

11 February 2020

The New Zealand Productivity Commission

Submission on Employment, labour markets and income

Thank you for the opportunity to comment on the New Zealand Productivity Commission's Draft report 2 on *Employment, labour markets and income* released as part of the inquiry into *Technological Change and the Future of Work*.

The following submission represents the views of ARPHS and does not necessarily reflect the views of the three District Health Boards it serves. Please refer to Appendix 1 for more information on ARPHS.

The primary contact point for this submission is:

Jill Moffat

Health Promoter

+64 21 951 809

JMoffat@adhb.govt.nz

Yours sincerely

Jane McEntee

General Manager

Auckland Regional Public Health Service

Dr Michael Hale

Medical Officer of Health

Auckland Regional Public Health Service

Overview and recommendations

1. Auckland Regional Public Health Service (ARPHS) recognises the importance of the New Zealand Productivity Commission's (the Commission) inquiry into the impacts of new and changing technology on the quantity and nature of work in New Zealand. ARPHS acknowledges the effort that has gone into this inquiry to date and commend the Commission on their considered work.
2. This submission response provides a public health perspective regarding the broad issue of work, health and health equity; and includes specific recommendations related to Draft report 2 *Employment, labour markets and income*.¹
3. ARPHS recommends that the Commission:
 - recognises the health promoting value of work beyond financial reward;
 - makes explicit the importance of income security and social protection to health and health equity, and include in the *Employment, labour markets and income* report a recommendation to “consider how specific aspects of income smoothing policies such as coverage and replacement rates support health and reduce health inequities”;
 - prioritises active and on-going collaboration with Māori representatives as part of this inquiry and the Government's ongoing coordinated response regarding the future of work;
 - advocates for public health involvement in discussions regarding the future of work, recommended income protection measures and their impact on health and health equity, for example, have public health representation within the Government arm of tripartite forum;
 - undertakes further work to fully explore and understand the impact of technological changes and the future of work, and any subsequent labour market and income protection policies on the health and wellbeing of New Zealanders and on health equity.

Why this inquiry is important to the Auckland Regional Public Health Service

4. Good health is of social and economic value to individuals, society and the economy.² Health is determined by the conditions where we are born, grow, live, work and age.³ These conditions (known as the determinants of health) are largely outside individuals' control and are strongly affected by macro-level political and economic decisions and policies.
5. Work (employment and income) is a determinant of health and wellbeing. Good quality, secure work improves health and wellbeing; it provides people with an income which can shape overall living conditions, offer social protection for whānau and families and influences health-related behaviours such as quality of diet; prospects for social integration, personal development, self-esteem and mental wellbeing.^{4,5,6}
6. Insecure, precarious work and poor working conditions are harmful to health. Job insecurity is associated with poor mental health, self-reported ill health, and increased risk of cardiovascular events.⁷
7. Exclusion from good-quality work can also have significant negative effects on health and wellbeing. Being out of employment, training or education when aged between 18 and 28 years is a risk factor for poor mental health and early onset cardiovascular disease in later life.⁷
8. Income is arguably the most important social determinant of health. Income determines the quality of other social determinants of health such as food security, housing, and other basic prerequisites of health.⁶
9. Health inequities (the unfair and avoidable differences in health status within groups of the population) are driven by the determinants of health.³ Inequities in New Zealand have resulted from, and been entrenched through, colonisation. Māori people have poorer health outcomes and die younger than non Māori.⁸ Persistent health and social inequities also exist for Pacific peoples, people from lower socioeconomic groups and people with disabilities.^{10,11}
10. The risk of job displacement in New Zealand as a result of the impact of technology will not be distributed evenly across our communities and it poses a risk of exacerbating existing social and health inequities. Within the Auckland region, Māori and Pacific people make up approximately 22% of the labour force; they are more likely to be working in lower-skilled roles (such as labourers) and within industry sectors (such as manufacturing) at risk of automation.^{12,13}
11. The Commission's recommendations related to employment, labour market and income will influence and shape public policies which have significant impacts on work (employment and income) as a determinant of health. ARPHS' role is to promote and protect the health of all people and communities in the Auckland region thus we are concerned with addressing the

determinants of health, promoting environments and policy settings that support health and wellbeing, and reduce health inequities.

12. Public health has strong local partnerships with a range of agencies; access to data and intelligence; and considerable expertise in responding to complex issues. ARPHS has a keen interest in being part of ongoing efforts to ensure that people benefit equitably from technological change. We would welcome further involvement in the Government's coordinated response to the impact of new and changing technology on the quantity and nature of work.

