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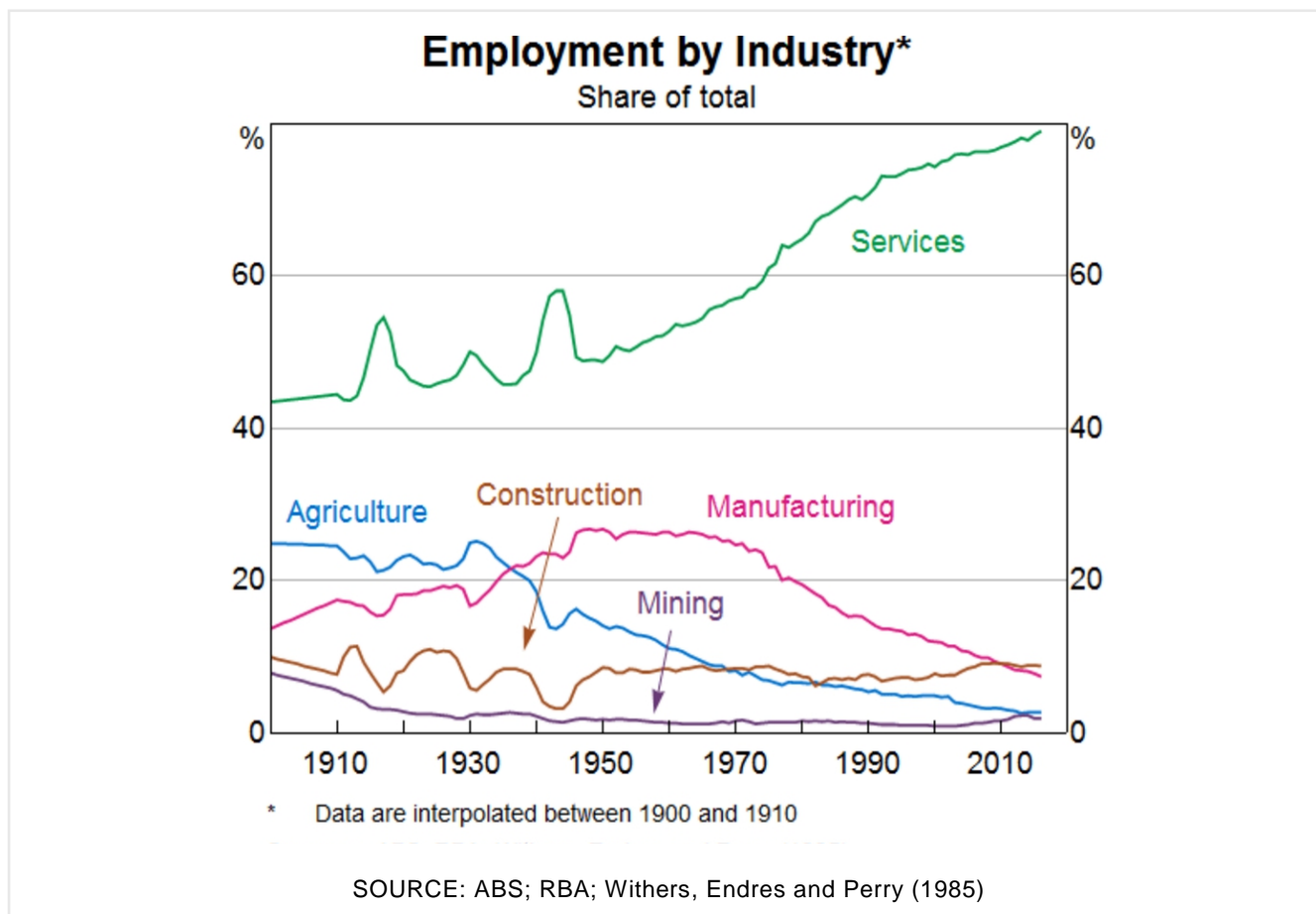
# The Job Creation Report

By  
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In partnership with **Commonwealth Bank** of Australia 



# Introduction: The jobs of the future



Australia has the most resilient economy in the world, notching up a record 26 years of uninterrupted growth in 2017. The underlying economy is dynamic, with over a million Australians changing jobs annually and businesses constantly entering and exiting various marketplaces.

This has all been achieved through a range of transitions. Over recent decades, structural changes have seen declining employment in manufacturing and agriculture, but a far greater number of jobs have been created in the expanding service sector. There were just over 12 million people employed in Australia – 6.5 million men and 5.6 million women – in April 2017. The labour-intensive service industries are major employers, with healthcare and social assistance now the largest single industry, accounting for over 12% of the total workforce

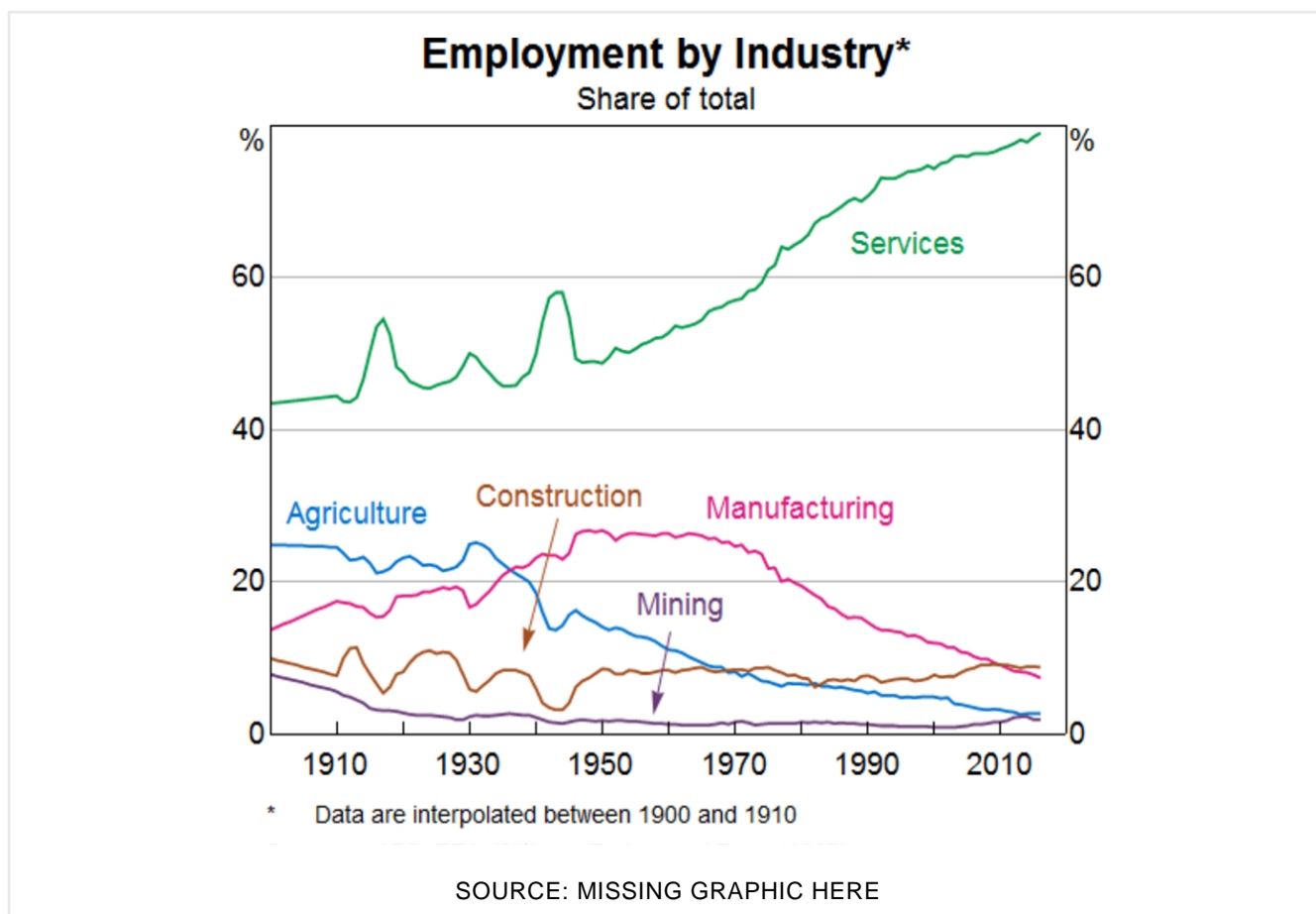
So far, the workforce has successfully reshaped as farming jobs vanished with agriculture's share of the Australian economy declining in the 20th century. When once farmers retrained to become factory floor workers, miners and the following generations have now successfully transitioned into a white collar workforce as the services industries assumed the mantle.

