Extension of requirements and penalties to receive Jobseeker Payments from 28 September 2020

Brief to ACOSS members and people affected

30 September 2020

##### **Summary**

Changes to mutual obligations for people on unemployment payments **announced on 18 September**, came into effect just ten days later **on 28 September**. This brief summarises the changes and our views on them. In short:

* People outside Victoria will have to apply for up to 8 jobs a month (up from 4), attend provider appointments and participate in other activities [under threat of automatic payment suspensions and other penalties](https://hes32-ctp.trendmicro.com:443/wis/clicktime/v1/query?url=https%3a%2f%2fcrm.acoss.org.au%2fwp%2dcontent%2fplugins%2fcivicrm%2fcivicrm%2fextern%2furl.php%3fu%3d104533%26qid%3d3684565&umid=a216cb2e-6741-4189-84e5-a0447c06231e&auth=4a688c6487e8791b0383f588900c49d1372c4986-8dfd4c2cad7e9d58caf86413b3382b887a5b4f3c). Up until now, penalties only applied for refusals of ‘suitable’ job offers.
* People can ‘opt in’ to face-to-face meetings and activities like Work for the Dole.
* Coming at the same time that JobSeeker and other payments are being cut by $150pw and payment restrictions like the Liquid Assets Test are being restored, and with many people new to unemployment payments, this is likely to generate anxiety and confusion, along with a large number of payment suspensions.

ACOSS wants the changes deferred for at least a month for consultation, and harsh or inappropriate elements (including automated payment suspensions and the increase from 4 to 8 job applications a month) withdrawn.

There are **organisations that can advise and support you** if you’re having problems with your income support payment or employment service. **Unfortunately, ACOSS is unable to provide advice and support in individual cases**

# Requirements (‘mutual obligations’) for people on Jobseeker and Youth Allowance (Other) payments

**From 28 September**, mutual obligation requirements return for people who receive an activity tested payment, such as JobSeeker Payment, Youth Allowance (Other), some parents on Parenting Payment and certain Special Benefit recipients. These requirements are outlined in the person’s Job Plan / Participation Plan and are **summarised below** under the heading: **‘’What’s happening from 28 September?’’**

We know many people are struggling to find employment and that recently-reintroduced requirements people have to meet to are unfamiliar to many.

We encourage people to take control of your job search, training and other preparation for paid employment. Follow the rules but try and make the system work for you instead of the other way round.

There are still choices you can make, including whether to register with an employment services provider if an online service doesn’t work for you, to choose a provider, and to propose training you think will skill you up and help you find employment.

You can complain, or ask to change provider, by contacting the Employment Services National Customer Service Line (NCSL), and advise the provider or call centre if you’re unable to meet new requirements like applying for eight jobs a month.

## What are mutual obligations and what happens if they’re breached?

People receiving an activity tested income support payment, such as JobSeeker Payment, are generally referred to the Department of Education Skills and Employment (DESE) Online Employment Services (OES) or an employment services provider – usually either a [jobactive](https://jobsearch.gov.au/) or [Disability Employment Services](https://jobfind.com.au/for-job-seekers/disability-employment-services/?utm_source=adwords&utm_medium=search&gclid=CjwKCAjw5Kv7BRBSEiwAXGDElS30z1rcKoazU1vUJjHw-__cHp7BnSb9Zpm2Bi_g_MkCEJ2TajPsnhoCaxMQAvD_BwE) provider. Some parents on Parenting Payment need to register with a [Parents Next](https://www.employment.gov.au/parentsnext) provider.

They must meet activity or ‘mutual obligation’ requirements to continue to receive payments. These are listed in their Job or Participation Plan negotiated and agreed with the provider, or agreed online if in the OES.

**Before COVID19**, these included meeting regularly with the provider, applying for up to 20 jobs a month, and undertaking other activities (e.g. training, Work for the Dole) included in the Plan. People who didn’t meet these requirements could have their next payment suspended until they reengaged (e.g. attend a rescheduled provider appointment). People who didn’t meet these requirements could have their next payment suspended until they have reengaged (e.g. attend a rescheduled provider appointment) and could also [have ‘demerit points’](https://jobsearch.gov.au/compliance) awarded against them which could lead to loss of payments for up to 4 weeks under the ‘Targeted Compliance Framework’.

