



# FUTURE FOCUS Benefit Reform

National believes that those New Zealanders who can work should be working. Our Future Focus package reforms our welfare system by rebalancing obligations and support - to bring an unrelenting focus on work. The reforms took effect on 27 September 2010.

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

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

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

## THE BOTTOM LINE

Estimated cost of the package: **\$88m**  
OVER 4 YEARS

- Mostly funded through savings from returning childcare assistance income thresholds to 2008 levels.

Possible savings: **\$200m**  
OVER 10 YEARS

- If just 5 per cent of solo parents with youngest child over the age of 6 are assisted into work.

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