



# RESEARCH NOTE

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## The Youth Training Initiative

### Background

In May 1994, the Federal Government released its Employment White Paper (entitled Working Nation) which provided funding of \$10.3 billion over four years for various employment and training measures. Included in the White Paper was provision for a Youth Training Initiative (YTI) at a cost of \$730 million over the period 1994-95 to 1997-98. The YTI commenced on 1 January 1995 and is aimed at ensuring that all young people obtain appropriate entry level training places, work, experience, further education or vocational education or a job at the earliest possible stage of their unemployment. Included in the Initiative is a Youth Training Allowance (YTA) which provides income support for YTI participants.

### Main Components Of The Youth Training Initiative

There are three main strands to the YTI:

- the provision of intensive case management for unemployed people under the age of 18 years. A specific case manager will assist the unemployed person to find suitable work, training or education opportunities. Unemployed young people will be eligible for case management 13 weeks (or earlier in high risk cases) after registering as unemployed;
- the placement of longer term (in excess of six months) young unemployed in labour market or vocational training programs; and

- the provision of new income support arrangements (the YTA) to encourage young people to participate in education, training and work experience opportunities. The YTA will replace the existing Job Search Allowance (JSA) for those under 18 years of age.

### Cost Of The Youth Training Initiative

Cost details of the YTI (and YTA) are shown in Table 1.

**Table 1: Estimated Cost of the Youth Training Initiative (Cost of the Youth Training Allowance in Brackets)**

1994-95	\$73.7m	(\$36.0m)
1995-96	\$193.6m	(\$101.9m)
1996-97	\$227.3m	(\$118.1m)
1997-98	\$235.8m	(\$125.1m)

## The Youth Training Allowance

The YTA is payable to young unemployed people aged 16 and 17 years and who were not in receipt of the JSA on 1 January 1995. Those who were receiving the JSA at that date will continue to do so. The YTA is also payable to 15 year olds if they have reached the school leaving age, are unsupported and living away from home.

YTA general eligibility conditions are the same as for the present Job Search Allowance for under 18 year olds. YTA recipients are subject to a personal income test (the same applies for the JSA) and an assets test (the same as applies to AUSTUDY). The AUSTUDY assets test is generally more generous than that applying for the JSA.

Table 2 shows rates of benefits that are paid under the YTA. It should be noted that the maximum rates payable are the same as those for JSA and AUSTUDY.

It is estimated by the Department of Employment, Education and Training that approximately 28,000 unemployed young people will take up the YTA in 1995 and that about 20,000 young people will take up the Allowance in the first six months.

The main policy role and responsibility for the YTA is with the Department of Employment, Education and Training but the payment agency is the Department of Social Security.

**Table 2: Maximum Basic Rates for Youth Training Allowance (as at 1/1/95)**

<i>Rate</i>	<i>\$ per fortnight</i>
<b>At Home</b>	\$134.50
<b>Away from Home</b>	\$222.10
<b>Independent/Homeless</b>	\$222.10
<b>Married (without children)</b>	\$222.10 (each)
<b>Married (with children)</b>	\$268.20 (each)

### Issues

The success or otherwise of the YTI will depend on a number of factors including:

- the extent to which the two main agencies (DEET and Social Security) involved in the implementation of the YTI can coordinate and complement their respective roles and activities;
- how well the intensive case management system works in practice. Some concern has already been expressed that there will be 'case management overkill' with young people potentially having to deal 5 or 6 Commonwealth and State case managers depending on their circumstances; and
- the degree to which the general education and vocational education sectors can provide relevant and meaningful education and training places to the young unemployed. Related to this is the obvious corollary – the extent to which the economic recovery can provide adequate employment opportunities to young unemployed people.

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*Views expressed in this Research Note are those of the author and do not necessarily reflect those of the Parliamentary Research Service and are not to be attributed to the Department of the Parliamentary Library. Research Notes provide concise analytical briefings on issues of interest to Senators and Members. As such they may not canvas all of the key issues.*

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