



November 2016

**SOCIAL SECURITY LEGISLATION
AMENDMENT (YOUTH JOBS PATH:
PREPARE, TRIAL, HIRE) BILL 2016
JOINT SUBMISSION**



Prepared by Jacqui McKenzie

Contact person: Katie Acheson, Chief Executive Officer

Youth Action

Suite 401, 52 – 28 William Street, Woolloomooloo, NSW, 2011

Website: youthaction.org.au



Introduction

Youth Action, in partnership with the Australian Youth Affairs Coalition (AYAC), the Youth Affairs Council of Victoria (YACVic), Youth Coalition of the ACT, Youth Affairs Network Queensland (YANQ), Youth Network of Tasmania (YNOT), Youth Affairs Council of Western Australia (YACWA) and the Youth Affairs Council of South Australia (YACSA) welcomes the opportunity to submit to the Inquiry into Social Security Legislation Amendment (Youth Jobs Path: Prepare, Trial, Hire) Bill 2016.

Partners have and continue to broadly welcome a shift away from the ineffective Work for the Dole toward Youth Jobs Path: Prepare, Trial, Hire (herein PaTH). However, we are concerned that there is a push to instate legislation despite poor consultation, vague policy detail, a failure to address key issues that are vital to its success, as well some concerning elements of the bill itself.

We have attached our initial submission (titled Appendix A - PaTH Submission 31 August 2016) to the Department of Employment here for reference, but outline our response to the bill and processes surrounding the bill below.

As the bill enacts the PaTH initiative, we urge the Committee to recommend that the passage of the bill be delayed until the policy details are clear, until community-government stakeholder relationships are in place to support the program, and until the government is satisfied that its investment will achieve the stated program objectives.

CONSULTATION

This is an important piece of policy and legislation. However, the consultation process is flawed. The first piece of consultation conducted by the Department of Education allowed only two weeks for response. The consultation was conducted on the first phase of the program and despite 'welcoming feedback' on other elements of PaTH there was



no process. While the Department received over 70 submissions, the response to feedback on the first phase was a mere 2 pages. We further note that this inquiry was referred to the Senate Committee on 10 November 2016, with submissions closing on 15 November 2016, allowing only 5 days for submission and a further 5 for Committee consideration and report. We express our concerns that the investment in the program will be wasted and will not ensure quality outcomes for youth employment without appropriate community-government stakeholder engagement that ensures the program is relevant to young people's experience.

We note that the federal youth peak body, AYAC, continues to go unfunded. This severely restricts the federal government's ability to engage youth specific perspectives in policy development. As the only national peak body with mandate to facilitate government engagement and consultation with young people and particularly young people experiencing disadvantage, important investments in young people, such as PaTH, risk a lack of relevance or a lack of community support.

We recommend that the federal government reinstates funding for AYAC in the upcoming MYFO to underpin and safeguard its investment in young Australians.

LACK OF POLICY DETAILS

Concerns that are held across the sector regarding the program have not been addressed, as there continues to be a lack of policy detail regarding the more contentious parts of the program.

PROGRAMMATIC GAPS

The PaTH program in its current form is inadequate to support young people who experience additional barriers to employment. While the government response to consultation provided flexibility in the program, it is itself not enough for this cohort to



keep employment. Skill development is just one of many barriers young people who are disadvantaged experience. Jobactive providers are not always well equipped to manage young people with complex and multiple needs. There are a number of options the PaTH program could consider to address these concerns:

- require training providers to demonstrate strong relationships with youth support services;
- require staff of training providers to have qualifications or experience in youth work;
- expand mutual obligation in the 'Prepare' phase to include not only skill specific training but involvement in programs that address other issues preventing young people from being job ready.

The 'Prepare' skill development phase needs to continue while a young person is 'interning' to ensure they're able to not just gain employment, but keep employment. This will provide support to both employers and young people to address workplace specific issues and increase the chances of a young person's transition from an internship to paid employment. Moreover, as the bill classifies involvement in the program as specifically 'unpaid work', it should be explicit about adherence to Fair Work guidelines that state 'the person who's doing the work should get the main benefit from the arrangement. If a business or organisation benefits from engaging the person, it's more likely the person is an employee.'¹ Providing workplace supervision, support and training through the program would ensure that a focus remains on practical skill development for the young person, that skill development is relevant, and is supporting participating employers to work with young people experiencing disadvantage.

¹ Fair Work Ombudsman, n.d., 'Work experience & internships', page reference number 1777, accessed via <https://www.fairwork.gov.au/pay/unpaid-work/work-experience-and-internships>



The training component of the PaTH program remains compulsory, but concerns regarding the impact on young people who do not have accessible transport have not been addressed. This is particularly pertinent for young people in regional and rural areas, and is compounded by various elements of disadvantage.

AMENDMENT BILL

INCENTIVES FOR YOUNG PEOPLE

We are concerned that the wording in the memorandum alludes to a decrease in incentives to a young person. The explanatory memorandum reads that 'To encourage eligible young job seekers to undertake an internship, participants will receive a fortnightly incentive payment from the Department of Human Services (which will initially be \$200)'. Specifically, the inclusion of the word 'initially' is cause for concern.

SUSPENSION OF SOCIAL SECURITY PAYMENTS

We recommend that the suspension period for social payments be extended from 26 weeks to 52 weeks. The initiative attempts to target young people who experience significant disadvantage in the labor market, and therefore provisions surrounding the program such as suspension of payments should reflect the complexity of the cohort.

CANCELLATION OF SOCIAL SECURITY PAYMENTS

We are concerned about the inclusion of new subsection 95C(3) in the bill to enable an earlier cancellation if the person ceases to be employed by a Youth Bonus wage subsidy employer. We appreciate the need to ensure that young people are accountable if they lose a job and are at fault, but again, this does not reflect the complexity of young people who the program targets, nor does it support the intended aims of the program to support young job seekers into jobs.



This is particularly concerning if the appropriate on-the-job support is lacking for both the young person or employer given the disadvantage of the cohort. This would be particularly harmful to young people who might be experiencing housing instability or homelessness, violence, disability or mental ill-health, addiction, or a history of trauma for example. We believe this would also have a disproportionate impact on Aboriginal and Torres Strait Islander young people, or people from refugee and migrant backgrounds.

Many young people rely on social security to maintain very basic living standards while they search and skill up for work. Cancelling the meagre amount for such a small cohort would have very little positive impact on the budget, but an enormous negative impact on their ability to maintain housing, health, key relationships and will disable their attempts to find and keep employment.