



Social Unemployment Insurance Tripartite Working Group
Ministry of Business, Innovation and Employment
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Tēnā koe,

Please find attached a submission on behalf of the Institute of Community Psychologists Aotearoa (IComPA) on the proposed Income Insurance Scheme. We are more than happy to answer any further questions via the Institute Chair, Rebekah Graham.

Ngā mihi

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on behalf of the Institute of Community Psychologists Aotearoa

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About us

The Institute of Community Psychology Aotearoa (IComPA) is an Institute of the New Zealand Psychological Society (NZPsS). You can find us via www.psychology.org.nz We have in the region of 30 paid members and a wider subscribership of 250.

IComPA's mission is to promote the application of psychology and related knowledge to enhancing social and cultural justice within Aotearoa New Zealand.

We aim to promote developments within the profession and discipline of psychology that will enhance the status of Māori as tangata whenua; that will enhance the ability of ethnic and cultural communities to become self-determining in a manner consistent with Te Tiriti o Waitangi; promote the use of psychology and social science in the pursuit of social justice for individuals, groups and communities; promote high standards of competency and safe practice among practitioners of community psychology through (a) advising on training in community psychology (b) continuing education, workforce development and networking; promote knowledge of the discipline of community psychology; and to undertake activities consistent with the values and principles of community psychology. Our core values and principles are consistent with those of the Code of Ethics for Psychologists Working in Aotearoa New Zealand (2002).

Our submission: Summary

The Institute of Community Psychologists Aotearoa (IComPA) is broadly supportive of the intent of the proposed Income Insurance Scheme, which is to provide an additional safety net for workers. We value that there will be ongoing support for persons currently in paid employment. However, we do have concerns regarding the implementation of the scheme and who will be actively excluded. These concerns are outlined below across 4 areas: Working with ACC, Te Tiriti responsiveness, Training, Justifiable dismissal, and Inequality and poverty.

We appreciate the work that has gone into drafting such a scheme and are supportive of mechanisms to better support people. We are optimistic about a comprehensive collective insurance scheme in theory, but previous implementation of schemes such as ACC have been less than ideal. Access to such schemes appears to be determined by scarcity mentalities and influenced by vacillating political environments. There is concern that, as it stands, the proposed scheme will further entrench inequities and create a 'two-tier' system of support.

Lastly, while we note the comprehensive nature of the draft and the request for feedback, our Institute is purely volunteer-based. Subsequently, rather than provide detailed and referenced responses for each of the 94 questions across 17 pages, based on the 187 page report, we have instead compiled a high level overview of the key issues our Institute members have noted. We trust that this will be useful for the team and we are more than happy to answer any further questions via the Institute Chair, Rebekah Graham.

Submission detail

We have themed responses from members across 4 areas: Working with ACC, Te Tiriti responsiveness, Training, Justifiable dismissal, and Inequality and poverty. Each is summarised and bullet pointed in turn, with the aim of providing for easy reading and uptake of key points.

Working with ACC

Several of our members have experience in working for/with ACC, either on behalf of clients or with regards to funding psychological support in various ways.

Key concerns raised by community psychologists with regards to an ACC-style scheme are:

- ACC does not currently provide an equitable, accessible system, nor does it provide sustainable improvements for those who need them most.
- ACC has a long history of discriminatory practices when it comes to who does and who does not qualify.
- The current ACC scheme discriminates against those whose disability is not the result of an accident,
- Māori, Pacific peoples, and youth are known to not access their entitlements and are under-utilizers of ACC. It is unclear who what is being proposed will remedy this.
- How will ACC even look into if the dismissals were justifiable? Are they simply taking the word of the employer? There is a history of unjustified dismissal in certain sectors (e.g. hospitality) and the proposed scheme does not appear to effectively address this.
- How will the scheme boundary work in the insurance model; it appears there is a risk of litigating whether a person was dismissed unfairly or not? (I.e. employer says dismissed due to poor performance and therefore would not be entitled to scheme but person was bullied or treated unfairly in that workplace).
- ACC currently spends significant amounts of energy on defining the boundaries of the scheme. That is, defining how the needs are related to the injury and what does and does not qualify. This is not clear cut and tends to mean a biomedical view prevails even though we know the social and physical environments interact.
- This focus on boundaries and litigation also detracts from the core purpose which is rehabilitation, recovery, and finding new work.

There was also some comment on ACC and disability, namely that:

- ACC is an excellent scheme in theory (world-renowned for its principles of no-fault, equity and immediate access) but appalling in reality (due to human implementation of that theory from governance to flax roots)
- The ACC insurance scheme was established and embedded for injury-related impairment with the intention of folding in non-injury-related impairments at a later date, which never happened.
- People who have an impairment diagnosis that enables access to ACC funds tend to have a far superior experience than those persons who only access the public health system, with the biggest pain point being access to those funds via eligibility criteria.
- There is ongoing tension around 'who pays' for items for disabled children, and there is extraordinary stress in navigating this. For example, ACC funds teacher aide services for disabled children on a term by term basis, which is highly unhelpful for children (who require

stability of service and who typically need the same person delivering said service) and schools (who often need to plan and budget a year or more in advance).

Provider capability was also a key concern.

For example, ACC has been previously criticised for not providing robust enough rehabilitation before determining a person has the capability to work in a different occupation. There is limited capability in the current ACC provider pool with a vocational rehabilitation skill set, which may or may not be the case among current MSD-funded providers.

As one member states:

I do work for ACC at the moment and have some concerns about the capability of that workforce to deliver the kind of diverse case management that clients would require. Someone made redundant would have very different challenges and needs to someone who has a health condition or disability ... I hope that capability uplift among case management is a strong focus.

