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Department of Jobs and Small Business

# ParentsNext Evaluation Report

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The document must be attributed as the ParentsNext Evaluation Report.

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## Abstract

ParentsNext is a grant-funded, project-based program administered by the Department of Jobs and Small Business (the department). A free specialised support service to help parents with children under six years to plan and prepare for their future employment, ParentsNext began initial operation through contracted project providers in 10 Local Government Areas (LGAs) across Australia in April 2016. These contracts ceased on 30 June 2018 and the program expanded nationally from 1 July 2018, with some adjustments to eligibility criteria and funding rules.

This evaluation presents analysis of the early impact of ParentsNext Projects operating in the 10 LGAs, with a future evaluation to examine the national program.

Overall the evaluation finds that the program effect of the service was positive. ParentsNext helped to improve the labour market attachment of participating parents with young children, especially mothers.

Encouraging participants to think about goal setting appeared to be an important element of the impact of ParentsNext. Survey results suggest that participants addressed their goals with more urgency than non-participants. While ParentsNext is a pre-employment program, having employment or education and training goals was found to increase the likelihood that participants were undertaking voluntary work or looking for work, even though they were not required to do so.

ParentsNext tackled isolation by engaging parents with the wider community. Families and children were an important part of the program design, and providers considered them when designing the service space and planning participant activities and interventions. Providers developed a Participation Plan with each participant and arranged suitable referrals to local services and activities that met their identified needs and goals and helped them prepare for employment.

Participants said they appreciated the flexible, parent-centred structure of ParentsNext, its child-friendly offices and the fact that providers could tailor assistance to the needs of individual participants and families.

Providers were enthusiastic advocates of the service. They reported that its flexibility enabled them to work closely with parents to build relationships and develop good rapport, and many said their staff had made an active choice to work on ParentsNext.

ParentsNext Projects helped to address intergenerational unemployment and welfare dependency by enabling parents of young children, primarily women, to plan and prepare for employment while their children are still young.

## List of acronyms

ABS	Australian Bureau of Statistics
CALD	culturally and linguistically diverse
Department	Department of Jobs and Small Business
DHS	Department of Human Services
DSS	Department of Social Services
EREB	Evaluation, Research and Evidence Branch
ESL	early school leaver
ESS	Employment Services System
HYP	Helping Young Parents Trial
JETCCFA	Jobs, Education and Training Child Care Fee Assistance
JSA	Job Services Australia
JSCI	Job Seeker Classification Instrument
LGA	Local Government Area
MOR	Mutual Obligations Requirements
NEIS	New Enterprise Incentive Scheme
OECD	Organisation for Economic Co-operation and Development
PAR	Project Activity Report
PES	Pensioner Education Supplement
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
ppt	Percentage point
SJF	Supporting Jobless Families (SJF) Trial
SRC	Social Research Centre
TtW	Transition to Work
YC5	Participant with a youngest child aged five years

## Executive summary

### About ParentsNext

ParentsNext is a grant-funded, project-based initiative administered by the Department of Jobs and Small Business (the department). Through contracted project providers, it delivers a free specialised support service that helps parents with children under six years to plan and prepare for their future employment. The service is designed to prepare parents for employment by the time their youngest child reached school age.

Over the period April 2016 to 30 June 2018, participation in ParentsNext Projects was generally compulsory for people living in one of 10 specified Local Government Areas (LGAs) who:

- had been receiving Parenting Payment for six months or more
- had not had any employment income in the last six months, and
- had a child aged between six months and six years.

Temporary or permanent exemptions from compulsory participation were available on the following grounds:

- pregnancy / birth of a child
- special family circumstances (such as having four or more children)
- temporary incapacity, or
- other special circumstances.

Parents could apply to be voluntary participants if they

- lived in a ParentsNext LGA
- received Parenting Payment
- had a child aged under six, and
- had not had employment earnings in the last 6 months.

### Purpose of this report

The main purpose of this report is to provide an assessment of the early impact of the support provided to participating parents through ParentsNext Projects from April 2016 to 30 June 2017.

For many people, particularly women, becoming a parent can involve more time spent caring for children and less time in the paid workforce. It can also involve the risk of long-term welfare dependency, particularly for parents already receiving government income support.

This report's scope covers the evaluation of ParentsNext Projects when the program operated in 10 LGAs. The experience of parents in each of the groups eligible for ParentsNext is compared to that of parents in statistically similar comparison groups across a range of measures.

An evaluation of the expanded ParentsNext program will be the subject of a separate evaluation.

## Key findings

### Participating in ParentsNext improves parents' attitudes to workforce participation

- Participants were significantly more likely to agree that working sets a good example to their children (**91** per cent of participants compared with **82** per cent of comparison non-participants).
- **45** per cent of participants strongly agreed that having a job was good for them, compared with **37** per cent for comparison non-participants.
- **90** per cent of participants agreed that having a job was good for the wellbeing of their family compared with **82** per cent of comparison non-participants.

### Participating in ParentsNext improves parents' wellbeing

- Participants had a significantly higher aggregate self-reported wellbeing score (**71.2**) than comparison non-participants (**67.3**), although both were lower than the national average score of **75.5**.
- **61** per cent of participants indicated that they had a good support network that would help them to look for work compared with only **47** per cent of comparison non-participants.

### Having education and employment goals is associated with higher proportions of ParentsNext participants undertaking study and training, and looking for work

- **36** per cent of ParentsNext participants with both education and employment goals and **24** per cent of participants with just employment goals undertook study or training, compared with **11** per cent of participants who had not set goals.
- **41** per cent of participants with both employment and education/training goals were looking for work compared with **37** per cent for those with employment goals only, and **15** per cent of those with only an education/training goal.
- ParentsNext participants surveyed indicated a greater degree of urgency in working towards their employment and education/training goals than did comparison non-participants.

### ParentsNext participants were more likely to achieve at least one of four proxy measures<sup>1</sup> indicating that they were studying, training or working

- **27.3** per cent of participants with a youngest child aged five years (YC5 participants) achieved at least one of the four measures, compared with **23.7** per cent of comparison non-participants — a **3.6** percentage point difference.
- **22.5** per cent of Early School Leaver (ESL) participants achieved at least one of the four measures, compared with **13.5** per cent of comparison non-participants — a **9.0** percentage

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<sup>1</sup> These proxy measures were receipt of the Pensioner Education Supplement, receipt of Jobs, Education and Training Child Care Fee Assistance (JETCCFA), reported earnings for income support purposes or an exit from income support.

point difference. Participants with a high Job Seeker Classification Instrument (JSCI)<sup>2</sup> score had a similarly higher likelihood of achieving one of the four measures (at **8.8** percentage points).

#### **Participating in ParentsNext leads to increased chances of studying or training**

- When surveyed, ParentsNext participants were significantly more likely to be studying or undertaking training than comparison non-participants (**28** per cent to **19** per cent).
- YC5 participants had a **2.9** percentage point higher likelihood of participating in education than comparison non-participants.
- ESL participants had a **4.3** percentage point higher likelihood of participating in education than comparison non-participants.
- Participants with a high JSCI score were **3.4** percentage points more likely to be participating in education than non-participants.

#### **Participating in ParentsNext leads to increased chances of employment although this is not a mandatory requirement of the program**

- More than half of all surveyed participants (53 per cent) stated that engagement with ParentsNext had improved their chances of getting a job.
- YC5 participants had a **2.3** percentage point higher chance of participating in employment (reporting earnings) than their comparison non-participants.
- ESL participants had a **3.9** percentage point higher chance of participating in employment (reporting earnings) than comparison non-participants.
- Participants with a high JSCI score were **5.7** percentage points more likely to be participating in employment-related activities than their comparison non-participants.

#### **Participating in ParentsNext leads to increased use of child care**

- YC5 participants had a **1.5** percentage point higher chance than comparison non-participants of using child care during the nine months following their date of eligibility for ParentsNext.
- ESL participants had a **3.2** percentage point higher chance of using child care than comparison non-participants.
- Participants with a high JSCI score had a **3.7** percentage point higher chance of using child care than comparison non-participants.

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<sup>2</sup> The JSCI measures a job seeker's relative level of disadvantage based on the expected difficulty of finding employment for them given their personal circumstances and labour market skills. It includes questions about work experience, education/qualifications, language, descent/origin, work capacity, living circumstances, transport, criminal convictions and personal characteristics.

### The program design and operational processes of ParentsNext helped enable it achieve its objectives

- **Funding arrangements:** More than **80** per cent of providers surveyed were supportive of a grant-based, rather than outcome-based, funding model.
- **Goal setting/participation planning:** **84** per cent of providers thought the Participation Plan was a useful tool to assist participants to achieve their education and employment goals. Of participants who were assessed using the WorkStar™ work-readiness tool, **84** per cent agreed that it helped them identify their strengths and abilities.
- **Intensity and quality of service:** On average, participants attended three to four appointments over a six-month period despite project providers only being required to meet with participants once every six months (as a minimum). **75** per cent of surveyed participants said they were satisfied with the amount of assistance provided, and **77** per cent with the amount of contact with their provider. **90** per cent of participants agreed they were treated with dignity and respect by their providers.
- **Engagement and compliance:** The overall appointment attendance rate over a six-month study period was around 73 per cent, with 19.3 per cent of appointments not attended for valid reasons (such as the illness of a participant or their child). This compares favourably with jobactive where **54.5** per cent of contact appointments were attended and Job Services Australia (JSA) (2012–15) where **52.8** per cent of contact appointments were attended in a six-month study period.
- **27** per cent of participants were granted at least one exemption from participation requirements, with providers empowered to grant exemptions in accordance with provisions in the social security law.
- Overall, **22** per cent of participants received a Compliance Report, with **9.1** per cent of participants receiving a suspension of Parenting Payment. In jobactive, **45** per cent of participants received a suspension within the first 12 months.

### Unit expenditure of ParentsNext was mainly associated with caseload size

- The average available funding for expenditure per participant from 1 April 2016 to 30 June 2017 ranged from \$571 to \$1700. This variation in unit expenditure was mainly influenced by project caseload size as projects with larger caseloads had lower unit expenditure. To put ParentsNext unit expenditure in perspective, the unit expenditure of JSA job seekers with a similar JSCI score range was between \$1600 and \$2100, and for Job Network Services (JNS) job seekers over \$2000.
- No correlation was found between a provider's average available funding per participant referred and their outcome performance ranking.

### The evaluation identifies issues for further consideration, a number of which are addressed in the national expansion of the program

- **Program scope:** There was broad agreement amongst providers that the program should be extended beyond the 10 LGAs and the timeframe extended beyond 2018: a number

reported being approached by parents living outside the program boundaries who wanted to participate.

- While the intensity of program participation required was modest, some participants and providers suggested that the requirement to participate in the program should start later than when a parent's youngest child reaches six months of age. Some providers also suggested participation should continue after the youngest child reaches six.
- **Voluntary participants:** The numbers of voluntary participants in providers' caseloads were well below anticipated levels.
- **Concurrent servicing:** Although ParentsNext participants were entitled to participate in some other employment programs concurrently, very few volunteered to do so.

## Introduction

ParentsNext formed part of the Australian Government's Youth Employment Strategy under the Growing Jobs and Small Business Package. The Australian Government announced funding to establish the ParentsNext Projects in the 2015–16 Budget. Designed to build on the strengths of the Helping Young Parents (HYP) and Supporting Jobless Families (SJF) trials, ParentsNext Projects aimed to reach more disadvantaged parents and have a stronger focus on preparing for employment.

A total of 31 ParentsNext projects began operating in 10 socio-economically disadvantaged LGAs across Australia<sup>3</sup> in April 2016. The projects anticipated assisting around 23,900 participants annually, the majority of them women.<sup>4</sup>

The objective of ParentsNext Projects is to help eligible parents plan and prepare for employment by the time their youngest child reaches school age. The focus is on helping participants improve their work readiness by:

- identifying their education and employment related goals (completing Year 12 or equivalent was a priority goal for early school leavers)
- agreeing on activities to help them progress towards these goals
- actively engaging in these activities
- progressing towards their education and employment goals.

## Policy context

The policy drivers that underpin ParentsNext are the Australian Government's objectives to:

- increase women's participation in the labour force
- reduce welfare dependency
- decrease intergenerational joblessness.

### Gender gap in labour market attachment

Australia is at the lower end of OECD countries in terms of the employment rate of women aged between 25 and 54 years and of mothers with very young children.<sup>i</sup>

Between 2000 and 2017, the workforce participation rate for married women increased by 7.3 percentage points from 55.8 per cent to 63.1 per cent, while that for single women increased by 1.9 percentage points from 52.8 per cent to 54.7 per cent.

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<sup>3</sup> Bankstown, Shellharbour and Wyong (New South Wales); Greater Shepparton and Hume (Victoria); Logan and Rockhampton (Queensland); Playford (South Australia); Kwinana (Western Australia); Burnie (Tasmania).

<sup>4</sup> ParentsNext expanded nationally from 1 July 2018, with some adjustments to eligibility criteria and funding rules.



