

The Department of Education, Skills and Employment

Exposure Draft for the New Employment Services Model 2022  
Purchasing Arrangements

Response submitted by:

The Palladium Group

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**New Employment Services Model 2022 Purchasing Arrangements, Feedback on Exposure Draft**

To whom it may concern

Thank you for the release of the Exposure Draft for the New Employment Services Model 2022 Purchasing Arrangements.

Please find attached feedback from Palladium.

Should you have any questions or queries on the feedback submitted please do not hesitate to contact us:

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## **New Employment Services Model 2022 Purchasing Arrangements**

### **Feedback on Exposure Draft**

#### **Introduction**

The Department of Education, Skills and Employment's release of the Exposure Draft (ED) for the New Employment Services Model 2022 Purchasing Arrangements is welcomed by Palladium. As a relative outsider to the established employment services market under *jobactive*, its previous iterations and other Department led employment services programming, we have invested considerable time, effort and resources into understanding current and future challenges and opportunities associated with the New Employment Services Model. The future demands new thinking, new approaches, and new solutions and we are excited about the prospect of bringing our Australian and global experience to bear in support of the Australian Government's New Employment Services Model.

#### **About Palladium**

**Our purpose: To catalyse an enriched future for all.**

A proud Australian organisation and trusted supplier of goods and services to a wide range of Australian government departments and agencies, Palladium works with governments, businesses, communities and investors to solve the world's most pressing challenges. Palladium is in the business of making the world a better place, and we believe that collaborative models and systemic approaches are the way to achieve progress and success. For the past 50 years, we have been helping our clients to see the world as interconnected – by formulating strategies, building partnerships, and implementing programs that have lasting positive social and financial impacts.

#### **Feedback on the Exposure Draft**

**On the proposed maximum cap in the order of 10 per cent on the total national business share for any single Provider (NESM ED 2.2.10 National business share tolerance)**

Palladium welcomes this step as a means of encouraging competition, attracting new and non-established players and reducing barriers to entry for them. The significant market concentration that exists under *jobactive* is a substantial barrier to new entrants and a cap in this order will mitigate this while also providing more choice and diversity in thinking and approaches to the Department and jobseekers.

**On NESM ED 4. Capacity Building Fund**

As a further measure to attract new market entrants and reduce barriers to entry, Palladium supports the proposed Capacity Building Fund. While we note the definition of 'small' is to be confirmed and while Palladium would unlikely meet this definition, various financial metrics could be used to determine eligibility for the fund rather than a pure turnover based cap or similar.


**On NESM ED 5.5 Evaluation criteria and 5.5.1 areas of capability by category**

While final selection criteria per service (CTA, EST, Enhanced Services) is to be confirmed, Palladium encourages the Department to consider the level of detail sought in selection criteria. While detail is without doubt important, requesting too detailed responses can create a barrier to entry for new organisations. For example, Palladium cannot reference specific and detailed experience delivering services to jobseekers under *jobactive* but can reference similar or related services. Criteria that request very detailed narrative, examples and approaches that are skewed towards current *jobactive* or other Department led employment programs may advantage incumbent providers.

Similarly for 5.5.3 referees, we understand that referees per employment region may be requested – this may advantage incumbent employment service providers.

#### **On Appendix 1 Enhanced Services 1.6.3 Referral to activities and 1.9 Working with other providers**

Service referrals play a key role in the jobseeker journey towards sustainable employment. As relative outsiders to the existing employment service providers market, Palladium notes that a significant number of employment service providers hold multiple contracts for services with the Department to which they can refer jobseekers while also often being a Registered Training Organisation (RTO) and sometimes being a Group Training Organisation (GTO) or delivering other related employment services (e.g. labour hire services). We see the role of the employment services provider under enhanced services as that of an independent arbiter that should make referrals to services based on jobseeker need and evidence (a demand driven approach) rather than any approach that is skewed more towards any supply side or internal organisational perspectives. Palladium encourages the Department to consider this in evaluating responses.



#### **On Appendix 1 Enhanced Services 1.8 Services to employers**

Various discussions Palladium has held with employers and employer associations has highlighted that the relationship between employment service providers and employers under *jobactive* is often less than ideal (from the perspective of employers). With a strong track record of successfully engaging industry in government led programming, Palladium understands business drivers, motivations and needs. We support the want of the Department for enhanced services providers to have a comprehensive strategy for engaging with and supporting employers in the locations in which they are licensed to deliver services and encourage the Department to consider this carefully when assessing proposals. While jobseekers are at the centre of the provision of employment services, without effective industry engagement that meets the needs of employers, it will be difficult to place jobseekers into meaningful sustainable employment.

#### **On Employment Regions – specifically Murray Riverina**

In delivering the Pacific Labour Facility (PLF) on behalf of the Department of Foreign Affairs and Trade (including engagement with the Department of Education, Skills and Employment), Palladium has collaborated closely with a wide variety of employers across more than 20 employment regions. A region where we have significant connections and experience is in the NSW Murray Riverina employment region where we have recruited and placed more than 500 Pacific Labour Scheme (PLS) workers across various sectors including food processing, aged care and social services, agriculture, and horticulture. We have also supported a significant number of Seasonal Worker Programme (SWP) workers in this region and many others. We note that current employment region demarcation excludes the NSW city of Albury from the Murray Riverina employment region which is included rather in the Victorian region of Murray Goulburn. While this makes some sense from a cross-state border perspective (given the number of Wodonga citizens and other Victorians who work or seek employment in Albury), Albury is nonetheless the major centre and hub of the NSW Murray region (which along with the NSW Riverina region makes up the Murray Riverina employment region). As a potential bidder for services in the Murray Riverina region, Palladium would lobby for the inclusion of Albury in this region from an employment region demarcation perspective.