



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
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New Zealand Income Insurance: Summary of Engagement

Part 1: Executive Summary

A discussion document on the proposal to establish a New Zealand Income Insurance Scheme was released for public consultation on 2 February 2022, with submissions due on 26 April 2022. Officials also held engagement meetings, and an online survey was conducted.

This report provides a summary of the key themes from the consultation.

The project received 255 submissions, 1819 survey responses and held around 50 meetings with stakeholders. These meetings included stakeholders from the following sectors:

- iwi/Māori
- businesses and employers
- the health and disability sector (including health practitioners),
- disabled people
- private insurers
- academics and economists, and
- social and employment service providers.

Around two-thirds of submitters and respondents opposed the proposal to introduce New Zealand Income Insurance. Common concerns submitters and respondents identified include:

- the levy will have a material impact for low-income workers
- the levy and bridging payments are unaffordable for small business
- the scheme helps mid- and high-wage earners at the expense of more vulnerable workers
- a preference for alternative options, such as implementing the recommendations of the Welfare Expert Advisory Group, expanding ACC cover to sickness and disability, introducing statutory redundancy, and
- making KiwiSaver more accessible in cases of job loss.

Around one third of submitters and respondents expressed support for the proposal to introduce New Zealand Income Insurance. Common reasons given in support by submitters and respondent include:

- the lack of statutory redundancy in New Zealand
- relatively low and closely targeted welfare support
- the current disparity between support for those unable to work due to an accident and those who fall ill.

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Part 2: Public consultation on establishing a New Zealand Income Insurance Scheme

Introduction

A discussion document on the proposal to establish a New Zealand Income Insurance Scheme was released for public consultation on 2 February 2022, with submissions due on 26 April 2022. Views were also sought through targeted engagement meetings and a short survey. This report provides a summary of the key themes from the consultation.

The project received 255 submissions, 1819 survey responses and held around 50 meetings with stakeholders.

The format and content of the questions were different between the survey and submission template, as the former was based on the summary booklet and the latter on the full discussion document.

As none of the questions were mandatory, sample sizes vary between questions. It is important to remember that this was an 'opt in' process and we are not able to gauge how representative the responses are of the New Zealand population.

Submissions

Individuals, businesses, interest groups, experts and unions made submissions on the proposed NZIIS. The discussion document outlined each design feature of the scheme and asked open ended questions on the options and proposals. Submitters were asked for their views on each specific design feature. None of the questions were compulsory. Some submitters only answered a few questions that most concerned them.

Submissions were received from 51 businesses, 70 interest groups, 110 individuals, 11 experts, 10 unions and 3 others.

Survey Responses

The consultation survey provided another channel for commenting on the proposed NZIIS. The format and content of the questions was based on the summary booklet rather than the full discussion document.

The survey consisted of closed and open-ended questions. None of the questions were compulsory. 94% of survey respondents were from individuals. A breakdown of survey respondents by self-declared employment status, gender, ethnicity and age is set out in Annex Three.

Targeted Engagement

Officials held over 50 engagement meetings face to face (or virtually) with key stakeholders to gather feedback on the NZIIS proposal, including:

- Māori/iwi
- Employers
- Financial sector/ economists
- Health and disability sector

- Vocational education
- Community organisations.

Limitations

It should be noted that the number of survey responses and submissions received was relatively low, given the significance of this proposal.

Part 3: Themes from Consultation

This section sets out key themes that have emerged from the overall public consultation, drawing on feedback provided through submissions, survey responses and targeted engagement.

There is broad support for the objectives that the income insurance scheme seeks to achieve

The three objectives of the scheme are to:

- minimise the immediate financial impact of losing income and work for workers and their families
- support workers back to good jobs
- support the economy to adjust more rapidly to shocks or downturns.

Results from the survey, submissions and targeted engagement meetings showed general support for the scheme's objectives, even if respondents opposed the proposed scheme.

The aim of helping workers back to good jobs was particularly supported. 45% of survey respondents felt that it was either quite important or very important to have the support to learn new skills when their current skills are not needed. A union commented that the scheme *"will close a big gap in our social safety net for workers who lose their jobs or have to reduce their hours because of redundancy, illness or disability."*

58% of survey respondents agreed that it is important to allow people to take time to deal with a health condition or disability. This theme was also emphasised in submissions with another individual noting *"we know mental health is the number one cause of unplanned absence, and I am sure it has a prominent cause for job loss"*.

There was also some support that the scheme's objectives could help businesses. 45% of survey respondents felt it was important to help businesses find workers with the skills they need, and 43% of respondents felt achieving the scheme's objectives would improve their confidence to join businesses in new sectors and industries. One submitter noted that *"I fully agree that the financial and social impact on job loss for whatever reason has a knock-on effect on the local and national economy. A proactive and meaningful approach by government should prove to be positive."*

Around two-thirds of submitters and respondents opposed the proposal to introduce New Zealand income insurance

Overall, over 60% of survey respondents did not support the introduction of an income insurance scheme. Among those opposing the scheme, general feedback was that the scheme is an unaffordable and an unnecessary cost that will add inflationary pressures to the New Zealand economy at a time where firms and households are struggling.

Many submitters opposed to the scheme expressed uncertainty about the case for the scheme – citing limitations evidence that an income insurance scheme lasting six months would help to avoid the loss in wages that people often experience following a redundancy (wage scarring).

A number of submitters also called for a more extensive discussion of alternative options, such as implementing the recommendations of the Welfare Expert Advisory Group, expanding ACC cover to sickness and disability, introducing a statutory redundancy scheme, or changing KiwiSaver to be more accessible in cases of job loss.

Around one third of submitters and respondents expressed support for the proposal to introduce New Zealand Income Insurance

Approximately one-third of survey respondents and submitters expressed support for the scheme in general, for reasons including the lack of a statutory redundancy provision in Aotearoa New Zealand and the current disparity between support for those unable to work due to an accident and those who fall ill. An individual shared how the scheme could have benefitted them in the past, *“(the proposed scheme) would have really helped in late 90s, I was laid off from my wharfie job - that scheme would have saved me from selling my house and bugging off overseas; being pissed off with society. Would have changed my whole life if it was implemented.”*

Another interest group considered the proposal to be *“a good move as it addresses the inequity between injury and non-injury HCD.”*

Submissions from unions were particularly supportive of the introduction of an insurance scheme, with one union submitting: *“if designed well the scheme will facilitate a continuous and reinforcing cycle of improvement to both the lives of individuals who partake in the scheme and improve the outcomes in society and our economy as a whole”*. Another union shared this view, noting that *“the proposed scheme has the potential to improve the wellbeing of communities and whānau by offering protections for ‘displaced workers’ who lose employment through being made redundant, laid off, or who must stop working for health or disability reasons.”*

Under half of survey respondents thought it was important to have an insurance scheme that provides financial support to allow people to find a good new job that matches their skills or learn new skills when their current skills are not needed. 37% of people thought it was very important that New Zealand has an income insurance scheme that provides financial support to allow people to take time to deal with a health condition or disability. 21% thought it was

quite important, 14% thought it was not that important, and 27% thought it was not at all important.

However, some submitters were concerned at the lack of coverage for those who stop working to care for others, or who leave work due to bullying or harassment – noting these were also not the fault of the worker. One submitter commented *“Sometimes workers may feel bullied into resigning from a position, or feel that a job is worsening their mental or physical health and in this case I would support these workers being provided government assistance.”*

There were mixed views on scheme duration

The current proposal as set out in the discussion document, has a scheme duration of six months, plus a one month bridging payment.

44% of survey respondents considered the scheme duration to be too long or far too long. There were concerns that six months away from employment could increase disconnection from the workforce. An interest group noted in their submission that *“the proposal as it stands allows for up to seven months of payment for an individual to secure a new job. Three months would be more than generous.”*

36% of survey respondents felt six months (plus a one month bridging payment) is “about right”. A private sector union argued six months would be an improvement to standard redundancy payments because *“redundancy payments are lump sums. This means that they get taxed at close to 40% and the remainder can disappear paying for bills quickly. Social insurance would be regular payments guaranteed for 6 months, allowing some breathing space for families to plan together.”*

At the same time, a small portion of survey respondents (12%) consider that six months is too short or far too short, with feedback that six months is not long enough to retrain or undergo rehabilitation. One submitter noted that young people rapidly switch between low-income jobs, so would benefit from a longer scheme. This is compared to skilled workers where six months may be sufficient.

Targeted engagement with stakeholders and the submissions analysis showed some strong views that the scheme should be at least 12 months long because of the time it takes to retrain or complete rehabilitation. An individual stated that the scheme *“should be a minimum of 12 months, especially when we have lofty aims like future of work where we see more disruptions and retraining needs”*. This was also reinforced in the survey, noting that claimants’ needs vary significantly from person to person, so may need at least a year on the scheme to retrain in their desired area of work or to complete their rehabilitation.

Another suggestion was to introduce step downs- to reduce entitlement below 80% once a claimant has been on the scheme for longer than six months. Respondents acknowledged that it could create perverse incentives. A business owner suggested that *“the base entitlement period should be at the shorter end of the spectrum. The reason for this is that displaced employees ought to be incentivised to return to the labour market, rather than remain unemployed receiving significant benefits.”*

Submitter respondents who felt six months was too short were supportive of extensions for approved vocational rehabilitation or training, especially in times of economic uncertainty. It was noted that extensions should be granted on a case-by-case basis rather than a generic extension time frame. An interest group however, noted that *“extendibility could create difficult issues and would need careful design”*.

There was some support for the proposed replacement rate

The discussion document proposed a replacement rate set at 80% of previous income with a maximum cap of \$130,911 (in line with ACC payments). 41% of survey responses agreed with the proposed replacement rate, and a similar number (39%) of submissions also agreed with the replacement rate. There was support for having a consistent replacement rate across both the AC scheme and NZIIS. A business noted that *“particularly given that the accident compensation scheme has a similar purpose and design to the Scheme, we consider it is important that the replacement rate is consistent across both schemes.”* An academic also agreed *“I agree with all the preferred options, and particularly support the notion that this should match the ACC scheme.”*

However, 31% of submitters felt that 80% is too high of a replacement rate and considered the impact on low-income earners. An individual commented that the proposed replacement is *“deeply regressive. 80% is far too much to be paying high-income earners, and not enough for low-income earners to survive.”*

There were suggestions of having a lower replacement rate for a longer duration of time or introducing step downs when the replacement rate decreases over the time. An individual noted *“I would trade off a lower replacement rate like 70% for a longer coverage period. Also consider tiered cover say first six months at 80%, 6-12 months at 70%.”*

There were also arguments that the replacement rate is too low, and should instead be 100%, particularly for health conditions and disabilities. One individual suggested that the *“replacement rate should be 100% - No one chooses to become ill and it is unfair to put them in a worse financial position when they should be focussing on recovery.”* 7% of survey respondents also felt that the proposed scheme duration is too low.

Māori respondents welcomed efforts to acknowledge and honour te Tiriti o Waitangi, but some questioned whether the proposals went far enough

Māori organisations and individuals noted the recognition of te Tiriti o Waitangi in the discussion document and welcomed efforts on the design of the scheme to cover vulnerable working arrangements where Māori are over-represented. An interest group from targeted engagement suggested for health conditions and disabilities to *“recognise Te Whare Tapa Wha and all it encompasses, recognise and work with Māori Health Clinics, ensure that iwi representatives have positions of power and decision-making within the scheme hierarchy”*.

However, some submitters felt the scheme did not demonstrate a kaupapa designed by Māori which was necessary to fully honour te Tiriti. In that vein, some suggested the scheme should also reflect *wairua* as a dimension of wellbeing. Feedback also underscored the importance of the scheme offering Māori-led services to support tangata whenua. A respondent noted that *“the scheme’s design should reflect the right for Māori to be Māori and*

to exercise self-determination over their lives and to live on Māori terms according to Māori philosophies, values and tikanga.”

It was also noted in a submission that the scheme could be a difficult concept because “insurance” is not necessarily a word that is referenced in Te Ao Māori.

There was support for including a wide range of working arrangements, with an acknowledgement of the complexity of including non-standard working arrangements

The survey responses showed support for including permanent full time (68%) and permanent part-time workers (56%) in the scheme. There was some support for covering non-standard workers, but targeted engagement acknowledged the complexity of doing so.

Half of survey respondents preferred to exclude non-standard workers such as casual, seasonal or fixed term workers (which were asked in separate questions). Many submitters noted the practical challenges of covering these working arrangements. The discussion document proposed taking an established pattern of work, but an interest group has concerns that *“this will be an additional cost which some seasonal workers would not benefit from, and extra compliance costs”*.

In most targeted engagements officials held, there was acknowledgement that covering non-standard work arrangements for redundancy is challenging, especially self-employment. However, an individual noted that the self-employed are *“already very vulnerable and need more help”*. Feedback on the inclusion of non-standard work is mixed and suggestions have been made to enable an opt-in to NZIIS or to create bespoke options similar to ACC’s CoverPlus Extra product.

There were also concerns that not covering workers in precarious working arrangements, part time or irregular work hours could be discriminatory against women and Māori. One individual noted *“if we don’t cover those people a) we’re disproportionately harming women or people under-represented in the workforce (esp people with disabilities who can accommodate themselves better than a traditional employer) and b) it’s once again creating 2 tiers of people in society”*.

There were also views that casual workers should not be covered by the scheme due to the nature of a casual working arrangement. A recruitment agency views that *“casual employment does not belong in the Income Insurance Scheme. Individuals who are hired on a casual basis are used to fill intermittent and irregular gaps in the workforce. They have no guaranteed hours of work, no regular pattern of work and no ongoing expectation of employment”*.

Some respondents were concerned about levying temporary migrant workers without providing coverage

Although more than half of survey respondents agreed that only NZ citizens and residents should be eligible for the scheme, a strong theme in submitter feedback was the concern over the unfairness of requiring migrants to pay levies without being entitled to coverage. 61 people made submissions on this proposal, and 41% of these submitters strongly disagreed with this proposal.

21% of survey respondents disagreed with limiting coverage to citizens and residents and excluding temporary migrants from the scheme. Submitters expressed their concerns, with one noting that this is *“ethically unsound”*. Another submitter noted that migrant workers do not always come from advantaged backgrounds, and the portion of their salary taken from the scheme could create hardship for families: *“everyone is aware that the current situation in New Zealand tends to see seasonal workers taken advantage of.”*

An expert suggested an alternative could be a *“claim-back process for people leaving the country where they can claim back what they paid as an employee”*. Another alternative suggestion included not levying migrant workers as *“those workers who are not NZ Citizens may be contributing for a significant period of time (such as visa holders - particularly those on skill shortage visas) but receive no benefits as a result”*.

There was moderate support for a minimum contribution history

The discussion document proposed a minimum contribution history of six months over an 18-month period.

Public consultation revealed moderate support for requiring a minimum level of contribution prior to eligibility. 52% of survey respondents and 50% of submitters agreed with this proposal. One union supported this approach, noting that *“workers who cycle through short term low paid work (most likely to be younger workers) and part time work (most likely to be women) will still be able to be covered. This is a significant improvement on the design of many of the European social insurance schemes”*.

There were also strong views that the requirement to have contributed to the scheme for six of the preceding 18 months would disadvantage particular groups or more vulnerable workers such as Māori, Pacific people and women. An interest group stated that *“...workers who take breaks from work to care unpaid for others (more likely to be women and/or Māori) will not be covered...Make the scheme universal”*. The consultation also revealed concern that some would struggle to meet the minimum requirement, especially those already facing disadvantage. Others noted that neither private insurance schemes, nor the accident compensation scheme require minimum contributions periods.

Suggestions were made to remove this requirement or lower the contribution history. One suggestion was a contribution history of six months over three years to allow for those who need to travel overseas for work, or for those who have to exit the labour market temporarily (eg maternity leave), would still be eligible.

There were also contrasting views that contribution histories are essential, and the proposed requirement is low compared to OECD standards. An academic noted that *“contribution*

requirements are a necessity for funding, without one could eventually be reflected in the higher levies”.

One submitter suggested retaining the proposed minimum contribution period at six months but reduce the entitlement period under the scheme for those who have contributed for less than 12 months.

Some respondents struggled to understand how employers could benefit

Submissions and survey responses showed that employers were significantly more negative in response to the scheme. However, it should be noted, that there was a larger proportion of individual employees (68%) who responded to the survey, than individual employers (14%).

Many businesses opposed the scheme, while a few supported its partial introduction – either to extend ACC cover to other health conditions or disabilities, or argued it should be for displacement only, as arguments for socialising the cost of HCD claims with employers were weak.

The main concern for businesses is that the scheme adds additional costs on top of current pressures and could cause some businesses to become insolvent. One submitter described the scheme as *“an unnecessary financial burden on employers and employees and will not increase productivity or adequately protect employees”*. Another submitter noted that *“this comes at a high cost and is in addition to some benefits that employers already provide. The benefits have not been quantified and some of the benefits in the proposal document are not well supported”*.

Although many businesses in the survey opposed the scheme, findings from targeted engagement showed that some businesses could see the merits of the scheme. One business noted that *“...the scheme might help employees transition to start a business, but there would need to be a lot of support to give this a chance to be successful”*. Another employer from targeted engagement could see the benefits for covering health conditions and disabilities as many of their staff have disabilities.

Some submitters suggested that the scheme could be opt in, or to have mandatory minimum redundancy clauses in all employment contracts.

There were contrasting views on whether to introduce a bridging payment

There were mixed views on the proposed bridging payment of 80% of wages for four weeks. Many businesses and employers were opposed to the bridging payment. Views include that it is too complex and unaffordable, that it could impact existing redundancy packages in the future, and that it should not be required in the case of medical dismissal since this is outside the control of the employer.

Just under half of survey respondents disagreed with the bridging payment applying to all workers, with a submitter viewing it as “not practical” especially in times of COVID-19. One business noted that *“four weeks’ notice plus first four weeks payment is 15% of an annual salary – a large amount if you are struggling as a business. Most businesses only make*

people redundant when they are in serious trouble. Most people see redundancy as the last option and a scheme like this could make them react more quickly to minimise costs”.

Submitters also noted that the bridging payment could be difficult to apply to non-standard work and could discourage employers offering casual work. Some stakeholders suggested a ‘casual loading’ (an additional cost to employers) as an alternative to a bridging payment or to introduce a statutory redundancy provision.

However, there was also some support for the bridging payment, with one respondent claiming that *“young people have very weak or non-existent redundancy clauses in their contract, so the bridging payment fills this gap.”*

There was strong support for services to enable return to work

Many stakeholders noted the importance of having other effective and available services alongside case management to support people to return to good work. A union suggested that *“in the first three months all members of the scheme can easily access non-financial support online or via existing community support services. These support services should be able to operate at scale and be available 24/7”.*

Some submitters expressed concern that MSD’s employment services will be spread more thinly or that better services will only be offered to those on the scheme, meaning beneficiaries may miss out.

Engagement showed some support for a representative governance model

Through targeted engagement and submissions, respondents saw an opportunity for the governance model to better reflect and support aspirations and improve outcomes for Māori. Feedback noted the scheme *“needs to be Kaupapa designed by Māori for Māori”*. However, a plurality of survey respondents did not support a representative governance model.

Governance is of particular interest for iwi/Māori. Some submitters suggest that Māori need to be represented at every level of the scheme with decision-making rights, and that Māori involvement needs to be more than a single seat on the board and should also include co-design and delivery of services for Māori.

However, some submitters and targeted engagements have questioned whether the scheme design and governance has been adequately co-designed with Māori.

The survey results showed some support for social partners to be in direction and oversee the scheme. There were comments that ideally, this would include a representative seat on the board for the scheme.

Feedback from the disability community includes that disability representation in governance is essential and that current issues impacting disabled people should not be replicated.

There were mixed views on who should run the scheme

Many submitters expressed concern that ACC is not the right agency to deliver the scheme as it lacks the skills and capability to help people back to work. ACC's track record in relation to outcomes for Māori was also highlighted as a risk. Some stakeholders noted that they had difficult experiences with ACC in the past and would prefer another entity to deliver the scheme.

Some submitters in this context were also concerned at the transition from the scheme onto benefits, and the risks this could poorly affect outcomes. For these reasons, some submitters argued MSD could be better placed to run the scheme, with an interest group noting *"ACC has been previously criticised for not providing robust enough rehabilitation before determining a person has the capability to work in a different occupation. There is limited capability in the current ACC provider pool with a vocational rehabilitation skill set, which may or may not be the case among current MSD-funded providers."* Although, some respondents felt MSD's track record also argued against it delivering the scheme.

Submitters who supported the proposal for ACC to run the scheme recognised that ACC has operated a successful accident compensation scheme over the past 50 years. One individual shared their experience *"ACC, in my experience, delivers accident compensation effectively and has good coordination with major employers such as universities and health boards"*. Submitters also stated that there is also significant overlap with the Accident Compensation scheme and delivering health conditions and disabilities but hoped that *"capability uplift among case management is a strong focus"*.

Some submitters are concerned around the affordability and funding for the scheme

Engagement criticised the proposal on how the scheme would be funded. The discussion document proposed a levy of 2.77%, evenly split between employers and employees. Survey results show a large difference of opinion on whether it is fair to charge employers and employees equally. A small number (less than 35%) of survey respondents thought that employees should pay "a lot more" of the levy.

Arguments included that the scheme was effectively a tax, and in practice a cost transfer of some welfare costs from government to employers and employees. Some submitters also thought the cost of the levy could be passed on to end consumers, which could increase inflation at a time when it is already high.

Employers in particular expressed concern at the cumulative effect of additional costs they faced, including the employer levy, notice and bridging obligations. There were also concerns that the combined effects of these proposals could cause some businesses to shut down and have a deterrent effect on hiring decisions.

There were concerns that a flat rate will adversely affect the poorest, who have less to gain from the scheme as they already receive higher replacement rates from the welfare system (relative to their income). One individual commented *"I cannot afford to lose a further 1.4% of my earned income. As a family of five with two adults working, one part and one full time, we still struggle with rising prices and mortgage payments. If we struggle, I feel so sorry for large*

families like ours earning less - or with higher debts.” This was also echoed by a union who noted that “many minimum wage workers will receive payments that are below the minimum wage. Families on low incomes will struggle to afford to pay for necessities on such a reduced income”.

Part 3: Findings from Engagement with Māori

The NZIIS policy team undertook targeted engagement with the following Iwi/Māori representatives:

- Four regional hui were held with Iwi/Māori representatives from:
 - Tāmaki Makaurau
 - Tai Tokerau
 - Te Tau Ihu
 - Central/Lower North Island
- Māori Economic Development Advisory Board
- Māma
- Auckland Council Community and Social Innovation Group
- Pou Tahua Iwi Leaders Group technicians
- Inland Revenue Māori Tax and Social Policy Advisory Panel
- Tāngata Whaikaha network
- Te Pūtahitanga, Whānau Ora Commissioning Agency
- Whānau Oranga Pūmau (ACC)
- MSD’s Māori Advisory Group
- Inland Revenue’s Tax and Social Policy Māori Advisory Group

People could also provide feedback on the NZIIS proposal through public submissions and/or an online survey. Of those who completed the survey 8.5% of individuals identified as Māori (145 out of 1705 individuals). However, as seen in Table 1, there was no meaningful difference between Māori and non-Māori survey respondents in their view of the scheme’s merits. Whilst there are minor percentage differences between Māori and non-Māori respondents, the relatively small number of Māori respondents means any conclusions in the difference between Māori and non-Māori cannot be drawn.

Table 1: Comparison of Māori and non-Māori survey responses to whether New Zealand should have an income insurance scheme for people who are made redundant and laid off

	All Individuals	Māori	Non-Māori	Prefer not to say/ did not respond
N =	1705	145	1009	551
Strongly Agree	23%	26%	27%	13%
Agree	13%	12%	14%	10%
Neither Agree nor Disagree	6%	3%	6%	7%
Disagree	14%	11%	14%	16%
Strongly Disagree	44%	48%	38%	54%
Don’t Know	0%	1%	0%	0%

The following summary provides an overview of feedback the project team had heard from the targeted engagement, submissions, and survey.

Overall, our engagement found mixed support for the NZIIS proposal among Māori

Those that support the scheme noted there are clear benefits as it fills a gap in existing support for people who lose their jobs. For some, income support is not adequate or accessible by some Māori who lose their jobs, and private income insurance *“is a luxury not an option”* for many. This was reflected by a provider in targeted engagement who noted that in the last couple of years, they had seen 140,000 whānau through their service and majority were not eligible for assistance through Work and Income.

Generally, there was support from Iwi/Māori for coverage of disabled people and people with health conditions who lose work due to reduced work capacity.

However, others were not in favour of the NZIIS proposal. Their main concerns were that NZIIS would impose costs on workers and employers, at a time when people are already struggling. There were also concerns from Māori that the scheme had been designed around Pakeha ideas of the value of labour and should instead *“distribute funds equally to those in need, regardless of past earnings”*.

Honouring te Tiriti o Waitangi

Submissions that provided feedback on Te Tiriti o Waitangi clearly identified that Iwi/Māori consider that for the Crown to honour its obligations under Te Tiriti o Waitangi, NZIIS needs to be designed in true partnership *“we want a system designed in true partnership under te Tiriti, aiming for tino rangatiratanga, not a monocultural system devised primarily by high-income Pākehā for Pākehā, as shown in Covid’s ‘two-tier welfare’ and that “a scheme that has been designed without tangata whenua at the table cannot honour Te Tiriti o Waitangi after the fact”*.

There were also considerations on how the scheme could improve the commitment to honouring Te Tiriti: *“honouring Te Tiriti in our income and welfare systems requires a strengths-based, kaupapa Māori approach, genuine partnership and co-design. The Government must ensure NZIIS governance and administration is capable of delivering kaupapa Māori solutions and partnership with iwi.”*

It was suggested that *“a yearly review should be put in place to ensure that the scheme is being equally applied to Māori and ensure that they are aware of the scheme and can access it when a person qualifies.”*

It was also recommended that the concept of wairuatanga be applied to the scheme, which is the holistic wellbeing of an individual and the spiritual synergy of the collective an individual identifies as. *“This is a critical component given that good employment and conversely job loss/ unemployment is a significant determinant of wellbeing, which in turn should be an important outcome for the scheme.”*

These sentiments were also echoed in targeted engagement, that partnership is *“more than co-design of services, it should also include co-decision making and co-implementation, without this Māori are handing over IP with little benefit”*.

There was also positive feedback on the scheme’s approach to delivering equitable outcomes for Māori *“we are encouraged by statements committing to designing a scheme that works for and delivers equitable outcomes for Māori and embedding a partnership approach to ensure Māori have real authority to develop and implement policies that address Māori needs and respect te ao Māori”*.

Impact on Low-Income Households

However, there were concerns around the impact of the levy on low-income earners, as it imposes additional costs on those who could least afford it in times where people are already struggling. One submitter noted that *“the money could be the difference in a whānau being able to use heating this winter, purchasing warm clothing, or simply being able to put food on the table”*. There is a risk of disproportionate impact on Māori because they are overrepresented lower paid jobs. Targeted engagement highlighted that the cost of the levy is the price of *“two butters”*.

The contribution history requirement may also disadvantage Māori. Engagement highlighted that Māori are overrepresented in non-standard working arrangements (such as casual work) and may not be able to build up the necessary contribution history to access the scheme due to their nature of work.

Māori have also highlighted that the scheme needs to support tino rangatiratanga and facilitate options for Māori that empower them to make decisions for themselves. They suggested that this could look like an opt-out scheme for workers, so workers can dictate what happens to their pay themselves. Some queried how Kiwisaver is opt in but wondered why NZIIS is not.

Survey respondents were also worried about the cost of accessing the scheme: *“the ‘postcode poverty’ also needs to be factored. More Māori live in small towns and rural areas where it is known that there are already less medical services and rehabilitation services. Because these services are often not provided in a rural area, the cost of accessing will be higher.”*

Governance of the Scheme

Consultation revealed that the governance of the scheme is considered of vital importance to ensure best outcomes for Māori. Targeted engagement showed that a functioning co-governance model would need to see Māori leadership across all levels of development, implementation and monitoring of the scheme, as active participants. This sentiment was reflected throughout engagement, noting that a “reserved seat at the board” is not sufficient and it was stressed Māori should be represented and participate at all levels of decision-making to ensure NZIIS is effective for Māori. It was suggested that this could include iwi nominating and electing representatives to the board.

People noted that representation in governance/board positions is not the same as equal partnership. Advice from engaging with Māori showed that they must have the same power as the Crown when it comes to decision making.

One submitter highlighted that many iwi currently support their members by establishing financial services institutions or acting as an intermediary in arranging financial services, including insurance products (collective marae insurance appears to be one of the most common financial services offered by iwi). This is due to a lack of access to mainstream financial products and services, in part due to a lack of awareness of these products. There was interest in opportunities for iwi to be involved in fund management.

Coverage for Non-Standard Work

Support was shown throughout engagement for the inclusion of non-standard workers, because of the over-representation of Māori in casual, fixed term, and seasonal employment. This emphasises that the inclusion of these employees is integral to ensuring the scheme is equitable for Māori.

One survey participant noted that it is *“important that casual workers are included, [as they] make-up a significant portion of horticulture and agriculture sectors that generate income for the regions and not always treated well”*.

Engagement conversations also demonstrated some support for coverage of self-employment. Although the number of Māori in self-employment are currently a low proportion of all self-employed workers in NZ, Māori are increasingly moving into self-employment and entrepreneurial work. The regions are also increasingly more reliant on this form of work. Iwi representatives noted that *“for many self-employed income protection insurance is not an option due to the cost”*.

However, overall, feedback from engagement acknowledged the complexity of coverage for self-employment and was mixed on whether it should be covered or not.

There were also some concerns about some exclusions, e.g. sexual harassment and bullying and leaving work to care for a child or whānau.

Delivery of NZIIS

Engagement with Māori has emphasised that delivery of the scheme could be co-designed to ensure that it functions well for whānau and reflects Māori worldviews and the Māori ecosystem (including existing Māori providers). Concerns have been raised that existing systems and institutions have marginalised Māori in the past.

Accessibility to the scheme was also a concern raised. Some Māori have had poor experiences with ACC, which could create barriers to access and end up excluding the most vulnerable. An interest group noted that the scheme *“will be administered by one of the scariest organisations and MSD also involved – how can barriers be broken down to ensure people feel comfortable about approaching these organisations?”*

Māori living in rural areas have also experienced issues accessing support services which goes against the intent of the scheme. Iwi noted that *“in rural areas there is a lack of services (health and retraining) and job opportunities, or they just don’t exist. People often must travel hours just to access services”*. Feedback from targeted engagement has also emphasised the need to co-ordinate cross agencies (such as MSD, ACC and MoH) to ensure people can access what they need and reduce the administrative burden across different systems.

To guarantee trust in the delivery agency of NZIIS, engagement has shown that the scheme needs to be flexible and enable self-determination. An interest group stated that *“whānau should determine what is good for them in line with their aspirations with practical support to support their aspirations.”* Iwi representatives highlighted that the delivery agency should not take a punitive approach, and instead provide non-financial support. They noted a *“phone call to check in is more helpful than threatening letters”*.

There was support for using frameworks that incorporate Māori values to bring te ao Māori to life, seeing the world through a lens that considers not just the physical, but mental and spiritual aspects in every situation.

Support for Māori Businesses

Māori businesses have noted that the scheme could increase financial pressure on small businesses before ever benefitting from it.

It was also noted during engagement that some Māori businesses take a more proactive approach to supporting their employees and avoiding redundancies. Therefore the levy would become an additional cost with little benefit.

Targeted engagement raised that Māori employers often work in Māori systems that may be incompatible with the scheme. The proposed income insurance scheme will come with a certain amount of administration burden on behalf of the employer that may not be compatible with systems in place in Māori workplaces. In particular, Iwi organisations and Māori Land Trusts may not be as adequately equipped to handle this scheme as larger established companies would be. The same extends to Māori small business owners. It was noted that for the scheme to be delivered effectively and have the best outcomes for Māori, it must be considered how employers will be educated about the scheme and advised about the infrastructure that needs to be put in place.

Iwi representatives queried what support could be made available for employers, especially as this scheme supports employees significantly.

Coverage of Health Conditions and Disabilities

Some concern was raised about the inclusion of health and disability primarily due to cost, particularly from businesses. But generally, there was support for the inclusion of health and disability from iwi/Māori because it is seen as a way of addressing gaps in the existing system. Targeted engagement echoed this sentiment and said it was “*heartening to see a strength-based way of protecting income*”. It was also noted that Māori face increased risk of job loss due to a health condition or disability, partially due to the overrepresentation of Māori in high-risk primary industry and other sectors such as construction.

An interest group saw partial loss coverage as an important feature of the scheme, because of the gradual reduction in capacity many disabled people or people with health conditions experience. However, they did note some concerns about the complexity of the work capacity for some conditions and health practitioners' ability to undertake these.

The same interest group did not want to see NZIIS as being a one-off to addressing inequity for disabled people, rather a step toward addressing this issue. Further they want to see disabled people represented in the scheme and Māori perspectives informing the design of the scheme.

Annex 1: Consultation Feedback: Detailed analysis

This section sets out a more detailed analysis of feedback received from the survey and submissions. It is broken down by theme, following the same as order as the discussion document.