Over the same period, Australian women of working age increased their labour force participation by 6.7 percentage points overall (65.3 per cent to 72 per cent).<sup>ii</sup> This rate was still well below that of working-age males, which remained at around 82.5 per cent.

The under-representation of women in the labour force reflects the fact that more mothers than fathers take on the primary care of young children. Workforce participation and employment rates for mothers with young children, especially single mothers, are substantially lower than those for fathers.<sup>iii</sup> This was acknowledged in *Towards 2025: An Australian Government Strategy to Boost Women's Workforce Participation*.<sup>iv</sup> The strategy recognised that increasing women's workforce participation leads to better living standards for individuals and their families and is a significant driver of economic growth.

As women are affected disproportionately by parenting, mothers are less likely to be able to move quickly into work and off Parenting Payment. This potentially undermines the Australian Government's strategy to reduce the gap in workforce participation between men and women, which recognises that increasing women's workforce participation leads to better living standards and will be a significant driver of economic growth.<sup>v</sup>

The recent rise in the workforce participation rate of Australian women was primarily a result of increased participation by married women.<sup>vi</sup> In spite of a rising female labour force participation rate, there remains a significant gender gap in labour force participation. While Australian women of working age increased their labour force participation by 6.7 percentage points (from 65.3 per cent to 72 per cent)<sup>vii</sup> between 2000 and 2017, the rate was still well below that of working-age men (around 82.5 per cent).<sup>viii</sup>

Early intervention to assist parents with young children can have a positive impact on future workforce participation, particularly for women. For example, the synthesis of research evidence by Green and Hasluch<sup>ix</sup> shows that early intervention through the provision of outreach support services to those furthest from the labour market is an important support strategy in engaging individuals and influencing attitudes to employment. ParentsNext is one such intervention.

### **Jobless families**

Parents' labour market status has a profound effect on children's wellbeing. As noted by the OECD, 'one of the two most important factors which can contribute to child poverty is whether or not children are living with parents who are jobless'.<sup>x</sup>

Analysis of a longitudinal study of Australian children that looked at the association between family joblessness and children's development outcomes at eight to nine years of age reveals that children who lived in a jobless family, where no adult worked, had poorer developmental outcomes across the learning/cognitive, social/emotional and physical domains. Children who live in a jobless family for a longer time had worse developmental outcomes than those who lived in a jobless family for a

shorter time. Parents in jobless families studied had, on average, lower levels of human capital<sup>5</sup> than those in families who did not experience joblessness. They also exhibited poorer parenting skills.<sup>xi</sup>

Persistent joblessness is much more prevalent amongst single-parent families than two-parent families. Analysis undertaken by the ABS indicated that the majority of jobless families in Australia in 2012 were headed by single parents.<sup>xii</sup> These parents had a far higher risk of low incomes, welfare reliance, financial stress, reduced social opportunities, poorer physical and mental health<sup>xiii</sup> and very low labour market participation.<sup>xiv</sup>

Australia has a disproportionately higher percentage of children living in jobless single-parent households than other OECD countries. In 2014, on average across OECD countries, around 36 per cent of children in single-parent households lived in a jobless household. The proportion in Australia was 48 per cent; most of these households were headed by single mothers. The proportion of children in Australia in dual-parent jobless households was similar to the OECD average of 6 per cent.<sup>xv</sup>

In Australia, 63 per cent of single parents with a child under four years old were jobless in June 2015. Single mothers were far more likely to be jobless than single fathers. When their children are under four years old, only 14.01 per cent of single mothers had a full-time job versus 51.2 per cent of single fathers.<sup>xvi</sup> In response to this, Australia, along with a number of other OECD countries with low single-parent employment rates, such as New Zealand, has reformed its welfare system to encourage more lone parents to take up work.<sup>xvii</sup>

### **Disadvantage experienced by young parents**

There is extensive international literature on the relative disadvantage experienced by women who become parents in their teenage years. This disadvantage takes the form of lower rates of school completion and labour force participation, lower earnings, and higher rates of income support receipt and poverty.<sup>xviii</sup>

Australian research shows a similar picture of disadvantage. A study using results from the 2001 census demonstrated that women in their mid-30s who were under 20 years when they gave birth to their first child were more than four times less likely to have completed Year 10 than those who first gave birth between the ages of 25 and 29. Women who had children in their teens were less likely to be in the labour force than those who first gave birth between the ages of 25 and 29 (50 per cent compared with 59 per cent).<sup>xix</sup>

### **Disadvantage experienced by Indigenous parents**

In Australia, Indigenous families have had a consistently greater risk of higher rates of persistent joblessness. Data from the 2011 Australian Census shows that neither the Aboriginal nor Torres Strait Islander labour force participation rate, nor the unemployment rate, compares favourably with

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<sup>5</sup> The stock of knowledge, habits and social and personality attributes, including creativity, embodied in the ability to perform labour in order to produce economic value.

the equivalent non-Indigenous rates. Proportionally, fewer Aboriginal and Torres Strait Islander people are participating in the labour force, with the Aboriginal and Torres Strait Islander labour force participation rate 20.5 percentage points lower than the non-Indigenous rate (55.8 per cent compared with 76.4 per cent).

Aboriginal and Torres Strait Islander people who attain Year 12 or Certificate II level or above are more likely to be participating in the labour force than those who have not obtained these qualifications. More than three-quarters of the Aboriginal and Torres Strait Islander population with these qualifications are participating in the labour force, while less than half (45 per cent) of those without them are participating.

### **Lifetime welfare expenditure for Parenting Payment recipients**

The estimated projected expenditure on future lifetime welfare payments for all people in Australia who received Parenting Payment during the period studied in the evaluation is around \$191 billion and is the highest average future lifetime cost per person of all payment groups.<sup>xx</sup> This creates a strong incentive for governments to invest in improving the workforce participation prospects of parents, particularly young parents.

In 2016, DSS estimated that around 48 per cent of the 432,000 parents who received Parenting Payment in 2014–15, approximately 95 per cent of whom were women, would still be receiving income support in 10 years. Those aged 18 years and under were estimated to have a 70 per cent chance of still being on income support in 10 years and a 40 per cent chance of still receiving income support in 20 years.<sup>xxi</sup>

The additional disadvantage experienced by young parents tended to extend into successive generations, as the children of young parents had a higher chance of becoming welfare recipients and of becoming young parents themselves.<sup>xxii</sup>

Parents aged 18 years and under were therefore a group of prime concern in the Australian Government's Priority Investment Approach to Welfare and for policy interventions such as ParentsNext.

### **Intergenerational disadvantage associated with joblessness and geographic barriers**

Growing up in a low income household creates a higher likelihood of a low income in early and middle adulthood.<sup>xxiii</sup> Australian evidence suggests:

children whose grandparents or parents had experienced separation or joblessness may themselves face a greater risk of separation and joblessness as adults. Indeed, already by age 6–7 and 10–11 years, the children in families who had experienced persistent intergenerational disadvantages had already fallen substantially behind their peers with respect to their academic performance and social-emotional development. These findings showed that intergenerational disadvantage was pervasive and their effects upon the youngest generation of a family began early.<sup>xxiv</sup>

Existing research also suggests that, in addition to individual characteristics, living in disadvantaged areas in which there was a concentration of unemployment and joblessness may be associated with an increased likelihood of those living in these areas being unemployed.<sup>xxv</sup> Thus, in addition, to being concentrated within families, joblessness in Australia was also concentrated within particular geographic areas.

Geographic disadvantage is also related to poorer outcomes for children,<sup>xxvi</sup> poorer quality relationships between adults, lower income insecurity and poorer physical health<sup>xxvii</sup> and reduced education and employment outcomes.<sup>xxviii</sup>

In areas where fewer jobs are available locally, a person may need to travel substantial distances in order to accept a position. This could involve higher travel and possibly child care costs and reduce financial benefits from working, particularly for parents with low-level labour market skills, who may only be able to find lower paid employment.<sup>xxix</sup> Disadvantaged areas may also have poorer public transport infrastructure.<sup>xxx xxxi</sup>

### **Evidence from comparable initiatives**

Overall, the evidence suggests that government interventions aiming to improve women's labour force participation and reduce intergenerational poverty need to target cohorts and locations most in need in order to be most cost-effective.

As countries implement work-related requirements for unemployed people, they increasingly introduce elements of compulsion and sanctions to encourage participation or persuade participants to make the transition from benefits to paid employment. Research suggests that compulsory activities can be effective for lone parents who are likely to have more barriers and support needs. Voluntary activities can work effectively with lone parents who are more job-ready, with a higher level of skills or education, and work experience.<sup>xxxii</sup>

A synthesis of evidence by UK-based researchers in 2009 found that early intervention through outreach support services for those furthest from the labour market was an important strategy in engaging individuals and influencing attitudes to employment.<sup>xxxiii</sup> Early intervention to assist parents with young children, such as counselling, child and mental health support, could have a positive impact on the introduction of future work-related participation requirements. Essential elements of effective interventions also included compulsion and geographic targeting. Supporting evidence from other OECD countries is in **Appendix A**.

## **Program design**

### **Payment structure**

Payment to service providers was by way of grants in tranches. The department processed the initial payment once the relevant deed was executed. Payments were made in six-monthly instalments paid in advance following formal acceptance of a project activity report.

For this phase of ParentsNext, the department funded providers commencing in April 2016 and completing on 30 June 2018, with the option of an extension at the department's discretion and subject to the availability of funding and satisfactory performance.

The ParentsNext funding application process was governed by the Commonwealth Grants Rules and Guidelines issued by the Minister for Finance under section 105C of the *Public Governance, Performance and Accountability Act 2013*.

### **Project design**

In accordance with the ParentsNext Grant Guidelines, project providers were required to build rapport with participants through regular contact and by developing a Participation Plan that included education and/or employment-related goals designed to address identified issues that prevented a participant from becoming work ready.

The department helped providers focus on the work readiness of participants by requiring them to undertake work-readiness assessments with a sample of participants using the WorkStar™ instrument. Providers were able to elect to use another instrument by agreement with the department.

All project providers opted to use the WorkStar™ work-readiness assessment instrument to determine the level of a participant's initial and ongoing work-readiness, although not all participants undertook an assessment.

In addition to helping shape the activities and assistance for individual participants, data from work-readiness assessments was utilised to produce a comprehensive profile of the ParentsNext target group.

## Participant eligibility

The eligibility criteria for ParentsNext Projects are detailed in **Table 1**.

**Table 1 Criteria for compulsory participation in ParentsNext**

ParentsNext — criteria for compulsory participation
Reside in one of the 10 designated LGAs
Have received Parenting Payment for at least six months
Have a youngest child aged between six months and six years
Have not received Pensioner Education Supplement in the last three months, and have no earnings from employment in the last six months
Meet at least one of the following priority criteria: <ul style="list-style-type: none"> <li>• be an early school leaver, defined as being aged under 22 and not having completed the final year of secondary school or an equivalent qualification (Certificate III or above)</li> <li>• be eligible based on a JSCI assessment</li> <li>• have a youngest child aged five</li> </ul>

Parents receiving income support who did not meet one or more of the above criteria were entitled to seek voluntary referral from the Department of Human Services (DHS) to ParentsNext. Providers also recruited voluntary participants who lived in the 10 LGAs (including parents not receiving income support) and assessed their eligibility for ParentsNext.

## Participation requirements

In order to meet their mutual obligation requirements (MORs) for Parenting Payment, compulsory participants were required to attend scheduled appointments with their provider, agree on a Participation Plan containing a compulsory activity, and participate satisfactorily in that activity. If compulsory participants did not meet these requirements, project providers could submit a compliance report to DHS, which may have led to the suspension of the participant's income support payments until they re-engaged in ParentsNext.

While voluntary participants did not have MORs, there was an expectation that they would participate fully once they commenced in ParentsNext. Voluntary participants were exited if they did not participate as agreed.

A novel feature of ParentsNext was that project providers had the authority, delegated to them by the Secretary of the department, to temporarily exempt compulsory participants from their participation requirements if they experienced a major personal crisis or significant disruption. Project providers were required to comply with the *Social Security Act 1991* when determining whether to grant exemptions. The department monitored the number of exemptions closely and ensured that providers granted exemptions appropriately and in accordance with the guidelines.

### Links with other employment programs

ParentsNext linked with a range of other employment programs offered by the Australian Government. From September 2016, concurrent referrals to jobactive, Transition to Work (TtW) and the New Enterprise Incentive Scheme (NEIS) could count as activities in Participation Plans.

ParentsNext was an approved labour market program for Jobs, Education and Training Child Care Fee Assistance (JETCCFA). JETCCFA provided assistance on top of the (then) Child Care Benefit<sup>6</sup> to significantly reduce out-of-pocket child care costs for parents undertaking a range of activities such as work, education and training or participation in a labour market program.

