

PARENTS PARTICIPATION AND PLANNING - THE PARENTING PAYMENT INTERVENTION PILOT

CONFERENCE PAPER

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The views expressed in this paper are those of the author and do not necessarily represent those of the Commonwealth Department of Family and Community Services or the Federal Government.

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Executive Summary

The Parenting Payment Intervention Pilot was conducted from September 1999 to March 2000. The Pilot tested the impact of intervention strategies on Parenting Payment customers who are, or have the potential to become, long-term income support reliant. The intervention strategies consisted of a face-to-face interview and follow-up telephone interview with experienced Centrelink staff to encourage customers to:

- think about and prepare for their future;
- act to avoid long-term disadvantage; and
- take up a range of assistance based on their individual needs.

Customers from four target groups were either required to attend the interview or invited to attend. A further group of customers participated in a telephone survey to provide comparison data.

This paper examines the behavioural response of Parenting Payment customers to the Pilot intervention strategies. Pilot Customers outcomes will be tracked over the longer term.

The majority of customers participating in the face-to-face interview reported that the interview gave them a better understanding of the assistance available to them.

There was considerable interest in and take-up of further assistance.

There was no clear or consistent difference in the initial response to the interview between those who had been required to attend a face-to-face interview and those who were invited to attend. Seven of the eleven Centrelink Job, Education and Training (JET) Advisers who conducted the Pilot interviews had supported a voluntary approach at the commencement of the Pilot. By the end of the Pilot, ten of the eleven JET Advisers reported a preference for a compulsory approach.

The take-up rate for the face-to-face interview was only 17 per cent for voluntary participants, in comparison with a take-up rate of 81 per cent for compulsory participants.

The timing of the intervention appears to be important: its take up and impact are less for customers who have been on payment for a longer time.

Customers identified many barriers to increased social and economic participation, including lack of work skills, poor health, and a desire to continue caring for children.

Customers are supportive of mutual obligations for Parenting Payment customers.

PARENTS, PARTICIPATION AND PLANNING - THE PARENTING PAYMENT INTERVENTION PILOT

1 Introduction

1.1 Background

In Australia there are two million families with dependent children - 18 per cent of these, or around 400,000 families, have no parent in work.

These families do not appear to have benefited from recent labour market improvements. Therefore we need to explore ways of providing assistance to these families to encourage and enable parents to take-up paid work. There are some 600,000 families receiving Parenting Payment as income support, many are already in paid work. Parenting Payment is paid to both single and partnered parents with low income. The partners of Parenting Payment customers have low incomes and many receive income support themselves.

The challenge is to support parents caring for children at home while making sure that long periods out of the workforce do not jeopardise future choice for these people and their children.

1.2 Reason for testing a compulsory approach

Under existing arrangements Parenting Payment recipients can choose to access the Jobs, Education and Training (JET) program and the Job Network to receive assistance to improve their employment prospects. JET is a voluntary program that provides assistance with access to educational, vocational training and employment opportunities and childcare. While these programs have successful outcomes for participants, they are voluntary and their take-up is low in some groups, such as customers with a Newstart Partner and customers who have been receiving payments for a long time. The Department is particularly concerned that those most at risk of long periods in receipt of income support are not accessing assistance. A criticism of these programs has been that they mainly assist the more motivated customers who are better able to assist themselves anyway.

2 Research Objectives

The Parenting Payment Intervention Pilot (PIIP) was conducted by the Department of Family and Community Services between September 1999 and March 2000. The aim of the Pilot was to trial active interventions that assist parents to reduce their reliance on income support and to measure the success of the interventions for particular Parenting Payment customers.

The pilot research was designed to inform the development of policies that help Parenting Payment customers to set and achieve goals and increase their social and economic participation. The research has contributed to the Department's understanding of the

activities Parenting Payment customers are engaged in, their plans and goals, the barriers they face and their attitudes to intervention strategies for Parenting Payment customers.

