



Social Security Amendment (Training Incentives) Bill 2009

Peter Yeend
Social Policy Section

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Glossary

Abbreviation	Definition
ACOSS	Australian Council of Social Service
CDEP	Community Development Employment Project
DEEWR	Department of Education, Employment and Industrial Relations
EPP	Employment Pathway Plan
FaHCSIA	Department of Families, Housing, Community Services and Indigenous Affairs
FAMT	Family Actual Means Test
FTB–A	Family Tax Benefit Part A
NSA	Newstart Allowance
PP	Parenting Payment
PES	Pensioner Education Supplement
PSP	Personal Support Program
SSA	<i>Social Security Act 1991</i>
SAA	<i>Student Assistance Act 1973</i>
YA	Youth Allowance

Social Security Amendment (Training Incentives) Bill 2009

Date introduced: 28 May 2009

House: House of Representatives

Portfolio: Education, Employment and Workplace Relations

Commencement: For Schedule 1, on the latter of:

- Immediately after the commencement of items 2 to 5 and 8 and 9 of Schedule 4 of the *Social Security Legislation Amendment (Employment Services Reform) Act 2009*, and
- On the day this Act receives Royal Assent.

Links:

The relevant links to the Bill, Explanatory Memorandum and second reading speech can be accessed via BillsNet, which is at <http://www.aph.gov.au/bills/>. When Bills have been passed they can be found at ComLaw, which is at <http://www.comlaw.gov.au/>.

Purpose

The purpose of this Bill is to:

- introduce a new temporary Training Supplement for persons without a year 12 certificate to assist them achieve a year 12 completion, or its equivalent, and
- remove access to Youth Allowance (YA) for an unemployed young person who is not undertaking training or education.

Background

Training Supplement

Training Supplement announced in the 2009-10 Budget

The Government announced the introduction of a proposed new temporary Training Supplement in the 2009-10 Budget.¹ The Training Supplement will be available to job

1. Australian Government, *Budget measures: budget paper no 2: 2009-10*, Commonwealth of Australia, 2009, p. 177, viewed 29 May 2009, <http://www.aph.gov.au/budget/2009-10/content/bp2/html/index.htm>

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seekers on Newstart Allowance (NSA)² or Parenting Payment (PP)³ who have not completed Year 12, or equivalent, and are undertaking qualifying education or training. The Training Supplement will apply to those who commence approved training during the period 1 July 2009 to 30 June 2011. Recipients of the Training Supplement may also be eligible to receive the \$208 Education Entry Payment and the \$950 Temporary Supplement.

Cost

The cost of providing the proposed Training Supplement is estimated to be \$46.0 million in 2009-10, \$25.0 million in 2010-11 and \$3.1 million in 2011-12.⁴ This is a total of \$74.1 million over three years.

Amount of Training Supplement

The proposed Training Supplement is to be \$41.60 per fortnight.

Pensioner Education Supplement

There is currently another education supplement payment provided to some recipients of income support payments. This is the Pensioner Education Supplement (PES). A person may qualify for the PES if they are receiving:

- Parenting Payment (Single)
- Disability Support Pension
- Carer Payment (adult)
- Carer Payment (child)
- Special Benefit (as a sole parent)
- Widow B Pension
- Widow Allowance
- Wife Pension – the partner receives a Disability Support Pension.

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2. Newstart Allowance is provided to unemployed jobseekers aged 21 or over and is commonly called the unemployment benefit.
 3. Parenting Payment – Partnered is payable to partnered person who has at least one child aged under 6 who is wholly or substantially in their care. Parenting Payment – Single is payable to a sole parent who has at least one child aged under 8 who is wholly or substantially in their care.
 4. Australian Government, *Budget measures: budget paper no 2: 2009-10*, Commonwealth of Australia, 2009, p. 177.

