



November 2016

**SOCIAL SECURITY LEGISLATION
AMENDMENT (YOUTH JOBS PATH:
PREPARE, TRIAL, HIRE) BILL 2016
JOINT SUBMISSION**



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

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Introduction

Youth Action, in partnership with the Australian Youth Affairs Coalition (AYAC), the Youth Affairs Council of Victoria (YACVic), Youth Coalition of the ACT, Youth Affairs Network Queensland (YANQ), Youth Network of Tasmania (YNOT), Youth Affairs Council of Western Australia (YACWA) and the Youth Affairs Council of South Australia (YACSA) welcomes the opportunity to submit to the Inquiry into Social Security Legislation Amendment (Youth Jobs Path: Prepare, Trial, Hire) Bill 2016.

Partners have and continue to broadly welcome a shift away from the ineffective Work for the Dole toward Youth Jobs Path: Prepare, Trial, Hire (herein PaTH). However, we are concerned that there is a push to instate legislation despite poor consultation, vague policy detail, a failure to address key issues that are vital to its success, as well some concerning elements of the bill itself.

We have attached our initial submission (titled Appendix A - PaTH Submission 31 August 2016) to the Department of Employment here for reference, but outline our response to the bill and processes surrounding the bill below.

As the bill enacts the PaTH initiative, we urge the Committee to recommend that the passage of the bill be delayed until the policy details are clear, until community-government stakeholder relationships are in place to support the program, and until the government is satisfied that its investment will achieve the stated program objectives.

CONSULTATION

This is an important piece of policy and legislation. However, the consultation process is flawed. The first piece of consultation conducted by the Department of Education allowed only two weeks for response. The consultation was conducted on the first phase of the program and despite 'welcoming feedback' on other elements of PaTH there was



no process. While the Department received over 70 submissions, the response to feedback on the first phase was a mere 2 pages. We further note that this inquiry was referred to the Senate Committee on 10 November 2016, with submissions closing on 15 November 2016, allowing only 5 days for submission and a further 5 for Committee consideration and report. We express our concerns that the investment in the program will be wasted and will not ensure quality outcomes for youth employment without appropriate community-government stakeholder engagement that ensures the program is relevant to young people's experience.

We note that the federal youth peak body, AYAC, continues to go unfunded. This severely restricts the federal government's ability to engage youth specific perspectives in policy development. As the only national peak body with mandate to facilitate government engagement and consultation with young people and particularly young people experiencing disadvantage, important investments in young people, such as PaTH, risk a lack of relevance or a lack of community support.

We recommend that the federal government reinstates funding for AYAC in the upcoming MYFO to underpin and safeguard its investment in young Australians.

LACK OF POLICY DETAILS

Concerns that are held across the sector regarding the program have not been addressed, as there continues to be a lack of policy detail regarding the more contentious parts of the program.

PROGRAMMATIC GAPS

The PaTH program in its current form is inadequate to support young people who experience additional barriers to employment. While the government response to consultation provided flexibility in the program, it is itself not enough for this cohort to



keep employment. Skill development is just one of many barriers young people who are disadvantaged experience. Jobactive providers are not always well equipped to manage young people with complex and multiple needs. There are a number of options the PaTH program could consider to address these concerns:

- require training providers to demonstrate strong relationships with youth support services;
- require staff of training providers to have qualifications or experience in youth work;
- expand mutual obligation in the 'Prepare' phase to include not only skill specific training but involvement in programs that address other issues preventing young people from being job ready.

The 'Prepare' skill development phase needs to continue while a young person is 'interning' to ensure they're able to not just gain employment, but keep employment. This will provide support to both employers and young people to address workplace specific issues and increase the chances of a young person's transition from an internship to paid employment. Moreover, as the bill classifies involvement in the program as specifically 'unpaid work', it should be explicit about adherence to Fair Work guidelines that state 'the person who's doing the work should get the main benefit from the arrangement. If a business or organisation benefits from engaging the person, it's more likely the person is an employee.'¹ Providing workplace supervision, support and training through the program would ensure that a focus remains on practical skill development for the young person, that skill development is relevant, and is supporting participating employers to work with young people experiencing disadvantage.

¹ Fair Work Ombudsman, n.d., 'Work experience & internships', page reference number 1777, accessed via <https://www.fairwork.gov.au/pay/unpaid-work/work-experience-and-internships>



The training component of the PaTH program remains compulsory, but concerns regarding the impact on young people who do not have accessible transport have not been addressed. This is particularly pertinent for young people in regional and rural areas, and is compounded by various elements of disadvantage.

