



Australian Government  
Department of Education,  
Skills and Employment

# Youth Jobs PaTH Evaluation Report



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## Abbreviations and acronyms

Short form	In full
DES	Disability Employment Services
EF	Employment Fund
ELO	Employer Liaison Officer
ESS Web	Employment Services System
EST	Employability Skills Training
RTO	Registered Training Organisation
TtW	Transition to Work



## Executive summary

In the 2016–17 Budget, the Australian Government announced Youth Jobs PaTH (PaTH) and committed \$762.6 million to it over four years. PaTH is designed to provide a pathway to work by giving young people employability skills, creating opportunities for work experience through PaTH Internships (Internships), and supporting employment opportunities with the Youth Bonus Wage Subsidy.

The Department of Education, Skills and Employment<sup>1</sup> (the department) is delivering PaTH. The Youth Bonus Wage Subsidy began in January 2017 and Employability Skills Training (EST) and PaTH Internships began in April 2017.

This report presents an 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.

Between 1 January 2017 and 31 March 2018, 37,064 young people used at least one element of PaTH<sup>2</sup>.

### 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<sup>3</sup>. Between 1 April 2017 and 31 March 2018, 17,655 young people began either a Block 1 or a Block 2 EST course.

Awareness of EST was high among jobactive providers, but some EST providers felt that they needed to educate them 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.

Young people who had a mandatory requirement to attend EST could be opted out by their jobactive provider. Providers typically chose not to refer eligible young people who were unlikely to benefit.

Many EST providers reported that low referrals caused them to cancel or reschedule courses<sup>4</sup>. 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.

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<sup>1</sup> 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.

<sup>2</sup> The first job placement with a Youth Bonus Wage Subsidy was on 10 October 2016; however, the Youth Bonus Wage Subsidy began on 1 January 2017.

<sup>3</sup> See Section 1.1.1 for more about EST.

<sup>4</sup> At the time of the evaluation, the administrative data did not differentiate between cancellation and rescheduling. Courses could be rescheduled for a range of reasons, including low referrals.





Most jobactive providers preferred specialist EST courses (for example, hospitality focused) to general courses. Young people preferred courses focused on job hunting, career development and interview skills over courses on pre-employment skills, and preferred project or scenario-based activities.

Typically employers rated interns who undertook EST before an Internship as more work ready 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 gain a job, Internship or education placement than those who only participated in a single block.

## PaTH Internships

PaTH Internships are voluntary work experience placements for unemployed young people with businesses over four to 12 weeks<sup>5</sup>. Between 1 April 2017 and 31 March 2018, 4498 young people started Internships.

Around half of interns under jobactive (57 per cent), Transition to Work (TtW) (54 per cent) and Disability Employment Services (DES) (43 per cent) achieved a job placement within three months following the end of the PaTH Internship. Providers and young people 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.

Awareness of Internships was high among jobactive providers. Providers thought Internships were more suitable for young people without previous work experience or previous experience in their industry of interest. Providers found the administration of Internships relatively straightforward except for the risk assessments. Providers liked that they could negotiate the Internship duration or extend the Internship placement based on the young person's needs. Many providers targeted small to medium businesses, as these were more motivated by the \$1000 host business payment. A few providers liked targeting larger businesses that had more capacity to take on interns.

Businesses and young people typically heard about Internships from providers. Businesses liked the flexibility of being able to trial a young person for four to 12 weeks. Most businesses thought that the \$1000 host business payment was an adequate incentive. The more common reasons businesses gave for not hiring interns after the Internship included the intern being unsatisfactory, the intern leaving before their placement ended, 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 said they would be likely to use PaTH Internships again for future recruitment needs.

Young people valued the \$200 fortnightly incentive payment. They also valued the work experience, learning new skills, trialling a new industry and showing businesses they could do the job without having to go through a recruitment process.

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<sup>5</sup> See Section 1.1.2 for more about PaTH Internships.



## 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<sup>6</sup>.

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 into work. Of young people whose last job placement involved a Youth Bonus Wage Subsidy, approximately half under jobactive (51 per cent) and TtW (49 per cent) were off income support after three months. Most businesses that received a subsidy agreed that the Youth Bonus Wage Subsidy had influenced their decision to hire.

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<sup>6</sup> See Section 1.1.3 for more about the Youth Bonus Wage Subsidy.

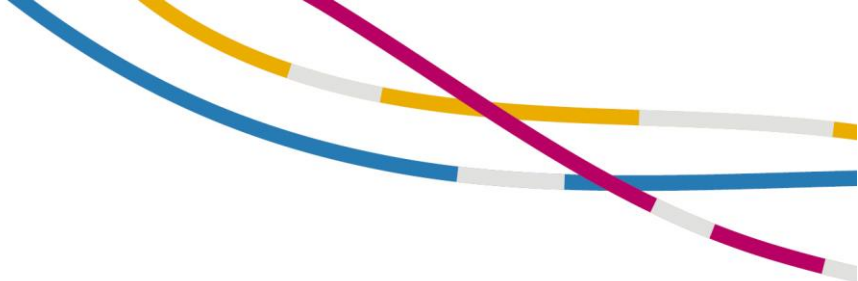
## Departmental response to evaluation findings

The Department of Education, Skills, and Employment (the department) is using the findings from the Youth Jobs PaTH Evaluation to inform ongoing policy and program development. A number of findings from the evaluation have already been addressed by subsequent changes.

Finding	Response
<p>Many Employability Skills Training (EST) providers reported that low referrals early in EST caused them to cancel or reschedule courses.</p>	<p>The department has worked with EST and jobactive providers to increase referrals to courses. For example, from August 2018, the department increased referrals from jobactive providers by instructing them to refer EST-mandatory young people to EST or another appropriate activity. During January and February 2019:</p> <ul style="list-style-type: none"> <li>• the volume of referrals more than doubled compared with previous periods</li> <li>• commencement rates increased (82 per cent of referrals resulted in a young person commencing)</li> <li>• average course sizes increased</li> <li>• unused courses decreased (to 17 per cent in February 2019).</li> </ul> <p>As at 31 December 2019, there have been 52,493 participants in EST.</p>
<p>jobactive providers considered specialist EST courses beneficial to young people as they provided relevant information, matched labour market demands and had a clearer focus in the course content. jobactive providers also thought it was easier to promote the benefits of specialist EST courses to young people, as they provided more specific, and often more hands-on, skills to help young people gain employment.</p>	<p>EST is designed to be flexible and provide opportunities for both general courses and more targeted training tailored to specialised industries.</p> <p>This approach enables EST to better meet the diverse needs and career aspirations of young people.</p>
<p>A few young people felt that they had limited choice in whether they participated in an Internship. These young people believed that taking part in the Internship was mandatory. A small number of other young people reported that</p>	<p>The guidelines for Youth Jobs PaTH Internships state that before the Internship starts, providers must ‘re-confirm with the participant that participation in an Internship is voluntary and they can leave an Internship at any time without penalty’. Providers are continuously educated on the program parameters, including the voluntary nature of Internships.</p>

Finding	Response
<p>their provider informed them that their income support payments would be reduced if they did not participate.</p>	<p>The department's post-program surveys of job seekers from July 2017 to June 2018 showed that 87 per cent of participants knew their Internship placement was voluntary, and 92 per cent were satisfied with their provider's explanation of Internship conditions and of what was expected of them.</p>
<p>jobactive providers reported that PaTH Internships were difficult to source.</p>	<p>The department continues to work on initiatives to increase participation in PaTH Internships. By early 2019, a majority of providers had introduced dedicated internship coordinators to improve engagement with job seekers and employers.</p> <p>Additionally, the department's Employer Liaison Officers continue to identify large-scale and pipeline opportunities to increase the take-up of PaTH and developed tailored pathways to work for young people.</p>
<p>Providers found the administration of Internships relatively straightforward except for the risk assessments.</p>	<p>The department works with providers to ensure the risk assessment process is streamlined and easy to understand.</p> <p>Providers can choose how they document their risk assessments to meet the individual needs of businesses across a range of industries while still ensuring the host business has a safe system of work in place for the Internship.</p>
<p>Some providers wanted more clarity on what the definition of 'competent persons' meant in the context of completing a risk assessment.</p>	<p>The deeds in place with each provider define a competent person as someone who has acquired through training, qualification or experience the knowledge and skills to carry out specific work health and safety tasks, including risk assessments. This definition is consistent with the definition found in the <i>Work Health and Safety Regulations 2011</i>.</p> <p>The department provides additional information on risk assessments, including links to work health and safety information from states and territories and Safe Work Australia.</p>
<p>A small proportion of businesses reported that some Internships lasted longer than 12 weeks and some interns participated more than 25 hours a week.</p>	<p>The guidelines for Internships state that the Internship may be for four to 12 weeks in duration and a maximum of 50 hours per fortnight. The host business and the intern have flexibility to manage hours of participation over a fortnight (up to the 50-hour maximum) to reflect the needs and requirements of both the intern and the host business.</p>

Finding	Response
	<p>The PaTH Internship Agreement between the host business, job seeker and provider specifies the voluntary nature of the placement and the agreed length and hours of participation.</p> <p>Providers are responsible for ensuring PaTH Internships comply with these and other requirements and can offer support to young people to ensure the quality of their placements.</p> <p>The department is committed to ensuring that Internships operate as designed, and has robust assurance mechanisms. Monitoring can include data analytics, participant and business feedback, and issues flagged through media coverage.</p> <p>Where the department becomes aware of an issue, it works with providers to take appropriate and proportionate rectification actions.</p>
<p>Some host businesses reported that they were unable to offer interns a job at the end of the Internship.</p>	<p>The PaTH Internships guidelines state that providers must check before a PaTH Internship Agreement is created that an eligible business has a reasonable prospect of offering the young person a job.</p> <p>The department recognises that the circumstances of a business could change unexpectedly during the Internship and they may no longer be in a position to offer employment to the participant at the end of the Internship.</p> <p>Most providers and young people who participated in Internships noted that even when an Internship did not convert to paid employment, participants gained work experience, developed self-confidence and learned new skills. This enabled some young people to gain a job with a different employer.</p> <p>Additionally, some providers reported that participation in PaTH Internships led them to identify previously unknown barriers in their job seekers. This meant providers could better target future assistance.</p>



Finding	Response
Some providers felt the Youth Bonus Wage Subsidy had a high administrative workload.	The department continues to work closely with stakeholders to avoid unnecessarily imposing red tape and administrative burden. This includes consulting with providers to ensure they are assisting employers to manage their wage subsidy agreements and that operational business models do not impose unnecessary administration.
Some businesses reported difficulty knowing what to do when establishing and managing wage subsidies online.	<p>The guidelines for wage subsidies state that providers are responsible for assisting employers to set up wage subsidy agreements.</p> <p>The department works with providers to assist them to establish and manage wage subsidies, including providing training and making written guidance available for working with host businesses.</p>

## 1. Youth Jobs PaTH summary

In the 2016–17 Budget, the Australian Government announced a Youth Employment Package to assist young people to improve their employment prospects. The core of the package was Youth Jobs PaTH (Prepare-Trial-Hire), budgeted at \$762.6 million over four years. PaTH is designed to provide a pathway to work by providing young people with the employability skills that employers want, opportunities for work experience, and the support to move from welfare to work. PaTH also aims to give young people more confidence and incentivise them to make the transition to employment.

This report has four parts: an overall section that covers PaTH as a whole (including employer mobilisation activities), and sections on Prepare (EST), Trial (PaTH Internships) and Hire (Youth Bonus Wage Subsidy).

Youth Jobs PaTH had a staged introduction. The Youth Bonus Wage Subsidy began on 1 January 2017. Providers could backdate wage subsidies for employment that had begun up to 84 days earlier. The first backdated subsidy agreement was for a job placement on 10 October 2016. PaTH Internships and EST began on 1 April 2017.

Table 1 presents the different elements of PaTH that are available to jobactive, TtW and DES providers. TtW and DES 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. Furthermore, as different wage subsidy arrangements apply to DES than to jobactive and TtW, employers that hire DES participants do not have access to the Youth Bonus Wage Subsidy.

**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
TtW	No	Yes	Yes
DES	No	Yes	No


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

### 1.1. What is Youth Jobs PaTH?

Youth Jobs PaTH consists of three elements that complement existing employment services programs. The program rules for PaTH are set out in program guidelines prepared by the department and in deeds between the relevant departments and contracted providers.

#### 1.1.1 Employability Skills Training

EST is the ‘Prepare’ component of Youth Jobs PaTH. EST is intended to offer young people the opportunity to understand the expectations of employers, both in recruitment and in the workplace. EST aims to assist young people to enhance their work readiness through two training courses, each with a different content focus.



Training Block 1 courses are designed to equip participants with pre-employment skills and prepare them to meet the expectations of employers. The content of these courses must cover the 10 Core Skills for Work listed in the Core Skills for Work Developmental Framework (2013).

Training Block 2 courses focus on job preparation and are designed to equip participants with advanced job hunting, career development and interview skills. They must also provide the opportunity to participate in Industry Awareness Experiences. Industry Awareness Experiences can include employer visits to the training environment, creating work-like environments, or group tours of workplaces to watch and learn what is required for different occupations and industries.

Each EST course must be delivered to a minimum of 10 participants in a non-regional location or eight participants in a regional location. If the course does not have the minimum number of referrals and the EST provider has worked with jobactive providers to increase referrals but has been unsuccessful, an EST provider may contact the department to seek approval to begin a course with fewer than the minimum number of participants.

The EST providers may choose to deliver units of competency (as defined on the Department of Education, Skills and Employment website) as part of an EST course.

Young people can do EST courses in any order and may do one or both blocks. Each block is 75 hours of face-to-face training. Courses are for 25 hours a week for three weeks for participants with a full-time participation requirement, and 15 hours a week for five weeks for participants with a part-time participation requirement. A young person may attend an EST course block more than once if the provider thinks it is necessary (for example, if the young person was unable to complete the course when initially referred).

A young person is eligible to participate in EST if they:

- are aged 15 to 24 years (inclusive) and participating in jobactive
- have Mutual Obligation Requirements, and
- are receiving income support.

An EST-eligible young person has a mandatory requirement to participate in EST once they have received services through jobactive for five months. An EST-mandatory young person must be immediately considered for both EST courses and must be referred to the most suitable EST course regardless of which EST provider is delivering the course. Providers under jobactive have the discretion not to refer a job seeker to an EST course or include EST as a compulsory activity in their Job Plan if the provider considers that the young person:

- has non-vocational barriers that must be addressed first as a priority before they can benefit from an EST course. This could include language barriers, health issues or family problems
- already demonstrates employability skills (such as through having relevant recent workforce experience or already having a part-time job)
- has already completed training similar to EST.



### 1.1.2 PaTH Internships

PaTH Internships are the 'Trial' component of Youth Jobs PaTH. PaTH Internships aim to allow young people to demonstrate their skills to businesses, develop vocational skills and improve their employment prospects. Each Internship is voluntary and for 30 to 50 hours per fortnight over four to 12 weeks.

A young person in an Internship receives \$200 per fortnight in addition to their normal income support payment. Host businesses receive a one-off \$1000 towards the costs of training and hosting the young person. Providers are eligible for an outcome payment if the intern participated in the Internship for between 30 and 50 hours per fortnight and:

- participated in the Internship for at least two weeks and then obtained employment
- participated in the Internship for at least four weeks before agreeing with the host business and the provider to end the Internship before the end date specified in the PaTH Internship Agreement, or
- completed the Internship duration specified in the PaTH Internship Agreement.

In the evaluation period, to be eligible for Internships a participant had to:

- be aged 17–24 years (inclusive)
- be on income support and have Mutual Obligation Requirements
- be registered in jobactive, TtW or DES
- have been continuously receiving employment services from any jobactive, TtW or DES provider for at least six months<sup>7</sup>.

Providers are required to check before a PaTH Internship Agreement is created that the host business meets all eligibility requirements to host an Internship. An eligible business must:

- have a valid Australian Business Number (ABN)
- have a reasonable prospect of employment, which means that the business
  - has a current vacancy
  - is likely to have a vacancy following the Internship, or
  - has a regular pattern of recruitment for a position aligned with the participant's interests, experience and qualifications.

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<sup>7</sup> From 1 July 2019, to be eligible to participate in a PaTH Internship, young people must be on income support, have Mutual Obligation Requirements, and:

- be in jobactive Stream A and have been continuously in services for at least six months
- be in jobactive Stream A and have participated in either Block 1, or Block 2 Employability Skills Training, or
- be in jobactive Stream B or C, Transition to Work or Disability Employment Services.



### 1.1.3 Youth Bonus Wage Subsidy

The Youth Bonus Wage Subsidy is the ‘Hire’ component of Youth Jobs PaTH. The Youth Bonus Wage Subsidy is only available under jobactive and TtW. Employers can receive an incentive of up to \$10,000 (GST inclusive) over a 26-week agreement for hiring a young person aged between 15 and 24 years (inclusive) in an ongoing job of at least an average of 20 hours a week. For the employer to be eligible for the Youth Bonus Wage Subsidy, the young person needs to have received employment services from a provider (jobactive, TtW, ParentsNext, DES or Community Development Program) continuously for at least the last six months<sup>8</sup>. The Youth Bonus Wage Subsidy is up to \$6500 for Stream A participants and up to \$10,000 for Stream B or Stream C participants and for TtW participants on income support payments<sup>9</sup>.

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<sup>8</sup> Even though service in DES counts towards the six months for jobactive and TtW participants, employers of DES participants are not eligible for the Youth Bonus Wage Subsidy.

<sup>9</sup> Under the Closing the Gap measures announced in the Australian Government’s 2017–18 Budget and implemented on 1 January 2018, Indigenous Australians became eligible for a wage subsidy from day one in employment services (rather than waiting until they have been in employment services continuously for the previous six months). Eligible employers have access to a wage subsidy of up to \$10,000 (GST inclusive) to hire Indigenous Australians (increased from \$6500).



## 2. Evaluation approach

### 2.1 Evaluation scope and objectives

The evaluation of Youth Jobs PaTH assesses the effectiveness and appropriateness of each program element and reports on the:

- **extent to which the design and operational processes of Youth Jobs PaTH were effective in meeting the needs of key stakeholders (appropriateness)**

The evaluation explores the benefits, challenges, barriers and unexpected consequences associated with PaTH. It also examines how young people, businesses, providers and other stakeholders valued each program element.

- **outcomes of Youth Jobs PaTH and achievement of its objectives (effectiveness)**

The evaluation examines awareness of, referrals to and participation in each element of PaTH, as well as the training and employment outcomes of young people who participated in PaTH. This includes reporting on the achievements of the department's employer mobilisation work.

The evaluation examines the perspectives of all three employment services (jobactive, TtW and DES) and of EST providers. The Department of Education, Skills and Employment has worked with the Department of Social Services to include the experiences and perspectives of DES.

This evaluation report presents findings on the overall performance of Youth Jobs PaTH and of the Prepare, Trial and Hire components. The evaluation of the Youth Bonus Wage Subsidy component will be complemented by a fuller evaluation of wage subsidies as a part of the jobactive evaluation. Additional analysis assessing the longer-term impacts of PaTH and providing more definitive analysis of its effects is ongoing.

The Social Research Centre (external researchers) was commissioned to conduct research in support of the evaluation of Youth Jobs PaTH.

### 2.2 Data sources

Quantitative and qualitative data sources used in this evaluation were:

- **Department of Education, Skills and Employment and Department of Social Services administrative data**

This data includes information on job seekers who have received employment assistance, including their Job Seeker Classification Instrument (JSCI) assessments, types of assistance received through employment services, job placements and paid outcomes. The report uses data on young people who participated in at least one element of Youth Jobs PaTH from 1 January 2017 to 31 March 2018, with administrative data extracted as at 31 March 2018, unless otherwise stated. Any job placements are measured with data as at 30 June 2018, unless otherwise stated.



- **Income support data in the Research and Evaluation Dataset (RED)**

RED consists of unit record level data for customers who have been on an income support payment (excluding Department of Veterans' Affairs pensions) for at least one day since 1 July 1998. Any income support outcomes are measured with data as at 30 June 2018, unless otherwise stated.

- **2017 Survey of Employment Service Providers**

The Department of Education, Skills and Employment has run regular surveys of employment services providers since 1999. The surveys seek the views of providers on the quality of services provided by the department and the delivery of employment services. The department conducted the 2017 survey from August to September 2017 for jobactive and from November to December 2017 for TtW.

- **2018 PaTH Host Business Survey**

External researchers conducted the 2018 PaTH Host Business Survey to collect information on the perceptions of businesses that hosted a PaTH Internship. This included seeking their views on PaTH, business take-up of the Youth Bonus Wage Subsidy, overall experiences of the Internship, and satisfaction with providers. The respondent was the person who would be able to answer questions relating to hosting, training and supporting interns at the business. The sample was drawn from the department's administrative data on Internship placements up to and including 25 February 2018. The survey ran from April to May 2018 (including pilot testing), with 856 responding businesses. It was conducted online and by Computer Assisted Telephone Interviewing.

- **2017 EST Participant Survey**

The Department of Education, Skills and Employment conducted an EST participant survey in 2017 to collect information from young people who had started an EST Block 1 or Block 2 course. The survey included questions on attendance, satisfaction with the course and skills learned. The survey ran from September to October 2017. It was conducted online and by Computer Assisted Telephone Interviewing.

- **2017 and 2018 fieldwork**

External researchers gathered the views and experiences of young people who had been referred to or participated in EST (Block 1 and/or Block 2 courses) or an Internship through focus groups and in-depth interviews (see Appendix). Researchers also held in-depth discussions with jobactive, TtW, DES and EST providers. The researchers conducted in-depth interviews with businesses that had hosted an Internship and those that had not hosted an Internship. The external researchers also interviewed departmental staff and peak bodies that represent employment services providers. The fieldwork ran from September to November 2017 and from March to May 2018. Departmental staff also conducted a small number of interviews.

- **2017 Survey of Job Seeker Experiences of Employment Services**

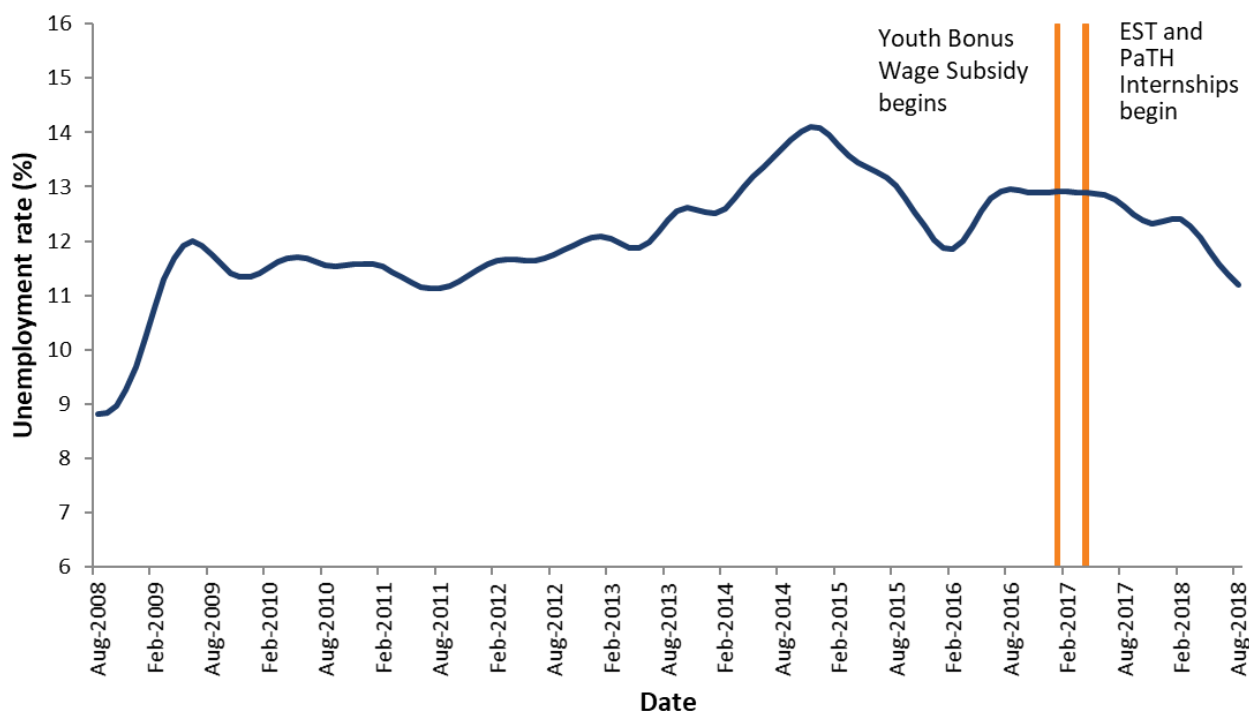
External researchers conducted this survey using Computer Assisted Telephone Interviewing in August and September 2017. The survey contained a module where respondents under the age of 25 who were jobactive participants were asked questions about EST and PaTH Internships related to awareness and usage.

## 2.3 Labour market conditions

The impact of employment services programs can be influenced by broader macroeconomic conditions. The unemployment rate for 15 to 24 year olds has fluctuated over the past decade (Figure 1). From the beginning of the first component of PaTH (the Youth Bonus Wage Subsidy) in January 2017, the labour market for youth was improving. From January 2017 to March 2018, the main period of the evaluation, the unemployment rate fell from 12.9 per cent to 12.3 per cent. Similarly, the participation rate rose from a near decade low of 66.3 per cent in January 2017 to 67.7 per cent in March 2018. This is part of a longer trend: the unemployment rate kept falling to 11.2 per cent and the participation rate kept rising to 68.1 per cent by August 2018.

There can be substantial variation in the youth unemployment rate across Australia. A report by the Brotherhood of St Laurence (2019) has identified regions where the youth unemployment rate is substantially higher than the national average. For example, the Queensland–Outback and Coffs Harbour–Grafton regions have youth unemployment rates higher than 20 per cent<sup>10</sup>. As at December 2018, the national youth unemployment rate was 11.2 per cent (Brotherhood of St Laurence, 2019).

Figure 1: Unemployment rate, August 2008 to August 2018, youth 15–24 (trend)



Source: Australian Bureau of Statistics (2018).

<sup>10</sup> Labour Market Information Portal calculations, 12-month average of ABS Labour Force Survey data to December 2018.

## 3. Overall Youth Jobs PaTH

### 3.1 Overall findings

A total of 37,064 young people undertook at least one element of Youth Jobs PaTH<sup>11</sup>. Of these young people:

- 35,254 were engaged through jobactive
- 1596 were engaged through TtW
- 284 were engaged through DES<sup>12</sup>.

Participation in TtW and DES was lower than in jobactive given the significantly smaller eligible caseloads of TtW and DES and because they are not eligible for all three elements of PaTH.

#### 3.1.1 jobactive

For the 35,254 young people under jobactive who participated in PaTH, the top five ways were:

- 14,288 (41 per cent) had a job placement supported by a Youth Bonus Wage Subsidy only
- 7842 (22 per cent) started an EST Block 1 course only
- 3078 (9 per cent) started an EST Block 2 course only
- 2526 (7 per cent) started an EST Block 1 course first and then started an EST Block 2 course
- 1439 (4 per cent) started an Internship only.

#### 3.1.2 TtW

For the 1596 young people under TtW who participated in PaTH, the top three ways were:

- 1162 (73 per cent) had a job placement supported by a Youth Bonus Wage Subsidy only
- 254 (16 per cent) started an Internship only
- 122 (8 per cent) started an Internship first and then began a job with a Youth Bonus Wage Subsidy.

EST is not available to TtW participants.

#### 3.1.3 DES

Of the 284 young people under DES who participated in PaTH:

- 270 (95 per cent) started an Internship
- 14 (5 per cent) went on to start a second Internship.

EST and the Youth Bonus Wage Subsidy are not available to DES participants, as DES providers are expected to deliver similar supports.

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<sup>11</sup> All data in this section is as at 31 March 2018, unless otherwise stated.

<sup>12</sup> These numbers do not add up to the total number assisted under Youth Jobs PaTH, as a young person may move between employment services and undertake a PaTH element again.

### 3.1.4 Employer Liaison Officers

As part of Youth Jobs PaTH, the department introduced the role of Employer Liaison Officers (ELOs) to encourage business participation in the initiative and in employment services generally. ELOs support employers to co-design and implement recruitment solutions and access employment services and other support through a streamlined and coordinated approach. In particular, ELOs work with employers and industries with significant labour demand facing shortages or significant growth to connect employment services providers and job seekers with these opportunities. Typically ELOs aim to support connections between larger businesses and providers by using strategic pathways to arrange Internship placements. ELOs can also support individual Internships directly by:

- talking to businesses about issues that arise before the Internship begins (such as eligibility requirements)
- coordinating larger placement groups across multiple providers (including risk assessments)
- providing ongoing support to employers and linking them to other areas of the department (such as contract managers).

ELOs have influenced take-up of PaTH Internships and employment services. As of 30 September 2018, 17 per cent of Internship placements have had contact with an ELO. ELOs have also supported 242 new businesses to engage with jobactive since January 2017.

ELOs had higher levels of engagement with provider staff at the regional or state manager level and typically targeted larger businesses. This may explain the low awareness of ELOs among employment provider interviewees, who were more typically site-level staff.

## 3.2 Participant pathways


While it is possible for jobactive providers to offer each element of PaTH as an integrated pathway for young people, in practice PaTH seemed to operate more as a suite of alternative tools that providers could use independently or jointly to support particular young people and to tailor assistance to each young person's needs.

