



Australian Council of Social Service

31 August 2016

Mr Martin Hehir
Deputy Secretary
Department of Employment

Dear Martin,

Re: Youth Jobs PaTH program

I am writing to briefly outline our views on the training component of the proposed Youth Jobs PaTH program.

As you know, ACOSS welcomes the Government's policy shift from Work for the Dole to work experience in a regular workplace for young unemployed people but has serious concerns about the proposed internships; including the level of income participants would receive, their safety and security in the workplace, and the risk of substitution of existing workers. Our views on these issues, which we recently discussed with the Department, are outlined in the attached policy briefing.

It is well established that people who are unemployed long-term, especially school leavers with limited previous paid work experience, benefit from a period of work experience in a regular workplace setting.

For young people unemployed long-term, the benefits of regular work experience and skills training are both reinforced where these two elements are integrated. Where unemployed young people have negative experiences with formal education, work related skills including vocational and 'soft' skills are best learnt on the job. Employers are also more likely to participate in the PaTH program and benefit from it, if training is directly related to the job. We understand this view is shared by peak employer organisations.

On the other hand, it is well established from program evaluations assessed by the OECD and others that short 'stand alone' training programs in either vocational or 'soft' skills are relatively ineffective in improving the future employment prospects of unemployed young people.



The evaluation evidence strongly suggests that the Government will obtain better value for its investment in the Youth Jobs PaTH program if the skills training component is integrated as far as possible with work experience, for example in a traineeship format. Such training is also more likely to be formally accredited.

While this suggests that the Youth Jobs PaTH program might not be universally available to young people after six months' unemployment, we believe that employment programs work best where there is a degree of discretion for service providers to adjust their service offer to the individual needs of unemployed people and employers. A return to the rigidity of the former 'APM service continuum' would be a backward step.

For similar reasons, we don't believe that a return to fulltime 'job search training' courses would improve the employment prospects of unemployed young people. Job search coaching should be part of the core service offer of all employment service providers, but it should be adapted to individual circumstances. For example, the optimal job search strategy for a young person who left school before Year 12 will be different to those of a tertiary graduate.

On the other hand, a key missing element in the current service offer for people entering the paid workforce for the first time, or returning after a long period away (for example, sole parents who have been caring for children fulltime) is career guidance. This form of assistance is likely to be cost effective if offered on a universal basis to people in these circumstances, as with the British 'skills health checks'. Career guidance would also enhance the effectiveness of work experience in the Youth Jobs PaTH scheme by improving the match between unemployed people and work experience placements.

If the Government proposes to introduce a universal scheme of assistance for young people after six months' unemployment, a more agile and cost effective approach than two rounds of standardised fulltime 'training' would be to introduce a scheme along the lines of the former 'Employment Preparation' program, at least for those young people lacking recent paid work experience. Employment Preparation offered career counselling and a modest 'fund' from which vocational training could be purchased by Job Network providers in accordance with individual needs. Although it targeted 're-entrants' to employment (such as sole parents and mature age workers), this was one of the most effective employment programs. It would be possible to adapt this more flexible model to the needs of unemployed young people. This, along with short 'traineeships' (training linked to work experience) as discussed above, would then comprise the 'training' component of the Youth PaTH scheme.



Thank you for the opportunity to comment on the training aspects of the proposed Youth Jobs PaTH program. We would welcome further opportunities to discuss the design of the program, especially the internship component.

Yours sincerely,

A handwritten signature in black ink, appearing to read "C Goldie".

Dr Cassandra Goldie
Chief Executive Officer, ACOSS

