

Submission to:

Technological change and the future of work: Issues Paper, April 2019
New Zealand Productivity Commission

On behalf of:

Young Enterprise Trust (YES)

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This submission responds to the second broad question for the inquiry:

- *How can the Government better position New Zealand and New Zealanders to take advantage of innovation and technological change in terms of production, labour-market participation and the nature of work?*

The recently published paper from the Prime Minister's Business Advisory Council (BAC), *A future that Works: Harnessing automation for a more skilled New Zealand*, opens with a clear statement – the country has a productivity problem and the imminent automation wave may well solve it. It suggests that early adoption of automation could boost productivity, economic and social outcomes, and create new jobs. However, a few potential barriers to this ideal result are noted: new skills will be required and automation is lifting required skill levels faster than graduates are being produced. Additionally, those graduates are emerging from a system that is unresponsive to the skill demands of employers.

These barriers are similar to those identified in this paper in questions 22, 24 and 28: the poor matching of skills with jobs; the inability of the education system to reflect the changing needs of industry; and the need for better resources to help students make informed decisions about their future.

It is the opinion of YES that entrepreneurial education, and experiential entrepreneurial education, can play a crucial role in navigating these challenges. Just how is outlined in the three points below:

Q.22 Better matching of (new and existing) skills and jobs

- The BAC paper states that their research shows a future demand increase for: technology skills, cognitive skills, collaboration skills and emotional skills
- YES has noted that the entrepreneurial mindset in its students is key to the development of cognitive, collaborative and emotional skillsets. YES posits that an entrepreneurial mindset is critical whether you choose to start up your own business or work for someone else.
- YES works with students and employers to help students focus on particular demonstrable skills to make them more work-ready, and we feel this is a key element of skill-work matching
- Automation will alter work tasks, not necessarily careers, and so the agility to retrain and adapt quickly (no fear of failure) is an attribute of every successful entrepreneur
- The recent NCEA review and published 'NCEA Change Package 2019' has "Show clearer pathways to further education and employment" as one of its changes, suggesting it will set up a graduate profile for each level of NCEA and refining the Record of Achievement. YES agrees that this is a good concept, but one that needs a lot of thought about how to make any such profile accessible and easily understandable for employers.

Q.24 Faster engagement of skilled young people with these jobs through an adaptive education system

- One of the BAC paper's recommendations is that high-performing and high-potential sectors should be targeted and supported to achieve scale through automation
- Young Enterprise suggests that by engaging students with the designated sectors, they can gain experience, knowledge and skills for quick employment access
- There is also a recommendation to boost SMEs and entrepreneurial students are in a strong position to participate in any related scheme
- The 'NCEA Change Package 2019' stated that it will keep NCEA Level 1 as an optional level. This means schools will be able to choose a learning environment with curriculum agility. YES, as an example of an experiential education programme, can work in such a space to engage and prepare more students, giving more options for faster employment engagement directly after school.

Q.28 Providing better information to students regarding careers

- By giving our young people access to workplaces, businesses and mentors are able to give real-time, authentic advice on what they are looking for in future employees
- Additionally, YES believes that our young people can play a critical role in the future of work through mutual mentoring
- We regularly get feedback from businesspeople who mentor the YES teams that they have learnt so much from the students
- We know that businesses will need to invest heavily in retraining – our young people will often be best placed to do this training and 'reverse mentoring'

Young Enterprise is excited about the changes that lie ahead and believe that accessible experiential entrepreneurial education can remove many of the barriers to success. This will require collective engagement with schools, businesses, not-for-profits and the wider community.