



Abolish PaTH Internships	
Party:	Australian Labor Party
Summary of proposal: The proposal would abolish the Youth Jobs PaTH Internship Program from 1 July 2022.	

## Costing overview

The proposal would increase the fiscal and underlying cash balances by around \$22.5 million over the 2022-23 Budget forward estimates period. This entirely reflects a decrease in administered expenses.

The proposal would have an ongoing impact beyond the 2022-23 Budget forward estimates period. A breakdown of the financial implications (including separate public debt interest (PDI) tables) over the period to 2032-33 is provided at Attachment A.

The financial implications of this proposal are sensitive to assumptions underpinning current budget estimates for the Youth Jobs PaTH Internship Program, including labour force projections, indexation growth factors, and the number of participants in the program. The transition from the existing jobactive program to the New Employment Services Model may also affect activity rates across the program.

**Table 1: Financial implications (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	Total to 2025-26
Fiscal balance	3.1	6.7	6.3	6.4	<b>22.5</b>
Underlying cash balance	3.1	6.7	6.3	6.4	<b>22.5</b>

(a) A positive number represents an increase in the relevant budget balance; a negative number represents a decrease.

(b) PDI impacts are not included in the totals.

## Key assumptions

The Parliamentary Budget Office (PBO) has made the following assumptions in costing this proposal.

- Abolishing the Youth Jobs PaTH Internship Program from 1 July 2022 would not have departmental funding implications for the Department of Education, Skills and Employment (DESE) as its contract management workload across the New Employment Services Model would be expected to remain largely unchanged.
- Only 50% of uncommitted funding for the Youth Jobs PaTH Internship Program would be recovered in 2022-23, and 100% of uncommitted funding would be recovered in following years.
- The uncommitted funding of Youth Jobs PaTH Internship Program in 2032-33 would be consistent with the funding level in 2031-32.
- The flow-on impact on social security payments and labour market would be insignificant.

## Methodology

The funding profile of Youth Jobs PaTH Internship Program for 2022-23 to 2031-32 as at Budget 2022-23 was provided by DESE.

The administered impacts were estimated by reversing the uncommitted funding by the assumed percentage each year.

Financial implications were rounded consistent with the PBO's rounding rules as outlined on the PBO Costings and budget information webpage.<sup>1</sup>

## Data sources

Department of Education, Skills and Employment provided the funding profile for the Youth Jobs PaTH Internship Program as at Budget 2022-23.

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<sup>1</sup> [https://www.aph.gov.au/About\\_Parliament/Parliamentary\\_Departments/Parliamentary\\_Budget\\_Office/Costings\\_and\\_budget\\_information](https://www.aph.gov.au/About_Parliament/Parliamentary_Departments/Parliamentary_Budget_Office/Costings_and_budget_information)

## Attachment A – Abolish PaTH Internships – financial implications

**Table A1: Abolish PaTH Internships –Fiscal and underlying cash balances (\$m)<sup>(a)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b>Expenses</b>													
<b>Administered</b>													
<i>PaTH internship program</i>	3.1	6.7	6.3	6.4	6.4	6.4	6.8	6.8	6.8	7.2	7.2	22.5	70.1
<b>Total – expenses</b>	3.1	6.7	6.3	6.4	6.4	6.4	6.8	6.8	6.8	7.2	7.2	22.5	70.1
<b>Total (excluding PDI)</b>	3.1	6.7	6.3	6.4	6.4	6.4	6.8	6.8	6.8	7.2	7.2	22.5	70.1

(a) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

**Table A2: Abolish PaTH Internships – Memorandum item: Public Debt Interest (PDI) impacts – Fiscal and underlying cash balances (\$m)<sup>(a)(b)</sup>**

	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	Total to 2025-26	Total to 2032-33
<b>Fiscal balance</b>	..	0.1	0.3	0.5	0.6	0.8	1.0	1.2	1.5	1.8	2.1	0.9	9.9
<b>Underlying cash balance</b>	..	0.1	0.3	0.4	0.6	0.8	1.0	1.2	1.5	1.7	2.1	0.8	9.7

(a) As this table is presented as a memorandum item, these figures are not reflected in the totals in the table above. This is consistent with the approach taken in the budget where the budget impact of most measures is presented excluding the impact on PDI. If the reader would like a complete picture of the total aggregate, then these figures would need to be added to the figures above. For further information on government borrowing and financing please refer to the PBO's online budget glossary<sup>2</sup>.

(b) A positive number for the fiscal balance indicates an increase in revenue or a decrease in expenses or net capital investment in accrual terms. A negative number for the fiscal balance indicates a decrease in revenue or an increase in expenses or net capital investment in accrual terms. A positive number for the underlying cash balance indicates an increase in receipts or a decrease in payments or net capital investment in cash terms. A negative number for the underlying cash balance indicates a decrease in receipts or an increase in payments or net capital investment in cash terms.

.. Not zero but rounded to zero.

<sup>2</sup> [Online budget glossary – Parliament of Australia \(aph.gov.au\)](https://aph.gov.au)