

EMPLOYMENT, EDUCATION, TRAINING AND YOUTH AFFAIRS

Assist schools to prepare students for work and to address the impact of the Youth Allowance on schools

Financial Implications (\$m)

1998-99	1999-00	2000-01	2001-02
21.7	17.2	5.1	0.0

Explanation

This package provides transitional assistance to improve the ability of schools to prepare students for work, to address the impact of the Youth Allowance on schools and to reduce the disadvantage that young people suffer in the labour market. It provides \$44 million over three years commencing 1998-99:

- \$13.5 million over 1998-99 and 1999-00 to extend the Jobs Pathway Programme that provides brokered employment and mentoring support services for students leaving school during 1998-99 and 1999-00;
- \$24 million over the three years from 1998-99 for the Full Service Schools for Students at Risk initiative that will help schools cater for the special needs of students who will return to or stay at school as a result of the implementation of the Youth Allowance;
- \$6.3 million over 1998-99 and 1999-00 for the Access Programme that provides training to assist young people secure an apprenticeship or traineeship; and
- \$0.2 million in running costs for the Department of Employment, Education, Training and Youth Affairs for evaluation purposes in 1998-99.

EMPLOYMENT, EDUCATION, TRAINING AND YOUTH AFFAIRS

Enhancing mutual obligations for unemployed young people including literacy and numeracy training

Financial Implications (\$m)

	1998-99	1999-00	2000-01	2001-02
Employment, Education, Training and Youth Affairs	102.5	109.2	104.9	106.4
Health and Family Services	1.9	1.9	1.9	1.9
Social Security	-4.5	-26.5	-25.6	-27.0
Total	99.8	84.6	81.2	81.4

Explanation

This measure provides for young Australians who are 18-24 years of age who have received Newstart or Youth Training Allowance for six months on or after 1 July 1998 to undertake an additional activity, as well as continuing to look for work, in return for

those payments. The total cost of this measure from 1998-99 to 2001-02 is \$347.0 million. On a portfolio basis, this comprises:

- Employment Education, Training and Youth Affairs:
 - \$376.4 million in programme expenditures by the Department of Employment, Education, Training and Youth Affairs (DEETYA); and
 - \$46.6 million in running costs and payments to Centrelink by DEETYA.
- Health and Family Services:
 - \$6.4 million to the Department of Health and Family Services (DHFS) for child care payments to work for the dole participants; and
 - \$1.2 million in DHFS running costs.
- Social Security:
 - \$31.3 million in payments to Centrelink;
 - \$3.6 million in running costs and payments to the Department of Social Security; and
 - these are both offset by programme savings of \$118.5 million.

The new arrangements build on the principle of mutual obligation which first underpinned the Work for the Dole initiative. In return for financial support from the community, it is fair to expect unemployed job seekers to improve their job prospects, their competitiveness in the labour market or to contribute to their local community.

The programme savings in Social Security arise from an increase in the number of young people taking up paid work and the application of standard activity test penalties of either a benefit rate reduction or a period of non-payment to young people who fail to meet their mutual obligation responsibilities.

EMPLOYMENT, EDUCATION, TRAINING AND YOUTH AFFAIRS

Align AUSTUDY payments with Youth Allowance payments

Financial Implications (\$m)

1998-99	1999-00	2000-01	2001-02
0.0	0.0	0.0	0.0

Explanation

This measure represents a one-off cost to the budget in 1997-98 of approximately \$14 million. It ensures the smooth alignment of AUSTUDY payments with Youth Allowance payments. From 1 July 1998, AUSTUDY recipients will have their payment

arrangements changed from 11 days in arrears and three days in advance to the new Youth Allowance payment arrangements made 14 days in arrears.

To facilitate this, the final AUSTUDY pay on 30 June 1998 will cover the fortnight up to 3 July 1998 (equivalent to the AUSTUDY pay period that would have applied had the Youth Allowance not been introduced). It will therefore, avoid AUSTUDY students facing a 'short pay' which may have created budgeting difficulties for students.

EMPLOYMENT, EDUCATION, TRAINING AND YOUTH AFFAIRS

Continuation of the National Asian Languages and Studies in Australian Schools Strategy until the end of the 1999 calendar year

Financial Implications (\$m)

1998-99	1999-00	2000-01	2001-02
25.4	17.2	0.0	0.0

Explanation

The objective of the National Asian Languages and Studies in Australian Schools (NALSAS) Strategy is to assist schools and school systems to achieve national targets of enhancing and expanding the provision of Asian languages and Asian studies for school students.

