



To **Minister for Employment and Workplace Relations**

Action Required **For Noting**

Implementation of recommendations from Commonwealth Ombudsman Report

Timing **Not Applicable.**

Recommendation:

1. That you **note** the Department of Employment and Workplace Relations' update on the implementation of the recommendations from the Commonwealth Ombudsman (the Ombudsman) Report: *Cancellation of Income Support Payments Under the Targeted Compliance Framework (Report No. 1)*.

Minister Rishworth

Noted / Please discuss
Date: 30 / 10 / 2025

Comments:

Clearing Officer

s 22(1)

15 / 10 / 2025
 s 22(1) Deputy Secretary
 Employment and Workforce
 Department of Employment and Workplace Relations
 Mob: s 22(1)

Contact Officer

s 22(1)
 Assistant Secretary
 Integrity of the TCF Taskforce |
 Employment Strategy and Policy
 Mob: s 22(1)

Executive summary:

1. In July 2025, the department briefed you on the Ombudsman's Draft Report on the Investigation of Cancellation of Income Support Payments Under the Targeted Compliance Framework (Report No. 1) and the department's response to this report (**MS25-000453** refers).
2. The final report, including the department's response, was published by the Ombudsman on 6 August 2025 and made 7 recommendations, all of which have been accepted by the department.
3. Your office has requested an update on the status of the department's implementation of the recommendations from Report No. 1.

Key Points:

4. The recommendations from the Report No. 1 share common themes with the recommendations from Deloitte's Targeted Compliance Framework (TCF) Assurance Review, which are:
 - a. issues with translation of legislation and policy into system and operations
 - b. inadequate governance, assurance and oversight
 - c. system immaturity, limited performance measurement and fragility of the system.
5. Of the 7 recommendations made by the Ombudsman, one has been implemented, one has been partially implemented (with further work being carried out) and 5 are in progress. Refer to **Attachment A** for further details.
6. In accordance with the department's formal response to the Ombudsman, the department is working with Services Australia to implement the Ombudsman's recommendations as part of the department's TCF Integrity Assurance Program.
7. The department are preparing a comprehensive TCF Program of Works which sets out priority actions to address the issues identified across the Assurance Review and the Ombudsman's Report No. 1. The department will provide you with a copy once finalised.

Public Sensitivities:

8. Since the publication of Report No. 1, there has been increased scrutiny and public interest in the administration and operations of the TCF, as well as increased attention from the media and employment service advocacy groups. This includes calls from the civil society peaks for the removal of mutual obligation requirements and the TCF. Senate hearings have also asked for updates on the implementation of Ombudsman recommendations.

Consultation:

9. The department continues to work closely with Services Australia on addressing the joint recommendations of Report No. 1.
10. The department continues to inform peak stakeholder bodies, as well as other impacted government agencies on the pausing of certain decisions under the TCF.

Legal advice / Legislative impacts:

11. N/A

Financial impacts:

12. While there are no immediate financial impacts, there will be financial impacts as the department continues to address the recommendations made by the Ombudsman, as well as recommendations and findings from the independent assurance and legal reviews.

13. The department is progressing a 2025–26 Mid-Year Economic and Fiscal Outlook submission to you which will allow the TCF to be lawfully administered. This includes some changes to Services Australia processes, with associated costs being worked through with Services Australia. s 47C(1)

s 47C(1)

Background:

14. On 4 February 2025, the Ombudsman announced that he was commencing an Own Motion Investigation into the actions of the department and Services Australia in administering the cancellation of participation payments under s 42AF(2) of the Admin Act.
15. In June 2025, the Ombudsman expanded the scope to consider whether the decision-making processes that result in cancellation decisions are fair and reasonable, how the department maintains oversight of decision-making delegated to employment service providers, as well as assessing remediation strategies for those affected by unlawful cancellations.
16. This meant that the Ombudsman would carry out a review in 2 phases:
- a. Phase 1 - will address the implementation of the legislative amendments to the Admin Act in April 2022
 - b. Phase 2 - will consider whether decision-making processes that result in cancellation decisions are fair and reasonable, and the appropriateness of the department's remediation strategy.
17. The Phase 2 report (including drafts) is yet to be received by the department. The timing of publication is a matter for the Ombudsman, however the department expect this could occur in the coming weeks.