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The higher rate of PES at \$62.40 a fortnight is payable where the person is:

- an approved student with at least a 50 per cent study load,
- an approved student receiving either Disability Support Pensioner or Invalidity Service Pension, or
- an approved student receiving a War Widow/er Pension and an invalidity income support supplement and has a dependent child.

The lower rate of PES at \$31.20 a fortnight is payable where the person is:

- an approved student, other than those listed above, with at least a 25 per cent load, or
- a single parent or carer and has a study load of at least 25 per cent but less than 50 per cent.

How many will apply

It is estimated that 50 000 low skilled jobseekers will take up the Training Supplement over the period 1 July 2009 to 30 June 2011.⁵ In June 2008, approximately 46 700 income support recipients were receiving the PES.⁶ It remains to be seen whether the estimated 50 000 NSA and PP recipients will undertake the requisite education or training (mostly full-time) to claim and qualify for the Training Supplement in the two year period from 1 July 2009 to 30 June 2011.

Temporary payment

The Training Supplement is only to be available for those NSA or PP recipients commencing approved training from 1 July 2009 to 30 June 2011. It is only a temporary payment. There isn't much discussion in the Budget announcement as to why the Training Supplement is to be provided for only two years. The Minister said in the second reading speech that:

Early school leavers and people with low skills are likely to experience particular disadvantage during both the economic downturn and the recovery. In times of economic downturn, we know that youth unemployment tends to rise rapidly and then it falls back more slowly during the recovery. In the recession of the early 1990s, young people without year 12 were around three times more likely than their

5. J Gillard, (Minister for Education, Employment and Workplace Relations), *Training supplement for newstart recipients*, media release. Canberra, 12 May 2009, viewed 29 May 2009, <http://www.deewr.gov.au/Ministers/Gillard/Media/Pages/default.aspx>

6. Department of Education, Employment and Workplace Relations (DEEWR), *Annual Report 2007-08*, Canberra, DEEWR, 2008, p. 157, viewed on 3 June 2009, <http://www.annualreport.deewr.gov.au/>

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counterparts with year 12 to not be in further education and to be unemployed. In fact, around one in three early school leavers was unemployed.

The initiatives in this bill support the government's commitment to improve the educational attainment level of Australians by encouraging completion of year 12, or its equivalent. They also support the government's commitment to unemployed Australians to provide improved access to education and training opportunities.⁷

The Minister clearly says this is to be a temporary assistance measure that is designed to assist people achieve year 12 completion, or its equivalent, during the anticipated period of the global recession.⁸ It is also interesting to note that the payment is to only be made where the approved training is being undertaken for a period of less than 12 months. Again, reinforcement that the Training Supplement is to only be a temporary payment.

As was highlighted in the Minister's second reading speech, the job outcomes between those with, or without, year 12 completion are starkly different. While the Government has introduced this as a temporary measure, perhaps they could review its success to examine its need as an on-going program of assistance.

Approved training

The training that can qualify a person for the Training Supplement is to be set out by the Secretary. The Bill does require that the course is a full-time course except where the person has a partial work capacity or the person is a principal carer of a child.

The actual detail of what can constitute an approved course is not prescribed in the Bill. Rather, the Bill provides broad parameters and then empowers the Secretary to describe, within these parameters, what course can attract the Training Supplement. These broad parameters are set out below.

For the person:

- the person is a full-time student or where the person has a partial capacity for work or is a principal carer, the person is undertaking sufficient level of study considered reasonable,
- the person has not completed final year of secondary school or its equivalent, or

7. B O'Connor, (Minister for Employment Participation), 'Second reading speech, Social Security Amendment (Training Incentives) Bill 2009', House of Representatives, *Debates*, 28 May 2009, pp. 15-17, viewed 29 May 2009, <http://www.aph.gov.au/hansard/hansreps.htm>

8. B O'Connor, (Minister for Employment Participation), 'Second reading speech, Social Security Amendment (Training Incentives) Bill 2009', House of Representatives, *Debates*, 28 May 2009, p. 16.

