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To whom it may concern

### **Regulatory Institutions and Practices Issues Paper**

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 58,000 members. We are a democratic organisation representing members in the public service, and 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 is an affiliate of the New Zealand Council of Trade Unions Te Kauae Kaimahi and supports its submission on the issues paper.

Many PSA members work in the design, setting, implementation and administration of regulation. We submit the following brief comment on questions 34 to 38 of the issues paper relating to regulator workforce capabilities.

#### *Questions 34 and 35*

The issues paper notes both that building and maintaining the right kind of capability enables regulators to deliver the desired regulatory regime and that the large range of regulatory agencies in New Zealand can fragment the available capability or workforce. Clearly, strong leadership, coordination cooperation between agencies on workforce planning, maintenance and development is needed for the regulatory system to succeed.

While recent changes to the State Sector Act 1988 and Public Finance Act 1989 introduce co-ordination mechanisms such as functional leads and multi-category appropriations, and the new requirement for agencies to produce four year workforce plans offer some potential, it is the PSA's

view that these elements will not in themselves, or in combination, adequately address fragmentation. Multi-agency initiatives will still require significant effort and complex governance arrangements. More needs to be done and strong leadership from the centre will be required.

In particular and from our perspective, the profile of public sector training appears to have fallen away somewhat and the link between agencies and the industry training organisation is perhaps not as strong as envisaged. It appears that the training framework is not currently providing what is needed.

In addition, there is no apparent strategy or mechanism for capability management and development across the State sector other than at the level of top management. The State Sector Act makes no provision for management of capability through redeployment by transfer of staff other than chief executives. This is of particular concern to the PSA given the current context of endemic restructuring in State sector agencies, and that regulatory roles often require specialist technical expertise. For further PSA comment on this point please see pages 11 and 26 of our [submission to select committee](#) earlier this year on the State Sector and Public Finance Reform Bill.

#### *Questions 37 and 38*

The PSA supports devolution of regulatory powers to responsible agencies in order to retain connection with the specific context of those powers, however clear responsibility for leadership and policy overview of the regulatory function is needed. We suggest that this responsibility be assigned to an appropriate agency.

The issues paper asks when changes to institutional arrangements work best to improve capability. It is the PSA's experience that structural changes, including mergers of agencies, frequently lead to loss of capability rather than its improvement.

The PSA appreciates the opportunity to comment on the issues paper and it is likely that we will make a more substantive submission at the draft report stage of this inquiry.

Yours sincerely

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