The evaluation objectives were to assess the impact of intervention strategies on particular customers, the effectiveness of voluntary versus compulsory participation in an interview, and the best timing for the interventions.

3 Pilot Design

The Pilot uses intervention strategies similar to those available to the JET program but was deliberately different from the JET program, applying a more structured and holistic approach and including additional communication messages, about the risks of relying on income support for long periods and the benefits of returning to work.

The Parenting Payment Intervention Pilot (PIIP) applied a face-to-face interview and a follow-up telephone interview conducted by Centrelink Jobs, Education and Training (JET) Advisers. In order to test the effectiveness of compulsory versus voluntary participation, some customers were required to attend an interview, and a further group was invited to attend. Customers from four target groups were interviewed under compulsory or voluntary conditions and were compared to a control and a non take-up population.

Customers were selected for the pilot if they had no recent earnings recorded on their file, no history of use of the JET program and no child for whom Child Disability Allowance is paid.

The purpose of the initial interview was to inform customers about the benefits of planning for their future and taking action to improve long-term prospects of financial independence. Customers were encouraged to develop a personal plan and provided with assistance appropriate to their needs, including assistance not necessarily focussed on employment outcomes.

3.1 Four Target Groups

The four target groups were:

1. long term Parenting Payment single customers receiving payment for over 5 years;
2. customers recently granted Parenting Payment (PP) in the last four months;
3. customers with a youngest child age 12-15; and
4. customers receiving Parenting Payment for over one year with a partner on Newstart for more than 6 months.

Only the last group included customers with a child under age six, on the premise that the child care role could be swapped with their unemployed partner.

The four target groups were selected for different reasons. The long-term single group was selected because they have been receiving payments for a long time and there is a strong risk this will continue for a long time. The new grant group was selected to assist in assessing the impact of an intervention shortly after customers are granted payment. The customers with a youngest child 12-15 were selected because they will lose their qualification to Parenting Payment when their youngest child turns 16. Most, if they are still in receipt of income support, will be required to undertake another activity such as job search. Customers with a Newstart partner were selected because they are an increasing group in the Parenting Payment population and to test their capacity to change the child caring and earning role with their unemployed partner.

3.2 Pilot Treatment Categories

The pilot had two treatment categories to test the impact of voluntary versus compulsory participation in an interview. The categories were:

voluntary - customers who were invited to attend an interview, and who accepted the invitation;

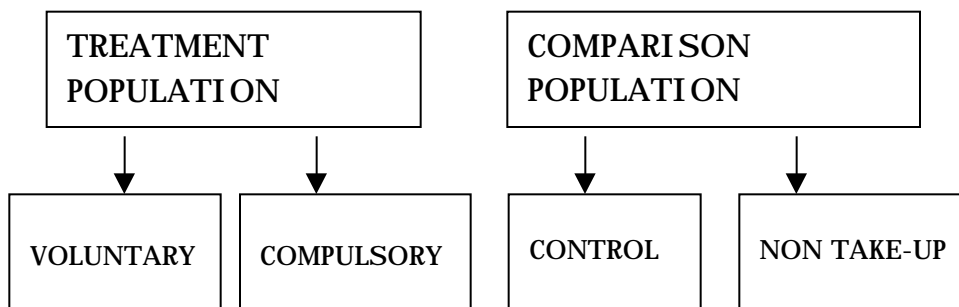
compulsory - customers who were required to attend an interview.

3.3 Pilot Comparison Categories

The pilot also had two comparison categories. The categories were:

control - customers who have had no contact about the pilot

non take-up - customers who were contacted to attend a face-to-face interview, and did not take-up the interview.



Customers were randomly assigned to the control and treatment sub-groups, voluntary and compulsory. The non take-up category was derived from customers initially assigned to the treatment subgroups who did not have an interview. In the categories where customers have made a decision on whether to participate in a face-to-face pilot interview or not (the voluntary and non take-up categories) it is expected the populations will not be random.

