

Changes to participation requirements from 20 September 2018

Volunteering Australia has received several enquiries about the changes to participation requirements in relation to the Working Age Payments Reforms - Budget 2017-18. The Department of Jobs and Small Business has provided the following information to address the enquiries we have received.

For more information on the Working Age Payments Reforms - Budget 2017-18 visit: <https://www.humanservices.gov.au/organisations/about-us/budget/budget-2017-18/jobseekers/working-age-payments-reforms>

Why is the Australian Government increasing participation requirements for mature age unemployment payment recipients?

From 20 September 2018, the Government is strengthening participation requirements for some people receiving an unemployment payment, including mature age Australians. Changes to participation requirements recognise that many older Australians are working longer. The changes are aimed at encouraging more mature age people to actively undertake activities to improve their chances of getting into paid employment and off welfare, particularly in their first 12 months on payment when they are more likely to have recent workforce experience.

What are the changes to participation requirements?

From 20 September 2018, changes to participation requirements will apply to job seekers aged 30 to 49 and aged 55 to the Age Pension age:

- Annual activity requirements for job seekers aged 30 to 49 will increase from 30 hours per fortnight to 50 hour per fortnight, to align with requirements for younger job seekers.
- Job seekers aged 55 to 59 who have been receiving an unemployment payment for less than 12 months who wish to avoid needing to do any other activities, such as job search, will need to undertake 30 hours per fortnight of volunteer or paid work, of which at least 15 hours will need to be in paid work.
- Annual activity requirements of 10 hours per fortnight will be introduced for those aged between 60 and the Age Pension age.

What are mutual obligation requirements and annual activity requirements?

In return for receiving taxpayer-funded income support, unemployed people have mutual obligation requirements. As part of their mutual obligation requirements, job seekers may

be required to undertake job search, attend employment services provider appointments, attend job interviews, and satisfy annual activity requirements.

The annual activity requirement forms part of a job seeker's overall mutual obligation requirements. It only applies to job seekers in *jobactive* and refers to a requirement for them to undertake some additional activity, such as Work for the Dole, paid or voluntary work, study or training for six months of each year after their first year on payment. These activities are in addition to any other requirements that form part of a person's overall mutual obligation requirements such as job search and attending provider appointments. Most job seekers have annual activity requirements and different age groups have different hourly requirements. Currently, job seekers under 30 have an annual activity requirement of 50 hours per fortnight and those aged 30 to 59 have annual activity requirements of 30 hours per fortnight, and job seekers aged 60 and over do not have annual activity requirements.

There are also legislative provisions that relieve job seekers from any additional requirements because they are doing what is considered a sufficient level of activity for their circumstances. For example, people with a reduced capacity due to disability or primary carer of children have no further requirements if they undertake paid work for 15 hours per week. Under these provisions, job seekers who are 55 and over are currently taken to be fully meeting their mutual obligation requirements and have no further requirements if they are participating in any combination of paid and voluntary work for 30 hours per fortnight.

What are the changes for 55 to 59 year old job seekers?

Currently, 55 to 59 year old job seekers are able to meet their mutual obligation requirements in two ways. The first way is through a combination of job search, attending provider appointments and interviews, acting on job referrals, and by meeting their annual activity requirements of 30 hours per fortnight when required.

The second way is by undertaking 30 hours per fortnight of voluntary work, paid work, or any combination of these. If they meet their requirements in this way, they are considered to be fully meeting their requirements under provisions of the social security law and do not have to undertake any additional requirements such as job search, attending provider appointments and annual activity requirements.

Following the passage of the Welfare Reform Bill in March 2018, changes will be made to the latter arrangements for job seekers aged 55 to 59 years. From 20 September 2018, during their first 12 months on payment, job seekers aged 55 to 59 will still have no further requirements if they undertake a combination of 30 hours per fortnight of approved voluntary work and paid work, but at least 15 hours per fortnight will need to be in paid work. After 12 months on payment, current arrangements will apply and they can undertake fewer or no paid work hours.

I will have already been on payment for 12 months once these changes take effect. Will these changes still affect me?

No. If a person has already been on payment for 12 months on 20 September 2018, they will not be subject to the changes. Additionally, if a job seeker has not been on payment for 12 months but has already spent some time on payment before the changes take effect, they will only be subject to these changes until they have been on payment for 12 months.

Example: John is 56 years old and will have been receiving Newstart allowance for seven months on the date the changes to mutual obligation requirements for people in his age cohort take effect (20 September 2018). He has been participating in voluntary work for 30 hours per fortnight for the past four months to meet his mutual obligation requirements, and has not been required to undertake other activities in addition to this. Come 20 September 2018, John wishes to continue participating in his voluntary work. His provider advises him that he can continue with his voluntary work, but will also have to undertake job search, attend provider appointments and act on job referrals. If this is too much for John on top of his 30 hours of voluntary work, he can reduce his voluntary work hours. As John has already been on payment for seven months, he is only required to meet these additional requirements on top of his voluntary work for five months, if he remains on payment for this period. Once this five month period is over, if John is still participating in 30 hours per fortnight of voluntary work, or if he again increases his voluntary work to 30 hours, he will have no further mutual obligation requirements and will not be required to undertake job search and additional activities.

