

EXPLANATORY STATEMENT

Social Security (Employment Pathway Plan Requirements) (DEEWR) Amendment Determination 2009 (No. 1)

Summary

The *Social Security (Employment Pathway Plan Requirements) (DEEWR) Amendment Determination 2009 (No. 1)* (Amendment Determination) is made by the Secretary of the Department of Education, Employment and Workplace Relations under subsection 544B (1B) of the *Social Security Act 1991* (Act).

The purpose of the Amendment Determination is to amend the *Social Security (Employment Pathway Plan Requirements) (DEEWR) Determination 2009 (No. 1)* (Principal Determination) to support amendments made by the *Social Security Amendment (Training Incentives) Act 2009* (Training Incentives Act) to the social security law. The purpose of the Amendment Determination is to ensure that recipients of youth allowance who are less than 21 years old and who have not completed the final year of secondary school or equivalent are not required to look for work.

Background

Recipients of parenting payment, youth allowance, newstart allowance and special benefit who have participation requirements or activity test requirements under the Act are generally required to enter into an employment pathway plan (EPP) which sets out the activities that they must undertake in order to receive their social security payment. The Act empowers the Secretary to determine the requirements contained in a person's EPP, and also empowers the Secretary to determine, by legislative instrument, requirements that EPPs must not contain. The Principal Determination contains the requirements that cannot be included in an EPP.

The Training Incentives Act amended the Act to require that recipients of youth allowance under 21 years old, who had not completed the final year of secondary school or equivalent, and who were not undertaking full-time study (called "early school leavers"), would have to undertake at least 25 hours per week of approved training and other activities (subject to some exceptions). These requirements would be implemented through the early school leaver's EPP. The Government decided that early school leavers should be precluded from satisfying the youth allowance activity test by actively seeking work, and the Act was amended accordingly.

In order to reinforce the "study first" requirement for early school leavers, the Government decided that early school leavers should not be required to look for work through the terms of their EPPs. The Amendment Determination gives effect to that decision.

Explanation of the provisions

Amendment Determination

Section 1 states the name of the Determination.

Section 2 states that the Determination commences on the day after it is registered.

Section 3 provides that the Principal Amendment is amended as set out in Schedule 1 to the Amendment Determination.

Schedule 1 to the Amendment Determination

Item 1 inserts a new section 6 in the Principal Determination to provide that a Youth Allowance Employment Pathway Plan to which section 544DA of the *Social Security Act 1991* applies must not contain a requirement to look for work. Such an EPP is one which is in force in relation to a person who is an early school leaver. A youth allowance EPP must require the person to undertake one or more approved courses of training or education or other activities the Secretary considers suitable for the person. This is intended to ensure that, where appropriate, young people who have not completed year 12 or equivalent will take up education and training opportunities in order to improve their employment prospects, instead of undertaking full-time job searches.

Formal Matters

Consultation

The Amendment Determination ensures the existing Determination is consistent with amendments to the *Social Security Act 1991* made by the Training Incentives Act, and is consequential to those amendments. No public consultation separate to that undertaken in connection with the Training Incentives Act was considered necessary.

Regulatory Impact Statement

The Amendment Determination does not require a Regulatory Impact Statement (RIS) nor a Business Cost Calculator Figure. The Amendment Determination is not regulatory in nature, will not have an impact on business activity and will have no compliance costs or competition impact.

Authority

Subsection 544B (1B) of the *Social Security Act 1991*. No preconditions need to be satisfied for the making of this instrument.