Mutual obligation requirements and penalties **were suspended earlier this year**, due to bushfires and COVID19, and they are now being reintroduced.

People unable to meet the requirements (for example due to being required to self-isolate, illness, domestic violence or a family crisis) can seek an [exemption](https://www.servicesaustralia.gov.au/individuals/topics/mutual-obligation-requirements/29751#exemptions), but still need to report their income to Services Australia/Centrelink. People who are the [principal carers](https://www.servicesaustralia.gov.au/individuals/topics/mutual-obligation-requirements-principal-carers/29256) of a dependent child, people with a [partial work capacity](https://guides.dss.gov.au/guide-social-security-law/3/11/7) and mature age job seekers may have reduced activity requirements.

## What’s happening from 28 September with mutual obligations and penalties?

**Updated on 25/9/20**

Mutual obligation requirements return from 28 September, **with the exception of Victoria** where activity requirements remain on hold for the time being. As the requirements change from time to time, you can check whether the advice below is up-to-date at:

[**https://jobsearch.gov.au/covid-19-information**](https://jobsearch.gov.au/covid-19-information)

**Activity requirements:**

**People living outside Victoria receiving jobactive services**are required to do the following, unless exempted:

* **Attend scheduled phone or online appointments** with employment service providers (or the jobseeker contact centre if they receive employment assistance online)You need to contact the provider in advance if unable to attend (if possible), so the meeting can be rescheduled.
* Apply for **up to 8 jobs a month**and report this online, or to your providerThis can be reduced for principal carers, people with a partial work capacity, people in regions where unemployment is high, and people with other barriers to employment. **Contact your provider or the contact centre (for those receiving online services), if you believe 8 jobs is not appropriate in your situation**.This requirement may be reduced where you are undertaking approved training or study.You will need to report the number of job searches agreed in your job plan to your provider or online before 12 October 2020, when penalties may apply under the Targeted Compliance Framework.
* **Accept suitable job offers**A job is generally considered suitable if it pays proper wages, is safe, doesn’t require lengthy travel (generally, over one and a half hours each way) and is otherwise suitable for people given their skills, capacities and caring responsibilities. People are expected to accept casual and part-time jobs and jobs below their qualification level if offered.

You can reject a job offer if you have a ‘reasonable excuse’ for doing do (for example, where you believe on reasonable grounds that the job would be hazardous to your health).

Many people are anxious about catching COVID19 if they work in places where they are in close and frequent contact with the public. Before deciding whether rejection of a job offer is reasonable, the employment service provider and Centrelink should take into account the [COVID19 restrictions that apply in each State or Territory](https://www.safeworkaustralia.gov.au/covid-19-information-workplaces/other-resources/covid-19-public-health-directions-and-covidsafe) (for example, whether the workplace has proper social distancing arrangements in place and provides personal protective equipment where required).

* Participate in **other activities** such as employability training, vocational training, literacy training, part-time employment, voluntary work, Work for the Dole or other approved activity as required (apart from the first, these activities mainly apply to people unemployed for over 12 months as part of their six-month ‘annual activity requirement’).In many cases you can choose among these options, so it’s best to think about what you’d prefer to do before discussing options with your provider.
* Due to easing COVID19 restrictions across Australia, you may agree with your provider to take part in **face-to-face services, including activities such as training**. You can agree or decline to opt in to face-to-face services, and can also withdraw your agreement later – this is up to you. However, you generally need to attend **job interviews** where it’s safe to do so.**Work for the Dole** activity is generally face-to-face, in which case you **don’t have to participate**and can **choose a different option** that doesn’t involve face-to-face contact (such as online training).

**Parents Next participants living outside Victoria**are [required to do the following](https://www.employment.gov.au/parentsnext), unless exempted:

* Attend an initial ParentsNext appointment with a provider and then appointments every three months (attendance can be by phone/online, or face-to-face subject to your agreement)
* Negotiate a participation plan of employment preparation or other activities,
* Undertake and report those activities.

