



THE GROWTH BUDGET

Lifting Economic Growth

**BUDGET
2025**

Hon Louise Upston
Minister for Social Development and Employment
22 May 2025

Parents to step up for unemployed teenagers

Parents rather than the state will be responsible for unemployed 18- and 19-year-olds who cannot support themselves under planned benefit changes announced in today's Budget.

"The purpose of the welfare system is to support those who need it the most," Social Development and Employment Minister Louise Upston says.

"Our Government is taking steps to make sure work or study is the focus for young people, rather than being on welfare.

"With this announcement, we're clearly saying that 18- and 19-year-olds who don't study or work and can't support themselves financially, should be supported by their parents or guardians, not by the taxpayer.

"That's why from July 2027, eligibility for Jobseeker Support and the Emergency Benefit will be tightened for single unemployed 18- and 19-year-olds by introducing a parental assistance test.

"Young people can't expect to go automatically onto a benefit, and parents must be ready to help. This change strengthens financial incentives to enter employment, education or training.

"Recent forecasts show that people under the age of 25 on Jobseeker Support will spend an average of 18 or more years on a benefit over their lifetimes – 49 per cent longer than in 2017.

"This is a human tragedy. We need to focus on the potential of one of New Zealand's most powerful assets – our young people, and that's why we are taking action.

"Our Government has already introduced more early intervention for young beneficiaries through a new phone-based employment case management service. We've got 2,100 more places for young people to get community job coaching, more regular work seminars, and a traffic light system to help them stay on track with their obligations.

"Young people who do require support from the Ministry of Social Development will still be able to access it. For instance, in some cases 18- or 19-year-olds may not be able to rely on

parental support. If they meet all other relevant eligibility criteria, they will be able to access some supports.

“People aged under 20 who are married, in a civil union or a de facto relationship will not be subject to a parental assistance test.

“This Government recognises that the welfare system should be available for those that need it. However, we aren’t willing to watch young people get stuck on the benefit.

“This change will contribute to the Government’s economic growth agenda, by ensuring New Zealand has a highly skilled workforce and maximises its human capital.

“Our Government does not accept that a life on welfare is as good as it gets for our young people. We expect that our young people will be in work or training,” Louise Upston says.