



**Australian Government**



# **Targeted Compliance Framework: Mutual Obligation Failure Guidelines**

**V 1.5**

## **Disclaimer**

This document is not a stand-alone document and does not contain the entirety of Disability Employment Services Providers' obligations. It should be read in conjunction with the Disability Employment Services Grant Agreement and any relevant guidelines or reference material issued by the Department of Social Services under or in connection with the Disability Employment Services Grant Agreement.

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## Targeted Compliance Framework Guidelines

### Document Change History

Version	Effective Date	End Date	Change & Location
1.5	1 Oct 24		Updated Resolution Time for Mutual Obligation Failures to 5 business days (from two business days). Updated advice about Reconnection Requirements.
1.4	8 Aug 22	30 Sep 24	Distinguished between outcome of no result recorded for Provider Appointments and other Engagements. Provided more detail on: <ul style="list-style-type: none"> <li>• Treatment of participants in different TCF Zones</li> <li>• Two-day delay before applying payment suspensions</li> <li>• Application of Mutual Obligation Failures</li> <li>• Processes for specific failure types</li> </ul> Added information about the Employer Reporting Line. Added Attachment D – TCF Workflow Updated information on lifting income support suspensions at Attachment A.
1.3	9 Mar 20	30 Jun 22	This guideline has been restructured and rewritten for clarity, accuracy, consistency with the DES Grant Agreement and comprehensiveness. References to the 'Department of Human Services (DHS)' have been updated to 'Services Australia'
1.2	1 Jul 19	8 Mar 20	Included new attachments B, H and J, and renumbered attachments accordingly.
1.1	3 Dec 18	30 Jun 18	Updated the Guidelines name to Targeted Compliance Framework: Mutual Obligation Failures Guidelines Clarified that income support can be suspended for unsatisfactory Job Search Updated all 'should' to 'must' when discussing scheduling of Mutual Obligation Requirements
1.0	01 Jul 18	2 Dec 18	Original version of document

### Background

The Targeted Compliance Framework (TCF) is designed to target financial penalties towards only those Participants who persistently commit Mutual Obligation Failures without a Valid Reason or Reasonable Excuse, while providing protections for the most vulnerable. It is designed to encourage Participants to engage with their employment services provider (Provider), take personal responsibility for managing and meeting their Mutual Obligation Requirements, and actively look for work.

Participants commit Mutual Obligation Failures when they fail to comply with any one of a range of particular requirements specified in the Social Security Law. Broadly speaking, these requirements include, among other things:

- entering into a Job Plan
- attending appointments, and participating in activities
- acting appropriately during those appointments and while participating in those activities
- undertaking adequate Job Searches, where required by their Job Plan
- attending job interviews
- acting on job opportunities when requested to do so by their Provider.

If a Participant persistently commits Mutual Obligation Failures, they progress through the compliance framework. The Participant may eventually incur financial penalties after they:

- have participated in a Capability Interview with their Provider, and a Capability Assessment with Services Australia, to ensure that the Mutual Obligation Requirements specified in their Job Plan are appropriate for their personal circumstances and that they are capable of meeting them; and
- have continued to commit Mutual Obligation Failures.

That Participant may also face financial penalties if, at any time, they commit a Work Refusal Failure or an Unemployment Failure. See the Work Refusal Failures and Unemployment Failures Guideline for more information.

These Guidelines outline a Provider's responsibilities when managing Mutual Obligation Failures under the TCF. Providers are responsible for ensuring staff understand their responsibilities. Provider staff must successfully complete all mandatory TCF training identified on the Targeted Compliance Framework page, on the Learning Centre, at least every 12 months.

### **Disability Employment Services Grant Agreement Clauses:**

Section 3C – Control of Information

Section 3D – Records management

Section 5G – Job Plans

Section 5H – Targeted Compliance Framework and activities

Annexure A - Definitions

### **Reference documents relevant to this Guideline:**

Job Plan and Setting Mutual Obligation Requirements Guidelines

Work Refusal and Unemployment Failures Guidelines

Capability Assessment Guidelines

Capability Interview Guidelines

### **Explanatory Note:**

All capitalised terms have the same meaning as in Disability Employment Services Grant Agreement.

In this document, "must" means that compliance is mandatory and "should" means that compliance represents best practice.

Unless otherwise specified, all references in these Guidelines to:

Targeted Compliance Framework Guidelines

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- '3 active months' are, broadly speaking, references to 91 days, but prolonged for the time the Participant is in a penalty period or has an Exemption (up to a maximum of 12 months)
- '6 active months' are, broadly speaking, references to 182 days, but prolonged for the time the Participant is in a penalty period or has an Exemption (up to a maximum of 12 months)

### 1. The Targeted Compliance Framework

Providers' main obligations relating to the Targeted Compliance Framework (TCF) are set out in Section 5H of the Disability Employment Services Grant Agreement 2018–2022. One of the key obligations is that Providers must actively monitor and record each Participant's compliance against their Mutual Obligation Requirements (see clause 108 of the DES Grant Agreement). This includes recording compliance against requirements that, if not complied with, would result in a Mutual Obligation Failure, Work Refusal Failure or Unemployment Failure.

For more information on the meaning of the term 'Mutual Obligation Failure', see section 3 below. For more information on Work Refusal Failures and Unemployment Failures, see the *Targeted Compliance Framework: Work Refusal and Unemployment Failures Guideline*.

In summary, a Participant's Income Support Payment potentially may be:

- suspended, reduced and/or cancelled if they commit a Mutual Obligation Failure (see 'Committing Mutual Obligation Failures' in this document)
- suspended and/or cancelled if they commit a Work Refusal Failure (that is, they refuse or fail to accept an offer of suitable employment, subject to certain exceptions)
- cancelled if they commit an Unemployment Failure (that is, they become unemployed as a result of a voluntary act or misconduct, subject to certain exceptions).

Note that, if a Participant's Income Support Payment is cancelled, the Participant must serve a four-week preclusion period before they may be paid again (after reapplying for income support).

A key principle of the TCF is personal responsibility. Participants are held personally responsible for managing, meeting and reporting on their Mutual Obligation Requirements each fortnight in return for their Income Support Payment. This means that Participants are responsible for:

- meeting their Mutual Obligation Requirements, including those set out in their Job Plan
- self-reporting participation against their Mutual Obligation Requirements as they are scheduled in their Electronic Calendar when they are found to be reasonably capable of doing so
- looking for work and reporting their Job Searches on time each month (when required to do so).

Providers have

#### The Three Zones

The TCF comprises three zones for Participants:

- the Green Zone
- the Warning Zone
- the Penalty Zone.

The key things that influence whether a Participant moves from one zone to another are:

- whether they accrue a Demerit. See Attachment A for information on the circumstances in which a Participant will accrue a Demerit. Broadly speaking, it is intended that a Participant will accrue a Demerit when they commit a Mutual Obligation Failure without a Valid Reason
- how many Demerits they accrue in a particular time period

- the types of Mutual Obligation Failures that lead to the accrual of the Demerits
- the outcomes of any Capability Interview or Capability Assessment that the Participant participates in. See the *Capability Interview Guidelines* and the *Capability Assessment Guidelines* for more information on Capability Interviews or Capability Assessments.

Each of the three zones are described in further detail below.

For a diagram illustrating the three zones in the TCF, see Attachment B.

### The Green Zone

All Participants begin in the Green Zone. As long as they do not commit any Mutual Obligation Failures without a Valid Reason, they will remain in this zone.

### The Warning Zone

Moving into the Warning Zone helps to reinforce the importance of meeting Mutual Obligation Requirements and discourages Participants from committing any further Mutual Obligation Failures.

When a Participant in the Green Zone accrues a Demerit, they move into the Warning Zone. Each Demerit has a lifespan of 6 active months, after which they are automatically removed by the Department's IT Systems.

In some circumstances (discussed below), when a Participant is in the Warning Zone, the Provider must conduct a Capability Interview with the Participant. The Provider must do this when the Department's IT Systems specify that the Participant's Reconnection Requirement is a Capability Interview (the timing of when this occurs is discussed below). Note that the Department's IT Systems refer to a Reconnection Requirement as a 're-engagement requirement'.

See the Reconnection Requirements section of this Guideline for more information on setting Reconnection Requirements.

The outcome of a Capability Interview determines whether the Participant will remain in the Warning Zone or will go back to the Green Zone with their Demerits reset to zero. The purpose of a Capability Interview is to determine whether a Participant's Job Plan is suitable for the Participant, and to provide an additional opportunity for the Participant to disclose information that may be affecting their capacity to comply with their Mutual Obligation Requirements. A Job Plan will be suitable for a Participant if the Mutual Obligation Requirements specified in the Participant's Job Plan are appropriate for their individual circumstances and the Participant is capable of meeting them.

Broadly speaking, the Department's IT Systems will specify that the Participant's Reconnection Requirement is a Capability Interview when the Participant has, in 6 active months, incurred three Demerits or a Demerit for a 'fast-track' Mutual Obligation Failure.

A fast-track Mutual Obligation Failure is one of the following:

- acting in a manner that could result in an offer of employment not being made to the Participant
- failing to attend a job interview
- failing to act on a Job Referral.

Note that, if a Participant has less than three Demerits when they incur a Demerit for a fast-track Mutual Obligation Failure, the Department's IT Systems will automatically increase the number of Demerits to three.

A factor that influences whether a Provider must conduct a Capability Interview in the circumstances described above is the outcome of any Capability Interview or Capability Assessment that has been conducted in relation to the Participant in the last 60 days.

Providers' main obligations regarding Capability Interviews are set out in clauses 111.7, 111.8 and 111.9 of the DES Grant Agreement. See also the *DES Capability Interview Guidelines* for more information.

The Department's IT System will determine whether the Participant will remain in the Warning Zone, or go back to the Green Zone with their Demerits reset to zero. This is based on the information that the Provider records in the Department's IT Systems regarding the outcome of the Capability Interview. It is intended that, if the result of the Capability Interview is that:

- the Participant's Job Plan is not suitable for the Participant (i.e. the Mutual Obligation Requirements specified in the Participant's Job Plan are not appropriate for their circumstances, and/or the Participant is not capable of meeting them), the Participant will go back to the Green Zone with their Demerits reset to zero
- the Participant's Job Plan is suitable for the Participant (i.e. the Mutual Obligation Requirements specified in the Participant's Job Plan are appropriate for their circumstances and the Participant is capable of meeting them), the Participant will continue in the Warning Zone with their confirmed Demerits.

In some circumstances (discussed below), when a Participant is in the Warning Zone, Services Australia will conduct a Capability Assessment with the Participant. The Department's IT System will notify the Provider when this will occur.

(Grant Agreement references: clauses 111.7, 111.8 and 111.9)

### The Penalty Zone

There are a number of criteria that must be satisfied before a Participant will enter the Penalty Zone. The first is that the Participant has attended a Capability Interview and the outcome of that Capability Interview is that the Participant's Job Plan is suitable for the Participant.

The second criterion that must be satisfied before a Participant will enter the Penalty Zone is that the Participant has incurred five Demerits in 6 active months. When this occurs, the Services Australia will arrange for the Participant to attend a Capability Assessment with Services Australia. Note that, if a Participant has three or four Demerits when they incur a Demerit for a fast-track Mutual Obligation Failure (discussed above), the Department's IT Systems will automatically increase the Participant's total number of Demerits to five.

The final criterion is that the outcome of the Capability Assessment is that the Participant's Job Plan is suitable for the Participant. This means that the outcome of a Capability Assessment determines whether the Participant will enter the Penalty Zone or will go back to the Green Zone with their Demerits reset to zero.

The Capability Assessment has the same goals as the Capability Interview: to assess whether a Participant's Job Plan is suitable for the Participant (i.e. whether the Mutual Obligation Requirements specified in the Participant's Job Plan are appropriate for their circumstances and whether the Participant is capable of meeting them).

The Department's IT Systems will determine whether the Participant will enter the Penalty Zone or will go back to the Green Zone with their Demerits reset to zero. It does this based on the information that Services Australia records in the Department's IT Systems regarding the outcome of the Capability Assessment. It is intended that, if the result of the Capability Assessment is that:



- the Participant’s Job Plan is not suitable for the Participant (i.e. the Mutual Obligation Requirements specified in the Participant’s Job Plan are not appropriate for their circumstances, and/or the Participant is not capable of meeting them), the Participant will go back to the Green Zone with their Demerits reset to zero
- the Participant’s Job Plan is suitable for the Participant (i.e. the Mutual Obligation Requirements specified in the Participant’s Job Plan are appropriate for their circumstances and the Participant is capable of meeting them), the Participant will enter the Penalty Zone.

