

Ombudsman uncovers adverse and systematic impacts of automation in TCF

Between April 2022 and July 2024, job seekers had their payments automatically cancelled without the oversight required by law, leaving vulnerable Australians without financial support.

‘Automatic cancellation of vital income support for these job seekers is likely to have a profound, if not catastrophic impact. Our investigation found the agencies’ cancellation of income support was not lawful and did not ensure the respective processes and computer systems were complying with the amended legislation’, said Commonwealth Ombudsman, Mr Iain Anderson.

The investigation also found that the DEWR Secretary has not yet complied with the statutory requirement to establish a Digital Protections Framework, more than three years after it was legislated in 2022. This is particularly concerning given the findings of the Robodebt Royal Commission which warned of the serious impact automated processes can have on highly vulnerable people.

Since the DEWR Secretary first advised the Ombudsman of the potential issue in December 2024, DEWR have taken some positive steps while cancellations are paused. These included reviews to assure the integrity of the administration of the TCF and to ensure decisions made under the TCF are lawful.

The Ombudsman made 7 recommendations, including to address inappropriate use of automated decision-making, establish processes to ensure lawful decisions and to proactively and quickly rectify automation-related errors that can have large scale impacts. DEWR and Services Australia have accepted the recommendations.

'Implementation of the recommendations is an important step towards restoring the confidence of the public, parliament and above all the people affected, that automated decisions are being made responsibly and according to law. All government agencies can learn from this report the importance of ensuring automated decision-making is aligned with law and policy and is subject to ongoing testing and assurance', added Mr Anderson.

The Ombudsman's second investigation report into the TCF is expected to be published later this year. It will consider the fairness and reasonableness of the decision-making processes that resulted in the cancellation decisions, the role of Employment Service Providers and the appropriateness of the agencies' remediation strategy for those affected by the unlawful cancellation decisions.

The full report is available on the [Commonwealth Ombudsman website](#).

For more information visit ombudsman.gov.au or for media enquiries phone 02 6243 1702 or email media@ombudsman.gov.au

Background

Income support is an essential payment for many people looking for work, who need financial help to be able to pay for their everyday basic living necessities. People needing this support are economically vulnerable; they may also often have other vulnerabilities that require additional special consideration.

The TCF was introduced in 2018, designed to make job seekers complete specific activities, called mutual obligation requirements, to receive income support. For those who persistently do not meet mutual obligations without a reasonable excuse, income support can be suspended reduced or cancelled. DEWR and Services Australia manage job seekers' requirements to complete these tasks under a framework called the Targeted Compliance Framework.