

# TE HUARAHI MO NGA KAIMAHI

THE CTU VISION FOR THE WORKPLACE OF  
THE FUTURE



NEW ZEALAND COUNCIL  
OF TRADE UNIONS  
TE KAUA E KAIMAHI

Te Huarahi mo nga Kaimahi  
is about the path into the  
future for workers and  
symbolises the vision of  
a positive and rewarding  
working life.

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# Mihi

Toi te rangi, toi te whenua, toi te rangimarie, Tihei Mauri Ora

E ngā waka, e ngā mana, e ngā reo, tenei te mihi atu ki a koutou katoa.

Ngā tini mate, o ngā hau e wha, haere atu ra ki te Matua I te Rangi.

Moe mai, moe mai, ara ki te hunga ora, tena koutou katoa.

Tenei te mihi atu ki ngā mema o Te Kauae Kaimahi, ngā

kaimahi katoa o te motu nei, Kia a koutou ma, kia kaha

kia maia kia manawanui.

# Introduction

Over past years the Council of Trade Unions – Te Kauae Kaimahi has encouraged initiatives towards a workplace of the future that can nurture a high value, high skill, high wage economy. This booklet describes the initiatives we are taking towards that aim.

It is necessary for workers and their unions to be involved in developing the economic and social strategies that will directly affect us, our children and our grandchildren, not only because it is our democratic right, but also, because the experience of other successful, small countries has shown that our participation is essential to success.

The CTU – Te Kauae Kaimahi is the largest, democratic organisation in the country, representing more than 350,000 working people. It has a formal relationship agreement, Ture Whakawhanaungatanga, between its National Affiliates' Council and Te Runanga o Nga Kaimahi Māori o Aotearoa. Because government recognises us, along with Business NZ, as a social partner, our role is to give voice to those people in debate on economic and social development strategies. It is also our role to lead the implementation of those strategies in such a way that everyone benefits, now and in the future.

International financier George Soros has warned that:

***Perhaps the greatest threat to freedom and democracy in the world today comes from the formation of unholy alliances between government and business.<sup>1</sup>***

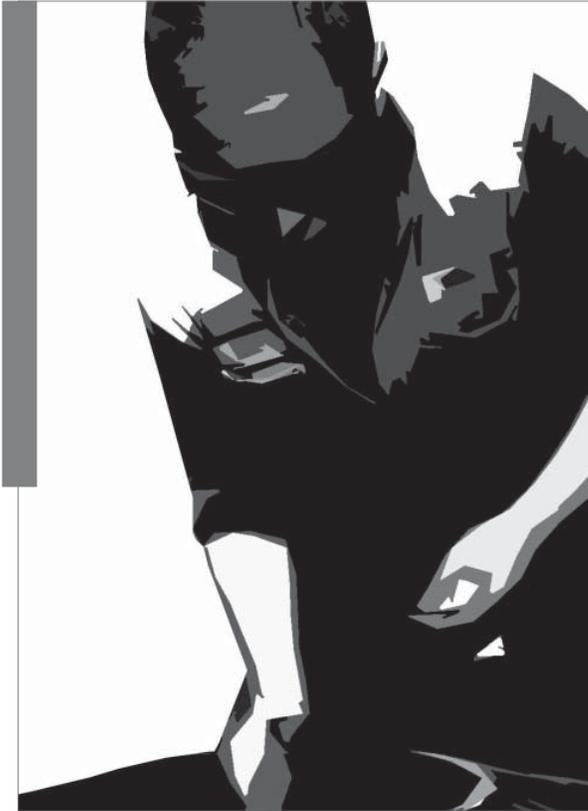
Freedom and democracy can, however, be protected when government, business and unions work together in a way that respects their respective roles and benefits everyone. This joint participation can help us realise the opportunities of globalisation – face its challenges and avoid its threats – and make us socially cohesive and economically strong.

Social partnership, while an essential element of democratic society, cannot exist without basic human rights' protections. Importantly for unions, international labour conventions guarantee the right for workers to organise collectively in unions for their common advancement and to bargain collectively with their employers.

However, participation by unions in economic and social development is not only a matter of democratic principles – it is also a proven element of success in several comparable small countries.

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<sup>1</sup> World Forum on Democracy (WFD), 25-27 June 2000, Warsaw, Poland



Bruce Jesson in his 1999 book *Only Their Purpose is Mad* has said:

***Put simply, the challenge facing New Zealand is to redefine the role of the nation in the modern global economy... nation-building is about creating a cohesive society that can act internationally with some sense of purpose.<sup>2</sup>***

We have taken up that challenge using the success of small countries like Finland, Ireland and Denmark as evidence that social partnership and investment in workforce development are essential.

In 2006 and 2007 the Minister of Labour, the CEO of Business NZ and I have visited Helsinki, Copenhagen and Dublin to see for ourselves. For me the lessons from that visit were:

- Small economies – unlike larger ones – have to make national strategic choices

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<sup>2</sup> Bruce Jesson, "Only Their Purpose Is Mad", Dunmore Press, Palmerson North, 1999

about survival in a globalised, competitive world that has few protections.

- In small countries the task of getting consensus around shared problem-definition and solutions is a comparatively easy one, and one in which politicians and business and union leaders play a major role.
- Social partnership, with its problem-solving culture, is acknowledged as a big contributor to the economic success of these countries.
- Workforce development, industrial relations and labour market policies are important components of economic policy. Workforce development, perhaps more than technological development, is seen as a major contributor to the next phase of their economic development.
- Developing more participative and democratic workplaces and learning networks is seen as vital at workplace level.

This has reinforced our commitment to our work of the past seven years which includes:

- Support for the Employment Relations Act with its commitment to working together in good faith.
- Increased investment in training and skills development.
- Development of systems of health and safety and learning representatives in workplaces, not only to advocate and organise around healthy and safe workplaces and lifelong learning, but also to encourage workers to participate more.
- Leading public and workplace debate on the challenge of improving productivity.
- Promoting policies to make workplaces and work more attractive and family-friendly.
- Ensuring a special focus on particular groups and sectors, such as the role of the state sector and Māori workforce development.
- Working with government and business to create practical strategies that will make a positive difference at industry and organisation level.

As well as canvassing the work of the CTU and our affiliated unions over recent years, this booklet sets out our goals for the workplace of the future. We also discuss what we think is needed to continue on this path.

It is not a blueprint – we welcome dialogue and feedback – and we recognise that there are workplaces that already exhibit many of the features we describe.

While much has improved in recent years, in such areas as annual holidays, minimum wages, paid parental leave and health and safety, the working lives of many workers are still characterised by low pay and a sense of being undervalued in workplaces that remain hierarchical and dysfunctional.

This is a long way from our vision of a modern workplace where participation in decent work is a vital part of our democracy and essential to the lasting success of our social and economic development.

We know that we cannot expect simply to adopt models from other countries. We also know that in Denmark and other European countries:

- There is a longstanding 'historic compromise' underlying the consensus-building process between capital and labour.
- There is a stronger tradition of social responsibility in European law and practice than under our Anglo Saxon tradition.
- There are fewer extremes in the national political processes than there are here.

These countries do, however, provide a model we can aspire to and which our political environment of the past seven years has encouraged. We have made progress but there is a long way to go. We need to work for an economic and social development model that arises from a modern, innovative and participative workplace. We need also to win public understanding and support for such a strategy.

