Making it work

Promoting participation of job seekers with multiple barriers through the Personal Support Programme

SUMMARY

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A full report of this research, including data analysis and detailed references, has also been published and is available on the Brotherhood's website.

Evaluating the Personal Support Programme

This summary provides key findings of a project evaluating the Personal Support Programme (PSP) carried out by the Brotherhood of St Laurence, Melbourne Citymission and Hanover Welfare Services over the past three years. The program provides intensive case management over a two-year period to job seekers facing multiple personal barriers, and aims to achieve increased economic and social participation. PSP is funded by the Department of Employment and Workplace Relations and delivered by contracted providers in the non-government and private sectors. In 2006, around 45,000 people received assistance through the program.

The aim of this study was to evaluate the extent to which PSP enables people with multiple non-vocational barriers to achieve economic and/or social outcomes and to compare the model being used with best practice internationally. Results will be used to advocate improvements to service delivery, inform development of the program itself, and influence broader employment assistance and social participation policies to benefit disadvantaged income support recipients.

The research included a longitudinal survey carried out with participants in 2004–05 and around 12 months later. One hundred and thirty-four participants completed the first survey and 120 of these completed at least part of the second survey. In-depth interviews were also undertaken with case managers across 15 PSP providers, as well as with Centrelink workers, Job Capacity Assessors and PSP staff working at the Department of Family and Community Services and the Department of Employment and Workplace Relations.

Personal barriers and disadvantage

The past decade has seen increasing international recognition that the most disadvantaged job seekers are not well served by mainstream welfare-to-work models based on rapid labour market attachment and minimum cost interventions. This has led to the development of targeted programs that address personal barriers as well as providing vocational assistance.

Personal barriers affecting many disadvantaged job seekers are a major impediment to employment and social inclusion. If not adequately addressed, they increase the likelihood of staying on welfare—or cycling on and off it—resulting in substantial and ongoing social and economic costs. Multiple personal barriers present an even greater risk; and numerous studies have demonstrated that the more barriers an individual faces, the less likely they are to exit welfare-to-work and then stay in work.

Nature and extent of barriers

Participants in PSP were found to be facing extreme disadvantage. This included severe and multiple personal barriers, in addition to low levels of education (70% had attained year 11 or less) and long-term unemployment. At survey one, the individuals in the sample faced from 1 to 21 barriers, with an average of 8.5 barriers. The four most common barriers were family relationship breakdown, confidence or self-esteem problems, mood disorders including depression, and social isolation or alienation, all affecting more than half of participants in the sample. Anxiety conditions, drug problems, financial management problems and homelessness affected 30–50% of individuals, while almost 80% of participants faced some type of mental health problem (anxiety, depression or a personality disorder). Non-metropolitan providers had a higher proportion of people facing four barriers (lack of job in the area, literacy or numeracy problems, lack of access to transport and poor communication or language skills), but fewer people facing social isolation or alienation and periods in custody or a criminal record.

Eight of the 42 possible barriers were found to have an above-average impact on an individual's social or economic participation, the greatest of these being periods in custody or a criminal record, lack of access to transport, very long term unemployment and family relationship breakdown. Another eight barriers were negatively related to the clients' reported level of engagement in PSP, the strongest negative associations being with anger or conflict or behavioural difficulties, family relationship breakdown and periods in custody or a criminal record.

In addition to considering barriers identified by case managers, participants were also asked to describe what was holding them back from work. Of the 13 coded response categories, mental health problems was the most common, followed by physical health problems and confidence or motivation problems.

The acute disadvantage was further evident in low levels of social participation, high social isolation and poor relationships with family and friends. Participants were more than five times more likely than the general population to live alone and reported much less frequent social contact than the general population or other unemployed, with 20% having contact with friends or family not co-residing less than once every three months, compared with only 5% in both other groups. Further, over 50% of participants experienced moderate or extreme interference in normal social activities from physical health or emotional problems, compared with 8% of the broader population and 11% of the unemployed.

Satisfaction with relationships with their partner, children, family and friends was also substantially lower than amongst the broader population or other unemployed people. Study participants also reported lower levels of social support, including having someone to confide in; having people to help out when needed; and having someone to help out with food, money or accommodation if needed.

