



NEW ZEALAND

BPW NEW ZEALAND

AFFILIATED TO THE INTERNATIONAL FEDERATION OF BUSINESS & PROFESSIONAL WOMEN

26 April 2022

Social Unemployment Insurance Tripartite Working Group
Ministry of Business, Innovation and Employment
PO Box 1473
Wellington 6145

E-mail: incomeinsurance@mbie.govt.nz

Dear Working Group,

Re: Submission on A New Zealand Income Insurance Scheme

Our interest in this consultation is because we are committed to empowering women and improving the quality of life for all women and girls globally, including in the socio-economic sphere. We believe a gender lens in policy making will result in more effective policy that addresses the continued gender inequality experienced by women and particularly for women who are indigenous, ethnic minorities, rural, and/or disabled. Our key points about the importance of a gender lens are:

- Women are experiencing disproportionate economic and social impacts of Covid-19¹
- The gender pay gap has remained static over the past decades, and ethnic pay gaps have increased²
- The percentage of female directors has stagnated (20% in 2017, 2.5% in 2018, 22.4% in 2019, 22.5% in 2020) and only a quarter of S&P/NZX 50 officers are female (an increase of only 2.5% in four years to 2020).³

Below our submission highlights feedback and recommendations regarding the proposed Income Insurance Scheme, including feedback directly from BPW NZ members.

¹ Building Resilience for Women - COVID-19 and Beyond, 12 April 2021, Manatū Wāhine Ministry for Women

² Ethnic and Gender Pay Reporting for Aotearoa / New Zealand, December 2021, Mind the Gap

³ Gender Diversity Statistics, NZX, 30 September 2020

Our Feedback

1. **Improving the lives of families:** BPW NZ recognises the proposed Scheme will offer protection for families when income earners experience hardship from redundancy or illness. It would offer families more resiliency and time for the income earner to retrain and or work toward better health, to the end of finding alternative employment.
2. The Aotearoa workforce expects to see considerable changes in coming years in respect of technological and climate change impacts, and this Scheme may better prepare income earners for change.
3. Some of our members agreed that this Scheme would address inequity between those who received income assistance from ACC when an accident caused incapacity versus those who become incapacitated through illness.
4. Several members felt that a universal basic income would be more equitable than this Scheme.
5. **The cost to women:** Some of our members expressed concern that this compulsory levy on individuals and businesses that may not give any benefit to them. Women are more likely to take breaks in their careers to be caregivers for children, partners, or parents. Women are more likely to work part-time and are less likely to have passive income through investment assets (which would provide a person with greater income resilience when affected by redundancy or illness). The scheme appears to benefit people in traditional employment, full-time roles with salaries.
6. **The cost for working poor:** Those working and living at or below the poverty line will be less likely to be able to sustain a 1.37% reduction in their income, nor a reduction when eligible for payments under the Scheme. The nature of this Scheme is that it exacerbates the inequality between those that earn above the median wage and are more likely to own their own house, for example. It is recognised that the 'have-nots' are more likely to be women, ethnic minorities, and refugees and migrants.
7. The continued housing crisis and recent inflation levels (rising cost of living) has increased the challenges for the working poor.
8. **Gender pay gap:** The Scheme exacerbates the impact of the gender and ethnic pay gap. When a socio-economic policy is based on an individual's income and does not address underlying inequality resulting from the gender pay gap, women continue to be worse off throughout their working lives and at retirement.
9. **Small businesses:** We are concerned about the additional burden of the Scheme's levy on small businesses, who are less likely to have the profit margins and resilience to support a 1.37% contribution.

Our Recommendations

10. Our recommendations address the challenges listed above:

- a. That the Working Group consider how the impact on small businesses might be mitigated:
 - i. Small businesses be excluded from contributing, or have a reduction in their contribution (e.g. 1%), which can be offset by large businesses contributing more (e.g. 1.5%)
 - ii. Business be eligible to apply for hardship reprieve when experiencing cashflow and profitability challenges over an extended period, say six months – the COVID-19 Support Payment is an example of temporary government support to businesses that experienced temporary hardship.
- b. The Working Group to consider whether the Scheme could include people who leave the workforce to care for others, whether children, elderly, or others, where they are not eligible for other government support.
- c. The Working Group to ensure other support for people leaving the workforce for the reasons not included in this scheme (parental leave, carer support, domestic purposes benefit – sole parent etc) is equitable to this Scheme.
- d. That the Working Group consider whether alternative structures might address socio-economic inequalities and better protect those more vulnerable:
 - i. No payment reduction for those with income at or below the current living wage; this cost can be met by an additional reduction for those with a salary above \$130,911, say 70%. The structure would look like:
 - \$0 to living wage: receive 100% of salary
 - Living wage to \$130,911: receive 80% of salary
 - \$130,912 and higher: receive 70% of salary
 - ii. In combination with above, an adjustment in the payment reduction for those with children and earning below the median or living wage
 - iii. In combination of above, an adjustment in the payment for those that don't own their own home and earning below the median or living wage
- e. The Working Group to consider how people in casual or seasonal work would be covered by the scheme (this was not clear to our membership).
- f. We urge the Working Group to commission research to better understand the expected make-up of contributors and users of the Scheme and ensure that one group of people (e.g. women, ethnic minorities, refugees and migrants, small businesses) will not be adversely impacted. This includes commissioning a gender study to understand whether the scheme would more likely benefit men and result in an under-utilised levy on women workers.

