



**FUTURE SKILLS
ORGANISATION**
Finance Technology Business



Building an AI- Empowered Workforce: Priority Framework

June 2024

Research by Mandala Partners in
partnership with the Future Skills
Organisation



The prioritisation of qualifications should consider both AI exposure and importance

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Generative AI will have a significant impact on the industries, occupations and qualifications that are covered by the FSO.

However, it is one factor among many others and should be considered holistically as part of the FSO's workforce planning and prioritisation process.

Accordingly, we recommend a two-part test to prioritise action to respond to the impact of generative AI.

A. AI exposure – the extent to which the qualification has been identified as having a high exposure to generative AI.

B. Qualification importance – the extent to which the qualification plays a significant role in the training system and in industry

The combination of these two factors will identify the most urgent qualifications to be reviewed for potential changes to respond to generative AI.

The prioritisation framework should consider two key variables to provide a comprehensive assessment of qualification review priorities



A

AI exposure

- The AI exposure index identifies the likelihood that a qualification is exposed to generative AI
- Mandala has constructed this index using the work of Felten et al. to support the FSO in its workforce planning and prioritisation process





B

Qualification importance

- JSA has invested significant resources in prioritising occupation shortages and forecasted demand, in addition, NCVER published detailed qualification usage statistics
- The prioritisation framework for AI exposure should account for this by factoring in these variables

Qualification importance depends on factors relating to the qualification and its use, occupational size and growth & stakeholder feedback

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Test category	Factor	Data Source	Rationale
Qualification Factors 	Enrolments	NCVER	Represents the current popularity and relevance of a qualification. Higher enrolments suggest a broader impact if the training is outdated.
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Occupational Impact 	Size	Census 2021	Reflects the number of people in a particular occupation. Occupations with larger populations can have a wider societal impact if training is not up to date.
	Demand	JSA Skills Priority List	Indicates the current and near-future demand for professionals in an occupation. High demand signifies that training needs to be at the forefront of technological changes, including generative AI.
Stakeholders 	Government Priority	JSA Skills Priority List	Demonstrates the strategic importance of an occupation to national interests and economic growth. Occupations listed as a priority may need their qualifications reviewed more urgently.

Qualifications with high importance and AI exposure should be prioritised

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Using this prioritisation framework qualifications are allocated to the relevant priority