Some providers did present PaTH as a package to prospective businesses, particularly by promoting a young person to a business as someone who could be supported by a combined package of an Internship followed by a Youth Bonus Wage Subsidy.

So, that's discussed right up front. Because those who are eligible for PaTH are eligible for wage sub. So, it's a double sell if you like. Because that secures the job at the end. And that's what's needing to happen. So you need to have both. You know. So, yes, it's a great thing. So, anyone who's secured has gone on with the wage sub.

Provider 37, TtW, QLD

Similarly, some providers mentioned presenting Youth Jobs PaTH to young people as a package that started with EST and could lead to an Internship.



... when we do the EST referral, we consider it as part of the package, so you're going to go and do an EST course, and then you're going to do an Internship — that's the goal, so it's part of that.

Provider 34, jobactive, WA

Sections 4, 5 and 6 of this report outline barriers providers encountered that may have affected their ability to use all three PaTH components as a package. Eligibility timeframes may have reduced providers' use of multiple components. For example, young people can voluntarily participate in EST when they start in employment services, but cannot access Internships or a Youth Bonus Wage Subsidy until they have received income support for six months<sup>13</sup>. This means they may finish EST but be unable to access an Internship or be supported into a job with a Youth Bonus Wage Subsidy. While some job seekers may find employment after only completing EST, providers reported that it may be beneficial for other young people to be eligible for Internships and the Youth Bonus Wage Subsidy directly after completing an EST course<sup>14</sup>.

... some of our clients are eligible for EST, but not for the Internship, which would be something that I would recommend needs to change. If they're eligible for one, they should be eligible for both, just because they only get, kind of, half the service then, if they're only going to EST, but then we can't actually put them into an Internship to use those skills that they've just learnt.

Provider 34, jobactive, WA

### 3.2.1 jobactive

Youth Jobs PaTH was presented as a pathway to employment that has three elements that may or may not be completed in order (EST, Internship and Youth Bonus Wage Subsidy), noting that the most effective pathway for a young people through Youth Jobs PaTH is dependent on their needs.

Data from the 2017 jobactive provider survey<sup>15</sup> indicates that almost half (44 per cent) of respondents agreed that the most effective Youth Jobs PaTH combination to help young people find ongoing employment would be to use the elements in linear order: EST, then Internship, then Youth Bonus Wage Subsidy. However, in practice the linear order was not regularly used: only 316 young people (1 per cent) followed this pattern.

Providers under jobactive considered that the second most effective combination (26 per cent) to assist young people to be an Internship and a Youth Bonus Wage Subsidy, and the third (12 per cent) to be EST and a Youth Bonus Wage Subsidy.

Typically young people only completed one or two PaTH elements.

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<sup>13</sup> Indigenous Australians can immediately have access to wage subsidies, including the Youth Bonus Wage Subsidy.

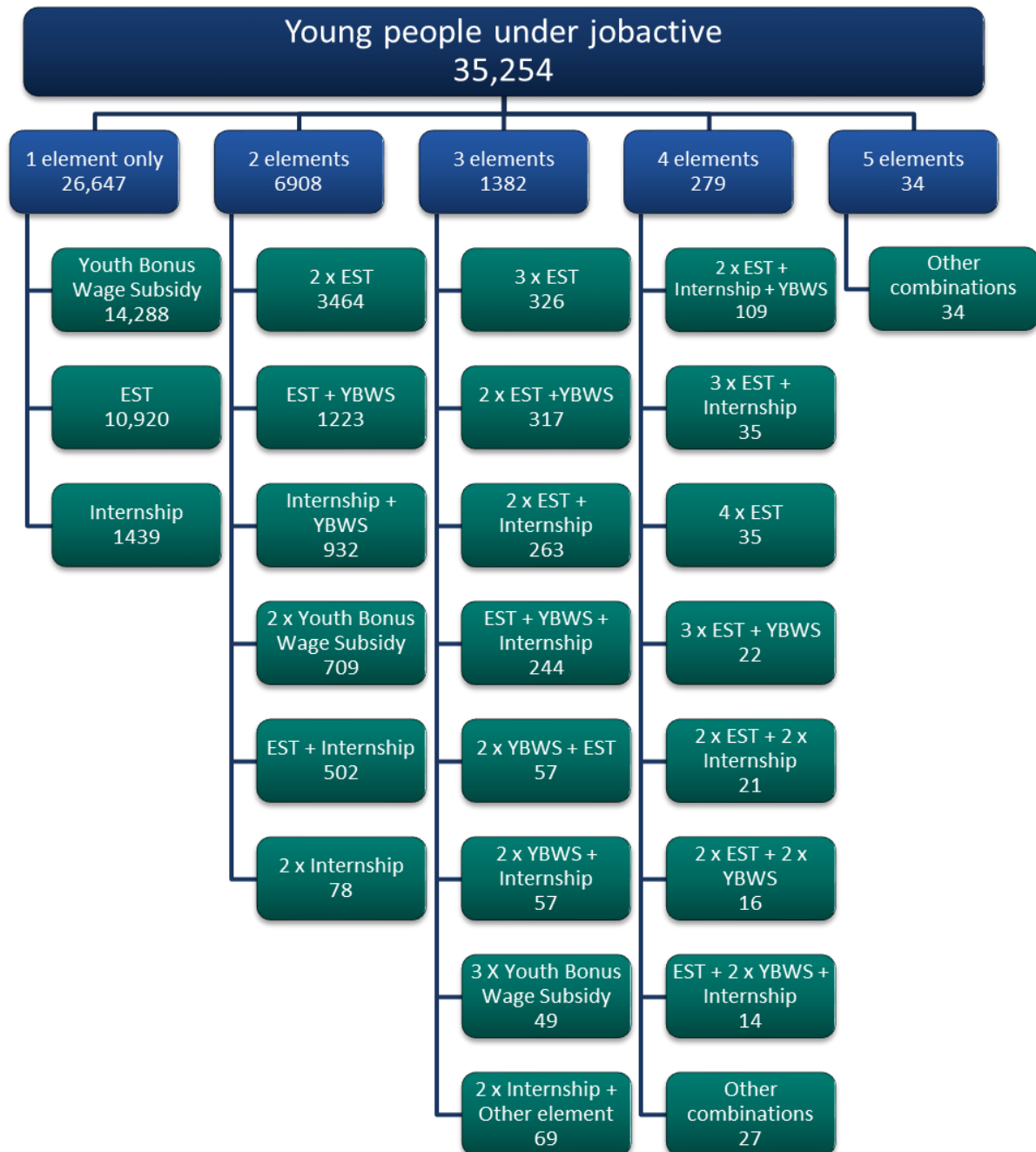
<sup>14</sup> This issue has since been addressed. From 1 July 2019, to be eligible to participate in a PaTH Internship, young people must be on income support, have Mutual Obligation Requirements, and:

- be in jobactive Stream A and have been continuously in services for at least six months
- be in jobactive Stream A and have participated in either Block 1 or Block 2 Employability Skills Training, or
- be in jobactive Stream B or C, Transition to Work or Disability Employment Services.

<sup>15</sup> There are no equivalent questions for TtW and no equivalent survey for DES.




**Figure 2: Numbers of Youth Jobs PaTH elements and combinations of elements commenced by young people under jobactive**



Note: The combinations for the fewer than five young people who began six or seven PaTH elements are not shown. Some elements have been combined and are described as 'Other combinations' for confidentiality purposes.

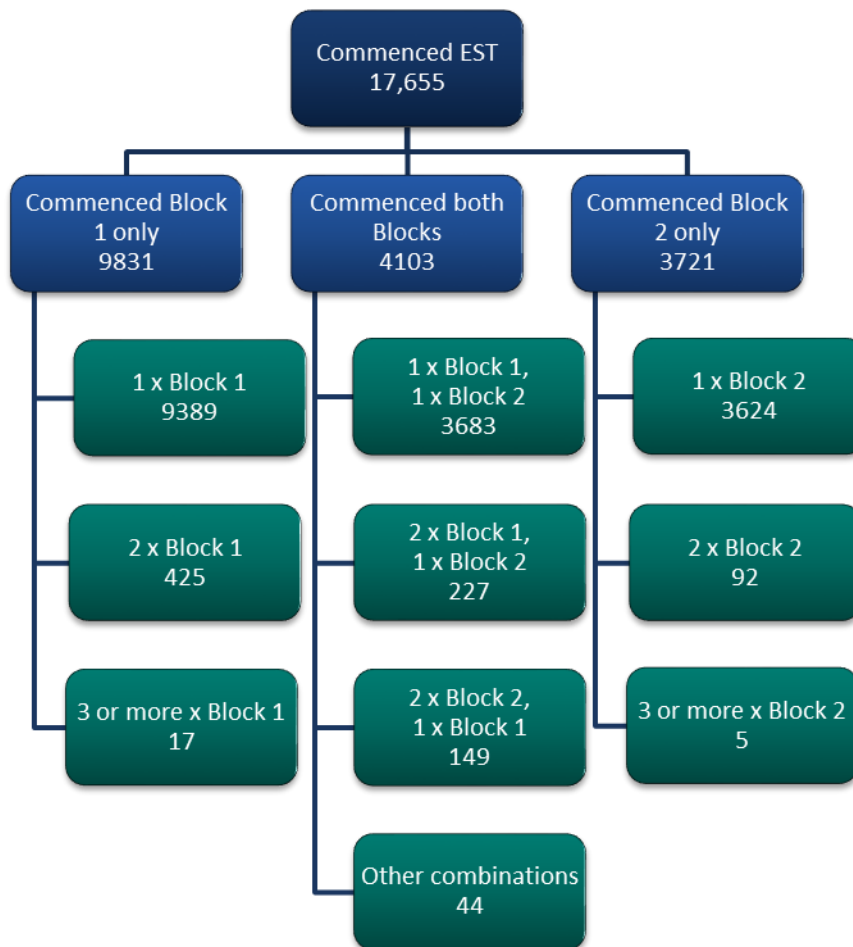
Source: Department of Education, Skills and Employment administrative data.



The elements of Youth Jobs PaTH that young people under jobactive started (regardless of order) are summarised in Figure 2. This indicates that:

- 76 per cent or 26,647 (out of the 35,254 young people who participated in PaTH) only started one element of PaTH
- 50 per cent or 17,655 participated in a PaTH element and also started EST, of whom (see Figure 3 for combinations of EST usage)
  - 23 per cent started both blocks
  - 56 per cent started Block 1
  - 21 per cent started Block 2
- 20 per cent or 6908 young people started two PaTH elements, of whom
  - 3464 started two EST courses
  - 1223 started an EST course and a job supported by a Youth Bonus Wage Subsidy
  - 932 started an Internship and a job supported by a Youth Bonus Wage Subsidy.
- 5 per cent or 1699 young people started three or more elements of PaTH, of whom
  - 326 started three EST courses
  - 317 started two EST courses and a job supported by a Youth Bonus Wage Subsidy.
- 1 per cent or 398 young people started all three elements of PaTH.

**Figure 3: Numbers of young people commencing EST and participating in different types of training**



Note: Other combinations are not elaborated on as they have small cell counts that may be identifiable.  
 Source: Department of Education, Skills and Employment administrative data.

### 3.2.2 Transition to Work

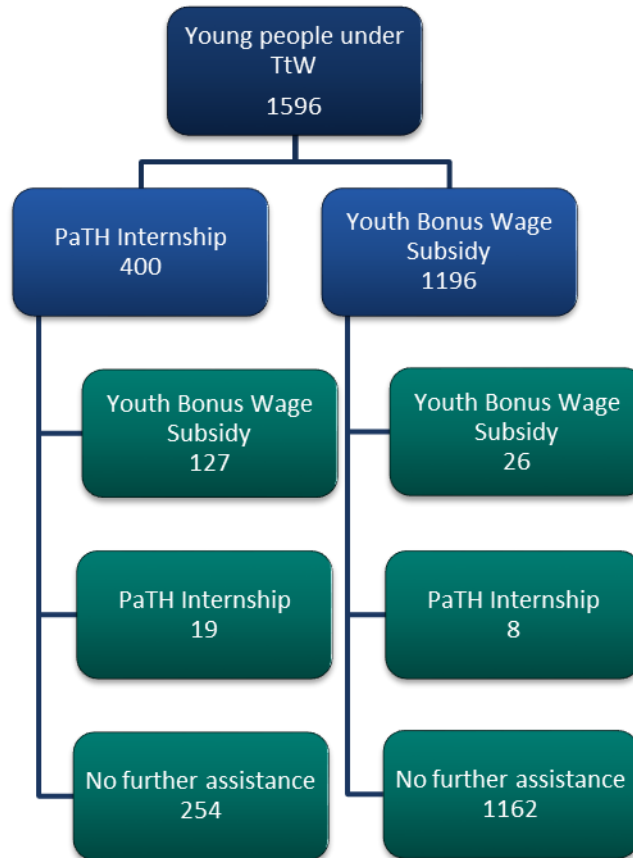
Young people being serviced under TtW are able to access the Internship and Youth Bonus Wage Subsidy elements of Youth Jobs PaTH (see Section 1 for more on differences in eligibility between the elements of PaTH).

Figure 4 shows the ways young people under TtW have used Youth Jobs PaTH.

- Of the 1,196 young people who had a job placement supported by a Youth Bonus Wage Subsidy:
  - 97 per cent or 1,162 only used the wage subsidy
  - 2 per cent or 26 had a second subsidised job placement
  - fewer than 1 per cent or eight started an Internship.
- Of the 400 young people who started an Internship:
  - 64 per cent or 254 started only one Internship

- 31 per cent or 127 started an Internship and progressed to a job supported by a Youth Bonus Wage Subsidy
- 5 per cent or 19 started a second Internship.

**Figure 4: Pathways through Youth Jobs PaTH for young people under TtW**



Note: Any assistance beyond the second type is not included as there are small populations that may be identifiable.  
Source: Department of Education, Skills and Employment administrative data.

### 3.2.3 Disability Employment Services


Young people under DES can only participate in the Internship element of Youth Jobs PaTH.

Of the 284 young people under DES who started an Internship:

- 95 per cent or 270 started one Internship
- 5 per cent or 14 started a second Internship.

## 3.3 Employer mobilisation activities

As part of Youth Jobs PaTH, the department introduced the role of ELOs to encourage typically larger employers to participate in the initiative and employment services more generally. The department encourages employers to take on interns through employer engagement activities targeting large-scale employment opportunities.



This includes direct engagement with employers and business/industry peak bodies to:

- build collaborative relationships with key industry peak bodies to increase reach and penetration among their member businesses
- target businesses and industries with workforce needs due to growth opportunities, ageing workforces, regular attrition or labour shortages
- work with Group Training Organisations on apprenticeship pathways through PaTH.

The department's employer engagement activities have also connected with those who influence employers, such as business advisers, local governments, regional and economic development committees, and managers of business support programs, to raise awareness of and interest in Youth Jobs PaTH and jobactive. Between 1 January 2017 and 30 September 2018, the department's 13 ELOs:

- engaged with more than 1750 employers and 360 industry peak bodies
- initiated and/or participated in more than 120 employer events
- delivered more than 245 presentations on PaTH and employment services.

ELOs had contact with businesses representing 17 per cent of the Internship placements made. ELOs also supported 242 new businesses to connect with and use the services of jobactive.

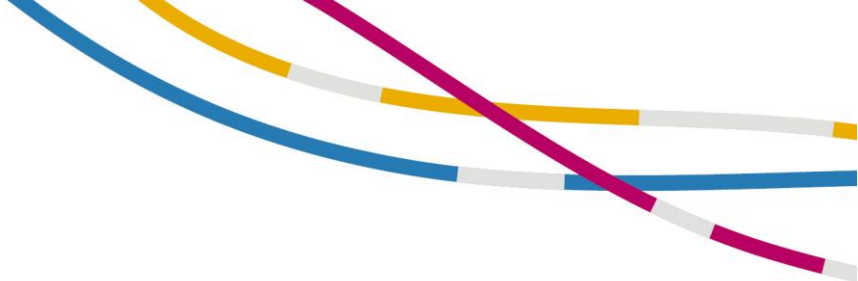
Examples of ELOs' engagement with businesses on PaTH Internships are:

- facilitating a pilot project with a large food business that took 11 interns, giving them rotations through sales, line and cooking positions. The business offered positions to eight of the young people who completed the Internship. As at October 2018, discussions were underway to roll this employment model out through different regions in which the business operates
- working with a hospitality business on a pilot project to take young people from EST into Internships, then into employment. As at October 2018, 19 young people had started Internships
- working with an automotive business to recruit interns in Victoria, South Australia, Western Australia and Queensland. As at October 2018, five interns had transitioned to full-time employment.

Examples of how ELOs have engaged employers with jobactive are:

- working with a state government department to develop an employer event and a local project to generate job opportunities for Aboriginal and Torres Strait Islander job seekers. The event was held in July 2018 and resulted in employers pledging over 1300 jobs
- working with transport companies in a regional area along with federal and state government departments (including a Registered Training Organisation) to trial employment pathways into the trucking industry.

In addition to holding events and developing strategic pathways to recruit Internship placements, ELOs have supported individual Internships directly.



For example, one interviewed ELO said they were involved in:

- talking to businesses about issues that arise before the Internship begins (such as eligibility requirements)

... we've said [to providers] please make sure they're eligible, out of eight young people three of them were not eligible for Internships ... So we ended up having to do [the National Work Experience Programme].

Employer Liaison Officer

- coordinating larger placement groups across multiple providers (including risk assessments)

... after we've talked to all the providers around making sure that the risk assessments are done you can either share the risk assessments or you can go in together. And then [one provider] says, 'Oh no we're not allowed to share them now.' So then we have to arrange for a special time for [provider] to come in and do a risk assessment with the employer ...

Employer Liaison Officer

- facilitating contact between businesses, providers and interns to ensure non-vocational issues were addressed

... so people not turning up or people saying they can't ring in because they've got no money on their phone to be able to ring in and say I'm not available or I'm sick or whatever. We have homelessness, domestic violence. And then I've got to be talking to the employer who says, 'I don't think all these people are ready' ... it's better for them to be in employment than not in employment; they're supported, we'll provide wrap around support.

Employer Liaison Officer

- providing support to businesses and liaising with other areas of the department (such as contract managers)

So the employer comes to me and says I'm not happy or she sends me an email. So then I go to the contract managers and say there's an issue ... So then I have to speak to the employer and go it's okay we've got our people onto it ... So it's this constant liaison role around, ensuring trust and confidence in the system is probably a good way of putting it.

Employer Liaison Officer


Businesses that were interviewed had limited awareness of the employer mobilisation activities. Providers had slightly higher awareness of, but limited involvement with, ELOs.

I haven't seen a lot of it in this region ... I'm not saying they're not doing nothing [sic], they are doing some things but I guess the communication around what they are doing or the progression of those things would be good.

Provider<sup>16</sup>

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<sup>16</sup> Due to the small number of ELOs across Australia this section only provides limited attribution, to protect the identity of research participants.



Providers and businesses that were interviewed may have had limited awareness of the employer mobilisation activities due to:

- ELOs dealing primarily with provider staff at the regional or state manager level
- limited information on the department website or the provider portal about ELOs and employer mobilisation activities
- businesses and providers only learning of ELOs after direct contact, whether at a department event or through individual contact regarding an issue with an Internship placement. As ELOs often work across large regions, it is unlikely that a business will be aware of ELOs without direct contact.

... building a relationship has been really key. I've got a huge patch, [name] and I do [location], that's a huge patch, you can't build relationships with everyone ... I always introduce myself as an employer liaison officer, but at the end of the day there's only 14 of us [ELOs] around Australia with at least conservatively 2.3 million businesses, it's a pretty wide component. Many of them [employers] who I've dealt with would certainly be able to talk to you about what I've done and how I've supported them. But there's a limited reach to what we can have. And there's certainly nothing on our websites or any other way with some of the other things we've been brainstorming but nobody knows about us unless they've met us, we don't exist ... I think if you're frontline [provider] staff you probably don't know a lot about me, some of them would. But regional [level staff] should all know us.

Employer Liaison Officer

A small number of providers who were interviewed were aware of employer mobilisation activities and had had contact with an ELO. Most providers who were aware of ELOs had had positive interactions with them and had received useful information and support from them during an Internship placement.

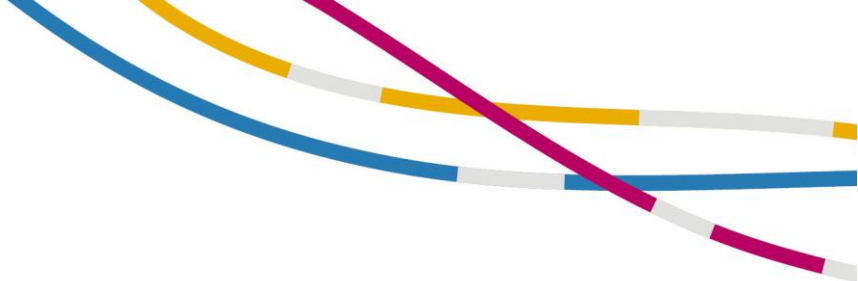
We've got [name] — she's the PaTH Employer Liaison Officer for our region. She's very active ... she's here to encourage employers, mobilise employers into PaTH and look for opportunities.

Provider

Like I attended a forum back in [month] probably now in [location] and the information that I gained there was really good. I also met with a member that was I think a head of the Employer Mobilisation Strategy and that was like I was able to pick [their] brain about a few different things and so that was really good. So look I think yeah. I would say that it's pretty good.

Provider

Despite the low awareness of employer mobilisation activities and the small number of ELOs nationally, there was evidence that they had a disproportionate impact on the regions where they operated, including for Youth Jobs PaTH. ELOs are more likely to be involved with businesses that have a large number of job vacancies or employ people across multiple states, which means ELOs can have an impact beyond the regions they work in.



... based on what connections we've got in our CRM [Customer Relationship Management] database it runs at about 12 or 13 per cent of all Internships are connected to an ELO ... I can probably easily count of 50 or 60 Internships that would be connected to me based on the work that I was doing.

Employer Liaison Officer



## 4 Prepare — Employability Skills Training

### 4.1 Overall findings

Between 1 April 2017 and 31 March 2018, 17,655 young people started either a Block 1 or a Block 2 EST course. Compared to the eligible caseload (of 115,480 as at 31 March 2018), EST participants were less likely to have disability, be from a non-English-speaking background or have an above high school equivalent education.

Providers under jobactive had high awareness of EST, while young people generally had low awareness. Employers also had low awareness of EST but usually had more knowledge than young people. Lack of awareness may have affected EST take-up.

EST providers marketed to:

- jobactive providers to inform them of the courses and improve referrals
- young people to encourage them to attend
- employers promoting young people's participation in EST to highlight pre-employment training and participants' improved soft and employability skills.


Interviewed EST providers mentioned that there were fewer referrals of young people to courses and more competition from other EST providers than they initially expected. A few EST providers ran their course regardless of the number of attendees. EST providers reported low referrals due to:

- few young people choosing to attend an EST course voluntarily
- providers under jobactive choosing not to refer eligible young people because they
  - already demonstrated employability skills
  - had already completed training similar to EST
  - had non-vocational barriers (for example, language barriers)
  - preferred to prioritise finding employment or other training opportunities.

Many EST and jobactive providers reported that EST courses were cancelled or rescheduled, often at very short notice, because of the low number of referrals. Cancelling or rescheduling an EST course had an impact on the:

- EST provider (for example, costs of room hire, providers pulling out of EST altogether)
- jobactive provider (for example, amending Job Plans, re-referring young people to other training courses)
- young person (for example, missing opportunities for training)
- employer (for example, no longer being willing to participate in Industry Awareness Experiences).

Most jobactive providers did not distinguish between Block 1 and 2 when referring young people. Providers under jobactive preferred specialist EST courses (for example, hospitality focused) to general courses. EST participants and jobactive providers reported that Block 2 training was



particularly beneficial where training was tailored to specific industries (for example, hospitality or construction).

EST providers encouraged young people to attend by:

- hiring buses to transport participants to the training facility
- offering food
- highlighting their unique teaching experiences (for example, special projects)
- sending messages reminding participants of the date, time and location of the course
- building rapport with the students.

EST providers reported that the process to record participant attendance was easy to understand and use. Providers under jobactive preferred courses to be run on their sites, so they could better monitor attendance.

Young people preferred Block 2 over Block 1, as they favoured a focus on finding employment (for example, writing cover letters) rather than on soft skills. Participants liked content that was delivered in project or scenario-based activities better than content only delivered in workbooks or classroom settings.

Participants and providers reported that EST benefited participants' development of soft and employability skills, such as communication, organisation, ability to adapt, résumé writing, and interview preparation. Typically interns who participated in EST before an Internship were rated by businesses in the 2018 PaTH Host Business Survey as more work ready than interns who had not participated in EST. Within three months of starting their last EST Block, young people who participated in both blocks of training were more likely to have a job, Internship or education placement (41 per cent) than those who participated in Block 1 (36 per cent) or Block 2 (37 per cent) courses only.


Interviewed EST providers reported that they identified more of participants' barriers to employment than jobactive providers because they worked more intensively with participants over the duration of the course. Interviewed EST participants also reported that they formed friendships with others in the course and learned more about themselves and their personality type.

## **4.2 Awareness and understanding of Employability Skills Training**

### **4.2.1 Provider awareness and understanding of EST**

Overall, jobactive providers were aware of EST. In the 2017 jobactive provider survey, 98 per cent of respondents reported that they had heard of EST. Furthermore, providers became more familiar with EST between fieldwork conducted in 2017 and fieldwork conducted in 2018.

In the 2017 fieldwork, providers' knowledge was mixed, with some having a better understanding of EST than others.



Interviewer: There's the two blocks of EST, how do you decide which block to refer people into?

Respondent: As far as I was aware Block 1 is more employability skills like straight up, so anyone who's done — anyone who's worked recently or are currently working they don't do the first block, they go into the second block. Anyone who hasn't had any recent work experience goes into both blocks.  
Provider 1, jobactive/DES, VIC

I would have no idea what the difference is [between Block 1 and 2] to be honest ...  
Provider 2, jobactive/TtW, VIC

Many EST providers marketed their courses to jobactive providers through information sessions with jobactive providers to inform them of the course and with young people to encourage them to attend. Most EST providers did this by visiting jobactive providers on site and maintaining regular contact.

We go and do information sessions and the reason we do that, is if they go — right, yep, we'll book all these people in for you at two o'clock on Thursday. We go in and actually tell them, okay, this is our EST program, this is what you can expect, this is what we do.

Provider 13, EST, WA

EST providers felt that they needed to educate jobactive providers about the EST element of PaTH 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.

We've had to do quite a lot of education with a lot of jobactives which is quite difficult and very time consuming. So then education and then we would talk to them about EST, some providers still to this day even in the last two weeks have gone, 'We haven't got our head around it yet,' and we're talking six months in.


Provider focus group 1, EST, VIC

When we initially started, we had really [poor] referrals, thinking that the jobactives knew what they were doing. But after sitting down and talking with them, and we find you've got to hit it at a number of different levels. You can't just go to the site manager; you've actually got to go down lower. You need to get down to the case managers' meetings and talk about what it is. And once we developed that rapport, then we started to get full numbers. And that was basically it. It's about communication.

Provider focus group 2, EST, VIC

In the 2018 fieldwork, jobactive providers appeared to have a better understanding of EST and none discussed lacking understanding and knowledge of EST. Providers seemed able to demonstrate their understanding of EST. For example, a few EST providers decided to run information sessions for young people to tell them about the course.

... a lot of jobactives like us to come and do an information session, which is fantastic. We love it when that happens ... we just do a short, say 10 minute presentation. It's really upbeat, you



know we always give them something to eat, show them the certificate they get ... they get certificate of participation for Block 1 and Block 2.

Provider 39, EST, WA

#### 4.2.2 Employer awareness and understanding of EST

A common concern employers repeatedly voiced is that young people did not have the appropriate employability skills required for their business. EST was designed to address employers' concerns in this area.

While businesses are not often directly involved in EST, over half (54 per cent) of respondents in the 2018 PaTH Host Business Survey who had hosted an intern had heard of EST and a third (35 per cent) believed that their intern had attended EST before starting the Internship. However, it was sometimes difficult to determine if the business was recalling in-house provider training or other training that was independent of EST.

Few interviewed businesses displayed an understanding of EST. For example, one business described how they thought potential interns had gone through the interview process, which is a component of EST courses.

I am aware that they mention that some of the girls went through that training. So, I know that they did say that they've put them through those programs. I'm guessing the interview process, they must do that a fair bit ...

Business 13, more than one placement, NSW

#### 4.2.3 Young people's awareness and understanding of EST

Young people had low awareness of EST. The 2017 Survey of Job Seeker Experiences of Employment Services found that fewer than a third (30 per cent) of young people under jobactive had heard of EST. Among those who were aware of EST, most (82 per cent) learned about it from their jobactive provider. Similarly in the 2017 jobactive provider survey, respondents reported that:

- over half (54 per cent) of young people had not heard about EST
- almost a third (30 per cent) had heard of EST but did not know much or anything about it.


Young people interviewed in the 2017 and 2018 fieldwork typically had low awareness and understanding of EST until they began their course. Young people reported receiving little information from their jobactive provider at the time of referral about the course, its content or why they were referred. Young people who had a mandatory requirement to attend were aware that the referral was compulsory and that if they did not attend EST their income support payment could be reduced.

You have to do the three weeks or they cut you off.

