

Senator the Hon Murray Watt
Minister for Employment and Workplace Relations
PO Box 6100
Parliament House
Canberra ACT 2600

cc: Senator the Hon Katy Gallagher, Minister for Government Services; The Hon Mark Butler MP, Minister for Health and Aged Care; The Hon Emma McBride MP, Assistant Minister for Mental Health and Suicide Prevention

3 March 2025

To Minister Watt,

Re: Concern for the wellbeing of welfare recipients affected by potentially unlawful operation of the Targeted Compliance Framework

We are writing to you from a place of deep concern about your lack of confidence in the legality of how the "mutual" obligations framework is being administered and the lack of care expressed from both the Department of Employment and Workplace Relations and Services Australia in relation to the deaths of 10 people and the wellbeing of thousands.

An apology from the employment department secretary in the context of the department's continued operation of the Targeted Compliance Framework while the lawfulness of its administration is in doubt is not adequate. We demand an investigation into not only the deaths of those associated with administrative failures, but also the impacts for everyone affected by a payment reduction or cancellation. You must instruct the employment department and Services Australia to resource legal and social services organisations that are trusted by welfare recipients to undertake outreach and support.

First and foremost it is ultimately your responsibility to ensure they are safe, and to provide meaningful financial compensation (as well as any immediate backpay) for harm done. While we



do not generally support the use of outsourced social services, in these circumstances we do not think it is possible for DEWR and Services Australia to safely and effectively conduct this work due to loss of faith among welfare recipients as a result of their repeated failure to keep us safe and take seriously their responsibility to uphold the law.

While death is merely described as a “daily occurrence” to staff at Services Australia,¹ that should not be allowed to diminish the respect and care taken for each individual who dies by suicide, deaths of despair or poverty-related illness, particularly when people on the JobSeeker payment die by suicide at such a disturbing rate.² There is no excuse for normalising the unnecessary deaths of people who are on a Centrelink payment, or who lose access to one. We are a group of people living in poverty and at risk of serious physical and psychological harms as a result – this risk is even more extreme when people are subjected to payment reductions and cancellations. Given that consideration of “mutual” obligations is named in the National Suicide Prevention Strategy published in January 2025,³ it is a matter of urgency to investigate their impacts.

This is the only possible response if you want welfare recipients to believe you when you say “unlike the coalition, we don’t want the system to be punitive”.⁴

We are frustrated that after many years of advocacy by unemployed people raising the alarm about the damage caused by compulsory activities to us and our peers, we must once again write urging the government in the strongest possible terms to end “mutual” obligations and immediately act to remove the delegated legislation that grants the DEWR secretary the power to cancel a person’s social security payment. In short, you can urgently stop all payment reductions and cancellations as a first step.

While it is true that technically payments are not currently being cancelled for “mutual” obligations failures, we note that substantial payment reductions – up to 100% – are still operating without any change since the disturbing number of issues with the administration of the TCF was uncovered. This allows for a person to receive a zero payment – as far as we are aware, the removal of payment cancellations means that this may go on indefinitely.

There are 1,465 Workforce Australia participants currently in the penalty zone.⁵ As we have raised countless times in the past, many people accrue “demerits” due to bullying or incompetence on

1 Services Australia Deputy CEO Kirsty Faichney during budget estimates hearings on 27 February 2025: aph.gov.au/News_and_Events/Watch_Read_Listen/ParlView/video/3329564

2 One in 5 people of working age who died by suicide were on an unemployment payment. See: aihw.gov.au/suicide-self-harm-monitoring/data/populations-age-groups/deaths-by-suicide-among-centrelink-income-support-recipients

3 See page 30 of the National Suicide Prevent Strategy 2025–20235: mentalhealthcommission.gov.au/national-suicide-prevention-strategy

4 Senator the Hon Murray Watt during budget estimates hearings on 26 February 2025: parlinfo.aph.gov.au/parlInfo/search/display/display.w3p;db=COMMITTEES;id=committees%2Festimate%2F28745%2F0002;query=Id%3A%22committees%2Festimate%2F28745%2F0000%22

5 Workforce Australia Targeted Compliance Framework quarterly data for July to September 2024: dewr.gov.au/employment-services-data/resources/tcf-public-data-july-september-2024



behalf of providers, and are often too demoralised to jump through the hoops required to have these demerits removed. Of the 1,465 people in the penalty zone, 5 are in online services. The remaining 99.66% are with a provider – in theory, the government's justification for forcing people to connect with a provider is to ensure those deemed “vulnerable” receive support. If this is what support looks like, what would meet your definition of “punitive”?

The latest TCF figures also show that in the period from 1 July to 30 September 2024 there were 730 people who had their JobSeeker payment halved – from \$381.35 to \$190.68 per week⁶ – and 270 people who were receiving a “payment” of \$0.⁷ We struggle to see how the degree of financial hardship or other harm done to a person receiving a \$0 “payment” is meaningfully different to that caused by a payment cancellation.

We do not believe the so-called safeguards that are currently in place protect people. The administration of the system since 2018 is nothing short of a total disaster. We know the government is seeking to “reform” employment services, supports the principle of “mutual” obligations and believes it can be less punitive, however, you surely agree that in these circumstances the only appropriate action is to stop this system of punishment from operating while the legality of its administration is in doubt, on top of the serious moral and ethical issues that plague it. Despite endless parliamentary and other reviews and previous rounds of “reform” purportedly designed to make it less punitive and address provider malpractice, we continue to receive endless reports of people dealing with absurd and distressing treatment related to their “mutual” obligations requirements.

While your department is under investigation by the Commonwealth Ombudsman, surely continuing to operate a system you cannot say is being lawfully administered is untenable. People on Centrelink payments and those who support us are incredibly upset at the thought that you would do anything else. To ignore this problem or say your hands are tied is exactly the kind of response that causes people to lose faith in their elected representatives, a common theme we hear everyday from people who live in poverty or are affected by it in their communities.

The public is unhappy with poverty-profiteering employment services executives becoming billionaires and millionaires off people in poverty, or charities who harm and abuse people forced to work for them for no wage. They're unhappy with the inequitable treatment of those who are rich compared to those who are poor.

We do not understand how it is possible that there is no one in the government or employment department who is able to immediately pause compulsory requirements, given that this has been done many times, somewhat arbitrarily, and in far less dire circumstances than these. For example

⁶ Based on the full JobSeeker rate for a single person with no children during the corresponding period: guides.dss.gov.au/social-security-guide/5/2/1/20

⁷ Workforce Australia TCF quarterly data.



in 2022, Minister Burke announced that “mutual” obligations would be paused, initially for the month of July, and then extended this by an additional month. Each year, the department pauses “mutual” obligations for a period spanning Christmas and the new year.

Acting, and acting urgently, is a matter of justice – every second you delay is a failure for those you purport to represent. If you wish to discuss this further with us, please get in touch. However, you do not need to meet with us to do the right thing – you just need to do the right thing.

Regards,

A handwritten signature in black ink, appearing to read 'Jay Coonan', with a stylized, cursive script.

Jay Coonan
Research and policy
Antipoverty Centre