New Zealanders don't want to go back to the 'more market' days of the 1980s and 1990s when the disparity between rich and poor grew faster than in any OECD country. They support the 'hands on' approach of getting involved in making a national strategy for a high skill, high value, and high wage economy.

As Bruce Jesson has said:

***As is often the case, the process of formulating those goals might be as important as the goals themselves. A democratic process whose purpose was to provide a national perspective would in itself help restore New Zealand's democratic processes.<sup>3</sup>***

This booklet then, is our modest contribution to nation building.



Ross Wilson  
President

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<sup>3</sup> Bruce Jesson, "Only Their Purpose Is Mad", Dunmore Press, Palmerson North, 1999

# What does a decent workplace look like?

We think a decent workplace will have 5 key features:

1. It will be highly productive, add value to quality goods and services and reward workers with high wages and excellent conditions of work.
2. It will be a centre of lifelong learning that invests in people, lifts transferable skills – not merely job-specific ones – and constantly strives to develop the workforce.
3. Workplace practices will be based on fairness and respect in a high trust environment that values participation, diversity and flexibility.
4. It will have strong networks with others in the industry<sup>4</sup> and the community and will recognise the value of public services and constructive social partnership with government and business.
5. It will be healthy, safe and sustainable and its work will be engaging and rewarding, while recognising that people have lives outside of work.

In previous publications the CTU has called for modernised workplaces, for workers to take part in forming industry strategies and for unions to have a role in innovating workplaces and ensuring that such development can be sustained.

When the Government of fifteen years ago was dismantling the basis for modern productive workplaces with legislation such as the Employment Contracts Act we published, *A Quality Future: Working Together for Growth in New Zealand* (1992), in which we called for:

- co-operation and consensus
- changing technology
- quality goods, services and processes
- less hierarchical management
- flexibility in the face of a constantly changing world
- an educated and engaged workforce
- innovation and creativity at all levels.

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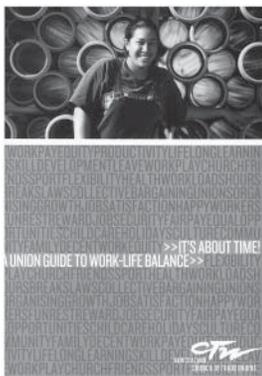
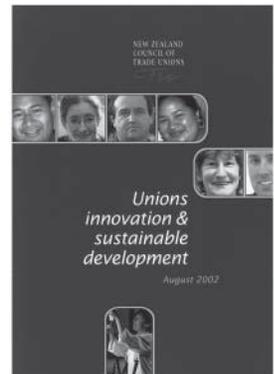
<sup>4</sup> We use the word “industry” to cover all sectors across the public and private sectors.

The report stated that the CTU wanted to “work with others in the community to build an economy that is environmentally sustainable and in which respect for people, their cultures and their rights can be guaranteed”. We argued for better monetary policy and positive measures to stimulate economic growth, such as research and development, more industry training, improved work practices and the setting of new quality standards.

We also called for a change in direction and an economy based on “skills and quality, not cheap labour; the strategic development of sectors and industries, not short-term cost cutting; and co-operation and engagement in the development of policy at all levels, not adversarial confrontation”.

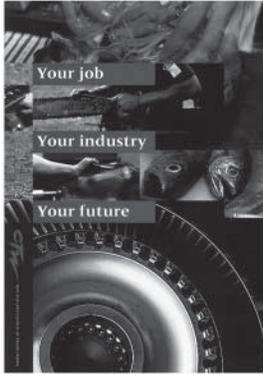
In 2002, in a booklet called *Unions, Innovation and Sustainable Development*, we noted the need:

- For investing in all workers, and improving their work environment and quality of life to ensure constant innovation.
- For balanced growth that includes economic, social, environmental and institutional dimensions.
- For union involvement in maximising the combination of technology, skill development and workplace organisation to greatly assist productivity.
- To give workers a relevant skill to protect their employability, job security and wage levels.
- For an active role for a revitalised state sector in economic development.
- For the fair distribution of wealth and policies that invest in people as well as opportunities to improve growth and development and generate higher levels of wealth.



In *It's About Time* (2004) we called for a labour market that allowed all workers to take part in paid employment, fully and without discrimination, as well as in family, social and cultural life. It focused on seven areas:

- precarious employment
- pressure of workloads
- hours of work
- leave entitlements
- pay
- workplace culture
- family and community responsibilities.



In *Your Job. Your Industry. Your Future* (2005), which emphasised the importance of workers having a say, we called for workers with their special industry knowledge to participate in creating a high wage, high skill, high quality economy. We also pointed to the wider role of unions in industry training and education, workplace productivity, industry development strategies, health and safety education, learning representatives in the workplace and Māori economic development.

There are many other descriptions of what is required in a modern workplace. For instance the National Centre for Partnership and Performance in Ireland has set out some features for the workplace of the future (see box below).

In this country unions, employers and government share a vision of decent work through the International Labour Organisation. As well, an agreed joint statement between the social partners – government, business and unions – says:

***All work in New Zealand recognises differing needs; provides satisfying, safe, healthy and productive work, adequate income and social protection; stability for people and their families; respects peoples' rights; allows people time for other activities and gives people a say and an opportunity for involvement.***

## **NCPP Ireland: Workplace of the Future**

AGILE: We are committed to and ready for change

KNOWLEDGE INTENSIVE: We search for and harness all sources of knowledge

CUSTOMER CENTRED: Our customer needs are paramount

RESPONSIVE TO EMPLOYEE NEEDS: For all of us this is a great place to work

NETWORKED: We work collaboratively and build relationships

INVOLVED & PARTICIPATORY: Everyone has a say and all voices and ideas are valued

HIGHLY PRODUCTIVE: We continuously improve our ways of working

CONTINUALLY LEARNING: We are supported and expected to learn and develop

PROACTIVELY DIVERSE: We are better because we are diverse

Together the social partners have identified the following as necessary for the achievement of decent work:<sup>5</sup>

- a comprehensive and appropriate legislative framework, including a minimum employment code
- appropriate social protections such as accident compensation, health, income support and basic education
- enforceable standards
- compliance with international instruments
- education that equips people with transferable skills
- opportunities for life-long learning and targeted skill enhancement
- support for capacity and capability building of all sectors and participants
- investment in appropriate technology and other capital items
- high workforce participation
- equal opportunity
- quality jobs and real choices about work opportunities
- consultation and exchange of information between representatives of governments, employers and worker in decisions affecting the labour market
- the valuing, promoting and practising of constructive employment relationships which involve engagement and partnership
- effective and authoritative processes for social dialogue and engagement at all levels
- safe, healthy and productive workplaces which promote work-life balance
- strategies and plans based on sound labour market knowledge
- communication of relevant information
- engagement internationally on labour issues.

