

CCIQ SUBMISSION

Future of Work in Queensland to 2030

Jobs Queensland



CHAMBER OF COMMERCE AND INDUSTRY QUEENSLAND

March 2019

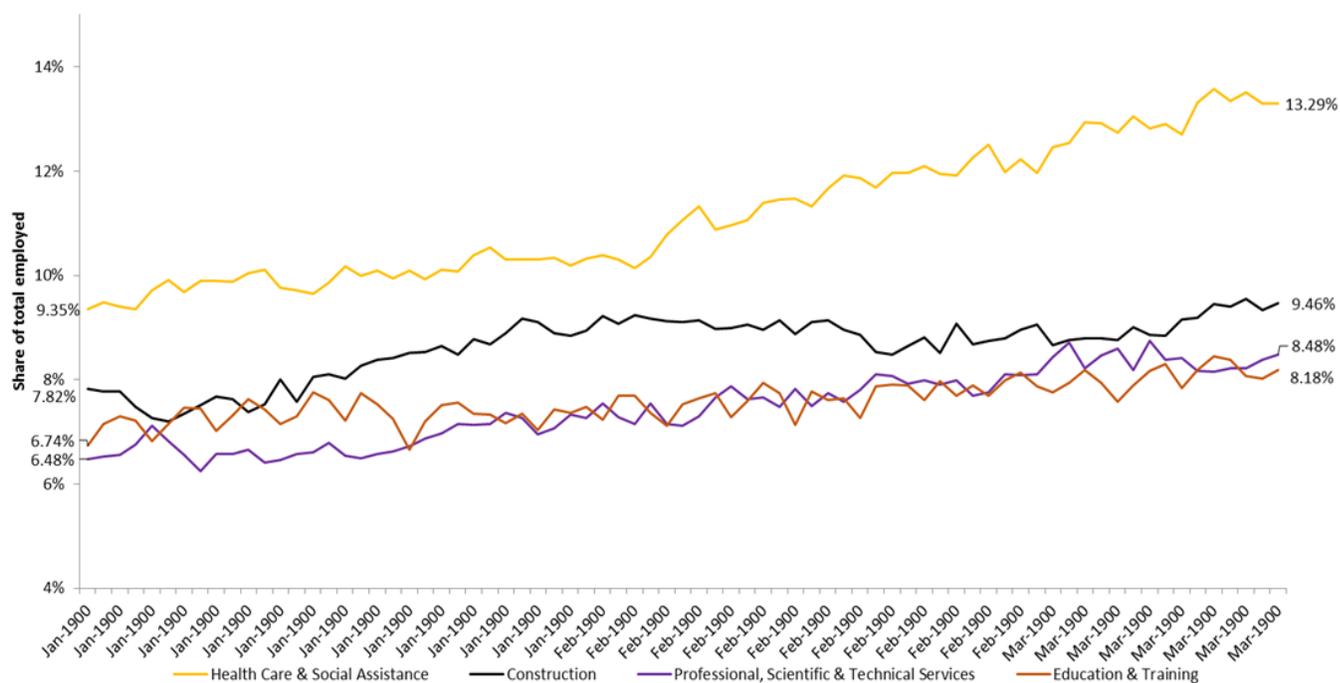
Introduction

1. The Chamber of Commerce and Industry Queensland (CCIQ) welcomes the opportunity to provide comment to Jobs Queensland on *The Future of Work in Queensland in 2030* discussion paper.
2. CCIQ is Queensland's peak industry representative organisation for small and medium-sized businesses. The Chamber represents over 448,000 Queensland businesses on local, state, and federal issues that matter to them with its guiding focus to develop and advocate policies that are in the best interests of Queensland businesses, the Queensland economy, and the Queensland community.
3. Queensland's labour market will be fundamentally reshaped over the next few decades with unprecedented change and opportunity on the horizon.
4. There will however be several key disruptors playing a major role in the changing face of Queensland's labour market which include rapid technological advancements, a tsunami of big data, diversity and generational change, AI, automation, contingent work and the change in nature of a career/s.
5. Queensland is also faced with wide-ranging skills challenges that impact a small businesses capacity to grow.