That is reflected in the unemployment rate holding steady – and falling slightly through early 2017 – with the central bank expecting employment conditions to strengthen.

The workforce is now staring at the next round of changes. This time around the growth areas will include robotics, sensory application, digitisation and the evolution of the gig economy, and as with previous transitions, the outcomes are difficult to predict. That makes the need for foresight and planning to achieve optimal outcomes all the more important.

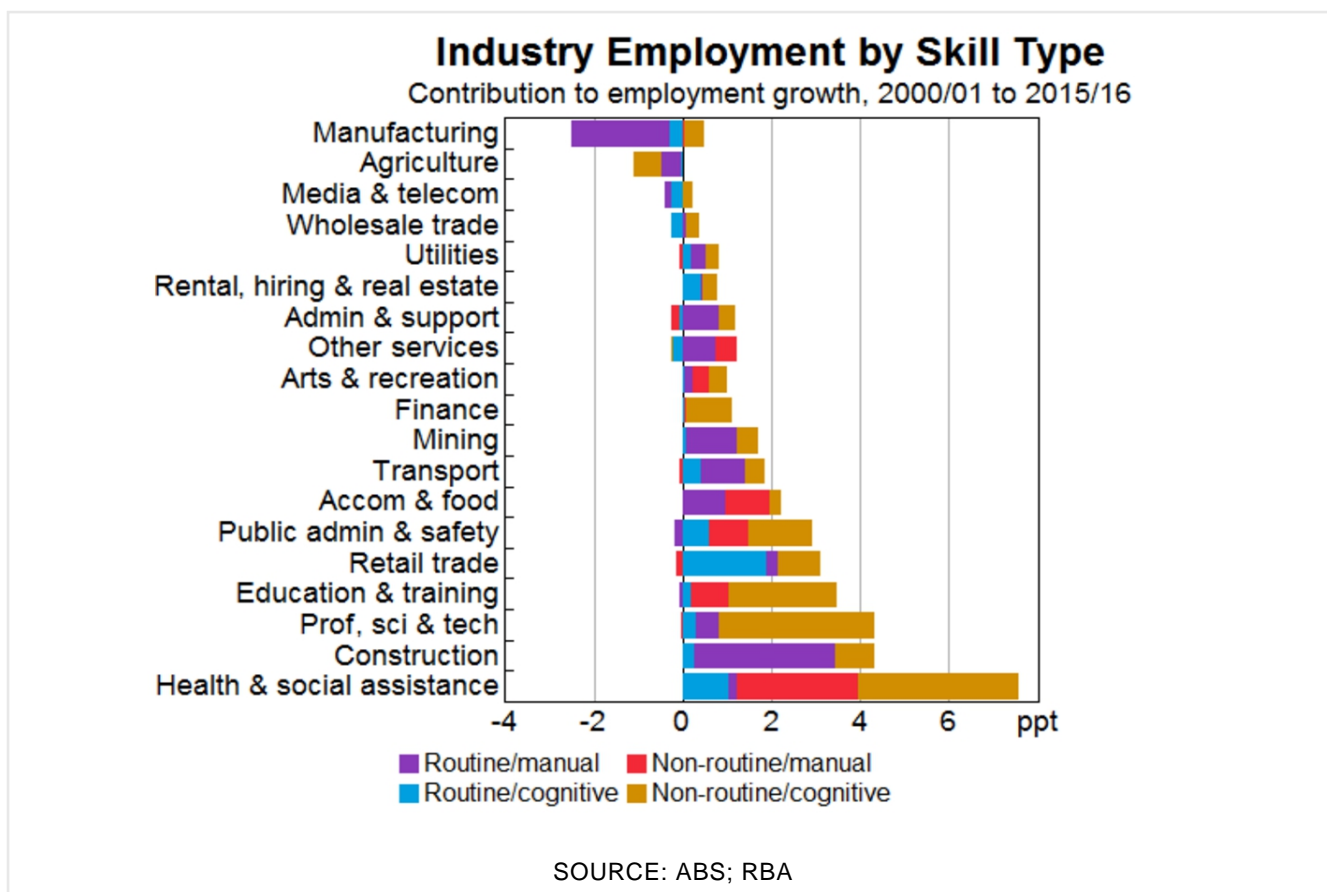
The noise created by job losses across sunset manufacturing sectors such as automobiles and steel making have the potential to distract employees, companies and government from the opportunity ahead.

The federal government's Future Focus report says Australia will have between 5.6 million and 6.4 million job openings in Australia in the years to 2025. However, the nation could be 2.8 million short of the number of higher-skilled qualifications that industry will demand.



This study by the Reserve Bank of Australia (RBA) is telling. It showed that over recent decades, there has been a noticeable decline in the share of people employed in routine manual jobs. Industries that have high shares of routine manual occupations include construction, mining and manufacturing. At the same time, non-routine jobs such as architecture or information technology – which tend to be more difficult to automate for a number of reasons – have risen in prominence and have been the job creators.

Meanwhile, occupations that intrinsically require a physical human presence, such as child care, have grown in relevance. Employment in the health care and social assistance sector is projected to grow at 19% over the next five years, followed by education and training at 16%, according to CSIRO. Employment in the ‘creative economy’ has been growing at an above average rate for the whole economy and is contributing 8% of gross domestic product (GDP) growth annually.



Employment by declining industries has seen a net decrease of 220,000 jobs since the early 1990s, and two-thirds of this has been in manufacturing, according to government statistics. But offsetting this has been the creation of more than 3.9 million jobs in other sectors. Employment growth in healthcare and social assistance compensated more than twice for the total job losses in the decreasing industries, and that trend is expected to continue.

