

The Future of Work

Report Snapshot:
Findings and Recommendations



INTRODUCTION

The future of work is an exciting, yet daunting topic. What will happen to the workplace? How can a business stay competitive in a rapidly changing world where technologies are becoming more advanced and accessible every day? Many people and businesses are struggling to plan for the future economy. It is difficult to figure out what will happen in the future and how workers will be impacted by technology, globalisation, or other factors.

Stories of robots taking over human jobs have been circulating for decades. Artificial Intelligence (AI), in particular, is a hot topic. It's being talked about in the media, at work and in schools. Some people are worried that AI will take jobs, leaving many people unemployed. Others think that AI will create more jobs than it takes away by making processes more efficient and productive. Yet few people have actually taken time to think through what AI could mean for their business or industry.

The World Economic Forum predicts that the impact of artificial intelligence in society will be substantial. Consultancy group McKinsey estimates that by 2030, AI could add \$13 trillion to global GDP and raise productivity by up to 30%. But before we can reap these benefits, it's essential we understand the potential risks. In fact, a study from PwC found that AI-related disruption is cited as one of the biggest workplace challenges for 48% of business leaders surveyed.

The future of work is here and advanced technologies, new ways of working and global challenges are disrupting existing industries and providing opportunities for innovation, leadership and productivity growth at a pace surpassing that experienced by people and businesses in modern history. Nations and organisations that position themselves at the frontier of advancement, as breakthrough innovators and technology leaders, have the capacity to develop a future defined not only by heightened prosperity but also by enhanced quality of life.

The *Future of Work: Equipping WA and its people for the changing world of work* project, which aims to build a comprehensive understanding of how technology and automation, combined with relevant global and workforce megatrends, are impacting



jobs, skill requirements and industry needs both in Greater Perth and in Western Australia (WA).

Articulated are the risks and opportunities for Australia, WA and Greater Perth associated with future of work change and identifies actions and strategies for industry, businesses, individuals and government to reduce negative impacts and maximise potential benefits for the future.

Two scenarios are presented for the future of work in WA – Leader or Laggard. Being a future of work leader means approaching technological advancement, global challenges and disruptions as opportunities for the State to innovate, raise productivity and develop new markets for tomorrow. Achieving leadership requires planning and taking action to ensure that government, industry and people are prepared, and that barriers or obstacles that could hinder innovation, skill development, prosperity and job growth are overcome. Preparation is needed, because along with opportunity, technology and other global trends are generating uncertainty.

While technology assisted humans with routine and manual tasks in the past, today it is advancing at a faster pace and is integrated into our everyday lives more than ever before, making the changes technology brings more significant and disruptive.



INTRODUCTION

Machines are also increasingly able to learn, respond to their environment and interact with people and other machines, which enables them to progressively tackle communication, knowledge and 'thinking' tasks and jobs.

Advancements in AI makes the future of work difficult to predict. No-one knows exactly how new technologies emerging today will affect industries and jobs, or precisely what the next big technological innovation will be.

In WA there is a threat that the State's export-oriented, mining-reliant economy will be disproportionately impacted by technology and by other future of work challenges, including anti-globalisation and geopolitical instability, climate change, skills shortages and the shift to remote and agile work. These trends could also affect the function and vitality of places and spaces, including the city centre and employment hubs. The impacts of some of these trends are already becoming apparent. In particular, the industries and occupations that people work in and the demand for workers with specific skills have changed, and there is a risk that the skills of the WA workforce may not be well suited to work of the future.

Planning for the future of work is therefore essential, and it is time for Australia and WA to play a leadership role.

The *Future of Work* project has cemented the findings of previous Committee for Perth research, which established that people and industry want WA to lead Australia into the future, with a visionary; inventive; adaptable; can-do; and entrepreneurial attitude. Yet, while Australia and WA have the opportunity, know-how and resources to be future leaders, the Nation and State are at risk of falling behind in innovation and research and development (R&D), in climate adaptation and in the development of human capital for the future.

KEY FINDINGS

1

Places and organisations at the forefront of change, as developers of breakthrough technology, have the most to gain in the future economy. Currently, WA is heavily reliant on mining and resources and has not adequately leveraged this specialisation or invested in innovation or in developing economic opportunities for the future.

The status of WA as a resilient and prosperous mining and resources hub has dampened the impetus for the State Government, businesses and individuals to invest in development markets and human capital for the future. As a result, WA's economy has become over-reliant on the mining and resources sector, which can be volatile and is facing headwinds. Minerals and resources are also finite.

Diversifying WA's economy through investment in R&D and advanced goods production and service industries must be a priority. WA is lagging in investment in innovation, particularly in government and private investment in R&D, and Australia has been falling behind in the technology race due to limited investment in the development of new technologies and in planning for technological advances such as AI.

