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Turnbull's \$4 an hour internships a worker exploitation scheme

The ACTU today warned that the PaTH internship program unveiled in yesterday's budget not only poses a serious risk for young people and inexperienced workers, but could also undermine Australia's entire wage system.

Instead of employing a worker on the minimum wage, businesses would be able to access a pool of free labour as part of a taxpayer funded young worker exploitation scheme.

While most employers will do the right thing, the PaTH internship program is ripe for abuse, creating a perverse incentive for business to churn through disadvantaged young job seekers every twelve weeks.

After two years of cuts totaling \$2.5 billion, including a \$1 billion cut to apprentices and apprenticeship support, the Liberals have axed another \$247 million from skills and training and failed to introduce any new initiatives to help people access quality jobs and long-term careers.

Quotes attributable to ACTU Secretary Dave Oliver:

"This internship program is a path to nowhere – it's replacing existing entry-level jobs with a churn and burn scheme that gives business access to free, exploitable workers."

"Paying young workers \$4 per hour is not far above the rates in third world sweat shops – it's outrageous and it puts our entire wage system at risk."

"Why would a business employ a minimum wage or lower paid worker when the government is ready to supply them with free labour and a \$1000 handout?"

"Subsidising long term unemployed to perform low skilled work in supermarkets is not a plan to create, real lasting jobs."

"The government should be investing in TAFE, higher education and apprenticeships - but these have all been cut."

"Instead they're giving us a US-style internship program which amounts to a taxpayer funded youth exploitation scheme that will undermine the wages and conditions of workers in existing jobs."

Key facts:

- Newstart allowance for a single person with no children is currently \$527.60 per fortnight.
- If the recipient works a PaTH internship for 25 hours a week, they only receive an extra \$200 per fortnight (\$4 an hour worked), meaning they receive \$363.80 per week in total.
- The minimum wage is currently \$17.29 per hour, saving business a total of \$432.25 for 25 hours work per week per employee.
- PaTH participants would receive \$68.45 per week below the minimum wage as well as missing out on other important conditions like sick leave, superannuation and penalty rates.
- ABS figures released in March put current job vacancies nationally at around 172,900 while also reporting that 737,300 people are looking for work.

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