



28 April 2020

Children's Commissioner  
Health and Disability Commissioner  
Chief Censor of Film and Literature  
Privacy Commissioner  
Retirement Commissioner

Chair, Electoral Commission  
Chair, Independent Police Conduct Authority  
Chair, Productivity Commission  
President, Law Commission

Dear colleagues

### **Pay restraint in the Public Sector**

Following the Prime Minister's announcement of a pay reduction for senior leaders in Government and the Public Service, Cabinet has agreed that visible pay restraint in the public sector is an appropriate response to the COVID-19 context.

We are in an unprecedented time when many in the private sector are losing their jobs or facing significant pay reductions.

Further work is underway to determine the mechanism for Ministers to implement this pay reduction and the Remuneration Authority will contact officers for whom they set remuneration with any information once it becomes available.

I have provided Public Service chief executives with a set of key principles on how to apply pay restraint for their workforces:

- the voluntary pay reductions agreed by chief executives will not be extended beyond the chief executive level
- the approach to restraint applies through to June 2021
- retaining people in jobs is the priority
- no pay increases for senior leaders and high paid staff and no or minimal increases below that level
- current employment agreement obligations to be complied with where they require an increase to pay
- any discretionary provisions should be operated to target low paid and frontline roles, continue to address gender and ethnic pay inequities
- exceptional and urgent recruitment and retention pressures may need to be addressed
- outcomes across individual employment agreements and collective agreements covering the same roles should be equitable.

I ask you to take a similar approach in your agency.

Dale Farrar, Deputy Commissioner Workforce and Talent Management (021 893 267) or Sarah Borrell, Manager Workforce and Employment Relations (027 244 0729) are available to provide any guidance and advice your HR team may need or answer any questions you may have in relation to your workforce.

I thank you in advance for uniting with New Zealanders as we respond and recover from Covid-19.

Kind regards



Peter Hughes  
State Services Commissioner

Copy to:            Chief Electoral Officer  
                         Chair Remuneration Authority

PS Chief Executives - Crown entity monitoring departments