeing Agency <p>Crown Entities</p> <p>Crown Agents (as named in Schedule 1 Part 1 of the Crown Entities Act 2004):</p> <ul style="list-style-type: none"> • Accident Compensation Corporation • Callaghan Innovation • Civil Aviation Authority of New Zealand • Earthquake Commission • Education New Zealand • Energy Efficiency and Conservation Authority • Environmental Protection Authority • Fire and Emergency New Zealand • Health New Zealand • Health Quality and Safety Commission • Health Research Council of New Zealand • Kāinga Ora – Homes and Communities • Maritime New Zealand • New Zealand Antarctic Institute • New Zealand Blood Service • New Zealand Qualifications Authority • New Zealand Tourism Board • New Zealand Trade and Enterprise • New Zealand Transport Agency • New Zealand Walking Access Commission • Pharmaceutical Management Agency • Real Estate Agents Authority • Social Workers Registration Board • Sport and Recreation New Zealand • Taumata Arowai – the Water Services Regulator • Tertiary Education Commission • WorkSafe New Zealand

Must have regard to	
<p>Crown Entities</p> <p>Autonomous Crown Entities (ACEs) as named in Schedule 1.2 of the Crown Entities Act 2004.</p> <ul style="list-style-type: none"> • Accreditation Council • Arts Council of New Zealand Toi Aotearoa • Broadcasting Commission • Government Superannuation Fund Authority • Guardians of New Zealand Superannuation • Heritage New Zealand Pouhere Taonga • Museum of New Zealand Te Papa Tongarewa Board • New Zealand Artificial Limb Service • New Zealand Film Commission • New Zealand Infrastructure Commission/Te Waihanga • New Zealand Lotteries Commission • New Zealand Symphony Orchestra • Public Trust • Retirement Commissioner • Te Reo Whakapuaki Irirangi (Māori Broadcasting Funding Agency) • Te Taura Whiri i Te Reo Māori (Māori Language Commission) 	<p>Crown Entities</p> <p>Independent Crown Entities (ICEs) as named in Schedule 1 Part 3 of the Crown Entities Act 2004.</p> <ul style="list-style-type: none"> • Broadcasting Standards Authority • Children and Young People’s Commission • Climate Change Commission • Commerce Commission • Criminal Cases Review Commission • Drug Free Sport New Zealand • Electoral Commission • Electricity Authority • External Reporting Board • Financial Markets Authority • Health and Disability Commissioner • Human Rights Commission • Independent Police Conduct Authority • Law Commission • Mental Health and Wellbeing Commission • Office of Film and Literature Classification • Privacy Commissioner • Takeovers Panel • Transport Accident Investigation Commission
<p>School Boards of Trustees</p> <ul style="list-style-type: none"> • All <hr/> <p>Crown Entity Companies as named in Schedule 2 of the Crown Entities Act 2004.</p> <ul style="list-style-type: none"> • Crown Irrigation Investments Limited • Crown Research Institutes (7) • New Zealand Venture Investment Fund Limited • Radio New Zealand Limited • Television New Zealand Limited 	<p>Other Public Sector organisations</p> <p>Non-Public Service Departments</p> <ul style="list-style-type: none"> • New Zealand Defence Force • New Zealand Police • Parliamentary Counsel Office <hr/> <p>Tertiary Education Institutions</p> <ul style="list-style-type: none"> • Universities (8) • Wananga (3) • Te Pūkenga – New Zealand Institute of Skills and Technology (including its subsidiaries)

Public Sector bargaining 2023 – 2027 (as at 19 July 24)

Negotiations in Confidence





Cabinet Expenditure and Regulatory Review Committee

Minute of Decision

This document contains information for the New Zealand Cabinet. It must be treated in confidence and handled in accordance with any security classification, or other endorsement. The information can only be released, including under the Official Information Act 1982, by persons with the appropriate authority.

Government Workforce Policy Statement on Public Sector Employment Relations 2024

Portfolio **Public Service**

On 23 July 2024, the Cabinet Expenditure and Regulatory Review Committee:

- 1 **noted** that the Public Service Act 2020 provides an opportunity to issue a Government Workforce Policy Statement on Public Sector Employment Relations that agencies must either give effect to, or have regard to, as a matter of law;
- 2 **noted** that the Public Service Commission has developed a new Government Workforce Policy Statement that reflects the Government's priorities for public sector employment relations;
- 3 **noted** that the draft Government Workforce Policy Statement, attached as Appendix 1 of the paper under EXP-24-SUB-0034, has been the subject of consultation with affected agencies and with unions, as required by the Public Service Act 2020, and that some changes have been made to the Government Workforce Policy Statement in response to feedback;
- 4 **agreed** to the contents of the draft Government Workforce Policy Statement;
- 5 **noted** that the draft Government Workforce Policy Statement will replace the existing Cabinet-mandated Expectations [CAB-21-MIN-0103];
- 6 **noted** that subject to any final minor amendments which are consistent with Cabinet decisions, the Minister for the Public Service intends to approve the Policy Statement as a Government Workforce Policy Statement in accordance with section 99 of the Public Service Act 2020;
- 7 **invited** the Minister for the Public Service to convene a Ministerial Employment Relations Forum, comprising the Minister for the Public Service, the Minister of Finance, the Attorney-General, the Minister for Workplace Relations, two Associate Ministers of Finance (Hon Chris Bishop and Hon Shane Jones) and the Minister for Women, that will convene occasionally to:
 - 7.1 with the responsible Minister, monitor and provide oversight of critical negotiations and related funding decisions before these matters are considered by a Cabinet committee;

- 7.2 provide feedback and advice to responsible Ministers and department chief executives about bargaining, pay equity and remuneration strategies;
- 7.3 consider public sector employment relations over the medium and longer term;
- 7.4 help to maintain consistent expectations that Ministers have about cost management and identify any concerns about the creation of precedent effects in bargaining, pay equity and remuneration setting.

Sam Moffett
Committee Secretary

Present:

Rt Hon Winston Peters
Hon David Seymour (Chair)
Hon Nicola Willis
Hon Chris Bishop
Hon Brooke van Velden
Hon Simeon Brown
Hon Erica Stanford
Hon Louise Upston
Hon Mark Mitchell
Hon Andrew Bayly
Hon Mark Patterson
Hon Chris Penk
Hon Penny Simmonds

Officials present from:

Office of the Prime Minister
Officials Committee for EXP