Stakeholder Implications:

18. In response to the release of Report No. 1, the department has actioned the following to ensure transparency on the matter from impacted stakeholders:
- a. On 6 August 2025, the department published a Statement from the Secretary in response to the Ombudsman report on the department's website at www.dewr.gov.au/assuring-integrity-targeted-compliance-framework.
 - b. The TCF Stakeholder Reference Group, employment services providers and community and peak representative organisations were informed of the outcomes of the report.

Attachments:

- A:** Commonwealth Ombudsman Report One - DEWR Action summary

Commonwealth Ombudsman Report – Report One – DEWR Implementation Action Summary

Attachment A

No.	Recommendation	Status	DEWR Actions to address recommendations	Key timeframes
1	The Secretary of DEWR not resume cancellations under section 42AF(2) of the SSA Act until satisfied that the identified errors have been rectified and that policies, processes and systems are in place that will ensure cancellations comply with the law.	Implemented	<p>In relation to section 42AF (2) of the SSA, the Secretary has made decisions to pause the following provisions:</p> <ul style="list-style-type: none"> • 4 July 2024: Pause of 42AF(2)(d) – payment cancellation decisions due to persistent mutual obligation failures. • 6 March 2025: Pause of 42AF(2)(c) – reductions of people’s social security participation payments due to persistent mutual obligation failures. <p>Decision-making will remain paused until the Secretary has confidence that decision-making to reduce or cancel a person’s social security participation payment under section 42AF(2) can be made lawfully and in accordance with policy.</p> <p>In addition to decisions to pause 42AF(2)(d) and (c), the Secretary has paused the following provisions of the SSA Act:</p> <ul style="list-style-type: none"> • 24 September 2024: 42AM – cancellation of people’s social security participation payments for not meeting a ‘reconnection requirement’ within 4 weeks. • 5 March 2025: 42AH – cancellations of people’s social security participation payments and to impose non-payment periods due to unemployment failures. • 5 July 2025: 42AG – suspension and cancellation decisions for work refusal failures. 	Ongoing
2	The DEWR Secretary comply with section 159A of the Social Security Legislation Amendment (Streamlined participation Requirements and Other Measures) Act 2022 and determine a Digital Protections Framework.	In progress	<p>The department will initiate new consultation with appropriate stakeholders, including civil society and First Nations peaks, on the development of an effective Digital Protections Framework (DPF).</p> <p>Insights from reviews and user feedback via the complaints service will inform the Framework to ensure transparency. The Framework will also clearly align with SPROM requirements.</p> <p>The revised Framework is expected to be principles-based, similar to the TCF remediation framework. DEWR will engage AGD on whole-of-government considerations related to this approach.</p>	Early 2026: Consultation with external stakeholders is expected to commence following reviews. Implementation timeframes will be subject to consultation feedback.
3	DEWR and Services Australia develop a placemat on roles in Legislation development that is provided to all staff at the start of a legislative drafting process. The placemat should include who is responsible for ensuring and consulting on relevant automated systems’ compliance with administrative law principles.	In Progress	<p>DEWR and Services Australia will work together to develop a protocol which outlines the roles and responsibilities of each entity in the legislative drafting process and relevant consultation.</p> <p>The following actions have been taken to support the progression of this work:</p> <ul style="list-style-type: none"> • Development of 14 individual TCF participant pathway maps setting out operational workflows and relevant legal advice and statutory provisions including: <ul style="list-style-type: none"> ○ those impacting remediation, and ○ involving a human decision maker 	December 2025: Implementation of SA Protocol placemat will commence following the finalisation of the TCF process maps.