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- the person:
 - has been awarded a VET qualification at certificate I, II, III or IV in the Australian Qualifications Framework, and
 - is not studying for or has not been awarded a qualification at diploma level in the Australian Qualifications Framework.

For the course:

- the course is for less than 12 months,
- the course is accredited at certificate I, II, III or IV in the Australian Qualifications Framework or in the Secretary's opinion is the equivalent of this level, and
- where the person has been awarded a VET qualification at certificate I, II, III or IV in the Australian Qualifications Framework, and is not studying for or not been awarded a qualification at diploma level in the Australian Qualifications Framework, the course will:
 - lead to a qualification higher than the person's current VET qualification, or
 - would in the Secretary's opinion enhance the person's employment prospects by allowing the person to acquire skills not in their area of their VET qualification.

Comment

There is some degree of flexibility in these legislative requirements for assessments to be made on a case-by-case basis for the approval of payment of the Training Supplement. This is probably necessary given the diversity of circumstances faced by jobseekers. That is, jobseekers who are being paid NSA or PP and who do not have a year 12 certificate, or its equivalent.

The statistics quoted by the Minister in the second reading speech about jobseeker levels of unemployment when not completing year 12 are quite stark.⁹ The anticipated numbers expected to gain assistance of 50 000 is not a small number and if they are realised the measure will be of some assistance.

9. B O'Connor, (Minister for Employment Participation), 'Second reading speech', p. 16.

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No Youth Allowance for unemployed jobseekers who are early school leavers

2009-10 Budget announcement

The government announced in the 2009-10 Budget a proposal to no longer allow qualification for YA for some unemployed jobseekers aged 15 to 20.¹⁰ Young people without a year 12 certificate, or its equivalent, will be classified as early school leavers and will be required to be in full-time education or training to be able to qualify for YA, or for their parent to qualify for Family Tax Benefit Part A (FTB-A).

Current Youth Allowance qualification

Currently, a young person may be eligible for YA if they are aged 16 to 20 years and are:

- studying or undertaking an Australian Apprenticeship full-time, or
- looking for full time work or undertaking a combination of approved activities, or have temporary exemption from the participation and activity test requirements.

A young person may also qualify for YA if they are:

- aged 21–24 years and studying or undertaking an Australian Apprenticeship full-time.

Some 15 year old persons are eligible for YA. These are those who are:

- considered independent,
- aged above the school leaving age in their State or Territory, and
- looking for work, studying or undertaking an Australian Apprenticeship full-time.

The provisions in the Bill propose to remove the qualification to YA for those aged 15 to 20 years who are unemployed and looking for full time work.

Young person doesn't qualify for Youth Allowance – qualification of parent for Family Tax Benefit Part A

The Budget initiative proposes to preclude YA to a young person who is an early school leaver, is aged under 21 years and is not in full-time education or training. The initiative also proposes to preclude payment of FTB-A to the parent of a dependant young person in the same circumstances.¹¹

10. Australian Government, *Budget measures: budget paper no 2: 2009-10*, Commonwealth of Australia, 2009, pp. 170–171, viewed 29 May 2009, <http://www.aph.gov.au/budget/2009-10/content/bp2/html/index.htm>.

11. Australian Government, *Budget measures: budget paper no 2: 2009-10*, Commonwealth of Australia, 2009, pp. 170–171.

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For a dependent student who is not classified as independent (that is they are dependent), they can qualify for YA so long as their personal income and assets are below the YA income and assets test limits. The other test a dependant student must pass is the parental means testing. This is made up of the parental income test and for some families the Family Actual Means Test (FAMT) is applied.¹² The YA parental income test cut-off limits are lower than the parental income test cut-off limits for FTB-A. See example below referring to the 2009 year.

