

# Chapter 1

## Introduction

### Reference

1.1 On 13 October 2016, the Hon. Mr Angus Taylor MP, Assistant Minister for Cities and Digital Transformation, introduced into the House of Representatives the Social Security Legislation Amendment (Youth Jobs Path: Prepare, Trial, Hire) Bill 2016 (the bill).<sup>1</sup>

1.2 On 10 November 2016, the Senate referred the provisions of the bill to the Senate Education and Employment Legislation Committee for inquiry and report by 21 November 2016.<sup>2</sup>

1.3 On 21 November 2016, the Senate approved an extension to the reporting date until 28 November 2016.<sup>3</sup>

### Conduct of the inquiry

1.4 Details of the inquiry were made available on the committee's website. The committee also wrote to key stakeholders, groups and organisations to invite submissions.

1.5 The committee received 15 submissions, as detailed in Appendix 1.<sup>4</sup>

1.6 Given the short reporting timeframe, the committee decided not to hold public hearings for this inquiry.

### Structure of the report

1.7 Chapter two of this report examines the background to, and detail of the bill and the related Prepare-Trial-Hire (PaTH) program, which aims to give young job seekers under 25 years of age the employability skills and real work experience they need to get a job.

1.8 Chapter three considers the key issues identified by submitters in relation to the bill, including the:

- use of the term 'internship';
- absence of greater detail about the PaTH program;
- level of the incentive payments to interns; and

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1 *Votes and Proceedings*, No. 11, 13 October 2016, p. 212.

2 *Journals of the Senate*, No. 15, 10 November 2016, p. 448.

3 *Journals of the Senate*, No. 16, 21 November 2016, p. 494.

4 Submissions are available from the committee's website:  
[www.aph.gov.au/Parliamentary\\_Business/Committees/Senate/Education\\_and\\_Employment/YouthJobsPath](http://www.aph.gov.au/Parliamentary_Business/Committees/Senate/Education_and_Employment/YouthJobsPath).

- possibility of a 'churn' culture in which employers dismiss interns once the employer's subsidy payments have been received.

### **Compatibility with human rights**

1.9 The Statement of Compatibility with Human Rights accompanying the Explanatory Memorandum noted that the bill engages the following rights:

- the right to social security (Article 9 of the *International Covenant on Economic, Social and Cultural Rights* (ICESCR));
- the right to an adequate standard of living (Article 11(1) ICESCR);
- the right to work (Article 6 ICESCR); and
- the right to equality and non-discrimination (Article 2(2) ICESCR and Article 26 of the *International Covenant on Civil and Political Rights*).<sup>5</sup>

1.10 The statement concluded that the bill protects these rights and 'to the extent that the bill provides for differential treatment for young people, the measures taken are reasonable, necessary and proportionate to achieve a legitimate objective.'<sup>6</sup>

1.11 The Parliamentary Joint Committee on Human Rights assessed the bill as not raising human rights concerns.<sup>7</sup>

### **Scrutiny of Bills Committee**

1.12 The Senate Standing Committee for the Scrutiny of Bills had no comment to make on the bill.<sup>8</sup>

### **Financial Impact Statement**

1.13 The Explanatory Memorandum detailed that the internship payment amendments (Schedule 1) would have no financial impact while the Youth Bonus wage subsidy amendments (Schedule 2) would have the budgetary impact set out in Table 1.1.<sup>9</sup>

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5 Statement of Compatibility with Human Rights, Explanatory Memorandum, p. 9.

6 Statement of Compatibility with Human Rights, Explanatory Memorandum, p. 9.

7 Parliamentary Joint Committee on Human Rights, *Human rights scrutiny report, Report 8 of 2016*, 9 November 2016, p. 55.

8 Standing Committee for the Scrutiny of Bills, *Index of Bills Considered by the Committee 2016*, 9 November 2016, p. 7.

9 Explanatory Memorandum, p. 2.

**Table 1.1—financial impact**

<b>Year</b>	<b>Expense (\$ million)</b>
2015-16	4.3
2016-17	0.4
2017-18	0.4
2018-19	0.4
2019-20	0.4
<b>Total:</b>	<b>5.7</b>

1.14 It should be noted that the financial impact described in the Explanatory Memorandum relates only to the cost of the PaTH program for the Department of Employment.<sup>10</sup>

### **Acknowledgements**

1.15 The committee thanks the organisations which made submissions to this inquiry.

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10 Commonwealth of Australia, *2016-17 Budget, Budget Paper No. 2*, 3 May 2016, p. 85. For further information, see Chapter 2, paragraph 2.2.

