



Reform of the State Sector Act offers an opportunity to strengthen employment provisions and set the Public Service on a pathway to being an exemplary employer for New Zealand. We are making proposals in relation to two main areas of workforce policy: diversity and inclusion, and common terms and conditions.

The State Sector Act does not refer explicitly to diversity and inclusion. We propose that a new *Aotearoa New Zealand Public Service Act* makes explicit reference to diversity inclusion, by making it a duty of the Commissioner to promote diversity and inclusion across the Public Service. Equally, chief executives will have a duty to promote diversity and inclusion within their departments.

We are also proposing that the Commissioner, in consultation with chief executives and functional and professional leaders, will have the ability to negotiate, directly or through delegation, common terms and conditions for functions or professions across existing Public Service departments and in respect of pay equity negotiations. The purpose of this proposal is to ensure the sustainability of our workforce, for example by helping to resolve the existing uneven distribution of capability across the Public Service.

## DIVERSITY AND INCLUSION

### Why do we need a diverse public service?

For the Public Service to reflect modern New Zealand, we need people of diverse backgrounds to bring their experiences, understanding and skills to the job.

The people you deal with in the Public Service make a huge difference to your experience of it. If you feel understood and respected and your experience is professional, that's a good thing.

A more diverse and inclusive Public Service benefits everyone. By bringing different perspectives and strengths together to solve issues, or make the most of opportunities, departments' performance will improve.

### Are you introducing quotas or employment targets?

We are not proposing to include targets in the legislation. Chief executives have established their own diversity profiles that they want to achieve in their departments. They are holding themselves to account to achieve these. The Head of State Services has oversight of this programme.

### Are you getting rid of merit appointments?

Merit is a foundation stone of public service appointment processes. The merit principle means promoting and hiring based on a person's ability to do the job. Generally, a competitive process is run, interested candidates apply for the role, and a relative assessment is made of candidates' suitability based on skills and attributes necessary to undertake the job.

The definition of merit has evolved over the past 100 years to reflect changes in workforce and society. For example, the entry of women into the Public Service workforce meant the gendered definitions of 'the best man for the job' in use in the early 20th century became out of date.

These proposals do not conflict with the merit selection principle, but they do reflect our evolving understanding of what it means. Merit will remain a fundamental principle of the Public Service, but we have to approach it in a more comprehensive and holistic way to ensure our Public Service is able to fulfil its purpose. Our workforce will perform better, will be better able to achieve desired outcomes, and will be happier, if it is diverse and inclusive.

## **COMMON TERMS AND CONDITIONS**

### **What will common terms and conditions mean in practise? Does it include common pay?**

Instituting common terms and conditions could result in commonality of some conditions (e.g. leave) and could lead to the introduction of standard pay bands within professions. If standard pay bands were to be agreed, there is no intent to undermine chief executives' discretion to set individual employee's pay within those bands.

We welcome your feedback on the benefits and risks of introducing common terms and conditions within professions.

### **How will common terms and conditions be determined?**

If we proceed with common terms and conditions, they will be developed through a collective bargaining process.

### **Where does the ERA legal framework fit in?**

The Employment Relations Act remains the framework for employment and negotiation of employment agreements in the Public Service. The new Act will be clear on the interface with the Employment Relations Act for the purposes of employing public servants.

### **What happens to collective bargaining?**

There is no change proposed to the framework governing collective bargaining in the Public Service. There is no intent to undermine the collective bargaining process.

### **Does this mean a single Multi-Employer Collective Agreement (MECA) for the public service?**

No, not necessarily. At this stage, we are considering the benefits of building commonality within professions, which would not require a single MECA for the whole public service.

### **Is this a reversion to occupation based bargaining?**

We are not proposing to change the bargaining framework that exists in the current State Sector Act. Under the proposed *Aotearoa New Zealand Public Service Act*, the Commissioner will still be responsible for collective bargaining, with the power to delegate to chief executives as required. The terms of delegation to chief executives will change as we move to bring some employment terms and conditions into line across the system.