Family situation: number of dependent child/ren	YA parental income test cut-off limit	FTB-A family income test cut-off limit
	\$ per annum	\$ per annum
1 child aged 18 at home	\$58,288	\$102,249

This means, where the parental income exceeds the YA parental income test limit and then therefore YA is not payable to the young person, a parent may qualify for FTB-A, where the family income is below the FTB-A income test cut-off limit.

There are no provisions in this Bill to amend the *A New Tax System (Family Assistance) Act 1999*, which is necessary to preclude payment of FTB-A to a parent, where his or her dependant child is an early school leaver and is aged under 21 years and is not in full-time education or training. However, the Minister stated in his second reading speech that the changes to the FTB-A will proceed by way of separate legislation later in 2009.¹³

Cost

The Budget papers estimate that the net cost over four years for this initiative will be \$41.9 million. This will be made up of net expenditure of \$71.6 million in 2009-10 and \$8.7 million in 2010-11 and net savings of \$7.0 million in 2011-12 and \$41.4 million in 2012-13.

The savings in the Department of Families, Housing, Community Services and Indigenous Affairs (FaHCSIA) portfolio will be mainly in reduced outlays of FTB-A. In the Department of Education, Employment and Industrial Relations (DEEWR) portfolio there will be increased outlays for education programs expenditure and some reduced outlays on

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12. The FAMT is applied where the family has income from non-wage and salary sources, like from a business, self-employment, partnership, trust, company etc.
 13. B O'Connor, (Minister for Employment Participation), 'Second reading speech, Social Security Amendment (Training Incentives) Bill 2009', House of Representatives, *Debates*, 28 May 2009, p. 16.

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the YA program. These estimates are mainly based on estimates about the impact of the change by the government. This proposal hasn't been done before and no one really knows how many of the current numbers of unemployed jobseekers aged 15 to 20, who are early school leavers, who will take up the education requirements to maintain their access to YA payments.

Numbers affected

As at April 2009, there were 78 441 YA recipients who were unemployed jobseekers.¹⁴

Council of Australian Governments agreement

At the 30 April 2009 meeting of the Council of Australian Governments (COAG), one of the agreements was the Jobs, Training and Youth Transitions Agreement.¹⁵ Part of this agreement was the Compact with Young Australians. Under this Compact, the Commonwealth and the States agreed to implement a National Youth Participation Requirement, to commence on 1 January 2010, which will make participation in education, training or employment compulsory for all young people until they turn 17. The National Youth Participation Requirement will include:

- a mandatory requirement for all young people to participate in schooling (meaning in school or an approved equivalent) until they complete Year 10, and
- a mandatory requirement for young people who have completed year 10, to participate in full-time (defined as at least 25 hours per week) education, training or employment, or a combination of these activities, until age 17.

To support the National Youth Participation Requirement, the Commonwealth agreed to make education and training a precondition for obtaining YA or FTB-A.¹⁶

Exceptions for young persons in special circumstances

The Minister said in the second reading speech that there would be flexibility for young persons in special circumstances.

14. Department of Education, Employment and Industrial Relations (DEEWR), *Labour Market and Related Payments: a monthly profile: April 2009*, Canberra, DEEWR, 20 May 2009, p. 3, viewed 1 June 2009, <http://www.workplace.gov.au/workplace/Publications/LabourMarketAnalysis/LabourMarketandRelatedPaymentsMonthlyProfile>

15. Council of Australian Governments, *Jobs, Training and Youth Transitions Agreement*, Hobart, 30 April 2009, viewed 2 June 2009, http://www.coag.gov.au/coag_meeting_outcomes/2009-04-30/index.cfm#jobs

16. Council of Australian Governments, *Jobs, Training and Youth Transitions Agreement*.

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The arrangements will be flexible for young people with complex needs. Young people with multiple barriers such as homelessness or substance abuse issues will have alternative ways in which to meet their participation and qualification requirements. Similarly, young people with a partial capacity to work or young parents will have their hours of participation tailored to their assessed capacity. The present legislative exemptions that deal with any difficulties a young person may be having, for example alcohol or drug abuse issues or homelessness, will continue.¹⁷

