

MEDIA RELEASE
NATIONAL EMPLOYMENT SERVICES ASSOCIATION

A Fair Go for Public Employment Services

“The National Employment Services Association (NESA), the peak body for the Australian employment services sector, is opposed to The Greens calls for the return of the public service-run Commonwealth Employment Service and the abolition of mutual obligations” said Kathryn Mandla, CEO.

Currently, the federal government runs the Workforce Australia Online digital service servicing close to 190,000 jobseekers and is participating in direct service delivery trials at a limited number of sites. The public has no line of sight on Government performance in relation to these services.

“Public servants currently providing the same work expected of outsourced providers come at an exorbitant cost to the Australian taxpayer”, Ms Mandla said, “On average, public servants are paying themselves over 25-40% more to do the same frontline work that outsourced providers do. Further, the Government’s funding model for outsourced providers is based on costings well below the market rate that outsourced providers need to pay to keep staff in what is a challenging and unsafe environment. The recent Parent Pathways public service-delivered trial at Playford in South Australia shows that the Federal Government has spent at least eight (8) times more than the market average to set up its site.

“I think we all agree that it is a very fancy site, but it seems like a dreadful waste of taxpayers’ money considering the cost-of-living pressures being faced by so many Australians”, Ms Mandla said.

“Given the cost inefficiencies of government-delivered services, I am not surprised that The Greens plan will require another \$3.6 billion over the forward estimates,” said Ms Mandla. “However, it would only take a fraction of that cost to significantly boost the efficiency and effectiveness of the current system so that it works in the best interests of job seekers and frees up current outsourced providers to focus more of their time on supporting jobseekers rather than undertaking Government-created administrative tasks that don’t help people into jobs”. ‘Administrative burden sits at over 50% of outsourced staff’s time. It shows a total lack of understanding in Canberra about the real world of service delivery and the needs of disadvantaged people.”

Of concern, under The Greens proposal is the future of the 30,000 staff that make up the outsourced employment services sector across Australia. Seventy two (72) percent of the workforce are women, and many workers have lived experience of homelessness, unemployment, domestic violence, disability, and dealing with disadvantage. “To say to our sector that The Greens will take your jobs away and give them to inexperienced and better paid public servants beggars belief”, said Ms Mandla. “Calls to expand Government’s service delivery role when the public have no line of sight on the Government’s current performance is downright reckless and could lead to the total collapse of Australia’s employment services system”.

NESA does not support The Greens policy to abolish mutual obligations, but agrees fixing the Government’s ineffective and poorly designed IT system that underpins it should be a key priority of Government. NESA agrees urgent and immediate improvements are needed to mutual obligations, so they can play a more constructive role in motivating and supporting jobseekers to become job ready and find work. For many jobseekers, their relationship with their employment services provider gives them an entry path to appropriate support services they would not otherwise have access to, including domestic violence and homelessness support services.

NESA’s 2025 federal election policy platform calls for reforms to ensure:

- reducing government created administrative burden to free up workers to directly support jobseekers
- good government stewardship
- a safe and supported workforce to protect frontline workers from violent and aggressive behaviours by jobseekers and
- fairer funding that reflects the true costs of delivering employment services

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