



First Job to Future Career: Perspectives from Youth and Employers Overview

First Job to Future Career: Perspectives from Youth and Employers presents findings from the 2026 AKG Youth Employment Survey. The following is an overview of the full report.

Research was undertaken in February 2026. The research captures insights from two cohorts:

- **Young people aged 15–24** enrolled in government employment programs; and
- **Employers** across a range of industries and business sizes throughout Australia.

The purpose of the report is to inform State and Federal Governments, employment services, and employers about the current youth employment landscape, identify systemic gaps in service delivery, and propose evidence based recommendations to improve long-term employment outcomes.

While headline narratives often frame youth unemployment as a motivation or work ethic issue, the data reveals a **structural and systemic mismatch** between the barriers young people face and employer and system responses. Addressing youth employment requires a **coordinated, whole-of-sector approach** that moves beyond short-term job placements to structured, supported pathways into secure and sustainable work.

For more details read
the full report here:



The Youth Employment Landscape in Australia

Youth employment in Australia remains **volatile and precarious**, despite broader labour market resilience. In 2025, **44% of young Australians aged 18–24 experienced unemployment** within a 12-month period [2025 Youth Barometer]. Young workers are disproportionately affected by economic shocks, underemployment, and the growing casualisation of the workforce.

Casual work dominates many entry-level sectors, particularly hospitality, retail, logistics and construction. While casual employment can offer flexibility and experience, it often lacks guaranteed hours, paid leave, and progression pathways, creating instability and limiting young people’s ability to achieve financial independence.



Almost half (44%)

of young people aged 18–24 have experienced unemployment within the previous twelve months.

Economic and Social Impacts

Youth unemployment and underemployment impose significant costs:



Economic costs through lost productivity and higher government expenditure on income support, education and wellbeing services;



Social costs, including increased inequality, financial hardship, housing insecurity and reduced long-term labour market participation; and

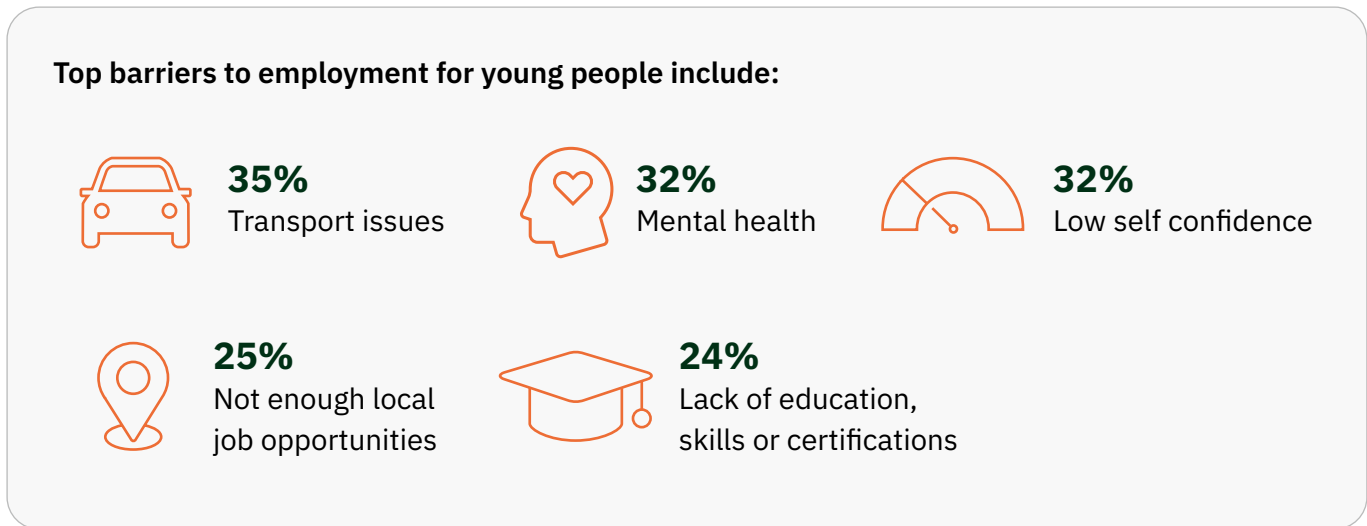


Wellbeing impacts, where insecure work exacerbates mental health challenges, creating a reinforcing cycle between unemployment, low confidence and disengagement.

Key Findings: Youth and Employer Perspectives

Young People's Barriers to Employment

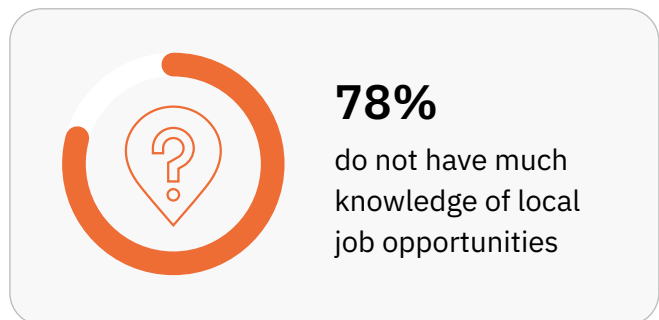
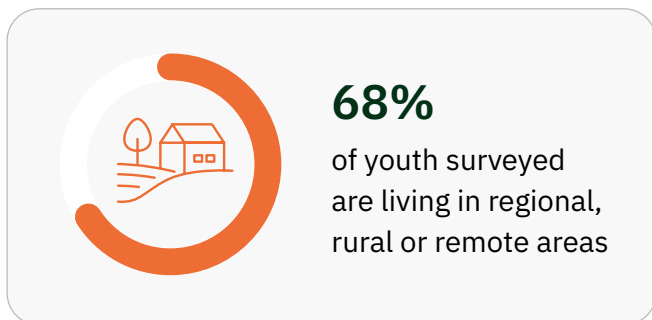
Young people identified both **hard** and **soft** barriers to employment.



