



MINISTRY OF SOCIAL DEVELOPMENT  
*Te Manatū Whakahiato Ora*

## **2002 DPB/WB/EMA Reforms Monitoring and Evaluation Plan**

**Centre for Social Research and Evaluation  
Te Pokapū Rangahau Arotake Hapori**

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## 1 Introduction

In November 2001, Cabinet agreed the work-test obligations for the Domestic Purposes Benefit (DPB) and Widows Benefit (WB) be removed and replaced by enhanced case management. The changes involve lower client-to-case manager ratios, more comprehensive support and a single abatement regime [CAB Min (01) 35/7].

The DPB/WB reforms are part of a wider Government programme to implement a new approach to social development for working-age beneficiaries in New Zealand.

The DPB/WB reforms have a particular focus on supporting clients into sustainable paid employment as their individual circumstances and parental responsibilities allow, using the following mechanisms: removal of the work-test, introduction of a mandatory planning process, changes to the benefit abatement regime and changes to the case management approach when working with DPB and WB recipients. This includes an holistic client-driven assessment, proactive support, and resourcing of additional time for case managers to spend with clients. Cabinet has requested an evaluation of key elements of these reforms.

### 1.1 Purpose

The purpose of this paper is to:

- clearly describe the policy reforms, objectives and underlying intervention logic
- propose a set of evaluation objectives that reflect Cabinet mandate and the information needs of key stakeholders
- outline a set of research questions the evaluation aims to answer
- outline the project management process and resource budget associated with the evaluation.

## 2 Background

### 2.1 Policy background

The Government's overarching approach to social development is to:

- invest in families, simplify the social welfare system and make work pay
- support parenting
- provide strong child, youth and family services
- support the community and voluntary sector
- ensure high quality social policy and research.

Cabinet directed officials to review the employment-related obligations of DPB/WB recipients in 2000. The reforms had been in place since February 1999 and consisted of several different elements apart from the employment-related obligations. (see Table 1) The recipients include sole parents, and widows and women over 50 without dependent children (DBP Women Alone), but exclude those receiving the DPB Care of Sick or Infirm benefit.

The main drivers behind the review were the Government's commitment to:

- introduce more flexibility into arrangements that require beneficiaries with parental responsibilities to be available for work
- realise the commitment to an improved and more flexible service that caters for beneficiaries' individual needs
- have a comprehensive social development approach involving productive investment in people, inter-sectoral co-operation and sustainable outcomes.

This review of employment-related obligations concluded that the policies, systems and delivery mechanisms did not optimally facilitate the movement of DPB/WB recipients into paid employment. In particular, the work-test process was viewed as not sufficiently flexible to take account of the complexity of sole parents' lives, their different starting positions in relation to paid employment, and the demands of balancing work and parental responsibilities. The work-test regime did not cater for the individual circumstances of older women without dependent children who were receiving the DPB for Women Alone or WB.

## 2.2 The 2002 DPB/WB policy reforms

In November 2001, the Government agreed to changes to the obligations for those receiving the DPB and WB. These changes aim to address the concerns raised by the review.

### 2.2.1 Policy objectives of the 2002 DPB/WB reform package

The policy intent of the reforms is to *support DPB/WB recipients into sustainable paid employment as their individual circumstances and parental responsibilities allow.*

To achieve this goal specific objectives of the policy changes are:

- For the enhanced case management approach and planning process to:
  - identify early the barriers clients face obtaining adequate income through paid work, and the means of addressing them.
  - promote planning and goal setting with clients and record those goals in Personal Development and Employment Plans (PDEPs)
  - allow recipients to make decisions about the balance between paid work and parental responsibilities
  - provide ongoing support as individuals make the transition into sustained paid employment
  - provide opportunities to engage with a case manager who is able to provide proactive support and ‘awhi’ mentoring through the beneficiary cycle. This approach is intended to be beneficial for all recipients, and may be particularly welcomed by Maori and Pacific people.
  - For the single abatement regime to:
    - encourage recipients to take up a mix of part-time paid employment and benefit receipt
    - create a more financially equitable abatement regime for recipients.

The changes affect:

- sole parents with dependent children receiving either the DPB or WB
- women with no dependent children receiving WB or DPB; former carers
- case management of Emergency Maintenance Assistance (EMA) recipients.

**Table 1: Specific policy changes for those receiving DPB, WB and EMA**

	<b>Pre-March 2003 DPB, WB and EMA policy</b>	<b>Post -March 10 2003 changes to policy</b>
<b>Employment Expectations</b>	<p>Employment obligations are determined by the age of a client's youngest child, which create an expectation of a return to work by having (when the youngest child is aged 0-5) an annual work preparation interview, involvement in one employment preparation activity when the youngest child is 5-6, a requirement for part-time work when the youngest child is 7-13 and to take up full-time work if there are no children or when the youngest child is 14 and over. Failure to comply with these obligations can result in benefit suspension (see sanctions). These obligations are known as the work-test regime.</p>	<p>The work-test is no longer applicable to these clients. Instead clients are obliged to participate in the Personal Development and Employment planning process, with activities determined according to a client's parental responsibilities and individual circumstances. The PDEP planning process creates an expectation that clients will return to work when their parental responsibilities will not be compromised and their individual circumstances are sufficiently stable. The key policy message is that clients have more flexibility over when and how they return to work.</p>
<b>Caseloads</b>  <b>Case management approach</b>  <b>Planning processes</b>	<p>Research indicates that prior to 1 Oct 2002; caseloads for staff working with DPB, WB and EMA clients ranged between 1:200 to 1:300. Across all Work and Income regions there is a mix of generic case management (where case managers work with a range of different groups of clients) and specialisation where staff work with specific client groups. Clients are required to complete Job Seeker Agreements (if work-tested) which focus on job search activities to obtain employment or improve prospects of employment. Additional support in the form of COMPASS – a voluntary programme providing intensive case management to assist sole parents (in receipt of DPB, WB or EMA for 12 months or more) to overcome barriers to obtaining employment.</p>	<p>Average caseload ratio for DPB/WB/EMA case managers reduced to a national average of 1:150 by 30 November 2002. Specialised case management for DPB, WB and EMA clients, emphasising a client-driven, holistic assessment of needs and issues and supportive ongoing contact and assistance provided by case manager. A Personal Development and Employment Plan (PDEP) which focuses on resolving the complexity and range of issues facing a client, with a broader focus on moving into paid employment as parental responsibilities and individual circumstances allow. The type of support provided as part of the COMPASS programme will be delivered as part of the enhanced case management approach.</p>
<b>Employment Assistance</b>	<p>Targeted at clients who have work-test obligations.</p>	<p>Targeted at clients who have short term training and/or work goals and needs.</p>
<b>Sanctions</b>	<p>Sanctions are applied if a client fails without a good and sufficient reason to meet their employment obligations. First or second work-test failure results in benefit suspension until re-compliance. A third failure results in cancellation of benefit and a 13-week non-entitlement period with provisional assistance available. Any sanction imposed on a sole parent is limited to 50% of the benefit rate.</p>	<p>Will apply if, without a good and sufficient reason, clients do not participate in the PDEP process and demonstrate (on an annual basis) commitment to achieving goals/activities in their PDEP Initial step: benefit is reduced by 20% for a period of 4 weeks. If no compliance after 4 weeks the benefit is then reduced by 50% until re-compliance (see Appendix 1 for further details).</p>
<b>Abatement</b>	<p>A dual abatement regime applied to clients who are subject to a full or part-time work requirement (based on age of youngest child) or exemption status (see Appendix 2 for details of the different abatement rates under the dual regime).</p>	<p>A single abatement regime aligned to the removal of the work-test obligations for DPB/WB recipients (see Appendix 2 for details of these changes).</p>

The 2002 general election resulted in the implementation of the reforms in two phases:

- from August 2002 to March 9<sup>th</sup> 2003 there was a reduction in caseload ratios for DPB/WB/EMA case managers; and
- From March 10 the introduction of the full range of the 2002 DPB/WB policy changes; the removal of the work-test and the introduction of a new sanction regime, the introduction of the single abatement regime, the introduction of the PDEP process facilitated by ECM, and changes made to the supporting technical systems (SWIFTT and SOLO).

### ***The Enhanced Case Management Approach (ECM)***

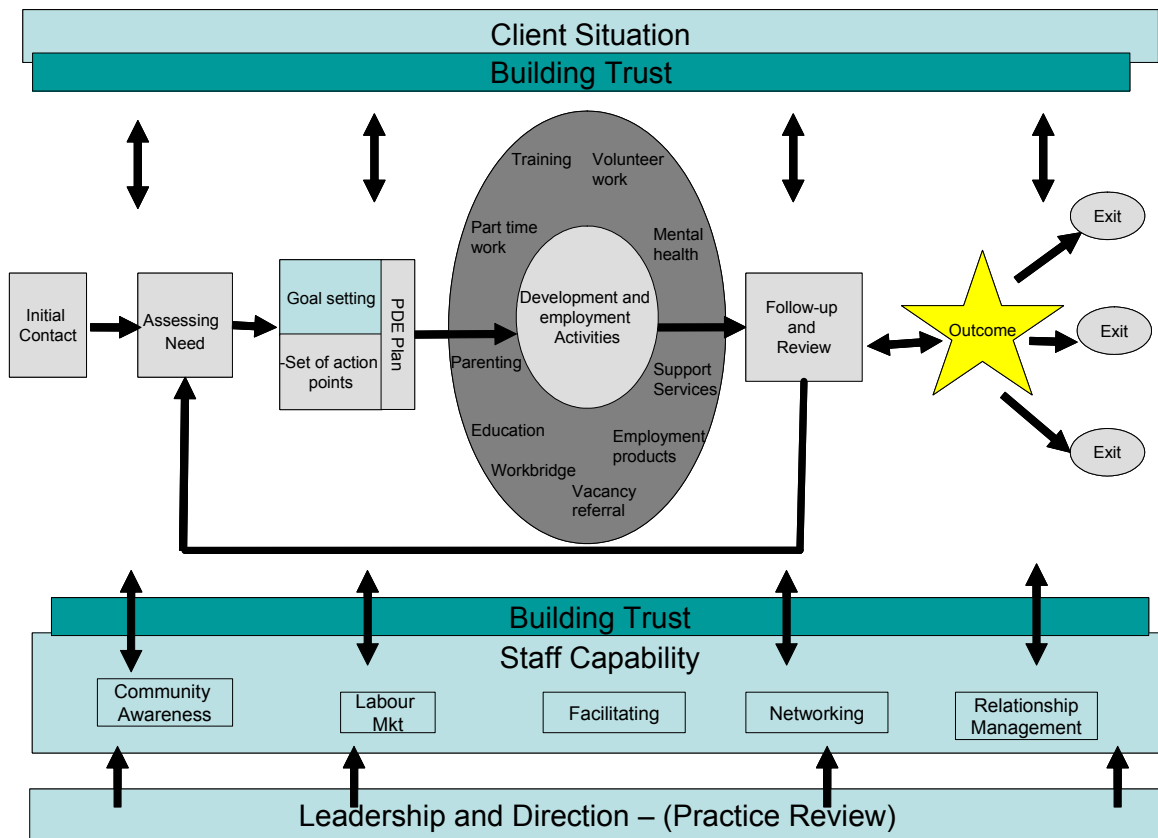
The policy changes are delivered by case managers within the ECM approach (with a commitment to provide clients with more holistic and facilitative support, and where lower case ratios allow more time for each client).

The policy intent is that ECM takes a more holistic approach to assessing and responding to the circumstances and needs of clients and their children. The focus on 'sustainable employment' also encourages case managers to work with clients to address areas which prevent them from entering employment and/or balancing employment and parenting.

Conceptually, the more holistic approach aligns well with Maori and Pacific world views. The new approach is also likely to benefit clients who had previously felt insufficient attention had been paid to their parenting responsibilities, or clients/children with complex or enduring needs.

