



## **Australian political donations**

# Crisis-hit consultancies among firms throwing money at Australian political parties

**Disclosures show PwC alone made \$369,973 in direct political donations last financial year**

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## **Henry Belot *and* Cait Kelly**

Sun 4 Feb 2024 06.00 AEDT

Consultancy firms and other businesses engulfed in scandals threw money at political parties last year as they struggled to contain reputation damage.

In some cases, donations were made while politicians investigated allegations of wrongdoing and planned tougher regulations that could affect the companies' revenue.

PwC Australia - which [plunged into crisis after it monetised confidential Treasury information](#) - donated \$369,973 directly to Labor and the Liberals last financial year. This was a 50% annual increase and its highest spend since 2018/19.

On 24 January, a day after an industry regulator [announced it banned a former partner for integrity breaches](#), PwC Australia gave \$49,500 to the federal Labor party. The next day, the treasurer declared he was [“furious” about the breach](#).

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PwC Australia also donated \$22,000 to the Labor Party's Western Australia branch on 21 April. By then, the firm had sustained months of damaging headlines, which intensified when hundreds of internal emails were released in the following weeks.

The federal Labor party's annual returns reveal PwC Australia also provided \$88,000 to a business forum - taking the firm's overall contributions beyond \$400,000.

In early July - weeks after PwC Australia announced it was divesting its entire government services division for just \$1 - the firm declared it would no longer make political donations.

PwC Australia's chief executive, Kevin Burrowes, said political donations "don't align with community expectations and we have stopped them in their entirety". That includes payments to business forums aligned with political parties.

"While we can't change the past, we can take the positive steps we need to take in order to improve our governance standards - and that's exactly what we are doing," Burrowes said.

Transparency advocates and the Greens have called for other consultancy firms to stop political donations to avoid potential conflicts of interest and restore public confidence in the industry.

Last financial year, EY spent \$227,853 on donations - a 74% increase on the year earlier and the highest total since 2018/19. KPMG and Deloitte also continued to donate, although to a lesser extent. The four firms were the subject of a Senate inquiry during this period.

Most consultancy firms do not make cash payments, but instead offer in-kind contributions that include event hosting, catering, sponsorships, networking events, policy briefings, office sharing or contributions to fundraising.

Meanwhile Australia's biggest employment service, APM, donated \$150,000 to the federal and Western Australia branches of the Labor party in the midst of a damning parliamentary review into the employment services industry.

The inquiry, chaired by Labor MP Julian Hill and established by the employment minister, Tony Burke, declared the system largely failed to improve employment outcomes but was still set to cost over \$9.5bn over the next four years.

The inquiry held hearings between November 2022 and September 2023, with the final report tabled in November last year. At the same time, between 17 September 2022 and 29 June 2023, APM donated \$147,140 to the two ALP branches.

It was one of the largest amounts donated since APM started receiving government contracts for employment services in 2015.

The Antipoverty Centre's spokesperson, Jay Coonan, said the donations called into question the "legitimacy" of APM as a witness in the inquiry.

"Even if we had money, those of us in the system wouldn't use it to increase our influence," he said.

APM defended the donations, with its general manager of corporate affairs, Adrian Bradley, saying the company had given money to "the government of the day and opposition" for years and always adhered to guidelines.

"Donations have no impact on government policy and produce no material benefit or outcome to the business," Bradley said.

Gambling companies also continued to donate while [politicians led a parliamentary inquiry into the harms caused by their online operations](#). The government is still considering the inquiry's recommendation to [ban gambling ads after a transition period](#).

Australia's largest bookmaker, Sportsbet, donated \$203,000 to Labor, the Liberals and the National party last financial year. That was a drop on the \$313,424 it donated the previous year earlier, but more than it gave in 2020/21 and 2019/20.

Tabcorp continued to donate, but its \$161,500 contribution to the Liberal, Labor and Nationals party was its lowest in almost a decade.

The ALP was contacted for comment.

