

s 22(1)

From: s 22(1)
Sent: Friday, 10 January 2025 6:24 PM
To: s 22(1)
Cc: s 22(1)
Subject: RE: For Comment (by - Project on a Page - Review of Referrals and Payments Policy for Providers' Own Organisation and Related Entities [SEC=OFFICIAL:Sensitive]

OFFICIAL: Sensitive

Hi s 22(1)

Our thoughts on this work is that the things we want to assess are very hard to quantify in the data. For example:

- Value for money – At a high level some costs for Own org/RE will be lower, eg. for 'professional services' due to the fees being capped in the guidelines. However this does not necessarily imply value for money if the services aren't suitable or quality.
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- Spending and outcome relationships – This is likely to be confounded by the timing of EF provision as demonstrated by previous analyses as EF is often provided at the time of a placement in order support the placement.

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Our analyses consistently show that there are a small number of providers who appear to be exploiting the system, however we have not identified a systemic pattern of sharp practice where own org / RE spending is concerned.

Kind regards,
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s 22(1) **(she/her)**
A/g Assistant Secretary

Data Management and Reporting Branch, Evidence and Assurance Division
Australian Government Department of Employment and Workplace Relations
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- [Submit](#) a request for employment services data
- [View](#) specifications for tables in the ESPR database
- Employment services reporting on [DRAKE](#)

The Department of Employment and Workplace Relations acknowledges the traditional owners and custodians of country throughout Australia and their continuing waters and community. We pay our respects to them and their cultures, and Elders past, present and emerging.

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EF [SEC=UNOFFICIAL]

From s 22(1) @dewr.gov.au>
Date Mon 10/02/2025 14:55
To s 22(1) @dewr.gov.au>

 1 attachment (52 KB)
EF 250210.docx;

Completed paper.
s 22(1)
Assistant Director
System Design Team | Employment Policy Branch
Australian Government Department of Employment and Workplace Relations
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www.dewr.gov.au

Document 3 (pages 5 - 11) has been removed under sections 47C and 22(1)(a)(ii) of the Freedom of Information Act 1982.

s 22(1)

From: s 22(1)
Sent: Friday, 14 March 2025 11:40
To: s 22(1)
Cc: s 22(1)
Subject: Related Entities - updated paper
Attachments: Related entities and own organisations- updated with Workforce Australia findings_March 2025.docx

Categories: Red Category

Hi s 22(1)

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!

As expected there were similar mixed results in the Workforce Australia data, s 22(1)
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Rather than a separate paper I have just included the WfA results in a separate chapter.

Cheers,

s 22(1)

Director
Enhanced Services Evaluation Section|Employment Evaluation Branch
Evidence and Assurance Division
Phone s 22(1)
Department of Employment and Workplace Relations



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spending with related entities and own organisations

Table of Contents

1. Introduction	4
2. Key Findings.....	5
Key Findings – overall	5

s 22(1)

s 22(1)

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Draft

An exploration of Employment Fund claims ^{s 22(1)}

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1. Introduction

This paper uses departmental administrative data to examine the s 22(1) costs of Employment Fund (EF) spending by providers on their related entities and own organisations, compared to spending with other organisations.

Section 2 provides an overview of the key findings from the research.

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Section 6 extends the initial analysis to the first 2 years of Workforce Australia.

In this paper:

- **Related entities** are defined as organisations that have a relationship through their ownership. They either have the same ABN or the same substantial ownership (eg., Directors and board members). Further detail on how these organisations were identified is at Appendix A.
- **Own organisations** are defined as organisations that are substantially the same (the same ABN and trading name) as the provider claiming the spend.
- **Other organisations** are defined as entities or organisations who are neither own organisations nor related entities.

2. Key Findings

Key Findings – overall

The key takeout from this research is that the relationship between the provider and the entity (whether related or not) is not necessarily the driver of spending behaviour s 22(1)

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The research also shows that the interaction between the organisational relationship type, the spending types 22(1) is complex, contingent and interdependent. s 22(1)

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¹ A participant may have more than one period of assistance during the study period and for the purposes of this analysis they are treated separately.