The diagram on the following page depicts the new model as articulated by key Ministry stakeholders responsible for the implementation and delivery of the reforms. The model presents the specific steps that occur as client and case manager interact under the ECM approach. The diagram also broadly depicts both the contextual organisational elements that underpin the model, such as staff capability and organisational leadership, and clients' circumstances. The model was designed primarily to be used as a tool for the Ministry's operational Work and Income staff.

**Figure 1:  
Practice Model for Enhanced Case Management**



### 2.2.2 Intended outcomes of the 2002 DPB/WB reforms

The intended outcomes of the reforms are:

- recipients will have more choice in how and when they work than was the case under the work-test policy
- support to recipients will improve their readiness for employment and over time help them move into employment more quickly because their individual circumstances, barriers and constraints are better understood and acted upon earlier
- in the long term, fewer people will return to benefit as their individual circumstances, barriers and constraints are addressed or mediated prior to their moving into full-time employment
- recipients will realise financial gains as they move into part-time employment, and from part-time employment into full-time employment, which will result in improvements in their standard of living
- in addition to financial gains, participation in part-time work will lead to increased work experience and the ability to develop or maintain paid employment histories



- social, health and economic outcomes for recipients and their dependent children will be improved, for example:
  - the comprehensive assessment and planning process will result in the delivery of additional assistance to clients' and their children who have specific financial, housing, health, education or training needs
  - clients will increase their social networks through participation in employment and other activities
  - over time both clients and their children will have more involvement in wider community.

### 3. Evaluation rationale

An evaluation of the reforms made to DPB/WB policy in 1999 indicated that several aspects were inconsistently administered. The evaluation recommended that any future DPB/WB policy reforms take into account the existing context (including staff workload), that sufficient resources and time be available to support the implementation and delivery, and that any future policy changes themselves be:

‘...operationally feasible and able to be clearly translated from the policy agency through the operational agency and on to the benefit recipient.’<sup>1</sup>

In November 2001 Cabinet proposed a new round of reforms to DPB/WB policy. Cabinet also requested an evaluation of the introduction and the impact of these reforms (the enhanced case management, with lower case ratios, and facilitative approach, the introduction of the PDEP process and single abatement regime, and the removal of the work-test).

At select committee, external stakeholders expressed concerns over the Ministry’s ability to manage the implementation of the reforms, given the inconsistencies found in the previous round. The Ministry’s Chief Executive therefore committed to an evaluation that would identify implementation and delivery issues early on, to allow more timely responses.

This evaluation has two main functions:

- to facilitate the new round of 2002 DPB/WB policy reforms by focusing on the implementation/delivery process and regularly feeding findings back to key decision-makers to support continuous improvement of this process where possible
- to determine the outcomes and, where possible, the impact of the reforms (intended and unintended) against their stated policy objectives and intended outcomes.

#### 3.1.1 ‘Real time’ feedback

Key stakeholders emphasised the importance of facilitating and improving the implementation and delivery of the new reforms, and requested the evaluation provide timely, ongoing information. Consequently the evaluation project team are developing a ‘real time’ approach to reporting evaluative information.

‘Real time’ feedback ensures:

- early and ongoing presentation of information on the delivery of the reforms
- opportunities for policy and service delivery staff to respond (either with an alternative perspective, action or no action as appropriate)
- opportunities for evaluation staff to make any adjustments needed to the focus or type of data collection, analysis and reporting being undertaken
- opportunities to keep internal and external stakeholders informed about the effects of the reforms on clients and MSD staff.

Work to determine the best methods to enable timely information on implementation, ongoing delivery and outcomes is currently being developed. The methods paper will inform an

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<sup>1</sup> Department of Labour and the Ministry of Social Development, February 2002, ‘Evaluating the February 1999 Domestic Purposes Benefit and Widows Benefit reforms: Summary of Key Findings’, p.6.

evaluation communication strategy which will set out what data will be available when and to whom. A separate paper detailing the data collection methods, expected data yield and timing of results will be circulated externally before being finalised.

### **3.2 Outline of evaluation plan**

The evaluation plan outlines the intervention logic of the general case management process and examines how the reforms will alter this. Intervention logic provides a clear understanding of what should be evaluated as well as identifying assumptions and risks which may need to be examined and tested.

#### ***Intervention Logic underpinning the policy reforms***

An intervention logic model describes the programme by depicting the linkages between resources, activities or services and the changes (*results*) in clients' outcomes that those activities are intended to produce. A logic model makes explicit the underlying theory of the programme by setting out how and why a programme is intended to produce the outcomes that are desired. Having a clear logic model helps to identify critical questions the evaluation should address.

Figure 2 depicts the pre-2002 DB/WB reforms' case management model. Within the model, case management is made up of five components. The first three (resources, activities and outputs) describe what case management is (summarised in Figure 1, page 6). The final two components outline the intended outcomes that should result from a clients' interaction with the generic case management model. These include both intermediate outcomes directly influenced by the case management as well as the ultimate outcomes.

**Figure 2: Model of generic Work and Income case management**

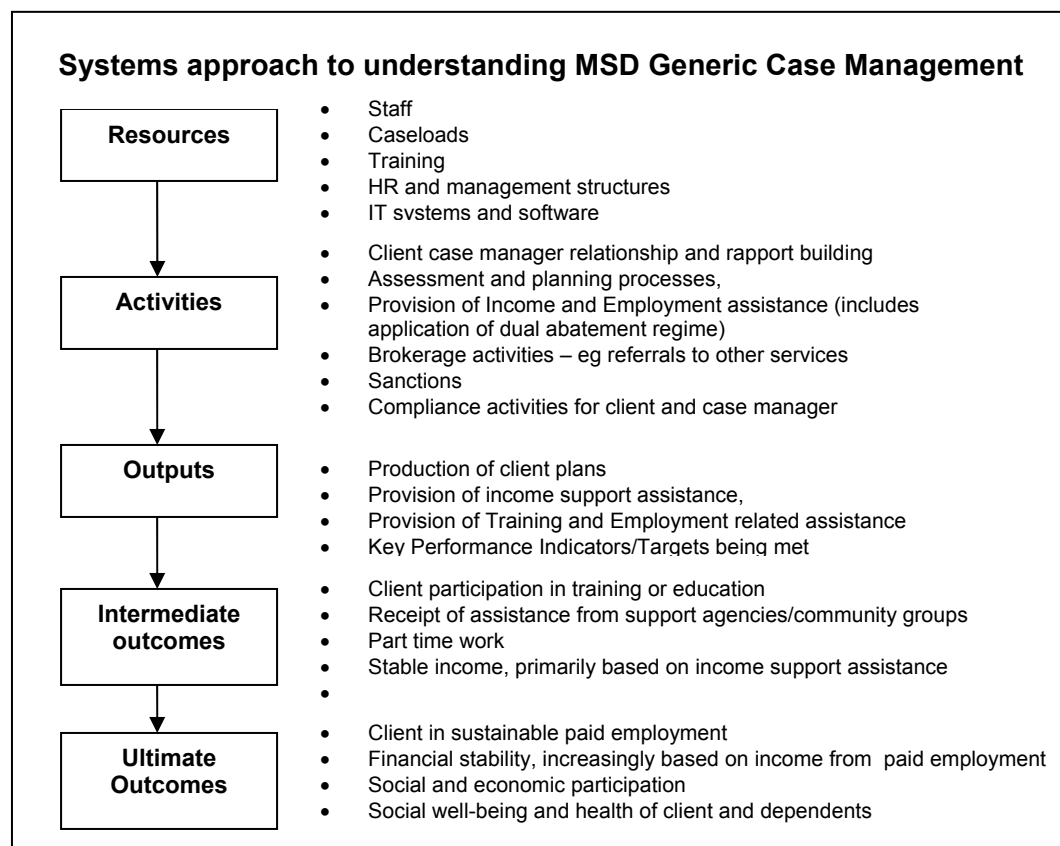
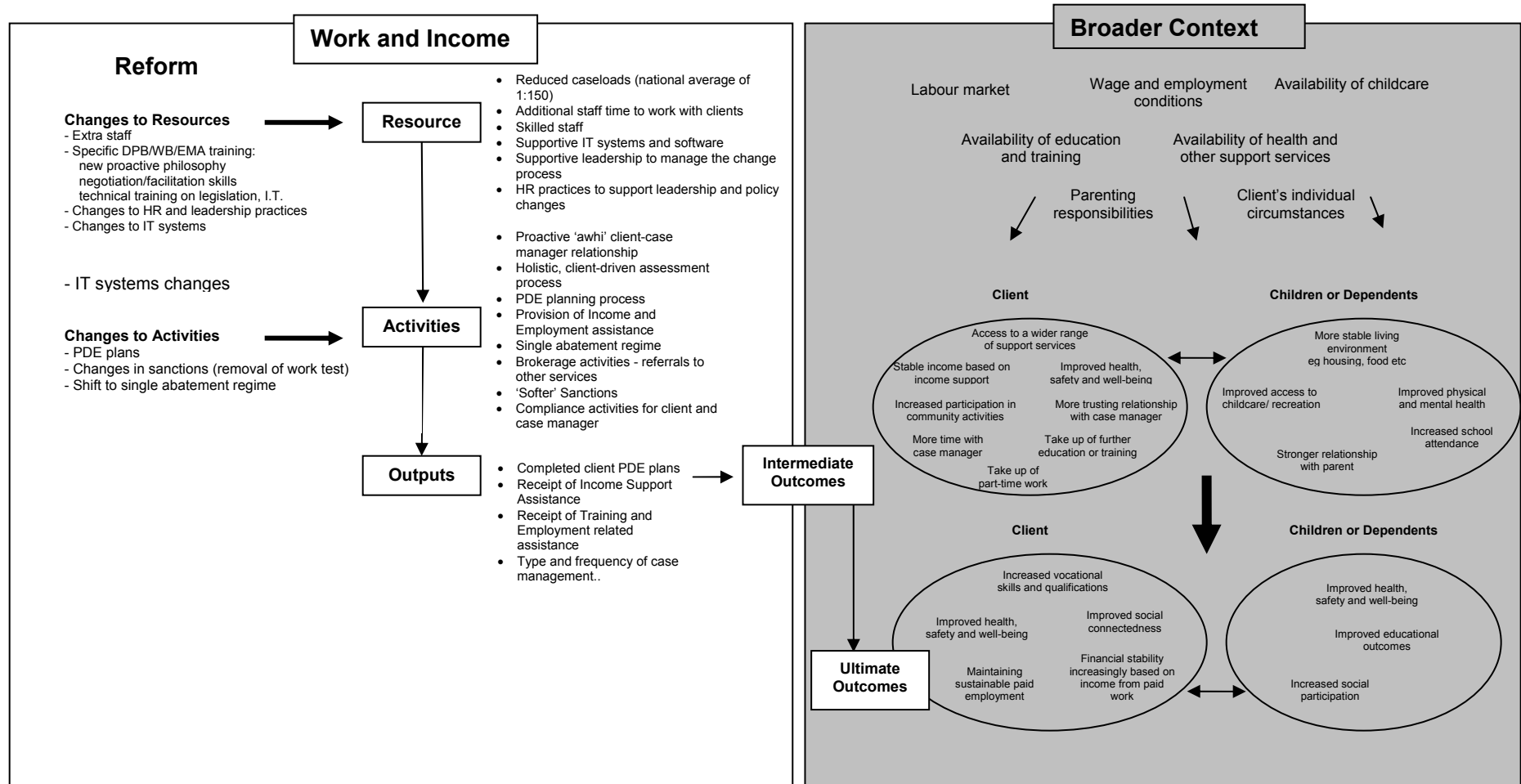


Figure 3 depicts how the reforms are expected to affect the generic model in order to create enhanced case management for DPB/WB/EMA clients. The expected changes will occur to the:

- level and mix of resources (eg caseloads, training and IT systems)
- activities undertaken
- philosophy and approach to conducting case management (eg client-driven, with an emphasis on balance between parenting and work responsibilities) which is accompanied by changes to sanctions and income abatement.

