



Australian Government
Department of Employment

Deputy Secretary
Martin Hehir

Ms Tanja Cvijanovic
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Regulation Reform Division
Department of the Prime Minister and Cabinet
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BARTON ACT 2600

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Dear Ms Cvijanovic

Youth Employment Package Regulation Impact Statement – Second Pass Assessment

I am writing in relation to the attached Regulation Impact Statement (RIS) prepared for the implementation of the Youth Employment Package.

The regulatory impact of the Youth Employment Package on organisations and individuals has been quantified using the Regulatory Burden Measurement Framework. These have been agreed with your office and address the queries raised by the Office of Best Practice Regulation's around the regulatory costings for the Youth Employment Package.

Accordingly, I am satisfied that the RIS addresses the issues raised in your letter of 12 September 2016. Specifically:

- The 'Problem Statement' section of the RIS more clearly identifies the nature of the policy problem by further explaining the challenges faced by youth in securing jobs and provides additional evidence supporting the existence of these challenges. The RIS now includes further analysis of stakeholder views, which more clearly identifies the concerns of businesses around young job seeker's employability skills and the lack of intensive services available to obtain these skills. The RIS further provides additional feedback from industry stakeholders in relation to staff shortages. Additional data is also included around the particular challenges faced by young people and businesses in regional areas.

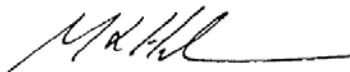
- The 'Consultation' section of the RIS has been expanded to include more detail on the consultation processes undertaken to support the development of the Youth Employment Package. It also more clearly outlines how the three options in the RIS have developed in response to views expressed by stakeholders prior to the announcement of the Youth Employment Package. It also provides further detail on stakeholder views expressed to the department since the package was announced at the 2016-17 Budget.
- The 'Impact Analysis' section of the RIS also further explains the likely net benefit of each option. The RIS now provides further analysis of each and describes how the Youth Employment Package will result in the greatest improvements to youth employment outcomes, while imposing no increase in regulatory burden to organisations and individuals. The most significant net benefit of the options to progress implementation of the Youth Employment Package includes improvements in employment outcomes for young people, by providing them with the necessary employability skills and experience to secure and remain in employment. Another significant benefit is the package's flexibility which will enable each measure in the package to meet regional and industry needs as they arise.

The department has also provided analysis and justification around the methods used to calculate regulatory costs and how the resultant decrease in regulatory burden will be realised through implementation of the Youth Employment Package.

Accordingly, I am satisfied that the RIS now meets best practice consistent with the *Australian Government Guide to Regulation*.

I submit the RIS to the Office of Best Practice Regulation for final assessment.

Yours sincerely



Martin Hehir

29 September 2016