Brotherhood of St Laurence
Working for an Australia free of poverty

POLICY POSITION

From mutual obligations to non-punitive mutual agreement

Context

Currently, mutual obligations requirements are compulsory tasks and activities applied to people receiving some categories of income support in order to receive their payments. Penalties may apply if requirements are not met, including payment reduction, suspension or cancellation. The stated intention of mutual obligations is to support and maintain engagement in employment services to help people subject to them to get a job. However, the current system settings are failing to achieve this aim and causing harm.

BSL position and recommendations to government

The Brotherhood of St. Laurence (BSL) considers that a new approach is needed to effectively support and maintain engagement in employment services. This approach must be fair, lawful and focused on building jobseeker capability and confidence to support them to move into employment, rather than punitive measures that push people further away from the labour market. We are calling for a reimagining of mutual obligations as follows:

- Separate social security from employment services, and advance reforms to make the employment services system more effective and useful for jobseekers.[1] The social security system is intended to meet basic needs for people unable to work or unable to secure work. The employment services system is intended to support people to prepare for, and find, work. A high quality, effective employment service system will draw jobseekers to engage and participate on the basis of a realistic expectation of employment outcomes. Conversely, a low quality, ineffective, employment services system will require compulsion (in the form of penalties and sanctions) to drive participation. De-linking these systems, and developing a more effective employment services system, will improve outcomes for both jobseekers and government. Further, an effective system to try to address low engagement by the few.
- Remove the Targeted Compliance Framework (TCF). The TCF is a system of penalties and sanctions that has caused widespread and avoidable harm, entrenched poverty and failed to meet employment objectives.
- Reform mutual obligations towards reciprocity-based practice that features a non-punitive mutual agreement between service providers and jobseekers. Importantly, by outlining expectations

[1] See recommendations from the House Select Committee Inquiry into Workforce Australia Employment Services final report Rebuilding Employment Services – Parliament of Australia.

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applied to both service providers and jobseekers, including the mutual investment required by both participants and providers, greater mutual accountability is possible. This approach, framed as 'the Deal', has been applied successfully by BSL for more than 10 years.

Towards a reformed mutual obligations approach – 'the Deal'[2]

'The Deal' is a model BSL has used to engage people in employment-related support. It demonstrates a different approach to mutual obligations, particularly for people experiencing disadvantage and barriers to work.

Experience has shown that providing jobseekers – particularly those experiencing disadvantage - with greater agency and choice over decisions about their employment pathways is intrinsically motivating. People are more persistent in their pursuit of employment, education and training goals if they have chosen, and are supported, to pursue them and it is linked to their interests and aspirations. This leads to better and more sustainable outcomes, as well as increased wellbeing and self-confidence.

The Deal seeks to rebalance the traditional focus of employment services on a 'push' approach to the activation of jobseekers with 'pull' factors that invest in people's potential and capability. The Deal does this by upholding both the rights and responsibilities of jobseekers and employment services.

Key characteristics of the Deal include:

- a non-punitive mutual agreement between service providers and the person presenting to the service
- outlining the expectations providers hold of people accessing services, and that participants hold of providers in return. It outlines the mutual investment required by participants and the provider
- expressing value and respect through mutual investment expectations
- recognising people's capacity for accountability taking account of their diverse circumstances, and values their ability to contribute to and shape what support is likely to be beneficial for them
- holding people in high regard – services can have expectations of people while recognising the different contribution each party makes to the Deal.

The Deal reframes participation. While the Deal can set out some service requirements, the Deal is not used as a compliance tool. While participants may have to meet some requirements, the Deal allows participants to pursue their goals, while getting access to the support they need. In turn they are expected to show up and work towards their goals.

The Deal has been tested within BSL services, including the Thrive Hubs, and with partner organisations delivering Transition to Work (TtW) employment services. TtW included a national community of practice, made up of providers from every state and territory across Australia. Evaluation has found that a culture of reciprocity and mutual accountability enabled young people to make progress with career goals and job plans.

[2] For further detail, see: Submission to Shaping the future of Employment Services discussion paper.

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