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<sup>5</sup> [www.dol.govt.nz/services/decentwork/activities/activity-1.asp](http://www.dol.govt.nz/services/decentwork/activities/activity-1.asp) for full description

# High wage and high value

**A workplace which is highly productive, adds value to quality goods and services and rewards workers with high wages and excellent conditions of work**

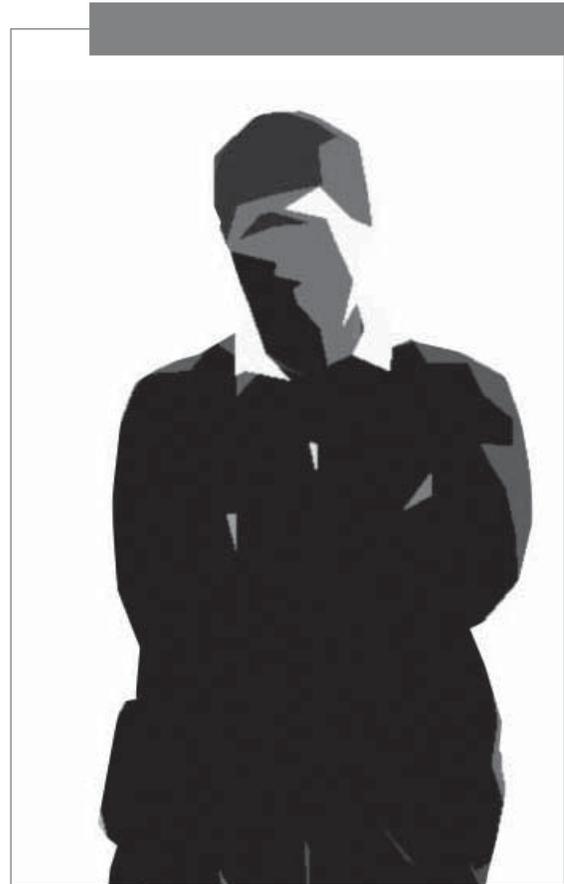
Wages here are high compared with China and Thailand but low compared with Australia and many other OECD countries. In fact wages now are 30 percent lower than in Australia when, in the 1980s, we were on a par.

We have argued consistently for laws and procedures that allow strong collective bargaining, as well as for a fair and reasonable minimum code of employment rights. As a result we have seen regular increases in the minimum wage and significant rises in the minimum and youth wage.

We also supported the Employment Relations Act 2000 and amendments introduced in 2004, which, although still in need of improvement have restored recognition of collective bargaining removed by the Employment Contracts Act 1991.

The need to improve pay and conditions has also resulted in our successful advocacy for improvements such as four weeks' annual leave and a minimum of time-and-a-half for work on a public holiday.

We have encouraged unions to see bargaining as a way to make their industry more democratic by working on interests they share with the employer such as skills development and strategies for industry growth. We have argued that industry standards are vital to ensure that the industry is an attractive place to work and not one where there is a 'race to the bottom' approach to wages and conditions, which leads to reliance on migrant labour in low value jobs.



# Productivity

Paul Krugman said that:

***Productivity isn't everything, but in the long run it is almost everything. A country's ability to improve its standard of living over time depends almost entirely on its ability to raise its output per worker.<sup>6</sup>***

We need to improve our labour productivity continuously, in order to:

- ensure a sustainable increase in wages
- provide decent work
- enjoy quality social services.

Our present level of productivity is hampered by low capital investment. While investment is necessary so too is engagement with workers at an organisation and industry level to unleash enthusiasm for initiatives that can enhance productivity and add value.

In the state sector, value is added by promoting the public good, such as a healthy environment and a good quality of life, and by delivering services to citizens. The Work Foundation in the UK argues:

***Public value is a richer concept than one just concerned with measurement. It is a distinctive kind of value created through public funding that requires interaction with the public to design, plan, provide and evaluate service provision to ensure that services are responsive to citizens' needs.<sup>7</sup>***

We recognise that productivity does not arise from the workplace alone and unions must continue to push for more productivity-enhancing policies in areas such as energy, broadband, depreciation and tax.

For many workers, the word "productivity" is interpreted negatively, with its benefits captured exclusively by managers and shareholders. We need to ensure that workers' interests remain protected and promoted so that effort is rewarded appropriately and productivity gains benefit all participants in the economy. Employers also need to recognise that research<sup>8</sup> has shown the possibility of a positive relationship between union involvement and improvements in productivity.

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6 Krugman, P, "The Age of Diminished Expectations: US Economic Policy in the 1980s," MIT Press. Cambridge, 2003, p9.

7 Louise Horner, Rohit Lekhi and Ricardo Blaug. "Deliberative democracy and the role of public managers. Executive summary report of The Work Foundation's public value consortium", November 2006.

8 Black, Sandra E., and Lisa M. Lynch, "How to Compete: The Impact of Work-place Practices and Information Technology on Productivity." Review of Economics and Statistics, Vol. 83, no. 3, August 2001, p 434-45.

# Workplace Productivity

## WPEP and HANGI

The WPEP project, funded by the Department of Labour, poses a number of 'challenges' for workers and unions. It is one of the initiatives designed to lift productivity and shorten our long hours of work. It fits our aspirations for decent work, a shared approach to skills development and industry growth strategies and for sustainably high wages, high skills and quality value-added goods and services.

It involves an adult education programme providing opportunities for workers to learn about productivity on their terms, addressing both the risks and potential benefits of becoming more engaged at their workplaces and in productivity-enhancing initiatives. The education programme focuses on seven drivers of productivity:

1. strengthening leadership and management capability
2. creating productive workplace cultures
3. encouraging innovation and the use of technology
4. investing in people and skills
5. organising work
6. networking and collaborating
7. measuring what matters.

These drivers provide a framework for identifying smarter ways to improve productivity without intensifying work. The framework allows participants to enhance their work experience while also identifying the barriers to productivity. Workers can use what they learn here when they bargain for agreements and work on strategies for such things as a stronger workplace and employment security.

The CTU also has a Māori workers programme: the HANGI (Helping Advance Nga Mahi in Growth and Innovation) project. It started as a series of workplace seminars, assisted by Te Ahukaramu Charles Royal, using Māori imagery, cultural concepts and values to help build self-belief, to recognise creativity and skills and to explore and assess the link between creativity, skills and productivity.

Investment to raise productivity needs to include investing in workers – their skills, their participation in work design and decision-making and higher wages – rather than reducing wages or conditions or making people work harder for less.

Most important for the union movement are positive labour laws and provisions that give workers social protection and employment security, if not job security, in a changing labour market.

This is the basis on which we participated in the Workplace Productivity Working Group in 2004 and why we continue to act with business and government on initiatives to lift labour productivity. It is also why we run education programmes on workplace productivity (see box previous page).

There have been persistent labour shortages in New Zealand since 2001 yet wages have barely increased in real terms and labour productivity increases have been modest. We say that the answers lie in the workplace with initiatives to invest in technology, new plant, skills and better work practices.

Of course, if workers lift the value of the goods and services they produce then employers must also recognise the greater value of their jobs.

# High skill

A centre of life-long learning that invests in people, lifts their transferable skills and constantly strives to promote all forms of workforce development

## Workforce development

In a world of scarce resources, knowledge is an infinite resource provided we invest in it. A third of our workforce starts a new job each year. Transferable skills are, therefore, vital to workforce development.

Whether it is first, second, third or fourth chance education, literacy, numeracy, language, procedures or advanced technical skills – education and training matter to workers. We know that eighty percent of those who will be at work in ten years' time are already working. So a good place to invest in people is at the workplace.

Not all workplace training arises from a well-developed plan – in fact in some areas there is very little connection with the future or even a plan. Training in the basic systems and processes of a workplace might get the organisation through the day but it does little to secure a future or enhance capacity.

The organisation that can adapt to change has staff who have a broad understanding of its work and a wide range of skills reaching far beyond knowledge of tasks. The newly introduced competitive manufacturing qualifications model this adaptable approach. They apply to all staff, from process workers through to senior management, and ensure a broad knowledge of supply, demand and quality systems. Even these qualifications, however, need to add the further skills of communication, critical thinking, production analysis, planning and team participation to be really effective.

