



**Foundation for Young Australians**

# **Submission to the Inquiry into the Victorian On-Demand Workforce**

February 2019

**Foundation for Young Australians' Response**

The Foundation for Young Australians (FYA) welcomes the invitation to make a submission to the Inquiry into the Victorian on-demand workforce.

FYA applauds the Victorian Government for instigating this inquiry following widespread concern about the wages and conditions being offered to workers in the on-demand economy. Specifically, that the Inquiry will examine the extent and nature of the on-demand economy in Victoria, and its impact on both the Victorian labour market and Victorian economy.

Of particular interest to FYA is the impact of the on-demand economy on young workers. FYA's [New Work Order Report Series](#) reinforces many of the points raised in the inquiry discussion paper. We have found that young Australians are entering an increasingly complex and unpredictable working future where precarious and insecure jobs are becoming the norm.

At FYA we believe there is an urgent need for discussion on the policies and reforms that Australia needs to ensure young people are not only well protected in changing economic conditions, but also prepared to successfully navigate a more complex world. We also believe young Australian workers need active support – from employers, educational institutions, and policy makers – to successfully negotiate these challenges. This inquiry is an important first step in better understanding how young workers can be supported in a disrupted new work order. Our two recommendations below reflect our research findings.

- 1** **Conduct research into the extent and impact of young people's participation in the on-demand economy**
- 2** **Apply new research findings to identify and test new models of on-demand work and social protections that support young people**

## Recommendations

### RECOMMENDATION 1

Conduct research into the extent and impact of young people's participation in the on-demand economy

Young people today are more educated than any previous generation, with almost 60% of 25 year-olds holding a post-school qualification.<sup>1</sup> But despite overall higher education and training attainment, young people are disproportionately represented in the casual workforce and often cannot find enough work, with almost one in three young Australians un or underemployed.<sup>2</sup>

<sup>1</sup> Foundation for Young Australians (2018), "New Work Reality". Available at: [https://www.fya.org.au/wp-content/uploads/2018/06/FYA\\_TheNewWorkReality\\_sml.pdf](https://www.fya.org.au/wp-content/uploads/2018/06/FYA_TheNewWorkReality_sml.pdf)

<sup>2</sup> Australian Bureau of Statistics (2018), Labour Force, cat. no. 6202.0. Available at: <http://www.abs.gov.au/ausstats/abs@.nsf/0/6050C537617B613BCA25836800102753?Opendocument>

Since 1992, the number of young people in casual full-time employment has doubled and almost one in five young people are juggling multiple jobs to add up to the equivalent of full-time working hours.<sup>3</sup> It now takes an average of 2.6 years to move into full-time work after completing full-time education.<sup>4</sup> Much of this research has been framed in the Inquiry Background paper and reinforces the challenges for young people to attain meaningful work.

The rise of more precarious and insecure work has many implications. For some, it means not having access to sick leave, annual leave and carer's leave. For those who have been ostensibly engaged as 'independent contractors' and not 'employees' (which is the case for many in the on-demand economy), these workers also lack access to guaranteed superannuation payments.

The Centre for Future Work has also found that earnings for workers employed in 'insecure jobs' are low, and have declined in real terms. This has been up to 26.5% decline for workers considered "self-employed" in part-time work (less than 35 hours a week) from 2012-2017.<sup>5</sup> Not only do people in 'insecure work' have to deal with low and declining wages but research has also found that people who experience large variations in their income on a monthly basis have financial wellbeing scores well below the national average, and are categorised as just 'getting by' financially.<sup>6</sup>

We need to know more about the mental health of on-demand workers, the impact of this type of disconnected or task-based work on personal relationships and the potential inequality of work opportunities for already marginalised communities. Initial findings from studies on the effect of casual work on young workers' mental health highlights concerning trends.<sup>7</sup>

While the on-demand economy is often framed as something that young people want, limited research actually exists on young people's participation in the on-demand economy. There is an urgent need to conduct research on how young people are embracing the on-demand economy.

FYA would like to see the development of a research program that investigates the long term implications of young people's reliance on the on-demand economy and solutions to mitigate the inherent risks within the current on-demand economy framework. It should enquire whether there is an increasing demand for this type of work, or if it is a last resort for young people who do not have access to traditional employment.