AMENDMENT BILL

INCENTIVES FOR YOUNG PEOPLE

We are concerned that the wording in the memorandum alludes to a decrease in incentives to a young person. The explanatory memorandum reads that 'To encourage eligible young job seekers to undertake an internship, participants will receive a fortnightly incentive payment from the Department of Human Services (which will initially be \$200)'. Specifically, the inclusion of the word 'initially' is cause for concern.

SUSPENSION OF SOCIAL SECURITY PAYMENTS

We recommend that the suspension period for social payments be extended from 26 weeks to 52 weeks. The initiative attempts to target young people who experience significant disadvantage in the labor market, and therefore provisions surrounding the program such as suspension of payments should reflect the complexity of the cohort.

CANCELLATION OF SOCIAL SECURITY PAYMENTS

We are concerned about the inclusion of new subsection 95C(3) in the bill to enable an earlier cancellation if the person ceases to be employed by a Youth Bonus wage subsidy employer. We appreciate the need to ensure that young people are accountable if they lose a job and are at fault, but again, this does not reflect the complexity of young people who the program targets, nor does it support the intended aims of the program to support young job seekers into jobs.



This is particularly concerning if the appropriate on-the-job support is lacking for both the young person or employer given the disadvantage of the cohort. This would be particularly harmful to young people who might be experiencing housing instability or homelessness, violence, disability or mental ill-health, addiction, or a history of trauma for example. We believe this would also have a disproportionate impact on Aboriginal and Torres Strait Islander young people, or people from refugee and migrant backgrounds.

Many young people rely on social security to maintain very basic living standards while they search and skill up for work. Cancelling the meagre amount for such a small cohort would have very little positive impact on the budget, but an enormous negative impact on their ability to maintain housing, health, key relationships and will disable their attempts to find and keep employment.

Federal submission

PaTH consultation paper

31 August 2016



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Introduction

The Youth Affairs Council of Western Australia, in partnership with The Youth Affairs Council of Victoria, Youth Action NSW and The Australian Youth Affairs Coalition has prepared the following response to the PaTH consultation paper.

We are grateful for the opportunity to respond and provide feedback, but note the short timeline allowed for the consultation process, and express serious concern on the impact it has had on quality responses into this important piece of policy.

Unfortunately, we were not able to provide in depth answers to questions, or even respond to all questions due to the time restrictions. Our responses are based upon consultations and experience with members from across the youth sector.

We welcome in this consultation paper though the Government's direction to shift away from Work for the Dole, to develop a specialist youth employment strategy, and to consult further as evidenced by this paper.

A number of key recommendations have been formed in response, which we urge the Federal Government to not only consider, but adopt as a matter of urgency, thus ensuring that quality outcomes are delivered for young people who face unemployment across Australia.

The most important recommendation is that a trial site be established to test this program with clear benchmarks put in place, wider consultation incorporated, and a clear evaluation process. This must be put in place before nation-wide commencement.

We also note the need to consult further around components of Phase Two and Three of the PaTH program, which have attracted significant community concern and doubt.

Feedback in our submission is outlined in response to chapter headings, and direct questions. Should you have any questions arising from our response, we welcome the opportunity to discuss them with you further.



Ross Wortham
CEO
Youth Affairs Council of Western Australia
On behalf of partners



Key Recommendations

Broad recommendations relating to PaTH:

1. Establish a trial site to test the PaTH program across all three phases with clear benchmarks put in place, ongoing and wider consultation incorporated, and a clear evaluation process before rolling out around the nation.
2. Commit to wider and ongoing consultation in the process of forming and implementing phase two and phase three of the PaTH program, in recognition of community concern.
3. Consult more closely with young people, youth sector directly, and the peak youth bodies of each state in the development of this program.

Recommendations relating to questions:

Job Seeker Eligibility

4. Provide additional support structures to vulnerable groups of young jobseekers

Training Providers

5. Encourage consortiums and partnerships with the community sector to ensure quality of training

Training Content

6. Introduce a reporting element that directly incorporates consumer feedback to training providers and funders

Delivery Issues

7. Provide payment for training providers up front in order to protect young people being churned through the programs.

'You and I can both drive cars, but we can only do it effectively because they have things that enable us as individuals to do so: like adjustable seats, adjustable mirrors, and transmissions; without these things, it would be almost impossible.'

- Kelly Clark, 24

About this submission

About the process

This submission in response to the PaTH consultation paper, has been guided by a number of individuals, youth peak members, and organisations. The Youth Affairs Council of Western Australia, as project lead, facilitated some discussion and acted as a point of contact for people to send through their feedback. Unfortunately, due to the strict timeline, we were unable to consult as widely as we would have liked.

