

## Zoe Yeandle

---

**From:** Peter Hughes  
**Sent:** Friday, 30 April 2021 8:00 AM  
**To:** 9(2)(a) privacy [REDACTED]; Carolyn Schwalger [NEMA]; 9(2)(a) privacy [REDACTED]; Andrew Bridgman; Andrew Coster; Andrew Crisp; Andrew Kibblewhite; Andrew McKenzie; Ashley Bloomfield; Bernadette Cavanagh; Bridget White; Brook Barrington; Caralee McLiesh; 9(2)(a) privacy [REDACTED]; Carolyn Tremain ; Chris Seed; Christina Connolly; Christine Stevenson; Dave Gawn; Dave Samuels; Debbie Power; Gaye Searancke; Gráinne Moss; Helene Quilter; Iona Holsted; 9(2)(a) privacy [REDACTED]; Jeremy Lightfoot; Julie Read; Kevin Short; Lil Anderson; Lou Sanson; Mac Leauanae ; Mark Sowden; Naomi Ferguson; Nick Pole; Nicole Rosie; Paul James; Peter Chrisp; Peter Hughes; Peter Mersi; Ray Smith; Rebecca Kitteridge; Renee.Graham; 9(2)(a) privacy [REDACTED]; Sir Wira Gardiner; Una Jagose; Vicky Robertson  
**Cc:** Dale Farrar; Dallas Welch; Erik Koed; Heather Baggott; Kellie Coombes; Martin Kessick; Tania Ott  
**Subject:** GOVERNMENT WORKFORCE POLICY STATEMENT AND PAY GUIDANCE ANNOUNCEMENT...  
**Attachments:** Government Workforce Policy Statement on employment relations.pdf; Public Service Pay Guidance 2021.pdf; Key messages and QA for Departmental Secretaries.pdf

Kei aku Rangatira,

You will recall we discussed at the Advance on 25 March the draft Government Workforce Policy Statement (GWPS) on employment relations expectations and accompanying pay guidance. The Minister for the Public Service, alongside the Minister of Finance, intends to issue the GWPS next Wednesday at around 12:30pm. I will be releasing the pay guidance at the same time, publishing both on the Te Kawa Mataaho website.

I am attaching a copy of both documents for your information – you have seen these previously. Please note that these documents are embargoed until next week's release.

As Public Service leaders, we need to be mindful of the fiscal context the Government is operating in – including how it relates to pay. The Government has invested a significant amount of money to keep the economy going and people in jobs and needs to constrain spending in other areas. It is now looking to us to lead the way in this respect and this means that pay restraint will need to continue for the foreseeable future while still ensuring that we continue the good work we have been doing collectively on eliminating discriminatory pay gaps, and ensuring the lowest paid are not left behind.

Each of you will need to apply this guidance appropriately in the specific context of your own agency and workforces, and I would be grateful if each of you would lead this personally with your people. For Te Kawa Mataaho's part, we will be absolutely flexible in our approach in supporting you to do the right thing by workforces, and in addressing any specific pay issue or situation on a case-by-case basis. To assist you, we have prepared the attached key messages and communications documents for you to use.

Te Kawa Mataaho's Workforce and Employment Relations Team will inform the CTU, PSA, NUPE and APEX about the GWPS and pay guidance. If you have a union unique to your organisation, I would appreciate it if you would engage with them directly following the Minister's announcement.

Dale Farrar or I are very happy to help and provide advice to you or your HR team. Thank you for your leadership of this work.

Ngā mihi maioha,  
Peter

**Peter Hughes** (he/him)

**Te Tumu Whakarae mō Te Kawa Mataaho | Public Service Commissioner, Head of Service**  
waea pūkoro 9(2)(a) privacy | īmēra: 9(2)(a) privacy



**Te Kawa Mataaho**  
Public Service Commission

**Te Kawa Mataaho Public Service Commission**

[www.publicservice.govt.nz](http://www.publicservice.govt.nz) | [www.govt.nz](http://www.govt.nz)



RELEASED UNDER THE OFFICIAL INFORMATION ACT

## Communications for Departmental Secretaries

[Note these are the messages and Q&A provided to the Minister's Office – there may be final changes once the GWPS is issued. They are embargoed until the Minister has made the announcement]

### Key messages - GWPS

- The Government has issued a Workforce Policy Statement – essentially setting out its expectations of how it wants the Public Service to behave as an employer.
- It replaces the 2018 Government Expectation on Employment Relations in the State Sector
- The Government wants the Public Service to be an exemplar employer, one which uses modern, progressive employment practices, and is a great place to work.
- It also seeks a productive unified workforce who are grounded in the spirit of service.
- The Government has set four key priorities:
  - Employ people fairly, equitably and in a way that allows them to live good lives and participate in the economy.
  - Work collaboratively with unions and other groups to achieve shared goals.
  - Create an inclusive environment for all workers with the aim of achieving a diverse workforce.
  - Achieve the goals within the fiscal context of the Government.