According to the Federal Employment Department, the top three growth industries by 2025 will be:

**Health care and social assistance:** Such jobs are projected to increase by up to 798,000.

An ageing population is expected to drive demand for services such as nursing, aged carers, child care and other personal care workers. Australia's population is much older today than it has been in the past, and both the number and proportion of older people is growing steadily.

In 1964, the median age in Australia was 28.5 years, and 8% of the population (or 948,100 people) were aged 65 and over. In 2014, the median age had increased by almost a decade to

37.3 years, and the number of people aged 65 and over had more than tripled to 3.4 million. These trends are predicted to continue into the future, particularly as the baby boomer generation ages. Based on population projections by the Australian Bureau of Statistics (ABS), by 2064 there will be 9.6 million people aged 65 and over, and 1.9 million aged 85 and over, constituting 23% and 5% of Australia's projected population respectively

The growth of both a highly mobile workforce and working families is expected to boost demand for such skills. Nursing is expected to become the fastest growing occupation by 2050.

**Professional, scientific and technical services** : Jobs spanning these services are projected to increase by up to 583,000.

With the rapid growth in automation, robotics and digitisation, we will need specialists in computing, systems and diagnosis, and the upskilling of maintenance people to service and maintain the technology.

These 'employees of the future' will have good operational knowledge and detailed knowledge of the automated system. This will enable them to troubleshoot, conduct investigations, generate meaningful corrective actions, manage continuous improvement and contribute to operational procedures and training materials.

The creation of roles that currently don't exist in the industry – in disciplines such as communications, systems, electronics, software and niche technical fields – will give many people the opportunity to acquire new advanced skills.

**Education and training**: This sector is estimated to see an increase of up to 503,700 jobs by 2025.

Demand for primary school teachers, private tutors, education aides and vocational trainers increases along with increases in population. Projections by the [ABS](#) put the nation's population at 40 million within the next 40 years, more than double what it was just a decade ago, and up from the current 24.5 million.

That, along with the need for constant upskilling and retraining of the workforce, is leading to a

surge in such services.

**Vocational trades:** The demand for vocational roles such as electricians, construction managers, plumbers, real estate agents and metal fitters will also climb to cater to the burgeoning populace, the government research says.

Other sectors include:

**Food:** Australia has a reputation for its safe, reliable, clean food supply and high levels of food security, with quality standards and safety regulations imposed along the food supply chain. Growing wealth in Asia and changing consumer preferences means the demand for premium food products, animal proteins and dairy products, greater variety of fruit and vegetables, and foods processed for convenience will only surge

**Mining and mining services:** Market opportunities are likely to increasingly stem from a greater emphasis on operations, lifting productivity, cost competitiveness and consolidation in parts of the mining sector. Significant opportunities also exist in the energy supply sector, particularly in the production and export of natural gas and LNG. The sector is also uniquely positioned to emerge as the legacy of Australia's world-leading mining industry in terms of international competitiveness.

**Advanced manufacturing and medical:** Australia's highly educated workforce can help the nation move into this field. It also has quality researchers developing medical technologies, devices and pharmaceutical goods. As the population continues to age, this sector is expected to show significant growth over the coming decades.

# Chapter 1: Upskilling

The shape of Australia's economy and its workforce is uncertain. It will depend on what technologies develop, how the nation's workforce adapts to it and where and how new markets emerge.

The drivers of change – such as an ageing population and technology – are unlikely to stand still or reverse any time soon. Rapid economic growth across Asia and the rise of its middle class will drive demand for investment and export opportunities for Australian businesses.

To capitalise on the emerging opportunities, Australia needs to continuously upskill in its bid to turn into a knowledge-based economy.

The Australian Government's Industry Innovation and Competitiveness Agenda points out Australia's economic prospects are linked to natural resources, environment, strengths in innovation and research and development, and highly skilled workforce.



## Some future growth sectors

	Deloitte <sup>(a)</sup>	PwC <sup>(b)</sup>	IBIS World <sup>(c)</sup>	Outlook Economics <sup>(d)</sup>	McKinsey <sup>(e)</sup>
Gas	✓	✓	✓	✓	✓
Food & beverage processing	✓		✓		✓
Pharmaceuticals, biotech & medical		✓			✓
Agriculture	✓	✓			✓
International education	✓		✓	✓	✓
Tourism	✓	✓		✓	✓
Mining services		✓		✓	✓
Professional & financial services	✓	✓	✓	✓	
Distribution services	✓	✓			

(a) Deloitte (2014), *Positioning for prosperity: catching the next wave*. In professional & financial services Deloitte identified wealth management as a growth subsector.

(b) PwC (2013, unpublished), *Industry Sectors: Analysis and forecasting*. In analysis of nominated sectors, to support an industry innovation programme, PwC also identified Digital; Transport; Space & spatial; and Built environment & construction as having strong growth paths.

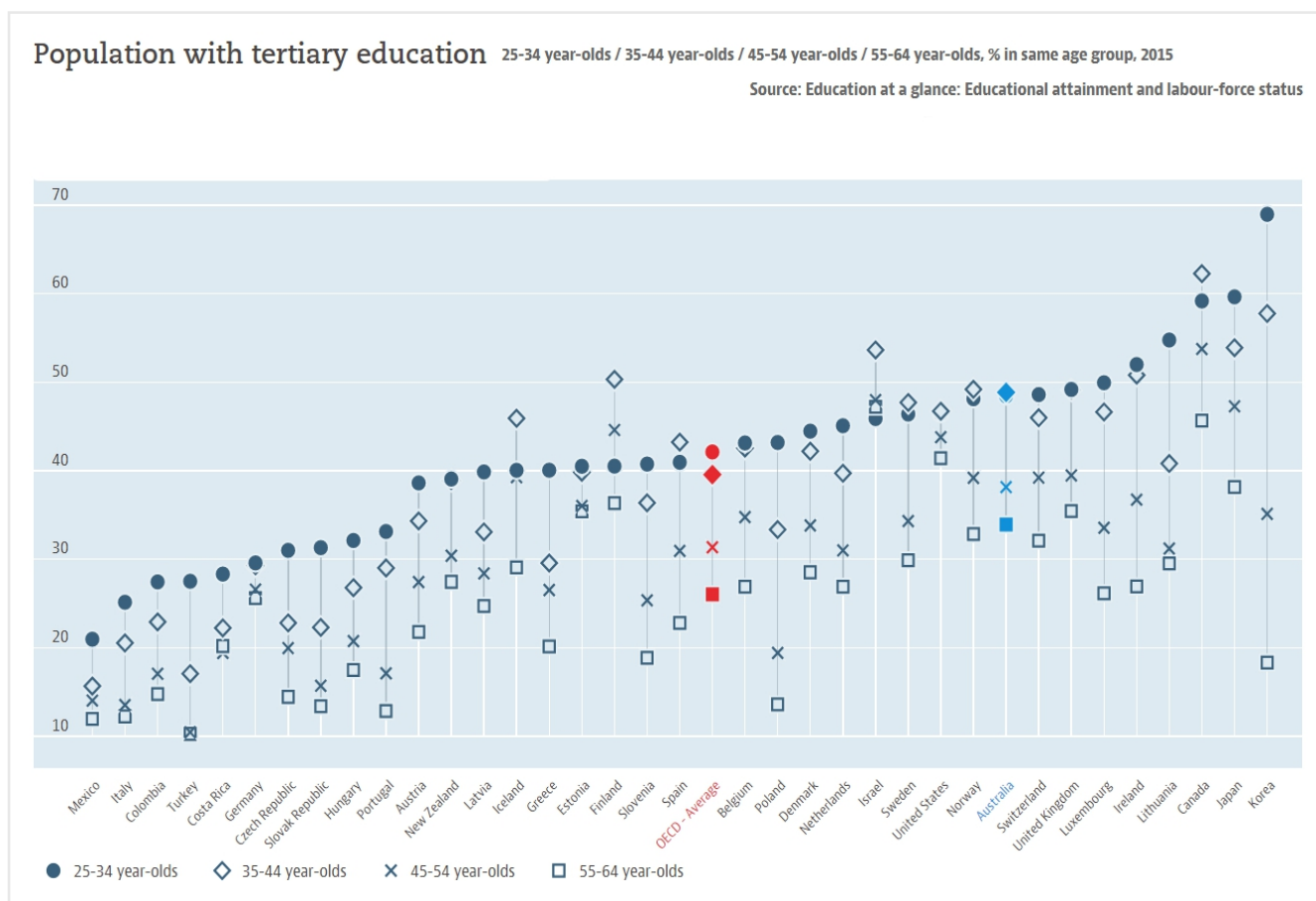
(c) IBIS World (2013), *Australia's Top 5 New Exports*. Within the professional and financial services category IBIS identified legal services as a key growth subsector.

