

The Treasury

Future of Work Tripartite Forum Information Release Document

April 2019

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Treasury Report: Proposed work programme for the Tripartite Future of Work Forum

Date:	11 July 2018	Report No:	T2018/1894
		File Number:	SH-11-1-3

Action Sought

	Action Sought	Deadline
Minister of Finance (Hon Grant Robertson)	<p>Agree to the proposed work programme for the Tripartite Future of Work Forum.</p> <p>Circulate this briefing and draft work programme to relevant Ministers to ensure the projects and focus areas included in the work programme are appropriate.</p>	Friday 13 July 2018

Contact for Telephone Discussion (if required)

Name	Position	Telephone	1st Contact
Blake Shepherd	Senior Analyst, Economic Strategy and Productivity [2]	[1]	✓
Simon McLoughlin	Manager, Economic Strategy and Productivity		

Actions for the Minister's Office Staff (if required)

Return the signed report to Treasury.

Circulate this briefing to other relevant Ministers to ensure the right focus areas and projects have been included in the Future of Work Forum's Work Programme.

Note any feedback on the quality of the report

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Treasury Report: Proposed work programme for the Tripartite Future of Work Forum

Recommended Action

We recommend that you:

a **agree** to the proposed work programme for the Tripartite Future of Work Forum.

Agree/disagree.

b **circulate** this briefing and draft work programme to the following Ministers to ensure the projects and focus areas included in the work programme are appropriate.

- Minister of Research, Science and Innovation;
- Minister of Education;
- Minister for Workplace Relations and Safety; and
- Minister for Digital Media and Government Digital Services.

c **request** feedback from Ministers be provided to your office by 12pm on Wednesday 18 July 2018.

Simon McLoughlin
Manager, Economic Strategy and Productivity

Hon Grant Robertson
Minister of Finance

Treasury Report: Proposed work programme for the Tripartite Future of Work Forum

Purpose of Report

1. This report presents a draft work programme for the Tripartite Future of Work Forum. A draft run-sheet for the first meeting on Thursday 2 August 2018 is included for your review.

Mandate and high level focus of the Forum

2. Cabinet recently agreed to establish the Tripartite Future of Work Forum (ref: CAB MIN 0066), with a broad objective to help share the Government's work supporting New Zealand workers and businesses. The Forum has four themes to achieve this objective and each of these has now been assigned to a lead Minister to progress:
 - Technology – uptake and impact (Hon Claire Curran);
 - Productivity in the Work Place (Hon Iain Lees-Galloway);
 - Learning for Life – Building a Resilient and Adaptable Workforce (Hon Chris Hipkins); and
 - Just Transitions – Sustainable Work in a Low Carbon Economy (Hon Megan Woods and Hon James Shaw).
3. You met the CE of Business NZ and the President of the CTU on 5 July 2018 to discuss how the Forum would operate and how it would determine what initiatives and projects to focus on. Both Business NZ and the CTU agreed the four themes were an appropriate organising framework and that they would consider a detailed draft work programme for the Forum at the first meeting on Thursday 2 August 2018.

Developing the proposed work programme for the Forum

4. For each theme, the Forum can play an influential role in the key strategic discussions that shape government and business actions. Equally, the Forum can also develop and champion particular initiatives. The work programme below therefore looks to balance high level strategic topics with more granular 'on-the-ground' initiatives. A balance between long-term and short-term initiatives has also been sought.
5. Actions and discussions within the 'just transitions' theme will be less granular than for the other three themes. 'Just transitions', as an approach and a way of thinking about resource shifts, is relatively new so the discussions will be at a higher and more conceptual level over the short-term.

The proposed work programme for the Tripartite Future of Work Forum

Just Transitions

6. New Zealand is facing a significant period of change as it transitions to a low emissions economy and responds to other key drivers of change, including new technologies, globalisation and demographic shifts that will impact the future of work. The Government's objective is to help the people affected by these changes to make a just transition and avoid social dislocation.
7. A Just Transition is about first understanding the pathways to transition our economy to one with lower emissions. This understanding will then enable us to take collective action with partners to plan for a transition over time that avoids significant social dislocation. It is also about understanding how impacts of transition are distributed across the economy and making choices about how we manage these in an equitable and inclusive way. To achieve this, government and stakeholders will need to work together: government in partnership with local government, businesses, workers and communities.

