



# PSA Submission

## **A fair chance for all** **Breaking the cycle of persistent disadvantage** **Interim report**

November 2022

## About the PSA

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 83,000 members. We are a democratic organisation representing members in the public service, the wider state sector (the district health boards, crown research institutes and other crown entities), state owned enterprises, local government, tertiary education institutions and non-governmental organisations working in the health, social services and community sectors.

The PSA has been advocating for strong, innovative and effective public and community services since our establishment in 1913. People join the PSA to negotiate their terms of employment collectively, to have a voice within their workplace and to have an independent public voice on the quality of public and community services and how they're delivered.

The PSA is an affiliate of the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU) and supports the submission of the CTU on the Fair chance for all interim report.

### Our values

#### Solidarity - Kotahitanga

We champion members' interests with a strong effective voice. We stand together, supporting and empowering members, individually and collectively.

#### Social justice - Pāpori Ture Tika

We take a stand for decent treatment and justice. We embrace diversity and challenge inequality.

#### Integrity and respect - Te Pono me te Whakaute

Our actions are characterised by professionalism, integrity and respect.

### Solution focused - Otinga Arotahi

We are a progressive and constructive union, constantly seeking solutions that improve members' working lives.

### Democratic - Tā te Nuinga e Whakatau ai

We encourage participation from members. We aim to be transparent, accessible and inclusive in the way we work.

## Summary

The PSA supports the 'Fair chance for all' interim report but believes that some adjustments are needed to ensure to break the persistence of disadvantage in Aotearoa New Zealand. These include the following recommendations:

- **Addressing power imbalances:** Explicitly reference the concept of 'power with' as a crucial foundation for eliminating persistent disadvantages. This entails broad based participation and in particular worker participation, tripartism and exemplary employment relations in the public sector.
- **Valuing public servants and stopping discrimination:** Include valuing who is doing the work through implementing good employer obligations and commitments to promoting diversity and inclusiveness (Public Service Act 2020)
- **Need for a holistic and integrated approach:** Integrate and connect policies and programmes for change with values and assumptions to create immediate and lasting change for those who are disadvantaged. As a particular example we recommend including a reference to the importance of implementing the WEAG recommendations on the inadequate income into the final report.
- **The importance of anticipatory governance:** Recognise the Public Service Act 2020 as a mechanism for a public sector fit for the future and acknowledge the public sector as the solution to the problem of persistent disadvantage.

## The PSA's position

The PSA strongly supports the urgent need to break persistent disadvantage across Aotearoa New Zealand and supports the creation of an equitable and inclusive society which enables all people living in New Zealand to live fulfilling lives and thrive

Some of our members have experienced or are experiencing mauri noho (disadvantage or languishing). They are left out because of lacking identity, belonging or connection; they are doing without due to material and financial hardship, loss of aspiration or opportunity to continue learning; they are affected by income poverty and unable to save money for the future. This has been accelerated by COVID-19, the increasing cost of living and the ongoing housing crisis.

In addition, many of our members serve people experiencing mauri noho on a daily basis. They understand how multiple disadvantages such as ill health, damp housing, food insecurity, poor mental health, inadequate benefits, lack of qualifications, insufficient income and bad working conditions can cause a vicious cycle which is difficult to escape.

A focus of the report is on the role of the public management system in preventing and responding to persistent disadvantage. Public management in the report is defined as organisations within government, the policymaking process, system-wide governance, accountability and funding and how the public service works together. We would like to comment on a few cross-cutting issues the report identifies and discusses.

### Addressing power imbalances

The PSA has a long-standing tradition of advocating for social justice, solidarity, equal pay, work that is valued and secure, the inclusion of workers' voice and strong public and community services. We strongly agree with your observation that power imbalances exist on the micro level (e.g. workplaces) or on the macro level (e.g. our social, economic and political institutions). The PSA's view is that **participation of workers** is a key factor to eliminate 'power over' and enable 'power to' and 'power with'. We recommend that the concept of power with is considered as an essential part of the final report. **Power with** is strongly related to concepts such as co-governance, co-design of policy and programmes, engagement and consultation approaches, systemic learning and evaluation.

We support the CTU recommendation to **embed tripartism** in the public management system as a fundamental component of re-focusing the system to genuinely activate a wellbeing approach.

Institutionally embedding tripartism would help to ensure that the voices and experiences of people working in the public sector are heard. Not only is it a way to achieve consensus on the reform of fundamental system settings, it also creates ownership which is important in ensuring that such reforms are enduring.

Work on exploring and designing **exemplary employment relations in the public sector** is under way. An exemplar employer in the public sector is defined as one which uses modern, progressive employment practices, and is a great place to work. It also wants a productive unified workforce which is grounded in the spirit of service. Exemplar engagement is grounded in ownership of and respect for the relationship by all union and public agency leaders and their role. Regular engagement on the strategic and operational level are integral to exemplar engagement.