**Suspensions and penalties:**

Under the [Targeted Compliance System](https://jobsearch.gov.au/compliance), if you do not meet the above requirements (e.g. miss a provider appointment or activity, or don’t report your job searches on time) then:

* **your next payment may be suspended** until you ‘re-engage’ (commit to meet the requirement). Payment is generally then restored, and whether you experience a delay in payment depends how quickly this is done by Centrelink, following advice from the provider.
* You may also have a **demerit point** applied, if you did not have ‘reasonable excuse’ for not meeting the requirement. If you have too many demerit points, this can eventually lead to financial penalties including suspension of payments for up to four weeks by Centrelink.
* If you have a ‘valid reason’ for not meeting a requirement (agreed by your provider) you will no longer need to meet a re-engagement requirement to lift the hold on your payment.
* Centrelink must interview you and give you an opportunity to explain the reasons for not meeting the requirement **before financial penalties are applied**. You can then seek a review of any adverse decision by Centrelink to uphold a breach, and [appeal to a tribunal](https://www.servicesaustralia.gov.au/individuals/topics/reviews-and-appeals-centrelink-decision/34671).
* **Important: People who were already receiving payments before the pandemic will have any previous demerit points (before 28 September) removed (clean slated).**

If you **reject a ‘suitable’ job offer**, Centrelink/Services Australia may **cancel your payment** and impose a four week waiting period if you re-apply:

* You can seek a [review of these decisions by Centrelink and appeal to a tribunal](https://www.servicesaustralia.gov.au/individuals/topics/reviews-and-appeals-centrelink-decision/34671).

## **Help with Centrelink and employment services issues**

There are **organisations that can advise and support you** if you’re having problems with your income support payment or employment service. **Unfortunately, ACOSS is unable to provide advice and support in individual cases**.

If you’re facing **financial hardship or mental health issues**, there are services that can help.

[Legal advice](https://www.ejaustralia.org.au/wp/) for people with Centrelink (Services Australia) problems including Jobseeker Payment or Youth Allowance penalties

Department of Education Skills and Employment (DESE) [jobseeker help and complaints line](https://www.dese.gov.au/contact-us#:~:text=Job%20Seekers%3A,free%20call%20from%20land%20lines).):
1800 805 260 (free call from land lines)

Department of Education Skills and Employment (DESE) contact centre for people receiving [online employment services](https://jobsearch.gov.au/covid-19-information): 1800 314 677 (free call from land lines)

Support for people with mental health issues: Lifeline (13 11 14), Kids Helpline (1800 55 1800), Coronavirus Mental Wellbeing Support Service (1800 512 348) or [www.coronavirus.beyondblue.org.au](http://www.coronavirus.beyondblue.org.au/)

Australian Unemployed Workers Union: <https://unemployedworkersunion.com/>

Online community service directory: [ask Izzy](https://askizzy.org.au/)

## **ACOSS view**

We recommend that people do their best to meet the requirements and as far as possible take control of your job search, training and other preparation for paid employment. Follow the rules but try and make the system work for you instead of the other way round.

#### ****We must not return to the harsh pre-COVID compliance system****

Key aspects of the activity requirements and compliance system are harsh. Before the pandemic there was **far too much emphasis on compliance and enforcement** and **far too little help**for people who found themselves unemployed.

Australia’s compliance system for people who are unemployed is one of the toughest among the wealthy nations yet the government spends less than half the average amount on employment assistance – so for example the average employment consultant has to assist around 140 people on their caseload at any one time.

This means that interviews with employment services are mainly about compliance rather than job referrals, training, wage subsidies, or other things that would actually help people land a job.

The government’s [Expert Panel on Employment Services](https://docs.employment.gov.au/system/files/doc/other/final_-_i_want_to_work.pdf) came to similar conclusions and proposed changes to give unemployed people more control over their job search and improve services for those who need the most help – people who are unemployed long-term or at risk of it.

#### ****The employment services system is not fit for purpose and must be reformed****

The present employment services system is not fit for purpose, especially in a situation where the number of people on unemployment payments has doubled to 1.6 million, (600,000 of whom are unemployed long-term) and there are 19 unemployed and under-employed for every job vacancy (as of July 2020).

Our proposals to improve employment assistance and prevent a surge of long-term unemployment are [here](https://www.acoss.org.au/wp-content/uploads/2020/07/200717-Recovering-Jobs-Briefing-Paper-FINAL.pdf). They include a jobs and training guarantee for people unemployed long-term and [local partnerships](https://www.acoss.org.au/wp-content/uploads/2020/08/200812-Local-employment-and-skills-development-partnerships-FINAL-2.pdf) of employment service providers, vocational training providers, employers, unions, and community services to adjust employment services and training to local conditions and needs.

