



FUTURE FOCUS

23 March 2010

The National-led Government believes that those New Zealanders who can work should be working. The Future Focus package aims to reform benefits by rebalancing obligations and support – to bring an unrelenting focus on work.

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.• Those who qualify will be required to work at least 15 hours a week.
REAPPLY FOR UNEMPLOYMENT BENEFIT AFTER 1 YR	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">• Introduce a 50% benefit reduction as a sanction for the 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.• Occasional applicants get streamlined assessment.
RIGOROUS REASSESSMENT FOR SICKNESS BENEFITS	Getting people back to work as soon as they are able	<ul style="list-style-type: none">• Shorten the reassessment period to four weeks for the first two medical certificates.• 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 (CPI).• Previously, there was no guarantee that benefits would rise with CPI.
TRAINING SUPPORT	Support for sole parents who are studying	<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.
CHILDCARE SUPPORT	More childcare options for sole parents	<ul style="list-style-type: none">• \$4 million over three years to increase the number of OSCAR* providers and places for children.
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.

*OSCAR: Out of School Care And Recreation



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By the Numbers

23 March 2010

THE BOTTOM LINE

\$88m
OVER 4 YEARS

Estimated cost
of the package

- Mostly funded through savings from returning childcare assistance income thresholds to 2008 levels.
- For example: threshold for one child reduced from \$77,272 to \$72,800 for new applications.

\$100m
OVER 4 YEARS

Estimated
benefit savings

- Estimated savings from benefit payments.

\$200m
OVER 10 YEARS

Additional
possible savings

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

A SNAPSHOT: BENEFITS IN NEW ZEALAND

MAIN BENEFITS

\$4.8b
ESTIMATED SPEND

345,000
Beneficiaries

PLUS: ADDITIONAL SUPPORT 08/09

- \$254m** One-off Hardship Grant - 1,084,000 payments
- \$989m** Accommodation Supplement - 300,000 people
- \$390m** Disability Allowance - 250,000 people
- \$159m** Childcare Assistance - 35,000 subsidies
- \$16.5m** OSCAR* Subsidies - 11,000 subsidies

DPB: DOMESTIC PURPOSES BENEFIT

Longer-term, for those sole parents who need help to bring up children

\$1.53b
ANNUAL SPEND 08/09

97,000
Beneficiaries

43,000 have youngest child aged over 6

54,000 have youngest child aged under 6

UB: UNEMPLOYMENT BENEFIT

Short-term, for those temporarily unable to find work.

\$586m
ANNUAL SPEND 08/09

64,000
Beneficiaries

12,000 have been on Unemployment Benefit for more than a year

1,240 have been on Unemployment Benefit for more than 4 years

SB: SICKNESS BENEFIT

Short-term, for those who are temporarily unable to work due to illness or injury.

\$613m
ANNUAL SPEND 08/09

58,000
Beneficiaries

29,580 have been on Sickness Benefit for more than a year

9,000 medically assessed as capable of some part-time work or light duties

IB: INVALIDS BENEFIT

Long-term, for those unlikely to work in the next 2 years due to severe illness, injury, or disability.

\$1.26b
ANNUAL SPEND 08/09

85,000
Beneficiaries

Under Future Focus there will be no change for those with a serious incapacity to work, but rigorous eligibility criteria will apply to new applicants to ensure they get the right benefit.