

Joint Te Kawa Mataaho / Treasury Report: Weekly Issues Report 3 to PM, MoF, MotPS and MoH

Date: 18 November 2022

Security Level: IN CONFIDENCE

Report No: 2022/0286

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Warwick White, 9(2)(a) privacy

	Actions Sought	Due Date
Rt Hon Jacinda Ardern, Prime Minister	Advise / Note	28 November 2022
Hon Grant Robertson, Minister of Finance	Advise / Note	28 November 2022
Hon Chris Hipkins, Minister for the Public Service	Advise / Note	28 November 2022
Hon Andrew Little, Minister of Health	Advise / Note	28 November 2022

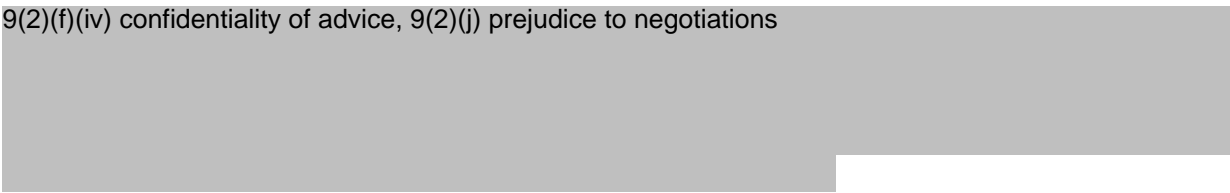
Enclosure: Yes

Minister's Office Comments

Comments:

Date returned to Te Kawa Mataaho:

Executive Summary

- 1 9(2)(f)(iv) confidentiality of advice, 9(2)(j) prejudice to negotiations
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- 2 The approach for Tuesday's meeting is detailed in this paper.


- 3 9(2)(f)(iv) confidentiality of advice, 9(2)(j) prejudice to negotiations
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Recommended Action

We recommend that you:

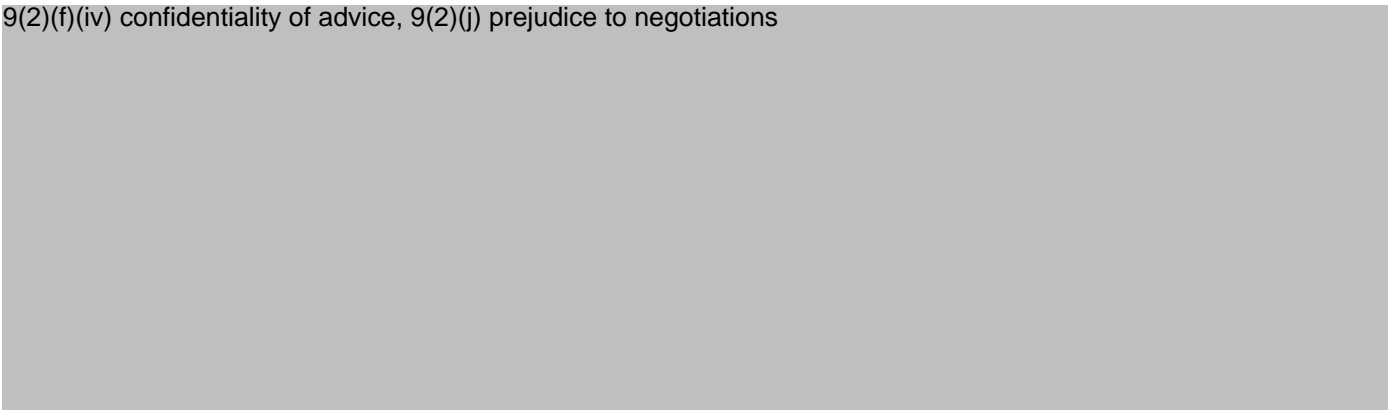
In relation to establishing PSPA agreements:

- a 9(2)(j) prejudice to negotiations
- 


- b 9(2)(f)(iv) confidentiality of advice, 9(2)(j) prejudice to negotiations
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- c **Note** this briefing will be released, in line with other PSPA papers and subject to any necessary redactions, following the implementation of PSPA negotiated settlements.