Personal Support Program

The type of young unemployed jobseekers who would probably need the benefit of any flexibility of the application of mandatory education participation to access YA would be those in the Personal Support Program (PSP). The PSP is a pre-employment program aimed at helping individuals to tackle their non-vocational barriers such as homelessness, mental health issues, drug or gambling problems, or social isolation that are preventing them from getting a job or benefiting from employment assistance programs. The PSP is delivered by a network of community based and private organisations providing individualised support and assistance to participants for up to two years. The participant and their provider jointly develop an intervention plan to address the participant's non-vocational barriers. Providers monitor participants' progress regularly and formally complete a report after 8 and 16 months of assistance.

The objective of PSP is to assist participants to overcome their non-vocational barriers so they can then move on to employment assistance programs and actively seek work or participate in education. PSP participants are required to enter into an activity agreement in order to commence in PSP. As a part of their activity agreement, PSP participants are required to at least fully participate in the PSP with their provider, and to attend all scheduled appointments as notified.

Access to the PSP is for those assessed as having a capacity to benefit from PSP and who are in receipt of the income support payment provided to those of working age. The main payments are NSA, YA, Widow Allowance, PP, Partner Allowance and Disability Support Pension. For a young person, they need not be in receipt of income support (that is YA); so long as they are registered as unemployed and are aged 15 to 20 (inclusive) and not in full-time study, they can access the PSP.

It is probable that those YA recipients participating in PSP will be provided with an exemption to be in full-time study to access YA. In the 2007-08 year, the PSP assisted approximately 87 7000 participants.¹⁸ However, there is no detail provided as to how many of these were YA recipients who were unemployed jobseekers under 21 years of

17. B O'Connor, (Minister for Employment Participation), 'Second reading speech'. p. 17.

18. Department of Education, Employment and Workplace Relations (DEEWR), *Annual Report 2007-08*, Canberra, DEEWR, 2008, p. 182, viewed on 3 June 2009, <http://www.annualreport.deewr.gov.au/>

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age. This means that of the 78 441 YA recipients currently aged 15 to 20,¹⁹ we don't know how many could benefit from the suggested legislative exemptions that deal with any difficulties a young person may have, for example alcohol or drug abuse issues or homelessness.

Community reactions

The Australian Council of Social Service (ACOSS) was cautiously supportive of any proposal to deny access to YA for persons aged 15 to 20 and not in full-time education. ACOSS said prior to the Budget:

“We will be looking closely at the Youth Allowance conditions so that disadvantaged young Australians are not unfairly penalised by having their payments withheld and face greater hardship. Some young people – those with mental illnesses, or homeless people for instance – need ongoing training and mentoring that suits their circumstances.”²⁰

The National Union of Students put out a response stating:

David Barrow, President of the National Union of Students said “Young people stripped of their youth allowance payments are being unfairly characterised as dole bludgers”. “It is good to see that the government is expanding the number of tertiary and training places. A renewed government focus on education will help our generation through the recession” he said. “However the COAG policy is all stick and no carrot. The Federal Government should increase youth allowance and stop pandering to the outdated stereotype of lazy young people. Most of us have been working since we were 14” he concluded.²¹

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19. Department of Education, Employment and Industrial Relations (DEEWR), *Labour Market and Related Payments: a monthly profile: April 2009*.
 20. Australian Council of Social Service, *Flexibility Key to Learn or Earn Compact*, media release, Sydney, 1 May 2009, viewed on 2 June 2009, <http://www.acoss.org.au/News.aspx?displayID=1>
 21. National Union of Students, *National Union of Students respond to COAG Youth Allowance changes*, media release, Melbourne, 23 May 2009, viewed on 2 June 2009, http://unistudent.com.au/home/index.php?option=com_content&task=view&id=168&Itemid=30

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Main provisions

Schedule 1–Amendments

Part 1–Training supplement for Parenting Payment and Newstart Allowance

Social Security Act 1991

Item 1 inserts a definition of approved training course for the Training Supplement. **Item 2** inserts a definition of Training Supplement.