### Fiscal messages

- New Zealand has had an exceptionally successful response to COVID-19 to date, which has been supported by a huge fiscal stimulus – over \$60 billion, and one of the largest spending packages in the world (relative to the size of our economy).
- But despite this, COVID has effectively resulted in a lost year – at least – of economic growth. In practice, that means less tax revenue now and in the future.
- We can borrow to fund the one off-costs of responding to COVID, which markets understand is an exceptional scenario. And we can borrow to support our spending as the economy returns to full potential. But we can't keep borrowing to fund our day-to-day spending forever.
- So we need to think very carefully about what spending we commit to now, particularly where that spending will carry on in future
- In this context the Public Service needs to be mindful of the fiscal context the Government is operating in – including how it relates to decisions on pay

### Key Messages on Pay Guidance

- New Zealand has had an exceptionally successful response to COVID-19 to date, which has been supported by a huge fiscal stimulus – over \$60 billion, and one of the largest spending packages in the world (relative to the size of our economy).
- But despite this, COVID has effectively resulted in a lost year – at least – of economic growth. In practice, that means less tax revenue now and in the future.
- We can borrow to fund the one off-costs of responding to COVID, which markets understand is an exceptional scenario. And we can borrow to support our spending as the

economy returns to full potential. But we can't keep borrowing to fund our day to day spending forever.

- So we need to think very carefully about what spending we commit to now, particularly where that spending will carry on in future
- In this context the Public Service needs to be mindful of the fiscal context the Government is operating in – including how it relates to increases in public servants pay.
- Last year the Public Service Commissioner issued guidance to Public Service agencies asking them to have nil or minimal pay increases for public servants until June 2021.
- With many New Zealanders experiencing hardship due to the economic effects of COVID-19, showing restraint was the right thing to do then and remains the right thing to do now.
- The Government has invested a significant amount of money to keep the economy going and people in jobs. This means it needs to constrain spending in other areas.
- The Public Service needs to lead the way in supporting the Government to meet the fiscal challenges.
- Accordingly, the Public Service Commissioner has issued further guidance to Public Service Chief Executives asking them to continue exercising pay restraint – meaning no increases for high earners and senior leaders.
- Any pay adjustments will be focused on the low paid (under \$60,000) and adjusting pay for lower to middle earners in restricted circumstances.
- The Guidance Pay restraint is going to be with us for some time and this requires a continuing period of pay restraint for at least the next two years.
- Work to reduce gender or ethnic pay inequities will also continue.
- Across-the-board pay increases are not affordable or appropriate.
- Collective bargaining and remuneration reviews in the public sector will need to reflect the Government's position on pay restraint.
- Improving the pay of the lowest paid workers in the public sector will be the primary focus in collective bargaining, during this period.
- Pay restraint is what the public would expect of us in this fiscal environment.

#### Questions and Answers – pay guidance

##### Why is pay restraint needed?

New Zealand has had an exceptionally successful response to COVID-19 to date, which has been supported by a huge fiscal stimulus – over \$60 billion, and one of the largest spending packages in the world (relative to the size of our economy).

We can borrow to fund the one off-costs of responding to COVID, which markets understand is an exceptional scenario. And we can borrow to support our spending as the economy returns to full potential. But we can't keep borrowing to fund our day-to-day spending forever.

So we need to think very carefully about what spending we commit to now, particularly where that spending will carry on in future.

In this context the Public Service needs to be mindful of the fiscal context the Government is operating in – including whether across the board pay increases are sustainable or appropriate at this time.

### **Which agencies does the guidance cover?**

The guidance covers the core Public Service, and they must give effect to it. The Public Service Commissioner has asked other public sector agencies, including the health and education sectors, to take this guidance into account in their decision making.

### **What does the guidance do?**

Essentially the guidance sets the expectation that Public Service Chief Executives:

- Hold pay for higher earners and senior leaders - the default position is no increases for those paid over \$100,000.
- Beyond legal obligations, ensure a minimum pay rate that provides a liveable wage. Further to this provide modest pay increases for staff in low paid roles (roles paid below \$60,000)
- For lower to middle earners (approximately \$60,000 to \$100,000) pay adjustments may be considered in restricted circumstances against criteria set in the guidance and will require the approval of the Commission.
- Apply increases that are contractually required by existing settled agreements.
- Continue to fund implementation of plans to close gender and ethnic pay gaps.