2

It is time for Australia and WA to take a leadership role in tackling global challenges.

As the world acts to reduce carbon emissions, governments must lead and enable this shift in Australia and WA. If we do not, investors may not invest in Australian businesses and the rest of the world may not buy the Nation's exports. Climate change adaptation and global investment in the Nation's energy innovation is an economic opportunity for WA to position itself as a leader, yet the window of opportunity is closing.

Geopolitical tensions and anti-global sentiment pose a significant risk to WA's export economy. Australia and WA should lead by promoting an open and stable world economy and by building strong trade relationships with diverse countries across the globe.

3

Skilled, educated and creative people will be our most valuable future resource yet are diminishing in supply.

The future of work will belong to places and businesses with the best tech-savvy talent. However, skilled workers are in short supply throughout Australia and human capital growth in WA has stagnated, with a comparative decline over the past two decades. There is a risk that the skills of the WA workforce may be less suited to work of the future than to jobs of the past.

While Australia and WA have an advanced education system, their comparative global performance has been declining and radical education and funding reform is needed to position the system to deliver the skills needed for the future.

KEY FINDINGS

4

New technology presents big opportunities for organisations and workers, but the benefits are not shared equitably.

While most workers and businesses are positive about technological advancement, WA must make sure that all of its businesses and people are able to benefit from the technological change and the remote work revolution by investing in equitable access to infrastructure and resources; incentivising digitisation and innovation; and providing access to education, training and lifelong learning.

There is a risk that existing inequalities, particularly for Indigenous communities, would be exacerbated by technological advancement. Action is needed to ensure that the gap between Indigenous and non-Indigenous Australians in digital, education and workforce inclusion is closed.

5

Flexible and remote work are opportunities to heighten employer competitiveness, yet these changes need to be carefully managed to promote worker wellbeing, generate new jobs within WA and ensure the vibrancy and accessibility of city centres so that we continue to benefit from them as places for creativity, collaboration and innovation.

City centres and offices have experienced declining vibrancy as organisations adopt flexible and remote working practices and workers spend more time at home in the suburbs. Yet city centre precincts play a vital role in the economy. They boost productivity, enhance quality of life and attract visitors and investors. There is a need to rethink the role of city centres in the flexible and remote work era and to develop them as places that provide opportunities for creativity and collaboration and offer experiences that are not available in the suburbs. Similarly, offices are expected to continue to play an important role for businesses and for workers and they should be designed to be inviting, to encourage interaction and to reflect organisational culture.



Overcoming these challenges requires organisations, workers and the government to be on the front foot by actively engaging in long-term planning for economic diversity and technological advancement, maximising investment in R&D, overcoming regulatory barriers, prioritising education and training, and building an inclusive, diverse, skilled and tech-savvy workforce. If the Nation and the State seek to address these challenges today, we can position ourselves as leaders in the future of work tomorrow. If not, we risk being left behind.

TWO SCENARIOS

The future of work will be influenced by technology, disruption and global challenges along with the ability of our people, organisations and institutions to prepare and adapt. Our research and consultation for this project have resulted in five key findings that act as guideposts to the future.

To contemplate the opportunities and challenges ahead, two scenarios have been prepared. The most pessimistic scenario is one in which WA lags behind, whereas the other more optimistic and opportunistic scenario is one in which WA leads the Nation.

WA LAGS

WA LEADS

KEY FINDING 1:

Places and organisations at the forefront of change, as developers of breakthrough technology, have the most to gain in the future economy. Currently, WA is heavily reliant on mining and resources and has not adequately leveraged this specialisation or invested in innovation or in developing economic opportunities for the future.

Inadequate investment in new technology, R&D and entrepreneurialism and a lack of development in new innovative businesses and markets leads to WA falling behind, leaving sectors lagging in productivity and global competitiveness.

Collective and aligned investment to establish WA as Australia's leader in R&D, innovation and technological advancement and the development of new markets.

Failure to harness existing momentum as a leader in AI and advanced technologies in the mining and resource management sector means other states step up and take the lead.

Capitalisation on strategic advantages as a leader in AI and advanced technologies in the mining and resource management sector is leveraged to become a global AI trailblazer in sectors such as transport, agriculture, fishing, forestry and natural resource management.

Continue to rely on the mining and resources sector to drive the economy, yet demand and investment become increasingly volatile and the sector faces headwinds as the world shifts to renewables and recyclables.

Diversification of the economy occurs by investing in advanced goods production, commodities of the future and the development and growth of export service sectors including health, education, tourism and professional services.

TWO SCENARIOS

WA LAGS

WA LEADS

KEY FINDING 2:

It is time for Australia and WA to take a leadership role in tackling global challenges.

Australia and China's trade relationship breaks down and anti-global sentiment reduces access to global markets.

