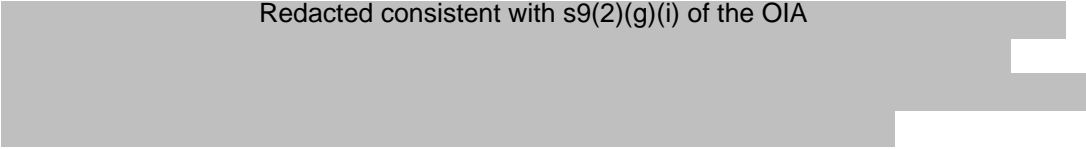


## Minutes – Small Business Council Meeting

<b>Date and location</b>	7 November 2018 Tauwaka Room, Novotel Auckland Airport, Ray Emery Drive, Auckland
<b>Attendees:</b>	Tenby Powell (Chair), Terry Baucher, Anthony Buick-Constable, Nicole Buisson, Paul Dansted, Karen English, Jim Gordon, Andy Hamilton, Allison Lawton, Matt Ritchie, Deb Shepherd, Tania Siladi, Keith Taylor, Leeann Watson, Ed Tregidga (Secretariat), Kathy Brightwell (Secretariat) Patti Poole (Secretariat)
<b>Guests:</b>	Gerald Minnee (MBIE), Nathan Grennell (MBIE) Paul Stocks (Deputy Chief Executive, MBIE), Karl Woodhead (MBIE), Ruth Isaac (MBIE)
<b>Apologies:</b>	Jerry He, Alison Brewer, Rachel Brown (teleconferenced in)
<b>Conflicts of Interest:</b>	Compiled on a conflicts register

Item	Topic	Discussion	Action
1	General business	<p><b>Opening from the Chair</b></p> <ul style="list-style-type: none"> <li>Chair opened the meeting at 10.00am.</li> <li>Asked for the Council's feedback on the minutes from the previous meeting – no issues were raised.</li> <li>Noted the importance of refining the key themes that the Council is investigating to ensure the work of the Council is focussed and covers the right breadth. Ideally the eight themes previously identified could be condensed to four or five concise themes that the Council members will be able to work on in smaller groups and then report back to the wider Council.</li> <li>Council member commented that it is important the themes the Council uses do not miss any key areas of importance. For example competition policy is something that is important to many small businesses.</li> </ul>	

		<ul style="list-style-type: none"> <li>• Noted that a speech delivered by Minister Parker contains some good points around ensuring the benefits of trade are distributed broadly.</li> <li>• Noted that small business access to finance is important and many small business owners use their home as collateral to finance the business. There are some good examples internationally of how different countries fund their small businesses.</li> <li>• Noted that the Council needs to think strategically beyond what small businesses of today are thinking about and look at what issues small businesses in the future will be facing.</li> </ul> <p><b>Actions from previous meeting</b></p> <ul style="list-style-type: none"> <li>• Noted the Council’s letter to the Tax Working Group (TWG) and that the TWG is diving very deep into certain topics.</li> <li>• Noted that the Council has a good opportunity to have a wide engagement to communicate its work.</li> </ul> <p><b>Other matters</b></p> <ul style="list-style-type: none"> <li>• Secretariat noted that delivery of the Small Business Strategy is a priority for the Minister for Small Business.</li> <li>• Noted the need to build strong linkages between the Council and the Business Advisory Group to ensure the voice of small business is heard in the Business Advisory Group.</li> <li>• Noted that the Business Advisory Group has not yet met and has a different framework and brief than the Small Business Council.</li> <li>•  Redacted consistent with s9(2)(g)(i) of the OIA</li> <li>• Noted that businesses are busy in the day-to-day running of their businesses and that the Council is peripheral to those people’s lives. The Council needs to make any engagement with businesses simple as small business people value their time highly.</li> </ul> <p><b>Discussion</b></p> <ul style="list-style-type: none"> <li>• Noted that the purpose of the Council is not to give small businesses everything they want, but to take a strategic longer term view and provide input and advice that will deliver the best outcomes for the small business sector and New Zealand as a whole.</li> </ul>	
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Item	Topic	Discussion	Action
2	Sector Workforce Engagement Programme (SWEP)	<ul style="list-style-type: none"> <li>• The Chair introduced Nathan Grennell from SWEP and invited the Council to do roundtable introductions.</li> <li>• Chair outlined some of the areas of common interest between SWEP and the Council.</li> </ul> <p><b>Presentation on SWEP</b></p> <ul style="list-style-type: none"> <li>• Summarised SWEP and why it is necessary. Migrants often go to the regions where industry is growing and this workforce can be vital to that growth. However, it is important that migrants don't displace local people, especially young people.</li> <li>• SWEP is a cross-agency group that engages with specific sectors to develop industry-led and government-supported labour market solutions.</li> <li>• Chair outlined Ara – Auckland Airport Jobs and Skills Hub. Noted the value of the Ara concept and how it could be replicated around New Zealand.</li> <li>• Nathan discussed that when the government invests in upskilling the workforce it is not always apparent or obvious to businesses. One of the levers available to government is procurement. Moving forward there will be a requirement on Government procurement to gather information from suppliers around what they are doing to upskill the workforce. Government can then award contracts to suppliers that are investing in skills development and training.</li> <li>• Noted that Auckland Council have already moved to this model of procurement.</li> <li>• Noted that this type of incentive will be focussed on the construction and infrastructure sectors and that it will apply to contracts over \$10 million.</li> </ul>	

