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AT THE HEART OF THE MATTER, NZ DRUG FOUNDATION.
Te Tūāpapa Tarukino o Aotearoa

NZ Drug Foundation submission on a New Zealand Income Insurance Scheme

Submitted to the Ministry of Business, Innovation & Employment on **26 April 2022**

The Drug Foundation is a charitable trust. We have been at the forefront of major alcohol and other drug debates for over 30 years, promoting healthy approaches to alcohol and other drugs for all New Zealanders.

Our mission is to transform the way Aotearoa New Zealand addresses drug issues. We influence this through our leadership, by supporting communities and inspiring action that promotes wellbeing, is mana enhancing and prevents drug harm.

Introduction

1. Thank you for the opportunity to respond to the consultation on a New Zealand Income Insurance Scheme (NZIIS), a proposal for better protecting workers and the economy.
2. We understand that the NZIIS will be used to:
    a) Provide financial support to Kiwis who lose their job through no fault of their own.
    b) Cover workers if they are made redundant, laid off, or when a health condition or disability means they must significantly reduce their work hours or stop working entirely.
    c) Support not only the workers directly affected but help communities and industries during economic shocks and transitions.
3. We are highly supportive of this insurance scheme and appreciate the proposal's recognition of how important work and economic security are in treating addictions.
4. Economic security is a human right. Employment status and economic security are important markers of health and wellbeing.
5. Some of the populations we are concerned about are often those who have been forced to live the most difficult of lives, facing poverty, health issues, and trauma including childhood abuse, family breakdowns or instability, foster care, institutional care (often including abuse and neglect) and parental death.
6. Finding solutions to enable them to live happy and fulfilling lives is not straightforward. However, the evidence is clear that problems from substance use can be prevented and reduced when people are healthy, living in a safe environment, and participating in employment or their community.
7. We outline specific areas below where we think the proposal could be improved to increase its impact. These include expanding the criteria to include addiction professionals to carry out assessments, broadening the health and disability conditions being covered to include a wider range of drug harm, allowing greater flexibility in how workers can claim the proposed six months of entitlement, removing the limit of 80 percent of salary for people on low incomes, and offering a lower rate (or employer-only) contributions for people on low incomes.
8. Recommendations are provided throughout the submission. A full list is also collated at the end of the document.

An income insurance scheme that considers the underlying context of addictions and addresses problems holistically is likely to be the most successful

9. The Drug Foundation advocates for holistic care for alcohol and drug use issues.
10. Addiction is often treated purely as a mental health diagnosis, but substance use is also linked to important physical health impacts (both acute injury and chronic harm), which require treatment. In addition, many (though not all) people who struggle with their drug use are some of our most marginalised people. They may have suffered multiple adversities and trauma, which has led to their current situation.
11. Statistically, some groups of people are significantly more affected by drug harm than others. Drug use prevalence is heavily affected by factors including where people live, age, gender, socio-economic status, disability status, and ethnicity.[i] These same factors can also make it harder for people to access appropriate services.

Health practitioners are only one part of the picture – mental health and addiction professionals are also important

12. Of the 8.9% of New Zealanders – roughly 100,000 people - who are at moderate or severe risk of problematic substance use, and who experience severe mental health symptoms, only around half receive alcohol or other drug support. Some seek out services but are unable to access them, due to cost, location, waiting lists or appropriateness of the services offered. Others do not even try to access services, often due to stigma they have experienced in the past, leading to a general distrust of the health system.
13. Many of these same people are already marginalised and consistently failed by the health system. They may have suffered adversity and trauma, which has led to their current situation. They often suffer from serious co-morbid physical and mental health conditions.
14. It is therefore essential that those experiencing substance use issues can easily access a wide range of services in the health, mental health, and addiction sectors. Connections to care need to be easy, whichever route a person comes through.
15. Care may be specialised - such as an alcohol support group – and the insurance scheme needs to cover the involvement of other health professionals to link people with the right form of assistance at the right time, rather than relying solely on health practitioners (GP, nurse practitioner or specialist) to lead and carry out assessments.
16. We recommend expanding the limited scope of health practitioners as lead persons in certifying the incapacitation to include use of other health professionals in mental health and addiction – such as substance addiction

practitioners registered by the Addiction Practitioners' Association Aotearoa-New Zealand (known as dapaanz) – to certify the work capacity assessments.

