

Submission on A New Zealand Income Insurance Scheme

Your name and organisation

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| Name | Privacy of natural persons |
| Organisation (if applicable) | N/A |
| Contact details | Privacy of natural persons |

Other comments

I am really concerned that this insurance scheme is a significant departure from the principles of the welfare system that we have developed in NZ, i.e. one that can support anyone regardless of their status. I fully recognise that we need to reform the welfare system and make it work for everyone, not just a few. However this proposal is not going to aid that effort.

This scheme is only addressing the symptom of a larger issue and not the root cause. And in the instance that we had another pandemic, this scheme would not actually help those who were most affected - retail, hospitality, casual staff, migrant workers and women were more effected by the pandemic than others. But this scheme would benefit those on decent regular, predictable waged salary. It may also further exacerbate ethnic and gendered pay inequities.

I would prefer there to be a universal basic income funded through general taxation (with additional revenue streams added such as proper collection of corporate tax, progressive income tax brackets for high income earners and a wealth/ capital gains tax). This system could consolidate/replace existing benefit including those paid by ACC. It would be paid at a dignified living wage, with minimal conditions, and people would get the same amount regardless of it was through disability, injury or an economic disaster.

This scheme in the current proposed design feels very similar to benefit system through MSD, which is a heartless, and unkind system. It makes a lot of people feel terrible, degraded and worthless and doesn't serve them well enough, perpetuating the poverty cycle. Like the benefit system, this proposed scheme also includes sanctions. The fact that sanctions are proposed on people that won't have income shows quite a concerning lack of empathy and care for the very people this scheme is supposed to help. Where is the manaakitanga?

We need to make something that helps solve inequality at the same time as supporting people to transition - its all connected, and thats the proposal I wish we had of been given.

Also recent comments from the Minister of Finance on RNZ, make it sound like the Social insurance scheme has been decided. Which makes consultation seem like a joke, "He says the income insurance scheme will not come into effect until the end of 2023 at the earliest, so there are no costs being imposed on anyone in the meantime."

<https://www.rnz.co.nz/news/political/465503/we-have-to-be-careful-with-our-spending-robertson-says-govt-to-set-new-fiscal-rules>