Broadly speaking, it is intended that a Participant in the Penalty Zone will incur the following financial penalties in succession if they continue to commit Mutual Obligation Failures:

- first Mutual Obligation Failure without a Reasonable Excuse in the Penalty Zone—loss of one week’s Income Support Payment
- second Mutual Obligation Failure without a Reasonable Excuse in the Penalty Zone—loss of two weeks’ Income Support Payment
- third Mutual Obligation Failure without a Reasonable Excuse in the Penalty Zone—Income Support Payment is cancelled, and the Participant must serve a four-week preclusion period before they may be paid again (after reapplying for income support). The preclusion period referred to here is called a ‘post-cancellation non-payment period’ in the relevant legislation.

Once a Participant’s Income Support Payment has been cancelled, the Participant must reapply for income support—they will not automatically receive an Income Support Payment again once the four-week preclusion period has ended. If a Participant has had their Income Support Payment cancelled, but they return to payment within 3 active months of cancellation, they will return to the beginning of the Penalty Zone. In other words, their next Mutual Obligation Failure without a Reasonable Excuse (committed within 3 active months after cancellation) would result in another loss of one week’s payment.

It is intended that a Participant in the Penalty Zone will return to the Green Zone if they do not commit any further Mutual Obligation Failures for 3 active months. The potential to return to the Green Zone through demonstrating compliance provides a further incentive for Participants to change their behaviour and meet their Mutual Obligation Requirements.

Note that, although Participants can incur financial penalties while they are in the Penalty Zone (as discussed above), they do not accrue further Demerits.

### **Recording participation by close of business**

Providers have an obligation to record Engagements in each Participant’s Electronic Calendar (see clause 91.6 of the DES Grant Agreement). The types of Engagements that must be recorded include all Mutual Obligation Requirements, except for those that involve a requirement to:

- undertake adequate Job Searches
- enter into a Job Plan
- act on a job opportunity.

Providers also have an obligation to confirm or record participation against each Mutual Obligation Requirement scheduled in a Participant’s Electronic Calendar. This must be done no later than close of business on the day that the Mutual Obligation Requirement is scheduled to occur in the Participant’s Electronic Calendar (see clause 108.2 of the DES Grant Agreement).

Where neither the Provider or Participant record the result of an Engagement by the end of business on the day the appointment was scheduled to occur in the Participant’s Electronic Calendar:

- for Provider Appointments, no compliance action can be taken, even if the Participant did not attend the appointment and did not have a Valid Reason
- for all other Engagement types, the Department’s IT systems will automatically suspend the Participant’s Income Support Payment in the Green Zone and the Warning Zone after five Business Days, unless the Participant make contact with a Valid Reason or meets a Reconnection Requirement. See the Payment Suspension section of this Guideline for more information on payment suspensions.

Although a Participant does not necessarily accrue a Demerit for failing to record their participation against a Mutual Obligation Requirement, they may potentially accrue a Demerit if they did not attend or participate in the Mutual Obligation Requirement when it was reasonable to expect them to do so. See Attachment A for information on the circumstances in which a Participant will accrue a Demerit.

(Grant Agreement references: clauses 91.6 and 108.2)

### Self-reporting participation

Providers must assess whether each individual Participant is capable of taking personal responsibility for self-reporting participation against all the Mutual Obligation Requirements in their Job Plan (see clause 108.1 of the DES Grant Agreement).

If the Provider assesses that a Participant is not capable of self-reporting as referred to above, the Provider must remove the Job Plan code ‘Personal Responsibility to Record or Report Attendance (PA03)’ from the Participant’s Job Plan. It is then the Provider’s responsibility to record the Participant’s participation against each of the Mutual Obligation Requirements scheduled in their Electronic Calendar (see clause 108.2 of the DES Grant Agreement). Providers are encouraged to work with Participants assessed as not capable of self-reporting to help them build the required skills to be able to self-report their participation against each of the Mutual Obligation Requirements scheduled in their Electronic Calendar.

If the Provider assesses that a Participant is capable of self-reporting as referred to above, the Provider must confirm with the Participant that they understand that this means:

- the Participant must record their participation against each of the Mutual Obligation Requirements scheduled in their Electronic Calendar themselves—either on the Workforce Australia website, or by using the Job Seeker App; and
- if the Participant does not do this, their Income Support Payment will be suspended until they contact their Provider to discuss.

For information on how Providers must assess whether each individual Participant is capable of taking personal responsibility for self-reporting participation against all the Mutual Obligation Requirements in their Job Plan, refer to the *Job Plan and Scheduling Mutual Obligation Requirements Guidelines* on the Provider Portal.

(Grant Agreement references: clauses 108.1, 108.2)

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## 2. Committing Mutual Obligation Failures

The term 'Mutual Obligation Failure' is defined in the DES Grant Agreement by reference to the meaning of that term in the *Social Security (Administration) Act 1999* (see the definition of 'mutual obligation failure' in section 42AC of that Act). In summary, this means that a Participant will commit a Mutual Obligation Failure if they:

- fail to enter into a Job Plan
- fail to attend, or to be punctual for, an appointment that they are required to attend under their Job Plan
- fail to attend, to be punctual for, or to participate in, an activity that they are required to undertake under their Job Plan
- fail to undertake adequate Job Searches
- fail to comply with any other requirement in their Job Plan
- act in an inappropriate manner:
  - during an appointment that they are required to attend under their Job Plan, or
  - while participating in an activity that they are required to undertake under their Job Plan
- intentionally act in a manner that could result in an offer of employment not being made to the person
- fail to:
  - attend a job interview, or
  - act on a job opportunity when requested to do so by their Provider.

### Fast-track Mutual Obligation Failures

Particular types of Mutual Obligation Failures are referred to as 'fast-track' Mutual Obligations Failures because they can result in a Participant having a Capability Interview or Capability Assessment more quickly than would otherwise be the case. See The Warning Zone section of this Guideline for more information on 'fast-track' Mutual Obligations Failures.

### Prior notice and Acceptable Reasons

A Participant may notify the Provider, before the start time scheduled for a Mutual Obligation Requirement, that they are unable to comply with their Mutual Obligation Requirement. Providers must then assess whether the Participant's reason for being unable to comply with the Mutual Obligation Requirement is an Acceptable Reason. If the Provider is satisfied that the Participant has an Acceptable Reason for being unable to comply with the Mutual Obligation Requirement, they have an obligation to reschedule or remove the Mutual Obligation Requirement from the Electronic Calendar. See clause 109.1 and the definition of 'Acceptable Reason' in Annexure A1 in the DES Grant Agreement.

For the purposes of the above, the Provider must determine that a Participant has an Acceptable Reason for being unable to satisfy a Mutual Obligation Requirement if:

- the Participant notified the Provider, before the start time scheduled for a Mutual Obligation Requirement, that the Participant is unable to satisfy the Mutual Obligation Requirement, and
- the Provider is satisfied that the Participant has a Valid Reason for being unable to satisfy the Mutual Obligation Requirement.

A Provider must determine that the Participant has a Valid Reason for a Mutual Obligation Failure when they are satisfied that the reason the Participant provides:

- would directly prevent the Participant from meeting the Mutual Obligation Requirement at the time that the Mutual Obligation Requirement is scheduled to occur
- would be considered to be reasonable by a member of the general public, and
- aligns with the Participant's personal circumstances as known by the Provider.

However, note the exception to the above discussed below in the 'Drug and alcohol dependency or misuse' section of these Guidelines.

Where a Provider has an obligation to reschedule or remove a Mutual Obligation Requirement under clause 109.1 of the DES Grant Agreement, the Provider must select 'No Longer Required' or 'Rescheduled' (as appropriate) in relation to the Mutual Obligation Requirement in the Participant's Electronic Calendar. This will either remove the Mutual Obligation Requirement from the Participant's Electronic Calendar or allow the Mutual Obligation Requirement to be re-scheduled in the Participant's Electronic Calendar.

Despite the above, the Provider must select 'No Longer Required' in relation to the Mutual Obligation Requirement in the Participant's Electronic Calendar if the Mutual Obligation Requirement in question is a requirement to undertake Job Searches or a requirement to attend a job interview or act on a job opportunity.

If the Provider selects 'No Longer Required' or 'Rescheduled' in relation to a Mutual Obligation Requirement in the Participant's Electronic Calendar as referred to above, the Provider must also select a description of the relevant Valid Reason from the drop-down menu that will appear. In selecting a Valid Reason option from the drop-down menu, the Provider must select the option that is most similar to the Participant's Valid Reason as they described it to the Provider. The Provider must not use the options in the drop-down menus to prompt or elicit responses from the Participant. A full list of these drop-down menu options can be found at Attachment C.

If the Provider is not satisfied that the Participant has a Valid reason for being unable to satisfy the Mutual Obligation Requirement, the Provider must tell the Participant why. The Provider must then remind the Participant that they are still expected to meet the Mutual Obligation Requirement and must remind them about the consequences of non-compliance.

( Grant Agreement references: clause 109.1)

### **Misconduct—Acting in an inappropriate manner**

Particular types of Mutual Obligations Failures are referred to as 'misconduct' in the Department's IT Systems. The circumstances in which the Provider must select 'misconduct' are described below in the When the Participant does not have a Valid Reason section of this Guideline.

Misconduct refers to:

- inappropriate behaviour by the Participant:
  - during an appointment that they are required to attend under their Job Plan, or

- while participating in an activity that they are required to undertake under their Job Plan, or
- behaviour by a Participant, during a job interview, that could result in an offer of employment not being made to the Participant.

A Provider must determine that a Participant's behaviour involved 'misconduct' in the circumstances described above when the Participant's behaviour during the relevant appointment, activity or job interview:

- was within the Participant's control
- prevented the purpose of the relevant appointment, activity or job interview from being met
- would be judged by a reasonable person as being inappropriate in the circumstances.

This behaviour may include:

- dressing in a way that is clearly inappropriate for the relevant appointment, activity or job interview
- using offensive language during the relevant appointment, activity or job interview
- showing an obvious lack of interest in the relevant appointment, activity or job interview
- exaggerating the severity of an existing injury or illness to avoid fully participating in the relevant appointment, activity or job interview
- leaving the relevant appointment, activity or job interview before its completion.

Behaviour that appears to be inappropriate but is out of the Participant's control must not be determined by a Provider to be misconduct. For example, a Participant may act in an inappropriate manner because they:

- do not have appropriate clothes to wear to the relevant appointment, activity or job interview
- are affected by a major personal crisis
- are affected by a medical condition.

## **Mutual Obligation Failures**

### Participant contact

In most cases, if the Provider becomes aware that a Participant has apparently committed a Mutual Obligation Failure, the Provider must attempt to contact the Participant on the same Business Day on which the Provider becomes aware of the apparent Mutual Obligation Failure. If there is contact between the Provider and the Participant on that day, the Provider must:

- discuss the circumstances of the apparent Mutual Obligation Failure so that the Provider can determine whether a Mutual Obligation Failure has actually been committed; and
- if the Provider considers that a Mutual Obligation Failure has been committed:
  - discuss the Participant's reasons for the Mutual Obligation Failure, assess whether the Participant has a Valid Reason, and comply with the obligations set out below in the 'Assessing Valid Reasons' section in this Guideline
  - set an appropriate Reconnection Requirement for the Participant (if they do not have a Valid Reason for the relevant Mutual Obligation Failure) in accordance with the 'Reconnection Requirements' section in this Guideline, or
- if the Provider considers that a Mutual Obligation Failure has not been committed, not take any further action

- if the Provider determines that the Participant has been non-compliant but the TCF cannot be applied, follow the TCF workflow at Attachment D.

For more information on Valid Reasons, see the ‘Assessing Valid Reasons’ section in this document.

For more information on Reconnection Requirements, see the ‘Reconnection Requirements’ section in this document.

(Grant Agreement references: clause 111)

### Contact attempt not required

The Provider is not required to contact the Participant if a Mutual Obligation Failure has occurred because the Participant:

- failed to undertake adequate Job Searches, or
- failed to enter into a Job Plan.

In these instances, the Provider should wait for the Participant to make contact. Once the Participant has made contact, the Provider must:

- schedule a date and time for a Reconnection Requirement to occur (if the Participant does not have a Valid Reason for the relevant Mutual Obligation Failure) in accordance with the Reconnection Requirements section in this Guideline
- otherwise comply with clause 111.2 of the DES Grant Agreement.

(Grant Agreement references: clause 111.2)

### Contact attempt not successful

As discussed above, in most cases, the Provider has an obligation to attempt to contact the Participant on the same Business Day on which the Provider becomes aware of an apparent Mutual Obligation Failure. When the Provider attempts to contact the Participant in accordance with that obligation and the attempt is not successful, the Provider must:

- record that they are not in contact with the Participant and select ‘Did Not Attend—Invalid’ in relation to the relevant Mutual Obligation Requirement in the Participant’s Electronic Calendar. Doing so will suspend the Participant’s Income Support Payment and will:
  - create a pending Demerit on the Participant’s record if the Participant is in the Warning Zone, or
  - create a pending Non-Compliance Report on the Participant’s record if the Participant is in the Penalty Zone, and
- comply with clause 111.5 of the DES Grant Agreement. This means that the Provider must set Reconnection Requirement, among other things.