### **What is considered a low paid role?**

As a guide – low paid roles are those where the average pay of people in the role is less than \$60,000. These earners make up approximately 25 percent of the Public Service workforce.

### **What is considered lower to middle earners?**

Lower to middle earners are those where the average pay of people in their role is above \$60,000 and they are paid below \$100K. These earners make up approximately 50 percent of the Public Service workforce.

### **What does this mean for pay equity settlements?**

This does not affect pay equity settlements.

### **What does this mean for closing gender pay gaps?**

The guidance allows Chief Executives to continue implementing agreed plans to close gender pay gaps.

### **What does this mean for closing Māori, Pasifika and ethnic pay gaps?**

The guidance allows Chief Executives to continue implementing plans to close Māori, Pasifika and ethnic pay gaps.

## Zoe Yeandle

---

**From:** Peter Hughes  
**Sent:** Tuesday, 4 May 2021 4:30 PM  
**To:** 9(2)(a) privacy [REDACTED] Carolyn Schwalger [NEMA];  
9(2)(a) privacy [REDACTED] Andrew Bridgman; Andrew Coster; Andrew Crisp;  
Andrew Kibblewhite; Andrew McKenzie; Ashley Bloomfield; Bernadette Cavanagh;  
Bridget White; Brook Barrington; Caralee McLiesh  
9(2)(a) privacy [REDACTED] Carolyn Tremain ; Chris Seed; Christina  
Connolly; Christine Stevenson; Dave Gawn; Dave Samuels; Debbie Power; Gaye  
Searancke; Gráinne Moss; Helene Quilter; Iona Holsted  
9(2)(a) privacy [REDACTED] Jeremy Lightfoot; Julie Read; Kevin Short; Lil  
Anderson; Lou Sanson; Mac Leauanae ; Mark Sowden; Naomi Ferguson; Nick Pole;  
Nicole Rosie; Paul James; Peter Chrisp; Peter Mersi; Ray Smith; Rebecca Kitteridge;  
Renee.Graham; 9(2)(a) privacy [REDACTED] Sir Wira Gardiner; Una Jagose; Vicky  
Robertson  
**Cc:** Dale Farrar; Dallas Welch; Erik Koed; Heather Baggott; Kellie Coombes; Martin  
Kessick; Tania Ott  
**Subject:** [IN-CONFIDENCE] RE: GOVERNMENT WORKFORCE POLICY STATEMENT AND PAY  
GUIDANCE ANNOUNCEMENT...  
**Attachments:** Public Service Pay Guidance 2021.pdf

[IN-CONFIDENCE]

He rā pai ki a koutou katoa

As you know, the Government is holding a press conference tomorrow to release its workforce policy statement, which means pay restraint across the Public Service will continue. This announcement is now intended to be 9am, not 12:30pm, as I had advised in my previous email.

Your staff will of course want to know what it means for them. I'm asking you to lead communications with them in your agency.

I've attached an embargoed copy of the guidance that we will publish on the Commission's website at 9am tomorrow.

I am also including (below) a reactive media statement I will issue if approached by media. I am happy for you to use this broadly within your agency if that is helpful to you.

Ngā mihi,  
Peter

### **Reactive statement on guidance to reflect the Government's Workforce Policy Statement**

The Government has been clear in its expectations of fiscal discipline and continuity, and the pay guidance for the Public Service reflects that.

The Public Service will continue to apply restraint.

This does not mean austerity. Nor is it a wage freeze. It's about managing wage growth in an environment of restraint.

The guidance continues to place a priority on ensuring our lowest paid staff are not left behind.

Pay increases that have already been agreed will be delivered, pay equity claims will continue to be progressed, gender and ethnic pay gaps will be closed, and there will still be progression through salary ranges in agreements.

The guidance has enough flexibility built in to ensure chief executives can manage this within the context of their own agencies.

**Peter Hughes** (he/him)

**Te Tumu Whakarae mō Te Kawa Mataaho | Public Service Commissioner, Head of Service**

**waea pūkoro** 9(2)(a) privacy | **īmēra:** 9(2)(a) privacy



**Te Kawa Mataaho Public Service Commission**

[www.publicservice.govt.nz](http://www.publicservice.govt.nz) | [www.govt.nz](http://www.govt.nz)



[IN-CONFIDENCE]