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## Inequality reporting

# Workforce Australia job agencies forced to return \$8.5m in taxpayer funds after huge surge in faulty claims

**Exclusive: Money returned to department by privatised employment services agencies doubled in 2022-23 amid apparent crackdown**

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**Cait Kelly**

Mon 12 Feb 2024 01.00 AEDT

Australia's outsourced job agencies have been forced to hand back more than \$8.5m in government payments in one year - more than double the previous 12 months - after an apparent crackdown on faulty claims.

Under the employment services system, providers are funded with so-called "outcome payments" for placing their clients into employment or courses and they can claim reimbursements for money spent helping jobseekers prepare for work.

The Workforce Australia scheme, which is under review by the Albanese government, is expected to cost more than \$9.5bn over the next four years, amid sustained criticism that the privatised system is ineffective and prone to waste and rorting.

Data obtained by Guardian Australia shows in the past four financial years, the government has recovered \$17,490,143 from employment services providers, with \$8,558,253 of that recovered in 2022-23 alone.

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And while a majority of recouped payments have generally been returned to the department at the job agencies' initiative, only 18% of the funds clawed back in 2022-23 was returned proactively.

Asked why there had been an uptick over that year in funds recovered, a Department of Employment and Workplace Relations spokesperson said the recoveries vary "year to year" depending on "program monitoring activities".

**[Graph showing recoveries from all employment programs](#)**

The spokesperson said the most common reason for recovery was because the provider supplied "inadequate documentary evidence" when claiming payments or had wrongfully made a claim.



They said the money had been recovered after random sampling of expenditure and more targeted investigations.

“The department has also over time invested in more sophisticated assurance and program monitoring tools,” the spokesperson said.

Graph showing complaints received by the National Customer Service Line by financial year

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## [Graph showing top three reasons for complaints](#)

Separate data shows that between 2020-21 and 2023-24 the department received 88,785 complaints to the hotline about job providers. While the number has trended down, complaints still account for 7.5% of all calls.

The top reasons for the complaints were for inappropriate or inadequate service, dissatisfaction with their consultant or unprofessional behaviour.

Fewer jobseekers have interacted directly with outsourced employment consultants since the [Coalition introduced Workforce Australia](#) in 2022, with many now completing their job search obligations through an online portal.

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The National Employment Services Association chief executive, Kathryn Mandela, said there were “varied circumstances” that “contribute to an automated or manual claim for payment being made in error”, including administrative mistakes and system errors .

“The current employment services payment, compliance, assurance and performance systems imposed by government on providers of employment services create a significant administrative burden,” Mandela said.

“Over 50% of frontline’s staff time, is consumed with meeting government administrative requirements.”

In December Guardian Australia [reported a jobseeker’s allegations](#) that her provider, APM, had claimed it referred her into work that she got herself, which could trigger publicly funded incentive payments. In other instances, out-of-work Australians have said their providers offered them cash incentives to lie about their employment status.

Jeremy Poxon, the policy officer for the Australian Unemployed Workers’ Union, said the union believed “providers [were] incorrectly or inappropriately claiming payments on a far larger scale than the Department’s recovery figures reflect”.

“Providers currently funnel millions of public funds through their own companies, related entities and in-house training courses and programs,” he said.

“The failed ParentsNext program is a perfect example, where providers claimed the Participation Fund to refer participants to their own courses.

“[Providers] should not be permitted to refer participants on their caseload to training programs.

“Ultimately, the government needs to stop outsourcing employment services to private entities that will always bend or break their rules to suit their business interests.”

A parliamentary review ordered by the Albanese government found in November that the full privatisation of Australia’s employment services system had failed. It called on the government to re-establish a commonwealth job agency and overhaul the mutual obligations regime. The government is yet to respond to its findings.

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## Inequality reporting

# Jobseeker endured 11 weeks without Centrelink payments but was still forced to attend job agency appointments

**Advocates say government failing to meet 'basic obligation' to process claims quickly after Tim McCabe spent weeks with 'no income'**

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**Cait Kelly** *Inequality reporter*

Sun 21 Jan 2024 10.00 AEDT

A New South Wales jobseeker says he was forced to complete welfare mutual obligations - including a 50km round trip for job agency appointments and enrolling in training courses - despite receiving no welfare payments for 11 weeks.