Key Findings – Section 6

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Costs

- *On average, commitments to related entities were \$21.50 higher than commitments to other entities/organisations.*
- *On average, own organisation commitments were \$5.20 more than commitments to other entities/organisations.*

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Parts of document 5 (pages 21 - 35) have been removed under section 22(1)(a)(ii) of the Freedom of Information Act 1982.

6. Extending the analysis to Workforce Australia data

6.1 Introduction

This section presents initial, high-level findings using the first two years of Workforce Australia data.⁸ It should be noted that this is preliminary s 22(1).

Again, however, the analysis uses departmental administrative data to help us understand the impact of spending with related entities and own organisations compared to spending with other entities/organisations. The methodology used in this section largely mirrors that used in earlier sections of the paper.

From July 2022 to June 2024 inclusive, we identified 2,059,496 Workforce Australia Services (PRO6) commitments with known supplier information and associated Workforce Australia participant periods of assistance. These commitments totalled nearly \$429.8 million.⁹

Professional services had the largest number of claims (523,232 or 25%) and the largest dollar amount (nearly \$126.0 million or 29%), with high related entity and own organisation usage (24% and 57% of commitment numbers respectively).

While Transport and Work related items had large numbers (and amounts) of claims, only a very small proportion of these were to related entities or own organisations (less than 1.2%).

While Work-related training and licencing, and Accredited training had a fewer number of claims (211,853 or 10% and 81,954 or 4% respectively), the amounts in these categories were higher, totalling over \$73.6m (or 17%) for Work-related training and licencing and around \$60.1 million (or 14%) for Accredited training. Additionally, these categories had some related entity and own organisation usage – Work-related training and licencing had 4% of commitment numbers with related entities and 2% own organisation commitments, while Accredited training had 15% of commitment numbers with related entities and 5% own organisation commitments.

Further analysing these data, the outline of the remainder of this paper is as follows:

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⁸ As more data are collected over time, these initial findings may change.

⁹ It is important to note the following categorical differences in proportions of jobseeker amounts recorded as GST inclusive or GST free for related entity and own organisation commitments compared with other commitments:

Cohort specific training: Own organisation commitments were mostly GST free, related entity and other commitments were mostly GST inclusive.

Communication and technology: Own organisation and related entity commitments were mostly GST inclusive, other commitments were mostly GST free.

Relocation assistance: Own organisation commitments were mostly GST free, related entity and other commitments were mostly GST inclusive.

Transport: Related entity commitments were more likely GST free, own organisation and other commitments were more likely GST inclusive.

Section 6.3 explores the differences in the number and size of commitments made under selected Employment Fund categories by organisational relationship.

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6.3 EF commitments by organisational relationship

In this section we analysed two 'matched' datasets – a dataset of 124,393 related entity commitments matched with 124,393 commitments to other entities/organisations (excluding own organisations), and a second dataset of 122,457 own organisation commitments matched with 122,457 commitments to other entities/organisations (excluding related entities).

Related entities

- *On average, commitments to related entities were \$21.50 higher than commitments to other entities/organisations (\$320.50 and \$299.00 respectively).*