3.4 Sample Populations and Treatments

The pilot was conducted in eleven sites in NSW and the ACT, Queensland and Victoria. A sample of 5,382 was drawn from a Centrelink customer file of 21 August 1999. The sample represented all customers who met the selection criteria for the target groups at the sites.

Recruitment to the interview was different under the voluntary and compulsory approaches. Voluntary customers were sent a letter inviting them to an interview and were asked to telephone to make an appointment. If a customer did not respond the JET advisers attempted to contact them to provide them with more information about the interview and persuade them to volunteer for an interview.

Compulsory customers were sent a letter that required them to attend the office for a face to face entitlement review on a set date. Once the review questions were completed the JET adviser asked if they were willing to stay on to talk about their future and ways the JET adviser might be able to assist. At this stage only 6 per cent of the compulsory customers declined to stay on for the interview.

Those who were sent a letter but did not have an interview (either because they declined to have an interview or could not be contacted) made up a non take-up category. The control category did not have any contact and were not sent a letter about a pilot interview.

3.5 Data Collection

Data on the compulsory and non-compulsory interview populations was collected via a face to face interview of approximately 40 minutes followed by a 15 minute follow up phone call 2-3 months later. Data was collected from the comparison group populations, the control and non take-up sample via a once off telephone survey of 25 minutes. In order to match the data collected from the population interviewed by a JET adviser the telephone survey asked for both current information and for information pertaining to a time 2-3 months earlier.

The four target groups multiplied by the four customer categories created 16 unique sets of pilot data, 8 cells of interview data and 8 cells of not interviewed data. These data sets provide the basis for comparisons between customers who had an interview or did not have an interview, customers who had an interview under a voluntary versus a compulsory approach and between customers in the four target groups.

16 separate data sets - number of final responses obtained per data set¹

	Long term PPS	Recent Grants	Age of Youngest 12-15	Newstart Partner
Voluntary Interviews	data set 1 99	data set 2 59	data set 3 101	data set 4 85
Compulsory Interviews	data set 5 189	data set 6 86	data set 7 269	data set 8 88
Non take-up Category	data set 9 338	data set 10 117	data set 11 149	data set 12 170
Control Category	data set 13 176	data set 14 79	data set 15 354	data set 16 110
Total	802	341	873	456

¹ Follow up interviews were achieved for 86 per cent of the initial interviews. Sample sizes for the initial interviews are higher.

4 Eight key research questions

This research design enabled us to address the eight key research questions for the pilot evaluation.

1. What are the outcomes for pilot customers who had an interview?
2. Does the impact of an interview vary between the four pilot target groups?
3. Does the impact of an interview vary between customers who volunteer and customers who are compelled to have an interview?
4. How does the interview take-up rate vary under compulsory and voluntary approaches?
5. What are the major barriers to participation and what is their impact do they have?
6. What is the best timing for an interview?
7. What is the impact of location and / or the interviewer on outcomes for customers?
8. What are customers' attitudes to intervention strategies applied to Parenting Payment customers in general?

5 Findings

The expected outcomes for Parenting Payment customers who had an interview were:

- an increased understanding of the assistance available to help increase social and economic participation;
- awareness of the need to plan for the future;
- an increased take-up of referrals to government assistance;
- take-up of, or increase in, social and economic activities; and
- increased participation in paid employment and reduction in income support dependence.

At this time the findings on 'interview outcomes' are based mainly on the perceptions of interview participants reported at the face to face and follow up interviews between September 1999 and March 2000. Additional data on the earnings and exits of the interviewed and not interviewed customers will be monitored over the longer term using the Department's Longitudinal Data Set, with results expected to be available later this year and progressively over time.

5.1 Reactions for pilot customers who had interviews were positive.

Overall customer's reactions to the interview were very positive. Most customers were more informed as a result of the interview and there was considerable interest in taking up further assistance. The majority felt the interview:

- improved or much improved their understanding of assistance available (71 per cent);
- helped them to think about their future (78 per cent); and
- would have a high or very high impact on what they would do in the future (54 per cent).