What if I go off payment during my first 12 months on payment? Will I have to wait another 12 months before I can start fully meeting my requirements through 30 hours of voluntary work per fortnight?

If you go off payment for a period of less than 3 months, for example because you find a temporary job, you will be taken to be still on payment during that period and it will count towards the 12 months. If you go off payment for more than 3 months, the 12 months period will start again if you come back on to payment.

Voluntary work brings many benefits to the job seeker and community. Why are you limiting the hours a job seeker aged 55-59 years can participate in voluntary work to fully meet their mutual obligation requirements?

The Government recognises that volunteering has a range of benefits for both the individual and the community. However, participation in paid work and reduced reliance on income support should be the ultimate goal for job seekers.

These changes do not limit the hours job seekers aged 55 to 59 can undertake in voluntary work as part of their requirements. However, in addition to their voluntary work, job seekers who are in their first 12 months on an unemployment payment will need to undertake either:

- at least 15 hours per fortnight of paid work, or
- other requirements such as job search, attending provider appointments and acting on job referrals.

Will the changes to voluntary work arrangements for 55-59 year olds apply to people who are 60 or over?

No. Currently job seekers aged 60 and over are taken to fully meet their mutual obligation requirements and have no further requirements, such as looking for work, if they undertake 30 hours per fortnight of approved voluntary work, paid work or any combination of these. These arrangements will not change for job seekers 60 and over from 20 September 2018.

What is changing for people who are 60 and over?

Currently, job seekers aged 60 and over who are not taken to be fully meeting their requirements must attend provider appointments, act on job referrals and look for work, but do not have an annual activity requirement like younger job seekers. From 20 September 2018, job seekers aged 60 and over who are not already taken to be fully meeting their mutual obligation requirements through 30 hours per fortnight of voluntary and/or paid work will have an annual activity requirement. This means they will be required to undertake 10 hours of activities per fortnight (compared to 30 or 50 for younger age groups), in addition to job search, for six months of each year after their first 12 months on payment. The annual activity requirement can be met through any approved activity, including voluntary work.

Example: Keith is 63 years old and has been in receipt of Newstart allowance for 14 months. He is currently meeting his requirements through job search, attending provider appointments and acting on job referrals. Come 20 September 2018, Keith is required to participate in 10 hours per fortnight of annual activity requirements, for 6 months of each year. Keith's provider offers him an opportunity to meet his annual activity requirements through 10 hours a fortnight of approved voluntary work, in addition to his requirement to look for work. Keith's supervisor at his volunteering job offers him additional hours. Keith starts to participate in his voluntary work for 34 hour per fortnight. He he has no requirement to accept these additional hour to continue receiving income support, but because chooses to do so he is now taken to fully satisfy his mutual obligation requirements under social security law and no longer needs to undertake job search or any additional

activities, so long as he continues to participate in his volunteering job for at least 30 hours per fortnight.

I'm already participating in an activity such as voluntary work. How will the changes affect me?

Job seekers aged 60 and over who are already participating in 10 or more hours per fortnight of voluntary work, paid work, other approved activity or any combination of these will be able to use this activity to meet their annual activity requirements. They will have to do some job search as well, if their provider thinks that is appropriate (unless they are undertaking 30 hours of paid and/or voluntary work, in which case they will have no further requirements).

What if I have trouble meeting the new requirements?

If you expect to have trouble meeting the new requirements, talk to your jobactive provider about the impact it will have on you. Employment services providers will maintain the ability to appropriately set mutual obligation requirements based on individual circumstances. Additionally, current exemptions from requirements will continue to apply, for example for temporary incapacity or short-term caring responsibilities.

Why is the Government increasing requirements for older job seekers, who may face additional barriers in connecting to employment?

The Government recognises that not all job seekers have the same ability to look for work or participate in activities. This is why a person's requirements are determined based on their individual circumstances such as age, assessed work capacity and whether they have caring responsibilities. However, people in receipt of taxpayer-funded income support should also be doing all they can to improve their chances of finding and keeping a job.

Mature age job seekers have a lot of experience and skills to offer, and these changes will encourage more job seekers to undertake activities to improve their employment prospects. The changes also better reflect the fact that the Age Pension age is increasing and more Australians are working longer. (See <https://www.humanservices.gov.au/individuals/enablers/age-rules-age-pension/39876>.)

These changes are complemented by increased support to help job seekers move into or stay in work, including Restart wage subsidies, a new Career Transition Assistance Program, the expansion of the National Work Experience Programme and a series of industry-based Pathway to Work pilots. These measures will provide mature age job seekers with more opportunities to reskill, more work experience and stronger links to employers. You may wish to discuss your eligibility for these initiatives with your *jobactive* provider.