(d) Outlook Economics (2014, unpublished), *AUS-M*. Distribution services includes wholesale and retail trade, transport, and postal and warehousing. Some subsectors are based on broader categories in the model.

(e) McKinsey Australia (2014), *Compete to Prosper: How Australia can gain a global edge*. Based on sectors identified as advantaged performers and latent potentials.

A key strength of the Australian economy is its educated workforce. About half the working age populace is qualified in some form or another. More than 40% of workers in the 25 to 44 age category have a tertiary qualification, according to the Organisation for Economic Co-operation and Development (OECD).

That compares well with global peers. According to the OECD, only Switzerland, Canada and South Korea are the bigger economies that have greater rates of higher educational attainment.



The labour market and its education and training system have facilitated the adjustment of labour supply to meet changes in demand so far, but the stakes are now rising. Future employment growth depends on the economy’s ability to churn out more services and goods in the face of rising globalisation.

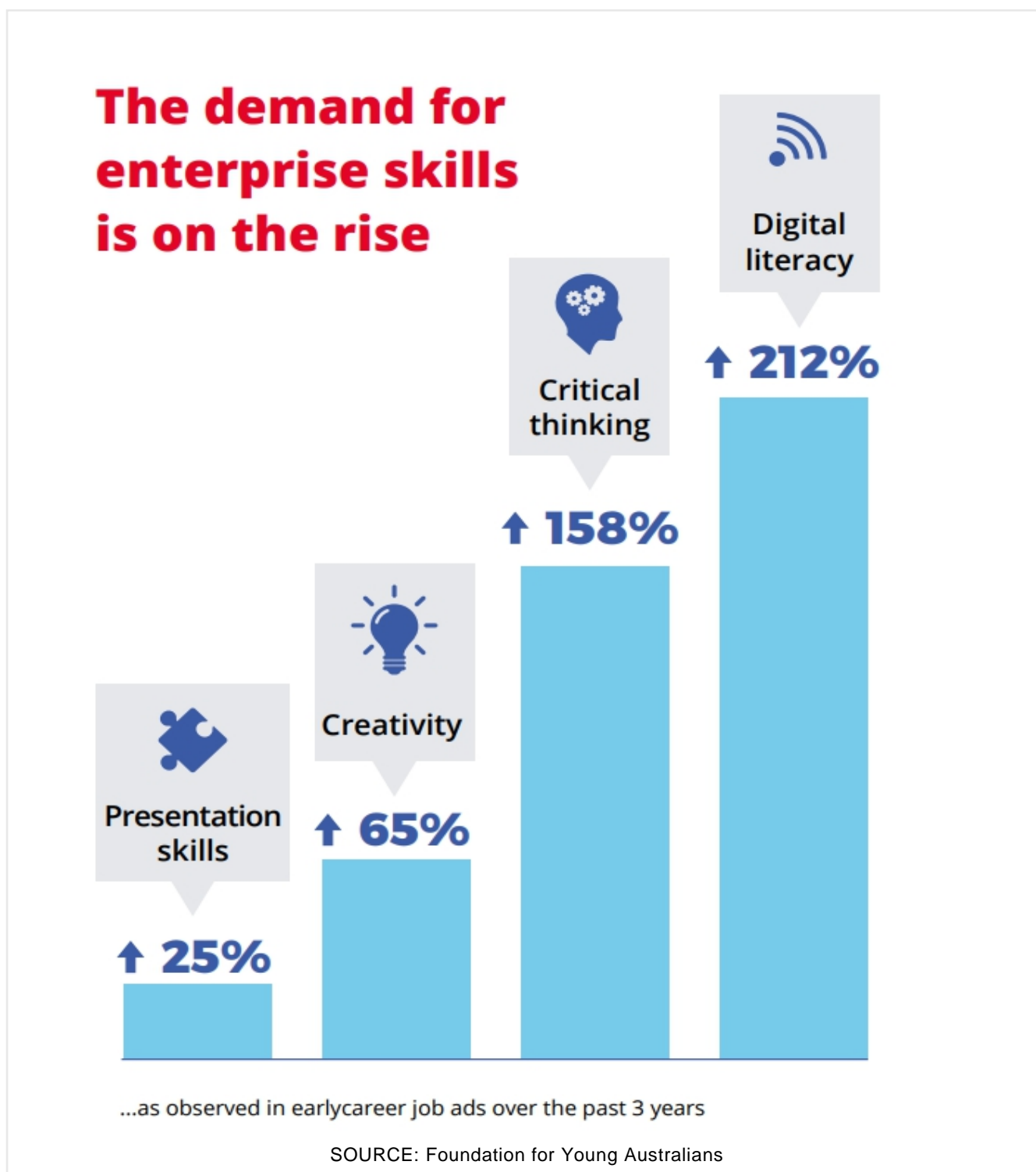
Policy and investment needs to focus on ensuring education systems evolve to support people to gain the skills needed for future industry demand. The focus should be on specialised technical skills and knowledge, tuned to the industries of the future.

The digital revolution has created new roles that didn’t exist at the start of the decade. The roles include big data analysts and architects, digital marketing specialists and data. Roles have also been created in new sectors such as video and audio streaming, internet auctions and social networking services.

Data from the ABS points to the growing importance of science, technology, engineering and

mathematics (STEM) skills in the labour market.

Demand for digital skills went up 212% over three years, while critical thinking increased 158%, creativity increased by 65% and presentation skills by 25%, according to a survey by the Foundation for Young Australians.



