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Australia Watchdog Slams Jobseeker Payment Cancellations

August 5, 2025

— Categories: General News



A new report by the Commonwealth Ombudsman has revealed that 964 JobSeeker recipients had their payments unlawfully cancelled due to failures by Services Australia and the Department of Employment and Workplace Relations (DEWR).

The cancellations occurred between April 2022 and July 2024 under the Targeted Compliance Framework (TCF), which was designed to ensure recipients meet mutual obligations, such as attending job appointments or actively searching for work. However, the

Ombudsman found that amendments made to the framework in 2022 were not properly implemented.

The watchdog described the departments' actions as having potentially catastrophic consequences for vulnerable Australians. Ombudsman Iain Anderson said the agencies failed to consider individual circumstances before terminating payments, leading to decisions that were both unlawful and automated.

The failure to exercise discretion posed potentially significant, if not catastrophic, consequences for vulnerable job seekers, Anderson wrote.

The report also criticised DEWR Secretary Natalie James for not taking adequate steps to ensure legal safeguards were in place after the 2022 amendment. Notably, 45 additional cancellations occurred even after a formal pause was announced in September 2024, due to what was later identified as an IT system error, the fifth such error reported.

The findings raise further concerns about automated decision-making in welfare services, especially in light of the Robodebt Royal Commission, which had already exposed the risks of relying on automated systems to manage vulnerable populations.

This incident adds to growing scrutiny of how Australian government agencies are using automation in welfare programs, particularly when it comes to compliance enforcement.

The Commonwealth Ombudsman's report is set to be formally released this week.