

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

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

**Outcome 4 - Employment**

**DEEWR Question No. EW0702\_12**

**Senator Siewert provided in writing.**

**Question**

***Unemployed 21 year olds – average reduction in income support payments***

The average weekly and annual reductions in annual income support payments incurred by these young people, both overall and broken down by the above categories (ie those affected/not affected by introduction of a parental income test, those with/without earnings, and those with/without Rent Assistance).

**Answer**

The *Building Australia's Future Workforce – Changes to the eligibility criteria for Youth Allowance (other) and Newstart Allowance* measure was announced by the Government in May 2011. The participation package matches greater responsibilities with more responsive assistance to ensure more Australians are experiencing employment, bringing them better health, financial rewards and civic and social engagement.

The income free area and working credit will be increased for unemployed people who are 21 years and under, rewarding those who participate in employment. The income free area for Youth Allowance (other) will be increased from \$62 per fortnight to \$143 per fortnight so that young job seekers will be able to earn more than twice as much as they can now before their income support payments are affected. In addition, the Working Credit limit will be increased from \$1000 to \$3500.

In addition, early school leaver requirements under Learn or Earn will be extended to unemployed 21 year olds who do not have a Year 12 or equivalent qualification in line with the extension of Youth Allowance (other) to include 21 year olds. These young people will be assisted to participate in education and training until they attain Year 12 or equivalent, or turn 22.

This extends assistance to more young people in order to help them to successfully transition to further study or training and ultimately to find sustainable employment.

The estimated average reduction in income support payments for a 21 year old recipient affected by this measure is around \$65 per week or \$3500 per year. The data is not available in the categories requested.