9(2)(f)(iv) confidentiality of advice, 9(2)(j) prejudice to negotiations



f 9(2)(f)(iv) confidentiality of advice



Rt Hon Jacinda Ardern
Prime Minister

Hon Grant Robertson
Minister of Finance

Hon Chris Hipkins
Minister for the Public Service

Hon Andrew Little
Minister of Health

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Purpose of Report

- 1 This is the third of a series of reports on the PSPA process where we raise awareness of key issues with you.
- 2 9(2)(f)(iv) confidentiality of advice, 9(2)(j) prejudice to negotiations
- 3 9(2)(f)(iv) confidentiality of advice, 9(2)(j) prejudice to negotiations

9(2)(j) prejudice to negotiations, 9(2)(f)(iv) confidentiality of advice

9(2)(j) prejudice to negotiations

- 6 9(2)(j) prejudice to negotiations
- 7 While there are potentially many permutations, the final design of the PSPA offer needs to be tangible, easily understandable, and be able to be communicated readily. Officials will work within the Cabinet-set parameters and to the following below design principles.

Components of an offer

- 8 Within these design principles key issues are the pay adjustment, term and expiry dates, union recognition, non-remuneration elements, and timing of settlement and payments. We intend to adopt the approach detailed below on each of these more detailed points.

Pay adjustment

- 9 We anticipate that offers will need to include a combination of flat rates, percentage increases, and lump sum payments. These can be used consistent with preferencing the low-paid. 9(2)(j) prejudice to negotiations, 9(2)(f)(iv) confidentiality of advice

Term

- 10 Explore a two-year term (as a minimum average) supported by other measures that avoid aligned expiry dates. 9(2)(j) prejudice to negotiations, 9(2)(f)(iv) confidentiality of advice

Union member recognition

- 11 9(2)(j) prejudice to negotiations, 9(2)(h) legal privilege

Non-remuneration elements


- 12 We intend to explore what an offer may need to include in respect of non-remuneration elements:
- a. 9(2)(j) prejudice to negotiations – the Ministry of Education expects to provide an update to the Minister of Education on this aspect, ahead of Monday's meeting.
 - b. For the PSA, we do not expect non-remuneration elements to have the same costs as for primary teachers. In this sector we may need to explore:
9(2)(j) prejudice to negotiations

Timing

- 13 9(2)(j) prejudice to negotiations, 9(2)(f)(iv) confidentiality of advice

9(2)(f)(iv) confidentiality of advice, 9(2)(j) prejudice to negotiations, 9(2)(h) legal privilege

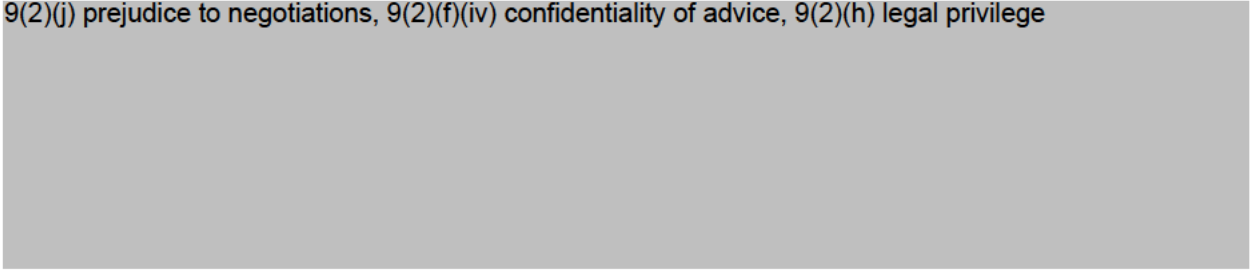
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Parameters where greatest flexibility is needed