(Grant Agreement references: clause 111.5)

If the Participant is in the Green Zone or the Warning Zone, the Department’s IT Systems will automatically suspend the Participant’s Income Support Payment if, within five Business Days, the Participant does not make contact or does not meet a Reconnection Requirement (where the Participant does not have a Valid Reason).

If the Participant is in the Penalty Zone, Income Support Payment suspension will occur when the Provider has recorded ‘Did Not Attend—Invalid’ in the Department’s IT Systems.

If the Participant later contacts the Provider to discuss the Mutual Obligation Failure, the Provider must:

- schedule a date and time for a Reconnection Requirement to occur (if the Participant does not have a Valid Reason for the relevant Mutual Obligation Failure) in accordance with the Reconnection Requirements section in this Guideline; and
- otherwise comply with DES Grant Agreement, as relevant.

Where the TCF cannot be applied, but the Provider has determined that the Participant has been non-compliant, follow the TCF workflow at Attachment D.

(Grant Agreement references: clause 111.6)

### **When a Participant commits a Mutual Obligation Failure**

When a Participant commits a Mutual Obligation Failure, it is intended that there are a few consequences:

- their Income Support Payment is suspended
  - If the Participant is in the Green Zone or the Warning Zone, payment suspension will occur if, within five Business Days of the date of the Mutual Obligation Failure, they do not provide a Valid Reason or meet a Re-connection Requirement.
  - If the Participant is in the Penalty Zone, payment suspension will occur at the time the Provider records that a Mutual Obligation Failure has occurred.
- they also accrue a Demerit if they do not have a Valid Reason.

See Attachment A for information on the circumstances in which:

- a Participant's Income Support Payment is suspended
- the suspension of a Participant's Income Support Payment is lifted
- a Participant will accrue a Demerit.

### **Five Business Day Resolution Time: payment suspensions in the Green and Warning Zones**

The purpose of Resolution Time is to allow Participants five Business Days to contact their Provider, and to discuss and—when possible—resolve the Mutual Obligation Failure before a Participant's payment is impacted.

In the Green Zone and the Warning Zone, a Participant's Income Support Payment is may be suspended five Business Days after the day a Mutual Obligation Failure is recorded in the Department's IT Systems.

Suspension of a Participant's Income Support Payment will not occur if, within those five Business Days, the Participant contacts the Provider and:

- the Provider records that the Participant has a Valid Reason, or
- the Participant meets a Reconnection Requirement for the associated Mutual Obligation Failure.

See the 'Reconnection Requirements' and 'Assessing Valid Reasons' sections of this Guideline.

During the five Business Days that occur between:

- the recording of a Mutual Obligation Failure in the Department's IT Systems, and
- the suspension of a Participant's Income Support Payment

The Provider must be available to engage with Participants who make contact to discuss a Mutual Obligation Failure and the relevant delayed payment suspension.

During this discussion, the Provider must determine whether the Participant has a Valid Reason for the Mutual Obligation Failure and must immediately record this assessment in the Department's IT Systems. As a result of this assessment:

- If the Provider records that the Participant has a Valid Reason, the payment suspension will be avoided.
- If the Provider records that the Participant does not have a Valid Reason, the Participant must meet a Reconnection Requirement.
  - If the Participant meets the Reconnection Requirement before the five Business Day Resolution timeframe has expired, the payment suspension will be avoided.
  - If the Participant does not meet the Reconnection Requirement before the five Business Day Resolution timeframe has expired, the payment suspension will occur five Business Days following the day the Reconnection Requirement was recorded in the Department's IT Systems as did not attend. This suspension will generally be maintained until the Participant meets the Reconnection Requirement.

If the Provider has discussed the Mutual Obligation Failure with the Participant and is satisfied that a Reconnection Requirement is not necessary, the Provider must record either 'Re-engagement Not Required' or 'Compliance Action No Longer Appropriate'.

See the 'Reconnection Requirements' section of this Guideline.

#### Immediate payment suspension: Penalty Zone

In the Penalty Zone, a Participant's Income Support Payment is generally suspended at the time a Mutual Obligation Failure is recorded in the Department's IT Systems. This immediate suspension is intended to encourage the Participant to contact their Provider and discuss the Mutual Obligation Failure.

#### Notifications to Participants of Mutual Obligation Failures

The effects of recording a Mutual Obligation Failure in the Department's IT Systems differ depending on whether the Participant is in the Green Zone or Warning Zone, or whether they are in the Penalty Zone.

When the Provider records in the Department's IT Systems that a Participant has committed a Mutual Obligation Failure in the Green Zone or Warning Zone, the Department's IT Systems send the Participant a notification to advise them:

- that it appears they have failed to meet a Mutual Obligation Requirement
- to contact their Provider as soon as possible
- that their Income Support Payment may be suspended after five Business Days have passed if they take no further action.

When the Provider records in the Department's IT Systems that a Participant has committed a Mutual Obligation Failure in the Penalty Zone, the Department's IT Systems send the Participant a notification to advise them:

- that their Income Support Payment is suspended
- why their Income Support Payment is suspended
- what they must do to lift the Income Support Payment suspension
- to contact their Provider as soon as possible.



The automatic notifications described above only occur if the Participant has SMS or e-mail details recorded in the Department's IT Systems for automatic notification. If the Participant does not have SMS or e-mail details recorded in the Department's IT Systems for automated notification, the Provider must send the notice prepared by the Department's IT Systems in response to the Mutual Obligation Failure to the Participant's postal address.

If the Participant's Income Support Payment has been suspended as a result of recording the Mutual Obligation Failure, the payment will normally remain suspended until they meet a Reconnection Requirement or until the Provider records a Valid Reason in the Department's IT Systems. Failure to comply with a Reconnection Requirement within 28 days of notification will usually result in Services Australia cancelling the Participant's Income Support Payment. For more information on Reconnection Requirements, see the 'Reconnection Requirements' section in this Guideline.

(Grant Agreement references: clause 111)

### After five Business Days have passed since the Provider recorded the Mutual Obligation Failure in the Department's IT Systems: in the Green and Warning Zones

If the Participant is in the Green Zone or the Warning Zone, the Department's IT Systems will automatically suspend the Participant's Income Support Payment once five Business Days have passed and:

- the Participant has not contacted their Provider, or
- the Provider has recorded that the Participant does not have a Valid Reason, and the Participant has not yet met a Reconnection Requirement.

When the Participant's Income Support Payment is suspended, the Department's IT Systems send them a payment suspension notification to notify them:

- that their Income Support Payment is suspended
- why their Income Support Payment is suspended
- what they must do to lift the Income Support Payment suspension
- to contact their Provider as soon as possible.

As noted above, if the Participant does not have SMS or e-mail details recorded in the Department's IT Systems for automated notification, the Provider must send the notice prepared by the Department's IT Systems in response to the Mutual Obligation Failure to the Participant's postal address.

A Participant's Income Support Payment will normally remain suspended until they meet a Reconnection Requirement or until the Provider records a Valid Reason in the Department's IT Systems, and an Income Support Payment will normally be cancelled by Services Australia if the Participant fails to meet a Reconnection Requirement within four weeks of notification. For more information on Reconnection Requirements, see the 'Reconnection Requirements' section in this Guideline.

(Grant Agreement references: clause 111.6(a))

### **Assessing Valid Reasons**

Providers have obligations to assess whether a Participant has a Valid Reason for a Mutual Obligation Failure in a number of specific circumstances. It is intended that:

- if the Participant has a Valid Reason for a Mutual Obligation Failure, any Demerit on their record relating to that Mutual Obligation Failure will be removed; or
- if the Participant does not have a Valid Reason, the Demerit will be confirmed.

See Attachment A for information on the circumstances in which:

- a Demerit (pending confirmation) will be put on a Participant's record; and
- a Demerit (pending confirmation) will be confirmed or removed from the Participant's record.

For the purposes of the above, a Provider must determine that the Participant has a Valid Reason for a Mutual Obligation Failure when they are satisfied that:

the reason the Participant provided:

- directly prevented the Participant from meeting the Mutual Obligation Requirement at the relevant time that the Mutual Obligation Failure occurred
  - would be considered to be reasonable by a member of the general public
  - aligns with their personal circumstances as known by the Provider
- it would have been unreasonable to expect the Participant to give prior notice of their inability to meet the relevant Mutual Obligation Requirement.

However, note the exception to the above discussed below under the heading 'Drug and alcohol dependency or misuse'.

(Grant Agreement references: clauses 111.4, 111.6, 111.11)

#### Drug and alcohol dependency or misuse

There are limits on the circumstances in which a Provider can determine that a Participant's drug or alcohol misuse or dependency is a Valid Reason for a Mutual Obligation Failure. Valid Reason determinations are discussed above in the 'Prior notice and Acceptable Reasons' and 'Assessing Valid Reasons' sections of this Guideline. Subject to what is stated in those sections, the first time a Participant cites drug or alcohol misuse or dependency as the reason they have committed a Mutual Obligation Failure, the Provider may determine that this is a Valid Reason. If the Participant does this, the Provider must identify and source an available and appropriate treatment program, and must encourage the Participant to participate in that program. Participation in treatment services to address drug or alcohol misuse or dependency may reduce other Mutual Obligation Requirements. See the *Managing and Monitoring Mutual Obligation Requirements Guideline* for information on setting Mutual Obligation Requirements.

If a Participant cites drug or alcohol misuse or dependency as the reason they have committed a Mutual Obligation Failure, the Provider must not determine that this is a Valid Reason if:

- the Participant previously committed a Mutual Obligation Failure on or after 1 July 2018
- the Provider determined that the Participant's drug or alcohol misuse or dependency was a Valid Reason for that previous Mutual Obligation Failure, so it did not result in a Demerit
- as a result of the Mutual Obligation Failure, the Provider referred to Participant to treatment to address the drug or alcohol misuse or dependency
- the Participant refused or failed to participate in the treatment.

The Provider must not determine that drug or alcohol misuse or dependency is a Valid Reason in the circumstances described above, unless one of the following applies:

- the treatment that the Participant was referred to was not available or appropriate for the Participant
- the Participant was genuinely unable to participate in the treatment
- the Participant agreed to participate in the treatment but, despite taking all reasonable steps to commence the treatment, the treatment did not commence, or

- before the Participant was referred to the treatment, the Participant had:
  - completed the same type of treatment as the treatment they were referred to, or
  - completed treatment that was substantially similar to the treatment they were referred to

and, in the opinion of an appropriately qualified medical professional, the Participant would not benefit from further treatment of the same kind as the type of treatment already completed by the person.

### When the Participant has a Valid Reason

On the day that a Provider assesses whether a Participant has a Valid Reason for a Mutual Obligation Failure, they must record this assessment in the Department's IT Systems. The way to record this assessment can differ, depending on the type of Mutual Obligation Failure that the Participant has committed. The steps that the Provider must take, depending on the type of Mutual Obligation Failure, are described below.

When the Provider records that the Participant has a Valid Reason, the Provider must also select a description of the relevant Valid Reason from a drop-down menu that will appear. In selecting a Valid Reason option, the Provider must select the option that is most similar to the Participant's Valid Reason as they described it to the Provider. The Provider must not use the options in the drop-down menus to prompt or elicit responses from the Participant. By recording a reason that is Valid, the Provider is:

- finalising the Mutual Obligation Failure and preventing the payment suspension if the Participant's Income Support Payment has not yet been suspended
- lifting the Participant's payment suspension if the Participant's Income Support Payment is suspended
- removing the relevant Demerit from the Participant's record.

A full list of these drop-down menu options can be found at Attachment E. In the Department's IT Systems:

- 'reasons accepted' refers to reasons that the Provider determines are Valid Reasons
- 'reasons not accepted' refers to reasons that the Provider determines are not Valid Reasons.

### Failures against requirements that are in the Participant's Electronic Calendar

On the day that the Provider determines that a Participant has a Valid Reason for a Mutual Obligation Failure:

- If the Provider has not already recorded an attendance result in relation to the relevant Mutual Obligation Requirement—the Provider must select 'Did Not Attend—Valid'.
- If the Provider has already recorded 'Did Not Attend—Invalid' or 'Misconduct' in relation to the relevant Mutual Obligation Requirement—the Provider must select 'Yes' in response to the question of whether they accept the Participant's given reason.

### Failures to undertake adequate Job Searches

For failures to undertake adequate Job Searches, on the day that the Provider determines that a Participant has a Valid Reason for a Mutual Obligation Failure, the Provider must select 'Yes' on the Provider Re-engagement page in the Department's IT Systems to indicate that the Participant's reason for not meeting their Job Search requirement has been accepted.