Tim McCabe, 60, said he had applied for the jobseeker payment on 1 November after moving off a carer's payment when his mother died.

Under the mutual obligations system, jobseekers are required to complete activities including applying for jobs or attending training to receive welfare payments.

But McCabe is one of two jobseekers Guardian Australia has spoken to who said they have been required to complete these activities for several weeks while not actually receiving any welfare payments from [Centrelink](#).

McCabe said he didn't mind looking for work as he wanted a job, but having to attend the appointments with his employment services provider, Employment Plus, was costly because he lives in Salt Ash in regional NSW and had to drive a 40-minute round trip into Nelson Bay.

"We're on a little property sort of in the middle of nowhere," he said. "It's like a 50km round trip to get to the office and back."

McCabe was also enrolled in a five-day course, aimed at helping those over 45 to get back into the workforce, which he was due to start next week.

"I have no money at all," McCabe said. "I have no income at all. Luckily, my uncle shares the house with me. But he's only on the age pension, he's 75 years old.

"He's paying the two weeks rent plus a car payment. So that leaves us with just over \$100 to live on for the fortnight."

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After Guardian Australia spoke to Services Australia about his case, the agency called McCabe and his payments were started. He received his first instalment on Wednesday.

The Department of Employment and Workplace Relations, which sets the mutual obligation policy on behalf of the government, said jobseekers were required to attend an initial appointment and connect to a job provider while their claim was being processed.

"Most clients are required to be connected to Workforce Australia while their claim is being assessed," the department's spokesperson said. "Clients are connected immediately with an employment services provider so they can access support as quickly as possible to get them into sustained employment and to meet their requirement to commence payment.

"Providers do not have the ability to apply a pause to mutual obligations."

Services Australia's spokesperson, Hank Jongen, said he had apologised to McCabe for the wait.

"I'm sorry Mr McCabe has been waiting longer than he should have for his payment to be processed," Jongen said. "In most cases, when people apply for jobseeker

payment, we connect them immediately with an employment services provider so they can access job search support as quickly as possible.”

McCabe’s case comes as the Albanese government faces scrutiny over blowouts in the waiting times for payment claims and calls to Services Australia. Centrelink last year **experienced a significant blowout** in wait times for claims in the middle of last year, though between September and December the average wait for jobseeker was reduced from 31 days to 24 days, data from Services Australia shows. But the payment is meant to have a “timeless standard” of 16 days.

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Another jobseeker, who did not want to be named, said he had been waiting more than 60 days for his jobseeker payment to be processed.

In that time he had been required to attend a job agency appointment. “I’ve just had about enough of them not holding up their end of the deal,” the man, who has since found casual work, said.

Jongen said Centrelink was onboarding 3,000 new staff to help clear the backlog.

“We understand everyone’s circumstances are different, so we encourage people to talk to us about their situation,” Jongen said. “In some cases, we can give them a temporary exemption from mutual obligations.”

The Australian Unemployed Workers’ Union welfare advocate, Jeremy Poxon, said forcing jobseekers to carry out mutual obligations while they waited for payments “exposes the sham” of the system.

“The government is forcing people into burdensome activities without first guaranteeing them the financial support they need to survive,” he said.

Poxon said the government was failing its “basic obligation” to process claims in a timely manner.

“Meanwhile, poor people are jumping through every eligibility hoop, making every appointment, and completing a barrage of tasks, training programs and work for the



dole activities. None of this is remotely mutual or fair, but the product of a system that prioritises punishment above support.”

In 2021 researchers found mutual obligations could actually make it harder to become re-employed, with people spending less time in employment than those who did not have to complete the tasks. It also found that when jobseekers did secure work, it was of a “lower quality”.

In late November a damning review of the Workforce Australia system said the decades-long full privatisation of Australia’s employment services system had failed. But the committee shied away from abolishing mutual obligations.