Focus area/initiative	Near/medium/long term
<p>Assist government to develop a prioritisation framework for engagement</p> <p>Identifying the key stakeholders to engage with on a just transition, to be informed by an assessment of the likely future impacts; the scale of the opportunity for change; and the need to government to play a role to release these opportunities.</p>	Short-term
<p>Build the understanding of policy levers and their relative priority</p> <p>Articulating the variety of policy levers that government can bring to manage an effective transition, for example the role of the education system, social support services, innovation and science policy. Ensuring a just transition perspective is brought to bear on future policy decisions.</p>	Short-medium term
<p>Assist to establish effective governance across government, with social partners and sectoral and regional groupings</p> <p>Just Transitions have at their core a strong partnership with social partners. The work programme is founded in a collaborative operating environment with Business NZ, CTU and E tu as key partners. This model will be replicated at a regional level e.g. in Taranaki</p>	Short-term
<p>Advise on the Engagement with Taranaki</p> <p>Embedding a partnership approach with local government, businesses and iwi to develop a just transition plan for this region. Using a co-creation process to identify how the region can effectively transition to a low emissions economy and ensure that local businesses and residents are able to particulate meaningfully and productively in this evolving regional economy.</p>	Short-medium-long term
<p>Review and feedback on the Adapting to Climate Change in New Zealand Report</p> <p>This report is the first report prepared by the Climate Change Adaptation Technical Working Group. It summarises the expected impacts of climate change on New Zealand over the medium and long term, takes stock of existing work on adaptation, and identifies gaps in New Zealand's current approach.</p>	Short-term

Technology

8. Technology plays a crucial role in the context of the future of work. Widespread connectivity, increased automation and the impact of emerging technologies, such as Artificial Intelligence (AI), will rapidly change the nature of work in New Zealand. Technological change has the potential to offer significant benefits to New Zealand workers and business through the creation of new jobs, increased productivity and more flexible ways of working. However, it also presents challenges that need to be addressed, such as job losses, the need to reskill or retrain, and ensuring a sustainable pipeline of digital talent.

9. Technology is a cross-cutting issue and will therefore include the consideration of issues that overlap with those being explored by the other sub-groups. For example, the use of technology by New Zealand businesses will directly impact our productivity; the digital skills New Zealanders are equipped with will directly impact their ability to adapt in the face of technological change; and the application of emerging technologies will support the just transition to a net zero emissions economy.

Focus area/initiative	Near/medium/long term
<p>Advising on implementation of the Digital Skills for a Digital Nation report</p> <p>Discussing with the Forum the ways to give effect to the recommendations in the Digital Skills for a Digital Nation report to minimise any negative impacts of automation and technological disruption and address the skills shortage in the tech sector.</p>	Short-term
<p>Advising the yet-to-be appointed Chief Technology Officer on a Digital Strategy</p> <p>The Forum on the CTO-led digital strategy as it progresses to ensure that future of work issues take appropriate prominence – once appointed, the CTO could attend a future meeting to gather input.</p>	Short-medium term
<p>Exploring the potential applications of emerging technologies and their impacts on the workforce, and on productivity.</p> <p>One example could be early engagement with the AI Forum on the relevant findings in its recent report, <i>Artificial Intelligence: Shaping a Future New Zealand</i>.</p>	Short-medium - long term

Life long learning

10. The rate of technological and economic change is accelerating. Life long learning focuses on making learning for life a reality by ensuring the workforce has the foundational skills needed to support adaptability and resilience, enabling effective transitions from school to work, and ensuring the skills system is responsive to the labour market and assists people with changes in skills required over time.

Focus area/initiative	Near/medium/long term
<p>Assess and input into the Review of Vocational Education and Training</p> <p>This is focussed on ensuring New Zealand has a skills system that is adaptive and supports the changing world of work. While no decisions have been made yet, the review is considering how to promote outcomes such as:</p> <ul style="list-style-type: none"> • improving regional provision of skills training, • improving career pathways, including for people already in work who may need retraining or upskilling • identifying opportunities for improved relationships between different stakeholders in the sector. 	Short-term
<p>Consultation on the NCEA Review</p> <p>This review explores options and ideas on how NCEA, the key-stone qualification for secondary school leavers, can be strengthened to meet the needs of 21st century learners. The Forum could focus on resilience and adaptability. It could help in identifying and growing skill sets that will be of more value in a future more automated economy.</p>	Short-medium term
<p>Review and advise on the Careers Action Plan</p> <p>Developing and implementing a set of actions to improve the quality and effectiveness of school-based careers systems, with links to the new TEC Career Systems Strategy. The goal is better information and clearer pathways for an adaptable workforce.</p>	Short-medium and long term
<p>Assist in developing the 'Education Vision'</p> <p>Refining, articulating and building shared ownership from the Education Summits and National Conversation of a long term vision for learning in New Zealand Aotearoa</p> <p>The summits and conversation are inclusive and capture a wide range of views which will inform the education work programme and could feed into the FoW forum.</p>	Medium-long term
<p>Skills Shift in Manufacturing Initiative (created and led by the NZ Manufacturers Network)</p> <p>The Manufacturers Network is proposing to partner with tertiary education and training providers, Competenz, trade union, manufacturers and relevant technology vendors. The initiative will aim to upskill workers in the manufacturing sector so NZ can better leverage the changes brought about by the digitalisation of products and processes.</p>	Short-medium term