The survey shows the need for investment in an education strategy that promotes skills which:

- Begin early in primary school and build consistently, year on year, throughout high school;
- Be provided in ways that young people want to learn through experience, immersion and with peers;
- Provide accurate information about and exposure to where future jobs will exist and the skills to craft and navigate multiple careers; and
- Engage students, schools, industry and parents in code signing opportunities in and outside the classroom.

Studies have estimated that Australians will make 17 changes in employers across 5 different careers. Some of the jobs they will take in the future probably don't exist today.

With that uncertainty ahead, Australians have to make choices that will affect their future options like:

- what subjects to study at school;
- what courses to take at TAFE or university;
- what apprenticeships to go for; and
- what first job they should apply for?

The Foundation for Young Australians says jobs are more related than what most think. Not all jobs require the acquisition of an entirely new skill set; instead, the skill sets of many jobs are 'portable' to other jobs. In fact, on average, when a person trains or works in 1 job, they acquire skills for 13 other jobs, it says.

Technology challenges traditional methods of imparting education. Learning models can now evolve to include online learning and employer-designed short courses. People can also be expected to be much more self-directed and operate outside formal education institutions, gaining and sharing knowledge in a more connected world.

Employees need more opportunities to learn throughout their lives to adjust to the changing demands of job profiles, and is likely to lead to a renewed focus on workplace learning. Mobile

technology provides a new channel for workplace learning, allowing workers to access training materials and information on the job.

The need to continuously upskill has also led to the growth of organisations such as [Udemy](#), a marketplace in which virtually anyone can offer instruction, and sites such as [Coursera](#), [edX](#) and [Udacity](#) that partner with universities. New York-based [General Assembly](#), which focuses on technical skills development, offers online companion courses to physical class offerings that can span a weekend or go on for months in one of its immersive programs. It has now served more than 350,000 people.

Importantly, **getting businesses more involved with education providers will allow them to direct investment towards the skills they want, while also better preparing the workforce**; as we have seen with companies investing in STEM. For example, mining giant Rio Tinto works with the Australian Academy of Technological Sciences and Engineering. Software maker Salesforce is working with Schools Plus, while Commonwealth Bank is collaborating with Australian Technology Network of Universities to strengthen Australia's capability in STEM and understand the impacts of social robotics and other disruptive technologies on people, customers and industries across Australia.

The digital and technological divide between jobseekers' skills and employers' requirements has never been greater than it is today, according to recruiting experts Hays.

The firm's quarterly Skills in Demand report says of the new jobs added almost all ask for capabilities to use digital technologies such as robotics, 3D printing and analytics.

Most aspirants are becoming aware of the need to upskill. In a survey of 1,516 jobseekers, 60% said they were looking for new roles due to a lack of career development in their existing role.

Upskilling and development doesn't have to mean expensive courses; it can be as simple as stretch opportunities, mentorships and involvement in projects that will expand skills and introduce new tools and technology, it says.

According to Hays, a selection of skills in demand include:

- **Commercial Analysts and Senior Commercial Analysts with experience creating financial models;**
- **Accountancy professionals with IT programming skills who can contribute to system improvement and automation projects;**
- **Architects who can use a broad range of digital devices and tools, including GPS positioning, 3D printing and VR;**
- **Investment Analysts in the banking sector who can understand data and build strategies while following a firm's corporate values;**
- **Technology-focused school teachers, particularly IT Integrators/Coordinators with both teaching and learning;**
- **Electrical Engineers with solar design expertise;**
- **Remunerations Analysts and HR Analysts who can provide accurate and responsive data to assist with forecasting and people plans; and**
- **Data Analysts and Economists in the Australian Public Service who can provide evidence-based proof of policies and evaluate the efficiency of programs.**

## Chapter 2: Skilled Migration

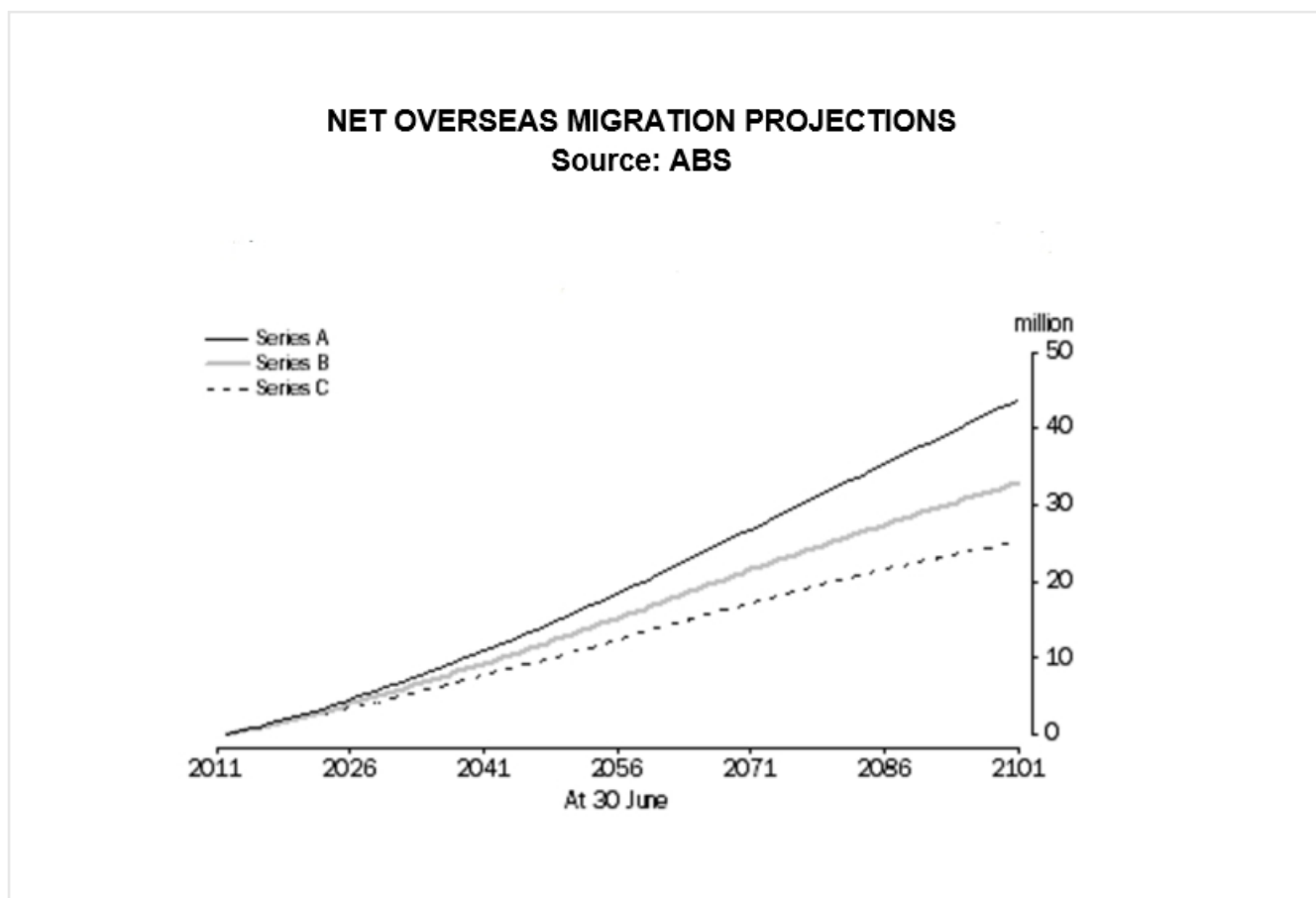
Australia's economic success over the past quarter century has made it one of the most attractive destinations for migrants.

