

**INQUIRY INTO IMPACT OF TECHNOLOGICAL AND
OTHER CHANGE ON THE FUTURE OF WORK AND
WORKERS IN NEW SOUTH WALES**

Organisation: NSW Innovation and Productivity Council and NSW Productivity
Commission

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The Hon. Daniel Mookhey, MLC
Chair, Select Committee on the Impact of Technological Change
on the Future of Work and Workers in New South Wales
NSW Legislative Council
Parliament of New South Wales
6 Macquarie Street
Sydney, NSW 2000

Dear Chair

Joint submission by the NSW Innovation and Productivity Council and NSW Productivity Commission

We welcome this opportunity to jointly provide this submission to your inquiry. We are acutely aware of the impact of technology and other changes on the future of work and workers in New South Wales. The need for analysis on this issue has never been a more pressing issue for our State than now.

The Innovation and Productivity Council (IPC) advises the NSW Government on priorities for innovation-led economic development and productivity. We would like to draw your attention to two IPC research projects relevant to the work of the Select Committee.

The IPC's *Adaptive Workforce* project seeks to enhance the NSW Government's understanding of the adaptation challenge posed by technology and automation, and how to help NSW workers and businesses become more adaptive, resilient and proactive as they engage with the future of work. The project will seek to model the potential future impacts of technology and automation on employment in New South Wales. Key policy focuses of this project will include lifelong learning, reskilling and assisting displaced workers with reemployment. The project is currently in its early stages, with research findings expected to be published in the first half of 2021.

On 4 November 2020, the IPC released the first report in its new *NSW Remote Working Insights* series, titled *Our experience during Covid-19 and what it means for the future of work*. Key findings of the report include that:

- After the pandemic, NSW remote workers' preferences suggest that 30 per cent of all work in New South Wales might be done remotely—a 69 per cent increase on pre-pandemic levels.
- If NSW remote workers worked remotely as much as they prefer after the pandemic—two to three days per week—then the State's productivity could rise by 1.6 per cent (compared to 2019).
- NSW remote workers report substantial benefits, including time saved on commuting, more family and personal time, and a better work-life balance.
- But there are real challenges with remote work, including difficulty collaborating and sharing knowledge, and social isolation.

The report explores a 'hybrid model' model that could combine the best aspects of remote work and on-site work. The 'hybrid model' posits a vibrant post-pandemic role for offices and CBDs as spaces for collaboration, innovation and consumption.

Alongside the IPC's work, you may be interested in work being undertaken by the Office of the Productivity Commissioner (OPC), which is responsible for helping to shape the NSW Government's productivity agenda and overseeing its regulatory framework.

The recently released Productivity Green Paper, *Continuing the Productivity Conversation*, contains detailed suggestions for productivity-enhancing reforms. The Green Paper outlined 56 draft recommendations across a range of areas including: Schools; Skills; Regulation; Water and Energy; Planning; Infrastructure; and Taxation. Many of these proposals have important implications for the future of work and workers, for example:

- Building the human capital of future NSW workers by implementing best-practice teaching to lift NSW school results.
- Modernising the Vocational Education and Training system to deliver the skills current and future workers need.
- Ensuring the planning system supports greater productivity and employment.

The Commission has been receiving feedback on the draft recommendations. This feedback will be used to refine the recommendations before being presented to Government in 2021.

We have attached copies of our reports for the consideration of the Select Committee and hope they prove useful to your work.

We look forward to assisting the Committee with its work and helping to ensure that the people of New South Wales benefit from technological progress now and into the future. We will keep the Select Committee informed as our work progresses.

Yours sincerely

Neville Stevens AO
Chair, NSW Innovation and Productivity Council

Peter Achterstraat AM
NSW Productivity Commissioner

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