A considerable proportion (30 per cent) of interviewed customers changed their plans over the course of the initial interview to increase their economic participation. About half the customers left the initial interview accepting a referral and 59 per cent of interviewed customers reported that they were motivated to join the JET program.

5.2 There was a difference in the response to an interview by target groups.

While the majority of pilot customers reported benefits from the interview there were differences at the margin between the pilot target groups.

Overall the long term Parenting Payment single customers and the recently granted customers had the largest proportion who cited positive benefits, accepted referrals and changed their plans and activities towards greater economic participation as a result of the interview. These impacts were least for the customers with a Newstart partner.

5.3 No consistent differences in responses under voluntary versus compulsory approach

There was no consistent difference in the impact of an interview reported by voluntary or compulsory customers, showing that a compulsory approach is effective in linking customers to support and in influencing their plans and activities. Similar proportions took up referrals and felt the interview changed their plans. There was little adverse reaction to the compulsory approach. Only 6 per cent of compulsory customers declined to have an interview after attending an entitlement review at the office.

At the end of the Pilot 10 of the 11 JET advisers involved in the Pilot supported a compulsory approach. Six of the 10 who supported a compulsory approach had changed their preference from a voluntary approach as a result of their pilot experience.

5.4 Take-up of an interview under a compulsory approach was significantly higher

Attendance at an interview under a compulsory approach was 81 per cent compared to 17 per cent under a voluntary approach. Under a compulsory approach take-up of an interview was more consistent across sites and drew in more males, older customers and more of the customers who had been receiving payment for longer periods.

5.5 The main barrier to participation was considered to be lack of work skills

Lack of work skills was perceived to be the most common barrier to participation, cited by 50 per cent of the interviewed population. Poor health was also common for older customers in the group with a youngest child age 12 to 15 and the long-term Parenting Payment Single group. A barrier, common to all target groups except those with a youngest child aged 12 to 15, was 'child too young'. As expected, this was particularly high, over 55 per cent, for the customers with a Newstart partner since this group included people with children under the age of 6. For this group it was even higher than lack of work skills (46 per cent). Only 30 per cent of

customers with a Newstart partner felt that they and their partner could swap child care/breadwinner roles.

Pilot participants were asked to rate the effect of a number of financial factors on the amount of paid work they would undertake. The loss of a concession card was cited as having a major effect on the workforce participation of 31 per cent of interviewed pilot participants. It was particularly important for those in the long-term single Parenting Payment group (39 per cent). Some 27 per cent of the long-term single Parenting Payment group cited public housing rents as having a major effect. In the Newstart partner group child care costs were reported to have a major impact for 25 per cent of customers.

In general, customers who have been on payment longer have perceived barriers that make it more difficult to move off payment. These include less recent work experience, health problems, and age. The group with a youngest child 12-15 reported the highest proportion likely to continue on income support once their youngest child turns 16. Of concern is that one third of this group had not thought about what they would do when their youngest child turned 16 and they lost qualification for single rate Parenting Payment. This supports concerns about the negatives of long term reliance on income support.

5.6 Early Intervention is Desirable - timing factors have been shown to be important

Jet advisers assessed customers' probability of returning to work at the end of the initial interview. In total 26 per cent were rated as job ready, 52 per cent were assessed as needing additional training and 22 per cent were regarded as never likely to work. Results show that the longer a customer had been out of work the less likely they were to return to work without some investment in further training. In general older customers were rated as less likely to return to work.

Table 1 Return to work assessment by time since last in paid work

	Under 1 year	1 year	2 to 4 years	5 to 9 years	10 years +	Never	Total
Job ready	26	13	9	7	2	1	14
Job ready but family focussed	20	21	14	9	6	3	12
<i>Job ready total</i>	<i>46</i>	<i>34</i>	<i>23</i>	<i>16</i>	<i>8</i>	<i>4</i>	<i>26</i>
Short term training	39	46	38	47	35	14	34
Long term training	11	11	19	21	22	41	18
Not ever likely to work	4	8	19	17	35	40	22
Total	100	100	100	100	100	100	100

Most customers have been out of workforce for a number of years before they come on to payment. This suggests that it is important that they have an interview sooner rather than later before skills atrophy further and before a customer becomes any older.