An overview of Industry Employment Structural Changes

6. Queensland faces a number of unique workforce challenges compared to our state counterparts. Aside from Tasmania, Queensland has the lowest proportion of 15-75 year olds with bachelor degrees or above. Central and North Queensland were hit particularly hard as a result of the mining downturn, and the youth unemployment rate in Outback Queensland is the highest in the nation.

- As the labour force has changed over the last two decades, certain industries have seen significant growth.



- Health Care and Social Assistance has grown substantially in this sector to become the largest employer of Australians today. In February 2000 this sector employed 818,000 persons, or 9.35% of total employed and was third in total jobs. By 2009 it was ranked first, and in August 2018 it employed 1,678,000 persons - almost 13.3% of total employed persons.
- According to the Department of Jobs and Small Business 'Australian Jobs 2018' report, the Healthcare and Social Assistance industry is projected to grow a further 16.1% over the next five years. The top roles contributing to this growth are Physiotherapy, Aged Care Nursing and Occupational Therapy and Rehabilitation.¹ These roles are indicative of the impact that an

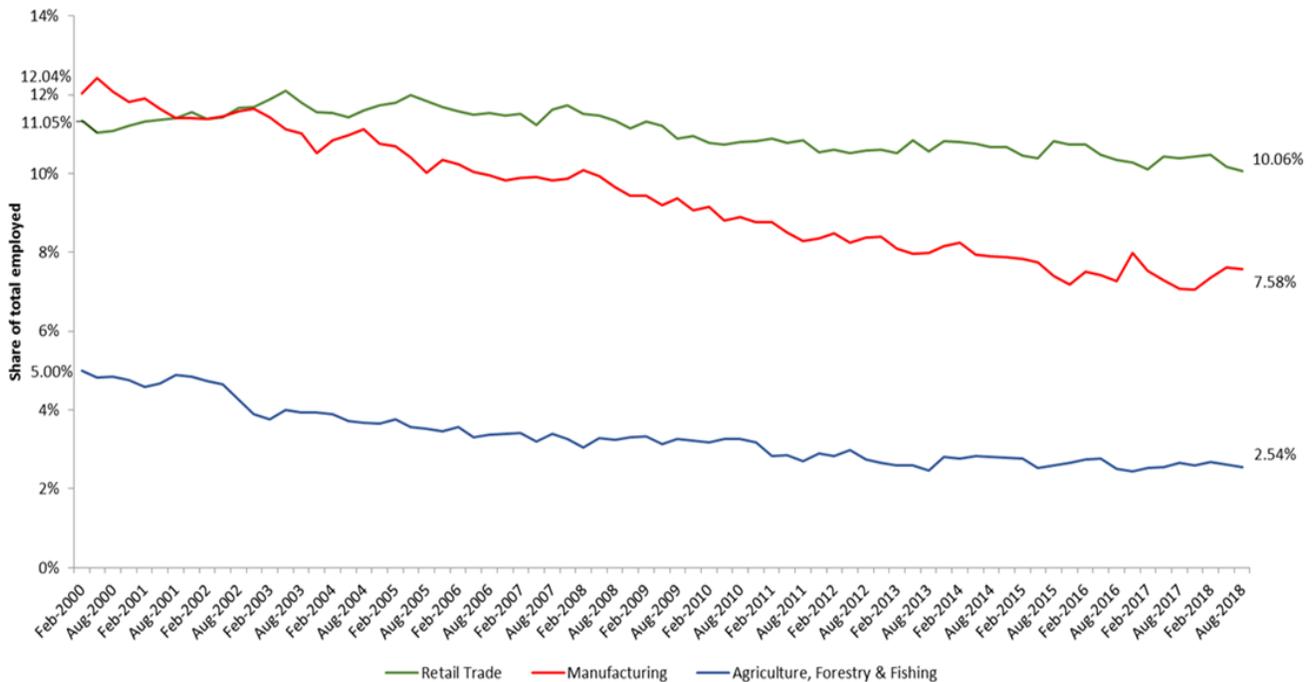
¹ Seek *Why the healthcare industry is Australia's biggest employer* <https://insightsresources.seek.com.au/why-healthcare-is-australias-biggest-employer>

aging population has on the future employment market as these roles cater to the needs that an older generation will have.

