



**TEU**

**TERTIARY EDUCATION UNION  
TE HAUTŪ KAHURANGI**

Submission of

Te Hautū Kahurangi | Tertiary Education Union

to the

New Zealand Productivity Commission

on

**Draft reports 1 and 2 in its inquiry into  
Technological Change, Disruption, and the Future  
of Work**

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## 1. Introduction

- 1.1. Te Hautū Kahurangi | Tertiary Education Union (TEU) welcomes this opportunity to respond to Draft Report 1, *New Zealand, technology and productivity*, and Draft Report 2, *Employment, labour markets and income*, as prepared by the New Zealand Productivity Commission.
- 1.2. The TEU is the largest union and professional association representing academic and general/allied staff in the tertiary education sector (in universities, institutes of technology/polytechnics, wānanga, private training establishments, and REAPs).
- 1.3. The TEU actively acknowledges Te Tiriti o Waitangi as the foundation for the relationship between Māori and the Crown. We recognise the significance of specific reference to Te Tiriti o Waitangi in the Education Act and the emergent discourse resulting from this. We also accept the responsibilities and actions that result from our nation's signing of the UN Declaration on the Rights of Indigenous Peoples.
- 1.4. The TEU expresses its commitment to Te Tiriti o Waitangi by working to apply the four whāinga (values) from our *Te Koeke* Tiriti framework as a means to advance our TEU Tiriti relationship in all our work and decision-making – with members and when engaging on broader issues within the tertiary sector and beyond – such as our response to this public consultation document:

*Tū kotahi, tū kaha:* We are strong and unified; we are committed to actions which will leave no-one behind; we create spaces where all people can fully participate, are fairly represented, and that foster good relationships between people.

*Ngā piki, ngā heke:* We endure through good times and bad; we work to minimise our impact on the environment; we foster ahikā – the interrelationship of people and the land, including supporting tūrangawaewae – a place where each has the right to stand and belong.

*Awhi atu, awhi mai:* We take actions that seek to improve the lives of the most vulnerable; we give and receive, acknowledging that reciprocity is

fundamental to strong and equitable relationships; and we work to advance approaches that ensure quality public tertiary education for all.

*Tātou, tātou e:* We reach our goals through our collective strength and shared sense of purpose, which are supported through participatory democratic decision-making processes and structures.

- 1.5. Our response to both Draft Reports stems from our commitment to the whāinga expressed above and our wish to see these enacted in the tertiary education sector and in our society and communities.

## 2. CTU policy

- 2.1. The TEU is an affiliate of the Te Kauae Kaimahi | New Zealand Council of Trade Unions (CTU) and therefore strongly supports the CTU's policy and submission on Draft Reports 1 and 2.

### *General comments*

- 2.2. We share the CTU's assessment that there are considerable weaknesses contained in the analysis put forward by the Commission in both Draft Reports.
- 2.3. As the Commission's inquiry is largely about managing change, there needs to be greater attention given to acknowledging – and learning from – the impacts of the major policy reforms which took place during the 1980s and 1990s.
- 2.4. Added to this, understanding and successfully managing change requires an analysis of the role of unions and collective bargaining in relation to positive and inclusive social change.

## 3. Draft Report 1: *New Zealand, technology and productivity*

- 3.1. With regard to the Commission's first Draft Report, we support the CTU's critical assessment surrounding the issues of wages and productivity; the importance of unions, collective bargaining, and collective solutions; macro-economic conditions; the role of the state; technology and inequality; and, the historical context of technological change within New Zealand.

- 3.2. In particular, it is our view that there are three main reasons why the role of unions and the importance of collective bargaining need to be recognised in the Commission's Reports:
1. individual employment agreements cannot achieve the sophistication required to ensure balance between the following factors:
    - the needs of employees for a decent life;
    - the thriving of firms that innovate and provide good employment;
    - the incentives that wage growth provides for innovation;
    - the sharing of the proceeds of innovation between employees and firm owners; and,
    - recognition of the macroeconomic conditions that provide a context for wage and employment levels;
  2. unions play an important role in workplace engagement initiatives which have a positive impact on the wellbeing of staff and raise productivity and innovation; and,
  3. union representation provides working people with reassurance that processes of change will address their needs and concerns, and that they will be in a position to benefit as they face change
- 3.3. Furthermore, the section of the Report on technology in the second half of the 19<sup>th</sup> century lacks any recognition of the role and growth of social movements, unions, and political parties that, in their campaigns against appalling working conditions, advocated for – and achieved – improvements in wages and conditions.
- 3.4. Although we agree with the Report where it acknowledges that regulation can foster innovation, further discussion is required regarding the appropriate regulation of specific types of technology, particularly those that potentially involve the surveillance and monitoring of workers and all citizens.
- 3.5. The discussion of technology and inequality included in the Report is inadequate. If the terms of reference of the inquiry are to be realised – that is, the maximising of the wellbeing of New Zealanders in conjunction with a socially-inclusive future – then the fair distribution of the proceeds of technological change needs to be an objective that is integral to such changes. As such, the discussion and analysis pertaining to the Labour Income Share is

insufficient and needs to be extended to include relevant, New Zealand-specific research.

- 3.6. With regard to the section of the Report which examines the historical context of technological change in New Zealand, the CTU identified major gaps relating to the implications of reforms that took place during the 1980s and 1990s. These reforms are now widely recognised as having failed in both social and economic terms. The major Government-led reforms in the vocational education and training sector are recognition of the failures of reforms which began in the 1990s. If we are to learn from the past, the Report needs to analyse the ways in which the changes of the 1980s and 1990s resulted in a rapid rise in unemployment, poverty, and inequality, as well as deunionisation.

#### **4. Draft Report 2: *Employment, labour markets and income***

- 4.1. The CTU submission includes a detailed, chapter-by-chapter response to Draft Report 2. The TEU supports the central points and recommendations of the CTU submission.

#### **5. Conclusion**

- 5.1. The TEU thanks the Commission for the opportunity to respond to Draft Reports 1 and 2.
- 5.2. We strongly support the CTU's views and recommendations as outlined in their submission on Draft Reports 1 and 2.