

**Hon Brendan O’Conner MP
Minister for Employment Participation**

Dear Minister,

In response to your letter seeking submissions on how employment services may be improved, the South Australian Personal Support Programme (PSP) Provider Network, tender our responses and suggestions.. We thank you for your interest and the opportunity to included in the consultation process.

Pre-Employment Vs Employment Programme

Previously the PSP was a Pre-Employment Program servicing the most disadvantaged members of our community. The core goals were to assist participants to address the multiple non vocational barriers vocational barriers to employment they were assessed as experiencing. The major focus being on social inclusion hence social outcomes were highly regarded by DEWR. Economic outcomes were achieved if a participant became employed or undertook formal training. Under the previous guidelines the sector achieved 28% economic outcomes which for a pre-employment program was an outstanding achievement. Initially PSP was designed to support a person transition to the employment focused DEWR funded programs not to be an employment program itself.

The participants had been assessed as not being able to engage in mainstream programs due to their multiple barriers for a period of two years. They required specialist services to address their disadvantage and a program that had a large degree of flexibility.

In its current form PSP has become an Employment Programme with an emphasis on economic outcomes and compliance. 60% of the HPI single figure is for economic outcomes, We now duplicate some of the services provided by the Job Network e.g. employment/education placement, referral to Work-For-The-Dole but without the same financial compensation. Job Networks have access to a Job seeker account, wage subsidies and employment outcome fees for 13 and 26 week employment placements and they work with most capable members of our communities. At present PSP providers are expected to achieve a high level of economic outcomes without any extra funds or employer incentives with the most disadvantaged members of the community.

Whilst we acknowledge that the most successful strategy to overcome welfare dependency is through employment, social inclusion is a prerequisite to sustainable economic inclusion. Jobseekers with the highest level of disadvantage require the greatest intensive assistance, including when participating in training. Often mainstream educational programs are inflexible and don’t take into account individual learning requirements.

Current Labour Market Climate and the Role of the PSP.

Given the low unemployment rate it would be reasonable to assume that most people who have the capacity to work are doing so with or with out the support of Job Networks. The remaining people who are unemployed in these times of nearly full employment experience extreme disadvantage and at present lack the skills and capacity to achieve sustainable employment. They require support by providers who deliver specialist services. The requirement for the Job Networks has become less as the majority participant’s fall into the category of requiring specialised and intensive support.

The SA PSP Provider Network recommends that the role of the PSP should be a preparatory programme by nature and delivers services that :

- promote social inclusion
- address the barriers identified in consultation with the participant
- identify and create pathways to employment and training.
- builds a skill base that ensures that all participants are able to achieve sustainable outcomes

- builds a skill base that promotes connectedness with the community

When modifying the PSP to meet the needs of its participants DEEWR should also take into account

- the episodic nature of the barriers the participant group experience eg mental health and homelessness,
- the fact that people from non English speaking backgrounds require adequate interpreter services
- the need to support people through the DSP application and appeal process – is this the role of PSP or Centrelink
- the complexities of working with single parents and their requirement for more flexibility around compliance
- the cost restrictions that mainstream education and training present

Compliance & Administration

Compliance and administration go hand in hand. With the greater focus on compliance there has been an increase in time required to complete the associated administration. This is another example of the sector being required to provide an increase in services without adequate funding to do so.

Many providers of the PSP have, philosophically, had difficulties coming to terms with the punitive nature of compliance requirements and believe that now is the time to address the flaws in the current system so that positive engagement is promoted and rewarded in a more progressive PSP service delivery model.

The SA PSP Providers Network recommends that;

- PSP providers who work intensely with the participants are able to record and register their vulnerabilities. This would bypass the current long drawn-out process through Centrelink ensuring that less vulnerable participants receive a participation report
- DEEWR recognise the value of PSP providers developing and nurturing good relationships with participants and not force the sector to implement its compliance requirements in a manner that jeopardises this working relationship
- Any performance measurements account for the vulnerable and volatile nature of the participant group and that they actually reflect a providers achievement in meeting the programme goals and objectives
- Administration processes be more efficient eg updating both the Activity Agreement and the Intervention Plan is unnecessary but time consuming,
- EA 3000 the Specialist Service Application be reviewed particularly as it is the major source of data for performance measurement. The system lacks integrity and its accuracy is questionable. It has little capacity for easy overrides – correcting a systems error is a time consuming process that PSP case managers undertake on a regular basis without any compensation even though the error was generated by another entity.

Funding

The PSP has changed from its inception to the current model, however there has few adjustments to the fee structure. Although there is now a 13 week economic outcome payment, this falls short of what other Employment Programs receive. Eg a Job Network provider receives \$3300 for the same outcome. The cost of meeting the increased administration requirements places the continued delivery of quality services at risk.

The SA PSP Provider Network recommends that;

- the fee structure of the PSP reflect the increased requirement for administration
- the fee structure is indexed to fall in line with the increased costs of implementing the program
- interpreter fees adequately support best practice by covering face to face interviews with the case manager and participant over the duration of the program
- PSP Providers have access to wage subsidies, an account that subsidises training opportunities and employment related costs and that employment outcomes are equal to those available to the Job Network
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Star Rating & KPI's

The performance measurement tool used for the PSP needs to reflect a providers success in achieving the goals and objectives of the program. At present the High Performance Indicator measures commencement to referral ratio (20%), time taken to commence from referral (20%) and economic outcomes (60%). There are also various KPI's which address timeliness and efficiency however there is no measurement on the sectors efficiency in addressing the barriers, in supporting participants to gain the skills to become independent or manage their own lives. In fact if a participant progresses to a place where they can be independent and perhaps get a job and wish to withdraw from the program the provider is penalised both financially and by the current performance tool. Another example is when a participant is referred whilst still in the process of applying for the DSP. The provider will give support the participant and if DSP is granted and the participant elects to leave PSP the retention rates are adversely affected.

The introduction of a star rating system is not supported by our sector and can only impact negatively on the goodwill and collaborative nature that currently exists between providers. Our sector fully supports performance measurement as an integral part of the National Accountability Framework and welcomes this opportunity to develop an alternative system which sits within this framework but also encourages continuous improvement in the delivery of PSP.

The SA PSP Provider Network recommends that;

- an overhaul of the performance management system used for PSP in its current and proposed form be conducted in consultation with the sector

Staff recruitment and retention

Due to the PSP becoming more employment focussed and the increased time now taken to administer the compliance framework - the required work skills of staff have altered from a social or counselling background to that of an employment consultant. This has resulted in -

- loss of experienced staff
- provider anxiety on retaining and recruiting appropriate staff
- staff who were passionate about assisting disadvantaged people leaving, as this was their prime reason for working in the industry
- remaining staff with a social or counselling background under utilising their skills and may be lost in the near future
- arguably new staff with an employment consultant only focus, will not have the skills to fully assist the most disadvantaged in our community

The SA PSP Provider Network respectfully requests that the Minister consider the matters raised in this letter. Our overriding wish in making these suggestions is to see a better service provided to this highly vulnerable and disadvantaged client group who cannot be best served by other employment services. Presently PSP is being expected to achieve outcomes for which it was never designed nor funded to provide while not being able to deliver those which it can best deliver.

Yours on behalf of the PSP SA Network

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