

A woman with long dark hair, wearing a dark blue dress with large white polka dots, is sitting on a light-colored leather sofa. She is smiling and looking at her smartphone. The background is dark and out of focus, suggesting an indoor setting with warm lighting.

fya

The New Work Order

REPORT SERIES

PREPARED BY THE FOUNDATION FOR YOUNG AUSTRALIANS

The world of work is changing rapidly

Launched in 2015, the Foundation for Young Australians' (FYA) New Work Order research series, encompassing five reports to date, has analysed how disruption to the world of work has significant implications for young Australians.



Our first report in the series, *The New Work Order* shows that automation is predicted to radically affect 70% of entry level jobs for young people; jobs are becoming increasingly global showing 11% of service jobs could be provided from overseas; and the way we work is becoming increasingly flexible, with the average 15 year old predicted, throughout their lifetime, to have:

17 jobs over 5 different careers

In Australia, older people are leaving the workforce in larger numbers than young people can replace them. By 2054 there will be only 2.7 workers for every retiree, decreased from 4.5 in 2015, impacting on productivity and decreasing revenue to fund our quality of life and standard of living. Changing work is not only challenging for individual young people, but for the whole nation.

Young Australians are significantly impacted

A lack of attention to the urgent need for investment in young people's development of skills and capabilities has resulted in a number of worrying trends revealed in our second report *How Young People are Faring*. This includes:

Declining standards in education. The 2015 Program for International Student Assessment (PISA) results show Australia is now ranked 20th in mathematics, 10th in science and 11th in reading internationally.

It is now taking young people, on average, 4.7 years to transition from full time education to full time work.



30 percent of young people are unemployed or underemployed.

Over 1/3rd of 15 year olds are not proficient in the skills they need for the future of work such as digital literacy, financial literacy, problem solving, science and maths.

There's an increasing demand for enterprise skills

FYA's research has identified a core set of transferrable enterprise skills, such as digital literacy, problem solving and creativity that will be needed to thrive in the future of work. It shows employers are already demanding and paying a premium for these skills.