### Failures to enter into a Job Plan

For failures to enter into a Job Plan, on the day that the Provider determines that a Participant has a Valid Reason for the Mutual Obligation Failure, the Provider must select 'Yes' on the Provider Re-engagement Page in the Department's IT Systems to indicate that the Participant's reason for failing to enter into a Job Plan has been accepted.

Once the Provider has recorded that the Participant has a Valid Reason, the Provider must then create a Provider Appointment for the Participant to attend within two Business Days after the day the Provider has recorded their assessment. If the Participant attends the Provider Appointment, the Provider must discuss the Job Plan with the Participant. If the Participant does not attend the Provider Appointment to discuss the Job Plan, this is a Mutual Obligation Failure, and the Provider must comply with their usual obligations regarding Mutual Obligation Failures.

### Failures to act on a Job Referral or job opportunity

For failures to act on a Job Referral or opportunity, on the day that the Provider determines that a Participant has a Valid Reason for a Mutual Obligation Failure, the Provider must select 'Unsatisfactory—Valid' on the Provider Re-engagement page in the Department's IT Systems to indicate that the Participant's reason for failing to act on a job opportunity has been accepted.

### When the Participant does not have a Valid Reason

For failures to act on a Job Referral or opportunity, on the day that the Provider determines that a Participant does not have a Valid Reason for a Mutual Obligation Failure, the Provider must record this assessment in the Department's IT Systems. The way to record this assessment can differ, depending on the type of Mutual Obligation Failure the Participant has committed. The steps that the Provider must take, depending on the type of Mutual Obligation Failure, are described below.

When they do this, the Provider must also select a description of the Participant's reason that was not a Valid Reason from a drop-down menu that will appear. In selecting a reason option, the Provider must select the option that is most similar to the reason that the Participant gave as they described it to the Provider. By recording that the Participant's reason is not a Valid Reason, the Provider is confirming the relevant Demerit on the Participant's record.

A full list of these drop-down menu options can be found at Attachment E. In the Department's IT Systems:

- 'reasons accepted' refers to reasons that the Provider determines are Valid Reasons; and
- 'reasons not accepted' refers to reasons that the Provider determines are not Valid Reasons.

On the day that the Provider determines that a Participant does not have a Valid Reason for failing to meet a Mutual Obligation Requirement, the Provider must then explain to the Participant:

- their Income Support Payment (if they are in the Green or Warning Zone) will be suspended in five Business Days unless the Participant is able to meet a Reconnection Requirement before those five Business Days lapse, or
- their Income Support Payment (for Participants in the Penalty Zone) has been suspended and
- they must meet a Reconnection Requirement to have their Income Support Payment suspension lifted.

## **AND**

Regardless of what Zone the Participant is in, the Provider must then also explain to the Participant:

- why their given reason was not a Valid Reason (including the consequences of having no Valid Reason for non-compliance)
- how this decision will be displayed on the 'Participant's Compliance Status Indicator' on the online Dashboard including the number of Demerits the Participant has accrued
- whether the Mutual Obligation Failure is considered a 'fast-track' Mutual Obligation Failure and, if so, what that means and what the next steps are
- the importance of meeting all Mutual Obligation Requirements
- the consequences of persistent non-compliance, including financial penalties and Income Support Payment cancellation, and
- what and when the Participant's Reconnection Requirement will be.

By reinforcing the consequences of failing to meet Mutual Obligation Requirements, Participants are encouraged to meet their Mutual Obligation Requirements in the future and remain engaged with their Providers.

### Failures to undertake adequate Job Searches

For failures to undertake adequate Job Searches, on the day that the Provider determines that a Participant does not have a Valid Reason for a Mutual Obligation Failure, the Provider must select 'No' on the Provider Re-engagement page in the Department's IT Systems to indicate that the Participant's reason for not meeting their Job Search requirement has not been accepted.

### Failures to enter into a Job Plan

For failures to enter into a Job Plan, on the day that the Provider determines that a Participant does not have a Valid Reason for the Mutual Obligation Failure, the Provider must select 'No' on the Provider Re-engagement page in the Department's IT Systems to indicate that the Participant's reason for failing to enter into a Job Plan has not been accepted.

### Failures to act on a job opportunity

For failures to act on a job opportunity, on the day that the Provider determines that a Participant does not have a Valid Reason for a Mutual Obligation Failure, the Provider must select 'Unsatisfactory—Invalid' on the Provider Re-engagement page in the Department's IT Systems to indicate that the Participant's reason for failing to act on a job opportunity has not been accepted.

## **Manually removing Demerits**

Providers have obligations to remove Demerits in certain circumstances. If the Participant is in the Penalty Zone when the provider assesses that a Demerit should be removed in accordance with clause 111.11 of the DES Grant Agreement, the Provider should contact their Relationship Manager for advice before removing the Demerit.

When removing the Demerit, the Provider must record the reason for the removal in the Department's IT Systems. A full list of these drop-down menu options can be found at Attachment F.

(Grant Agreement references: clauses 111.11 and 111.12)

## **Participants cannot appeal Demerit decisions under Social Security Law**

All Participants have the right to ask for a review of a decision made under Social Security Law, and, in most cases, appeal the decision to a court or tribunal. This includes decisions to suspend a Participant's Income Support Payment as a result of non-compliance and decisions made by Services Australia to reduce or cancel their Income Support Payment.

Demerit decisions are not decisions under Social Security Law and so Participants cannot appeal or ask for a formal review of any decision to confirm a Demerit using the same processes as those that apply for decisions under Social Security Law. However, Participants may dispute Demerit decisions.

### **Disputing a Demerit decision with the National Customer Service Line**

If a Participant is dissatisfied with a Demerit decision, they must first discuss the decision with their Provider. If they still wish to dispute the decision after this discussion, they can contact the National Customer Service Line (NCSL).

By contacting the NCSL to dispute a Demerit decision, the Participant will in effect make a DES servicing-related complaint. If required and appropriate, Providers must action complaints that are referred back to them by the NCSL. This may include reviewing the Demerit decision-making process, any Valid Reason assessments, or information that has been recorded on the Department's IT Systems.

(Grant Agreement references: clause 111.12)

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### 3. Reconnection Requirements

Note: 'Reconnection Requirements' are referred to as 're-engagement requirements' in the Department's IT Systems and in some reference materials.

A Reconnection Requirement is what a Participant must do during their five Business Day resolution time to prevent their Income Support Payment from being suspended or to restore their payment. Usually, the requirement will mirror the Mutual Obligation Requirement that the job seeker failed to meet.

Reconnection Requirements are set:

- **By Providers, unless the Department's IT Systems do it automatically (see below):** When contact with a Participant occurs to discuss their reasons for a Mutual Obligation Failure, and the Provider assesses they do not have a Valid Reason and records the assessment in the Department's IT Systems (as described in [Assessing Valid Reasons](#)), the Provider must set a Reconnection Requirement for the Participant. This will generally be to attend an appointment or Activity.
- **Automatically:** The Department's IT Systems will automatically set the Reconnection Requirement when the Participant has failed to:
  - meet their Job Search Requirement
  - enter into a Job Plan, after the five Business Day resolution time has expired.

Where the Department's IT Systems automatically sets a Reconnection Requirement for a Participant as described above, the Provider does not need to do this.

If the Participant's Income Support Payment has been suspended, they must meet a Reconnection Requirement in order to have their Income Support Payment suspension lifted.

See [Attachment A - System steps that affect: creation and confirmation of Demerits; suspension of Income Support Payment; lifting of Income Support Payment suspensions](#) for information on the circumstances in which:

- a Participant's Income Support Payment is suspended
- the suspension of a Participant's Income Support Payment is lifted.

Note that, if set, a Reconnection Requirement is a Mutual Obligation Requirement. This means that, among other things the Provider must comply with the Grant Agreement:

- when recording Reconnection Requirements in a Participant's Electronic Calendar
- in relation to rescheduling or removing a Reconnection Requirement from a Participant's Electronic Calendar.

(Grant Agreement references: clauses 91.2 and 91.3)

#### Reconnection Requirements - No Longer Required

Providers must finalise attendance-based non-compliance prior to the expiry of resolution time if:

- they are in contact with the participant, and
- they are satisfied that a re-engagement requirement is not necessary.

The Provider must record 'Re-engagement Not Required– non-compliance discussed' in the Department's IT System. Recording this will end the need for the participant to have a separate re-engagement requirement booked and end Resolution Time.

In instances where the Participant has demonstrated continued patterns of disengagement, or if the Provider considers that re-engagement is required, the Provider can set a Reconnection Requirement to occur in accordance with Section 12.2.10 **Setting a Reconnection Requirement**.

**If a Provider does set a Reconnection Requirement they** must record the reason in the comment section of the Department's IT.

Reconnection Requirements are still required following Mutual Obligation Failures for:

- Initial Appointments
- Job Plans
- Job Search

Or

- When the job seeker has a re-engagement requirement of either a Capability Interview or Capability Assessment.

### **Setting a Reconnection Requirement**

When setting a Reconnection Requirement, the Provider must follow the prompts in the Department's IT Systems and notify the Participant of the Reconnection Requirement. If the Reconnection Requirement is not automatically set, the Department's IT Systems will specify the type of Reconnection Requirement which the Provider must set for the purposes of complying with their Grant Agreement obligation referred to above. Refer to [Notifications to Participants of Mutual Obligation Failures](#) for information on notifying Participant within the appropriate timeframe.

The Provider must schedule the Reconnection Requirement in the Participant's Electronic Calendar to occur within two Business Days following the day of the contact between the Participant and their Provider to discuss the relevant Mutual Obligation Failure. Exceptions to this two Business Day requirement are:

- the Department's IT Systems automatically sets the date and time of the Reconnection Requirement as discussed below under the heading 'Reconnection Requirements that have times and dates automatically set by the Department's IT Systems', or
- the Participant has a Valid Reason for not being able to meet the Reconnection Requirement within the two Business Day timeframe as discussed below under the heading 'Valid Reason to not meet Reconnection Requirement within two Business Days'.

Reconnection Requirements must be scheduled to occur within two Business Days of Participant contact to try and ensure that a Participant's Income Support Payment is not suspended for more than five Business Days following contact with their Provider.

( Grant Agreement references: clauses 111.2(a)(ii), 111.4(b) and 111.5(a)(i))

### **Multiple Mutual Obligation Failures before contact**

When a Participant commits multiple Mutual Obligation Failures before there is a contact with their Provider to discuss those Mutual Obligation Failures:

- only one Reconnection Requirement can be set; and
- the Provider must advise Participants that they only have to meet one Reconnection Requirement.

### **Reconnection Requirements that have times and dates automatically set by the Department's IT Systems**



For some Mutual Obligation Failures, the Department's IT Systems will automatically set the Reconnection Requirement, including recording its time and date in the Participant's Electronic Calendar. This happens when:

- the Participant has failed to self-report the required number of Job Searches by the end of their Job Search Period as referred to in clause 111.2(a) of the DES Grant Agreement; or
- the Participant has refused to enter into a Job Plan as referred to in clause 111.2(b) of the DES Grant Agreement.

Where the Department's IT Systems automatically sets a Reconnection Requirement for a Participant as described above, the Provider does not need to do this.

(Grant Agreement references: clause 111)

### Job Search failures in the Penalty Zone

If a Participant fails to undertake adequate Job Searches and the Participant is in the Penalty Zone, the Participant's Reconnection Requirement is to contact their Provider (this is as opposed to the usual Reconnection Requirement, which is to undertake adequate job searches). The Department's IT Systems automatically sets this Reconnection Requirement. If the Participant's Income Support Payment is suspended, the suspension is lifted when the Provider records that they are in contact with the Participant.

### Valid Reason to not meet Reconnection Requirement within two Business Days

When the Provider contacts the Participant to discuss the relevant Mutual Obligation Failure(s), they must consider whether the Participant has a Valid Reason for being unable to meet their Reconnection Requirement within two Business Days following that contact. If the Provider considers that the Participant does have such a Valid Reason, the Provider must select 'Unable to Re-engage Within two Business Days' on the Provider Re-engagement page in the Department's IT Systems. This will lift the Participant's Income Support Payment suspension and remove the need for a Reconnection Requirement.

For the purposes of the above, a Provider must determine that the Participant has a Valid Reason for being unable to meet their Reconnection Requirement within the two Business Days when they are satisfied that the reason the Participant is unable to do this. A Valid Reason is one that:

- directly prevents the Participant from meeting meet their Reconnection Requirement within two Business Days following the contact with their Provider to discuss the relevant Mutual Obligation Failure(s)
- would be considered to be reasonable by a member of the general public, and
- aligns with the Participant's personal circumstances as known by the Provider.

