

From: [Countdown Communications Team](#)
To: [IncomeInsurance](#)
Cc: [Countdown Communications Team](#)
Subject: New Zealand Income Insurance Scheme - submission from Woolworths NZ
Date: Tuesday, 26 April 2022 4:49:17 pm

Tēnā koē,

Thank you for the opportunity to comment on the proposed New Zealand Income Insurance Scheme (**NZIIIS**). This submission is from Woolworths New Zealand Limited (**WWNZ**). WWNZ owns and operates 186 Countdown supermarkets, employing more than 20,000 Kiwis. WWNZ is also the franchisor of 72 SuperValue and FreshChoice stores.

As one of the largest employers in the country, we take our responsibilities to our team members very seriously. Those team members are at the heart of our business and play an essential role in providing New Zealanders with food and groceries every day.

We also take our responsibility to provide meaningful employment seriously. We are fortunate to have the type of business where team members leaving us because of redundancy is rare, redeployment is always the first choice, and supporting career progression is key.

We agree it is timely for government, business and employees to discuss the best way to support New Zealanders who find themselves out of a job through no fault of their own. We agree that businesses should consider the impact of involuntary job loss and redundancy on their employees' future ability to secure meaningful employment. This is particularly relevant in industries or sectors where there is a greater level of risk of downturn (such as tourism, hospitality, publishing), or in industries, including ours, where factors such as automation are a possibility in the future.

On this later point, we have publicly committed as part of our 2025 Sustainability Goals that *“We will support teams identified at risk of future changes in how we work (e.g. automation) through the establishment of the Future of Work Fund providing access to tools and support to help them prepare for the future.”* Skills development and support to help our team members secure future employment are absolutely part of our consideration set.

While we understand the drivers behind the NZIIIS scheme, we do not support the proposal as currently drafted.

There are two main reasons for our position. First, our business very seldomly makes roles redundant, and if we do, we work incredibly hard to redeploy impacted team into other parts of the organisation. As such, the scheme would take much-needed earnings from our team members' take-home pay, to fund a

scheme that they will most likely never need, or ever see the benefit of, while employed by WWNZ. Our team members would, in effect, be subsidising other businesses or industries where redundancies are much more common.

Additionally, in the context of the current inflationary environment, we are incredibly conscious of the impact of rising and/or new costs to our business on food and grocery prices. Whether it's specific cost increases such as fuel, transport, freight, and commodity prices, or whether it's longer-term increased costs such as additional sick leave entitlements, waste levy increases, proposed Container Return Scheme costs, or the potential for increased costs because of the impact of Fair Pay Agreements, it's impossible to view one initiative or one factor in isolation in terms to what Kiwis are seeing on their till receipt.

We employ more than 20,000 people across New Zealand in our Countdown stores, supply chain and support roles. Since 2019, less than 400 people have left our business due to involuntary reasons such as their role becoming redundant. In addition to this, at the beginning of this year, just over 330 people also had their employment terminated with us due to non-compliance with our COVID-19 Vaccination Policy.

We make this point to highlight that when roles are no longer required in our business, we always prefer to support our team members to continue their careers with us. When we have been in a position to have to close a supermarket for example, we have generally been able to redeploy almost every impacted person to other roles.

Where redeployment isn't possible or wanted, WWNZ has historically provided specific redundancy compensation related to a person's role and tenure. This is funded and paid for by WWNZ.

Commercial Information



If the NZIIS be established, there would need to be considerable work undertaken to understand how it will coexist with, or complement business' own redundancy policies.

Self management

Should the proposed NZIIS be established, we believe there should be a provision for employers to be able to manage their own redundancy provisions. In doing so, businesses could still meet the government's overarching desire to help people back to meaningful employment, but employees (in businesses like ours) would not be burdened with needing to pay for a scheme they are very unlikely to need while they work for us. This could operate in a similar manner to the ACC

Accredited Employers Programme.

Thank you again for the opportunity to provide feedback on the NZIIS Discussion Document.

Ngā mihi nui,

Woolworths NZ



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