**Figure 3: Expected effect of policy reforms on case management**



### 3.2.1 Assumptions and risks of the policy reforms

The logic outlined above is based upon a number of assumptions, which themselves carry associated risks. Clearly stating these assumptions helps identify areas to be explored in the evaluation. The intervention logic and assumptions outlined here represent only what is currently known. It is always possible that some assumptions are currently unidentified and will only come to light during the process. The evaluation allows for the introduction of new, or refinement of existing, research questions throughout the life of the evaluation.

Based on understanding to date, the key policy assumptions and risks associated with decreases in caseloads, introduction of PDEPs, changes in client obligations and sanctions, changes in abatement rates for declared earnings, and the overall policy intentions are summarised below.

#### **A. Decrease in caseloads**

**Policy change:** decrease caseload to a national average of 1:150 DPB/WB/EMA clients per case manager.

**Intended outcome:** case managers spend more time with each client, and more of that time will be spent addressing non-income issues.

#### **Policy assumptions: caseloads**

- actual DPB/WB/EMA staff caseloads do in fact fall to the national average target of 1:150
- DPB/WB/EMA staff are not pressured to work with additional clients (if for example, the overall number of beneficiaries increases, staff shortages occur, or non-DPB/WB/EMA caseloads increase to an extent there is pressure for DPB/WB/EMA staff to take on other types of clients)
- reduced DPB/WB/EMA staff caseloads result in more time spent with DPB/WB/EMA clients rather than increases in other activities
- there is no increase in the time that case managers spend managing income assistance.

#### **Risks: caseloads**

- the national average caseload for DPB/WB/EMA case managers does not decrease to 1:150
- Work and Income service centres are unable to maintain the 1:150 ratios for DPB/WB/EMA clients, nationally or in certain locations
- lower DPB/WB/EMA staff caseloads do not appreciably increase the frequency of contact with clients or the time spent with them by their case managers
- case managers increase time spent on income rather than non-income client issues
- even when case managers are able to increase the amount of time they spend with each client, the increased time does not lead to improved case management or improved outcomes for the client
- not all DPB/WB/EMA clients receive increased support/contact from their case manager
- increasing caseloads for non-DPB/WB/EMA staff create pressure for DPB/WB/EMA staff to take on extra non-DPB clients (resulting in higher caseloads for DPB/WB/EMA staff)

- tension develops between DPB/WB/EMA and non-DPB/WB/EMA case managers over perceived inequities in caseload size (and workload) that compromises the delivery (and intent) of the enhanced case management approach.

***B. Personal Development and Employment Plans (PDEPs):***

***Policy change:*** while movement into employment remains an important goal, it needs to be balanced with client’s parenting responsibilities and individual circumstances. Therefore, the client is expected to undertake training and employment activities when circumstances allow, and when their parenting responsibilities will not be compromised. The ECM approach focuses on issues faced by clients in a proactive, supportive and holistic manner in order to help clients set employment-related goals and undertake activities to meet these. A client’s goals, intended actions and the support needed (both internal and external to Work and Income) are to be articulated in a Personal Development and Employment Plan (PDEP).

***Intended outcome:*** Clients will set personal development and employment-related goals and identify barriers and constraints that prevent them achieving these. Action to meet these goals will be undertaken by the client, with assistance provided by their case manager, by other Work and Income services, and/or via referrals to other agencies. Ongoing, proactive follow-up by their case manager also ensures that the client remains supported and motivated to progress towards their planned goals.

***Policy assumptions: PDEPs***

- case managers have sufficient time to spend with each client and are able to maintain contact with individual clients to build trust and understanding of the client’s specific situation
- case managers have the capability, technical skills, relationship skills and time to undertake effective risk and needs identification, planning, referral and follow-up activities
- case manager performance appraisal and organisational measures are consistent with the new approach; they value the processes undertaken, not just the results achieved
- the new IT system supports the new planning process
- clients are willing to participate in the PDEP process. This includes willingness to set reasonable goals and commitment to working towards the achievement of those goals.
- clients are able to set personal and employment-related goals and are able to identify barriers and constraints that prevent them from achieving these
- the PDEPs are considered by the client to be useful, comprehensive, relevant and to reflect their individual needs, issues and goals
- client and case manager have an agreed understanding of what ‘when individual circumstances allow’ means and there is a process to address any differences of opinion
- PDEPs are reviewed and updated regularly to reflect changes in client circumstances
- as non-employment barriers are addressed and as parenting responsibilities allow, plans focus increasingly on employment goals
- there are sufficient means; services and access to them; available to assist clients overcome barriers and issues outlined in their plans.

### **Risks: PDEPs**

- staff do not have sufficient time to maintain knowledge of other (external to Work and Income) assistance for clients
- case managers lack the skills, training and/or support necessary to deliver the new planning approach in line with the policy intent
- wider Work and Income HR and performance measures and monitoring are not aligned with the philosophy and intent of the enhanced case management process
- staff turnover prevents the establishment of good client/case manager relationships
- IT systems and training are insufficient for the planning process to be effective
- PDEPs are not reviewed or kept current, which diminishes their relevance to both clients and case managers
- clients do not perceive the plans to be useful or relevant, and therefore have low motivation to undertake the activities/achieve the goals
- case managers and clients have different views about what “*when individual circumstances allow*”, and these differences are unable to be resolved
- clients are unwilling or unable to set reasonable goals
- clients are unwilling or unable to undertake the activities required to achieve their identified goals
- appropriate assistance is not available to help clients to resolve problems or surmount barriers to employment, or the availability of assistance is variable across locations (due to lack of good quality services, or access caused by cost, transport or waiting lists)
- clients do not - over the course of their time on benefit - begin to incorporate employment-focused goals into their PDEPs.

### **C. Change in client obligations and sanctions:**

**Policy change:** the work-test obligations and associated sanctions are no longer applicable to this client group. (see Table 1). Clients are instead required to participate in a planning process. These obligations still retain a sanction component which is applied if, without a good and sufficient reason, clients do not participate in the planning process and demonstrate (on an annual basis) commitment to achieving goals and activities in their PDEPs. Non-compliance results in a 20% benefit reduction for four weeks. If there is no compliance within the 4-week period, benefit is further reduced (by a total of 50%) until compliance occurs (see Appendix 1 for further details on the sanction process).

**Intended outcome:** Clients will set personal goals which initially may not include employment, but will ultimately seek to achieve this as a goal. Plans to achieve these goals will take account of clients' needs and circumstances, and clients will undertake activities as planned to progress towards their goals.

### **Policy assumptions: obligations and sanctions**

- case managers are able to accurately communicate the new obligations to clients
- clients understand the changes in their obligations



- both clients and case managers have an agreed understanding of what constitutes failure to meet obligations
- sanctions can be implemented as intended without difficulty
- sanctions do not undermine the relationship between client and case manager.

**Risks: obligations and sanctions**

- client and case manager disagree as to what constitutes ‘failure to comply’
- staff may feel reluctant to apply sanctions for a variety of reasons, for example:
  - applying a sanction is seen as going against the policy intent and disrupting the client/case manager relationship
  - the sanction process is too drawn out, which reduces its effectiveness as a compliance mechanism (Appendix 1 sets out the process for applying sanctions).
- in cases where sanctions are applied, the client and case manager’s relationship is negatively affected.

**D. Change in abatement rates**

**Policy change:** consistent with the removal of the work-test, the rate at which benefit is abated through increased earnings is no longer based on the age of the youngest child. In addition, the more generous abatement rate is to encourage clients to participate in more part-time paid employment.

**Intended outcome:** More clients will move into part-time work as a result of the changes to the abatement rate. Over time this is expected to lead to a movement into full-time sustainable employment. The financial circumstances of clients will improve as a result of the moves into employment.

**Policy assumptions: abatements**

- case managers understand the benefits of the single abatement regime for different DPB/WB/EMA clients (as set out in Appendix 2, Table 1) , and are able to communicate these to clients
- improved financial returns available from part-time employment, as a result of abatement changes will encourage clients to move into some form of paid part-time employment
- increases in the uptake of part-time paid employment will eventually lead to increased numbers of clients moving into full-time paid employment.

**Risks: abatements**

- clients do not understand the benefits of the single abatement regime, and how it affects them
- improved financial returns available from part-time paid employment create a financial disincentive to move into full-time paid employment, so fewer clients move from part-time paid employment into full-time paid employment.
- sole parents already in full-time paid employment move back onto benefit to take advantage of the financial returns available from working part-time
- greater numbers of DPB/WB clients remain on benefit as a result of these effects.

## **E. Overall intent of the reforms**

**Policy change:** the overall intent of the reforms is to allow “DPB/WB clients to improve their readiness for employment” and move into sustainable paid employment as their parental responsibilities and individual circumstances allow.

**Intended outcomes:** DPB/WB clients will, over time, move into paid employment more quickly because their barriers and constraints are identified earlier, the support that clients receive will increase the likelihood that they move into sustainable employment, and less will return to benefit because their barriers/constraints are resolved or reduced.

### **Policy assumptions: overall**

- policy reform changes manifest their intended outcomes
- Consideration of clients’ individual circumstances enhanced case management allows for identification and removal of barriers/constraints to clients moving into, and staying in, full-time paid employment earlier than they currently do
- Work and Income staff are able to identify individual circumstances, barriers and constraints that prevent clients from meeting their parenting responsibilities and/or moving into employment and provide or refer clients to assistance that is effective in responding to these barriers and constraints
- failure to adequately address clients’ individual barriers and constraints (prior to their moving into employment) is the reason that people return to benefit rather than factors encountered once off the benefit for example labour market conditions.

### **Risks: overall**

- operation of the reforms does not alter clients’ readiness for employment
- more holistic assessment and resolution of client needs (including the acknowledgment of parenting responsibilities) increases the average initial benefit duration
- attempts to identify and address individual circumstances, barriers and constraints before entering employment proves ineffective for a variety of reasons, for example:
  - staff are not sufficiently able to identify such barriers and constraints and or to provide appropriate referrals or assistance to address these
  - there are difficulties in accessing the type and level of support services and assistance needed, due to gaps in service provision, or other access issues eg cost, transport and waiting lists
  - even when services are available the intervention provided does not remove or reduce the problems (as the intervention is ineffective and/or the level and complexity of need is so great for some clients, barriers and constraints are not what stop them from moving into employment. Some clients may choose not to seek employment due to personal beliefs that paid employment comprises their ability to be good parents, while some other clients may not feel motivated to seek paid employment. The removal of the Work Test may result in a slower rate of movement into employment for these groups of clients.
- a combination of risks result in an overall average increase in client benefit duration
- external factors, such as labour market conditions, exercise a greater effect than case management on clients’ movement and ability to remain in employment.

### 3.3 Evaluation objectives

The evaluation has three main objectives each of which broadly correspond to the intervention logic set out in Section 3.2.

Objective 1	Describe the extent and nature of the changes made to the case management of DPB/WB/EMA clients during and after the implementation of the policy reforms.
Objective 2	Describe clients' responses to the changes in case management and changes in the services and provisions they receive.
Objective 3	Describe any observed changes for clients and their dependents and assess the extent to which these changes may have been due to the policy reforms.

#### **Objective 1: Describe the extent and nature of the changes made to the case management of DPB/WB/EMA clients during and after the implementation of the policy reforms**

##### **Rationale:**

The policy reforms involve changes to the services provided to clients (more holistic PDEP and assessment process) and incentives to pursue employment (single abatement regime) facilitated by a case management approach which allows greater client contact (through lower caseloads) and a commitment to support/ awhi clients. The work-test and associated sanctions are replaced by an obligation to participate in the PDEP process (which also carries sanctions for non-compliance, in Appendix 4).

