

## NEWS

The employment department quietly stopped welfare cancellations after a complaint from a disabled woman – but did not intervene in her case, which she won six months later. By *Rick Morton*.

# Exclusive: Welfare cancellations paused after tribunal complaint

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Minister for Employment and Workplace Relations Amanda Rishworth.

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# Exclusive: Welfare cancellations paused after tribunal complaint

[Rick Morton](#) July 26, 2025

A disabled woman who speaks English as a second language was removed from all unemployment benefits for six months following a cascade of errors beginning with her private job-search provider and ending with two federal government departments that failed to apply the law correctly.

The case of Mrs Yarde, a pseudonym, was a debacle from start to finish. It began when the employment service provider APM human resource management told Yarde to go into businesses in town and ask for work. She had already done this.

Under the Coalition-era Targeted Compliance Framework, jobseekers like Yarde are penalised for allegedly failing to perform “mutual obligations”, but this system has become riddled with technical and legislative errors and is subject to three separate reviews.

Under the framework, private providers continue to wield significant power over the lives of people on welfare.

APM holds hundreds of millions of dollars in federal government contracts to support people into work. In October, it was bought by American private equity group Madison Dearborn Partners for \$1.3 billion.

What APM did after rejecting Yarde’s job-search efforts was a disaster for her personally and raises serious questions about how much the federal Department of Employment and Workplace

Relations knew about the flaws in this case and the system more broadly. Ultimately, the department chose to "pause" welfare cancellations that use the exact mechanism applied to Yarde, six days after her appeal was lodged, but it apparently did not think to intervene in her matter.

The case was not decided until January this year, when Administrative Review Tribunal member Karen Hamilton found a suite of errors that ranged from reading comprehension issues in the internal review at Centrelink, the misapplication of the law, and the mishandling of Yarde's job search by APM human resource management.

Problems began when the APM employee responsible for Yarde told her she should doorknock businesses in the street looking for work and, when this failed, that she could complete her search for five jobs every month online.

"When Ms Yarde [Yarde's daughter] was advised by APM that Mrs Yarde's job search efforts were not sufficient, she requested assistance from APM to identify suitable jobs Mrs Yarde should apply for," Hamilton wrote in her decision.

"APM responded simply, '*We encourage our clients to walk into shops and see if they are hiring*'. When [the woman's daughter] replied to say Mrs Yarde had already done this, APM did not ask for details of any of the businesses that Mrs Yarde had approached seeking employment nor did they offer any further assistance...

"It is evident from Ms Yarde's subsequent emails with APM on 25 July 2024 that Mrs Yarde was confused as to what more she was required to do to comply with her job search requirements. APM's responses, such as they were, were unhelpful. Had APM, for example, responded meaningfully to Ms Yarde's assertion that Mrs

Yarde had already done 'walk-ins' to multiple businesses on [a road], it may have been possible for Mrs Yarde to provide to APM further details and evidence of the businesses she had approached, and when."

The same day, July 25, 2024, a reconnection appointment had been scheduled, which Yarde was required to attend in order to have her payment suspension lifted. This appointment was cancelled by APM and the woman was told another would be set up. Instead, the APM consultant left the job and there was no follow-up appointment.

"This appointment was cancelled by APM and does not appear to have ever been rescheduled. Given Mrs Yarde's evident confusion, and her limited English language proficiency, more should have been done by APM to assist her," the tribunal found.

Centrelink was supposed to give Yarde until August 3, 2024, to make this reconnection appointment. In the end, the agency misread section 42AM(3) of the *Social Security (Administration) Act* and terminated the payment a week earlier, believing the four-week period flowed from the date of the "mutual obligation failure" and not, as it does, from the date a participant is notified of a reconnection requirement.

Even if the tribunal had found Yarde's payment had been properly suspended, which it did not, it would have overturned the cancellation by Centrelink on this ground alone. In any event, giving a second reason, the tribunal found that Yarde was never told to attend an appointment. She was only told to get in contact with APM, which she did.

When Yarde asked for an internal review of the decision in August last year, through one of Centrelink's authorised review officers, the officer contacted APM and later told the tribunal that the private firm

had advised them Yarde had never submitted any job search claims into its system during the relevant dates.

This was not, in fact, what APM told Centrelink.

