

Population Australia 2050 Summit

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A Snapshot of the Future of Australian Families, Work and Learning
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Good afternoon and thank you for that warm welcome.

I'd like to start by congratulating all of you who are here – it might have been tempting for some – perhaps many – to skip the after lunch sessions on the second day of a conference on population trends and forecasts, so thank you.

But this is a very important conference and I congratulate the conveners of the Summit.

Very often, when talking about the future it is questions of Economics and Technology which hold sway in any conversation. But I would suggest it is Demography that is perhaps most important, and certainly the most reliable indicator of where we will be in the future. The school leavers and university entrants of 2025 are already learning to walk and talk.

Demography truly is Destiny.

When, some 20 years ago, I first took an interest in Demography and began to understand the implications of the ageing of the population, the impacts of the Post WWII Baby Boom, the impacts of a declining fertility rate, and an increase in life expectancy, I was surprised not everyone was talking about these things – it was very clear, for example, that an ageing of the population would lead to a declining tax base, *ceteris paribus* – all other things being equal – as there would be fewer workers to support more people in retirement. It was clear then there would have to be taxation shifts to embrace the consumption side of the equation.

So I think it is a good thing that Demographics is receiving the attention that it is.

At a conference on the future I thought it would be interesting to go back 30 – 40 years and look at some of the famous predictions of the past, and see how they are looking today.

What about the paperless office? How's your paperless office going?

The dream of the paperless office started way back in 1975, when BusinessWeek magazine predicted "a collection of ... office terminals linked to each other and to electronic filing cabinets."

"It will change our daily life," said one bold technology expert quoted in the article. Another said: "By 1990, most record handling will be electronic."

What about this one?: It was widely predicted in the 1980's and 90's that the increased use of computers and technology would lead to an increase in telecommuting – people working from home – and that peak hour traffic jams would be a thing of the past. Zero out of ten on that one.

Over the last few days I've been lamenting another prediction that has failed to come to fruition – that there would be a cure for the common cold! Please bear with me.

So there are three predictions that have come up short. Been a conference on the future I felt I should come armed with a rock solid prediction for you and I have. I was in the supermarket recently and saw that another blade had been added to the men's razor. It wasn't that long ago we had a single blade – a single blade was enough, then came a second blade, followed by the Mach III, then the Quattro, now we have the Fusion – a five bladed razor! Put your calculators away – I've saved you the trouble and have crunched the numbers and can tell you with mathematical certainty that at this rate of progression, it will be this time in 2050 we have the world's first thirty-bladed razor! Not sure that it'll cut any better, but there you have it.

My remarks will be confined to some broad thoughts and predictions – a brief snapshot if you like – of three important social areas.

- **Household and Family** – what changes can we expect here?
- **The Workplace** – what will work be like in 2050?
- **Education** – what are some implications for the education system?

This morning we heard from The Honourable Minister for Population, Tony Burke, and I will take refuge in the remarks he made to Steve Vizard, shortly after the creation of this new portfolio, when interviewed on 28 April last that you never know precisely what the future holds and that anyone making a 40 year projection is being pretty brave.

Household and Family

That is probably why when considering Household and Family Projections in its latest release just 21 days ago the ABS projects forward to 2031 – (25 years from the most recent Census in 2006.)

Either that, or I'm reminded that it was just a decade ago in a release headed 'Where is our population headed by 2051?' the ABS predicted the then population of 18.5 million could even grow to between 23 and 26 million. Well, we're already over 22 and fast approaching 23 some 30 years earlier!

Presently there are some 8 million households in Australia. This is projected to increase to nearly 12 million by 2031. Good news perhaps for the construction sector.

The ABS measure three household types – family, group and lone person and all are projected to increase. Although family households are projected to show the greatest numeric increase, lone person households are projected to show the greatest percentage increase.

The perennial question is where will these households be? Where will we house these extra people? It was good to hear the remarks of Professor Hugo yesterday that it is not the number that is important, but rather where those people are going to be, and that a rethink of Australia's settlement policy towards regional areas could be helpful.

The idea of building new cities is gaining some currency as well. It is interesting to note that in the last 100 years Australia has really built just two new major cities – Canberra and the Gold Coast. I've sometimes wondered why more have not been built, but perhaps our track record isn't that successful! – my apologies to anyone from Canberra and the Gold Coast.