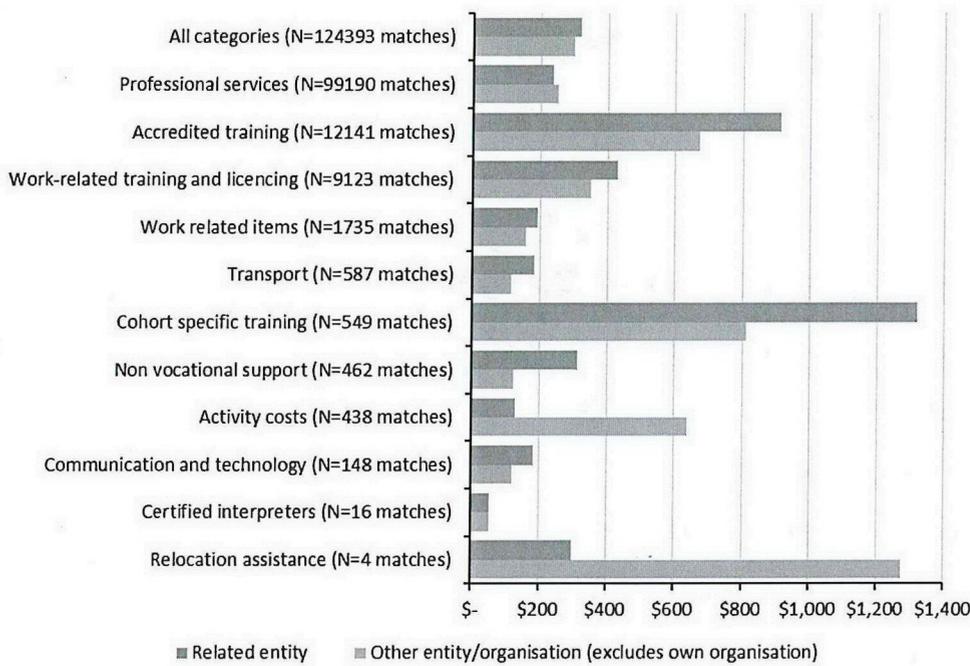
A large majority (79.7%) of these matched commitments were for Professional services, with related entities being \$12.60 less than other entities/organisations (\$236.40 and \$249.00 respectively).

Nearly a tenth (9.8%) of matched commitments were for accredited training, with related entities being \$243.70 more than other entities/organisations (\$914.0 and \$670.40 respectively).

Commitments for Cohort specific training with related entities were on average \$510.00 more than with other entities/organisations (\$1,321.80 and \$811.80 respectively).

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Figure 6.1: Claim amounts by EF category by organisational relationship (Related entities)



Source: Departmental administrative data

Notes: Data are for the period 4 July 2022 to 30 June 2024.

Data are matched based on the number of months from commencement to service, EF spend category and the financial year of the spend.

Own organisations

- On average, own organisation commitments were \$5.20 more than commitments to other entities/organisations (\$277.40 and \$272.20 respectively).

A large majority (83.9%) of these matched commitments were for Professional services, with own organisations being \$9.70 less than other entities/organisations (\$239.60 and \$249.30 respectively).

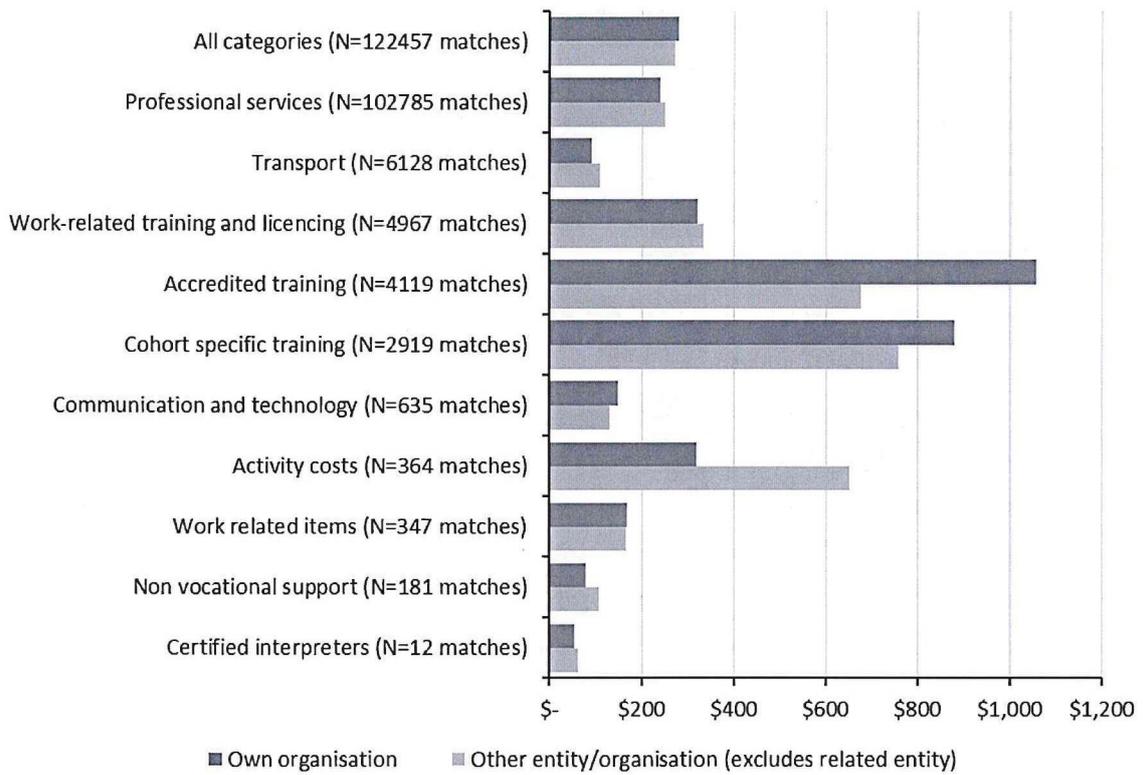
A further 5.0% of matched commitments were for Transport, with own organisations being \$18.40 less than other entities/organisations (\$89.30 and \$107.70 respectively).

