

Select Committee on Intergenerational Welfare Dependence

INQUIRY INTO INTERGENERATIONAL WELFARE DEPENDENCE

19 SEPTEMBER 2018

ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Comparison of youth engagement levels

Question reference number: Question 1

Member:

Type of question: This question was asked during the hearing.

Date set by the committee for the return of answer: 3 October 2018

Number of pages: 2

Question:

For young people under age 22, do you have a comparator for youth engagement levels (further study, training, unemployment) between young people whose parents receive income support and are therefore eligible for Youth Allowance; and young people whose parents' income means tests them out of Youth Allowance? Are these two groups of young people doing substantively different things—if not, is there a broader social problem that is reflected across both groups?

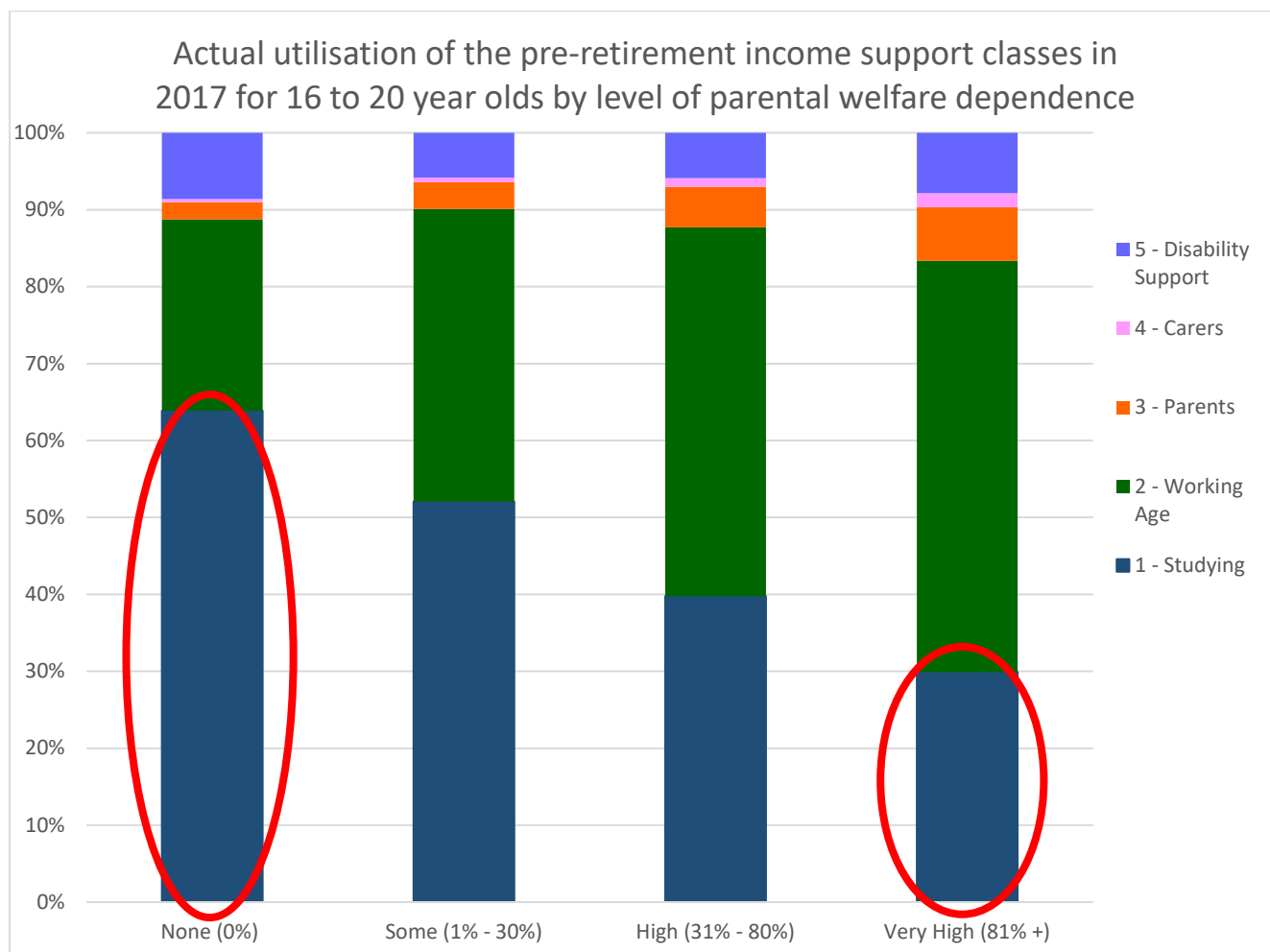
Answer:

The intergenerational variable in the Priority Investment Approach focuses on the children of parents and guardians in receipt of welfare. Children and young adults are grouped into four bands based on the proportion of their first 15 years that their parent(s) or guardian(s) received income support payments. The four bands are None (0 per cent), Some (1 to 30 per cent), High (31 to 80 per cent) and Very High (81 or more per cent). Most children and young adults are in the None and Some bands as shown below:

People aged 16 to 20 years old	None (0%)	Some (1% - 30%)	High (31% - 80%)	Very High (81% +)	All
Number	790,444	349,800	238,843	151,126	1,530,213
Proportion	52%	23%	16%	10%	100%

It is currently not feasible to directly compare young people on income support with those not receiving income support, including those whose parents' income has means tested them out of payments, or who are being supported by earnings or a partner, as information on these people is not held in the administrative social security data.

One way to assess youth engagement levels is to look at the income support payment (if any) young people are receiving now, using the intergenerational variable. Figure 8 of the 2017 Valuation Report has been re-produced below to show the proportion of young people receiving income support by the type of income support they are receiving.



	None	Some	High	Very High
Number of people aged 16-20 years receiving income support	63,367	70,963	83,647	70,522

This chart shows that, of the young people who receive income support payments, those in the High and Very High bands of parental income support are more likely to be seeking employment than studying. The red circle shows that in the None band, around two-thirds of income support recipients are receiving student payments; whereas in the Very High band, only one third of income support recipients are receiving student payments.

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ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Particular data that the Department is seeking from different agencies

Question reference number: Question 2

Member:

Type of question: This question was asked during the hearing.

Date set by the committee for the return of answer: 3 October 2018

Number of pages: 2 (There is an infographic as an Attachment)

Question:

Can you provide to the committee the particular data that you are seeking from different agencies; why this data is important; and what the barriers are to accessing the data required to make the Priority Investment Approach work to its full extent? Any data—state and federal?

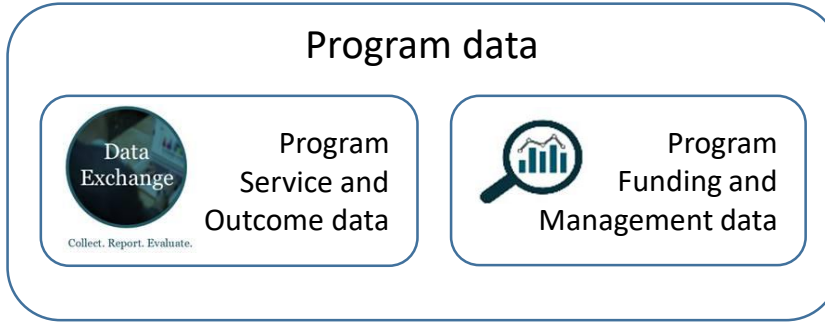
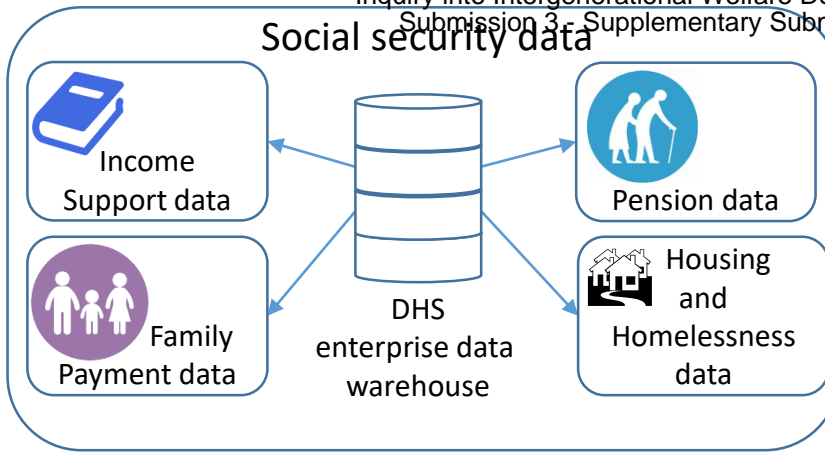
Answer:

The Priority Investment Approach (PIA) model is a whole-of-population actuarial microsimulation model that forecasts future lifetime costs of the Australian welfare system. Three annual actuarial valuations have been completed and a fourth is underway. Underpinning the PIA valuations is social security administrative data from the Department of Human Services, supplemented by other data sources such as Australian Bureau of Statistics population data, and longitudinal survey data. The Department is considering whether there is scope to further improve the model's predictive power and evaluation capabilities through future data linkage.

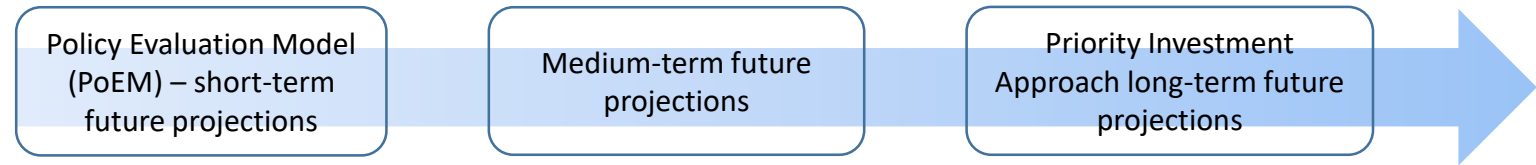
The Department is continuing to work with different agencies to establish the protocols, regulatory frameworks and data infrastructure needed to allow appropriate data sharing and analysis. The Data Integration Partnership for Australia (DIPA), for example, is an investment to maximise the use and value of the Government's data assets. Through data integration and analysis, the DIPA creates new insights into important and complex policy questions.

The attached infographic shows the data and analytical tools the Department is continuing to develop and refine.

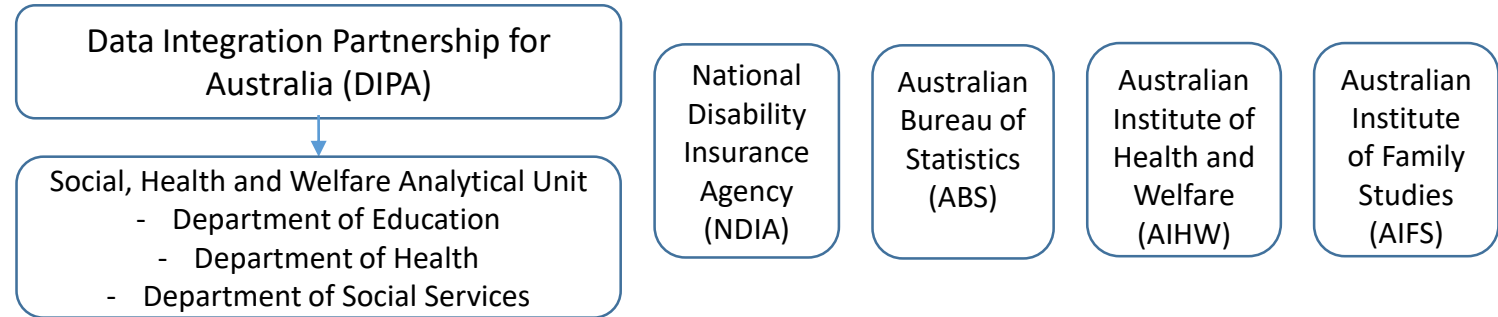
Core datasets



Analytics and modelling



Partnerships



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ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Try, Test and Learn Fund Projects – Young Carers

Question reference number: Question 3

Member: TBA

Type of question: This question was asked during the hearing.

Date set by the committee for the return of answer: 3 October 2018

Number of pages: 1

Question: Try, Test and Learn Fund and young carers – what are you trying, testing and learning from in this space and what are the preliminary observations?