Productivity

11. Productivity is about how well people combine resources to produce goods and services. It measures how much output is produced per unit of input (labour and capital). Productivity growth is the key driver of long-term per capita income growth and tends to be linked closely to wage growth. These lead to improved material living conditions and contribute to overall wellbeing.
12. Lifting productivity means that New Zealand is making more of its limited resources. This increases society's choices and opportunities to improve wellbeing. For the Future of Work Forum, priority will be on labour market productivity discussions and initiatives. It should however also lend its weight to discussions concerning science and investment policies and initiatives.

Focus area/initiative	Near/medium/long term
<p>High Performance, High Engagement (HPE)</p> <p>High Performance Engagement (HPE) is a particular approach to resolving workplace issues. It is based on the concept that employers and employees are best placed to find solutions to work-related challenges and should therefore work together in decision-making.</p> <p>The Government is considering how it can best support employers and unions to implement HPE systems in their workplaces.</p>	Short-term
<p>Review and advise on the Productivity Commission operating model and its inquiries</p> <p>Central government and the Productivity Commission (PC) are currently considering how PC inquiries could be more relevant and influential. Forum partner perspectives on this would be valuable.</p> <p>The PC has started to scope an inquiry on the scale and potential impacts of rapid technological change and its disruptive impact on the future of work and the workforce in New Zealand. The Forum could discuss inquiry progress (and challenges) regularly with the PC.</p>	Short-medium term
<p>Research, Science and Innovation Strategy</p> <p>The Ministry of Business, Innovation and Employment is leading a refresh of the Research, Science and Innovation strategy. Although the strategy is still in its scoping phase, it is intended to support the Government to increase R&D expenditure to 2% of GDP over the next ten years. The strategy is due to be completed by the end of 2018, to feed in to the Budget 2019 process.</p>	Medium-long term

Provisional Run Sheet for the First Tripartite Future of Work Forum Meeting

13. This is an initial run sheet for the first meeting on Thursday 2 August 2018. The meeting will run from 9.30am to 12pm. It will include a photo opportunity at the start and a media briefing at its conclusion.

Agenda Item	Agenda item/activity	Speakers/extra attendees
9.30-9.35am	Photo opportunity for media.	Media representatives
9.35-10.25am	Discuss and determine FoW Forum work programme. (50 mins total) This could be separated into 10 minute discussion on each theme with each lead Minister discussing the proposed focus areas and initiatives in more detail.	FoW Ministers: All relevant Ministers will be invited. They can stay just for the discussion of their most relevant theme or for the whole agenda item. <ul style="list-style-type: none"> • Minister of Economic Development; • Minister of Research, Science and Innovation; • Minister for the Environment; • Minister of Social Development; • Minister of Education; • Minister of Workplace Relations and Safety; and • Minister of Government Digital Services.
10.25-10.35am	Break – coffee/food (10 mins)	
10.35-11.05am	New Zealand Manufacturers Association proposal on their Skills Shift in Manufacturing Initiative. (30 mins)	Dieter Adam, NZ Manufacturers Network.
11.05-11.35am	CTU and Air NZ to present and discuss their High Performance, High Engagement Programme (HPE). (30 mins)	Richard Wagstaff and Christopher Luxon, CE of Air NZ. A representative from KiwiRail may attend as well.
11.35-11.45am	Break – coffee/food prior to media briefing. (10 mins)	
11.45am-12pm	MoF, Kirk Hope and Richard Wagstaff to give a media briefing. (15 mins)	Media representatives

Next steps

14. If you agree to this draft work programme you should then circulate it to other relevant Ministers to ensure it captures all the key initiatives and focus areas within their portfolios. Feedback from Ministers will need to be received by 12pm on Wednesday 18 July 2018.
15. When Ministers feedback has been incorporated, the Treasury will compile a meeting pack for yourself and other Forum Members. The pack will include the meeting agenda, draft work plan and material on the other two agenda items – HPE and the Skills Shift Manufacturing Initiative. The pack will be circulated to Forum members no later than a week before the meeting.
16. As part of the meeting pack you will receive the proposed work programme on a single A3 for ease of consideration and discussion.