4.1 Objectives: The Case for Change

As noted in Section 2, overall feedback on the proposal was mixed, with over 60% of survey respondents opposed to the scheme. Employers were most strongly opposed, with 81% disagreeing or strongly disagreeing that New Zealand should have a scheme for people made redundant. Of the five scheme objectives, the majority of survey respondents said four out of five were 'not that important' or 'not at all important'. A slight majority supported allowing people time to deal with a health condition or disability.

Survey respondents were asked "What is your level of agreement with each of the following proposals about the scheme?". Tables 2 to 10 illustrates people's views on **whether New Zealand should have an income insurance scheme for people who are made redundant and laid off**:

Table 2: Survey responses on whether individuals should have income insurance for redundancy.

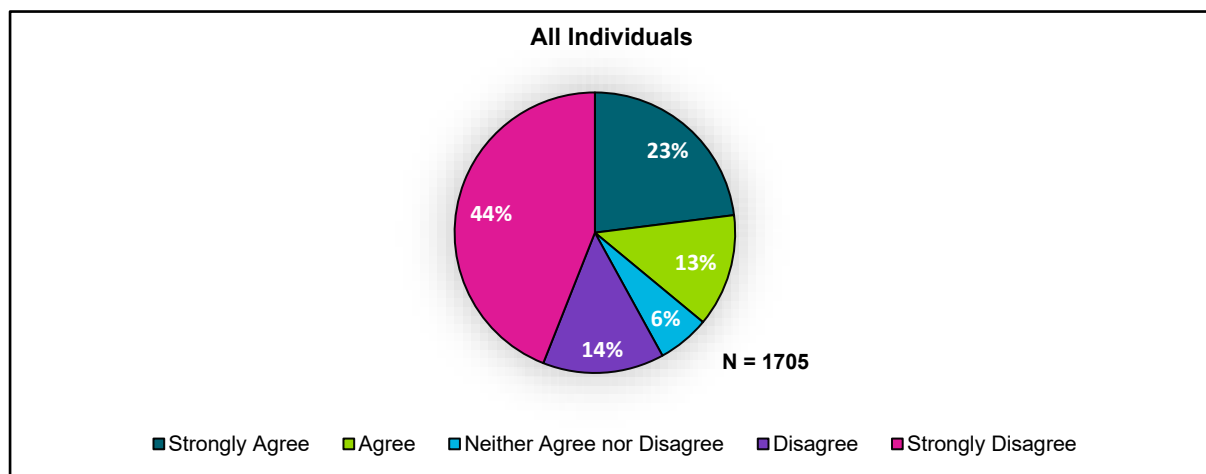


Table 3: Survey responses on whether all employees should have income insurance for redundancy.

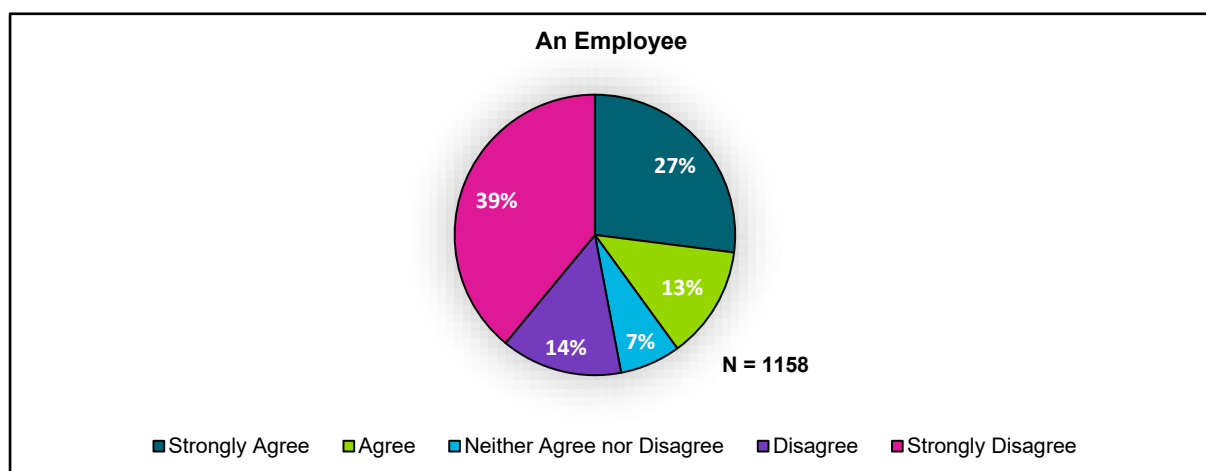


Table 4: Survey responses on whether employers should have income insurance for redundancy.

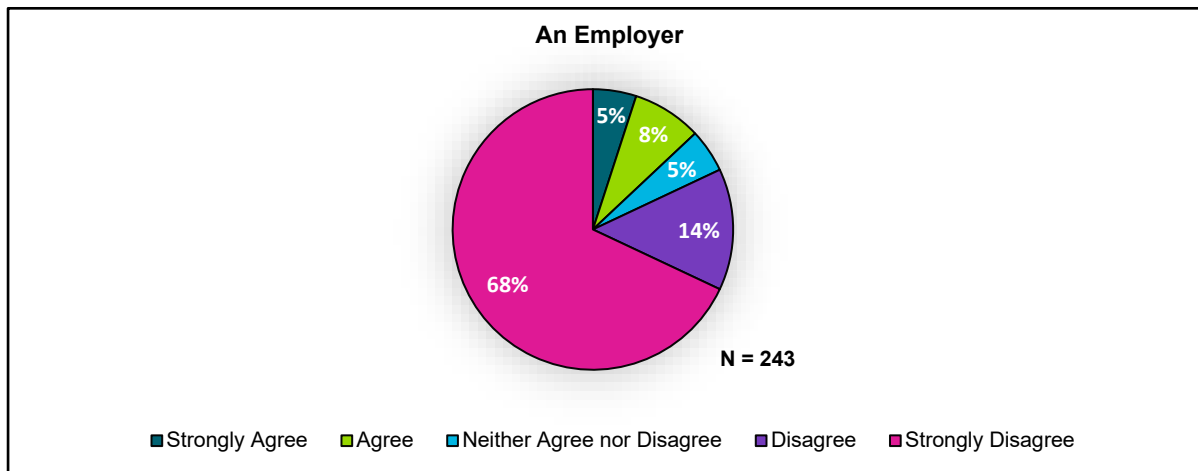
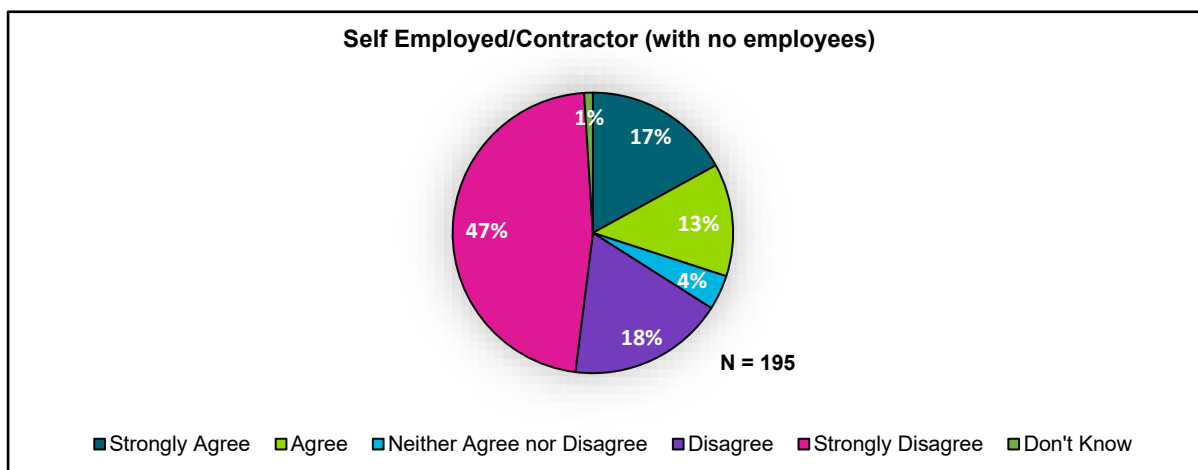


Table 5: Survey responses on whether self employed should have income insurance for redundancy.



How important do you think it is that New Zealand has income insurance that provides financial support to:

Table 6: Survey responses on whether there should be time to search for a new role

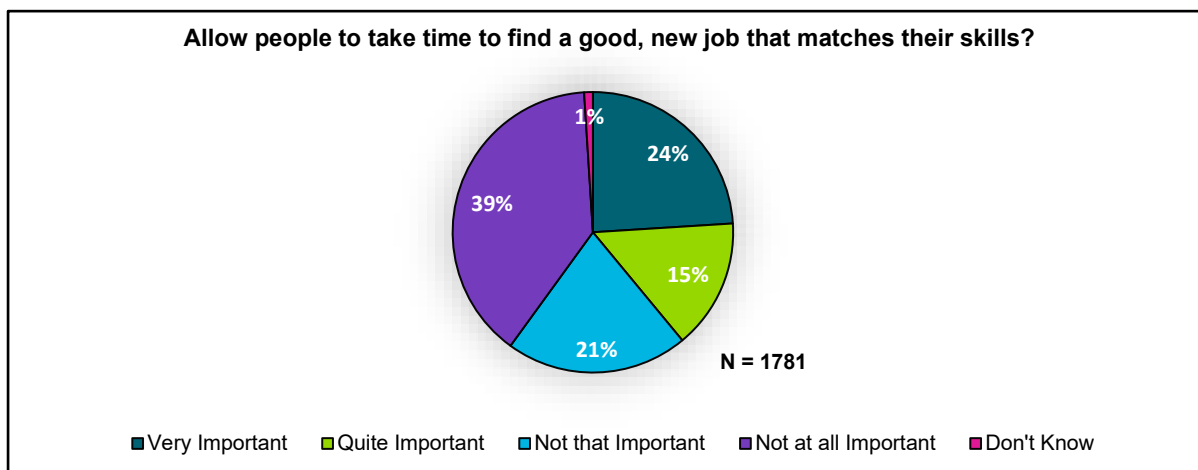


Table 7: Survey responses on whether people should learn new skills

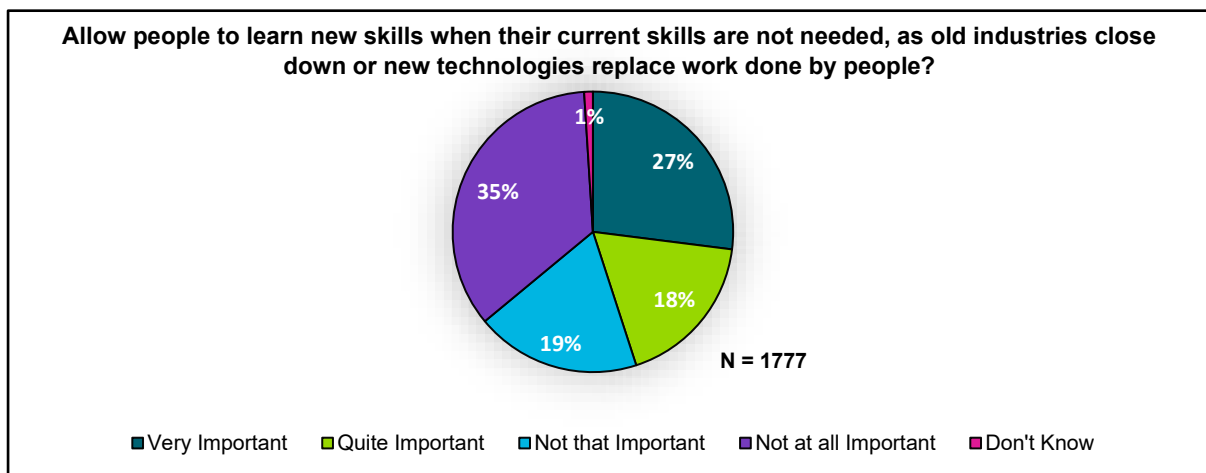


Table 8: Survey responses on whether to help businesses find skills

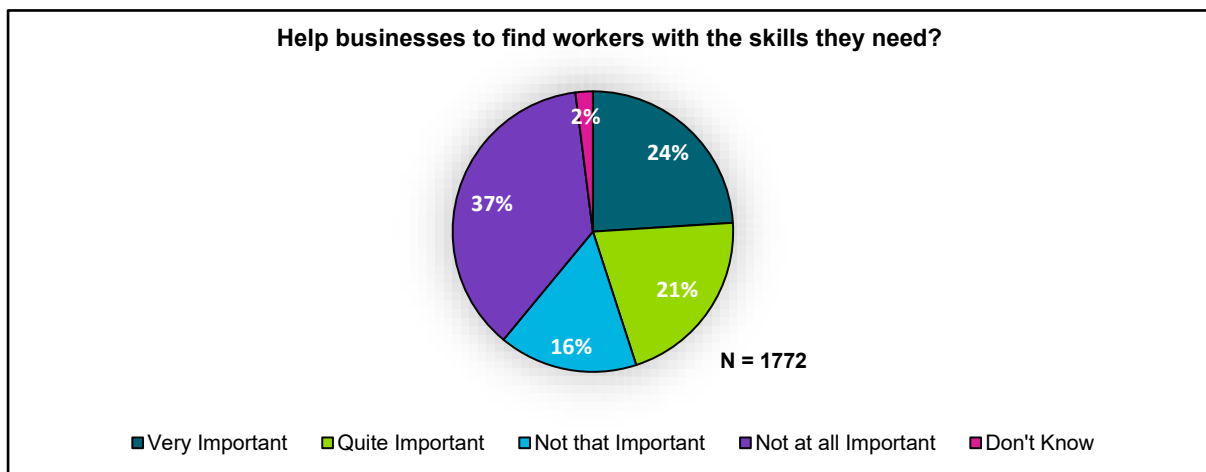


Table 9: Survey responses on whether the scheme gives workers confidence to join new sectors

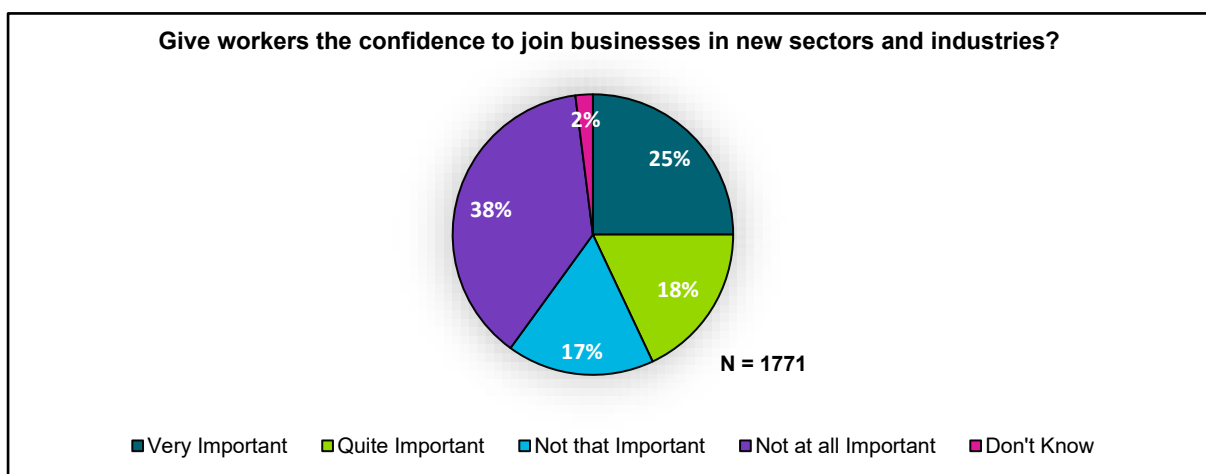
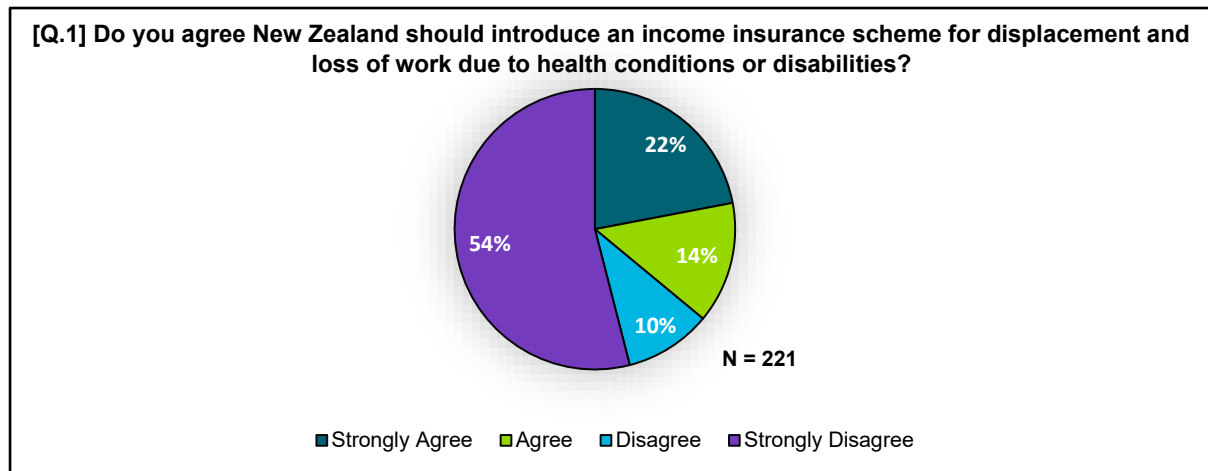


Table 10: Submission feedback on whether there should be a scheme for HCD



4.2 Coverage for Displaced Workers¹

Feedback on scheme coverage was largely supportive of covering standard forms of work, with the greatest support for those in full-time employment, and slightly less for part-time work. Feedback was more mixed for those in fixed-term or casual employment, with 52% of survey respondents opposed and 39% in favour.

Responses are set out in tables 11 to 22 below.

In your view, should the following groups be covered by the proposed income insurance scheme?

Table 11: Survey responses on scheme coverage for full time

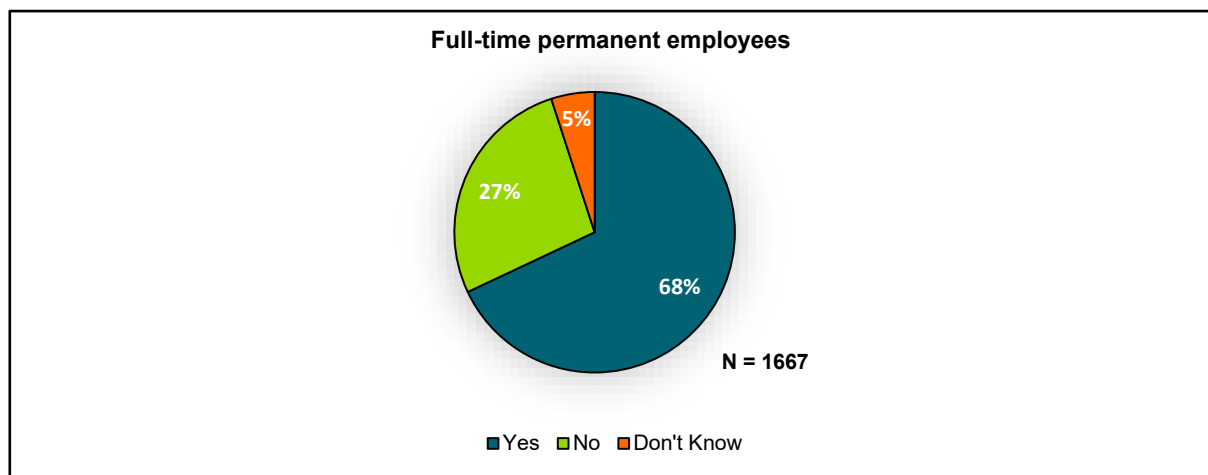
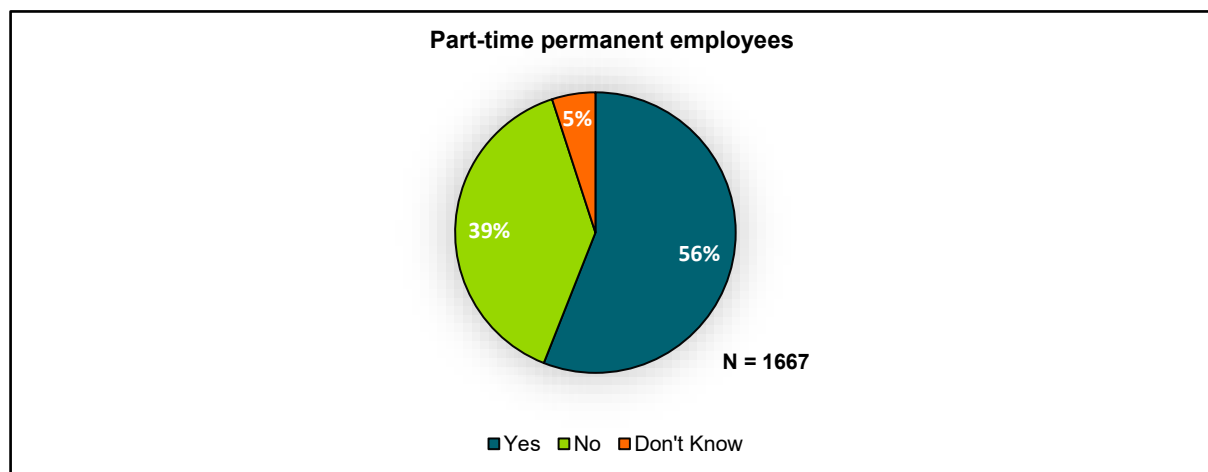


Table 12: Survey responses on scheme coverage for part time



¹ The submission template included a section on honouring te Tiriti o Waitangi. To avoid duplication, it is excluded here, as that feedback is already captured in Section 3 of this report.

Table 13: Survey responses on scheme coverage for fixed term and seasonal

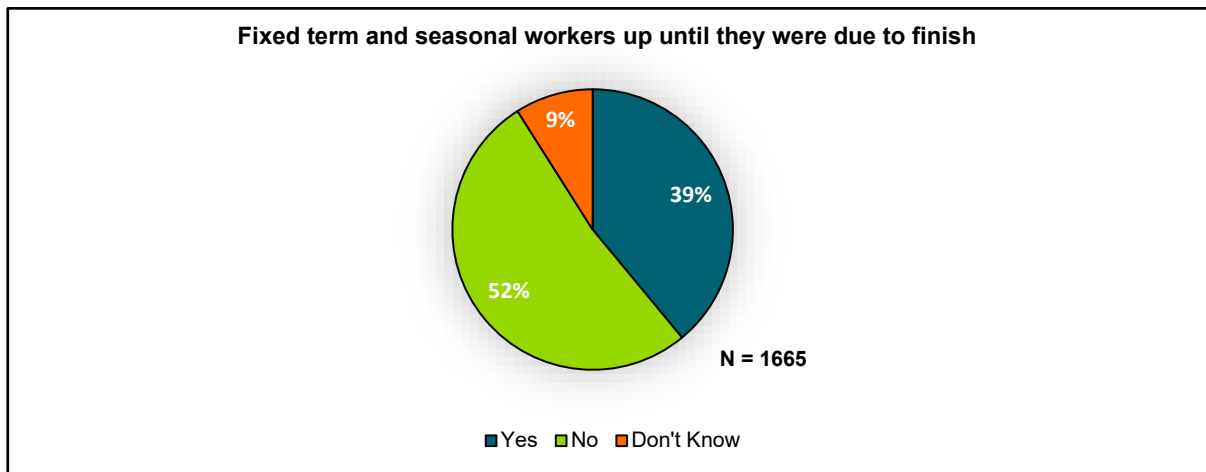


Table 14: Survey responses on scheme coverage for casual

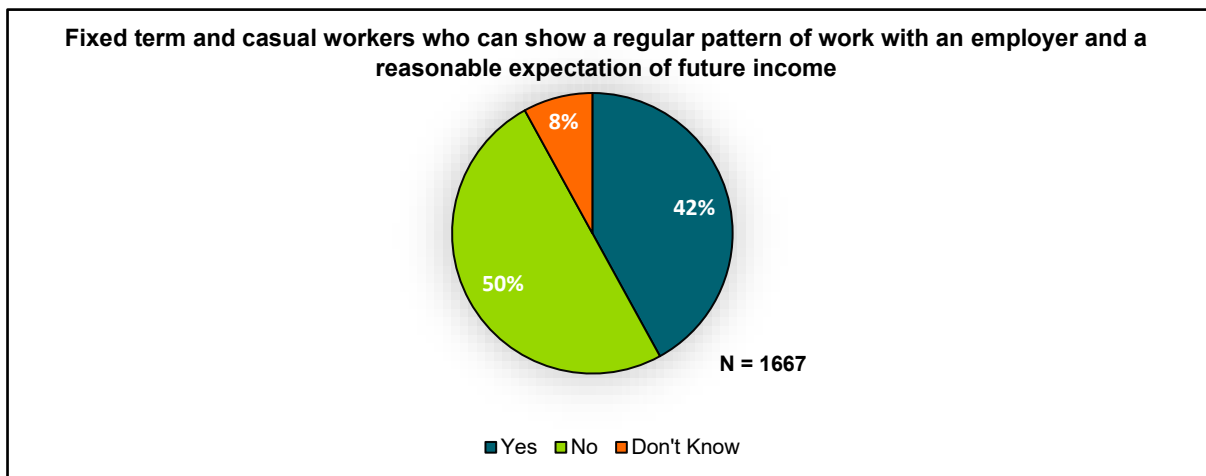
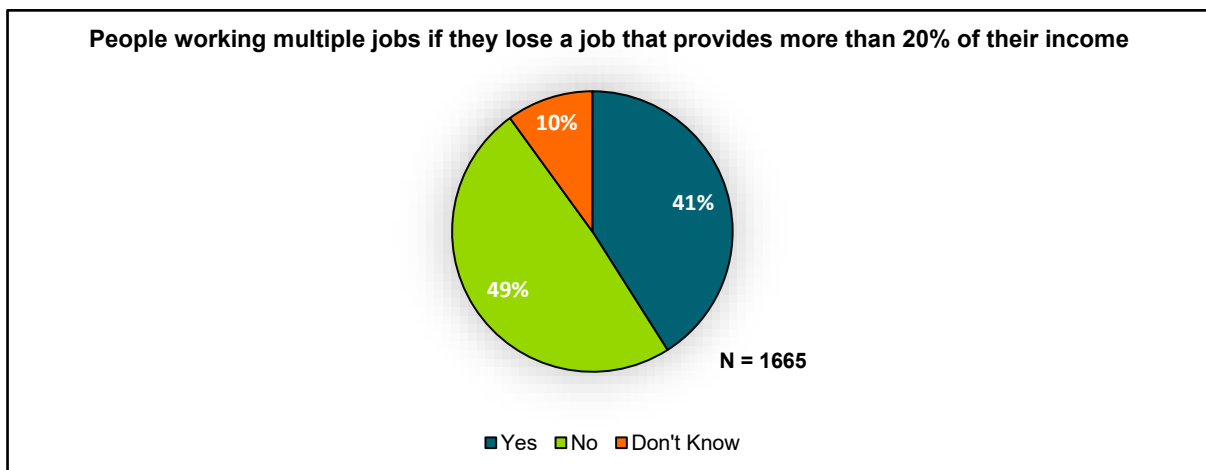


Table 15: Survey responses on scheme coverage for multiple job holders



What is your level of agreement with each of the following proposals about the income insurance scheme?