*"Despite the clear evidence over the years in cases like this, the department continues to use this discredited and unlawfully administered scheme to cut disadvantaged people off their income."*

"That advice does not confirm that there were no job search efforts or correspondence **received** from Mrs Yarde; rather it appears that APM simply were not able to access or view any of Mrs Yarde's records on their system as Mrs Yarde had been exited from APM and they were no longer her provider," the tribunal found.

Yarde's daughter had also provided the job-search emails to Centrelink and told the review officer that APM had failed to schedule a new reconnection appointment after the last one had been cancelled by them.

The review officer decided against Yarde and her unemployment benefit remained cut.

Yarde lodged an appeal with the then Administrative Appeals Tribunal on September 18, 2024, represented by her daughter. Six days later, on September 24, the Department of Employment and Workplace Relations paused all welfare cancellations "due to not meeting a 'reconnection requirement' within 4 weeks" but did not announce this decision until March 21 this year, two weeks before Yarde's tribunal matter was eventually published.

DEWR later said it had discovered problems when updating its employment services IT systems but made no mention of any active cases where people had been affected by such decisions.

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"This pause was enacted when the department identified that IT systems were not operating in alignment with the law and policies. This was discovered in September 2024 when the department was making changes to the system," the DEWR website says.

"The IT issue related to the original introduction of resolution time in December 2020. The department immediately implemented processes to stop these cancellations from occurring."

The department's secretary, Natalie James, has been forced to pause suspensions and cancellations under four separate sections of the act on four separate occasions between July 4 last year and March 6 this year. These pauses relate to a constellation of errors, both in the computer systems that underpin employment services and in the decisions made by human beings interpreting the labyrinthine legislation for the Targeted Compliance Framework introduced by the Coalition.

A \$435,000 review of the compliance framework, commissioned by then employment minister Murray Watt and conducted by Deloitte, has been finished and is with the new minister for employment and workplace relations, Amanda Rishworth. *The Saturday Paper*

understands that report will recommend the Targeted Compliance Framework be dismantled.

A spokesperson for DEWR told *The Saturday Paper* the department "has implemented processes to ensure that decision making for the paused provisions under the *Social Security (Administration) Act* 1999 are not occurring".

"These processes continue to be checked and tested," the spokesperson said. "The [department] cannot comment on individual cases."

To complicate matters, the Department of Social Services handles Disability Employment Services, although these providers also operate within the Targeted Compliance Framework that governs all providers and which cancelled Yarde's payment, a process that is always undertaken by Services Australia.

Despite the involvement of three agencies, DSS blamed the provider for this problem.

"In this particular case, by not rescheduling the re-engagement appointment to Mrs Yarde, the provider did not meet the requirements of their DES Grant Agreement and Guidelines," a spokesperson said in a statement.

"DSS takes this matter seriously and will be working with the provider to ensure this does not happen again."

Antipoverty Centre welfare advocate Jeremy Poxon, who is responsible for exposing much of this messy system, agreed that providers are often responsible for these disastrous decisions but are so because they have been given that power by the department.

"Years of government inquiries, parliamentary submissions and media reports have documented the abuses perpetrated by job providers and the mutual obligations system," he told *The Saturday Paper*.

"Yet despite the clear evidence over the years in cases like this, the department continues to use this discredited and unlawfully administered scheme to cut disadvantaged people off their income.

"Outsourcing social security decisions to providers and the automated Targeted Compliance Framework has always been, and continues to be, disastrous for people like Mrs Yarde.

"It's obscene that Mrs Yarde had to fight this hard and for this long just to overturn a decision that was clearly wrong and unlawful. The government must commit to permanently remove the Targeted Compliance Framework as a failed experiment that only caused harm."

What replaces the compliance framework, if anything, may be influenced by a separate inquiry being carried out by the Commonwealth ombudsman, Iain Anderson. Anderson announced an investigation into the handling of this issue by DEWR and Services Australia in February this year. In June, citing new information, he revealed the investigation scope had been "expanded". He declined to elaborate further, but that report is due to be released within weeks.

Of the 986 people so far found to have had welfare payments wrongfully cancelled under this rolling administrative failure, more than 600 have received backpay and been referred with a "manifest eligibility" for compensation from the Commonwealth's Scheme for Compensation for Detriment caused by Defective Administration.



The rest have been told to prove they suffered financial distress or harm as a result of the decision.