

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

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

Outcome 4
DEEWR Question No. EW488_10

Senator Cash provided in writing.

Question

Youth Unemployment

In a media release dated 20 April, 2009, the Minister for Education, Employment and Workplace Relations, welcomed the release of the OECD's 'Jobs for Youth: Australia' Report. In the media release it was stated, "The OECD has called for the Government to ensure more teenagers stay in school past the age of 16 in order to boost their skills and improve their job opportunities in the long term." The Government's response to this was to announce that it will ask State and Territory governments to lift the mandatory age at which young people must be in school or engaged in training or employment. The report also states at page 11 of the Summary in English that "the Australian authorities should not underestimate the difficulties of implementing such a skill-first welfare policy, especially in the current situation of rising unemployment. The international evidence from evaluations of training programmes for youth in the United States and Europe is not encouraging."

Has DEEWR reconsidered the Government's Learn or Earn Scheme in light of this statement? If not, why has DEEWR not heeded the advice of the OECD in regards to their skills-first approach?

Answer

Under the Compact with Young Australians all young people from 1 January 2010 will be required to complete Year 10 through a National Youth Participation Requirement and then to be in full time education, training or employment until the age of 17. Also, 15 to 24 years olds will have access to an education or training entitlement to improve their qualifications and ensure that they are skilled for a more productive and rewarding life. These measures are fully consistent with the recommendations of the OECD *Jobs for Youth: Australia* report (the report).

As part of the Compact the Australian Government has also changed the participation requirements for Youth Allowance for young people without Year 12 or an equivalent qualification. These young people will generally be required to participate in some study or training towards attaining Year 12 or an equivalent qualification. Again, this is fully consistent with the recommendations of the report, specifically recommendations 1 and 8. Recommendation 8 expresses caution about a 'back to the classroom approach'. The requirement to participate in study or training for payment of Youth Allowance is flexible in its operation such that Job Services Australia and training providers are able to tailor courses and activities appropriately to the circumstances of young people.

The comments at page 11 of the report summary, which are reflected in recommendation 9 of the report, emphasise the importance of a rigorous approach to evaluating 'skills first'

welfare policy measures. In the *National Partnership Agreement on Youth Attainment and Transitions*, the Government, together with state and territory governments, has committed to evaluating the initiatives in the Youth Compact to support further policy development and continuous improvement.