For these skills to flourish the workplace environment needs to encourage and support learning and the agility to adapt practices as workers' skills grow. It needs also to be a place of trust where it is safe to question, challenge and innovate.

Successful workforce development depends on the helpful organisation of work and jobs and thoughtful use and deployment of skills. A constructive workforce development plan includes:

***Those activities which increase the capacity of individuals to participate effectively in the workforce throughout their whole working life and which increase the capacity of firms to adopt high performance work practices that support their employees to develop the full range of their potential skills and value.<sup>9</sup>***

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<sup>9</sup> Government of South Australia, Ministerial inquiry, 2003

# Learning Representatives

## Learning Together

The CTU's Learning Reps project, funded by the Tertiary Education Commission, has a goal of developing The Learning Workplace where workers themselves play a major role in the promotion of learning opportunities and building a life-long learning culture.

Elected worker reps are given the skills to develop a worker-centred learning system at work. They help co-workers overcome barriers to learning and identify the learning potential and aspirations of the work group.

Reps learn which vocational training is available and can encourage workers to make career choices and map a pathway to their goals. They encourage training that takes workers beyond the task-based skills of their job and into skills that make a difference to the workplace and their own lives, such as communication skills, language, literacy, numeracy, team participation and critical thinking.

Its not just "what do I want to do at work?" but "who do I want to be?"

We know that to achieve economic transformation we must develop innovative and productive workplaces with high standards of education, skills and research. For this reason we have argued for a stronger focus on workforce development in the economic transformation programme. This means not only the involvement of Industry Training Organisations but also of all public, tertiary education institutions.

We believe we can learn from countries such as Denmark, Finland, Sweden and Norway where social partnership ensures an integrated approach to workforce development, encourages workplace networking, regards workplace innovation as at least as important as technological innovation and fosters positive labour policies and standards.

One of the many workforce development initiatives unions engaged in was the Hui Taumata 2005 from which the Hui Taumata Action Taskforce emerged. Its role was to initiate projects, research and discussion supporting the hui's calls for action around three areas:

- He Tira Parāoa – creating excellence in leadership and governance.
- Tāpuia hei Whakatupu – increasing the utilisation and development of our collectively-owned assets.
- He Pae Tawhiti – providing quality, strategic information that inspires and accelerates Māori development locally and globally.

The Māori Workforce Development Project was carried out as part of the Hui Taumata Action Taskforce programme.

Alongside a number of Government initiatives the 2005 Hui Taumata took up the challenge of developing Māori-led workforce development programmes in partnership with the CTU and Business NZ.

The success of this project resulted in the Māori workforce development initiative led by the CTU which includes four projects:

1. An innovative bridge to employment for Māori youth with mentoring support.
2. Career information and guidance for women.
3. In-work training with a focus on literacy, numeracy and communication.
4. HANGI which, with a Māori flavour, encourages workplace productivity and the creative potential of the Māori worker.

These projects will enable the CTU to keep government, business and communities informed about Māori workforce development.



## Learning representatives

This project develops workplace learning representatives who are trained to promote learning and training opportunities, provide support for their workmates around learning issues and advocate for skill development and industry training at work (see box on the previous page).

## A tripartite approach

The revitalised Skill NZ is a partnership between government, the CTU, the Industry Training Federation (ITF) and Business NZ to increase understanding of workforce skill development and ensure that the tertiary education sector and employers respond appropriately to current and future skill needs.

Unions are active participants on many ITO boards and there is also a CTU nominee on the board of the ITF.

We think there is room for further engagement on skills at an industry level and scope for collective employment agreements to extend beyond wage bargaining. We want to see industry sector union councils, for instance, draw together issues such as skills development and industry standards.

## CTU Representative Structures Embrace Diversity

The CTU representative councils are established to recognise and respond to the diversity of workers, union members and unions. They are: Komiti Pasefika, the Women's Council, the Youth Union Movement and the Out@Work Council. All CTU affiliates are entitled to have representation on these councils which meet four times a year.

The structures use the organising approach to inform the union movement of their work of raising awareness, providing education and responding to the needs of the specific groups they represent.

An example of this is Komiti Pasefika which, in 2005, worked in conjunction with the CTU to produce a documentary, *Unions Start with You!*, which is recorded on both DVD and video. Komiti Pasefika's goal was to produce an educational resource that reflected Pacific workers' experiences and highlighted the importance of collectivism and the role of unions within workplaces and Pacific communities.

*Unions Start with You!* tells the story of a Pacific worker who has a workplace accident which motivates him to unionise his workplace. The documentary makes links between health and safety injuries at work and the importance of collective bargaining, union membership and developing delegate structures. As well as stressing the importance of collective problem solving the documentary also identifies the need for unions to deal with individual situations, such as sexual harassment.

The Komiti Pasefika convenors say it was a great way to get a message across to Pacific Island workers in a way that connects with their every day experience and work life, and say they use this resource as part of their Cross-union Education Fono, as well as in CTU workshops and union education courses, and show it at every opportunity. A number of secondary schools and Pacific community organisations have also received copies of the documentary and educational resources.

The feedback has been really positive and Komiti Pasefika are proud to have a resource of such professional quality that receives rave reviews from their members. To date, over 60 videos and nearly 200 DVDs have been distributed through the union movement.

# Fairness

Based on fairness and respect, in a high trust environment that values participation, diversity and flexibility

## Diversity

The workforce in New Zealand is becoming more diverse. Although in some areas prejudice belongs in the past, many workplaces still harbour unfairness and discrimination.

As unemployment falls there is more diversification in the workforce. There are, for instance, more older workers. This growing diversity requires new thinking about different types of work, recruitment, flexibility and discrimination. There is evidence that family friendly policies are good, not only for equality, but also for economic efficiency.<sup>10</sup>

The repeal of the Disabled Persons Employment Promotion Act, which overturns blanket exemptions from the minimum wage for workplaces employing disabled people, means that these workers now have equal employment rights. They currently have high rates of unemployment but increasing labour force participation and skills shortages signal an urgent need for policies and processes that ensure inclusion, fairness and opportunity for them.

As well, the diversity of migrant workers grows. Twenty three percent of the population was born overseas – one of the highest rates in the world. As they adjust to living here and potentially moving towards residence and citizenship migrant workers face barriers to their equal participation in the workforce and limits on their employment rights. As a result there is a danger that their employment may have the unintended effect of undermining wages and conditions for all workers.

Twenty per cent of race-related complaints in 2005 were from the workplace – up from 16 per cent in 2004. This increase appears largely to relate to discrimination against migrants.

The CTU has involved unions in developing immigration policy and has advocated for the rights of migrant workers – work that must continue if they are to enjoy the same protections and work opportunities as other workers do and make a valuable contribution to society. Further immigration policy needs to include skill development and requirements for “good employer” practices.

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<sup>10</sup> Palme, Joakim, “Why the Scandinavian Experience is Relevant for the Reform of ESM”, Institute for Future Studies, Stockholm, 2005

## CTU Pay and Employment Equity Project

The CTU Pay and Employment Equity Project, funded by the Department of Labour's contestable fund, ran from 2005 to 2007. Its aim was to boost the ability of state sector unions to implement pay and employment equity in the public health, education and public sectors – the first targets for implementation of the Pay and Employment Equity Plan of Action.