This measure will extend existing Commonwealth funding for the NALSAS Strategy until the end of the 1999 school year.

EMPLOYMENT, EDUCATION, TRAINING AND YOUTH AFFAIRS

Continuation of the Australian International Education Foundation

Financial Implications (\$m)

1998-99	1999-00	2000-01	2001-02
0.0	0.0	0.0	0.0

Explanation

Following the 1997 Review of the Australian International Education Foundation (AIEF) and challenges facing the Australian education and training export industry, simplified cost recovery arrangements have been set in place for the AIEF. This will not affect the budget balance. It involves redirecting to the AIEF discretionary funds (of \$5.7 million in a full year) previously allocated to support vocational education and training and the higher education sectors of the industry (the sectors deriving the most benefit from the AIEF's services). The measure is supported by the Australian Vice-Chancellors' Committee and the Australian National Training Authority Chief Executive Officers.

The AIEF (to be renamed Australian Education International) will retain its scope to charge direct fees for some services.

EMPLOYMENT, EDUCATION, TRAINING AND YOUTH AFFAIRS

Continuation of Job Placement, Employment and Training programme to the end of 1999-2000

Financial Implications (\$m)

1998-99	1999-00	2000-01	2001-02
1.4	11.4	1.5	0.0

Explanation

The Job Placement, Employment and Training (JPET) programme was originally funded at \$11 million per year in 1996-97 and 1997-98. This measure will extend the existing base funding for another two years with an additional \$1.4 million in 1998-99 (to top-up \$10.4 million carried over from 1997-98) and \$11.4 million in 1999-2000.

As payments under contracts are staggered, with some 90 per cent being paid for within a financial year, \$1.5 million has been provided in 2000-01 to cover the final instalment for contracts entered into for the 1999-2000 financial year.

JPET addresses particular difficulties faced by youths aged 15-21 years who have multiple barriers to education and employment, particularly homelessness. The programme provides a plan of assistance tailored to individuals at risk whose needs may not be well met by existing programmes.

The funding provided by this measure is in addition to that provided to support at risk youth under the Mutual Obligations package announced by the Prime Minister in January 1998.

EMPLOYMENT, EDUCATION, TRAINING AND YOUTH AFFAIRS

Funding for increased staff redundancies

Financial Implications (\$m)

1998-99	1999-00	2000-01	2001-02
25.0	0.0	0.0	0.0

Explanation

The Department of Employment, Education, Training and Youth Affairs will receive \$25 million to help fund increased redundancy costs arising from a lower than anticipated number of staff transfers from the former Commonwealth Employment Service (CES) to Employment National Ltd.

EMPLOYMENT, EDUCATION, TRAINING AND YOUTH AFFAIRS

Savings in the employment services market

Financial Implications (\$m)

1998-99	1999-00	2000-01	2001-02
-36.0	-36.6	-37.2	-37.8

Explanation

This measure reflects the outcome of the competitive tender process for the employment services market (known as the Job Network) which has produced estimated savings of \$147.6 million against the previous forward estimates over the period 1998-99 to 2001-02. \$53.3 million of these savings have been transferred to the Regional Assistance Programme to provide an enhanced capacity to address labour market issues for Regional Australia.

See related Employment, Education, Training and Youth Affairs outlays measure titled *Increase in funding for the Regional Assistance Programme*.

EMPLOYMENT, EDUCATION, TRAINING AND YOUTH AFFAIRS

Increase in funding for the Regional Assistance Programme

Financial Implications (\$m)

1998-99	1999-00	2000-01	2001-02
13.0	13.2	13.4	13.7

Explanation

This measure provides an enhanced capacity to address labour market issues for Regional Australia by transferring funds from the Employment Services Market programme to the Regional Assistance Programme (RAP).

See related Employment, Education, Training and Youth Affairs outlays measure titled *Savings in the employment services market*.

Further Information

The RAP had previously been allocated \$20 million a year to implement regional employment strategies and increase job and training opportunities in regions through assistance packages targeted at local needs. Increased funding under this measure will provide additional flexibility to complement the operation of the employment services market in regional and remote areas and to cope with other emerging regional pressures.