Recommendations

Recognise the health promoting value of work beyond financial reward

13. ARPHS encourages the Commission to consider policy goal recommendations which recognise the health promoting value of work beyond financial reward. Good quality work provides health promoting benefits in addition to income. It enriches peoples' lives by increasing prospects for social integration and personal development, provides a sense of identity, self-esteem, purpose and reward and promotes good physical and mental health.^{4,5} Technological shifts and job displacement are likely to alter the way that people connect with each other. Social networks are important for our health. People who are socially isolated have a higher risk of early mortality, comparable with other well-established risk factors.¹⁴ Feeling isolated from others is strongly associated with symptoms of depression, anxiety and other forms of mental distress and also lower levels of life satisfaction.¹⁵ At a time when around one in five New Zealanders experience mental illness or significant mental distress each year, the social and health promoting benefits of work are particularly relevant.¹⁶

Consider how specific aspects of income smoothing policies such as coverage and replacement rates support health and reduce health equity

14. ARPHS suggests that the Commission make explicit the importance of income security and social protection to health and health equity, and include in the *Employment, labour markets and income* report a recommendation to "consider how specific aspects of income smoothing policies such as coverage and replacement rates support health and reduce health inequities". Income security and social protection has been identified as one of the five essential conditions needed to live a healthy life.⁷ Social protection policies and wider welfare state arrangements can reduce consequences of income loss, and are therefore important in terms of reducing inequalities in health.¹⁷ Income and social protection packages with higher replacement rates (level of benefits in relation to wages) and high coverage rates (share of workforce covered) better support health and reduce health inequities.¹⁷

Prioritise active and on-going collaboration with Māori representatives as part of this inquiry and the Government's ongoing coordinated response regarding the future of work

15. ARPHS recommends the prioritisation of Māori through active and on-going collaboration with Māori representatives as part of this inquiry. This will contribute to improving equitable outcomes for Māori. Te Tiriti o Waitangi is the foundation to achieving health equity, necessitating consistent and ongoing Māori involvement in all aspects of policy-making.^{9,10}

Include public health representation in discussions regarding technological change and the future of work

16. Technological change and the future of work will have a significant impact on the health and wellbeing of New Zealanders. This is not just a business and economic issue but also an important public health and wellbeing issue. ARPHS recommends that the Commission advocates for public health involvement in discussions regarding technological change and the future of work to provide an important health perspective, for example, including public health representation within the Government arm of the tripartite forum.

Commission further work to fully explore and understand the impact of technological changes and the future of work on the health and wellbeing of New Zealanders and on health equity

17. ARPHS recommends that further work be commissioned to fully explore and understand the impact of forecasted technological changes and the future of work on the health and wellbeing of New Zealanders and on health equity, and that a Health Impact Assessment of any flexible labour market and income protection policies be undertaken. For example, research to understand:
- how new technologies can be best incorporated into the workplace to support health and wellbeing of the workforce;
 - the impact of flexible labour market policies on access to work for people who already experience persistent health and social inequities;
 - the characteristics of income protection policies that provide security, support health and wellbeing, and reduce health inequities.

Conclusion

18. Thank you for the opportunity to comment on the New Zealand Productivity Commission's Draft report 2 on *Employment, labour markets and income* released as part of the inquiry into *Technological Change and the Future of Work*.

Appendix 1: Auckland Regional Public Health Service

Auckland Regional Public Health Service (ARPHS) provides public health services for the three district health boards (DHBs) in the Auckland region (Counties Manukau Health, Auckland and Waitemata District Health Boards).

ARPHS has a statutory obligation under the New Zealand Public Health and Disability Act 2000 to improve, promote and protect the health of people and communities in the Auckland region. The Medical Officer of Health has an enforcement and regulatory role under the Health Act 1956 and other legislative designations to protect the health of the community.

ARPHS' primary role is to improve population health. It actively seeks to influence any initiatives or proposals that may affect population health in the Auckland region to maximise their positive impact and minimise possible negative effects.

The Auckland region faces a number of public health challenges through changing demographics, increasingly diverse communities, increasing incidence of lifestyle-related health conditions such as obesity and type 2 diabetes, infrastructure requirements, the balancing of transport needs, and the reconciliation of urban design and urban intensification issues.

Appendix 2: References

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