Table 16: Survey responses on scheme coverage for misconduct

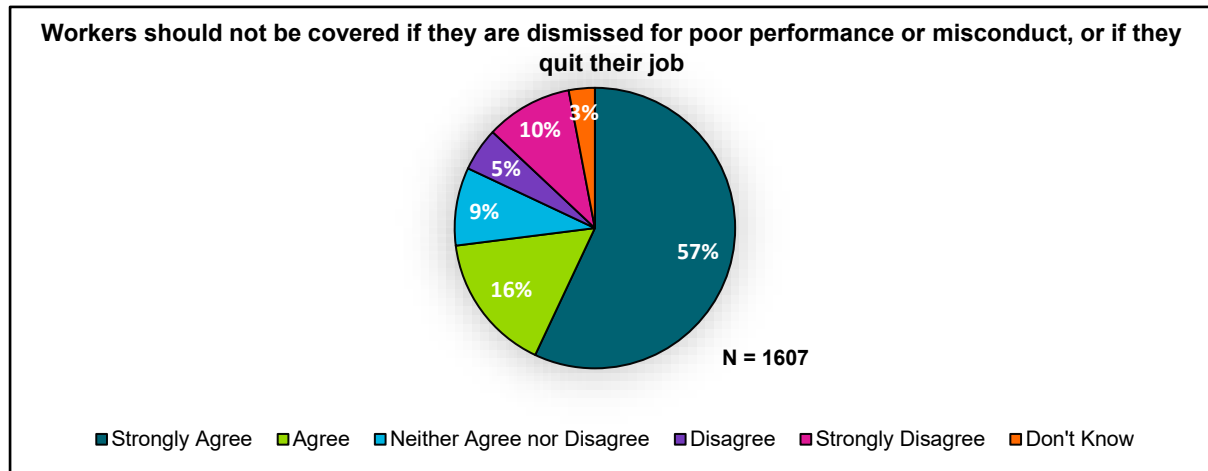


Table 17: Survey responses on scheme coverages by job ending

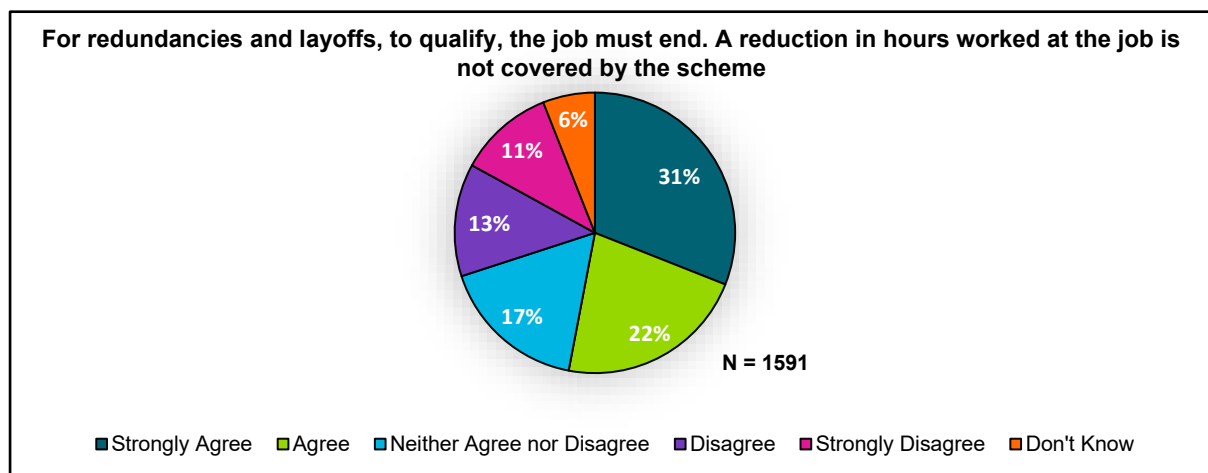


Table 18: Submission responses on no scheme coverage for involuntary job loss

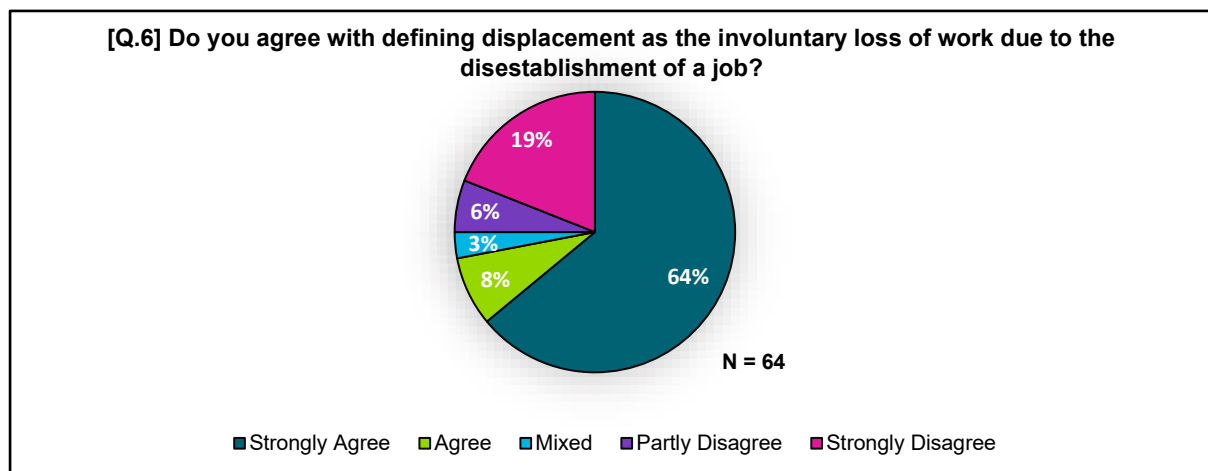


Table 19: Submission responses on excluding coverage for poor performance

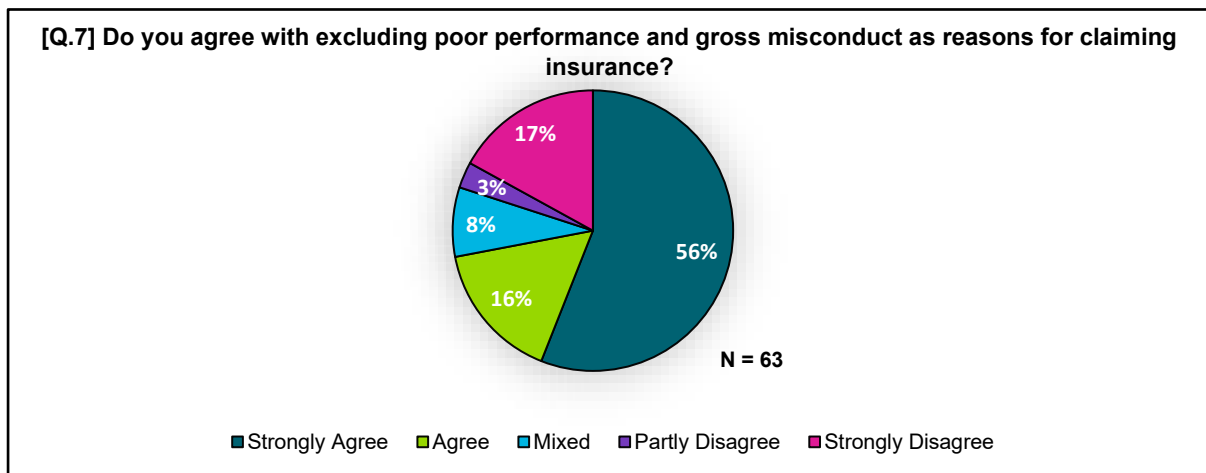


Table 20: Submission responses on excluding resignation

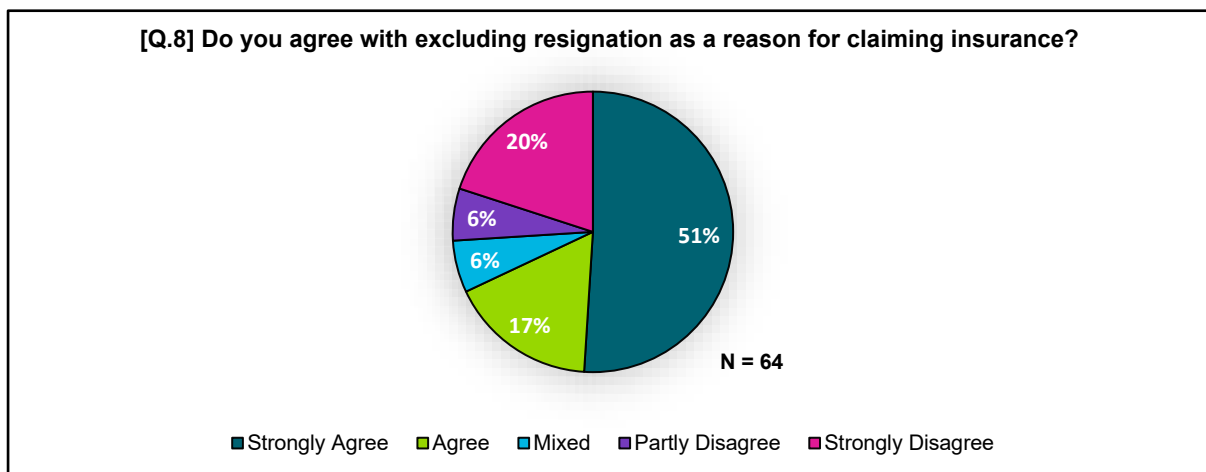


Table 21: Submission responses on scheme coverage for complete job loss

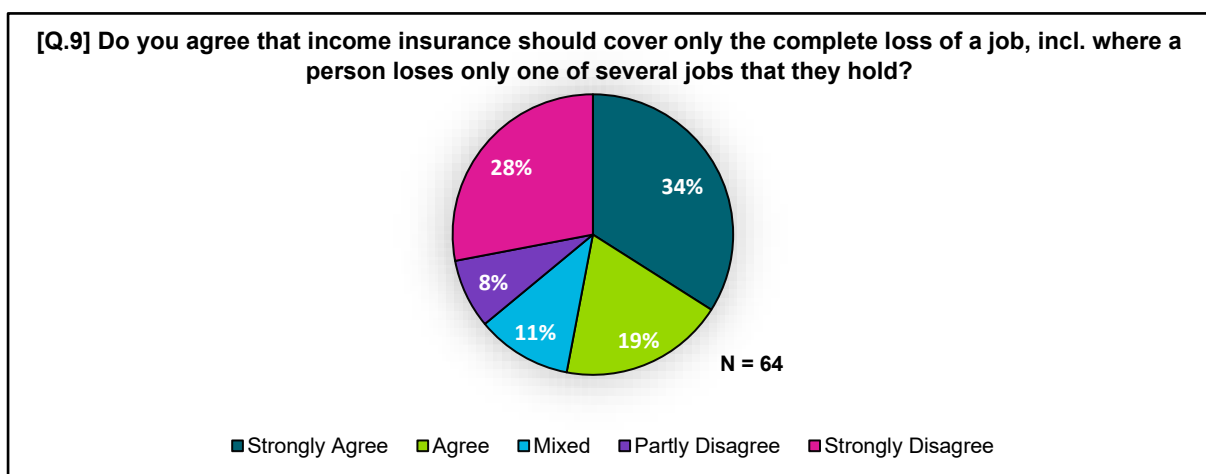
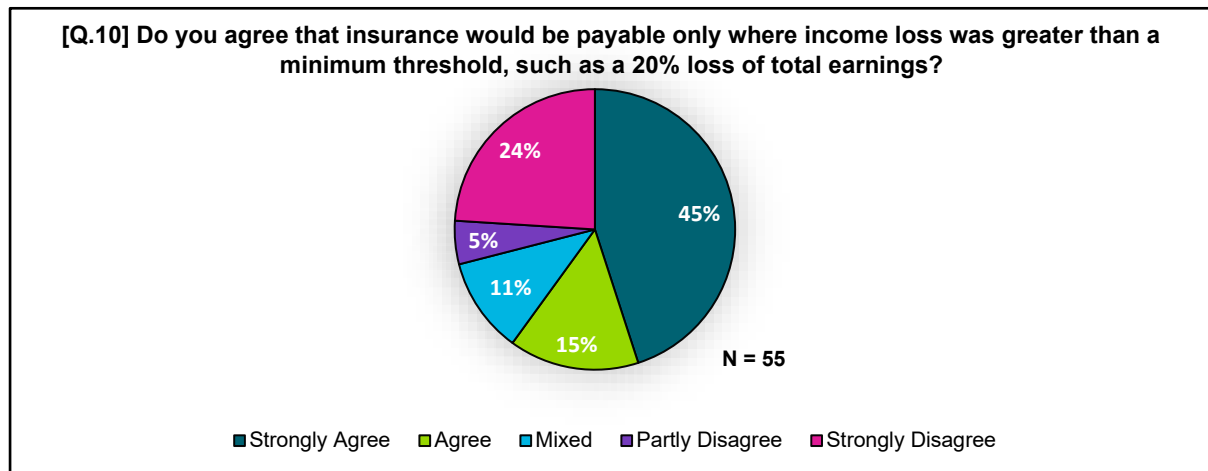


Table 22: Submission responses on having a minimum threshold



4.3 Coverage of Non-Standard Workers

There were mixed views among submitters² on whether casual, fixed term or self-employed workers should be covered, essentially highlighting the trade-off between administrative difficulty and the principle of covering as many people as possible.

What is your level of agreement with each of the following proposals about an income insurance scheme?

Table 23: Survey responses on scheme coverages for only NZ citizens

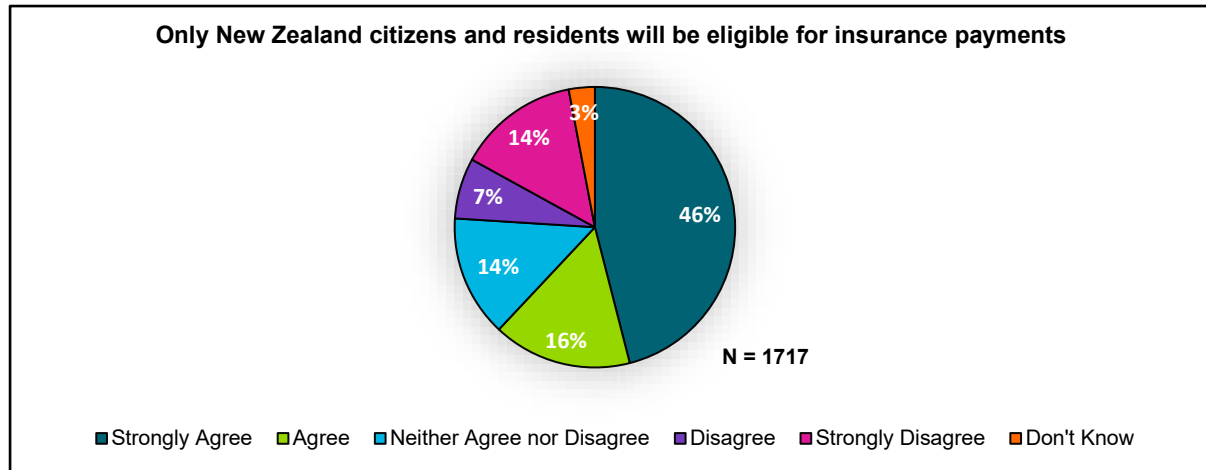
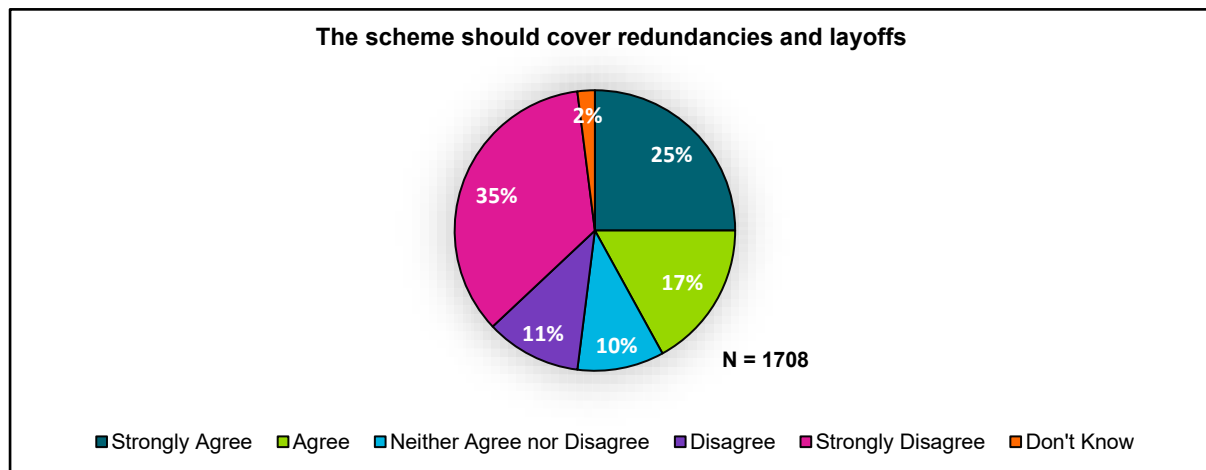


Table 24: Survey responses on scheme coverages for redundancies



² No question was asked in the survey about coverage of self-employed

Table 25: Survey responses on scheme coverages for HCD

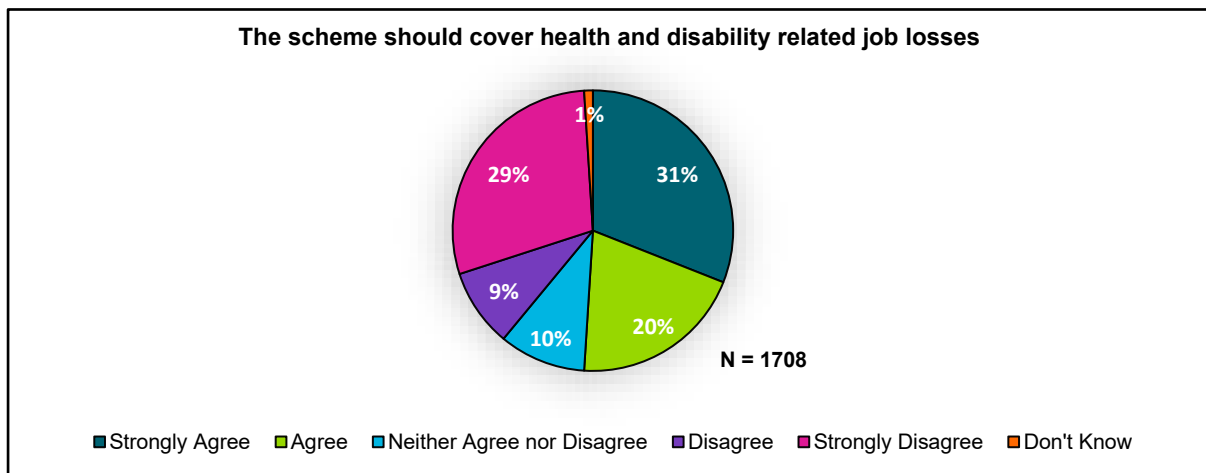


Table 26: Survey responses on scheme coverage for non standard workers

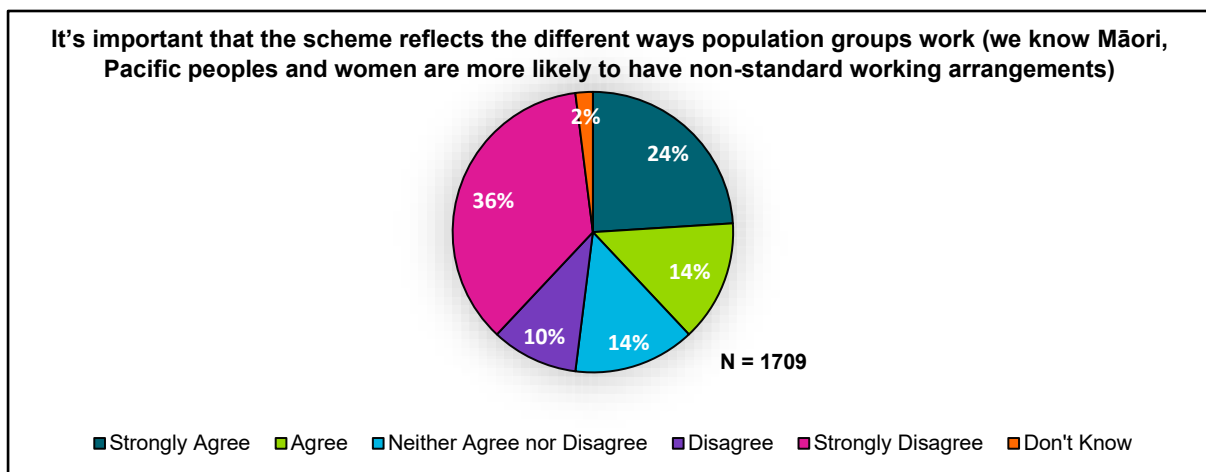


Table 27: Survey responses on a minimum contribution

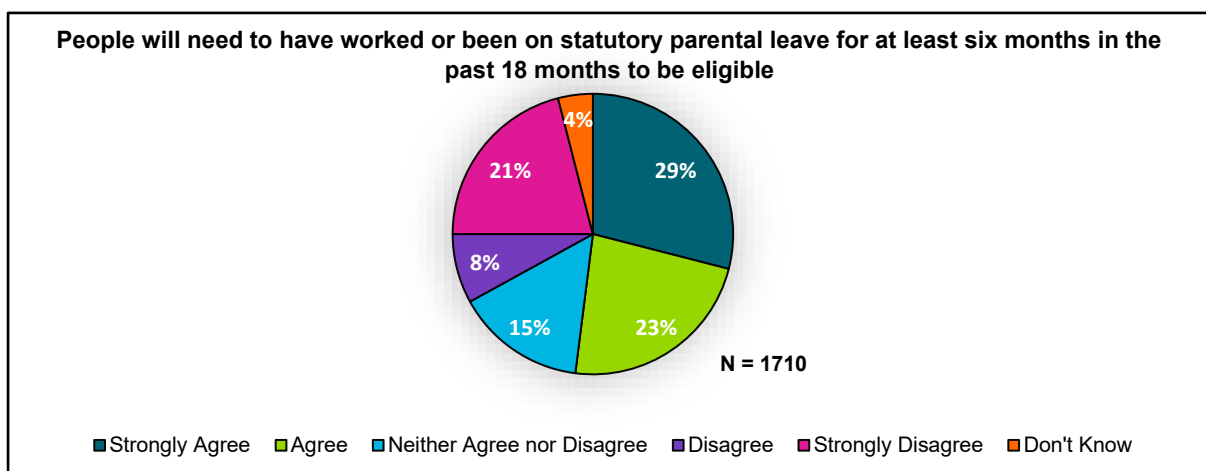


Table 28: Submission feedback on coverage for non-standard work

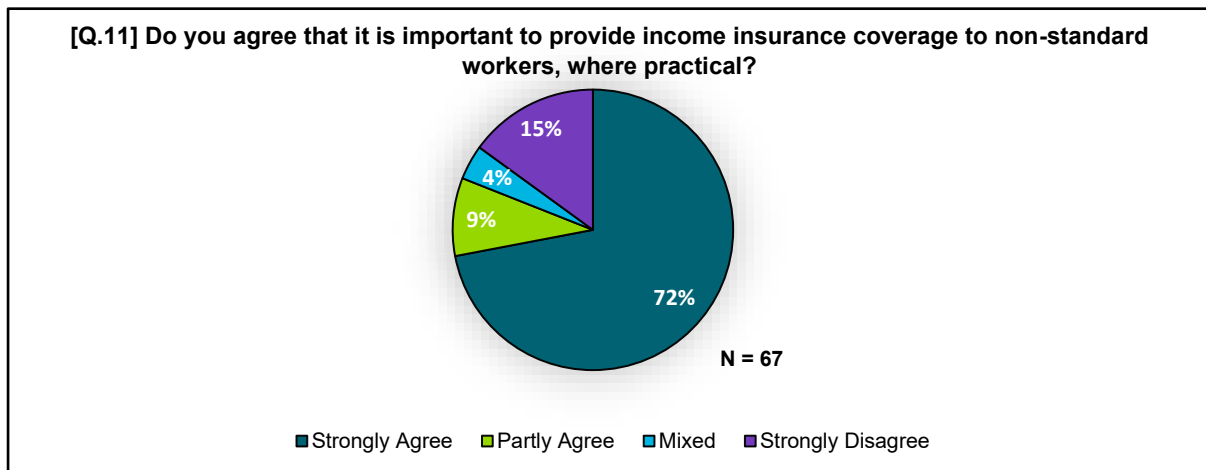


Table 29: Submission feedback on reasonably anticipated income

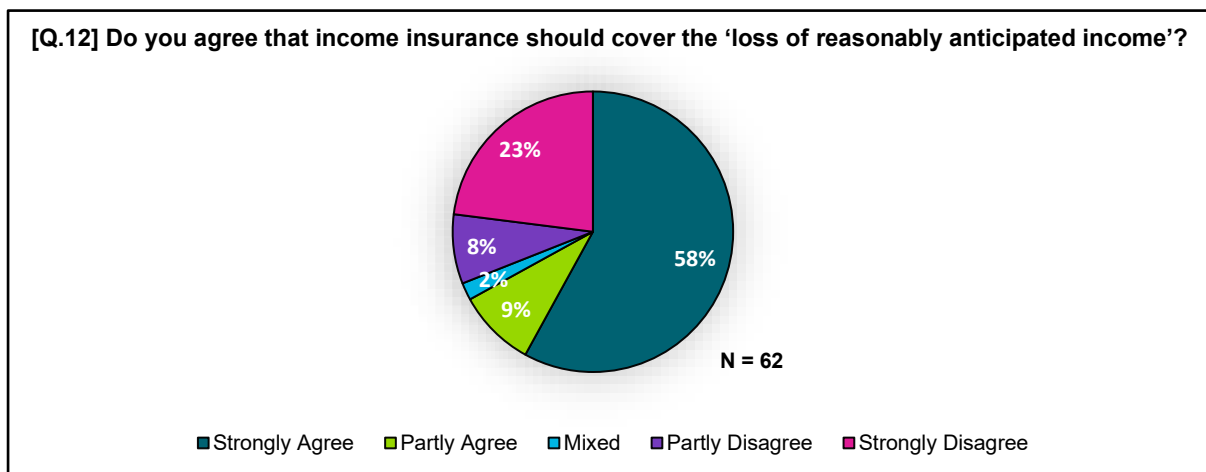


Table 30: Submission feedback on an established pattern of work

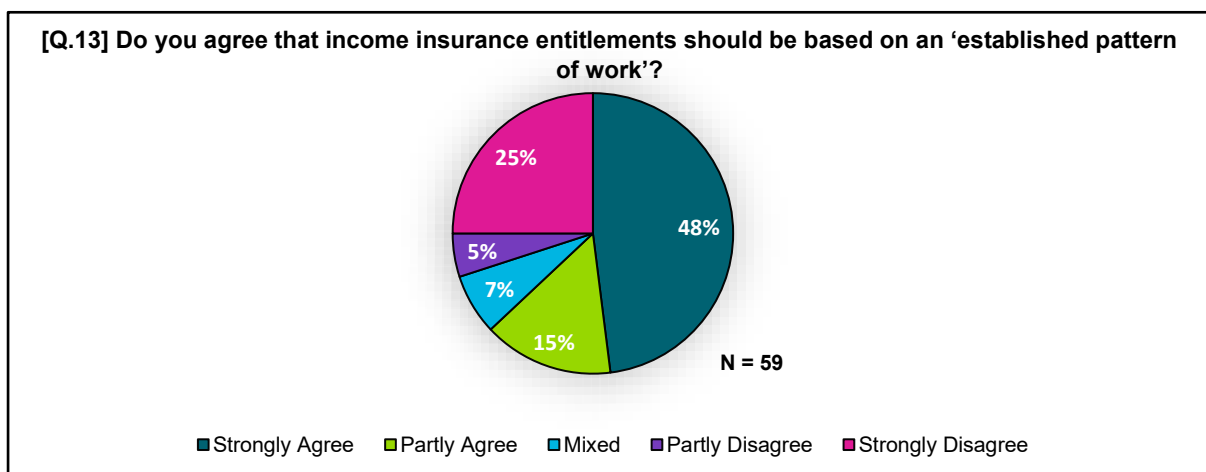


Table 31: Submission feedback on entitlement for fixed term and seasonal employees

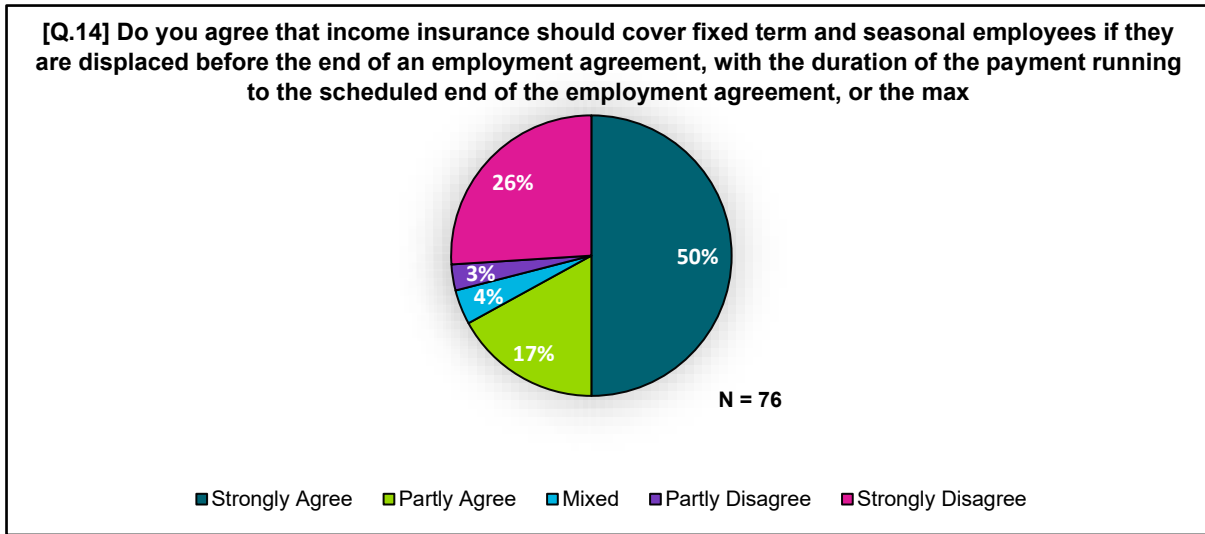


Table 32: Submission feedback on coverage for fixed term and seasonal with no contract renewal

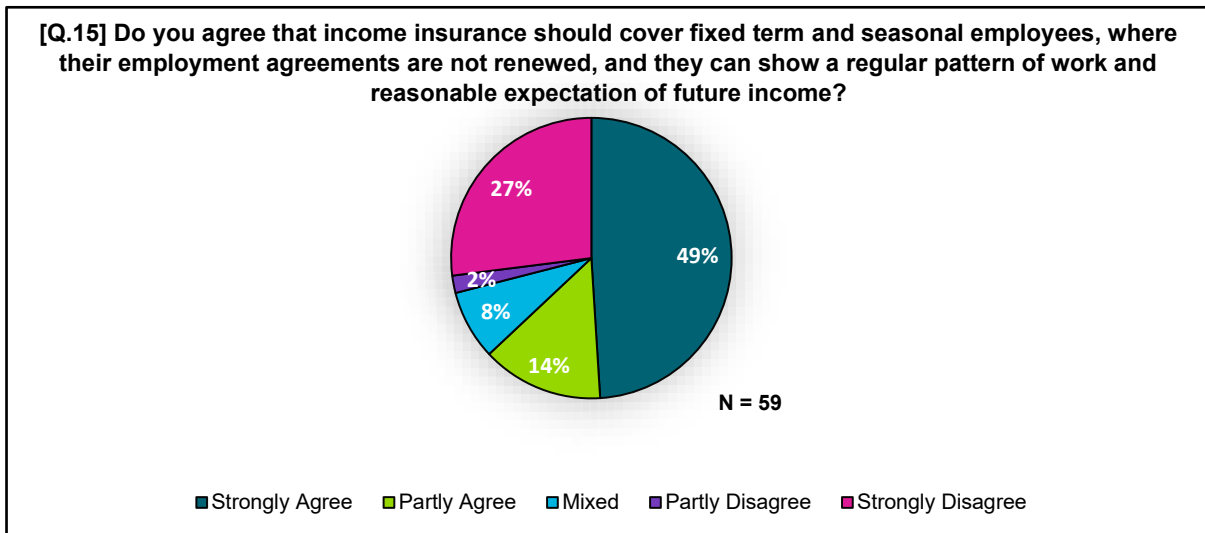
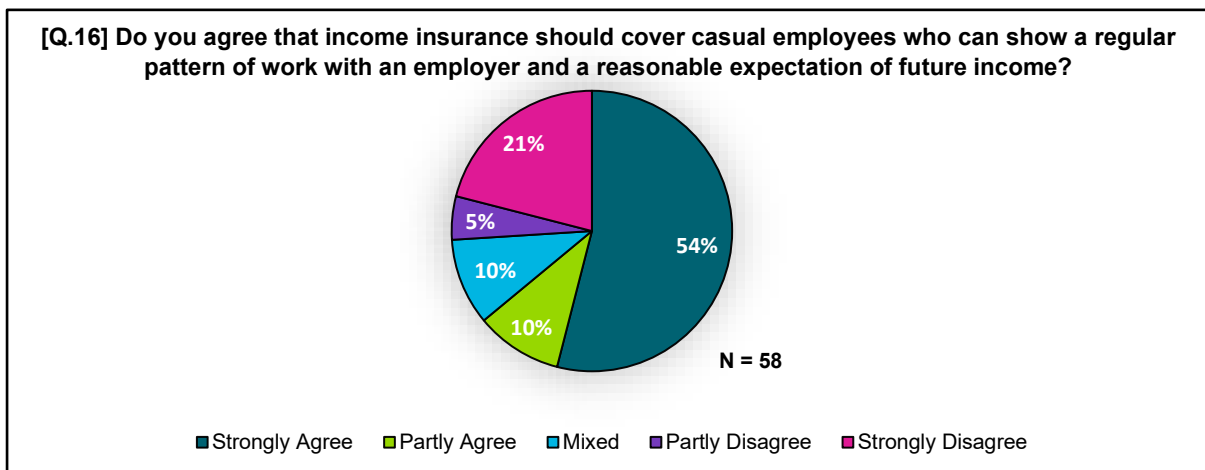


Table 33: Submission feedback on coverage for casual workers



4.4 Contributions, Claim Limits, Immigration Status, Age Limits

Feedback on proposed contribution history, claim limits and immigration status was highly mixed. There was widespread support for putting some limits in place as a means of avoiding the ‘moral hazard’ of people accessing the scheme unnecessarily. However, views differed strongly on how that might be achieved.

Feedback was limited in the survey on the scheme’s interaction with Superannuation, Veterans’ Pensions and Paid Parental Leave. Where we did receive feedback, it was largely supportive of allowing people to claim both where eligible.

What is your level of agreement with each of the following proposals about an income insurance scheme?

Table 34: Submission feedback on claims limits and contribution history

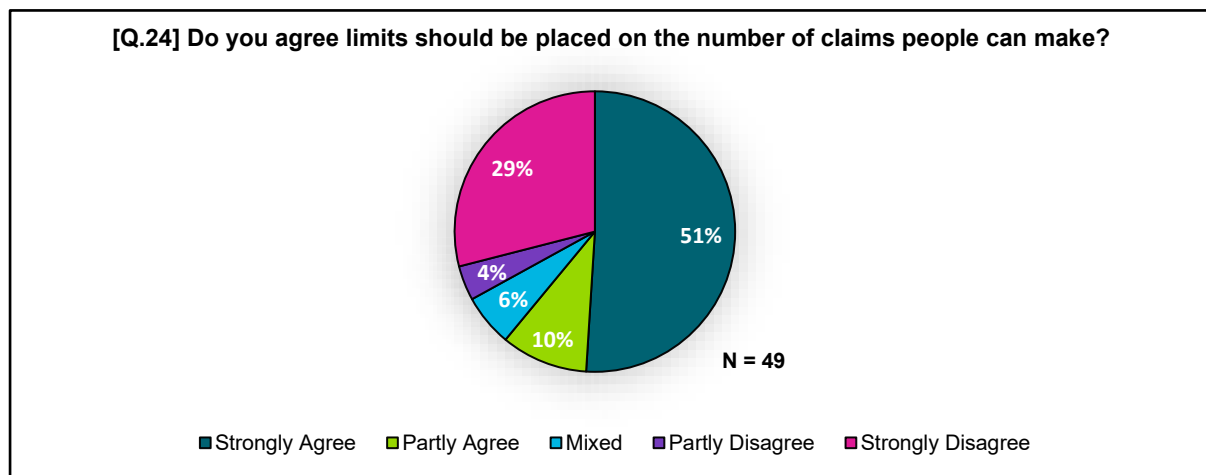
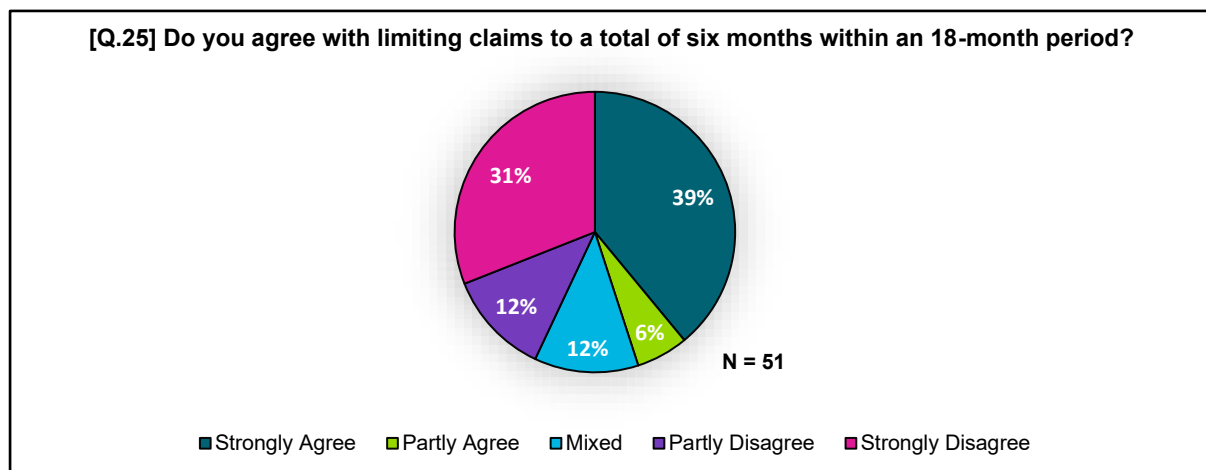


Table 35: Submission feedback on limiting claims



What is your level of agreement with each of the following proposals about an income insurance scheme?

