

**From:** Privacy of [REDACTED]  
**To:** [IncomeInsurance](#)  
**Subject:** Submission from Poverty Action Waikato  
**Date:** Tuesday, 26 April 2022 2:56:40 pm

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Tēnā Koutou,

Thank you for the opportunity to make a submission on the proposed New Zealand Income Insurance Scheme.

Poverty Action Waikato is a network of organisations and individuals with a vision of flourishing communities, valuing hauora, social justice, equity, and diversity. Our mission is to be bold and courageous in pursuit of our vision, engaging with Te Tiriti O Waitangi and follow tikanga. Poverty Action Waikato aspires to do the following:

- Challenge neoliberalism
- Connect with individuals and communities
- Research and inform through stories and statistics
- Discuss and debate
- Advocate with community to decision makers and each other
- Encourage and support participatory democracy
- Model inclusive language, and
- Support one another respecting our unity and diversity

We do not support the Government's proposal to implement the proposed New Zealand Income Insurance Scheme for the following reasons:

- We believe that the scheme undermines Te Tiriti o Waitangi by creating further inequities between people who are in paid work and people who are not, and between people who are paid more and people who aren't. We tautoko the "Care for All" campaign that writes: "Under the Government's

current proposals support will be available to people based on their current income and work history. This means lower levels of support for those who have been earning less, including those in casual or seasonal work, and/or those with caring responsibilities. Because of who predominantly does this type of work, we know that it will be young, female, and Māori and Pacific people who will get the lowest payments from this long-awaited new scheme.”

- The welfare system should always ensure liveable incomes for all people living in Aotearoa New Zealand. If the Welfare System provided liveable incomes, the apparent need for Income Insurance would diminish because a robust safety net would exist for all of us. Liveable incomes support people to afford the basic necessities of life and to participate in society. The Fairer Futures campaign has updated the Welfare Expert Advisory Group modelling to demonstrate the current inadequacy of benefits in the provisions of liveable incomes. It is urgent work to ensure that our welfare system guarantees liveable incomes for all people in Aotearoa.
- Lifting benefits to Liveable Levels, as calculated by the recent Fairer Future’s campaign, is good for all workers.
- All people who lose their jobs in Aotearoa should be able to access a liveable income through the welfare system, alongside support and training if desired.
- The Welfare Expert Advisory Group supported the investigation of the individualisation of benefits. The individualisation of benefits, alongside increasing them to liveable income levels, would provide the safety net required for all people, including those whose paid work is precarious.
- We support the individualisation of benefits.
- A number of people are excluded from the benefits of the proposed Income Insurance Scheme including those with a life-long disability for whom paid work is not possible and those with unpaid caring responsibilities.
- The Income Insurance scheme creates divisions between those on a benefit and those in paid work. The scheme fails to recognise the unpaid and essential care work that many people, who access our welfare system, do in

our community.

- The issues faced by people who are paid low wages need to be addressed as a priority. This includes raising all wages to at least the Living Wage, the provision of accessible transport and the provision of worker support services.
- The insurance scheme is to be funded by levy, paid in part by workers. People who are on low incomes cannot afford this levy.
- If you lose your job through no fault of your own, the proposed insurance scheme promises that you will receive 80% of your income for up to seven months. Minimum wage workers cannot afford to live on 80% of their salary. The so-called benefits of the scheme, in terms of providing workers time to retrain and find suitable work, would not apply to people who have minimum wage jobs. Further, people on minimum wage rates stand to gain not much more than what the welfare system already offers with no extra levy.
- There is no clear evidence that income insurance schemes result in better employment outcomes. Better employment outcomes can be achieved by raising the minimum wage to a Living Wage and ensuring good work conditions.
- People whose work is in high demand in Aotearoa, such as nurses and teachers, benefit very little from this scheme because their chances of being laid off are very low. Yet the levy will cost them \$1500-\$2000 per year.

Thank you for considering our feedback.

Ngā mihi,

Dr Anna Casey-Cox

on behalf of Poverty Action Waikato

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