

Tēnā koutou

DUNEDIN CITY COUNCIL SUBMISSION: DRAFT REPORT 2 ON TECHNOLOGICAL CHANGE AND FUTURE OF WORK

1. The Dunedin City Council (DCC) welcomes the opportunity to provide feedback on the Productivity Commission's draft report on *Employment, labour markets and income, Technological change and the future of work*.
2. The DCC acknowledges that encouraging greater technology adoption has some advantages such as improved labour-market matching through digital platforms and tools, reducing barriers and costs to outsourcing work and enabling greater monitoring of workers and employers. Greater technology adoption can increase productivity, living standards and wellbeing, however it could also lead to increased job displacement, particularly among more vulnerable groups. The Government is urged to find ways that promote technological change while providing security and support to people that could be adversely affected by such change.
3. Dunedin has a large student population and it is likely that some students may supplement their income through platform-mediated work such as Student Job Search, UberEats and Delivereasy. The DCC supports Stats NZ working with the Ministry of Business, Innovation and Employment and Inland Revenue to improve measurement of this type of work, in order to understand this sector of the labour market.
4. As new forms of work emerge, the DCC agrees that clarifying the legal classification of workers who fall outside of the binary categories of 'employee' and 'contractor', such as Uber drivers, lime scooter chargers and Delivereasy drivers is needed, to ensure the rights of the workers are protected.
5. The draft report highlights the risk that greater technology adoption can come at the cost of job displacement. The Productivity Commission recommends that by increasing income security this cost is neutralised. DCC suggest these costs need to be measured using the four wellbeings social, economic, environmental and culture well-being not just financial costs. As Dunedin's unemployment rate sits above the national average and our mean annual earnings sit below the national average, income smoothing would be critical in supporting workers displaced by technological change.
6. The DCC acknowledges that options to increase income security require further comprehensive analysis of costs, benefits and the practicality of implementation. Dunedin has a high number of small business owners, therefore an income smoothing option that offers protection for small business owners, the self-employed and those in contracting arrangements would be beneficial. The disadvantage of some income smoothing options is that life stage, age, time you entered the workforce and time out of the workforce would affect the coverage provided to some groups. The DCC acknowledges that the costs of income smoothing would not be insignificant. Factors such as who would pay for the income supplement, how long it took to implement, what the transition period looked like and how

the scheme fit with private forms of income protection insurance would need to be considered. The DCC encourages further work on identifying which method of income smoothing would be most appropriate.

7. The DCC supports the measured introduction of small-scale pilots of labour-market programmes, to identify which programmes would be most beneficial to support workers to have to adjust to changes as a result of greater technology adoption.
8. The DCC encourages the Government to consider whether a move to a flexicurity model (favouring income security over job security) for New Zealand's labour market is desirable.
9. The DCC encourages the Government to measure the impacts of technology adoption using the four wellbeings social, economic, environmental and culture well-being for different groups in the labour market, to ensure the costs are not disproportionately felt.
10. Thank you again for the opportunity to submit on this report.

Yours sincerely,



Aaron Hawkins

Mayor of Dunedin