**Appendix B** shows the pathway for participation in ParentsNext.

### Labour market characteristics and socio-economic disadvantage in ParentsNext LGAs

The selection of LGAs for the delivery of ParentsNext was based on the level of socio-economic disadvantage. **Table 2** shows the ranking of these LGAs on the ABS Index of Relative Socio-Economic Disadvantage (IRSD).<sup>xxxiv</sup> All 10 LGAs had high rates of households with low incomes and measures of child social exclusion, based on the Child Social Exclusion (CSE) Index.<sup>7</sup>

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<sup>6</sup> The Australian Government replaced the Child Care Benefit, the Child Care Rebate and JETCCFA with the new Child Care Subsidy from 1 July 2018.

<sup>7</sup> The CSE index, which is calculated at the LGA level, is an index of social exclusion or risk of social exclusion for children aged 0 to 15 years, and combines economic and social factors that are specifically related to child outcomes. These factors relate to problems such as joblessness, low income, low educational outcomes, lack of access to services, and poor physical and mental health.

**Table 2 Disadvantage indicators of the 10 LGAs in ParentsNext, 2011**

LGA	State	Est. people with low incomes# Rate (%)	Est. people with low incomes# No.	Est. children in low income families (No.)	Est. children in low income families (Rate %)	CSE index score* (dependent children)	CSE index score* (weighted quintile)	IRSD rank and decile (Aus.)	IRSD rank and decile (state)
Bankstown	NSW	–	–	–	–	28.42	1	118 (3)	30 (2)
Shellharbour	NSW	8,486	13.60	1,948	14.40	20.87	2	250 (5)	78 (4)
Wyong	NSW	22,645	15.51	5,500	18.20	24.09	2	185 (4)	55 (6)
Greater Shepparton	VIC	8,760	14.99	2,317	17.98	21.80	2	188 (4)	13 (2)
Hume	VIC	12,751	12.30	3,557	14.25	25.70	1	187 (4)	12 (2)
Logan	QLD	36,310	13.45	10,926	17.13	26.86	1	259 (5)	48 (7)
Rockhampton	QLD	11,911	11.58	2,873	12.85	21.05	2	290 (6)	51 (7)
Playford	SA	15,282	19.64	4,315	23.76	42.21	1	47 (1)	5 (1)
Kwinana	WA	3,502	12.50	986	14.80	23.27	2	247 (5)	42 (4)
Burnie	TAS	3,231	17.38	759	19.87	26.46	1	90 (2)	10 (4)

# 'Low income' here is defined as less than half of the median income.

\*The CSE index scores for each LGA are based on child-population weighted quintiles. Each quintile covers 20 per cent of all dependent children in Australia aged 0–15. Quintile 1 is the quintile with the highest risk of being socially excluded.

Sources: Phillips et al. (2013) 'Poverty, Social Exclusion and Disadvantage in Australia'; ABS (2011) Census of Population and Housing: Socio-Economic Indexes for Areas (SEIFA), Australia. Cat. No. 2033.0.55.001.

### Characteristics of Parenting Payment recipients in ParentsNext LGAs

The design of the ParentsNext projects took into account the characteristics of Parenting Payment recipients in the selected LGAs. All ParentsNext LGAs had considerably higher rates of Parenting Payment receipt than the national average (**Table 3**).

Children in these households did not have access to the same resources as the average child in Australia. For example, with much lower incomes, these households also had a far lower than average likelihood of having internet access or a car.



**Table 3 Parenting Payment recipients in ParentsNext LGAs (as at 30 June 2016)**

LGA	State	Income support recipients on Parenting Payment (%)	Total no. of people on Parenting Payment
Bankstown	NSW	9.2	4,632
Shellharbour	NSW	7.4	1,378
Wyong	NSW	7.1	3,467
Greater Shepparton	VIC	8.1	1,460
Hume	VIC	9.6	4,679
Logan	QLD	11.6	8,268
Rockhampton	QLD	8.9	2,589
Playford	SA	12.7	3,864
Kwinana	WA	12.2	909
Burnie	TAS	7.1	462

Source: Department of Jobs and Small Business Research and Evaluation Database (RED).

### Projects

Thirty-one projects were funded under ParentsNext Projects in the period covered by this report. The number of funded projects varied by LGA depending on expected numbers of participants and other factors (**Table 4**). Referrals of participants in an LGA were distributed in roughly equal numbers across the projects that operated in the area. For example, in an LGA with three projects and an estimated 2700 participants per year, each project received approximately 900 participants annually.

**Table 4 Number of funded projects and key characteristics of the 10 ParentsNext LGAs**

State	LGA	ARIA <sup>8</sup> type IRSD <sup>9</sup> decile (national)	IRSD <sup>10</sup> decile (national)	IRSD decile (state)	% of income support recipients on Parenting Payment at 30 June 2016	No. of people on Parenting Payment at 30 June 2016	No. of projects funded	Estimated no. of participant s per full financial year
NSW	Bankstown	Major Cities	3	2	9.2	4,632	4	3,700
NSW	Shellharbour	Major Cities	5	4	7.4	1,378	3	2,700
NSW	Wyong	Major Cities	4	6	7.1	3,467	2	1,100
VIC	Greater Shepparton	Inner Regional	4	2	8.1	1,460	2	1,200
VIC	Hume	Major Cities	4	2	9.6	4,679	4	3,600
QLD	Logan	Major Cities	5	7	11.6	8,268	7	6,200
QLD	Rockhampton	Inner Regional	6	7	8.9	2,589	3	1,500
SA	Playford	Major Cities	1	1	12.7	3,864	4	2,900
WA	Kwinana	Major Cities	5	4	12.2	909	1	600
TAS	Burnie	Outer Regional	2	4	7.1	462	1	400
<b>Total</b>							<b>31</b>	<b>23,900</b>

Source: ABS Socio-Economic Indexes for Areas; RED.

<sup>8</sup> Accessibility/Remoteness Index of Australia (ARIA).

<sup>9</sup> Index of Relative Socio-economic Advantage and Disadvantage.

<sup>10</sup> Index of Relative Socio-economic Advantage and Disadvantage.

## Evaluation methodology

### Scope

The department conducted an evaluation of the ParentsNext Projects for the operational period of 4 April 2016 to 30 June 2017 in accordance with the Program Logic (**Appendix C**). A number of major pieces of research, including an impact analysis, commissioned surveys and qualitative research, were undertaken to inform the testing of the key evaluation questions outlined in **Table 5** below. To the extent possible, the views of stakeholders<sup>11</sup> were included in the ParentsNext evaluation.

**Table 5 Key evaluation questions**

Key evaluation questions
What were the main policy drivers for ParentsNext?
To what extent do the program design and operational processes enable ParentsNext to achieve its objectives?
How efficiently and effectively does ParentsNext attract, engage and retain participants?
Does participation in ParentsNext lead to increased participation in education and progress towards education and employment related goals?
What service elements/practices are associated with progression towards education and employment goals?
Is ParentsNext an efficient use of funds?

### Data sources

The evaluation was designed to use all available data and qualitative sources to test the key evaluation questions and involved review of relevant literature to examine the policy drivers for the program (see earlier discussion under 'Policy context'). A mixed-methods approach was adopted, involving collection and analysis of quantitative and qualitative data (see **Table 6**). For the quantitative analyses, administrative and survey data was used for descriptive statistics and in regression analysis.

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<sup>11</sup> ParentsNext participants; Project providers; local service providers; the Department of Human Services (DHS); the Department of Social Services (DSS); TtW, jobactive and NEIS providers; community organisations and community (including parents) peak groups; other government stakeholders and NGOs.

Table 6 Evaluation data sources

Key data sources
<b>ParentsNext administrative data from the Employment Services System (ESS), which Project providers used to record program data, including the details of Participation Plans, activities and educational attainment where applicable.</b>
<b>Department of Jobs and Small Business's Research and Evaluation Database (RED), which contains information related to income support payments, demographic information for all payment recipients and education data for some participants.</b>
<b>ParentsNext provider surveys conducted by the department (the Providers Survey) to gather their views on the operation of the program and quality of services provided by the department.</b>
<b>A ParentsNext participant survey (the Participants Survey)<sup>12</sup> in October 2017.</b>
<b>Qualitative research with ParentsNext participants and providers in the 10 designated LGAs in November 2016.</b>
<b>Work Star™ work-readiness assessments conducted by Project providers, which provides a holistic framework for providers to use when supporting ParentsNext participants, as well as a way of measuring progress towards work-readiness.</b>
<b>Project Activity Reports (PARs) for three program performance periods from 4 April 2016 to 30 June 2017.</b>

## Qualitative analysis

SRC conducted qualitative research exploring the experiences of ParentsNext participants and providers in eight of the 10 LGAs throughout November 2016. This comprised 11 focus groups with participants (one group was re-run due to low numbers in the first group, and one group was supplemented by three in-depth telephone interviews); 13 in-depth interviews (10 face to face and three by telephone) with providers; and five interviews with DHS operational staff. The qualitative research included investigating the appropriateness of the projects and the service, participant engagement and satisfaction levels, and good service practices of project providers.

## Quantitative analysis

Administrative and survey data was used for the quantitative analyses, descriptive statistics and regression analysis. Where appropriate and feasible, comparisons with constructed non-participant groups were made. The comparison groups for YC5 and ESL participants consisted of parents with personal characteristics similar to those of ParentsNext participants, living in areas with demographic and economic characteristics similar to those of the 10 ParentsNext LGAs. The

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<sup>12</sup> Both the Participants Survey and the qualitative research were conducted by the Social Research Centre (SRC) on behalf of the department and are synthesised with the range of evidence presented in this report. For comparative purposes, relevant questions from the Participants Survey were also asked of a similar group of parents who did not participate in ParentsNext.

comparison group for high-JSCI participants consisted of parents who lived in the 10 ParentsNext LGAs who, while sharing characteristics of the compulsory participants, just missed meeting the ParentsNext eligibility requirements because they were just below the JSCI threshold score.

Program efficiency was estimated by examining unit expenditure associated with servicing participants, and the numbers of education or employment related activities recorded. The program-level unit expenditure was compared with similar earlier programs. To assess unit expenditure variations within ParentsNext, the overall unit expenditure was disaggregated by geographically similar LGAs.

Two participant populations were used to assess participant outcomes. The education and employment related outcomes of participants who became eligible between April 2016 and September 2016 and commenced within six months of becoming eligible were tracked for nine months. Data on the referral and commencement of participants who became eligible between April 2016 and June 2017 were examined. This population included all new inflow participants, compulsory or voluntary, as well as participants who transferred from the earlier HYP trial.

Where feasible, this evaluation reports analytical results at a whole-program level and disaggregated for different demographic groups (including priority groups) by activities, projects and locations.

The program effect was tested by assessing outcomes using a number of proxy measures for education and employment. This was necessary because data for many of the ParentsNext outcomes were not available for the comparison groups. The common proxy measures used included:

- receipt of education subsidy payments, such as the Pensioner Education Supplement (PES) and JETCCFA
- earnings from employment declared for income support purposes
- changes in income support status.

An overall 'composite measure' was also constructed to record if any of the following four outcomes were achieved by participants:

- an off income support status at the end of the follow-up period<sup>13</sup>
- receipt of any PES during the follow-up period
- reported earnings during the follow-up period
- use of JETCCFA during the follow-up period.

Measures of work-readiness and participant satisfaction are also included in the analysis.

In order to attempt an assessment of 'best practice' by providers, provider sites and projects were ranked using the composite outcome measure to enable comparisons of results. Regression analysis was utilised to take account of differing demographic characteristics of participants (such as age,

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<sup>13</sup> While not all exits from income support are due to employment, change in welfare reliance is a key measure of interest.

number of dependent children, age of youngest child, highest level of education) and local factors such as the unemployment rate, the level of socio-economic disadvantage and the proportion of income support recipients on parenting payments.

Provider and participant views, gathered through qualitative and quantitative research, were also incorporated into the determination of best practice. The exercise of identifying best practice used a mixed methodology incorporating both outcome-based performance ranking and stakeholder feedback.

## Characteristics of participants

Between April 2016 and June 2017, the first 15 months of the ParentsNext Project, DHS identified **20,681** parents as potentially eligible for ParentsNext; **20,022** (97 per cent) of these as compulsory participants and **659** (3 per cent) as voluntary participants. Around 66 per cent (**13,766**) of these participants were identified based on a JSCI assessment.

Just over 90 per cent of potentially eligible parents (**18,785**) were referred to ParentsNext by July 2017. The remainder were assessed as ineligible subsequently. Referral rates were lowest, around 73 per cent, in the YC5 participant group, and were highest in the JSCI participants, around 97 per cent.

Of the **18,785** parents referred to Project providers, **16,792** (89.4 per cent) commenced the program by July 2017. Commencement rates were lowest for voluntary participants (74.3 per cent) and highest for participants transferred from the HYP group (92.4 per cent). Overall, the three most common reasons for not commencing in the project were that participants left the LGA (23.3 per cent), their youngest child turned six years (11.7 per cent) or their Parenting Payment was cancelled prior to program commencement (9.2 per cent).<sup>14</sup>

Of the **16,792** participants who commenced, and within all three priority subgroups, the majority of participants were female (**94.9 per cent**); **16,358** were compulsory participants and **434** were voluntary participants, or **2.1 per cent** overall (see **Appendix D**). YC5 participants comprised **15.3 per cent**, ESL participants **5.9 per cent**, those participants with a relevant JSCI score (**12,013**) **71.9 per cent** and those compulsorily transferred from HYP **4.7 per cent**.