High proportions of participants had been unable to take part in many basic social activities (such as going to the cinema, eating out, shopping, having a drink in a bar, or going to sporting events) due to emotional, physical health or financial issues. Other measures of social participation, such as membership of sporting, hobby or community clubs and associations or of political parties, and regular attendance at a place of worship, were all also far below levels in the broader community.

Compounding these disadvantages was extreme financial deprivation. Events such as going without meals, being unable to heat the home, asking family or friends for financial help or being unable to pay utilities bills, the rent or mortgage were 4 to 12 times more common among the PSP sample than the population generally. This highlights the difficulties of trying to increase social participation without addressing financial deprivation.

Employment

Participants' employment histories indicated a tenuous connection to the labour market. At survey one, 4% reported doing some paid work and around 45% had worked in the past 2 years. The average time since last working was 2.9 years, with 60% of participants reporting their last job was casual and 56% stating it lasted 6 months or less.

In spite of their employment histories and the barriers they faced, an important finding was that participants expressed a strong desire for economic participation. At survey one, around 73% of participants identified paid work (40%) or study (33%) as the activity they would most like to be doing. Work or work readiness was the most common goal participants wanted to achieve while on PSP; and working or looking for work was the most common activity people could see themselves doing after PSP. Many participants in the focus groups also expressed a strong desire to be working and discussed negative impacts that not working was having on their lives in areas including self-confidence, social isolation and family relations. At the same time, there was an almost unanimous view that the type of work was crucial and that the wrong job could have severe adverse effects. It should also be noted that most participants had relatively low levels of self-perceived work

readiness and over 90% identified at least one thing that was holding them back from work, pointing to the need for intensive support to help people take this step.

Work readiness was higher amongst females than males and was strongly inversely related to the amount of time since people last worked. Levels of work readiness did not vary significantly amongst Centrelink or provider-identified barriers, but did according to participants' own assessment of what was holding them back. Those identifying lack of opportunities, transport or insecure housing as the main barrier had the highest levels of work readiness, while those identifying drug or alcohol problems, mental health problems and caring for children reported the lowest levels of work readiness. The extent to which physical health or emotional problems interfered with normal social activities was also negatively related to work readiness. However, level of social interaction, current housing arrangement and level of education were not.

Impact of PSP on economic and social participation

Multiple measures were used to explore the extent to which PSP enabled people to achieve increased economic and social participation between survey one and two. Overall, the results indicated that after involvement in the program participants had higher levels of economic and social participation and less interference from barriers they were facing. While most measures showed change in the 'right' direction, this was not always statistically significant; and when it was, the scale of the change was often modest. There were also some concerning results such as the increase in prevalence of some barriers between survey one and two, and the high ongoing support needs of participants even when exiting PSP or coming to the end of their time on the program.

Several factors need to be kept in mind when assessing the scale of changes observed in this study. These include the high level of entrenched disadvantage of this client group; the relatively small sample size; the fact that participants were followed up after only 12 months of a 24-month program; and the extremely low funding levels for a program working with such a highly disadvantaged group, severely restricting ability to access required services and provide intensive support.

Measures of change in the impact and prevalence of barriers between survey one and two identified positive but limited change. Fifteen of the 26 barriers faced by at least 10 people showed statistically significant reductions in their impact on economic and social participation, according to case manager ratings (see Table 1.1). Greatest reductions in impact were found for homelessness, alcohol problems, legal issues and grief issues.

Table 1.1 Change in impact of barriers on participation (based on case manager ratings)

Impact of barriers on participation	Change [a, b]
Family relationship breakdown or issues	▼
Confidence or self-esteem problems	▼▼
Mood disorders	▼
Social isolation	▼
Anxiety conditions	▼
Lack of suitable jobs in area	-
Drug problems	▼
Financial management problems	-
Homelessness	▼▼▼
Very long term unemployment	-
Alcohol problems	▼▼
Motivational problems	▼
Lack of confidence and skills in seeking work	-
Physical disability	-
Facing significant grief issues	▼▼
Limited education, training or skills	▼
Anger/conflict/behavioural difficulties	-
Insufficient work experience	-
Lack of access to transport	-