Te Tiriti responsiveness

The proposed income insurance scheme acknowledges the disadvantage for Māori and for those working in informal work settings, which is to be commended.

However, the document also states that Māori are under-represented in making claims to ACC and that *“the policies and programmes to Māori workers should be sourced from and informed by te ao Māori”* (p.50).

Subsequently, the questions we are left with are;

- Where are these programmes going to be found? Especially when Māori have a track record of not making claims to ACC?
- How is this scheme going to address income equity issues for Māori, women, or peoples who experience disabilities, or those who can barely manage on the minimum wage and need to work in more than one place?
- Capacity for Māori organisations to provide that type of input might be limited given their focus on so many other areas at present – what practical plans does the scheme have to address this?
- Is this scheme going to have a capacity and capability training pathway for Māori (and Pacific, disability, and other vulnerable groups) so that the workforce required to run this scheme covers all worldviews more representatively?
- The document talks about honouring the Treaty but it is unclear what this means in reality and what this looks like in practice - none of the organisations involved so far have a strong track record of Iwi or Hapū Māori engagement.
- How have Māori, specifically those in precarious roles and low incomes, been engaged with thus far?
- Will their voices be targeted in the design, delivery and evaluation of the scheme (we need to remember classism exists in Māori communities and if we engage at the iwi level we aren't always including the voice of our low income whanau or whanau disengaged from marae and hapū level activities)?

The last paragraph is a sweeping generalisation and more aspirational than anything, again, leaving us with several questions:

The way the scheme is governed, delivered and evaluated should recognise a partnership approach, ensuring Māori have real authority to develop and implement policies that address Māori needs and respect te ao Māori. This can be achieved through governance representation (including on the ACC Board and/or an advisory group to the Board); kaupapa Māori approaches to research, service delivery and evaluation; and seeking the perspectives of Māori claimants about service delivery.

- Do you have the internal competencies to achieve this?
- What strategies do you have in place to enhance any competency deficits to ensure staff are able to actualise Treaty Partnerships in the evaluation and research space?
- **How do you achieve kaupapa Māori evaluation and research if an AOG commissioning process is used and ACC are sponsoring it?**
- How will evaluation and research contracts be created and with whom? (For example, if it is to be kaupapa Māori evaluation we would expect funding to be put in the hands of kaupapa Māori organisations and/or hapū and iwi, and for these organisations to run the evaluation with support).

Justifiable dismissal?

The proposed scheme does not provide cover for people who are fired for "justifiable" reasons. Our concerns for this are as follows:

- (a) Employers do not always uphold employment law. Certain industries such as fruit picking, low-waged transient work, and hospitality, are known to have issues with employers not following fair dismissal processes. Employers sometimes behave poorly and exploit workers, and, when held to account, summarily dismiss the complainant. Challenging such dismissals can be a long, drawn-out process and not every person has the capacity to undertake this. There is potential for access to this scheme to be yet another way that unscrupulous employers leverage their power to exploit.
- (b) It is unclear what avenues there are for those workers who are either unfairly dismissed or who feel 'pushed out' of a workplace due to poor workplace practice (e.g. workplace bullying, sexual harassment, high stress levels leading to deteriorating mental health). Not every employee has the ability or capacity to lay a formal complaint prior to leaving, and there is risk that victims of harassment, for example, will be left worse off, having paid in to the scheme but who are then unable to access it.
- (c) Employees who have undiagnosed mental health challenges, and/or drug and alcohol addictions are particularly vulnerable to being (justifiably) fired. Such workers are amongst those who will pay into the scheme, but are most likely to turn up to work impaired and/or intoxicated. As it currently stands, such persons would be unable to access the scheme they paid into. If a worker turns up "shit faced drunk" due to alcohol addiction and gets justifiably fired, they should be able to access the scheme they paid into – and ideally get access to the types of psychological services and addiction programmes that would be useful for addressing the underlying issues and returning the person to work in healthier place.

Training

Several questions were raised regarding retraining:

- How will that work?
- Are there training options available in every town?
- How will they make sure that training is available?
- If people are expected to travel to different centres for training/retraining, away from their families, how will the travel, relocation, and living away from family be accommodated in the financial support offered?
- The examples given in the document tend to take the skills and training of people who have existing qualifications or own their own businesses – how will this scheme support people who have no qualifications and have been working in low paid, unskilled labour jobs??

Inequality and poverty

A key issue faced by the marginalised communities we work with is inequitable access to resources and material deprivation. It was not clear to us how the proposed insurance scheme will result in reductions in poverty and improvements in wellbeing outcomes for marginalised communities. It may be that this scheme does not address these issues but rather seeks to provide an additional ‘fence’ at the top of the cliff. This is a good thing! Nonetheless, we do not wish to support a scheme that erodes solidarity with marginalised communities and which puts less pressure on the government to lift income support/welfare as even the temporarily unemployed who were unemployed for “proper reasons” aka redundancy, would be spared our welfare system (i.e. is sparing middle incomes earners the despair of our welfare system).

The language used in the draft document used phrasing such as “non-compliance”, “work obligations”, and “genuine need” and exclusion from the scheme based on “no fault” redundancy. This type of language reflects the punitive style of exclusion utilised in Work & Income policies and MSD documents, which has led to people in need being denied access to their entitled supports and the demeaning of welfare recipients. Our collective experience tells us that such language is used to deny people support, and that this similar punitive style approach will be implement in the proposed scheme. Such an approach is not helpful in producing the types of return to work scenarios the scheme appears to be aiming for.

Lastly, with regards to equity, the levies will disproportionately affect those on lower incomes whose households already struggle to meet living costs. Perhaps if the scheme took levies from those on higher incomes and used them to fully subsidise those on the minimum wage that could address the equity imbalance.