



Australian Government
**Department of Education,
Skills and Employment**

**Deputy Secretary
Nathan Smyth**

Dear Chief Executive Officer

Changes to Payment Suspension arrangements from 7 December 2020

Following the announcement made by Senator the Hon Michaelia Cash, Minister for Employment, Skills, Small and Family Business and Senator the Hon Anne Ruston, Minister for Families and Social Services regarding the return of mutual obligation requirements in all states and territories, except Victoria, on 28 September 2020, I am very pleased to advise that the Government is now implementing a further refinement to the operation of job seeker payment suspensions.

The immediate suspension of payments for mutual obligation failures, including failing to attend provider appointments or complete activities, has consistently been raised by a range of stakeholders as a pressure point in the system and an area that can result in considerable anxiety and distress to job seekers. The opportunity for job seekers to discuss with their employment services consultant the reasons for failing to attend or participate together with any relevant personal circumstances, and potentially either resolve the issue, or reschedule the requirement, prior to any payment suspension, builds a further safety-net into the job seeker compliance arrangements.

Beginning on Monday, 7 December 2020, payment suspensions will no longer be immediate when a non-compliance event is recorded in the Department's IT systems. Payment suspensions will instead be delayed by two business days, allowing the job seeker—and your staff—time to discuss and, if necessary, address the mutual obligation failure before payment is suspended. In most cases, it is expected that payment suspension will be avoided entirely.

The payment suspension delay will affect all payment suspensions resulting from mutual obligation failures, and it will apply to all participants in jobactive, ParentsNext and Disability Employment Services programs. Once this change is implemented, a job seeker who has failed to meet a requirement will receive a new notification overnight. This notification will advise them that it appears they have missed a requirement, and that they need to contact their provider or the Digital Services Contact Centre for job seekers in Online Employment Services, or their payment will be put on hold in two business days. If the job seeker makes contact and either has a valid reason, or has met a re-engagement requirement before the two business days elapse and this information is recorded on the IT system, their payment will not be suspended.

If two business days elapse and the job seeker has not provided a valid reason or met the re-engagement requirement, they will receive the current payment suspension notification and payment suspension arrangements will proceed as they do now.

This refinement builds on other recent measures that improve job seekers' experience and reduce red tape for providers. Given the significant increase in the number of job seekers, including those who are navigating employment services and meeting their mutual obligation requirements for the first time, this change provides valuable flexibility and time to address failures before payment suspension occurs.

This refinement also complements the improvement the Department introduced at the end of September 2020, which removed the need for a job seeker to meet a re-engagement requirement (usually a provider appointment) when they have a valid reason for not meeting their mutual obligation requirement. Together, these changes of policy and the IT system supporting them further assist job seekers to meet their requirements and to avoid payment suspensions when they have a valid reason.

Action Required:

The introduction of this refinement will require your organisation to evaluate the business processes you have in place, and to determine how you will align your job seeker interactions and communications with this new jobseeker compliance process. The key purpose of this refinement is to allow time for job seekers to make contact with their provider and resolve the issues before payment suspension occurs.

As such, your organisation's processes must ensure that you facilitate the opportunity for these vital interactions with job seekers to occur within the timeframe, and that your consultants are supported to have these conversations and to take any required action in the IT system. The two business day delay to payment suspensions will occur automatically in the Department's IT systems. As is the case now, these discussions and IT business processes must occur at the time of job seeker contact—otherwise, compliance action may be raised inappropriately.

The Department's early advice on the implementation of this refinement to current compliance practice is to support your review and implementation of any revised operational arrangements within your organisation. To further support you the Department will be delivering a variety of resources, including a webinar, a provider portal notice, task cards, Fact Sheets, and ongoing better practice advice. The Department will also amend the Deeds and will be updating the Guidelines for publication ahead of the change on 7 December 2020. As always, Account and Contract Managers remain the primary contact for your organisations, and are well placed to respond to queries and provide other general assistance.

I will be discussing this change at my next CEO livestream at 2 PM on Thursday 5 November 2020.

We look forward to continuing to strengthen and improve employment services in collaboration with you.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Nathan Smyth', with a large, stylized initial 'N' and a horizontal line extending to the right.

Nathan Smyth

27 October 2020