The research should draw on data-driven insights as well as examining emerging theories and examples of how governments and communities can and are reorganising economies to take advantage of a more casualised workforce while protecting the rights and wellbeing of workers. It could also develop case studies examples of young people leading the development of innovative employment and social support models.

It is also critically important that existing national surveys, such as HILDA, be updated to ensure we are collecting the data we need to determine the extent and impact of the on-demand economy at a national level, over time.

<sup>3</sup> Foundation for Young Australians (2018), "New Work Reality". Available at: [https://www.fya.org.au/wp-content/uploads/2018/06/FYA\\_TheNewWorkReality\\_sml.pdf](https://www.fya.org.au/wp-content/uploads/2018/06/FYA_TheNewWorkReality_sml.pdf)

<sup>4</sup> Foundation for Young Australians (2018), "New Work Reality". Available at: [https://www.fya.org.au/wp-content/uploads/2018/06/FYA\\_TheNewWorkReality\\_sml.pdf](https://www.fya.org.au/wp-content/uploads/2018/06/FYA_TheNewWorkReality_sml.pdf)

<sup>5</sup> Center of Future Work (2018), "The Dimensions of Insecure Work: A Factbook". Available at: [http://www.tai.org.au/sites/default/files/Insecure\\_Work\\_Factbook.pdf](http://www.tai.org.au/sites/default/files/Insecure_Work_Factbook.pdf)

<sup>6</sup> ANZ (2018), "Financial Wellbeing: A Survey of Adults in Australia". Available at: <http://www.anz.com/resources/2/f/2f348500-38a2-4cfe-8411-060cb753573d/financial-wellbeing-aus18.pdf>

<sup>7</sup> FYA's social enterprise YLab partnered with Vic Health on [this study](#)

**RECOMMENDATION 2**

Apply new research findings to identify and test new models of on-demand work and social protections that support young people

The growing prevalence of insecure work highlights the need for better regulation of the on-demand economy to better protect young workers. Young employees are a particularly vulnerable group as they may not be aware of existing legislative protections or membership to structural support mechanisms such as unions.

The long term impact of new technologies, globalisation and workforce casualisation and flexibility has been a focus of reports and discussion in recent years, and it appears that increasing casualisation could be the new normal.

In the midst of this changing social and economic landscape, there are emerging case studies of on-demand work that offers promising results for young workers. White Lion is utilising online task-based work to tackle issues of youth unemployment, and building confidence and capabilities in disadvantaged young people (see footnote).<sup>8</sup> FYA's social enterprise YLab has also developed a model of contract and on-demand work that aims to be inclusive and provide meaningful experiences for young people (see case study).

Alongside conducting more research on the impact of the on-demand economy, it will be important to trial new models of on-demand work that provide protections and meaningful employment. It will be equally important to create new pathways that are accessible to all young Australians.

**Case Study: YLab**

YLab is FYA's social enterprise that offers consulting, learning and creative studio services through their YLab Associates. These associates are young people from diverse personal and professional backgrounds that are given the opportunity to deliver projects online and face-to-face for a range of institutions, including government, for-purpose and corporates. YLab's strategic priorities include how to better understand the benefits and risks the gig economy poses to young people and to test and demonstrate new approaches to engaging positively with the changing world of work.

YLab has trained a diverse cohort of 80 young people (18-29 years-old), and connected them with institutions to collaborate on complex problems. This model not only allows YLab Associates the opportunity to develop their skills and capabilities in different types of contract or gig work, but also allows them to utilise their lived experience as young people in co-designing solutions with institutions. To complement these employment opportunities, YLab's online learning platform certifies the skills these young people develop.

<sup>8</sup> See Nous Group's case study on [White Lion's Y4Y Youth Force initiative](#)

## About FYA

FYA is committed to young people, their futures and the contribution they can make to Australia. Our work, informed by strong evidence, research and evaluation, backs young people and informs the national agenda on the issues that most affect them. FYA believes young people are ambitious, creative and capable of rethinking the world and solving tomorrow's problems today.

- We **back** young people by building the skills, capabilities and knowledge they need to thrive in the future of work.
- We **inspire** young people by providing ideas and opportunities to create purposeful lives.
- We **connect** young people by building a network of inspired and inspiring young Australians.
- We **transform** the way government, industry and community sectors engage with young people to rethink the systems that shape the world.

### Contact:

Alex Snow - Head of Research

*Foundation for Young Australians*

[redacted text] |

[redacted text]