10. Professional, Scientific and Technical Services has also surged in jobs from 567,000 in 2000 to around 1,071,000 in August 2018 which has moved from seventh largest industry employer to fourth.

11. Jobs in Education and Training rose from 590,000 to 1,033,000 persons, moving it from sixth to fifth largest employer, consisting of 8.18% of total persons employed.

12. However, there have been certain sectors that have declined in employment size.



13. Manufacturing was the largest ANZSIC employment division in February 2000 with 1,053,000 employed persons. In August 2018, this had fallen to 956,000 persons (over 9% decline), and to a ranking of sixth across all nineteen industry divisions.
14. Similarly, Agriculture, Forestry and Fishing has dropped 116,000 jobs since February 2000, moving it from ninth to fourteenth place.
15. Economically speaking, the reason for the jobs decline in Manufacturing and Agriculture, Forestry and Fishing is due to its negative correlation with the exchange rate. Over the past couple of decades an appreciation in the dollar from our resource boom is associated with a significant decline in jobs in Manufacturing and Agriculture. While Mining employs a relatively small proportion of the labour force, exports of Australia's resources during 2017-2018 were a record high \$220 billion and contributed 55% to Australia's total merchandise exports.

Consultation Questions

Technology impacts

16. With the impact that technology has in changing the structure of Queensland's labour market, the opportunities this presents needs to be capitalized on and harnessed into a forward-thinking Queensland economy.
17. Over time the introduction of technologies and automation has changed the way people work and skills required to complete tasks. It has also changed the expectations consumers and clients have regarding the speed and accuracy at which work is produced.
18. With the rise of automation and the digitisation of more routine jobs, new roles are being created in areas needing interpersonal and non-routine analytical skills. These roles will be found predominantly in high-skilled knowledge and service-based industries such as professional and technical services, health, education and finance.

19. Employers will need to offer opportunities, and possibly even incentives, to workers to upskill themselves to keep up to date with change and workers will need to be willing to be upskilled and exposed to the expectations that come with technological impacts. Moreover, government will need to provide tools to assist in facilitating these changes.
20. In deciding whether the adaption to technological changes should happen organically or be accelerated depends on each industry. As certain industries are already interlinked with technology, these industries will naturally evolve to reflect the current technological climate whereas other industries will need to be guided.
21. Generally, businesses have managed to evolve to the current work climate and this is reflected in CCIQ's 2018 Digital Readiness Study which was the fifth annual survey of how ready businesses across Queensland are when it comes to incorporating technology as a core advantage.
22. The survey found that, overall, businesses are feeling relatively confident in their transition to the digital economy. Businesses are excited by the opportunities the digital economy brings but it appears many businesses are unsure where they are positioned as this transformation takes place. 90% of businesses think they should become more digitally savvy, 89% had a strong sense of optimism about adjusting to digital business opportunities and 34% of businesses expressed concerns the digital economy would lead to skills shortages.
23. Similarly, there is a strong sense of agreement that the digital revolution will be beneficial for their businesses (72%). Only 4% of businesses thought it would be bad.
24. The survey also found that 93% of businesses have a website presence, 74% of businesses consider a website as essential and 55% of businesses reported earning less than 20% of their income from online.

25. It is clear that many businesses are willing, and possibly even eager, to adapt to the changing technological landscape. Businesses will therefore need support in building internal capacity to train, upskill and improve the digital literacy of their businesses, which includes their workforce.

Demographic and social changes

26. It is predicted that the Australian workforce in the next 5 – 10 years will look vastly different as people are living longer and the concept of work is changing.

27. The notion of the ‘100-year life’ is no longer merely a concept but a reality which means that the workforce age will be shifting and so individuals and organisations will need to move beyond the traditional and linear 3 stage life.