If the Provider selects 'Unable to Re-engage Within two Business Days' as described above, the Provider must also select a description of the relevant Valid Reason from the drop-down menu that will appear. In selecting a Valid Reason option from the drop-down menu, the Provider must select the option that is most similar to the Participant's Valid Reason as they described it to the Provider. Providers must not use the options in the drop-down menus to prompt or elicit responses from the Participant.

A full list of these drop-down menu options can be found at Attachment G.

### Provider not able to arrange or deliver Reconnection Requirement within two Business Days

In limited circumstances, a Provider may not be able to arrange or deliver the Reconnection Requirement within two Business Days following the contact between the Participant and the Provider to discuss the relevant Mutual Obligation Failure(s).

If that is the case the Provider must select 'Re-engagement Not Required' on the provider Re-engagement page. This will lift the Participant's Income Support Payment suspension and remove the need for a Reconnection Requirement. When selecting 'Re-engagement Not Required' as described above, the Provider must also select a description of the relevant reason from the drop-down menu that will appear when they make that selection. In selecting a reason option from the drop-down menu, the Provider must select the option that is most similar to the actual reason.

A full list of these drop-down menu options can be found at Attachment H.

### Compliance action no longer appropriate

Once a Participant's Reconnection Requirement has been set, unexpected circumstances may make it inappropriate to maintain their payment suspension and expect them to meet a Reconnection Requirement. If that is the case, the Provider must record 'Compliance action no longer appropriate' on the Provider Re-engagement page. This will lift the Participant's payment suspension and remove the need for a Reconnection Requirement.

When selecting 'Compliance action no longer appropriate' as described above, the Provider must also select a description of the relevant reason from the drop-down menu that will appear when they make that selection. In selecting a reason option from the drop-down menu, the Provider must select the option that is most similar to the actual reason.

A full list of these drop-down menu options can be found at Attachment I.

### Failure to meet a Reconnection Requirement

If the Provider becomes aware that a Participant has failed to meet a Reconnection Requirement, the Provider must attempt to contact the Participant on the same Business Day. If the Provider:

- is not able to contact the Participant on that day, the Provider must select record that they are not in contact with the Participant and 'Did Not Attend—Invalid' in relation to the Reconnection Requirement in the Participant's Electronic Calendar. In this case
  - if the Participant's Income Support Payment is not yet suspended, it will be suspended, if the Participant does not meet another Reconnection Requirement within two Business Days following the date they failed to meet the original Reconnection Requirement, or
  - if the Participant's Income Support Payment is suspended, the payment will remain suspended, and the Provider must reschedule the Reconnection Requirement
- is able to contact the Participant on that day, the Provider must discuss the Participant's reasons for not meeting the Reconnection Requirement and assess if the Participant had a Valid Reason.

For the purposes of the above, a Provider must determine that the Participant had a Valid Reason for being unable to meet their Reconnection Requirement when they are satisfied that the Participant's reason:

- directly prevented the Participant from meeting meet their Reconnection Requirement
- would be considered to be reasonable by a member of the general public
- aligns with the Participant's personal circumstances as known by the Provider.

If the Participant had a Valid Reason, the Provider must select 'Did Not Attend–Valid' in relation to the Reconnection Requirement in the Participant's Electronic Calendar. If the Participant's Income Support Payment is suspended, this will lift the payment suspension as the Participant will be taken to have met the Reconnection Requirement (as they have a Valid Reason). The Provider must set a Mutual Obligation Requirement for the Participant:

- to occur within two Business Days after the day on which the Provider determines that the Participant has a Valid Reason for not meeting the Reconnection Requirement
- that is the same type as the Mutual Obligation Requirement the Participant failed to meet originally.

If the Participant did not have a Valid Reason, the Provider must select 'Did Not Attend—Invalid' in relation to the Reconnection Requirement in the Participant's Electronic Calendar. In this case:

- if the Participant's Income Support Payment is not yet suspended, it will be suspended if the Participant does not meet another Reconnection Requirement within two Business Days following the date of the original Reconnection Requirement, or
- if the Participant's Income Support Payment is suspended, the payment will remain suspended, and

the Provider must reschedule the Reconnection Requirement.

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## 4. The Penalty Zone

As discussed in further detail above under the heading ‘The Penalty Zone’, the Department’s IT System will determine whether the Participant will enter the Penalty Zone based on the information that Services Australia records in the Department’s IT Systems regarding the outcome of a Capability Assessment.

### Non-compliance reports

If a Participant is in the Penalty Zone, and the Provider records ‘Did Not Attend—Invalid’ or ‘Misconduct’ as discussed above under the heading ‘When the Participant does not have a Valid Reason’, the Department’s IT System creates a non-compliance report and submits it to Services Australia for investigation, instead of recording a Demerit. The Participant’s Income Support Payment will be suspended as a result of the creation of a non-compliance report.

If a Participant is in the Penalty Zone, and the Provider records ‘Did Not Attend—Valid’ as discussed above under the heading ‘When the Participant has a Valid Reason’, any non-compliance report on their record relating to that Mutual Obligation Failure will be closed.

An open non-compliance report on a Participant’s record will prevent the Participant from finalising their fortnightly reporting requirement, and it will prevent the Participant from receiving their Income Support Payment.

### Summary of required Documentary Evidence

Depending on the Mutual Obligation Failure that the Participant has committed, in addition to the evidence recorded in the Department’s IT Systems, the Provider must retain the following Documentary Evidence:

- where the Mutual Obligation Failure is a failure to attend a job interview or act on a job opportunity, a copy of the prior notification of the requirement to attend the job interview or act on the job opportunity
- where the Mutual Obligation Failure is a failure to attend an appointment, a copy of the prior notification of the requirement to attend the appointment
- where the Mutual Obligation Failure is a failure to undertake adequate Job Searches, a hard copy of any relevant fully or partially completed Job Searches, and
- where the Mutual Obligation Failure is acting in an inappropriate manner during an appointment or while participating in an activity, details of the job/employer and/or details of the relevant incident, including dates, the parties involved and what occurred.

## Attachment A - System steps that affect: creation and confirmation of Demerits; suspension of Income Support Payment; lifting of Income Support Payment suspensions

Mutual Obligation Failure related Provider actions in the Department’s IT Systems that result in a Participant’s Income Support Payment being suspended, the suspension being lifted, or a Demerit being created on a Participant’s record or accrued by the Participant (i.e. confirmed)

Type of potential Mutual Obligation Failures	When is a Participant’s Income Support Payment suspended?	When is a Demerit created (pending confirmation) on a Participant’s record?	When does a Participant accrue a Demerit (i.e. the Demerit is confirmed)?	When is a Participant’s Income Support Payment suspension lifted?
<p><b>Non-attendance</b></p> <p>The Participant fails to:</p> <ul style="list-style-type: none"> <li>• attend, or to be punctual for, an appointment that they are required to attend under their Job Plan;</li> <li>• attend, to be punctual for, or to participate in, an activity that they are required to undertake under their Job Plan; or</li> <li>• attend a job interview.</li> </ul> <p>The relevant Mutual Obligation Requirement is shown in the Participant’s Electronic</p>	<p>When the Provider selects ‘Did Not Attend Invalid (DNAI)’ in relation to a Mutual Obligation Requirement in the Participant’s Electronic Calendar.</p> <p>See the discussion on page 20 of this Guideline regarding when a Provider must select ‘Did Not Attend—Invalid’.</p> <p>When both the Participant and the Provider have failed to select ‘Attended’ by close of business on the day on which the Mutual Obligation Requirement is</p>	<p>When the Provider selects ‘Did Not Attend Invalid (DNAI)’ in relation to a Mutual Obligation Requirement in the Participant’s Electronic Calendar.</p> <p>See the discussion on page 20 of this Guideline regarding when a Provider must select ‘Did Not Attend—Invalid’.</p>	<p>When the Provider records the reason they did not accept as a Valid Reason in the Department’s IT Systems.</p> <p>See the discussion on page 20 of this Guideline regarding when a Provider must select a description of the Participant’s reason that was not a Valid Reason.</p>	<p>When the Provider has already recorded ‘Did Not Attend—Invalid’: when the Provider selects ‘Yes’ in response to the question ‘Do you accept the job seeker’s reason?’ and records the reason accepted as a Valid Reason on the Provider Re–engagement Page in the Department’s IT Systems.</p> <p><i>OR</i></p> <p>When the Provider selects ‘Attended’ or ‘Did Not Attend—Valid’ in relation to a Reconnection Requirement in the Participant’s Electronic Calendar.</p> <p><i>OR</i></p> <p>When the Provider reschedules a Reconnection Requirement in the Participant’s Electronic Calendar.</p> <p><i>OR</i></p> <p>When the Provider selects ‘Unable to Re-engage Within two Business Days’ on the Provider Re-engagement page in the Department’s IT Systems. See the discussion on page 25 of this Guideline regarding when a Provider must select ‘Unable to Re-engage Within two Business Days’.</p> <p><i>OR</i></p> <p>When the Provider selects ‘Re-engagement Not Required’ on the Provider Re-engagement page in the Department’s IT Systems. See discussion on page 24 of this Guideline</p>

<b>Type of potential Mutual Obligation Failures</b>	<b>When is a Participant’s Income Support Payment suspended?</b>	<b>When is a Demerit created (pending confirmation) on a Participant’s record?</b>	<b>When does a Participant accrue a Demerit (i.e. the Demerit is confirmed)?</b>	<b>When is a Participant’s Income Support Payment suspension lifted?</b>
<p>Calendar as one of the following:</p> <ul style="list-style-type: none"> <li>• ‘Provider Appointment’;</li> <li>• ‘Activity’;</li> <li>• ‘Third Party Appointment’ or</li> <li>• ‘Job Interview’.</li> </ul>	<p>Scheduled to occur in the Participant’s Electronic Calendar (for all requirements indicated except Provider Appointment)..</p>			<p>regarding when a Provider must select ‘Re-engagement Not Required’.</p> <p><i>OR</i></p> <p>If a Capability Assessment is the Reconnection Requirement, Services Australia will lift the Income Support Payment suspension once the Participant contacts them to participate in a Capability Assessment.</p> <p><i>OR</i></p> <p>When the Provider selects ‘Compliance action no longer appropriate’ on the Provider Re-engagement page. See the discussion on page 26 of this Guideline regarding when a Provider must select ‘Compliance action no longer appropriate’.</p> <p><i>OR</i></p> <p>When the Provider selects ‘Attended’ (where this was previously not selected by close of business on the day on which the Mutual Obligation Requirement is Scheduled to occur in the Participant’s Electronic Calendar).</p>
<p><b>Non-attendance at Activity—Supervisor reported</b></p> <p>The Participant fails to attend, to be punctual for, or to participate in, an activity that they are required to undertake under their Job Plan.</p>	<p>When the activity Supervisor records DNA via the Supervisor App.</p>	<p>N/A—No Demerit.</p>	<p>N/A—No Demerit.</p>	<p>When the Provider selects ‘Yes’ in response to the question ‘Do you accept the job seeker’s reason?’ and records the reason accepted as Valid on the Provider Re-engagement Page in the Department’s IT Systems.</p> <p><i>OR</i></p> <p>When the Provider selects ‘Attended’ or ‘Did Not Attend—Valid’ in relation to a Reconnection Requirement in the Participant’s Electronic Calendar.</p>

<b>Type of potential Mutual Obligation Failures</b>	<b>When is a Participant's Income Support Payment suspended?</b>	<b>When is a Demerit created (pending confirmation) on a Participant's record?</b>	<b>When does a Participant accrue a Demerit (i.e. the Demerit is confirmed)?</b>	<b>When is a Participant's Income Support Payment suspension lifted?</b>
<p>The relevant Mutual Obligation Requirement is shown in the Participant's Electronic Calendar as 'Activity'.</p>				<p><i>OR</i></p> <p>When the Provider selects 'Unable to Re-engage Within two Business Days' on the Provider Re-engagement page in the Department's IT Systems. See the discussion on page 25 of this Guideline regarding when a Provider must select 'Unable to Re-engage Within two Business Days'.</p> <p><i>OR</i></p> <p>When the Provider selects 'Re-engagement Not Required' on the Provider Re-engagement page in the Department's IT Systems. See discussion on page 24 of this Guideline regarding when a Provider must select 'Re-engagement Not Required'.</p> <p><i>OR</i></p> <p>If a Capability Assessment is the Reconnection Requirement, Services Australia will lift the Income Support Payment suspension once the Participant contacts them to participate in a Capability Assessment.</p> <p><i>OR</i></p> <p>When the Provider selects 'Compliance action no longer appropriate' on the Provider Re-engagement page. See the discussion on page 26 of this Guideline regarding when a Provider must select 'Compliance action no longer appropriate'.</p>
<b>Misconduct</b>	When the Provider selects 'Misconduct (MISC)' in relation to	When the Provider selects 'Misconduct (MISC)' in relation to the	When the Provider records the reason they did not accept as	When the Provider selects 'Yes' in response to the question 'Do you accept the job seeker's reason?' and records the