Commonwealth Ombudsman Report – Report One – DEWR Implementation Action Summary

Attachment A

No.	Recommendation	Status	DEWR Actions to address recommendations	Key timeframes
			<ul style="list-style-type: none"> ○ other changes that will require a decision of Government. ● The maps are expected to be finalised by end of October 2025. ● Once finalised, the maps will be used to underpin IT System business rules steps and data flows and create a shared understanding of relevant automated systems' compliance with administrative law principles which will contribute to the development of the placemat. 	
4	All DEWR and Services Australia staff who make delegated decisions, and work on decision-making policy, be provided annual training on administrative law requirements for making valid decisions, including the exercise of discretion.	Partially Implemented	<p>The following actions have been taken to support the implementation of this recommendation:</p> <ul style="list-style-type: none"> ● In March 2024, DEWR implemented mandatory training for all departmental staff: <i>Making Good Decisions—A guide to administrative decision-making</i>. This training includes content about good decision-making under legislation (including delegations), the exercise of discretion, decision-making policy and good practices around making decisions that are valid and enforceable. DEWR staff are required to complete this training annually. <ul style="list-style-type: none"> ○ As of 31 August 2025, DEWR's APS headcount was 4447, and out of those staff, 3896 had completed the 'Making Good decisions' training between 31 August 2024 and 31 August 2025 (87.6% compliance). ● In May 2025, DEWR implemented a legislation and delegation guide that sets out key obligations and requirements imposed across all legislation which DEWR administers. ● To supplement this guide, the department is developing TCF participant pathway process maps (refer to Recommendation 3 for more detail). ● DEWR is currently implementing 'Legal Decision-Making' training, facilitated by external legal advisors, for non-lawyer decision-makers in the department. <ul style="list-style-type: none"> ○ June – July 2025: Pilot training sessions of 'Legal Decision-Making' have been conducted, for EL2 (27 June 2025; 22 July 2025) and SES (24 July 2025) audiences with broader roll out planned following adoption of pilot feedback. 	Ongoing
5	DEWR and Services Australia ensure they have systems in place that provide ongoing assurance that the administration of the TCF complies with the law and relevant policies. This should include risk management policies and procedures regarding automation in the TCF computer system.	In Progress	<p>DEWR is improving assurance processes to identify and rapidly resolve any system issues which have a direct impact on people's social security payment or experience of the employment services system.</p> <p>The independent assurance review has identified a range of recommendations which provide advice on improving assurance and governance processes, including modern regulatory and risk processes regarding automation. DEWR is working with Services Australia to ensure end-to-end IT assurance processes are implemented and effective.</p> <p>The following actions have been taken to support the implementation of this recommendation:</p>	Progressive rollout from 6 months since report 1 release date, with the aim to finalise within 2 years (Quarter 3 2027)

