

**Economics Legislation Committee**  
**ANSWERS TO QUESTIONS ON NOTICE**  
Industry Portfolio  
Additional Budget Estimates Hearing 2013-14  
2-3 June 2014

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**AGENCY/DEPARTMENT:** DEPARTMENT OF INDUSTRY

**TOPIC:** 'Earn or Learn' Policy

**REFERENCE:** Written question – Senator Carr

**QUESTION NO.:** BI-202

1. Has it been anticipated that when entering into training under the government's 'Earn or Learn' requirements for financial assistance, that a young person is likely to incur upfront fees or have to undertake a debt depending on the level of training?
2. Is the Government aware that, as one State example, the proposal in New South Wales could see 40 per cent of students facing fee rises of more than \$500 and fees of up to \$4000 for basic certificates? (Sun Herald, page 36, 18/5/2014). (Attachment A)
3. In contributing to the government's 'earn or learn' policy, did the Department model the potential cost of training to young people?
4. If yes – what were the results of this modelling? If no – why was the decision taken not to assess this impact and who made this decision?
5. In the Australian on 27 May Jobs Australia CEO David Thompson said that there will not be enough training places for young people – does the Department agree with this assessment? If not, how has it arrived at this conclusion? If the Department of Industry is unable to provide advice, can the Department liaise with the Department of Employment in order to obtain this information? (Attachment B)
6. Under the earn or learn policy a young person under 30 is therefore required to immediately find employment or enter into study. Does this mean:
  - a. They must undertake study regardless as whether it is at a lower level than their current qualifications?
  - b. The length of time for the course they enrol in and the hours required to study may prohibit their ability to look for work.
  - c. Is the policy intention that while they are studying they no longer look for work?
  - d. If they are supposed to look for work while studying, is the expectation that on finding a job they quit the course, thereby wasting the money they paid and disrupting the class in which they have been enrolled?
  - e. If the expectation is they focus on completing the course, at the end of the course will the six month exclusion from payment start again?
  - f. If it does, is this policy locking young people into a cycle of study for study's sake and interfering with their capacity to find work?
7. Kevin Andrews told The Australian people under 30 must acquire skills linked to the labour market in order to receive Youth Allowance when they are prevented from receiving the dole (Hobby courses out of bounds under 'earn or learn', Aus, 27/5/2014): (Attachment C)
  - a. Does the Government have a list of eligible courses?
  - b. If so, will the list be published so that students can make informed decisions?
  - c. Will participation in language, literacy and numeracy courses be accepted for 'earn or learn' purposes?
  - d. How often will the list be updated? Will courses be considered for addition at the request of education providers or will the government undertake periodic surveys?
  - e. If a person has a higher level qualification, are they expected to do any training, even at a lower level? If they aren't, what are they supposed to do if there is no higher training

in their relevant field? How does the Minister intend to ensure that they are not just doing training for training's sake?

- f. Will the Department of Industry or the Department of Employment publish a list of courses that are considered "hobby courses"?
- g. Will appearing on the list of "hobby courses" be able to be appealed by an education provider?
- h. The Australian article listed cooking and aromatherapy as two courses that people would be 'banned' from under the learn or earn arrangements because they are "hobby" courses – isn't learning how to cook pretty fundamental to the hospitality sector and becoming a chef? Why is cooking "banned"?

## ANSWER

1. Yes.
2. Fee arrangements in New South Wales (NSW) are a matter for the NSW Government.
3. No.
4. Modelling of training costs is not undertaken in income support budget decisions.
5. Eligible learners will have access to demand driven training in most jurisdictions.
6. Under the Earn or Learn measure, young people who enter into study will qualify for income support on the same basis as other students. They will be able to test their eligibility for Youth Allowance (student), Austudy or ABSTUDY, and if they are eligible, will be subject to the provisions of those payments.
  - a. Current arrangements apply.
  - b. Current arrangements apply.
  - c. No. Current arrangements apply.
  - d. No. Students who are eligible for a student payment will be subject to current arrangements under those programmes.
  - e. Yes.
  - f. No.
7. The Department of Social Services advises that:
  - a. To be eligible for a student payment, learners need to be studying an approved course at an approved institution. These are set out in the Student Assistance (Education Institutions and Courses) Determination 2009 (No. 2). Further information is available on the Department of Human Services website (<http://www.humanservices.gov.au/customer/enablers/approved-courses>).
  - b. See response to 7(a).
  - c. Subject to consideration by government.
  - d. See response to 7(a).
  - e. Current arrangements apply.
  - f. No.
  - g. Not applicable.
  - h. See response to 7(a).