While only 3.4% of matched commitments were for Accredited training, commitments with own organisations were \$379.40 more than other entities/organisations (\$1,056.90 and \$677.50 respectively).

Own organisation commitments for Cohort specific training were on average \$121.00 more than with other entities/organisations (\$878.40 and \$757.40 respectively). s 22(1)

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Figure 6.2: Claim amounts by EF category by organisational relationship (Own organisations)



Source: Departmental administrative data

Notes: Data are for the period 4 July 2022 to 30 June 2024.

Data are matched based on the number of months from commencement to service, EF spend category and the financial year of the spend.

s 22(1)

Parts of document 5 (pages 41 - 47) have been removed under section 22(1)(a)(ii) of the Freedom of Information Act 1982.

s 22(1)

From: s 22(1)
Sent: Wednesday, 6 August 2025 2:08 PM
To: s 22(1)
Subject: RE/OO chart opinion for EF trend spend/percentage

Heys 22(1)

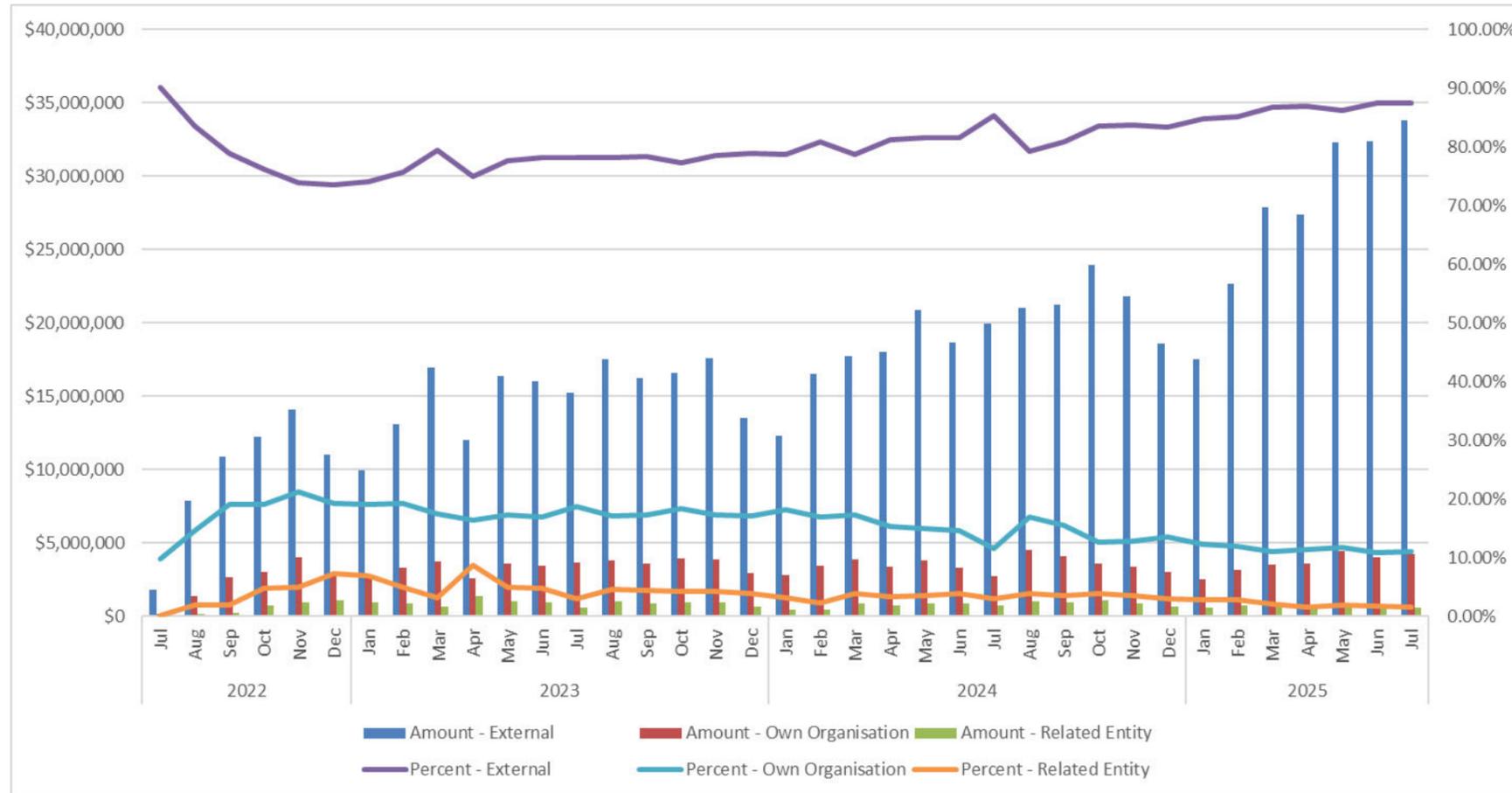
If I could get your opinion that would be great.

