



YOUNG PEOPLE HARDEST HIT BY NEW WORK ORDER: FYA

A new report from The Foundation for Young Australians (FYA) has revealed young people will be the hardest hit under a new future of work, as the economy and labour market undergo significant changes over the coming decades.

The report *The New Work Order: Ensuring young Australians have skills and experience for jobs of the future, not the past*, highlights the way we work will be increasingly affected by three key economic drivers:

- **Automation**, with smarter machines performing a growing number of traditionally human tasks
- **Globalisation**, where technology platforms are making it possible for workers around the world to do jobs from remote locations
- **Collaboration**, through which we will see an increasing number of people engaged in flexible work with a range of employers to generate an income

While these changes present some positive opportunities for young people – such as lower barriers to entrepreneurship; more flexibility in ways to source income and wider markets to access employment – the report also found significant risks, including rising inequality, unemployment and insecurity which young people are likely to bear the brunt of.

FYA CEO Jan Owen AM said the findings confirm the urgent need for a comprehensive national investment in young Australians, to ensure the next generation is prepared for the economy of the future and equipped with the tools to drive it.

“Australia is already facing the challenge of an ageing population and the subsequent shrinking workforce and if our nation is going to overcome these challenges, young people must be given the opportunity to drive the economy forward,” Ms Owen said.

“The future of work is going to be very different. Many of the changes could be great for our nation, but they could also be devastating – for young people in particular – if we don’t take the right actions to prepare for this vastly different world.

“This report shows that right now, around 70% of young Australians are getting their first job in roles that will either look very different or be completely lost in the next 10 – 15 years due to automation. Today’s 12 year old won’t have the same opportunities to get a start in the workforce.

“Around one in three young people are currently unemployed or underemployed in Australia. As more entry level jobs go in the coming decades, the chances for young people to get a foothold in the labour market will continue to shrink.

“Yet young Australians are not being geared for this change. Our report found nearly 60% of Australian students (71% in VET) are currently studying or training for occupations where at least two thirds of jobs will be automated over the coming decades. Many of the jobs they are studying could vanish in 10-15 years’ time.

“We need to provide our young people with a different set of skills – to allow them to navigate their way through a diverse employment journey that will include around five career changes and an average of 17 different jobs. We must start thinking differently about how we back young people for the jobs and careers of the future, so they don’t get stuck in the past.”

Ms Owen said there is a growing awareness about the need to boost digital literacy, but Australia is not acting fast enough.

“Technology and globalisation are making it easier and cheaper for people to start their own business; and new technologies and ways of working are making how and where people work more flexible. If we are to make this work in our favour, we need to position our young people for success.

“Our report found more than 90% of Australia’s current workforce will need digital skills to communicate and find information in order to perform their roles in the next 2-5 years. At least 50% will need advanced skills to configure and build systems.

“To manage this demand and ensure Australia’s young people can thrive in this environment, the next generation need to not only know how to operate technology, but how to create and manipulate it as well. Our children may be able to operate a smart-phone with ease, but what they need is to learn how to build it.

“Unfortunately, our national curriculum is stuck in the past – with the current recommendation that teaching in digital skills not commence until Year 9. This is despite the international evidence that says we must go early.

“If we don’t start early equip our young people to be digitally-literate, financially-savvy, innovative, adaptable workers they will not be able to keep up in the global market place, and the gap between high-income earners and low-income earners will get even wider for the next generation.”

Ms Owen said Australia desperately needs a national enterprise learning strategy to provide young people with the skills, knowledge and ideas required for a 21st century economy. Enterprise learning involves a focus on core skills including: Communication; Financial literacy; Digital literacy; Project Management; Creativity; and Innovation.

“Since 2012, the OECD has reported that the development of enterprise skills is a more powerful predictor of long-term job success and performance than technical “subject-specific” knowledge. This will become even more important in the future.

“If we equip our young people with the right set of skills, a thirst for innovation, and the ability to collaborate, we can ensure they take our nation’s economy in a positive direction and build the kind of lives and society for themselves we would all hope for our children.”

An enterprising skills education would:

- 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 and exposure about where future jobs will exist and the skills to craft and navigate multiple careers*
- Engage students, schools, industry and parents in co-designing opportunities in and outside the classroom.

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The New Work Order: Ensuring young Australians have skills and experience for jobs of the future, not the past is the latest in a series of reports released by the Foundation for Young Australians which builds the evidence base for greater understanding of the future our young people will inherit and how we can best equip them for this. This series, Unlimited Potential, includes ***Renewing Australia’s Promise: Will young Australians be better off than their parents?*** which examined whether the current generation of young people are better or worse off than their parents.