It is important to verify that the policy change is implemented as intended, since any implementation failure not only carries the risk of compromising outcomes, but also obscures insights into the outcomes that may have been achieved if it were correctly implemented. Failure to implement the reforms as intended may compromise both the policy and the opportunity to learn through the evaluation.

In brief this objective seeks to:

- determine whether the policy changes altered the case management model and the way clients are case managed
- understand how the policy changes are perceived by staff (DPB/WB/EMA, non-DPB/WB/EMA and team leaders, service centre and regional managers)
- identify other factors that may influence the way case managers operate
- seek DPB/WB/EMA case managers' and other staff views on the effect of elements of the policy changes (eg training, lower case load ratios) have on overall case management process and practice.

#### **Objective 2: Describe clients' responses to the changes in case management and changes in the services and provisions they receive**

##### **Rationale:**

Objective 2 focuses on clients' responses to, and experiences of ECM. The intent of the policy changes is to ensure that clients' personal, financial and parenting responsibilities are

understood and supported as well as possible through the case management process, to assist clients move *into sustainable paid employment as their individual circumstances and parental responsibilities allow*. It is therefore important to know whether clients understood the intent of the policy changes and whether the shift in case management approach and the planning process allowed clients to balance their parental responsibilities as well as actively engage in the process of moving off the benefit into paid employment.

In brief, this objective seeks to:

- describe clients' perceptions and experiences of case management and the planning process
- describe whether clients consider the ECM approach assists them in better meeting their parenting responsibilities
- describe if and how policy changes have affected the type of assistance clients received
- identify and describe other factors that appear to have influenced clients' outcomes.

**Objective 3: Describe any observed changes for clients and their dependents, and assess the extent to which these changes may have been due to the policy reforms. (see Section 3.4.2 Impact Measurement)**

**Rationale:**

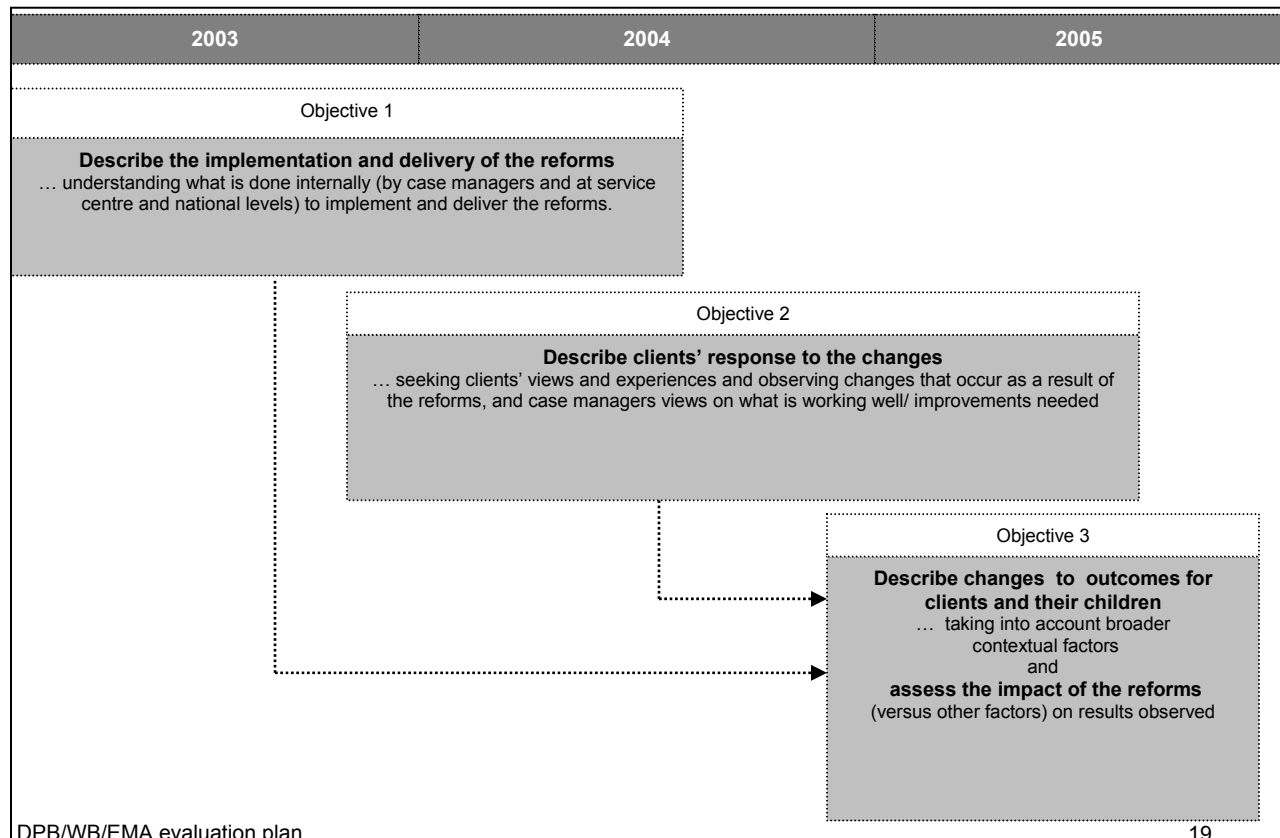
The ultimate goal of the policy reforms is to - through case management and the planning process - improve both clients' social and economic position and their ability to ensure the wellbeing of their dependents. The evaluation seeks to assess the extent to which the new case management approach and the planning process have affected clients' outcomes in the following areas:

- financial situation
- social participation
- parenting responsibilities
- benefit duration
- employment outcomes.

**Summary of evaluation objectives**

The three objectives seek to test each stage of the intervention logic of the policy reforms, from the removal of the work test and associated obligations, introduction of the PDEP process and associated sanctions, move to a single abatement regime, facilitated by enhanced case management (which is client driven, holistic, and allows greater levels of contact due to lower caseloads).

The evaluation aims to generate understanding by looking at the relationships between data that is collected for each objective. The diagram below depicts these relationships and shows how they interact over time.



### ***Evaluation research questions***

Within each of the three evaluation objectives there are a number of specific research questions. In the following tables, the research questions for each objective are listed along with areas of focus and sub-questions.

The sub-questions have been rated according to how necessary they are to answering the research question and evaluation objective. This is to help guide decisions on evaluation investment (ie ensuring 'need-to-know' data takes precedence over 'nice-to-know' data). While focus will be given to sub-questions rated as 'high', there are still issues of methodological constraint, time and cost to be considered. Setting out the range of possible sub-questions allows opportunity to identify areas where other streams of research can provide information of benefit to this evaluation.

Data collected for each of the research questions will be analysed by a range of variables including the following:

- ethnicity
- age
- gender
- benefit type (DPB, WB, EMA)
- employment status (solely on benefit, in part-time paid employment, in full-time paid employment)
- demographics and circumstances particular to Widows beneficiaries
- demographics and circumstances particular to Domestic Purposes beneficiaries
- age of clients' youngest child<sup>2</sup>
- location (urban and rural/provincial).

As well as using a mix of methods, the evaluation team will ensure that, where feasible and relevant, the perspectives and experiences of a range of groups affected by the reforms are sought (eg seeking views of non-DPB case managers, in addition to DPB case managers).

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<sup>2</sup> The age of a client's youngest child is expected to influence a client's goals and focus, including readiness to work. Analysing data according to the age categories associated with the Work Test obligations (ie under 6, 6-13, 14yrs+) will allow this evaluation to draw comparisons with data collected in the previous evaluation.

**Objective 1: Assess the extent and nature of the changes made to the case management of DPB/WB/EMA clients during and after the implementation of the policy reforms and the reasons why these occur.**

Research Questions (RQ)		Areas to be covered/sub-questions	Importance to answer RQ
<b>1.1: How is the Enhanced Case Management approach implemented?</b>	a	What internal communication and leadership strategies support the implementation process?	Medium
	b	What information about the policy reforms is made available to clients (nationally, locally through service centres and the work of case managers)?	Medium
	c	What IT systems changes are made to support staff delivering the ECM?	Medium
	d	What training is provided for staff (case managers, service centre managers)?	Medium
	e	What knowledge and skills do case managers gain from training?	High
	f	Do HR and local management practices support the new approach?	High
	g	How do caseloads change in terms of mix and size? - what is the national average case load (for DPB/WB and others)? - what regional variations in DPB/WB caseloads occur?	High
	h	What kinds of local service centre practices develop to support the implementation and delivery of the ECM?	High
<b>1.2: How is the ECM approach affecting the amount of time case managers spend with clients?</b>	a	Do lower caseloads result in additional time spent with clients? - do case manager workloads increase? - are there patterns of increased work for DPB/WB case managers (start of the school year, TIA application times), and are these affected by contextual factors (eg rural versus urban)	High
	b	Where is additional case manager time spent: - income versus non-income related activities? - client assessment/planning processes versus client follow-up? - information gathering (eg about community/agency resources) versus interaction with client?	High
	c	What (if any) combinations of caseload size or caseload mix influence time spent with clients? - do any client groups receive <i>more</i> time? (eg those with older children) - do any client groups receive <i>less</i> time? (eg those with young children)	High
	d	What changes occurred in non-DPB case managers' caseloads and workloads following the implementation of the DPB/WB/EMA reforms.	Medium
<b>1.3: How is the Personal Development and Employment (PDE) process functioning (as intended or differently?)</b>	a	How extensive is case manager knowledge of support services (including accessibility) and how has this changed since the introduction of the reforms?	Medium
	b	How comprehensive is the PDE assessment process? Are there some areas of assessment that are focused on, and some that are avoided (eg less 'personal' issues, such as housing are assessed, while issues of poor mental health, or domestic violence tend to be avoided) - is it client-focused, holistic and seen by the client as relevant and useful throughout their benefit time period?	High
	c	Does the content of PDE plans reflect the range of needs known to be barriers to employment for DPB and WB clients (eg childcare, transport)?	High
	d	Do PDE plans reflect increased acknowledgement of clients' parenting responsibilities (eg child well-being and health)?	High
	e	Over a clients' benefit time period, are changes made to in the PDE plans that reflect the changing nature of clients' circumstances (i.e. sudden increased stresses or responsibilities in caring for self or dependents)?	High

### Objective 1 - continued

1.3: (PDE) process <i>continued</i>	f	Are there changes in PDE plan content over client's benefit time period that indicate progression towards reducing or removing the barriers and constraints to entering employment?	High
	g	What changes occur in the brokerage activities of case managers (i.e. do case managers broaden their knowledge of local services)?	High
	h	What changes occur in the follow-up activities of case managers (i.e. do case managers tend to follow up some client groups or access certain types of services)?	Medium
	i	How do case managers see the sanctions: as a compliance measure or as a contradiction to the philosophy of the ECM? How frequently are sanctions initiated? How frequently are they followed to completion resulting in benefit reductions? To what extent do case managers decide not to proceed with the sanction process (even when there has been a failure to comply with obligations), and the reasons for this? To what extent do case managers use the sanction process as an implicit compliance measure (i.e. mentioning – but not formally initiating the sanction process)?	High
1.4: What factors are supporting the delivery of the enhanced case management approach?	a	What IT factors help/hinder the delivery of the new ECM approach?	High
	b	What organisational incentives or supports are available for staff involved in ECM? - performance assessment processes - professional supervision opportunities - local or team based incentives/supports	High
	c	What processes are in place to identify areas where additional or ongoing training is needed by case managers or service centre managers?	High
	d	What aspects of delivering the new approach are identified as requiring additional or ongoing training?	Medium
	e	What additional or ongoing training occurs (and who attends)?	Medium
	f	What personnel factors help/hinder the delivery of the ECM (eg staff experience, staff confidence, staff turnover)?	High
	g	Have changes to caseloads made a difference to case managers' ability to deliver ECM?	High
	h	Do differences in case management approach (i.e. between ECM and non DPB case management approaches) create any tensions or internal politics between DPB and non DPB staff?	Medium
	i	Does the ECM approach result in higher workloads for DPB/WB/EMA case managers, even despite reductions in caseload size?	High
1.5 To what extent has case management ultimately changed following implementation of the reforms?	a	How do staff perceive the ECM approach (including non-DPB/WB case managers, service centre and regional managers)?	High
	b	To what extent is the ECM approach 'new' for DPB/WB case managers i.e. to what extent has case manager practice anticipated the ECM approach in terms of: - caseloads? - workload? - time spent with clients? - balance of time spent on income versus non-income activities? - staff attitudes (willingness to work with clients holistically)? - staff skills? - case management activities and organisational processes?	High
	c	Do case managers feel the ECM improves their ability to provide a better quality service to client (eg do staff find clients are more proactive and willing to engage in interactions with Work and Income)?	Medium



