

## Centrelink

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## Centrelink threatening payment suspensions at rate of five a minute, new analysis suggests

**Exclusive:** As jobseekers continue to have payments suspended, advocates call for the regime to be stopped until it's proven to be lawful

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Centrelink has been issuing payment suspension notices to jobseekers and those on disability support pensions at a rate of more than five a minute, new analysis suggests, amid concerns over the legality of the troubled system.

In total, government data collated by the Antipoverty Centre shows there were 2,683,605 suspension actions between June 2024 and July 2025.

They have taken place under Centrelink's mutual obligations regime, which is meant to ensure recipients are actively looking and preparing for work. If they do not fulfil

activities - such as completing job applications or attending meetings with job providers - their payments can be suspended.

According to the Antipoverty Centre, the data shows this is still frequently occurring, despite new rules offering a five-day grace period for people to contact their job provider before their payments are blocked. However, the majority of suspensions are lifted before a person's income is impacted.

"The numbers are so unimaginably high, it is actually easy to lose sight of how crazy this all is," said Kristin O'Connell, a spokesperson for the Antipoverty Centre.

In the past, such suspensions could lead to cancellations. But since March, all cancellations have been paused because the government cannot say if they were happening legally.

The data on suspension actions was collated from the Department of Employment and Workplace Relations (DEWR), the Department of Social Services and the National <u>Indigenous Australians</u> Agency, which runs the remote Community Development Program (CDP).

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Jobseeker recipients, those on the disability support pension, some youth allowance recipients and people on parenting payments are all captured in the data.

But the number of individuals affected could not be determined, as some people will have multiple suspensions. About 30% of the 37,000 people in the CDP received more than five payment suspensions in the latest quarter.

"It just gives you a sense that there are some people for whom the whip is being used so relentlessly, they can't escape it," O'Connell said.

People with a disability and Indigenous Australians are overrepresented in the data. About 33% of all suspensions affected those with a disability, and at least 26% of all suspensions affected First Nations people.

Previous reporting from Guardian Australia shows jobseekers are having their payments suspended while in hospital for psychosis or after having a brain tumour removed, despite sending paperwork to Centrelink saying they were receiving medical treatment.

During a Senate estimates hearing last month, the DEWR secretary, Natalie James, said the system "was not always operating as intended".

She said the government was looking into whether providers are making illegal decisions around suspensions and cancellations.

"There are thousands of decisions being made in any week under these provisions," she said.

"Humans are not perfect, and obviously, as we've found out, nor are our systems."

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O'Connell said payment suspensions could be used as a tool "to bully" jobseekers by getting them to attend a meeting or hand over payslips, which trigger public funding for the job providers.

The commonwealth ombudsman is investigating the target compliance framework (TCF), the automated system that runs mutual obligations, and has found that payments had been cancelled unlawfully.

A welfare expert and lecturer at the University of Sydney's law school, Christopher Rudge, said it "is possible" that the issue the ombudsman had identified "may also affect the whole system of mutual obligations compliance action, which would include suspensions".

Economic Justice Australia's chief executive, Kate Allingham, called for the suspension regime to be stopped until it's proven it is being done lawfully.

"People are frequently telling us that they didn't receive a phone call, they haven't been able to get through to offices, and that there was no record of contact before they were notified of a payment suspension threat," Allingham said.

A DEWR spokesperson said about 90% of payment suspensions were lifted before any gap or delay in a person's payment last financial year.

The spokesperson said measures to safeguard the use of suspensions had been introduced. They included increasing resolution times to five days, ensuring suspensions over missed appointments did not apply if the person was working at the time and the issuing of warnings for a first breach of a mutual obligation requirement.

"The department regularly monitors key aspects of the TCF system, including how providers make decisions under it," the spokesperson said.

"Where incorrectly or inappropriately applied non-compliance action is identified, including payment suspensions, the department overturns these decisions and gives feedback to providers about why those decisions were reversed."