Commonwealth Ombudsman Report – Report One – DEWR Implementation Action Summary

Attachment A

No.	Recommendation	Status	DEWR Actions to address recommendations	Key timeframes
			<ul style="list-style-type: none"> • The development of TCF Participant Pathway process maps is underway (refer to Recommendation 3 for more details) • Governance and assurance mechanisms have been strengthened to confirm that any changes are aligned with law, policy and operations. This includes: <ul style="list-style-type: none"> ○ In August 2025, a weekly TCF Governance Interdepartmental Committee (IDC) with Services Australia was established. ○ A formal Statement of Intent between the DEWR Secretary (a/g) (executed 22 May 2024) and the Chief Executive Officer of Services Australia (executed 16 July 2024), to govern bilateral management arrangements. • Since March 2025, all TCF related IT changes are subject to additional testing and governance processes, including a heightened level of approval prior to implementation. IT releases have been limited to essential changes and government commitments. All changes have been thoroughly tested before implementation, signed off at senior levels, and focused on improvements that are beneficial to participants. 	
6	<p>DEWR and Services Australia prepare a plan for identifying and assessing the scale and impact of legal, policy and administrative errors in the TCF, and for their timely remediation. The plan must have strategies and actions to identify and manage potential errors with large scale and immediate impact. The plan could include options for large-scale remediation (not only case-by-case) that would simplify and expedite the process for both those impacted and for the agencies.</p>	In Progress	<p>DEWR is working proactively and with urgency with Services Australia to identify and assess the scale and impact of issues under the TCF. Projects to support this include strengthening of processes to identify, assess and remediate system issues in the TCF as well as the development of a remediation framework.</p> <p>The following actions have been taken to support the implementation of this recommendation:</p> <ul style="list-style-type: none"> • The department has commenced compensation of impacted individuals under section 42AF (2)(d): <ul style="list-style-type: none"> ○ The department conducted reviews of 985 cancellation decisions impacting 964 people. The Authorised Officer has approved compensation be paid for 651 people and the total approved compensation amount is \$936,124. ○ Services Australia is managing the compensation payment process. As of 3 October 2025, 602 people have received compensation payment totalling \$870,256.76. • A draft remediation framework has been drafted in consultation with partner and central agencies. <ul style="list-style-type: none"> ○ The department is exploring datasets required to support a data led approach to determining detriment with DEWR data team and Services Australia. • A TCF Program of Works has been developed that articulates the overall effort required to bring the TCF into lawful administration and provides a strategy for re-activating paused provisions. <ul style="list-style-type: none"> ○ The Program of Works was provided to your Office and Services Australia in August 2025. 	<p>Finalised by quarter 3 2026:</p> <ul style="list-style-type: none"> • The department has commenced remediation of impacted individuals under section 42AF (2)(d). • The department will progressively work through the remaining decisions over the next 6-12 months (subject to MYEFO decisions)

Commonwealth Ombudsman Report – Report One – DEWR Implementation Action Summary

Attachment A

No.	Recommendation	Status	DEWR Actions to address recommendations	Key timeframes
			<ul style="list-style-type: none"> ○ The Program of Works is expected to be finalised by end October 2025. 	
7	DEWR and Services Australia proactively and quickly rectify identified issues with automated decision-making that have the potential to have adverse impacts on people in vulnerable circumstances. This includes providing timely advice to our Office.	In Progress	<p>Review of automated decision-making forms part of the priority work underway to assure the integrity and lawfulness of the administration of the TCF and other mutual obligation decision making processes. This project is part of the TCF Integrity Assurance Program. DEWR is working with the support of Services Australia to quickly rectify and address any emerging issues.</p> <p>The following actions have been taken to support the implementation of this recommendation:</p> <ul style="list-style-type: none"> • 42AM – cancellation of people’s social security participation payments for not meeting a ‘reconnection requirement’ within 4 weeks (in effect from 24 September 2024). • On 5 July 2025, decision that cancel payments for work refusal failure under section 42AG were paused as a precaution s 42(1) [redacted]. The Ombudsman’s office was notified of the pause to 42AG on 24 July 2025. • DEWR continues to engage with the Commonwealth Ombudsman to support its ongoing investigation and release ahead of Report No. 2. <p>A 2025-26 MYEFO submission is being prepared to address issues associated with the pause of payment reductions and cancellations under the TCF, and priority activities to return the TCF to lawful administration. This includes system and administrative changes to ensure discretion can be applied to compliance decisions, and reviews of potentially invalid decisions and where necessary, remediation of affected individuals.</p>	<p>Ongoing - as a matter of urgency:</p> <ul style="list-style-type: none"> • DEWR is working with urgency to rectify identified issues, with the support of Services Australia where needed. • Providing advice on these decision-making processes requires detailed consideration of legal issues as well as policies, processes and the relevant IT systems.

