



Cabinet Policy Committee

**POL Min (04) 28/5.5
Amended Minute**

Minute of Decision

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Workplace Productivity Working Group Report: Approval for Release of Report and Government Response

On 17 November 2004 the Cabinet Policy Committee, having been authorised by Cabinet with Power to Act [CAB Min (04) 36/18]:

Background

- 1 **noted** that in December 2003 Cabinet Business Committee agreed to the establishment of the Workplace Productivity Working Group, to examine productivity at the workplace level [CBC Min (03) 10/4];
- 2 **noted** that the Working Group provided their report to the Ministerial Reference Group (Minister of Labour (Chair), Minister of Finance and Minister of Economic Development) in August 2004;

Working Group report

- 3 **noted** the contents of the Working Group report, attached to the paper under POL (04) 351;
- 4 **noted** that the key messages from the Working Group report are:
 - 4.1 there needs to be shared responsibility amongst industry, firms, unions and government for improving workplace productivity, with all these partners taking an active role, and the government's role should be focussed on supporting improvements in firms;
 - 4.2 there are seven complementary and reinforcing drivers of workplace productivity, and productivity improvements can be made using any of these drivers depending on the priorities facing a particular firm. As the drivers are complementary, changes in business practices in one area will generally reinforce changes in another area;
- 5 **noted** that the Working Group made 63 more detailed recommendations in relation to the drivers of workplace productivity, for the following four types of action to improve workplace productivity: Raising Awareness; Diagnostic Tools; Implementation; and Research and Evaluation;

- 6 **noted** that the Working Group characterised their report as setting “out a Workplace Productivity Agenda for responding to the workplace productivity challenge” and recommended that an Advisory Board or Committee be established to oversee the implementation of the Agenda;

Government response

- 7 **agreed** that the government response:
- 7.1 acknowledge the benefits of the Working Group process and, in particular, the commitment that the Working Group has created from all stakeholders to a new emphasis on workplace productivity;
 - 7.2 involve formally adopting a Workplace Productivity Agenda to deliver the benefits of a new firm-level focus on improving workplace productivity, as a component and contribution to the Growth and Innovation Framework;
- 8 **agreed** that the Workplace Productivity Agenda include:
- 8.1 strategic communications to raise the profile for workplace productivity;
 - 8.2 sharing knowledge by supporting the distribution of research and diagnostic tools and technologies with the support of all the key stakeholders;
 - 8.3 creating or commissioning new diagnostic support tools and other assistance to help identify possible workplace productivity improvements;
 - 8.4 facilitating productivity improvements by providing a catalyst for learning, such as bringing firms together for business-to-business exchanges;
 - 8.5 providing funding support for capacity building activities and workplace productivity improvements;
 - 8.6 undertaking research and knowledge-deepening activities, including developing links to international productivity organisations and commissioning and reporting on research into workplace productivity issues;
 - 8.7 reviewing government programmes to ensure that resources are focused, targeted and relevant;
- 9 **agreed** that the paper under POL (04) 351 form the government response;
- 10 **agreed** that the Secretary of Labour have accountability to the Minister of Labour as part of the Ministerial Reference Group for overseeing delivery of the Workplace Productivity Agenda;
- 11 **agreed** that the Minister of Social Development and Employment/Associate Minister of Education (Tertiary Education) and the Minister of Research Science and Technology be added to the Ministerial Reference Group;
- 12 **agreed** that the following agencies will be responsible for leading the government contribution to the Workplace Productivity Agenda:

- 12.1 Building Leadership and Management Capability – Ministry of Economic Development;
 - 12.2 Creating Productive Workplace Cultures - Department of Labour;
 - 12.3 Encouraging Innovation and the Use of Technology - Ministry of Research, Science and Technology;
 - 12.4 Investing in People and Skills - Department of Labour;
 - 12.5 Organising Work - Department of Labour;
 - 12.6 Networking and Collaborating – Ministry of Economic Development;
 - 12.7 Measuring What Matters - All agencies responsible;
- 13 **agreed** that:
- 13.1 the Workplace Productivity Agenda is intended to build on and complement existing Government initiatives;
 - 13.2 existing initiatives under other heads will continue;
 - 13.3 the Agenda will involve scrutiny of whether those initiatives are delivering in a co-ordinated manner, at the firm level;

Reference group

- 14 **agreed** that the Secretary of Labour establish a Reference Group to support implementation of the Workplace Productivity Agenda;
- 15 **approved** the draft Terms of Reference for the Reference Group, attached to this minute;
- 16 **noted** that the Terms of Reference set an expectation that the Agenda will deliver concrete actions with demonstrable impacts on workplace productivity over the short to medium term (by 30 June 2005) while also providing a foundation to prioritise further actions over the medium to longer term (in the first instance between 1 July 2005 and 30 June 2006);
- 17 **invited** the Ministerial Reference Group (Minister of Labour, Chair) to report to the Cabinet Economic Development Committee on the concrete actions in paragraph 16, by 31 July 2005;
- 18 **noted** that the Reference Group will initially be appointed from 1 January to 30 June 2005, with a possible extension on their term to 30 June 2006, and that consideration will need to be given to the ongoing responsibility for oversight of the Agenda, following the review of the mandate of the Growth and Innovation Advisory Board that is currently underway;
- 19 **noted** that, in the interim, the Reference Group will consult with the Growth and Innovation Advisory Board in developing its work programme, and will work in partnership with the Board to promote consistency of approach and integration of work;

Public launch

- 20 **agreed** that the Working Group's report and the government response be launched at a function led by the Minister of Labour, with support from the New Zealand Council of Trade Unions, Business New Zealand and the Growth and Innovation Advisory Board, and co-hosted by the Wellington Regional Chamber of Commerce on the evening of 30 November 2004 at the Academy of Fine Arts;

Funding issues

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Consultation

- 21 **noted** that the Minister of Labour indicates that the government caucuses will be consulted, and consultation with other parties represented in Parliament is not required.

Fleur Gaston
Secretary

Reference: POL (04) 351

Secretary's note: This minute has been reissued to correct an omission regarding the Cabinet Policy Committee's having Power to Act on this item.

Present:

Rt Hon Helen Clark (Chair)
Hon Dr Michael Cullen
Hon Jim Anderton
Hon Steve Maharey
Hon Trevor Mallard
Hon Pete Hodgson
Hon Parekura Horomia
Hon Mark Burton
Hon Paul Swain
Hon David Benson-Pope
Hon Taito Phillip Field

Officials present from:

Office of the Prime Minister
Department of the Prime Minister and Cabinet

Copies to:

Cabinet Policy Committee
Chief Executive, DPMC
Director PAG, DPMC
Secretary to the Treasury
Government Statistician
Chief Executive, Ministry of Economic Development
Chief Executive, Ministry of Social Development
General Manager, Tertiary Education Commission
Chief Executive, Ministry of Pacific Island Affairs
Director-General, Ministry of Agriculture and Forestry (Agriculture)
Chief Executive, New Zealand Trade and Enterprise
State Services Commissioner
Chief Executive, Ministry of Education
Chief Executive, Ministry of Research, Science and Technology
Chief Executive, Te Puni Kokiri
Minister of Labour
Secretary of Labour
Minister of Women's Affairs
Chief Executive, Ministry of Women's Affairs

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