Summary of consultation on the draft Long-term Insights Briefing: *The future of Business for Aotearoa New Zealand*

This summary document shares key insights from meetings, sessions and written submissions from the May – June 2022 consultation phase on the draft version of the Ministry of Business, Innovation and Employment's Long-term Insights Briefing: *The Future of Business for Aotearoa New Zealand*.

Note: this summary document is about the second consultation phase for the Long-term Insights Briefing. Information about the findings from the first consultation phase (on the proposed topic for the Briefing) can be found here.

ABOUT THE CONSULTATION PROCESS

On 11 May 2022 we published the draft version of the Ministry of Business, Innovation and Employment (MBIE)-led Long-term Insights Briefing: *The Future of Business for Aotearoa New Zealand: An exploration of two trends influencing productivity and wellbeing – purpose-led business and use of blockchain technology* (the Briefing).

Consultation questions

The draft Briefing contained eight consultation questions, which we collated in a separate submission form and published on the website alongside the Briefing (the submission form also provided a space for "Any other comments"). The purpose of the questions was to prompt readers to critically engage with the content of the draft. Those who made written submissions used a variety of formats: some contributors used the submission form, while others responded to the draft Briefing via email or in a format of their own choosing. We accepted all written submission types.

The eight consultation questions provided in the draft Briefing and submission form were:

1. In what ways are you or your business responding to big challenges, like COVID-19, climate change and technological change?
2. Do you think that there will be a steady increase in purpose-led businesses? Are there other possible futures you think we should note?
3. Are there other opportunities or risks that could arise from a steady growth in purpose-led businesses?
4. Do you think that there is a greater role for business in contributing to wider societal outcomes? If so, what do you think business needs to be able to do this?
5. Do you think there is a role for government in enabling purpose-led businesses? What role should or could government play?
6. Are there any other aspects to the current development and use of blockchain that you are aware of?
7. What else do you think may be probable or possible about future developments in the use of blockchain? Are there other opportunities or implications?
8. What approaches should or could Aotearoa New Zealand take with blockchain going forward to manage risks and enable opportunities?

For the purpose of this summary we've used a thematic approach to communicate the combined findings from the written submissions, and the various meetings, workshops and sessions we held. As such, the consultation questions will not be directly answered in this document.

How we engaged

The document was published on MBIE's website, and we communicated its release and the upcoming consultation phase via media release and our social media channels (eg LinkedIn). The consultation phase was open from 25 May to 24 June, and involved a combination of open and targeted engagement through:

- an open call for written submissions on the webpage and our social media channels
- email invitations to contributors from the first consultation phase to make written submissions and/or to meet with us
- two publicly advertised virtual information sessions
- meetings organised at the request of individuals and organisations
- meetings organised at our request with individuals and organisations with relevant expertise.

Engagement with iwi / Māori

We worked with an engagement consultant who developed targeted Māori engagement strategies for both consultation phases. For the second consultation phase we contacted 16 organisations and 2 wanted to meet with us to discuss the Briefing. Our Briefing attracted no submissions from the Māori organisations we engaged with through this process. This low level of engagement is discussed in the Limitations section below.

In terms of Te Arawhiti's [Engagement Framework](#), we engaged at the "consult" level.[1] We considered this the most appropriate level of engagement for this project because the Briefing does not have immediate and tangible policy implications. If further policy work is commissioned or explored as a result of this Briefing, we would need to review our engagement approach.

Level of interest

During the second consultation phase, the team:

- received 23 written submissions from individuals and representatives from various organisations
- held 13 meetings with representatives from various organisations
- facilitated 2 workshops
    - 1 with WeCreate, with 20 attendees from creative businesses
    - 1 with 13 young people and a live illustrator who captured their insights about the future of business
- held 2 public information sessions with 27 attendees in total.

For the remainder of the document, we refer to the people, agencies and organisations who engaged in the second consultation phase as 'contributors'.

Our contributors represented various backgrounds (note that two contributors also wrote written submissions and only appear once):

- 11 businesses/enterprises
- 6 business representative groups
- 4 academics or specialist advisors
- 4 government agencies
- 2 Māori business associations
- 5 individuals
- 2 from other organisations.