**Objective 2: Describe changes in clients' perceptions and experiences and outcomes (for clients and their children) following the implementation and delivery of the policy reforms.**

*Note: this objective focuses on clients' experiences and outcomes that result from their interaction with Work and Income services. Objective Three takes a broader, more contextual and longer-term perspective (eg the effects of local labour market on employment outcomes, and the overall impact of the reforms on the health, social and economic well-being and participation of clients and their children).*

Research Questions (RQ)	Areas to be covered/sub-questions	Importance to answer RQ	
<b>Clients' Perceptions/Experiences of Enhanced Case Management</b>			
<b>2.1: Have clients' perceptions and experiences of case management changed following the delivery of the reforms?</b>	a	<p>What is the quality of the case manager-client relationship like?</p> <ul style="list-style-type: none"> <li>- client willingness to discuss personal details about their own and their children's lives with a government agency generally, and with their case manager specifically?</li> <li>- do clients consider case managers as credible/useful points of support?</li> <li>- are there certain types of support clients seek from case managers versus other sources?</li> <li>- what are the types of support clients seek elsewhere, who do they seek this help from and why?</li> <li>- client perception/experience on whether they have sufficient contact/time with their case manager</li> <li>- do clients consider contact with the same case manager important?</li> <li>- client perception/experience of the degree to which the ECM allows them to focus on meeting parenting responsibilities</li> <li>- overall do clients believe the ECM provides them with any benefits, eg improved ability to meet individual circumstances, or a reduction in barriers to entering employment?</li> </ul>	High
	b	How well do clients understand the reforms and their implications- especially the removal of the work test obligations	High
	c	<p>How do clients understand the sanction process:</p> <ul style="list-style-type: none"> <li>- do client see sanctions as a contradiction to the ECM philosophy?</li> <li>- have clients experienced instances where the instigation of sanctions has been threatened to ensure their compliance?</li> </ul>	High
<b>Parenting Responsibilities</b>	Note: Data collected for this question will be analysed by a range of variables including the age of clients' children. Clients who have children under 6 years will be a useful comparison group, as this group was not subject to the work test under the previous DPB/WB policy.		
<b>2.2: Do clients consider the ECM approach has acknowledged their parenting responsibilities and assisted them to manage these?*</b>	a	Do some groups of clients feel they are pressured into looking for work (eg do clients with older children feel pushed into work before they feel they are ready?)	Medium
	b	<p>What is the nature and level of support provided to clients by Work and Income to assist clients in managing parenting responsibilities?</p> <ul style="list-style-type: none"> <li>- in terms of Work and Income services (eg provision of Special Needs Grants, Community Services Cards)?</li> <li>- in terms of referrals to external agencies or groups etc?</li> </ul> <p>Are there gaps in local service provision or problems accessing some types of assistance or parenting support programmes or other barriers to access (eg due to cost, transport, waiting lists).</p>	High

## Objective 2 - continued

<b>Health - describing changes in health outcomes of clients and their children following the policy changes is likely to be only partially and tentatively answered. Despite this these questions have been included to help identify areas where this evaluation can be complemented through other research endeavours.</b>			
<b>2.3: Do clients consider the ECM approach has improved their ability to care for their own and their children's health</b>	a	<p>Does the new approach better support parents in their ability to meet their own and their children's health needs?</p> <p>What aspects of the ECM, if any, are seen ( by clients and/or their case managers) as contributing to improved health outcomes eg holistic approach to assessing needs, identifying areas of potential concern, and providing assistance or referral to appropriate agencies?</p>	Medium
	b	<p>Do clients consider they are better informed about the range of health services available to them and their children as a result of their contact with Work and Income?</p> <p>Are some types of health related issues focused on more than others (eg physical health, housing issues, rather than mental health issues?), and reasons why.</p>	Medium
	c	<p>What is the nature and level of support provided to clients by Work and Income to assist clients in responding to health-related issues:</p> <ul style="list-style-type: none"> <li>- in terms of Work and Income services (eg provision of Special Needs Grants, Community Services Cards)?</li> <li>- in terms of referrals to external agencies or groups etc?</li> </ul> <p>Are there gaps in local service provision, or problems accessing some types of health services (eg adolescent mental health services), or other barriers to access (eg due to cost, transport, waiting lists).</p>	Medium
<b>Social Participation and Well-being</b>			
<b>2.4: Do clients consider their and their children's well-being and social participation to have been positively effected by the policy reforms?</b>	a	Do clients consider they are better informed about the range of social and community services available to them and their children as a result of their contact with Work and Income?	Medium
	b	<p>To what extent do clients believe Work and Income assistance has encouraged their (and their children's) participation in community activities?</p> <p>What types of community and social participation are suggested /encouraged for clients (and their children) by case managers (for example, early childhood education, sports and recreation, voluntary and community activities)?</p>	Medium

## Objective 2 - continued

<b>Employment and Income Assistance</b>			
<b>2.5: Have there been changes to the income assistance received by clients?</b>	a	What changes occur in the number and type of clients accessing 2 <sup>nd</sup> tier assistance (eg Accommodation Supplement, Child Disability Allowance)?	High
	b	What changes occur in the number and type of clients accessing 3 <sup>rd</sup> tier assistance (Special Needs Grants, Special Benefit)?	High
	c	What changes occur in the levels of debt (by client type) when clients leave benefit?	High
<b>2.6: To what degree do clients use/continue to use the additional financial supports available to assist their movement into paid employment?</b>	a	What number and type of clients leaving benefit continue to receive 2 <sup>nd</sup> and 3 <sup>rd</sup> tier assistance?	High
	b	What changes occur in the number and type of DPB/WB clients accessing tax credits?	High
	c	What changes occur in the number and type of DPB/WB clients receiving transitional and in-work support eg 'Pathways'?	High
	d	What changes occur in the number and type of DPB clients receiving OSCAR payments and childcare subsidies?	High
<b>2.7: Have there been changes in employment focused assistance received by clients?</b>	a	What changes occur in the number and type of clients who register themselves as unemployed?	High
	b	What changes occur in the number and type of clients receiving Training Incentive Allowance and other training assistance?	High
	c	What changes occur in the number and type of clients participating in employment programmes (by type of programme)?	High
	d	Are there gaps in local service provision or problems accessing some types of assistance or employment programmes or other barriers to access (eg due to cost, transport, waiting lists).	Medium

**Objective 3: Describe any observed changes for clients and their dependents, and assess the extent to which these changes may have been due to the policy reforms.** Note: This objective draws together data across the life of the evaluation and considers this in broader contextual settings.

Research Questions (RQ)	Areas to be covered/sub-questions	Importance to answer RQ
<b>3.1: What changes occurred in clients' financial position following the reforms?</b>	a What is financial position of different client groups while <b>receiving benefit</b> taking account of costs of part-time work (eg childcare, transport), marginal tax, and additional assistance?	High
	b What is the financial position of different client groups when <b>moving off benefit</b> into paid employment taking account of costs of work, levels of debt, low income assistance, marginal tax?	High
	c What changes occurred to clients' financial position (taking account of both the cost of employment and the abatement to benefit) when moving from zero hours of paid employment to part-time employment, and from zero or part-time employment to full-time employment?	High
<b>3.2 What changes occurred in clients' patterns of participation in part-time work following the reforms?</b>	a What changes occur in the number and type of clients participating in part-time work/training over time?	High
	b Does the move to the single abatement regime lead to an increase in the number - or change the type - of clients participating in part-time paid employment?	High
<b>3.3 What changes occurred in participation in education and training for clients (and their children) following the reforms?</b>	a Are there any changes in clients' qualifications and vocational skills?	High
	b For clients' children, are there any changes in the uptake of early childhood education, or retention in school?	Medium
<b>3.4: What changes occurred in clients' (and their children') social participation following the reforms?</b>	a What is the nature and level of clients'/children participation in social and community activities? - in activities that have low or no up-front financial cost (eg voluntary activities, 'free' forms of recreation)? - in activities that have higher up-front financial costs (eg participation in sports clubs/lessons)?	Medium
	b Overall has clients'/children involvement in community or voluntary activities changed over time?	High
	c Do clients consider their social networks and relationships (including with family and peers) have expanded as a result of the ECM approach?	Medium
<b>3.5: What changes occurred in clients' ability to balance their employment and parenting responsibilities?</b>	a What changes in case management practice have been specifically associated with supporting parenting?	High
	b Have there been changes in clients' perception of the support provided by case managers for parenting responsibilities?	High
<b>3.6: What changes occurred in clients' perception of their own and their children's health?</b>	a What changes in occurred clients perception of their own and their children's health for clients in different circumstances (see possible variables listed on page 22)?	Medium

### Objective 3 - continued

3.7: What changes occurred in clients' likelihood of <b>moving into</b> paid employment following the reforms?	a	Prior to and following the reforms which client groups were more or less likely to leave benefit (see possible variables listed on page 22)? What changes occur to the length of each benefit time period?	High
	b	What <b>wage and employment</b> conditions do clients consider necessary to making the transition to paid employment (eg income, flexible hours, career progression opportunities)?	Medium
	c	What are the <b>contextual factors</b> associated with entering paid employment for clients (eg childcare, transport, location)?	High
3.8: What changes occurred in clients' ability to <b>remain in</b> paid employment following the reforms?	a	Prior to and following the reforms which client groups (see possible variables listed on page 22) were more or less likely to: - return to benefit? - remain off benefit?	High
	b	What <b>wage and employment</b> conditions do clients consider necessary to maintaining paid employment (eg income flexible hours, career progression opportunities)?	Medium
	c	What are the <b>contextual factors</b> associated with maintaining paid employment for clients (eg childcare, transport, location)?	High
	d	Which-DPB/WB clients, if any, are reducing their level of paid employment by moving from full-time to part-time? (see possible variables listed on page 22)?	High

### Assessing the effects of the reforms

3.9: Assess the extent to which observed changes for clients and their dependents may have been due to the policy changes.	a	What are the effects of changes in the planning process on the number of clients leaving the benefit? And remaining off DPB/WB (and other benefits)?	High
	b	What is the effect of the intensity of case management contact on the number of clients leaving the benefit? And remaining off DPB/WB (and other benefits)?	High
	c	What are the patterns of sanction application and compliance and their effect on the number of clients leaving the benefit? And remaining off DPB/WB (and other benefits)?	High
	d	Following the assessment of the effect of abatement rates on part-time employment, is there a relationship between undertaking part-time work and moving into full-time employment?	High
	e	Is there a relationship between undertaking part-time work while on benefit and remaining off benefit once in full-time paid employment?	High
	f	Do the changes to abatement encourage ex-DPB/WB clients to return to benefit, and reduce paid employment from full-time to part-time?	High
	g	Does the uptake of transitional and in-work assistance increase clients' ability to remain off benefit?	Medium
	h	To what extent do the policy reforms seem to have contributed to sustainable employment outcomes experienced by clients' given wider contextual factors?	High
	i	Have there been any observed changes to the health and/or socio-economic well-being of clients and their children and an assessment of the possible effects of the policy reforms on these changes versus other factors.	High

### 3.3.1 Research questions aimed at examining policy assumptions and risks

The evaluation will seek to examine the policy assumptions and associated risks. Appendix 4.3 outlines which evaluation research questions will specifically address the stated risks and assumptions.

