



## Youth Focus

### Investing in Young People

These changes are part of National's next steps in our comprehensive reform of welfare.

The focus of these changes is on young people who are on a benefit or who are at risk of coming onto benefit.

Young people needing financial support from the Government will have an obligation to be in education and training.

Between 8,500 and 13,500 16&17 years olds are currently not in education employment or training and are on collision course with the benefit system. Around 90 per cent will end up on an adult benefit by age 18.

We're modernising the benefit system to best support young people who need financial support in the short term.

#### Key Facts

- IRD estimates there are 6,300 16-19 year old teen parents.
- On average they will spend seven out of 10 years on welfare.
- About a third of those currently on the Domestic Purposes Benefit (DPB) went onto a benefit as a teen parent.
- There are 2800 young people currently on a benefit:
  - ➔ 16 &17 year olds (including teen parents):
    - 1,191 on the Independent Youth Benefit
    - 505 on Emergency Maintenance Allowance.
  - ➔ Teen parents (18 year olds)
    - 957 on Domestic Purposes Benefit
    - 165 on Emergency Maintenance Allowance.

#### National's changes

##### For young people who require financial assistance

- Youth Support Providers will work with young people to help them get education and training.
- Young people will be required to attend their classes, budgeting and parenting courses and receive a \$10 a week incentive for doing so.
- Youth Support Providers will manage the young person's benefit payments with essential bills like rent and power directly, with an allowance and a payment card for living costs.
- Payment card will cover items such as food and clothing and will exclude alcohol and cigarettes.
- Guaranteed Childcare Assistance Payment, so childcare costs do not stop young parents from studying.

##### For young people who are at not in employment, education or training

- Sharing information between Education and Social Development Ministries to target school leavers - those most at risk of coming onto a benefit.
- Youth Support providers will work with young people providing mentoring, advice and support.
- Youth Service Providers incentivised to help young people into work, education or training.

#### Who is affected by our changes?

We'll work with up to **14,000** young people not in education, employment, or training, about **3,000** of whom are on welfare.

*These changes will be introduced to Parliament in March 2012 and will come into effect from July 2012.*