Focus group 5, EST, QLD

They told me it was a Youth Pathways program, that's all. They told me where it was and that was pretty well it.

Focus group 12, EST, SA



Where young people had a good understanding of EST it was usually a result of either the EST or jobactive provider providing information in advance of the EST course through sessions or distributing fact sheets.

... [the EST provider] came out to [the jobactive provider site] and we all sat down in their meeting room and he explained it really well. He actually took the time to.

Focus group 10, EST, WA

Most young people gained a fuller understanding of EST when they started a course and the trainer provided an overview of course content.

[I] didn't know what it was, so I was really curious about what that was and when I got there it was good, they explained it all and stuff.

Focus group 10, EST, WA

Some participants were confused about aspects of EST, stating they were told they would receive a job upon completion of the course or an incentive payment for participating in EST<sup>17</sup>.

Before I went into [EST], I thought I'd get a job out of it.

In-depth 1, EST, VIC

What really annoyed me is that they said if you do the course you'll get an extra on your Centrelink, then that turned out not to be true.

Focus group 3, EST, QLD

## 4.3 Participation in Employability Skills Training

### 4.3.1 EST referrals and placements

Between 1 April 2017 and 31 March 2018 there were 42,099 referrals to EST courses, which relates to 29,241 young people<sup>18</sup>. Over the same time period there were 22,834 commencements in either a Block 1 or a Block 2 EST course, which relates to 17,655 young people. More young people began a Block 1 EST course (14,706 commencements or 13,934 young people) than a Block 2 EST course (8128 commencements or 7824 young people). There were 4103 young people who began both a Block 1 and a Block 2 EST course.

The commencement rate was 60 per cent for all EST courses<sup>19</sup>. The commencement rate for Block 2 EST courses (63 per cent) was higher than for Block 1 EST courses (59 per cent). For further discussion on the topic of attendance and monitoring see Section 4.5.2.

Figure 5 shows the cumulative monthly take-up of EST placements between 1 April 2017 and 31 March 2018. Placements for both blocks rose uniformly from 1 April 2017 to 31 March 2018. A

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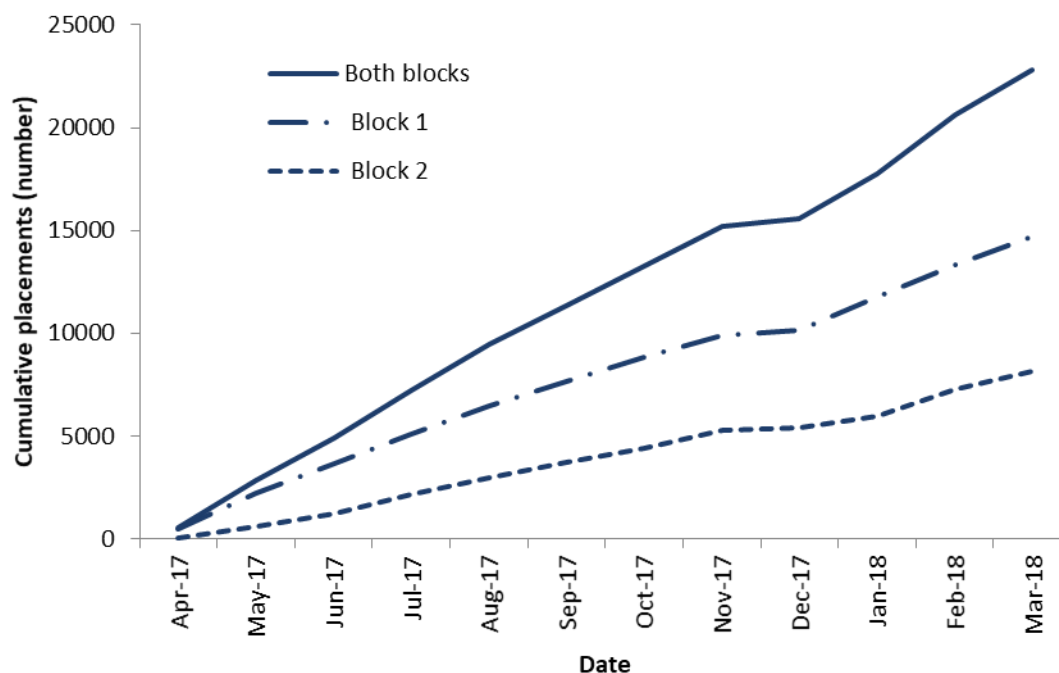
<sup>17</sup> Under PaTH Internships there is \$200 fortnightly payment and Internships must have a reasonable prospect of employment (this does not mean a guaranteed job upon completion).

<sup>18</sup> Includes referrals for EST courses that were yet to begin.

<sup>19</sup> The commencement rate is the commencement to referral ratio for in-progress and completed courses only.

slight reduction in take-up occurred in November and December 2017, probably due to the impact of the Christmas and New Year period.

**Figure 5: Cumulative monthly take-up of EST placements for Block 1 and Block 2, 1 April 2017 to 31 March 2018**



Source: Department of Education, Skills and Employment administrative data.

The majority of young people who began EST (18,049 commencements or 79 per cent) had a period of service of five months or more, while the remaining 4780 commencements (or 21 per cent) had a period of service that was less than five months<sup>20</sup>. This was consistent with the design of PaTH and advice to providers. While most young people in jobactive who have Mutual Obligation Requirements and are receiving income support can participate in EST (regardless of duration in jobactive), providers are required to consider a young person for EST once they reach five months of service. Furthermore, the department has advised providers that young people who have been in jobactive for more than five months and are approaching 25 years of age should be prioritised for referral to EST courses.

#### 4.3.2 Characteristics of young people referred to and placed in EST

The characteristics of young people who were referred to, commenced or completed an EST course between 1 April 2017 and 31 March 2018 are shown in Table 2. Compared to the eligible EST caseload as at 31 March 2018, EST participants at commencement were less likely to:

- be female

<sup>20</sup> Five commencements did not have an eligibility flag in the system at the time the referral to EST was entered into the system, so their period of service is indeterminate.

- have disability
- have a non-English-speaking background
- be a parent
- be a refugee
- be short-term unemployed.

**Table 2: Characteristics of young people referred to, placed in and eligible for EST (per cent), 1 April 2017 to 31 March 2018**

Characteristics	Referred to EST (n=42,099)	Commenced EST (n=22,834)	Completed EST (n=16,581)	Eligible EST caseload (n=115,480)
Completed Year 12 or less	66.6	64.5	63.9	63.7
Disability	12.7	12.2	12.0	13.1
Ex-offender	9.4	6.8	6.0	8.1
Unstable residence	13.2	10.8	9.8	11.6
Aboriginal or Torres Strait Islander	18.1	14.7	13.9	15.8
Male	61.6	61.1	61.2	53.9
Female	38.4	38.9	38.8	46.1
Non-English-speaking background	7.1	6.8	6.9	9.2
Parent	0.6	0.5	0.5	1.0
Refugee	2.4	2.2	2.2	3.7
Long-term unemployed (1 year or more)	62.3	61.1	59.8	52.8
Very long-term unemployed (2 years or more)	35.3	33.4	32.8	28.1

Note:


1. Caseload characteristics are calculated as at 31 March 2018 (point in time).
2. Characteristics for commenced and completed EST are calculated as at the placement in EST date.
3. Characteristics for referred to EST are calculated as at the referral creation date.

Source: Department of Education, Skills and Employment administrative data.

## 4.4 Referrals to Employability Skills Training

### 4.4.1 Providers' selection of young people

Universally EST providers reported fewer than expected referrals of young people from jobactive providers. While the number of young people eligible for or mandatorily required to participate in



EST appeared quite high initially, jobactive providers reported that many of these young people were not appropriate to refer<sup>21</sup>.

But, there's certainly not the numbers out there, I don't think. That's our issue; the issue is that, when I've spoken to the jobactive [providers], they have, okay, well, we've got 100 people that fit this category; 40 of them are university students, which are not eligible. Another 20 are part-time participation; there's another 10 that are not active in coming to their appointments, which then turns out there's 10 left. So, it's really a bit of a false economy in the numbers sometimes, and of those 10, you might get four of them or five of them might show up, or something like that, and that seems to be the generic thing.

Provider 36, EST, QLD

Most young people who attended EST were referred through jobactive after five months of services and had a mandatory requirement to participate in EST. Providers under jobactive have discretion as to whether to refer a young person to an EST course. The provider does not need to refer if they consider that the young person:

- already demonstrates employability skills (such as having recent workforce experience or a part-time job)
- has already completed training similar to EST
- has non-vocational barriers that must be addressed before they can benefit from an EST course (for example, language barriers, health issues or family problems).

Interviewed providers reported no issues identifying eligible young people to refer to EST, although they reported that they did not choose to refer all young people. One reason for the lower than expected referrals was that not all young people who were eligible had a mandatory requirement to attend<sup>22</sup>.

Our mandatory numbers are quite small so that might be — the eligible is quite large but the mandatories are small.

Provider 14, jobactive, WA

In the 2017 jobactive provider survey, almost three quarters (74 per cent) of respondents reported that they would not refer a young person who already demonstrated the relevant employability skills. According to administrative data, as at 31 March 2018, 26,102 young people were opted out of EST by their jobactive provider. Over three quarters (76 per cent) had an opt-out reason of 'Referred to other activity' (46 per cent) or 'Already possesses relevant skills' (30 per cent).

They already have relevant skills. They've already got quite a good work history.


Provider 15, jobactive/DES, VIC

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<sup>21</sup> While the following quotation discusses university students as ineligible for EST, this could be because they are on Youth Allowance (Student) or they are jobactive participants who are enrolled in a university course, which is being prioritised over going to EST.

<sup>22</sup> Activities can generally be undertaken at any time when the jobactive provider thinks they will benefit the young person.





[We had just completed a provider-run course], it's a Certificate I in General Education for Adults, so all of the people who were suitable for that course would have been suitable but to put them in a very similar course, back-to-back, it was probably not really fair on them.

Provider 2, jobactive/TtW, VIC

Similarly, jobactive providers may not have referred a young person to EST if they had non-vocational barriers. In the 2017 jobactive provider survey, more than half (59 per cent) of respondents stated that it was difficult to organise EST for young people with low language, literacy and numeracy skills. Just under half of jobactive providers stated that it was difficult to organise EST for very long-term unemployed job seekers (48 per cent) and people from culturally and linguistically diverse backgrounds (42 per cent). These difficulties are reflected by administrative data. Of young people who were opted out of EST by their jobactive provider, 13 per cent had 'Personal/non-vocational barriers' as the recorded reason.

... yeah, we might have a mandatory youth client who's actually just become homeless, obviously we're going to focus on their non-vocational issues before we put them into either Block 1 or Block 2 training.

Provider 11, jobactive, NSW

Other reasons why jobactive providers decided not to refer to EST were that young people were 'suspended' pending a compliance action or that they were already close to meeting their Mutual Obligation Requirements through other activities like work or education.

Respondent 1: Another good thing that would make it easier would be for us on ESS, our EST [eligibility] lists include suspended clients. So we got to jump on and have a look and oh yes, perfect. And then you've got to dig deeper to find out they're suspended ...

Respondent 2: And same thing, like you're looking through the list and you're looking going okay, that person's already working, especially for jobactive. They might be working 20 hours a week but they've got like a 25 hour requirement or something like that. And you're never going to get someone to do [EST] ...

Provider 28, jobactive/TtW/DES, NSW

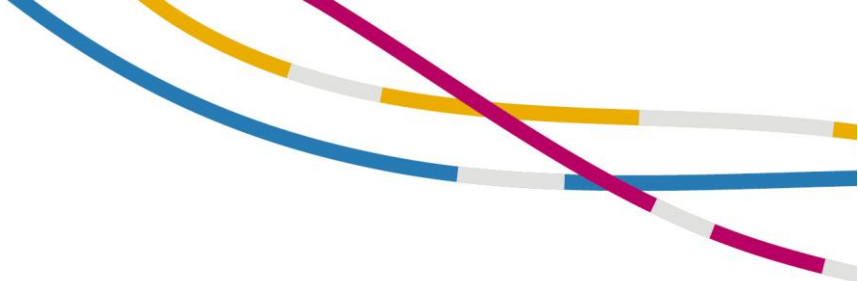
A few jobactive providers thought that a young person could still attend an EST course even if they were partially meeting their Mutual Obligation Requirements through other activities. For example, one provider believed that young people could still participate in EST while doing part-time work if they were flexible in their commitments<sup>23</sup>.

Yes, we don't just accept, 'Five hours? Oh, good you're working. Guess what? You can get out of EST.' No way. No way.

Provider 21, jobactive, QLD

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<sup>23</sup> A situation may occur where a jobactive participant is in the Work for the Dole Phase and has an Annual Activity Requirement of 50 hours per fortnight. If the jobactive participant is only working five hours per week, the young person may need to participate in other activities like EST to meet their Annual Activity Requirement.



Providers may also choose to refer young people to an alternative activity. For example, providers themselves often run courses on employability and résumé skills. In the 2017 jobactive provider survey, approximately a fifth (21 per cent) of respondents reported that they preferred to use other training (14 per cent) or similar in-house training (10 per cent)<sup>24</sup>.

The other jobactive [provider], completely different. It's not a priority. They put every other program before EST. They put kids in their own programs.

Provider focus group 1, EST, VIC

A few jobactive providers mentioned that some EST providers were not aware of the processes jobactive providers needed to undertake to be able to refer young people to an EST course. One provider reported that EST providers initially gave quite short timeframes between an EST course opening for referrals and starting, and that this caused difficulty when trying to refer participants.

... when courses were advertised you know they were only advertised with like two weeks' notice and so it just wasn't enough time for us to be able to refer people, given that you know if we need to get people in for an appointment we have to give them the six full business days' notice just for them to get into an appointment to see us ... we also had to put it in their Job Plan, we had to give them the activity notification, letter. That sort of stuff and they just didn't fully understand that side of things.

Provider 40, jobactive/TtW/DES, NSW

## Voluntary participants

For young people who were eligible but did not have a mandatory requirement to attend, the jobactive provider may suggest that they choose to voluntarily attend EST (see Section 4.5.1 for engagement strategies). A few young people who participated in focus groups mentioned that they had chosen to attend an EST course voluntarily. While there was limited evidence for young people requesting to be referred to EST, a few young people indicated they had been willing to attend the course based on their provider's recommendation even though they may not have had a mandatory requirement to participate. One young person said they had requested to be sent to a training course but felt that they were incorrectly referred to EST based on their learning preferences.


I specifically asked to be put into something to do with IT but they put me into this. And the person that I — what's it called? The person I'm seeing at my employment thing, she misunderstood what I wanted to do and she misunderstood the thing that she put me in so I was just put into it.

Focus group 11, EST, SA

Similarly providers mentioned that some young people on their caseload volunteered to be referred to an EST course because they thought it might be beneficial to them. However, providers still reported that they preferred to send interested young people to their own training courses or to aim to find direct employment.

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<sup>24</sup> Does not add up to 24 per cent as respondents could select more than one option.



Interviewer: Do you have many people who do volunteer for EST?

Respondent: A few. We offer it to them, especially when we think that it's really going to benefit them to go and do it. We have [Stream] Bs and Cs. We have an internal employability skills program that we can run as well ... so we actually look at whether or not they're going to benefit from it ... We do have a few that we refer through, but not a lot. Our goal is to try to get them into paid work.

Provider 34, jobactive, WA

Young people often said their jobactive provider gave them a choice about which EST course they would like to attend. Distance from home was the primary influence on young people's choices.

I had a choice to go closer or further away. So I could pick where I wanted to do it.

Focus group 1, EST, VIC

#### 4.4.2 Selecting a training block

Most commonly jobactive providers did not distinguish between Block 1 and Block 2 when referring participants. Some interviewed providers also reported choosing which block to refer young people to based on availability. Providers often stated that the lack of available EST courses (particularly Block 2) was the main factor in their decision on which block to refer to. A few providers mentioned that the lack of a preferred EST Block, or any EST Block at all, also meant that they chose not to refer participants to EST at all. This was supported by administrative data, which showed that 13 per cent of opted out young people had an opt-out reason of 'No suitable EST activity available'.

... if there's an available spot, they would have gone into it regardless of what block it was.

Provider 2, jobactive/TtW, VIC

Because in the beginning, we were quite limited as to — especially Block 2 for like industry focused ones that were available as well.


Provider 11, jobactive, NSW

Generally providers preferred to refer young people to a specialist EST course (for example, a course specific to hospitality or a pre-employment course with a specific business) rather than general courses. Almost one in five (18 per cent) EST courses that commenced were specialist (for example, hospitality or retail services).

Providers considered specialist EST courses beneficial to young people as they provided relevant information, matched labour market demands and had a clearer focus in the course content. Providers also thought it was easier to 'sell' specialist EST courses to young people, as they provided more specific and often more hands-on skills to help young people gain employment.

I think for us as well, it's an easier sell if there's an EST Block that's a little bit different than the other. If it's something that's got a really interesting component to it, it's a lot easier sell. Other than sort of, you know, you go along and you'll learn about rocking up on time and doing the right thing and how to communicate.

Provider 27, jobactive/DES, SA



A few EST providers offered EST courses aligned with pre-employment training for a specific business designed to channel young people directly into an Internship or employment after having completed the EST course.

... we've been doing stuff that is employer specific. So we have a large employer come to us, and we're doing an EST that is specific for that employer, as a pre-employment program. I'd love to expand that. I actually have employers lined up. 'If you can run a pre-employment program for values-based recruitment, I'll have eight people.'

Provider focus group 3, EST, VIC

### 4.4.3 Eligibility

TtW and DES providers had mixed views about their cohorts being ineligible for EST. TtW providers generally thought that the pre-employment activities they delivered in-house or referred their young people to already covered the content of EST courses. However, they could see benefit in referring TtW clients to EST courses that offered specialist training (for example, in hospitality or construction) that the provider did not have the ability to offer.

I think it would be great for TtW to have greater access to it, to EST especially, to try and get these kids some skills and get them out there so they don't end up in jobactive, because that's ultimately the whole aim of this, to get them off support before their 12 months is finished and they go to jobactive.

Provider 24, TtW, SA

DES providers had courses similar to EST that they delivered in-house or referred their young people to. One DES provider mentioned that having DES clients participate in courses on site helped them monitor for any issues and provide support quickly if needed.

I suppose a lot of my youth that I do get through in the DES program are probably more so at that EST level — so that higher level support range. And you've just got to make that call whether that's going to be — whether it's going to be the right environment for them, and that's probably when I would do it definitely onsite, rather than external, just so I can regularly catch up and make sure. Because you're looking at some of your high levels with autism or things like that, that you just want to make sure they're managing okay in that type of group interaction.

Provider 1, jobactive/DES, VIC

One TtW provider suggested that broadening the eligibility criteria for EST courses would help fill courses that were failing to find enough participants to meet minimum requirements.

I know that a few of the RTOs [Registered Training Organisations] have the issue where they might be in a regional area and they offer EST but most of their cohort are young, under 21s and TtW, so the EST training is empty and they can't run it and have got all these kids that can't access it.

Provider 24, TtW, SA

#### 4.4.4 Selection of EST provider

Most interviewed jobactive providers reported that having a prior relationship with an EST provider was a primary influence on their decision to refer to a particular EST provider. A few EST providers believed that it was hard to maintain a relationship (and a good rate of referrals) with some jobactive providers because of high staff turnover and lack of understanding of EST, particularly when PaTH was first introduced.

It really does depend on who you're dealing with. I'm [in location] but we have a lot of jobactive providers around. I think I was very fortunate because I had a previous relationship with a lot of the people so they knew what I did in other courses ... So I was lucky in terms of it was just a ring around. I was particularly pleased with that and I was getting 24, 30 referrals ...

Provider focus group 1, EST, VIC

However, the churn of staff in the jobactives means every time I walk in the door, I've got a new manager in the shop, I've got new staff in the shop, all the information and collateral I left a week ago is now gone. And they look at you blank and say, 'PaTH? Oh, yeah, I heard someone talk about that the other day.' And they really haven't got their mind around the referrals, meanwhile we've cancelled another course. So it's quite a difficult environment from that respect.

Provider focus group 2, EST, VIC

The EST provider's reputation played an important role in jobactive providers' decision to refer young people to a specific EST course. If a jobactive provider was concerned that an EST provider would cancel or reschedule an EST course, they would be less likely to refer to that EST provider (this issue is further discussed in Section 4.4.4). One jobactive provider suggested EST providers could collaborate to run a course, rather than cancelling it.


... the EST providers need to collaborate. So when you think about they're all running their own race, and then you've got three [speciality EST] courses, and then none of them get filled. So who's the winner out of that? Nobody.

Provider 11, jobactive, NSW

Providers preferred to refer to EST providers that ran their course on location at the jobactive provider's site. This meant jobactive providers could better monitor the attendance of their clients and were able to step in more quickly if any issues arose. Providers also thought an onsite EST course would be easier for young people to attend as they were already familiar with the location.

I like it that way [at our site]. We can follow up instantly; Jimmy Smith is not here? Well we're on the phone to Jimmy Smith, 'Where are you? What's happening?' So you know, we can address the issues. That cohort, again, a lot of them are very vulnerable youth who don't have someone at home to help them come in and be on time and all of that sort of stuff. So we're helping as well to get a better result. I find it's definitely a better result.

Provider 22, jobactive, QLD



Interviewer: So, running [EST courses] onsite is a preferred option?

Respondent: Oh definitely. Because we know all our clients can get here, and then I can control it if they're struggling with things like [travel cards] because they're coming in every day, rather than I can help with those things and be, I suppose, a little bit more hands on with it ... I think [EST providers] see that as they don't have to pay for a venue, and it works out better.

Provider 1, jobactive/DES, NSW

### Number of EST providers

At the tendering stage for EST, the department's intent was to select at least three EST providers for each employment region, unless the number of eligible young people was particularly low (Department of Employment, 2016). Interviewed EST providers often mentioned that there was more competition from other EST providers than initially expected.

When the original tender went out so the original proposal was that there'd be three providers in each region and I don't understand how it went from three providers and as [name] said to 17. The tender was, 'Yes, you will provide. You were successful in this region,' and then when we received our letter of offer, you know, some of our regions have 17, nine, 15 so the competition in those that's hard work. I'm all for competition but it's got to be realistic.

Provider focus group 1, EST, VIC

From 1 April 2017 to 31 March 2018, across the 51 employment regions the average and median number of EST providers that offered a course in a region was five<sup>25</sup>. There were seven regions where 10 or more EST providers had offered courses. The region with the most EST providers had 13 providers that had offered courses.

### Part-time courses


EST providers can run courses part-time (75 hours over five weeks); however only about 1 per cent of young people did a part-time EST course. There were 188 placements in part-time EST courses (15 hours per week over five weeks) across Block 1 and Block 2, which relates to 183 young people and 29 EST courses.

Most EST providers who were interviewed did not discuss their preference to run either a full-time or a part-time course. One provider stated that they were less willing to offer part-time courses because of the additional costs (paying trainers' wages and room hire for an additional two weeks) for the same outcome payments as a three-week full-time course.

... there's no way in the world that there'll ever be a program run for just part-time participants, because they simply don't have those numbers, and also, the costing to do that would be just about impossible to run, because whether you're paying a trainer for four hours a day, or whether you're paying a trainer for seven hours a day, you've got to pay them a

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<sup>25</sup> Offered courses represents courses that ran, were currently running at data extraction, or were cancelled or rescheduled. The employment region is based on the site that the training is delivered from.



day's wages because they're not going to go and do something else. So, if you're training for three weeks, okay that's three weeks' wages. If you're doing five weeks for a part-time, then you're paying five weeks' full-time wages for a trainer. Show me how you can do that with the token of money that's being generated from these programs. I don't know how you could do it, and I don't know any providers that are doing it.

Provider 36, EST, QLD

If there were more part-time courses that offered more flexible attendance, a new cohort of young people — such as parents, those who study or work part-time and those with Mutual Obligation Requirements of fewer than 25 hours per week — could be referred more easily to EST. However, many young people in part-time work and study may not require EST as they may already have the pre-employment skills that the EST courses cover.

For example, if I've got somebody who's working casually and I want to put them into a three week block, but they don't go day one, two or three because they've been rostered on, and they turn up at day four, is that going to meet their requirements? Do you know what I mean, because they wouldn't be included, but it's not by their choice, it's because paid work's more important.

Provider 16, jobactive, NSW

#### 4.4.5 Impact of cancellations and financial viability of EST

A very common issue for EST providers was insufficient referrals of young people by jobactive providers to meet the minimum number of people to run the course<sup>26</sup>. While a few EST providers ran undersubscribed courses, most frequently EST providers rescheduled or cancelled these courses.

A cancelled or rescheduled EST course affected the EST provider, jobactive providers, young people and in some circumstances businesses. EST providers often had cancellation costs for room hire or wage costs of trainers. Businesses scheduled for Industry Awareness Experiences<sup>27</sup> might no longer be available or willing to participate. Similarly jobactive providers might be reluctant to re-refer young people, making it more likely that future courses would also be undersubscribed.


Cancellation or rescheduling of courses affected the EST workforce and particularly people delivering training. Where an EST provider had to cancel multiple courses, maintaining appropriately skilled trainers was difficult. Trainers employed on a casual or sessional basis were likely to seek more sustainable work. A peak body in the employment services sector identified a risk that less suitable trainers would be used to deliver courses, lowering the quality of the course and participants' engagement.

One of the consequences of the model with the cancellations, and the cancellations at short notice, is that more and more providers are using sessional trainers and having agreements that allow that cancellation close. But that has a long-term effect on the quality of the trainers

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<sup>26</sup> See Section 1.1.1 for information on the minimum number of participants for EST courses.

<sup>27</sup> See Section 1.1.1 for information on Industry Awareness Experiences.



that you use, and the trainers that are going to want to engage with delivering something that has a high cancellation rate.

Peak body

There were consequences for EST participants from course cancellations or rescheduling. As EST providers would continue to recruit participants until the last possible moment to reach the minimum number of participants, cancellations often occurred at short notice to participants. There was feedback from providers that they had difficulty contacting young people who had limited phone and internet access and that some young people unwittingly turned up to training that had been cancelled or rescheduled. This meant that young people had to use often limited resources to fund travel and might be less likely to agree to attend EST in the future.

A cancelled or rescheduled EST course also created additional administration for jobactive providers. Providers were required to make contact with referred young people to let them know the course was no longer available, schedule an appointment for the young person to update their Job Plan and then choose to re-refer the young person to an EST course or another appropriate activity.

It's an absolute nightmare, so we are having to bring people back in and do Job Plans again, re-refer them to another EST Block 1 or 2, and it's cancelled again. I'd probably say the vast majority from [location] are cancelled.

Provider 4, jobactive/DES, QLD

It seems to be very inflexible and cumbersome process for them [EST providers] to reschedule program training because they have to talk to all the different jobactive providers that might have referred people in. It's just sort of messy and cumbersome administratively for them. They can't reschedule directly with a job seeker, have to go through the jobactive provider. They can't control people's participation, and there's a lot of variability that this provider was saying in terms of how jobactive providers follow up with them to ensure people are attending.

Peak body

For a few EST providers the cost of rescheduling or cancelling an EST course resulted in the decision to no longer provide services under the EST contract. For example, one interviewed EST provider reported that they would not continue scheduling courses for the time being and would potentially pull out of delivering EST.

For this year, for the rest of this year, we're not [running EST courses]. We weren't frequent, and the reason why we weren't was, we weren't quite sure how the program would go. That was one reason, and as it turned out, we had one person complete, out of our group of, I think, 10 ... because we've still got to run our business as per usual, so we're having to try and fill ... get trainers in to fill those positions, to be able to teach those students. There was one time where I had kept one of my trainers free for three weeks, and we had nobody for those three weeks, so I'm paying someone's wages for three weeks, and I've had no one. You know what I mean? So, it wasn't working out for us.

Provider 35, EST, QLD



## Running EST courses with smaller participant numbers

In a few instances, EST providers ran courses without the minimum number of participants as defined in the guidelines<sup>28</sup>. EST providers who ran courses with a lower number of participants avoided issues with cancellations and rescheduling and still provided young people with training, although it often involved running the course at a financial loss. EST providers that ran undersubscribed courses reported doing so because they believed that it was important for young people to receive the training that was offered.

I was talking with a[n] [EST] provider today who said they will run it even if they've had like 12 referrals but only three attend, they said they'll still run it. Even though they only get funded, I think you know the completion part of it, they only get funded for the three that complete, because they feel like they owe it to the job seekers and to sort of I suppose respect their engagement and participation.

Peak body

A few TtW providers were aware that local EST providers could find it difficult to fill places, and sometimes offered to fill them with their own participants, despite the lack of a payment.

And, look, for TtW clients we will say to them, 'You can go upstairs and do the EST training if you like, if you want to participate.' Of course, we're not going to get any funding for that, that's fine, but yeah, there's this big crossover between the content that we're running as one of our activities, and what's actually happening in EST with the qualified trainer upstairs.

Provider 31, TtW/EST, VIC


## Reduced rates of cancellation over time

Over the period of the evaluation, there was some decrease in rates of cancellation or rescheduling. From August 2017 to November 2017, 52 per cent of courses were rescheduled or cancelled (or 269 courses on average per month). This fell to 29 per cent (or 92 courses on average per month) for the following four months. 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 addressed in the impact analysis report.

