

## PRODUCTIVITY COUNCIL BILL

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### EXPLANATORY NOTE

THIS Bill establishes a Productivity Council with the object of increasing growth and productivity in New Zealand's industry, commerce and government by a variety of approaches.

*Clause 1* relates to the Short Title and commencement.

*Clause 2* provides for the interpretation of the terms "Council" and "Minister".

*Clause 3* provides for the establishment of the Productivity Council to be a body corporate.

*Clause 4* relates to the functions of the Council. The Council shall principally be concerned with research into means of increasing productivity, training, and educational programmes to disseminate this information, and making recommendations to the Minister of Commerce on possible Government initiatives to encourage increased productivity.

This clause also provides for a number of specific functions.

*Clause 5* empowers the Council to carry out its functions.

*Clause 6* provides for the membership of the Council. The Minister shall appoint 7 members including the Chairman who shall be employed as Director of the Council. The other members will be union representatives, educationalists and employer representatives, appointed after consultation with the Council of Trade Unions, the Ministry of Education and the Employers Association respectively.

*Clause 7* provides for a 3 year term for members, with provision for reappointment.

*Clause 8* relates to extraordinary membership vacancies and the filling of such vacancies.

*Clause 9* provides for the appointment of a Deputy Chairman for a term of 1 year with the option of reappointment. The Deputy Chairman is empowered to chair the Council in certain circumstances.

*Clause 10* relates to the guidelines for the procedures for meetings of the Council.

*Clause 11* provides for officers and employees of the Council to be appointed to carry out its functions, and for their terms and conditions.

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*Price*  
*incl. GST \$2.20*

*Clause 12* provides for money to be appropriated by Parliament for the Council.

*Clause 13* provides for the Council to report to the Minister on the carrying out of its functions and its recommendations.

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## PRODUCTIVITY COUNCIL

### ANALYSIS

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### A BILL INTITULED

#### **An Act to establish the Productivity Council, and to define the functions and powers of the Council**

5 WHEREAS greater productivity and growth in New Zealand is desirable: And whereas it is desirable that certain of the trends that have been successful overseas be introduced: And whereas a statutory board established for the purposes of developing and encouraging productivity, and to ensure greater continuity that would be achieved through an entity established by  
10 executive decision, is desirable:

BE IT THEREFORE ENACTED by the Parliament of New Zealand as follows:

**1. Short Title and commencement**—(1) This Act may be cited as the Productivity Council Act 1989.

15 (2) This Act shall come into force on the date on which it receives the Royal assent.

**2. Interpretation**—In this Act, unless the context otherwise requires,—

20 “Council” means the Productivity Council established under **section 3** of this Act:

“Minister” means the Minister of Commerce.

**3. Establishment**—(1) There is hereby established a Council to be called the Productivity Council.

(2) The Council shall be a body corporate with perpetual succession and a common seal, and shall be capable of acquiring, holding, and disposing of real and personal property, and of suing and being sued, and of doing and suffering all other acts and things that bodies corporate may do and suffer.

**4. Functions of Council**—(1) The principal functions of the Council will be—

- (a) To initiate, develop, and encourage research into means of increasing productivity in New Zealand's industry, commerce, and government:
- (b) To devise, promote, sponsor, develop, advise on, and encourage the preparation and conduct of, training and educational programmes for persons and authorities in the fields of industry, commerce, and government, or for any class of persons, designed to promote and encourage increased productivity:
- (c) To encourage, promote, sponsor, and co-operate in the dissemination to the public or to any class of persons information relating to the concept of productivity and the means of increasing productivity:
- (d) To make recommendations to the Minister with respect to the introduction of measures to promote and encourage increased productivity in New Zealand's industry, commerce, and government.

(2) Without limiting the generality of its functions under subsection (1) of this section, the Council shall have the following further functions:

- (a) To facilitate research to establish methods of measuring productivity suitable for New Zealand conditions:
- (b) To formulate and implement guidelines for worker sharing in productivity gains:
- (c) To advise on different forms of industrial democracy and the criteria for their introduction:
- (d) To liaise with and between groups of professions that are already working on some aspect of increasing productivity such as quality control, industrial engineering, ergonomics, safety and others:
- (e) To initiate, promote, and facilitate conferences for unions and employers to promote the concept of productivity and the means of increasing productivity:

- (f) To collect and monitor information on the performance of enterprises or industries, and compare with information from overseas on world trends:
- 5 (g) To promote and sponsor the visits of overseas authorities on productivity to New Zealand for the purpose of advising on and disseminating overseas developments in respect of productivity:
- (h) To promote, sponsor, and award certificates for outstanding performances in fields such as  
10 productivity and industrial relations:
- (i) To initiate, develop, and implement incentives for the introduction of participatory schemes.
- (j) To formulate and implement guidelines for employee share ownership plans.

15 **5. Powers of Council**—The Council shall have all such powers as may be reasonably necessary to enable it to carry out its functions.

