

**Senate Standing Committee on Education Employment and Workplace
Relations**

**QUESTIONS ON NOTICE
Supplementary Budget Estimates 2011-2012**

Outcome 2 – Schools and Youth

Outcome 3 – Tertiary, Skills, International and Indigenous Strategy

Outcome 4 – Employment

DEEWR Question No. EW0644_12

Senator Nash provided in writing.

Question

Youth Allowance – Workforce participation criteria

Re. 30 hour work rule – Can the department to clarify the averaging of the 30 hour work rule for those still seeking to qualify this way for independent youth allowance and those metropolitan students who still have to. For example, an inner regional student from Armidale fell just short of the required hours for one or two of the six 13 week blocks yet exceeded his hours for the majority of the time.

1. 389.3 hours (29.95 p.w.)
2. 504 hours (38.77 p.w.)
3. 518.5 hours (39.89 p.w.)
4. 498.5 hours (38.35 p.w.)
5. 519 hours (39.92 p.w.)
6. 388.27 hours (29.87 p.w.)

- Is the dept aware of this discrepancy and if so, has it reviewed the guidelines?
- How is it fair that the student above for example would miss out given that he has clearly worked the hours?
- Would it consider say a 5 per cent tolerance either way?

Answer

A young person can qualify as independent if they have supported themselves through paid employment. Prior to 1 July 2010, this included working full-time for at least 30 hours per week for at least 18 months during any period of two years.

Under the revised workforce independence criteria, a person can be assessed as self-supporting through paid employment if they have supported themselves through full-time employment of, on average, 30 hours per week for at least 18 months during any period of two years.

Flexibility is provided to allow for breaks in employment and casual work patterns, within limits that ensure that the young person can still reasonably be considered to have been engaged in full-time employment during the period. Firstly, although occurring within two years, the 18 month period does not have to be continuous. Secondly, if a young person who has been working in a job, or jobs, that have not

consistently provided them with 30 hours per week of work, their hours of work can be averaged over periods of up to 13 weeks.

For example, to qualify as independent a person may have worked at least 30 hours each week for 78 weeks; or at least 120 hours in each of 19 periods of four weeks; or at least 390 hours in each of six periods of 13 weeks.

A calculation of the average hours worked is performed by the Department of Human Services (DHS – Centrelink) as part of the application process and in a manner that provides the applicant with the most beneficial outcome, based on their circumstances.

In assessing an individual's eligibility under the criterion, DHS will:

1. total the number of hours worked each week;
2. total the number of hours worked over each of a number of different periods of work within a total of at least 78 weeks (for example, six periods of 13 weeks) within 104 weeks;
3. calculate the average number of hours worked in each of these periods; and
4. using the most advantageous calculation for the individual, determine whether or not the person meets the criterion of on average 30 hours per week.

While there may be different ways to achieve eligibility for income support, successive governments have seen eligibility for payment itself as generally definitive. To offer flexibility in the criteria would potentially create significant inequities between recipients based on a perception of need. Flexibility also artificially creates new criteria that reduce the effectiveness of the targeting of payments to those most in need of assistance.