Australia and WA build strong and diverse global partnerships and export markets.

WA is slow to shift to renewable energy and loses the window of opportunity.

WA positions itself as a renewable energy leader.

The Australian Government does not commit to climate action and the country faces penalties from trade partners and investors.

The Australian Government shows global leadership in climate action.

Policy, regulation and government funding mechanisms are overly burdensome and slow to adapt to business and community needs, stifling potential for growth and innovation.

The Australian and WA Governments proactively reform policy, regulations and funding mechanisms to adapt to changing global market conditions, stimulate economic growth and meet industry needs.

KEY FINDING 3:

Skilled, educated and creative people will be our most valuable future resource yet are becoming increasingly difficult to access.

Australia's education system declines compared to its past accomplishments and other nations.

Australia reforms its education system and national education institutions are recognised as leading the world in preparing people for jobs of the future.

There is a mismatch between the skills of workers and the skills businesses need, leading to a prolonged period of adjustment and high unemployment, similar to that of the 1990s.

The workforce is well educated, trained, skilled and is able to effectively adapt to and benefit from technological advancement.

Organisations suffer from an increasingly severe shortage of talent and skills.

Organisations are able to access relevant skilled workers.

WA companies are perceived as traditional, old-fashioned and masculine.

WA companies build a reputation as diverse, inclusive and progressive, by heightening gender and cultural diversity, and particularly by increasing Indigenous participation and partnerships.

TWO SCENARIOS

WA LAGS

WA LEADS

KEY FINDING 4:

New technology presents big opportunities for organisations and workers, but the benefits are not shared equitably.

New technologies displace more jobs than are created and leave some WA workers unemployed, underemployed and without access to adequate working conditions and benefits.

New technologies improve current jobs and create more new jobs in WA than are displaced. Technology creates new and diverse job opportunities including gig and agile work.

Some workers are unaware of or unprepared for change, which leaves them without the necessary skills.

Workers are prepared for technological advancement; particularly low-skill and older workers, who are most at risk from negative impacts or displacement.

The gap between Indigenous and non-Indigenous Australians in digital, education and workforce inclusion widens, leaving Indigenous communities further behind.

Indigenous communities are prepared for the future and action is taken to address the digital divide and disadvantage in educational attainment and workforce participation.

KEY FINDING 5:

Flexible and remote work are opportunities to heighten employer competitiveness, yet these changes need to be carefully managed to promote worker wellbeing, generate new jobs within WA and ensure the vibrancy and accessibility of city centres so that we continue to benefit from them as places for creativity, collaboration and innovation.

Remote work is difficult to manage and for some workers it reduces their potential for career progression, limits collaboration and productivity, and disadvantages young workers and those without access to resources.

The balance between remote and agile working and the office is well managed and improves productivity, heightens worker wellbeing and enhances work-life balance.

Organisations find it difficult to access the skills that they need locally and increasingly employ remote workers from interstate or overseas.

Organisations use the shift to remote work as an opportunity to attract business and remote jobs into WA, increasing service exports.

The City Centre and employment hubs experience a decline in worker, retail and entertainment activity due to fewer people working in the office.

Suburbs and suburban employment hubs benefit from more people working from home; city centres experience a renaissance of creativity, urban vibrancy and collaboration; and offices become attractive and engaging spaces for interaction and collaboration.

RECOMMENDATIONS

RESEARCH AND DEVELOPMENT

1

Establish Australia's national R&D hub for the development of AI for agriculture, mining, fisheries, forestry and environmental management within Greater Perth.

2

Develop collaborative 'Centres of Excellence' as hubs of R&D in sectors where WA has capacity to build a competitive advantage, such as health; education; environmental management; renewable energy; METS; space; and agri-tech.

3

Increase State Government investment in R&D to levels that are at least comparable with that of other States and Territories.

ECONOMIC DIVERSITY

4

Update the Diversify WA report to reflect technological change and global challenges including COVID-19 and disrupted trade relationships, and to increase the focus of the strategy on innovation, entrepreneurialism and human capital growth.