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Reviews

- The Ombudsman's report and the independent assurance review make a number of important findings and recommendations, including some urgent actions and longer-term improvements.
- The department is taking immediate steps to address the urgent actions identified, including:
 - Strengthening assurance processes between DEWR and Services Australia to ensure the decisions to pause all payment reductions and cancellations are being upheld.
 - All processes that might impact a person's payment are being tested, mapped end to end, clearly documented and assured.
 - Any IT changes are limited to only essential changes, thoroughly tested before implementation, and focused on improvements that are beneficial to participants.
 - Governance and assurance mechanisms have been strengthened to confirm that any changes are aligned with law, policy and operations.

Independent Assurance Review

- In December 2024 the department commissioned an independent assurance review (the Review) to examine the IT system operating the TCF against policy and business rules to ensure it operates as intended and aligns with legislation.
- The Review includes a:
 - Statement of Assurance—an assessment of the current state of the TCF and supporting operations
 - Final report—is a culmination of further analysis and contains 46 of recommendations and options to assure the integrity of the integrity of the TCF.
- These were initially published on the department’s website on 14 August 2025, along with the Secretary’s response (Attachment F). s 22(1)
- The Final Report includes 46 recommendations across 8 common themes, which are presented in non-technical and technical streams, with proposed timeframes to deliver ranging from immediate actions to over 2 years. Key recommendations are to:
 - improve legislative alignment and traceability
 - modernise system architecture and automation
 - strengthen participant safeguards and accessibility
 - reinforce governance and assurance
 - build operational capability and risk-based assurance.
- For more information see SB25-000331 – TCF Independent Assurance Report

- On 3 June 2025, the Ombudsman wrote to the Secretary to advise of the decision to expand the scope of the investigation to assess how the department and Services Australia maintain oversight of decision making delegated to Employment Service Providers. This expanded scope was announced by the Ombudsman on 6 June 2025.
- On 6 November 2025, the Ombudsman provided a draft copy of the second phase investigation report. The department is working to respond to the Ombudsman’s second report by 4 December 2025, as requested by the Ombudsman. Work also continues on addressing the recommendations from the Ombudsman’s first report as part of the TCF assurance program. Refer to Attachment I for a timeline relating to Ombudsman Report.

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Commonwealth Ombudsman

- The Ombudsman’s report *Automation in the Targeted Compliance Framework: when the law is changed but the system isn’t* (Attachment H), was published on 6 August 2025, along with the department’s response.
 - The report findings share common themes with the recommendations from the Review undertaken by Deloitte, including lack of alignment with governing legislation, traceability, decision making (including exercising discretions), assurance and training.
- The department has accepted all of the Ombudsman’s recommendations and is actively working to implement the Ombudsman’s recommendations as part of the department’s TCF Integrity Assurance Program. This includes working with Services Australia and other partner agencies to address joint recommendations (recommendations 2 to 7 within the report) and broader system alignment.
- On 31 January 2025, the Ombudsman wrote to the Secretary informing her that the Ombudsman was initiating an own-motion investigation into the actions of the department and Services Australia in administering the cancellation of participation payments under section 42AF(2) of the Admin Act. The investigation was announced on 4 February 2025.

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- Attachment F – Secretary’s statement in response to the independent assurance review – 14 Aug 2025
- Attachment G – Secretary’s statement in response to the Ombudsman’s report – 6 Aug 2025
- Attachment H – Ombudsman Report No. 1, including department’s response
- Attachment I – Timeline – Stakeholder engagements
- Attachment J – Secretary’s statement – 3 October 2025

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Document 3 page 12-13 deleted pursuant to section 22(1) of the FOI Act

Timeline – Stakeholder Engagement

Document 4 page 14- 20 deleted pursuant to section 22(1) and 47E(d) of the FOI Act

31 July 2025	ACOSS, EJA, Antipoverty Centre	Ombudsman investigation, paused decisions, compensation updates, stakeholder concerns on system flaws.
6 August 2025	NESA, Amplify Alliance Australia, National Indigenous Employment and Training Alliance, National Self-Employment Association	Targeted Compliance Framework (specifically the Commonwealth Ombudsman Report) discussed amongst other topics in the employment services portfolio.
3 September 2025	NESA, Amplify Alliance Australia, National Indigenous Employment and Training Alliance, National Self-Employment Association	Targeted Compliance Framework (specifically publication of the Ombudsman and Deloitte reports) discussed amongst other topics in the employment services portfolio.