Customers on payment for less time were also more willing to have an interview. Take-up of a voluntary interview was highest for the recent grant group and lowest for the long term single Parenting Payment group and the group with a youngest child 12-15.

Table 2 Takeup Rate of Interview by Target Group

	Long term PPS	Recent grants	Age youngest 12 - 15	Newstart partner
Compulsory	88	79	76	81
Voluntary	14	25	14	17

5.7 Site has a major influence on takeup of an interview and on interview impact.

It is unclear how much of an impact the JET adviser versus other aspects of a site have on interview outcomes. Thus further analysis will be carried out for the final report to unravel how much of this influence is explained by:

- differences in population characteristics at each site;
- differences in the impact of the JET advisers or local office management; and
- differences in the environment and opportunities at sites (eg public transport access to the interview or state of the local labour market).

5.8 Parenting Payment customers support mutual obligation

Overall customers' attitudes to mutual obligations were supportive, with some differences across sub populations.

Compulsory Interviews

Overall 85 per cent of pilot respondents (including the not interviewed category) agreed an interview should be compulsory for all or some Parenting Payment customers. Most customers thought an interview should be compulsory for all customers (59 per cent). A further 26 per cent thought an interview should be compulsory for some Parenting Payees. Compulsory interviews for all customers are most supported by the recent grants target group (66 per cent) and least supported by the Newstart Partner group (49 per cent). Even more customers (roughly 10 percentage points more) said a compulsory interview would not be a problem to them personally.

-When asked what they would like to have discussed at such an interview pilot participants' top three responses were entitlements, government services and my circumstances. The 'same things we discussed' was also a common answer.

Activity Requirements

Support for activity requirements from those who were interviewed was also high. Over 66 per cent of the interviewed respondents either agreed or strongly agreed that an activity should be required in addition to parenting. Most thought the best time to start such an activity depended on individual circumstances (54 per cent) or when the youngest started

primary school (36 per cent). Support for activity requirements was not as high in the not interviewed population (41 per cent).

The findings from the Parenting Payment Intervention Pilot show that current levels of social and economic participation in the pilot populations are high and aspirations for future participation are even higher.

- At the time of the initial interview some 16 per cent of all pilot respondents had done some paid work in the last 4 weeks, mostly part time, even though customers were selected because they had no recent earnings recorded on their file. Two thirds of those in work were in casual work. Another 10 per cent were looking for work, more than 20 per cent were doing voluntary work, 10 per cent were in training and about 12 per cent were caring for someone with a special need, usually a relative.
- Over 50 per cent of participants expected that in the next 1-2 years they would be in paid work, split evenly between full-time and part-time work. A significant number planned to do further training (25 per cent) in that time-frame, mainly part-time. Around 25 per cent expected to be doing voluntary work.

6 Next Steps

The Parenting Payment Intervention Pilot has shown that:

- A compulsory interview is more effective at getting customers in to an interview and at getting customers with a long duration on income support into an interview.
- Compulsory attendance at an interview did not result in any clear and consistent differences in customers reported benefits.
- Parenting Payment customers are supportive of requirements to have an interview.
- If activity requirements were to be introduced for Parenting Payment customers many customers could satisfy this with the activities that they are already undertaking.
- Early intervention is required to reduce the risk of long-term income support reliance.

This research has added to the Department's understanding of the activities and aspirations of Parenting Payment customers and the barriers they face and their attitudes to having compulsory requirements placed on them.

The Department is currently undertaking further analysis on the Pilot data and will be releasing more detailed findings in an Evaluation Report by the end of the year.

A subsequent pilot on workless families has been approved in the 2000-2001 budget and will explore some of these findings further. It is one of the Welfare Reform Pilots developed by the Government to trial new approaches aimed at helping people to link with the services that are available to them and to increase their involvement in their communities.