Answer: Three projects supporting young carers are being trialled as part of the first tranche of the Try, Test and Learn Fund. These projects began operating in mid-2018 so it is too early to provide meaningful preliminary observations. The three projects are:

1. **Data-driven Job Opportunities for young carers:** will use augmented machine intelligence to match young carers in Perth with training and support to increase their job readiness and access to guaranteed jobs. Augmented machine intelligence has never before been used to profile young carers and match them with job opportunities and training.
2. **Carer Achievement Pathway:** a carer coordinator will work with young carers in Western Sydney to help them identify and pursue career aspirations and access support services. An individually-tailored online portal will facilitate access to services. Carer Gateway will give more extensive, multi-channel support than existing programs.
3. **Skills for micro-enterprise:** will provide training and support for young carers in Melbourne to gain the skills to create and run a small business that can fit in with their lives. This is the first initiative to equip young carers with the skills to run small businesses, while respecting their carer duties.

Further information is available on the Try, Test and Learn Fund website found here: <https://www.dss.gov.au/review-of-australias-welfare-system/australian-priority-investment-approach-to-welfare/try-test-and-learn-fund>

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ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: Departmental planning for the Priority Investment Approach

Question reference number: Question 4

Member:

Type of question: This question was asked during the hearing.

Date set by the committee for the return of answer: 3 October 2018

Number of pages: 2

Question:

In terms of the next phase of departmental planning to move forward in the PIA to welfare, what are the obstacles to maturing this approach that need to be overcome?

Answer:

Over the past three years, with each iteration of the Priority Investment Approach (PIA), the actuarial model has been enhanced to improve its predictive power and its ability to look at more refined cohorts of social security recipients 'at risk' of long-term welfare dependence. These enhancements have included the addition of an economic module which can factor in a number of new variables to better differentiate between smaller groups within the Australian population, such as those with barriers to work and education attainment and the intergenerational variable.

The Department has commissioned external expertise to validate each valuation. The first two validation reports, for the baseline (2015) and 2016 valuations, contained overall positive findings and found that the actuarial model is reasonable, well documented, accurate, fit for purpose and suitably adaptable. A third validation for the 2017 valuation is currently underway. The completed validation reports are available on the Department of Social Services' website (<https://www.dss.gov.au/review-of-australias-welfare-system/australian-priority-investment-approach-to-welfare>).

The intention is to continue to enhance the model over time with the inclusion of new data variables, such as Australian Bureau of Statistics' Socio-Economic Indexes for Areas (SEIFA) in 2018. Further enhancements include the potential addition of new data sources, such as data from other Commonwealth or state governments using linked data sources currently under-development, for example, through the Data Integration Partnerships for Australia.

Background:

While the Australian and New Zealand (NZ) investment approaches are both underpinned by actuarial valuations, the actuarial models are different reflecting the differences in demographics and payments systems.

In Australia, we have a different payment architecture and a larger system with five times the population and five times the number of benefit types.

The Australian Investment Approach projects the future welfare use for the entire Australian resident population, whereas the NZ approach considers current and recently exited welfare recipients of working age.

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19 SEPTEMBER 2018

ANSWER TO QUESTION ON NOTICE

Department of Social Services

Topic: 14 Try, Test and Learn Fund Projects

Question reference number: Question 5

Member: TBA

Type of question: This question was asked during the hearing.

Date set by the committee for the return of answer: 3 October 2018

Number of pages: 3

Question: Can you provide details of the 14 Try, Test and Learn Fund Projects?

Answer: The 14 projects are:

Young Carers

1. **Data-driven Job Opportunities for young carers:** will use augmented machine intelligence to match young carers in Perth with training and support to increase their job readiness and access to guaranteed jobs. Augmented machine intelligence has never before been used to profile young carers and match them with job opportunities and training.
2. **Carer Achievement Pathway:** a carer coordinator will work with young carers in Western Sydney to help them identify and pursue career aspirations and access support services. An individually-tailored online portal will facilitate access to services. The Carer Gateway will give more extensive, multi-channel support than existing programs.
3. **Skills for micro-enterprise:** will provide training and support for young carers in Melbourne to gain the skills to create and run a small business that can fit in with their lives. This is the first initiative to equip young carers with the skills to run small businesses, while respecting their carer duties.

