



yourtown
POWERING **kids**helpline

Establishment of the Workforce Australia Services Panel

A submission to: The Australian National
Audit Office

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yourtown is a trusted provider of services for young people, with a focus on mental health and wellbeing, long-term unemployment, prevention of youth suicide, child protection, as well as support for those experiencing domestic and family violence. **yourtown** has evolved to helping hundreds of thousands of young people each year by powering a range of service offerings that support them through difficult challenges.

Our services

- Employment, education, and social enterprise programs to help long term unemployed young people re-engage with education and/or employment
- Kids Helpline, providing professional counselling and support to 5–25-year-olds across Australia since 1991
- Kids Helpline @ School and Kids Helpline @ High School, which deliver early intervention and prevention programs through primary and secondary schools
- My Circle, a confidential, private, online peer support network for 13–25-year-olds to share information and build coping skills
- Mental health service/s for children aged 0-11 years old and their families, with moderate mental health needs
- Domestic and family violence refuge, accommodation, and therapeutic supports for women and their children, including post-refuge support
- Accommodation and therapeutic supports for young parents and their children at high risk
- Parentline, a telephone and online counselling and support service for parents and carers in the Northern Territory and Queensland
- Expressive Therapy interventions for young children and infants who have experienced trauma and abuse, or been exposed to violence, and
- Young Parents Program providing parenting support to help with child development, life skills and health and wellbeing activities in safe, supportive environments.

Employment Services

For almost 20 years **yourtown** has been delivering specialist youth employment services. Our employment services programs, including Transition to Work (TtW), Skilling Queenslanders for Work, Get Back in the Game and ParentsNext, provide young people with training to expand their options and help them find sustainable employment. In 2022, we supported 14,505 young people through our employment programs.

In our most recent employment services contracts with jobactive since 2015 and TtW since 2016 we have worked with more than 61,470 young people and helped more than 45,000 into work and educational opportunities.

ParentsNext

We provide specialised support for parents with children under six years of age, to plan and prepare for their future employment in regional South Australia from our Port Pirie base. Our primary goal for ParentsNext is to empower parents to embrace life changes, improve their skills and self-confidence, and achieve their education and employment goals. In 2022, our program supported almost 400 parents/carers.

Social Enterprises

yourtown has worked with young people and employers to break down barriers to sustainable employment for more than 20 years. As a leader in work-based social enterprises we provide young people at risk of long-term unemployment paid jobs in the following areas: construction, landscaping, and asset maintenance to help their transition to open employment. In 2022, a total of 170 young people were employed in our social enterprises across Queensland, New South Wales, South Australia, and Tasmania, with over 90% transitioning into longer term employment (within the open labour market) or progressing into education.

Kids Helpline

yourtown's Kids Helpline is Australia's only free and confidential 24/7 phone and online counselling service for any young person aged 5 to 25. It offers children and young people a range of care options that are right for their needs and circumstances.

Our commitment to being there anytime, and for any reason, has meant that we have responded to more than 8.6 million contacts from children and young people nationally in the 31 years since our service was first established, whilst also providing tens of millions of self-help interactions via our website and social channels. In 2022, our Kids Helpline counsellors responded to 155,973 contacts from children and young people across Australia, including 5,753 emergency responses for children and young people at imminent risk of harm.

yourtown welcomes the opportunity to respond to the Australian National Audit Office (ANAO) consultation on the Establishment of the Workforce Australia Services Panel.

We strongly support ANAO's review of the effectiveness of the establishment of the Workforce Australia Services panel. The 2021 Workforce Australia tender process drastically de-stabilised the employment market for service providers, job seekers and employers. The National Employment Services Association estimates the recent changes turned over existing job providers in 80% of 51 regions¹, with 71% of regions having a complete turnover of providers. Fifty one percent (51%) of previously contracted providers (who collectively held 34% of all previous TtW contracts) did not secure a contract in the recent tender process. This level of disruption is unprecedented with little to no regard for past performance.