Item 4 inserts a new definition of an approved training course for the Training Supplement.

Item 6 inserts a provision to prevent a PP recipient getting a program of work supplement and the Training Supplement at the same time. The program of work supplement is currently \$20.80 per fortnight and can be paid to a PP recipient undertaking an approved work training or work assistance program. Where both are payable, only the Training Supplement (\$41.60) is paid.

Item 7 inserts a **new section 503B** which contains the main qualification criteria for a person on PP to qualify for the Training Supplement. **Item 8** inserts provisions detailing that a PP recipient is meeting their activity test requirements if they are undertaking a qualifying course for the Training Supplement and they are making satisfactory progress.

Item 9 does the same as **Item 6** above but for a NSA recipient.

Item 12 does the same as **Items 6** and **9** above but for a Community Development Employment Project (CDEP) payment recipient. The CDEP participant supplement is the same as the program of work supplement at \$20.80 per fortnight.

Item 12 does the same as **Items 6** and **9** above but for the language, literacy and numeracy supplement, which, like the other supplements is \$20.80 per fortnight.

Items 13 and **14** inserts provisions that will ensure that where the Training Supplement is incorrectly paid it is a debt under the SSA and the debt recovery provisions apply.

Part 2–Youth allowance for early school leavers

Social Security Act 1991

Item 15 inserts a new definition of early school leaver being a person who:

- is aged under 21 years,
- has not completed final year of secondary school or its equivalent, and

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- is not undertaking full-time study.

Items 16 to 20 amend the YA activity test provisions so that early school leavers only satisfy the activity test requirement by undertaking full-time study.

Item 25 inserts a provision so that a person can only fail their activity test requirements, like to undertake a labour market program or to undertake work, when the requirement is written into their EPP.

Items 26 to 36 inserts amendments so that where a person is temporarily unable to comply with their EPP because of a temporary illness, he/she can be excused.

Item 38 extends the remote area exemption provisions for activity test compliance to the full-time education requirements for YA for those aged under 21 in this Bill. There are remote area exemptions for activity testing. This can apply to both the work search and program of work participation requirements. In short, a young person in a remote area will be able to access an exemption to the full-time education requirements for YA, where there is no locally accessible approved program of education.

Section 543A of the SSA sets the minimum qualifying age for YA. Generally it is age 16 but it can be age 15 if the person is independent. For a person aged 15 to 17, independence can be met a number of ways. For example, where the person is a member of a couple, or is a refugee, or is an orphan, or is in state care. One of the independent criteria is where the young person has been self-supporting from employment.²² **Item 40** amends section 543A(2A) to remove paragraph (e), which is the 'self-supporting from employment independence test'. This means a person cannot qualify for YA if aged 15 to 17 unless they are in full-time study or have entered into a YA EPP. **Item 41** amends paragraph (l), which allows the meeting of the independence test where the claimant is undertaking work or education (or a combination of both) for 20 hours a week to 25 hours a week. **Item 42** removes paragraph (o), which allows meeting of the independence test where the claimant is within 3 months of turning age 18.

Item 44 inserts **new section 544DA** which sets out the requirements for an early school leaver and the qualification requirement to have and comply with an EPP.

New sub-section 544DA(2) will require the person to undertake an appropriate number of hours per week of training or education or other activities specified by the Secretary. A lesser number of hours will be required where the claimant has a reduced work capacity. The exercise of this discretion will be set out in guidelines.

22. To be classified as independent for YA for a 15 to 17 year old, the self-supporting from employment criteria is met where the person has had 6 weeks full-time work in the past 13 weeks.

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New sub-section 544DA(3) allows the Secretary to specify other activities, other than education or training, to make up the requirements of a EPP. The exercise of this discretion will be set out in guidelines.