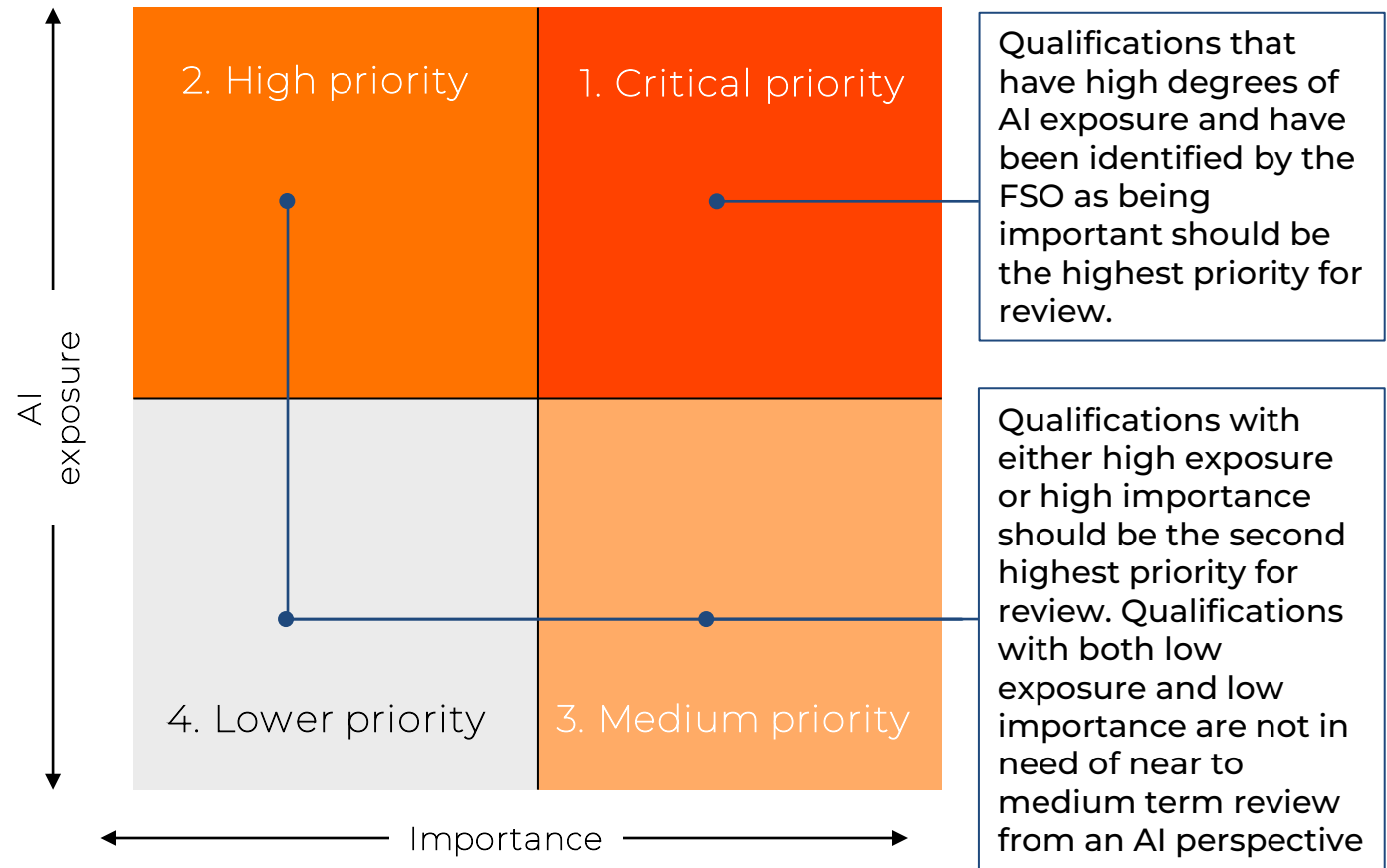
Critical priority: High exposure, high importance. There are 4 qualifications in this category, for example the Diploma of Marketing and Communication

High priority: High exposure, low importance. There are 27 qualifications in this category, for example the Certificate IV in Human Resource Management

Medium priority: Low exposure, high importance. There are 23 qualifications in this category for example the Certificate IV in Business

Lower priority: Low exposure, low importance. There are 35 qualifications in this category for example the Certificate II in Telecommunications Network Build and Operation

Segmentation of qualifications based on their importance and AI exposure



Using this prioritisation framework qualifications can be allocated a priority rating

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Qualifications will broadly fall into four categories:

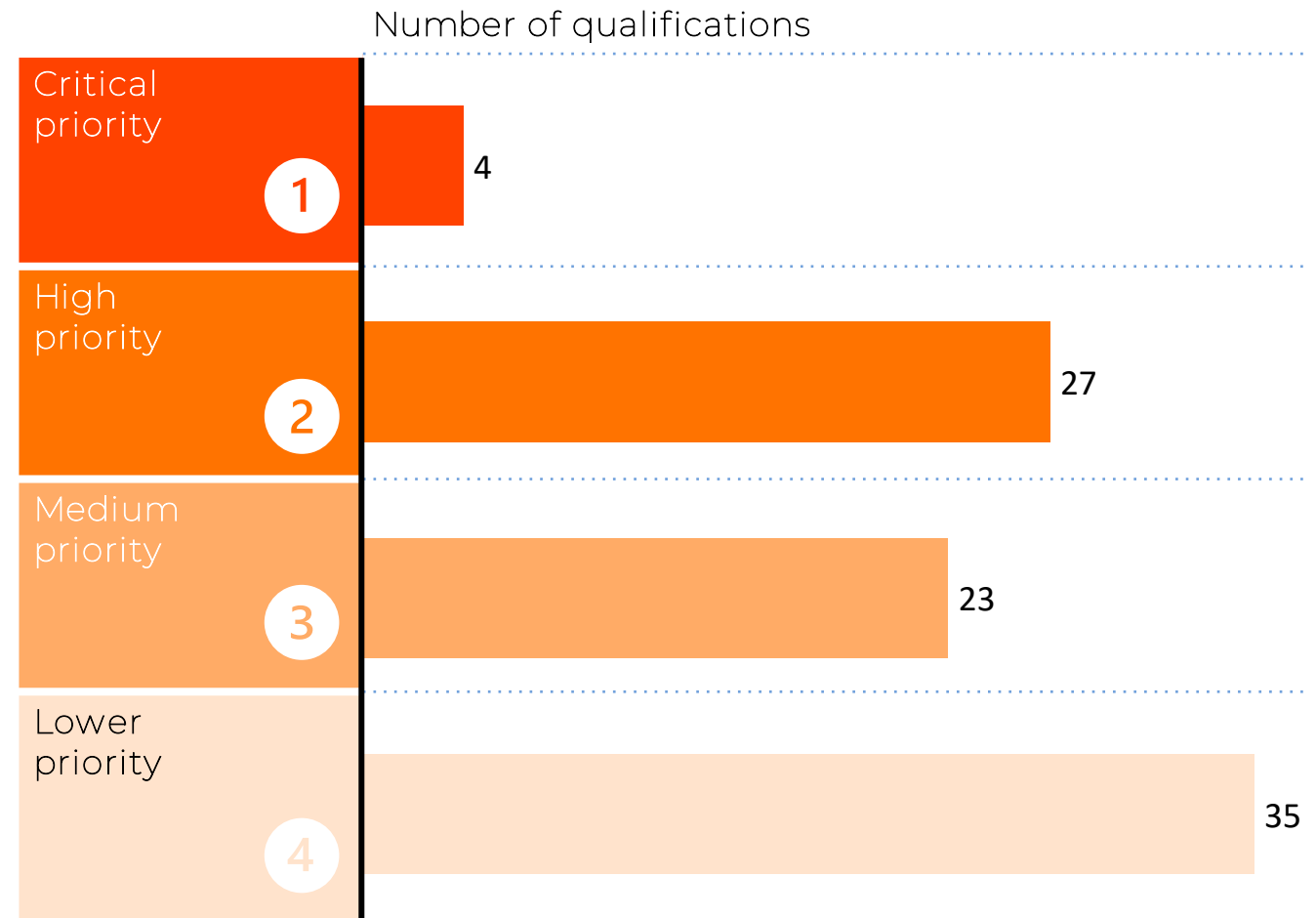
Critical priority (High exposure, high importance) these qualifications are critical to review. Occupations in this sector are of high importance for industry, and qualifications are most likely to be impacted by AI.

High priority (high exposure, lower importance) these qualifications should be considered as high priority for review as while less important for industry, they will become impacted by AI and will require action to ensure relevance.

Medium priority (low exposure, high importance) these qualifications are important for industry but are expected to have limited AI exposure and are therefore less in need of review.

Lower priority (low exposure, low importance) qualifications in this category should either have no further action, or if they have low to no enrolments should be considered for deletion.

Results of prioritisation matrix



List of qualifications under critical priority

Qualification Code	Training Package	Qualification Level	Qualification	Field of Education
BSB50620	BSB	Diploma	Diploma of Marketing and Communication	Sales And Marketing
BSB60520	BSB	Advanced Diploma	Advanced Diploma of Marketing and Communication	Sales And Marketing
BSB60220	BSB	Advanced Diploma	Advanced Diploma of Conveyancing	Banking, Finance And Related Fields
FNS51220	FNS	Diploma	Diploma of Insurance Broking	Banking, Finance And Related Fields



Methodology

Method | Sorting qualifications based on importance and AI exposure

AI exposure is a normalised index used throughout the report derived from the work of Felten et al. and described in the previous report.

Importance is an index that measures how critical the qualification is to the economy. It is calculated by finding enrollments for each qualification, the number of employees in the occupation it services, and whether the occupation has an increasing demand or is in shortage. These values were normalised and weighted at a 40%, 40%, 10%, 10% ratio to construct the index.

We identified the top quartile of both AI exposure and importance.