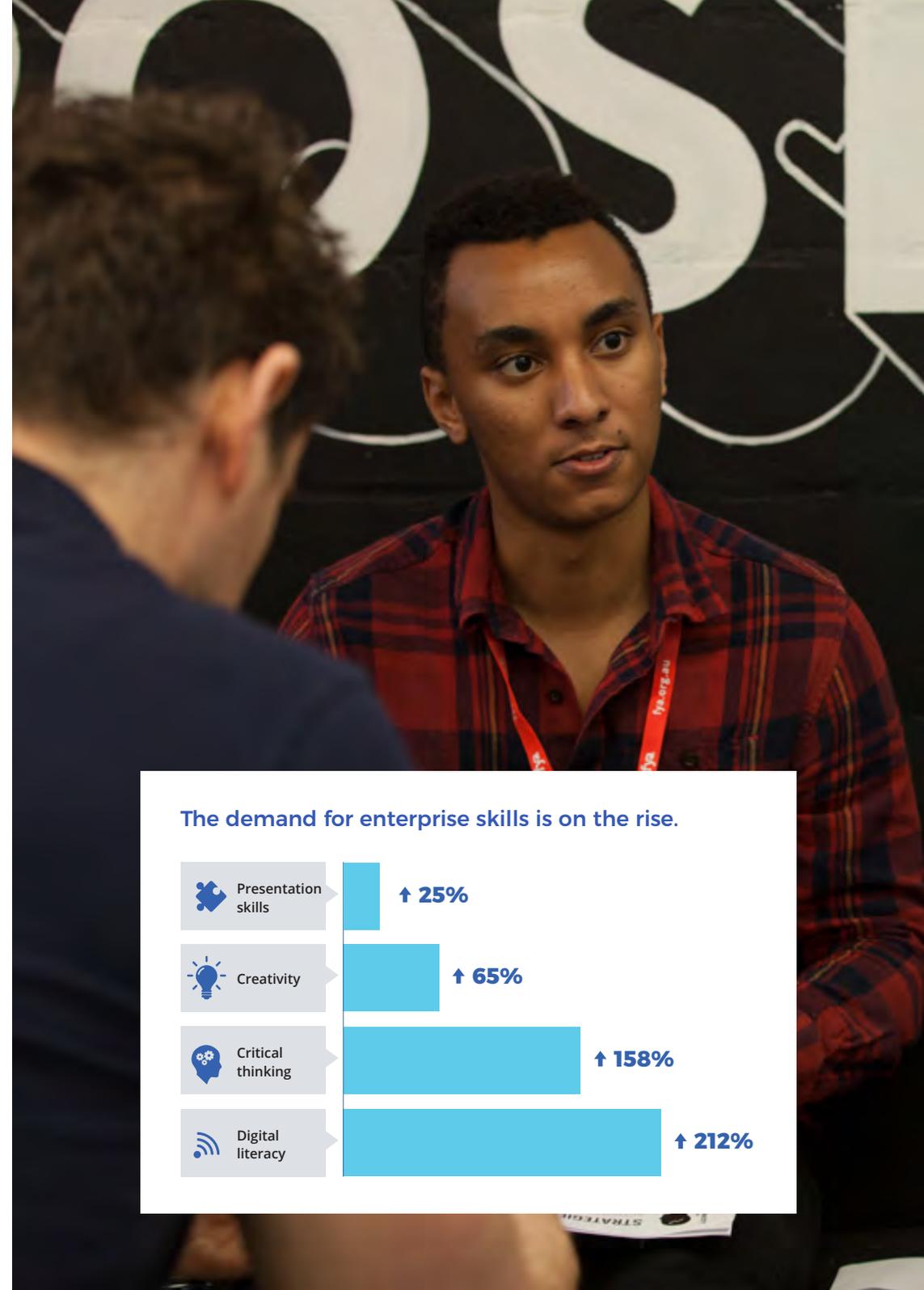


Jobs of the future demand enterprise skills
70%
more than jobs of the past

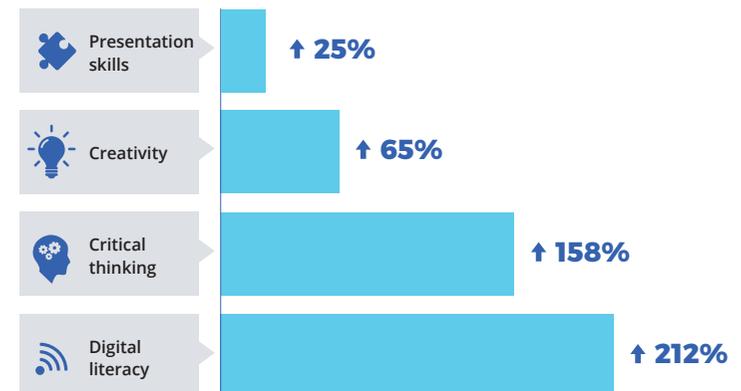
An analysis of 4.2 million ads for jobs requiring less than 5 years experience in our third report, *The New Basics* revealed that since 2012, demand for digital skills has increased by more than 200%, critical thinking by more than 150%, and creativity by more than 60% and presentation skills by 25%.

The report also shows that enterprise skills are demanded across all occupations and industries. For example, digital skills aren't limited to technology specific fields but are found in jobs as diverse as dentists, environmental engineers and veterinarians.

Finally, the research highlighted that employers are willing to pay more for employees with these skills. For example, employers are willing to pay close to \$9,000 more for presentation skills and digital literacy; and almost \$8,000 more for those with problem solving skills. These are the new basics that entrants to the economy already require, and which will be essential into the future.



The demand for enterprise skills is on the rise.



We need a new work mindset

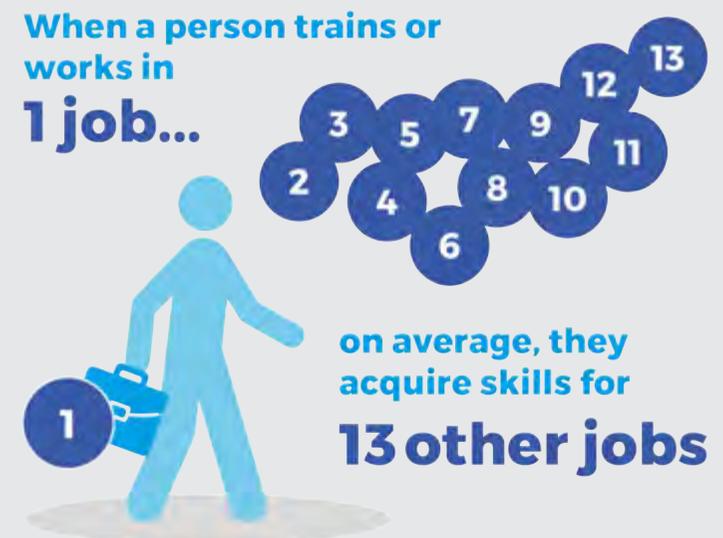
The future of work, especially its inherent risks, need not be cast in stone for young Australians. The critical question for Australia is: how do we ensure the future of work maintains reward and opportunity for all young Australians?

By analysing more than 2.7 million job advertisements using a new methodology, FYA's fourth report *The New Work Mindset* revealed 7 job clusters in the Australian economy. The research highlights jobs are more closely related than we thought and suggests we need a new mindset towards how we approach our working lives where the focus is on skills and capabilities, not just jobs.