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Commonwealth Ombudsman's report

- The Commonwealth Ombudsman raised concerns in his August 2025 report (see attached in SB25-000278) that the Digital Protections Framework has not been implemented and believes that the prolonged implementation delay does not satisfy the legislated requirement (see 'Recent reports/media').
- The Ombudsman's report acknowledges that DEWR drafted and consulted on a Digital Protections Framework instrument throughout 2022 and 2023 and that, following the findings of the Robodebt Royal Commission, the DEWR Secretary deferred making the Digital Protections Framework to ensure consistency with the Attorney-General's Department's work on a whole of government approach to automated decision-making.
- In response to **Recommendation 2** of the Ombudsman's report, DEWR advised it would initiate new consultation with appropriate stakeholders on the development of an effective Digital Protections Framework. This will form a key part of DEWR's work to improve the transparency of the Targeted Compliance Framework and an important safeguard for digital services.
 - DEWR will use insights from the department's legal review, assurance review and Ombudsman reviews, and user feedback from the new complaints service to improve transparency, fairness and accessibility for all participants. In the meantime, the decision to pause cancellations remains in place.
- DEWR's response to the Ombudsman's report included a correction (page 61; Attachment B of the DEWR response) about the Digital Protections Framework self-repealing on 31 December 2025.
 - The legislation does not include provisions for the self-repeal of a Digital Protections Framework. There is no requirement for a self-repeal mechanism.

Recent reports/ media

Name of Article	Date	Name of publication	Short Summary
First robodebt, now robodole. Both failed Australia's most vulnerable	15 August 2025	The Mandarin	<i>Comparisons of the current TCF cancellation and reduction issues to robodebt. The article also highlights DEWR's failure to implement the DPF and the Ombudsman's findings.</i>
Secret Deloitte review into automated JobSeeker system warns of "instability," "unintended impacts"	14 August 2025	The Daily Telegraph	<i>The article summarises some of the key findings from the Deloitte review into the Workforce Australia IT system. Also highlighted are the Ombudsman's findings concerning the DPF.</i>
Ombud gives DEWR, Services Australia a booting	6 August 2025	The Mandarin	<i>A more detailed article summarising the Ombudsman's review. Specifically highlights the findings surrounding the DPF and quotes the Ombudsman.</i>

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Target Compliance Framework (TCF)

- The department is working to assure the integrity of the TCF and the Secretary has made decisions to pause parts of the system (see SB25-000278).
- The department has accepted all seven recommendations in the Commonwealth Ombudsman's report and will work with Services Australia to implement them.
- The independent assurance review into the Targeted Compliance Framework makes a number of important findings and recommendations, including some urgent actions and longer-term improvements.
- The department is taking immediate steps to address the urgent actions identified in the review.

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Statements

Government statements

Minister the Hon Amanda Rishworth's statement in The Canberra Times on mutual obligations and the Commonwealth Ombudsman investigation, 4 June 2025:

- "As Minister I am committed to ensuring Australia's employment services system is operating effectively and provides the right settings and supports to help people find genuine employment, and this includes mutual obligations."
- "The Secretary of the Department of Employment and Workplace Relations has made a number of decisions to pause parts of the [Targeted Compliance Framework] while reviews are underway and is committed to ensuring the system operates as it should."

