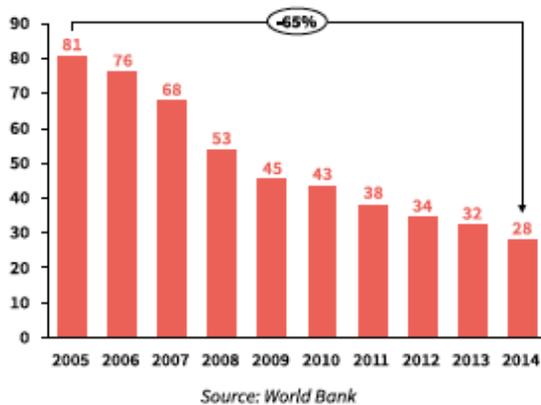


WHAT ARE THE OPPORTUNITIES IN THE FUTURE OF WORK?

The three trends shaping the future of work – automation, globalisation and collaboration – present opportunities to Australian workers. They offer the opportunity for higher productivity jobs and more creative, independent and meaningful employment. Opportunities in the future world of work include:

LOWER BARRIERS: The barriers that once prevented people starting their own business are falling, enabling more young people to turn their own innovative ideas into careers. The cost of starting a business around the world has fallen over the last 10 years as a result of more efficient regulatory regimes and start-up procedures.

Fig 5. Cost of business startup procedures, global average
% of GNI per capita



There has been a reduction in costs to start a business, especially related to IT, sales and marketing. Online communications, cloud computing other low cost technologies have reduced expenses associated with starting up a new firm and extended outreach to new customers. Technology reduces the cost and time barriers to entrepreneurship at multiple points along the startup lifecycle:

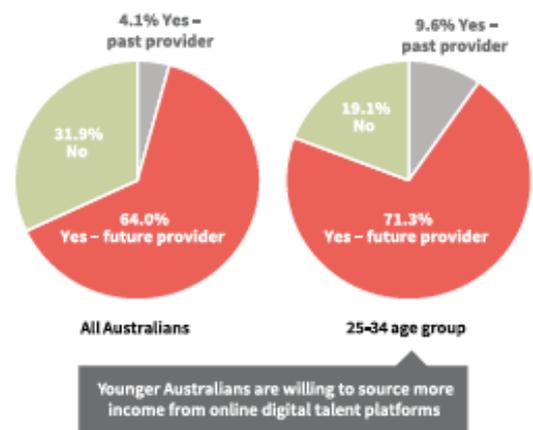
Because of these lower barriers, young people globally have high levels of confidence about their capacity to create their own job, to become entrepreneurs.

MORE FLEXIBILITY: Technology enables individuals to work more flexibly within large organisations, where improving communications facilitates a wider range of work practices. Technology is also reshaping workplace flexibility by growing the sharing and on-demand economy where workers have a choice around their hours of work. The sharing economy, or peer-to-peer capitalism, enables individuals to share their underutilized assets to generate income.

Specifically, an individual is able to easily locate an underutilized asset, build trust in the provider through third party reviews, and securely make payments that don't require in-person transactions. On-demand platforms such as Uber, Freelancer and Airtasker provide Australians with tools to flexibly source income and, sometimes, to access work where they otherwise couldn't (as a caregiver or disabled person) or to lift themselves out of unemployment. As Figure 6 shows, Australians are already using on-demand platforms to top-up their incomes.

Where formal structures have proven inadequate or restrictive, these online tools are enabling workers to top-up their incomes or sometimes ward off unemployment. These forces are in their early stages, however data indicates they will become more common in our work landscape.

Fig 6. More than half of younger Australians are willing to earn income as a service provider on digital platforms
% of survey answers to the question: "Would you consider earning some extra money in 2015 through "on-demand" services through apps/websites such as Airtasker, Freelancer... etc?"



WHAT ARE THE OPPORTUNITIES IN THE FUTURE OF WORK?