## 3.4 Limitations

There are a number of issues which determine how well the evaluation is able to answer these research questions.

### 3.4.1 Outcome measurement

In addition to issues surrounding access to data, any evaluation that seeks to measure outcomes must overcome the challenge of defining the outcome(s) and developing reliable and valid measures.

Employment (and to a lesser extent) income are relatively straightforward to measure. However the ability to measure these outcomes is stymied by a lack of good quality data available. . Measuring outcomes such as social participation, social well-being and a client's ability to balance paid employment and their parental responsibilities pose greater problems as these are harder to define and measure in a way that is meaningful.

### 3.4.2 Impact measurement

It is not possible to isolate the effect of the policy changes on clients, and any possible influence on clients will 'compete' with the influence of broader social and economic factors, and individual circumstances. Because of this, there is limited ability to determine whether observed changes have been the result of the policy changes or whether they may have come about for other reasons. Nevertheless, attempts will be made to address this issue, although findings will necessarily be tentative and speculative.

### 3.4.3 Time for effects to accrue

While the ultimate goal of the reforms is to increase movement into sustainable employment for DPB/WB clients, in practice this will take time. Initially the policy reforms may lead to an increase in the number of DPB/WB applicants, and a possible increase in the take-up of assistance measures as clients seek to balance their parental responsibilities, stabilise their individual circumstances and address personal barriers to employment. Future increases in sustainable employment outcomes for DPB/WB clients will need time to accrue and may not be observable within the three years duration of the evaluation.

### **3.5 Links with other projects**

Given the DPB/WB/EMA evaluation budget and level of resourcing, the ability to answer some sub-questions will rely on information from other evaluation and research work. This is particularly the case for assessing physical and mental health outcomes for clients and their children. The DPB/WB/EMA evaluation team will draw on information from other research in this area, for example the Ministry of Health's New Zealand Health Survey.

The DPB/WB/EMA evaluation team will also work closely with other MSD-led research and evaluation, to co-ordinate and maximise opportunities for joint learning. Some of the relevant research and work includes:

- review of the Training Incentive Allowance (TIA) (MSD and DoL)
- ongoing Benefit Dynamics analysis (MSD)
- the Evaluation of the Out of School Care and Recreation (OSCAR) Assistance Package (MSD)
- work assessing Living Standards in New Zealand.

In addition to seeking information generated from other research, evaluation and analysis, the DPB/WB/EMA evaluation will ensure, through 'real-time' feedback, that key findings are reported to policy, research and service delivery staff throughout the life of this evaluation. Details on how this will occur will be set out in the subsequent methods report (which will shape the programme for reporting findings).

### **3.6 Evaluation project management**

There are three main governance structures surrounding the evaluation, which are designed to ensure that the evaluation design, implementation and analysis are rigorous and appropriate. These are listed below:

- DPB Evaluation Steering Group
- DPB Evaluation Quality Assurance Group
- DPB Evaluation Consultation Group.

These groups will also be responsible for assisting the evaluation project team disseminate the evaluation findings to key stakeholders.

#### **3.6.1 Sign-off responsibility**

Cabinet requires reporting from officials from the Ministry of Social Development and the Department of Labour to the Minister of Social Services and Employment. Sign off responsibilities reside with the DPB evaluation steering group and senior management within the Ministry of Social Development's Centre for Social Research and Evaluation.

#### **3.6.2 External consultation processes**

In addition to extensive internal consultation, the evaluation team has also sought external peer review from the following agencies and groups:

##### ***Central Government***

- Department of Labour
- Treasury
- Department of the Prime Minister and Cabinet
- Te Puni Kokiri (Ministry of Maori Development)
- Ministry of Pacific Island Affairs
- Ministry of Youth Affairs
- Ministry of Women's Affairs
- MSD Senior Citizens Unit
- MSD Maori Resource Panel
- Ministry of Health
- Ministry of Housing
- Inland Revenue Department.



***Other agencies, groups and individuals***

- Beneficiary Advisory Service
- Canterbury Student Services
- Catholic Women's League of New Zealand
- Combined Beneficiaries Union
- Community Services Council
- Dunedin Community Law Centre
- Downtown Community Ministry
- Grey Power New Zealand Federation
- IHC
- Lone Parent Trust
- Mental Health Commission
- Massey University Students Association
- Maori Women's Welfare League
- Maureen Baker, Professor of Sociology, University of Auckland
- National Council of Women of New Zealand
- National Collective of Independent Women's Refuge
- New Zealand Council of Christian Social Services
- Presbyterian Support Services
- Wellington Community Law Centre
- Wellington Peoples Resource Centre.

### 3.7 Resources

#### 3.7.1 Project team

Cabinet has requested that the evaluation be developed and implemented as a joint agency project between MSD and DoL with staff from both agencies represented on the steering group overseeing the evaluation. The evaluation working group is as follows:

Unit	Role	Staff February 2003
Independent Contractor	Overall Project Manager	Justine O'Reilly
Employment Research and Evaluation (MSD)	Evaluation Analyst - Qualitative	Nicole Brown
	Evaluation Analyst - Qualitative support	Sankar Ramasamy
	Evaluation Analyst - Quantitative	Christine Lau
	Evaluation Analyst - Quantitative support	Marc de Boer
	Evaluation Analyst - Quantitative support	Coreen Adamson
	Evaluation Analyst - Quantitative support	Jared Forbes
	Evaluation Analyst - Quantitative support	Tobi Woodson
	Evaluation Analyst - Qualitative support	Mathea Roorda

#### 3.7.2 Financial resources

Cabinet has allocated \$400,000 over a three-year period. The evaluation budget is spread over three financial years as outlined below:

Financial year	Resources (GST inclusive)	Indicative Research Activities
2002/3	\$90,000	Project management, plan, set up and implement monitoring systems, planning and possible implementation of additional qualitative and quantitative work following March 2003.
2003/4	\$160,000	Ongoing monitoring, additional qualitative and quantitative implementation (likely to involve contracted researchers). Ongoing data analysis write up and reporting of information.
2004/5	\$150,000	Ongoing monitoring, ongoing analysis, write up and reporting of findings. Integration and review for final reporting in Dec 2005.

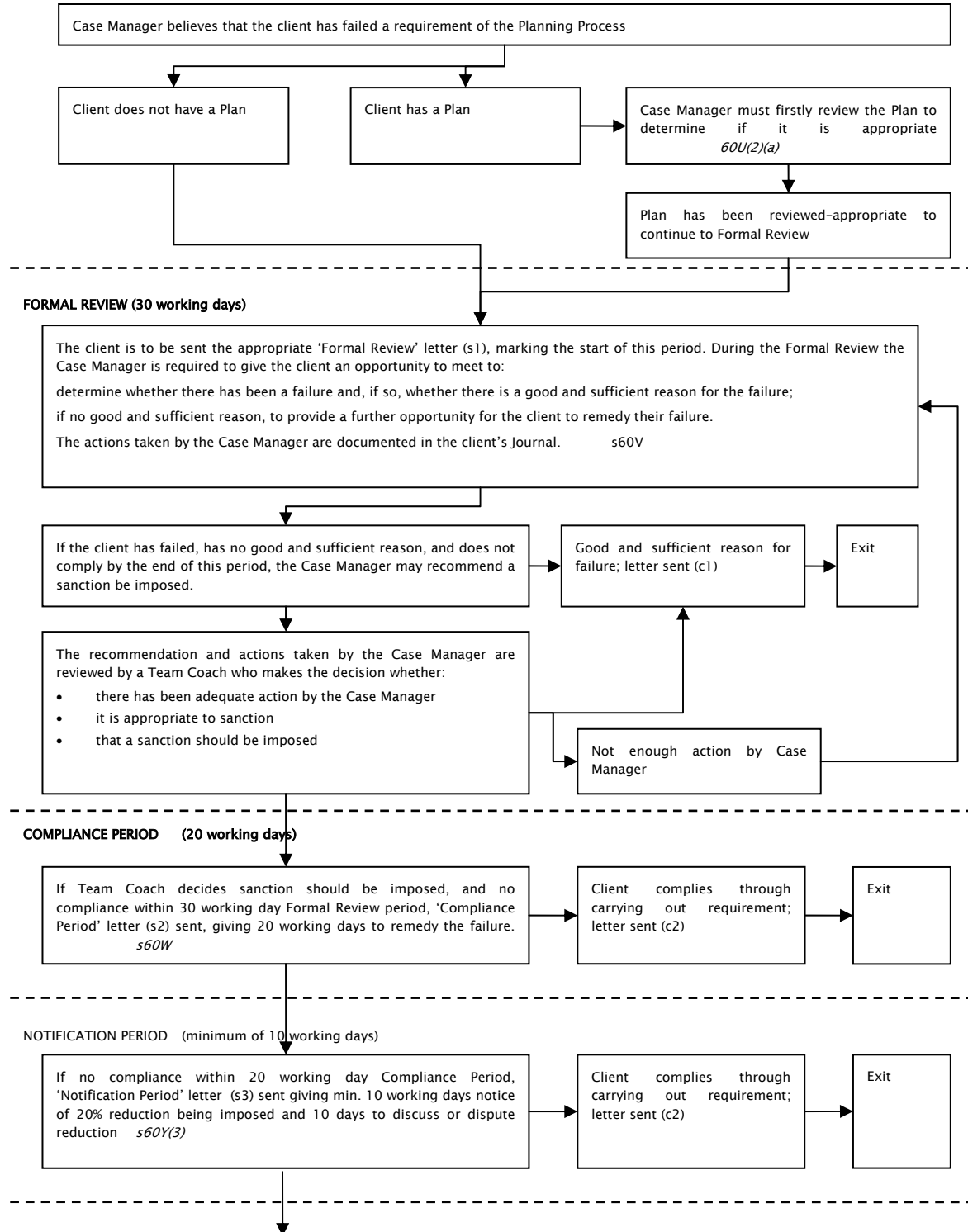
### 3.8 Next steps

By May 2003 draft papers detailing data collection methods and a programme for reporting findings will be circulated to key internal and external stakeholders for comment.