Impact of barriers on participation	Change [a, b]
Ongoing medical or dental condition	-
Significant legal issues	▼▼
Literacy/numeracy problems	-
Domestic violence	-
Torture/trauma or stress disorder	-
Periods in custody/criminal record	▼▼▼
Age	

[a] Only statistically significant changes identified
[b] ▲/▼ small increase/decrease, ▲▲/▼▼ medium increase/decrease, ▲▲▲/▼▼▼ large increase/decrease

Although the impact of many barriers was reduced, only a small number of people experiencing each barrier at survey one were not experiencing the barrier at all at survey two. For example, for each of the five most common barriers (affecting over 50 people) fewer than four people no longer experienced the barrier at all at survey two, pointing to a strong persistence of barriers over time. In addition, only one barrier (homelessness) was significantly less prevalent at survey two; and five barriers were significantly more prevalent. The average number of barriers faced by individuals actually increased from 8.5 to 9.6, but it is not possible to tell from the data to what extent this reflects the onset of new barriers or detection of pre-existing barriers.

Other barrier measures also showed mixed results and suggested that while PSP seems to be making some gains there is substantial room for improvement. There was little change in the prevalence of the 13 factors participants identified as holding them back from work, other than a reduction in family or personal problems (see Table 1.2). However, there was a substantial increase (from 1% to 14%) in the percentage of people reporting that nothing was holding them back from work.

Table 1.2 Change in the proportion of participants reporting the following factors holding them back from work

Factors holding back from work[c]	Change [a, b]
Mental health	-
Physical health	-
Confidence/motivation	-
Family/personal problems	▼
Transport problems	-
Lack of skills/qualifications	-
Drug and/or alcohol	-
Lack of employment opportunities	-
Nothing	▲▲▲
Unstable housing	-
Legal issues	-
Caring responsibilities	-
Other	-

[a] Only statistically significant changes identified
[b] ▲/▼ small increase/decrease, ▲▲/▼▼ medium increase/decrease, ▲▲▲/▼▼▼ large increase/decrease
[c] Factors listed in order of frequency

Achievements relating to participants' own goals showed greater positive change. Of the 12 goal types identified by participants at survey one, seven showed statistically significant improvements in average scores at survey two (see Table 1.3). These were generally larger than the improvements in barrier ratings reported by case managers. However, of the three most common goal types, two (addressing personal or emotional issues and improving skills or study) had no statistically significant change.

Table 1.3 Change in how close participants feel to goals identified at survey one

Goal	Change
Find work/improve work readiness	▲▲
Address personal/emotional issues	-
Improve skills/study	-
Improve confidence/self-esteem	▲▲
Improve housing situation	▲▲▲
Stop/control drug/alcohol use	-
Improve health/lifestyle	▲▲
Resolve family issues	▲
Improve mental health	▲▲
Address financial/legal problems	▲▲
Improve transport situation	-
Other	-

[a] Only statistically significant changes identified
[b] ▲/▼ small increase/decrease, ▲▲/▼▼ medium increase/decrease, ▲▲▲/▼▼▼ large increase/decrease

There was also a reduction in the proportion of participants requiring four assistance types including self-esteem or confidence training, drug and alcohol services, and accommodation or housing support (see Table 1.4), suggesting an improvement in the related barriers.

Table 1.4 Changes in proportion of people requiring types of assistance

Assistance type required	Change [a, b]
Counselling	-
Self-esteem/confidence training	▼▼
Study/training opportunities	-
Goal setting/decision making	-
Drug and alcohol program	▼▼
Job search skills/support	-
Social activities/skills	-
Accommodation/housing	▼▼
Work experience/voluntary work	-
Financial/budgeting skills	-
Health/fitness	-
Mental health support services	-
Assessments	▼
Anger management/behaviour management	-
Legal assistance	-
Independent living skills	-

[a] Only statistically significant changes identified
[b] ▲/▼ small increase/decrease, ▲▲/▼▼ medium increase/decrease, ▲▲▲/▼▼▼ large increase/decrease

Qualitative data also provided some evidence of change in participant barriers. Among participants, the most commonly reported gain from PSP was improved confidence or motivation or a more positive outlook (38%), followed by support or advice (26%) and new options or direction or goals (18%). Case managers' perspectives differed somewhat, with improved personal or family situation (25%) the most commonly reported participant achievement, followed by increased confidence or self-esteem (23%) and improved housing situation.

