

Inclusive Greens New Zealand Income Insurance Scheme Submission

About the Inclusive greens

The Inclusive Greens are the Green Party's disability network, led by and for everyone within the Green Party who self-identifies as disabled or Deaf, including people living with chronic illness or mental illness or who are neurodiverse.

Many of us have lived experience relevant to the proposed income insurance scheme. Many of our members have lifelong disabilities and some have acquired conditions. Many if not most receive, or have received, welfare support.

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Opposition to NZIIS

In response to chapter 4, q1: Do you agree New Zealand should introduce an income insurance scheme for displacement and loss of work due to health conditions or disabilities?

No. The Inclusive Greens oppose the New Zealand Income Insurance Scheme (NZIIS) proposal as it causes and exacerbates inequities, including for disabled people. This submission sets out the reasons for our opposition. It includes alternative recommendations as well as recommendations for NZIIS if it goes ahead. References to additional questions are specified where relevant.

Income support

Income support is already grossly insufficient and inequitable for those in greatest need. This includes for [disabled people, who](#) disproportionately live in poverty and have about twice the unemployment rate compared to the general population.

Recommendation: The key solution to levelling the playing field is investing considerably in strengthening the welfare system so that it strives to eliminate poverty as rapidly as possible. The system should be underpinned by a guaranteed minimum income, with additional support available as needed (e.g. emergency grants, for families and for disabled people).

Questions from Chapter 5 Te Tiriti o Waitangi

Honouring Te Tiriti in our income and welfare systems requires a strengths-based, kaupapa Māori approach, genuine partnership and co-design.

Recommendation: The Government must ensure the governance and administration of all aspects of the welfare system, including NZIIS if it goes ahead, is capable of delivering

kaupapa Māori solutions and partnership with iwi, and that the culture and disability-related preferences of Māori disabled are honoured.

Disability support

The NZIIS will additionally exacerbate disability support inequity for many. ACC already fails to cover those whose disability was not caused through work-related injury, illness or accident. The NZIIS similarly does not cover those born disabled who are unable to work in paid employment, or whose work-impairing condition developed when they were not employed. While NZIIS theoretically covers employed disabled people "where they are 50% incapacitated from work for more than 4 weeks", this medical definition and arbitrary threshold is bound to burden disabled people with the need to prove such incapacity (chapter 8 q 51-54). This is a deficit-based approach which does not align with social and human rights-based models of disability. We do, however, agree, that employers should be required to make reasonable efforts to keep a job open where a return to work within six months is likely (chapter 8, q57-58).

Recommendation: Rather than creating an additional income insurance scheme, ACC should be expanded to cover healthcare for all those with disabilities or health conditions, regardless of cause, duration or date of onset. There should also be significant investment in the Enabling good Lives disability support system roll-out so that the support disabled people need to make choices and work towards our own goals has no relationship to our employment status.

Other ways NZIIS exacerbates inequities

NZIIS additionally exacerbates inequity by:

- Failing to acknowledge the role of unpaid care work, which is disproportionately done by women, in particular wāhine Māori.
- Being unclear on coverage for non-standard workers who face shrinking hours, and who are more likely to be made redundant, more likely to be low-income, young, Māori and women.
- Being informed by consultation regarding Te Tiriti but not designed with iwi and hapū, resulting in a lack of genuine Tiriti partnership.
- Failing to cover migrants, even though they are obliged to pay a levy towards the scheme (chapter 6 q27-28).
- Planning to follow the welfare system's existing approach to punitive sanctions which lead to wage-scaring rather than providing living incomes for all (chapter 7, q48)
- Disadvantaging those on the lowest incomes by having a flat levy, under which those on the lowest incomes may not receive any more support than they would through existing inadequate welfare provisions.
- Claiming to contribute to a just transition for workers while simultaneously exacerbating inequities as detailed above.

NZIIS further recommendations

As indicated, the Inclusive Greens strongly oppose the creation of the NZIIS. However, if the NZIIS goes ahead, we make the following recommendations:

- Welfare reform must come first, before further NZIIS system work is undertaken

- Ensure NZIIS governance and administration is capable of delivering kaupapa Māori solutions and partnership with iwi which also work for Māori disabled.
- Other impacted communities must be consulted, including disabled people, low-income, Pasifika, migrants.
- Disabled people and people with health conditions should have access to rehabilitation and work readiness support on their terms (chapter 10, q78). This means going at their pace and recognising their strengths as well as the need to adapt. In particular, they should not be forced to return to work, or to take up more work than they can currently manage, prematurely. Flexible options to return to work (eg. with reduced hours, via remote work) should always be available.
- Remove sanctions and obligations to provide unconditional support and a dignified approach (chapter 9, q60, 65-69; chapter 10, q83). The NZIIS currently proposes work obligations and sanctions which mirror those used by MSD. Work preparedness, case management and connection to labour markets will be helpful to many and should be available, but people should not be obligated to perform this out of fear of sanctions. The experience within the welfare system demonstrates that sanctions harm tāmariki, are costly to administer and corrode trust.
- Any NZIIS-generated profit should be reinvested in the welfare system
- Value and support care work by
 - Establish a 'workplace re-entry' eligibility criteria for those who are full-time caregivers but separate from their partners.
 - Extend NZIIS cover for those caring for a sick person or whānau
 - Expand eligibility for Paid Parental Leave to align with NZIIS. Extend the duration of payments to 13 months, ensuring equitable support for people who experience job displacement close to having a baby.
- Recognise the needs of families and those on the lowest incomes by
 - Establishing a sliding scale of payments, so that low-income whānau would receive 100% of previous income back under NZIIS, rather than 80%.
 - Introducing a levy-free threshold (chapter 11, q88). For example, those earning below the full-time minimum wage do not have to pay levies but still get NZIIS.
 - Pay for this by providing that the levy is taxed on all earned income above the threshold, not capped at \$130,911, as such reducing the maximum payments under the scheme for high income earners. (chapter 11, q89)
- Temporary visa opt in/opt out, Giving migrants the choice to have full eligibility or else not pay the levy.