For **yourtown**, supporting job seekers into sustainable employment is more than just helping someone 'get a job'. It also means addressing barriers, and issues that stop that person from finding, or holding onto stable and sustainable employment. Further, many young job seekers have mental health concerns which if unaddressed can be a barrier to obtaining or staying in a job. At **yourtown**, our employment services help young people find support for their mental health concerns. This can be through face-to-face services or our Kids Helpline Service which has been at the forefront of providing virtual mental health and wellbeing services for children and young people in Australia for more than 31 years.

The following sets out **yourtown's** responses to ANAO's questions:

Was the design of the procurement consistent with policy objectives and achieving value for money?

The outcomes of the procurement process were extremely costly and burdensome to Government, job seekers, the community, and the employment services sector.

The Request for Tender² for Transition to Work 2022–27 (the RFT) lacked a specific and dedicated criterion that evaluated the current performance of providers. While job providers' past performance had been weighted at 30% in past tenders, the Government grouped this criterion in the latest round with organisational capability for an overall 20% weighting.

The inclusion of a separate and dedicated assessment criterion would have supported the retention of high performing providers, and ensured the competitive tender process also supported the approach of achieving value for money. Further, consideration of this would have also yielded significant savings in resourcing, time, and effort to Government and fostered consistency and stability within the market enabling the development of best practice standards and models; with leading providers paving the way for the rest of the employment services sector.

The announcement of the outcomes of the procurement process has resulted in a major disruption to the employment services system impacting job seekers and the support available to them to 'get' a job, employers, and providers specifically in relation to the high outlay costs incurred by providers due to forced site closures and re-establishment of new sites. Critically following the competitive tender round for transition to work programs, 51% of providers lost their contracts³.

It is also important to note that the cost should not only be measured in 'value for money' but how the flawed process destroyed the substantial social capital that was invested in human relationships and networks between community-based providers, the people who

¹ See Marin-Guzman, D. 2022. Job services industry stunned after wave of contract terminations. Financial Review available at: [Job services industry stunned after wave of contract terminations \(afr.com\)](https://www.afr.com/news/politics-government/job-services-industry-stunned-after-wave-of-contract-terminations-20220727).

² See RTF for Transition to Work 2022-2027 available at: [Request for Tender for Transition to Work 2022–27 - Employment Services Tenders](https://www.afr.com/news/politics-government/request-for-tender-for-transition-to-work-2022-27-employment-services-tenders).

³ See Marin-Guzman, D. 2022. Job services industry stunned after wave of contract terminations. Financial Review available at: [Job services industry stunned after wave of contract terminations \(afr.com\)](https://www.afr.com/news/politics-government/job-services-industry-stunned-after-wave-of-contract-terminations-20220727).

used their services and the local community. The radical disruption of these relationships, displacing the community networks in the name of market efficiency – jeopardised this store of social capital - at significant social and economic cost to job seekers, employers, governments, and the community.⁴

A disruption to the system of this magnitude, has and will, continue to have a significant impact on young people, who are one of the most disadvantaged cohorts in the labour market. As of February 2023, the youth unemployment rate has increased to 7.9%; this increase means that the youth employment rate is more than double the current unemployment rate of 3.5%.⁵ Ultimately the flawed procurement process has compromised job seeker outcomes by 'worsening system fragmentation, disincentivising providers from working together to innovate, and has disadvantaged smaller providers who are more likely to be embedded in their communities, and who are able to harness local resources for job seekers' benefit.⁶

Did the results of the evaluation process appropriately inform the establishment of the panel?

As per the RFT Criterion 3, evidence of local connections and collaborations was requested by the Department and allotted 35% of the total weighting. However, given the weighting, **yourtown** questions the strict and narrow character limit imposed (8000 character) and whether this would have allowed tenders to put in a robust response. Noting that Criterion 3 sought information about the tenderer's "*knowledge of the local labour market and economy, and its local networks and connections that can be leveraged to create and support employment and education opportunities for young people in the Employment Region or Location for which it is tendering*".