Throughout the process, discussion regarding the consultation was held with:

- 1 young person
- 1 job service provider
- 1 not for profit employment and education program
- 1 community organisation
- All Youth Affairs Council of Western Australia members were given the opportunity to respond
- Other youth peak bodies from around the country with input and feedback through their respective members
- The Australian Youth Affairs Coalition

The draft submission was sent to all parties for additional feedback after consultation.

About the authors of this submission

The Youth Affairs Council of Western Australia (YACWA) is the peak non-government body representing young people and the youth sector in Western Australia. YACWA's work is guided by over 400 members from across the State, which are made up of young people, youth services, and youth workers.



The Youth Affairs Council of Victoria Inc. (YACVic) is the peak body and leading policy advocate on young people's issues in Victoria. Our vision is that young Victorians have their rights upheld and are valued as active participants in their communities.



Youth Action is the peak body for young people and youth services in NSW. We represent 1.25 million young people and the services that support them. We work towards a society where all young people are valued, engaged and supported.



The Australian Youth Affairs Coalition (AYAC) is the national peak body for the 4.3 million young Australians aged 12 to 25 and the hundreds of thousands of people and organisations whose work is to support them.



Due to the short timeline given for responses, we were unable to answer all questions and consult as widely as we would have liked. However, we have answered some questions based on priority as highlighted through our consultations. The answers are outlined below.

Job Seeker Eligibility

Response to questions:

Q2 - What arrangements should be put in place to ensure highly disadvantaged job seekers, such as Aboriginal and Torres Strait Islander job seekers are appropriately represented and referred for training?

We welcome the government's acknowledgement that there are some groups of more vulnerable job seekers. However, we would like to see an expansion of those considered disadvantaged to also include:

- Young people facing homelessness
- Young people with a disability
- Young people with mental health needs
- Young people with drug and alcohol addiction
- Young people living in regional and remote areas
- Young people with experiences of family and domestic abuse
- Young people with poor literacy and numeracy skills
- Young people who speak English as a second language

Each one of these groups requires a unique approach if they are to be assisted effectively in finding employment.

Some will require additional resources to address other issues before being able to find employment or attend training successfully.

Job active providers are not always well equipped to case manage young people with complex needs.

We recommend setting and expanding criteria of disadvantaged young people.

We recommend providing a case manager with a background in youth work to each young person, who is able to work one on one and assess training suitability and then refer to other services where applicable.

We strongly urge the government to count involvement in programs or other activities towards addressing disadvantage as mutual obligation, in order to allow the young person to become more job ready.

Q3 - Participation in employability skills training will become compulsory once a job seeker has been in jobactive for five months subject to extenuating circumstances. How will job seekers, jobactive providers and training providers respond to the compulsory nature of the training?

This is a difficult question to answer, as it is hard to gauge how different groups of young people will respond without asking young people directly.

We believe that compulsory attendance in employability and training is unlikely to create positive outcomes for young people or providers.

If compulsory approaches must be taken then their success will be highly dependent on the quality and content of the training. Trainers must have demonstrated best practice in engaging diverse groups of young people, or else partner with those that do.

Those who are compulsorily required to attend will likely have different needs to those who attend voluntarily. They will be earlier in their journey towards employment and will need to focus on different aspects of training compared to others.

We believe that compulsory attendees are likely to make the experience for non-compulsory attendees more complex and affect the quality of training delivery.

We recommend separating compulsory and non-compulsory attendees. It may also be pertinent to make the non-compulsory course more attractive. For example - by providing incentives for self directed engagement.

As a matter of urgency, we would urge the federal government to establish a trial site to consult on an ongoing basis with young people throughout the development of all phases of this program.

Q3 - Are there any other extenuating circumstances not covered in the above examples?

We welcome the acknowledgement of excluding some groups of young people from compulsory training due to extenuating circumstances and significant employment barriers. However, we recommend an extension to the employment barriers listed to include:

- Young people with a disability
- Young people with mental health needs
- Young people with drug and alcohol addiction
- Young people living in remote areas where travel times
- Young people with poor literacy and numeracy skills
- Young people who speak English as a second language
- Young parents

In allowing the extenuating circumstances in employment barriers to be expanded, we urge the government to consider alternative courses and programs to address these employment barriers to count towards mutual obligation requirements.

Q4 - What is the best way for job seekers who cannot attend for 25 hours each training week to participate in the training? How practical is it to have two five-week blocks for these job seekers?

We recommend that instead of exclusion from the training being the only option, consideration be given to developing different ways of delivering training that are applicable and accessible to these groups of vulnerable young people. This could include:

- Delivering training on a part time basis
- We doubt that online engagement has much value for this client group, though a small part of the course could be provided online.
- Delivering training alongside additional support services such as programs, counseling etc.
- Structure course to have rolling intake, where modules are independent from each other. Young people can then engage at any point along the course. Flexibility with delivery is vital.

