



Youth Jobs PaTH

Submission to the Senate Standing Committee on Education and Employment

Inquiry into the Social Security Legislation Amendment (Youth Jobs Path: Prepare, Trial, Hire) Bill 2016 – November 2016

Introduction

The Australian Chamber of Commerce and Industry strongly supports the Youth Jobs PaTH initiative as an important avenue to secure jobs for young unemployed Australians.

PaTH is vital in ensuring jobseekers have a better chance to be well prepared for the workplace, with the ultimate aim of securing a job. Tens of thousands of young Australians will get their first opportunity in the workforce via the Youth Jobs PaTH program, with PaTH providing “real job” work experience that many young job seekers lack.

The Australian Chamber welcomes this opportunity to respond to the *Social Security Legislation Amendment (Youth Jobs PaTH: Prepare, Trial, Hire) Bill 2016*.

The Australian Chamber supports the legislation to amend the *Social Security Act 1991* and *Veterans' Entitlements Act 1986* to ensure fortnightly incentive payments made to job seekers undertaking internships through the PaTH program do not impact their social security payments.

The Australian Chamber urges the Senate Committee to support the passage of the current legislation. In doing so, it should take the opportunity to reiterate strong support for the program as an innovative approach to ensuring young people can face a positive future in employment.

Social Security Legislation amendment support

The Australian Chamber of Commerce and Industry supports the overarching aims of the Youth Jobs PaTH program to get unemployed young Australians into work through the provision of training and on the job work experience. The Australian Chamber supports the voluntary nature of participation in the placement, and the payment of \$200 a fortnight in addition to their NewStart allowance for those who do participate.

The program is aimed at those who have struggled to secure a job. Apart from the strong benefit of the prospect of valuable work experience, the Australian Chamber believes it is important to enhance this incentive for participation with the payment of the \$200 per fortnight which is paid on top of the young person's already existing social security benefits.

Industry has the places to meet the demand of the program; however employer experience shows that unemployed youth require considerable support when moving from unemployment into entry level positions. The \$200 payment is an important incentive for young people participating in the program and should be seen as recognition of the young person's determination to gain better job prospects.

Apart from its role as an incentive, from a practical perspective the extra \$200 on top of their NewStart or Youth Allowance will assist the young person in covering costs associated with participating in the work experience. Therefore, it is essential to preserve the maximum value of the additional fortnightly payment through it not impacting on other income sources.

The Australian Chamber is pleased that through the *Social Security Legislation Amendment (Youth Jobs Path: Prepare, Trial, Hire) Bill 2016* the payment would not result in any deduction from their existing social security payments.

The Australian Chamber further supports changes to the Act that allow a more seamless approach, from the job seekers perspective, in relation to access to their welfare payments.

It would allow these young people to have their income support payments suspended for a period rather than cancelled. Young jobseekers will be able to have their social security payments restored (without having to make a new claim) if they lose their job (through no fault of their own) with an eligible employer within 26 weeks of ceasing to receive income support because of that employment. This would appear to take away concerns the young person may have about the impact on their income by taking up job opportunities arising out of PaTH.

The Australian Chamber believes that Australia cannot afford to leave the nearly 250,000 young Australians who are not in work dependent on welfare. We cannot afford these

young people falling into the long-term welfare dependency trap. For their sake, as well as for Australia's economic and social well-being, the PaTH program seeks to remedy this situation and the added income support through the \$200 payment acts as an extra incentive for young jobseekers to participate.

The Australian Chamber of Commerce and Industry believe it is in the best interest of young jobseekers, their potential and future employers, and the Youth Jobs PaTH program for this Bill and its enabling legislation to be passed through the Senate with support from all Parties.

Recommendation 1: Support the passage of this legislation to ensure increased participation in the PaTH program.

The Australian Chamber of Commerce and Industry calls on all political Parties to support the passage of this legislation, so that young jobseekers have access to increased income support while they participate in the Youth Jobs PaTH program.

Support for the Youth Jobs PaTH program

With nearly a quarter of a million young Australians out of work, Australia needs a way to help these people onto the employment ladder. The skills gained by this generation of young Australians today will assist in boosting their earning potential in the future.

We hear from employers the lack of job readiness young people have when applying for jobs, and we know youth community groups say a combination of training and real work experience has the best chance of success. The Australian Chamber has long been a strong advocate for an approach that gives real skills and real work experience to young people who find it difficult to obtain work. The Australian Chamber urges the Parliament to realise that Australia needs the Youth Jobs PaTH program.

It is in the best interest of business and employers to ensure this program is a strong and successful one. More young people in work, and less dependent on welfare, will see a stronger economy for business to operate, and employers able to find correctly trained staff to fill vacancies. Businesses and industry associations have pledged to work with the Government to ensure the success of the program through measures aimed at protecting both the young jobseekers and participating businesses. Our members understand that Youth Jobs PaTH is designed to give young people a go. It is in their best interest to ensure the program succeeds.

The Australian Chamber urges the Parliament to recognise the benefits of the program, and to see the united front of business, industry associations, employer groups, service providers, and not-for-profits being putting forward in support of Youth Jobs PaTH.

The Australian Chamber encourages the Committee to not only support the *Social Security Legislation Amendment (Youth Jobs Path: Prepare, Trial, Hire) Bill 2016*, but to take the opportunity to recognise the innovative nature of this program in helping young Australians.

Recommendation 2: Reiterate support and recognition of the Youth Jobs PaTH program.

The Committee should reiterate the objectives and outside of government support for the Youth Jobs PaTH program.

Summary

The Australian Chamber of Commerce and Industry supports the Government's Youth Jobs PaTH program. The Australian Chamber believes this a necessary program to undertake early intervention for young Australians who are at risk of entering the cycle of long-term welfare dependency.

The Australian Chamber encourages the Committee to reiterate similar support of the program and its objectives and to encourage the support from all political Parties of the *Social Security Legislation Amendment (Youth Jobs Path: Prepare, Trial, Hire) Bill 2016* to ensure the value of the incentive payments for those jobseekers undertaking the program be maximised by not impacting on income from other social security payments.

The Youth Jobs PaTH program, at its core, will give young jobseekers real-job experience in a real workplace. The program will instil confidence and skills needed to secure a job, and for young people to be on a path into employment and independence.



About the Australian Chamber

The Australian Chamber of Commerce and Industry speaks on behalf of Australian Businesses at home and abroad.

We represent more than 300,000 businesses of all sizes, across all industries and all parts of the country, making us Australia's most representative business organisation.

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