## Selected LGAs

The selection of the 10 LGAs for the delivery of ParentsNext was based on the level of social-economic disadvantage (see **Table 2**). Based on the ABS Index of Relative Social-Economic Disadvantage (IRSD)<sup>xxxv</sup> used to analyse the multidimensional nature of disadvantage, four LGAs (Playford, Bankstown, Greater Shepparton and Hume) ranked in the bottom two deciles within their states, indicating that they were within the most disadvantaged 20 per cent of LGAs in those states.

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<sup>14</sup> Note, Parenting Payment can be cancelled for a range of reasons, including changes in partner status for single parents, a child leaving a parent's care or the declaration of partner income over payment means test thresholds.

## Comparison LGAs

For the evaluation, the comparison LGAs selected were in the same states as the participant LGAs in accordance with the following hierarchy:

- LGAs with over five per cent of income support recipients who were on Parenting Payment as at 30 June 2016
- LGAs with the same ARIA<sup>15</sup> classification and a similar range of Index of Relative Socio-Economic Disadvantage (IRSD) within each state as the selected LGAs.

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<sup>15</sup> Accessibility/Remoteness Index of Australia (ARIA)

## Findings

### Effectiveness of program design and operational processes

This section examines the extent to which program design and operational processes enabled ParentsNext Projects to achieve its objectives, by examining a range of program features.

#### Project-based, standalone nature

The qualitative research identified broad support from providers and participants for the project-based, standalone nature of ParentsNext. When surveyed, over 80 per cent of project providers indicated a preference for the grant-based model rather than an outcome-funded structure, although some felt constrained by the lack of project funding for expenditure on training, transport and other activities. The primary reasons providers gave for participants liking the program were that it provided a substantial timeframe within which to work with parents to produce tailored Participation Plans; it enabled the identification of individually tailored assistance to address participants' identified barriers to employment; and their offices were family friendly.

I think they feel that there's no outcome pressure, so you can actually build a better rapport with your participant and actually achieve more ... we wouldn't have such a good rapport with our participants if it was that [outcome-funded] because there would be pressure on us to meet those outcomes in order to get payment. (Area 2, Provider 1)

#### Pre-employment focus

When asked about the focus of ParentsNext as a pre-employment program, 90 per cent of providers indicated that pre-employment was the right focus for ParentsNext. Eight per cent thought that there should be a greater focus on employment as well as pre-employment, and 2 per cent thought there should be more consideration of the effect on the children and family responsibilities during the participant's preparation for employment.

#### Caseload

For some of the projects, the caseload size was in line with annual forecast numbers, while for others, caseload numbers appeared below the anticipated figure, and voluntary referrals tended to be much lower than expected. Some providers suggested that initial estimates of participants included parents who were found subsequently to be ineligible for the program and that the estimations for voluntary recruitment were too high. Some providers reported that their caseloads were on course to reach the estimated annual total figure provided by the department.

#### Eligibility criteria

##### *JSCI as a tool for assessment*

Some providers regarded the employment focus of the JSCI (which is designed to assess the labour market disadvantage of job seekers) as too narrow for this group of parents. They believed that it failed to address the broad range of pre-vocational barriers affecting participants' ability to plan and



prepare for employment. These included the number and age of children (which might have resulted in the parent being eligible for the large family exemption), or the length of time a parent from a Culturally and Linguistically Diverse (CALD) background had been in Australia (which might indicate eligibility for the Adult Migrant English Program).

Despite these concerns, the eligibility criteria for compulsory participation in ParentsNext was regarded by providers as appropriate for targeting parents most in need of assistance, to plan and prepare for employment. Sixty-six per cent of respondents to the Providers Survey agreed with the statement that the JSCI provided useful information about a participant's barriers to work, and nearly half (48 per cent) said that the JSCI was an appropriate tool to use with ParentsNext participants.

### ***Commencement when the participant's youngest child is six-months old***

While they commented favourably on the flexible servicing arrangements associated with ParentsNext, some providers regarded setting the age of the youngest child at six months for compulsory participants as too young if parents were to engage successfully with the program.

Some participants indicated they were not actively considering planning or preparing for future work at this stage of the child's life.

I would think that 12 months would be at least the minimum, because it can take you that time to just get normal sleep patterns again ... depending on who your provider is, you can feel overwhelmed by what they're expecting you to do ...  
(Area 3, Group 1)

### ***Parents with children aged five years***

Exiting a participant from the program as soon as the youngest child turned six years was also regarded as detrimental if the parent was engaged in an activity or completing a qualification.

Some providers suggested that the cut-off age for the youngest child should be raised from six to eight years.

### **Extension to more LGAs**

There was support from providers for the extension of the geographic scope of the program beyond the 10 prescribed LGAs; extending the timeframe beyond 2018; and including voluntary participation from neighbouring local government areas.

I think it could easily be rolled out in a lot of other areas and actually make a real difference. (Area 5, Provider 2)

**Adequacy of information prior to program commencement**

The qualitative research indicated that the roles of DHS and the project providers at the participant's initial engagement appointment needed greater clarity.<sup>16</sup> Many participants felt that they did not have sufficient information about the program, or what was required of them. This could cause some apprehension about the program when required to attend their first provider appointment. Participants indicated they had a better understanding of the program once they had spoken to providers. Even after ParentsNext was explained to them, some participants thought it was irrelevant to their circumstances, or remained unhappy about the requirement to participate. Many others saw the potential benefits.

**Service gaps**

ParentsNext is designed to draw on and connect participants to existing local services to the extent possible. As some service gaps existed across LGAs and within specific localities, this limited the referral options available to address participants' identified barriers to employment or to assist them to plan and prepare for work. In this context, some providers who participated in the qualitative research noted limited assistance for participants from multicultural backgrounds and a lack of appropriate activities to address barriers faced by Indigenous parents.

**Departmental support**

As part of the Providers Survey, providers were asked about their overall level of satisfaction with the quality of service the department provided. Sixty-nine per cent of respondents were either satisfied or very satisfied with the quality of services and tools.

**Effectiveness of WorkStar™ as a participant work-readiness tool**

Providers used WorkStar™ to engage participants and gauge their work-readiness. Not all participants had a WorkStar™ assessment, and there were no significant variations in the levels of completion of those who had assessments across the different participant groups. Participants who completed a work-readiness assessment reported positively on them.

When surveyed about the value of their assessment, 84 per cent of participants agreed that WorkStar™ helped them identify their strengths and abilities. In addition, 79 per cent of these participants agreed that it helped them engage with their ParentsNext provider; think about their employment goals (78 per cent); and inform the activities that went into their Participation Plans (81 per cent). On average, WorkStar™ assessed participants were progressing along the Star scales for all Star areas. Despite being small (less than one point in the 10-point scale), changes in scores between the first two assessments were consistent with the expected usage of the tool.

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<sup>16</sup> DHS and the department (with input from providers) undertook work on the DHS initial contact script in order to address this issue.

## **ParentsNext's efficiency and effectiveness in attracting, engaging and retaining participants**

### **Attracting participants**

The majority of ParentsNext participants were referred as compulsory participants by DHS to a project provider. Approximately 89.4 per cent of those referred commenced with the program. The commencement rate was lowest for voluntary participants. The reasons for this varied, although reported earnings was one of the common reasons why parents who wished to volunteer were ineligible to do so.

When examining how effective ParentsNext was at securing voluntary participants, it was found from the qualitative research that, despite attempts by most providers to recruit, the numbers actually recruited remained modest — the highest forecast was 20 per cent, while for most providers the numbers were in single figures in caseloads numbering several hundred. Many prospective voluntary participants did not meet the eligibility criteria, even though they were interested in the program and had heard good things about it from other parents. Some proved to be ineligible because they lived outside the area serviced by the program and, as noted above, others because they had some earnings in the past six months.

In the majority of ParentsNext locations, providers worked collaboratively to address issues, find solutions and attract voluntary participants. Strategies included marketing ParentsNext in shopping centres, gyms and child care centres; promoting by word of mouth in the community; community presentations and setting up stalls at public events; and targeting partners of compulsory participants, who, if they met the eligibility criteria, could become volunteers.

The participation status of the 434 voluntary participants at 31 July 2017 who were eligible between April 2016 and June 2017 showed that around 39 per cent were currently in the program. Another 20 per cent had become compulsory participants and 42 per cent had exited the program.

### **Engaging participants**

Overall participants and providers were happy with the engagement process for ParentsNext, with 90 per cent of participants saying they were treated with dignity and respect. When surveyed, nearly all participants (at least 90 per cent) agreed that their provider explained ParentsNext and described how they would assist; what the participant obligations were; how employment and education goals would be determined; and how the participant's and their family's needs and circumstances would be taken into account when negotiating activities.

Providers largely thought that personal engagement with participants, and the personalisation of Participation Plans, goals and activities, were key to participant engagement. Most typically, engagement in activities or appointments was hindered by what were also the participants' barriers to employment. Some participants misunderstood ParentsNext, believing it to be an employment services program that would find them a job, similar to jobactive.

Participants in the focus groups commended ParentsNext for its ability to respond to their individual needs and for providers who were sympathetic to their personal circumstances. Providers were thought to be supportive and friendly, to offer welcome advice and guidance and to help individuals locate services they had not known about before commencing in the program.

It's more you're a person rather than a number. (Area 4, Group 1)

It's having someone in your corner. If you have 10 friends who are all stay at home mums who don't want to work ... then it won't create a culture of desire for change. (Area 3, Group 1).

Providers who participated in focus groups noted that participants perceived ParentsNext as a child-friendly program that addressed the needs of their children as well as themselves, such as the choice of child care or child-focused activities, and the provision of child friendly offices.

Providers liked the fact the program delivered multiple outcomes, such as child health support alongside child care or playgroups, and activities that helped participants to progress towards their education and employment goals in small steps, by addressing social isolation or self-esteem issues for example.

### **Compulsion**

The compulsory participation requirement of ParentsNext was of concern to some parents, both in principle and because some participants had difficulties in attending (for example due to a lack of transport). For other participants, compulsion acted as a useful and welcome incentive to progress their job preparation activities.

There's never been a right time, especially with a young child ... you don't ever want to leave them. So kind of unless you're forced to it's not going to happen, which is what I think this program does. (Area 5, Group 2)

The qualitative research found that most providers did not consider the compulsory requirements of ParentsNext a barrier to engagement and considered that many parents would not have engaged fully if it were not compulsory. Providers recognised that some participants had initial reservations about the requirement to participate, and that this needed to be addressed in a supportive way.

### **Retaining participants**

There was a wide range of scheduling frequencies across the projects, with providers only required to meet with participants once every six months (as a minimum). The three most common appointment arrangements reported by Providers Survey respondents were monthly, every three months and 'other'. Eighty-two per cent of respondents that chose a regularly scheduled frequency thought that this was the right frequency for appointments. Participant attendance rates varied amongst subgroups, with YC5 participants being the highest and those who transferred from the previous HYP trial the lowest. On average, participants attended three to four appointments over a six-month period. A few participants attended up to 22 appointments; 75 per cent of the participants attended four or fewer appointments. ParentsNext providers appeared to be effective

in retaining participants. The overall appointment attendance rate in the first six months of the study period for participants who had been in the program for at least six months was around 73 per cent, with 19.3 per cent of appointments not attended for valid reasons (such as the illness of a participant or their child). A valid reason for non-attendance was not recorded for 7.3 per cent of appointments.

When surveyed, participants said they appreciated the flexibility offered by many providers around the time and location of meetings, the ability to reschedule appointments (such as when a child was ill) and the opportunity to make informal and unscheduled contact with their provider. Both providers and participants valued the child-friendly approach and offices. This made attendance more attractive and practical, and made them feel welcome and valued. The time between when a participant was referred by DHS and their commencement at their first appointment with their project provider decreased over time. Overall, half of the eligible parents that went on to commence did so within a fortnight or less. By three months, 95 per cent of the parents referred by DHS had commenced. The average time between referral and commencement was around 25 days. A small number of eligible parents took over three months to commence.

### Exemptions

Of the 16,792 participants referred by DHS who commenced ParentsNext, 4608 (27 per cent) were granted at least one exemption from the program's attendance requirements by their provider, with 6004 exemption episodes overall. Of those, 29.4 per cent had a current participation exemption at July 2017 (see **Table 7**).