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[1] Engagement at the "consult" level is appropriate for issues of "moderate" relevance to Māori – the framework describes moderate relevance as follows: Māori interests exist or are affected but wider interests take priority. The approach involves the following: The Crown will seek Māori feedback on drafts and proposals. The Crown will ultimately decide. The Crown will keep Māori informed, listen and acknowledge concerns and aspirations, and provide feedback on how their input influenced the decision.

Analysis

We used a thematic approach to draw findings from the written submissions we received, and the notes from all meetings, sessions and workshops. This involved the team reading all notes, highlighting common ideas and any comments to incorporate into the Briefing, and developing codes for those ideas and comments (ie themes). We transferred coded statements into a spreadsheet so all statements related to each code could be grouped together. We then analysed these groupings.

The Consultation Findings sections below summarise the key themes from our conversations and written submissions. We've tried to capture the nature of statements made on each theme and give a sense of the proportion of contributors who made those statements (eg "many contributors expressed…", and "one contributor noted"). The statements made in the Consultation Findings sections below are paraphrased from our contributors – they are not representative of MBIE's views.

Please note that this is a summary document and not a full account of contributions from the second consultation phase. There may be some contributions that appear in the final Briefing that are not represented in this summary document.

Limitations

There was excellent engagement from groups that have direct interest in our two trends. However, it's worth noting that those who provided insights are already interested and/or experts in these areas. Therefore, their views may not be representative of the wider public.

The low level of engagement with Māori businesses may be proportionate to the nature of the product and to the priorities of those we sought to engage with. Māori and iwi have high, ongoing demand to engage with Government and have their own strategic priorities. Annex One shares some learnings about engaging for future Briefing processes.

There were some other specific voices we would have liked to hear more from and may need to better consider for future Long-term Insights Briefing processes:

- Pacific peoples and businesses (we had good engagement in our first consultation phase)
- young people
- other businesses (ie not purpose-led).

CONSULTATION FINDINGS ABOUT PURPOSE-LED BUSINESS

Most contributors in this consultation phase had some level of involvement with purpose-led business

These contributors generally agreed that:

- business has "a role" in contributing to wider societal outcomes, but some expressed that this is a choice for individual businesses
- purpose-led business is likely to grow and typically expect this growth will be driven by demand from employees, investors and consumers
- the rising proportion of Millennials and Gen Z in the economy will further accelerate this growth – some believe it will be an expectation and that those who don't have a wider purpose will be at a competitive disadvantage.

It's becoming increasingly important to recognise "purpose-led business"

Several contributors expressed an expectation that the diversity of business types will increase over the next 10+ years. This means there will be a growing share of businesses that do not fit into the current way that government, tax and legal systems characterise businesses (ie as either commercial or charitable). New understandings of the business landscape may need to be developed to accommodate diversity. Views varied on what this might look like, eg:

- some contributors wanted the term "purpose-led business" to be defined:
    - Many found that purpose-led business should be defined by values rather than actions.
    - Some wanted the concept of purpose-led to be kept as wide as possible.

- some stressed that it should be less about defining the term and more about recognising the various contributions of the businesses.
- some contributors noted that there can be different types of purpose-led businesses, eg:
  - some might ensure that they counteract their externalities
  - others might aim to provide a social good or service that is also often provided by the government (like healthcare).

Contributors would generally like government to explore a common approach to measuring and reporting impact

Many contributors find it difficult to "prove" the impact of their work. In particular, businesses find it difficult to demonstrate that they have created non-financial value. Creative businesses, for example, might create a range of community and social benefits that are difficult to quantify in monetary terms.

Some contributors suggested that government consider creating a certification mechanism to enable businesses to communicate purpose-led work to stakeholders (including the government and consumers). Our consultation process unearthed important factors to consider in an approach to impact measurement and reporting, eg:

- whether measuring and reporting should be voluntary or mandatory
- the Living Standards Framework could be used as a foundation for measuring and reporting, but there are also international standards under development
- there is some interest in Inland Revenue incorporating non-financial metrics (ie measuring impact and contribution toward government's goals)
- be mindful of administrative burden, particularly for Māori and Pacific businesses, and also for small and medium enterprises (SMEs)
- there's a risk of "purpose-washing", ie profit-driven businesses becoming certified despite their work not contributing to wider outcomes. This can occur in a number of ways, such as businesses ringfencing activities and only reporting on those that align with their wider purpose, and therefore avoiding "baking-in" purpose.

