

The Treasury

Advice on Public Sector Pay Adjustment (PSPA) Information Release

March 2023

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Cabinet Document Details

Title: **Cabinet Minute: CAB-22-MIN-0431: Public Service Pay Adjustment (PSPA) Proposal**

Date: **3 October 2022**

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Key to sections of the Act under which information has been withheld:

[33] 9(2)(f)(iv) - to maintain the current constitutional conventions protecting the confidentiality of advice tendered by ministers and officials

[36] 9(2)(h) - to maintain legal professional privilege

[38] 9(2)(j) - to enable the Crown to negotiate without disadvantage or prejudice

Where information has been withheld, a numbered reference to the applicable section of the Act has been made, as listed above. For example, a [33] appearing where information has been withheld in a release document refers to section 9(2)(f)(iv).

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Cabinet

Minute of Decision

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Public Service Pay Adjustment (PSPA) Proposal

Portfolios **Finance / Public Service**

On 3 October 2022, Cabinet:

- 1 **noted** that, following an approach from the New Zealand Council of Trade Unions (NZCTU) in relation to a uniform pay adjustment in the state services (the PSPA), the Minister for the Public Service asked the Public Service Commission to address certain issues with the NZCTU;
- 2 **noted** that the discussions between the Public Service Commission and the NZCTU have concluded, and that it is now timely to decide whether, and in what form, a PSPA could proceed;
- 3 **noted** that the Minister of Finance and Minister for the Public Service (the responsible Ministers) consider that a PSPA would bring a level of coordination, alignment, and certainty to bargaining and employment relations across the system, and would provide further opportunity to align bargaining outcomes around a fiscal envelope that will allow for collective agreements that provide fair pay to employees, are affordable for government, and are aligned with one another;
- 4 [36]
- 5
- 6 **agreed** that officials proceed with formal negotiations with the NZCTU and its affiliates for a PSPA on the terms detailed in the paragraphs below;
- 7 [33], [38]

8 **agreed** that negotiations will cover the Public Service, state and state-integrated schools, kindergarten teachers, the Health sector, and other Crown Agents, including New Zealand Police and the New Zealand Defence Force;

9 [33], [38]

10

11 **noted** that before any PSPA is agreed, it is subject to agreement and ratification from relevant public sector unions;

12 [33], [38]

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16 [33], [38]

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19 **noted** that Ministers will write to the NZCTU informing them of the framework for the PSPA set out in the paper under CAB-22-SUB-0431;

20 **authorised** the Prime Minister, the Minister of Finance, the Minister for the Public Service and the Minister of Health, in consultation with relevant Ministers, to have power to act in relation to the decisions in the paper under CAB-22-SUB-0431, [33], [38]

21 **noted** that the responsible Ministers will address communication and publicity in relation to the PSPA strategy.

Rachel Hayward
Acting Secretary of the Cabinet