**Table 7 Exemptions granted to participants by Project providers**

Referred and commenced	Youngest child aged five years N = 2,563	Early school leavers N = 990	Transferred from HYP/SJF N = 792	Based on JSCI N = 12,013	Volunteers N = 434	Total/overall N = 16,792
<b>Number of eligible parents who had at least one exemption</b>	802	189	218	3,376	23	4,608
<b>Per cent of total</b>	31.3	19.1	27.5	28.1	5.3	27.4
<b>Current exemption (%)</b>	22.4	22.8	19.3	32.1	26.1	29.4
<b>Distribution of exemption episode types (%)</b>						
Temporary reprieve due to pregnancy/birth of a child (%)	8.7	51.0	52.2	19.8	20.0	20.3
Special family circumstances (%)	23.9	10.3	9.3	46.7	36.0	38.8
Other special circumstances (%)	41.3	25.1	22.0	16.0	32.0	21.9
Temporary incapacity (%)	26.1	13.6	16.4	17.4	12.0	19.0

Source: Department of Jobs and Small Business administrative data (as at 31 July 2017).

### Compliance reports

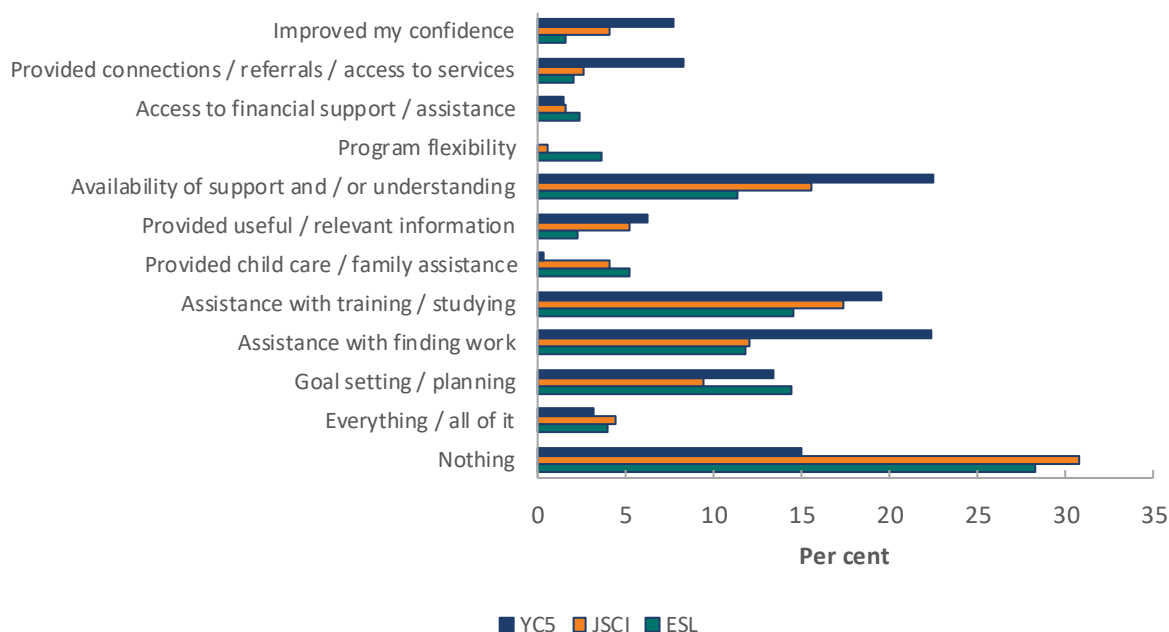
Of the 16,792 commenced participants, around 22 per cent had a compliance report finalised by 31 July 2017, with 9.1 per cent of participants experiencing a suspension of their income support payment. For participants who had their income support suspended, 59 per cent of their unique income support suspension periods were for 14 days or fewer and 92 per cent were for a period of 28 days or fewer. Overall, 97 per cent of the finalised compliance reports were due to failure to attend provider appointments and around one-third of the finalised reports resulted in suspensions of income support payments. The proportions of ESL participants and those who transferred from the HYP program who had finalised compliance reports were higher than other ParentsNext compulsory groups. Three commenced participants who failed to engage in ParentsNext and subsequently persistently failed to engage with DHS for 13 continuous weeks had their Parenting Payment cancelled.

### Participant satisfaction

About three-quarters of respondents to the Participants Survey were satisfied with the amount of contact and assistance given by their provider. The level of satisfaction with the amount of contact varied according to the participant group. Those in the YC5 participant cohort were the most positive (85 per cent), and the ESL participant cohort was the least positive (72 per cent). Eighty-four per cent of respondent participants agreed that providers tried to understand their needs and a majority thought that providers offered assistance that suited their circumstances or those of their family, and listened to, and considered, suggestions for improving ParentsNext. The range of provider assistance which participants found helpful was diverse, as can be seen from **Figure 1**.

Participants found the following assistance most helpful: assistance with training or studying; assistance with finding work; general support and understanding; and goal setting. The least common types of assistance provided included finding safe and stable accommodation; financial management advice; and solving transport difficulties (Participants Survey). While a majority of surveyed participants reported satisfaction with the amount of assistance provided, just over a quarter of participants did not identify any specific assistance as helpful. The proportion of participants who had this view was about double amongst JSCI and ESL participants compared to YC5 participants. It was possible that this reflected the greater urgency felt by YC5 participants to engage/re-engage with the labour market and the greater disadvantages experienced by ESL and JSCI participants. This response will be further explored in the evaluation of the national roll-out of ParentsNext.

**Figure 1 Aspects of ParentsNext that participants found most helpful (per cent)**



**Notes:** Some participants reported more than one of the above categories.

**Source:** Department of Jobs and Small Business ParentsNext Participants Survey 2017 (weighted results).

Results from the Participants Survey also showed that participants (59 per cent) were more likely than comparison non-participants (40 per cent) to be aware of the assistance available to them in the local area, indicating a greater degree of community connectedness/awareness amongst participants than comparison non-participants.

**Activities**

**Table 8** lists the number of and type of activities participants were placed in by 31 July 2017. The most frequently undertaken activities were ParentsNext Specific Activities: a broad range of activities that could include, for example, physical and mental health-related activities, family and parenting supports, help to prepare for study, work-readiness activities and access to office and computer facilities.

This was followed by Accredited or Non-Accredited Education and Training. Combined, ParentsNext Specific Activities and Accredited/Non-Accredited Education and Training accounted for almost 80 per cent of all placed activities.

**Table 8 Activity placements by 31 July 2017 for all participants**

Type of activity placed	Youngest child aged five years N = 2,563	Early school leavers N = 990	Transferred from HYP/SJF N = 792	Based on JSCI N = 12,013	Volunteers N = 434	Total/overall N = 16,792
Total number of activities placed	3,310	1,715	1,556	20,003	656	27,240 <sup>17</sup>
ParentsNext Specific Activity (%)	49.7	60.9	52.6	57.9	60.1	56.9
Accredited/Non-Accredited Education & Training (%)	26.6	19.7	26.7	19.7	22.3	21.0
Non-Vocational Assistance/Intervention (%)	12.7	14.6	14.2	15.6	9.5	15.0
Part Time/Casual Paid Employment (%)	7.7	3.2	5.1	4.6	6.9	5.0
Others <sup>(a)</sup> (%)	3.4	1.6	1.4	2.1	1.4	2.2

(a) Including activities such as other government programs, voluntary work in community/non-profit sector, jobactive, NEIS and TtW.

Source: Department of Jobs and Small Business administrative data and DHS administrative data.

### Concurrency

From September 2016, participants were able to participate voluntarily in one of three employment programs concurrently with ParentsNext, although very few of them chose to do so. This can be seen from **Table 8** in which other activities included voluntary work in the community/non-profit sector, jobactive, NEIS and TtW. Engagement by the participant cohort for these activities was YC5 participants 3.4 per cent; ESL participants 1.6 per cent; participants transferred from HYP 1.4 per cent; high JSCI score 2.1 per cent; and voluntary participants 1.4 per cent.

### Participant involvement in governance arrangements

This is an area of mixed results, with survey responses indicating that many providers had only implemented a process of engaging participants in governance arrangements later in the study period. These processes included providing feedback and collecting ideas from participants. While some providers reported that they had not had sufficient time to action the suggestions from participants about how to influence and improve ParentsNext, others had established quite effective arrangements.

We have a reference group ... So from that they wanted an English conversation group where they're going to support other participants to speak English. So we're going to have morning tea, and a community barbeque and a few other activities. So we are guided by this group. (Area 1, Provider 2)

<sup>17</sup> There were 13,653 parents with at least one activity placement: YC5: 1,923; ESL: 851; HYP/SJF: 690; JSCI: 9,858 and Volunteers: 331.



## Impact of ParentsNext on participants

The program effect of ParentsNext on participants was examined by using comparative survey and administrative data analysis. Participants had a wide range of barriers to employment and, as a result, providers referred them to a diverse range of activities that reflected their particular needs. Activities included accredited and non-accredited educational courses; non-vocational interventions such as parenting courses; playgroups; community activities; career advice; counselling; and drug and alcohol treatment; as well as other government programs, such as Skills for Education and Employment (SEE) and the Adult Migrant English program (AMEP).

As at 30 June 2017, **27,240** activities had been, or were being, undertaken. Fifty-seven per cent of these were ParentsNext specific activities,<sup>18</sup> 21 per cent were education/training activities, 15 per cent other interventions such as parenting courses or counselling and 5 per cent employment activities.

### Participating in ParentsNext improved parents' attitudes to workforce participation

ParentsNext participants had significantly more positive attitudes to work than did comparison non-participants. When surveyed, participants were more likely than comparison non-participants to agree that working sets a good example to their children (**91** per cent of participants compared with **82** per cent of comparison non-participants). They were also more likely to think that having a job was good for them (**45** per cent of participants strongly agreed compared with **37** per cent for comparison non-participants) and for the wellbeing of their family (**90** per cent of participants compared with **82** per cent of comparison non-participants).

### Having education and employment goals was associated with higher proportions of ParentsNext participants undertaking study and training, and looking for work

Participation in ParentsNext had a significant impact on a participant's engagement with education and training and/or progress toward their education and employment goals. In terms of current activities, participants were **significantly more likely to be studying or training** than comparison non-participants. The likelihood of participants studying or training also increased if they were aware of either their employment goals, or their education and training goals. Having employment goals or both employment and education and training goals also increased the likelihood that participants were doing voluntary work, or looking for work.

Participants (**57** per cent) were significantly more likely to be working on their employment and/or education and training goals now, compared with comparison non-participants (**47** per cent). This latter group was more likely to think they would address their goals in two years or more, suggesting that participants were addressing their goals with greater urgency.

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<sup>18</sup> ParentsNext activities are those activities included in funding agreements that take into account a participant's individual and family circumstances and appear in their Participation Plans.

Participants who acknowledged **having goals, particularly employment goals, were positively impacted** in a range of measures including undertaking voluntary work or looking for work. As a result, the role of ParentsNext in encouraging participants to think about goal-setting appeared to be an important aspect of the program.

### ***Participation Plans***

The majority of participants appear to be genuinely engaged and enthused by their compulsory ParentsNext Participation Plans. While a short period of time was allowed between development and signing, when surveyed, most participants reported having a signed plan (81 per cent). This was highest amongst those with a high JSCI score (86 per cent) and lowest amongst voluntary participants (67 per cent). Most participants, particularly ESL participants, strongly agreed or agreed that the activities in their plan 'included consideration of their preferences and goals' and were appropriate for them.

Surveyed providers agreed that the Participation Plans were parent-led documents, driven by the parents' own ideas and aspirations. They acknowledged, however, that for some parents, developing these plans was difficult, as they had never before had to think of their future working lives in such terms. Participation in ParentsNext led to increased chances of studying or training

The results of the impact analysis of several proxy measures, summarised in **Table 9**, indicate ParentsNext has a positive impact on training/studying, earnings and use of child care, although, given the study period, it was probably too soon to expect participants would have moved off income support.

**Table 9 Impact estimates (percentage points)**

Cohort	Off income support (%)	Received PES (%)	Reported earnings (%)	Child care use (%)	Achieved at least one of the outcomes (%)
<b>YC5<sup>(a)</sup> treatment group (N = 1,427)</b>	7.3	5.8	16.2	2.0	27.3
<b>YC5 comparison group (N = 4,079)</b>	9.0	2.9	13.9	0.5	23.7
YC5 difference (treatment – comparison)	-1.7*	2.9*	2.3*	1.5*	3.6*
<b>ESL treatment group (N = 1,034)</b>	2.8	7.7	11.3	5.1	22.5
<b>ESL comparison group (N = 2,438)</b>	2.9	3.4	7.4	1.9	13.5
ESL difference <sup>(a)</sup> (treatment – comparison)	-0.1	4.3*	3.9*	3.2*	9.0*
<b>High JSCI score<sup>(b)</sup> weighted OLS RD estimate (percentage points)</b>	ns	<b>3.4**</b>	<b>5.7**</b>	<b>3.7**</b>	<b>8.8**</b>

(a) Based on propensity score matching.

(b) Based on regression discontinuity.

ns denotes not significant.

\*Based on McNemar's test for paired binary data, the differences in outcome rates between treatment and comparison groups are statistical significant at 5 per cent level or less.

\*\*Significant level less than 5 per cent.

