
Submission: Social Security Legislation Amendment (Youth Jobs Path: Prepare, Trial, Hire) Bill 2016

About Per Capita

Per Capita is one of Australia's leading think tanks dedicated to building a new vision for Australia based on fairness, prosperity, community and social justice. It addresses disadvantage and inequality in Australia by advocating to influencers for policy change, by conducting and communicating independent research and policy recommendations to decision makers, and ultimately, by the translation of these policy recommendations into applied policy.

Comments on the draft legislation - overview

Per Capita welcomes the improvements that the PaTH program makes over the largely ineffective work for the dole programs. Internships with employers are potentially very beneficial to young job-seekers who have been out of work for extended periods. However, we are concerned with the potential for perverse outcomes that may result from the PaTH legislation as proposed. Our main concerns are outlined briefly below.

The potential for exploitation of young interns

We believe that the Trial (internship) part of the program should be designed such that interns receive at least the minimum wage. This could be accomplished by either limiting the number of hours, or by increasing the weekly supplement above \$100 where required to meet minimum wage levels.

There must be appropriate monitoring of employers to ensure that they do not 'churn' interns and subsidised workers in order to reduce their staffing costs. Young workers being let go at the end of their subsidised employment period could result in decreased, rather than increased confidence and may not improve their employment prospects.

The Trial and Hire stages of the program need to be appropriately resourced and monitored to ensure that the program benefits both parties. We agree with the ACOSS proposal that a mentoring program (for both the employer and employee) could achieve this aim (See http://www.acoss.org.au/media-releases/?media_release=path-program-change-in-direction-welcome-especially-wage-subsidies-but-internships-must-be-carefully-designed-to-protect-young-people).

Subsidy for employers rather than employees

The potential exists for employers to replace positions that are fully paid with PaTH program participants purely as a cost-saving measure. While this provides the PaTH participant with potentially valuable experience, it comes at the cost of a job for somebody else.

The inclusion of safeguards such as ensuring that the PaTH participant's hours result in a net increase in total employee hours at the organisation and that there had not been recent layoffs could reduce the likelihood of PaTH program participants displacing current workers.