- 19 To explore an offer achieving the above requirements and that lead negotiators could base offers on, greatest flexibility may be needed in relation to several terms:

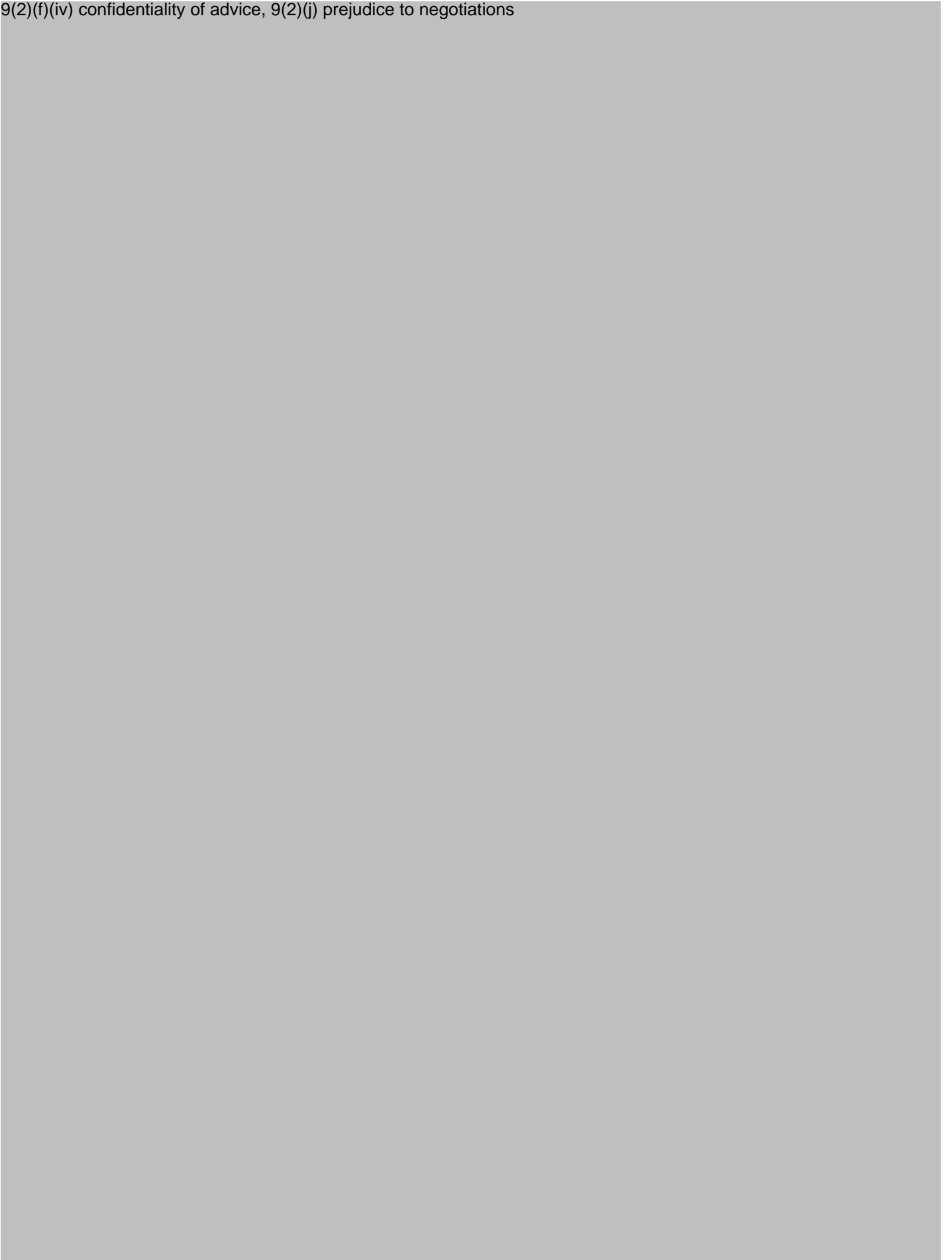
9(2)(j) prejudice to negotiations, 9(2)(f)(iv) confidentiality of advice, 9(2)(h) legal privilege