**Source:** Department of Jobs and Small Business administrative data and DHS administrative data

Compared with their matched comparison group members, all groups of compulsory participants had a greater chance of participating in education activities: YC5 participants by **2.9** percentage points; ESL participants by **4.3** percentage points and JSCI participants by **3.4** percentage points. The survey of ParentsNext participants confirmed the findings of the impact study. Participants (**28** per cent) were significantly more likely than comparison non-participants (**19** per cent) to be studying or training. Participants were also more likely to have commenced a course of formal study or training in 2017.

Being enrolled in Year 12 or a Certificate III were the most common educational programs to be undertaken (overall **41.2** per cent), although there were variations in the types of education and training courses/activities among participant sub-groups. For the participants who commenced in ParentsNext at/before 30 June 2017, about 21 per cent were enrolled in accredited education and training by 31 July 2017. For participants who had been in ParentsNext Projects for at least six months, the percentage of enrolments increased to around 25 per cent (see **Table 10**).

**Table 10** Proportion of participants who enter education or employment

Placements and outcomes	Youngest child aged five years N = 2,563	Early school leavers N = 990	Transferred from HYP N = 792	Based on JSCI N = 12,013	Volunteers N = 434	Total/ overall N = 16,792
Proportion of participants who were in services for at least six months that were placed in education (%)	27.4	25.5	39.5	23.8	37.0	25.4
Distribution of type of educational placements (%)						
Tertiary	11.0	4.2	2.9	7.5	6.6	7.5
Advanced Diploma/ Diploma	24.2	19.0	20.0	25.8	19.8	24.6
Year 12 or Certificate 3/4	38.1	50.2	45.9	40.4	45.3	41.2
Certificate 1/2 or accredited units	26.7	26.6	31.2	26.2	28.3	26.8
Distribution of recorded outcomes						
Closed by system <sup>(a)</sup>	75.2	48.4	34.6	32.8	48.2	43.5
Full qualification achieved	14.3	12.3	24.6	28.4	30.4	24.2
Did not finish <sup>(b)</sup>	10.5	39.3	40.8	38.7	21.4	32.3
Part Time/Casual Paid Employment	8.1	3.4	5.0	5.0	6.1	5.3

(a) 'Closed by system' is a system code to automatically close participant records, for example in cases where the participant is no longer eligible for the program.

(b) Did not finish or left activity early due to, but not limited to, reasons such as moving to a more suitable activity or left activity early due to training unsuitable.

Source: Department of Jobs and Small Business administrative data

Up to 30 July 2017, 2301 (55.6 per cent) of education activities had an end result recorded in the departmental system. Of those, 43 per cent were closed by the system and, as a result, the outcomes of the activities were uncertain. Around 24 per cent (528 participants) achieved full qualifications and 32 per cent 'did not finish'. Approximately 60 per cent of the activities recorded as 'did not finish', are either as a result of a 'move to more suitable activity' or because the participant had 'left the activity early (training unsuitable or transferred to new course).

### Participation in ParentsNext led to increased chances of employment

The impact analysis (see Table 9) showed that a higher proportion of participants reported earnings than their comparison non-participants. This was true for all three groups of compulsory participants. JSCI participants were 5.7 percentage points more likely to have reported earnings than their comparison counterparts; ESL participants 3.9 percentage points more likely and YC5 participants 2.3 percentage points more likely. The numbers and proportions of participants whose income support was reduced by earnings for at least one fortnight during the period when participants were active in ParentsNext are reported in Table 11. For participants who exited the program, the period considered was between their date of commencement and the date of exiting

the program. For participants who were active in the program as at 31 July 2017, the period considered is from the date of commencing the program to 31 July 2017.

Overall, 7.1 per cent of the participants had at least one fortnight in which their income support was reduced due to earnings and the average rate of reduction was about 44 per cent. Two cohorts, YC5 participants, and participants who transferred from the previous HYP trial, had higher proportions of participants with income support reduction due to earnings than other cohorts.

**Table 11 Proportion of participants whose income support is reduced by earnings**

	Youngest child aged five years N = 2,563	Early school leavers N = 990	Transferred from HYP/SJF N = 792	Based on JSCI N = 12,013	Volunteers N = 434	Total/overall N = 16,792
Number of participants whose income support is reduced by earnings	225	49	74	818	33	1,199
Percentage of total participants	8.8	4.9	9.3	6.8	7.6	7.1
Mean percentage of income support reduction (%) <sup>(a)</sup>	47	46	38	43	57	44

(a) Of all income support fortnights where there was a reduction.

Source: Department of Jobs and Small Business administrative data

Some participants, who said they wanted to engage in a job search activity immediately, felt that there was insufficient support from the ParentsNext projects to canvass employers on their behalf. That said, providers did refer participants to a range of employment related services including job search skills training (40 per cent of surveyed providers selected this in their top five most common referral services) and employment services (jobactive, TtW, NEIS) (10 per cent of surveyed providers selected this in their top five).

When surveyed, more than half (53 per cent) of participants indicated that engagement with ParentsNext had improved their chances of getting a job. These findings did not vary significantly between different groups of participants.

### Participation in ParentsNext led to increased chances of using child care

Compared with their comparison non- participants groups, ESL participants had 3.2 percentage points higher use of child care, JSCI participants had 3.7 percentage points higher use and YC5 participants had 1.5 percentage points higher use (see Table 9).

The impact analysis revealed that overall ParentsNext had greater effects on ESL and JSCI participants than on YC5 participants (Table 9) in spite of higher proportions of ESL and JSCI participants not reporting any particular ParentsNext assistance as helpful (Figure 1). It was possible that a fraction of ESL and JSCI participants and, to a lesser extent, YC5 participants, experienced multiple barriers that ParentsNext alone could not address. As ESL and JSCI participants started from a lower base in relation to labour market engagement and education/training participation, participating in ParentsNext had a bigger impact on them. It was also possible that some participants mistakenly believed that ParentsNext was a job matching or job placement service.

### **Participating in ParentsNext improves parents' wellbeing**

To test whether participating in ParentsNext has any adverse effect on participant wellbeing, participants and comparison non-participants were surveyed using the items of the Personal Wellbeing Index —Adults.

Based on the Australian Unity Personal Wellbeing Index (PWI), ParentsNext participants had an aggregate self-reported wellbeing score of **71.2**, significantly higher than their comparison non-participants who scored **67.3**. Both scores were lower than the 2017 national average score of **75.5**. When examining individual measures within the overall index, participants were more likely to agree strongly that their life was more manageable now and to score themselves more highly on three dimensions of wellbeing: their standard of living, what they were achieving in life and their future security, than were comparison non-participants.

Participants also had greater connection with their communities. **Sixty-one** per cent of ParentsNext participants indicated that they had a good support network that could help them to look for work, compared with only **47** per cent of comparison non-participants.

### **Service elements/practices associated with better progression towards education and employment goals**

In an attempt to identify 'best practice' by providers, a composite outcome measure was used as a proxy for progress towards education and employment goals. This measure was defined as having been successfully achieved if a participant achieved at least one of the following four outcomes:

1. was off income support
2. received any PES
3. reported any earnings
4. used the JETCCFA.

Provider sites and projects were ranked using the composite measure to enable comparisons of their success in supporting participants to realise progress toward their education and employment goals. While participants in all three study populations were ranked, site level rankings were only calculated where sites had at least 20 in the participant group.

A range of service practices and survey results were disaggregated by provider outcome rankings. These included appointment frequency, number and type of activities, service methods etc. The majority of these analyses did not reveal a clear correlation between the service practice and outcome ranking, indicating that better outcomes were not necessarily a result of a particular practice but a combination of factors. However, a limited number of service practices were associated with better participant satisfaction or outcomes.

Participants who accessed provider's outreach sites were less likely than those who attended full-time or part-time provider sites to be satisfied with the amount of contact they had with their provider (**60.4** per cent for outreach sites compared with **79.7** per cent for full time and **72.3** per

cent for part time). There were no statistically significant differences in satisfaction with assistance received between service delivery types.<sup>19</sup>

Higher performing provider sites tended to offer fewer on-site services and group sessions and reported fewer difficulties when referring participants to other service or assistance. Additionally, assigning the best-suited caseworker to work with participants on a one-on-one basis was associated with better participant outcomes.

Provider and participant views afforded a valuable insight into best practice, as they reflected their practical experiences of administering and participating in the program. As noted earlier, both providers and participants regarded an individualised approach to achieve parents' education and employment goals as good practice to address their particular needs, barriers and preferences. They appreciated programs that had multiple options, such as child health support alongside child care or playgroups, and activities that helped participants to progress towards education and employment goals in small steps, for example by addressing social isolation or self-esteem issues. Providers thought the following 'good practice' aspects of the program were important for engaging and assisting participants:

- understanding and consideration of the individual's needs
- cultural sensitivity, being mindful of the practical and cultural constraints this placed on some parents
- asking a participant if an interpreter was required for an interview
- developing trust, building rapport and taking a flexible approach
- one stop shop services that combine child care with a range of activities contributing to their wellbeing, including counselling
- playgroups that combine with children's services which provided access to medical consultations and oversight of child health
- taking time to determine/source the most appropriate activities for participants
- working collaboratively with other providers to address issues and find solutions.

## Efficiency of ParentsNext in using its funds

This section examines whether ParentsNext was an efficient use of funds.

Key indicators for assessing this are:

- expenditure per participant
- expenditure per participant engaged in education or employment.

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<sup>19</sup> Essentially three types of service delivery were offered by providers. Case management was the most common mode of service delivery model in which participants meet the same case worker at all appointments. The second model was similar to case management, although it differed in that the initial appointment was 'triage'-style and used to gather information and to address difficult issues such as compliance. Participants were then referred to an individual case manager (a different person from the one conducting the initial interview). The final model, designed to minimise duplication and containing elements of self-service, was the utilisation of existing services in the community.

## Expenditure per participant

The average expenditure per ParentsNext participant<sup>20</sup> to 30 June 2017 ranged from \$571 to \$1700 and depended on the size of the project caseload. The higher the caseload, the less funding available per participant.

Comparison with other employment interventions was one way of assessing whether ParentsNext was an efficient use of funds. Unfortunately, there was no directly comparable intervention to measure against ParentsNext.

An evaluation of the cost-effectiveness of JSA services undertaken between October 2009 and September 2010, the first 12 months of operation, calculated average expenditure per job seeker in a similar manner to that for ParentsNext. It included all service fees and outcome fees, as well as Job Seeker Account and Employment Pathway Fund expenditure. Average expenditure per job seeker for a cohort of JSA participants with similar characteristics to those in ParentsNext was between \$1600 and \$2100, and for Job Network Services participants it was over \$2000.

The average number of days a participant spent in ParentsNext over the 31 ParentsNext contracts (projects) ranged from 189 days to 308 days.

Of compulsory participants referred by DHS to ParentsNext, 8.4 per cent (1622 people) reported earnings to DHS between 1 April 2016 and 30 June 2017. Across all ParentsNext projects the percentage of participants who reported earnings ranged from 5.3 per cent to 13.7 per cent over this period.

Twice as many participants (17.6 per cent) undertook accredited educational activities than undertook employment activities (reported earnings). The average rate of participation in accredited education varied considerably across projects, ranging from 1.8 per cent to 31.3 per cent to 30 June 2017.

## Expenditure per participant engaged in education or employment

Overall, 24.2 per cent of participants engaged in employment, accredited education or both over the study period. The range across projects was 14.5 per cent to 38.8 per cent. **Table 12** shows the estimated expenditure on these activities per participant. The size of the project caseload influenced the variability in expenditure per participant across the projects.

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<sup>20</sup> The number of participants in scope for assessing the expenditure per participant was based on the department's reporting caseload definition, which includes all referrals that do not have an exit date recorded. The number of days in services is counted from the referral date to the recorded end date, or to 30 June 2017 if there is no end date recorded during the study period.



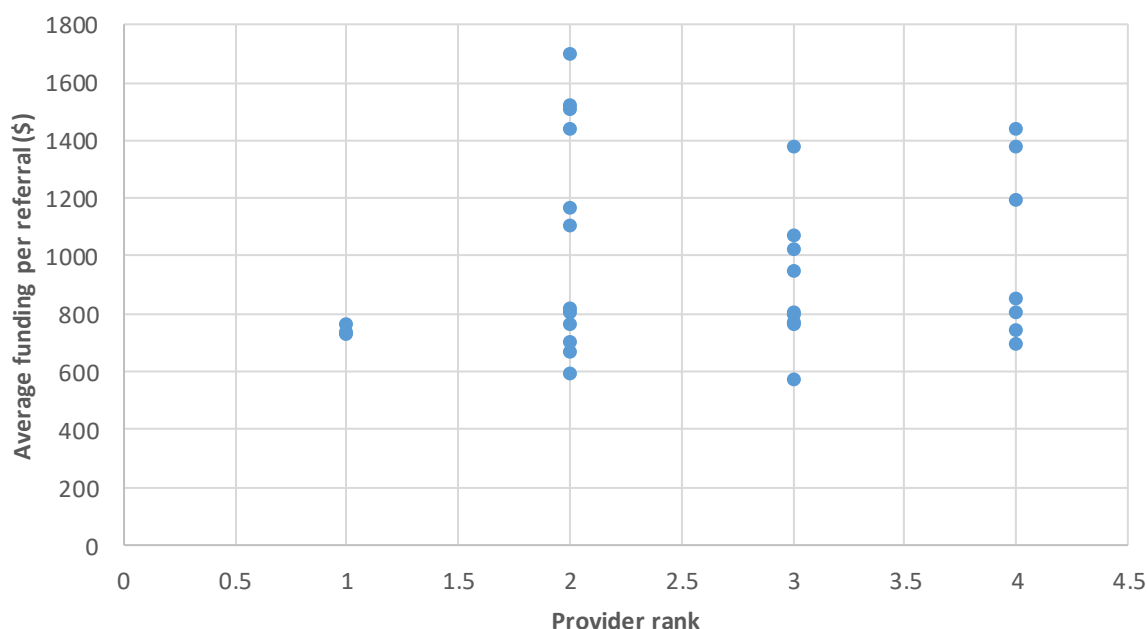
**Table 12 Average expenditure per participant placed in accredited education or with earnings from employment — ParentsNext projects 1 April 2016 to 30 June 2017**

Expenditure per participant	Average (\$)
Reported earnings, accredited training placement or both	3,675.56

Source: Department of Jobs and Small Business administrative data; DHS administrative data.