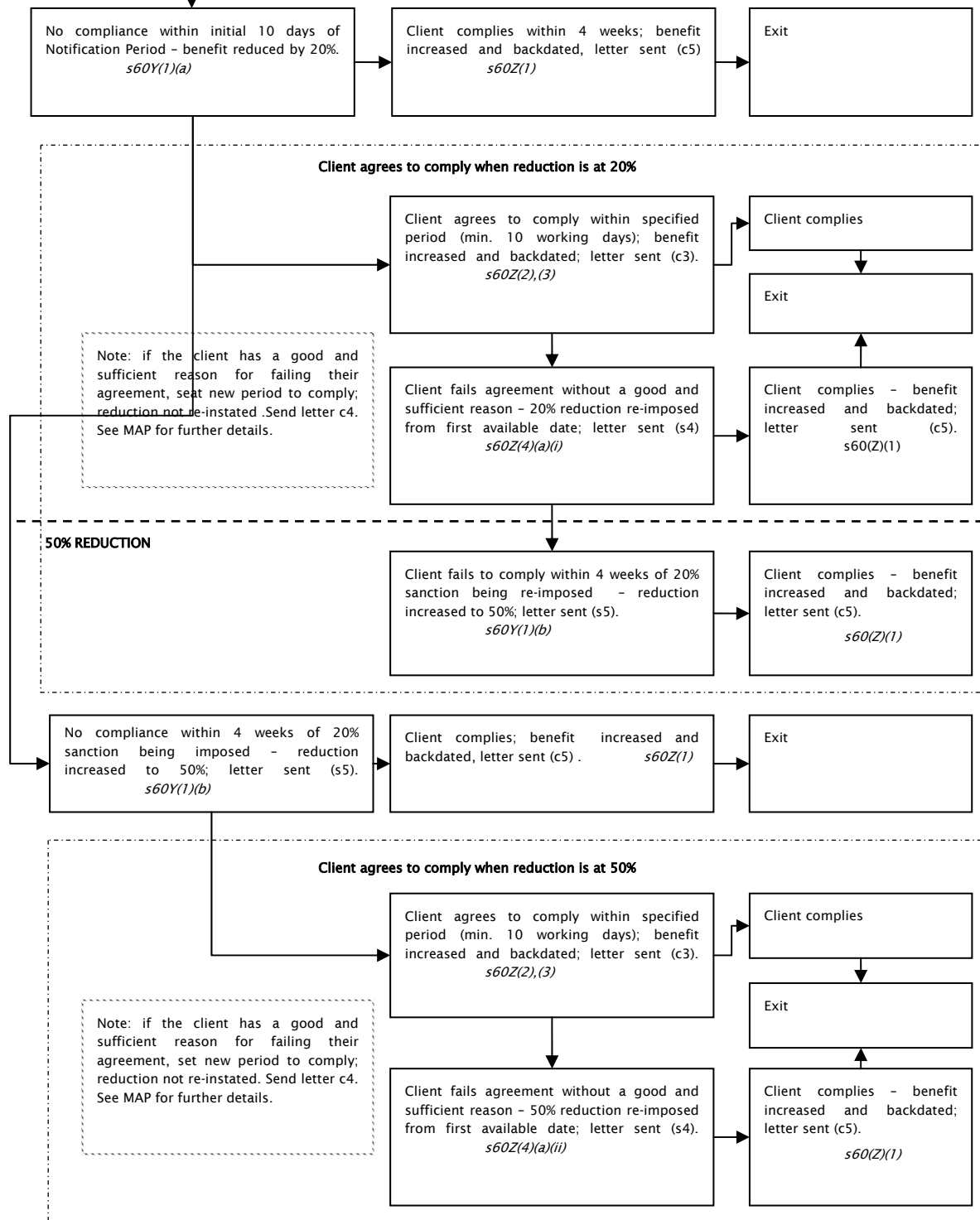
## 4 Appendices

### 4.1 Appendix 1: Changes to sanctions

#### REVIEW PLAN



**20% REDUCTION (4 weeks) (from Notification Period)**



## 4.2 Appendix 2: Changes to abatement rates

The **dual abatement system** as applied to DPB, WB and EMA recipients' with earnings prior to March 10<sup>th</sup> 2003 was based on the age of their youngest child. This abatement is applied to a clients' main benefit. Those who were exempt from the work-test *or* with the youngest child aged under 14 years had a part-time abatement rate. Those with children aged 14 or older had a full-time work-tested abatement rate. For former carers the full-time rate was applied unless the person was exempt from the work-test and, if so, a part-time rate was applied.

### Dual Abatement Regime

Earned Income per week (additional to benefit)	Full-time abatement rate	Part-time abatement rate
\$0-80	0%	0%
\$81-180	70%	30%
\$181 or more	70%	70%

The **single abatement** regime effective as of 10<sup>th</sup> March 2003 means that abatement of benefit is no longer determined according to the age of a client's youngest child, but instead *according to a client's declared earnings only*. The rate of abatement has been set at the same level as the part-time rates that existed under the dual abatement regime.

### Single Abatement Regime

Earned Income per week (additional to benefit)	Abatement Rate
\$0-80	0%
\$81-180	30% or 30c in each dollar earned abated from main benefit
\$181 or more	70% or 70c in each dollar earned abated from main benefit

Table 1 provides examples of how the change from the dual to single abatement will financially affect different clients. In nearly all cases there is no change in the total amount of money received by clients (through a mix of income and benefit received after abatement).

The only change is an increase for those subject to the full work-test under the dual abatement system (i.e. those with a child aged over 14 or no children) who earn between \$81 and \$180 each week. Under the dual abatement system, these clients had their benefit abated at 70 cents for every dollar over \$80 earned, while under the single abatement system, the abatement rate reduces to 30 cents in every dollar, resulting in these clients being financially better off.

**Table 1. Effects of dual and single abatement rates on clients' total income received**

		1999 Reforms	2002 Reforms
	Target Group	Dual Abatement	Single Abatement
1	Benefit and earns \$0-80 per week	No Change	No Change
2	Benefit and earns \$81-180 bracket Child 6-13 years = <i>status part-time work-tested</i>	30c in each dollar earned abated	30c in each dollar earned abated (same)
	<i>Sandy has a 9yr daughter and works as a part-time librarian. She earns \$180.00 gross per week in addition to receiving a main benefit of \$221.37 per week as at 01/04/02</i>	\$180.00 gross per week (\$9360.00 per annum) additional earnings \$221.37 (benefit before abatement) <b>\$ 21.00 (less abatement)</b> <b>\$200.37 (main benefit payable)</b>	\$180.00 gross per week (\$9360.00 per annum) additional earnings \$221.37 (benefit before abatement) <b>\$ 21.00 (less abatement)</b> <b>\$200.37 (maximum benefit payable)</b>
3	Benefit and \$81-180 bracket Child 14+ years = <i>status full-time work-tested</i>	70c in each dollar earned abated	30c in each dollar earned abated (less abated = higher \$ in hand )
	<i>Jennifer has a 16yr daughter. She also works part-time at the local council and earns \$180.00 gross per week in addition to her main benefit of \$221.37 per week as at 01/04/02</i>	\$180.00 gross per week (\$9360.00 per annum) additional earnings \$221.37 (benefit before abatement) <b>\$ 70.00 (less abatement)</b> <b>\$151.37 (main benefit payable )</b>	\$180.00 gross per week (\$9360.00 per annum) additional earnings \$221.37 (benefit before abatement) <b>\$ 30.00 (less abatement)</b> <b>\$191.37 (main benefit payable )</b>
4	Benefit and earns \$181+ bracket Child 6-13 years = <i>status full-time work-tested</i>	70c in each dollar earned abated	70c in each dollar earned abated (same)
	<i>Anna has a 9yr son. She works as a part-time as a receptionist and earns \$200.00 gross per week in addition to receiving a main benefit of \$221.37 per week as at 01/04/02</i>	\$200.00 gross per week (\$10400.00 per annum) additional earnings \$221.37 (benefit before abatement) <b>\$ 84.00 (less abatement)</b> <b>\$137.37 (main benefit payable )</b>	\$200.00 gross per week (\$10400.00 per annum) additional earnings \$221.37 (benefit before abatement) <b>\$ 84.00 (less abatement)</b> <b>\$137.37 (main benefit payable )</b>
5	Benefit and earns \$181+ Bracket Child 14 or older = <i>status full-time work-tested</i>	70c in each dollar earned abated	70c in each dollar earned abated (same)
	<i>John has a 15yr son. He works as a part-time as a joiner and earns \$200.00 gross per week in addition to receiving a main benefit of \$221.37</i>	\$200.00 gross per week (\$10400.00 per annum) additional earnings \$221.37 (benefit before abatement) <b>\$ 84.00 (less abatement)</b> <b>\$137.37 (main benefit payable )</b>	\$200.00 gross per week (\$10400.00 per annum) additional earnings \$221.37 (benefit before abatement) <b>\$ 84.00 (less abatement)</b> <b>\$137.37 (main benefit payable )</b>

### 4.3 Research questions to examine the policy assumptions and associated risks

The following section explicitly links the assumptions and risks of the DPB reforms with the research questions the evaluation will ask to examine each of these. Proposed methods for answering each question are also indicated, but are tentative only.

#### A. Decrease in caseloads

*Policy change:* decrease case load to a national average of 1:150 DPB/WB/EMA clients per case manager.

*Intended outcome:* case managers spend more time with each client, and more of that time will be spent on addressing non-income issues.

Assumption	Risk	Research Question
DPB/WB/EMA staff caseloads fall to the national average target of 1:150	Work and Income service centres can not reduce/ or maintain caseloads of 1:150 for DPB/WB/EMA clients.	1.1g: How do caseloads change in terms of mix and size (what variations occur)?
DPB/WB/EMA staff are not pressured to work with additional Non-DPB clients.	Increasing caseloads for non-DPB/WB/EMA staff create pressure to take on extra non-DPB clients.	1.2d: What changes occurred in non-DPB case managers' caseloads and workloads following the implementation of the reforms  1.4b: What organisational incentives and supports are available for staff involved in ECM?  1.4g: Have changes to caseloads made a difference to case managers ability to deliver ECM?  1.4h: Do differences in case management approaches create any tensions or internal politics between DPB and non-DPB staff?
	Tension develops between DPB/WB/EMA and non-DPB/WB/EMA case managers over differences in caseload size that compromises the delivery (and intent) of the new case management approach.	1.4h: Do differences in case management approaches create any tensions or internal politics between DPB and non-DPB staff?  1.5a: How do staff perceive ECM approach (including non-DPB/WB case managers)?
Reduced DPB/WB/EMA staff caseloads result in more time spent with clients rather than increases in other activities.	Not all DPB/WB/EMA clients receive increased support/contact from their case manager.	1.2a: Do lower caseloads result in additional time spent with clients?  1.2c: What (if any) combinations of caseload size or caseload mix influence time spent with clients?
	Lower DPB/WB/EMA staff caseloads do not appreciably increase the frequency of contact with clients or the time spent with them by their case managers.	1.3h: What changes occur in the follow-up activities of case managers?  2.1a: Client perception on whether they have sufficient contact/time with their case manager?
There is no increase in the time that case managers spend managing income assistance.	Case managers increase time spent on income rather than non-income client issues.	1.2b: Where is the additional client-case manager time spent?

## **B. Personal Development and Employment Plans (PDEPs):**

**Policy change:** The enhanced case management approach focuses on dealing holistically with all issues faced by clients in a proactive, supportive manner in order to help clients set goals (aiming towards employment) and undertake activities to meet these as individual circumstances allow. A client's goals, their intended actions and the support needed (both internal and external to Work and Income) are to be articulated in a Personal Development and Employment Plan (PDEP).

**Intended outcome:** Clients will set personal development and employment-related goals and identify barriers and constraints that prevent them achieving these. Action to meet these goals will be undertaken by the client, with assistance provided directly by their case manager, or from other Work and Income services and/or via referrals to other agencies. Ongoing, proactive follow-up by their case manager also ensures that the client remains supported and motivated to progress towards their planned goals.