28. This gives rise to less predictable work arrangements and makes working in a gig economy more appealing – particularly to those workers in industries that require very specific skills for specific projects such as tech or creative industries.

29. Employers will need to be prepared to manage a multi-generational workforce which means that workers will have different expectations and goals as well as skills to offer and styles of working. To get the best of out of their workers, employers will need to be receptive to this and apply different styles of management.

30. Giving businesses guidance on the changing workforce and what to expect will be crucial for these businesses to be able to prepare for the scenarios that a changing workforce will bring.

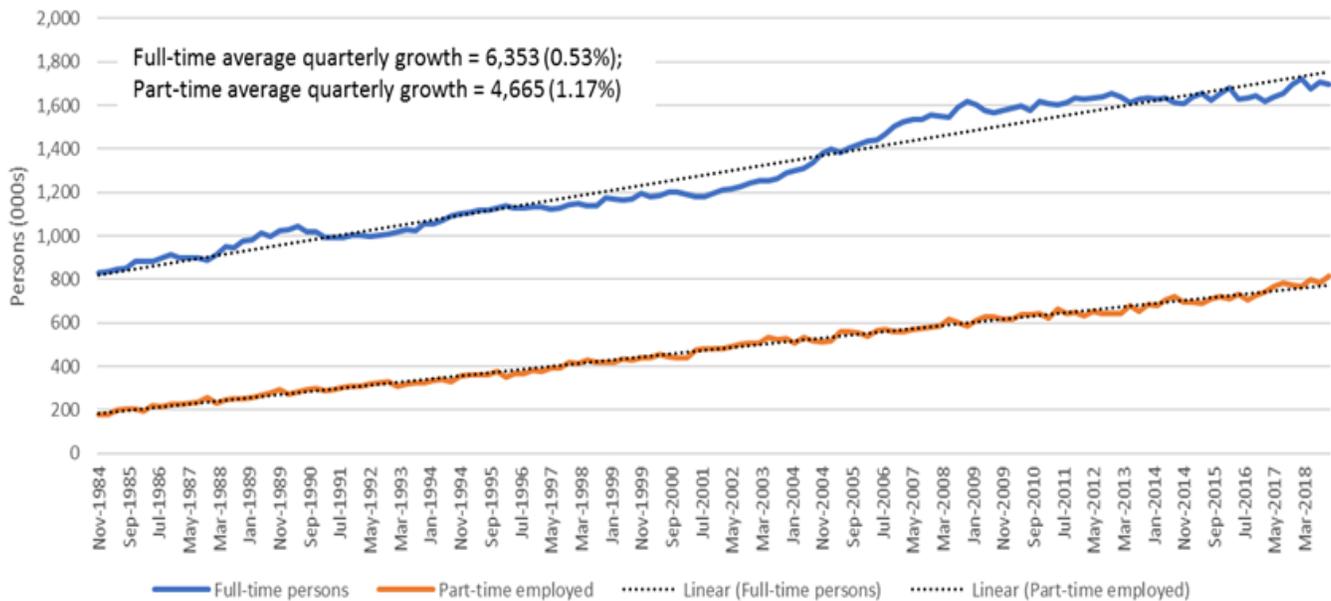
31. The kind of guidance required should include:

- 31.1 understanding a multi-generational workforce and the opportunities and challenges this brings;
- 31.2 identifying the specific skills required in employees to address the impacts that technology changes will bring;
- 31.3 staying up to date with industry regulations that will change with the workforce such as regulations around industrial relations and
- 31.4 becoming a more fluid and adaptable employer and/or manager.

Legal, institutional and policy influences

32. In the graph below, the trend shows that the average quarterly growth for part time employment is greater than for full time employment (1.17% versus 0.53%). While there may be more persons employed in a full-time capacity, part time employment is growing more rapidly. This supports the prevalence of a growing gig economy and desire for more flexibility in working arrangements.

Queensland total employed persons 1984-2018, (quarterly, trend)



Source: ABS - Cat 6202.0

33. The evolution of workplace arrangements will require policy and legislation to cater for this changing workplace landscape as the natural conclusion is that you can't have flexible working arrangements with inflexible workplace agreements. Overly restricting workplace agreements may hinder progression towards a gig economy.

