



Youth Jobs PaTH Evaluation Report

Key findings

The Youth Jobs PaTH Evaluation Report has been released on the website of the Department of Education, Skills and Employment¹ (the department).

Youth Jobs PaTH had a staged introduction. The Youth Bonus Wage Subsidy began on 1 January 2017, while PaTH Internships and Employability Skills Training (EST) began on 1 April 2017. Youth Jobs PaTH is an Australian Government initiative that helps young people gain skills and work experience they need to get and keep a job. It also supports businesses to trial young people in the workplace and offers a financial incentive when they hire.

Youth Jobs PaTH has three elements:

- Prepare — EST helps young people understand what employers expect in the workplace and supports them to get job ready.
- Trial — PaTH Internships enable businesses to trial young people to see if they are the right fit for the business, before they hire. Young people gain valuable work experience and can demonstrate their skills to businesses looking to hire.
- Hire — Youth Bonus Wage Subsidies of up to \$10,000 may be available to businesses that hire eligible young people in ongoing work.

As part of Youth Jobs PaTH, the department also introduced the role of Employer Liaison Officers to encourage business participation in the initiative and in employment services generally.

The Evaluation Report presents an early assessment of PaTH, drawing on administrative data and research through interviews and surveys of young people, businesses, employment services providers, EST providers, peak bodies and departmental staff.

Table 1 presents the different elements of PaTH that are available to jobactive, Transition to Work and Disability Employment Services providers. Transition to Work and Disability Employment Services do not have access to EST as they offer more intensive servicing compared to jobactive and training can be a core component of their service offer. As separate wage subsidy arrangements apply for Disability Employment Services, employers hiring Disability Employment Services participants do not have access to the Youth Bonus Wage Subsidy.

¹ The Department of Education, Skills and Employment replaced the Department of Employment, Skills, Small and Family Business as a result of the Administrative Arrangements Order that took effect on 1 February 2020.

Table 1: Access to Youth Jobs PaTH elements across employment services

Employment service	Employability Skills Training	PaTH Internships	Youth Bonus Wage Subsidy
Jobactive	Yes	Yes	Yes
Transition to Work	No	Yes	Yes
Disability Employment Services	No	Yes	No

Note: Eligibility relates to the study period for the evaluation.

Overall use of PaTH

- Between 1 January 2017 and 31 March 2018, 37,064 young people used at least one element of Youth Jobs PaTH.
- While providers appreciate the flexibility of using the elements of PaTH in combination when necessary, the majority of young people have only participated in one element of PaTH.
- Employer Liaison Officers have supported connections between businesses and providers to promote usage of Internship placements and employment services.

Employability Skills Training

EST consists of two blocks of training provided by Registered Training Organisations to assist unemployed young people to improve their work readiness. Block 1 focuses on pre-employment skills and Block 2 focuses on job hunting, career development and interview skills.

Between 1 April 2017 and 31 March 2018, 17,655 young people commenced in either a Block 1 or a Block 2 EST course.

Providers under jobactive had high awareness of EST, while young people and employers generally had lower awareness. Some EST providers felt that they needed to educate jobactive providers about EST to improve understanding of the courses. A few EST providers stated that jobactive providers' lack of awareness and understanding of EST was a barrier to referrals.

Providers under jobactive had the ability to opt-out young people who had a mandatory requirement to attend EST. Some providers preferred to prioritise finding employment or other training for the young job seeker. Providers typically chose not to refer eligible young people who:

- already demonstrated employability skills
- had completed training similar to EST
- had non-vocational barriers.

Many EST providers reported that low referrals caused them to cancel or reschedule courses². This caused problems for EST providers, jobactive providers, young people and employers; including cancellation fees (for example, for room hire) and additional administration for jobactive providers required to update young people's Job Plans. These problems were exacerbated when cancellations were at short notice due to low referrals. As the program matured, significantly fewer courses were cancelled or rescheduled. The department made additional changes to EST after the evaluation period to increase referrals and to reduce cancellations and rescheduling of courses. These will be considered through supplementary impact analysis by the department.

² At the time of the evaluation, the administrative data did not differentiate between cancellations and rescheduling. Courses could be rescheduled for a range of reasons, including low referrals.

Availability of courses and the relationship with the EST provider were the main factors in jobactive providers' decision-making process when referring young people to a course. Most jobactive providers did not distinguish between Block 1 and Block 2 when referring young people, although jobactive providers did prefer specialist EST courses (for example, hospitality focused) to general courses. Young people preferred Block 2 over Block 1 and preferred project or scenario-based activities.

