

## Senate Standing Committee on Education and Employment

### QUESTIONS ON NOTICE Additional Estimates 2016 - 2017

#### Outcome 1 - Employment

Department of Employment Question No. EMSQ17-003980

Senator Marshall provided in writing

#### Question

##### 'Unpaid Work Experience in Australia' report

Only 27% of participants in the Department's Unpaid Work Experience in Australia report said they were offered employment by their host organisation. Will PaTH achieve a higher rate of employment?

The Department's own report, titled Unpaid Work Experience in Australia, has found that work experience has already spread from placements in medicine, law and other professional fields to entry-level roles. Is the Department worried that placing another 120,000 young Australians into those entry-level roles as interns will make it even harder for young jobseekers to find permanent jobs?

The Department's Unpaid Work Experience in Australia report said one in five participants in their study reported taking five or more internships in the past five years. With evidence that young people are already churned in the internship market, is the Department concerned that might happen in PaTH with more people added to the market?

In the Unpaid Work Experience in Australia report, people not currently engaged in formal study were the least likely to report being offered a job after an internship. Will the PaTH program be altered to focus on formal study and attainment of qualifications to help participants' likelihood of job offers?

The Unpaid Work Experience in Australia report found participants who undertook internships as part of a higher education course had the highest rate of finding full time work, while those participating as a requirement of Youth Allowance or Newstart had the lowest rate of finding full time work. Will PaTH internships see young Australians people pushed into insecure work?"

#### Answer

The Unpaid Work Experience in Australia research is very positive showing that 27 per cent of respondents aged 18-29 undertaking unpaid work experience were offered employment with their host organisation. There were a variety of reasons the respondents undertook unpaid work experience and not all respondents were looking for work as a result of their most recent period of work experience. For example, 39 per cent of respondents participated in work experience as part of a higher education or Vocational Education and Training course. The survey did not extend to whether the participant gained employment elsewhere.

When looking specifically at respondents who were undertaking unpaid work experience for the purpose of obtaining Youth Allowance or Newstart, the study found that 29 per cent received an offer of employment from their host organisation. This demonstrates that unpaid work experience as a component of government-funded employment services is an effective means of improving employment outcomes.

The department has not set hiring targets for PaTH internships. A reasonable prospect of employment is a precondition to an internship.

Businesses in Australia make around five million hiring decisions each year, the vast majority of which will not be impacted by PaTH internships. The purpose of PaTH internships is to prepare young people for the workplace and give them a chance to be considered for employment.

The department has a program assurance strategy which will be used to assure host businesses trial job seekers appropriately and not displace paid workers by churning interns.

The objective of Youth Jobs PaTH is to address the work-readiness skills found to be a barrier for young people to gain employment, and then provide them with an opportunity to show a prospective employer what they can do in the workplace.

A PaTH internship also allows young people to trial a workplace or industry, assisting them to decide on a career path that suits them. It is expected that internship opportunities may lead to apprenticeships and traineeships where further education and training are incorporated.