Training and Skills

34. According to the World Economic Forum, hiring managers in 2020 will be looking for soft skills with a preference of 80% on personal skills and 20% on deep skills. These skills include complex problem solving, critical thinking, creativity, people management, coordinating with others, emotional intelligence, decision making, service orientation, negotiation and cognitive flexibility.

35. Furthermore, while artificial intelligence is becoming more prevalent in the workplace, there is still a need for the human element in many occupations.

36. It's difficult to teach job-related skills when it's unclear what those jobs will be. While statistics vary, it is estimated that between one to two thirds of children entering primary school will end up working in jobs that don't yet exist.
37. Opinions vary on how to prepare children for life after school - when the future of work is unclear - and this generally consists of two schools of thought: the one being that the kinds of knowledge so far taught are foundational and underpins the skills needed for technology and the other being that there needs to be an education overhaul as it is outdated. However, the issue with focusing on teaching very new, trendy and cutting-edge knowledge and skills (as a replacement for traditional skills and knowledge) is that it has more chance of being outdated. When that trend changes, so too do the skills and knowledge being taught.
38. CCIQ suggests that it should lie somewhere in the middle. Early education sets the foundations for everyone to be able to participate in society in a meaningful way, but it is higher education that will be a key determinant of individual, social and economic prosperity. This means that teaching foundational knowledge and skills should continue but Queensland's secondary school curriculum should cater for a greater focus on entrepreneurship, business acumen and innovation.
39. There also needs to be greater awareness and product development around micro-credentialing - an approach which businesses are increasingly believing to be more beneficial to them than the traditional approach to qualifications.
40. Micro-credentials offer numerous benefits for employees, employers and organisations of all sizes. When well-designed they can be flexible, portable and cost-effective to implement but also boost employee engagement.

41. The growing interest in micro-credentialing is largely due to the need for workplaces to remain competitive by ensuring employees are continuing to develop new capabilities. Micro-credentialing gives a way to map these career paths and quantify any types of skill.
42. In dynamic business environments, the ability to train staff quickly to fill new, emerging skill gaps can be invaluable. Whether it's driven by a new market opportunity, technology or product strategy organisations may need to draw on new skill sets not currently in the workforce.
43. Traditional credentials often take too long to implement or not provide coverage for the skill sets businesses require. Micro-credentialing offers a way to train individual staff members in specific areas quickly, allowing businesses to take advantage of emerging market opportunities or respond in a timely way to technology trends.
44. This approach is also beneficial for bridging the skills gap an ongoing challenge for employers and employees in any industry. Through micro-credentialing, businesses can leverage their existing workforce more effectively by ensuring their skills are up to date.
45. Staying ahead of the competition requires businesses to ensure employees are competent, engaged and productive. Scalable training programs like micro-credentialing offers a cost-effective way to maintain competitiveness and respond to changing market demands.
46. Without definitively knowing what future skills and knowledge will be required the role of the Vocational Education and Training (VET) system is more important now more than ever. The State Government must work cooperatively with the Federal Government to ensure training packages are responsive to industry, and that the VET system is agile and flexible in its implementation so as to deal with the needs of each industry sector. At the same time, industry urges the government to be mindful of the considerable cost of frequent change.

47. There must remain support for student and employer choice of VET provider to ensure providers perform to the standards required by industry and remain responsive to the needs of students.
48. A strong focus must be placed on quality across the education and training system through the professional development of teachers/trainers, strong institutions and effective regulators. A performance and excellence criteria for Registered Training Organisations (RTO's) via an industry-driven star rating system can assist in lifting standards and potentially cutting red tape for those who perform well.
49. An increase in funding is vital, including through cooperation on the National Partnership Agreement regarding the Skilling Australians Fund, to recognize the sector's important role in meeting labour market needs and improving workplace productivity.

Further enquiries

50. If you wish to discuss any of the contents contained herein in further detail, please contact Olivia Van der Wagen, Policy Advisor, at ovanderwagen@cciq.com.au.