

QUESTIONS ON NOTICE
Parliamentary Committee Inquiry Hearing
Senate Standing Committees on Community Affairs

Inquiry into ParentsNext, including its trial and subsequent broader rollout

Department of Jobs and Small Business Question No. SQ19-000101

Senator Murray Watt asked on 27 February 2019 on proof Hansard page 62.

Question

PCI - ParentsNext: Application of TCF to ParentsNext

Senator WATT: On notice, can you table the evidence, statistical or otherwise, that underpinned the decision to apply the TCF. Having now applied it, what evidence is there that it's been effective? Is there any? Has there been any evaluation conducted to determine whether it's been effective or not?

Ms Shannon : There will be an evaluation of the national expansion of the program, and the operation of compliance arrangements, as was the case in the trial period, will be a feature; it will be examined in the evaluation. But it's too early to do that now.

Answer

Evidence for the application of the targeted compliance framework:

Significant evidence informed the development of the targeted compliance framework, much of which has been detailed in previous questions on notice (EMSQ17-004272, EMSQ17-004270, EMSQ17-004341). Compliance is a necessary part of compulsory requirements, and evidence from the Helping Young Parents and Supporting Jobless Families pilots (which were similar to ParentsNext) showed that better outcomes were achieved when requirements were compulsory. International academic evidence also exists regarding the general effectiveness of compulsory activation requirements.

The targeted compliance framework was designed to address a number of issues which were evident in the department's programs, including pre-employment programs such as ParentsNext. For instance, the targeted compliance framework has removed the inconsistent use of provider discretion in effectively deciding whether or not to suspend a person's payment, even when the person had no valid reason.

The targeted compliance framework also allows payment suspension to be maintained until a participant actually re-engages with their requirements, rather than just agrees to do so as was previously the case. This change was made in jobactive in 2015, after which the attendance rate at reconnection appointments increased from 65 to 88 per cent. For this reason the process of maintaining suspension until the person actually meets their requirements was retained under the targeted compliance framework. Attendance rates in the previous ParentsNext program were also poor, because the participant only had to agree to re-engage to have their suspension lifted. Moving ParentsNext to the targeted compliance framework was therefore also intended to address this issue and appears to have successfully done so, as attendance rates have increased (see below).

Departmental analysis also indicated very few ParentsNext participants would incur enough demerits to face lasting penalties under the targeted compliance framework, due to their historically low rate of payment suspensions and the additional protections introduced as part of the targeted compliance framework. This expectation has proved to be accurate with only one participant (0.002 per cent) facing lasting financial penalty, as at 31 December 2018.

Evidence for the effectiveness of the targeted compliance framework in ParentsNext:

The targeted compliance framework will be reviewed 18 months after implementation. However, early evidence shows the framework is working effectively in ParentsNext by increasing engagement without the need to apply lasting penalties.

Under the targeted compliance framework, the attendance rate for ParentsNext participants has risen from 67 per cent (ParentsNext 2016–2018) to 82 per cent (ParentsNext national expansion from July 2018). This means that parents at risk of long-term welfare dependency are better engaging with supports, local services and activities that can help them to identify and reach their education and employment goals.

Early evidence also shows that additional assessments introduced as part of the targeted compliance framework are serving their intended purpose of identifying where Participation Plans need to be amended and prompting participants to disclose factors affecting their ability to meet their requirements.