<b>Assumption</b>	<b>Risk</b>	<b>Research Question</b>
Case managers have sufficient time to spend with clients and maintain contact to establish a good working relationship.	Staff turnover and role changes prevent the establishment of good client/case manager relationships.	1.4f: What personnel factors help/hinder the delivery of ECM? 2.1a: Do clients consider contact with the same case manager important? 2.1a: Client perception on whether they have sufficient contact/time with their case manager?
Clients are <b>willing</b> to participate in the PDE planning process (i.e. set reasonable goals and commitment to achieving them).	Clients are unwilling to set reasonable goals. Clients are unwilling to act to achieve their goals.	1.3b: How comprehensive is the PDE planning process? 1.3c: Does the content of plans reflect known barriers/issues for DPB clients? 2.1a: Are clients willing to be assisted by case managers? 2.1a: Do clients believe ECM provides them with any benefits?
Clients are <b>able</b> to set goals and identify barriers and constraints to achieving these.	Clients are unable to set reasonable goals. Clients are unable to act to achieve their goals.	1.3b: How comprehensive is the PDE planning process? 1.3c: Does the content of plans reflect known barriers/issues for DPB clients? 2.1a: Are clients willing to be assisted by case managers? 2.1a: Do clients believe ECM provides them with any benefits?
Clients consider PDEPs to be useful, comprehensive, relevant and to reflect their individual needs, issues and goals.	Clients do not perceive the plans to be useful or relevant, and therefore have low motivation to undertake the activities/achieve the goals.	1.3b: How comprehensive is the PDE planning process? 1.3c: Does the content of plans reflect known barriers/issues for DPB clients? 2.1a: Are clients willing to be assisted by case managers? 2.1a: Do clients believe ECM provides them with any benefits?
That client and case manager have an agreed understanding of what 'when individual circumstances allow' means and there is a process to address any differences of opinion.	Clients and case managers have different views about what 'when individual circumstances allow', and these differences are unable to be resolved.	1.3d: Do PDE plans reflect increased acknowledgement of clients' parenting responsibilities? 2.2a: Do some groups of clients feel pushed toward employment before they feel ready?



**B. PDEP assumptions, risks and research questions, continued**

<b>Assumption</b>	<b>Risk</b>	<b>Research Question</b>
As non-employment barriers are addressed and parenting responsibilities allow, plans will focus increasingly on employment goals.	Clients do not – over the course of their benefit time period - begin to incorporate employment –focused goals into their PDEPs.	1.3f: Are there changes in PDE content over a client’s benefit time period that indicate progress towards reducing barriers/constraints to employment?
Clients consider PDEPs to be useful, comprehensive, and relevant, and reflecting their individual needs, issues and goals.	Clients do not perceive the plans to be useful or relevant, and therefore have low motivation to undertake the activities/achieve the goals.	1.3b: How comprehensive is the PDE planning process? 1.3c: Does the content of plans reflect known barriers/issues for DPB clients? 2.1a: Are clients willing to be assisted by case managers? 2.1a: Do clients believe ECM provides them with any benefits?
That client and case manager have an agreed understanding of what ‘when individual circumstances allow’ means and there is a process to address any differences of opinion.	Clients and case managers have different views about what ‘when individual circumstances allow’, and these differences are unable to be resolved.	1.3d: Do PDE plans reflect increased acknowledgement of clients’ parenting responsibilities? 2.2a: Do some groups of clients feel pushed toward employment before they feel ready?
As non-employment barriers are addressed and parenting responsibilities allow, plans to focus increasingly on employment goals.	Clients do not – over the course of their benefit time period - begin to incorporate employment –focused goals into their PDEPs.	1.3f: Are there changes in PDE content over a client’s benefit time period that indicate progress towards reducing barriers/constraints to employment?
PDE plans are reviewed and updated regularly as the circumstances of the clients change.	PDEPs, once developed, are not reviewed or kept current, which diminishes their relevance to both clients and case managers.	1.3b: How comprehensive is the PDE planning process, - and is it seen by client as relevant throughout their benefit time period? 1.4b: What organisational incentives or supports are available to staff involved in ECM? 1.5c: Do case managers feel ECM improves their ability to provide better service to clients? 2.1a: Do clients believe ECM provides them with any benefits?
Case managers have the capability (technical skills, relationship skills and time) to undertake effective risk and needs identification, planning, referral and follow-up activities.	Case managers lack the skills and/or support necessary to deliver the new planning approach in line with the policy intent.	1.1d: What training is provided for staff? 1.1e: What knowledge and skills do case managers gain from training? 1.4c: What processes are in place to identify further training needs? 2.1a: Do clients consider case managers a useful/credible source of support? 2.1a: Are there certain types of support clients seek from case managers versus other sources?

**B. PDEP assumptions, risks and research questions, continued**

Assumption	Risk	Research Question
<p>There are sufficient means (eg services and access to them) available to assist clients in overcoming barriers and issues outlined in their plans.</p>	<p>Staff do not have sufficient time to maintain knowledge of other (external to Work and Income) assistance for clients.</p> <p>Appropriate assistance (both internal and external) is unavailable for a client (eg in that location, or due to other barriers, eg cost, transport or waiting lists).</p>	<p>1.3g: What changes occur in the brokerage activities of case managers?</p> <p>2.1a: Are there certain types of support clients seek from case managers versus other sources?</p> <p>2.4a: Do clients consider themselves to be better informed about available social and community services?</p> <p>2.5: Have there been changes in income assistance received by clients?</p> <p>2.6: To what degree do clients use/continue to use additional financial supports to assist their movement into paid employment?</p> <p>2.7: Have there been changes in employment (and training) assistance received by clients?</p>
<p>The new IT system supports the new planning process.</p>	<p>IT systems and training are insufficient for the planning process to be effective.</p>	<p>1.4a: What IT factors help or hinder the new ECM approach?</p>
<p>Case manager performance appraisal and organisational measures are consistent with the new approach.</p>	<p>Wider Work and Income HR and performance measures are not aligned with the philosophy and intent of the enhanced case management process.</p>	<p>1.1f: Do HR and local management practices support the new approach?</p> <p>1.4b: What organisational incentives or supports are available to staff involved in ECM?</p>

**C. Change in client obligations and sanctions:**

**Policy change:** Clients will be required to participate in a planning process and sanctions will be applied if, without a good and sufficient reason, clients do not participate in the planning process and demonstrate (on an annual basis) commitment to achieving goals and activities in their PDEPs.

**Intended outcome:** Clients will set personal goals (which initially may or may not include employment, but will ultimately seek to achieve this as a goal), and plans to achieve these goals will take account of clients' needs and circumstances, and clients will undertake activities as planned to progress towards their goals.

Assumption	Risk	Research Question
Case managers are able to accurately communicate the new obligations to clients.		1.1b: What information is made available to client about the policy reforms?
Clients understand the changes in their obligations.		2.1c: How do clients understand the sanction process?
Both clients and case managers have an agreed understanding of what constitutes failure to meet obligations.	Client and case manager disagree as to what constitutes 'failure to comply'.	1.3i: How do case managers see the sanctions: as a compliance measure or as a contradiction to the philosophy of ECM? 2.1c: Have clients experienced instances where the instigation of sanctions has been threatened to ensure their compliance?
Sanctions can be implemented as intended without difficulty.	Staff are reluctant to apply the sanctions because they feel the sanction process is too drawn out, and so do not instigate sanctions.	1.3i: How many sanctions are initiated and how many result in benefit reductions? 1.3i: To what extent do case managers decide not to proceed with the sanction process... and the reasons for this?
Sanctions do not undermine the relationship between client and case manager.	Staff are reluctant to apply the sanctions because they feel the sanction process undermines the relationships of trust between client and case manager.  Application of the sanction process does in fact negatively affect the relationship between client and case manager.	1.3i: How do case managers see the sanctions: as a compliance measure or as a contradiction to the philosophy of ECM? 2.1c: Do clients see sanctions as a contradiction to the ECM philosophy?

**D. Change in abatement rates for declared earnings**

**Policy change:** the rate at which benefit is abated through increased earnings is no longer based on the age of the youngest child.

**Intended outcomes:** More clients will move into part-time work as a result of the changes to the abatement rate. Over time this is expected to lead to a movement into full-time sustainable employment. The financial circumstances of clients will improve as a result of the moves into employment.

Assumption	Risk	Research Question
The improved financial returns available from part-time work (resulting from changes to the abatement rate) will encourage clients' to move into some form of part-time paid employment.		3.2b: Is there any relationship between changes in the abatement rates and the number/type of clients participating in part-time paid employment?
Case managers understand the benefits of the abatement changes and are able to communicate these to clients.	Clients do not understand the benefits of the single abatement regime, and how it affects them.	1.1b: What information is made available to client about the policy reforms?
Increases in the uptake of part-time paid employment leads to increased likelihood of moving into full-time paid employment.	Increased participation in part-time employment does not lead to increased entry into full-time employment	3.7g, following the assessment of the effect of the abatement rate on part-time employment is there a relationship between undertaking part-time work and moving into full-time employment?  3.8f: Is there a relationship between undertaking part-time employment while on benefit and remaining off benefit once in full-time employment?
	The abatement changes reduce the incentive to move into full time employment, and clients choose instead to remain on benefit and undertake part-time work	3.2 a, b: What changes occur in the number/type of clients participating in part-time work, and ... the effect of abatement rates on this?  3.8a What changes occur to the length of each benefit time period?
	Sole parents already in full-time paid employment move back onto benefit to take advantage of the financial returns available from working part-time.	3.8g Do the changes to abatement encourage ex-clients to return to benefit, and reduce paid employment from full-time to part-time?
	As a result of the risks (above) greater numbers of DPB/WB clients remain on benefit	3.7: What changes occurred in clients' likelihood of moving into paid employment following the reforms?  3.8: What changes occurred in clients' likelihood of remaining in paid employment following the reforms?

## E. Overall intent of the reforms

**Policy change:** the overall change of the reforms is to allow “DPB/WB clients to improve their readiness for employment” and move into sustainable paid employment as their parental responsibilities and individual circumstances allow.

**Intended outcomes:** DPB/WB clients will, over time, move into paid employment more quickly because their barriers and constraints are identified earlier, the support that clients receive will increase the likelihood that they move into employment that can be sustained, and fewer ex-clients will return to benefit as a result of their barriers/constraints being resolved or reduced.

Assumption	Risk	Research Question
Policy reform changes have their intended outcomes	The reforms does not alter clients' readiness for employment.	Overall conclusions from each evaluation objective.
Barriers and constraints are the key factors that prevent clients from moving into (and staying in) full-time paid employment earlier than they currently do.	A more holistic assessment and resolution of client needs (including the acknowledgment of parenting responsibilities) increases the average initial benefit duration.  'Internal' factors (eg beliefs about mixing paid employment and parenting, or motivation to enter employment) are the reasons clients remain on benefit, rather than the presence of barriers/constraints.  External factors (eg labour market) exercise a greater effect then case management on clients' ability to move into and remain in paid employment.	2.1a: Overall, do clients believe the ECM provides them with any benefits  3.7a: Prior to and following the reforms which client groups were more or less likely to leave benefit? What changes occur to the length of each benefit time period?  ... and rest of 3.7 questions  3.8a: Prior to and following the reforms which client groups were more or less likely to return to /remain off benefit?  ... and rest of 3.8 questions
Work and Income staff are able to identify clients' barriers and constraints, and provide or refer them to assistance that is effective in responding to these barriers/constraints.	Work and Income staff are unable to identify circumstances, barriers and constraints, and able to provide or refer clients to assistance that is effective in dealing with their barriers/constraints. Assistance and services received are ineffective in addressing their circumstances and reducing and removing barriers to employment because there are difficulties in accessing services, or even when accessible, the support is not sufficient to remove/reduce the problems.	2.1a: Do clients consider case managers as credible/useful points of support?  2.2: Do clients consider the ECM approach has acknowledged their parenting responsibilities  2.3: Do clients consider the ECM approach has improved their ability to care for their own/children's health? 2.4: Do clients consider their/children's ...social participation to have been positively effected by the reforms?
Failure to adequately address a client's barriers/constraints (prior to their moving into employment) is the reason that people return to benefit rather than factors encountered once off the benefit (and outside case manager control).	Pre-employment case management does not help reduce the probability of clients returning to benefit.  External factors exercise a greater effect on client's ability to move into and remain in paid employment.  The combination of risks results in an overall increase in client benefit duration rates.	3.7: What changes occurred in clients' likelihood of moving into paid employment following the reforms?  3.8: What changes occurred in clients' likelihood of remaining in paid employment following the reforms?