Four economic participation measures showed significant change, three of them positive (see Table 1.5). Firstly, the percentage of people doing some paid work increased from 4% to 24%. However, no data was available about the sustainability of these outcomes and it is likely that much of this was short-term, since around half of those working were doing casual work. Secondly, although the percentage of people no longer receiving income support (8%) remained significantly lower than

the percentage in work, it did increase substantially from 1% at survey one. Thirdly, self-assessed readiness for work also showed a statistically significant improvement, with 50% of people feeling more ready for work, 29% less ready and 21% no different. Finally, while the proportion of people choosing work as their preferred activity remained constant between surveys, the proportion choosing study actually decreased.

Table 1.5 Economic participation indicators showing change

Indicator	Change [a, b]
Number of people doing paid work	▲▲
Number of people off benefit	▲▲
Readiness for work	▲
Proportion of people choosing study as their preferred activity	▼

[a] Only statistically significant changes identified
[b] ▲/▼ small increase/decrease, ▲▲/▼▼ medium increase/decrease, ▲▲▲/▼▼▼ large increase/decrease

Predictors of people working at survey two were having a higher self-perceived readiness for work, reporting a desire to work, shorter time since last being in work, and being closer (at survey one) to the goals participants wanted to achieve while on PSP. Those with year 12 education were significantly more likely than average to be working at survey two, and those with year 8 or below significantly less likely to be working, than the group average. Interestingly, in contrast to other studies, the number of barriers initially faced was not related to being in work at survey two; however this may be related to the barrier measures used.

Most social participation indicators revealed improvements between survey one and two, but again many were not statistically significant and among those that were the level of change was generally modest (see Table 1.6) pointing to room for substantial improvements in program outcomes. Frequency of social contact showed an overall increase, with 44% of participants reporting more contact, 30% less and 26% the same, but there was a substantial drop in the proportion of people reporting very infrequent social contact, from 31% to 18%.

Interference in normal social activities from physical health or emotional problems improved slightly, but there was little improvement in satisfaction with relationships with family and friends, participation in regular social activities, civic participation, or abilities to cope with everyday things such as ‘stressful situations’. The very high levels of financial deprivation also showed little change at survey two.

Table 1.6 Change in social participation indicators between survey one and two

Indicator	Change [a, b]
Proportion of people living alone	-
Frequency of contact with friends or family outside household	▲▲
Extent to which physical health or emotional problems interfere with normal social activities	▼
Satisfaction with relationship with partner	▼
Satisfaction with relationship with children	-
Satisfaction with relationship with family	▲
Satisfaction with relationship with friends	▲
Social support (4 indicators)	▲ (1 of 4)
Activities participants unable to do because of emotional, physical health or financial issues	-
Number of activities participants are unable to do because of emotional, physical health or financial issues	▼
Civic participation (4 indicators)	-
Total civic participation activities	▲
Proportion of friends not in paid work	-
Social network a good source of advice/contacts when looking for work	-
Participant abilities – self-rated (6 items)	▲ (2 of 6)

Indicator	Change [a, b]
Participant abilities – rated by case manager (6 items)	▲ (2 of 6)
Things happened in last 12 months due to a shortage of money (7 items)	▼ (1 of 7)
Number of things happened in last 12 months due to a shortage of money	-
Access to services	▼

[a] Only statistically significant changes identified
[b] ▲/▼ small increase/decrease, ▲▲/▼▼ medium increase/decrease, ▲▲▲/▼▼▼ large increase/decrease

Overall, there was evidence that PSP was contributing to improved levels of economic and social participation for an extremely disadvantaged group, albeit at a modest level.

