

# **Antipoverty Centre**

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**AC**

Changes to 'Mutual Obligations'  
and the Disability Employment  
Service 2024/25

# June 2024: Reduction of employment fund

- \$53.9 million over four years from 2024–25 (and \$17.7 million per year ongoing) from reducing credits to the Workforce Australia – Employment Fund by \$100 for each new participant to Workforce Australia Provider Services
- \$27.0 million over five years from 2023–24 (and \$6.6 million per year ongoing) from reducing credits to the Workforce Australia – Employment Fund by \$50 for each new participant to Workforce Australia Online.

Savings announced in the budget from the employment fund to pay for changes elsewhere in the service.

<i>Time in employment services</i>	<i>Current rate</i>	<i>New rate</i>
Less than 1 year	\$400	\$300
1 to 2 years	\$800	\$700
More than 2 years	\$1,200	\$1,100

New rate for employment fund for people in Workforce Australia face-to-face services.

# July 2024: Changes to MO's for over 55's

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- As of Monday if you're fully meeting your mutual obligations you WILL NOT need to be with a provider.

You can still stay connected to a provider if you'd like, or if you fail to meet your mutual obligations you will be placed with a provider. If you haven't already been moved you can ask your provider or you can contact Centrelink to be taken off the provider caseload and self-report.

# October 2024: Payment put on hold after 5 business days after a suspension notice

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- A person will be given a payment suspension notice that their payment will be put on hold if they do not reconnect after failing to complete their points target, attend a meeting.
- When this happens, their payment will go on hold if they fail to reconnect after 5 business days. A recommendation from the Workforce Australia Inquiry.
- There are no changes to the 'Targeted Compliance Framework' so a person will still receive a demerit and could potentially see their payment docked and potentially cancelled after receiving 5 demerit points.

# January 2025: Removal of cap on medical exemption period

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- The government will remove the time restriction for temporary medical incapacity exemptions for “certain income support recipients”.
- Details for this new policy are still being developed and will be open to stakeholders once they have been developed.
- It is likely that a person will only need a single medical certificate from their doctor who will recommend the time they are unable to complete mutual obligations.

# March 2025: Changes to penalties and activity requirements

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- No penalty for first activity failure i.e if you miss your points target or fail to attend an appointment
- If you're working more than 30 hours a fortnight your provider will not be able to initiate a suspension if you fail to attend a provider appointment.
- Once in the penalty zone you a departmental worker will oversee your mutual obligation failure and decide whether to impose a financial punishment or not.

# April 2025: Carers Allowance changes

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- An immediate reduction in mutual obligation requirements for people in receipt of the Carers Allowance (note: Carers Payment recipients do not have mutual obligations).
- CA recipients will also have similar requirements to people over 55, single parents and disabled people. You will be able to meet your mutual obligations through a combination of hours worked, volunteered and studied as well as any job applications.
- You will only have a maximum of 40 points per month that will be set by the system.

# July 2025: New job placement programs

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- Two new voluntary job placement programs will commence as a new activity requirement. Work for the dole will still be a mandatory requirement if you are not studying, volunteering, working or in one of these new programs.
- Work Foundations:
  - ❖ For people with 'complex vocational or non-vocational barriers' to 'build their work readiness in a supported environment.' There will be 1000 placements for the program, with 500 in social enterprise and 500 other in business, it will run through to 2027 when the Workforce Australia contracts end.



# July 2025: New job placement programs cont

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- Real Work, Real Wages:
  - ❖ This will be a program for people who are deemed 'at risk of long-term unemployment'.

The public sector will be tasked with finding employers to host a person and will offer a six-month wage subsidy and if a person remains employed for 12 months the employer will receive a bonus payment.

# Other changes announced in the budget

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- Complaints process changes:
  - A person will not be referred to their provider when making a complaint about their providers conduct.

Once the complaint is received a public sector worker will investigate the matter and determine if a dispute resolution process is adequate, and whether further action with the provider is appropriate.

- Currently there is no mediation for the person complaining and the results of any investigation, if there is any, will not be reported.

New Disability Employment Service

July 2025

**Antipoverty  
Centre**

The logo consists of the letters 'A' and 'C' in a bold, white, sans-serif font, positioned inside a large, solid purple circle. The 'A' and 'C' are closely spaced and centered within the circle.

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# Major announcements

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- There will be an increase of 15,000 voluntary positions in the new system for people with an assessed work capacity of 0-8 hours, specifically for people with an intellectual disability with NDIS packages – a demand of civil society groups.
- Removing the 78 week reassessment so that once a person is in DES, they will not be moved out of DES.
- New providers will be offering 'specialised services', options for these positions will be made available when a person completes their eSAT and people will be able to change their providers freely.
- The two DES streams 'Disability Management Service' and 'Employment Support Service' will be merged, or more aptly, renamed to 'intensive' and 'flexible'.
- Flexibility for mutual obligations will be offered, what that looks like at this stage is very unclear.

# New streams

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- Intensive services:

Default service for people looking for work.

Job search will be key, but the provider will use their discretion when setting search targets and goals and making sure they're appropriate for the individual circumstance.

- Flexible service:

This is for people who are already working, have caring responsibilities or people 'who are looking to build their capacity.'

There will be less frequent engagement with the provider with the provider offering supports to help a person move into 'intensive services'.

# Mutual obligations

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- Changes to mutual obligations announced above will also apply to the current DES program at the same time, and will apply to the new program starting from 1 July 2025.
- The department has said that more discretion will be given to providers for people in DES. This is currently what they say about mutual obligations, knowing full well that people who have asked for phone appointments have been refused or ignored.
- One change is that a person who is 'meaningfully engaging' in the flexible stream will be given leeway, but there are currently no guidelines to determine what it means to not 'meaningfully engage'.
- Guidelines and the approach to market for new providers for the new DES program is likely to be released later this year – it was supposed to be released already.

# Disability Employment Centre of Excellence

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The Disability Employment Centre of Excellence will, “... develop best practice, evidence-based information to help providers deliver high quality effective employment services and supports to improve disability employment outcomes.” Furthermore, it will provide services like, “supporting employment of disabled people, undertake research, influence policy support DES providers deliver ‘quality’ services, facilitate employment transitions and increase public awareness and allow for intersectionality.”

It will be funded by the government and operate independent from government, it will have a partnership with, “... research institutions, industry and relevant government institutions...” the overall goal will be to be, “... independent and financially self-sufficient in the long-term.”

- \$1.1 million in the 2023/24 Federal budget for initial research, design and consultation, and
- \$23.3 million in the 2024/25 Federal budget for the Centre to commence activities from March 2025.

At the new DES launch the department indicated that they didn’t know if there would be grants or contracts made for the establishment of the Centre.