It is likely that this improvement reflected the maturing of the management of EST courses, jobactive providers having established relationships with preferred EST providers, and some EST providers withdrawing their services. This improvement was reflected in fieldwork, with the issue of EST courses being cancelled or rescheduled reported almost universally in interviews with jobactive providers in 2017 and reported slightly less in interviews with providers in 2018.

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<sup>28</sup> At the time of the evaluation, each EST course must be delivered to a minimum of 10 participants in a non-regional location and eight participants in a regional location. If the course does not have the minimum number of participants referred, the EST providers may contact the department to seek approval to start the course with fewer participants. To seek this approval, EST providers must be able to demonstrate that they allowed sufficient time to achieve referrals to their course, and that they have worked with jobactive providers to attempt to meet minimum commencement numbers.



Probably a little bit more improvement [in EST being cancelled]. There doesn't seem to be as many providers around screaming at us all the time and looking for referrals.

Provider 22, jobactive, QLD

Along with the reduced number of EST providers available to offer courses, the department made changes to EST policies and processes to help increase referrals to EST courses. From July 2017, jobactive providers were able to refer up to 20 young people (previously a maximum of 15) (Department of Jobs and Small Business, 2018a). Additionally the department could direct EST providers to create and commence a course. This could be used to ensure there were sufficient opportunities for young people where there was insufficient servicing. It was expected that this clause would be applied in exceptional circumstances and the department would work with EST and jobactive providers to ensure the course had sufficient referrals (Department of Jobs and Small Business, 2018a).

## 4.5 Attendance at and engagement in Employability Skills Training

### 4.5.1 Strategies to engage young people

Most EST providers experienced low referral to commencement rates. That is, many young people referred to EST by a jobactive provider never started their course.

There were a couple that just didn't turn up. That's just what you do and that's fine but there was probably five that didn't turn up but we couldn't do anything about it.

Provider 2, jobactive/TtW, VIC

EST providers reported using a range of strategies to engage young people referred to EST. For example, EST providers reported that they hired buses to transport participants to the training facility, offered food or highlighted their unique teaching experiences as ways to improve participants' engagement with the EST course.

Well, we offered to pick them up and take them home and stuff like that. We provided them with breakfast every morning. Yes, so that was just like your cereal and your toast and your crumpets, and tea and coffee. So, those little things, we supported them with.

Provider 35, EST, QLD

We do some out of the box things ... Anything to keep someone there and keep them engaged while they're there.

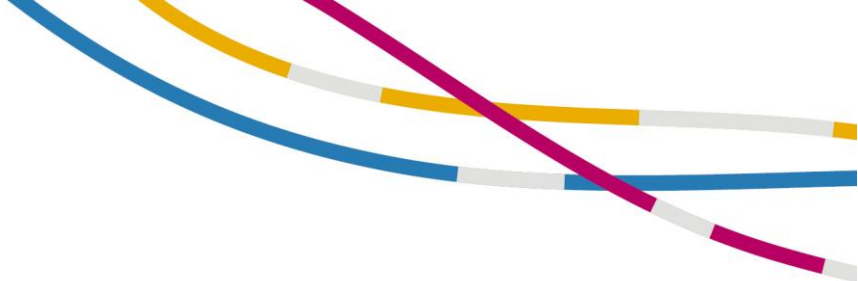
Provider focus group 3, EST, VIC

The department gave EST providers access to the contact details of referred young people so they could send messages reminding participants of the date, time and location of the course<sup>29</sup>. This enabled EST providers to contact young people to offer reassurances and try to improve attendance and engagement.

But even before the course starts when I have enough referrals, there's enough, for example 10 in the course, I'll ring every single student referral to tell them exactly. I say, 'Look, please

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<sup>29</sup> The department gave EST providers access to referred young people's contact details in ESS Web from May 2017.



turn up. You will really enjoy the course. I promise. The teacher is absolutely lovely and it's not a classroom, it's not like you're probably used to.'

Provider 3, EST, VIC

Providers reported that once young people began attending an EST course they were likely to complete the course. Once participants had a chance to engage with the course content and build rapport with the trainer and other participants, they became more willing to remain in the course. About four fifths (84 per cent) of young people who started an EST course ended up completing it<sup>30</sup>.

I think once they're in the classroom the completion rates are pretty strong.

Provider focus group 1, EST, VIC

### Use of the Employment Fund

EST providers occasionally requested that jobactive providers spend Employment Fund (EF) credits to help engage young people (for example, to help with travel costs). A few EST providers experienced difficulties in requesting funds for participants from jobactive providers and expressed a level of hesitation in asking for assistance.

Interviewer: Have you had to ask jobactive for access to the Employment Fund for the EST training of the students?

Respondent: No, not as of yet. But I definitely would like to. Well, there has been a need, but from where I'm coming from is that sometimes jobactive providers are a little bit hesitant to be using the EF.

Provider 12, EST, NSW

I don't believe there's ever been any issues, but I guess it's just another one of those things that if you have to go back the jobactive providers, not that it causes issues, but it would be good if it was just organised right from the start.

Provider 13, EST, WA

In one case, the jobactive provider refused the EST provider's request to assist a young person with travel expenses to get to a course<sup>31</sup>.

Interviewer: Do you ever need to ask the jobactives to access the Employment Fund, for anything that any of the participants might need?

Respondent: Yes, we have. And no, they haven't. I've been very disappointed by that. We had a group that we were running in [location] and they were coming in from some of the suburbs and they were spending \$80 a week on transport.

Provider 6, EST, QLD

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<sup>30</sup> Based on approved completion payments that are claimed within (at least) 60 days of the activity end date.

<sup>31</sup> Use of the Employment Fund is at the discretion of the jobactive provider.

## 4.5.2 Attendance and monitoring

The department requires EST providers to record the daily attendance of young people for the duration of the course using the department's supervisor app<sup>32</sup>. EST and jobactive providers reported few issues with this process, as EST providers have a good understanding of the process. Most jobactive providers reported receiving the attendance information in a timely and accurate fashion.

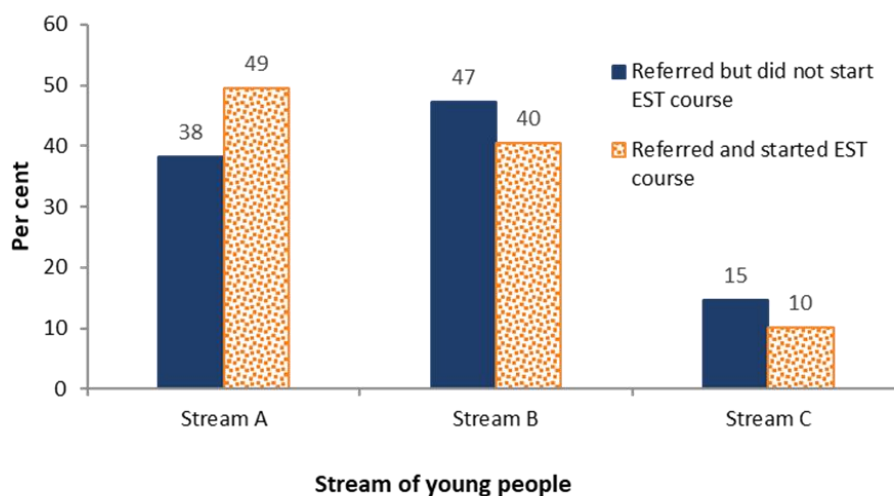
It comes up on our supervisor app, which is our attendance roll to do that student evaluation. That covers punctuality and participation and all of those things, and then you have a general comment section at the end to fill in.

Provider 9, EST, QLD

Yes, so do the app and be able to go, 'Attend', 'Did Not Attend', and then we would get — like we do with the app for Work for the Dole. And then, we get a message on our noticeboard saying they 'Did Not Attend'. It's then a trigger to the EA [Employment Adviser] to pick up the phone and ask the reason, to the job seeker, and then validate or invalidate his compliance. Rather than just wondering.

Provider 21, jobactive, QLD

**Figure 6: Referred and started young people in EST courses, by jobactive stream**




Note: 'Referred and started EST course' does not add to 100 per cent due to rounding.

Source: Department of Education, Skills and Employment administrative data.

Figure 6 shows that young people referred to EST who were in Stream A were more likely to start their course than referred young people in Stream B or C (Stream A represents lower labour market disadvantage than Stream B or C). Further, results from regression analysis indicate that young people referred to EST were less likely to start an EST course if they had previously not attended

<sup>32</sup> The supervisor app was developed (initially for Work for the Dole) by the department and has been expanded to activities like Employability Skills Training to enable supervisors to view the list of young people scheduled to attend training, record attendance, update attendance times, and submit records to ESS Web.



provider appointments, were an ex-offender, had an educational qualification of Year 10/11 or lower, were Indigenous, or did not have a stable residence.

### 4.5.3 Reasons for early exit

In the 2017 EST Participant Survey, young people gave the following reasons for missing all or some of the course<sup>33</sup>:

- 24 per cent gave personal reasons
- 22 per cent reported physical or mental health conditions
- 12 per cent reported that they got a job.

Obviously some people came one day and not come the next day kind of thing ... people stopped coming and their attendance drops. I was sick for a lot of the time, so my attendance was really bad actually.

Focus group 10, EST, WA

EST providers suggested that a few jobactive providers were not picking up issues like literacy, numeracy and other learning difficulties, which also may have led to non-attendance, although EST providers do try to cater for these participants' needs.

There were some examples where someone that had literacy and numeracy issues, we would let the provider know well in advance so that they would see what they could accommodate, or they will look after them.

Provider 4, jobactive/DES, QLD

In a very small number of cases, EST providers removed participants from their course due to behavioural issues. The primary reasons why these individuals were removed were to address the individual's non-vocational barriers and to avoid disrupting other participants' learning.

[Participant] got really — I don't know, so what happened one day, he just got really angry and stuff. And [participant] literally — he walked outside ... and he walked back into the room after he had calmed down, and she's like, 'No. You've got to leave.' And she's like, 'Don't ever come back.'


Focus group 5, EST, QLD

## 4.6 Experiences of Employability Skills Training

EST participants were often unable to identify which EST Block they had completed or differentiate between blocks even if they had done both. Due to this, the content and delivery of the two blocks will be discussed together in this section. In addition, EST providers often included Block 2 content in Block 1 courses, such as developing young people's résumés and teaching job search techniques.

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<sup>33</sup> EST participants who reported attending all their course were not asked the question.



I'll often incorporate an intensive job search [in Block 1], even if it's just for a couple of days. We'll always get that done. I just think it's important that we tie it in because at the end of the day, that's what we're there for.

Provider 6, EST, QLD

In the fieldwork, young people reported preferring Block 2, as there was more content with a tangible focus on finding employment (such as writing cover letters or doing practice interviews). Participants particularly liked learning job interview techniques and how to speak to employers. A few young people interviewed in the fieldwork linked this to the Block 2 training, which they saw as more relevant to them than the content in Block 1.

Block 2 is better. It improved a lot in Block 2. Like the main focus that's been created for Block 2 is a lot better than what Block 1 was. Because there's more — like I said — more focus on the people getting the job.

Focus group 5, EST, QLD

In Block 2 we actually had somebody call us and do a practice interview over the phone; and she gave us feedback on how we performed, and she told us what we could improve on and what was really good.

Focus group 7, EST, QLD

Survey data suggests that even for those who could separately identify the blocks they had participated in, the differences in preference were small. In the 2017 EST Participant Survey:

- 17 per cent of respondents stated that Block 2 was more useful than Block 1
- 16 per cent of respondents stated that Block 1 was more useful than Block 2.

According to interviewed participants, EST providers typically delivered courses using workbooks or booklets in classroom-type settings. Young people thought booklet-based learning was often uninteresting, did not relate to real life, was similar to previous training or tried to teach skills the young people had already acquired through previous education or employment. One young person thought the EST course should have more advanced information and dedicated one-on-one learning.

We filled out a couple of booklets, and we went through that with the class ... But having worked before, it felt like it was not very useful. It was kind of like I already know that.

In-depth 1, EST, VIC


I'd really like to know something more advanced than what's actually there. I think at this point we should all already know how to write a résumé and how to write a cover letter.

Focus group 3, EST, QLD

Other examples of content delivered included project-based or scenario-based activities. These types of activities were typically better received by participants.

They bring in a cash register and an EFTPOS machine, and show them that so it's not just, 'This is how you do it,' they can actually sit there and play with it, and you can see, okay, they are engaged in that sort of way, not just a workbook.

Provider 21, jobactive, QLD



Most participants reported that there was insufficient content to fill the days when they attended EST courses. Some young people reported finishing the required coursework with hours to spare each day but being required to remain to meet their Mutual Obligation Requirements. They reported playing games, socialising or just being bored in the unfilled time.

Well, nine to whatever time, like three o'clock I think and they made us stay until that time, even though there was never enough work to actually fill up those hours.

Focus group 10, EST, WA

The first teacher after we did like the amount of like booklet that we had to do for the day, we would play like hangman on the whiteboard or something, then with the other teacher we didn't really do anything.

Focus group 3, EST, QLD

During focus groups, a few young people were surprised to hear about the variety and breadth of activities and content undertaken in other EST courses. They felt that standardising content across providers would mean a more beneficial course for young people in the future.

Respondent 1: Yes, I don't get why they are so different if it's the same course. We learn [stuff different to one another].

Respondent 2: Yes, I don't know you guys learned such completely different things. It's the same course ...

Respondent 1: Maybe what should happen is every single different program that gets run, even though it's all the exact same, maybe the people that run it should all come together and actually discuss what should be a part of the program.

Focus group 1, EST, VIC

Young people's perception of the quality of the trainer was related to how they valued the EST course. Some young people had very positive experiences with their trainers. These young people were more likely to be engaged with course content and find the training useful. Others had poorer experiences and more negative perspectives on the course. This highlights the importance of ensuring quality training if EST is to have an impact.

He was really good at it, yes. Made sure to stop and everyone knew what they were looking at and reading, stuff like that. Make sure everyone knew what they were doing.

Focus group 10, EST, WA

Just having to do what he had to do kind of thing. Didn't really make things that interesting. I felt like he was doing it for the first time, because he was pretty unorganised.

In-depth 1, EST, VIC

### 4.6.1 Learning Outcome Assessment

The department requires EST providers to supply a Learning Outcome Assessment to each participant and their jobactive provider before they claim a completion payment (Department of Jobs and Small Business, 2018a). Despite EST providers reporting that they completed and sent Learning Outcome Assessments for all their participants, jobactive providers had mixed experiences:

A few consistently received the assessments (usually where they had a good relationship with their EST provider).

We get a report from [EST provider], to see how they've gone through the Block 1 and the Block 2.

Provider 23, jobactive/DES, QLD

- Some received assessments from some EST providers but not others.

Only had the one provider sending and giving us feedback on clients, whether they're attending or not, reports at the end of it. I haven't seen a report from any other provider, other than the ones that came into our site.

Provider 15, jobactive/DES, VIC

- Others reported no longer receiving them.

We used to get those, we used to get a report at the end of — I know initially when the program first started, we used to get a report assessing them on how they progressed on the training, which was great because it gave their employment consultant, when they came back after the program — to discuss their progress and what needed to happen.

Provider 4, jobactive/DES, QLD

- Many others reported not receiving them at all.

I've never seen one to be honest.

Provider 22, jobactive, QLD

A few EST participants recalled receiving documentary evidence of what they had achieved during the course, while most had no recollection of the assessment or said they had not received it.

They said they were going to send one out to me but I never received it.

Focus group 11, EST, SA


### 4.6.2 Industry Awareness Experiences

Industry Awareness Experiences are a core component of Block 2 courses and an optional component of Block 1 courses. Generally EST providers were engaged and worked proactively with local employers to develop greater awareness of what young people were doing at EST courses.

What we're trying to do is we have events and the objective of the event is at the end of the period, we have a lunch or a morning tea or a speed-interviewing thing with the employers, because we're trying to get employers involved in each cycle — where they come in and they might see a presentation.

Provider 13, EST, WA





Industry Awareness Experiences can include employer visits to the training venue, creating work-like environments, or group tours of workplaces to watch and learn what is required for different occupations and industries. Examples of Industry Awareness Experiences from the 2017 EST Participant Survey are:

- workplace visits
- guest speakers
- attending jobs fairs and networking events
- job interviews
- actively approaching businesses (for example, cold-calling or handing out résumés).

In the 2017 EST Participant Survey, almost three quarters (73 per cent) of people who had had some form of contact with an employer in an EST course reported that the experience was good or very good. For example, an interviewed young person expressed how much they valued an Industry Awareness Experience.

We were lucky because the guy they hired to do us used to train people for [business]. So he was really, really good with telling us what to expect in interviews and stuff like that.

Focus group 1, EST, VIC

Some EST providers used their relationship with employers to tailor their EST courses to local labour market conditions, the expectations of employers, and employer recruitment patterns.

I work very heavily and closely with local employers. So I know what the employment market is doing in terms of peaks and troughs and ebbs and flows and what they need from an employment perspective. And then I write a calendar to then support those market demands.

Provider 9, EST, QLD

Despite the positive impact of employer engagement, there were young people who took part in the fieldwork who reported minimal to no employer visits or other industry awareness activities in Block 2. One young person who reported not having undertaken an Industry Awareness Experience stated they would have liked to visit an employer.

Moderator: Did anyone do any visits? Go with the trainer out to employers to —

Respondent 1: No.

Respondent 2: No.

Moderator: Would you have liked to have that?

Respondent 3: It would have been nice.

Focus group 11, EST, SA

A peak body commented that employer visits and other offsite activities may present a higher risk and would require additional work on the EST provider's part (for example, completing a risk assessment).

... again, this is a risk thing. When you start to plan excursions and field visits and things like that, your risk levels go [up].

Peak body

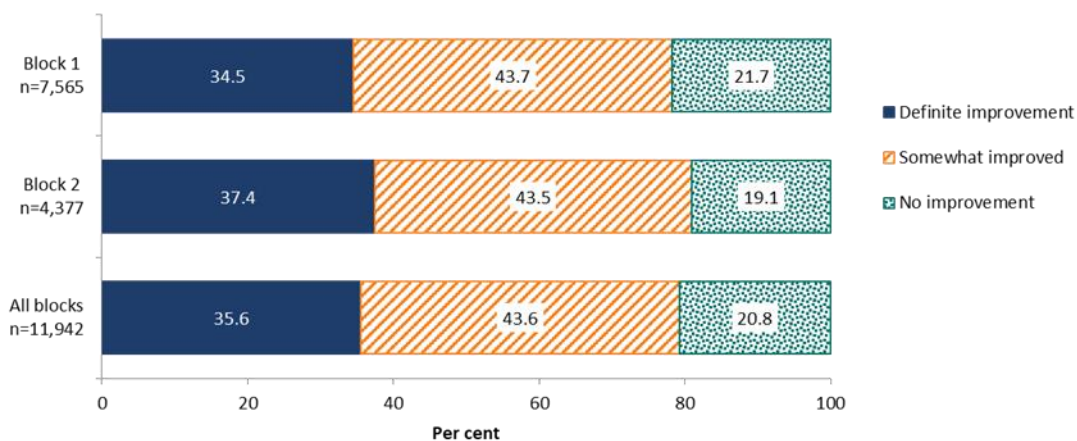
## 4.7 Impact of Employability Skills Training on employability

In the 2017 jobactive provider survey almost two thirds of respondents agreed that:

- Block 1 is effective at teaching young people the skills they need for the workplace (60 per cent)
- Block 2 is effective at teaching young people how to find and get a job (59 per cent).

After a young person exits an EST course, the jobactive provider may enter an assessment of whether the participant’s employability skills have improved into ESS Web. Providers under jobactive submitted 11,942 assessments of participants across EST. Of these, 79 per cent said that the young person had shown ‘Definite improvement’ (36 per cent) or ‘Somewhat improved’ (44 per cent) their employability skills. Provider assessments of Block 2 participants were slightly better than assessments of Block 1 participants (81 per cent reported an improvement compared to 78 per cent).

**Figure 7: Provider assessment of improvement in participants’ employability skills (per cent)**



Note: The provider may provide an assessment of the young person’s improvement in employability skills once the participant has exited the course.

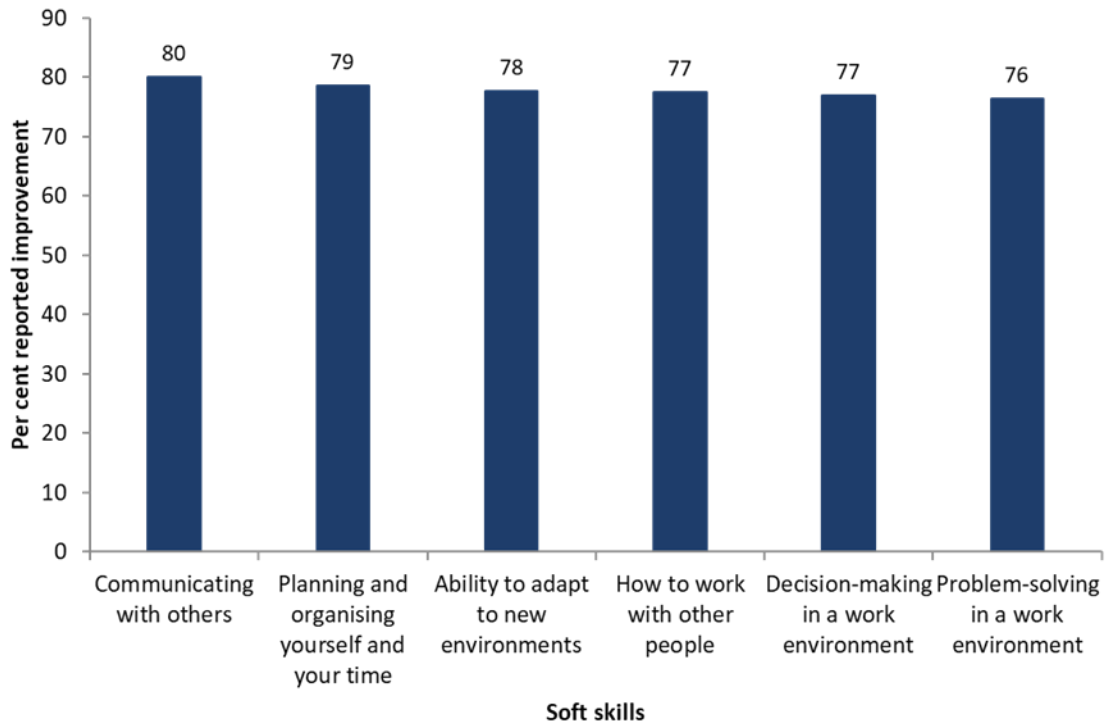
Source: Department of Education, Skills and Employment administrative data.

In the 2017 EST Participant Survey most participants reported an improvement in employability skills. Of those who attended some or all of their EST course, almost two thirds (65 per cent) reported learning something new from their participation. Young people reported learning to write cover letters and résumés, do interviews, and talk with others.

Respondents to the 2017 EST Participant Survey reported improved communication (80 per cent), organisation (79 per cent), ability to adapt (78 per cent), teamwork (77 per cent), decision-making (77 per cent) and problem-solving (76 per cent) (Figure 8). Similarly respondents reported improvements in employability skills like how to approach employers (85 per cent), résumé writing

(84 per cent), interview preparation (84 per cent), tailoring job applications (83 per cent), and finding jobs that suit their skills and interests (77 per cent) (see Figure 9).

**Figure 8: Young people’s self-assessment of soft skills improvement post EST Block 1**

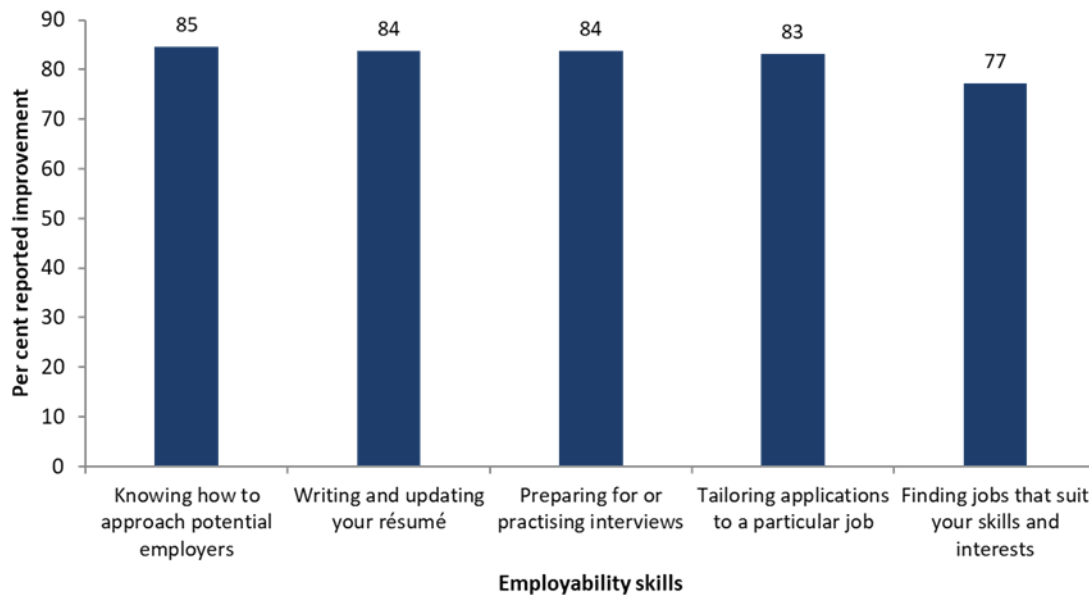


Note:

Q. Has the activity improved your knowledge or skills in the following areas? (n=1038–1039).

Source: 2017 EST Participant Survey

**Figure 9: Young people’s self-assessment of employability skills improvement post EST Block 2**



Note:

Q. Has the activity improved your knowledge or skills in the following areas? (n=626–629).

Source: 2017 EST Participant Survey.

Interviewed young people echoed the benefits described above. The fieldwork also identified several other benefits that providers and young people reported EST courses provided.

Providers under jobactive believed that EST providers could identify young people’s previously unrecognised barriers to employment because they could work more intensively with participants over the duration of the course. A few jobactive providers reported that when the EST provider advised them of these other issues they could then collaboratively support the young person.


... them coming and finding out they haven’t eaten, so maybe they are building that rapport for that three or four days, where the job seeker and youth does get comfortable and goes, ‘You know what, I am actually looking after my six brothers while mum is battling cancer.’ Because, some of us, if they have been transferred in, it takes time to build a rapport with a client to get them to disclose that.

Provider 21, jobactive, QLD

EST participants formed friendships and engaged with other participants during the course. For some participants, having friends and making social contacts made them more likely to stay engaged in the course, made them feel that they were not facing their issues alone and helped them develop confidence. Some young people made lasting friendships and remained in contact after the course had finished.

Everyone was easy to talk to, and everyone was kind of in the same boat, so understanding of our situations, and getting to know what everyone else wants to do and all that stuff, so that was good. Yeah, the group was good, and working in a group was good.

In-depth 1, EST, VIC



I reckon I had a really good like experience with mine. Mine was solid. Like, I got a good instructor, I got like great — like I still hang out with some of the people who I have finished the course with many months ago.

Focus group 10, EST, WA

Another benefit that EST participants identified was learning about themselves, their personalities and their communication and learning styles. Several EST participants reported having done tests or quizzes that made them learn more about themselves and helped them think about their career pathways.

We learnt more about what we could do and I think a lot of us are more auditory and visionary. But there were a couple of us who were actually kinaesthetic, me being one of them. And it actually helped because with the guy we had, he said that with the learning styles we had, it would actually be useful further on in jobs. And he's like some people who are auditory and kinaesthetic, they've made great teachers, which turned out I was both of those.

Focus group 1, EST, VIC

Some EST participants reported that they enjoyed learning specific skills, such as how to shake hands, which helped them gain a sense of confidence and a better understanding of what employers are looking for in an employee.

If anything, we learned how to do a proper handshake. The whole class went around the table and like went to the teacher and the teacher like said it was a good firm one or what did you need to do to make it good one and things like that.

Focus group 3, EST, QLD

But overall it just really helped me to widen my knowledge of what employers want. Because 18 year old, just graduated, 'Oh yeah, I know how to get a job.' It's not the case. But yeah, it does help you a lot with literally just finding a job and everything too.

Focus group 7, EST, QLD

Interviews with EST participants also identified some areas where EST courses could be improved. A few young people felt that they had not learned new material and that the course was not useful to them. A few young people thought that the EST course lacked specific useful information such as managing social anxiety in the workplace.

Block 1 is just very, very, very basic ... Like it's just that basic and simple they just take you straight back down to the roots. But it's not helping me get a job because it's things you already know anyway.

Focus group 5, EST, QLD

That would have been beneficial to me had we focused on things like ... the social aspects of it and dealing with things in your mind, and being anxious and nervous and all that. Because even if it was aimed for younger people, I'm sure that they would be anxious and nervous going into a job for the first time. So how to deal with that would be good.

In-depth 1, EST, VIC

### 4.7.1 Outcomes

EST is designed to help young people enhance their work readiness by equipping participants with pre-employment skills to meet the expectations of employers (Block 1) and helping young people find a job through advanced job hunting, career development and interview skills (Block 2).

Providers under jobactive do not tend to refer young people whom they feel would not benefit from a course. Where there is a supply of EST courses, non-referral can be because the young person has non-vocational barriers (such as language barriers or homelessness) or because the young person has sufficient employability skills gained through previous work or training. This selection process means that employment outcomes for EST participants are not directly comparable with outcomes for the wider population of young people participating in jobactive. Supplementary impact analysis by the department will explore statistical methods to compare those who have participated in EST to a non-participant control group.