Minister the Hon Amanda Rishworth's statement in The Saturday Paper on the issue of cancellations that are currently paused, 18 August 2025:

- "I am reassured that the Department of Employment and Workplace Relations has accepted all seven of the recommendations in the [Ombudsman's] report and will work with Services Australia to implement them. I expect the recommendations to be implemented in a timely manner. The government understands the importance of ensuring government systems operate correctly, particularly when interacting with vulnerable people".

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Reviews

- The Ombudsman's reports and the independent assurance review make a number of important findings and recommendations, including some urgent actions and longer-term improvements.
- The department is taking immediate steps to address the urgent actions identified, including:
 - Strengthening assurance processes between DEWR and Services Australia to ensure the decisions to pause all payment reductions and cancellations are being upheld.
 - All processes that might impact a person's payment are being tested, mapped end to end, clearly documented and assured.

- Any IT changes are limited to only essential changes, thoroughly tested before implementation, and focused on improvements that are beneficial to participants.
- Governance and assurance mechanisms have been strengthened to confirm that any changes are aligned with law, policy and operations.
- Reviews have also found that further safeguards are needed to ensure discretion is appropriately applied in decisions that might reduce or cancel a person's social security payment.

Independent Assurance Review

- In December 2024 the department commissioned an independent assurance review (the Review) to examine the IT system operating the TCF against policy and business rules to ensure it operates as intended and aligns with legislation.
- The Review includes a:
 - Statement of Assurance—an assessment of the current state of the TCF and supporting operations
 - Final report—is a culmination of further analysis and contains 46 of recommendations and options to assure the integrity of the integrity of the TCF.

- On 3 June 2025, the Ombudsman wrote to the Secretary to advise of the decision to expand the scope of the investigation to assess how the department and Services Australia maintain oversight of decision making delegated to Employment Service Providers. This expanded scope was announced by the Ombudsman on 6 June 2025.
- The Ombudsman's report (No. 2) *Fairness in the Targeted Compliance Framework: when decisions are made beyond your control* (Attachment I), was published on 9 December 2025, along with the department's response.
- The department has accepted all of the Ombudsman's recommendations from both reports and is actively working to implement the recommendations as part of the department's TCF Integrity Assurance Program. This includes working with Services Australia and other partner agencies to address joint recommendations.
 - The findings of the Ombudsman's reports share common themes with the recommendations from the Review undertaken by Deloitte, including lack of alignment with governing legislation, traceability, decision making (including exercising discretions), assurance and training.
- Refer to Attachment G for a timeline of key interactions with the Commonwealth Ombudsman.

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Commonwealth Ombudsman

- On 31 January 2025, the Ombudsman wrote to the Secretary informing her that the Ombudsman was initiating an own-motion investigation into the actions of the department and Services Australia in administering the cancellation of participation payments under section 42AF(2) of the Admin Act. The investigation was announced on 4 February 2025.
- The Ombudsman's report (No. 1) *Automation in the Targeted Compliance Framework: when the law is changed but the system isn't* (Attachment H), was published on 6 August 2025, along with the department's response.

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- Attachment G – Timeline – Stakeholder engagements
- Attachment H – Ombudsman Report No. 1, including department's response
- Attachment I – Ombudsman Report No. 2, including department's response

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Document 7 page 31- 32 deleted pursuant to section 22(1) of the FOI Act

Timeline – Stakeholder Engagement

Document 8 page 33- 39 deleted pursuant to section 22(1) and 47E(d)
of the FOI Act

31 July 2025	ACOSS, EJA, Antipoverty Centre	Ombudsman investigation, paused decisions, compensation updates, stakeholder concerns on system flaws.
6 August 2025	NESA, Amplify Alliance Australia, National Indigenous Employment and Training Alliance, National Self-Employment Association	Targeted Compliance Framework (specifically the Commonwealth Ombudsman Report) discussed amongst other topics in the employment services portfolio.
3 September 2025	NESA, Amplify Alliance Australia, National Indigenous Employment and Training Alliance, National Self-Employment Association	Targeted Compliance Framework (specifically publication of the Ombudsman and Deloitte reports) discussed amongst other topics in the employment services portfolio.