The nation has in turn benefitted from the arrival of scores of skilled migrants from across the world. Its sustained prosperity has been supported by migration – particularly the movement of temporary labour.

The nation's migration policy has favoured skilled migrants over family stream visas since 1997, when labour shortage loomed. Since then about 1.5 million skilled migrant visas have been issued, while only half that number went towards family stream visas, according to government statistics.

In the ten years to 2008, labour shortages were a significant problem for the Australian economy. This was reflected in the lowest unemployment rate in three decades. Shortages were reported for both skilled and unskilled labour. Occupations affected included accountants, medical practitioners, nurses, school teachers, pilots, economists, tradespersons, engineers, agricultural workers and shop assistants.

Over the last 10 years, temporary migration has become an important feature of Australia's immigration program. The stock of temporary migrants at any point in time is 10 times greater than annual permanent entry of around 190,000, and has constituted up to one-fifth of total number of workers aged between 20 and 25, according to the ABS.



Australia's total population is still projected to reach 31 million people by 2033 from 24.5 million now and 42 million people by 2060. This growth is a function of a combination of natural increase (total births minus total deaths) and net overseas migration.

With the peak of the labour market shortages seen during the mining boom now passed, Australia has joined developed market peers in tightening migration rules. At the same time, Australia can't give up on competing against other countries to create an environment that attracts and supports talented people from around the world, welcoming fresh ideas and entrepreneurialism to support the growth of new industries.

Migration policy and company planning need to adapt to technological change while accommodating the growing gig economy. As technology disrupts the way in which we all engage in work, new job categories are appearing and evolving as quickly as old ones disappear. Core considerations for migration policy and firms planning for skills requirements include:



- The type of services Australia wants to have in the coming decades;
- The workforce and skillsets needed to achieve that mix, and
- The role of migration in the overall plan.

While trade in services constitutes 70% of Australia's domestic economy, it accounts for only 30% of exports. As services are expected to be a significant source of continuing growth for Australia, extensive international recruitment of employees will still be needed.

At the same time, a study by the Committee for the Economic Development of Australia (CEDA) shows the competitive advantage Australia has enjoyed from its highly educated workforce is diminishing as the global supply of skilled labour increases.

For example in 2002, the total number of STEM first university degrees awarded in Asia was just over one million, with almost half a million in China alone and a further 176,036 in India, according to Committee for Economic Development of Australia

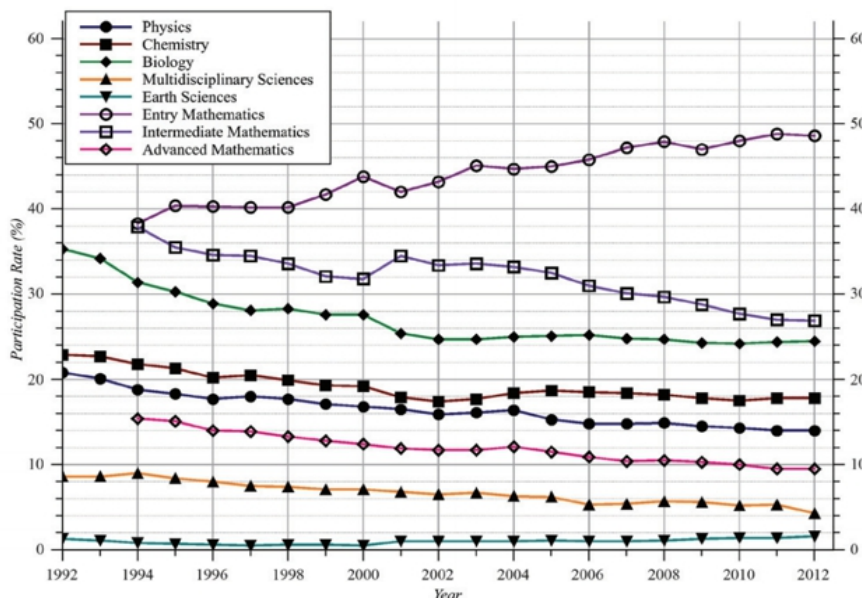
By 2010, the total STEM degrees awarded in China had risen to 2.6 million, with the figure anticipated to rise to 3.5 million in 2015. China alone will produce more STEM graduates in 2015 than all of Asia did with primary degrees in 2002. India is experiencing similar growth trajectories in higher education, CEDA said.

While Asia is powering ahead, Australian mathematical literacy is falling and participation in science subjects is at a twenty year low, according to the Federal Government's National Scientific Statement.

If this decline in participation and performance continues, Australia may be unable to supply the skills required for the future workforce and will need to look to countries such as China and India.

## Participation Rate

Source: QUT



Through Australia’s history, economic migrants have offset an ageing population and helped businesses find the right skills that are difficult to find at short notice.

Unemployment among skilled immigrants is negligible, according to a study by the Productivity Commission, because they tend to be employed in high-income occupations and contribute more to government revenue through taxation than they take through public services and benefits.

The study also found migration wasn’t leading to higher unemployment. Immigrants were likely to complement rather than displace local workers, improving productivity – particularly when filling skill shortages that are restricting the expansion of firms, it said.

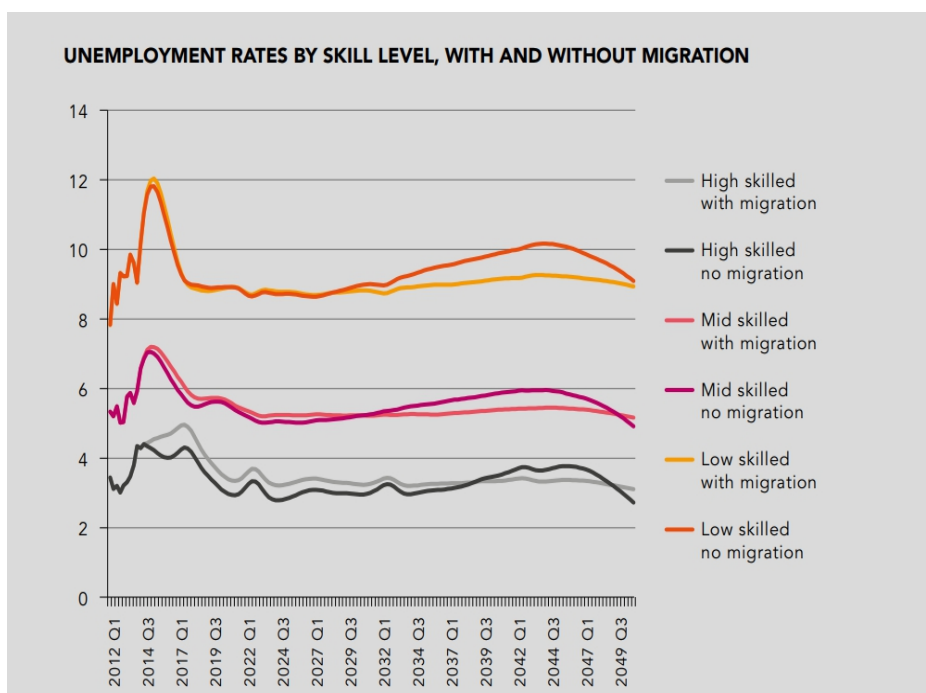
An econometric analysis by the Productivity Commission found that, at an aggregate level, recent immigrants had a negligible impact on the wages, employment and participation of the existing labour force.