Transport accessibility will also have a significant impact on young people being able to participate in this training program. To address this, the government should establish multiple locations within the communities that will have the most need.

Training providers

Response to questions:

Q7 - What practical limitations might there be on providing training to all job seekers in an Employment Region within 90 minutes travel time?

We are grateful that this question has been asked, as we see this as a major barrier for disadvantaged young people, particularly those living in rural areas.

The reasons being:

- The extra financial cost
- The Impact of travel time on the quality of life outside of searching for work
- The lack of infrastructure
- The distance of travel in the regions

There are big questions and concerns also held about whether this approach can have any positive impact in remote aboriginal communities.

Question seven also raises a bigger concern in regards to how the travel component of Phase Two and Three will be addressed. Without further information, we hold concerns for the ability of young people to participate.

We would like to see the Government link the number of training providers to population statistics, and unemployment figures per region to ensure that enough training providers are supplied.

We would also like to see additional support in the form of up-front payments for travelling to training and different ways of delivering the training as outlined above.

Q10 - Should the employability skills training include accredited units and be delivered by RTOs? What are the advantages and disadvantages to the job seeker, the training industry, jobactive providers and employers?

Yes.

Ensuring that the young job seeker has opportunity to progress along a career path is vital, as well as equipping them with industry standard training.

However, if made compulsory, accredited training must be done in partnership with community service providers or youth workers to ensure effective engagement with young people.

We think it is concerning that the identification and selection process of training providers is not clearly identified.

We would like to see mandated partnerships in contractual delivery of training by the training providers to include youth workers and community organisation representatives into training delivery.

We would like to see young job seekers have the opportunity to participate in supported progress into further studies, if applicable.

Q13 - What are the advantages and disadvantages of specialist youth or community organisations being involved in delivery of the training?

We see involving community organisations to assist RTOs as a requirement of delivering this training program, if it is to positively impact youth unemployment.

The only disadvantage may be an additional cost. But there will be further cost implications if training delivered is not effective, and this component is ignored.

Properly trained professionals who have knowledge and capacity to support young people across other areas than just employment is crucial.

A person-centred approach to unemployment is needed and was widely reported through our consultations as missing currently in the system.

By including specialist youth and community organisations in the PaTH program, it will likely increase the referral pathways to other programs for young people. These - if included as part of mutual obligation - will result in big improvements for individuals.

We recommend making partnerships between RTOs and community organisations mandatory in contracting out the training services. These partnerships should aim to:

- Increase the quality and delivery of training
- Provide a duty of care to young people forced into the training
- Increase ease of referral pathways between services and organisations

Training Content

Response to questions:

Q14 - Employability skills can be defined and categorised in different ways, and stakeholders will have differing views on the relative importance of particular employability skills. What skills should be included in an employability skills training course specifically designed for young job seekers?

We have little concern with content of the training packages. However, we do have significant concern over the lack of consultation with young people in the process of running the content in the program.

We would like to see an element of customer satisfaction reported back to training providers and funders on a regular basis through the panel system identified in the consultation paper.

Additional Comments:

We would like to see the panels (identified in the consultation paper) established per employment services region expand in function and scope of who sits on them. These should include representation from:

- The funder
- All training providers
- Human services
- Young people
- Youth Workers
- RTOs

The function of these panels should have a reporting component to discuss issues arising from the training, and problem-solve solutions that can be implemented immediately for the sake of ensuring quality.

Delivery Issues

Response to questions:

Q18 - What is the best way to ensure that both blocks of training are high quality and meet the needs of employers and job seekers?

The best way to ensure that training is of a high quality and meets the demands of employers and job seekers is to ask them.

We recommend setting up a trial site to test the training phase, and other phases of the PaTH program, to seek input from young people and employers about its effectiveness.

Additional comments:

There is significant concern for the approach outlined in the consultation paper to provide payment to training providers once training is completed. The concern relates to young people being pushed through the program and not engaging well with the training.

We understand it is difficult to propose payments linked with specific outcomes on an individual basis so suggest payment upon registering for the training with accountability for quality and outcomes built into contracts and through the panel model identified in the consultation paper.

An upfront payment should be attached to a commitment for the young person to access the training. If training models are made flexible and adaptable to the young person, in terms of time to complete the training, this should be achievable.

We also suggest tying contractual reporting to client completion rates, satisfaction levels, and quality of service delivery, so that there is an element of accountability.

By expanding the function and scope of the panels identified in the consultation paper, a model to address issues and accountability can be delivered.