



FACTSHEET

THE MCKELL INSTITUTE

OPPORTUNITIES IN CHANGE:

Responding to the Future of Work



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THE CHALLENGE

- **Australian industries will continue to be disrupted by technological change.**
Workers and industries will need to continually adapt to remain competitive.

	TOTAL ESTIMATED JOB LOSS	TOTAL PERCENTAGE JOB LOSS	TIMEFRAME
McKinsey	3.5 - 6 million	46 per cent	2020-2030
CEDA	5 Million	40 per cent	10-15 years after 2015
Adzuna	Unspecified	~33 per cent	12 years to 2030
Finder	3.04 million	~25-30 per cent	To 2030
Borland and Coelli	Unspecified	9 per cent	2017-2030

- **Survey results suggest Australian workers are often complacent about the challenges facing their employment. This may limit their participation in life-long learning and upskilling.**

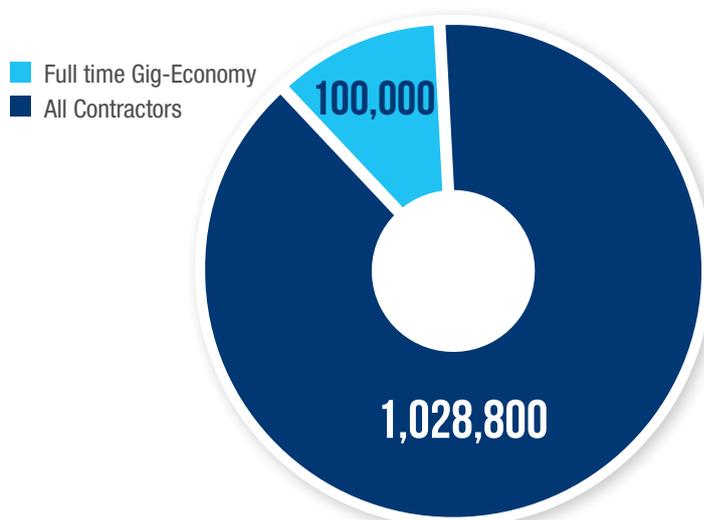
- ▶ Despite the predictions of widespread workplace disruption, more than a quarter of Australian workers believe their job will continue to exist in 50 years.
- ▶ ANUPoll survey shows that 44.9 per cent of Australian workers believe it is 'not at all likely' that they will be laid off in the next twelve months
- ▶ Only 6 per cent are 'very concerned' and 15.2 per cent 'somewhat concerned' that they will be unable to keep up with the technical skills required to do their job.

- **Traditional employment relationships still dominate the Australian labour market.**

However, platform and contract work have emerged and are here to stay.

- ▶ Around 8 per cent of Australians are employed as 'independent contractors', with slightly over 100,000 workers employed full-time in the 'gig economy'. Almost 2.6 million Australians, around 20.6% of the workforce, are employed on a casual basis.

FULL TIME 'GIG-ECONOMY' WORKERS
AS A PROPORTION OF ALL CONTRACTORS



- **Contractors often miss out on basic workplace entitlements**

such as workers compensation and superannuation Australia's workforce entitlement framework and industrial relations system needs to remain relevant as labour markets change and become more flexible.

- ▶ In particular, many independent contractors are not adequately covered by workers compensation. Government should work towards strengthening and harmonising Australia's complicated and multi-faceted worker' compensation framework in response to the rapidly changing nature of work.

THE OPPORTUNITY

OPPORTUNITIES IN INDUSTRY 4.0	CHALLENGES OF INDUSTRY 4.0
Better connectivity between customers and supply chains	Job losses resulting from shift away from 'brick-and-mortar' consumption
Ability to compete in a global economy	Remote and online employment allows industry to shift operations to low-income jurisdictions
Opportunities for businesses to 'produce differentiated products and services to tap unmet consumer demands'.	Decline of certain industries, devaluing of existing skills
Safer workplaces	Automation displacing repetitive tasks
Increased flexibility for workers and industry	Fewer workers receiving established workplace entitlements, heightened sense of job insecurity

➤ **Not every skill can be automated.** There remains a key suite of human skills or “soft skills” – social / emotional intelligence, creativity, and the ability to perceive and interact in complex, unstructured environments, that technology remains far behind. These should be nurtured and central to life-long learning strategies.

- ▶ It is more important than ever that policy makers work collaboratively and strategically with industry to ensure that we consider and prepare our workforce for the skill combinations and training the 'jobs of the future' will require.

WHAT CAN'T BE AUTOMATED?		
SOCIAL INTELLIGENCE	CREATIVE INTELLIGENCE	PERCEPTION & MANIPULATION
Understanding peoples' reactions within social contexts	Coming up with original ideas	Tasks focused on unstructured work
Caring for others	Innovating and imagining	Tasks focused on complex situations

- **New industries** are emerging which can deliver **new opportunities** for Australian workers.
- The changing nature of work gives **industry and government** the opportunity to **revitalise existing policies and entitlements.**
- **More than 40 per cent of millennials are believed to have freelanced in some capacity.** Younger workers want to work, and are demonstrating entrepreneurialism and a capacity to adapt to new circumstances.

HOW DO WE ADDRESS THE CHALLENGES AND EMBRACE THE OPPORTUNITIES?

- 1 COLLABORATION IS KEY:** industry, government, labour, academia and the public must work together to identify solutions. The New Zealand Future of Work Tripartite Forum, and Germany's 'Work 4.0' strategy, offer templates for collaborative national approaches to disruption.
- 2 GOVERNMENT HAS A KEY ROLE TO PLAY – BUT INDUSTRY MUST STEP UP TO THE CHALLENGE, TOO.** Both Government and industry need to explore how to embrace innovation while ensuring workers don't get left behind. Australia could be doing more to innovate and respond to the changing nature of work, but leadership is required both within Government and outside.
- 3 WE NEED TO FOCUS ON PEOPLE, NOT ONLY JOBS** – and government policy should reflect this reality. People need to be invested in from early childhood education through to retirement to ensure Australia's labour force is engaged in lifelong learning. This will equip our people with key skills to adapt to change – whatever that change looks like.

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RECOMMENDATIONS FROM OPPORTUNITIES IN CHANGE

Recommendations to government

RECOMMENDATION 1:

Commission a 'Future of Work White Paper', which solicits input from a wide range of participants from labour, industry, academia, and the public.

RECOMMENDATION 2:

Develop a national life-long learning strategy.

RECOMMENDATION 3:

Ensure existing forms of employment categorisation are fit for a modern labour market.

RECOMMENDATION 4:

Work towards expanding access to workers' compensation, and harmonising workers' compensation systems nationally.

How industry and government can work together

RECOMMENDATION 5:

Industry and Government should collaborate to explore pathways to the increased portability of existing entitlements.

RECOMMENDATION 6:

Industry and Government should collaborate to ensure that workers have adequate access to life-long learning and enhanced opportunities for upskilling and training.

Research needs and opportunities

RECOMMENDATION 7:

Attitudes towards the future of work, and how these relate to other policy issues need to be monitored.

RECOMMENDATION 8:

Cost-benefit analyses should be considered on new policy interventions geared toward improving employment outcomes, or mitigating the effects of automation.