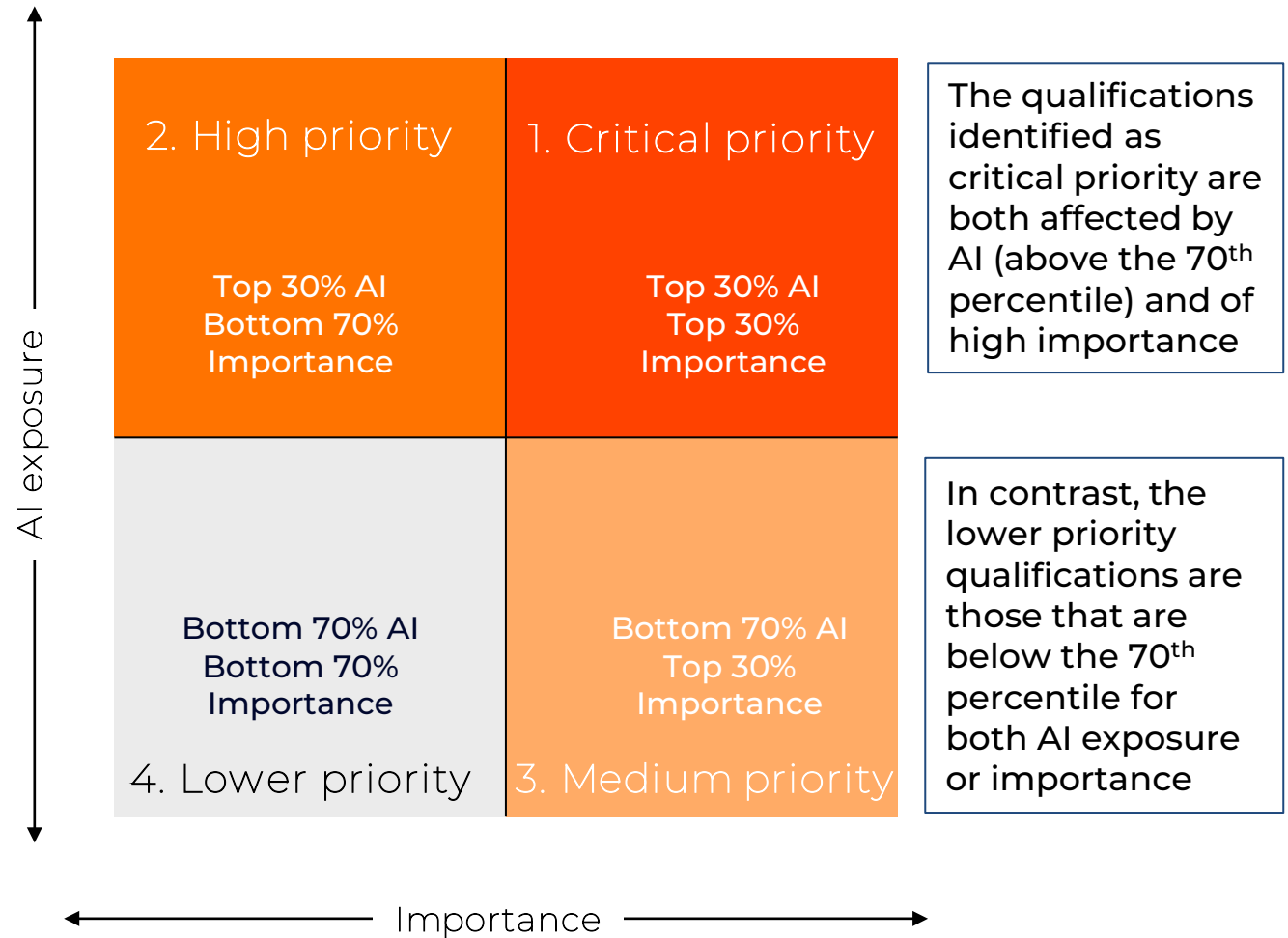
Critical priority are those above the 70th percentile of AI exposure and importance

High priority is above the top 70th percentile of AI exposure and below the 70th percentile of importance

Medium priority is below the 70th percentile of AI exposure and above the 70th percentile of importance

Lower priority are those below the 70th percentile of both AI exposure and importance

Thresholds for segmentation of qualifications



Source: Mandala analysis.



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