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## Inequality reporting

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# Major Australian employment service accused of claiming credit for work jobseeker found herself

**Exclusive: Documents seen by Guardian Australia suggest job provider APM referred woman for role she had already won; APM deny wrongdoing**

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**Cait Kelly**

Wed 27 Dec 2023 01.00 AEDT

One of the country's biggest job providers has been accused of claiming it referred a [jobseeker](#) into work she got herself, which could trigger publicly funded incentive payments.

In July, a New South Wales woman, who asked for her name not to be used, found herself a job as a youth worker just as she was accessing jobseeker and matched with employment service provider APM.

Documents seen by Guardian Australia suggest the company referred the jobseeker into a role she had already been hired for and commenced. APM has strongly denied any wrongdoing.

Welfare advocates claim Australia's unemployment system has rewarded job service providers, even when they have not helped jobseekers.

Job providers receive public funding for helping people get into work but are not paid just for referring people to jobs. Providers receive payments after jobseekers stay in jobs for four, 12, and 26 weeks. Outcome payments range from \$240 for a "partial four-week outcome" to \$5,000 for a "full 26-week outcome".

Additional bonuses are available for finding work for the most disadvantaged participants, with payments ranging from \$1,000 to \$4,000.

The jobseeker says she had signed the contract and started the onboarding process before she had started with APM. At an appointment with the provider, she told them she had secured a position.

"It was 10 July when I started my work placement, it was the week before that I had an appointment with my job provider because I was on [Centrelink](#)," she said.

"But I had been looking for work for a long time. And this company that I had contacted for a job way back in February, had re-contacted me with a different role if I was interested, and I was.

"Then on the Monday, I came in and said, 'It looks like I may have a job and I start next Monday'."

The jobseeker says she was then sent an employment support consent form from APM, asking for the details of her new employee.

She says she then tried to disengage from [Centrelink](#), as she was employed but still getting some credit points to receive a small sum of money. She says when she logged on to the account to close it off, it said APM referred her to the job she had found herself.



📷 Labor MP Julian Hill was chair of the recent inquiry into the Workforce Australia system, which found the system to be frequently ineffective. Photograph: Lukas Coch/AAP

“I went on to my Workforce Australia thing because I was trying to close everything off. And it said that APM referred me to the job that I have,” she said.

“I’m 52 ... and I’ve been unemployed on and off throughout my life and I’ve never had a job service provider find me employment. I’ve always found my own. All they do, they’re basically like good welfare cops.”

APM said it could not comment on specific cases due to confidentiality and privacy.

“However, we reject any suggestions we acted unlawfully, unethically or breached Department of Employment and Workplace Relations (DEWR) contract guidelines relating to Workforce Australia,” a spokesperson said.

“APM fully complies with DEWR guidelines and regulations relating to Workforce Australia and are subject to its rigorous compliance requirements.”

Australian Unemployed Workers’ Union welfare advocate Jeremy Poxon called on the department to take such issues more seriously.

“It’s clearly ridiculous that we have a system that rewards job providers when they fail to provide people jobs,” Poxon said.

“It’s hard to think of any other government-funded service this parasitic; that allows private companies to profit off individuals’ own efforts to improve their circumstances and find work.”

A recent [inquiry into the Workforce Australia system](#) chaired by Labor MP Julian Hill and established by the employment minister, Tony Burke, declared the system was frequently ineffective but was still set to cost more than \$9.5bn over the next four years.

“It’s frankly nuts that we’re still pouring billions of dollars into [the employment services system],” Poxon said.

A DEWR spokesperson said there are “strict rules” and guidelines “governing the payment of employment outcomes for pre-existing employment”.

“Where a participant is in a job prior to starting with a provider, this is known as pre-existing employment and can only lead to the payment of employment outcomes in certain circumstances,” the spokesperson said.

“There must be a significant increase in the participant’s work capacity, that occurs while being supported by the provider, in order for an employment outcome to be paid.”

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