<b>Type of potential Mutual Obligation Failures</b>	<b>When is a Participant's Income Support Payment suspended?</b>	<b>When is a Demerit created (pending confirmation) on a Participant's record?</b>	<b>When does a Participant accrue a Demerit (i.e. the Demerit is confirmed)?</b>	<b>When is a Participant's Income Support Payment suspension lifted?</b>
<p>The Participant acted in an inappropriate manner:</p> <ul style="list-style-type: none"> <li>during an appointment that they are required to attend under their Job Plan; or</li> <li>while participating in an activity that they are required to undertake under their Job Plan.</li> </ul> <p>The relevant Mutual Obligation Requirement is shown in the Participant's Electronic Calendar as one of the following:</p> <ul style="list-style-type: none"> <li>'Provider Appointment', which includes Reconnection Requirements;</li> <li>'Activity';</li> <li>'Third Party Appointment'; or</li> <li>'Job Interview'.</li> </ul>	<p>the relevant appointment or activity in the Participant's Electronic Calendar, along with the type of inappropriate behaviour.</p> <p>See the discussion on pages 12 and 28 of this Guideline regarding when a Provider must select 'Misconduct'.</p>	<p>relevant appointment or activity in the Participant's Electronic Calendar, along with the type of inappropriate behaviour.</p> <p>See the discussion on pages 12 and 28 of this Guideline regarding when a Provider must select 'Misconduct'.</p>	<p>a Valid Reason in the Department's IT Systems.</p> <p>See the discussion on page 28 of this Guideline regarding when a Provider must select a description of the Participant's reason that was not a Valid Reason.</p>	<p>reason accepted as a Valid Reason on the Provider Re-engagement Page in the Department's IT Systems.</p> <p><i>OR</i></p> <p>When the Provider selects 'Attended' or 'Did Not Attend—Valid' in relation to a Reconnection Requirement in the Participant's Electronic Calendar.</p> <p><i>OR</i></p> <p>When the Provider reschedules a Reconnection Requirement in the Participant's Electronic Calendar.</p> <p><i>OR</i></p> <p>When the Provider selects 'Unable to Re-engage Within two Business Days' on the Provider Re-engagement page in the Department's IT Systems. See the discussion on page 25 of this Guideline regarding when a Provider must select 'Unable to Re-engage Within two Business Days'.</p> <p><i>OR</i></p> <p>When the Provider selects 'Re-engagement Not Required' on the Provider Re-engagement page in the Department's IT Systems. See discussion on page 24 of this Guideline regarding when a Provider must select 'Re-engagement Not Required'.</p> <p><i>OR</i></p> <p>If a Capability Assessment is the Reconnection Requirement, Services Australia will lift the Income Support Payment</p>



Type of potential Mutual Obligation Failures	When is a Participant’s Income Support Payment suspended?	When is a Demerit created (pending confirmation) on a Participant’s record?	When does a Participant accrue a Demerit (i.e. the Demerit is confirmed)?	When is a Participant’s Income Support Payment suspension lifted?
				<p>suspension once the Participant contacts them to participate in a Capability Assessment.</p> <p><i>OR</i></p> <p>When the Provider selects ‘Compliance action no longer appropriate’ on the Provider Re-engagement page. See the discussion on page 26 of this Guideline regarding when a Provider must select ‘Compliance action no longer appropriate’.</p>
<p><b>Job Plan Failure</b></p> <p>The Participant fails to enter into a Job Plan</p> <p>See the <i>Job Plan and Scheduling Mutual Obligation Requirements Guidelines</i> for information on the process of entering into a Job Plan.</p>	<p><u>Job Plan sent Job Plan online</u>—when the ‘think time’ expires and the Participant has not agreed to their Job Plan online.</p> <p><u>Job Plan sent Job Plan in hard copy</u>—when the ‘think time’ expires</p>	<p>When the ‘think time’ expires and the Participant has not agreed to their Job Plan online.</p> <p>Demerit is automatically created and confirmed.</p> <p>When ‘think time’ expires.</p>	<p>When the ‘think time’ expires and the Participant has not agreed to their Job Plan online.</p> <p>When the Provider records the reason they did not accept as a Valid Reason in the Department’s IT Systems.</p> <p>See the discussion on page 20 of this Guideline regarding when a Provider must select a description of</p>	<p>When the Participant agrees to their Job Plan.</p> <p><i>OR</i></p> <p>When the Provider selects ‘Yes’ in response to the question ‘Do you accept the job seeker’s reason?’ and records the reason accepted as a Valid Reason on the Provider Re-engagement Page in the Department’s IT Systems.</p> <p><i>OR</i></p> <p>When the Provider selects ‘Attended’ or ‘Did Not Attend—Valid’ in relation to a Reconnection Requirement in the Participant’s Electronic Calendar.</p> <p><i>OR</i></p> <p>When the Provider selects ‘Unable to Re-engage Within two Business Days’ on the Provider Re-engagement page in the Department’s IT Systems. See the discussion on page 25 of this Guideline regarding when a Provider must select ‘Unable to Re-engage Within two Business Days’.</p>

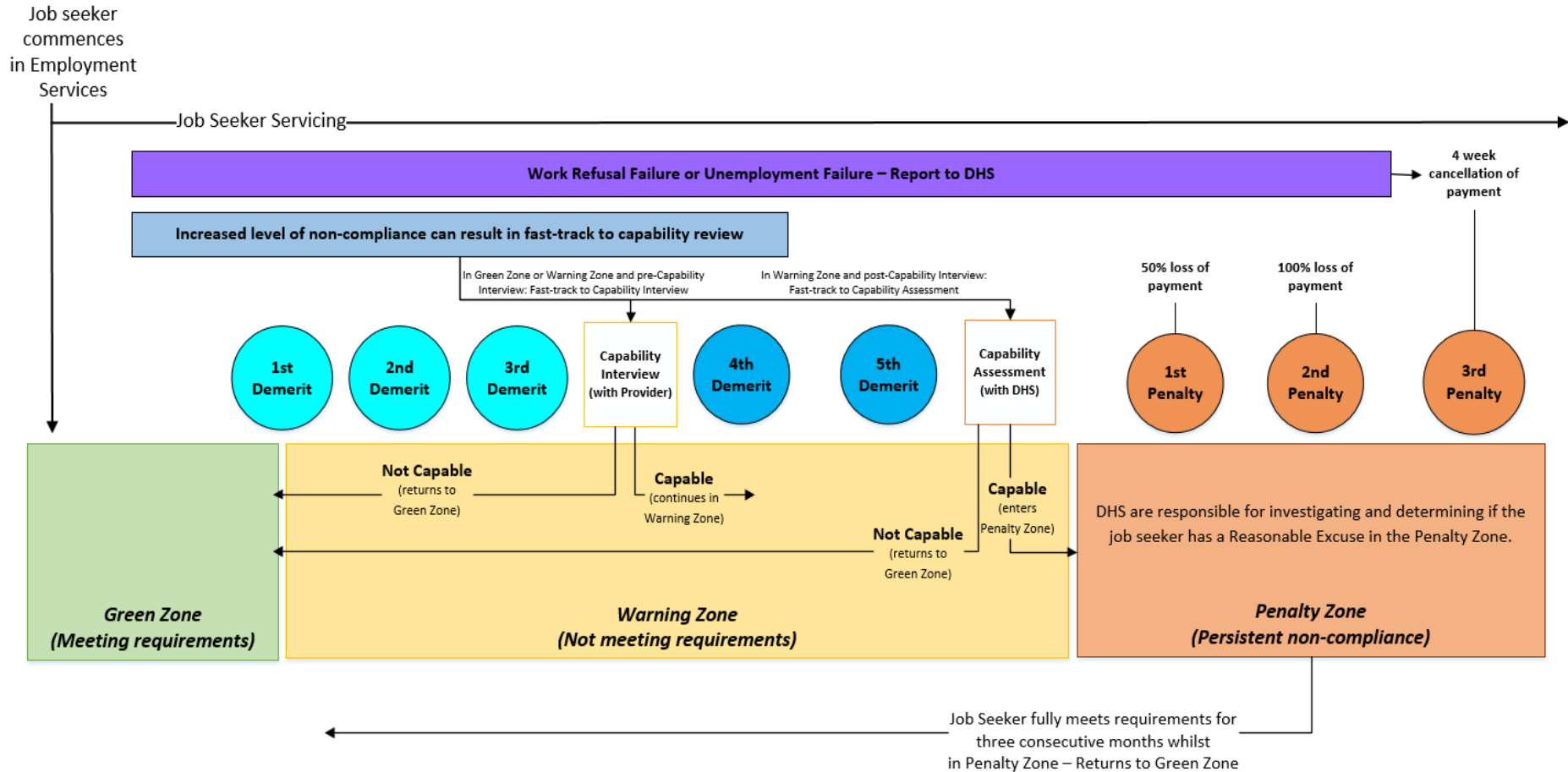
Type of potential Mutual Obligation Failures	When is a Participant's Income Support Payment suspended?	When is a Demerit created (pending confirmation) on a Participant's record?	When does a Participant accrue a Demerit (i.e. the Demerit is confirmed)?	When is a Participant's Income Support Payment suspension lifted?
	<p><u>If a Participant refuses outright to agree to Job Plan:</u></p> <p>When the Provider selects 'Create Compliance' and selects 'submit' on the Job Plan screen in the Department's IT Systems.</p>	<p>When the Provider selects 'Create Compliance' and selects 'submit'.</p> <p>Demerit is automatically created and confirmed.</p>	<p>the Participant's reason that was not a Valid Reason.</p> <p>When the Provider selects 'Create Compliance' and selects 'submit'.</p> <p>Demerit is automatically created and confirmed.</p>	<p>OR</p> <p>If a Capability Assessment is the Reconnection Requirement, Services Australia will lift the Income Support Payment suspension once the Participant contacts them to participate in a Capability Assessment.</p> <p>OR</p> <p>When the Provider selects 'Compliance action no longer appropriate' on the Provider Re-engagement page. See the discussion on page 26 of this Guideline regarding when a Provider must select 'Compliance action no longer appropriate'.</p>
<p><b>Failure to act on a job referral or opportunity</b></p>	<p>When the Provider records 'Unsatisfactory—Invalid Reason' on the Job referrals page.</p>	<p>When the Provider records 'Unsatisfactory—Invalid Reason' on the Job referrals page.</p>	<p>When the Provider records 'Unsatisfactory—Invalid Reason' on the Job referrals page.</p>	<p>When the Provider selects 'Unsatisfactory—Valid Reason' on the Provider Re-engagement page in the Department's IT Systems.</p> <p>OR</p> <p>When the Provider selects 'Satisfactory' in relation to a Reconnection Requirement on the Provider Re-engagement page in the Department's IT Systems.</p> <p>OR</p> <p>When the Provider selects 'Unable to Re-engage Within two Business Days' on the Provider Re-engagement page in the Department's IT Systems. See the discussion on page 24 of this Guideline regarding when a</p>

Type of potential Mutual Obligation Failures	When is a Participant's Income Support Payment suspended?	When is a Demerit created (pending confirmation) on a Participant's record?	When does a Participant accrue a Demerit (i.e. the Demerit is confirmed)?	When is a Participant's Income Support Payment suspension lifted?
				<p>Provider must select 'Unable to Re-engage Within two Business Days'.</p> <p>OR</p> <p>When the Provider selects 'Re-engagement Not Required' on the Provider Re-engagement page in the Department's IT Systems. See discussion on page 24 of this Guideline regarding when a Provider must select 'Re-engagement Not Required'.</p> <p>OR</p> <p>If a Capability Interview is the Reconnection Requirement, the Department's IT Systems will lift the Income Support Payment suspension once the Provider selects 'Attended' or 'Did Not Attend –Valid' in the Participant's Electronic Calendar in relation to the Capability Interview.</p> <p>OR</p> <p>If a Capability Assessment is the Reconnection Requirement, Services Australia will lift the Income Support Payment suspension once the Participant contacts them to participate in a Capability Assessment.</p> <p>OR</p> <p>When the Provider selects 'Compliance action no longer appropriate' on the Provider Re-engagement page. See the discussion on page 19 of this Guideline regarding when a Provider must select 'Compliance action no longer appropriate'.</p>