Over a third of EST participants (37.5 per cent) had at least one job placement, had a PaTH Internship, or began further education within three months of attending an EST course. Young people who participated in both blocks of training had better outcomes than those who only participated in one block of training. Table 3 shows that young people who participated in both blocks compared to only one block of training were more likely to go on to a PaTH Internship or further education; however, they were less likely to have a recorded job placement. The lower likelihood of a job placement for young people who participated in both blocks of training may be due to being attached to further training or an Internship.

Of the 4061 young people with a recorded job placement, 29 per cent were supported by a Youth Bonus Wage Subsidy.

**Table 3: EST participant outcomes three months after their last placement in a course**

Block	Job placement (per cent)	PaTH Internship (per cent)	Further education <sup>(a)</sup> (per cent)	Any outcome <sup>(b)</sup> (per cent)	Total
Block 1	23.3	4.9	11.3	36.3	3,721
Block 2	24.0	3.8	12.0	36.8	9,831
Block 1 and Block 2	21.5	8.2	15.6	41.1	4,103
<b>Total</b>	<b>23.0</b>	<b>5.4</b>	<b>12.4</b>	<b>37.5</b>	<b>17,655</b>

Note: Outcomes are measured at any point within three months following the start of the EST course. In the event of multiple placements in the same block, the last EST course commencement is used.

(a) 'Further education' means an advanced diploma, associate degree, bachelor's degree, Certificate I-IV, diploma, master's degree, postgraduate certificate or postgraduate diploma, or a university degree with six months or one semester remaining.

(b) 'Any outcome' means at least one job placement, PaTH Internship or further education outcome.

Source: Department of Education, Skills and Employment administrative data.

## 4.7.2 Meeting business needs

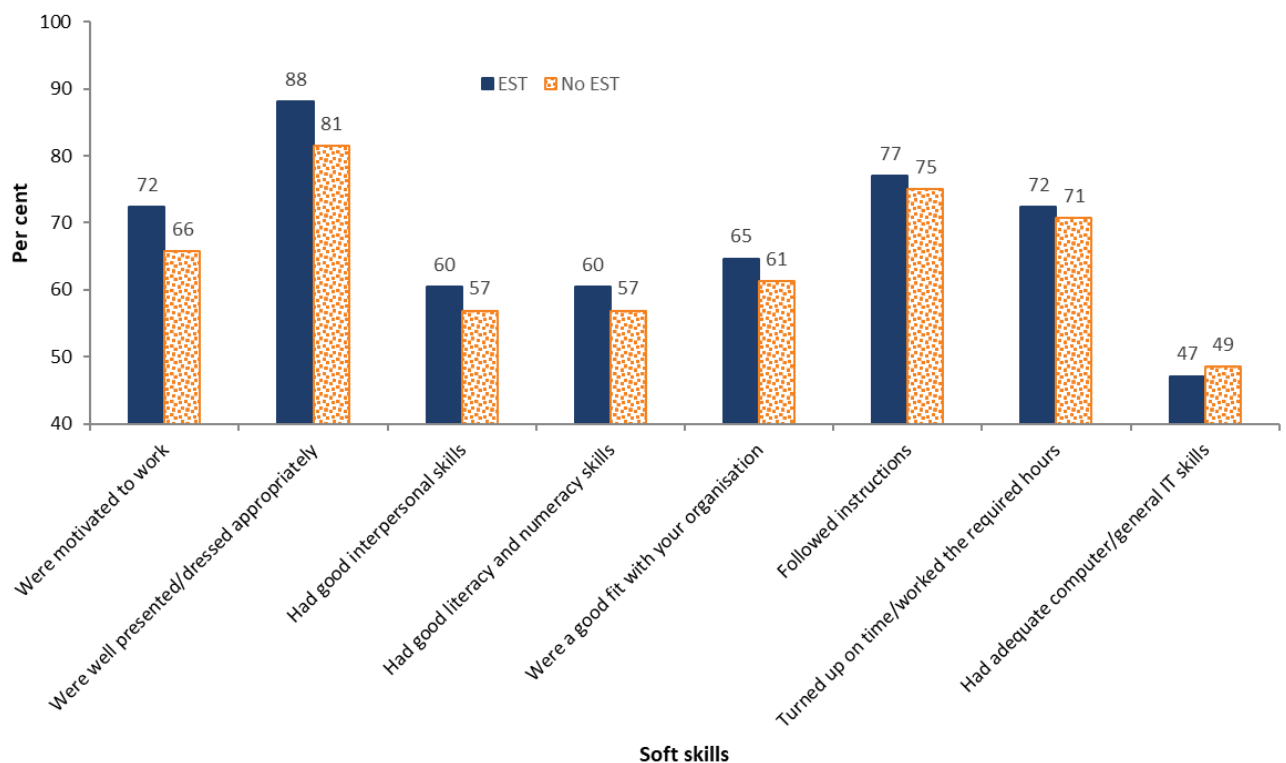
Interviewed businesses had limited awareness of whether the intern(s) in their business had attended an EST course, and most of the discussions did not focus on this issue. One business was aware that their intern had completed EST; however, they still had concerns about the intern’s soft skills.

He had just completed an EST program ... So, his communication skills were very poor at the beginning, so we had to work on that a lot. He felt that it was okay just for him to determine whether or not he was going to turn up for work later or not, so we had to work on that as well.

Business 15, single placement, SA

In the 2018 PaTH Host Business Survey, businesses rated most interns who had participated in an EST course before their Internship as more work ready — particularly in motivation and presentation — than interns who had not done EST (Figure 10).

**Figure 10: Intern participation in EST and business perceptions of their work readiness (per cent strongly agree or agree)**



Note:

Q. Thinking about the intern, to what extent do you agree or disagree that they ...?

Based on businesses that believed the intern completed EST before starting the Internship (n=658)

Source: 2018 PaTH Host Business Survey.



## 5 Trial — Internships

### 5.1 Overall findings

Between 1 April 2017 and 31 March 2018, 4498 young people, across 2402 host businesses, had a PaTH Internship. Compared to the eligible caseload, Internship participants were less likely to be Indigenous, an ex-offender, a refugee, a parent, from a non-English-speaking background, or without a stable residence.

Almost all jobactive, TtW and DES providers involved in the research were aware of Internships. In the 2018 PaTH Host Business Survey, the majority of businesses that had hosted an Internship (70 per cent) had heard about them through a provider, recruitment agency or broker. One in five (19 per cent) young people in jobactive had heard of PaTH Internships, mostly through their provider, as reported in the 2017 Survey of Job Seeker Experiences of Employment Services. However, young people often had a limited understanding of Internships, reporting that providers did not give them enough information.

Providers thought that an Internship was most suitable for young people who had previously not held a job or did not have experience in the industry they wished to have a career in. Providers' primary method of engaging businesses was to reverse market their clients. After discussing the young person's preferences, the provider would approach suitable businesses to explain the benefits of hosting them as an intern.

Many providers targeted small to medium businesses as they were perceived to be more likely to be motivated by the \$1000 host business payment. A few providers preferred to target larger businesses as they were perceived to have more capacity to take on interns.


For young people, the \$200 fortnightly incentive payment received during the Internship was an important factor in their decision to participate, as was the opportunity to gain workplace experience. Internship participants liked the opportunity to learn new skills or trial a new industry. In particular, some young people liked that an Internship let them show a business their skills without needing a résumé or undertaking an interview.

In the 2018 PaTH Host Business Survey, businesses that hosted an Internship gave three main reasons for doing so:

- to help young people gain skills/experience (87 per cent)
- to try someone out before hiring them (83 per cent)
- to help them find the right person for the job (73 per cent).

Providers reported that some businesses preferred direct employment because they wanted the employee to start quickly or they wanted to pay young people a wage. Providers reported that a small number of businesses chose not to host an Internship due to the business's unwillingness to engage with providers, complete administration or go through the risk assessment process.





Businesses and providers liked the flexibility of being able to trial a young person for between four and 12 weeks. Over half of businesses (55 per cent) in the 2018 PaTH Host Business Survey reported that they had had a choice about the length of the Internship when it was being planned. 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.

Internship placements were usually in entry-level positions. The majority were in the accommodation and food services, retail trade, other services, manufacturing, and administrative and support services industries. Administration of the PaTH Internship Agreement appeared to be largely working and was mostly reported by providers as being straightforward. Providers found the risk assessment the most problematic part of preparing for an Internship, reporting that there was a lack of clarity from the department especially around the requirement for a 'competent person' to conduct the assessment.

Young people and businesses who participated in the fieldwork were generally happy with their Internship experience. Businesses appreciated the flexibility of the Internships and often felt they could work one-on-one to accommodate the intern's needs. During the Internship, providers often stayed in contact with interns and host businesses to provide support. Businesses and interns reported varying levels of contact from their provider, through email, phone calls or site visits.

Around half of interns under jobactive (57 per cent), TtW (54 per cent) and DES (43 per cent) achieved a job placement within three months following the end of the PaTH Internship. In hiring a young person after an Internship placement the businesses typically valued an intern's soft skills such as attitude, resilience and motivation. Four in five respondents (80 per cent) to the 2018 PaTH Host Business Survey said they were likely to use PaTH Internships again for future recruitment needs.


The top reasons businesses gave in the 2018 PaTH Host Business Survey for not hiring an intern after an Internship were as follows:

- 42 per cent of businesses reported that the intern was not suitable. Of these
  - 23 per cent reported a poor attitude
  - 18 per cent reported unreliability
  - 18 per cent reported unsatisfactory performance<sup>34</sup>
- 29 per cent reported the intern leaving or quitting
- 17 per cent reported that they were unable to offer them a job<sup>35</sup>.

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<sup>34</sup> These numbers add to more than 42 per cent as a respondent could select more than option.

<sup>35</sup> Where businesses said that they could not offer the young person a job, there could be a number of reasons why this was the case. For example, the business may have initially been able to offer a job to the intern but then found itself in a worse financial state, meaning that it could not afford to hire the young person at the completion of the Internship. Eleven businesses selected 'could not offer them a job' and another reason, which makes it unclear what their primary reason was for not offering a job.



Four in five jobactive (79 per cent) and TtW (86 per cent) respondents in the 2017 provider surveys agreed that PaTH Internships give young people vocational skills. Providers — and young people who had done Internships — noted that even when an Internship did not convert to a job, participants gained work experience, developed self-confidence and learned new skills.

## 5.2 Awareness of PaTH Internships

### 5.2.1 Provider awareness and understanding

Employment services providers were aware of PaTH Internships. In the 2017 provider surveys, 100 per cent of jobactive and TtW respondents were aware of Internships<sup>36</sup>. Providers had learned about PaTH Internships through departmental material and reported that the information provided was useful.

We got two fast fact sheets and a guideline. That all got sent out and all the [employment consultants] had to print that out, read it, say that they've read it and understand it ... everyone had that on their desk.

Provider 10, DES, NSW

While the department published guidelines and other material before the commencement of Youth Jobs PaTH, some providers in the 2017 fieldwork mentioned that they would have liked to receive more support for or training on setting up Internships.

... wish we could get maybe a little bit more help in terms of setting [Internships] up because I don't know how to do it myself and I think it is such a good idea, especially because they do get that little bit extra money.

Provider 1, jobactive/DES, VIC

All providers interviewed in 2018 were aware of Internships and understood how they worked. Providers reported becoming more familiar with Internship requirements once they had organised placements.


And we have put a few clients into PaTH Internships, so I have a pretty good understanding of the whole process, I think anyway, of it, yeah. We're a relatively small team anyway so, really, myself and one other consultant, our industry engagement coach, have taken the lead with the guidelines and understanding the risk assessments.

Provider 31, TtW/EST, VIC

Departmental targeted assurance found that 95 per cent of Internship agreements were signed before the start of the Internship and over 90 per cent of risk assessments were completed before the Internship commencement date. This shows that providers have a high level of compliance with and understanding of the management and administration requirements. Where issues were found, the department followed up with the small number of providers involved to educate them and improve their awareness around effective management of PaTH Internships.

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<sup>36</sup> There was no equivalent survey for DES providers.



A few providers who were initially sceptical of PaTH Internships became supportive once they had placed a young person into an Internship with a host business.

I guess, when the Internships first came up, straight away I said, 'No, these are going to be terrible ... it's exploitation of the young people.' This is not realising the worth of what they were. Complete turnaround. Absolutely love them.

Provider 21, jobactive, QLD

Providers believed that the PaTH advertising campaign was going to raise awareness of Internships among businesses.

I think there's a wealth of information out there, radio, news. It's certainly been advertised and employers are aware of the program.

Provider 2, jobactive/TtW, VIC

A few TtW and DES providers, who generally had a smaller cohort of Internship-eligible young people, reported struggling to find young people suitable for Internships when approached by businesses.

I think sometimes it's difficult because of all the advertising that's gone out there for employers to say about PaTH ... So we quite often have employers say to us, oh, I've seen this thing ... And then we come back here and look at our eligible lists and TtW had on, we've probably got between [Location] and [Location] less than 30 that are even eligible.

Provider 28, jobactive/TtW/DES, NSW

### 5.2.2 Business awareness and understanding

Most interviewed businesses had heard of PaTH Internships through providers. Some had also heard about Internships through social and professional networks, RTOs and advertisements. A few businesses mentioned that advertisements for PaTH had sparked their interest, prompting them to get in contact with a provider.

[Local providers] had some signage around the area ... it just sort of made me think, okay, well that's somebody worth getting in touch with ... from there, they [employment services providers] were properly informed on all these types of programs that are out there.

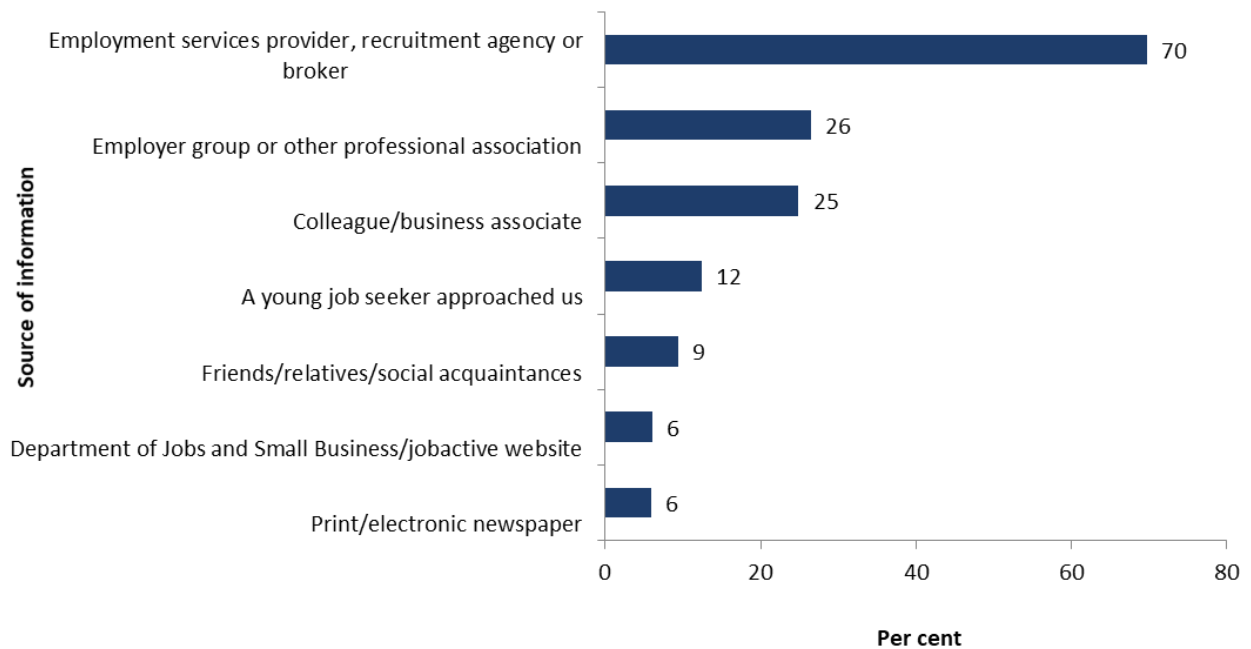
Business 11, more than one placement, QLD

So we did see it advertised and we just looked into it a little bit more and tried to work out, well, could this be something that we could look at.

Business 21, single placement, QLD

Similarly the 2018 PaTH Host Business Survey indicated that 70 per cent of businesses had heard about Internships through a provider, recruitment agency or broker (Figure 11). Others had heard of Internships through business groups or other professional associations (26 per cent); from a colleague or business associate (25 per cent); and from young people approaching their business (12 per cent).

**Figure 11: Source of information about Youth Jobs PaTH**



**Note:**

The figure provides the top seven responses. Businesses could select more than one option, so responses add up to more than 100 per cent.

Q. Where did you hear about the Youth Jobs PaTH program? (n=835).

Source: 2018 PaTH Host Business Survey.

Of the 70 per cent of businesses that had heard of Internships through an employment services provider, recruitment agency or broker:

- 38 per cent were cold-called and offered services
- 26 per cent contacted the provider, agency or broker
- 21 per cent had an existing business relationship.


A few businesses reported initially seeing the Internship as too good to be true. For example, one business mentioned being surprised that the \$1000 host business payment was available up front.

Respondent: I looked at it online ... I made sure I read up, [my brother] was like, 'This is too good to be true ...'

Interviewer: I'm just interested in a comment you made there, 'It sounded too good to be true.' I have heard similar things before. What was it in particular? Was it the payment up front or anything along those lines?

Respondent: I think the payment upfront — I'll be honest. I've spoken to the main lady that I deal with and I say to her, 'I like the \$1000.'

Business 13, more than one placement, NSW



Once a business became more informed about Internships, often after contacting a provider, they realised the benefits of Internships (for example, trialling young people).

In the 2018 PaTH Host Business Survey, the majority (56 per cent) of businesses had no concerns about hosting an Internship<sup>37</sup>. Of the businesses that raised concerns, the main concerns were the intern's:

- quality/suitability (13 per cent)
- attitude (10 per cent)
- reliability (7 per cent)
- skill level (4 per cent).

A small proportion (3 per cent) were concerned about support from, or having issues with, an employment services provider.

Interviewed providers thought that most businesses were not aware of PaTH Internships. For providers, informing businesses about PaTH provided an opportunity to market young people.

I would say 70 per cent of employers, they don't have an idea of the wage subsidy or the Internship ... When I start talking about the Internship they will be shocked, surprised ...  
Businesses are] not aware of these kinds of services.

Provider 19, TtW, WA

According to providers, lack of awareness and understanding was a barrier to getting businesses to host an Internship placement. Requirements related to hours of participation, duration of Internships and supervision deterred some businesses.

The whole system is so confusing. Even to me and I've been in it for a while. For an outsider, for an employer, or even for a job seeker, it's just a minefield ... The department stuff, it kind of does give you the bare facts, but it doesn't go into details of [eligibility] ... [Businesses] don't really want to be stuffing around with, 'Oh, is this person eligible? That one's not, but this one is? Why is that?' It gets complicated.

Provider 24, TtW, SA

### 5.2.3 Young people's awareness and understanding

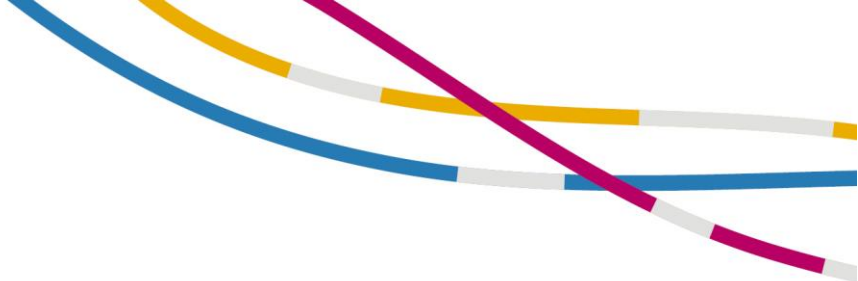
One in five young people (19 per cent) had heard of PaTH Internships, according to the 2017 Survey of Job Seeker Experiences of Employment Services. The main source of awareness was their jobactive provider (75 per cent), followed by friends or family (7 per cent). One young person who heard about an Internship from a friend followed up with their provider to ask for more information.

I actually asked [my employment consultant] about it because one of my friends was doing [an Internship] and I asked him about it. He goes, 'Well, I can have a look and see what there is.'

Focus group 6, Internship, NSW

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<sup>37</sup> Businesses were asked what concerns, if any, they had about hosting an intern. They could select more than one option, so responses add up to more 100 per cent.



Young people in EST-related focus groups had low awareness and limited understanding of Internships. They reported that neither their EST trainer nor their employment services provider had informed them about Internships.

Moderator: You don't know about [Internships]?

Respondent 1: [The provider] didn't say anything.

Respondent 2: No.

Focus group 3, EST, QLD

They reported that providers did not give them enough information about Internships and that they were unaware of what other education or other activity options were available to them. Where young people did understand Internships, they saw them as an opportunity to gain employment.

They gave me a brief explanation of, this is a trial and you may or may not get [hired] ... So basically when any Internship popped up they gave it to me. I didn't even know there were options.

In-depth 2, Internship, QLD

According to the 2017 provider surveys, around three quarters of jobactive (71 per cent) and TtW (84 per cent) respondents agreed that case managers and employment consultants actively promoted PaTH Internships to young people.

### 5.3 Decision to participate in a PaTH Internship

Between 1 April 2017 and 31 March 2018, 4498 young people, across 2402 host businesses, undertook a PaTH Internship<sup>38</sup>:

- 5 per cent of young people participated in more than one PaTH Internship
- 32 per cent of businesses hosted more than one PaTH Internship
- 26 per cent of young people under jobactive completed EST before starting a PaTH Internship (see Section 3.2 for more on how young people have used PaTH).

Compared to the eligible caseload (Table 4), Internship participants were less likely to be:

- ex-offenders
- Aboriginal or Torres Strait Islander
- refugees
- parents
- from a non-English-speaking background
- without a stable residence.

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<sup>38</sup> Business counts are based on ABNs.

**Table 4: Characteristics of young people who began PaTH Internships, 1 April 2017 to 31 March 2018 (per cent)**

Characteristics	jobactive (n=4,026)	TtW (n=428)	DES (n=298)	Eligible caseload (n=87,769)
Completed Year 12 or less	62.9	81.5	62.1	67.6
Disability	13.4	6.5	100.0	25.3
Ex-offender	5.5	6.5	5.0	9.0
Unstable residence	11.6	8.6	7.7	13.7
Aboriginal or Torres Strait Islander	15.4	14.5	7.4	17.6
Male	52.6	53.7	58.7	55.8
Female	47.4	46.3	41.3	44.2
Non-English-speaking background	6.2	4.7	2.7	7.5
Parent	0.4	0.2	0.0	0.9
Refugee	1.8	0.9	0.3	3.3
Long-term unemployed (1 year or more)	71.8	29.7	84.9	78.3
Very long-term unemployed (2 years or more)	36.2	10.0	54.0	43.2

Note:

Eligible caseload characteristics are calculated as at 31 March 2018. The eligible caseload comprises jobactive, TtW and DES participants.

jobactive, TtW and DES characteristics are calculated as at the commencement date of an Internship. These columns relate to all placements in Internships (this includes young people with multiple placements).

Source: Department of Education, Skills and Employment administrative data.

The majority of young people who participated in a PaTH Internship were from jobactive (85 per cent), followed by TtW (9 per cent) and then DES (6 per cent)<sup>39</sup>. Usage of Internships by jobactive providers' was proportionate to their share of the eligible caseload: 84 per cent of young people who were eligible for Internships were in jobactive, while 85 per cent of young people who participated in an Internship were in jobactive (see Table 5). TtW providers' usage of Internships was higher than their share of the eligible caseload. DES providers' usage of Internships was lower than their share of the eligible caseload<sup>40</sup>.

**Table 5: Take-up of PaTH Internships by employment services compared to eligible caseload**

	jobactive (per cent)	TtW (per cent)	DES (per cent)	Total (number)
Usage	84.8	8.9	6.3	4,498
Eligible caseload (by contract)	83.7	4.9	11.5	87,769

Note:

Eligible caseloads as at 31 March 2018.

jobactive, TtW and DES contracts are calculated based on their last Internship placement.

Source: Department of Education, Skills and Employment administrative data.

<sup>39</sup> Based on the employment service a young person was in at the time of their latest Internship placement.

<sup>40</sup> A reason for the lower take-up of Internships under DES may be that the PaTH Internship outcome payment was only available to DES providers for Internships that began after 1 July 2018, rather than 1 April 2017 under jobactive and TtW.

### 5.3.1 Identifying suitable Internship opportunities

#### Host business engagement

Providers' main method of engaging businesses was to reverse market their clients. Typically, after discussing a young person's preferences, a provider would approach suitable businesses to explain the benefits of hosting an intern.

Providers usually contacted businesses directly, approaching both businesses with which they had existing relationships and businesses which did not currently interact with either their provider organisation or employment services in general. Some providers reported that some businesses with which they already engaged had proactively advised when they had a position available.

A few providers mentioned looking at other job advertisement websites for businesses that could be willing to host an Internship. One provider reported that they would try to engage businesses advertising vacancies through other job vacancy websites to offer PaTH as a recruitment option.

Sometimes I just go on Gumtree and see what employers are advertising.

Provider 19, TtW, WA

Fewer than a third of jobactive (27 per cent) and TtW (31 per cent) respondents agreed when surveyed in 2017 that PaTH Internships were easy to source. This suggests that many providers found it hard to engage businesses and source PaTH Internship opportunities for their eligible caseload. While most providers had employer liaison roles in their organisation to help engage businesses with employment services generally, a few providers were creating new roles in their organisation to source PaTH Internships.

So we've just gone through a process where our recruitment consultant has actually gone onto another organisation, so we've turned this recruitment consultant role now into a PaTH Internship recruitment consultant role, because we see the value in it so highly.

Provider 27, jobactive/DES, SA

A small number of businesses approached providers about Internships and a small number of young people sourced their own placements, which providers then facilitated. In the 2018 PaTH Host Business Survey, 12 per cent of respondents reported hearing about PaTH through a young person approaching them about an Internship.


We have people approaching us going, 'What's this PaTH Internship about?' ... Yeah, we actually have employers seeking out PaTH Internships now.

Provider 32, TtW/DES, NSW

#### Vacancy advertising by businesses

Businesses are able to post an advertisement for an Internship vacancy on the jobactive website. This advertisement sends an 'invitation' to providers, who can accept the vacancy and try to match an appropriate young person. In general, businesses reported that the process of advertising an Internship vacancy was easy to complete. In the 2018 PaTH Host Business Survey, 21 per cent of respondents agreed that they understood how to advertise an Internship online.





I posted something online because they make it quite easy to just post a role. So I posted a role and several agencies picked up and said we've got some candidates that would be interesting to send through.

Business 11, more than one placement, QLD

Only a few businesses used the jobactive website to advertise an Internship vacancy. About six per cent of Internship placements were recorded as having been initiated by a business advertising the vacancy. Providers reported that there were few business-created advertisements and that some businesses were unrealistic in the criteria they specified in their advertisements. Providers' views on the availability or appropriateness of Internship invitations from businesses indicates that the relevance of business-created advertisements as a way to identify suitable Internship placements is low.

Certainly, up here, if a vacancy comes up through the job search website for Internships, it's pretty much like seagulls fighting over a chip.

Provider 36, EST, QLD

... so the invitations come through the ESS, so we have had, I think we've only had about three or four come through and one we've just accepted and the other couple that came through were not suitable for our participants ... I think the requirements, I think one of them wanted a HR [Heavy Rigid (truck)] licence so our participants are just too young. Half of them don't even have a [driver's] licence.

Provider 19, TtW, WA

A small number of businesses had difficulty using the jobactive website to advertise their vacancy. In the 2018 PaTH Host Business Survey, 11 per cent of respondents disagreed that they understood how to advertise an Internship online. Issues with advertising a vacancy online included technical difficulties and unwillingness to use online methods. One business had issues with posting an advertisement on the department website due to the website crashing.

... I had a good deal of difficulty lodging an Internship vacancy on the department's website ... It crashes.

Business 15, single placement, SA


## Identifying young people

Providers needed to identify suitable young people from their eligible caseload for Internships. Providers generally attempted to match young people to a business that aligned to their interests and career aspirations. Providers would consider a young person's previous work experience, interest in a particular industry, skills and attitude before sending their résumé to a business.

So generally we would put it through the same process as if we were matching up with the job ... we follow the exact same process: look at the skills, look at the experience, look at the qualifications, look at the attitude, and go from there.

Provider 11, jobactive, NSW

While an Internship is a voluntary activity, some providers presented an Internship as a more appealing way for a young person to meet their Mutual Obligation Requirements. In particular,



providers promoted the \$200 incentive and the potential opportunity for ongoing employment to young people to encourage them to participate in an Internship.

Respondent 1: I was going to do Work for the Dole scheme and I was talking to them for a bit and eventually they said, 'There's this new Internship happening, would you like to go?' ... At least from an Internship you go off from somewhere — because at Work for the Dole is just at a charity shop.

Respondent 2: There's no opportunities when doing Work for the Dole.

Focus group 9, Internship, NSW

### Brokering Internships

A broker is a third-party person or organisation who sources an Internship placement and acts as a go-between for the business and the provider. Employment services providers could have entered into formal commercial arrangements with brokers; however, there was no evidence of this from the evaluation fieldwork<sup>41</sup>. Most commonly EST providers brokered Internships for young people who had completed an EST course, although there were a small number of brokers that were independent of employment services.