2025-26 Supplementary Budget Estimates – 3 December 2025		
10 December 2025	NESA, Amplify Alliance Australia, National Indigenous Employment and Training Alliance, National Self-Employment Association	Targeted Compliance Framework (specifically publication of the Ombudsman’s second report) discussed amongst other topics in the employment services portfolio.

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Commonwealth Ombudsman’s report

- The Commonwealth Ombudsman raised concerns in his August 2025 report into the Targeted Compliance Framework (see attached in SB25-000459) that the Digital Protections Framework has not been implemented as required under the Act and that the prolonged implementation delay does not satisfy the legislated requirement (see ‘Recent reports/media’).
- The Ombudsman’s report acknowledges that DEWR drafted and consulted on a Digital Protections Framework instrument throughout 2022 and 2023 and that, following the findings of the Robodebt Royal Commission, work on the Digital Protections Framework was deferred to ensure consistency with the Attorney-General’s Department’s work on a whole of government approach to automated decision-making.
- In response to **Recommendation 2** of the Ombudsman’s report, DEWR advised it would initiate new consultation with appropriate stakeholders on the development of an effective Digital Protections Framework. This will form a key part of DEWR’s work to improve the transparency of the Targeted Compliance Framework and an important safeguard for employment services.
 - DEWR will use insights from the department’s legal review, assurance review and Ombudsman reviews, and user feedback from the new complaints service to improve transparency, fairness and accessibility for all participants.
- DEWR’s response to the Ombudsman’s report included a correction (page 61; Attachment B of the DEWR response) about the Digital Protections Framework self-repealing on 31 December 2025.
 - The legislation does not include provisions for the self-repeal of a Digital Protections Framework. There is no requirement for a self-repeal mechanism.

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Recent reports/ media

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<i>First robodebt, now robodole. Both failed Australia’s most vulnerable</i>	15 August 2025	The Mandarin	<i>Comparisons of the current TCF cancellation and reduction issues to robodebt. The article also highlights DEWR’s failure to implement the DPF and the Ombudsman’s findings.</i>
<i>Secret Deloitte review into automated JobSeeker system warns of “instability,” “unintended impacts”</i>	14 August 2025	The Daily Telegraph	<i>The article summarises some of the key findings from the Deloitte review into the Workforce Australia IT system. Also highlighted are the Ombudsman’s findings concerning the DPF.</i>
<i>Ombud gives DEWR, Services Australia a booting</i>	6 August 2025	The Mandarin	<i>A more detailed article summarising the Ombudsman’s review. Specifically highlights the findings surrounding the DPF and quotes the Ombudsman.</i>

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- The department has accepted all seven recommendations in the first Commonwealth Ombudsman's report and will work with Services Australia to implement them.
- The department has accepted all recommendations in the second Commonwealth Ombudsman's report pertaining to its responsibilities and will work with Services Australia to implement the recommendations where relevant.
- The independent assurance review into the Targeted Compliance Framework makes a number of important findings and recommendations, including some urgent actions and longer-term improvements.
- The department is taking immediate steps to address the urgent actions identified in the review.

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Statements

Government statements

Minister the Hon Amanda Rishworth's statement in The Canberra Times on mutual obligations and the Commonwealth Ombudsman investigation, **4 June 2025:**

- "As Minister I am committed to ensuring Australia's employment services system is operating effectively and provides the right settings and supports to help people find genuine employment, and this includes mutual obligations."

Minister the Hon Amanda Rishworth's statement in The Saturday Paper on the issue of cancellations that are currently paused, **18 August 2025:**

- "I am reassured that the Department of Employment and Workplace Relations has accepted all seven of the recommendations in the [Ombudsman's] report and will work with Services Australia to implement them. I expect the recommendations to be implemented in a timely manner. The government understands the importance of ensuring government systems operate correctly, particularly when interacting with vulnerable people".

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