



Training New Zealand's workforce

Technological change and the future of work inquiry



The Productivity Commission has been asked to examine 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

So far this inquiry has found:

- There are many predictions of job losses and labour market disruption from automation ...  ... but available data don't support those predictions. The main problem facing New Zealand today isn't too much technology, it's not enough
- The economy has grown on the back of increased labour force participation, but low labour productivity growth  Firms need to adopt more technology to improve labour productivity, but will not do so if they face high adjustment costs
- The best option for workers at risk of job loss is a dynamic labour market so that there are many chances to find better, suitable work  Providing more income security to people between jobs will also help. Moving to a "flexicurity" labour-market model could better support workers through change, reduce adjustment costs for firms, and help increase tech adoption



WHAT DID THIS REPORT FIND?



About half a million people change jobs every year (20% of the workforce), and of these, more than half also change industry



Moving up the jobs ladder can require learning new skills or getting to grips with new technology



Education and training can make these job-to-job transitions easier, which promotes labour-market dynamism and productivity



But the education and training system puts up unnecessary barriers to workers participating in training

WHAT DRAFT RECOMMENDATIONS DID IT MAKE?

Access to work-based education and training should be widened



- Everyone in the workforce (eg, including self-employed) should have access to work-based training
- New migrants should be eligible for provider-based vocational education and training that is connected to their work
- Student loans should be available for short courses



Innovative and flexible credentialing models should be supported

- Eligibility for funding should be extended to students who do not intend to pursue full qualifications
- Rules that restrict the provision of micro-credentials should be removed
- Funding mechanisms should change to encourage providers to offer recognition of prior learning



The education and training system should be more responsive

- Money should be able to flow more easily around the system in response to the needs of both employers and workers
- Allocation of clear roles and accountabilities for the constituent parts of the new vocational education system will be needed

SUBMISSIONS Submissions are welcome on any of the inquiry's draft reports until **17 February 2020**

WHAT'S NEXT?



The Commission will publish two further draft reports in early 2020:

- *Firms, dynamism and labour markets*
- *Educating New Zealand's future workforce*

Our final report to Government is due March 2020

WHAT RESOURCES ARE AVAILABLE?



Draft reports on:

- *New Zealand, technology and productivity*
- *Employment, labour markets and income*
- *Training New Zealand's workforce*



Other material online includes:

- FutureWorkNZ blog (with nearly 80 posts on topics as varied as technological adoption and progress, incomes and inequality, education and training, careers and digital inclusion)
- Research papers, and workshop and roundtable summaries