Young Students

4. **Y4Y Youth Force:** aims to connect disadvantaged young people to employment through experience gained in the task based (gig) economy. Young people will be supported through training, peer-to-peer networks, externally employed mentors and other expert resources to help with any issues that currently present a barrier to workforce participation. This initiative will provide evidence on the effectiveness of supporting young people to access short-term work through the task-based economy, as a way to supporting their longer-term engagement in work.

5. **Mentoring to Work:** pairs former students and young parents with a volunteer mature mentor who is employed or has strong business and workplace connections, to guide and support them through the employment process. This initiative proposes a unique partnership model to create an ecosystem of support, which assists participants to identify and address a diverse range of barriers and challenges in attaining and maintaining employment.
6. **My Maintenance Crew:** aims to develop a social enterprise that helps young people who have an interest in hands-on vocations to transition into the workforce. Participants will be provided with education, personal development opportunities, mentoring and counselling as well as employment opportunities and support to take up those opportunities. This initiative offers the opportunity of gaining real work experience and paid employment through the development of a social enterprise that targets an existing gap in the greater Geelong region.
7. **Build and Grow:** is an eight-week practical training course delivered in a simulated worksite. Training focuses on practical skills relevant to the construction industry, or potentially other industries such as landscaping. This initiative is innovative in its delivery of practical job training in a simulated work environment, as well as its approach to addressing barriers, such as mental health, housing or transport issues.
8. **Rewire the Brain:** provides face-to-face and computer-based training that will assist participants improve their cognitive functioning and social and emotional skills. This includes improvements to their memory, the processing speed of their brains, their social interaction and resilience, and general life skills. This initiative is the first of its kind in Australian social policy and is based on the relatively new understanding that like a muscle, the brain can be trained and improved.
9. **Strengthening Students' Resilience:** a mobile app and website which encourages students to set individualised short and long-term goals, build study support networks and connect with on-site advisers. Once their goals are set, a messaging service will provide nudge text messages to assist students to achieve their set goals. This trial will be the first of its type in Australia. It will provide evidence on the effectiveness of using behaviourally-informed text messages and technology to improve student participation and engagement in Australia.
10. **Support for VET students:** a caseworker will work with students one-on-one and link them to appropriate support services that range from low intensity to high intensity, such as support to improve mental health, or to increase motivation to continue studying. This trial will provide important evidence about the effectiveness of providing individualised support to at-risk Vocational Education and Training (VET) students.

Young parents

11. **Train and Care:** provides a new practical training program for young parents in Western Sydney and regional New South Wales, coupled with guaranteed childcare placements and entry-level work experience that could lead to a job. The initiative's innovation is in providing a practical workplace-training program and work experience, and at the same time supporting participation by removing the barriers faced by young parents relating to child care access and affordability.
12. **Supporting Expecting and Parenting Teens:** provides young parents with access to a mentor and connects expecting and parenting teens across Australia with health, education

and employment support before and after the birth of their baby. This is an early, pre-ParentsNext initiative, aimed specifically at expecting and parenting teenagers who may experience barriers to good parenting and future workforce participation.

13. **Career Readiness for Young Parents:** provides young parents with: a case manager to assist them in developing a career path; the opportunity for work experience; and access to child care support during their attendance. The innovation in this initiative is the way in which it delivers intensive support to young parents from a trusted advisor; and its focus on non-vocational barriers to employment, such as developing a work mindset, or assisting with housing stability, financial management, justice system problems, or social/emotional wellbeing.
14. **In-school Parent Employment Service:** an employment service specifically for young parents, which will be incorporated into two primary schools in the Armadale region of Perth. The in-school service will welcome parents from the school community to drop in and discuss their work and study pathways. The initiative will trial the effectiveness of placing an employment service within a school to see if it increases the likelihood of young parents at the school getting a job, or becoming better prepared to find work. The Department understands this will be the first in-school employment service of its type for young parents in Australia.

Further information is available on the Try, Test and Learn Fund website found here:

<https://www.dss.gov.au/review-of-australias-welfare-system/australian-priority-investment-approach-to-welfare/try-test-and-learn-fund>