Strengths and weaknesses of PSP design and delivery

The PSP model

Many elements of the Personal Support Programme model were found to be in line with good practice approaches identified in research in the European Union and the United States. Particular strengths of the program include:

- a holistic model of assistance
- strong partnerships with local agencies to provide a wide range of support services, although in practice access was highly problematic
- a focus on addressing clients' underlying personal barriers
- smaller case loads than regular employment assistance, and more intensive case management, although case loads were still high compared with the most effective models overseas
- a recognition that some clients are unable to work or meet regular welfare-to-work requirements immediately
- a strengths-based approach, incorporating participants' goals and objectives
- greater flexibility to meet clients' varied and complex needs than in other programs such as Job Network
- a broad definition of outcomes extending beyond an employment focus.

However, some additional elements identified as critical to the success of programs with this client group are absent from the PSP model. These include:

- adequate resources of people, money and information
- ongoing staff training specific to this client group
- integrated employment or community participation activities for those clients who have the capacity to undertake them
- inclusion of group work
- ongoing barrier-specific post-employment personal support.

Overall, the two most fundamental weaknesses identified were the lack of integrated employment support and the severely limited funding and consequent inability to access services.

Lack of integrated employment assistance

The current approach to employment assistance for PSP participants is based on a sequential model where individuals first address personal barriers in PSP, and then move on to other programs to receive employment assistance. Employment assistance that is provided within in PSP is minimal and ad hoc. Such limited provision is not supported by research and fails to recognise both the

importance of work as part of the broader recovery process and the high support needs that many people will face after moving into work.

While the program does allow for participants to be transferred to the Job Network to receive employment assistance (with a 6-month co-case managing period), this is inappropriate for most participants who will require ongoing personal support to manage other barriers, and does not allow for the integrated approach found to be critical in other research. Other programs such as Disability Employment Assistance or vocational rehabilitation provided by CRS (formerly Commonwealth Rehabilitation Service) are likely to be more effective, but do not have the focus of PSP on assisting people to overcome personal barriers.

There is strong evidence that appropriate employment can be realistic and beneficial, and that programs integrating personal and vocational support can achieve positive outcomes with people such as those on PSP, who face personal barriers. Key elements of effective interventions include small case loads, long-term support, rapid movement into work, seeing work as part of the recovery process, a strong emphasis on encouraging and supporting work and careful matching of individuals to appropriate jobs based on preferences and capabilities. Two particularly promising models of vocational support for individuals facing severe barriers are the Individual Placement and Support (IPS) model, used primarily in the mental health sector, and the Transitional Employment Program (TEP) model[1].

The importance of providing improved employment support through such interventions is also highlighted by the strong desire of many PSP participants to participate in employment or education or training. It is even possible that the current approach, which in effect removes people from the labour market for two years, may contribute to further inactivity. Indeed, in this study, self-perceived readiness for work was strongly negatively related to the time since last working; and other studies have found evidence of a causal negative relationship between unemployment and mental health and well-being.

Lack of funding and access to services

The inadequate funding for PSP is a major weakness that is severely impeding the capacity of the program to achieve positive outcomes and provides a compelling explanation for the modest improvement in many personal barriers. The main consequence was inability to access services required by participants. Agencies delivering PSP reported being able to allocate (from general program revenue) a maximum of $150 brokerage per client per year, and a number of agencies had no brokerage funds available. By comparison, highly disadvantaged job seekers in the Job Network are automatically allocated $1350 brokerage funds through the Job Seeker Account.

Case managers reported difficulties in providing the required assistance due to cost in 90% of cases and made numerous comments in interviews about the frustration of being constrained by of lack of funds. Frustration was also evident from participants; and increased brokerage was the improvement most commonly recommended, by over 40% of survey participants.

Lack of funding also had other impacts, creating higher than appropriate case loads and limiting intensive work with clients and provision of ongoing staff development.

Due to low funding levels, case managers were forced to rely primarily on free or low-cost services but there were often difficulties in accessing these. Waiting lists were listed as a difficulty in 45% of cases, services not being available at all in 38% of cases, not being appropriate in 35% of cases and lack of transport in 28% of cases. The average number of difficulties faced in providing assistance was 2.2 and 95% of case managers reported at least one difficulty. Lack of appropriate

[1] See further: Perkins, D 2006, *Improving employment participation for welfare recipients facing personal barriers*, paper delivered to the UK Social Policy Association Conference, 18-20 July, Birmingham.

services and inadequate transport were both reported as difficulties by substantially more providers in non-metropolitan areas.