Profitability, employee attraction and consumer preference are key benefits of being purpose-led

- Some contributors found there is a positive link between financial performance and being purpose-led.
- We heard from some that purpose-led businesses attract a wider range of employees as many employees, particularly younger ones, prefer working for firms whose values align with their own.
- One contributor stated that a growing number of young employees want to lead their own value-driven enterprises.
- Several noted that good social and environmental outcomes with minimal externalities are important to consumers.
- A few businesses mentioned that purpose-led businesses can use their values to make decisions, which helps them to navigate complexity.

Businesses are focussed on the same kinds of outcomes that Government is looking to achieve through its priorities

- There is general agreement that business and government are working to tackle similar issues (like climate change). However, views differ on whether we need greater alignment between business and government efforts, and how this could be achieved, eg:
  - businesses provide solutions and insights that government can support, share, encourage and learn from
  - businesses should look to align with government's priorities
  - government should directly engage with work that purpose-led businesses are doing to support its priorities.
- One contributor saw the role of business as supporting societal outcomes through employment and choice for consumers alone and does not support business contributing to wider outcomes (like government priorities).

- Many contributors believe the future of business is likely to have more blurred lines between government and business functions. Moves by business to contribute to wider social objectives mean that government will work differently with business to achieve mutually agreed social objectives.

Government should play an active role in supporting purpose-led business with tools, information and education, particularly for SMEs

- Generally, contributors would like government to consider encouraging the growth of purpose-led business through grants, funds and tax incentives – as they see these businesses as supporting government to achieve its outcomes.
- One contributor cautioned against developing specific regulations for purpose-led business as it may have perverse affects (eg encouraging purpose-washing).

CONSULTATION FINDINGS ABOUT USE OF BLOCKCHAIN TECHNOLOGIES

Not all contributors were familiar with blockchain or decentralised digital technologies

- The majority of meetings and submissions focussed on the purpose-led aspects of the briefing.
- Not everyone we met with or who wrote a submission provided comments on blockchain.
- Those who shared views on blockchain and decentralised digital technologies ranged from unfamiliar to experts in the field.

There were somewhat conflicting views on whether blockchain could help deliver on some of the outcomes discussed in the purpose-led section (like climate change)

- Several mentioned that technology like blockchain can support better measurement of impact and sustainability reporting.
- A few contributors discussed that the transparency that decentralised digital technologies can bring to supply chains can play a critical role in shifting to "circular economies".
    - However, others also voiced scepticism over the benefits because some applications of the technologies are energy intensive.
    - While several others spoke about blockchain shifting to low energy approaches and newer blockchains not being energy intensive.
- A couple of contributors were optimistic about the possibility that blockchain's traceability capabilities could support the fight against modern day slavery.
- Several experts discussed the potential of Decentralised Autonomous Organisations (DAO) to support achieving wider purpose:
    - A few contributors noted that DAO can be an efficient way to organise people and funds around a common purpose and deliver outcomes. The organisations can be dissolved once they've served their purpose.
    - One cautioned that there may need to be government regulation in the DAO space, as they will likely pose similar risks as "the gig economy".

There should be more focus on the broader trend of decentralised digital technologies in the Briefing

Many contributors discussed the unknown nature of how any technology will develop and be applied in the future. The experts we spoke with highlighted that blockchain is part of a broader trend of decentralised digital technologies and the importance of building awareness of the underlying tech, capabilities and potential developments. One contributor saw decentralised digital technologies as a whole as having more transformational potential than blockchain itself.

Perspectives varied on where Aotearoa New Zealand is, and should be, compared to other countries

- Some contributors expressed that business development and use of blockchain is at very early stages limited to a few tech companies and entrepreneurs.
- Some think that our technology uptake and application is falling behind other countries (eg those in the EU), and that this could pose risks to future market access and our ability to control our own market.
- Some want government to think strategically about how Aotearoa New Zealand could position itself globally, eg through:
    - showing leadership in inclusive 'for good' uses

- o usage by Māori businesses
- o becoming world leaders for data sovereignty.
- Many thought more information should be shared more broadly but were unsure if immediate action is needed.

