



Increasing educational attainment of young people aged 15–24

Under the Australian Government's Compact with Young Australians, all Australians under the age of 25 will have an entitlement to an education or training place, subject to admission requirements and course availability.

This factsheet sets out:

- key features of the Compact with Young Australians
- how the Compact will lift qualification and retention levels
- young people's education and training entitlement
- how income support payment conditions will be strengthened
- how programs and services for young people are more streamlined and flexible
- questions and answers.

A Compact with Young Australians

Young people who leave school early without adequate qualifications are at high risk of becoming disadvantaged and remaining out of the workforce for extended periods, especially in tough economic times.

It is therefore important to create conditions that maximise the number of young people who remain in, or return to, education and training to get the qualifications and skills they need to be competitive in the current tight labour market, as well as when the economy recovers fully.

The Australian Government, together with state and territory governments through the Council of Australian Governments (COAG), has agreed to implement a Compact with Young Australians to ensure that all young people under 25 have the education or training they need to improve their qualifications and ensure that they are skilled for a more productive and rewarding life.

The Compact with Young Australians gives young people a very clear message by putting education and training front and centre—education and training is the key to their own and Australia's future prosperity and wellbeing.

The Compact with Young Australians

– Key features

The Compact with Young Australians is designed to:

- communicate the importance of education and training for young people
- provide an education and training entitlement
- ensure consistent standards for young people across Australia through a National Youth Participation Requirement
- help lift attainment in education and training and qualification levels
- strengthen conditions for some income support payments.

Lifting qualification and retention levels

Research shows that policies that lift education and training levels are likely to bring wide-ranging benefits to individuals, standards of living and social cohesion. It also suggests that well over 80 per cent of available jobs in Australia require post-school qualifications, but only 50 per cent of the workforce has such qualifications.

Too many young Australians achieve only minimum standards. At 74 per cent, Australia's secondary school completion rate is among the lowest in the OECD.

Under the Compact with Young Australians, young people aged 15–24 will be encouraged to attain higher qualifications and acquire the skills and knowledge that will increase, improve and deepen the capacity and productivity of the Australian workforce.

National Youth Participation Requirement

The lifting of qualification levels encouraged under the Compact will be supported by the introduction of a National Youth Participation Requirement from 1 January 2010.

The National Youth Participation Requirement will ensure that young people:

- a participate in schooling (meaning in school or an approved equivalent) until they complete Year 10, and
- b when they have completed Year 10, participate full-time (defined as at least 25 hours per week) in education, training or employment, or a combination of these activities, until they reach the age of 17.

The National Youth Participation Requirement will be implemented through state and territory legislation, where provisions are not already in place. This Requirement will be a minimum standard across Australia, which the states and territories may go beyond if they wish.

To support the National Youth Participation Requirement, the Australian Government will make education and training a precondition for obtaining Youth Allowance (Other) and Family Tax Benefit Part A (see below).

Exemptions from the National Youth Participation Requirement will continue in line with existing state and territory practice.

Year 12 or equivalent attainment rates

Through COAG, the Australian Government and state and territory governments have agreed to lift the Year 12 or equivalent attainment rate to 90 per cent by 2015. Originally intended to be met in 2020, this target has been brought forward to 2015 under the Compact with Young Australians to confirm all governments' commitment to addressing the challenges for Australia of the global economic recession.

This commitment is supported by 2020 targets of:

- halving the proportion of Australians aged 20–64 without qualifications at Certificate III level or above
- doubling the number of higher qualification completions (Diploma and Advanced Diploma).

Provision of an education and training entitlement

Australian, state and territory governments will deliver an education or training entitlement for young people aged 15–24 under the Compact with Young Australians.

The education or training places will be delivered through schools, registered training organisations or higher education providers offering government-subsidised qualifications.

The entitlement will be offered until 31 December 2011.

15–19 year olds

As of 1 July 2009, all young people aged 15–19 will have an entitlement to an education or training place for any government-subsidised qualification, subject to admission requirements and course availability.

For the duration of the Compact, 15–19 year olds working up to 15 hours per week will be classified as jobseekers rather than existing workers. This means they may be eligible for full subsidised training places under the Productivity Places Program.

20–24 year olds

From 1 January 2010, young people aged 20–24 will have an entitlement to an education or training place for any government-subsidised qualification that would result in the individual attaining a higher qualification than they currently hold, subject to admission requirements and course availability.

For 20–24 year olds priority will be given to those without qualifications at Year 12 or equivalent attainment. For those who do have such qualifications, the entitlement will be for any government-subsidised qualification that would result in them attaining a higher qualification than they currently hold, subject to admission requirements and course availability.

Strengthening conditions for income support payments

To support the education or training entitlement of the Compact with Young Australians and the National Youth Participation Requirement, the Australian Government has strengthened the participation requirements for young people aged under 21 who have not attained a Year 12 or equivalent qualification and who are:

- in receipt of Youth Allowance (Other), or
- considered an eligible child for receipt of Family Tax Benefit Part A.