Ensure acute drug harm is covered under the criteria for job loss due to health conditions and disability

17. The insurance scheme does not specify if people requiring time off for recovering from acute drug harm will be covered under its criteria for job loss due to health conditions and disability. An example of acute drug harm may be a person suffering overdose after using opioids, or a person being seriously injured from using drugs, or suffering another health condition as a result of using drugs, which takes time to recover from. People suffering from acute drug harm use may not be necessarily addicted to drugs but may still require time off work because of drug use.
18. We recommend broadening the health and disability conditions being covered to be more inclusive of people who are suffering harm from drug use, including those with addictions. Inclusion of acute drug harm/diagnoses would cover the needs of people who lose work due to a health condition or disability beyond a formal diagnosis of addiction.

Build in more flexibility to make it easier for people suffering from drug harm to access the entitlement

19. We acknowledge the insurance scheme proposes allowing one six-month entitlement every 18 months, and the potential to spread this over multiple claims (using any unused entitlement), with the timeframe beginning from the initiation of the first claim.
20. Addiction treatment can stop and start and can take a long time. Treatment is severely underfunded in Aotearoa, with only half of those who may benefit from support able to access it. People face long waiting lists and struggle to access the support they need. Treatment is not always specific or consistent and people may need to change approaches or counsellors, rather than following a specific diagnostic model. Further, there may not necessarily be one person responsible for supervising the treatment journey.
21. We recommend allowing greater flexibility in how people can claim the proposed total of six months of entitlement within an 18-month period with a wider scope for those accessing treatment for addiction. This flexibility would recognise the challenges faced by people accessing addiction treatment and make it easier to for people to claim the entitlement.

Equity for people on low incomes is hugely important

22. Establishing an equitable insurance scheme requires considering socio-economic factors that may influence a person's health outcomes and access to treatment and ensuring the scheme is agile enough to respond to varied factors.
23. Socio-economic status is strongly correlated to type of substance use. Women living in the poorest neighbourhoods are 18 times more likely to use amphetamines (including methamphetamine) than women in the wealthiest neighbourhoods, for example. Those living in the poorest neighbourhoods are more than seven times more likely to smoke daily than those in the wealthiest.
24. A replacement rate of 80 percent of prior income may be more tolerable to those on higher incomes, however, people on lower incomes would struggle. We acknowledge the availability of supplementary assistance for people with low incomes, though the process for accessing this support can be difficult and lengthy, and may not cover the total cost of salary prior to displacement,
25. We recommend removing the limit of 80 percent of salary and allowing a bigger percentage of pay for people on low incomes or providing additional top-up payments for those on low incomes via Government subsidies.
26. Similarly, paying a levy of 1.39 percent would be a struggle for people with low incomes.
27. We recommend offering a lower rate (or employer-only) contributions for people on low incomes and considering a potentially higher rate for those on high incomes.

Final Recommendations

1. Expand the limited scope of health practitioners as lead persons in certifying incapacitation to include use of other health practitioners, such as addiction professionals to carry out assessments.

2. Include acute drug harm/diagnoses in the health and disability conditions being covered to be more inclusive of people who are suffering harm from drug use, including those with addictions.

3. Allow greater flexibility in how people can claim the total of six months of entitlement within an 18-month period by widening the scope for those accessing treatment for addiction.

4. Remove the limit of 80 percent of salary and allow a bigger percentage of pay for people on low incomes or provide additional top-up payments for those on low incomes via Government subsidies.

5. Offer a lower rate (or employer-only) contributions for people on low incomes and consider a potentially higher rate for those on high incomes.

Thank you for considering our submission.

Endnotes

[i] Ministry of Health (2021). Annual update of key results from the 2020/21 New Zealand Health Survey. Retrieved online.