Contributors' views on the roles that government should play in blockchain ranged from 'providing information' to 'taking bold strategic action'

- The majority of contributors wanted government to provide information on, and prevent the spread of misinformation, about blockchain and other decentralised technologies.
- A few suggested there's an opportunity for government to use blockchain and that government trials and use will support optimal use/risk management.
- Several noted that skills are a critical constraint, eg New Zealand has very limited programming capability; business and strategic skills are also important.
- We also heard some strategic choices that government could choose to take in its approach to decentralised technologies, around:
  - o equity, as decentralised digital technologies could offer new business models, with shared ownership that could present greater opportunities for people marginalised in current dominant business models
  - o upskilling for the future and attracting talent
  - o the potential for Aotearoa New Zealand to play a leadership role.

There are concerns about government's ability to make choices about blockchain technologies or their uses

Several contributors expressed concerns that the distributed nature of activities occurring on blockchains (ie international currencies and markets), and that the technology is already in use and rapidly evolving, will inhibit government's ability to make any choices about the role it plays.

HOW THESE FINDINGS INFORMED THE BRIEFING

The contributions of those who made submissions and met with us have added richness and depth to the Briefing's insights. Many of the sections in the Briefing now include contributors' perspectives, ideas and corrections. This includes the addition of over 60 quotes from a wide range of people that support the insights in the Briefing.

We were also able to improve a number of key sections in the document, including:

- **expanded sections on strategic choices for the two trends**: we heard many ideas about what decision makers could do in response to the insights discussed in the Briefing. These ideas are reflected in two new sections on strategic choices for purpose-led business and blockchain technology
- **a short analysis of the strategic choices for each of the purpose-led and blockchain sections**: contributors had different views about which of the strategic choices and associated options would be most effective. We used this feedback to complete a short assessment of the ideas that were most supported. These sections include many of the themes discussed above.
- **a new major insight on "Future of Business a diversity of models"**: our discussions identified a common insight emerging from both the purpose-led business and blockchain exploration that led us to this more fundamental insight about the nature of future business and what we might need to plan for.
- **a final section on what young people would like to see**: throughout the process we heard many people speak about the expectations of young people and the influence that they are likely to have on both trends. We explored this further through a discussion with a group of young people. They helped us develop a picture of how they see the future of business. This is included as a final insight in the Briefing.

NEXT STEPS

Thank you to everyone who shared their knowledge and insights to inform the development of the Briefing. The Briefing has now been finalised and we plan to present it to Parliament in November 2022.

ANNEX ONE: LEARNINGS FOR ENGAGING WITH IWI / MĀORI ON FUTURE BRIEFINGS

Māori and iwi have high, ongoing demand to engage with Government and have their own strategic priorities. We need to consider the nature of the Briefings and the possible outcomes they have for iwi/Māori, ie:

- the Briefings are think-pieces with the primary purpose of enhancing awareness and public debate on long-term issues
- they are explicitly not policy documents and are developed independent of Ministers
- by design, there are no knowable outcomes of the work at the start of the engagement process.

With this in mind, we need to develop an engagement approach for future Briefings that:

- considers which specific iwi and Māori organisations might have a strategic interest in the Briefing, before seeking to engage. Iwi and many Māori organisations produce public annual reports or other similar publications. Due diligence, like reading these kinds of documents, can support early identification of whether an iwi and/or Māori organisation may be interested in our work and can ensure we're communicating how the work could align with their priorities.
- ensures that the engagement purpose aligns with the iwi/Māori organisation's strategic priorities. This will give us a better chance of positive engagement and could equally be beneficial for those we engage with.
- considers what the targeted stakeholders receive from the engagement and communicates the outputs of the process (eg the nature of the Briefing bullets above). Māori are under constant pressure to engage with Government. In most cases, the potential return from these engagements for Māori is well informed-policy, or tangible outcomes to support their priorities. These Briefings do not provide those types of outputs, so we must consider the potential benefit when we ask Māori to give their time and whakaaro to these engagements.