The average available funding per participant was analysed by provider outcome performance ranking. Provider projects were ranked from 1 to 4 (lowest to highest performance) based on the composite outcome measure. No correlation was found between a provider’s available funding per participant and their outcome performance rank (see **Figure 2**).

**Figure 2 Average available funding per referral by provider rank**



### Limitations of the evaluation

The ability to estimate the overall effect of participation in ParentsNext was limited by the extent to which a valid comparison group and a common outcome measure that was useable and available, outside the program administrative data, could be constructed.

Quantifying the program effect of ParentsNext was difficult. The diverse range of participants received flexible assistance and achieved outcome measures expressed in terms of goal setting and attainment. This made it hard to isolate the effects of participation in ParentsNext, and to distinguish ‘Project provider’ specific effects from more general ‘program’ effects. This diversity in program delivery was highlighted in the PARs and related particularly to pre-employment or wellbeing outcomes.

## Policy lessons — What works

ParentsNext Projects is a pre-employment program, the effect of which, while difficult to evaluate, is positive when assessed by proxy measures. The value of retaining ParentsNext as a separate program is supported by survey results that showed that ParentsNext Projects played an important role in encouraging participants to think about education and/or training and employment goal-setting. Having employment or education and training goals increased the likelihood that ParentsNext participants would undertake training, study or voluntary work, or look for work (although neither voluntary work nor looking for work was a requirement of the program).

Qualitative research demonstrated that both providers and participants thought the flexibility and family friendly nature of the program assisted with the retention of participants and their attendance at appointments.

While there were some mixed views about the compulsory nature of ParentsNext, for some participants it acted as a useful and welcome incentive to progress job preparation activity. Some participants who were initially wary because of the compulsory nature or who only attended because it was compulsory became willing participants as they engaged.

The quantitative research shows that, when measured against a comparison group, ParentsNext participants from all three priority groups had a more positive attitude to working than did non-participants. ParentsNext participants were also significantly more likely than comparison non-participants to believe that working set a good example to their children and was important for the wellbeing of their family.

The positive attitude of ParentsNext participants was also reflected in a significantly higher aggregate self-reported wellbeing score for participants than for comparison non-participants. Participants were more likely to agree strongly that their lives are more manageable and to score themselves more highly on three dimensions of wellbeing — their standard of living, what they were achieving in life and their future security — than were comparison non-participants. ParentsNext participants were also more connected to their communities than comparison non-participants, indicating that they had a good support network, possibly as a consequence of participating in ParentsNext, that would help them to look for work.

Overall, the requirement for participants in ParentsNext to have education and/or employment goals and associated activities as part of their Participation Plans had a positive impact on their potential for future employment. As a result, involvement in ParentsNext Projects helped to increase the labour market attachment of parents with young children, in particular mothers. Consequently the program had the potential to play a role in supporting the Government's policy agenda of a reduction in welfare dependency and long-term unemployment, a decrease in intergenerational joblessness and an increase in female participation in the labour force.

## Where to next?

ParentsNext operated in 10 locations across Australia from April 2016. It engaged thousands of parents and had a positive impact on their lives and those of their young children. Feedback from both participants and providers was positive and this was supported by the qualitative and quantitative assessments utilised in this evaluation.

In order to build on the outcomes to date of ParentsNext Projects, the Australian Government announced the allocation of an additional \$263.0 million over four years in the 2017–18 Budget for a national expansion of ParentsNext from July 2018. The new program is designed to build upon the achievements of ParentsNext Projects to enable more parents with young children to access personalised assistance to improve their work-readiness and chances of gaining future employment. The expansion will enable an estimated 68,000 parents, including 10,000 Indigenous parents, to participate each year.

The expanded ParentsNext program is to be delivered in two streams:

- nationally, to the most disadvantaged parents in all 51 Employment Regions covered by jobactive providers — \$150.1 million
- a more intensive service in the existing 10 LGAs, and in a further 20 LGAs, with a high level of disadvantage or a high proportion of Indigenous Parenting Payment recipients — \$113.0 million.

An evaluation of the expanded ParentsNext will be undertaken in due course.

## Case studies

### **ParentsNext can help parents and support them to help their children**

Lisa\* (Playford, South Australia) is an Indigenous woman in her mid-20s. A mother of three children, she attended her initial ParentsNext interview as a compulsory participant. Her subsequent pregnancy with a fourth child meant she could have met the criteria to be exempt from participation in the program. However, Lisa wanted to develop her skills to better position herself for the employment market. As a result, she decided to stay in the ParentsNext program.

Lisa and her ParentsNext advisor looked for flexible training options for her while her children were young. She was supported to complete her Year 12 qualification, with financial support for her child care costs from the Jobs, Education and Training Child Care Assistance program. She has since started a Certificate III course in Community services.

While working with her ParentsNext advisor, Lisa advised one of her children was showing signs of a developmental disability. Her advisor helped Lisa to get referrals to medical professionals who provided a diagnosis and supported her to access help through the National Disability Insurance Scheme. Lisa has now exited the ParentsNext program after being approved for Carer Payment. She is continuing her study.

### **ParentsNext can help participants develop their parenting skills**

Dan\* (Wyong, New South Wales) is in his 40s and has a young son. Dan thought he did not need help to find work so was initially reluctant to participate in ParentsNext. The ParentsNext provider explained how ParentsNext would benefit him and his family. After the conversation with the provider, Dan changed his mind.

The ParentsNext provider noted Dan's son had difficulties starting child care due to a lack of social skills, so Dan and his son were referred to a soft skills parenting program. The program included creative strategies to engage children with reading — such as through poetry and singing. As a result, Dan's confidence in his parenting skills increased and his son's social skills started to improve.

Following his involvement in the program, Dan was offered a volunteer position with the parenting program as a facilitator and coordinator. Dan believes that helping other parents develop their child's literacy skills is providing him experience that improves his employability skills. Dan feels that once his son settles into day care, he will be ready to return to paid work.

### **ParentsNext can help participants to build confidence and update their skills**

Ebony\* (Wyong, New South Wales) is a 22-year-old mother of three who left school before completing Year 11. After a recent traumatic experience, she is working on building her confidence and securing a more positive future for herself and her children.

Although nervous about starting study, with the help of her ParentsNext advisor she enrolled in an Assistant in Nursing course. The ParentsNext provider helped her with time management strategies

for her study, funding options for child care and mental health support through her GP and a women's health clinic. Ebony enjoyed and completed the nursing course work placement and took up a part-time employment offer. She is now considering enrolling in a Diploma in Nursing.

### **ParentsNext can help parents adjust to the idea of working outside the home**

Sharmalaya\* (Hume, Victoria) was in her early 40s with three children (the youngest aged five) when she started ParentsNext. Initially Sharmalaya was reluctant to meet her mutual obligations as culturally and personally it was important to her that she cared for her three children until they were married and left the family home.

Through lengthy discussions with her ParentsNext provider, including reassurance that she is a good mother who cares deeply for her children, Sharmalaya decided to attend a local story time activity. With support and encouragement from her ParentsNext provider she subsequently enrolled part time in a Certificate IV which Sharmalaya can attend because it runs during school hours. Sharmalaya has a future goal to find employment in early childhood education once her youngest child starts primary school and her provider has initiated a transition discussion to help her with moving over to jobactive assistance.

### **ParentsNext can help participants move into work and off income support**

Natalie\* (Hume, Victoria) is a single mother with three young children living in shared accommodation with her parents. She has a Certificate III in Children's Services and had worked in the sector some years before participating in ParentsNext, but lacked confidence after being out of the workforce for several years.

Natalie's ParentsNext provider worked with her to identify her barriers to employment and discussed her career goals, which were included in a Participation Plan. The provider referred Natalie to community services, a career counsellor and a Registered Training Organisation to help with her educational and training goals.

After less than 12 months in ParentsNext, Natalie found a suitable job close to home and has been able to stop receiving Parenting Payment. She has expressed pride her achievements, noting she would not have given much thought to achieving her future aspirations without ParentsNext.

\* Please note: participant names have been changed and some details aggregated or generalised to de-identify case studies.

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## Appendix A — Supporting evidence from OECD countries

In 2012, New Zealand introduced an ‘investment approach to welfare’ designed to reduce long-term reliance on income support. The approach requires the public employment service to target employment interventions to where they are most likely to reduce long-term benefit dependency and welfare costs, which results in a special focus on lone parents. These parents are supported through case management at differing levels of intensity depending on their long-term benefit dependency.

A report by the New Zealand Auditor General in 2014 on this case management approach to service delivery found that early results of trials for sole parents were good.<sup>xxxvi</sup> The results showed a reduction in numbers of parents claiming income support by an average of 13 days in benefit duration after 44 weeks in the service. The investment approach may have contributed to an increase in sole parent employment rates. The proportion of sole parents with dependent children employed increased by 10.3 percentage points during the three years ending in 2014, considerably more than the 2.4 percentage point increase in the previous three-year period to September 2007.<sup>xxxvii</sup>

In 1998 the United Kingdom introduced the New Deal for Lone Parents, a voluntary scheme designed to help improve job readiness and employment opportunities for single parents through mandatory work-focused interviews and in-work financial support, including child care support, in the first 12 months of employment. In 2008, a work test (a test of fitness to work) for lone parents was introduced when such programs did not increase lone-parent employment rates to the desired extent.<sup>xxxviii,xxxix,xli,xlii,xliii</sup> Since 2014, lone parents on benefits with a youngest child aged three or four years have had to engage in a work-related activity or training. Between 2010 and 2014, the lone-mother employment rate increased by nearly 7 percentage points<sup>xliv</sup>. While the introduction of a work test increased flows of lone parents into work, it also resulted in a large proportion of lone parents with existing income support entitlements moving on to health-related benefits or into non-claimant unemployment.<sup>xlv</sup>

In the United States, welfare benefits are largely targeted at low-income families with children, most of which are headed by a single mother. Since 1996, the Temporary Assistance for Needy Families (TANF) program had provided income assistance, child care, training, transport and a variety of other services to help low-income families. Participants have enforceable work requirements, with sanctions terminating benefits for non-compliance, and time limits on the receipt of benefits.

During the early years of TANF there was a decline in the number of families receiving cash assistance and an increase in the proportion of single mothers working. Subsequently, as the economy weakened, nearly all of the employment gains disappeared.<sup>xlvi</sup> Although the sharp improvement in employment among single mothers in the 1990s is often attributed to welfare reform, research has shown that other factors, especially a very strong labour market and more favourable tax conditions, were far more important.<sup>xlvii</sup> In addition, while some of the families that left TANF obtained work, many others were terminated due to time limits or sanctions for failing to comply with program requirements.<sup>xlviii</sup> Research has shown that such families often had barriers to

employment — such as mental and physical impairment, substance abuse, domestic violence, low literacy or having a child with a disability — that impeded their ability to meet the state’s expectations. The Center on Budget and Policy Priorities found in 2015 that TANF had largely failed these families by providing them with neither a reliable safety net nor employment assistance that adequately addressed their employment barriers.

From the late 1990s, Norway introduced welfare reforms aimed at reducing welfare dependency and increasing paid employment among single mothers. Measures included a three-year time limit for a transitional benefit program, work requirements for single mothers with a youngest child aged three or older, a greater proportion of child care expenses covered by the state, and an organisation for lone-parent self-help and support.

An evaluation published in 2003 showed that the reforms succeeded in reducing the number of sole parents receiving benefits. However, it also showed that about half of the participants interviewed had difficulties supporting themselves in the labour market. It concluded that problems with the scheme related to an over-optimistic picture of the job possibilities for lone mothers in the labour market and an underestimation of the difficulties they face in combining care and paid work.<sup>xlix</sup>

In Denmark, a work test for mothers applies generally once their youngest child turns one and after the end of parental leave. Full-time employment for parents is supported through a comprehensive system of child benefits and child care support. These benefits are more generous for single-parent families, and low-income families receive child day care services free of charge. Consequently, the proportion of children in formal child care is also very high.

