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**Submission to the Education and Employment Legislation Committee on the
Social Security Legislation Amendment (Youth Jobs Path: Prepare, Trial, Hire) Bill
2016**

Introduction

Anglicare Australia welcomes the opportunity to comment on the Social Security Legislation Amendment (Youth Jobs Path: Prepare, Trial, Hire) Bill 2016 currently before the Committee. We thank the Committee for considering our views and would like to express our interest in being involved in any further consultations relating to this program.

Many Anglicare network agencies seek to support disadvantaged job seekers, whether through pre-employment programs and training or through addressing systemic and individual barriers to employment. 60% of our members provide youth services, including youth housing, homelessness services, out of home care, alcohol and other drug support, mental health services, financial counselling, emergency relief, single parent support, family counselling, disability, settlement services, and young parenting programs. These areas of service delivery provide the Anglicare network with extensive links with young people facing significant barriers to workforce participation.

Through our background in youth services, we can recognise the supportive intentions behind the PaTH program. Many young people need extra support to develop work-ready skills, to create and develop their own professional networks, and be able to show that they have relevant experience to potential employers. We are, however, very concerned with some elements of program's design and believe that they could significantly impede its effectiveness in helping young people enter and succeed in a tight entry-level job market.



While we will outline these concerns in more detail below, we do wish to put on the record our appreciation of the change in direction that the PaTH program demonstrates. Our experience in youth and employment services has shown us the benefits of recognising young people's individual strengths and aspirations and supporting them to find high-quality pathways to employment. It appears there are core elements in the program that speak to this too.

Trial and Hire?

There's an acknowledgment at the heart of this program's design that we need businesses to be more engaged in providing employment opportunities for disadvantaged job seekers. Anglicare Australia wholeheartedly agrees with this message. Most recently, in our Jobs Availability Snapshot we argued for "sustainable, entry-level job opportunities" to be considered as a key outcome for governments when they contract and commission services (Anglicare Australia, 2016: 12).

The Jobs Availability Snapshot demonstrated that there is a deteriorating entry-level job market, confirming the experience of many young people who have been struggling to gain secure employment. The Snapshot showed there are not nearly enough vacancies for job-seekers with limited skills, qualifications and experience, and that in the last decade, the proportion of entry-level positions has fallen significantly.

In the context of a serious shortage of entry-level vacancies, we do not accept that internships alone will help many people overcome structural exclusion from the workforce. We can see no evidence that this program will do anything to ease the existing pressures created by the decreasing number of entry-level jobs. In this respect we also hold serious concerns that introducing up to 30,000 government-subsidised interns to this market will make an already grim situation worse.

A 2015 report on insecure work found that employers were increasingly substituting permanent positions with casual or temporary employment arrangements to minimise business costs and shift the burden of risk (Howe, 19-28). Given the evidence shows us that these employment practices are becoming increasingly widespread, we are concerned that companies will see the internship program as an opportunity to further entrench informal and exploitative employment arrangements into their operations. There has been very little detail available on how government or employment service providers will monitor companies who might exploit the scheme. Appropriate and effective safeguards are essential to prevent businesses 'churning' through interns or displacing current or future employees in their use of the scheme. While we believe that businesses should be held accountable for exploitative practices, we also believe that the government must show leadership and responsibility in its stewardship role, particularly in the context of taking a whole new approach.



More needs to be done to guarantee that the wages, conditions and employment opportunities of existing workers will not be undermined by the introduction of interns. We agree with others who have argued that if this scheme is to go ahead, interns should be paid minimum or training wages to minimise this risk.

Despite these concerns with the program's design, it is important to note that we are not against internship schemes as a whole. In fact, we very much welcome the change in approach; the shift from the compulsory, demoralising and ultimately unsuccessful Work for the Dole scheme, towards a program which seeks to connect young people with experience in real workplaces, and, for some, with real work.

