

From: Privacy of
To: [IncomeInsurance](#)
Subject: Proposed Income Insurance Scheme
Date: Friday, 4 February 2022 9:26:07 am

On the topic of the proposed income insurance scheme, I am writing to respectfully provide some feedback.

I am in the strange circumstance of agreeing with both the Greens and Nationals criticism of this proposal. I am finding it hard to want to vote for Labour, although I may still. My concerns are shared with a number of my colleagues who have discussed this with me. My concerns are as follows:

- This is an increase in tax at a time when workers are squeezed already. Why is it that the bulk of tax collected is from income, when the bulk of wealth is made from owning capital (in NZ this means property)? I would think the party that is meant to be pro worker would act on this imbalance in the tax system.
- The scheme appears to be an overreach from a government that knows what's best for you. As well as a tax, it is a type of forced saving, does the government think that those earning even up to \$140k can't take personal responsibility to make a rainy day fund for themselves?
- It is far too generous, if you were made redundant you could live for 6 months without any belt tightening or drawing on savings, unless you were on a very low income. It is within most of our capacity to tighten the belt a little. Although I think the proposal is unneeded I could still vote for Labour if it was less generous and the tax was no more than half of what is currently proposed. Revised proposals could look like:
 - Replaced with a single redundancy payment of 1-2 months salary. If employers have to pay out a lump sum when they make you redundant they would think twice.
 - 60% of your salary for 4 months. People have the capacity to tighten the belt a little and draw on savings.
 - Payment and tax take is capped at incomes of \$80k rather than \$140k. Those earning more than this can take personal responsibility to save (or not, that is their choice.).

As an aside I approve of the massive funding of public transportation proposed in Auckland. However, I agree with the popular transport blog Greater Auckland that the \$15B light rail proposal is the worst of both worlds, too much cost for too little benefit. At P50 it is projected to cost \$3000 for every man, woman and child in NZ. The risk weighted average cost is almost certainly higher (as construction projects have a 'long tail' in costs, i.e. it will certainly not cost less than \$10B but it is possible it could cost more than \$25B). I certainly hope some of this is recouped with a value uplift tax.

I look forward to your reply.

Regards,
James Livingston