The OECD reported in 2015 that more than three-quarters of lone mothers in Denmark were in employment, of whom nearly 80 per cent worked full time. Single-parent poverty rates were among the lowest in the OECD.<sup>l</sup>

## Evidence from previous Australian initiatives

As noted earlier, ParentsNext is built on the successful HYP and SJF trials, two of the four place-based trials in the *Building Australia’s Future Workforce* package announced in the Budget 2011–12. The 10 LGAs in which these trials operated were selected on disadvantage measures based on the unemployment rate, the proportion of the population on income support, the proportion of the population with low educational attainment, and the proportion of long-term unemployment beneficiaries.<sup>21</sup>

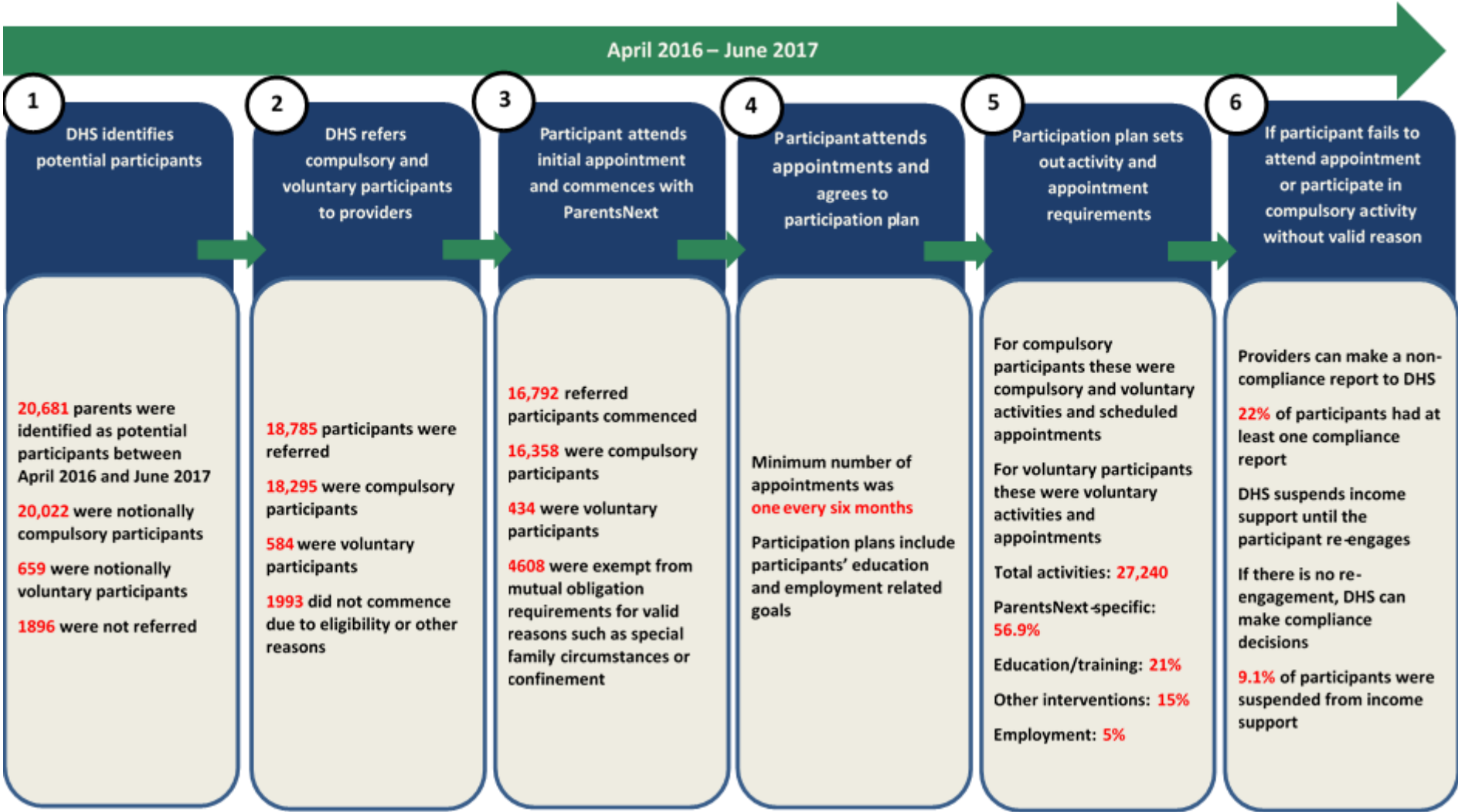
Both the HYP and SJF trials had a positive impact on participants’ engagement in study and child care usage. Those who participated in the HYP trial had a 30 percentage point higher chance of

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<sup>21</sup> ‘Long-term unemployment beneficiaries’ are those who have received unemployment payments for more than 12 months.

participating in education (compared to a non-participating matched comparison group) and a 14 percentage point higher chance of attaining a Year 12 or equivalent qualification. The first 12 months of participation in the SJF trial increased the chance of engaging in work, study or work-related activities by 3 percentage points. Participants' use of child care services increased by 13 percentage points in HYP and by 2 percentage points in SJP. The compulsory nature of HYP activities was the likely cause of its significantly higher level of program impact.

# Appendix B — Pathway of ParentsNext participants



## Appendix C — Program Logic

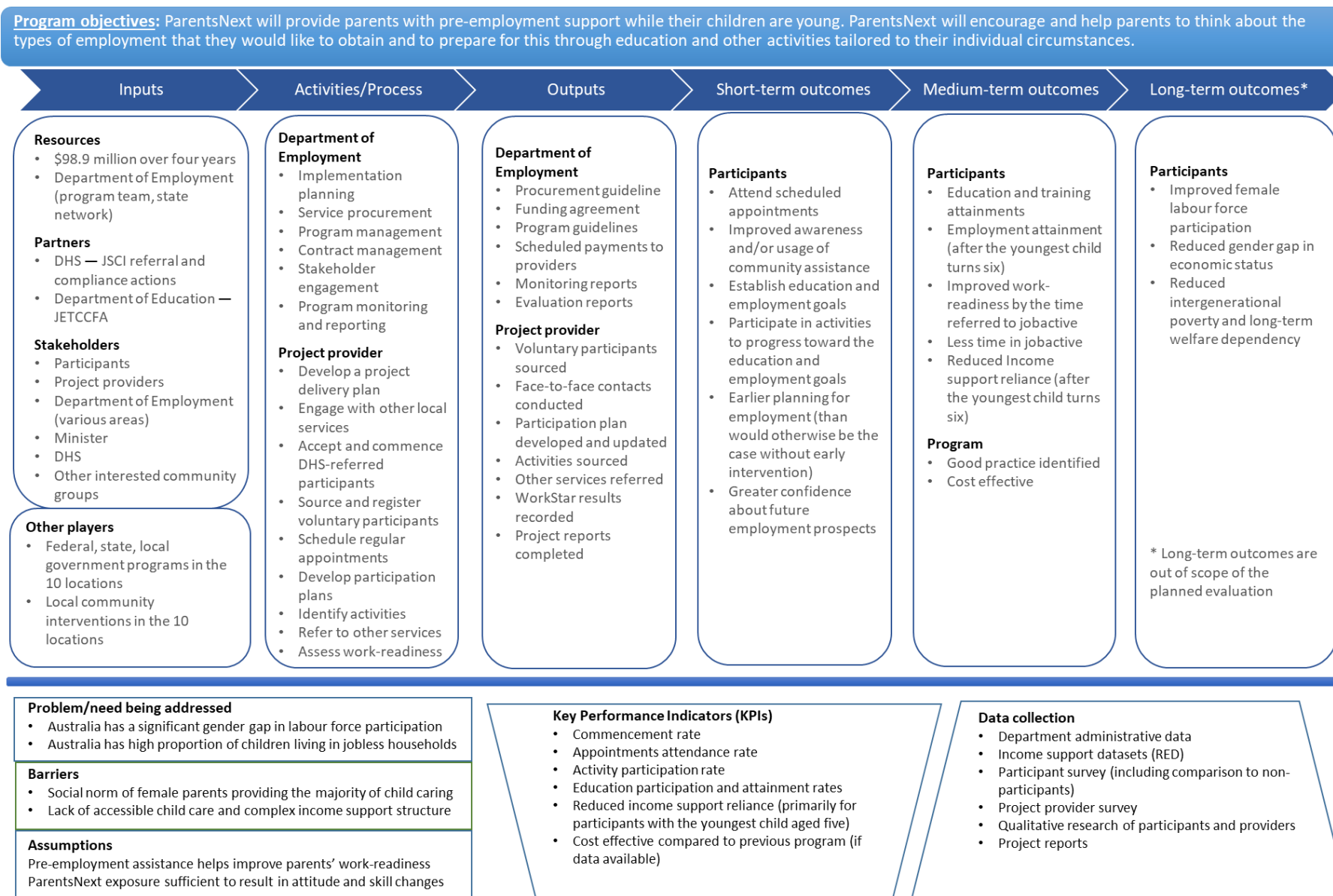
Quantifying the overall program effect was a key objective of the evaluation and its biggest challenge. In a laboratory setting, an experiment can be set up so that the group who are exposed to an intervention (the treatment group) are identical to another group who are not exposed to the intervention (the control group) in all material respects except exposure to the intervention. This is typically achieved by randomly allocating subjects to the treatment and control groups.

In theory, while a randomised controlled trial (RCT) would be an ideal design for this purpose, in the real world, the strict conditions of the laboratory experiment can be difficult to reproduce. RCTs have been used for many social policy evaluations in the United States<sup>22</sup>, but have been less common in Australia. In cases where a randomised controlled trial is not adopted, it may still be possible to estimate the impact of a program by comparing a group of program participants with a group of comparison non-participants with similar characteristics (referred to as a comparison group).

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<sup>22</sup> For example, see the evaluation of Nevada's Reemployment and Eligibility Assessment Program (<http://evidencebasedprograms.org/nevadas-reemployment-and-eligibility-assessment-program>, accessed 22 February 2016).

Figure 3: Program Logic model — ParentsNext



## Appendix D — Profile of participants

**Table 13 Profiles of participants (when first become eligible)**

Characteristics	Youngest child aged five years N = 2,563	Early school leavers N = 990	Transferred from HYP/SJF N = 792	Based on JSCI N = 12,013	Volunteers N = 356 <sup>(a)</sup>	Total/overall N = 16,714
<b>% of total participants</b>	15.3	5.9	4.7	71.9	2.1	100.0
<b>Aboriginal or Torres Strait Islander (%)</b>	7.2	19.6	18.4	10.8	4.2	11.0
<b>Non-English speaking country of birth (%)</b>	30.1	6.4	4.3	28.8	19.9	26.3
<b>Refugee (%)</b>	7.6	3.8	2.7	10.1	2.8	8.9
<b>Male (%)</b>	10.1	2.2	1.1	4.5	7.3	5.1
<b>Parenting Payment Partnered (%)</b>	40.5	23.8	19.7	26.6	39.3	28.5
<b>Having 4 or more children (%)</b>	13.0	0.2	1.4	16.7	12.1	14.3
<b>Educational attainment (%)</b>						
<b>Less than Year 10 (%)</b>	7.6	11.7	13.9	11.6	5.3	10.9
<b>Year 10 or 11 (%)</b>	25.9	69.1	58.6	30.3	23.3	33.1
<b>Year 12 or equivalent (%)</b>	27.4	14.4	12.4	45.9	50.6	39.7
<b>Diploma or Tertiary (%)</b>	6.2	0.2	—	4.2	7.6	4.1
<b>Not stated (%)</b>	32.9	4.5	—	8.0	13.2	12.1
<b>Age in years</b>						
<b>Less than 22 (%)</b>	0.1	99.8	81.6	1.9	4.2	11.2
<b>22 to 29 (%)</b>	27.8	0.2	18.4	43.0	44.4	37.0
<b>30 to 39 (%)</b>	50.3	—	—	44.3	38.8	40.3
<b>40 or more (%)</b>	21.8	—	—	10.9	12.6	11.4
<b>Life time duration on income support</b>						
<b>Less or equal to 5 years (%)</b>	30.4	98.7	87.0	31.6	58.7	38.6
<b>6 to 10 years (%)</b>	34.1	1.3	13.0	37.2	25.6	33.2
<b>11 years or more (%)</b>	35.5	—	—	31.1	15.7	28.2
<b>Age of youngest child (in years)</b>						
<b>Less than one</b>	2.3	53.1	28.8	19.6	25.8	19.5
<b>1 to 3</b>	2.9	43.3	65.2	63.2	57.3	52.7
<b>4 to 5</b>	94.7	3.5	6.1	17.2	15.2	27.7
<b>6 or more</b>	<0.1	—	—	<0.1	1.7	0.1

(a) Of the 434 voluntary participants, 78 could not be identified from RED for their demographic information.

Source: Department of Jobs and Small Business administrative data — Research and Evaluation Database (RED).



## Endnotes

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