Looking at this part of the report again - As at May 2025, there are 15 Workforce Australia Providers with 82 Licences, who have declared a Related Entity relationship. The number of Providers declaring Related Entities has declined from 22 since December 2023. **Spending by Own Organisations and Related Entities has shown a consistent downward trend since the commencement of the Workforce Australia Services contract; December 2023: 30.0%, December 2024: 27.9% and February 2025: 26.9%.**

s 22
 I (with¹) help) have made a combo graph to show spend and percentage of that spend per supplier type and want to see if you like it and think people will understand it? It might be a bit much and not sure if you were totally convinced about the percentage? I have percentage at the category level (which I think is more important) in a table after this section. I am leaning towards maybe the spend (\$) trend chart.

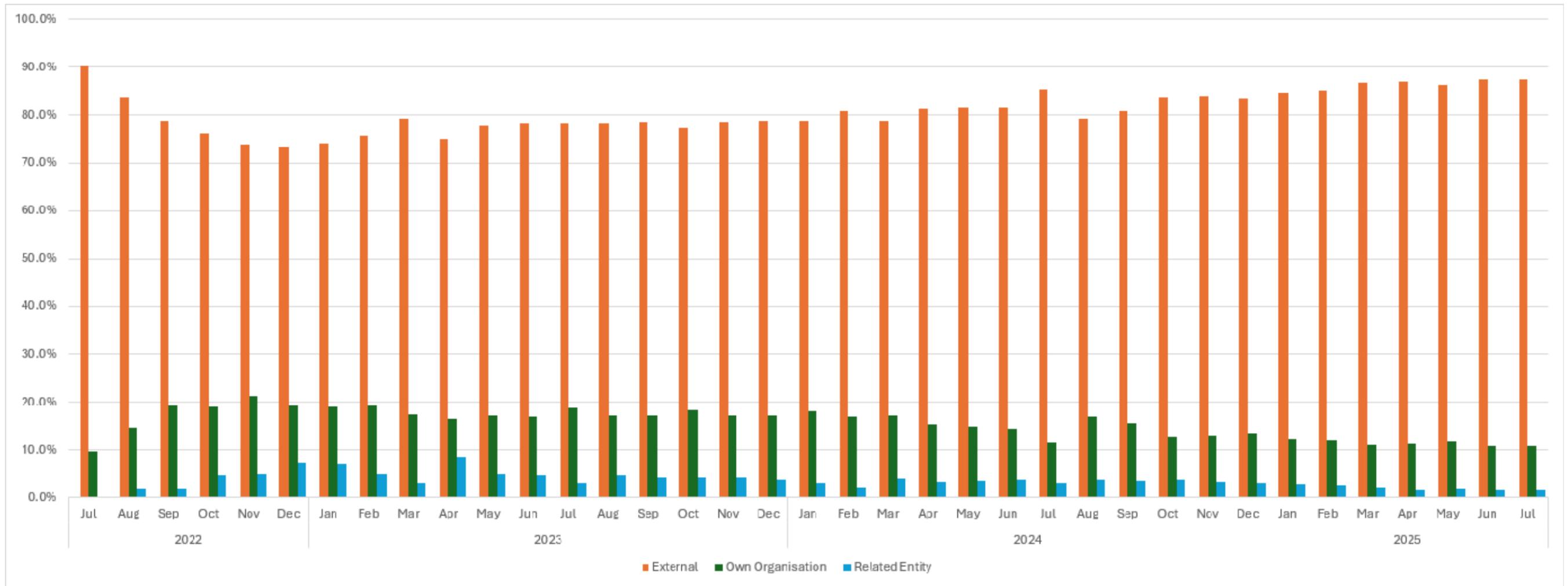
I will re-draft the yellow highlighted bit as it not really accurate, it's pretty consistent across the contract for RE/OO but external suppliers have increased lately in 2025. But would be good to know which way you would like the data displayed before I re-draft. Noting they all need formatting etc.