Providers reported the greatest shortfall in meeting PSP clients' needs for counselling services, which were required by two-thirds of all clients. Access to other services varied, but in general case managers reported that it was rare for clients to get into any service immediately and that they were 'stretched across the board'. Some participants had positive views about the ability of PSP to connect them with local services and activities; however, many others were frustrated or felt that there had been insufficient referrals, usually due to costs involved. A number also suggested that the support to connect them with services was inadequate.

Other weaknesses

Other weaknesses identified by the study included:

- the payment structure causing a significant administrative burden and also resulting in some distortion in provider behaviour, such as prematurely completing action plans to ensure the payment is received
- long waiting times between referral and commencement, with over 40% of people having to wait three weeks or more
- lack of group work or activities for participants
- assistance being inadequate in frequency or intensity. Many case managers and participants suggested that the minimum four-weekly contact was insufficient; and more frequent contact was the second most common improvement mentioned by survey respondents.

Social outcomes

Although social outcomes are part of PSP language, there is no attempt to quantify the actual change in social participation: instead, completion of two years on PSP is simply deemed to be evidence of a social outcome:

Data collected for this research indicates that this assumption is incorrect and that not all participants improve their circumstances or levels of social participation. However, the recognition of outcomes broader than just employment is a crucial element of PSP. It legitimises working towards other goals such as building social networks or encouraging participation in hobbies or clubs. Such activities are vital given the very low social participation and high social isolation amongst PSP participants. This broader focus has been also been recognised as a valuable element of programs such as PSP in other research.

PSP's recognition of social as well as economic outcomes was also widely praised by case managers. As one case manager said, 'It reflects the complexity of their lives'. Others suggested that the social participation component allowed a genuine focus on addressing individual needs. Encouraging participation in non-vocational activities and increased social contact was seen as important in developing relationships and overcoming the fear of social interaction, leading to reduced social isolation and re-engagement with society more broadly.

Recent changes in PSP

Job Capacity Assessment system

The Job Capacity Assessment system commenced in July 2006 and provides a new way to assess people's needs and refer them to appropriate programs or assess eligibility for Disability Support Pensions. Under this system, the Job Capacity Assessor completes a report and makes a recommendation and then the referral is done by a Senior Customer Service Officer in Centrelink. Previously assessment and referral to PSP were done by the Centrelink Psychologist.

This new system generally seemed to be working well. Almost all case managers felt that the reports provided by Job Capacity Assessors on referral were an improvement on those provided under the previous system. However, two significant issues were the lack of continuity through a single contact person responsible for PSP clients, as had been the case when Centrelink Psychologists were doing referrals, and the lack of integration of assessors and their systems with broader Centrelink systems. This hindered the flow of information and caused what one case manager called a 'division of knowledge'. Providers also had mixed reports about working with the Senior Customer Service Officers, with some commenting that they were not easy to contact and that due to their broad roles it was harder to get simple PSP-related things done.

Compliance

From July 2006, providers have been required to advise Centrelink if a participant fails to meet a participation requirement without a 'reasonable excuse'. If participants do not subsequently comply, they risk losing their payments, and face an 8-week payment suspension if they have three participation failures in any 12-month period. Those defined as 'exceptionally vulnerable' are entitled to financial case management; but this definition is so narrow as to exclude a large proportion of PSP clients.

While some positive effects of the new compliance system were suggested by case managers, it seems likely that, the severity of the current penalty system will cause serious harm to PSP clients. Other research has shown that individuals facing severe personal barriers are more likely to be unable to meet participation requirements. In addition, when sanctioning does take place the negative effects have been demonstrated to be greater for more disadvantaged job seekers, those without good social support and those who lose 100% of payments. All of these factors apply to people on PSP, suggesting very large potential impacts.