It also said skilled immigration may be associated with skill deepening or “credential creep” among the Australian workforce.

Just as immigration has eased Australia’s shift from a manufacturing to a services economy, it will play an important role in helping the nation’s businesses innovate in the face of intensified global competition and technological change.

(Some would go further: the removal of border restrictions on people could double world gross domestic product, according to Michael A. Clemens, who wrote the paper *Economics and Emigration: Trillion-Dollar Bills on the Sidewalk*.)

For Australia, the most recent modelling of the economic benefit from immigration has been compiled by the Migration Council of Australia



SOURCE: Migration Council of Australia

The council compared a scenario of zero net migration with a continuation of current trends. The analysis found that by 2050 the higher immigration scenario delivers a 5.9% increase in GDP per capita.

To put this in perspective, this is driven by a GDP per capita premium per migrant of 10%, which was \$US6151 at 2012–13 prices. These are the economic bonuses delivered to all Australians by a sustained migration program relative to zero net migration for the year 2050.

## Chapter 3: Gig Economy

The Australian workforce is clearly in a state of flux. While headline unemployment numbers have been more or less stable over the years, analysis of the underlying data throws a plethora of questions and challenges ahead.

Looking through the noise, it appears the jobs market is witnessing a significant change in Australia. As has been witnessed in other advanced economies in recent years, the relationship between job creation and wages inflation – with pay typically expected to start rising at a certain threshold in unemployment – appears to be crumbling. While the headline unemployment rate has fallen, the underemployment rate – a measure of people who have work but would like more – has been climbing.

The following data gives us a sample of the current situation:

- While Australia's unemployment rate has been trending downwards, the underemployment rate has been rising pointing to slack in labour markets
- The 15-24 years age group has consistently had the highest underemployment rate, which, after falling to 11.0% in May 2008 increased to 17.4% by the end of last year, according to the ABS.
- Part-time work has accounted for all of the increase in employment in 2016 and more than two-thirds of the increase since 2013. Over the longer run, the share of part-time employment has increased steadily to be around one-third of total employment, according to the RBA.
- There was a 36% surge in Australian Business Number (ABN) registrations in 2016, according to Veromo, which helps entrepreneurs set and register businesses. This potentially reflects an increasing number of people deciding to strike out of their own and work for themselves.

These are both reflective of some of the challenges in the job market and paint a picture of an emerging “gig economy”, in which people undertake much more short very short-term, temporary jobs.

It points to the massive shift in the way Australians work. Tens of thousands of employees are

abandoning the 40-hour work week in favour of flexible hours, sometimes doing multiple jobs or undertaking ad-hoc work, such as driving for Uber, contributing to creative projects on Freelancer or doing odd jobs on Airtasker.

Technology links people with a specific skill set to a job that demands it for only a certain period. Technology also gives people the flexibility to work from anywhere and beyond the traditional 9 a.m. to 5 p.m. office hours.

There are significant benefits for both individuals and companies. It gives employees additional income at a time when wages growth is slow and gives companies the flexibility to engage a temporary contract workforce that is responsive to ebbs and flows of demand in uncertain times.

An estimated 4.1 million people, or about a third of the Australian workforce, undertook some form of freelance work in 2015, according to a study by Upwork, a global freelance jobs market place.

Research from Veromo, a one-stop shop for entrepreneurs to set up and register a business, shows that the number of ABN registrations increased in 2016 to 883,740 from 649,947 in 2015. That is a 36% surge in new registrations compared with a 4% to 8% rise seen every year between 2012 and 2015.



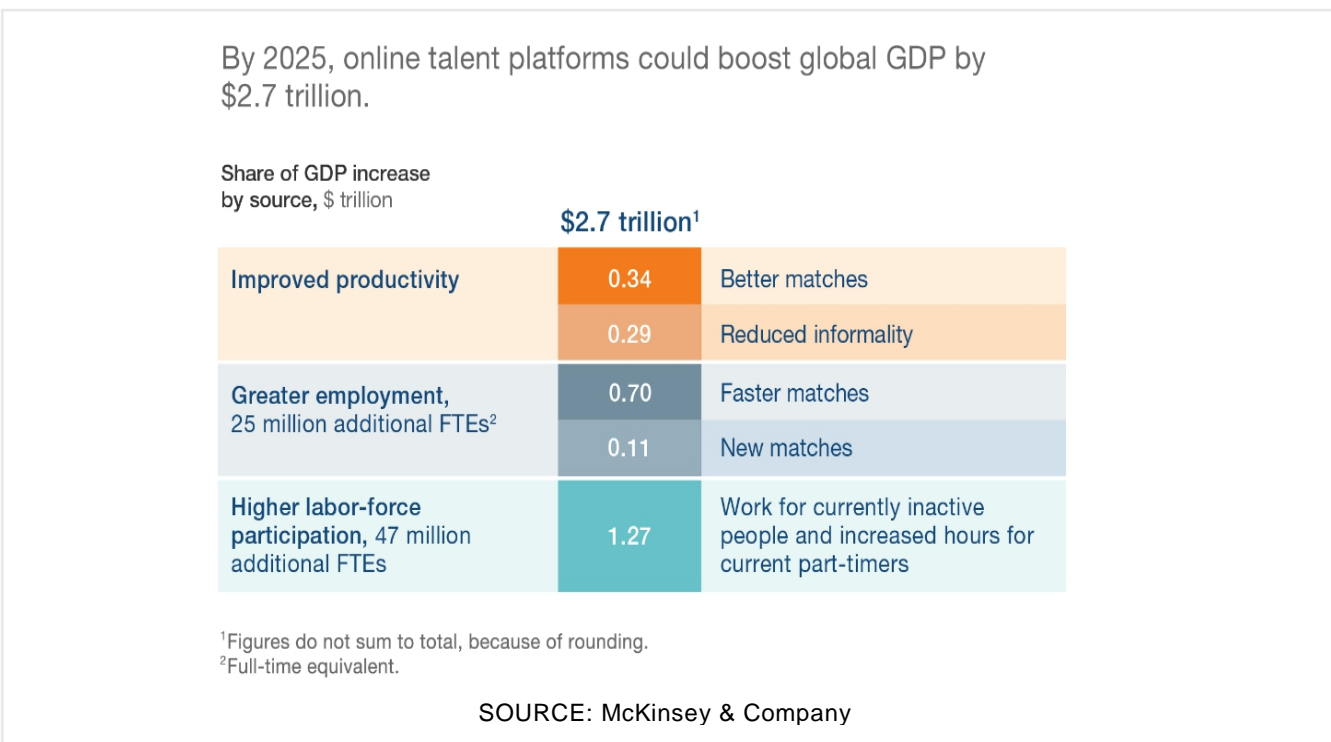
The rapid increase was prompted by the Australian Taxation Office’s (ATO) directive that required ABNs for shared economy workers making money out of companies like Deliveroo and Uber.