Type of potential Mutual Obligation Failures	When is a Participant's Income Support Payment suspended?	When is a Demerit created (pending confirmation) on a Participant's record?	When does a Participant accrue a Demerit (i.e. the Demerit is confirmed)?	When is a Participant's Income Support Payment suspension lifted?
<p><b>Job Search Failure</b></p> <p>The Participant failed to undertake adequate Job Searches.</p>	<p>When the Job Search Period ends and the number of Job Search efforts that are recorded by the Participant in the Department's IT System is not equal to the number of Job Search efforts that are required under the Participant's Job Plan.</p>	<p>When the Job Search Period ends and the number of Job Search efforts that are recorded by the Participant in the Department's IT System is not equal to the number of Job Search efforts that are required under the Participant's Job Plan.</p> <p>Demerit is automatically created and confirmed.</p>	<p>When the Job Search Period ends and the number of Job Search efforts that are recorded by the Participant in the Department's IT System is not equal to the number of Job Search efforts that are required under the Participant's Job Plan.</p> <p>Demerit is automatically confirmed.</p>	<p>When the Provider selects 'Yes' in response to the question 'Do you accept the job seeker's reason?' and records the reason accepted as a Valid Reason on the Provider Re-engagement Page in the Department's IT Systems.</p> <p><i>OR</i></p> <p>When the Provider selects 'Yes' in response to the question 'Has the job seeker now met their re-engagement requirement?' on the Provider Re-engagement Page in the Department's IT Systems.</p> <p><i>OR</i></p> <p>When the Provider selects 'Unable to Re-engage Within 2 Business Days' on the Provider Re-engagement page in the Department's IT Systems. See the discussion on page 25 of this Guideline regarding when a Provider must select 'Unable to Re-engage Within 2 Business Days'.</p> <p><i>OR</i></p> <p>When the Provider selects 'Requirement no longer needs to be met' on the Provider Re-engagement page in the Department's IT Systems.</p> <p><i>OR</i></p> <p>If a Capability Assessment is the Reconnection Requirement, Services Australia will lift the Income Support Payment suspension once the Participant contacts them to participate in a Capability Assessment.</p> <p><i>OR</i></p>
	<p>If the Provider assesses that submitted Job Search efforts are not of satisfactory quality to have satisfactorily met their requirement, payment is suspended when the Provider records an 'Unsatisfactory' assessment result in the Job Search Reporting page.</p>	<p>When the Provider records an 'Unsatisfactory' assessment result in the Job Search Reporting page.</p>	<p>When the Provider records the reason they did not accept as a Valid Reason in the Department's IT Systems.</p> <p>See the discussion on page 20 of this Guideline regarding when a Provider must select a description of the Participant's</p>	

<b>Type of potential Mutual Obligation Failures</b>	<b>When is a Participant's Income Support Payment suspended?</b>	<b>When is a Demerit created (pending confirmation) on a Participant's record?</b>	<b>When does a Participant accrue a Demerit (i.e. the Demerit is confirmed)?</b>	<b>When is a Participant's Income Support Payment suspension lifted?</b>
			reason that was not a Valid Reason.	When the Provider selects 'Compliance action no longer appropriate' on the Provider Re-engagement page. See the discussion on page 26 of this Guideline regarding when a Provider must select 'Compliance action no longer appropriate'.

## Attachment B - Overview of the Targeted Compliance Framework



## Attachment C—‘Rescheduled’, ‘No Longer Required’ and ‘Requirement no longer needs to be met’ reason options

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### ‘Rescheduled’ or ‘No Longer Required’

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| <ul style="list-style-type: none"> <li>• Acceptable Reason—Caring/family reasons</li> <li>• Acceptable Reason—Housing—instability issues/inspections</li> <li>• Acceptable Reason—Legal requirements</li> <li>• Acceptable Reason—Travel/transport—access/financial issues</li> <li>• Acceptable Reason—Local issue/natural disaster</li> <li>• Reason not acceptable—flexibility utilised</li> </ul> | <ul style="list-style-type: none"> <li>• Acceptable Reason—Cultural business</li> <li>• Acceptable Reason—Major personal crisis affecting job seeker</li> <li>• Acceptable Reason—Medical/health reason</li> <li>• Acceptable Reason—Working on day of requirement</li> <li>• Provider Initiated—Requirement can’t be delivered</li> </ul> |
|---|--|
- 

### ‘Requirement no longer needs to be met’

Job Search	Job referrals
<ul style="list-style-type: none"> <li>• Job Plan requires update to reflect new job search efforts</li> <li>• Paid work impacting level of job search</li> <li>• Major personal crisis impacting job seeker</li> <li>• Ongoing local issue/natural disaster impacts ongoing compliance</li> <li>• Cultural business for extended period</li> <li>• Significant and ongoing caring/family duties—no exemption</li> <li>• Significant and ongoing medical/health issues—no exemption</li> </ul>	<ul style="list-style-type: none"> <li>• Applications closed/Vacancy withdrawn</li> <li>• Caring/family duties</li> <li>• Conditions or pay not suitable</li> <li>• Housing instability/emergency</li> <li>• Legal requirements</li> <li>• Local issue/natural disaster</li> <li>• Medical/health issue</li> <li>• Major personal crisis affecting job seeker</li> <li>• Position no longer suitable</li> <li>• Referral created in error</li> </ul>

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## Attachment D – Targeted Compliance Framework (TCF) workflow

The following table describes the TCF workflow Providers must undertake when the Provider considers that the TCF cannot be applied but the Participant has been non-compliant.

Reason	TCF is applicable	TCF is not applicable
Job seeker submitted a poor quality job search application	<ul style="list-style-type: none"> <li>As per the Guideline, if job search is unsatisfactory in quality apply the TCF.</li> </ul> <p>For details on how to report non-compliance due to unsatisfactory Job Search efforts, refer to:</p> <p><i>Task Card Guide – Monitoring Job Search Requirements.</i></p>	<ul style="list-style-type: none"> <li>When the TCF cannot be applied, for example if the unsatisfactory job application was submitted in a previous reporting period that is now finalised and cannot be quality reviewed, attempt contact with the job seeker to discuss the matter.</li> <li>If contact is unsuccessful, schedule a Provider Appointment for the job seeker to attend (if there is not one already scheduled to occur within a reasonable timeframe).</li> <li>Discuss with the job seeker – over the phone or during the Provider Appointment – and where applicable, the information provided by the Employer Reporting Line (through the Employer Report Referral) - and provide guidance on how to improve the quality of the job seeker’s job search applications. During this discussion Providers should also consider referring the job seeker to activities to build or improve employability skills or similar appropriate activities.</li> </ul>
Job seeker did not attend or behave appropriately at a job interview	<ul style="list-style-type: none"> <li>As per the Guideline, if a job seeker failed to attend or behaved inappropriately at a scheduled job interview that their Provider notified them of with no valid reason apply the TCF.</li> </ul> <p>For details on how to report non-compliance refer to:</p> <p><i>Task Card Guide – Recording attendance results for Third Party Appointments, Job Interviews and Activities where the Provider is responsible for this.</i></p> <p><i>Task Card Guide – Actions following a no Result Entered (NRE) and Did Not Attend (DNA) result.</i></p>	<ul style="list-style-type: none"> <li>Review the job seeker’s calendar. If the interview was not scheduled in the job seeker’s calendar the TCF is not applicable. However, Providers must discuss the information provided in the Employer Report Referral with the job seeker.</li> <li>Attempt contact with the job seeker to discuss the matter.</li> <li>If contact is unsuccessful, schedule a Provider Appointment for the job seeker to attend (if there is not one already scheduled to occur within a reasonable timeframe).</li> <li>Discuss with the job seeker – over the phone or during the Provider Appointment – and where applicable, the information provided by the Employer Reporting Line (through the Employer Report Referral) - and provide guidance on successful job interview techniques. During this discussion Providers should also consider referring the job seeker to activities to build or improve employability or similar appropriate activities.</li> </ul>



Reason	TCF is applicable	TCF is not applicable
<p>Job seeker was offered a suitable job by an employer but did not accept the job, or accepted a job offer but did not commence on the agreed start date</p>	<ul style="list-style-type: none"> <li>• If not already assessed undertake a suitable work assessment.</li> <li>• As per the <i>Work Refusal and Unemployment Failure Guideline</i>, if no valid reason apply the TCF.</li> <li>• This must be reported to Services Australia as a Work Refusal Failure.</li> </ul> <p>For details on how to create a Work Refusal Failure Report, refer to: <i>Task Card Guide – Reporting Work Refusal Failures.</i></p>	<ul style="list-style-type: none"> <li>• If not already assessed undertake a suitable work assessment.</li> <li>• If the assessment determines that the work is unsuitable, no further action required.</li> <li>• If the assessment determines that the work was suitable, review the date of the job offer. If it is more than 10 business days since this date the TCF is not applicable. However, Providers must discuss the information provided in the report with the job seeker.</li> <li>• Attempt contact with the job seeker to discuss the matter.</li> <li>• If contact is unsuccessful, schedule a Provider Appointment for the job seeker to attend (if there is not one already scheduled to occur within a reasonable timeframe).</li> <li>• Discuss with the job seeker – over the phone or during the Provider Appointment – and where applicable, the information provided by the Employer Reporting Line (through the Employer Report Referral) - and provide guidance on accepting and commencing suitable employment. During this discussion Providers should also consider referring the job seeker to activities to build or improve employability or similar appropriate activities.</li> </ul>
<p>Job seeker voluntarily left a suitable job or was dismissed due to misconduct</p>	<ul style="list-style-type: none"> <li>• As per the <a href="#">Work Refusal Failures and Unemployment Failures</a> Guideline, if following a discussion with the job seeker, the Provider considers that the job seeker has committed an apparent Unemployment Failure,</li> <li>• apply the TCF.</li> <li>• This must be reported to Services Australia as an Unemployment Failure.</li> </ul> <p>For details on how to create an Unemployment Failure Report, refer to: <i>Task Card Guide – Reporting Unemployment Failures.</i></p>	<ul style="list-style-type: none"> <li>• As per the <a href="#">Work Refusal and Unemployment Failure</a> Guideline, if following a discussion with the job seeker, the Provider considers that the job seeker has not committed an apparent Unemployment Failure, no further action is required.</li> <li>• However, if the Provider considers that the job seeker has committed an apparent Unemployment Failure but the TCF cannot be applied, as more than 20 business days have passed since the incident date, Providers must while in contact with the job seeker: <ul style="list-style-type: none"> <li>○ discuss the information provided by the Employer Reporting Line (through the Employer Report Referral) where applicable and provide guidance on sustaining employment.</li> <li>○ during this discussion Providers should also consider referring the job seeker to activities to build or improve employability or similar appropriate activities.</li> </ul> </li> </ul>

## Attachment E—Valid Reason assessment options

The following tables replicate the drop-down menus in the system. When recording a reason that is a Valid Reason or that is not a Valid Reason in the Department’s IT Systems, the appropriate menu will appear. Reasons may appear in both columns and may be a Valid Reason or not a Valid Reason, depending on the Provider’s determination (see the Assessing Valid Reasons’ section of these Guidelines, above). In the Department’s IT Systems, ‘reasons accepted’ refers to Reasons that the Provider determines are Valid Reasons, and ‘reasons not accepted’ refers to Reasons that the Provider determines are not Valid Reasons.