9(2)(f)(iv) confidentiality of advice, 9(2)(j) prejudice to negotiations



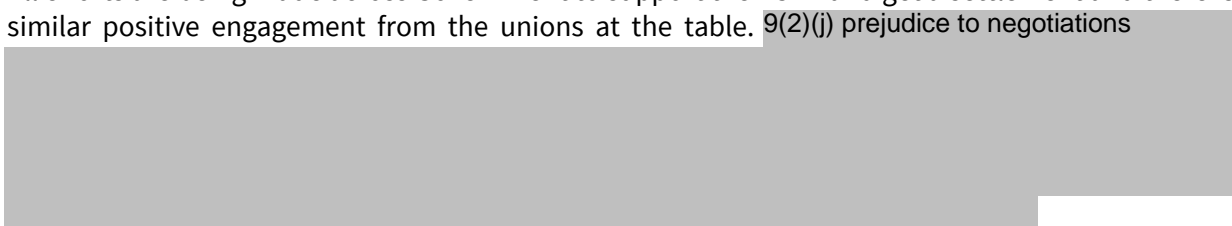
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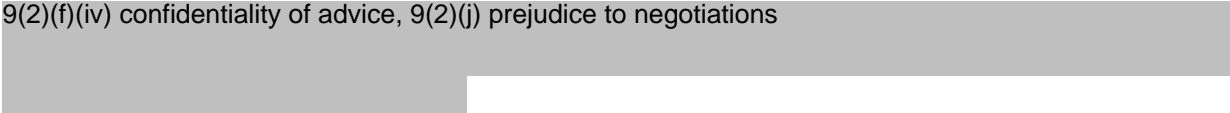
9(2)(f)(iv) confidentiality of advice, 9(2)(j) prejudice to negotiations




Next steps

- 37 All efforts are being made across Government to support the PSPA and get a settlement and there is similar positive engagement from the unions at the table. 9(2)(j) prejudice to negotiations
- 


38 9(2)(f)(iv) confidentiality of advice, 9(2)(j) prejudice to negotiations



39 9(2)(f)(iv) confidentiality of advice



40 9(2)(f)(iv) confidentiality of advice



Attachment 1 – NZCTU Letter to Ministers seeking meeting on funded and contracted sector



Delivered by Hand

To: Deputy Prime Minister

cc: Minister of Finance
Minister of Public Service
Minister of Education
Minister of Health
Minister of Workplace Relations

Dear Hon. Grant Robertson,

This letter seeks your agreement to an urgent meeting of the Ministers with responsibility for the proposed Public Sector Pay Agreement (PSPA) and the CTU. We have been in discussions for a PSPA for six months with the government, and we are concerned that we are not making sufficient progress.

At our meeting today PSC officials, we discussed the meaning of the letter recently sent by Minister Hipkins to me on 10 October. This discussion allowed us to better understand current employer expectations about the size of a PSPA and the process now required to settle. The legal advice that seems to have informed the change of process now proposed is questionable and unhelpful.

While all parties seem to share a commitment to addressing the cost of living pressures on public service workers and creating a more harmonious industrial relations climate, there appears to be a significant gap between the parties as to how best to achieve that.

We are therefore seeking a political meeting with you as Ministers to discuss how we can best make genuine progress in this area. Many of our members have collective agreements that have expired or are about to expire. We would therefore appreciate a meeting at your earliest possible convenience.

I look forward to your early response.

Yours Faithfully,

A handwritten signature in black ink, appearing to read 'Richard Wagstaff'.

Richard Wagstaff



IN UNION, TOGETHER.
union.org.nz

NEW ZEALAND COUNCIL OF TRADE UNIONS

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