The 7 job clusters



The analysis shows that when a young person trains or works 1 job they acquire skills and capabilities that will help them access 13 other jobs. This is because employers often demand very similar skills across multiple jobs.



Given the uncertainty and dynamism in work and how much jobs are related, young people can abandon the need to choose an occupation with an unbroken path to seniority or fixating on jobs which appear more resistant to automation. Instead it is more helpful to think about jobs as part of a cluster of work that demands similar skills sets.

What does this mean for young Australians?

While much of the public narrative is a guessing game about which occupations will stay or go before 2030 the truth, is that automation is going to impact what we do in every job.

Through analysis of 20 billion hours of work completed by 12 million Australian workers across 400 occupations the fifth report in the series, *The New Work Smarts* reveals that global forces will and to some extent, already are, affecting the way we perform every single job across the economy.

The report shows that as technology reduces the need for workers to complete routine, manual tasks they will spend more time focusing on people, solving more strategic problems and thinking creatively.

What we do in every job will change...

Technology will:



Reduce

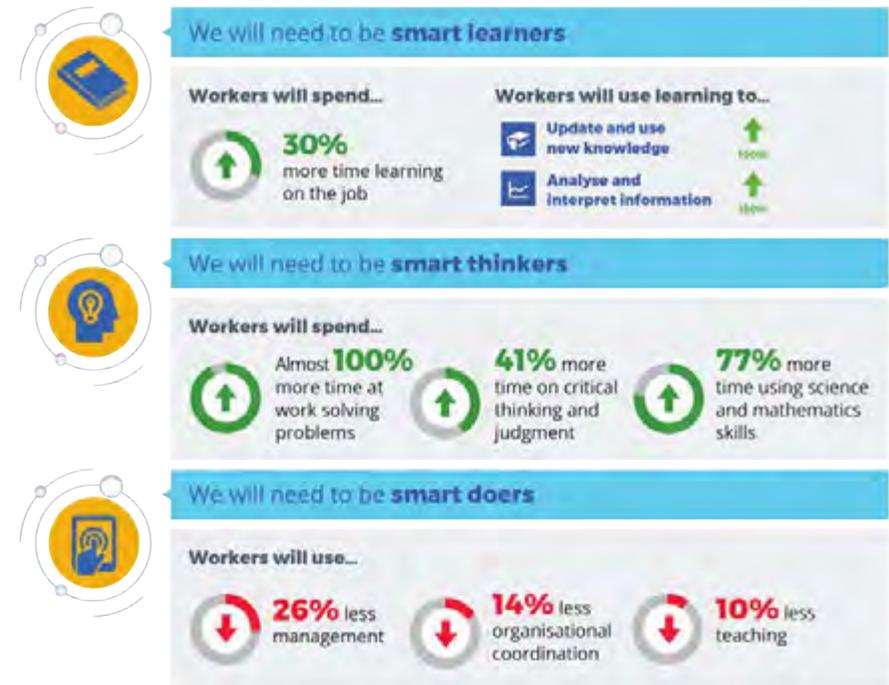
the need for workers to complete routine, manual task



Increase

the time workers spend focusing on people, solving more strategic problems and thinking creatively

It is predicted that by 2030:



This forecast shows that to have 'work smarts' in the future, young people will need to not only acquire foundation and technical skills, but be able to use them in increasingly enterprising and creative ways, as well as requiring a thirst for ongoing learning.

Australia needs to shift its focus away from trying to predict which jobs will disappear due to automation and start preparing young people for a future where the way we perform all jobs will change.



Investing in the next generation

Equipped with the skills to be new work smart, young people can also navigate the future of work by thinking about how their skills are portable for other jobs.

Our mindset needs to shift to reflect a more dynamic future of work where linear careers will be far less common and young people will need a portfolio of skills and capabilities, including career management skills to navigate the more complex world of work.

To support young people to navigate these changing labour markets Australia will need to invest to ensure they are innovative, creative and enterprising.

Government, industry, educators, tertiary institutions, young people and parents all need to consider how they can use this information to their advantage. Around the world, the most successful education systems are focussing on immersive, real world experiences to build the skills and capabilities which will enable young people to adapt to an ever-changing environment and instill an enthusiasm for ongoing learning. We need renewed, comprehensive and inter-generational investment in Australia's young people.

Such an investment should encompass:

- A nation building focused education strategy to redesign the learning system and curriculum from preschool through higher education (and beyond)
 - A new skills, training, careers education and real jobs commitment to young Australians;
 - A promise and plan for the equitable intergenerational transfer of knowledge, resources and power in the new economy.
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The New Work Order Report Series

For more information and to access all of the reports in the New Work Order report series see: fya.org.au/our-research



The New Work Order,
August, 2015



The New Basics,
November, 2015



How Young People Are Faring,
April, 2016



The New Work Mindset,
November, 2016



The New Work Smarts,
July, 2017