Table 36: Submission feedback on coverage of New Zealand citizens and residents only

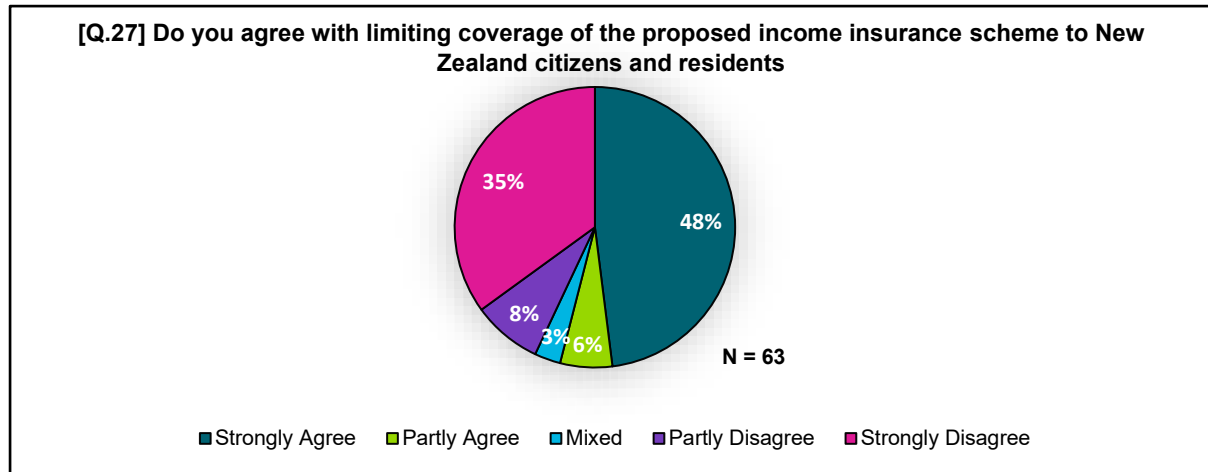
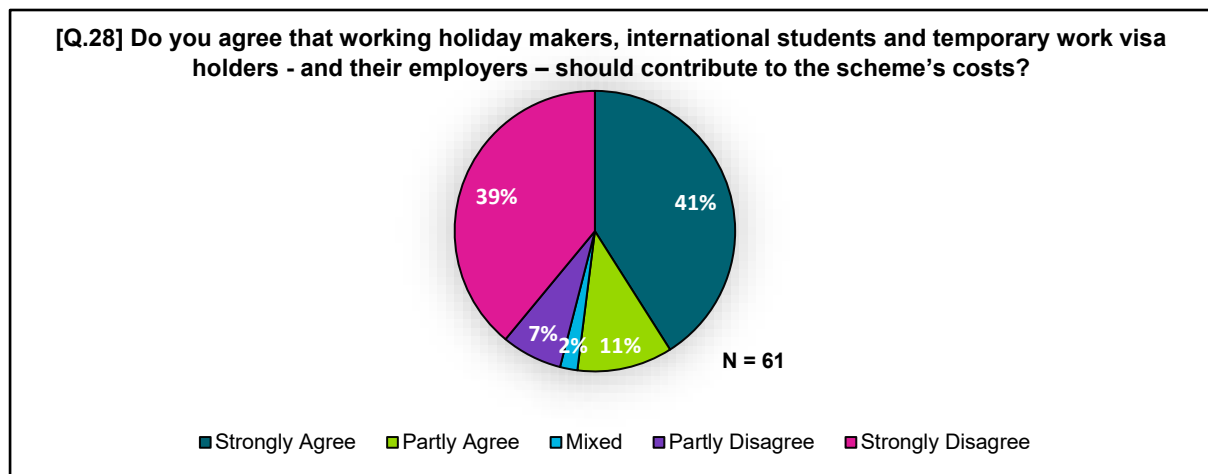


Table 37: Submission feedback on charging temporary visa holders



4.5 Scheme Replacement Rate

There was moderate support for the proposed replacement rate set at 80% of \$130,911 (in line with ACC payments) in survey responses (41%), with a similar number (39%) saying the rate of submissions agreed the rate was about right, while 31% said it was too high. 6% of survey respondents argued the rate was too low, and 5% thought the replacement rate was far too low. The survey feedback aligns with feedback in submissions.

Table 38: Survey responses on proposed replacement rate and cap

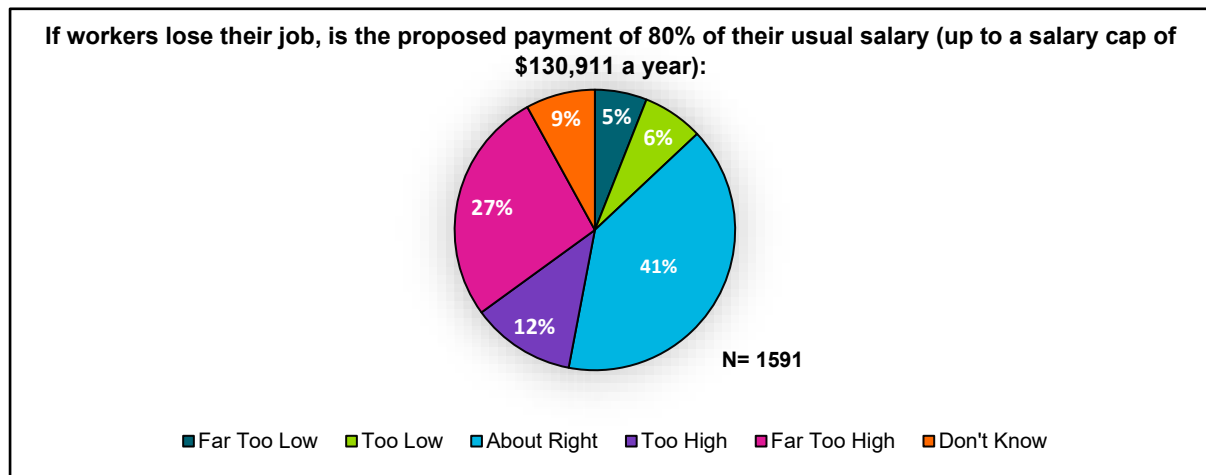


Table 39: Submission feedback on proposed replacement rate and cap

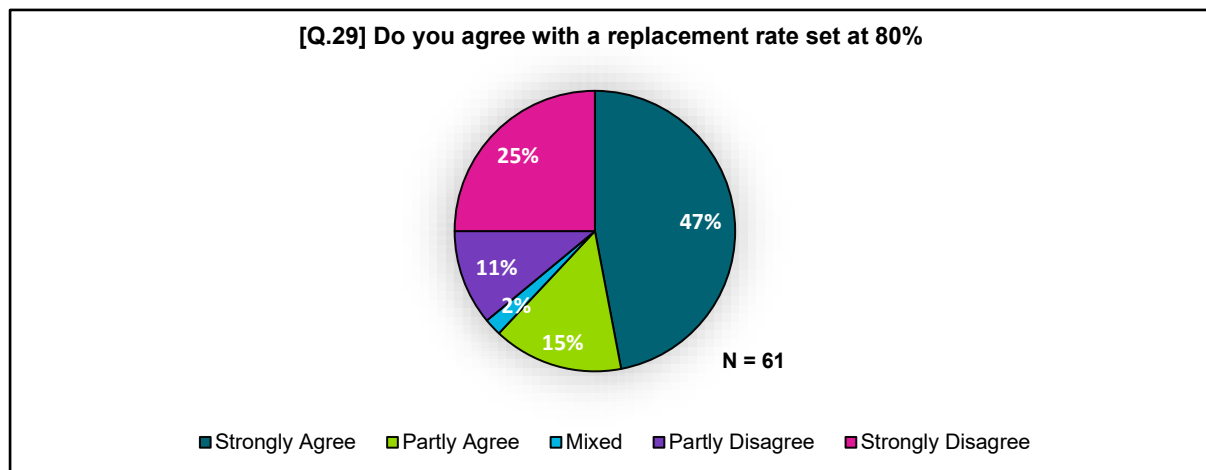
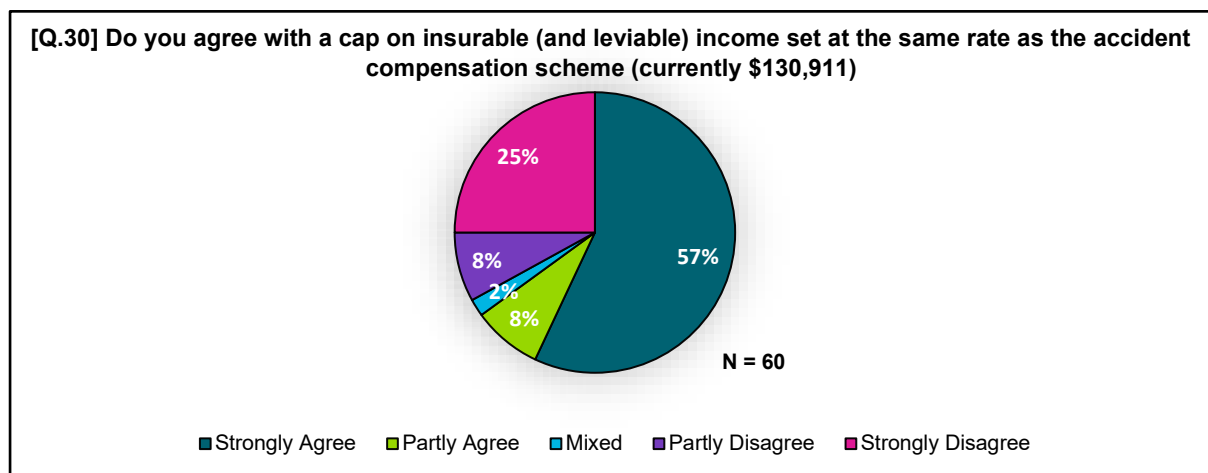


Table 40: Submission feedback on having an income cap



4.6 Abatement, Entitlements and Other Income

There was widespread support for proposed settings on individualised entitlements for income, how to account for other income while on the scheme and abatement if someone earns over 100% of their previous income.

Table 41: Submission feedback on exertion income affecting entitlement

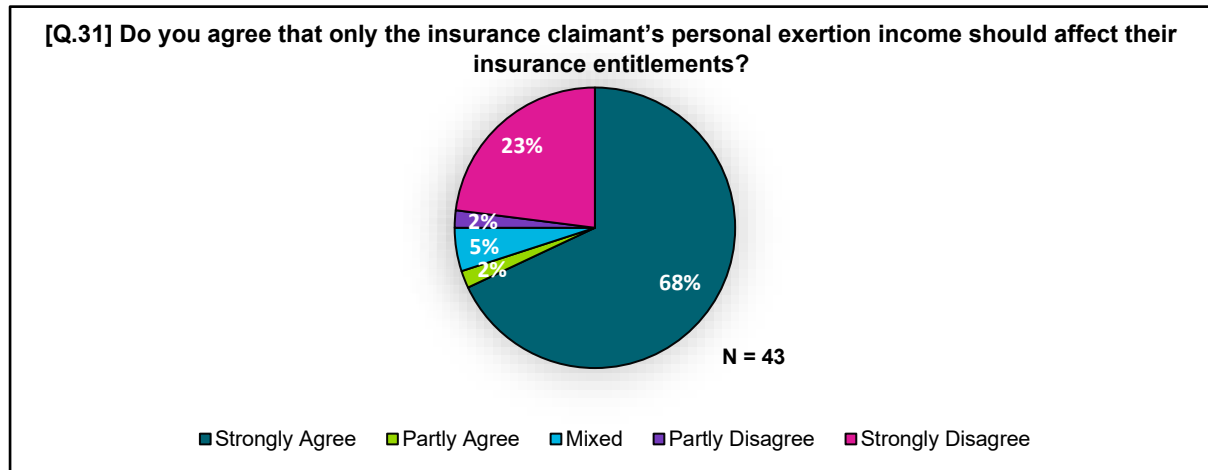


Table 42: Submission feedback on individualised entitlement

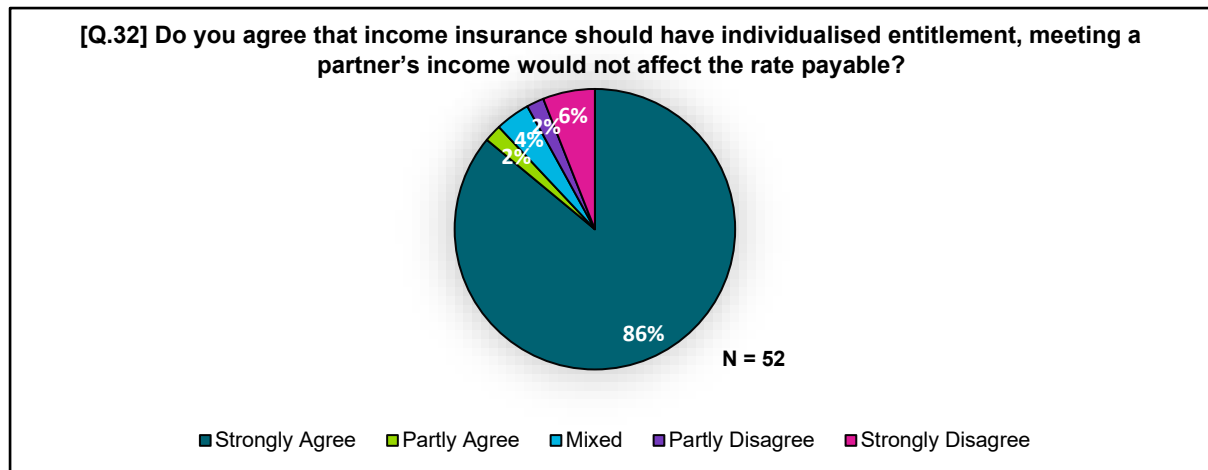


Table 43: Submission feedback on working while receiving NZII

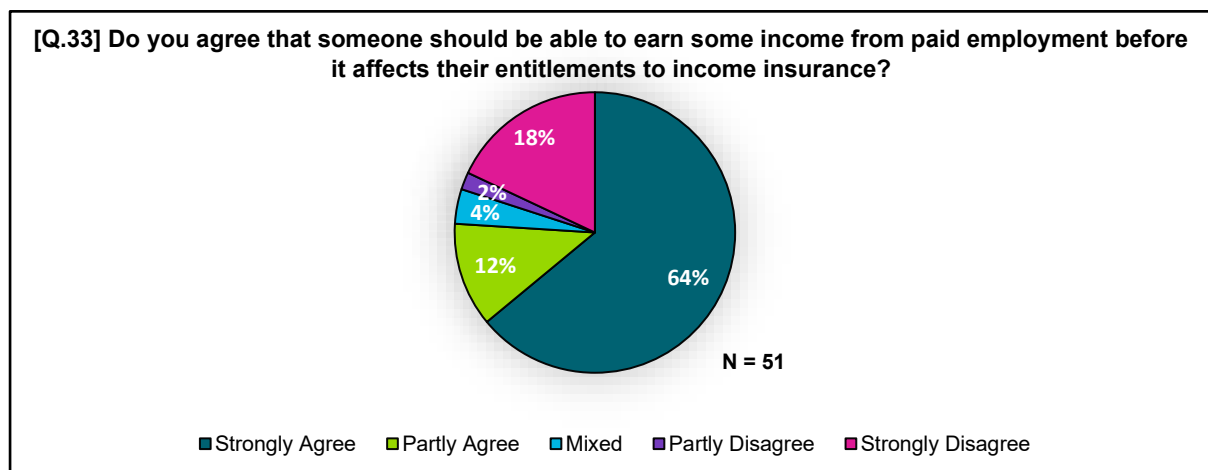
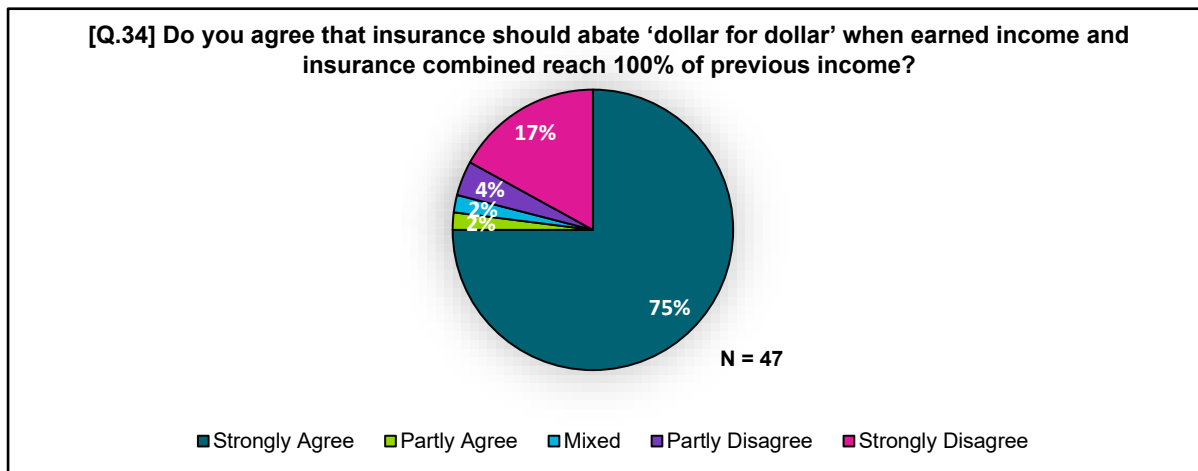


Table 44: Submission feedback on abatement



What is your level of agreement with each of the following proposals about the income insurance scheme?

Table 45: Survey feedback on treatment of other income

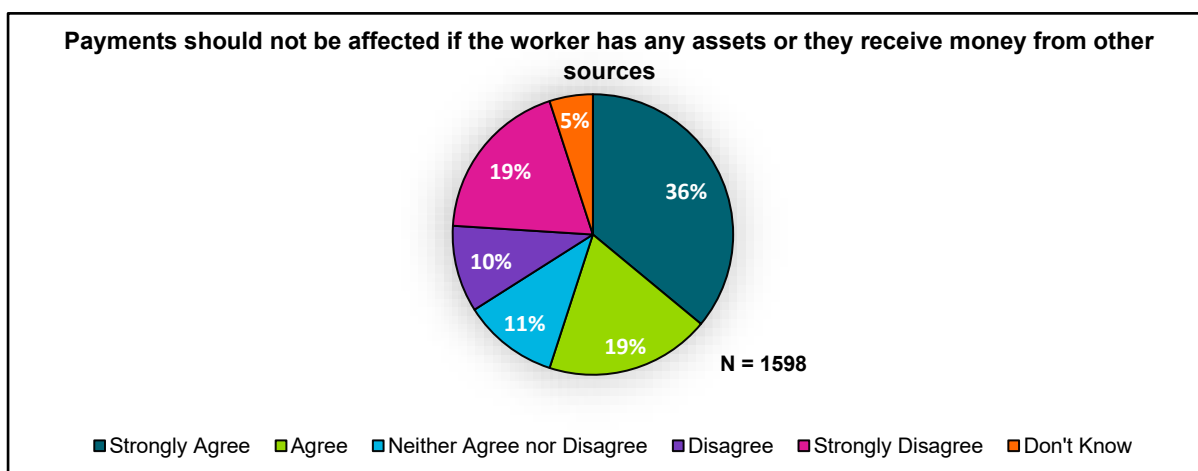
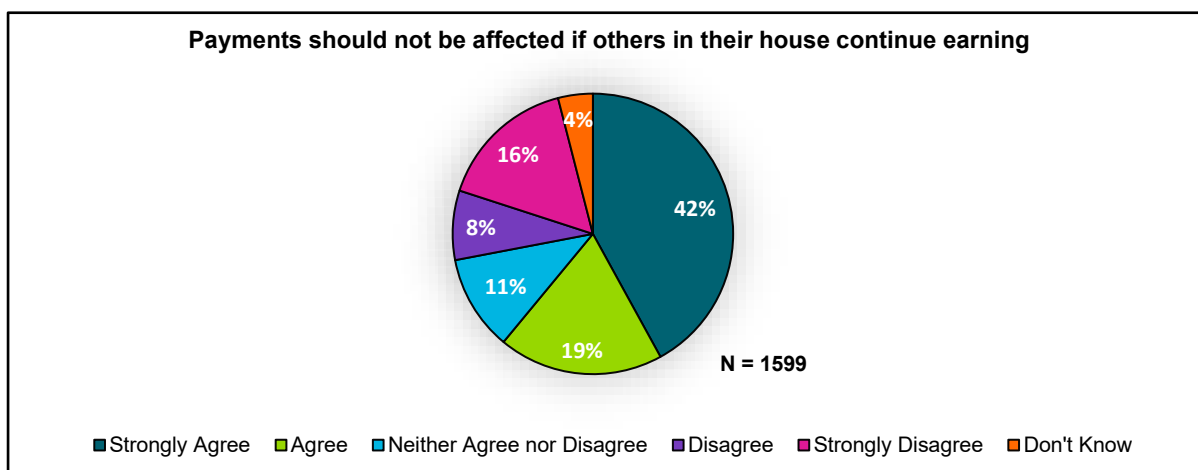


Table 46: Survey feedback on treatment of other income (households)



4.7 Interactions with Other Payments³

There was general support for the proposed scheme settings and its relationship with other payments, on condition that those on lower incomes did not lose out.

Table 47: Submission feedback on interaction with other payments(benefits)

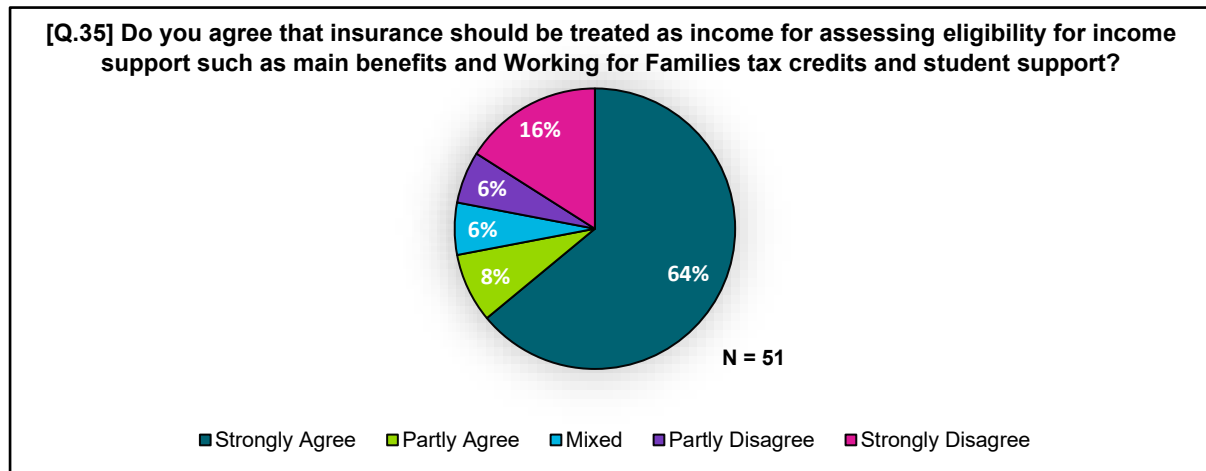
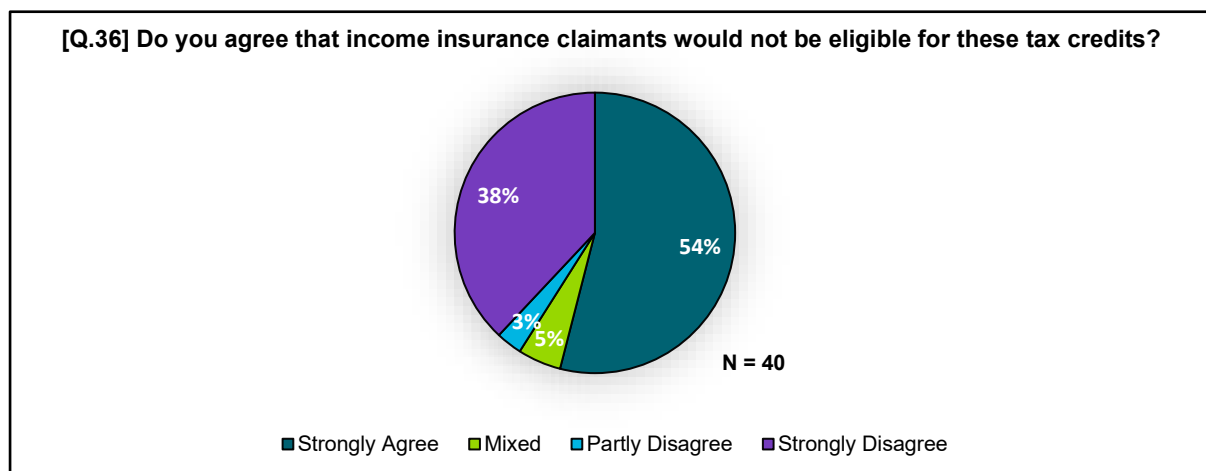


Table 48: Submission feedback on interaction with other payments (tax credits)



³ As the survey did not explore scheme design questions on interactions with other payments, this section is primarily based on feedback from public submissions

Table 49: Submission feedback on interaction with other payments (NZ Super)

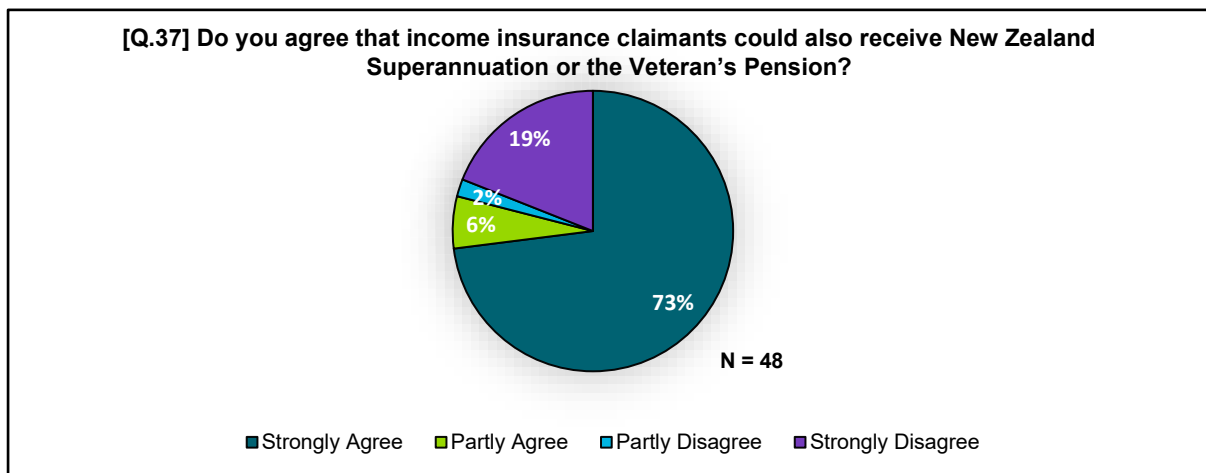


Table 50: Submission feedback on interaction with other payments (limits)

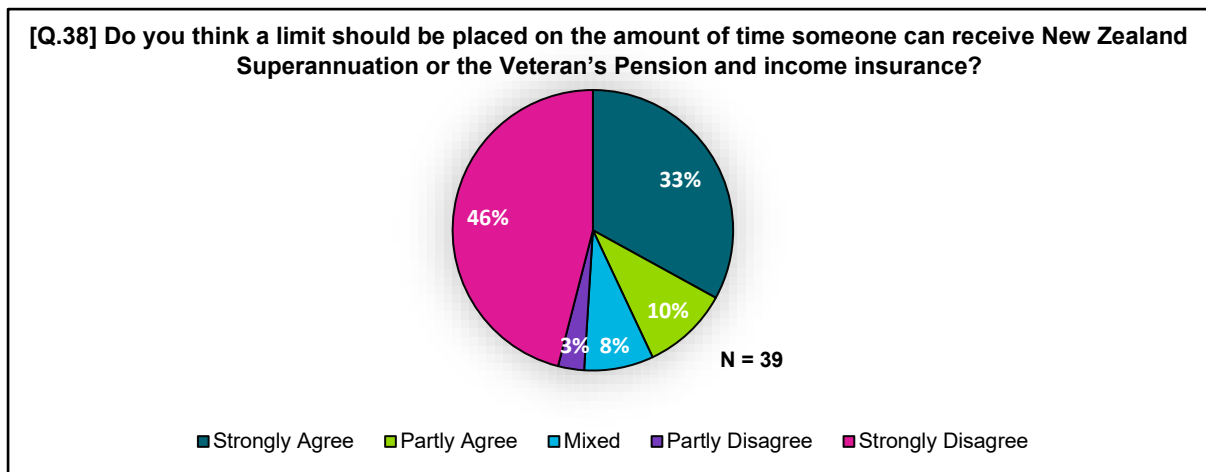


Table 51: Submission feedback on interaction with other payments (PPL)

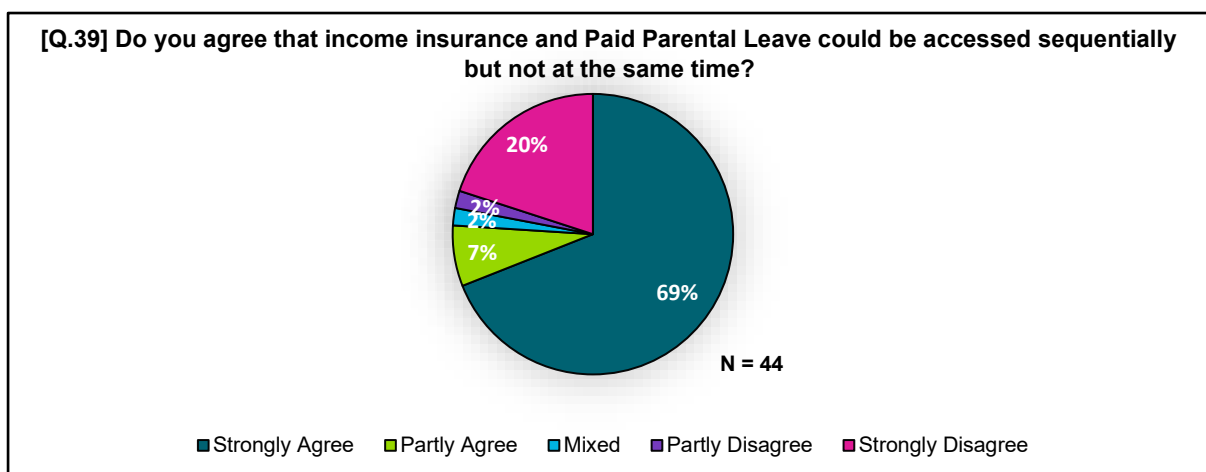
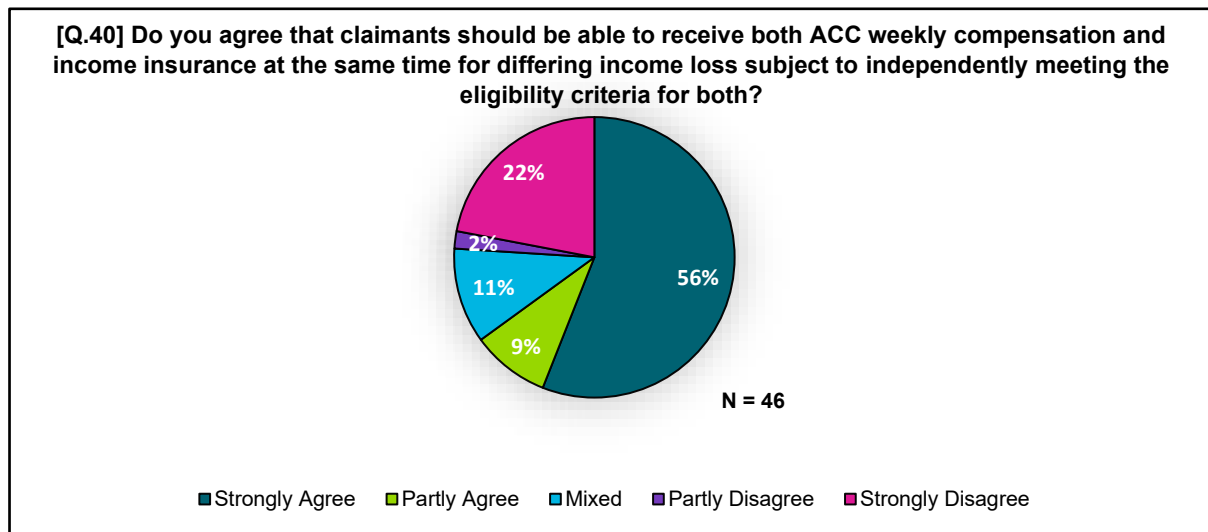


Table 52: Submission feedback on interaction with other payments (ACC)



4.8 Duration of Scheme Entitlement

Feedback on the proposed duration of the scheme was very mixed, with considerable support for the proposed six months base duration in survey responses, and an almost even split of those arguing for a longer or shorter base duration. There were similarly mixed views on the whether to allow extending the scheme in some circumstances such as training and rehabilitation.