Case managers had mixed views about whether sanctioning should have a role in PSP, but there was a unanimous view that the 100% payment loss was quite inappropriate for a group already facing such serious disadvantage and could have extremely detrimental impacts on individuals already 'on the edge'. Other problems with the compliance system were the PSP guidelines' narrow definitions of 'extremely vulnerable' category (by which job seekers become eligible for financial case management) and of a 'reasonable excuse' (which does not include some common barriers such as physical disability or illness, family breakdown, domestic violence and lack of transport).

However, comments of several case managers suggest that there may be scope for a less punitive compliance system to improve engagement by encouraging participants to take the program more seriously and helping to keep them on track.

Views were also mixed about the move in some areas from three-monthly to fortnightly reporting to Centrelink. Fortnightly reporting was seen as too frequent, but some people thought monthly reporting could help to keep some participants engaged. There was concern about the difficulties for those with anxiety, physical disabilities or inadequate transport.

Performance measurement system

The performance measurement system in PSP includes the High Performance Indicator Framework (HPIF) and Key Performance Indicators (KPIs), and has undergone a number of changes since the introduction of the program in 2002. The most recent of these was the addition to the HPIF of an outcomes indicator that weights economic outcomes slightly higher than social outcomes.

Interviews with providers suggested that the HPIF and KPIs in their current form were not very effective measures of the quality of work done with clients, although they seemed to encourage the desired behaviour in areas such as commencing referred clients. There was also evidence of these measures increasing stress and pressure on providers and diverting case managers from working

with clients. Similarly, the performance audits appeared not to measure or improve the quality of work undertaken with clients, instead focusing on basic administrative issues and encouraging a system-oriented rather than client-focused approach.

The addition to the HPIF of the outcomes measure weighted in favour of economic outcomes seems to be a blunt instrument for achieving increased economic participation, particularly when it is not accompanied by any additional resources or strategies to develop employment skills amongst PSP case managers.

Links with other programs

The links between PSP and other employment assistance programs did not operate smoothly. In general, post-PSP programs do not appear to provide continued support to address PSP clients' non-vocational barriers, and to embrace the goals and strategies identified to overcome these. Providers reported mixed experiences of co-case management and working with Job Network providers, although more effective working relationships were associated with co-locating, case managers having previously worked in Job Network, good personal relationships, and community-based or not-for-profit Job Network providers.

A number of PSP case managers expressed concern about the assistance supplied by Job Network providers and their lack of expertise in dealing with the issues many PSP clients face. The inadequate support provided by some Job Network agencies was also recognised by a Centrelink Psychologist who would only refer clients to particular Job Network agencies, and noted that many that had been better suited to working with PSP clients had lost their contracts in the third Job Network contract. Many case managers spoke highly of other employment programs such as CRS and Disability Open Employment Services.

The evidence of the need for ongoing personal support after leaving PSP was compelling. Around half of those leaving did not feel ready to do so, and 74% (of all survey two participants) wanted to stay on PSP while undertaking their preferred activity (mostly work or study). Over 80% reported that it would be helpful to continue to receive some types of assistance after leaving PSP—most commonly counselling, personal support or advice or having someone to talk to.

The need to for ongoing support was also highlighted by case managers' assessments at survey two. The proportion of individuals exiting or being suspended that required the two most common assistance types (counselling and self-esteem or confidence training) was virtually the same as among those remaining on PSP, as was the average number of assistance types required.

These data, combined with strong evidence of the persistence of personal barriers over time, point to a strong need to provide ongoing support in critical areas including counselling, accommodation and mental health. The current assumption that a large proportion of people will be able to exit PSP and move directly into mainstream employment programs such as Job Network does not seem realistic. Moreover, case managers in Job Network are likely to struggle to meet the needs of PSP participants, due to their lack of experience and skills in addressing personal issues, lack of connections with local support services and inability to provide the intensive support required due to higher case loads.

Limitations and further research

Questions that require additional research include the sustainability of any increases in economic or social participation and the broader longer term outcomes. There are also a number of limitations of the current research, including the lack of a control group; the small sample size; lack of independent interviewers conducting surveys; and the high variability in average barrier numbers and scores by case manager.

