



Building a More Effective Welfare System

BUILDING OUR FUTURE

MAY 2011

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A stronger focus on work

People are better off in work. Our Future Focus legislation increased incentives for beneficiaries to get into work, and further reform will address long-term welfare dependency.

We know it's important to get the balance right between support and obligations. That's why we've increased support where it's needed, backed young people into jobs, and boosted grants for vital community services.

Future Focus welfare reform

- **Getting the balance right.** Greater expectations on people to meet their obligations.
- **More work testing** to shift the focus to what people can do, not what they can't.
- **Unemployment beneficiaries must reapply after one year.**
- **Reassessment for sickness benefits** at more regular intervals.
- **Graduated sanctions** for non-compliance with work tests.
- **New hardship grant criteria** to encourage budgeting.

More support where it's needed

- **300 extra frontline Work and Income staff.**
- **Benefit abatement threshold increased** so beneficiaries keep more money from part-time work.
- **Inflation adjustments** to keep benefits in line with the CPI.
- **\$200m support package** for 63,400 Cantabrians.

Community Response Fund

- **\$55m granted through the Community Response Fund** to help local social services cope with the recession.
- **\$25 million extra in Budget 2011 for community social services.**
- **\$20 million to support Cantabrians rebuilding** their lives and communities.



Building Youth Opportunities

- **30,000 youth opportunities created.**
- **Job Ops Plus:** \$5000 subsidy for employers to hire low-skilled young people, now including a training component.
- **Limited Service Volunteers:** 6-week military-style training programmes to build confidence.
- **Skills for Growth** subsidy for employees working on the job towards NZQA qualifications.

Welfare Working Group

National established the Welfare Working Group to investigate solutions to long-term welfare dependency. We are carefully considering its recommendations and will respond later in the year.

NEXT STEPS: BUDGET 2011

- \$55 MILLION** Youth Employment Package over 4 years, giving opportunities to 13,000 young people.
- \$25 MILLION** extra for **community social services** through the Community Response Fund.
- \$15 MILLION** boost for **employment assistance programmes** to help more Kiwis into work.
- \$10 MILLION** to support **Cantabrians rebuilding their lives** and communities on top of \$10m already allocated.
- \$25 MILLION** extra to **expand Whanau Ora** over 4 years, with nationwide coverage.
- \$40 MILLION** set aside for the upfront costs associated with **Welfare Working Group recommendations.**