It is difficult to understand, given the importance of Criterion 3, how the evaluation of the tenders during the competitive tender round could have resulted in a large turnover of many existing providers. That is given this component was 35% of the tender, with a strict character limit, it is difficult to see how so many new providers in regions were able to mount a compelling argument. Success in other regions is not an indicator of demonstrated knowledge of local need nor evidence of established local networks.

Further, it is disappointing to note that a spokesman for the previous Employment Minister, said the government was "*unable to discuss any matters relating to purchasing activities, to preserve the probity of the purchasing process*"⁷. Given the dramatic disruption to the system greater transparency is required to better understand why an estimated 400,000⁸ long-term job seekers were forced to move to a new service provider, and work with organisations that did not have established relationships with employers or the community.

general feedback – audit the review process

The disruptive impact of tender process outcomes on the employment sector should also serve as a warning against the use of artificial intelligence or untrained reviewers (unfamiliar with the sector) in reviewing tenders.

The rising trend both nationally⁹ and internationally toward the use of artificial intelligence (AI) in procurement process is of critical concern to **yourtown**. While it is not clear this this was

⁴ See Brotherhood of St Laurence, *Submission to the Treasury Employment White Paper consultation*, December 2022.

⁵ Australian Bureau of Statistics. (2023, February). Labour Force, Australia. ABS.

<https://www.abs.gov.au/statistics/labour/employment-and-unemployment/labour-force-australia/latest-release>.

⁶ See Brotherhood of St Laurence, *Submission to the Treasury Employment White Paper consultation*, December 2022.

⁷ See Marin-Guzman, D. 2022. Job services industry stunned after wave of contract terminations. Financial Review available at: [Job services industry stunned after wave of contract terminations \(afr.com\)](https://www.afr.com/news/politics-government/job-services-industry-stunned-after-wave-of-contract-terminations-20220202).

⁸ See Marin-Guzman, D. 2022. Job services industry stunned after wave of contract terminations. Financial Review available at: [Job services industry stunned after wave of contract terminations \(afr.com\)](https://www.afr.com/news/politics-government/job-services-industry-stunned-after-wave-of-contract-terminations-20220202).

⁹ See the New South Wales approach to procurement: [Procurement | Digital.NSW](https://www.digital.nsw.gov.au/procurement).

the case within this procurement process; the 'wild results', high turnover of existing providers, and lack of clear consideration for the past performance of providers, all suggest that the quality of reviewers and their knowledge of the employment services sector and system should also be subject to audit by the ANAO.

For example, while AI holds the potential to vastly improve government procurement processes in the future, it requires the development of stringent safeguards to ensure concerns regarding bias, privacy, accountability, and transparency are addressed. This becomes increasingly important given that the algorithmic systems frequently displace discretion previously held by either a policymaker who is charged with ordering that discretion, or an individual front-end Government employee on whose judgment Governments normally rely on.¹⁰ As such the use of AI systems within the public sector, deployed at various administrative levels, would also require robust due diligence, monitoring, or transparency including disclosures, datasheets, explanatory reports, or notices easily understood and accessible by all audiences, including those seeking to tender. Similarly, untrained human reviewers of tender applications, with little to no knowledge of the sector, are poor substitutes for reviewers who understand the business of employment service provision, and can distinguish between quality performers (with a strong track record in the sector) who work collaboratively in and with the community, compared with those services with little, to no experience in delivering long term and positive outcomes for job seekers and no established community relationships or credibility.

We would welcome the opportunity to explore these ideas with you in further detail. Should you require further information about any issues raised in the submission, please do not hesitate to contact Dr Marion Byrne, Head of Government Relations, and Advocacy at **yourtown** via email at mbyrne@yourtown.com.au.

¹⁰ Hickok, M. Public procurement of artificial intelligence systems: new risks and future proofing. *AI & Soc* (2022). <https://doi.org/10.1007/s00146-022-01572-2>