



# PSA Submission

Productivity Commission-  
Issues Report:

## Technological change and the future of work

June 2019

# PSA Submission on the Productivity Commission's Issues Paper on 'Technological Change and the Future of Work'

## About the PSA

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 73,000 members. We are a democratic organisation representing members in the public service, the wider state sector (the district health boards, crown research institutes and other crown entities), state owned enterprises, local government, tertiary education institutions and non-governmental organisations working in the health, social services and community sectors.

The PSA has been advocating for strong, innovative and effective public and community services since our establishment in 1913. People join the PSA to negotiate their terms of employment collectively, to have a voice within their workplace and to have an independent public voice on the quality of public and community services and how they are delivered.

The PSA is an affiliate of the New Zealand Council of Trade Unions Te Kauae Kaimahi (CTU) and we support their submission on the issues paper. The PSA has been an active participant in the Tripartite Forum on the Future of Work and many other working groups which deal with the future of public and community services.

## Introduction

The PSA welcomes the 'Inquiry into Technological Change, Disruption and the Future of Work'. We understand that the focus of this Inquiry is how New Zealand can maximise the opportunities and manage the risks of disruptive technological change and its impact on the future of work and the workforce. The overriding goal of the Inquiry is to understand how to harness changes to maximise the wellbeing of New Zealanders. The information provided shall prepare the country for a productive, sustainable and socially inclusive future, despite uncertainties around the impact of technology.

The PSA has provided some high-level recommendations (see Table 1) which should underpin the transformation in the world of work on a long-term basis. These recommendations should be considered when making propositions on short to medium term policy and programme development to harness, manage and mitigate technological change and its impacts. We will

welcome an opportunity to discuss our recommendations and will stay engaged with the series of reports which will be published by the Productivity Commission between August and November this year.

## The PSA’s recommendations on technological change and the future of work

Our recommendations will lead to a productive, sustainable, socially inclusive and fair future for New Zealand harnessing technological change for the better in transforming the world of work. They are summarised in the table below.

**Table 1: PSA’s recommendations for the future world of work**

Theme	Recommendation	Outcome
<b>Underlying principles</b>	<p>Adopt and implement a human-centred approach which facilitates a new social contract based on the ILO’s Declaration of Philadelphia, the Declaration of Fundamental Principles and Rights at Work and the concept of Just Transitions.</p> <p>Tripartite dialogue is the key to success.</p>	<p>Decent work which delivers for people and communities. As people are valued, motivated, loyal and engaged associated productivity gains create a win-win situation for workers <i>and</i> businesses.</p> <p>Considerations for the environment and just transitions broadens the win-win situation to include communities and New Zealand as a whole.</p> <p>Cooperation between the social partners (unions and business) ensures constructive and sustainable outcomes.</p>
<b>Pay</b>	Equal pay and pay equity	Valuing people’s contribution to paid work. Increased career opportunities for women through fairer share of paid and unpaid working time.
<b>Working Conditions</b>	<p>Flexible working without compromising labour standards and security of the workforce.</p> <p>Due to changing working conditions health and safety means and measures need to be better tailored to address work pressures in a fast-paced environment.</p>	<p>All workers regardless of their employment status enjoy decent work and security.</p> <p>A healthy and resilient workforce which is capable of cooperation through relationship building and maintenance.</p>
<b>Staff levels and</b>	Use technology particularly where	Ensuring healthy and meaningful

<b>workload</b>	strenuous work can be substituted by machines and workers can be freed to engage in creative, solution-oriented, constructive and cooperative work.	work with a human face becomes a reality.
<b>Resources</b>	Appropriate use of technological tools which is balanced with other tools conducive to people's talents.	A balance between generic tools for more effective processes and the ability to tap into the creative potential of people
<b>Infrastructure</b>	Technological infrastructure needs to respect and guarantee privacy, confidentiality, non-discrimination and social license.	Trust in technology and its use in the interest of people
<b>Relationships and workplace dynamics</b>	High engagement/high performance strategies should be implemented. High performance/ high engagement strategies should be developed for non-standard employment relationships.	High engagement leads to high performance. Extensive and trusting social dialogue on the company level (and potentially on the industry/occupation level) leads to the highest level of workers' well-being and economic performance.
<b>Training and life-long learning</b>	Continuous training and life-long learning are an essential pre-condition to coping with technological change. Such training and learning should be much broader than simply focussed on using or coping with technological change.  Support tripartite approaches to industry and workforce level strategy and planning.	Workers know how to use and manage technology and can use and manage outputs through excellent communication, creative and solution finding skills.  We have the needed and desired skills to harness and cope with future challenges and opportunities.
<b>Cultural responsiveness and inclusion</b>	Technological change and the future of work cannot be realised successfully if cultural respect and sensitivity are ignored. This is particularly relevant for a country like NZ with multiple ethnicities and cultural backgrounds. Technological developments need to respect and support the implementation of Te Tiriti.	People are brought along with technological change and seen as an integral part of the changing world of work.
<b>Funding and investment in public services</b>	In a changing world of work within which people experience multiple transitions into and out of work, reliable and high-quality public services are key.	Smooth transitions and access to basic public goods and services enable people to stay engaged with work and included in the community.

## Feedback on the Productivity Commission's issues paper on technological change and the future of work

In addition to our overarching recommendations we would like to take the opportunity to provide feedback on some of the information provided in the issues paper.