- 6. Membership of Council**—The Council shall consist of 7 members to be appointed by the Minister, and shall consist of:
- 20 (a) One person, who is in the opinion of the Minister suitably qualified and experienced, to be employed as Director and to hold the office of Chairman of the Council:
  - (b) Two union representatives, appointed after consultation  
25 with the Council of Trade Unions:
  - (c) Two educationalists, appointed after consultation with the Ministry of Education:
  - (d) Two employer representatives, appointed after consultation with the Employers Association.

30 **7. Term of office of members**—(1) The members of the Council shall be appointed for a term not exceeding 3 years, and may from time to time be reappointed.  
(2) Every member of the Council, unless sooner vacating office under **section 8** of this Act, shall continue in office until the  
35 member's successor comes into office.

**8. Extraordinary vacancies**—(1) Any member of the Council may at any time be removed from office by the Minister for disability, bankruptcy, neglect of duty, or misconduct, proved to the satisfaction of the Minister, or may  
40 at any time resign by written notice to the Minister.

(2) When the office of any member of the Council becomes vacant by death, resignation, or removal from office, the vacancy so created shall as soon as practicable be filled in the manner in which the appointment to the vacant office was originally made. Every person so appointed shall hold office for the residue of the term for which the person's predecessor would have held office if the vacancy had not occurred. 5

(3) Any member shall be deemed to have vacated office if the member is absent from 3 consecutive meetings of the Council without its leave. 10

**9. Deputy Chairman—**(1) The Council, at its first meeting after the commencement of this Act and from time to time thereafter, shall appoint one of its members to be the Deputy Chairman of the Council.

(2) The Deputy Chairman shall be appointed to that office for a period not exceeding 1 year but, subject to **subsection (3)** of this section, shall continue to hold the office of Deputy Chairman until a succeeding Deputy Chairman is appointed, and shall be eligible for reappointment. 15

(3) If the Deputy Chairman ceases to be a member of the Council, he or she shall cease to hold the office of Deputy Chairman. 20

(4) When the office of Deputy Chairman becomes vacant the vacancy shall be filled as soon as practicable after its occurrence. 25

(5) The Deputy Chairman shall perform all the functions and duties and exercise all the powers of the Chairman—

(a) With the consent of the Chairman, at any time during the temporary absence of the Chairman:

(b) Without that consent, at any time while the Chairman is temporarily incapacitated or prevented by illness or other cause from performing the functions and duties of that office: 30

(c) While there is a vacancy in the office of Chairman.

(6) No acts done by the Deputy Chairman or the temporary Chairman appointed under **section 10 (2)** of this Act acting as the Chairman shall in any proceedings be questioned on the grounds that the occasion for so acting had not arisen or had ceased. 35

**10. Meetings of Council—**(1) The Chairman shall preside at all meetings of the Council at which that member is present. 40

(2) In the absence of both the presiding member and the Deputy Chairman from any meeting, the members present

shall appoint one of their number to be the Chairman for that meeting.

(3) Meetings of the Council shall be held at such times and places as the Council or the Chairman may from time to time appoint.

(4) A special meeting of the Council may at any time be convened by the Chairman, and the Chairman shall call a special meeting whenever requested to do so in writing by not less than 2 members of the Council.

(5) Not less than 7 clear days' notice of every special meeting and of the business to be transacted at the meeting shall be given to each member for the time being in New Zealand, and no business other than that specified in the notice shall be transacted at the meeting.

(6) At any meeting of the Council the quorum shall be 4 members appointed under section 6 of this Act.

(7) Every question before any meeting of the Council shall be determined by a majority of the votes of the members present and voting on it:

Provided that a resolution signed, or assented to in writing by letter, telegram, telex message, or other method of communication, by every member of the Council who is for the time being in New Zealand, being together in number not less than 4 members for the time being of the Council, shall have the same effect as a resolution duly passed at a meeting of the Commission.

(8) At any meeting of the Council the person for the time being acting as Chairman shall have a deliberative vote, and in the case of an equality of votes, shall also have a casting vote.

(9) Subject to this Act and to the rules of the Council made under this Act, the Council may regulate its procedure in such manner as it thinks fit.

**11. Officers of Council**—(1) The Council may appoint such officers and employees, including officers and employees on secondment from other organisations, as it thinks necessary for the efficient performance of its function.

(2) Subject to the terms and conditions of employment, the Council may at any time terminate or suspend the employment of any of the Council's officers or employees.

(3) Officers and employees appointed under subsection (1) of this section shall be employed on such terms and conditions of employment and shall be paid such salaries and allowances as the Council from time to time determines.

**12. Money to be appropriated by Parliament for the purposes of this Act**—Except as otherwise provided in this Act, all salaries and allowances and other expenditure payable or incurred under or in the administration of this Act shall be payable out of money to be appropriated by Parliament for the 5 purpose.

**13. Reports**—The Council shall report to the Minister on an annual basis, or at such lesser intervals as the Council sees fit, on the carrying out of its functions together with such 10 recommendations as it thinks fit to make in respect thereof.