		<ul style="list-style-type: none"> <li>• Many small businesses do not have the time or resources to think about and invest in skills development and training but there is an opportunity to coordinate industry more so that small businesses can cluster together to work towards that goal.</li> <li>• When an industry is highly reliant on temporary workforces it can lead to a backlash against immigration. SWEP is trying to get ahead of that backlash.</li> <li>• Noted that in certain regions, for example Queenstown, there is a need for regional flexibility in utilising migrant labour because there are not enough local people to fill the jobs. The government is working on regional flexibility.</li> <li>• Noted that many young people do not see some industries as viable career paths and businesses are forced to rely on migrant labour. Low pay is a disincentive to New Zealanders working in some industries. MBIE staff noted that the kiwifruit industry is an example where seasonality and poor pay are the driving forces behind New Zealanders not wanting to work in the industry.</li> <li>• Noted that in the future we might like to invite Just Transitions to present to the Council</li> <li>• Noted that businesses will either be proactive about developing their workforce and operating in sustainable ways or they will struggle in the future. Good case studies are invaluable for showing small businesses the value that can be gained through changing their behaviour.</li> <li>• Noted that it can be difficult to get small businesses that are in direct competition for staff to work together on workforce development.</li> </ul>	<p>Secretariat to arrange a representative from Just Transitions to present at a future Council meeting</p>
Item	Topic	Discussion	Action
3	Future of work	<ul style="list-style-type: none"> <li>• Chair introduced Gerald Minnee and invited round table introductions.</li> </ul> <p><b>Presentation on the future of work</b></p> <ul style="list-style-type: none"> <li>• Summarised the popular commentary around the future of work and that some of the main ideas and themes are not couched in reality. For example, there is a popular idea that robots will lead to mass job losses, but in reality the New Zealand labour market is actually creating more jobs and unemployment is very low.</li> <li>• The New Zealand labour market is very dynamic with large numbers of jobs created and destroyed every year. New Zealand has dealt with major disruption and change over the past few decades and we should be confident that we can deal with changes in technology as we move forward.</li> </ul>	

		<ul style="list-style-type: none"> <li>• Noted that if the types of changes that are most often quoted do end up playing out, it is unlikely to happen instantly and the New Zealand labour market is likely to be able to adapt.</li> <li>• Noted that in the future people will make more frequent job transitions and have faster skill obsolescence. Lifelong learning will be important for people and investing in skills and training will be important for firms.</li> <li>• Summarised the six trends that are likely to influence New Zealand labour market over the next 15-25 years: <ol style="list-style-type: none"> <li>1. Labour force participation will fall as the population ages.</li> <li>2. Every firm will more actively use technology.</li> <li>3. Resource scarcity and climate change will affect our economic structure.</li> <li>4. Economic success of Auckland will become ever more important to national economic success.</li> <li>5. Growth in services will create new economic opportunities and some competitive difficulties.</li> <li>6. Globalisation of people, knowledge and capital flows.</li> </ol> </li> <li>• Noted that free trade agreements are important but economic integration is what drives the flow of people.</li> <li>• Council asked whether there would be an opportunity for digital and tourism exports to grow?</li> <li>• Responded that the lighter the export the better, but that tourism is not a panacea. We have not seen the growth in weightless exports as we might want to see for success in the future.</li> <li>• Noted that the sectors most at risk from the coming changes are dominated by small businesses.</li> </ul>	
Item	Topic	Discussion	Action
4	Communications Protocol and key messages	<p><b>Discussion on the draft communications protocol</b></p> <ul style="list-style-type: none"> <li>• Chair noted that a crib sheet of key messages and FAQs would be useful for all Council members to be able to refer to in communicating about the work of the Council.</li> <li>• The Council confirmed that it is happy for the Chair to set up social media channels for the Council.</li> </ul>	<p>Secretariat to provide key messages and FAQs for the Council's review.</p> <p>Chair to establish social media channels.</p>

		<ul style="list-style-type: none"> <li>Noted that when members are speaking to the media it is important that they are clear what hat they are wearing. For example they should explicitly state whether they are speaking in their capacity as a member of the Council or in some other capacity.</li> </ul>	Secretariat to apply feedback to communications protocol.
Item	Topic	Discussion	Action
5	Key themes for the small business strategy	<p><b>Workshop on key themes</b></p> <ul style="list-style-type: none"> <li>Secretariat summarised what sort of a product is expected for a strategy – roughly 20 pages with a couple of pages on each theme. Noted that there is also a lot of background research and analysis that will happen as part of the strategy development.</li> <li>Noted that even though members will be working on themes in sub-groups nobody will be isolated from any of the themes and there will be a lot of report back.</li> <li>Identified the following key themes for sub-group work: <ol style="list-style-type: none"> <li>Compliance and enablers: how do we enable?</li> <li>People and skills: how do we build?</li> <li>Innovation, development and sustainability: Where and how can we play?</li> <li>Capital and finance: how do we fuel?</li> </ol> </li> <li>Council members noted that each theme should be considered across the three time horizons and it is important to consider to what extent size of business matters within each theme.</li> <li>Council members separated into sub-groups to discuss issues relevant to each theme and the approach to their further development.</li> <li>Secretariat agreed to collate the information from each sub-group’s discussion and distribute for further small group collaboration before the next meeting.</li> </ul>	<p>Secretariat to create a living document for the four themes (theme and summary)</p> <p>Secretariat to produce supporting documents around each theme.</p>
Item	Topic	Discussion	Action
6	Next steps and close	<ul style="list-style-type: none"> <li>Discussed next steps around communications.</li> <li>February meeting will now be held in Wellington.</li> <li>Chair thanks everyone and closes the meeting.</li> </ul>	<p>Chair to circulate draft logos for discussion.</p> <p>Secretariat to draft press release following meeting.</p>