### 1. Firm level perspective to assess technological change and the future world of work

We notice that throughout the issues paper the Productivity Commission has adopted a firm level perspective. Given the Commission's strong research focus into increasing productivity on the company level this is understandable. Related to the firm level perspective technological change and its impacts on the future of work are analysed within a private sector context. Yet, the Terms of Reference (ToR) underline the importance of technological change for how government 'interfaces with the public and business, so government needs to be ready to respond to change in an agile and adaptive way.' This means that the impacts of technological change on the future of work are highly relevant to the public sector and public servants. Public servants must be capable of using, managing and communicating in an agile and adaptive way. Yet, discussions around technological change, its positive and negative impacts and the future of work in the public sector and for public services are missing from the issues paper.

In addition, a pure firm level perspective does not sufficiently address the impacts on the whole industry or occupation, workers, communities and the environment. Firms are embedded into industries, communities and the environment and cannot operate in isolation. Changes adopted by firms will immediately impact on workers and ultimately on industries, communities and the environment. Again, the ToR specify the importance of assessing the future of the workforce in New Zealand and to maximise well-being of New Zealanders. This assessment cannot be undertaken to a satisfactory degree with the limited analysis of impacts on workers, industries/ occupations, communities and the environment as presented by the current paper. A broader perspective including the private and public sector, the industry level and a wider societal and environmental view needs to be applied.

### 2. Uber, Walmart and Amazon: firms who benefitted from technological change

We would like to voice our concern on how the report presents the examples of Uber, Walmart and Amazon to highlight how these companies benefitted from technological change. While the use of technology might have benefited the shareholders, profit and productivity gains were made to the disadvantage of workers and especially their income and security. The report highlights the importance of disposal income for economic growth. This means that we must ensure these jobs are decent and pay a living at a minimum. It also means that we must look at the impacts of technological change beyond the firm as it affects workers, their communities and the environment. Uber is a good example to illustrate this. The report shows that taxi trips using ride sharing apps dramatically increased in the presented case study. It is not flagged however, that this meant an increase in insecure work and pay, which clearly affects certain groups of workers (e.g. with a specific ethnic background) and their communities. Moreover, this example shows that an increase in taxi rides is also detrimental to the environment. Increased and better public transport could have been a way to create decent jobs for workers and their communities and to decrease CO2 emissions.

The challenge here would be to reflect on how technology can positively impact on public transport to continue creating improved access and quality.

### 3. The four scenarios

We welcome the idea of developing future scenarios. Future scenarios allow reflection on our vision and direction of travel based on values and our joint purpose. The scenarios developed by the Commission concentrate on labour market developments and productivity. Although these are important elements of the future of work in an age of technological change, we recommend a reflection of values and principles that should underpin our vision for the future. In addition to economic scenarios the PSA recommends considering social, cultural and environmental impacts of technological change. We need to consider how technological drivers impact on the workforce, the well-being of New Zealanders and on public goods and services.

### 4. Future work arrangements

We welcome the discussion on changing work arrangements. Dependent contracting and labour hire are familiar arrangements in both the private and public sector. Changing work arrangements have profound impacts on workers, their communities and the environment (as demonstrated by the Uber example). We recommend including labour hire companies into the inquiry. Although labour hire workers are employees, our experience in the public sector shows that they are treated as second-class workers in relation to pay and other working conditions. If we are only dealing with contractors, labour hire will experience a surge for lower cost labour. This wouldn't lead to improved productivity or well-being of New Zealanders. In many European countries labour hire companies are regulated and accredited. Unions and labour hire companies (or their industry representative body) negotiate collective agreements.

### 5. High performance workplace practices

According to the OECD definition, high performance workplaces employ techniques targeted at the individual to raise performance. We are advocating for high performance/high engagement techniques which are based on a broader conceptual framework. High performance and high engagement workplaces use constructive negotiating strategies and processes and implement those outcomes collectively through social dialogue. The implementation process considers aspects such as workers' voice and influence, the amount of trust, the work climate and culture. These collective techniques seem inevitable when trying to make best use of technological change to the benefit of the worker and the firm. We therefore recommend adopting a broader perspective when assessing the performance of workplaces *and* the engagement of workers.

## Resources:

ILO (2019), Work for a brighter future – Global Commission on the Future of Work, International Labour Office, Geneva; available at : [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms\\_662410.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---cabinet/documents/publication/wcms_662410.pdf)

ILO (2018), Care work and care jobs for the future of decent work, International Labour Office, Geneva; available at: [https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms\\_633135.pdf](https://www.ilo.org/wcmsp5/groups/public/---dgreports/---dcomm/---publ/documents/publication/wcms_633135.pdf)

ILO Declaration of Philadelphia (1944); available at: <https://www.ilo.org/legacy/english/inwork/cb-policy-guide/declarationofPhiladelphia1944.pdf>

ILO Declaration of Fundamental Principles and Rights (1998); available at: [https://www.ilo.org/wcmsp5/groups/public/---ed\\_norm/---declaration/documents/publication/wcms\\_467653.pdf](https://www.ilo.org/wcmsp5/groups/public/---ed_norm/---declaration/documents/publication/wcms_467653.pdf)

Eurofound (2016), Win-win arrangements: Innovative measures through social dialogue at company level, Publications Office of the European Union, Luxembourg; available at: [https://www.eurofound.europa.eu/sites/default/files/ef\\_publication/field\\_ef\\_document/ef1633en\\_0.pdf](https://www.eurofound.europa.eu/sites/default/files/ef_publication/field_ef_document/ef1633en_0.pdf)

Thank you very much for the opportunity to be heard.

We would like to be actively involved in the ongoing process of the inquiry into technological change, disruption and the future of work.

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