



BRIEFING

Cabinet paper for Ministerial consultation: Update on proposed New Zealand income insurance scheme

Date:	27 January 2022	Priority:	High
Security classification:	In Confidence	Tracking number:	2122-2445

Action sought		
	Action sought	Deadline
Hon Grant Robertson Minister of Finance	Circulate the draft Cabinet paper to your ministerial colleagues for feedback and comment	1 February 2022
Hon Carmel Sepuloni Minister for Social Development and Employment	Discuss any amendments to the Cabinet paper with officials	2 February 2022
Hon Michael Wood Minister for Workplace Relations and Safety	Lodge the Cabinet paper for consideration at the Cabinet Economic Development Committee meeting, on Wednesday 9 February 2022	3 February 2022

Contact for telephone discussion (if required)			
Name	Position	Telephone	1st contact
Jivan Grewal	Policy Director, Employment, Skills and Immigration Policy	Privacy of natural persons	✓
Andrew Marshall	Principal Advisor, Social Unemployment Insurance Working Group		

The following departments/agencies have been consulted
ACC, IRD, MSD, Treasury, DPMC

Minister's office to complete:

- | | |
|---|--|
| <input type="checkbox"/> Approved | <input type="checkbox"/> Declined |
| <input type="checkbox"/> Noted | <input type="checkbox"/> Needs change |
| <input type="checkbox"/> Seen | <input type="checkbox"/> Overtaken by Events |
| <input type="checkbox"/> See Minister's Notes | <input type="checkbox"/> Withdrawn |

Comments



BRIEFING

Cabinet paper for Ministerial consultation: Update on proposed New Zealand income insurance scheme

Date:	27 January 2022	Priority:	High
Security classification:	In Confidence	Tracking number:	2122-2445

Purpose

This paper proposes Ministerial consultation on a draft Cabinet paper setting out a revised timeline for key decisions on a social insurance scheme and seeking approval for additional pre-implementation funding for ACC to reduce the risks in implementing a scheme.

Recommended action

The Ministry of Business, Innovation and Employment recommends that you:

- a. **Circulate** the draft Cabinet paper to your Ministerial colleagues, for comment and feedback, with comments provided by 1 February

Agree/Disagree

- b. **Discuss** any amendments to the draft paper, with officials, by 2 February

Agree / Disagree

- c. **Note** that the Cabinet paper must be lodged with the Cabinet Office by 10.00am, 3 February 2022, to be considered by the Cabinet Economic Development Committee on 9 February 2022

Agree/Disagree

Privacy of natural persons

Jivan Grewal
Policy Director, Employment, Skills and Immigration Policy
MBIE

..... / /

Hon Grant Robertson
Minister of Finance

..... / /

Hon Carmel Sepuloni
Minister for Social Development and Employment

..... / /

Hon Michael Wood
Minister for Workplace Relations and Safety

..... / /

Background

1. On 2 February, in partnership with the Council of Trade Unions and Business New Zealand, the Government publishes a tripartite discussion document, and begins public engagement, on a proposed social insurance scheme for New Zealand (the scheme). Consultation will close on 26 April. The opening of consultation was delayed, from 2021, as a result of COVID – 19.
2. The attached draft Cabinet paper for Ministerial consultation sets out a revised timeline to ensure Ministers have a roadmap of key decisions that will need to be made, in order to allow implementation work to begin from May 2022, assuming a decision to proceed. This timeline would ensure any scheme that proceeds is in operation in December 2023.
3. The revised timeline has been drafted on the basis of consultation going live on 2 February. The timeline remains ambitious, and the draft paper sets out several steps that officials propose to expedite decisions and implementation of a scheme once consultation on the tripartite discussion document closes.
4. The draft Cabinet paper also seeks approval for additional pre-implementation funding for ACC. Overall, the timing and funding proposals, if agreed, will lower implementation risks.

Consultation and pro-active release

5. ACC has been consulted on the contents of the draft paper. IRD, MSD, Treasury and DPMC have also been consulted.
6. We propose pro-active release of this Cabinet paper, after it has been considered, and with the agreement of Ministers. This release would occur after the tripartite discussion document has been released. Redactions would be made in-line with the Official Information Act 1982.
7. No other announcements are envisaged as a result of this Cabinet paper.

Next steps

8. Subject to your agreement to the draft Cabinet paper, we recommend you circulate the paper to your ministerial colleagues for comment, and seek their comments and feedback by 1 February 2022
9. We will update the Cabinet paper to reflect this feedback.
10. For the Cabinet paper to be considered at the Cabinet Economic Development Committee (DEV) meeting on 9 February 2022, it must be lodged with the Cabinet Office by 10.00am, Friday 3 February 2022.

Annexes

Annex One: Draft Cabinet paper: Update on proposed New Zealand income insurance scheme