The increase in lone person households is closely tied in with the ageing of the population – older people are increasingly likely to live alone, and it is projected there will be an increase of 1.2 million lone person households, to 3.0 million by 2031. Clearly it will be necessary to watch factors associated with this, such as increased social isolation.

Multiple family households are already on the rise and are likely to continue to increase in number. It's no wonder the hit show Packed to the Rafters has been such a success – it strikes a chord with so many Australian families.

Couple families WITHOUT children are projected to experience the fastest and largest growth of all family types in Australia, and to become the most common family type, overtaking the couple families WITH children as early as 2014. The growth here is primarily related to the ageing of the population, with baby boomers becoming 'empty nesters' as their children leave home.

I pause here to observe two social trends we have observed over the last decade though and that is the rise of the boomerang children – those who leave in their 20's only to come back later in their 20's or 30's, and those who do not leave at all. These of course are the KIPPERS – Kids In Parents Pockets, Eroding Retirement Savings! You might know a Kipper, you might have a Kipper at home – you might even be a Kipper yourself.

The Workplace

Turning now to the Workplace mid-21st Century. Already the workplace ten years into the 21st Century is a very different place than what it was at the turn of the century. Today's workplace is more technological and multicultural. Work is often accomplished by teams rather than single individuals. The computer dominates. A satisfying life is now defined as striking a balance between work and non-work. Companies are downsizing, re-sizing, merging and acquiring, outsourcing, and operating beyond national borders. Manufacturers in Australia, operating within a new set of rules – Globalisation – are increasingly competing with manufacturers in low wage cost base countries.

One of my favourite books on future trends is Paradigms: The Business of Discovering the Future, by Joel Arthur Barker.

A Paradigm is well defined as simply a Commonly held set of Beliefs.

There was a paradigm once that held that the world was flat.

There was another which said that mankind was not meant to fly.

For the last 100 years there has been a paradigm which holds that the most sure and certain way to a secure future is to get a good job. In fact, the concept of the job was one of the stickiest ideas of the 20th Century.

But I believe, the job, as we once knew it is dead.

In its place, I'd suggest we will see very different structures, and perhaps an increasing return to a world where an individual's economic return is largely dependent on his or her own efforts – an increase in entrepreneurship and a decrease in what Seth Godin in his most recent book, *Linchpin* calls 'ABC' – or Attendance Based Compensation – being paid for simply turning up. As more and more companies and departments in the public sector too are increasingly conscious of workplace productivity measurements, there is an increased focus on work output and performance-based remuneration – remuneration tied to measurable achievements and not just hours worked. More and more companies are outsourcing work to small specialised agencies or to individuals working as independent contractors, rather than employing people to fulfil these roles.

Consider this:

Beginning in the 14th Century through even as late as the 18th Century a person's profession was his surname.

Names such as:

- Baker;
- Cook;
- Smith;
- Miller;
- Cooper;
- Fisher;
- Carpenter;
- Shepherd;
- Shoemaker; and
- Wainwright;

.....were a pretty good clue as to what you did for a living!

As the Economic Times reported, the concept of the job was essentially invented by Henry Ford and other industrialists. It became synonymous with the timeless concept of toil, but it did not have to be either fun or rewarding. You put in your time and got paid. Jobs were for life. A job was acquired, learned and performed until retirement, and obviously those ideas are no longer valid.

– I'll just pause there to observe that is another 20th Century Paradigm – the whole concept of the retirement age!

As an aside, but relevant, that whole paradigm came about only after Chancellor Otto von Bismarck introduced a non-contributory state funded pension to eligible persons aged over 65 in 1882. This was followed by NZ (1898) and the NSW Government in 1900. The Commonwealth introduced the aged pension exactly 100 years ago last year. Interesting thing was this: although the eligibility age was set at 65, average life expectancy at birth was just 55!

Consequently, it is my view that we must change expectations in order to better prepare people for the new world. The 21st Century really does require people who are useful and not just employable.

Since the western world moved from agrarian-based economies, through the Industrial Revolution, into Manufacturing based economies we have seen a second shift – from manufacturing into services. The vast majority of people are now employed in what are characterised as service-based jobs. However, we've seen another move into the Technological Age and now, as some commentators are calling it the Connected Age.