### Failure to attend a Provider Appointment, Third Party Appointment, activity or job interview

Reasons accepted	Reasons not accepted
<ul style="list-style-type: none"> <li>• Caring/family reasons that were unforeseeable—unable to advise prior</li> <li>• Conditions or pay not suitable*</li> <li>• Conditions/skills beyond job seeker capacity*</li> <li>• Cultural business—unable to advise prior</li> <li>• Believe job seeker thought they were exempt</li> <li>• Housing instability issues—unable to advise prior</li> <li>• Housing—landlord/property inspection—unable to advise prior</li> <li>• Legal requirements—unable to advise prior</li> <li>• Local issue/natural disaster—unable to advise prior</li> <li>• Major personal crisis affected job seeker—unable to advise prior</li> <li>• Medical/health reason—unable to advise prior</li> <li>• Notification issue—not aware of requirement</li> <li>• Travel/transport, did not have money to pay—unable to advise prior</li> <li>• Travel/transport access issue—unable to advise prior</li> <li>• Working on day of requirement—unable to advise prior</li> </ul>	<ul style="list-style-type: none"> <li>• Away from home/on holiday</li> <li>• Caring/family reasons</li> <li>• Caring—claims childcare will be too expensive if offered job*</li> <li>• Conditions—claims job does not match skills*</li> <li>• Conditions—claims not in preferred employment industry*</li> <li>• Did not believe they had a requirement</li> <li>• Did not think they had to attend—thought exempt</li> <li>• Did not want to attend requirement</li> <li>• Forgot about requirement</li> <li>• Got lost/got time wrong</li> <li>• Housing instability issues</li> <li>• Medical/health reason</li> <li>• Slept in/missed requirement</li> <li>• Travel/transport—did not have money to pay</li> <li>• Travel/transport issue—did not have access</li> <li>• Travel/transport issue—claims distance too great</li> <li>• Undertaking other non-mutual obligation requirement</li> <li>• Prior notice not given and reasonable to expect:               <ul style="list-style-type: none"> <li>• Caring/family reasons</li> <li>• Housing—landlord/property inspection</li> <li>• Legal requirement</li> <li>• Medical/health reason</li> </ul> </li> </ul>

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**Failure to attend a Provider Appointment, Third Party Appointment, activity or job interview**

Reasons accepted	Reasons not accepted
	<ul style="list-style-type: none"> <li>• Travel/transport—did not have money to pay</li> <li>• Travel/transport issue—did not have access</li> <li>• Working on day of requirement</li> </ul>

*\*Applicable to Job Interviews only*

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**Misconduct at a Provider Appointment, Third Party Appointment, activity or job interview**

Behaviours that may be considered misconduct which prevent the purpose of the requirement from being met include:

<ul style="list-style-type: none"> <li>• Appeared intoxicated/under the influence</li> <li>• Disingenuous</li> <li>• Disruptive/disengaged—unable to complete requirement</li> <li>• Inadequate presentation/attire at requirement</li> <li>• Left prior to completion of requirement</li> </ul>	<ul style="list-style-type: none"> <li>• Physically abusive—unable to deliver requirement</li> <li>• Self-sabotage</li> <li>• Theft</li> <li>• Verbally abusive—unable to deliver requirement.</li> </ul>
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Reasons accepted	Reasons not accepted
<ul style="list-style-type: none"> <li>• Did not have appropriate attire to wear at requirement</li> <li>• Disability/condition presenting itself as misconduct</li> <li>• Major personal crisis affected job seeker</li> <li>• Medical issue/condition contributed to behaviour</li> </ul>	<ul style="list-style-type: none"> <li>• Couldn't control behaviour/self</li> <li>• Denied nature of misconduct</li> <li>• Did not believe they were impacted by substances</li> <li>• Did not think they had to stay for the duration</li> <li>• Did not think they were dressed inappropriately</li> <li>• Did not want to participate/engage with requirement</li> <li>• Falsified disability/condition presenting itself as misconduct</li> <li>• Did not want that job*</li> </ul>

*\*Applicable to Job Interviews only*

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**Failure to agree to a Job Plan**

Reasons accepted	Reasons not accepted
<ul style="list-style-type: none"> <li>• Did not understand requirement to agree to Job Plan</li> <li>• Required further assistance to understand terms of Job Plan</li> <li>• Housing instability issues—unable to return Plan or advise prior</li> <li>• Local issue/natural disaster—unable to return Plan or advise prior</li> <li>• Legal requirements—unable to return Plan or advise prior</li> <li>• Medical/health reason—unable to return Plan or advise prior</li> <li>• Travel/transport access issue—unable to return Plan or advise prior</li> </ul>	<ul style="list-style-type: none"> <li>• Away from home/on holiday</li> <li>• Caring/family reasons—claims no time to participate</li> <li>• Does not believe they have to meet requirements</li> <li>• Refuses to participate in employment services</li> <li>• Refuses to look for work—number or overall</li> <li>• Refuses to participate due to study</li> <li>• Refuses to participate in specific activity</li> <li>• Refuses to participate/claims to have no time due to paid work</li> <li>• Refuses to participate due to self-employment</li> <li>• Refuses to discuss requirements</li> <li>• Refuses to participate due to undertaking other, non-mutual obligation requirements</li> <li>• Does not want to enter into a Job Plan</li> <li>• Forgot about requirement</li> <li>• Medical/health reason—could not return Plan</li> <li>• Caring/family reasons—could not return Plan</li> <li>• Travel/transport issues—could not return Plan</li> </ul>

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**Failure to satisfactorily meet a Job Search Requirement**

Reasons accepted	Reasons not accepted
<ul style="list-style-type: none"> <li>• Caring/family duties that were significant—no exemption</li> <li>• Cultural business for extended period</li> <li>• Housing instability issues</li> <li>• Legal requirements impacted job search</li> <li>• Local issue/natural disaster impacted job search</li> <li>• Medical/health reason—no exemption</li> <li>• Major personal crisis—no exemption</li> </ul>	<ul style="list-style-type: none"> <li>• Away from home/on holidays</li> <li>• Caring/family requirements affected job search</li> <li>• Claims other requirements affected job search</li> <li>• Does not believe suitable jobs are available</li> <li>• Does not want to apply for jobs</li> <li>• Does not want to apply for jobs using different methods</li> <li>• Does not want to look for work in diverse industries</li> <li>• Does not want to tailor applications to industry</li> <li>• Forgot about job search/got due date wrong</li> <li>• Housing instability</li> <li>• Medical/health reasons</li> <li>• States not required to look for work</li> <li>• States too many job searches required</li> <li>• Technology issue—claims could not submit efforts online</li> <li>• Technology issue—reported job search efforts incorrectly</li> <li>• Thinks quality of applications is satisfactory</li> </ul>

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**Failure to act on a job referral**

Reasons accepted	Reasons not accepted
<ul style="list-style-type: none"> <li>• Caring/family duties were significant—no exemption</li> <li>• Commute to/from workplace—distance too great/expensive</li> <li>• Conditions or pay not suitable</li> <li>• Conditions/skills for job beyond job seeker capacity</li> <li>• Cultural business for extended period</li> <li>• Cultural—workplace unsuitable for cultural/religious reasons</li> <li>• Housing instability issues</li> <li>• Legal requirements prevented compliance</li> <li>• Local issue/natural disaster prevented compliance</li> <li>• Major personal crisis affected job seeker</li> <li>• Medical/health reason prevented compliance</li> <li>• Notification issue—not aware of requirement</li> <li>• PCP—job seeker not better off financially</li> <li>• Technology—no access to technology to complete requirement</li> <li>• Technology—no phone or credit to contact employer</li> </ul>	<ul style="list-style-type: none"> <li>• Acted in a manner that did not result in a job offer/interview</li> <li>• Away from home/on holiday</li> <li>• Believes not required to look for work</li> <li>• Caring/family requirements</li> <li>• Caring—claims childcare will be too expensive if job offered</li> <li>• Conditions—claims job does not match skills</li> <li>• Conditions—claims not in preferred employment industry</li> <li>• Conditions—claims too many or too few hours</li> <li>• Conditions—pay not enough (within allowable policy)</li> <li>• Does not want job</li> <li>• Forgot about requirement</li> <li>• Housing instability</li> <li>• Medical/health reason</li> <li>• Résumé not acceptable standard</li> <li>• Technology—claims no access to technology to complete requirement</li> <li>• Technology—claims no phone or credit to contact employer</li> <li>• Travel/transport issue—claims distance too great/expensive</li> </ul>

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## Attachment F—Manual Demerit removal options

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### All Demerit types

Reason	Description
Issue affected overall capability—requirements changed	The Participant’s personal circumstances would have likely affected their overall capability to meet requirements. Their Provider has updated their requirements to be more appropriate and to support the Participant to meet them.
New information disclosed—job seeker in services to address	New information about the Participant has been disclosed which impacted their ability to meet requirements at the time they accrued the Demerit. The Provider has referred the Participant to services, or the Participant is in services, to address this issue.
New information disclosed—likely impacted compliance	New information about the Participant has been disclosed which impacted their ability to meet requirements at the time they accrued the Demerit, and should it have been known, would likely have meant the Participant had a Valid Reason.
Provider Error	An error occurred and the Participant should not have accrued a Demerit—for example, they had a Valid Reason or they should not have had the requirement.

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## Job Search Demerits

Reason	Description
Issue affected overall capability— requirements changed	The Participant’s personal circumstances would have likely affected their overall capability to meet requirements. Their Provider has updated their requirements to be more appropriate and to support the Participant to meet them.
Job Search efforts submitted after end of Job Search Period— Valid Reason identified	The Participant has submitted their outstanding Job Search efforts online, following payment suspension. Upon Participant contact, the Provider identified that the Participant had a Valid Reason for not submitting their efforts by the end of their Job Search Period.
Adjustment not made— paid work impacted number required	The Participant’s declared earnings for that period mean that their Provider should have reduced their level of job search. <i>Note: this is only applicable where paid work/self-employment is not included in the Job Plan as a requirement. Where it is included, the Department’s IT system will automatically make this adjustment based on hours committed to per fortnight (regardless of actual earnings).</i>
Adjustment not made— exemption impacted number required	The Participant had an Exemption during the Job Search Period. Although the system re calculated their required efforts based on the exemption period, the Provider should have made further adjustment due to the nature of the Exemption.
Adjustment not made to number of Job Search efforts required	The Provider failed to adjust the Participant’s required Job Search efforts for the Job Search Period. The result was that the number of required efforts was too high, and the Provider will makes the adjustment in the Job Plan for the next Job Search Period.
Job Search efforts were reported manually within Job Search Period	The Participant provided their Job Search efforts to their Provider during the Job Search Period; however, the Provider did not record them in the Department’s IT System before the end of the Participant’s Job Search Period.
Job Search efforts were satisfactory	The Provider had assessed that the Participant’s Job Search efforts were unsatisfactory in quality. Upon review, the Provider identified that the efforts and quality were satisfactory.



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**Job Plan Demerits**

<b>Reason</b>	<b>Description</b>	<b>Type of failure</b>
Job Plan accepted online—Valid Reason identified	The Participant accepted their Job Plan online, but only after the due date. Upon contact with the Participant, the Provider identified that they had a Valid Reason for not agreeing to the Job Plan within the required timeframe.	Job Plan
Job Plan terms unreasonable/inappropriate	Upon another review of the Job Plan and discussion with the Participant, the Provider identified that the requirements in the Plan are not suitable for Participant.	Job Plan
Signed Job Plan was returned	An error occurred and the Participant did not return their signed hardcopy Job Plan within the required timeframe, however the Provider did not record this agreement in the Department's IT System.	Job Plan—where think time granted (hardcopy)
Job seeker did agree to Job Plan at appointment	An error or misunderstanding occurred and the Participant did actually agree to their Job Plan onsite. However, the Provider did not record this agreement in the Department's IT System, and they used the compliance framework instead.	Job Plan—think time granted (hard copy) or refusal recorded
Job seeker did not refuse to sign Job Plan	An error or misunderstanding occurred and the Participant had not refused to agree to their Job Plan onsite. However the Provider did not record their agreement or their request for think time, and they used the compliance framework instead.	Job Plan—refusal

## Attachment G—‘Unable to Re-engage Within 2 Business Days’ reason options

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### ‘Unable to Re-engage within 2 Business Days’

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- Caring/family duties that were unexpected impacts attendance
  - Cultural business over next two business days impacts attendance
  - Full-Time Activity/Training impacts attendance
  - Housing instability/emergency impacts attendance
  - Legal requirements impact attendance
  - Local issue/natural disaster impacts attendance
  - Major personal crisis affecting job seeker impacts attendance
  - Medical/health issue over next two days impacts attendance
  - Travel/transport—exceptional issue impacts attendance
  - Working over next two business days
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## Attachment H—‘Re-engagement Not Required’ reason options

The following table describes the options Providers have to record the reason a Re-engagement is Not Required. The table also indicates which requirements each of the options can be recorded against.

Reason	Appointment (Provider or third party)	Activity	Job interview	Job Plan	Job referral
Re-engagement not required—non-compliance discussed	✔	✔	✔		✔
Outreach/ Part-time site impacts re-engagement	✔	✔	✔		
Unable to be arranged in next two days		✔			
Applications closed/ Vacancy withdrawn					✔
Local issue/natural disaster impacts compliance	<i>Record as ‘unable to re-engage within 2 business days’</i>			<i>Record ‘compliance action no longer appropriate’</i>	✔
Major personal crisis impacts compliance					✔
Departmental Override*	✔	✔	✔	✔	✔
Exit/Transfer from services*	✔	✔	✔	✔	✔

\* Departmental Users or the IT system (automatically) only

## Attachment I—‘Compliance Action No Longer Appropriate’ reason options

The following table describes the options Providers have to record the reason Compliance Action is No Longer Appropriate. The table also indicates which requirements each of the options can be recorded against.

Reason	Appointment (Provider or third party)	Job Plan	Activity or job interview	Job Search	Job referral
Applications closed/ Vacancy withdrawn					✓
Local issue /natural disaster impacts compliance	✓		✓	✓	✓
Major personal crisis impacts compliance	✓	✓	✓	✓	✓
Significant and ongoing caring/family duties—no exemption				✓	
Significant and ongoing medical/health issues—no exemption				✓	
Job seeker requirements changed—job search not applicable				✓	
Departmental Override*	✓	✓	✓	✓	✓
Exit/Transfer from services*	✓	✓	✓	✓	✓