



Budget 2024-25

This information is accurate as of 14 May 2024.

Reforming Employment Services

This measure supports the government's initial changes to Workforce Australia employment services and will:

- strengthen the integrity of employment services
- better recognise individuals' circumstances with more appropriate and consistent mutual obligations.

Strengthening the integrity of employment services

This measure will improve the integrity of employment services by:

- preventing people from receiving a payment suspension for a failure to attend an appointment at an employment services provider if they are working
- providing more time for a person who does not meet a mutual obligation requirement to re-engage, before a person's income support payment is suspended
- preventing compliance action the first time that a person does not meet a mutual obligation requirement
- allowing people to not meet one mutual obligation requirement before any compliance measures occur
- ensuring decisions to apply financial penalties are always made by a human decision maker
- strengthening the complaints mechanism for people who use employment services.

From 1 October 2024, the period of resolution time for people who fail to meet mutual obligation requirements will extend from 2 business days to 5 business days. Affected people will now have 5 business days to provide a valid reason or meet a re-engagement requirement to avoid impacts to their income support payment.

From 1 March 2025 people won't face compliance action if they:

- declare they're doing paid work for at least 30 hours a fortnight for at least 2 months, and miss an employment services provider appointment
- are newly registered with Workforce Australia or Disability Employment Services and it's the first time they don't meet a requirement, except where they don't agree to a job plan or attend an initial interview.

Also from 1 March 2025, each penalty in the 'penalty zone' will be investigated by a staff member at Services Australia before a financial penalty can be applied. This will:

- allow people to be removed from the 'penalty zone' of the Targeted Compliance Framework in certain circumstances
- remove the ability for people to self-accept penalties under the Targeted Compliance Framework.

Better recognising individuals' circumstances for mutual obligations

This measure will better recognise an individual's circumstances by applying appropriate and consistent mutual obligation rules for Australians who get an unemployment payment.

From 1 January 2025, the current limit of 13 weeks for temporary incapacity exemptions from mutual obligation requirements will be removed. The period of a person's medical exemption will instead be based on a medical practitioner's assessment.

From 1 April 2025:

- mutual obligation requirements for people who get an unemployment payment and Carer Allowance will align with other customers who have limited capacity to work,
- align 'fully meeting' rules to allow for study and volunteer work to count towards requirements more equitably.

This measure is led by the Department of Employment and Workplace Relations.

This measure isn't subject to legislation passing.

Who does this measure affect?

This affects people in Workforce Australia and Disability Employment Services who get JobSeeker Payment, Youth Allowance (other), Parenting Payment Single, Carer Allowance and Special Benefit.

When will this start and finish?

This measure starts from dates outlined above and is ongoing.