New sub-section 544DA(4) sets out the appropriate number of hours is 25 hours per week or another number of hours as set out by the Secretary. This will allow flexibility where the person has a reduced work capacity or is a principal carer of a child. The exercise of this discretion will be set out in guidelines.

New sub-section 544DA(5) provides for remote locations where this isn't an approved training or education course available or other special circumstances. The exercise of this discretion will be set out in guidelines.

New sub-section 544DA(6) allows for a course to be an approved course for an EPP, where it is a an approved secondary or tertiary course under section 5D of the *Student Assistance Act 1973* (SAA) and would, in the Secretary's opinion allow or assist the person to complete their final year of secondary school.

New sub-section 544DA(7) empowers the Secretary to set guidelines, by way of a legislative instrument, for the exercise of discretion in matters such as special circumstances. This might refer to:

- where the person should not be required to undertake an education or training, for example they are undertaking the PSP. The exercise of this discretion will be set out in guidelines,
- determining if a course would allow the person to complete secondary school, or it's equivalent. The exercise of this discretion will be set out in guidelines.

The actual detail and guidelines as to how and in what circumstances this discretion is to be exercised are not set out in this Bill, rather it is to be set out in Legislative Instrument to be written by the Secretary. Legislative Instruments are generally disallowable by the parliament under the *Legislative Instruments Act 2003* (LIA),²³ unless the Principal Act otherwise provides.

New sub-section 544DA(8) will require the Secretary to have regard to the guidelines that already exist, when exercising discretion under **new sub-section 544DA(6)**, that is whether a course is a an approved secondary or tertiary course under section 5D of the *Student Assistance Act 1973* (SAA).

Item 45 sets out some transition and start date provisions for the provisions in Part 2. Essentially the new YA provisions, the 'YA for early school leaver requirements', are to start from 1 January 2010. For claimants who claim on or after 1 January 2010, the Part 2

23. Moira Coombs, *Acts Interpretation Amendment (Legislative Instruments) Bill 2005*, Bills digest no. 11, 2005-06, Parliamentary Library, Canberra, 8 August 2005, viewed 4 June 2009, <http://www.aph.gov.au/library/pubs/bd/2005-06/06bd011.htm>

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provisions will apply from the date of commencement of payment. For existing YA recipients who are an early school leaver, the Part 2 provisions are to start from the start date of their EPP.

Concluding comments

Given the different job outcomes for persons with and without year 12 completion,²⁴ the Training Supplement will be of benefit. Whether the estimated 50 000 NSA and PP recipients actually take up the requisite education or training (mostly full-time) in the two year period the Training Supplement is available for²⁵ remains to be seen. If the Training Supplement is estimated to benefit 50 000 NSA and PP recipients, it raises the question as to whether the performance of the Training Supplement could be reviewed to examine if it should be an on-going program of assistance.

The proposal to exclude access to YA for young persons aged 15 to 20 years who do not have year 12 completion, or its equivalent and who are not undertaking full-time education or training is a radical step. As at April 2009, there were 78 441 YA recipients who were young unemployed jobseekers.²⁶ These are persons aged 15 to 20 years. The Minister said in the second reading speech that there would be flexibility for young persons in special circumstances.²⁷ Some of the current 78 441 young unemployed jobseekers would be on the PSP program but there is very little detail as to what this flexibility will be made up of and who it will apply to. Some unemployed jobseekers do have significant issues like homelessness, substance abuse, partial capacities for work or they are a young parent.

24. B O'Connor, (Minister for Employment Participation), 'Second reading speech'. p. 16.

25. 1 July 2009 to 30 June 2011.

26. Department of Education, Employment and Industrial Relations (DEEWR), *Labour Market and Related Payments: a monthly profile*.

27. B O'Connor, (Minister for Employment Participation), 'Second reading speech'. p. 17.

Warning:

This Digest was prepared for debate. It reflects the legislation as introduced and does not canvass subsequent amendments.

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