The project trained delegates, organisers, union leaders and human resource consultants to understand pay and employment equity. It also trained union leaders, organisers and delegates to implement systems to achieve pay and employment equity improvements in the workplaces.

Initially the project helped unions to map workplaces, review occupations and develop action plans. The second stage focused on pay and employment equity reviews and how to collect and analyse pay and employment data. In both phases supportive resources such as pamphlets, resource booklets and PowerPoint slide shows were produced.

An appealing resource is *On the Level* – a DVD on pay and employment equity. It is fun and informative for anyone who wants to know more about pay and employment equity and prompts discussion and activity in the workplace.

This project was completed in 2007 but union activity in the health, education and public services continues through union organisers' and delegates' involvement in pay and employment reviews.

There is now a need to extend pay equity initiatives more comprehensively into the private sector and ensure that the ethnic dimensions of pay equity are well understood as Pacific women are the lowest paid.

Some studies show that diversity is essential for innovation. Frans Johansson, author of *The Medici Effect: Breakthrough Insights at the Intersection of Ideas, Concepts and Cultures*, argues that companies wanting to create tomorrow's breakthrough ideas will have to find ways to break down the barriers between departments, fields and cultures and encourage their people to pursue different ideas and connect with diverse networks of people. He says that diversity creates opportunities for new ideas at the 'Intersection', a place where ideas from different fields and cultures meet and collide, ultimately igniting an explosion of extraordinary new discoveries. He calls this proliferation of new ideas the 'Medici Effect'— referring to the remarkable burst of creativity enabled by the Medici banking family in Renaissance Italy.

## Flexibility

The CTU supports flexibility in workplaces but not the type associated with the Employment Contracts Act where employers dictated workers' conditions, hours of work and employment arrangements on a 'take it or leave it' basis.

The composition of the workforce has changed, with increasing numbers of women and older workers and a new culture of long working days. We support a range of measures that help workers to balance work with their other responsibilities. This includes negotiating leave and other provisions into CEAs, working in partnership with employers to change policies and practices and supporting legislative changes such as extension of parental leave, increased annual leave and changes in working arrangements. The latter provision is currently limited to those with caring commitments but we strongly believe that all workers should be entitled to it.



We support legislation that gives employees the right to request flexible work hours within a structured process which, among other things, does not undermine any collective employment agreements provisions.

## Fairness

Unions have campaigned to end discrimination against women in the workplace. The Equal Pay Act was a start but discrimination has remained as evidenced by low pay rates in sectors with a high proportion of women (see the box on the previous page about Pay and Employment Equity).

Unions must promote tolerance and inclusiveness – it is not possible for us to engage in collective activity and work in communities without respecting and celebrating diversity.

## Having a say

In a modern workplace, where workers learn the skills and practice of participation in decision making, there is a sense in which democratic participation at the workplace becomes part of the entire democratic system and also makes industries and workplaces more likely to survive.

We want to see workplaces that value worker participation. Many workplaces are less productive than they could be simply because work environments and workplace relationships do not use workers' skills and knowledge. For instance, the first-hand experience of production process workers puts them in a unique position to suggest improvements in technology and work organisation that will raise labour productivity. Their cooperation, however, depends on their having a secure and lasting stake in their employer's success and trust that their employer will continue to treat them fairly.

Demos<sup>11</sup> found that frontline workers and middle managers account for half of the innovations generated in the US and 82 per cent of those in "advanced" Commonwealth countries.

Many countries pay attention to workers' rights to information and consultation, but here, while rights to information and consultation are connected with bargaining or redundancy, they are disconnected from a modern workplace which increasingly relies on the participation of its knowledge workers. Without information and consultation, good faith cannot exist and nor can there be enthusiasm from workers to raise productivity.

A lot of this is common sense. Modern workplaces require high standards of communication based on an ability to speak one's mind without fear or favour. As well as the legal right to consultation this means ensuring a learning environment that gives workers the skills to engage meaningfully.

## High trust

An OECD report on technology, productivity and job creation noted that:

***High-performance workplaces are strongly associated with higher labour productivity, better wage performance (due to the premium placed on skilled workers) and satisfactory unit cost performance due to enhanced productivity and improved quality of outputs, particularly when a range of organisational innovations are adopted (based on high skills, high levels of training, distributed responsibilities, innovative pay systems and, often, quality-based practices).***<sup>12</sup>

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11 Demos (2006) Re-imagining Government: Putting people at the heart of New Zealand's public sector, Simon Parker Duncan O'Leary, p.45.

12 OECD Jobs Strategy, 1998 page 272.

The same report argues that the high-performance workplace is based not only on “high skill”, but also on “high trust”.

This not only reduces supervision and managerial costs but also relies on a workplace environment where workers are well-informed and motivated and therefore prepared to go the extra distance in looking out for the best interests of the organisation. High trust workplace environments, where workers can collectively express their views and engage on important issues, are developed over a period and rely, not only on management style, but also a workplace culture fostered by unions and picked up by new workers.

The International Labour Organisation has noted that:

***Promoting sustainable enterprises is about strengthening the rule of law, the institutions and governance systems which nurture enterprises and encouraging them to operate in a sustainable manner. Central to this is an enabling environment which encourages investment, entrepreneurship, workers’ rights and the creation, growth and maintenance of sustainable enterprises by balancing the needs and interests of enterprise with the aspiration of society for a path of development that respects the values and principles of decent work, human dignity and environmental sustainability.***<sup>13</sup>



Promoting sustainable enterprises is also about ensuring that human, financial and natural resources are combined equitably in order to achieve sustainable innovation, enhanced productivity and other development needs of the enterprise, the benefits of which will be shared equitably within the enterprise and the wider society. This calls for new forms of cooperation between government, business, workers and society to ensure that the quality of present and future life and employment is maximized, while safeguarding the sustainability of the planet. Tripartism, including social dialogue and collective bargaining, is a vital element in this regard.

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<sup>13</sup> ILO, “Conclusions concerning the promotion of sustainable enterprises”, 2007. See [www.ilo.org/public/english/standards/relm/ilc/ilc96/pdf/pr-15.pdf](http://www.ilo.org/public/english/standards/relm/ilc/ilc96/pdf/pr-15.pdf)

# The workplace in a strong industry

Networked so that it is part of a strong industry, linked to the community, recognising the value of public services and social partnership

## Unions are part of industry

In our focus on the workplace of the future we do not see the enterprise as more important than the industry or sector. Workplaces need strong industries.

### Food and Beverage

As the country's largest productive sector, food and beverage has been important to the Government's strategy for economic transformation. In 2004 the Government set up a food and beverage taskforce to promote sustainable growth in the industry with the CTU as part of that group. Out of the taskforce arose the Skills and Training Action Group (STAG), led by unions. Its purpose is to implement the Skills Action Plan and encourage best practice. Concrete initiatives have resulted, like the Workforce Centre of Excellence, that will promote industry standards in food and beverage employment. Five unions in the food and beverage sector now also meet regularly to share information and promote joint initiatives.

Since 1999 the Government has introduced changes that put economic and social development at the core of its policy. The Ministry of Economic Development was created as was Industry New Zealand (now part of New Zealand Trade and Enterprise) as the delivery arm of regional, economic and industry development programmes.

This gives workers and their unions an opportunity to be actively involved in industry and regional economic development strategies. But it is not given to us on a plate – we still need to make a case that will have us recognised as legitimate players. We have done that in the textile, clothing, footwear and carpet sectors and there

has also been strong union involvement in developing policy in the forest industry, the food and beverage sector and in producing a vision for the manufacturing sector.