Table 53: Survey feedback on duration scheme entitlements (6 months)

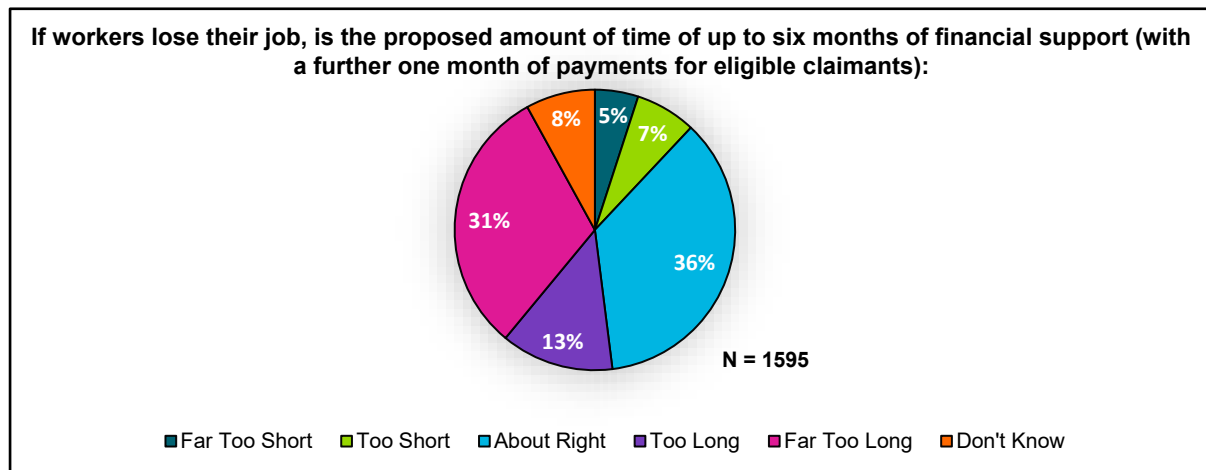


Table 54: Survey feedback on duration scheme entitlements (extensions)

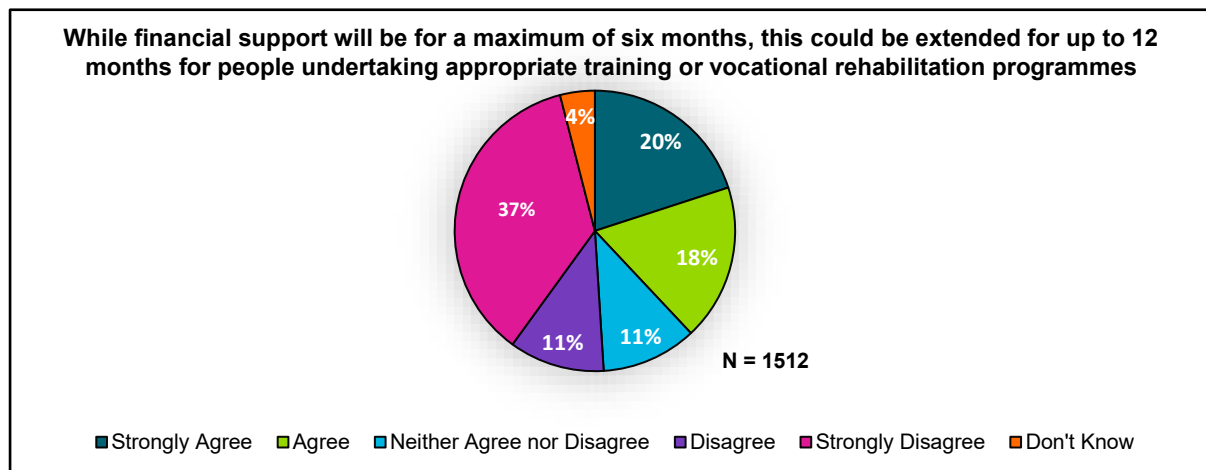


Table 55: Submission feedback on scheme duration (bridging payment)

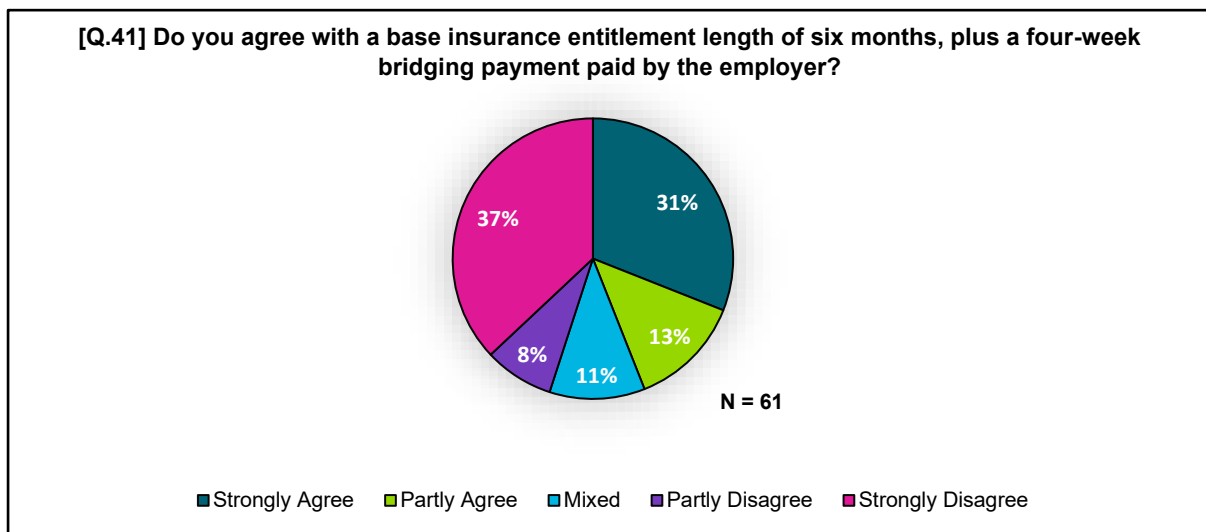
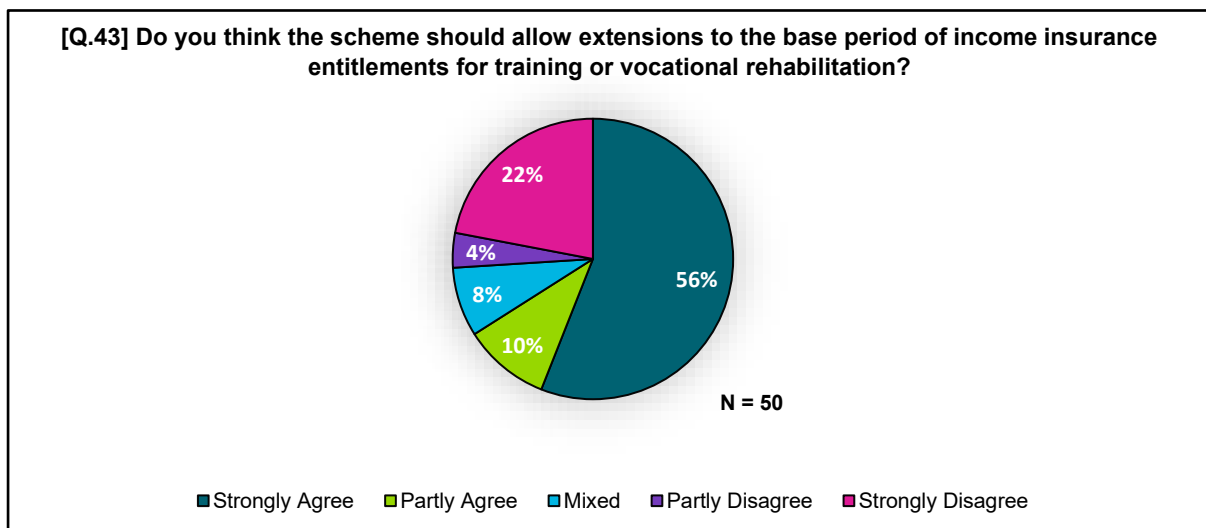


Table 56: Submission feedback on scheme duration (extensions)



4.9 Notice Periods and Bridging Payments

Among those who expressed a view, survey responses and submissions were evenly split on proposals to require employers to give a minimum of four weeks' notice and a four-week bridging payment at 80% of wages. Key themes included concern at the cost to business of the proposals and the importance of deterring 'sham' redundancies.

What is your level of agreement with each of the following proposals about the income insurance scheme?

Table 57: Survey responses on notice and bridging payments (4 weeks notice)

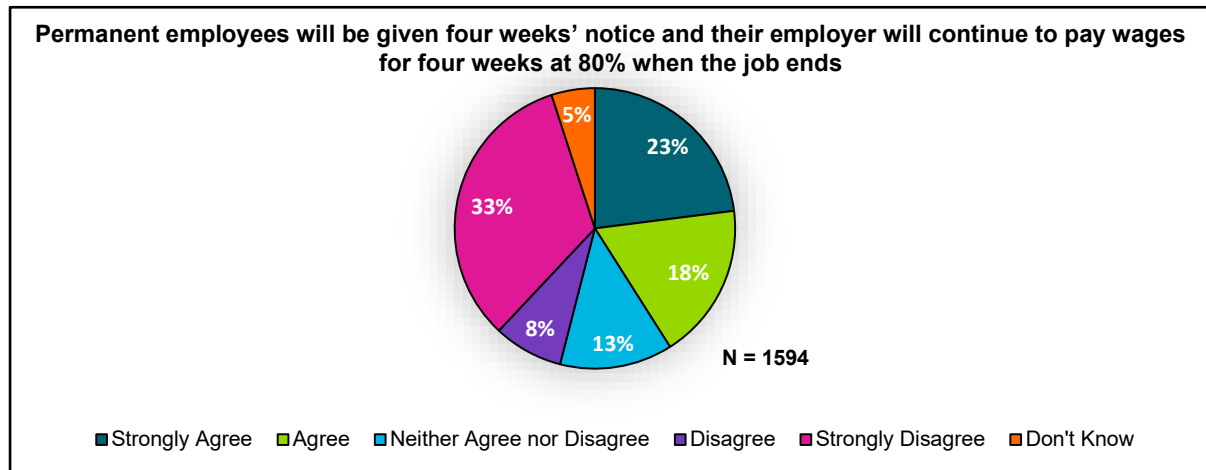


Table 58: Survey responses on notice and bridging payments (refunds)

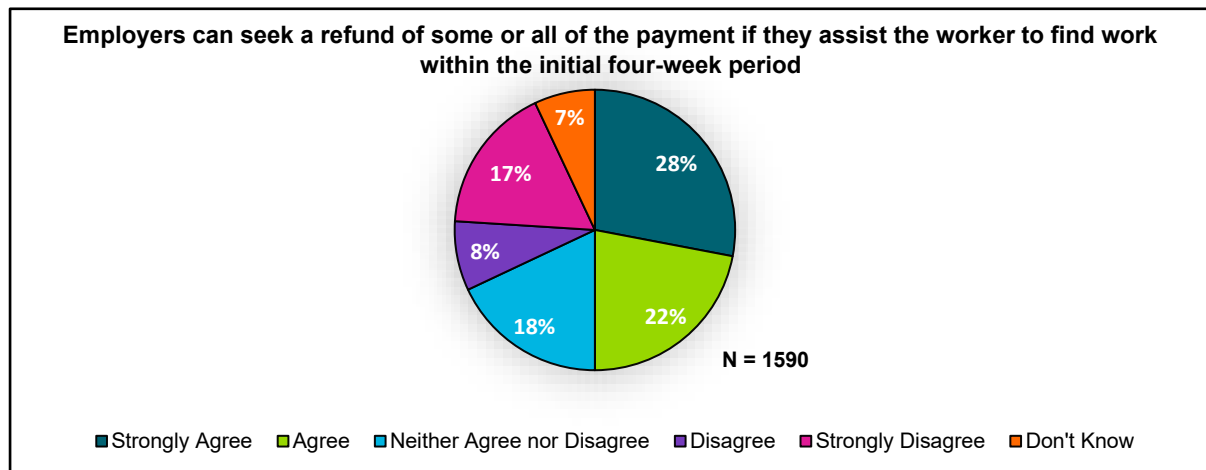


Table 59: Submission feedback on notice and bridging payments (notifying insurer)

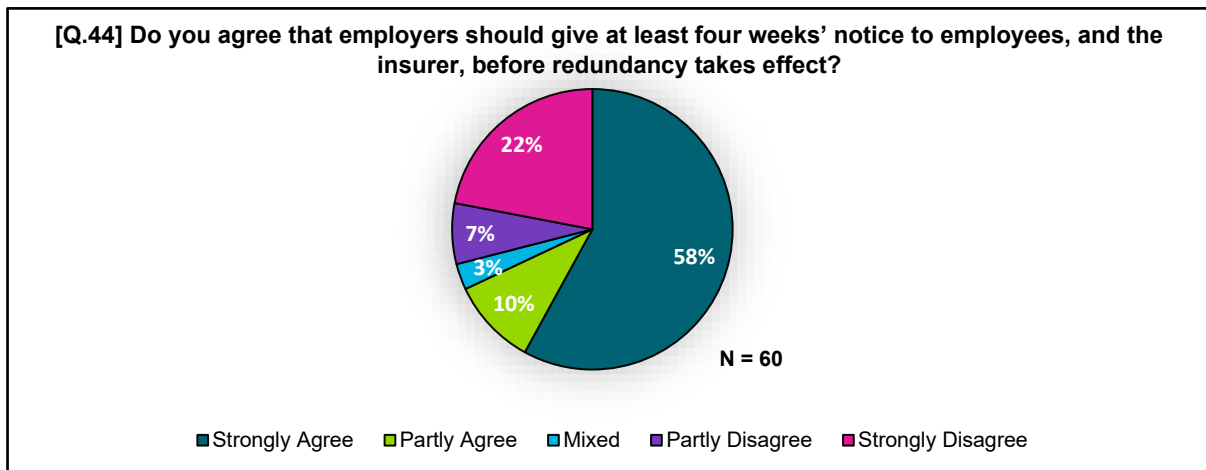


Table 60: Submission feedback on notice and bridging payments

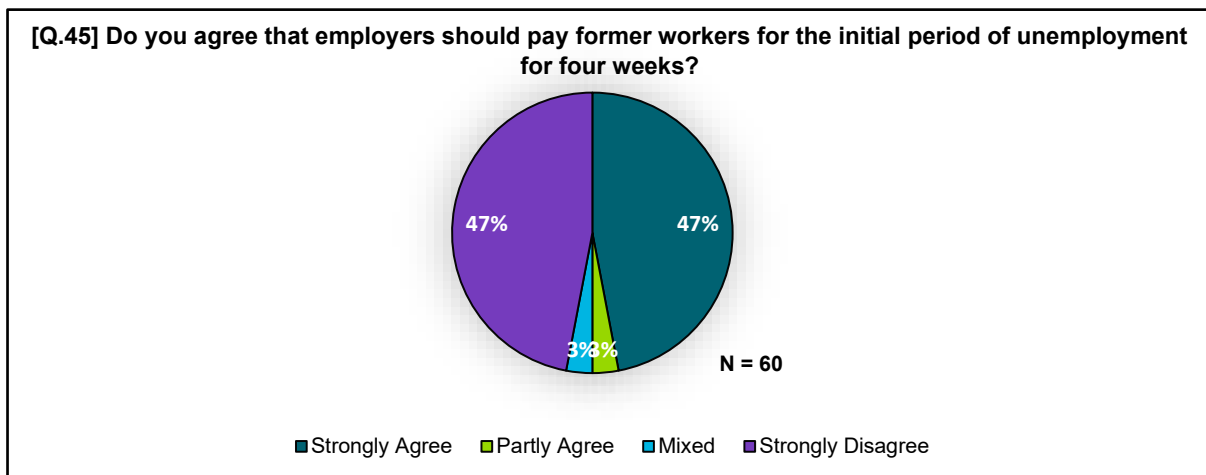


Table 61: Submission feedback on notice and bridging payments (including those not eligible)

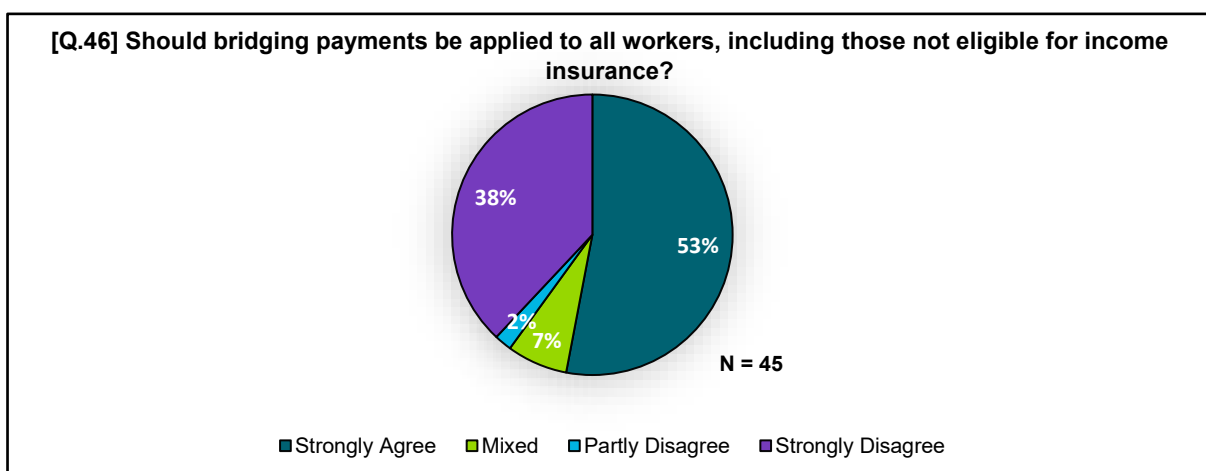


Table 62: Submission feedback on notice and bridging payments(refunds within 4 weeks)

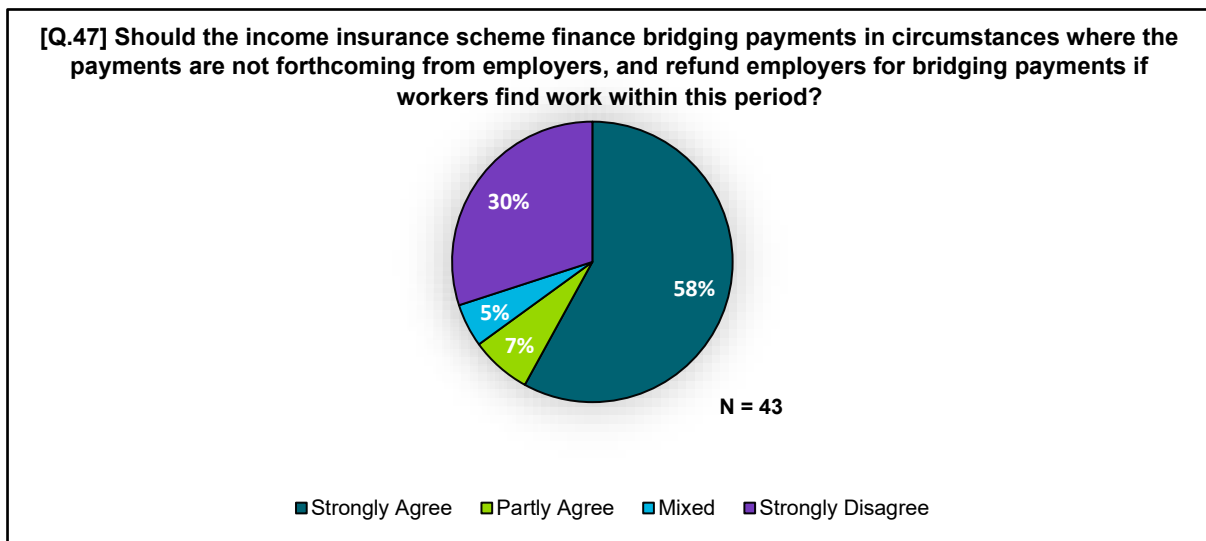
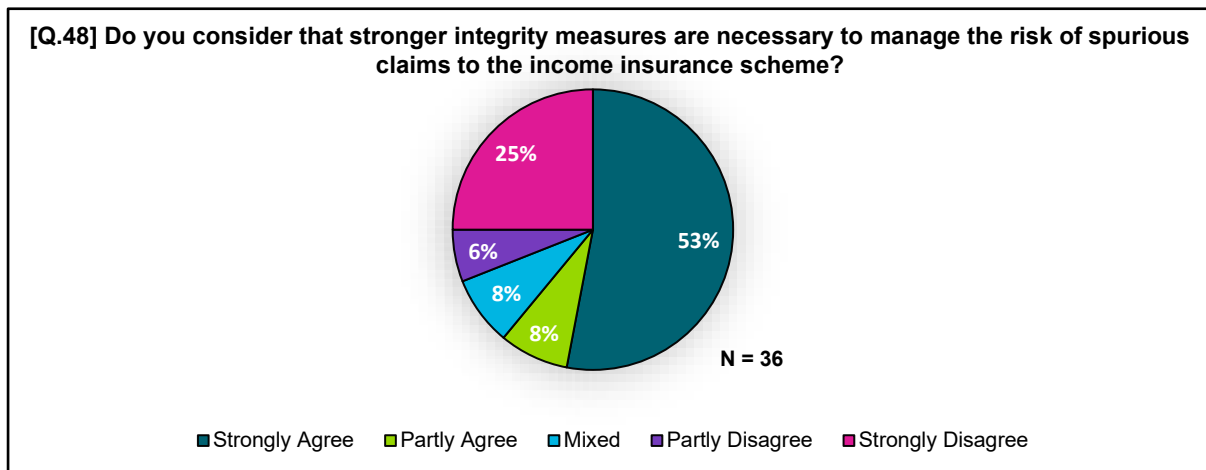


Table 63: Submission feedback on notice and bridging payments (scheme integrity)



4.10 Coverage and Entitlements for Health Conditions and Disabilities

There was widespread support for no fault, inclusive coverage of health conditions and disabilities. This includes covering partial loss of earnings.

What is your level of agreement with each of the following proposals relating to health conditions and disabilities?

Table 64: Survey responses on coverage of health conditions and disabilities

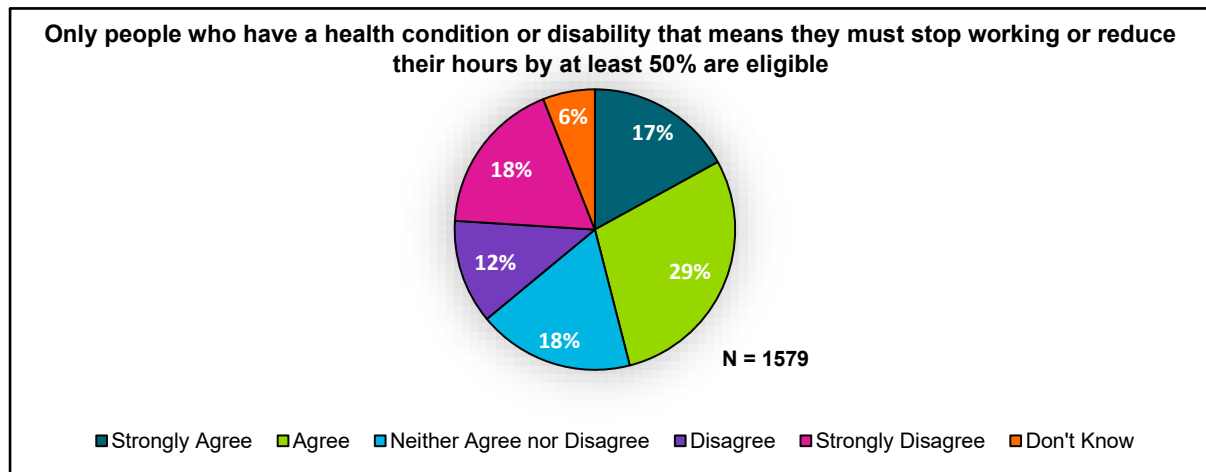


Table 65: Survey responses on coverage of health conditions and disabilities (4 weeks or more)

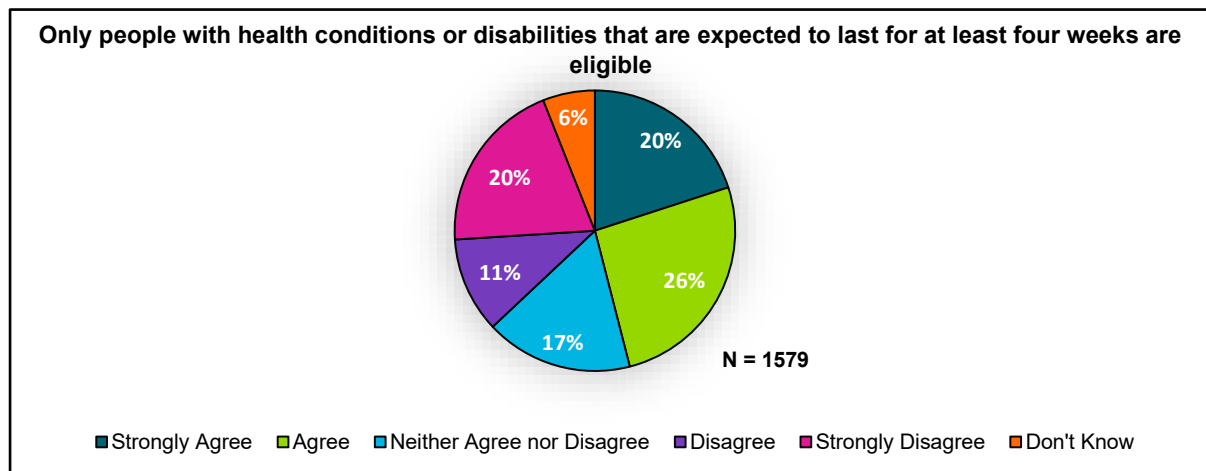


Table 66: Survey responses on coverage of health conditions and disabilities (employer obligations)

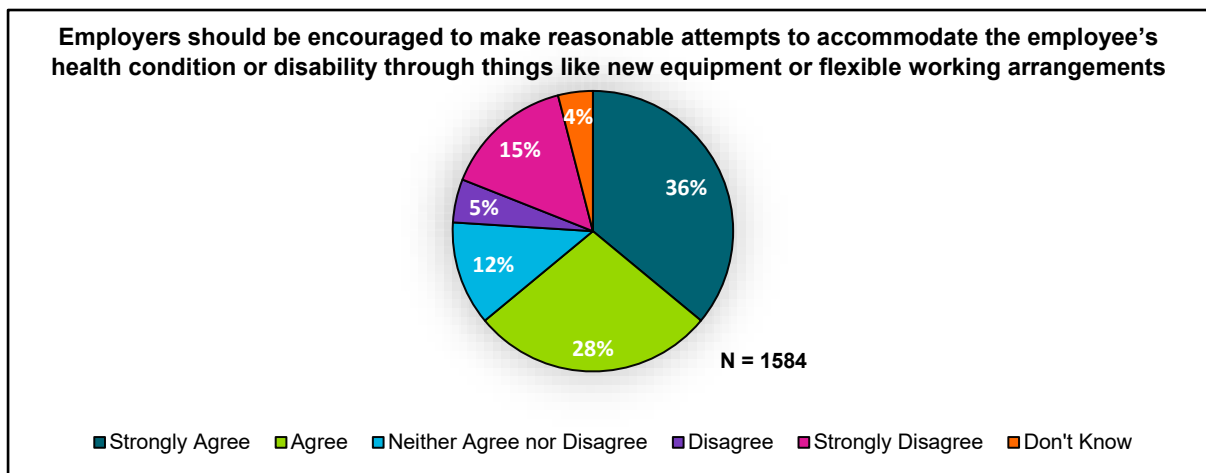


Table 67: Survey responses on coverage of health conditions and disabilities (employer obligations)

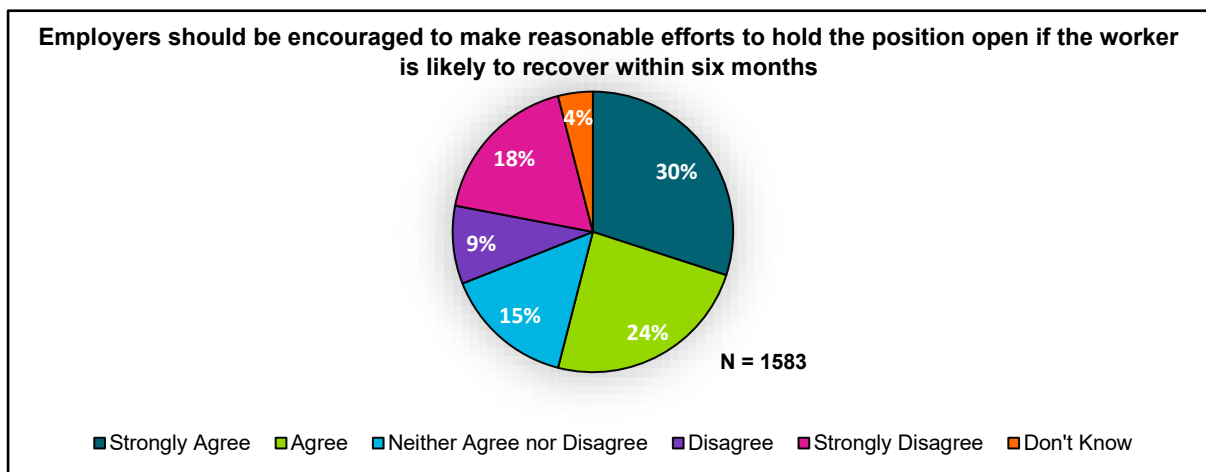


Table 68: Submission feedback on coverage of health conditions and disabilities (restrictions)

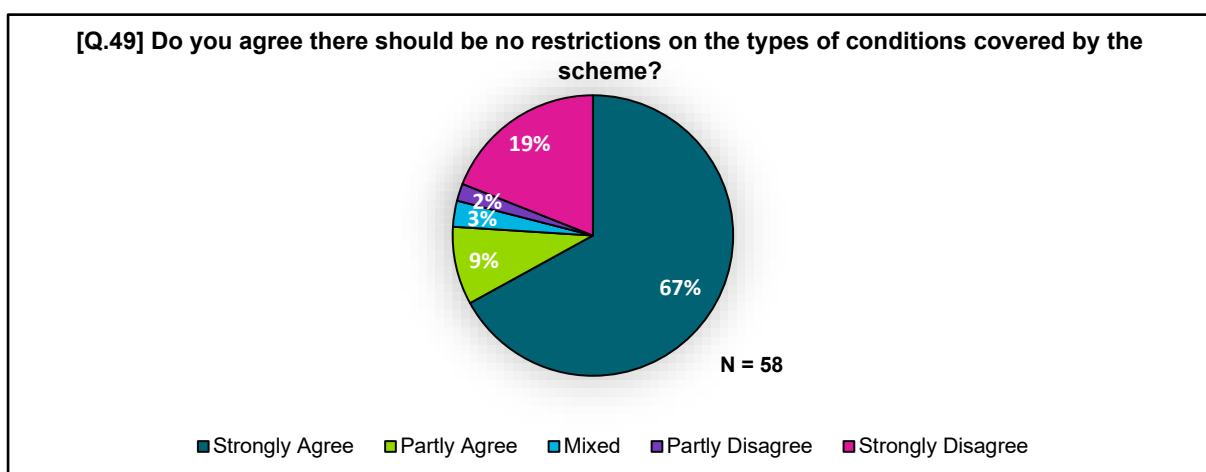


Table 69: Submission feedback on coverage of health conditions and disabilities (all workers)

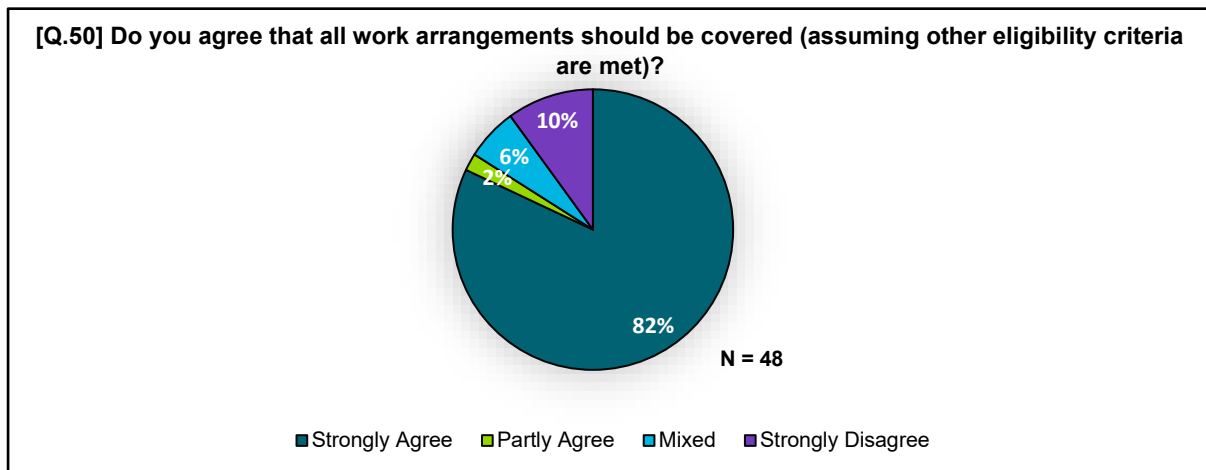


Table 70: Submission feedback on coverage of health conditions and disabilities (partial loss)

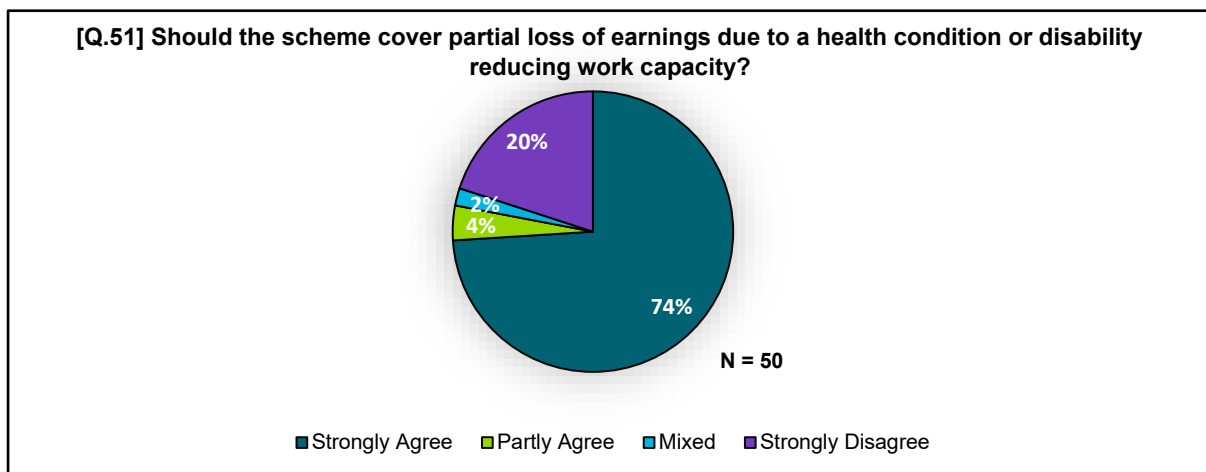
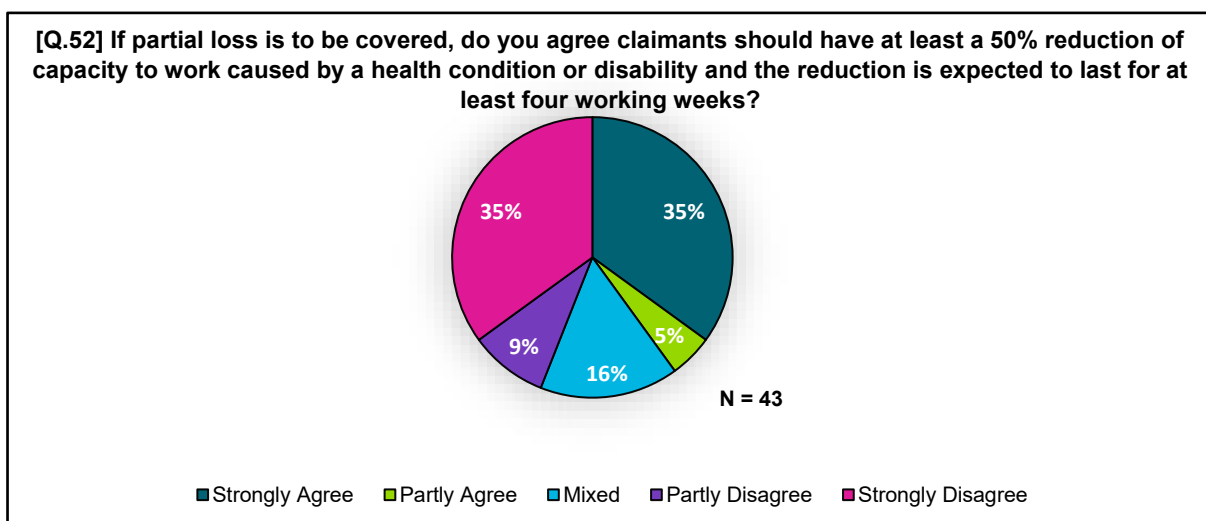


Table 71: Submission feedback on coverage of health conditions and disabilities (50% reduction)



4.11 Work Capacity Assessments

There was support for health practitioners being the main assessor of work capacity, although also concern that it would mean an additional workload for GPs, may adversely affect patient/ doctor relationships and could be a barrier to some people accessing the scheme.

