

**SENATE STANDING COMMITTEE ON
EDUCATION, EMPLOYMENT AND WORKPLACE RELATIONS**

**QUESTIONS ON NOTICE
SUPPLEMENTARY ESTIMATES 2009–10**

Outcome 4

DEEWR Question No. EW389_10

Senator Cash provided in writing.

Question

Workforce Participation criteria

Has the Department undertaken any modelling or made any projections on the ability of young people to be classified as Independent against the Government's new Workforce Participation criteria, as compared to the previous take-up rate by the same demographic under the previous criteria?

If so, what modelling has been undertaken, what projections have been made and what data was utilised?

Answer

The Australian Government is not seeking to introduce new workforce participation criteria under the proposed reforms to Youth Allowance. Rather, the method for establishing independence through workforce participation would be restricted to one out of the three current criteria. The remaining criterion is working at least 30 hours per week for at least 18 months during any period of two years.

In addition to those who already qualify under this remaining criterion, it was estimated that five per cent of young people who would not qualify under the two elements of the workforce participation criteria being removed would instead qualify under the remaining workforce participation criterion.

More young people would qualify for Youth Allowance as 'dependent' students under the proposed changes to the Parental Income Test, meaning there would be less pressure for young people to take a gap year in order to try and qualify for government support to undertake university studies as an 'independent' student.