Having a say at an industry level depends also on an informed union movement. The CTU has brought unions together to share information in food and beverage manufacturing, health, local government, transport, creative industries, construction and wood manufacturing.

As well as promoting trust and deepening union understanding of industry-wide issues the groups have worked on industry-specific worker development strategies and contributed to broader policy issues.

## Union education

The CTU has poured resources in recent years into organising and education. Our Organising Centre encompasses all areas of worker representation and education including Learning Reps, Health & Safety and the Workplace Productivity

Education Programme. The Centre delivers training nationally for union members, delegates, paid officials and the representative structures of the CTU and resources and supports affiliates' campaigns.

Union members and delegates come from diverse backgrounds and have a wide range of educational and social experience and employment in both public and private sector organisations. A significant number are 'non-traditional' learners who have not participated in education or training since leaving school. For these learners formal and personal achievement on entry to courses is often limited and the experience of school has rarely been a positive one. Their experience of trade union education courses is often their introduction to life-long learning. They undertake the courses because they need the skills to help them carry out their roles as trade union representatives.

Through their participation in these courses union members and delegates acquire the basic skills and knowledge necessary to undertake their union duties. They also acquire a range of transferable skills, knowledge and understanding such as communication, organisation and problem solving. In our more advanced programmes they acquire more complex analytical and critical abilities and skills. Their learning is linked to their workplace responsibilities and activities and the knowledge and skills learned are applied in their everyday roles as union members and delegates.

Union education gives union members and delegates the skills, knowledge and self confidence to participate fully in their workplace and industry.

## FIDA

The CTU supports the Forest Industry Development Agenda through a project on Workforce Development and Productivity Improvement in conjunction with the NDU, EPMU and FITEC (Forest Industries Training and Education Council – the Industry Training Organisation). The objectives of the project are to:

- establish and promote best practice principles for workforce development in this sector, and
- establish a higher level of worker engagement in forest industry development, resulting in a higher level of worker participation in productivity initiatives.

# The value of the state sector

To have thriving workplaces and strong industries we need strong public services and a robust state sector. The CTU supports a democratic, empowered, collaborative and innovative public service.

Government spending is crucial to our quality of life. Whether it involves biodiversity, climate change, social services, defence, policing, health or education we all get value for money from effective government spending.

Public value is in essence what the public values and as Will Hutton has argued:

***A public institution or agency can only know if it is delivering the outcomes that the public regards as having public value if it is in a constant, deliberative two-way engagement with its citizens about what they value and what they do not. Then, of course, it has to respond and adapt to what it learns, and in ways that are efficient and effective, and be able to give an account of its actions to the public it is there to serve.***<sup>14</sup>

Despite some of our commodity and natural advantages we are a vulnerable, small country, distant from global markets with no subsidies and negligible tariffs. If we are to achieve high skills, high productivity and a good quality of life we need huge scale investment, partly by private firms and households but also by the state in the form of investments in health, education, industry training, tax incentives for science, research and development, modernised physical infrastructure and improved connectivity through high-speed broadband. None of this comes cheaply. You cannot build a high value economy at low cost and a high value economy also needs to value the public services that underpin its success and social cohesion.

To meet future challenges we need policy analysts and consultation processes – whether it is to advise on Māori social and economic development, community cohesion in the face of growing diversity, protecting the environment and securing enough energy or on the challenges for the public health sector of an ageing population.

The state sector remains highly unionised, though well down from the density of 97 percent in 1990. Sixty-one percent of state sector workers are covered by collective agreements.

The role of workers and their unions is vital in the public sector, which is a complex mix encompassing the roles of funder, policy maker, service provider and huge employer.

Unions expect that the state will be a good employer, providing not only good wages and employment conditions such as access to superannuation, but also ensuring

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<sup>14</sup> Louise Horner, Rohit Lekhi and Ricardo Blaug, “Deliberative democracy and the role of public managers: Executive summary report of The Work Foundation’s public value consortium”, November 2006.

career development opportunities, positive workplace culture, fairness and equity, healthy and safe workplaces and the opportunity for workers to be involved in their workplace issues.



Over the last five years tripartite structures to improve the democratic representation of workers in workplaces have been established in state sector workplaces such as the health and tertiary education sectors. The PSA signed its third Partnership for Quality (PfQ) agreement in 2007 which recognised a common interest to develop a modern, innovative public service that is highly successful both for citizens and for those who work there. The relationship is based on timely engagement in decision-making, genuine involvement in issues affecting the working life of members and respect for the independence of the parties.

The success of tripartite and bipartite processes has been uneven. The CTU experience is that these structures are dependent on commitment at all levels from all parties, on training in tripartite and bipartite processes and on adequate resources.

Gender inequity is a root cause of poor employment conditions. Work on pay and employment equity is gaining momentum in the public health and education sectors but unions have not been content to depend only on government-supported processes. The Nurses and Midwives MECA was an outstanding example of addressing pay and employment equity through bargaining and campaigning. Subsequent settlements in mental health and more recently with the SFWU DHB MECA also achieved some pay and employment equity outcomes.

Because much catering and cleaning is done by women in contracted-out government-funded work we need responsible contractor policies. Currently wages are low and conditions of employment are insecure and precarious. Responsible contractor policies can ensure that minimum conditions are met before government contracts are awarded and funding is secured.

Education unions have identified the following common underlying principles in the challenges they face in retaining quality public education services: education as a public good, universal access to education, adequate resources; quality facilities,

enough qualified and trained teachers and a commitment to high quality public education.

Public services are a vital part of the 'social wage' for workers because they supplement wages. Any reduction in the level or quality of public services, or any requirement for 'user pays', directly reduces workers' quality of life and standard of living.

## Social partnership

In order to survive, small countries like ours trading with few protections, must have a national strategy. Because we are small, achieving consensus around defining problems and solutions should be comparatively easy but we have to work at it. In Finland and Ireland, for instance, there is strong alignment between elected politicians, senior government officials and business and union leaders in their understanding of national economic priorities and strategy.

More participative and democratic workplaces and their learning networks are also essential to success at workplace level.

In Denmark, a country with some of the highest wages in the world, a national consensus around globalisation has inspired many initiatives and drawn attention to how workers' benefits can be maintained and improved.

Over several years the CTU has debated at length, with National Affiliates Council and Biennial Conference, the issues inherent in a union approach to social partnership. As a result we are now engaged in social partnership across a wide agenda involving many meetings with government agencies and business organisations – particularly Business New Zealand.

Social partnership has been less about formality and structures and more about overlapping interests on issues – economic growth, workforce development, decent work, productivity and so on. The focus is on issues, not personalities. There is room for disagreement – usually around the extent of regulation, the degree of government involvement and perceptions of unintended consequences – but we have shown an ability to keep talking on areas of co-operation while maintaining clear communication on points of difference.

We have also promoted new forms of civic participation through CTU-Government forums held several times a year on a regional basis. They provide an opportunity for a workplace union delegate to meet with the Prime Minister and Ministers, raise questions, get information and, if necessary, criticise Government policy.

As well, we supported the formation of the Partnership Resource Centre, established by government to help employers and unions to develop new, positive workplace relationships. The Centre is a base of expertise and resources to help unions and employers establish workplace partnerships which will allow them to respond to change, build capability and improve performance, worker contribution and the quality of the workplace for workers.