WIDER MARKETS AND MORE SPECIALISATION

Traditionally, a person who has the right specialised skills performs certain work. In a world where it's now possible to transmit information around the world almost costlessly, we don't need to be physically in a workplace. This means that we can have one 'hyperspecialisation' and work for many different firms at the time when they require the specialisation. This presents an enormous opportunity for productivity improvements and greater scope to reach new markets. Technology has enabled Australian businesses to access new markets to sell their goods or labour services. As Figure 8 shows, over the past 15 years, Australians have nearly doubled the income (in real terms) that they generate from being employed by foreign companies.

Fig 8. Australian earnings from foreign employment have nearly doubled over past 15 years
\$ earned from foreign employment, real 2013

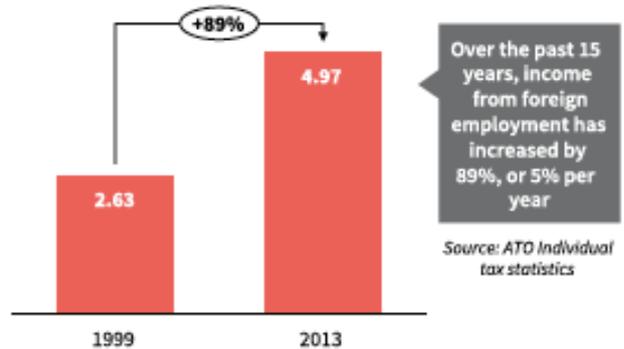
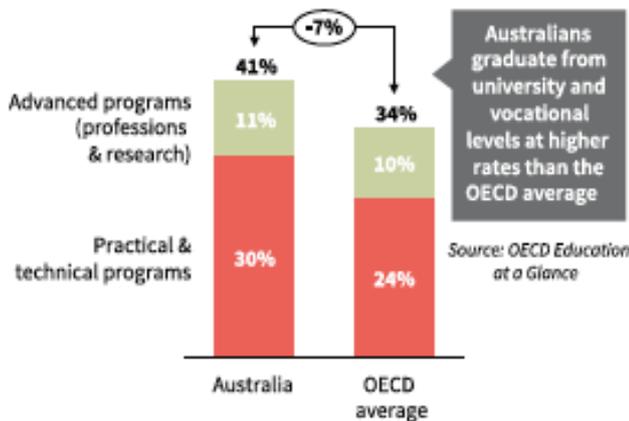


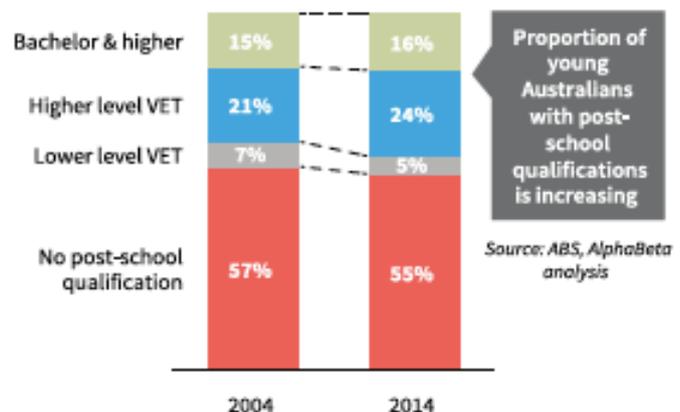
Fig 9. Australians graduate at higher rates than OECD peers
% of 25-64 yr olds, 2012 Australia and OECD



Looking forward, Australians are well placed to continue to sell their services abroad. As Figure 9 shows, Australians graduate at both the university and vocational levels at higher rates than the OECD average.

The trend of high skill graduation rates will likely continue. Analysis of qualification levels among current 20-24 year olds in Australia reveals an increasing proportion of students are qualified at higher VET levels and above (Figure 10).

Fig 10. Young Australians are getting more educated
% of 20-24 year olds, qualification level



Adapted with permission from "The New Work Order" report by the Foundation for Young Australians.