Table 72: Submission feedback on assessing health capacity

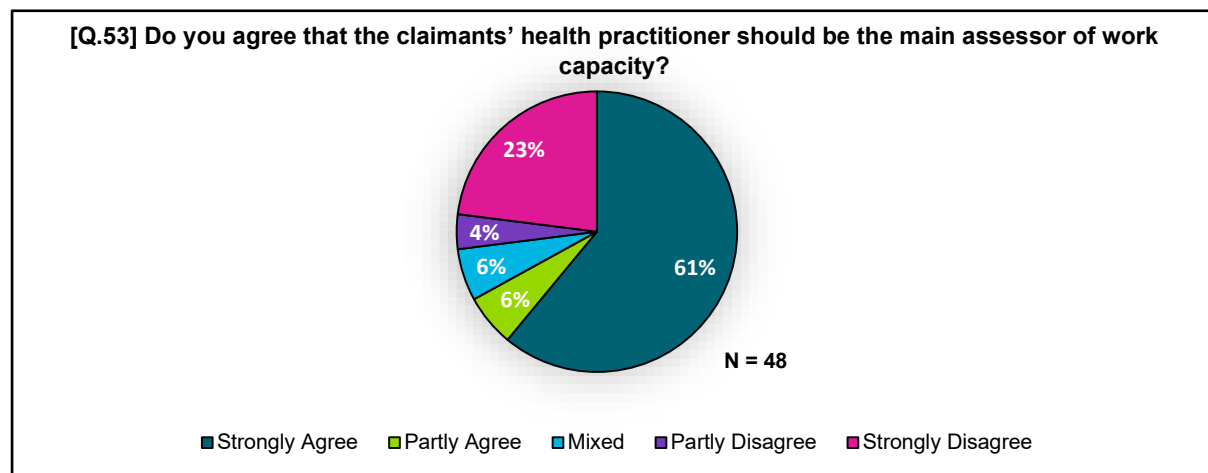
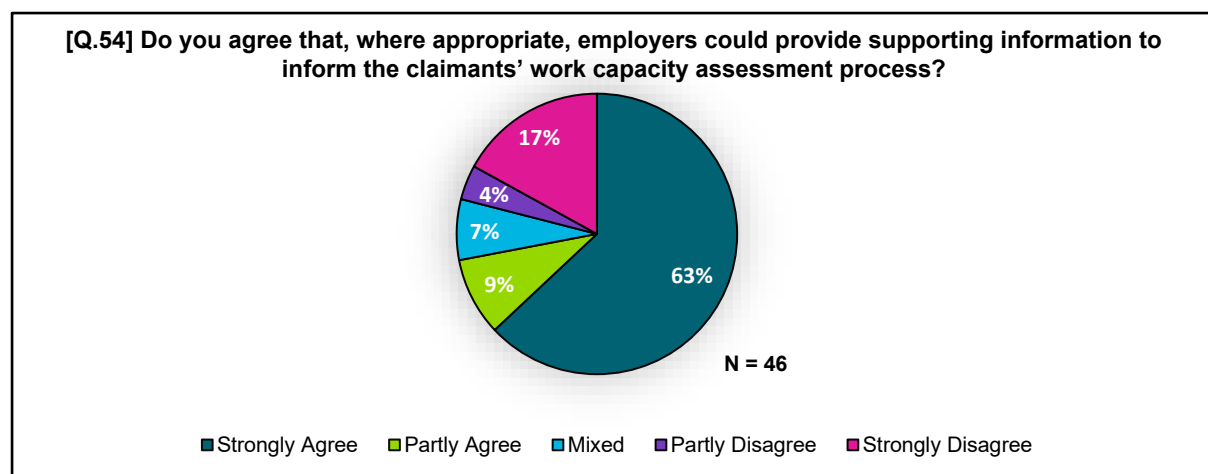


Table 73: Submission feedback on provision of supporting information (employers)



4.12 Roles for Employers with Workers with Health Conditions or Disabilities

There was widespread support for employers making changes to accommodate workers with health conditions and disabilities, and to keep roles open (although some concern this would be impractical for smaller firms). Opinions on whether employers should pay bridging in cases of medical dismissal were sharply divided.

Table 74: Submission feedback on roles for employers of people with health conditions and disabilities

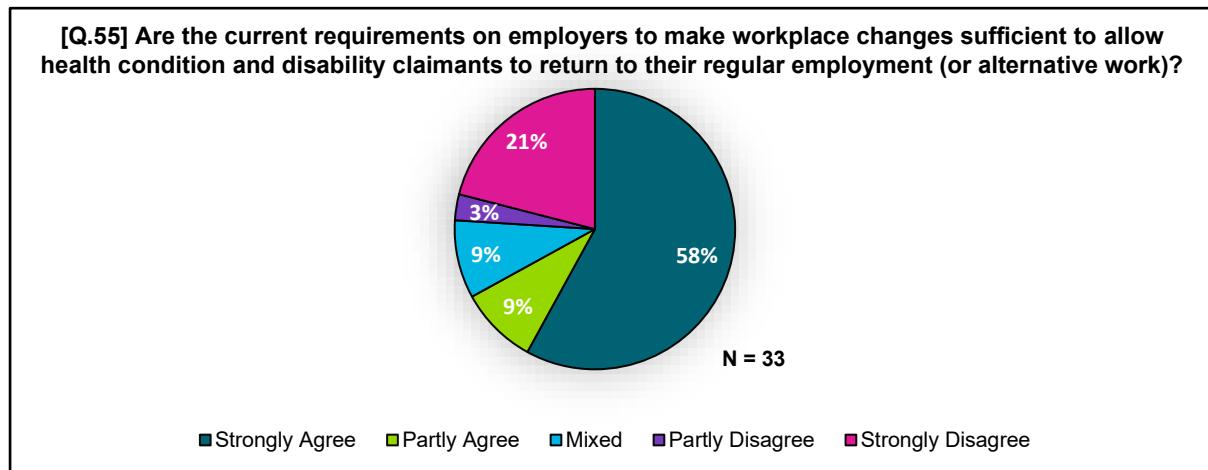


Table 75: Submission feedback on keeping jobs open (employer expectations)

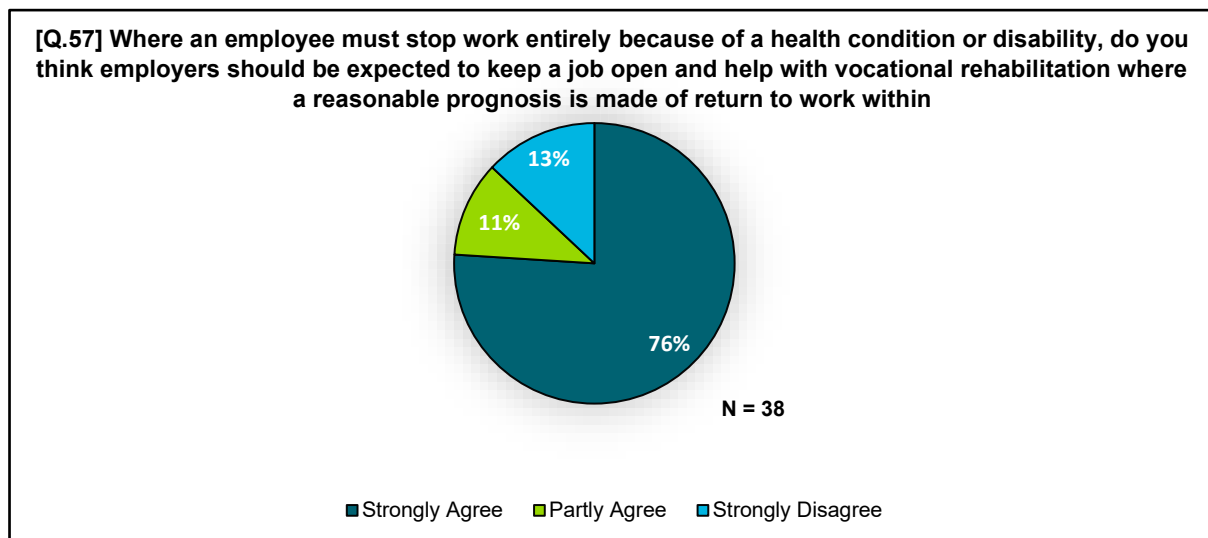
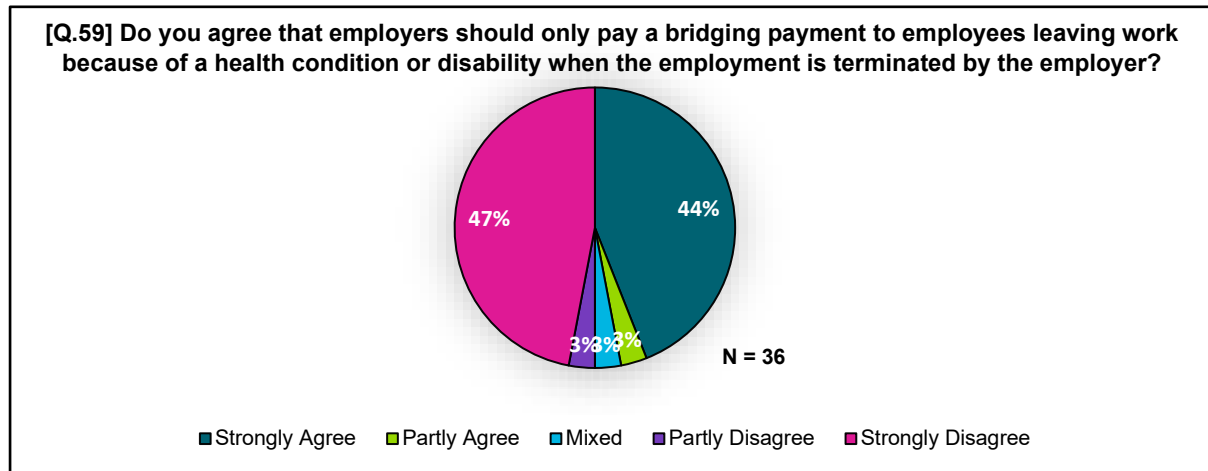


Table 76: Submission feedback on roles for employers of people with health conditions and disabilities (bridging payment)



4.14 Scheme Recipient Obligations

There was strong support for proposed work search obligations on recipients of insurance, along with concern not to make the scheme overly compliance focused.

What is your level of agreement with each of the following proposals about the income insurance scheme?

Table 77: Survey responses on obligations for people on the scheme (provided help)

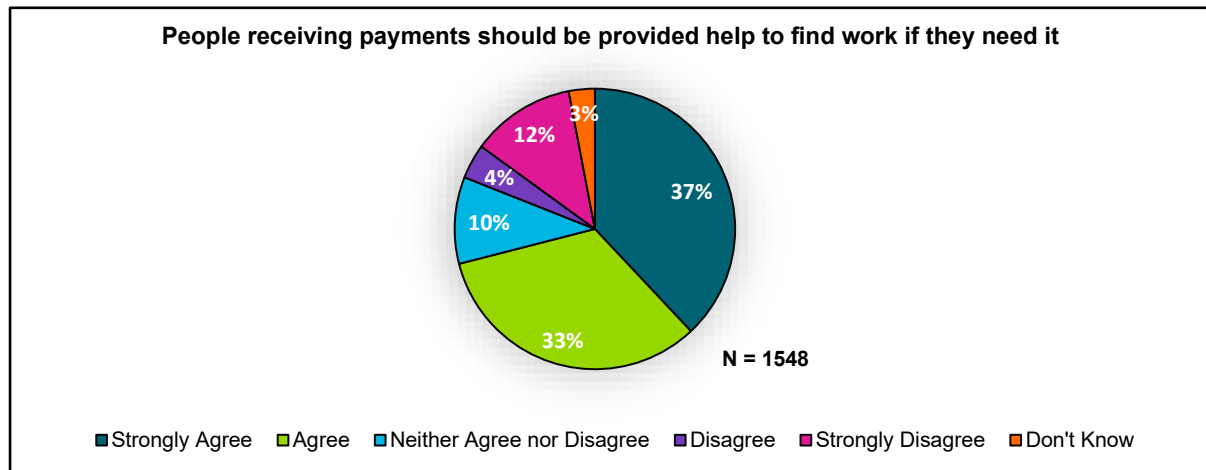


Table 78: Survey responses on obligations for people on the scheme (case management)

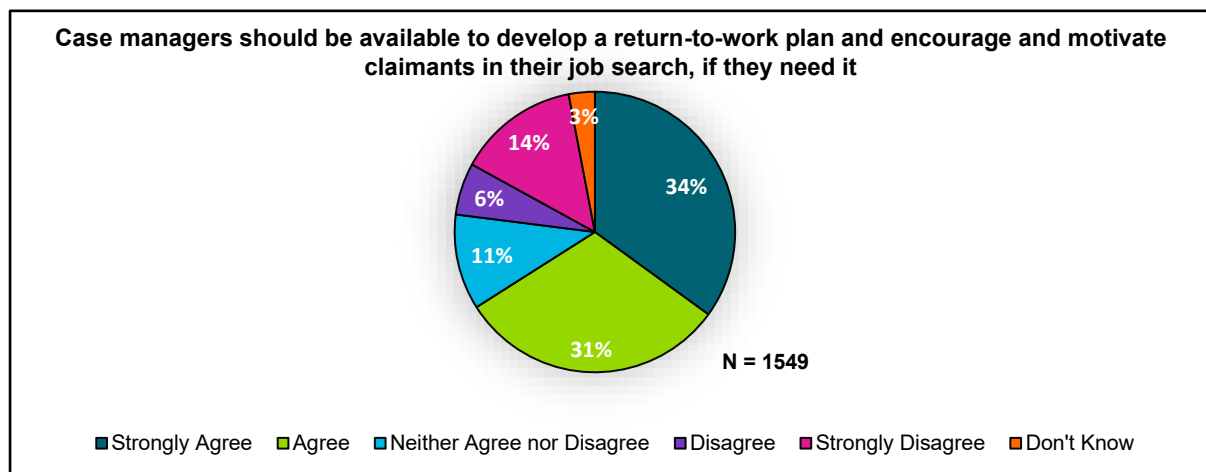


Table 79: Survey responses on obligations for people on the scheme (personal needs)

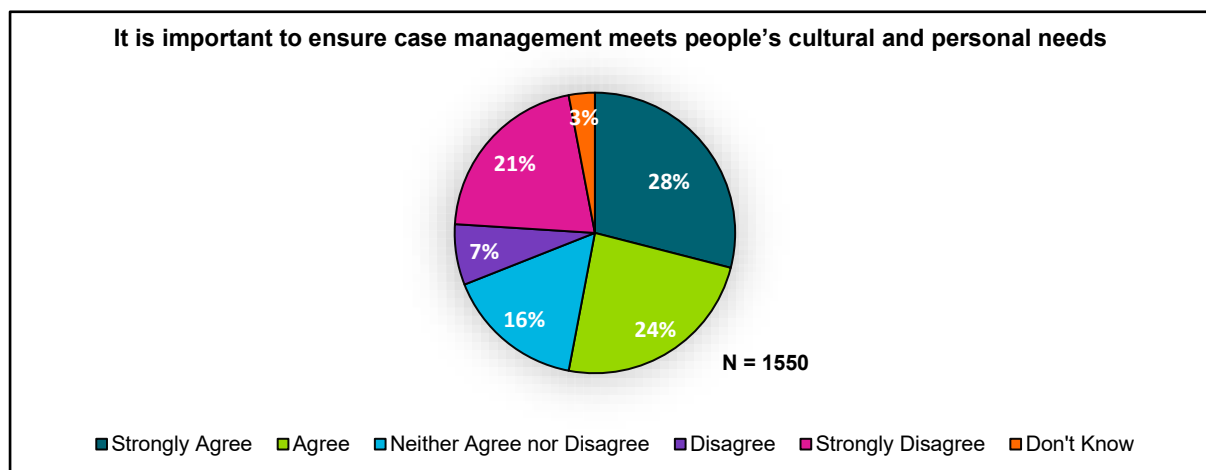


Table 80: Survey responses on obligations for people on the scheme (waived obligations)

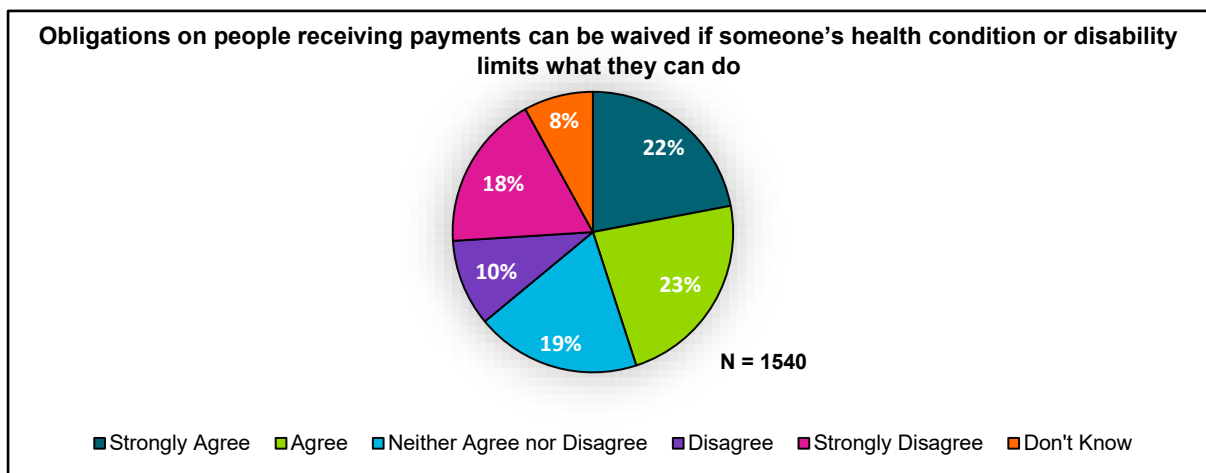


Table 81: Survey responses on obligations for people on the scheme (approved training)

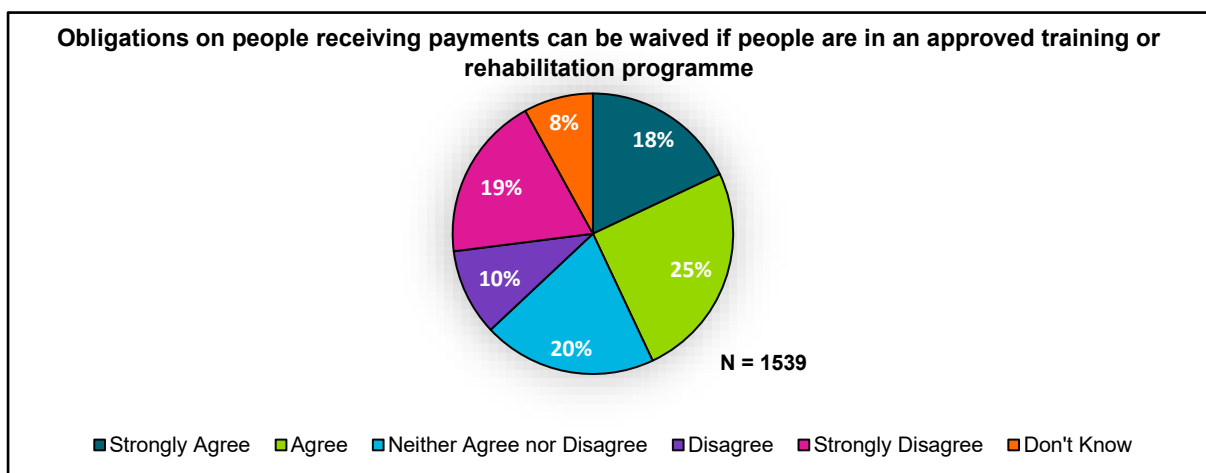


Table 82: Survey responses on obligations for people on the scheme

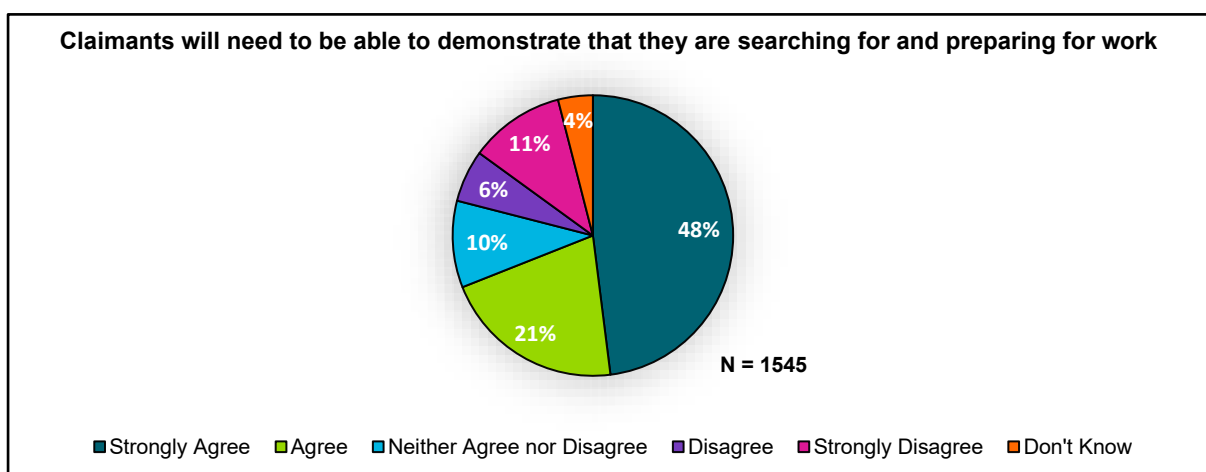


Table 83: Survey responses on obligations for people on the scheme (accepting suitable jobs)

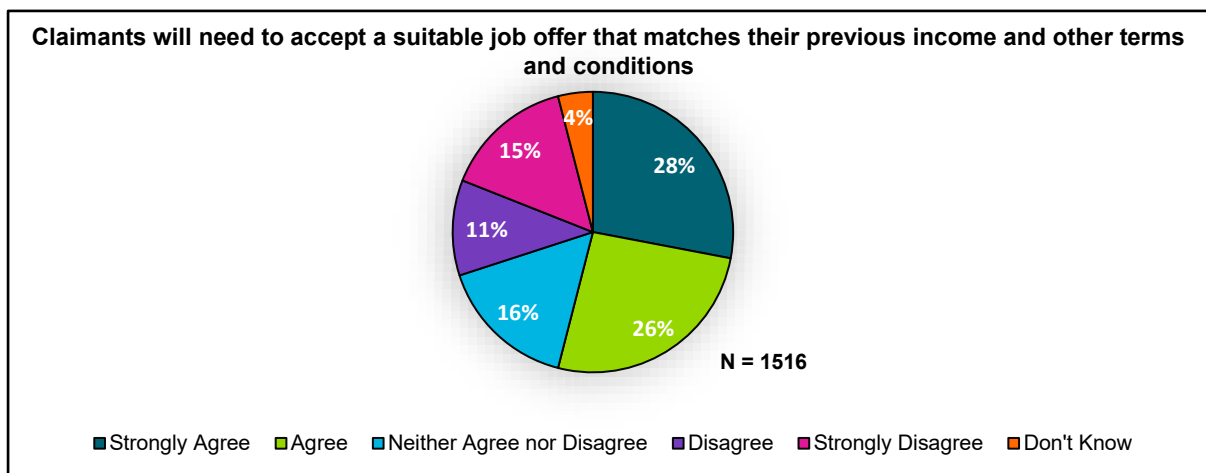


Table 84: Survey responses on obligations for people on the scheme (taxable income)

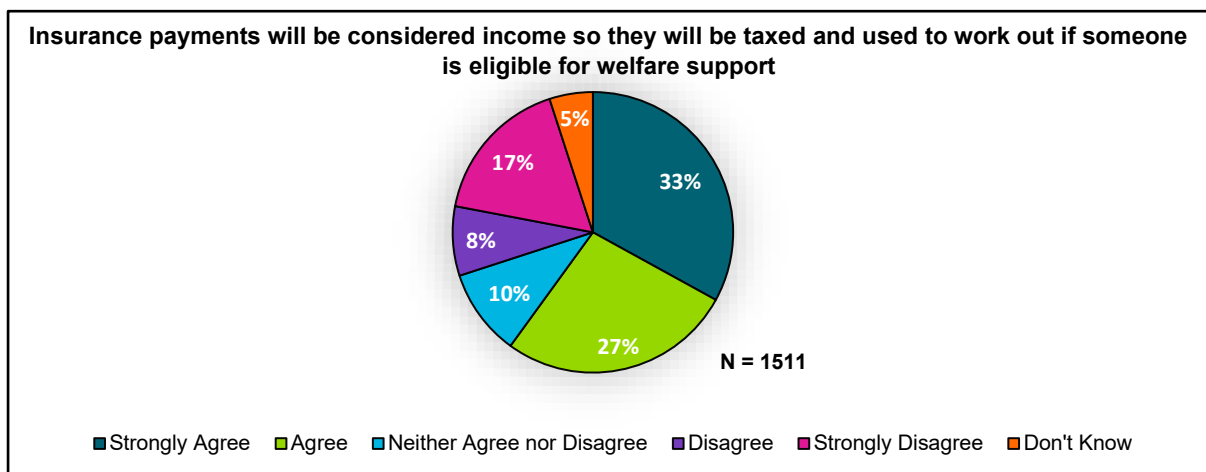


Table 85: Survey responses on obligations for people on the scheme (work up to 20% of income)

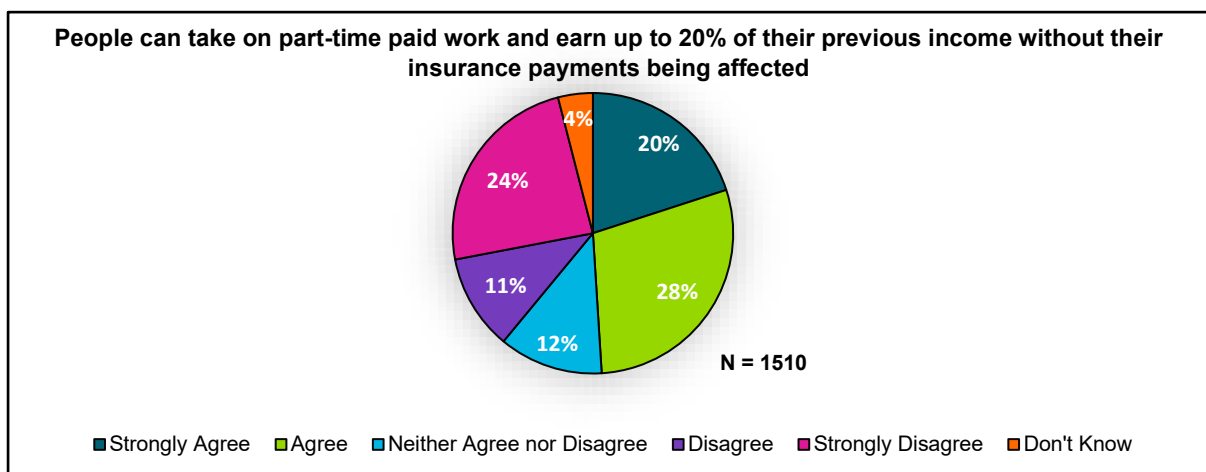


Table 86: Submission feedback on scheme recipient obligations (look for work)

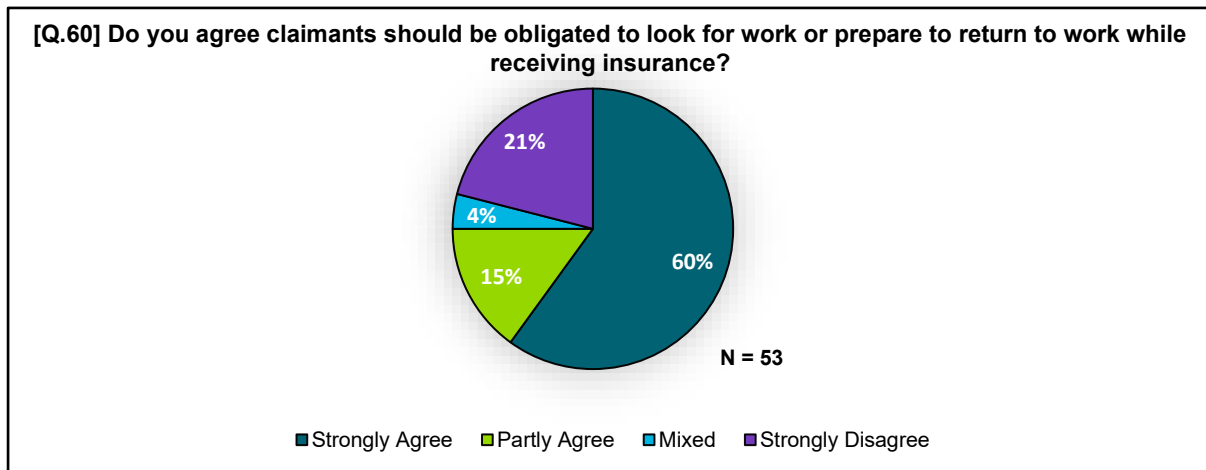


Table 87: Submission feedback on scheme recipient obligations (not accepting employment)

