



TE RAU ORA

Strengthening Māori Health and Well-Being

Social Unemployment Insurance Tripartite Working group
Ministry of Business, Innovation & Employment
PO Box 1473
Wellington
26th April 2022

Tēnā koutou ngā Rangatira

Te Rau Ora Submission Re: NZ Income Insurance Scheme (NZIIS)

In principle the proposed NZ Income Insurance Scheme is a good one, as it intends to provide an insurance policy, which will pay benefits to employees who are incapacitated or for some reason are unable to work. By replacing a proportion of a worker's earned income that a brief or prolonged incapacity has interrupted will reduce the demand on other Government schemes (e.g. Ministry of Social Development).

However, the way in which the NZIIS is provided will require further consideration. For example, a Holistic Wellbeing Approach is recommended and not an Insurance Business model. There are substantive inequalities and inequities between Māori and non-Māori , and the Holistic Wellbeing Approach to the NZIIS would consider a holistic approach to each employee and their whānau .

The suggestion of the NZIIS of being supportive to those who wish to retrain or upskill during a period of paid absence from ones role is certainly an opportunity to explore educational and employment options, which we would support.

A specific Māori lens to the NZIIS will also be required, if Māori employees are to enrol in it, and the scheme is to be successful for Māori.

It is important to note that Māori compared to non-Māori carry a disproportionate burden of illness and injury across the whole domain of illness and injury related health losses. Whilst also recognising that Māori are over-represented in workplace statistics, due to the overrepresentation of Māori in high-risk primary industry and other sectors such as construction.

Insurance coverage can be confusing and tedious, evidence from the medical insurance field shows Māori cannot engage with Insurance, as we cannot afford it – we tend to prioritise putting our income into our homes and whānau. If the proposed NZIIS warrants a voluntary employee paid subsidy, it's unlikely it will be viewed as a priority by Māori employees. The Government will need to explore its own subsidies to counter this inequality.

The majority of Māori earn below-average income and generally face financial barriers to health care, and general living costs. Though all New Zealanders in similar situations will have similar experiences, we know Māori generally cannot afford any medical insurance coverage¹, let alone other types of insurance. Even when there are Government facilitated insurance schemes available,

¹ Hill, S., Sarfati, D., Robson, B., & Blakely, T. (2013). Indigenous inequalities in cancer: what role for health care?. *ANZ journal of surgery*, 83(1-2), 36-41.

Curtis, E., Harwood, M., Riddell, T., Robson, B., Harris, R., Mills, C., & Reid, P. (2010). Access and society as determinants of ischaemic heart disease in indigenous populations. *Heart, Lung, and Circulation*, 19(5-6), 316-324.

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Māori have not engaged as well as non-Māori². (for example, Māori represent only 12% of all ACC injury insurance claims in 2018).

With the rise of inflation in New Zealand, the impact of COVID 19, the workforce shortages, and though the unemployment rate seems lower than normal, people will be paid less. These factors will impact households with less disposable income being available making it significantly challenging at individual and whānau levels.

What could work?

There is evidence of Iwi and Māori initiatives that are working in New Zealand to offer Insurance schemes to Māori. We would recommend more collective Māori led options for this income insurance protection based on the evidence of McLeod & Lam (2021)³ who reviewed Māori Insurance options.

For example, There could be Collective Māori Employer Insurance options which would enable multiple Māori Organisations to provide insurance options to their employees under one policy, meaning that more competitive pricing and lower premiums can be negotiated due to risk pooling as well as the combined purchasing power of the Employer.

If collective Māori Employer options were available for Māori Organisations delivering health and social care services, this would lessen the burden on these employers, who are poorly funded and would provide opportunities for their workforces to be protected, should they be impacted by a Pandemic, extraordinary events or other where the workforce cannot work.

Other advantages to the collective approach can include subsidised policies or waived administration fees, more straightforward sign-up and approval processes, and additional individual or business insurance options.

Furthermore, having Māori or Iwi as facilitators of Insurance arrangements would be more beneficial for Māori and would encourage higher participation rates in insurance than might otherwise have been observed among Māori.

Noho ora mai

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Privacy of natural persons

² Wyeth, E. H., MacLennan, B., Lambert, M., Davie, G., Lilley, R., & Derrett, S. (2018). Predictors of work participation for Māori 3 months after injury. *Archives of Environmental & Occupational Health*, 73(2), 79-89.

³ McLeod, R., & Lam, V. (2021). Māori Financial Services Institutions and Arrangements.