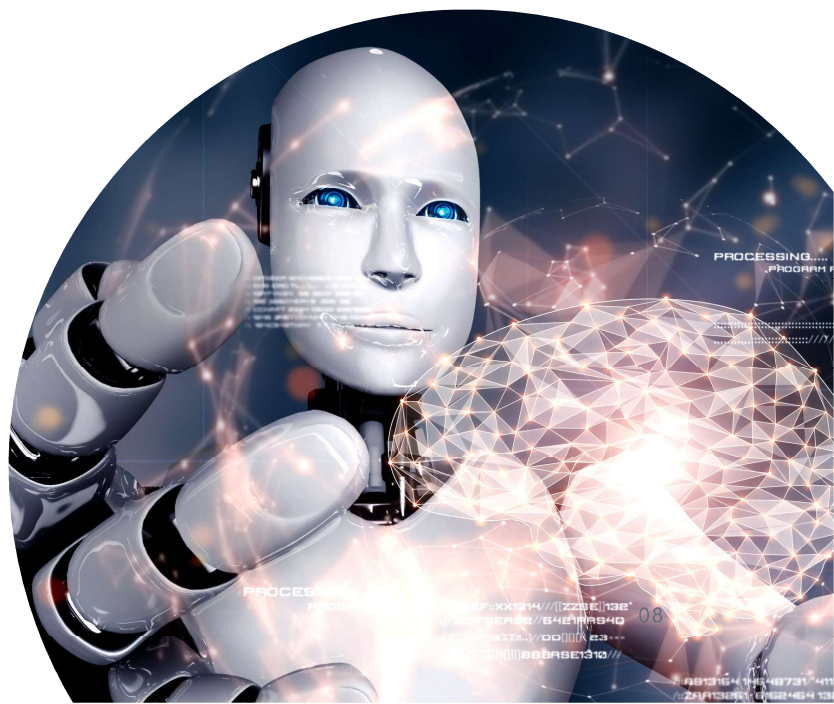
CLIMATE CHANGE

5

Update the State's climate policy to be the leading, most progressive policy Australia-wide and prepare and implement a strategy to grow the renewable energy network across the State; increase investment funds associated with future energy innovation; and develop breakthrough solutions to emissions reduction.

6

Develop organisation-level strategies for climate change resilience and commit to and invest in targets to deliver a zero-carbon future.



RECOMMENDATIONS

SKILLS SHORTAGES & DEVELOPMENT

- 7 Initiate comprehensive reform of the education system (including early learning, school and higher education) and associated funding frameworks to ensure that they are globally competitive, are equitable, encourage human capital growth and equip students and workers with the skills needed for the jobs of the future.
- 8 Incentivise training in occupations where there is a current or predicted skills shortage.
- 9 Review the rates of pay for apprentices and other workforce trainees to encourage training and skill development.
- 10 Encourage more people to enrol in higher education (including vocational, technical and tertiary education) through funding and assistance programs.
- 11 Peak and industry bodies to lead industrywide education on technological advancements and innovation.
- 12 Organisations and sectors collaborate with education institutions, other organisations and peers to develop training and education programs that will deliver the future skills needed.
- 13 Ensure that planning for the implementation of new technologies is accompanied by human resource and career planning for workers to ensure that the organisation and its people have the skills needed to successfully adapt.
- 14 Individuals to stay up to date with emerging technologies by engaging in industry and peer networking and invest in education and training to continuously upskill and learn, particularly for those whose jobs could be vulnerable to disruption or automation. Ensure that individuals have adequate face-to-face and mentoring time with the office, particularly if they work remotely.

EQUITY

- 15 Incentivise training and education for minority groups, for people from low socioeconomic backgrounds and for people in occupations at risk of technological disruption.
- 16 Ensure support services are in place to enable people to participate in the workforce, including adequate access to childcare or assistance with other caring responsibilities.
- 17 Provide equitable access to information and communications technology (ICT) infrastructure and invest in eliminating the education, work and digital divide, particularly for Indigenous communities.
- 18 Prepare strategies for remote working and workforce diversity, inclusion and positive discrimination for candidates that are Indigenous or from diverse backgrounds.

RECOMMENDATIONS

LEGISLATION & REGULATION

19

Governments to reform industrial relations and occupational health and safety legislation to ensure that it is up to date with current and emerging forms of work, workforce and workplace requirements.

20

Review regulations to identify and address barriers to the implementation of new or existing technologies that will improve prosperity and liveability.

WORKING FROM ANYWHERE

21

Prepare workplace policies that ensure equitable access to flexible, agile and remote work for all people; maximise worker wellbeing; and address issues such as requirements for face-to-face learning, mentoring and collaboration.

22

Rethink the role of office space and dispersal of workers and ensure that centralised offices are inviting, sociable and designed to foster collaboration and innovation. The City of Perth and the WA Government to continue to invest in improving Perth City Centre amenities and experiences.



MORE INFORMATION

The Committee for Perth is a future-focused and apolitical think tank that seeks to positively influence debate and policy through our unbiased fact-based research.

As a collaborative organisation, we engage with our members in over 40 sectors to develop actionable recommendations to ensure Perth is renowned as a global city of choice to live, work, invest, study and visit.

For more information about the Committee for Perth and our work, including our knowledge bank of more than 150 pieces of research, visit committeeforperth.com.au.



EQUIPPING WA
AND ITS PEOPLE
FOR THE CHANGING
WORLD OF WORK

For more information on our *Future of Work* project, or to download the full report, visit:

committeeforperth.com.au/research-advocacy/projects/future-of-work

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