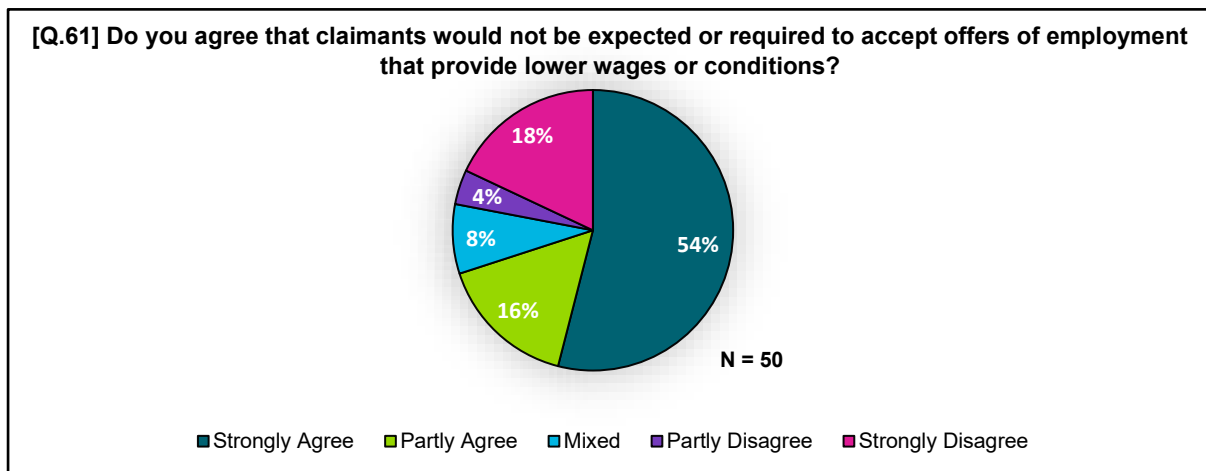


Table 88: Submission feedback on waiving recipient obligations (waiving obligations)

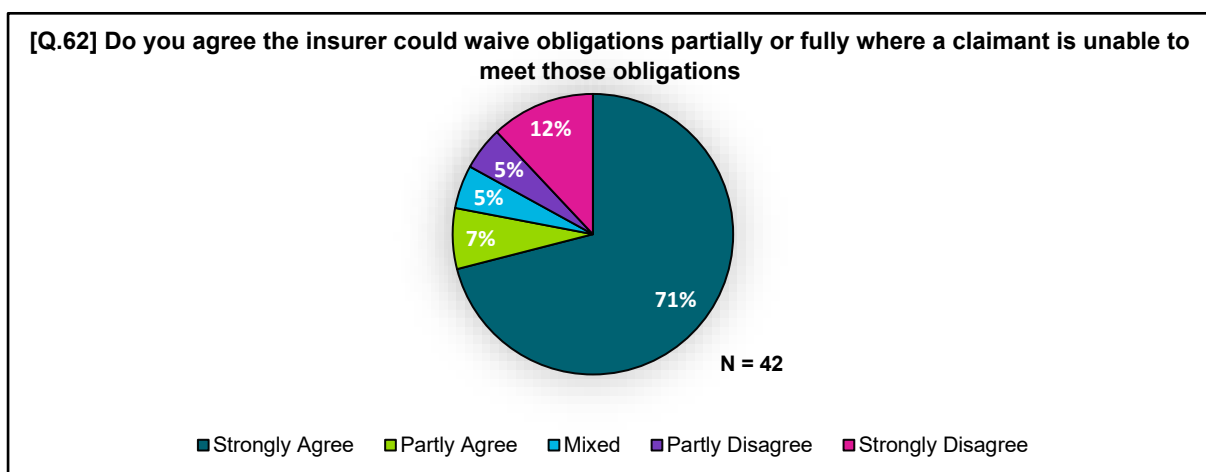


Table 89: Submission feedback on scheme recipient obligations (remain in NZ)

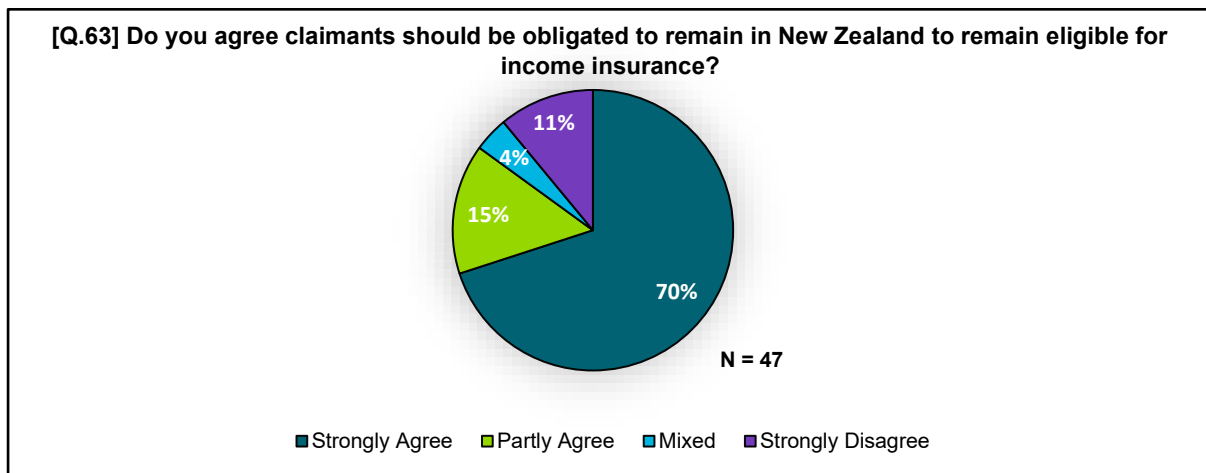
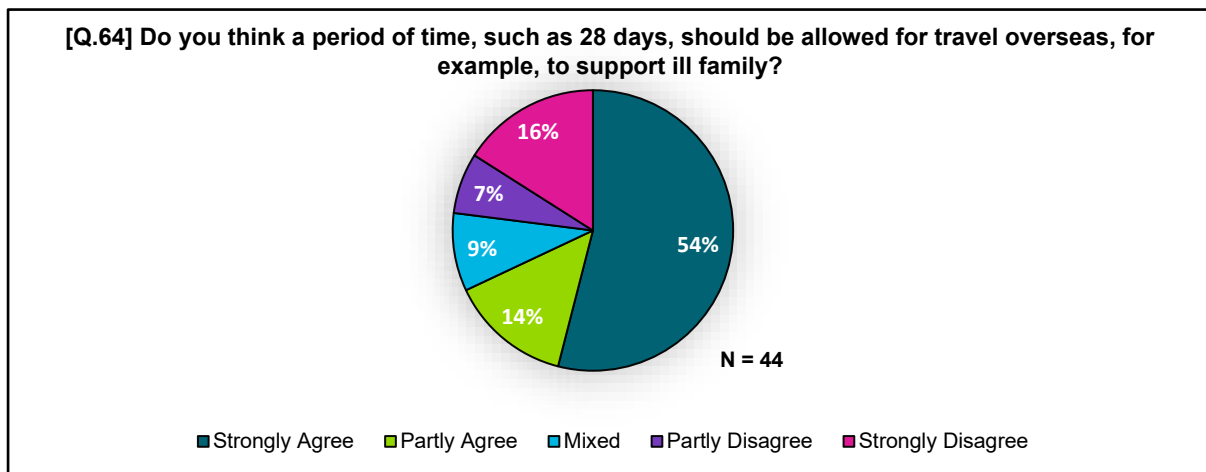


Table 90: Submission feedback on scheme recipient obligations (28 day travel overseas)



4.15 Obligations for Those with Health Conditions and Disabilities

There was widespread support for claimants with health conditions and/ or disabilities being subject to work search or training obligations when able to do so.

Table 91: Submission feedback on obligations for people with health conditions and disabilities

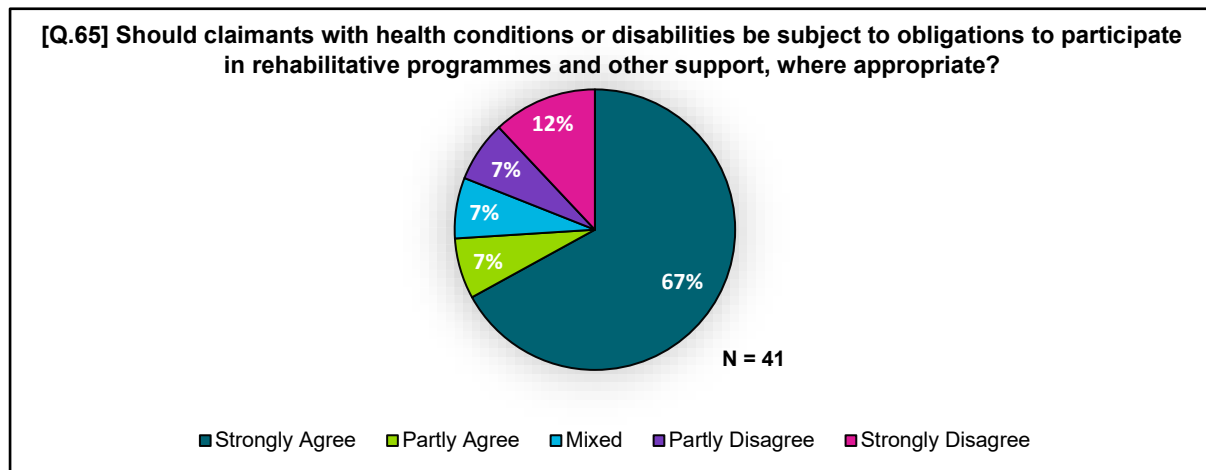
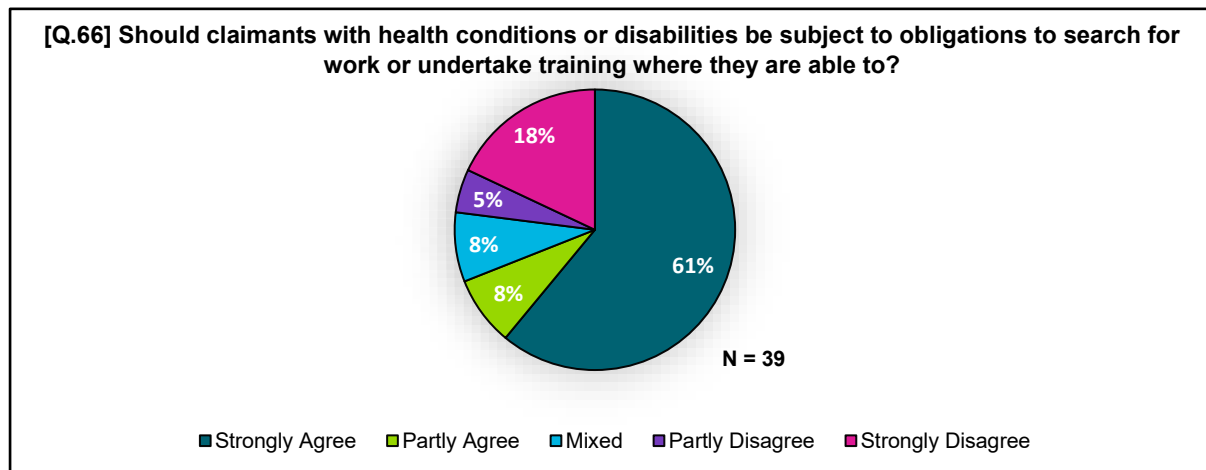


Table 92: Submission feedback on obligations for people with health conditions and disabilities



4.16 Consequences for Not Meeting Obligations

There was widespread support for financial penalties and suspension of payments in some circumstances, but also concern the focus should be on helping rather than punishing.

Table 93: Submission feedback on financial penalties

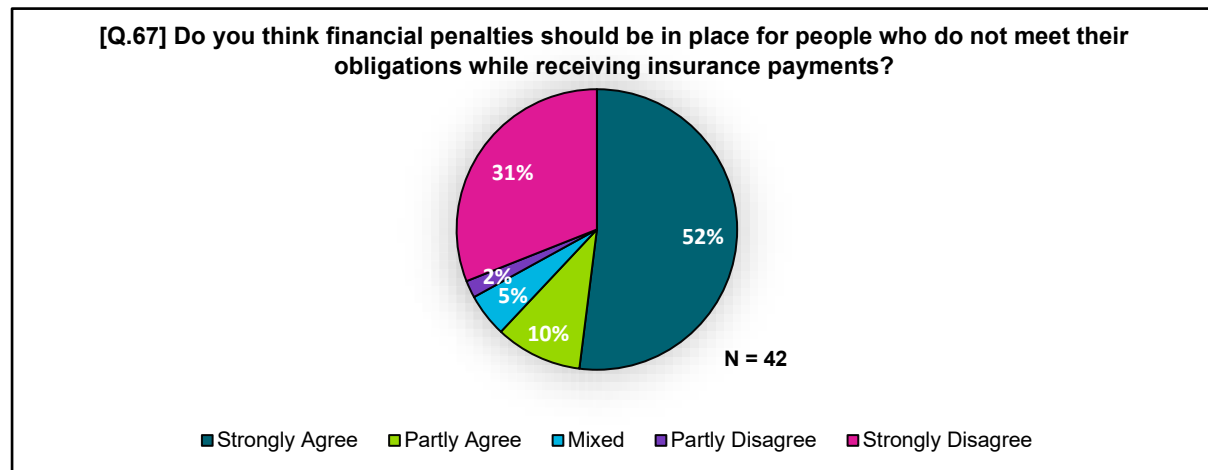
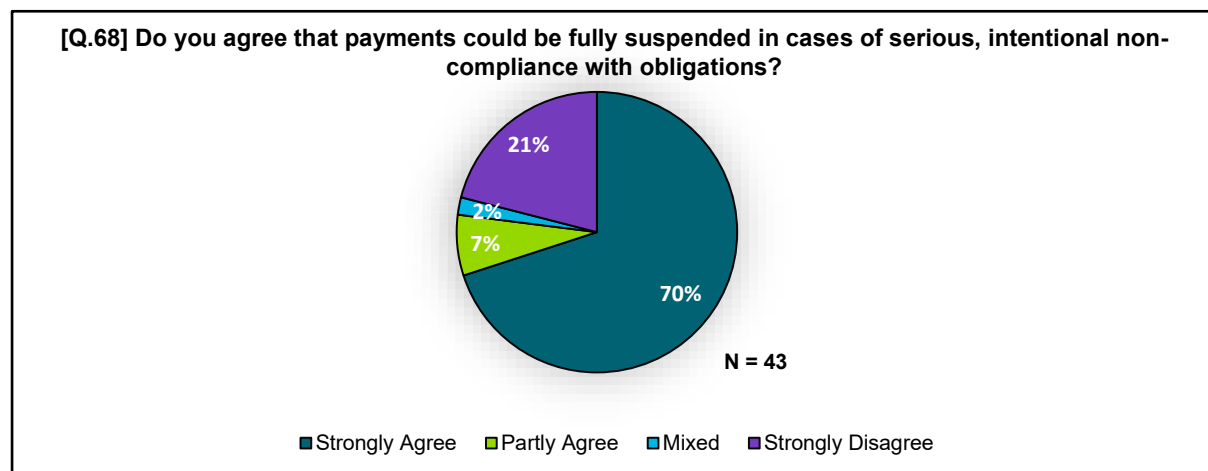


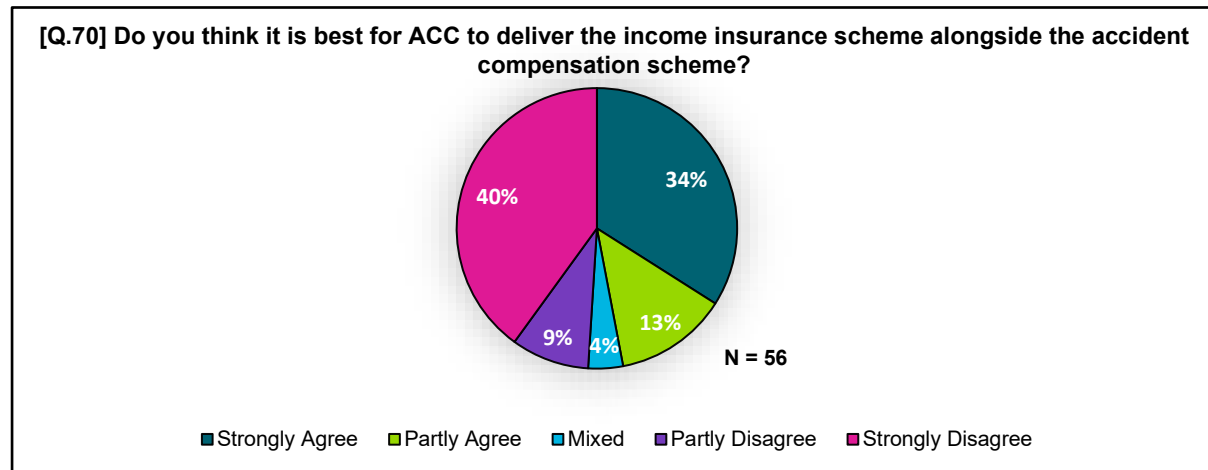
Table 94: Submission feedback on suspensions



4.17 Delivering Income Insurance

Submitters⁴ expressed mixed views on whether ACC should run the scheme. Some agreed that the overlap in administering insurance and synergies in managing health conditions and disabilities made it an obvious choice, while others questioned it both due to its track record of underserving Māori, Pacific Islanders and women, and argued that support for redundancies sat better with Work and Income.

Table 95: Submission feedback on agency to deliver the scheme



⁴ The survey did not specifically ask whether ACC should run the scheme

4.18 Governance of the Scheme

There were mixed views on wider representation in scheme governance. Survey respondents most strongly favoured Business NZ representation, while submission feedback on scheme governance was more supportive of broad representation that explicitly includes unions and Māori. We also heard from disabled persons organisations that their voice in scheme governance was also essential.

What is your level of agreement with each of the following proposals about how the income insurance scheme will be run and funded?

Table 96: Survey responses on scheme representation by Business NZ

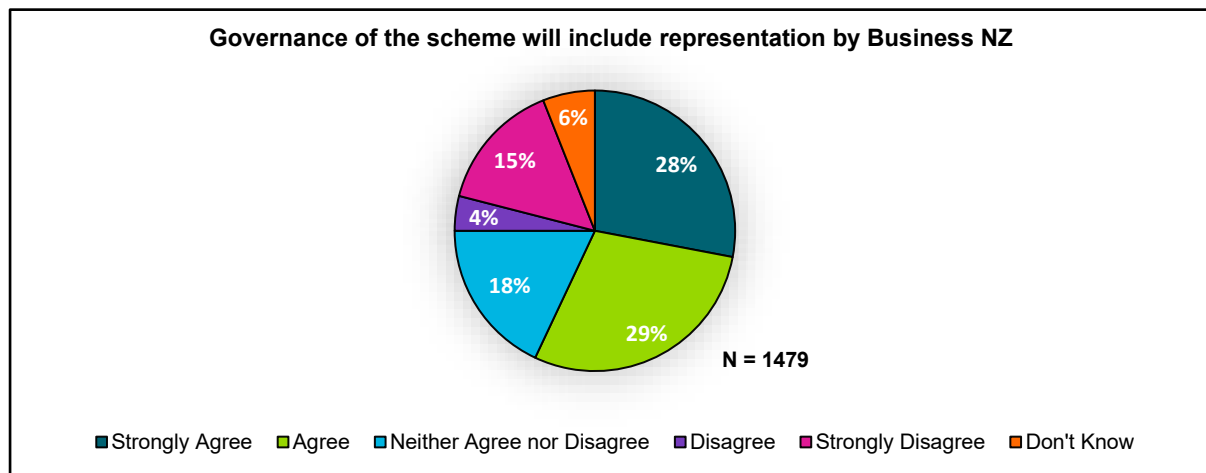


Table 97: Survey responses on representation by NZCTU

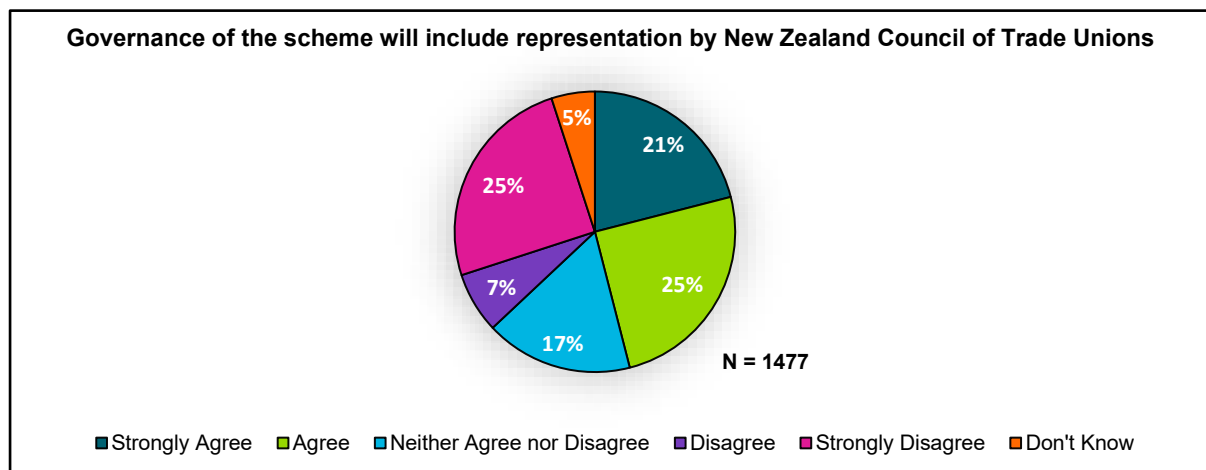


Table 98: Survey responses on representation by Māori

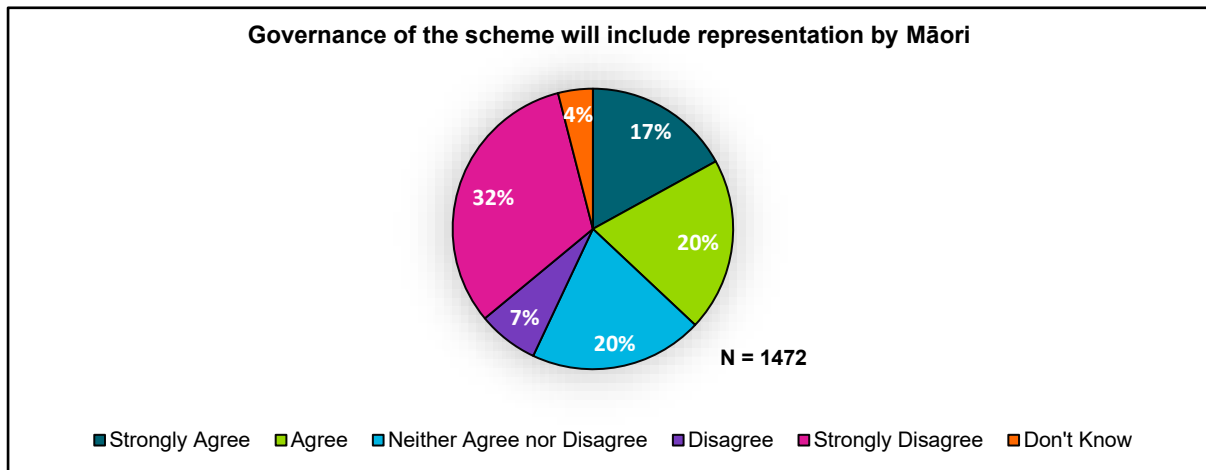


Table 99: Survey responses on levy adjustment

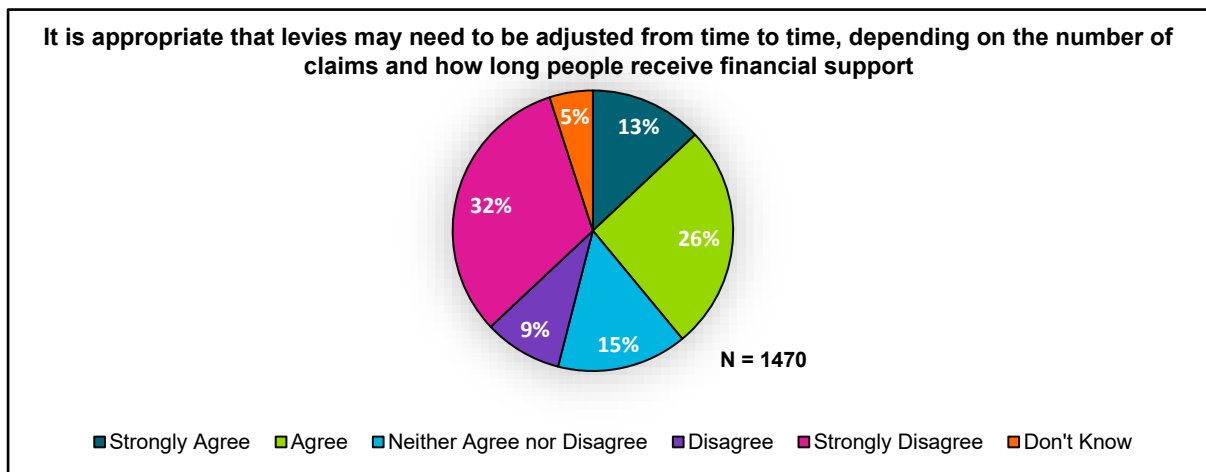
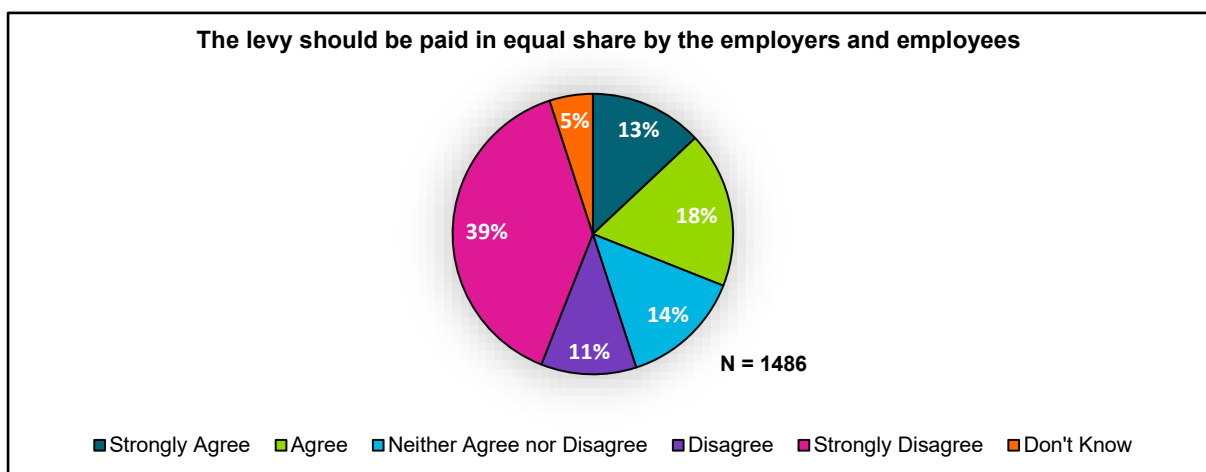


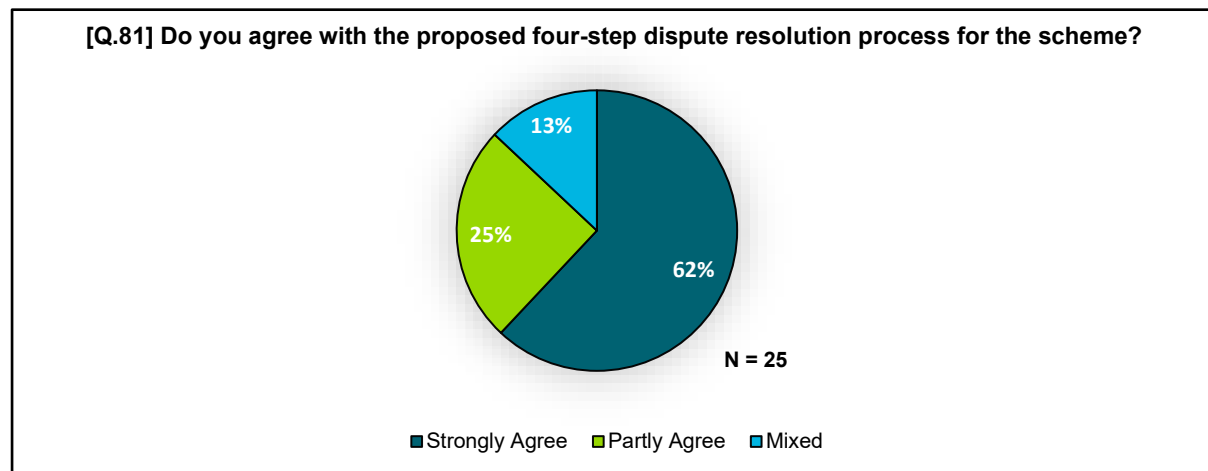
Table 100: Survey responses on splitting levies



4.21 Dispute Resolution

Feedback on dispute resolution was limited, but what we received was largely supportive of the proposed approach. There was some concern the scheme could become as bureaucratic and hard to access as ACC, and also concern that workers who are unjustifiably dismissed would lose out.

Table 101: Submission feedback on dispute resolution



4.22 Penalties

Feedback on potential penalties largely supported the proposed approach, with some concern expressed that it could become overly punitive and harm those who most need help.

Table 102: Survey responses on non-compliance with obligations (non-compliance)

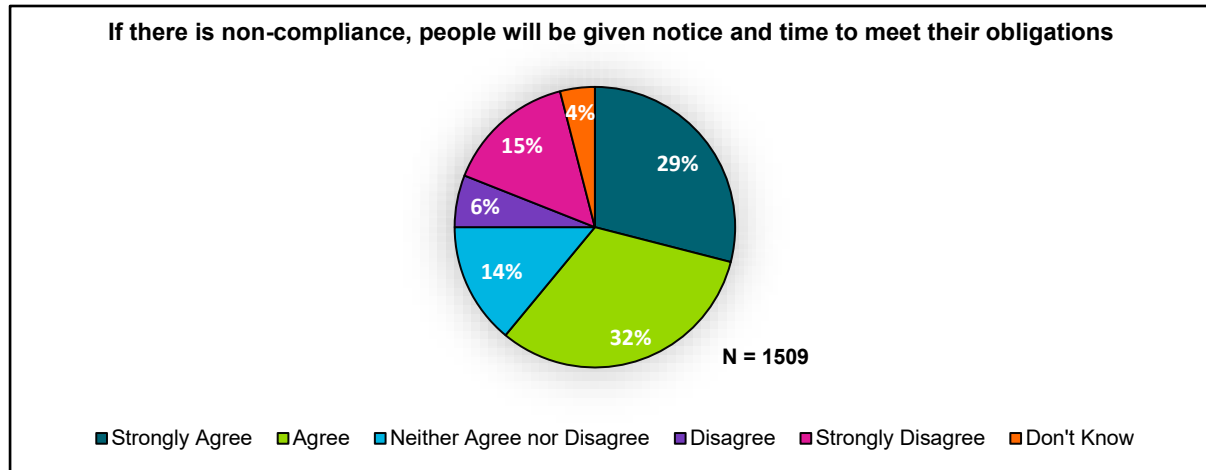


Table 103: Survey responses on non-compliance with obligations (stopping payments)

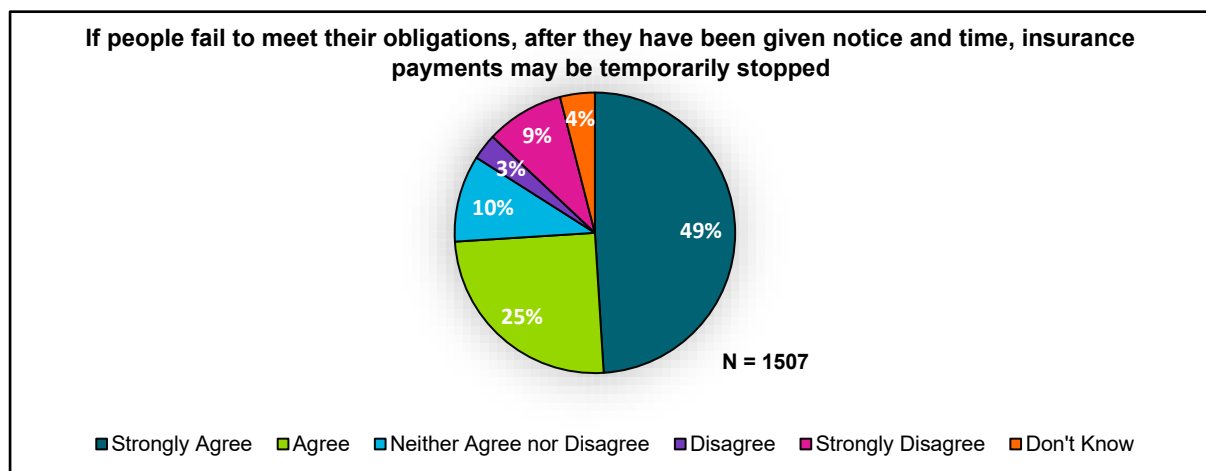
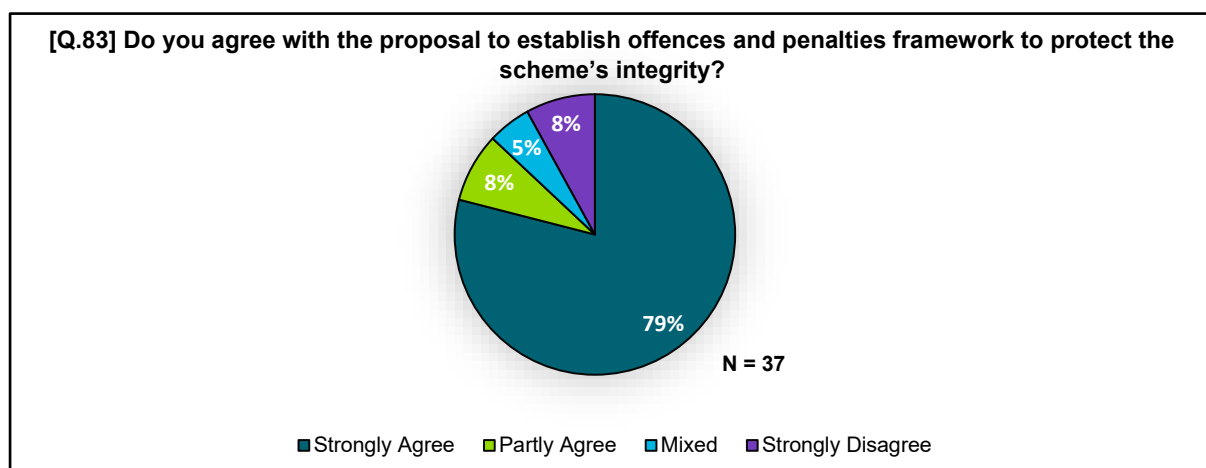


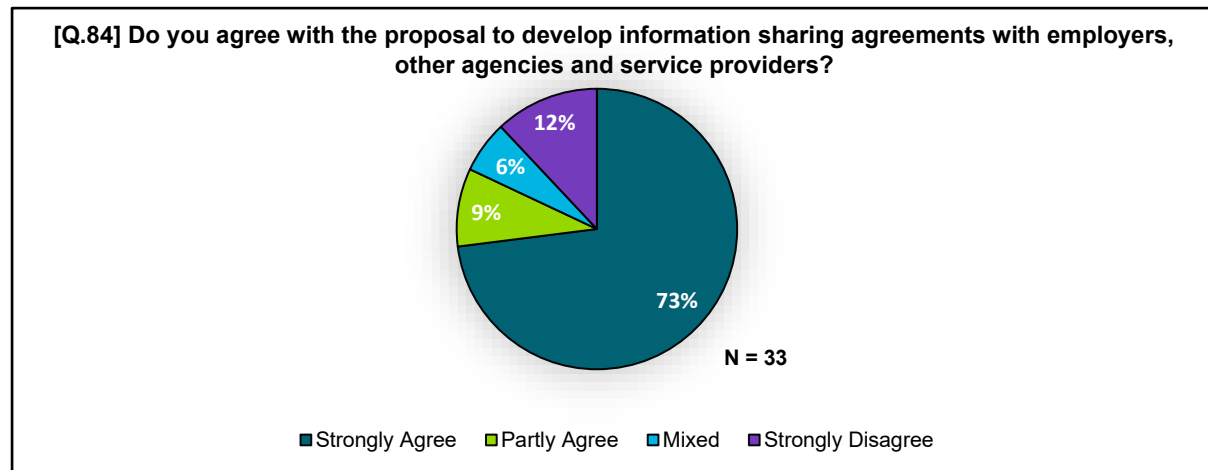
Table 104: Submission feedback on establishing a penalties framework



4.23 Information Sharing⁵

There was broad support from submitters for the scheme to develop information-sharing, provided claimant information can be appropriately protected.