EST providers often reported that the main benefit of brokering an Internship was to improve their relationships with jobactive providers and get referrals to future EST courses. EST providers were well placed to match young people to businesses, as they often engaged businesses to facilitate Industry Awareness Experiences or delivered employment services (for example, jobactive) in which they performed a similar function.

... we work so well with [EST provider] is because we're getting Internships out of it, which are converting to apprenticeships or jobs ... so they're reverse marketing the clients through Internships, and part of their program ... that's all she does; she does work with local employers to get those Internships, and then from that, we've had, I think, four of them convert into hired apprenticeships or employment in the last two months.

Provider 34, jobactive, WA


EST providers believed there was a lack of financial incentive, beyond recognition in their key performance indicators, for them to broker Internships. They wanted to be able to receive an outcome payment if they were able to secure a placement.

And again, I mean, it would mean that I would have to go out and try and find those jobs, which are not ... we're not being remunerated for in any way, shape or form to do that, and because it is a timely, costly thing to be doing, and whereas the incentives and all the benefits go back to the [jobactive providers], so they're getting the ... Obviously, they get that token placement fee, followed by the outcome ...

Provider 36, EST, QLD

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<sup>41</sup> As at February 2019, the department was not aware of any commercial arrangements between employment services providers and brokers. There may be private agreements. If there were any such arrangements in place, all Internship agreements would still be subject to the requirements in the jobactive deed and the Internship guidelines.



A few providers were concerned about third-party brokers and that departmental guidelines did not strictly regulate brokers. Some providers were concerned that some brokers did not inform businesses of the \$1000 host business payment that the business is eligible to receive or did not organise a placement where the intern could have a reasonable prospect of employment.

When it comes to the \$1000 payment, they say, 'What do you mean [there is] a \$1000 payment?' 'Well, it gets paid to you between you and broker. That's your business.' A lot of the time, the broker won't tell them anything about the \$1000 payment ... We have also had brokers — 'Definitely there is a job at the end of it. Yes, this is fantastic.' We go to do the risk assessment and the employer says, 'I told the broker I am more than happy to have this young person on here but there is no job at the end of it.'

Provider 21, jobactive, QLD

## Eligibility

A few providers thought that requiring young people to be in employment services for six months before becoming eligible to participate in PaTH was detrimental<sup>42</sup>. For example, one provider believed that young people would be unmotivated to participate in an Internship or look for work by the time they became eligible.

[By the] end of six months they're totally unmotivated, and lost confidence.

Provider 29, TtW, QLD

Many TtW providers thought Internships should be accessible to their cohort earlier, as they only had a 12-month timeframe to work with clients before the clients were moved to jobactive services. A TtW participant may need to wait six months to be eligible, and then a further four to 12 weeks for the Internship to end. TtW providers felt that this was not enough time to address any barriers to employment identified from participation in the Internship. One TtW provider felt unable to support unsuccessful interns post-placement due to these timeframes.

If you had to wait six months then say you had an unsuccessful PaTH and then okay, so everyone has then recognised there are some issues. Then ... your time is coming maybe to an end [and] then that young person has to start again.

Provider 30, TtW, VIC


TtW providers wanted all Group Two participants — those who are not receiving income support or are receiving non-activity-tested income support — to be eligible to participate in an Internship. TtW providers thought Group Two participants would still be able to benefit from an Internship and had the motivation to look for employment.

So, yeah, anyone that's not on [an income support payment] isn't eligible for the PaTH program and they're probably the ones that are most engaged and most wanting to work

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<sup>42</sup> From 1 July 2019, to be eligible to participate in a PaTH Internship, young people must be on income support, have Mutual Obligation Requirements and:

- be in jobactive Stream A and have been continuously serviced for at least six months
- be in jobactive Stream A and have participated in either Block 1 or Block 2 EST, or
- be in jobactive Stream B or C, TtW or DES.



because they're coming to us to get that help. If they're hearing about it from their friends and they're seeing it advertised and we're like, 'Well, sorry, you're not actually eligible for it.' It's a bit disheartening.

Provider 32, TtW/DES, NSW

DES providers thought letting people of all ages and those with reduced work capacities participate in PaTH would help more of their cohort access PaTH. DES providers service many young people with work capacities lower than the minimum hours of participation for PaTH (30 hours per fortnight). In general, current eligibility requirements may deter some young people from using Internships under DES.

Yeah, we have a lot who have eight, 15, 23. It's more common to have as opposed to the 30 hour, which is basically full-time ... we don't tend to get a lot the right age, the age bracket that we can have — our youth component or under 21 component is very very low.

Provider 26, DES, SA

A few jobactive, DES and TtW providers mentioned they would use the National Work Experience Programme (NWEPP) for young people who did not meet PaTH's eligibility criteria. While NWEPP has fewer eligibility restrictions on age and time in employment services<sup>43</sup>, at the time of the fieldwork, NWEPP participants received a \$20.80 per fortnight Approved Program of Work Supplement payment to assist with the costs of participation, and businesses did not receive a host business payment<sup>44</sup>.

We've got some perfect candidates that aren't eligible for the Internship ... if that person's not eligible we'll talk about the National Work Experience Programme, so they're going hand in hand at the moment.

Provider 16, jobactive, NSW

### 5.3.2 Factors influencing decision to participate

#### Host businesses

In the 2018 PaTH Host Business Survey (Figure 12) the reasons for hosting an Internship, as reported by businesses, included:

- giving young people the opportunity to gain experience (87 per cent)
- trying someone out before hiring them (83 per cent)
- helping find the right person for the job (73 per cent)
- employing someone with reduced costs for the business (57 per cent).

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<sup>43</sup> To be eligible to participate in NWEPP, a job seeker must be:

- aged 17 years or over
- registered with jobactive, TtW or DES
- receiving an income support payment such as Newstart Allowance, Youth Allowance (Other) or Parenting Payment.

<sup>44</sup> From 1 July 2018, NWEPP activity host organisations are able to receive a one-off, up-front incentive payment of \$300.

**Figure 12: Reasons for hosting an Internship — host businesses (prompted)**



Note:

Q. Why did your business host a PaTH Internship? (n=856).

Respondents could select more than one option, so the numbers will add to more than 100 per cent.

Source: 2018 PaTH Host Business Survey.

Around a third (36 per cent) reported that the \$1000 host business payment contributed to their decision to take on an intern<sup>45</sup>. Small businesses (0–19 employees) more often cited the \$1000 host payment as motivation (38 per cent) than large businesses (200+ employees) (21 per cent). A few providers said that some larger businesses that had agreed to host an Internship were either unwilling or unable to accept the host business payment.


It's certainly not a deciding factor for us to take on interns. I know it sounds like a lot of money but it's not. But, even if it was, it's not really a driving factor for us. I think we're more interested in the model of allowing them to acclimatise to that workplace and get a feel for it, and for us to get a feel for them, and that's why we really like the flexibility of that arrangement, and the Internship.

Business 21, single placement, QLD

[Business] refuse to take it. We have had lots of interns with [business]. They just say, 'We can't take the payment.' We have said to give it to a local charity, but it's something to do with their pay system.

Provider 21, jobactive, QLD

<sup>45</sup> The survey provided businesses with a list of possible reasons for hosting an Internship and asked which had motivated them when they were thinking about participating.



There were also other differences based on business size. For example, small businesses were more likely to say that they participated to see if they needed an extra employee (35 per cent) than medium (20–199 employees) (22 per cent) or large businesses (15 per cent)<sup>46</sup>.

Interviews with businesses identified similar influences on their decision to host an Internship. Interviewed businesses also gave other reasons for participating.

- Businesses liked giving young people an opportunity. Businesses saw hiring young people who had difficulty finding a job as a way to support their local community.

People potentially need the chance and they need a bit of a hand ... which is why we like to take the ones that everybody else rejects.

Business 6, single placement, QLD

I'm really keen, and as an organisation, to put something back into the community and get some self-rewards. That we can get a young person in to a position that's going to be long term for us, then it's a benefit.

Business 1, more than one placement, NSW

- Businesses liked that providers assisted with screening candidates by offering them a few young people to trial, rather than businesses having to review many résumés through job advertising websites like SEEK.

But the problem is you get so many people who come through and most of them will still apply even though the ad is asking for a different job description. So you'll have to go through hundreds of people and we just don't have the time to be going through them all ... Well literally from a 105 [applicants] on our last SEEK for admin position, down to maybe 20.

Business 3, single placement, QLD

- Businesses liked that they could give a description of what they needed and have appropriate young people referred to them.

I've been dealing directly with the employment agencies, putting the requests in and giving them a description of the people we'd like to work with ... then the employment agencies find out what we're doing and start recommending people who they know also fit the profile that we're working with.


Business 18, more than one placement, QLD

- One business that was aware of EST said that the EST element influenced their decision to take on an intern, as they believed that the training blocks would make young people more aware of what was expected in a business environment.

I know that they, as part of the Internship or the pre-Internship, is that they provided the kids or another service provider with some getting ready to work type sessions. So they went to an organisation that made them job ready and put them through activities and things. And the

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<sup>46</sup> The guidelines requires that Internship placements have a reasonable prospect of employment, which means that the business has a current vacancy, is likely to have a vacancy following the Internship, or has a regular pattern of recruitment. See Section 1.1.2 for information about the requirements around PaTH Internships.



way that was sold to be was, 'Okay, they're going to turn up somewhat understanding how a business environment works, they're going to know what's going on with emails and a few other bits and pieces like that.'

Business 7, more than one placement, QLD

## Young people

For young people, the \$200 fortnightly incentive payment received during the Internship was an important factor in their decision to participate in an Internship. The incentive payment was commonly mentioned by young people as a primary benefit of agreeing to an Internship placement.

The selling point was definitely the \$200 ... just the idea of being trained in your workplace, getting paid for that and then having employment at the end of it was just the best thing I'd ever heard of.

Focus group 6, Internship, NSW

After completing the Internship, a few young people said that they would have participated without the \$200 incentive payment because they appreciated the opportunity to gain new skills and potentially find employment.

Interviewer: How much incentive was the additional \$200 a fortnight?

Respondent: Well it was good, definitely wouldn't knock it back but I suppose even [if] it was less or we didn't get anything I would have been happy to do it just for the possibility of getting employed.

In-depth 3, Internship, NSW

Young people were also motivated to participate in an Internship to gain workplace experience. Young people saw this as a benefit of participating in an Internship even if they were unable to secure employment with the host business. Young people liked the idea that the Internship would allow them to form work routines and put recent work experience on their résumé.

... getting out the house, being somewhere else and working and not sitting down doing nothing all day.

Focus group 6, Internship, QLD

Especially at [business] it was kind of good to get that experience even if we weren't employed afterwards.


In-depth 3, Internship, NSW

Internship participants liked the opportunity to learn new skills or trial a new industry. In particular, young people liked learning practical and vocational skills, as opposed to theory-based learning that may be available in TAFE or other educational courses.

I can learn so much ... and you can't go to TAFE and learn how to fillet a fish but you can in a kitchen ... standing in here watching the chef work, that experience is going to rub off.

Focus group 6, Internship, NSW

Young people saw the Internship as a pathway to finding employment. In particular, some young people liked that an Internship let them to show a business their skills without needing a résumé or



undertaking an interview. Some young people also believed that an Internship made them less burdensome to businesses and allowed them to demonstrate appropriate workplace skills.

Like I'm always seeking new opportunities ... it's just, looking for a job can be just as hard as having a job, so, yeah. But that's the main reason I went into it.

Focus group 8, Internship, QLD

I guess being able to walk into a place and say, 'Hey, I'm not going to ask you to give me money straightaway but if I can prove that I can work here.'

In-depth 10, Internship, QLD

## Providers

Most providers used PaTH Internships as a tool to help young people find employment and did not require additional motivation or encouragement to use the element. In the 2017 jobactive provider survey, just under half (45 per cent) of respondents agreed that the PaTH Internship outcome payment was an adequate incentive for providers to use PaTH Internships<sup>47</sup>. Providers thought that an Internship was most suitable for young people who had previously not held a job or did not have experience in the industry they wished to have a career in. Providers also reported that the incentives made it easier to engage businesses and young people.

... the employers you know with the work experience, although it doesn't cost anything it costs people's time to be able to show people so you know having that incentive to be able to kind of offset that certainly makes it more appealing. And for our clients it's — yeah, they've got their little incentive to give it a go, good skill development, it's a good tester to try and find the right path, I suppose.

Provider 25, DES, NSW

### 5.3.3 Factors influencing decision not to participate

#### Host businesses

It is difficult to accurately capture the views of businesses that decided not to host an Internship, given that they can be difficult to identify and access and they often have little incentive to provide feedback for an evaluation. Consequently this section relies more heavily on feedback from providers and only a small sample of businesses that did not proceed with an Internship.


Of the interviewed businesses that did not host a PaTH Internship, one did not participate because the young person did not meet eligibility requirements (although the young person was subsequently employed after an Internship with another business) and another because the young person did not turn up to the placement.

Yep so [name] hadn't been with the [provider] organisation for long enough ... And then so what happened is [name] from [provider] asked me if I would still consider taking her on for

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<sup>47</sup> Note no equivalent question was asked for TtW providers and there was no equivalent survey for DES providers.





some work experience even if it didn't have the scheme behind it. And I said I was fine for that to happen.

Business 9, non-user, QLD

We were advertising for a pharmacy assistant and [provider] obviously come past our advert and asked us what we would be interested in looking at, whether we'd be interested in looking at a government funded [Internship] ... But then after issuing a uniform and everything she never actually came to her first day. She rang up just before and said that she couldn't do it.

Business 10, non-user, NSW

Feedback from providers indicated that businesses preferred to employ a young person directly, rather than host an Internship. Providers reported that businesses preferred direct employment because they wanted the employee to start quickly or they wanted to pay young people a wage.

... if they need someone to start and pick things up quite quickly they're happy to just put them on straightaway.

Provider 10, DES, NSW

There's others that have that ocker Australian, fair day's pay for fair day work idea, and they insist that if they're going to take someone on, that they get paid properly. So they don't want to take on unpaid work.

Provider 34, jobactive, WA

Providers reported that a few businesses chose not to host an Internship due to the unwillingness of the business to engage with providers, complete administration or go through the risk assessment process.

I think certainly from my point of view, and you'll probably get on to this, I can't say no to anybody when they say, 'And I don't want to be bothered with all that paperwork and this, that and the other thing either or that admin.' I'm thinking, I'm not going to be able to say to them, 'Gee, it's a breeze.' It's not. It's not for the faint-hearted ...

Business 2, more than one placement, QLD


A small number of businesses that had hosted Internships were initially hesitant to engage due to concerns about providers' poor matching of candidates to roles. Businesses reported:

- receiving résumés for young people who did not appropriately meet their criteria
- having a young person turn up to an interview who did not match the résumé sent out
- being hesitant about candidates sourced through providers
- feeling that they had a limited choice of candidates.

To start with I got involved with [provider], and I said to them, 'We need someone for business and we need someone for childcare, what have you got?' and of course, once again, I noticed the résumés didn't match the person who turned up.

Business 4, more than one placement, QLD

So, basically, I had no choice, 'This is the one you're going to get.' So, I sort of went, 'Well, this doesn't help me at all really.' It would have been good if he was good, but basically, they were



picking out who they reckoned would be good in my business, instead of me picking out who would be good in my business.

Business 14, single placement, TAS

Some interviewed providers believed that negative media reports on PaTH Internships made some businesses more cautious about agreeing to host an intern.

What hasn't helped, if I can be honest, is the kind of information that's come through the media around PaTH. And so, it's interesting the kind of messaging that the media has picked up and that has really distracted the purpose of PaTH. Particularly I think around when big partnerships are signed, in particular employers, and that's made the media. And that's made employers and the community very suspicious and very paranoid about a program which is actually quite positive around young people having an opportunity to solidify their skills to enter into a job.

Provider 38, TtW, VIC

## Young people

Reasons why young people might decide not to participate in Internships were explored through feedback from young people who did participate regarding their concerns before deciding to proceed, since it is difficult to identify and access those who chose not to participate.

Some young people expressed concern about the unpaid nature of the Internship. This view was more likely to be expressed by young people who already had a work history.

... my idea was get the four weeks over and done with so that I can start getting the money that I should be, you know the proper hourly rate that I should be entitled to.

Focus group 2, Internship, QLD

Some young people had Internships in industries or had duties that they were not interested in. One young person reported that they were not informed of the Internship's job description and would have liked to learn additional skills.


... they just told me it was for hospitality, you can learn all these new things. And then I went in for the first week, then I asked and I was like, 'Do we get to learn anything else, or is it just cleaning rooms?' and they were like, 'Oh yeah blah, blah, blah' and then I found out that it was just housekeeping ... We thought we were going to be doing like bartending and waiting, learning new skills, but it was just cleaning.

Focus group 2, Internship, QLD

One young person decided not to start their Internship after visiting the location of the Internship (before the day when the Internship was scheduled to start). The young person contacted their provider and withdrew from the Internship due to concerns about the safety of the placement. The provider informed the business and the Internship did not proceed.

... and I just thought no, I didn't feel safe. So I rang [provider] up and told them and they said, 'Well, we'll just ring up the person and just let them know that you won't be attending.'

Focus group 4, Internship, QLD



A few young people felt that they had limited choice as to whether they participated in an Internship. These young people believed that taking part in the Internship was mandatory<sup>48</sup>. Others reported that their provider informed them that their income support payments would be reduced if they did not participate. If these young people had had a better understanding of the voluntary nature of PaTH Internships, they might not have participated.

Yeah, so they just basically said — brought me in and said, ‘Oh, you should do this Internship. And if you don’t, you’re at risk at having it cut back to the minimum or something.’ I think it was — so it was like \$200 something dollars rather than the \$400 or \$500 that I was getting. So — and having a son it wasn’t really — yeah. So I felt like I was forced onto it.

Focus group 4, Internship, QLD

## Providers

A few providers preferred to refer young people to other activities or directly into employment rather than into an Internship. Providers reported that their preference to put young people directly into employment is encouraged by the performance payments structure for jobactive and TtW, given that an Internship can delay employment outcome payments<sup>49</sup>. This encourages providers only to place young people into Internships who they cannot place directly into employment and so reduce deadweight<sup>50</sup>, but it may result in only less job ready candidates participating, which may end in businesses not being satisfied with the quality of the candidates.

I think our focus is more on the employment placement and focusing on that. Because that’s what the department is wanting from us. Our KPIs [key performance indicators] are built around the employment outcomes. And I think what we tend to do is correlate an employment placement with someone being immediately employed outright and still sort of wrapping our head around the benefits of PaTH in terms of it’s not an immediate employment outcome, although the department recognise it as a PaTH outcome and get a little acknowledgement.

Provider 30, TtW, QLD


Providers must ensure that businesses meet the eligibility requirements to host an Internship placement, including that the business has a reasonable prospect of employment for the intern after the placement. Providers were not likely to recommend an Internship to a business if they believed that the business did not have a reasonable prospect of employment. Similarly, providers were unlikely to re-engage businesses that had hosted Internships without offering employment.

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<sup>48</sup> The program guidelines stipulate that before the Internship starts providers are required to ‘re-confirm with the participant that participation in an Internship is voluntary and they can leave an Internship at any time without penalty’ (Department of Jobs and Small Business, 2017).

<sup>49</sup> For example, an intern may participate in an Internship placement for up to 12 weeks, after which they receive employment and the provider may start tracking to employment outcome payments. However, if the provider is able to place the young person into employment straightaway without an Internship then the provider may start tracking to employment outcome payments sooner.

<sup>50</sup> Deadweight is where a young person would have found employment without a PaTH Internship.



So if they don't have the ability within their business to support these people to get the best out of them, without real opportunity then you wouldn't engage that employer.

Provider 8, jobactive/TtW, QLD

Providers can access information on the total number of Internships hosted and how many convert to paid employment (broken down by ABN) through ESS Web<sup>51</sup>. The department's active monitoring of the use of Internships by businesses complements this. The department also supports providers in ensuring the quality of placements by sending feedback letters to businesses about their usage of Internships. The department can send these feedback letters where employment outcomes are below a certain level or other issues are identified.

Providers must consider if the Internship placement is right for the young person and if the young person meets eligibility requirements. Providers may choose not to use the Internship for young people who lack transport, have low capacities to work (for example, under 30 hours per fortnight) or have non-vocational barriers that need to be addressed first.

... we may have some clients who that isn't realistic ... we do have a number that are eight-hour benchmark so being assessed as being able to work eight hours a week and they wouldn't be able to access the Internship.

Provider 25, DES, NSW

Just because a person becomes eligible, not everyone is actually ready for a PaTH Internship. We find that a lot of young people, even though they are now eligible because they have been on the program for six months, are not ready for that because they're still dealing with multiple and/or very challenging non-vocational issues.

Provider 30, TtW, VIC

Providers consider a young person's attitude when deciding whether to recommend an Internship placement. If a young person is unmotivated or has a poor attitude, providers are less likely to put them forward for an Internship placement. Providers aimed to avoid placing interns with low motivation as it would be less likely to lead to employment and could cause issues for the business and affect the provider's relationship with the business.

We don't put them forward. If we've got young people with that attitude, they're not ready for PaTH.

Provider 5, TtW, QLD

Providers use a range of strategies to ensure that Internship placements operate inside eligibility requirements. For example, one provider chose to restrict the number of interns one business could access, and would only allow further interns into the business once the reasonable prospect of employment had been assessed.

I've had to manage one employer pretty closely because he was sort of getting a bit odd, 'Send me three.' I said, 'No, like how many jobs do you have?' You know, so just making sure that we're asking those, the hard questions.

Provider 18, jobactive, NSW

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<sup>51</sup> This information aggregates summary data from all providers.

## 5.4 Preparing for PaTH Internships

In preparing for a PaTH Internship<sup>52</sup>, providers:

- must complete a risk assessment — conducted by a ‘competent person’<sup>53</sup> — for each participant to confirm that the placement is suitable and safe under any relevant legislation, employment services deed or guidelines
- must organise a PaTH Internship Agreement signed by the provider, the host business and the participant. The agreement documents the duration and regular hours of the Internship
- may offer additional assistance to support the participant in the Internship, including giving financial assistance to purchase transport, clothing or work-related licensing.

### 5.4.1 Risk assessment

Providers reported that the risk assessment was challenging. In the 2017 jobactive provider survey two thirds (65 per cent) of respondents agreed that PaTH Internships had a high administrative workload for providers.

A major frustration for providers was a lack of clarity about the process, especially the requirement that a ‘competent person’ conduct risk assessments. Providers were confused about the qualifications needed by staff and the particular risks they had to check for, especially across different industries<sup>54</sup>. Some providers developed their own comprehensive risk assessment checklists to ensure procedures had been followed.

I assume the competent test means someone that’s got a Certificate IV in — I don’t know, the guidelines are actually quite abstract as to what they mean by a competent person. I think I’m reasonably competent, but I wouldn’t want to be risk assessing a workplace where I don’t have that adequate training in what is a risk ... I do think the department, given that it’s such a serious thing, the insurance of a young person, should actually have a full template of what they’re expecting ... It should be very, very clear.

Provider 24, TtW, SA

Every industry is so different. We might go from an up market restaurant to a roof plumber, to a manufacturer, or construction and go to an office. So, it’s all different, so you couldn’t have a competent person for everything.

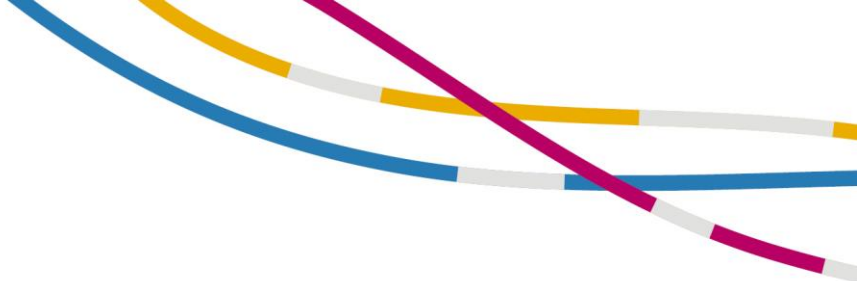
Provider 29, TtW, QLD

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<sup>52</sup> A full list of actions necessary for a provider to prepare for a PaTH Internship were available in Guideline: Managing PaTH Internships (and supporting references in that document).

<sup>53</sup> In the jobactive Deed 2015–2020, ‘Competent Person means a person who has acquired through training, qualification or experience the knowledge and skills to carry out specific work health and safety tasks, and as otherwise specified in any Guidelines.’

<sup>54</sup> The department publishes guidance materials on its provider portal covering a broad range of work health and safety topics. These include the definition of a competent person, requirements for risk assessments (including risk assessment templates), and links to information on current work health and safety laws operating in each jurisdiction. In addition, the department regularly monitors providers’ compliance with work health and safety risk assessment requirements.



Providers also had issues with the cost of contracting a ‘competent person’ or training existing staff to conduct risk assessments, especially smaller, not-for-profit providers. Some TtW providers suggested that the cost of using work health and safety professionals or training existing staff to be a ‘competent person’ could be met through a separate pool of funding devised specifically for assisting with risk assessments since, unlike jobactive providers, they do not have access to the Employment Fund.

For someone like us who are not a big, huge employment service provider, we’re a small little fish in a big pond, so that presented a bit of a challenge for us to say, ‘Okay, well, we need to either contract someone ... to go out and specifically do these risk assessments, or we need to pay a bit of money to up-skill people internally.’

Provider 31, TtW/EST, VIC

If there was a pool of money that was allocated specifically for Work Health [and] Safety training ... and the department were clear about what Certificate or what experiences would make someone competent [for risk assessments].

Provider 24, TtW, SA

Interviewed providers said they would welcome more clarity about how to assess risks when Internships are organised by labour hire firms who place interns with different businesses and in different workplaces. While the PaTH Internship guidelines state that providers must consider risks associated with placing an intern with a labour hire firm (Department of Jobs and Small Business, 2017), providers have discretion as to how to identify, mitigate and document these risks. Peak bodies and some providers indicated that it was unclear where the risk assessment should be carried out, and expressed concern that the assessment could be at the labour hire firm level (as the ‘host business’) rather than at the place where the intern was ultimately located.

... they [labour hire firms] typically don’t like the employment services providers doing the risk assessment with the host. They don’t like the host employer and the service provider coming together and then doing the risk assessment for the Internship.

Peak body


Host businesses that had multiple work sites or moved between sites posed a particular challenge for providers. Providers felt they received little guidance about how to deal with this situation.

The thing is, you might go and visit an employer out on a particular site and they’ve got all the right scaffolding up, but do you follow as they set up each job to make sure that they’ve replicated that in every place?

Peak body

While providers sometimes found conducting risk assessments problematic, host businesses were largely satisfied with the process. These views are reflected in the results from the 2018 PaTH Host Business Survey: 86 per cent of businesses that had taken on an intern agreed that the amount of work involved for the provider’s work health and safety risk assessment was reasonable.

There were some reports from businesses of the process taking too long (potentially delaying Internships), which can be caused by providers only having one competent person available to



undertake all required risk assessments. Most businesses said that there were no issues with the risk assessments conducted by the providers, especially when they already had their own high work health and safety standards.

There was a couple [providers] that you'd say to them, 'I've rung this person, they're keen. Your client's been put forward,' and it's, 'I can't get out there for another 10 days,' or it's, 'I apologise [name], I'm the only person that does the risk assessment across four different areas,' and they are just that busy, they have their own caseloads, so I think for a lot of them ... do a [host business] risk assessment, get the young person in, do their [participant's individual] risk assessment; get the host employer to sign [the Internship Agreement], get the [participant] to sign [the Internship Agreement]. It's paperwork ... And if they had multiple people to help for that initial risk assessment, would make it flow a lot better.

Provider 33, Broker/EST, NSW

They took their time to come out and do the risk assessment. They said, 'We cannot start the people before the risk assessment' ... Well then, come and do the risk assessment. 'We're short-staffed so we won't be there until next week.' 'Well, that's not going to work for us. We've got these young people ready to come and start.'

Business 18, more than one placement, QLD

Some providers had an existing relationship with businesses, and their familiarity with the businesses they were assessing allowed a timely and efficient risk assessment.

Yeah that was fine, and they came out. And I say, we're a centre that are pretty much aware of what we do, how we operate and walking through with an individual to do that. It was fine, it was just a matter of timing. And as I said, I think we were lucky in that respect where we have a relationship with the provider and so we feed everything up and it's all good.

Business 6, single placement, QLD

#### 5.4.2 PaTH Internship Agreement

Administration of the PaTH Internship Agreement appeared to be working well and most providers reported it as straightforward.


Yes. I have had no problems with the agreements whatsoever, so signed by job seeker, employer and ourselves. That's not a problem at all, so the admin around that is fine.

Provider 4, jobactive/DES, QLD

A few providers raised difficulties around organising the signing of the agreement by all the parties (provider, host business and intern) in the same place and at the same time, despite there being no requirement in the guidelines for the agreement to be signed simultaneously.

Host businesses generally found the process to be easy, largely because providers undertook the majority of the administrative tasks required for processing an Internship.

Oh, it was easy. [Name] did everything, brought it in here, sign here, do this, do that. It was so easy. [Name] did most of it and gave it to us. I think we had it for a couple of days to read and go through, sign and — I can't remember a lot of it. But I'm pretty sure that he gave me



paperwork to take home and go through. But I don't remember being any problem with any of it, I found it all quite straightforward and easy.