Notably, **78% of young people reported limited understanding of local employment opportunities**, indicating that perceived job scarcity is often compounded by a lack of labour market knowledge rather than an absence of roles.

Regionality is a significant factor: **68% of surveyed youth live in regional, rural or remote areas**, where transport availability is limited and access to employers is constrained. Transport barriers create a “chicken and egg” dilemma, without a job, young people cannot afford transport; without transport, they cannot access work.

Mental health and confidence issues are deeply interconnected with unemployment. Many young people AKG works with are classified as **NEET (not in education, employment or training)**, often for extended periods, reinforcing disengagement and eroding self-belief.



Employer Experiences and Perceptions

Employers' concerns are largely **behavioural and performance related**, rather than technical.

Top challenges cited by employers include:



62%

Lack of commitment



59%

Differing expectations of effort and focus



58%

Lack of experience



56%

Reliability issues



36%

Mismatched expectations around hours and flexibility

Employers identified **time management and reliability, communication, and professional behaviour** as the most critical skills requiring development. However, a key contradiction emerges:



79% of young people in casual or part-time work want more hours or full-time roles, yet



79% of employers believe young staff are not interested in more hours.

This misalignment contributes to entrenched underemployment and prevents progression.

Encouragingly, employers demonstrate strong willingness to support youth:

- **87% offer training, mentoring, apprenticeships or traineeships**
- **70% report moderate to high capacity to provide ongoing support**

Employers ranked **wage subsidies** and **pre-employment skill building** as the most effective incentives to increase youth hiring.

Youth Underemployment and the Casualisation Trap

Youth underemployment is **structural**, not incidental. As at January 2026, the youth underemployment rate was **14.8%**, more than double the general population rate (5.9%) (Australian Bureau of Statistics (ABS))

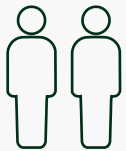
Casual work functions as a **necessary entry point**, particularly for young people with low confidence or limited experience. However, the data shows that casual roles rarely transition into permanent employment:

- **18% of employers report casual employees never progress**
- The majority (**65%**) **say progression happens rarely or only sometimes**

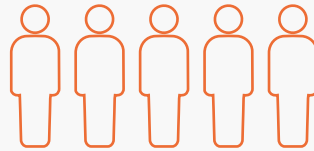
Businesses value young workers for flexibility, affordability and responsiveness to peak demand, but often treat youth labour as a **short-term operational solution** rather than a long-term workforce investment.

The result is prolonged insecurity, delayed independence and reduced workforce attachment during critical early career years.

Youth underemployment is more than double that of the general population.



5.9%
general population



14.8%
youth

Reframing the Commitment Narrative

Contrary to common perceptions, young people demonstrate strong intent to commit:

- **85% expect to stay with their next employer more than one year**
- **47% anticipate a tenure of two to five years**

Employers' expectations broadly align, with **72% seeking one-to-five-year commitments**. The disconnect lies not in willingness, but in the **absence of secure employment offers** that make commitment viable.



85% of young people expect to stay with their employer for over a year.

45% expect to stay for 2–5 years.

The Seven Recommendations: System Design Considerations

AKG proposes **seven integrated building blocks** for future youth employment policy and program design.

1

Redesign the system around pipeline failure, not youth motivation

Shift from compliance driven models to readiness, progression and sustained outcomes.

2

Prepare youth early with flexible, readiness-focused support

Invest in pre-employment foundations such as transport, licences, workwear and confidence building.

3

Deliver integrated, wraparound services

Coordinate employment, wellbeing, mentoring and practical supports through a single, holistic experience.

4

Embed mental health as a core design principle

Normalise wellbeing supports through multitiered, funded mental health pathways.

5

Close the labour market knowledge gap

Build labour market literacy, employer signalling and soft-skill capability.

6

Embed employer integration and labour market alignment

Position employers as co-design partners, supported by incentives and tailored engagement.

7

Create structured pathways from entry-level work to longterm careers

Ensure casual roles link to training, credentials and permanent employment progression.

Crosscutting principles underpinning all recommendations include flexibility, localisation, early intervention, integration, employer partnership and authentic engagement.

Conclusion

Australia's youth employment challenge is not a lack of motivation; it is a systemic pipeline failure. Young people face compounding transport, confidence and wellbeing barriers, while employers operate within systems that reward flexibility over progression.

The evidence is clear: **short-term job outcomes do not equal long-term success.** Real reform requires a coordinated, whole-of-sector response that aligns youth readiness, employer demand and system incentives.

By redesigning employment services around sustainable pathways, rather than compliance or placement metrics, Australia can unlock youth potential, strengthen workforce participation and secure long-term economic and social prosperity.

For more details read
the full report here:



About AKG

AKG specialises in high quality human-centred services. Our purposeful and focused delivery of Employment, Learning, Health, and Community services helps customers and partners across Australia. We deliver national programs including Workforce Australia, Inclusive Employment Australia, the Remote Australia Employment Service, Transition to Work, NDIS School Leaver Employment Supports and Parent Pathways.

AKG has over 35 years of experience creating meaningful change in people's lives.

For more information visit: [AKG Australia - Employment, Health, Training, Community](#)