We have raised the following issues with the government about the changes [announced on 18 September](https://ministers.dese.gov.au/cash/mutual-obligation-requirements-return-job-seekers), which are effective from 28 September.

#### ****The latest changes to mutual obligations have been implemented in haste****

Service providers, employers and unemployed people have been given **just 10 days’ notice** of these sweeping changes to mutual obligations and the reintroduction of the full pre-COVID compliance and penalty system.

The sudden reinstatement of payment suspensions and penalties, the doubling of maximum job search requirements, and reintroduction of Work for the Dole at the same time that Jobseeker and other payments are cut by $150pw and other changes are made to people’s entitlements (including reinstatement of the Liquid Assets Test) risks creating anxiety and confusion. This would put a lot of pressure on Centrelink, employment service providers, and advice lines and services. It is likely to lead to many payment suspensions. People will be also required to do more on less income.

This will be stressful and confusing for many people who are new to the system.

* The changes **should be deferred for at least a month** to give unemployed people and service providers more time to prepare and inform themselves about the new rules, and for consultation to change the harsher elements.

#### ****Payment suspensions should not be reinstated until automation is removed.****

Payment suspensions are stressful for people even if the next payment is not actually delayed. Under the present system, the next payment is suspended **automatically the day after a person breaches their requirement** (e.g. to attend a provider interview). Both the person and the employment service provider has to scramble to get it reinstated before it’s delayed. Yet in many cases there was a perfectly good reason for not meeting the requirement – e.g. the person wasn’t properly notified of an appointment in the first place.

* The Targeted Compliance Framework should not be reinstated while automated suspensions remain.

#### ****The maximum job search requirement should not be increased above four a month while unemployment is as high as it is and competition for jobs is fierce.****

There are 19 unemployed and under-employed people on average for every job vacancy. When people changing jobs or entering the paid workforce are including that number if much higher – in the hundreds for many entry-level jobs.

There are 12 people on Jobseeker and Youth Allowance (Other) for every vacancy. If even half are required to apply for eight jobs a month, that’s 50 people for each vacancy. Employers could be flooded with applications, few of which will lead to a job for people who are unemployed.

While the government urges providers to use discretion in applying this rule, past experience suggests that eight jobs a month will become the standard requirement. We understand that Job Plans in the online services will simply require people to apply for eight jobs a month.

* The maximum requirement should remain at 4 jobs a month, with lower defaults for people with limited capacity to search for jobs and in regions with high unemployment.

#### ****People should not be required to participate in Work for the Dole.****

We welcome confirmation that participation in face-to-face activities like Work for the Dole will be on an ‘opt-in’ basis. This should be made clear to people.

* Work for the Dole should remain voluntary, and the program should be wound down and replaced by properly-paid work experience in regular jobs for people unemployed long-term.

#### ****All activities and requirements must be COVID-safe.****

We welcome the government’s commitment to ensure that activity requirements – including job referrals and any face-to-face contact with employment service providers – is COVID-safe. To give effect to this, it’s vital that messaging around people’s ability to ‘opt in’ and ‘opt out’ is clear.

When the government and service providers make people undertake activities to receive income support, they have**a duty of care**, especially in the midst of a pandemic. Putting this into practice is complicated by the diversity of COVID-related requirements among States and Territories and different workplaces, and in the susceptibility of different people to infection (for example, people with respiratory illness and those caring for older family members).

* The government should work with us, representative organisations, service providers and experts to clarify and communicate the meaning of such terms as ‘suitable work’ and COVID-safe practices in the midst of the pandemic.
* Services on the ground must be equipped to exercise a reasonable duty of care, and to inform people about State and Territory COVID-related occupational health and safety requirements and to take these properly into account in decision-making (including on activity requirements and penalties).
* The understandable anxiety of many people that they may catch the virus if exposed to regular close contact with the public should be acknowledged and taken into account.

#### ****Flexibility around education and training****

We welcome the commitment to provide more flexibility around job search requirements while people are enrolled in education and training. In the past, people have had to abandon or interrupt training when casual employment opportunities came up. This is counterproductive at a time when many people will need to upskill to adjust to a rapidly-changing labour market.

* At the least, job search requirements should be eased – in a consistent and predictable way – when people undertake education or training similar to that which is normally approved to meet ‘annual activity requirements’.