# Healthy and sustainable

Healthy, safe and sustainable and where the work is engaging and rewarding while recognising that people have lives outside of work

## Health and safety

What can be more fundamental than for a worker to be sure that when they enter the workplace they will leave it at the end of their shift, healthy, safe – and alive.

Health and safety is a union issue. Workers expect their unions to work to improve their conditions of employment and nothing is more fundamental than organising to protect lives, limbs and health.

### **Health and Safety Education Project**

The CTU and ACC have developed a successful joint venture which delivers training to health and safety representatives elected under the Health and Safety in Employment Act. This representative model of worker participation is a significant step towards a productive, participative workplace. We now have a legislated system of worker participation in workplace health and safety, which includes their right to elect health and safety representatives. It is also an example of a successful partnership between a government agency and the union movement.

Over 17,000 representatives have been trained since the start of this programme in May 2003. So far 6,900 of these have taken up the option of training in the Stage 2 course which reviews and builds upon the skills and knowledge developed in Stage 1. Stage 2's main focus is on investigating incidents and identifying and controlling hazards to prevent injuries and has a strong industry focus. Stage 3 training started in 2007 focusing on rehabilitation and a safe return to work, linking workplace productivity with good health and safety practice and measuring these improvements. The Stage 3 course was jointly developed by ACC, CTU and Business NZ. All courses are two days in length.

Workplace deaths are almost always preventable. The toll on families when a loved one dies at work is, of course, immeasurable. The cost to the country of workplace fatalities, illness and injuries is also huge and, in addition to accident-related fatalities, best estimates are that between 700-1,000 people die here annually from occupational disease.

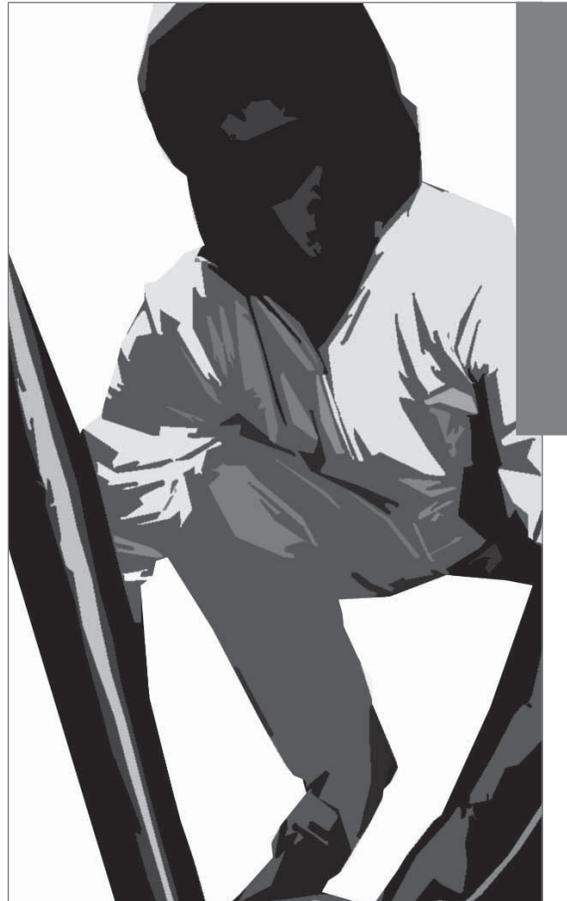
This is why we argued strongly for greater worker participation in health and safety at work and supported the rights of workers to get involved in how the employer and ACC respond to their accident. The 2002 amendments to the occupational health and safety legislation and other initiatives, including the Workplace Health and Safety Council, are positive but we have carried this further through a major education and training project for workplace health and safety representatives (see box on the previous page ).

Health and safety at work is about more than accidents. It is also about the general health and well-being of workers, dealing with the stress of busy lives and the role of public health services in helping workers.

## Sustainability

There is not much point in lifting incomes, improving productivity, growing the economy and promoting employment if we destroy the planet in the process. We support the sustainable development of industry and the environment in which it operates. Sustainability principles and action applies whether it involves a workplace, an industry, a region, a country or the planet.

Our involvement in climate change issues has included making submissions on climate change and holding discussions with energy-intensive firms. We have recognised the damage to workers and their communities from climate change, the risks in ignoring an issue that is vital to our survival as well as the need for a 'just transition' for workers affected by carbon charges or regulation. We have also started work on mobilising union networks for energy conservation, emissions' reduction and waste minimisation.



However our perspective on sustainability goes beyond environmental issues. It also targets negative social problems. A broad definition of sustainability would include: income levels that allow social inclusion, sustainable workplace practices, health and well-being issues at work, work-life balance, triple and quadruple bottom line audits, lifelong learning, equitable savings schemes, older worker inclusion and affordable housing.

## Work–life balance

Work has become not only more extensive but also more intensive. This cannot be sustained. Our working days are among the longest in the world.

One in five employees work more than 50 hours a week, partly driven by low pay rates. Almost as many regularly do shift work. Two out of every five workers have variable hours of work and the same proportion work unpaid hours. Yet 43 percent of the workforce have some kind of care responsibility.

The modern age of communications means that many workers are always “connected” to their workplace. The 24/7 retail environment extends working hours and shift patterns across longer days, nights, weekends and public holidays. Some workers have more than one job and households struggle to find quality time for their dependants, hobbies, recreation and communities.

The modern workplace has to recognise workers’ lives outside of work. The challenge is to create workplaces where people enjoy their jobs, are engaged in work issues and want to use their skills and insights without losing themselves in their work.

As we indicated in our publication *It's About Time*, our approach is to establish a collective framework that gives individuals opportunities to balance their various needs and responsibilities. That is why we have supported legislative changes, such as the right to request flexible hours, and improvements in leave entitlements, through both legislation and collective bargaining. We are involved with the Government, EEO Trust and Business NZ in the Quality Participation Leaders’ Group which promotes high quality work and supports a work programme that includes introducing mutually beneficial workplace arrangements as pilot schemes.

# Moving Ahead

Progress has been made on the task of modernising the workplace but much more needs to be done to achieve a workplace that is:

1. highly productive
2. a centre of lifelong learning
3. based on fairness and respect
4. networked
5. healthy, safe and sustainable.

In this final section we look at what needs to happen around these themes if we are to move ahead to the workplace of the future.

## **1. Highly productive, adds value to quality goods and services and rewards workers with high wages and excellent conditions of work**

Considerable goodwill has been established between social partners in debate on productivity but there is much to be done. Initiatives now need to focus much more on making it work. There is no blueprint. But at least at the workplace level the seven identified drivers of productivity provide an excellent analytical tool to start with.

For this to happen on a large scale union, employer and industry training networks need to ensure greater investment in workshops and on-site processes that will involve workers in productivity initiatives.

Michael Porter from Harvard noted<sup>15</sup> in the UK context that the transition from a location competing on relatively low costs of doing business to a location competing on unique value and innovation requires investments in different elements of the business environment, upgrading of company strategies and the creation or strengthening of new types of institutions. He expands that to describe the importance of collaboration between business groups, chambers of commerce, industry associations, professional associations, trade unions, technology transfer organisations, quality centres, think tanks and university alumni associations.

This is the challenge we face here. There are many good processes, ideas and diagnostic tools but implementing change requires greater effectiveness across all the relevant networks. If this does not happen, there is a risk that all the additional government investment in skills and infrastructure will have a less than optimal impact because of a failure to implement best practice at a workplace level.