Conclusion and recommendations

Overall, PSP is a crucial program delivering essential support to some of the most marginalised unemployed people in Australia. It is achieving some positive outcomes by facilitating increased social and economic participation, but is severely constrained by the extremely low levels of funding, difficulties accessing required services and lack of specialist integrated employment assistance.

Project findings concur with other research in suggesting that individuals facing such severe disadvantage do have the capacity and desire for meaningful participation in society *if* appropriate support is provided. Low levels of investment and commitment to achieving outcomes will achieve low level results.

Many elements of PSP are well designed and are in line with good practice identified in research internationally; however real investment is required to realise the potential of the program to achieve substantial change for large numbers of participants.

To improve the ability of PSP to achieve economic and social outcomes for participants, the Brotherhood of St Laurence, Melbourne Citymission and Hanover Welfare Services call on the Australian Government to consider the adoption of the following recommendations:

1. Improve employment assistance available to participants

1.1. Trial the use of the Individual Placement and Support model of employment assistance, which has been found highly effective in placing disadvantaged individuals with mental health problems in competitive employment.

1.2. Allow participants who move into employment or education to remain on PSP till the end of their two-year period so as to receive ongoing barrier related support and facilitate sustained economic participation.

1.2.1. Ensure this support is provided to all participants who move into employment or education for a minimum of six months even if this runs over the two years.

1.3. Allow PSP participants access to Wage Assist wage subsidies with continued support from the PSP case manager.

1.4. Establish an integrated approach to employment assistance for highly disadvantaged job seekers that places participants in temporary jobs where they are able to gain meaningful employment experience and skills combined with intensive personal support. Examples that could be trialled include the Transitional Employment Program and the Intermediate Labour Market approach.

2. Increase funding

2.1. Introduce a Personal Support Account in PSP, similar to the Job Seeker Account in the Job Network, to ensure that case managers do not face difficulties in providing the required assistance due to cost, as currently occurs in 90% of cases.

2.2. Improve overall funding to the program to allow case loads to be reduced, more intensive client work to be undertaken and staff training to be increased.

3. Boost mental health support available through PSP

3.1. Provide funding to enable employment of workers with clinical mental health skills and/or access to specific mental health training for PSP workers (e.g. Certificate IV Mental Health), through the Individual Placement and Support model (1.1 above).

3.2. Explore the co-location of PSP providers with community mental health teams.

3.3. Ensure PSP participants have access to relevant specialist mental health programs (e.g. COAG mental health programs such as Personal Helpers and Mentors, Day to Day Living).

4. Change compliance requirements for PSP participants

4.1. Abolish the eight-week non-payment penalty for PSP participants.

4.2. Change the definition of 'reasonable excuse' to cover any reasonable excuse related to the participant's personal barriers.

4.3. Remove the requirement to report participation failures when the provider is unable to contact the participant but believes the reason for the participation failure is due to the participant's personal barriers.

5. Increase the use of group and community participation activities in PSP

5.1. Identify and promote appropriate models of group work as a cost-effective means of increasing contact with participants, improving social networks and assisting in overcoming other barriers.

5.1.1. Provide training to PSP providers in running group sessions, or contract other agencies to run groups.

6. Reform the PSP payment structure

6.1. Reduce reporting requirements to lessen case manager time taken up with administration.

6.2. Introduce an 'isolation payment' for remote clients (over 100 km from PSP providers) requiring outreach in rural and regional areas where providers are not eligible for the remote loading payment.

6.3. Match participant records to provide automatic verification of employment outcomes achieved.

7. Provide better connections with Centrelink

7.1. Integrate Job Capacity Assessors into Centrelink, including providing access to Centrelink systems to improve the flow of information.

7.2. Have a dedicated PSP worker in all Centrelink offices.

8. Improve the performance management system

8.1. Review the HPIF to enable a stronger focus on direct service delivery and sustainable outcomes for participants.

8.2. Implement annual performance audits to evaluate the effectiveness of work undertaken with clients and the extent to which this has addressed individuals' personal barriers.

9. Other recommendations

9.1. Increase PSP places to ensure average wait times between referral and commencement do not exceed five days.

9.2. Allow providers to extend (by six months) the time on PSP of up to 10% of participants who have not moved into employment.