



FUTURE FOCUS Benefit Reform

National believes that those New Zealanders who can work should be working. Our Future Focus package aims to reform our welfare system by rebalancing obligations and support – to bring an unrelenting focus on work.

23 March 2010

NEW OBLIGATIONS	PURPOSE	DETAILS
Part-time Work Testing	Shift the focus to what people can do, not what they can't	<ul style="list-style-type: none"> Extend part-time work obligations to: <ul style="list-style-type: none"> - DPB recipients with youngest child over 6. - Sickness Beneficiaries assessed as able to work. Required to work at least 15 hrs a week.
Unemployment Benefit Reapplication	The long-term unemployed need active case management to get back to work	<ul style="list-style-type: none"> Beneficiaries must reapply after 12 months and have a comprehensive work assessment each time.
Graduated Sanctions	More flexibility will help sanctions to be applied when they should be	<ul style="list-style-type: none"> 50% benefit reduction for first failure of a work test. Simplify 100% suspension for ongoing non-compliance.
New Criteria for Hardship Grants	Encourage people to spend wisely when seeking extra help	<ul style="list-style-type: none"> Repeat applicants for one-off hardship payments will need to show how they are managing their money.
Reassessment for Sickness Benefits	Getting people back to work as soon as they are able	<ul style="list-style-type: none"> Shorten existing reassessment periods. Compulsory reassessment after 12 months.
Youth Training Requirement	Ensure young people are in education, work, or training	<ul style="list-style-type: none"> Young people on the Independent Youth Benefit required to be in education, work, or training.

NEW SUPPORT	PURPOSE	DETAILS
Boosting Abatement Levels	Increasing incentives to work part-time to gain work skills, and confidence	<ul style="list-style-type: none"> Allow those on DPB, Invalids Benefit, Widows Benefit, and non-qualified partners of Superannuitants and Veterans to earn extra without affecting benefit.
Legislated Inflation Adjustment	Beneficiaries need more certainty about their income	<ul style="list-style-type: none"> Legislate benefit increases in line with the Consumer Price Increase.
Training and Childcare Support	Support for sole parents in study and work	<ul style="list-style-type: none"> New \$500 loan per year to support sole parents on DPB to study full time at level 4 or above. Increase support for out-of-school care.

OTHER INITIATIVES	PURPOSE	DETAILS
Welfare Working Group	Advise the Government on ways to reduce long-term welfare dependency	<ul style="list-style-type: none"> Made up of expert social policy academics, and NGO and community representatives. Ensure welfare supports economic growth & fairness.

THE BOTTOM LINE

<p>Estimated cost of the package:</p> <p>\$88m OVER 4 YEARS</p> <ul style="list-style-type: none"> Mostly funded through savings from returning childcare assistance income thresholds to 2008 levels. 	<p>Possible savings:</p> <p>\$200m OVER 10 YEARS</p> <ul style="list-style-type: none"> If just 5 per cent of solo parents with youngest child over the age of 6 are assisted into work.
--	--