From experiences with our own employment services, we know that supported work placement schemes can be very successful when they provide high-quality pathways to secure and sustainable jobs and support meaningful qualifications. For example, one Anglicare member has run a program where migrant and refugee clients were selected for 6 month work placements with one of the major banks. As a part of this program, other employees at the bank received cultural training to support the migrant and refugee workers, and the agency provided on-going support for both the employer and those on the work placement. Our evaluation of this scheme showed very positive results (Goodwin-Smith and Hutchinson, 2015: 17). The 'productivity gap' at the beginning of the placement was quickly reduced and 80 per cent of those on work placements are now employees of the bank. This is an example of the two-way benefits of a successful work placement scheme. Firstly, they provide the job-seeker with valuable experiences and opportunities, helping to overcome specific barriers to employment, and secondly, they help employers to overcome their unwillingness to hire disadvantaged job seekers. Getting a disadvantaged job seeker into a secure job where they have opportunities to keep developing their qualifications and skills is an outcome which can have life-time benefits for both the individual and business.

In summary, Anglicare Australia welcomes the move towards a more co-operative approach to youth unemployment. We do, however, hold concerns that some of the issues that are keeping many young people out of work – such as a depressed entry-level jobs market – may also prevent this scheme from achieving consistent employment outcomes. There needs to be a broader approach to economic restructuring if all young people facing barriers to employment are to have reasonable hope of future work.

Prepare

We welcome the focus on employability skills in the first training block of the PaTH program. A focus on general employability skills is important, especially in the context of today's rapidly changing industries and workforce. A recent report by the Foundation for Young Australians (2016) supports the argument for giving greater attention to developing young people's transferable or 'enterprise' skills. The report found that demand for enterprise skills is growing, especially in the "jobs of the future" - those which are least likely to be automated. It found that in the last three years the proportion of jobs that specified a requirement for critical thinking increased by 158%, creativity by 65%, presentation skills by 25% and team work by 19%. By helping young people to identify and develop these skills



such as problem solving, critical thinking, creativity, digital literacy and communication, we can improve their resilience to change and give them confidence to apply their unique strengths and perspectives in different industries.

If we are to assist young people who are disadvantaged in the job market, however, this training must be paired with holistic support.

Holistic support is important for young people facing barriers to work. In a recent essay on employment and mental health, Anglicare Tasmania discussed how activities that build the job seekers health and wellbeing are just as important as job-readiness training in achieving successful and sustainable employment outcomes. They argued for activities related to improving physical, mental and social wellbeing to be recognised in activity tests, alongside activities that specifically focus on employment skills and training:

“We would love to see an individual’s progress measured. For example – perhaps the jobseeker initially struggled to walk through the service’s front door, or required transport assistance, or was not working with an appropriate professional, such as a psychologist or doctor. It is a massive achievement for the person and the provider when the barriers are faced, addressed and decreased. Acknowledging a person’s ability to go to an appointment unattended, engagement in treatment plans and participation in activities such as support groups or community gardens, these should be measurable outcomes”

In this context, there is room to widen the ‘extenuating circumstances’ around participation in the employability skills training to recognise the emotional and social work a young person might need before they start applying for jobs. While the PaTH program incorporates flexibility in some aspects of this training (eg in the consideration of existing employability skills), it also needs to consider the more holistic needs of the job seeker.

Holistic support through job active is also important in the context of there being significantly more people looking for jobs than there are job vacancies. With a focus on building human capital and work readiness rather than job creation, the PaTH program must do all it can to support young people who may not find employment for a long time. A holistic focus on what will help young people have strength and resilience in a changing job market will substantially increase the value of this program for both the participant and the government.



Conclusion

We need take a holistic view when it comes to helping people get into a good position to look for work. Social wellbeing, community connection, access to housing and support to manage mental illness are all part of a foundation from which someone can build up enterprise and job-searching skills. We also have to look at how to continue to support people ready and looking for work in a tight jobs market - the three out of four entry-level job seekers whose applications will be knocked back (see Jobs Availability Snapshot, 2016). While the PaTH program helps job seekers to build job readiness and human capital, it is unlikely to ease existing pressures. And if it fails to incorporate strong enough protections against businesses that see the program as an opportunity to save, rather than invest, it could very well make these pressures worse. From this perspective, the structural issues are clear. We need to focus on creating strong, sustainable, and accountable local economies that will in the future provide opportunities those who are at present excluded. And in the meantime, these young people will continue to need access to strong and comprehensive supports.

We thank the Committee for considering our response and await your report.

Yours sincerely,

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