

# Government Procurement Rules

**April 2025**



New Zealand Council Of  
Christian Social Services

## Tirohanga Whānui | Overview

The New Zealand Council of Christian Social Services (NZCCSS) welcomes the opportunity to provide feedback on the Government Procurement Rules.

- We have concerns about how the Rules will influence social sector commissioning
- We welcome additional transparency and contract management requirements for government
- We challenge the kaupapa to remove the requirement to uphold the living wage.

## Taunakitanga | Recommendations

### **Social sector commissioning is a partnership rather than a purchase**

Investing in the social sector and social services is often very different to the purchasing of other goods and services. An open competitive approach is not always the best way to achieve public value.

To best meet the needs of struggling New Zealanders, the government needs to work alongside communities and in collaboration with a diverse mix of community organisations. Community preferences and aspirations vary significantly. Community organisations bring their own goals, resources and expertise.

Most social sector organisations are mission orientated and are keen to work with funders to achieve shared goals. A partnership approach can leverage significant additional resources and value. For example:

- NZCCSS members coordinate more than 2 million volunteer hours each year.
- One of our members the Salvation Army, spent around \$200m in 2024 on community and social programmes; only around half of this was government funding [1].

Our members are committed to honouring Te Tiriti of Waitangi. Investment to achieve Crown obligations under Te Tiriti related to community social supports will often need to look quite different to an open competitive procurement. This may include establishing long-term partnerships, investing in relationship building, sharing decision making and investing in capability building.

It is not clear how the new requirement for economic benefit to New Zealand (Rule 8) will be applied to social services. All effective social services will have flow on economic benefits to the people and communities they help. However, there is a risk that a narrow interpretation of economic benefit could fail to recognise the value and impact of social services and requiring a 10 percent weighting on this (Rule 4.1) for social services may just duplicate evaluation of service capability.

The revision of the Rules is an opportunity to improve clarity in how to work in partnership with the social sector. Without additional guidance, there is a risk that open competition and opt-outs will both be used inconsistently and inappropriately.

## Recommendations:

- We suggest revising the Further Information section on p.27 to frame open competitive procurement as a tool for social sector commissioning rather than commissioning as a subset of open competitive procurement.
- We recommend adding the following wording: “Funders must consider the best approaches to achieve their policy intent in collaboration with community partners. Open competitive tenders can be an appropriate tool but other options such as competitive dialogue, direct sourcing and grants should also be considered.”
- We suggest development of additional procurement guidance with the Social Sector Commissioning Hub [2] and the Social Investment Agency, alongside social service providers, on how best to invest to achieve social objectives.

## Additional transparency and rigour are cautiously welcomed

There are new requirements that increase transparency and rigour. These include requirements:

- for agencies to ensure they have a strong case for an opt-out before they enter into discussions, rather than justifying their approach following engagement (Rule 11.3b).
- to publish details of opt-out procurements to ensure public visibility of government investment (Rule 11.7).
- to have a contract management system and contract management plan (Rules 34 and 35).

We welcome changes that ensure transparency and rigour when funders are partnering with the sector. However, there may be risks that these have unintended consequences for social sector investment. For example:

- It may be unclear how Rule 11.3b applies to ongoing partnerships where conversations about shared goals may occur years before funding is found and procurement can proceed.
- Rule 11.7 might contribute to the inclination to inappropriately use open competitive procurements.

We support the requirement for consistent contract management and contract management plans. Greater consistency from funders would be useful for community organisations in order to have clear and transparent reporting and contract requirements across government. A more coherent approach to reporting requirements may also allow a greater visibility of the public value of government investments so that funders and providers understand the full implications of changes to funding.

We recommend a focus is placed on ensuring the approach to contract management does not increase the administrative burden already felt by community organisations. The call for relevant and proportionate metrics will hopefully ensure that the administrative burden matches the scale and risk profile of the investment. In the social sector, the desire for improved data insights and monitoring needs to be matched with funding models that factor this into prices. Performance monitoring can add the most value when communities are involved in determining what matters and a continuous improvement approach is taken with shared data insights and open dialogue undertaken about how to achieve shared goals.

**Recommendation:** We recommend more detailed implementation of these changes be considered through the social sector guidelines suggested earlier. NZCCSS would be happy to be part of further discussion on this topic.

## **Government contracts should deliver living wages**

NZCCSS does not support the removal of the requirement for the Living Wage to be paid for cleaning, catering, and security guard services that are procured by government. The Living Wage is good for collective wellbeing, and our economy. It can improve service delivery by reducing turnover, increasing productivity, and creating more sustainable employment. Workers rely less on government assistance and spend a higher proportion of wage gains on immediate needs and within their local region [3].

We do not believe this change aligns with the focus on economic benefit in the Rules and have concerns about the impact this will have on the wellbeing and quality of life for working families. We believe that government investment in the economy should improve the wages and the wellbeing of lowest wage workers.

**Recommendation:** We suggest keeping the requirement for government contracts for cleaning, catering, and security guard services to deliver living wages.

## **Ngā Tohutoro | References**

[1] The Salvation Army (2024) *Firm Foundations | He Tumu Pūmau The Salvation Army Annual Report*. Available [www.salvationarmy.org.nz/publications/annual-reports/annual-report-2024/](http://www.salvationarmy.org.nz/publications/annual-reports/annual-report-2024/)

[2] The Social Sector Commissioning Hub was established by the Social Sector Commissioning Action Plan which is still in force. [www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/planning-strategy/social-sector-commissioning/ssc-action-plan-2022.pdf](http://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/planning-strategy/social-sector-commissioning/ssc-action-plan-2022.pdf)

[3] The Living Wage Requirement in Government Procurement [www.livingwage.org.nz/lw\\_in\\_gov](http://www.livingwage.org.nz/lw_in_gov)

## **Ko wai tātou | Who we are**

NZCCSS has six foundation members; the Anglican Care Network, Baptist Churches of New Zealand, Catholic Social Services, Presbyterian Support and the Methodist and Salvation Army Churches.

Through this membership, NZCCSS represents over 100 organisations providing a range of social support services across Aotearoa. Our mission is to call forth a just and compassionate society for Aotearoa, through our commitment to our faith and Te Tiriti o Waitangi.

Further details on NZCCSS can be found on our website - [www.nzccss.org.nz](http://www.nzccss.org.nz).

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