### Valuing public servants and stopping discrimination

As part of public accountability settings, the report continues to highlight the importance to value how the public sector does its work. While it is crucial to look at the how and not only the what (in form of key performance indicators e.g.) it is also crucial to **value who is doing the work**. The report suggests that the five values of He Ara Waiora (kotahitanga, whanaungatanga, manaakitanga, tikanga and taikitanga) set out how the public sector should act to actively support the decrease of mauri noho and enhance mauri ora. To enable the realisation of these values a **well-trained and valued workforce** is needed. The PSA has highlighted in her submission on the Public Service Legislation Bill in January 2020 that we support improved and efficient capability development and careers, and fair and equitable employment. As stipulated by the Public Service Act 2020 includes good employer obligations and commitments to promoting **diversity and inclusiveness** within our workforce and workplaces. Acting as a steward for diversity and inclusion and building the culture and capability of the Public Service ensures that it serves the diverse communities, acts from a power with perspective and builds culture and capability for lasting change.

The report highlights that breaking the cycle of persistent disadvantage needs to involve people in governance, decision-making and accountability mechanisms often referred to as 'participatory democracy'. The PSA strongly supports this and includes the public sector workforce explicitly in this approach. We support the inclusion of diverse voices in accountability arrangements to address power imbalances and discrimination and to achieve better outcomes. Currently some of the public **engagement by government appears to be outsourced** to consultancy companies. This means that money which could be invested into capability development of public sector workers to engage in a meaningful and sustainable way and to share knowledge, experiences and learnings are lost. We recommend that this is carefully looked at as it is a major hinderance to building lasting capability,

thorough monitoring, evaluation and learning and essentially to affecting the desired changes to eliminate persistent disadvantages.

### Need for a holistic and integrated approach

The report **assumes that values and assumptions underpinning our societal, economic and political systems are the reason for disadvantages to persist.** While the PSA understands that the report intends to avoid duplications of other major inquiries (such as WEAG and the Tax working Group) which we support that, we recommend taking a more holistic approach. The report as it stands focusses on the so-called upstream drivers of disadvantages like experiences, beliefs, values and assumptions. We recommend that a **genuine system approach must integrate and connect upstream and downstream drivers of change** (such as practices, policies, resource flow and power dynamics) to present a practical way forward. Policies impact on people's experiences and assumptions of their material being in the world. In concrete terms it would be useful to describe how existing reviews and inquiries and reform packages have the potential to achieve the elimination of persistent disadvantages – in an ideal and material sense.

For instance, we believe that the implementation of existing policy work and recommendations such as those by the Welfare Expert Advisory Group (WEAG) around **inadequate income** need to be implemented with urgency to ensure people are not left out, deprived or lacking aspiration or capability, or experience income poverty. The recommendations are not implemented yet. The WEAG repeatedly described its income adequacy recommendations as a package and also 'minimum, immediate first step'. We recommend that the final report emphasise that these recommendations have not been implemented and if they were it would make a significant difference to persistent disadvantage. Generally, we recommend that the final report put more emphasis on addressing income inadequacy in general. As the WEAG outlined, the combination of inadequate income and abatement rates under our current welfare system play a key role in persistent disadvantage. This report does not need to address these issues, which have been well covered by previous work. However, the current framing minimises their importance. Addressing income inadequacy is a crucial foundation of any work to address mauri noho in relation to exclusion, deprivation and poverty and must be taken into consideration.

In summary, an approach that aligns upstream and downstream changes is required to achieve immediate change for those in urgent need and long-term, sustainable change for a more inclusive and equal society.

## The importance of anticipatory governance

The Public Service Act 2020 has made considerable progress in integrating a future focus to ensure Aotearoa New Zealand is able to anticipate tomorrow's problems, protect the public interest and to build institutions that are fit for the future. Pro-actively supporting **active citizenship** and developing capability is the foundation for people to participate in decision making and democratic processes to shape what they value collectively. Strong use of deliberative engagement processes, stakeholder forums and collaborative governance mechanisms, the building of exemplary employment relations help to identify and address long-term policy changes.

In the end **public services are part of the solution to breaking the cycle of persistent disadvantages**, not the problem. Governments of the day have the power to decide on policy development and implementation which is either supportive of the elimination or promotion of further disadvantages. The political framing can be based on a **universalist narrative** where the state facilitates and promotes universal free provision of basic services for those who need them when they need them or a **competitive narrative** where the state plays a minimal role and targeted investment.

Through exemplary employment relations including exemplar engagement relationships employee and union participation in decision making will be increasing. Placing the focus on building inclusive, constructive and trusting relationships enable problem-solving approaches to identify improvements and solutions. Creating a supportive and inclusive work culture with the ability to learn and adapt based on rigorous analysis and participation of workers (including their expertise and experience) and other stakeholders would be an important step to take towards reducing persistent discrimination.

Thank you for considering our submission.

For further information, please contact:

Andrea Fromm  
Senior Advisor  
Policy and Strategy  
New Zealand Public Service Association  
PO Box 3817  
Wellington 6140

Phone: 027 5816170  
Email: [andrea.fromm@psa.org.nz](mailto:andrea.fromm@psa.org.nz)