We will continue to see massive shifts in the nature role and position of corporations and the nature of work.

Evidence of this is all around us – the publishing industry – like many industries falling victim to the democratisation of the internet. How about

the digital revolution? Once household names, Kodak and Konica-Minolta, barely recognisable to how they once were – and it's not that they didn't see the changes coming!

The Swiss and their watches....

American Railroads.....

The Blacksmith story.....

As Ram Sudhakar has said, you can forget the Industrial Age paradigm of spending your working life in a dull, meaningless job that only employs part of you. Forget chasing a career that stresses you out. Children of tomorrow are likely to have the opportunity to pursue their true calling, looking at work as a means to fulfil one's own dreams and making an impact on the world around them.

Already we are seeing this happen. As children stay on the education conveyor belt for longer they come out the end with high expectations – we've observed this in workplaces right across the country – expectations and confidence levels in graduates are sky-high, leading to the phenomena of the confidence / competence gap. There's no mystery about this – this is a generation which has been taught to expect from a very early age. When you played pass the parcel at birthday parties growing up, how many prizes were there? That's right, just one....at the very end. Have you been to a

three year olds birthday party lately? There is a prize under every layer – every player gets a prize.

This sense of expectation, combined with present generations being more materially endowed than generations past has meant they are starting their economic earning years higher up Maslow's Social Hierarchy of needs – with their basic needs already met, they have higher expectations about attaining personal fulfilment in whatever they do, and this is unlikely to change.

At the end of last year, Barbara Pocock at the Centre for Work and Life at the University of South Australia released the findings of some research they had conducted on Meaningful Work in the 21st Century. She recounted how a week earlier Crikey.com had published something fresh from their fax machine.

It was a memo from newsroom staff to managers of *The Advertiser*. It outlined a litany of problems at the newspaper that had led morale on the newsfloor to reach a 'very low point', including abuse, bullying, threats of dismissal, a lack of reasonable direction and leadership, conflicting instructions, bans on certain words and subjects, lack of trust, conflict, news fabrication, unrealistic workloads, excessive hours and unpaid overtime. The memo said 'We think it is unfair, unhealthy, and unproductive to expect us to be in early, work late, eat lunch at our desks, and not leave the office. We think that with better workload management,

less wastage of time and more trust we should be able to be both flexible and more productive'. (What a constructive group of workers!)

The memo concluded with the following words 'We love our jobs.'

Ms Pocock properly asks, What kind of love is this, and how does it survive such a chilly, menacing climate?

Education

One of the saddest observations I have made over the course of my career is that the vast majority of people operate either on the written or verbal instructions of others – there has been a dearth of independent and creative thinking. This is in some part I'd suggest a by-product of the 20th Century education system that largely trained people for a job. Now there wasn't necessarily anything wrong with that, but if as I believe that mid-21st Century work is going to be characterised by a return to more individual entrepreneurship, then our education curricula will have to change as well. What is required, in my view, will be a greater focus on the teaching of entrepreneurship, entrepreneurial skill and endeavour, creativity and encouraging collaboration rather competition in education.

The 20th Century was about the three R's – of which two were not R's anyway (!):

- Reading
- Writing
- Arithmetic

To that we can add a fourth R:

- Retrieval

Information Retrieval is a skill now being taught to the 'Google Generation'.

With so much information available, 21st Century learners are more empowered than ever before – Empowered to make more and perhaps better choices than generations past.

I'd like to suggest that in this new age though there is a demand for a fifth R, and like two of the first three R's, it's actually not an R either!

- Creativity

I agree with the Founder and Chair of Creativity Australia, Tania de Jong AM that Creativity is the key strategic tool of the 21st century.

As Tania says:

'Australia is a highly successful and prosperous nation. However, we have ridden on our luck, especially in relying on our natural resources to get us through. But in the 21st century being the lucky country isn't enough. We have to work on nurturing our talent and inventiveness – in short, our creativity.'

Creativity is the key to our nation's and our world's future. We need to unlock every creative gene in whomever it may reside to solve the problems besetting our world.'

So there you have it, just a brief snapshot of some key social issues in 21st Century Australia and whether our population reaches 30 million or maybe even 35 or 40 million the one certainty is we will be living in a very different world.

I wish you the very best in it.

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