**From:** Peter Hughes 9(2)(a) privacy

**Sent:** Friday, 30 April 2021 8:00 AM

**To:** 9(2)(a) privacy Carolyn Schwalger [NEMA] 9(2)(a) privacy

9(2)(a) privacy Andrew Bridgman 9(2)(a) privacy Andrew Coster

9(2)(a) privacy Andrew Crisp 9(2)(a) privacy Andrew Kibblewhite

9(2)(a) privacy Andrew McKenzie 9(2)(a) privacy Ashley

Bloomfield 9(2)(a) privacy Bernadette Cavanagh 9(2)(a) privacy

Bridget White 9(2)(a) privacy Brook Barrington 9(2)(a) privacy Caralee McLiesh

9(2)(a) privacy Carolyn Tremain

9(2)(a) privacy Chris Seed 9(2)(a) privacy Christina Connolly

9(2)(a) privacy Christine Stevenson 9(2)(a) privacy Dave Gawn

9(2)(a) privacy Dave Samuels 9(2)(a) privacy Debbie Power

9(2)(a) privacy Gaye Searancke 9(2)(a) privacy Gráinne Moss

9(2)(a) privacy Helene Quilter 9(2)(a) privacy Iona Holsted

9(2)(a) privacy Jeremy Lightfoot

9(2)(a) privacy Julie Read 9(2)(a) privacy Kevin Short

9(2)(a) privacy Lil Anderson 9(2)(a) privacy Lou Sanson 9(2)(a) privacy

Mac Leauanae 9(2)(a) privacy Mark Sowden 9(2)(a) privacy Naomi Ferguson

9(2)(a) privacy Nick Pole 9(2)(a) privacy Nicole Rosie 9(2)(a) privacy

Paul James 9(2)(a) privacy Peter Crisp 9(2)(a) privacy Peter Hughes

9(2)(a) privacy Peter Mersi 9(2)(a) privacy Ray Smith

9(2)(a) privacy Rebecca Kitteridge 9(2)(a) privacy Renee.Graham

9(2)(a) privacy 9(2)(a) privacy Sir Wira Gardiner 9(2)(a) privacy Una

Jagose 9(2)(a) privacy Vicky Robertson 9(2)(a) privacy

**Cc:** Dale Farrar 9(2)(a) privacy Dallas Welch 9(2)(a) privacy Erik Koed

9(2)(a) privacy Heather Baggott 9(2)(a) privacy Kellie Coombes

9(2)(a) privacy Martin Kessick 9(2)(a) privacy Tania Ott

9(2)(a) privacy

**Subject:** GOVERNMENT WORKFORCE POLICY STATEMENT AND PAY GUIDANCE ANNOUNCEMENT...

Kei aku Rangatira,

You will recall we discussed at the Advance on 25 March the draft Government Workforce Policy Statement (GWPS) on employment relations expectations and accompanying pay guidance. The Minister for the Public Service, alongside the Minister of Finance, intends to issue the GWPS next Wednesday at around 12:30pm. I will be releasing the pay guidance at the same time, publishing both on the Te Kawa Mataaho website.

I am attaching a copy of both documents for your information – you have seen these previously. Please note that these documents are embargoed until next week’s release.

As Public Service leaders, we need to be mindful of the fiscal context the Government is operating in – including how it relates to pay. The Government has invested a significant amount of money to keep the economy going and people in jobs and needs to constrain spending in other areas. It is now looking to us to lead the way in this respect and this means that pay restraint will need to continue for the foreseeable future while still ensuring that we continue the good work we have been doing collectively on eliminating discriminatory pay gaps, and ensuring the lowest paid are not left behind.

Each of you will need to apply this guidance appropriately in the specific context of your own agency and workforces, and I would be grateful if each of you would lead this personally with your people. For Te Kawa Mataaho’s part, we will be absolutely flexible in our approach in supporting you to do the right thing by workforces, and in addressing any specific pay issue or situation on a case-by-case basis. To assist you, we have prepared the attached key messages and communications documents for you to use.

Te Kawa Mataaho’s Workforce and Employment Relations Team will inform the CTU, PSA, NUPE and APEX about the GWPS and pay guidance. If you have a union unique to your organisation, I would appreciate it if you would engage with them directly following the Minister’s announcement.

Dale Farrar or I are very happy to help and provide advice to you or your HR team. Thank you for your leadership of this work.

Ngā mihi maioha,  
Peter

**Peter Hughes** (he/him)

**Te Tumu Whakarae mō Te Kawa Mataaho | Public Service Commissioner, Head of Service**

waea pūkoro: 9(2)(a) privacy | imēra: 9(2)(a) privacy



**Te Kawa Mataaho**  
Public Service Commission

**Te Kawa Mataaho Public Service Commission**

[www.publicservice.govt.nz](http://www.publicservice.govt.nz) | [www.govt.nz](http://www.govt.nz)