For unions, engagement in productivity initiatives has to be worthwhile. We recognise that wages will only rise on a sustainable basis where there is continuous improvement

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15 M. Porter, "UK Competitiveness: Moving to the Next Stage", 2003. See [www.dti.gov.uk/files/file14771.pdf](http://www.dti.gov.uk/files/file14771.pdf) pages 5, 21 and 31.

in labour productivity. However, labour productivity has improved by over 50 percent since 1988 yet real wages have hardly moved in that time. During the period of high profits from 2000 to 2004, for instance, wages still did not increase significantly. Despite persistent skill shortages wages are barely responding. A new Employment Relations Act has introduced new rights, new processes and new remedies but has not increased the incidence of collective bargaining in the private sector.

Therefore in addition to lifting the minimum wage and removing discrimination against young workers the Employment Relations Act needs to be revised to ensure that multi-employer and industry bargaining is firmly established.

Employers increasingly recognise issues such as skills, export market promotion and innovation as beneficial to industry. Yet when it comes to pay and conditions they revert back to their fear of rigidities, industry-wide disputes and loss of firm-specific conditions



even though tertiary education reforms specifically focus on the responsiveness of training to industry skill needs. Apart from the fact that these fears are exaggerated, employers fail to look at the benefits to them of industry bargaining.

Many employers will agree that wages are too low. They also recognise that it is difficult for one employer to move too far ahead of competitors. However they still resist industry bargaining which could provide a stable platform for attracting workers to the sector, retaining them and promoting transferable skills. Employers need to recognise that the workplace of the future cannot be created on the basis of poor pay and conditions and that cooperation around productivity and union engagement needs not only workplace initiatives but also a robust industry basis.

## **2. A centre of lifelong learning that invests in people, lifts their transferable skills and constantly strives to promote all forms of workforce development**

In order to make lifelong learning a reality there needs to be a much greater commitment to workforce development – a concept that goes far beyond a beefed-up training programme. It includes a work environment that supports learning, that

makes sensible use of skills, that leads to better jobs and helps workers to achieve their full potential. It means significant initiatives on language, literacy and numeracy – the foundation skills of learning.

Workplaces need to model an organisational learning approach that links innovation, technology, skills and worker participation.

This approach needs the external support of a fully operational and scaled-up Learning Representatives programme, a more equitable role for unions in ITO structures, and strong labour policies that ensure ongoing investment in workers' transferable skills and thus job security. This means broad-based training programmes and qualifications that support the industry rather than merely the narrow task requirements of single employers.

Investing in people is needed, not only to increase their value in the labour market, but also to develop a more inclusive society and impart benefit to families and communities through higher levels of education, including language, literacy and numeracy skills. This means that tertiary education has to respond to the broader needs of the country and not only to employers.

### **3. Workplace practices based on fairness and respect in a high trust environment that values participation, diversity and flexibility**

For relationships at work to be productive there needs to be respect for the role of every worker and recognition of the dignity of each human being. Employers and unions need to ensure that there is no discrimination and that diversity is valued. In fact, union representatives promote not only worker and union rights but also human rights in the workplace and, therefore, oppose discrimination.

Employers need actively to encourage diversity and to recognise its social and economic benefits.

A modern workplace involves high levels of trust rather than intrusive supervision. Few employers understand how demeaning it is for workers to be treated with suspicion in their day-to-day work. Creating trusting relations with workers, based on mutual respect, is not only good for harmonious workplaces but also helps performance.

There needs to be greater support for hours of work and work practices that take account of family, caring responsibilities and 'whole of life' needs. Flexible hours of work will be an essential part of the modern workplace.

The provision of quality, public, early childhood education is essential to enable and support participation of women in the workforce in career-enhancing work.

Pay equity should not be marooned as a public sector issue. There needs to be a much more deliberate effort to address the problem of low pay in the private sector through pay equity initiatives as well as minimum wage increases and collective bargaining.

We also want to see workplaces where employers genuinely respect the right of workers to join a union. Although co-operation among the social partners has greatly improved at a national level, unionists still experience indifference and hostility from many employers. This is counterproductive to a modern workplace.



In many other countries there is specific recognition in law of mechanisms that can give workers a voice. This is done most effectively through a collective union approach. In this country we need to investigate various models of workplace democracy that can encourage high levels of worker involvement.

Our vision of the workplace of the future is one that recognises and values the role of unions, where the majority of workers are active members of a union which has many union delegates engaged in a wide range of activities, and the nature of union engagement in the sector builds on collective bargaining to include participation in building high value work.

#### **4. Networked so that workplaces are part of a strong industry, linked to the community, recognising the value of public services and social partnership**

Workplaces belong to industries and are widespread, so networks have to be used more effectively to deliver improvements in workplace best practice.

There needs to be wider appreciation of the value of public services. The constant attacks from the business community on government spending are misplaced. We are in a period that requires a high level of collective investment into health, skills and other areas. We want momentum maintained on investment.

The state sector needs to model 'good employer' practices and ensure that any contracting is only done on a 'responsible contractor' basis.

Although fundamental differences remain, there has been considerable progress in creating a new social partnership focusing on common perspectives.

We want social partnership to move to the next stage where there is a more strategic engagement with government, more support and resources for institutions and more active use of union and employer networks to bring about change.

The social partners also have to be ready to move outside their comfort zones to address the challenges we face as a country.

As Colm McLaughlin has argued:

*Ultimately, (beneficial) constraint mechanisms will be needed to bring about the sort of long-term, deeply embedded institutional change envisioned in... New Zealand's 'social democratic' model. The constraint mechanisms envisaged have to be those which encourage relationship building while challenging the social parties to examine their deeply held beliefs and redefine their interests.*<sup>16</sup>

This creates a challenge for both business and unions to test the boundaries in terms of the issues we discuss and implement.

All industries should be involved in strategic planning. There needs to be a higher level of industry networking to share best practice and raise the level of value of this small, externally-focused country. Lack of cooperation in many industries holds back economic transformation. We want to see all sectors and industries identify the elements required for such change and then work co-operatively and with government to make it happen.

## **5. Healthy, safe and sustainable and where the work is engaging and rewarding while recognising that people have lives outside of work**

Workplace systems need to further encourage employee participation in health and safety and foster a workplace safety culture that goes beyond the avoidance of accidents. This means formal participation systems, as envisaged by the Health and Safety in Employment Act, and workplaces in which employees can play a responsible role in keeping themselves safe.

Employers need to involve and fully support health and safety representatives. A healthy and safe workplace is one that ensures that none of its systems, practices, or equipment threaten the well-being of its people. We still have a long way to go to achieve that goal.

A healthy workplace encourages people to engage and participate while recognising their other responsibilities. Innovation is more likely to be a permanent feature of the workplace if there is engagement and communication.

Increasingly, workplaces need to be 'green'. Energy efficiency and emissions reductions need to be part of product integrity. Union delegates need to be empowered as agents for adaptation and response to climate change. Initiatives promoting workplace productivity will increasingly need to be about creating value that models sustainability at work and does not rely on finite resources.

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<sup>16</sup> See [http://www.cbr.cam.ac.uk/pdf/Institutional%20Change\\_AIRAAANZ.pdf](http://www.cbr.cam.ac.uk/pdf/Institutional%20Change_AIRAAANZ.pdf)

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