Combo:

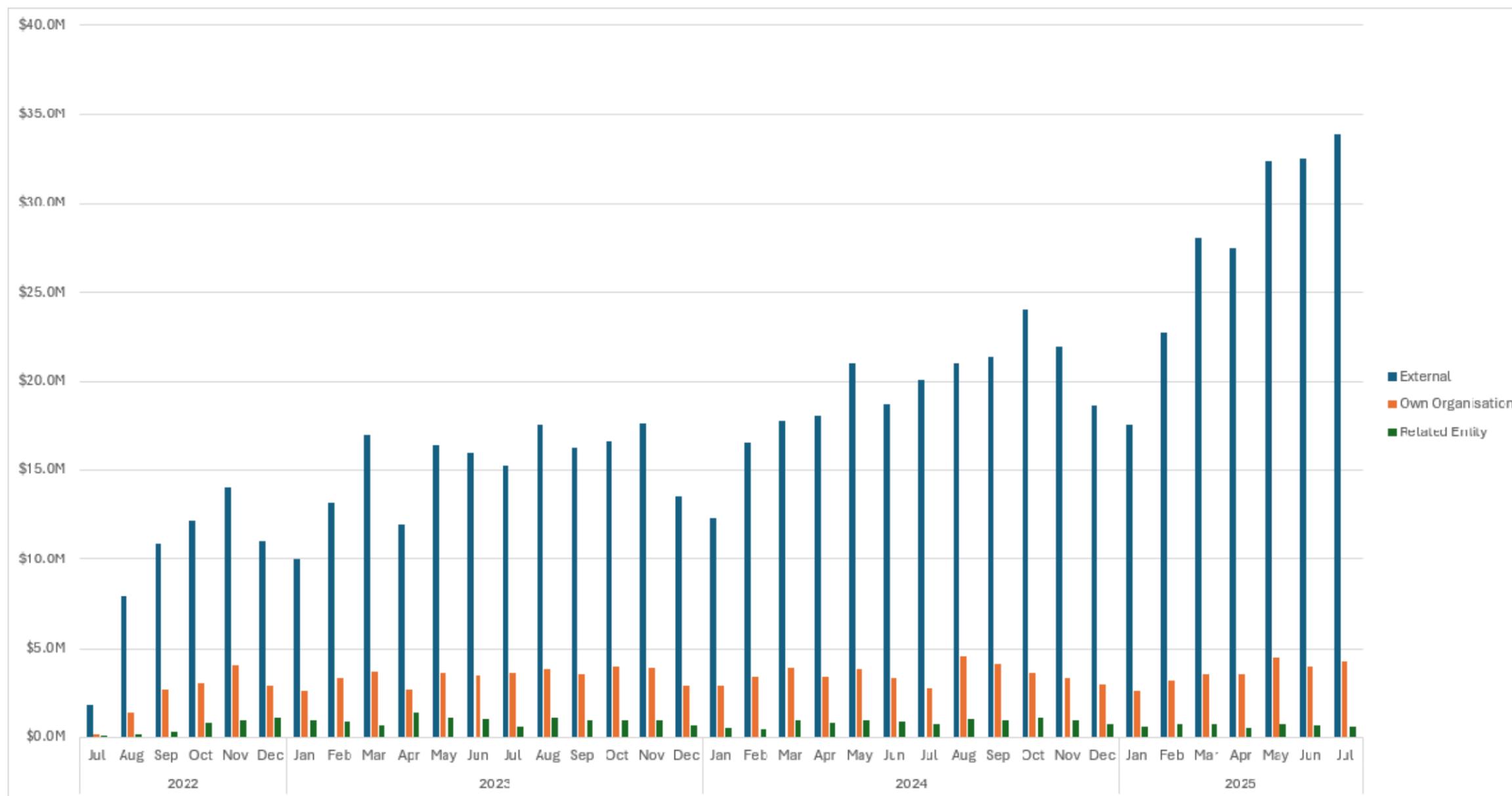


Alternatively, we could pick to just go with spend over time by amount or percent:

Percent:



Amount:



Thank you!

s 22
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Assistant Director

Progress and Outcome Payments Team | Funds and Payments Branch
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My working days are Monday to Thursday

s 22(1)

From: s 22(1)
Sent: Monday, 8 September 2025 2:53 PM
To: s 22(1)
Subject: RE: SB25-000270 : PDMS Notification - Record Assigned [SEC=OFFICIAL]

Question: to what do we attribute the drop in Own organisation and related entity commitments since the start of WfA?

Background: The tables ^{s 22}₍₁₎ was looking at are in both Estimates briefs, and have the same numbers.

- As you can see from the table below, the dollar value expended on own org/related entity has remained relatively stable, while the amount expended on external suppliers has increased. This is what is driving the *proportional* decrease.
- While it's not the only driver of the change from the 2023-24 financial year, the expenditure patterns in professional services is a good example of this.
 - In the 2023-24 financial year, the expenditure on own org professional services was \$35,732,383, compared to an external spend of \$12,163,795 (related entity was \$6,598,069)
 - In 2024-25, the expenditure on own org remained almost identical, at \$35,735,041. However, the external spend almost doubled to \$21,671,882 (related entity had a small dip to \$5,788,881).

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Other notes:

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- While professional services accounts for most own org and related entity expenditure (84% of all own org expenditure and 65.9% of all related entity expenditure), external usage under this category has been increasing since July 2024.

Own organisation and related entity commitments through the Employment Fund, by financial year, as at 31 July 2025 (includes Broome Employment Services)

	Own organisation		Related entity		Total (Inc. external commitments, excl wage subsidies)
	\$	%	\$	%	\$
1 July 2022 – 30 June 2023	\$33,562,950	25.2%	\$9,168,705	6.9%	\$133,065,945
1 July 2023 – 30 June 2024	\$42,524,730	21.6%	\$9,482,400	4.8%	\$196,671,485
1 July 2024 – 30 June 2025	\$42,585,725	16.8%	\$9,296,200	3.7%	\$254,089,300
1 July 2025 – 31 July 2025	\$4,238,095	16.5%	\$580,970	2.3%	\$25,723,210

Not all commitments result in a claim for reimbursement.

Calculations of own organisation and related entity commitments include all Employment Fund spend (including EST Training Block 2 course fee) spend but excludes Wage Subsidies. These cannot be claimed for own organisation or related entity job placements.

A small number of commitments are excluded due to unknown commitment dates.

	Total Commitments (incl wage subsidies)	Commitments (excl wage subsidies)	Own organisation / Related entity commitments (excl wage subsidies)	% of commitments	% claiming against Own organisation / Related entity
Own Organisation	\$816,499,055	\$609,549,935	\$122,911,500	20.2%	89.4%
Related Entity			\$28,528,275	4.7%	44.7%

s 22(1)

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I work Monday to Thursday

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