Our Policy

11. BPW NZ is made up of members and clubs throughout New Zealand. Most members are from regional centres or rural areas rather than major metropolitans. All our members are women, of a wide variety of working, education and personal backgrounds. Our membership is predominantly Pākehā (non-indigenous). Our members submit resolutions to our Annual General Meeting, which is voted on and if approved, adopted into policy. This informs and guides our national advocacy work. Policy is based on the professional expertise, personal experience and research of our members. We are a grassroots organisation.
12. BPW NZ sits on the New Zealand Women's Empowerment Principles Committee, which is about working with business leaders to empower women to participate fully in economic life across all sectors and throughout all levels of economic activity. WEPs offers signatories advice on how to report on implementation of each of the seven Women's Empowerment Principles.
13. Since 2018, BPW NZ agreed to work in collaboration with Local Government New Zealand (LGNZ), non-government organisations (NGO's) and businesses, towards the implementation of the Sustainable Development Goals (SDGs) as signed at Commission of the Status of Women (CSW), United Nations, New York, March 2015. From 2000 to 2015 the United Nations Millennium Development Goals (MDG) provided an important development framework and achieved success in areas such as reducing poverty and improving health and education in development countries. In 2015, the Sustainable Development Goals (SDG) goals expanded the scope of the MDGs and embraced a range of inter-connected dimensions of sustainable development, such as bringing together the public sector and the private sector.
 - a. Target 5.1 calls for an end to all forms of discrimination against all women and girls everywhere.
 - b. Target 5.4 calls for the recognition and value of unpaid and domestic work through the provision of public services, infrastructure and social protection policies and the promotion of shared responsibility within the household and the family as nationally appropriate.
 - c. Target 8.5 calls for equal pay for work of equal value.
14. To date, in New Zealand, there has been little, if any, public sector promotion of the SDGs. A recent report from the Auditor-General's 'The Government's preparedness to implement the sustainable development goals' includes seven essential recommendations critical to elevating New Zealand's focus on domestic measures to coordinate implementation of the SDGs. The report noted a lack of strategic integration, leadership and coherent implementation across government, business, and civil society towards achieving the SDGs.

Our Organisation

15. BPW NZ is an affiliate of BPW International. BPW International is one of the most influential international networks of business and professional women with affiliates in 95 countries in five continents.

16. Our organisation's aims are to link professional and businesswomen throughout the world, to provide support, to lobby for change and to promote the ongoing advancement of women. We work for equal opportunities and status for all women in economic, civil and political life and the removal of discrimination in all countries. We promote our aims and organise our operating structure without distinction as to race, language or religion.

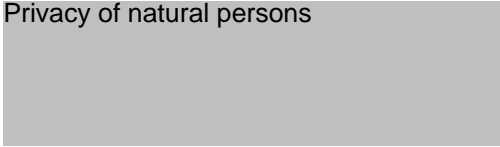
17. BPW International has General Consultative Status at the United Nations through the UN Economic & Social Council (ECOSOC). This enables BPW International to appoint official representatives to UN agencies worldwide and to accredit members to attend specific UN meetings.

18. BPW New Zealand speaks strongly for women in international forums and works hard in relation to the advancement of the status of women. We request the Ministry of Business Employment and Innovation consider the noted recommendations.

Thank you for the opportunity to provide our suggestions and we hope that our comments are of use. BPW NZ would like to be involved in more detailed stakeholder engagements and we would appreciate the opportunity to continue to offer a voice for women in your work. We ask that as much notice as possible is provided for invitations, this gives us time to engage with our membership and provide more informed input.

On behalf of New Zealand Federation of Business and Professional Women Inc.

Privacy of natural persons



Christine Berridge, President
BPW New Zealand