Put simply, anyone under 21 who does not have a Year 12 or equivalent qualification and who is not in education or training will not be eligible for Youth Allowance (Other) (with some exemptions). Their parents will also not be eligible to receive Family Tax Benefit Part A.

Youth Allowance (Other)*

From **1 July 2009**, young people under 21 **without** Year 12 or an equivalent qualification are required to undertake full-time (25 hours per week) education or training in order to be eligible for income support. Those in part-time education or training will be required to undertake additional activities to meet 25 hours per week participation (e.g. voluntary work, paid employment) to meet their participation requirements for receipt of Youth Allowance (Other). Exemptions through Centrelink will apply for disadvantaged young people who are unable to meet the participation requirements due to their personal circumstances.

Those aged under 21 **with** Year 12 or an equivalent qualification and not undertaking full time study remain eligible for Youth Allowance (Other) and are required to undertake regular job search or other approved activities as part of their activity agreement.

Family Tax Benefit Part A

Similar arrangements will be introduced from 1 January 2010 for 16–20 year olds **without** Year 12 or equivalent. They will be required to participate in full-time education or training in order to be considered an eligible child for Family Tax Benefit Part A. Those who have not completed a Year 12 or equivalent qualification and who are not studying full-time will be assisted back into study or directed toward an Australian Government labour market program, i.e. Job Services Australia or Disability Employment Services.

There is already a requirement for young people aged 21–24 to be in full-time study in order to be an eligible child for Family Tax Benefit Part A.

What costs are involved?

If there's normally a cost for the course of education or training undertaken as part of the entitlement, the participant will need to pay for it. The cost of government-subsidised courses is already reduced because the Australian and state and territory governments have paid a proportion of the fees, but there may be some additional help available. For example, some students in receipt of income support from Centrelink may be entitled to an exemption or concession on their tuition fees; Job Services Australia providers may be able to help with course costs; and Youth Allowance (Other) recipients who start full-time study or training may also be eligible for one-off payments.

More information

- The Compact with Young Australians:
www.deewr.gov.au/Youth/YouthAttainmentandTransitions
- Youth Allowance (Other) and FTB Part A:
www.deewr.gov.au/Youth/Pages/newsitem_ChangestoYouthAllowance.aspx
- Australian Apprenticeships: www.australianapprenticeships.gov.au
- Productivity Places Program: www.deewr.gov.au/Skills/ProductivityPlaces
- Prevocational Training: accesstraining.deewr.gov.au
- Career Planning, Education and Training Options: www.myfuture.edu.au
- Year12—what next?: www.year12whatnext.gov.au
- Job Guide: www.jobguide.deewr.gov.au
- Going to uni: www.goingtouni.gov.au

* Youth Allowance (Other) is also referred to as Youth Allowance (Jobseeker).

More information (continued)

- Indigenous Youth Mobility Program: www.deewr.gov.au/Indigenous/Schooling/Programs/Pages/YouthMobilityProgram.aspx
- Indigenous Youth Leadership Program: www.deewr.gov.au/Indigenous/Schooling/Programs/Pages/IYLP.aspx
- School Business Community Partnerships Brokers: www.deewr.gov.au/Youth/YouthAttainmentandTransitions
- Youth Connections Program: www.deewr.gov.au/Youth/YouthAttainmentandTransitions
- Information for young people: www.youth.gov.au

Compact with Young Australians and National Youth Participation Requirements **Summary**

Age	Compact with Young Australians and National Youth Participation Requirement ¹
15 (Year 10 not completed)	Full-time study (in school or an approved equivalent) until Year 10 completed. ¹
15 (Year 10 completed)	Full-time participation (at least 25 hours per week) in education, training or employment (or combination) activities until they turn 17. ¹
16 (Year 10 not completed)	Full-time study (in school or an approved equivalent) until Year 10 completed. ¹
16 (Year 10 completed)	Full-time participation (at least 25 hours per week) in education, training or employment (or combination) activities until they turn 17. ¹
17–19 (Year 12 or equivalent not completed)	No requirement, but a subsidised ² study or training place entitlement until at least 31 December 2011. ³
17–19 (Year 12 or equivalent completed)	No requirement, but a subsidised ² study or training place entitlement until at least 31 December 2011. ³
20–24 (Year 12 or equivalent not completed)	No requirement, but a subsidised ² study or training place entitlement until at least 31 December 2011. ⁴
20–24 (Year 12 or equivalent completed)	No requirement, but a subsidised ² study or training place entitlement for a higher qualification attainment until at least 31 December 2011. ⁴

¹ 15 and 16 year olds only are covered by a National Youth Participation Requirement to be enacted by 1 January 2010. This is a minimum standard. States and territories may choose to enact a higher standard.

² 'Subsidised' means that government pays for some or all of the training.

³ Under the Compact with Young Australians announced 30 April 2009, young people under the age of 25 are entitled to an education or training place, subject to admission requirements and course availability.

⁴ The education and training entitlement of 15–19 year olds is different from 20–24 year olds under this Compact.