Typically interns who undertook EST before an Internship were rated as more work ready by host businesses than interns who had not participated in EST. Young people and providers reported that EST improved communication skills, teamwork and résumé writing. Young people who did both blocks of training were more likely to have a job, Internship or education placement (41 per cent) than those who only participated in Block 1 (36 per cent) or Block 2 (37 per cent) courses.

PaTH Internships

PaTH Internships are voluntary work experience placements for unemployed young people with businesses over four to 12 weeks. They aim to enable young people to demonstrate their skills to businesses, develop vocational skills and improve their employment prospects.

Between 1 April 2017 and 31 March 2018, 4498 young people started Internships.

Providers were aware of Internships. Businesses and young people were less aware and those who were aware of Internships had typically heard about Internships from providers. Many providers targeted small to medium businesses, as they were more motivated than larger businesses by the \$1000 host business payment. A few providers liked targeting larger businesses that had more capacity to take on interns.

Providers thought Internships were more suitable for young people without previous experience of work or without experience in their industry of interest. Young people valued the \$200 fortnightly incentive payment they received for participating in an Internship. They also valued:

- the work experience
- learning new skills
- trialling a new industry
- showing businesses they could do the job without having to go through a recruitment process.

Providers found the administration of Internships relatively straightforward except for the risk assessments (for example, wanting more clarity on what the definition of 'competent persons' meant in the context of completing a risk assessment).

Businesses liked the flexibility of being able to trial a young person for between four and 12 weeks. Providers also liked that they could negotiate the Internship duration or extend the Internship placement based on the young person's needs.

Most businesses thought that the \$1000 host business payment was an adequate incentive but did not always cover costs associated with hosting an Internship placement. The more common reasons businesses gave for not hiring interns after the Internship in their business included the intern having a poor attitude, being unreliable, having unsatisfactory performance or leaving or quitting, or the business being unable to offer a job at the conclusion of the Internship. Four in five (80 per cent)

respondents to the 2018 PaTH Host Business Survey were likely to use PaTH Internships again for future recruitment needs.

Around half of interns under jobactive (57 per cent), Transition to Work (54 per cent) and Disability Employment Services (43 per cent) achieved a job placement within three months following the end of the PaTH Internship. Another way of examining employment after an Internship is to use the end reasons for the placements. Of the placements that were completed by 31 March 2018, around 67 per cent had an end reason of 'employed with host' or 'found other employment'. Providers and young people both reported that even when an Internship did not convert to a job, it still provided the young person with work experience, built their self-confidence and taught them new skills.

Youth Bonus Wage Subsidy

Employers can receive a Youth Bonus Wage Subsidy of up to \$10,000 (GST inclusive) over a 26-week agreement for hiring an unemployed young person aged between 15 and 24 years (inclusive) in an ongoing job of at least an average of 20 hours a week.

Between 1 January 2017 and 31 March 2018, 11,817 businesses had at least one Youth Bonus Wage Subsidy agreement for employing a young person. This supported 19,423 young people in work. Of young people whose last job placement was associated with a Youth Bonus Wage Subsidy, approximately half of those under jobactive (51 per cent) and Transition to Work (49 per cent) were off income support after three months.

Providers were aware of the Youth Bonus Wage Subsidy. Employers and young people were less aware. Those who were aware had typically heard about the subsidy from providers. Most businesses that received a subsidy agreed that the Youth Bonus Wage Subsidy influenced their decision to hire.

Some providers felt the Youth Bonus Wage Subsidy had a high administrative workload and some employers reported difficulty knowing what to do when establishing and managing wage subsidies online. However, providers also agreed that policy and process changes introduced with the wage subsidy on 1 January 2017 reduced administration, and some providers had formed centralised teams to manage wage subsidy administration.

Conclusion

Overall, all elements of PaTH are assisting young people to build employability skills, gain work experience through Internships and move off income support with the Youth Bonus Wage Subsidy. Employer Liaison Officers have supported the PaTH initiative and employment services more generally.

The evaluation identified some issues with elements of Youth Jobs PaTH, such as cancellation of EST courses, confusion about risk assessments for Internships, and perceived high administrative burden associated with wage subsidies. The departmental response to the evaluation outlines the department's consideration of these issues. The longer term impact of Youth Jobs PaTH and more definitive analysis of its effects will be considered through supplementary impact analysis by the department.