

Senate Standing Committee on Education and Employment

QUESTIONS ON NOTICE Additional Estimates 2016 - 2017

Outcome 1 - Employment

Department of Employment Question No. EMSQ17-003982

Senator Marshall provided in writing.

Relates to previous Employment Question No EMSQ16-001014

Question

Success of internships

In answering a Question on Notice (EMSQ16-001014) the Department said: "Evidence shows that job seekers who undertake work experience are more likely to find employment than those that do not." This was when evaluating the success of overseas job placement programs. But a recent Australian study, commissioned by the Department and titled Unpaid Work Experience in Australia, couldn't definitively say whether internships lead to a better chance of getting work. So why would PaTH internships provide a better chance of finding work if internships overall in Australia don't necessarily achieve that?

Answer

The Department of Employment Labour Market Assistance Outcomes report from December 2014 showed that people who undertook work experience in Job Services Australia were almost twice as likely to be in employment three months later compared to people that did other activities.

The Unpaid Work Experience in Australia report found:

- 71 per cent of respondents were satisfied or very satisfied with their most recent episode of unpaid work experience; and
- 70 per cent of respondents agreed or strongly agreed they had developed relevant skills and new knowledge as a result of their unpaid work experience.

For those 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 is a very positive outcome that demonstrates that unpaid work experience as a component of government-funded employment services is an effective means of improving employment outcomes.

This research also showed that 27 per cent of respondents aged 18–29 undertaking unpaid work experience were offered employment with their host organisation (the survey did not extend to participants who gained employment elsewhere). This finding is particularly positive given the varying reasons the respondents listed as to why they undertook unpaid 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 so were not expecting their unpaid work experience placement to lead directly to a job. This cohort faces different circumstances to those participating in PaTH.

The report suggested that consideration be given to policy responses that might “redress unequal access to unpaid work experience, such as scholarships or additional/top up income support for unpaid work experience participants” from lower socio-economic backgrounds. The Government is committed to ensuring that young people from a range of socio-economic backgrounds have access to and benefit from work experience. PaTH Internships are supporting social mobility by giving 30,000 young people per year, including those from low socio-economic backgrounds, the opportunity to gain valuable experience in a workplace as well as providing an incentive of \$200 per fortnight in addition to their ongoing benefit payment.