



MEDIA RELEASE  
NATIONAL EMPLOYMENT SERVICES ASSOCIATION  
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## NESA's response to the Commonwealth Ombudsman's report

The National Employment Services Association welcomes today's report by the Commonwealth Ombudsman, [Fairness in the Targeted Compliance Framework: when decisions are made beyond your control](#). The findings confirm what frontline employment services providers, participants and communities have been saying for some time, that the current federal government system is causing real harm to job seekers, particularly those who are vulnerable.

However, it is critical that responsibility for these outcomes is correctly attributed.

Employment service providers do **not** design the compliance system. They do **not** control the automated suspension settings. They do **not** set the mutual obligation rules for jobseekers. And they do **not** have discretion to override the policy and IT systems imposed by the Government. Providers are legally required, under federal law, legally binding Deeds, and policy, to implement the framework exactly as designed by the Government.

Providers are the visible face of the system and under their contracts with the Government, they are required to carry the operational, reputational, and regulatory risk for a compliance architecture they neither authored nor control. When automated suspensions occur for a jobseeker, when points escalate, when penalties are triggered, this is not the result of discretionary frontline behaviour but is the direct outcome of Government policy design and system automation.

Nor can providers compel jobseekers to disclose sensitive personal or medical information. Under the Workforce Australia Deed and Guidelines, providers are bound by strict privacy and consent laws and can only record or share information that is voluntarily provided or lawfully authorised. Providers also cannot delay or override automated compliance actions triggered through Government IT systems. If more information is needed before suspensions or investigations occur, it must be the Government, and not providers, that is held accountable to obtain any sensitive information or the Government should lawfully enable providers to do so.

So, while the Ombudsman's report raises concerns of high rates of reversals, automatic suspensions before reasonable excuse is assessed, and vulnerable people being unfairly penalised, it must be clear that these are not failures of provider intent. They are systemic design failures.

NESA is calling for urgent reform to ensure that:

- Compliance enforcement is separated from case management
- Automatic suspension settings are fundamentally redesigned



- Genuine discretion is restored for vulnerable jobseekers, and
- Employment services providers are no longer placed at regulatory or reputational risk for policy settings beyond their control.

Employment services providers – be they charities and other not-for-profits, private providers and local councils - all exist to support people into work, and we call on the Government to create a new employment services system that enables them to do this.

NESA stands ready to work constructively with the Department of Employment and Workplace Relations to build a fairer, safer, and more humane compliance framework that protects job seekers, supports frontline staff, and restores public confidence in Australia's employment services system.

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