Business 8, single placement, QLD

When asked in the 2018 PaTH Host Business Survey, almost all businesses that hosted a PaTH Internship (89 per cent) agreed that getting the agreement signed was straightforward.

### 5.4.3 Use of the Employment Fund

Providers under jobactive are able to access the Employment Fund (EF), a flexible pool of funds to assist job seekers to gain the tools, skills and experience they need to find and keep a job. Providers under jobactive reported using the EF to pay for a variety of work-related items to support young people participating in Internships. The main types of expenses funded were travel cards, clothing, safety gear and certifications such as forklift licences, White Cards and Responsible Service of Alcohol courses. Providers using the EF did not identify difficulties in using these funds to support Internships.

It might be that the client doesn't have a phone, or that the phone's been stolen or broken, so phones are quite common; interview clothes; fuel cards; smart riders to get to and from Internships or interviews. We've also helped with training for RSAs [Responsible Service of Alcohol] ... We've also used it for driving lessons, police checks, yes.

Provider 34, jobactive, WA

## 5.5 Experiences of PaTH Internships

### 5.5.1 Internship type

Internships were usually in entry-level positions. Providers often tried to find Internships that aligned with the young person's interests. Young people had Internships across many industries, with the majority in accommodation and food services (29 per cent), retail trade (20 per cent), other services (17 per cent), manufacturing (5 per cent), and administrative and support services (5 per cent).


Many providers targeted small to medium businesses, as these:

- were more likely than larger businesses to be motivated by the host business payment of \$1000 (see Section 5.3)
- typically provided one point of contact, as opposed to larger businesses, which may have multiple contact points (HR, direct supervisor)
- were more willing to participate to give back to their local community.

... the small and medium employers, the local businesses as well, are more likely to help, because they kind of get that, you know, the use of the community, this guy wants to work how about I give him a help, that way he's not outside on the streets causing trouble; he's actually going to be working and doing something. There's that community pride type aspect as well, attached to it.

Provider 34, jobactive, WA





A few providers preferred larger businesses that had more capacity to take on interns. These providers thought small and medium-sized businesses would be less likely to have time to arrange an Internship or commit to training and supervising the intern.

So, they have [business] Internships that went across — there would have been 20-odd positions that went across the region ... So, employment relationships that we already had on a larger scale have been pushing on those for people to see if there's Internship opportunities that way.

Provider 1, jobactive/DES, VIC

And a lot of the employers — when we look at the Internships, a lot of them are always going to be small to medium-sized employers. And it sometimes is difficult to get them out of their business, to come in for a referral or something. So that's probably a challenge for us.

Provider 13, EST, WA

### 5.5.2 Length of Internship

Internship agreements remind hosts that program rules permit placements of up to 12 weeks. Administrative data indicates that over half (56 per cent) of Internship agreements as initially signed set a duration of four, five or six weeks<sup>55</sup>. Twelve per cent had a planned duration of seven to 11 weeks, and 32 per cent had a planned duration of 12 weeks. No Internship agreements had a planned duration longer than 12 weeks.

In the 2018 PaTH Host Business Survey, businesses reported that the Internships they hosted lasted for:

- four weeks (28 per cent)
- six weeks (8 per cent)
- eight weeks (9 per cent)
- 12 weeks (23 per cent)
- more than 12 weeks (4 per cent)<sup>56</sup>.

The median start date of Internships (where employers reported hosting an intern for more than 12 weeks) was in September 2017, approximately six months before the survey fieldwork began in March 2018. This would suggest that recall might be an issue. Further, a third of survey respondents (of those who reported Internships that lasted more than 12 weeks) also reported hosting more than one Internship placement. It is possible that these respondents were recalling a combined duration of multiple Internships.

When questioned about the length of the Internship, businesses reported:

- 55 per cent had a choice about the length of the Internship

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<sup>55</sup> Note this relates to the planned duration of Internship placements. This is not the actual length of placements.

<sup>56</sup> Employers' recollections do not match administrative data and it may simply be that these employers have not remembered the length of the placement accurately (noting some Internships took place more than six months before the survey).

- 61 per cent had an Internship that went for as long as planned
- 24 per cent had the Internship finish early, of which
  - 39 per cent ended due to intern unreliability (21 per cent) or unsuitability (20 per cent)<sup>57</sup>
  - 25 per cent ended because the business hired the intern or the intern moved on to another activity such as an apprenticeship or traineeship
  - 17 per cent ended because the intern chose to leave
  - 12 per cent ended because of the intern’s health or other personal reasons.

Businesses and providers liked the flexibility of being able to trial a young person for a flexible period of time. About three quarters (78 per cent) considered the length of their Internship about right.

We figured if, after four weeks, if we hadn’t found out if they were working for us, then I think we were just wasting their time.

Business 3, single placement, QLD

Businesses and providers generally agreed that a 12-week Internship was only required if there was a particular need for the longer duration — for example, where an intern had to learn advanced technical skills or where the intern rotated through multiple departments within a business to see where they were most suitable. On occasion, a shorter Internship would be extended if a business was not certain whether the young person was suitable. Irrespective of length, few businesses (4 per cent) felt the Internship was too long.

There have been examples where we have extended that. Not many, because the employer has come back and said, ‘We’re not quite there in terms of what we need this person to do and we’re having a good look at them,’ and we have extended it by a couple of weeks.

Provider 4, jobactive/DES, QLD

### 5.5.3 Internship hours


The 2018 PaTH Host Business Survey asked host businesses how many hours a week the intern worked, with the following responses:

- 15 to 20 hours a week (47 per cent)
- 21 to 25 hours per week (29 per cent)
- more than 25 hours a week (11 per cent)<sup>58</sup>.

Internship agreements make clear to hosts that interns are not permitted to participate for more than 50 hours a fortnight. Where the department becomes aware of an allegation that an Internship is not operating according to the guidelines, such as exceeding the maximum number of fortnightly hours, the department initiates an initial review into the allegation, typically asking the relevant account manager to contact the provider to determine what has occurred. Depending on what is established, the department may then conduct a detailed review of the host business and/or the

<sup>57</sup> Respondents may select more than one option, so the individual responses do not add to 39 per cent.

<sup>58</sup> These survey findings need to be treated with caution. The survey relied on employers’ recollection after the Internship had finished and do not match administrative data. In addition, while interns can be flexible in their participation over the fortnight, the phrasing of the survey question asked about hours per week (rather than hours over the fortnight).



provider. Administrative data on the number of negotiated hours for Internship placements indicates a breakdown as follows:

- 30 to 39 hours a fortnight (19 per cent)
- 40 to 49 hours a fortnight (20 per cent)
- 50 hours a fortnight (61 per cent).

While most businesses thought the hours of participation by interns each week were about right, a few businesses suggested increasing the number of hours to match a standard full-time week. Businesses suggested that this would allow them to assess whether the intern was capable of committing to full-time employment.

It's important to see them get up and get to work on time over into their full week. It's pretty easy for someone to turn up and work two days a week, and then when you actually have to do it five days a week, week in, week out, it gets a little bit hard.

Business 16, more than one placement, NSW

#### 5.5.4 Young people's experiences

Young people who participated in focus groups were generally satisfied with their Internship experience. Young people liked participating in an industry to see whether it suited them. For example, one young person completed an Internship in the printing industry, where they previously had no experience, and then started an apprenticeship in the industry.

... people should try considering doing things that they've never thought of doing. Doing printing, of course [is] something I never considered, but at the same time I was used to doing landscaping and then I somehow went into construction. They're both trades, but I never thought it would happen.


In-depth 7, Internship, QLD

Many young people lacked confidence, had anxiety about performing well in interviews, had concerns about their capability to perform well in an Internship or worried that they would be a burden on the business. A few young people felt that participating in an Internship allowed them to show businesses what they could do well, instead of being recruited via an interview process where they may not be able to effectively communicate their skills. Similarly, providers thought that the Internship was a good opportunity to help address these issues for young people and help build confidence as well as vocational skills.

I was only worried because I didn't know if I was going to like it, but I didn't want to waste someone else's opportunity because I'm not very good with technology, so then they were like, 'Here's a drone thing,' and I'm like, 'I'm not very good at this.' That was my worry.

Focus group 9, Internship, NSW

There [are] also those kids that just haven't got any sort of experience whatsoever and are lacking a lot of confidence and they have some anxiety issues. And we really just need to give



them some work experience to help break down those barriers. And that's where I feel that PaTH would really be beneficial for those kids.

Provider 32, TtW/DES, NSW

The supervision of interns by host businesses varied. Some interns reported receiving introductory training but then participated independently, while others participated alongside an employee and were able to ask questions about performing their role.

I was working next to someone that I could ask questions and stuff. So, yeah, we all worked together.

In-depth 6, Internship, WA

A few interns felt they did not get sufficient supervision from the host business during the Internship and struggled in their role. Insufficient supervision seemed more likely in smaller businesses, which may not have had sufficient staffing to provide the supervision interns expected.

Interviewer: So there wasn't much supervision then.

Respondent: No, not very much ...

Interviewer: Yeah, okay, and so how helpful would you say that those supervisors or the managers were?

Respondent: Not very, and they didn't really give you very constructive criticism. If you do anything wrong they wouldn't really give you constructive criticism. When he let me go, it was four weeks of working there and he didn't even say, oh [name], you don't seem like you're passionate about this once or he didn't say like you don't seem like — you're not very good on the phone, but he was like — he didn't say anything about improvement. So I didn't even know what was going on. I just thought I was doing the same as everyone else.

In-depth 2, Internship, QLD


### 5.5.5 Experiences of businesses

Interviewed host businesses generally reported positive experiences with Internships. Businesses liked the opportunity to trial young people before choosing whether to employ them and saw the Internship as a low-risk recruitment method. Most businesses (83 per cent) who responded to the 2018 PaTH Host Business Survey agreed that trying someone out before hiring them contributed to their decision to host an Internship.

But at least the Internship program gives you a chance to be selective ... had nothing to lose because if I do the Internship you're paying me to test him out and decide whether he can proceed forward, right.

Business 17, single placement, QLD

Some businesses saw the Internship as a learning opportunity and did not expect interns to have all the skills or technical capabilities for the role before starting. Some businesses showed more leniency towards mistakes made by interns.



But the age group, we knew that they mightn't have had much experience and we wanted it a bit like that as well so that we could train them up a bit more.

Business 3, single placement, QLD

I had one girl, she didn't show up for a shift, so unfortunately, I kept her on [as an intern] for a little bit longer, because I was like, 'Well, show me you want this.' She showed up without even telling me that she was coming in, where normally I wouldn't give a second chance for that.

Business 13, more than one placement, NSW

Businesses appreciated the flexibility of the Internship placement and often felt they could work one-on-one to accommodate the intern's needs. For example, one business agreed to reduce the hours for which their intern participated in the placement, to assist the young person with their transition to employment after the Internship placement.

... she was struggling a little bit with a culture shock of a change of routine for her to come in and commit to that many hours, which was absolutely no problem for us, because it's just base-level administration, it was nothing that would unravel if she wasn't here. I knew that she was struggling with it, so I had a talk with her and just offered her a number of different things, but one of them was complete flexibility around that. We reduced her hours, and she only works from 10.00 am till 2.00 pm now, and she seems a lot more comfortable with that.

Business 21, single placement, QLD

A few businesses felt that their interns were poorly matched or that their provider did not consider their preferences when choosing an Internship placement. In the 2018 PaTH Host Business Survey, 12 per cent of businesses rated the provider that last placed an intern with them as poor (9 per cent) or very poor (3 per cent) at only sending interns with suitable attributes. Businesses that hosted an intern for less than four weeks were more likely to rate their provider poor or very poor (19 per cent).


### Host business payment

Businesses receive a \$1000 host business payment as an incentive for hosting an intern. Businesses reported using the host business payment to help support the costs of hosting an Internship, including paying for additional staff time for supervision, uniforms, additional set-up or equipment. A few businesses mentioned they used the host business payment to 'reinvest' in the intern by providing tools or training.

But \$1000 doesn't go very far in terms of — you know, I guess you spread that over four weeks and assuming you've got all the workstations set-up already, which we did. So it was pretty much giving that person as much chance as we could. So we almost like reinvested it, if that makes sense. Take the \$1000, put it back and give this person a chance ...

Business 11, more than one placement, QLD

Other businesses saw the host business payment as compensatory for trialling young people who may not be suitable to the business as an employee based on their skill or ability level. For example, one business stated that the host business payment was an incentive for them to take on an intern after being unsuccessful in retaining employees through other recruitment methods.



The last couple of people we've put on didn't last through the three month probation. One lasted about a month, another one did about 2.5 months, so that was just total money wasted and you've still got to pay them the Award wage, right ... So to me that incentive meant the difference between me even considering [intern's name].

Business 17, single placement, QLD

The context of the young people that we're dealing with, it's high risk, and we knew that a lot of them, and it's proven true, would not last. They were either not stable enough or the line of work didn't interest them.

Business 18, more than one placement, QLD

In the 2018 PaTH Host Business Survey, 76 per cent of respondents considered that the \$1000 was sufficient to cover the costs of hosting the intern; 21 per cent thought it was not sufficient; and 3 per cent did not know. Fewer than one per cent of respondents suggested that the incentive should be less than \$1000. The respondents who felt it was insufficient were asked how much would be sufficient. They suggested:

- \$1001 up to \$1999 (14 per cent)
- \$2000 up to \$2999 (43 per cent)
- \$3000 or more (24 per cent)
- don't know (18 per cent).

Over four fifths of respondents (85 per cent) in the 2018 PaTH Host Business Survey reported receiving the host business payment. Of businesses that had received the payment, almost nine in 10 reported that their provider was very good (47 per cent) or good (42 per cent) at helping them access the \$1000 payment.

Small numbers of surveyed businesses were unaware of the host business payment (5 per cent), reported not receiving the payment (5 per cent) or were unaware whether their business had received it (5 per cent). One interviewed provider reported that they varied their agreements with businesses to restrict access to the host business payment until the intern has spent several weeks in the business<sup>59</sup>.

We actually vary the agreement, which you can do ... we want to prevent that situation for the turnover for the \$1000 because I think that it's open to exploitation, that particular thing, so we actually don't do that. We vary all our contracts so it's not actually available to them until after two weeks or four weeks or whatever it is.

Provider 20, TtW, VIC

A few businesses contacted the National Customer Service Line to report that they had not received the host business payment. In these instances, departmental staff resolved these issues by contacting providers or escalated the issue in the department.

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<sup>59</sup> The Internship guidelines require that host payments must be made within five business days of the start of the Internship unless otherwise agreed between the host business and provider.

### 5.5.6 Support by providers during Internships

During the Internship, providers often stayed in contact with interns and businesses to provide support. Businesses and interns reported contact from providers through email, phone calls or physical site visits. Some providers had very limited contact, while others had very regular contact with both the intern and the host, often on a fortnightly or weekly basis.

If we've got a young person in we'd be doing, so PPS is post placement support — so we'd be ringing them on their first day. If not we'd be there with them on the first day. How did your day go? What do you think? Is there any concerns — which we address straightaway. Then what we do is we usually go employer/client. So we do both, so we get both perspectives and then we can be that medium if anything, mediation if anything happens. But we do weekly PPS so we know exactly what's going on all the time.

Provider 10, DES, NSW

Yeah, well there was regular — I was going to say constant but that's not right — regular communication with them. They'd call in to see how — in the weeks that they were here they'd call in to see how the interns were going. Talk to me, talk to them. It really was very supportive.

Business 19, more than one placement, SA

One provider had a support app that interns could install on their mobile phone to allow them to report issues (such a physical or mental health problem) at any time (24 hours a day, seven days a week) and have provider staff respond outside standard business hours.

Interns reported that once the Internship had started, contact from their provider often involved arranging for any necessary support in the placement (travel, additional work clothes or equipment). Most businesses reported that the provider supported the intern by paying for licences, clothing, tools or workplace equipment; in the 2018 PaTH Host Business Survey, 57 per cent of respondents said the provider was very good (30 per cent) or good (27 per cent) at this.


It was probably about once a week, for about the first half of the actual Internship that I was in contact with them, they were making sure that I was still able to get into work, get everything sorted out ... Yeah, they gave me through top ups, four weeks, which covered my transport to and from work.

In-depth 7, Internship, QLD

Some of the young people who reported limited contact with their provider saw this as appropriate, as they felt that they did not need additional support, while others would have preferred more support. Around three quarters (76 per cent) of respondents in the 2017 jobactive provider survey agreed that case managers and employment consultants supported interns during their PaTH Internships<sup>60</sup>. Interns who participated in focus groups reported limited contact from providers but did not mention wanting further contact.

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<sup>60</sup> No equivalent question was asked of TtW respondents. There is no equivalent provider survey for DES.



I got one phone call probably halfway through my Internship saying, 'Hey how's it going are you doing okay?' I'm doing fine thanks!

Focus group 8, Internship, QLD

Young people who wanted additional contact with their providers were often seeking non-monetary support, such as checks on their wellbeing.

Yeah, little bit more mental, like emotional support would've been nice.

Focus group 8, Internship, QLD

Businesses reported that the provider stayed in contact during the Internship. In the 2018 PaTH Host Business Survey, 78 per cent of respondents said the provider's support and follow-up while the intern was with them was very good (34 per cent) or good (44 per cent). By contrast, 11 per cent felt the support and follow-up was poor (7 per cent) or very poor (4 per cent).

Businesses valued the support given by providers during the Internship. This support often enabled the continuation of the placement, particularly where businesses reported issues related to the intern not showing up on time, not being capable of tasks or requiring additional training.

... [the provider] supported us. There was one person that we were having some difficulties with. We thought that she had lots of potential but she just wasn't getting here on time ... So, one of the guys from there came and had a long chat to her. He found out there were things happening at home and she was having trouble getting here. And they supplied her with a small amount of funds to be able to get here each morning. And from there she was much better, she actually arrived on time and she was more successful and she was less stressed. So, they were very supportive, even at an individual level with the intern.

Business 19, more than one placement, SA

A few businesses were unsure about support that providers were able to give to them. Some felt that their provider did not give them necessary information about the intern, and would have preferred better information and contact.

Here's the thing, both for us and the young people that are working with us, no one knows — and this is a horrible word — but no one knows what they're entitled to ... At least have what you'd call a service catalogue so that we can understand what's available.

Business 18, more than one placement, QLD

... quite often what we've found is that the jobactive agency will know a little bit more than what we will, and the intern may not be there that day, and we're like, 'Well, where is she?' I would definitely say that would be something that could be done a bit better.

Business 21, single placement, QLD



## 5.6 Outcomes and impacts

### 5.6.1 PaTH interns' employment prospects

Internships appear to have had a positive impact on the employment prospects of young people who undertook a placement. Four in five jobactive (79 per cent) and TtW (86 per cent) respondents in the 2017 provider surveys agreed that PaTH Internships gave young people vocational skills. Providers and young people who had done Internships noted that even when an Internship did not convert to a job, participants gained work experience, developed self-confidence and learned new skills.

That, then, sets a client in the mindset of, 'I'm now in a work-like environment. I show up, I go home, and I'm getting into a consistent behaviour pattern doing that.' If you're unemployed for three to six months, one of the first things to go is that motivation to get up in the morning, go somewhere — a sense of purpose starts to get lost. What work experience does so nicely is, quickly, repackage up that sense of purpose. Give a client back some self-worth, a sense of purpose, a place to go.

Provider 23, jobactive/DES, QLD

It was good to get a good routine ... get there and get to work, learn new skills.

In-depth 5, Internship, QLD

Some young people valued their Internship placement for providing good experience and helping them identify career pathways.

Even if you don't get [employment] out of it, it's still experience towards something. You find out what you're into, what you're not, you know.

Focus group 8, Internships, QLD

Providers mentioned that where the Internship was unsuccessful, the young person could still learn from the experience to identify barriers to employment.

Even though it's not a successful outcome, you're very right, it's still an outcome because either that young person has learnt some more things about themselves or as a service provider we've learnt more about that person ...

Provider 30, TtW, VIC

Four in five jobactive (79 per cent) and TtW (78 per cent) respondents in the 2017 provider surveys agreed that PaTH Internships improve young people's chances of getting a job. Providers and young people believed that Internships enabled participants to get a 'foot in the door' when they might not be considered otherwise and to try different industries.

I would recommend it to others because I think it'd give other people good experience and also an opportunity to get a job at the end of it ...

In-depth 2, Internship, QLD

It's been a great way for them to get their foot in the door or prove themselves.

Provider 18, jobactive, NSW



## Factors businesses consider before offering ongoing employment to interns

When hiring a young person after an Internship placement, the business typically valued an intern's soft skills such as attitude, resilience and motivation. Businesses also commented that technical skills may be learned and that soft skills are more important.

But if we saw enough in terms of enthusiasm and attendance and willingness to listen and a keenness we could gather that off four weeks of having them come in to work every day. Even if it is only for five hours a day you still get a sense if they're turning up on time and they're actively listening and getting involved.

Business 7, more than one placement, QLD

In a few situations where businesses had offered their intern an ongoing job following the Internship, the young person had declined<sup>61</sup>.

He took a couple of days to think about it, and came back saying no, because he'd rather get a job in a shop that's closer to home rather than this job that he had to be on a train for 40 minutes.

Business 15, single placement, SA

In the 2018 PaTH Host Business Survey, the top reasons businesses gave for not hiring an intern after an Internship were:

- intern leaving or quitting (29 per cent)
- poor attitude of the intern (23 per cent)
- intern having unsatisfactory performance (18 per cent)
- intern being unreliable (18 per cent)
- business being unable to offer them a job (17 per cent)<sup>62</sup>.

Businesses and providers who were interviewed similarly reported that a key factor for an Internship ending without a job was the young person lacking a work ethic.

Two of them didn't work out because they didn't show enough initiative and I saw that within the first two weeks. I spoke to the both of them at about the two week mark and pretty much gave them another two weeks, and then once the four weeks was up, I asked the employment agency to end it, because I was like, 'I just can't do it.' They weren't taking direction off staff and they just were really laid back.


Business 13, more than one placement, NSW

On occasion, circumstances beyond the control of the intern stopped the Internship from converting into ongoing employment.

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<sup>61</sup> Without knowing the intern's circumstances it is difficult to ascertain whether this may be considered a reasonable or an unreasonable refusal of employment.

<sup>62</sup> Where businesses said that they could not offer the young person a job, there could be a number of reasons why this was the case. For example, the business may have initially been able to offer a job to the intern but then found itself in a worse financial state, meaning that it could not afford to hire a young person at the completion of the Internship. Eleven businesses selected 'could not offer them a job' together with another reason, which makes it unclear what their primary reason was for not offering a job.



And the only reason I had to leave there was I got really, really sick over a two-week period, and I just told them I couldn't work there anymore.

Focus group 8, Internship, QLD

One intern reported that their host business was not in a position to hire them. While the PaTH Internships guidelines require an eligible business to have a reasonable prospect of employment<sup>63</sup>, the circumstances of a business can change unexpectedly during the Internship and they may no longer be in a position to offer employment at the end of the placement.

He was like, 'I want to keep you on but I can't afford to pay you' ... He was telling me he hadn't paid the rent and stuff for the place.

Focus group 9, Internship, NSW

### 5.6.2 Views on impact — host businesses

Many businesses valued Internships, recommended hosting an intern to others and were willing to host future interns. Four in five (80 per cent) respondents to the 2018 PaTH Host Business Survey said they were likely to use PaTH Internships again for future recruitment needs. This was higher (91 per cent) for those that employed the person after the Internship but was still a majority among businesses that did not hire the person after the Internship (70 per cent). Interviewed businesses also reported that they would recommend Internships to other businesses.

And taking on an Internship I would definitely recommend it to a lot of businesses ... she's a massive asset.

Business 5, single placement, VIC

Small businesses were more likely than medium-sized businesses to say they would be likely to use Internships again (80 per cent and 71 per cent respectively).

Even where the business was dissatisfied with an Internship, they were still interested in hosting future placements.

We were very disappointed, because we felt that we were creating an opportunity for him, a thing that could actually be a career path, and we spent a lot of time understanding what his long-term objectives were ... We're attempting to find a replacement for the intern, to look at another opportunity.

Business 15, single placement, SA

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<sup>63</sup> A reasonable prospect for employment means having a current vacancy, being likely to have a vacancy following the Internship, or having a regular pattern of recruitment.



## Additionality, substitution, deadweight and displacement

The following are the definitions used in this report for additionality, substitution and deadweight<sup>64</sup>:

- Additionality is the extent to which PaTH Internships create ‘new’ jobs by encouraging businesses to fill vacancies that would otherwise not be filled.
- Substitution is the employment of a young person after an Internship rather than other people who did not have access to an Internship (whether receiving income support or not). PaTH Internships appear to have had a relatively large substitution effect.
- Deadweight is where a young person would have found employment without a PaTH Internship. When an intervention like a PaTH Internship is used in a situation where employment was to occur anyway, this increases the cost to government of the outcome.

The following breakdown between additionality, substitution and deadweight for PaTH Internships is based on the 53 per cent of respondents who reported in the 2018 PaTH Host Business Survey that they hired their intern:

- 14 per cent additionality
- 55 per cent substitution
- 30 per cent deadweight<sup>65</sup>.

This report does not examine additionality, substitution or deadweight in relation to young people who did not obtain employment (as reported in the 2018 PaTH Host Business Survey) with their host business.

Some other responses from the 2018 PaTH Host Business Survey also suggest that Internships had additionality impacts. For example, 22 per cent of businesses only thought about hiring a young person when they heard about PaTH Internships. In response to another question, 29 per cent of businesses agreed that more hours of supervision were required in order to host the intern.


Displacement as described in the PaTH Internship guidelines involves ‘A host business ... us[ing] the Internship to displace an existing employee of the host business or reduce an employee’s hours of work, including casual or part-time workers.’ The evaluation found very limited evidence of displacement.

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<sup>64</sup> Answers to questions from the 2018 PaTH Host Business Survey form the basis of the categorisation of additionality, substitution and deadweight. To be categorised as:

- **additionality** the host business would have answered ‘No’ to the question ‘If you had not taken part in the Internship program, and the young person presented to you as a regular applicant, would you have hired them anyway?’ and ‘No’ to the question ‘And if you hadn’t hired that intern would you have hired someone else instead?’
- **substitution** the host business would have answered ‘Yes’ to the question ‘If you had not taken part in the Internship program, and the young person presented to you as a regular applicant, would you have hired them anyway?’ and ‘Yes’ to the question ‘And if you hadn’t hired that intern would you have hired someone else instead?’
- **deadweight** the host business would have answered ‘Yes’ to the question ‘If you had not taken part in the Internship program, and the young person presented to you as a regular applicant, would you have hired them anyway?’

<sup>65</sup> Does not add to 100 per cent due to rounding.



Interns who took part in the fieldwork did not consider that they were displacing paid worker roles and some explained that the businesses needed additional staff to help undertake tasks that other employees did not have time to do.

I don't think it replaced anyone but it definitely gives people extra time because we were doing all the stock handling so they had time to go around and do orders and all the stuff that they'd be kind of strapped for time to do, pretty easy.

In-depth 3, Internship, NSW

Providers felt that the checks they did with businesses ensured that workers were not displaced.

Because we're approaching and explaining everything about it, the potential for misuse, I haven't seen any dubious smiles and, 'Oh we got rid of them.'

Provider 8, jobactive/TtW, QLD

In the 2018 PaTH Host Business Survey, 7 per cent of businesses reported some kind of displacement such as a reduction in shifts for existing staff or fewer employees during the period of the Internship.

### 5.6.3 Outcomes

Around half of the interns under jobactive (57 per cent), TtW (54 per cent) and DES (43 per cent) achieved a job placement within three months following the end of the PaTH Internship. For TtW and DES, job placement rates were 53.4 per cent and 43.1 per cent respectively. About a third of those who participated in an Internship under jobactive (39 per cent), TtW (42 per cent) or DES (28 per cent) obtained employment with the same business that hosted the Internship. Around seven in 10 interns across jobactive and TtW who had a job placement after completing an Internship were employed with a Youth Bonus Wage Subsidy. In other words, just over a third of Internship participants across jobactive (39 per cent) and TtW (38 per cent) had a job placement with a Youth Bonus Wage Subsidy. Table 6 shows the job placement outcomes of young people who participated in a PaTH Internship.

The job placement rate after participation in an Internship shown in Table 6 is likely to be an underestimate. Providers are likely only to enter job placements into the system if they expect the job will then convert to an employment outcome. For example, under jobactive a partial outcome is achieved when a young person is in employment, unsubsidised self-employment or an apprenticeship or traineeship and has their income support reduced by 60 per cent on average or meets a percentage of their hourly requirements' (Department of Jobs and Small Business, 2018b). Another way of examining employment after an Internship is to use the reason given for the placement ending. Of the 2707 Internship placements that were completed by 31 March 2018, around 67 per cent had an end reason of 'employed with host' or 'found other employment'. This figure does not include Internship placements that ended early (1381 placements), that ended pending an end reason being entered (99 placements), or that were still active (565 placements).

**Table 6: Job placements, job placements with the same business that hosted a PaTH Internship, and job placements with a Youth Bonus Wage Subsidy — jobactive, TtW and DES**

Employment service	Job placement <sup>(a)</sup> (per cent)	Job placement same business <sup>(b)</sup> (per cent)	Job placement with wage subsidy <sup>(c)</sup> (per cent)	Total <sup>(d)</sup> (number)
jobactive	56.6	38.8	38.5	3317
TtW	53.4	41.6	37.5	363
DES	43.1	28.1	N/A	253

Note:

Job placements are those recorded by employment services providers in ESS Web. This may miss job placements that are not recorded by employment services providers and may be an underestimate of job placements.