The largest category for freelancers is web, mobile and software development with 44% of the workforce using it. That is followed by design and creative with 14% of the workforce, customer and admin support with 13%, sales and marketing with 10% and writing with 8%, according to the study.

A Grattan Institute report estimated 80,000 people **regularly** get work via work distribution platforms. If one includes **all people with more than one job**, the number soars to 700,000 – or **5 per cent of workers**.

It would be a mistake to think that very highly skilled workers are not availing of these platforms, too: Sydney-based Expert360 offers high-end, short-term contracting work for people with elite qualifications in disciplines such as engineering and management consulting.

Not only does the freelance economy offer workers freedom, it has real economic effects – and Australian employers need to warm up to it.

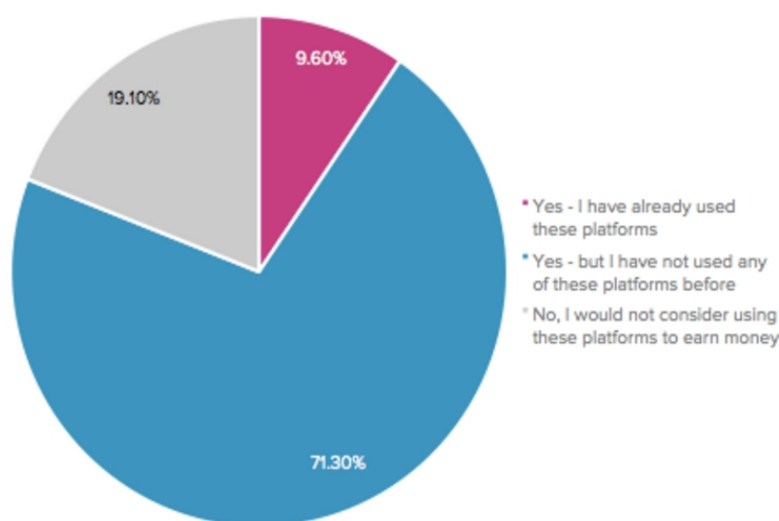


McKinsey analysis shows that online talent platforms — matchmaking services that bring together freelance jobs and freelancers — could raise global GDP by up to \$US2.7 trillion and increase employment by 72 million fulltime equivalent positions by 2025.

According to the OECD, major innovations such as the gig economy lead to the creation of more productive and rewarding jobs, with subsequent improvements in living standards. Most advanced economies have seen a considerable increase in the demand for high-skilled workers, and increased digitised connections will facilitate more efficient matching between the demand and supply of labour. Having the right people in the right jobs is essential to maximising productivity, with significant flow-on effects for business and the economy.

Prospective employees are prepared to take the plunge. The Foundation for Young Australians report estimates 70 per cent of Australians under the age of 34 are willing to use digital platforms to find jobs, potentially adding 270,000 jobs and 1.9 per cent national GDP by 2025.

Online platforms continue to replace traditional means of earning, for example, Airtasker is processing about \$10 million worth of jobs per annum. In fact, almost 10% of Australians aged between 25-34 have already used on-demand platforms to earn money and a further 81.9% are considering using these platforms to earn some extra money in 2015.



For companies across a range of industries, understanding where the gig economy fits in their labour mix will be vital to ensure they stay competitive. It allows companies to scale up and down, as this flexibility gives companies the access to the right talent at a moment's notice to complete a project. On average it takes 2.7 days to hire a freelancer from a talent marketplace, rather than 34 days for traditional recruitment methods, according to AI Group.

Choosing to incorporate freelancers into the workforce will yield greater productivity, prompted by two factors:

**Specialisation and accountability:** Many employees are often working on tasks outside of their skillset and knowledge. Rather than hiring one generalist to complete all tasks companies can turn to multiple specialist freelancers. Each would work only a few hours a week, concentrating only on one task.

**Efficiency:** Dividing work into ever smaller tasks allows companies to consistently improve the efficiency of productivity.

**Customer-client relationship:** It shifts the employer-employee relationship into a customer-freelancer relationship. Rather than an employee performing tasks as directed by their employer, freelancers are forced to complete set tasks before they are paid. This shifts the dynamics of the workforce, improves the quality of the labour and allows companies to measure efficiency easily. workers are truly accountable and performance standards dictate future security and income.

**Promote constant upskilling:** There will no longer be specific guidelines or career ladders to guarantee a career growth. Workers will have to be savvier than their predecessors and must be highly skilled in project and time management. They will also need to upskill to stay relevant, which benefits the economy at large.



## Conclusion: maximising the opportunities

If employers were to adapt currently proven technologies about half the global jobs or 1.2 billion employees and \$US14.6 trillion in wages would be affected, with most of the impact to be felt in China, India, US and Japan, a study by McKinsey shows.

However the study shows the technical feasibility to automate does not automatically translate into the deployment of automation in the workplace and the automation of jobs. It says companies will evaluate:

- The cost of developing and deploying both the hardware and the software for automation.
- The supply-and-demand dynamics of labour as abundant labour would mean workers will be significantly cheaper than automation.
- Regulatory and social issues, such as the degree to which machines are acceptable in any particular setting.

McKinsey says it may take about two decades before automation reaches half of all of today's job activity. That time frame is certainly long enough for policymakers, companies and workers to plan ahead to ensure a smooth transition.

Some of the solutions that need to be addressed include:

- **Evolution of education systems:** Success in this new environment will require incentivising businesses and providing the workers with the right technology. So ubiquitous will technology be in the future that it will join reading, writing and arithmetic as basic competencies expected of all Australians. Digital literacy needs to be a basic competency taught to children, so it needs to be included as a core component of school education.
- **Tax reforms:** Such changes are needed to incentivise companies to treat human capital as any other form of capital and generally encourage investment for job creation. Personal income taxes currently provide half of the Commonwealth revenue base. Australia relies more heavily on income taxes on personal and company income than OCED countries with 58% of total tax revenue compared to the OECD average 33%.

Company tax also needs to be addressed. Our company tax rate of 30% compares unfavourably to the Asian average of 22%.

- **Demographic dividend:** The ageing population will put pressure on government budgets. Yet declining fertility rates can provide a demographic dividend if the right policy framework exists. Currently the true participation gap between men and women is as much as 50% during the prime working years significantly more than the headline rate due to the high proportion of women in part-time work. This is a response to the cost of child care. Realising the potential demographic dividend from the ageing of the population, and to maximise the human capital of the nation, would involve more consideration of child care services and other initiatives to encourage maximum workplace flexibility.
- **Innovation:** Not only bring about technology solutions but to promote human-machine interaction to keep the job force relevant and enable upskilling. The sharing digital economy bolstered by platforms such as Uber or Airbnb facilitates outsourcing at both an individual and business level. This trend will benefit those who can charge more for their services. Businesses that can spot and add employees with special skills to perform increasingly niche activities and nations that are able to develop value adding specialist goods and services will emerge successful. The alternative is to experience commoditisation of the goods and services offered by the individual, business or nation, resulting in declining prosperity.