(a) Employment is measured at any point within three months following the end of the PaTH Internship. In the event of multiple job placements it is the job placement closest in time to the end of the Internship.

(b) Job placements that occurred in the same business as the Internship placement are based on ABNs.

(c) Wage subsidies must directly relate to the job placement and be a Youth Bonus Wage Subsidy.

(d) Some Internship participants are excluded from the analysis as they cannot be followed for a full three months after the end of the Internship placement.

Source: Department of Education, Skills and Employment administrative data.



## 6 Hire — Youth Bonus Wage Subsidies

### 6.1 Overall findings

Between 10 October 2016 and 31 March 2018, 19,423 young people (under 25 years) had a job placement with a Youth Bonus Wage Subsidy across 11,817 businesses. Half of young people under jobactive (51 per cent) and TtW (49 per cent) were off income support three months after their last job placement supported by a Youth Bonus Wage Subsidy<sup>66</sup>.

Compared to the eligible caseload (with and without employment), young people in a job with a Youth Bonus Wage Subsidy were less likely to be female, have disability, have an educational qualification higher than Year 12, be Indigenous, be a parent or not have a stable residence.

Virtually all surveyed providers were aware of the Youth Bonus Wage Subsidy. While interviewed businesses recognised they were receiving a wage subsidy, some did not know the name or eligibility criteria of the subsidy. Some young people in focus groups were aware they were eligible for a wage subsidy, and a few marketed their access to a wage subsidy to employers when searching for jobs.

Most surveyed businesses agreed that the wage subsidy made them more likely to hire eligible young people. In the 2018 PaTH Host Business Survey, around a third (30 per cent) of businesses that employed a person with the support of the Youth Bonus Wage Subsidy after hosting them for an Internship said it influenced their decision to hire the intern to a great extent, and a further 43 per cent to some extent.

Some providers felt that the Youth Bonus Wage Subsidy had a high administrative workload, but that administration requirements had improved. In the 2017 jobactive provider survey, a majority (53 per cent) of respondents agreed that the Youth Bonus Wage Subsidy, with new online agreements and claims, made it easier to place young people in a job. However, many providers have also established centralised administrative teams in response to the high level of administration for wage subsidies.

Some businesses reported difficulty knowing what to do when establishing and managing wage subsidies online. Some of these employers (especially small or mobile business) still primarily use offline methods for wage subsidies. Employers were also sometimes confused about the administration required for an Australian Government subsidy compared to state or territory wage subsidies.

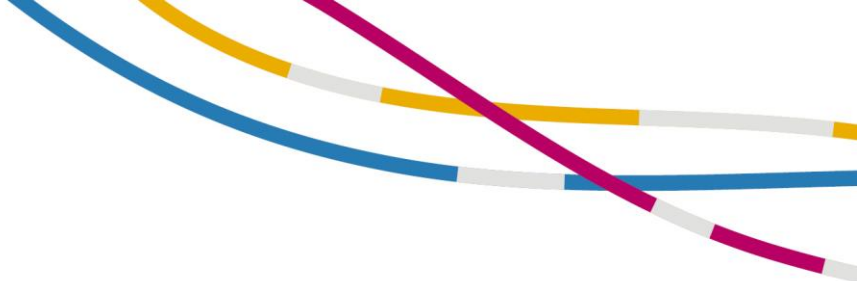
### 6.2 Awareness and understanding of the Youth Bonus Wage Subsidy

Between 10 October 2016 and 31 March 2018, 19,423 young people, across 11,817 businesses, had a job placement with a Youth Bonus Wage Subsidy<sup>67</sup>. About 5 per cent of young people were employed more than once with a Youth Bonus Wage Subsidy over the study period. Roughly

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<sup>66</sup> DES does not have access to the Youth Bonus Wage Subsidy.

<sup>67</sup> Business counts are based on ABNs.



22 per cent of businesses (out of the 11,817 business that had a Youth Bonus Wage Subsidy agreement) had more than one Youth Bonus Wage Subsidy. While Youth Bonus Wage Subsidies began on 1 January 2017, providers could backdate wage subsidies for employment that had begun up to 84 days earlier<sup>68</sup>. The first job placement with a recorded Youth Bonus Wage Subsidy began on 10 October 2016.

A small proportion of young people did EST or a PaTH Internship before starting a job supported by a Youth Bonus Wage Subsidy:

- Of young people under jobactive:
  - 10 per cent had completed an EST course before their employer entered into a Youth Bonus Wage Subsidy agreement
  - 9 per cent started an Internship placement before their employer entered into a Youth Bonus Wage Subsidy agreement
  - 2 per cent had completed an EST course and started an Internship placement before their employer entered into a Youth Bonus Wage Subsidy agreement.
- Of young people under TtW, 13 per cent started an Internship placement.

Analysis of the eligible caseload as at 31 March 2018 (Table 7) found young people (under jobactive and TtW) in a job with a Youth Bonus Wage Subsidy were less likely to:

- be female
- have disability
- have completed a qualification above Year 12
- be Aboriginal or Torres Strait Islander
- have dependants
- not have a stable residence.

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<sup>68</sup> As per the Guideline: Managing Wage Subsidies (published on 31 May 2018, Version 2.3), '[t]he Provider must create and approve the agreement in the Department's IT Systems within 84 days from the commencement of the Wage Subsidy Placement.'



**Table 7: Characteristics of young people placed in a job associated with a Youth Bonus Wage Subsidy, 10 October 2016 to 31 March 2018 (per cent)**

Characteristics	jobactive with job placement using Youth Bonus Wage Subsidy (n=19,099)	TtW with job placement using Youth Bonus Wage Subsidy (n=1,363)	jobactive eligible caseload (n=78,558)	TtW eligible caseload (n=6,410)
Completed Year 12 or less	63.4	79.8	67.2	83.2
Disability	12.8	6.2	15.8	6.6
Ex-offender	9.1	6.5	9.9	7.1
Unstable residence	13.6	8.2	14.3	10.1
Aboriginal or Torres Strait Islander	17.1	17.6	23.1	44.1
Male	64.1	63.7	55.6	54.2
Female	35.9	36.3	44.4	45.8
Non-English-speaking background	7.8	4.4	7.7	4.2
Parent	0.6	0.1	1.0	0.5
Refugee	3.5	1.0	3.4	2.0
Long-term unemployed (1 year or more)	70.3	30.2	75.1	26.2
Very long-term unemployed (2 years or more)	37.1	10.4	40.2	5.6

Note:

Caseload characteristics are calculated as at 31 March 2018.


jobactive and TtW are calculated as at the job placement date of the associated Youth Bonus Wage Subsidy. These columns relate to all Youth Bonus Wage Subsidy agreements.

Source: Department of Education, Skills and Employment administrative data.

The vast majority of young people with a Youth Bonus Wage Subsidy were from jobactive (93 per cent). This is proportional to the eligible populations in jobactive and TtW, given that 92 per cent of eligible young people on 31 March 2018 were in jobactive, compared with 8 per cent in TtW.

### 6.2.1 Provider awareness and understanding

Almost all jobactive (99 per cent) and TtW (100 per cent) respondents were aware of the Youth Bonus Wage Subsidy, as reported in the 2017 provider surveys. Providers' high level of awareness of the Youth Bonus Wage Subsidy indicates that the department's communication was sufficient. The department and provider managers distributed information on the Youth Bonus Wage Subsidy through fact sheets, emails, CEO letters, the national jobactive forum, and the provider learning centre.



I think [the department] provided quite a comprehensive amount of info from the get-go so that wasn't a problem at all.

Provider 14, jobactive, WA

We did get an initial briefing from our head office, I think by the department, through email. That was the initial notification that we got, and I think we've also had managers and senior managers talk to us about adapting the program.

Provider 15, jobactive/DES, VIC

## 6.2.2 Young people's awareness and understanding

TtW participants were more aware of the Youth Bonus Wage Subsidy than young people in jobactive, according to responses from the 2017 provider surveys. Fewer than half (45 per cent) of jobactive providers agreed that job seekers were aware of the wage subsidy, while more than two thirds (72 per cent) of TtW respondents agreed that TtW participants were aware of the wage subsidy. This could be a result of TtW participants having more engagement with their provider. This is highlighted by these young people having twice as many contact appointments with their providers relative to a comparable jobactive population.

Awareness of the Youth Bonus Wage Subsidy varied among young people in the in-depth interviews and focus groups. Most young people could not identify the Youth Bonus Wage Subsidy by name alone and there was typically limited understanding of how subsidies worked in general.

Moderator: What about wage subsidies, are you aware of the Youth Bonus Wage Subsidy?

Respondent: Not fully.

Moderator: When you say not fully what do you mean by that?

Respondent: I know people of a certain age like younger workers don't get as much as adult workers if that's what you're meaning.

In-depth 3, Internships, NSW


Some young people had a better understanding of how a wage subsidy could assist them.

So, let's say someone wants to hire you. You need a bit of extra training to get you used to the job. The wage subsidy, your job provider service gives to them to help pay for your training so it doesn't come out of their pocket.

Focus group 1, EST, VIC

## 6.2.3 Employer awareness and understanding

TtW providers were more likely to report that employers were aware of the Youth Bonus Wage Subsidy than jobactive providers. In the 2017 provider surveys, half (49 per cent) of jobactive respondents agreed that employers were aware of the wage subsidy, while more than two thirds (69 per cent) of TtW respondents agreed that employers were aware of the wage subsidy. The higher result may suggest that TtW providers engage more, relative to jobactive providers, with



employers to secure employment opportunities for young people. The result also suggests that there is scope to improve employer awareness of wage subsidies.

Some interviewed employers recognised that they were receiving a wage subsidy but did not know the name of the subsidy.

Interviewer: So are you aware of the Youth Bonus Wage Subsidy?

Respondent: I think that is the wage subsidy that they are going to give us to take her on.

Interviewer: Yeah it probably is that one. But you don't really know it by name, that name?

Respondent: Yes, I didn't know it was called that no. I just know it as the wage subsidy.  
Employer 5, single placement, VIC

Some employers who were aware of wage subsidies would have preferred access to better information on the guidelines, eligibility criteria or subsidy payment amounts.

... one thing that's confusing is that in all the government material it says, 'Up to \$10,000.' And then it's like who determines? Because we, in many cases — and you only learn what the value is when you come to sign the employment contract. The employment agency says, 'Okay, so they're on a \$6500 wage subsidy.' 'Okay, did you make that call? Who makes that call?' 'We don't know, we're just told.'

Employer 18, more than one placement, QLD

Almost all employers who hosted a PaTH Internship (98 per cent) were aware of the Youth Bonus Wage Subsidy. Most of these employers had heard about it from their employment services provider, recruitment agency or broker (86 per cent).

Providers told the employer about the Youth Bonus Wage Subsidy either before or when the Internship started in around two thirds of cases (68 per cent). A minority of employers reported that their provider told them about the subsidy either after they had offered the intern a job (14 per cent) or after the young person had started work as an employee (12 per cent).

## 6.3 Use and value of the Youth Bonus Wage Subsidy

### 6.3.1 Providers' use of and value from the subsidy

Most jobactive (86 per cent) and TtW (91 per cent) respondents in the 2017 provider surveys agreed that case managers and employment consultants value the Youth Bonus Wage Subsidy as a tool to assist young people into employment.

Interviewed providers highly valued the Youth Bonus Wage Subsidy and used it as a tool to engage employers. For example, one way a provider used the wage subsidy was to push a potential candidate over the line into employment.

It's my favourite tool. It's really good. I find when we offer it the employers are really, really — in regards to anything are really receptive to it and they generally jump on it. And it is something that will push someone over the edge because it's ten grand. It's a lot of money.

Provider 1, jobactive/DES, VIC

Providers were hesitant about employers that seemed too well informed about wage subsidies, as they considered that these employers were more interested in the money than in the young person they were employing.

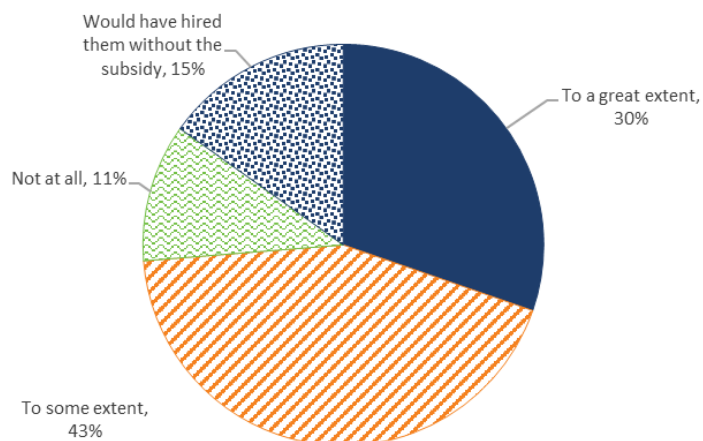
I don't offer wage subsidies to people that are obviously just looking for a wage subsidy... if you come across an employer and the first thing they say to you is, 'What can I get?' It sends off little alarm bells and I just think, you know what, this person's only actually in this to get the money. As soon as they've got their money, that young person's going to be gone. I look at it in terms of longevity, not in terms of just getting that person money.

Provider 24, TtW, SA

### 6.3.2 Employers' use of and value from the subsidy

Employers considered that the Youth Bonus Wage Subsidy made them more likely to hire a person after their Internship had ended. In the 2018 PaTH Host Business Survey, 73 per cent said that it influenced their decision to hire (Figure 13).

**Figure 13: Influence of Youth Bonus Wage Subsidy on deciding to hire an intern after their Internship**



Note:


Q. Did the Youth Bonus Wage Subsidy influence your decision to employ the intern?

Based on employers who had received or were planning on receiving the Youth Bonus Wage Subsidy (n=336).

Source: 2018 PaTH Host Business Survey.

Small businesses (0–19 employees) were more likely to have been influenced by the Youth Bonus Wage Subsidy in their hiring decision than medium businesses (20–199 employees): 79 per cent compared to 66 per cent, respectively.

While businesses typically highlighted 'fit' as most important in hiring a young person, for smaller businesses the Youth Bonus Wage Subsidy was sometimes a dominant consideration in hiring.



No, it was a strong factor in creating the position for him. We wouldn't have been able to afford to take on another full-time person without it.

Employer 15, single placement, SA

Providers suggested that employers could view young people who were eligible for a wage subsidy as inadequate in some way.

The biggest resistance point — over the years, in this industry — as soon as you say, 'Wage subsidy' — 'Oh, what's wrong with them? Why do they need a wage subsidy?'

Provider 23, jobactive/DES, QLD

Employers especially valued wage subsidies where they would not have been able to hire the young person without them. Nine in 10 (93 per cent) of employers who had received a Youth Bonus Wage Subsidy after hosting an Internship agreed with the statement that wage subsidies are a good incentive for businesses to hire someone they might not have been able to hire without the subsidy.

### 6.3.3 Young people's use of and value from the subsidy

Young people generally valued the idea of the wage subsidy, in that it may help an employer to consider taking on a young person.

**Moderator:** But for you, individually, how would you feel about your prospective employer receiving a wage subsidy for you?

**Respondent:** It doesn't really bother me. If I'm going into employment somewhere I don't want that business to then suffer for my presence, and them benefiting from it retroactively can only benefit me, so long as I'm putting in performance that ensures that they want to keep me around.

Focus group 12, EST, SA

Some young people actively used wage subsidies to market themselves to employers, on their résumé or a fact sheet.

I've got a \$6500 wage subsidy. I put it on my résumé and I feel like it's the only thing that stands out.

Focus group 3, EST, QLD


Other young people highlighted potential disadvantages of wage subsidies, including how they are perceived by potential employers.

I feel like it'd be like as someone who's being used, when they do get the 10 grand, you also feel bad on the other end, because you're like, look you were offered money and because of money you had to hire someone, even if you didn't really want to. So yeah, you're kind of like, 'Sorry I'm not the greatest and I don't have all the experience you want.'

Focus group 8, Internships, QLD

## 6.4 Administration of wage subsidies

The Youth Bonus Wage Subsidy has the same administrative requirements as other wage subsidies offered under jobactive and TtW. From 1 January 2017, one online head agreement outlining the



terms and conditions of the subsidy can be set up per ABN. Additional wage subsidies linked to the same ABN then only require a wage subsidy schedule to be agreed (rather than an individual agreement for each wage subsidy). Once an agreement and a schedule are in place, employers send in evidence of the subsidised employees' hours and pay rate (through payslips or other documentary evidence) and invoice their provider for each wage subsidy instalment.

There are some concerns about administrative burden for providers. A quarter (25 per cent) of jobactive respondents and over a third (37 per cent) of TtW respondents in the 2017 provider surveys agreed that the Youth Bonus Wage Subsidy had a high administrative workload. Providers also expressed concerns about this in interviews.

I just know in our experience that [provider name], being large, isn't always so quick with wage subsidies. I can put it in, it might take four weeks for it to get back to the employer. It's not the speediest of processes because they all like to tick boxes ... we use our own program to validate and say, a placement — this is the contact details, the ABN, it's all right — it goes to them, if it meets requirements of a checklist, it goes to them and then they will send it on to the employer.

Provider 1, jobactive/DES, VIC

Some providers set up centralised administrative teams to process wage subsidy agreements and payable claims more easily and consistently.

We're used to doing it. We've got dedicated people that look after that so I don't think there's anything to complain about.

Provider 14, jobactive, WA

Providers and employers have access to two methods of managing wage subsidies:


- online — using the department's jobactive website and the accompanying phone app
- offline — using paper-based agreements and evidence (although offline methods may still include email and scanned documents).

While the department prefers wage subsidies to be managed online, some employers (especially small or mobile businesses) still use offline methods.

The department has an online portal to reduce the administrative burden on employers and make wage subsidies easier to manage. Most providers and employers reported that using the department's online system and app to manage the wage subsidy was relatively easy.

So the majority of them are on some sort of platform where it's pretty easy. They do a head agreement, which I sign and then it's lodged. Then it's more or less automated at the time to say you're now eligible, and I either need to provide some payslips or some other confirmation that the person's working the minimum number of hours and getting the right pay. And then some of them require our accounts person to do an invoice and then generally they'd pay that within about a week. So I mean, it's not simple but nor is it particularly tricky.

Employer 20, single placement, WA



In the 2018 PaTH Host Business Survey, most who had received a wage subsidy for hiring a PaTH intern were satisfied with the administration process; approximately nine in 10 (88 per cent) agreed that the administration their business had to do to receive a wage subsidy was reasonable. Satisfaction with the administration did not differ significantly by business size, location or number of interns.

A few employers perceived wage subsidy administration as confusing, onerous and time consuming. Providers believed that this caused some employers to not take up a wage subsidy.

Sometimes the employers may have a perception that it's all too hard with the paperwork and everything ... they have this perception that anything to do with big government and a wage sub is going to mean a lot of work.

Provider 29, TtW, QLD

Providers reported that some employers had difficulty knowing what to do when establishing and managing wage subsidies online, including when they experienced difficulties:

- accessing the link that providers sent to employers to create a new wage subsidy agreement
- accessing their online account
- uploading information (such as payslips).

Providers would usually switch to using an offline method if an employer was unwilling or unable to use the online system. However, some providers struggled with balancing some employers' preference for offline wage subsidy agreements and the department's efforts to increase online wage subsidy management.

A lot of employers are not interested, which I'm finding really fascinating. I'm not registering for another account and that sort of thing. So I'll say, 'Okay, well look, I'll print the paperwork and I'll bring it out for you.'

Provider 27, jobactive/DES, SA

I mean, we do have the option of doing the sign offline, but it's been made very clear to us from our managers that they've been told by the department that — off the top of my head I think it's about 90 per cent should be done online. Which is hard, because then yes, the pressure's on us to sit there and go hey, I want you to click that button. And they're sitting there going bring me a piece of paper.

Provider 28, jobactive/TtW/DES, NSW


To help reduce administrative burden, some providers would help employers enter into a new wage subsidy agreement and make claims for payment.

There might be some IT issues and they can't find it, or they're not getting the email sent through, or they can't download it or, you know ...

Provider 19, TtW, WA

There is a fair amount of paperwork, but that's part of it. It's all got to be done. We basically make it as easy as we can for employers, and we complete the forms for them.

Provider 20, TtW, VIC



While the fieldwork did not focus on the overall administrative changes between current wage subsidies, including the Youth Bonus Wage Subsidy, and those offered in the past, one provider appreciated the department's reduced administrative burden. The provider recognised that individual providers can add administrative burden beyond what the departmental guidelines require.

I think that the changes that the department have made in recent times has reduced the paperwork a lot. I think it's more that us as a provider are creating more paperwork to cover all our own bases. It's quite easy in the system to do now whereas years ago it was quite complicated and quite heavy admin side.

Provider 17, TtW, NSW

In the 2017 jobactive provider survey, a majority (53 per cent) of respondents agreed that the new Youth Bonus Wage Subsidy, with online agreements and claims, had made it easier to place young people in a job.

#### 6.4.1 State and territory government wage subsidies

Each state and territory government is able to offer wage subsidies. These are independent of financial incentives offered by the Australian Government. In some circumstances, businesses can receive both an Australian Government and a state or territory wage subsidy for the same employee, depending on the eligibility requirements. Most employers and providers were not asked about state or territory wage subsidies as a part of the Youth Jobs PaTH evaluation; however, the few respondents who did discuss this topic generally indicated that employers either had low awareness of state or territory wage subsidies or did not differentiate between Australian Government and state or territory wage subsidies.

Respondent: Youth Bonus Wage Subsidy? It's not the Youth Boost, is it?

Interviewer: I haven't heard of it as Youth Boost, but I think there's a Queensland Government or State Government Wage Subsidies that are —

Respondent: Yes, that's called the Youth Boost. So, okay, I've not heard of this one.

Employer 8, single placement, QLD


Employers sometimes confused administration required for state or territory wage subsidies with the Youth Bonus Wage Subsidy requirements. For example, one employer reported difficulty in applying for a wage subsidy as they did not have a paper copy of their ABN certificate, which is not required by the department to receive an Australian Government wage subsidy but is required for some state or territory government wage subsidies.

At the moment, I've got a couple [of wage subsidy applications] on hold because I need the ABN certificate ... Why do I need the piece of paper that was sent out, that I cannot at this point in time locate so I've got to go for a renewal which is going to take how long to get?

Employer 2, more than one placement, QLD

Australian Government and state and territory subsidies may be marketed to employers by one provider, which can lead to confusion or the misunderstanding that the wage subsidies are one





product. While it is uncommon for providers to market both Australian Government and state and territory subsidies, the lack of separate understanding of each product may cause issues. For example one young person was told to market themselves as eligible for a wage subsidy of up to \$26,500 — a promotion that bundled separate Queensland state and Australian Government subsidies into a single offer.

That's the thing is you go into a lot of places and you say to them, 'Look, you know, I'm keen as to work. I have a wage subsidy underneath me, you know what I mean, to help me pay.' Like I did that. That wasn't the reason why I got the job. I got the job because I work hard. But I told him that I get \$26,500 and at the end of it, it only turned out to be \$10,000. So, if someone's expecting that \$26,500 and they employ you and then they find out that it's not. They then find out that you lose \$16,000 — they might just go, 'Pfft. See you later.'

Focus group 5, EST, QLD

In 2017–18, the Queensland government was providing \$20,000 in wage subsidises and the South Australian government was offering up to \$15,000. One condition of receiving an Australian Government wage subsidy is that an employer cannot receive more than 100 per cent of the employee's wage. This condition still applies to employers receiving both an Australian Government and a state subsidy concurrently. In these states, this presented monitoring and administrative challenges for both providers and the department to ensure employers did not receive more than 100 per cent of the employee's wage.

## 6.5 Outcomes

Around half of young people under jobactive and TtW were off income support three months after their last job placement associated with a Youth Bonus Wage Subsidy (Table 8). Young people under jobactive and TtW who started an Internship before a Youth Bonus Wage Subsidy had worse off income support outcomes than all young people with a subsidy. This may be due to the young people who participate in an Internship being less job ready than those who enter employment without the assistance of an Internship.

The relative impacts of wage subsidies between employment services or different element pathways (for example, supported with EST before starting a job with a wage subsidy) are not used here to compare performance. This is due to the challenges of accounting for different demographics and levels of work readiness, the location of the job and when the job placement occurred. For example, there may be differences in job readiness between young people who required both an Internship and a wage subsidy to improve their work readiness and those who could sustain employment with only a wage subsidy.

**Table 8: Young people off income support three months after starting their last job associated with a Youth Bonus Wage Subsidy**

Type of assistance	Jobactive (per cent)	TtW (per cent)
Completed EST before Youth Bonus Wage Subsidy	49.8	N/A
Started an Internship before Youth Bonus Wage Subsidy	46.8	41.8
Completed EST and started an Internship before Youth Bonus Wage Subsidy	48.8	N/A
All Youth Bonus Wage Subsidy	50.6	49.1

Note: Three months is calculated as 91 days.

Source: Department of Education, Skills and Employment administrative data.



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## A.1: Appendix — Qualitative sample composition

**Table A.1: Provider sample**

Quote attribution	Location	Block/Contract	No. of respondents
Provider focus group 1	VIC	EST	6
Provider focus group 2	VIC	EST	4
Provider focus group 3	VIC	EST	5
Provider 1	VIC	jobactive and DES	2
Provider 2	VIC	jobactive and TtW	4
Provider 3	VIC	EST	1
Provider 4	QLD	jobactive and DES	3
Provider 5	QLD	TtW	4
Provider 6	QLD	EST	2
Provider 7	QLD	jobactive	3
Provider 8	QLD	jobactive and TtW	4
Provider 9	QLD	EST	2
Provider 10	NSW	DES	2
Provider 11	NSW	jobactive	6
Provider 12	NSW	EST	1
Provider 13	WA	EST	1
Provider 14	WA	jobactive	1
Provider 15	VIC	jobactive and DES	1
Provider 16	NSW	jobactive	1
Provider 17	NSW	TtW	1
Provider 18	NSW	jobactive	1
Provider 19	WA	TtW	3
Provider 20	VIC	TtW	3
Provider 21	QLD	jobactive	4
Provider 22	QLD	jobactive	1
Provider 23	QLD	jobactive and DES	2
Provider 24	SA	TtW	3
Provider 25	NSW	DES	1
Provider 26	SA	DES	2
Provider 27	SA	jobactive and DES	2
Provider 28	NSW	jobactive, TtW and DES	4
Provider 29	QLD	TtW	3
Provider 30	VIC	TtW	1

Quote attribution	Location	Block/Contract	No. of respondents
Provider 31	VIC	TtW and EST	2
Provider 32	NSW	TtW and DES	4
Provider 33	NSW	Broker and EST	1
Provider 34	WA	jobactive	1
Provider 35	QLD	EST	1
Provider 36	QLD	EST	1
Provider 37	QLD	TtW	1
Provider 38	VIC	TtW	2
Provider 39	WA	EST	1
Provider 40	NSW	jobactive, TtW and DES	1

**Table A.2: Business sample**

Quote attribution	Location	Type/Group	No. of respondents
Business 1	NSW	More than one placement	1
Business 2	QLD	More than one placement	1
Business 3	QLD	Single placement	1
Business 4	QLD	More than one placement	1
Business 5	VIC	Single placement	1
Business 6	QLD	Single placement	1
Business 7	QLD	More than one placement	1
Business 8	QLD	Single placement	1
Business 9	QLD	Non-user	2
Business 10	NSW	Non-user	1
Business 11	QLD	More than one placement	1
Business 12	SA	More than one placement	1
Business 13	NSW	More than one placement	1
Business 14	TAS	Single placement	1
Business 15	SA	Single placement	1
Business 16	NSW	More than one placement	1
Business 17	QLD	Single placement	1
Business 18	QLD	More than one placement	1
Business 19	SA	More than one placement	1
Business 20	WA	Single placement	1
Business 21	QLD	Single placement	1

**Table A.3: Young people sample**

Quote attribution	Location	Type/Group	Block/Contract	No. of respondents
In-depth 1	VIC	EST	2	1
In-depth 2	QLD	Internship	jobactive	1
In-depth 3	NSW	Internship	jobactive	1
In-depth 4	QLD	Internship	jobactive	1
In-depth 5	QLD	Internship	TtW	1
In-depth 6	WA	Internship	jobactive	1
In-depth 7	QLD	Internship	DES	1
In-depth 8	VIC	Non-attend	EST	1
In-depth 9	QLD	Non-attend	EST	1
In-depth 10	QLD	Internship (left)	TtW	1
Focus group 1	VIC	EST	1, 2 and both	7
Focus group 2	QLD	Internship	jobactive	6
Focus group 3	QLD	EST	1, 2 and both	4
Focus group 4	QLD	Internship	jobactive	5
Focus group 5	QLD	EST	1, 2 and both	7
Focus group 6	NSW	Internship	jobactive	5
Focus group 7	QLD	EST	1, 2 and both	4
Focus group 8	QLD	Internship	jobactive	5
Focus group 9	NSW	Internship	jobactive	6
Focus group 10	WA	EST	1, 2 and both	3
Focus group 11	SA	EST	2	6
Focus group 12	SA	EST	2	3

**Table A.4: Other participants**

Quote attribution	No. of respondents
Peak body	3
Employer Liaison Officer	1