Table 105: Submission feedback on information sharing



⁵ The survey did not ask about information sharing arrangements

4.24 Funding Income Insurance

Feedback on funding the scheme was mixed. A majority of survey respondents thought the scheme was not good value for money, which was also echoed in feedback from submitters and through targeted engagement. In particular, many submitters argued for a levy-free threshold to mitigate the scheme's impact on low earners; while many businesses argued that there was very little return on the costs from the employer levy.

Table 106: Survey responses on levies, value for money and affordability

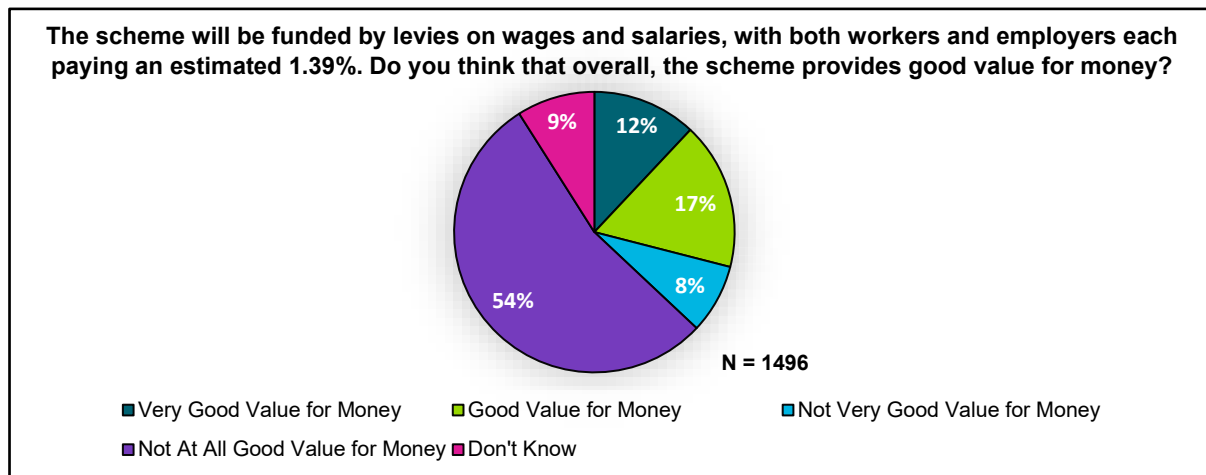


Table 107: Survey responses on affordability of levies

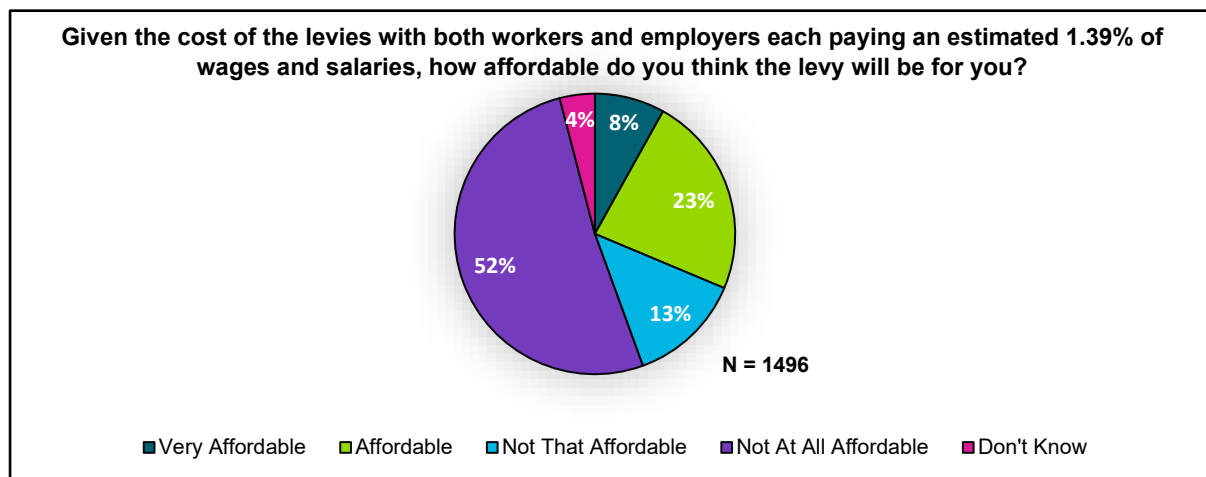


Table 108: Submission feedback on funding

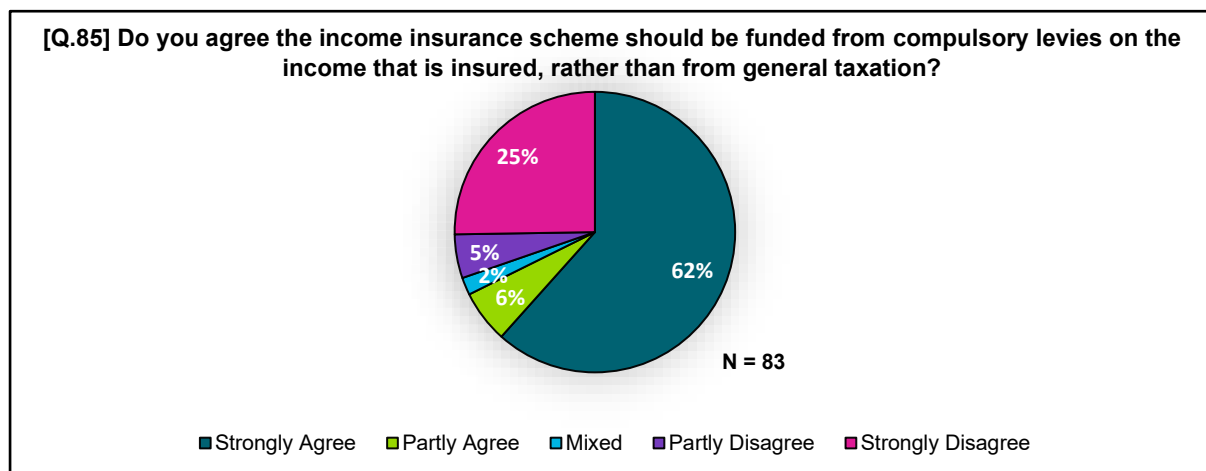


Table 109: Submission feedback on evenly split levies

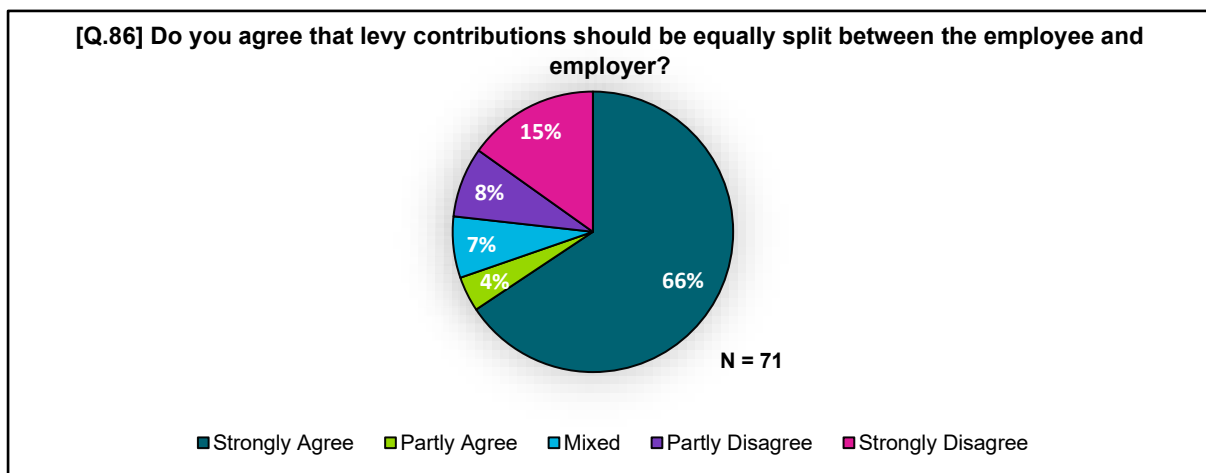


Table 110: Submission feedback on separate levies

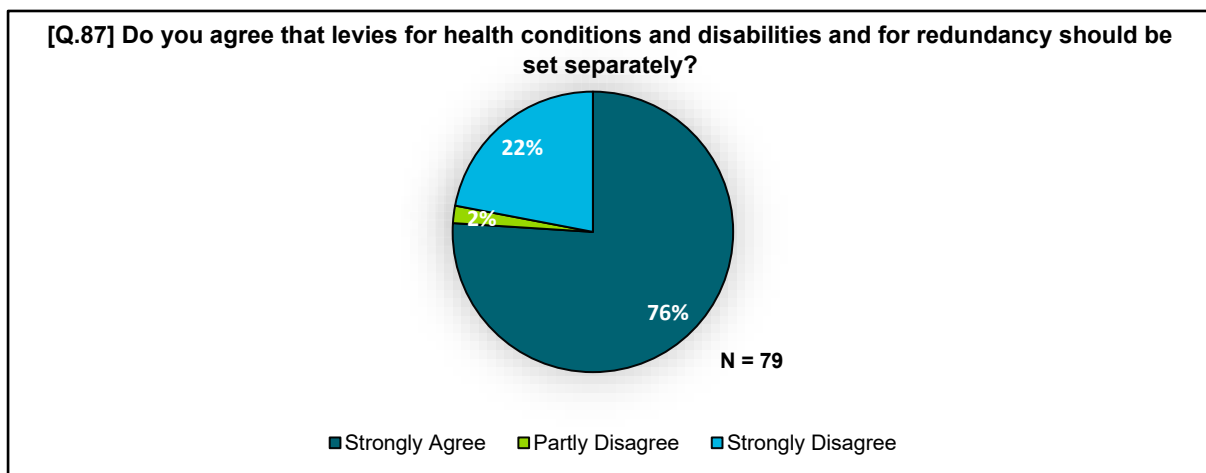


Table 111: Submission feedback on flat levies

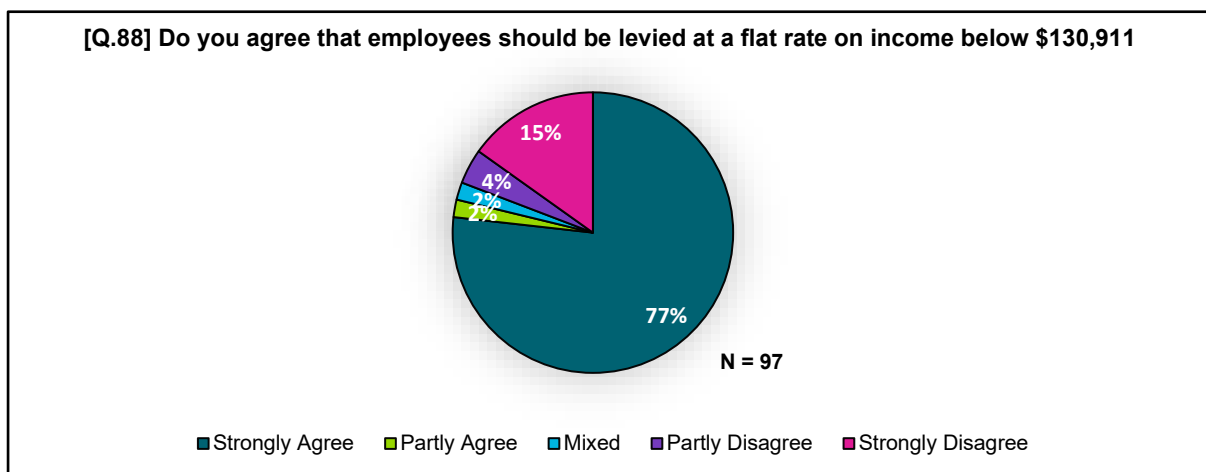


Table 112: Submission feedback on experience ratings

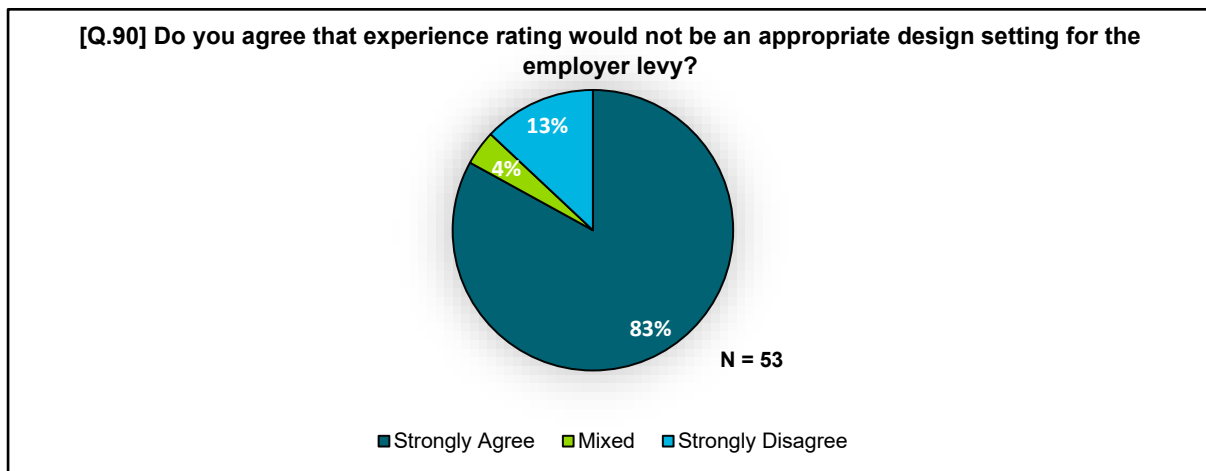


Table 113: Submission feedback on independent fund systems

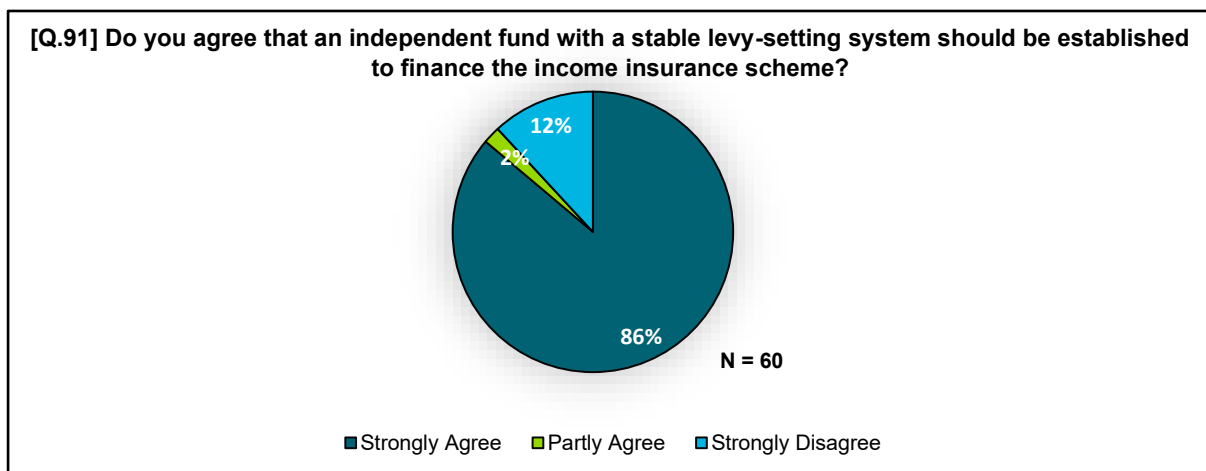
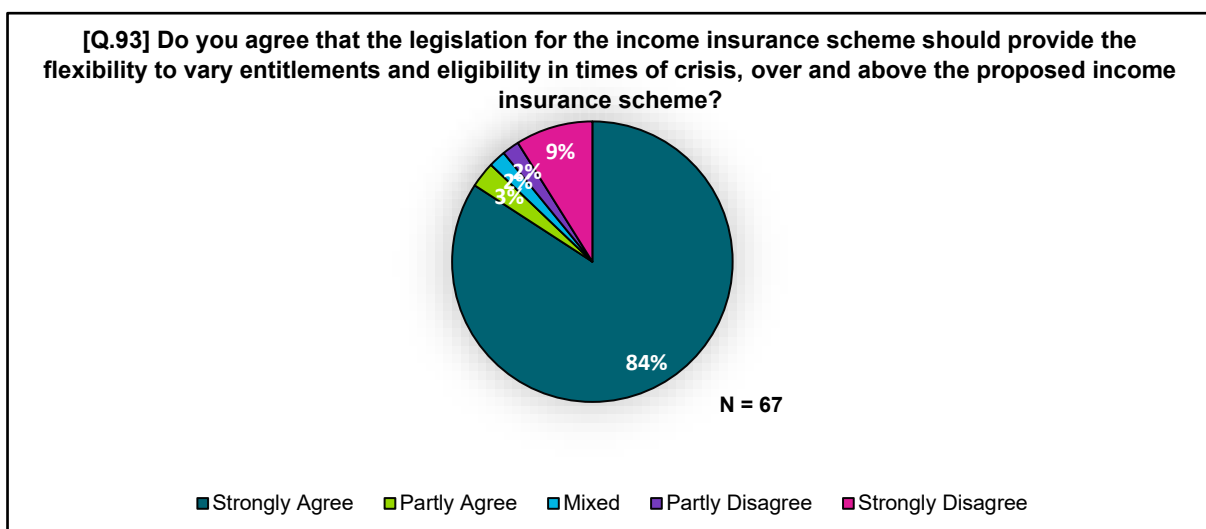
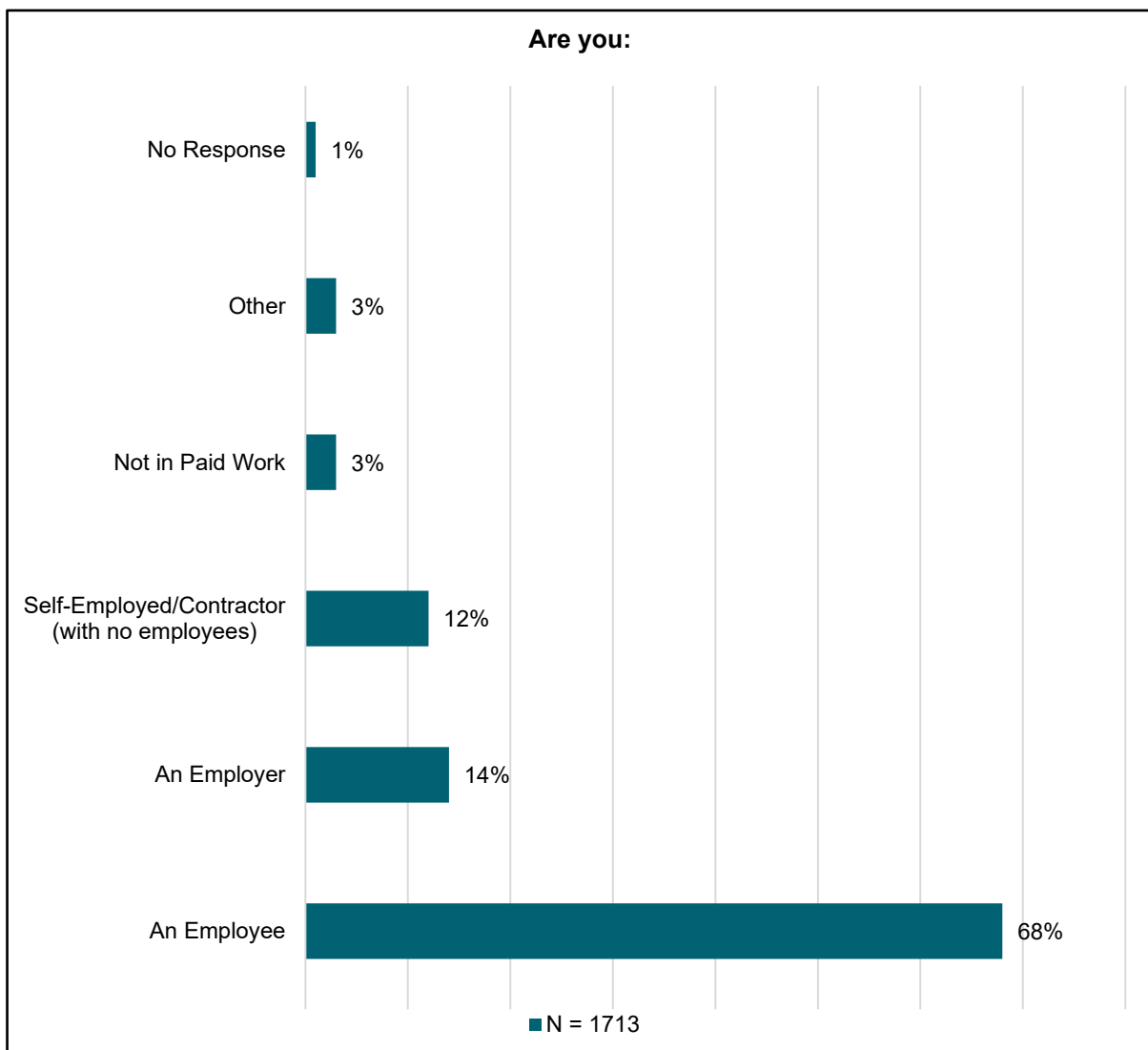
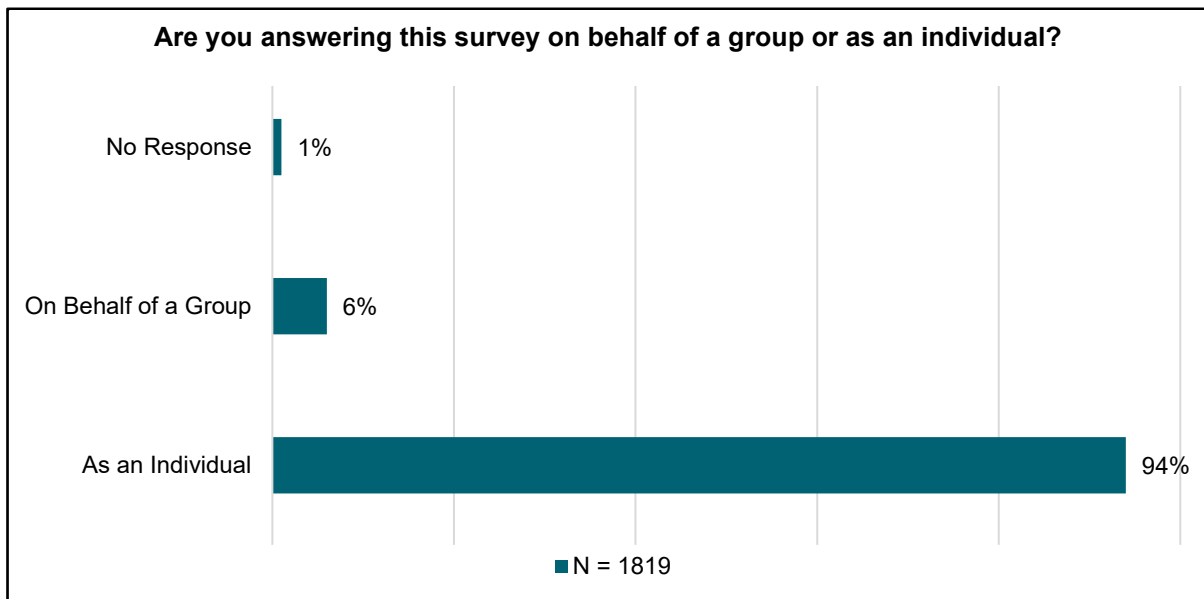
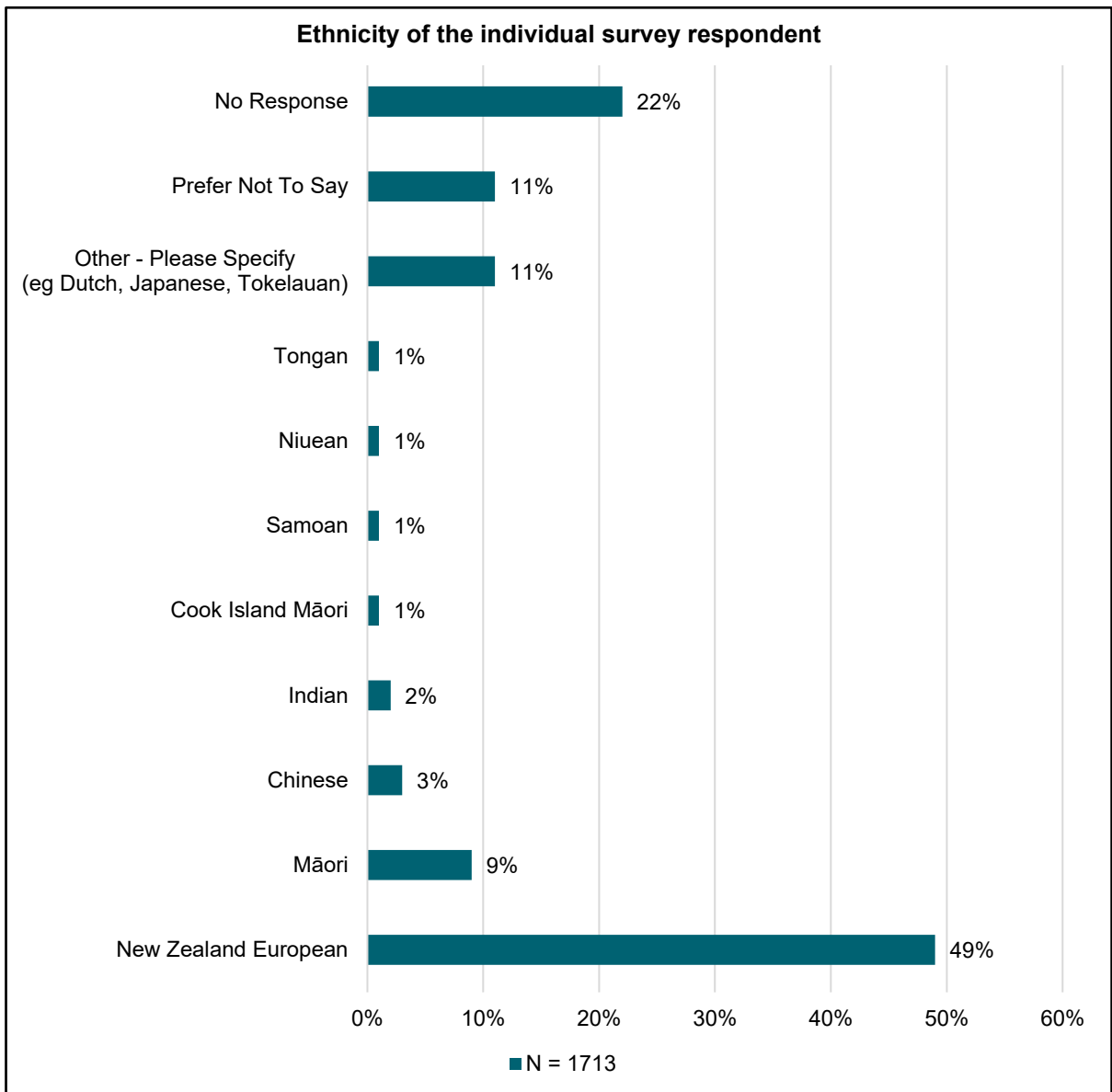
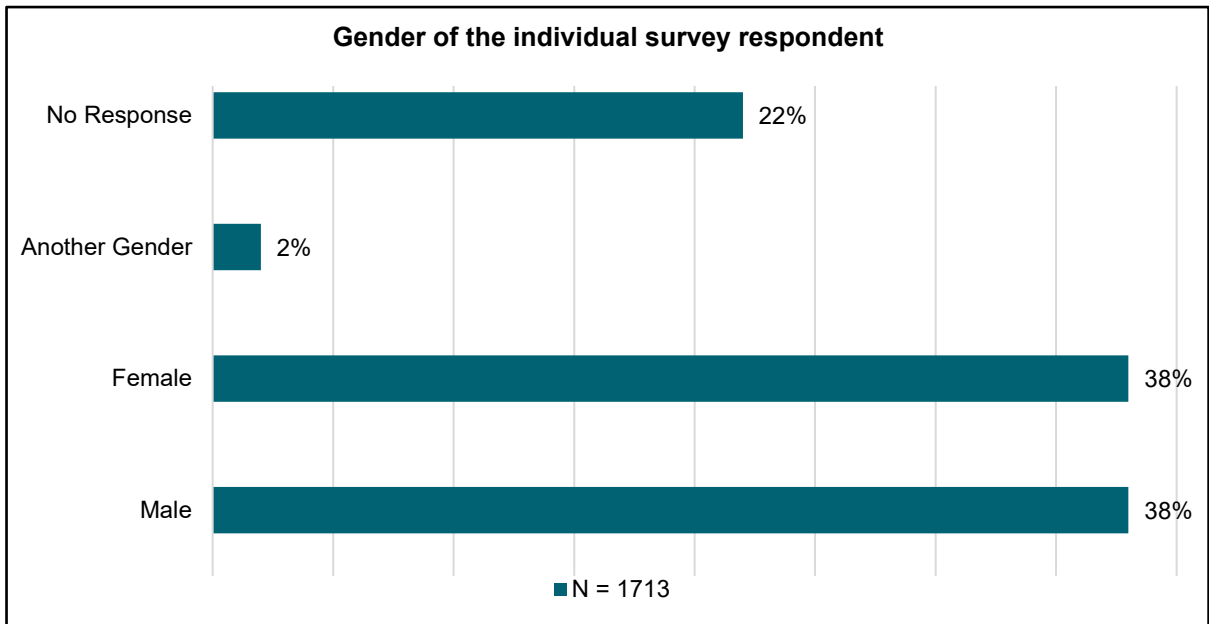


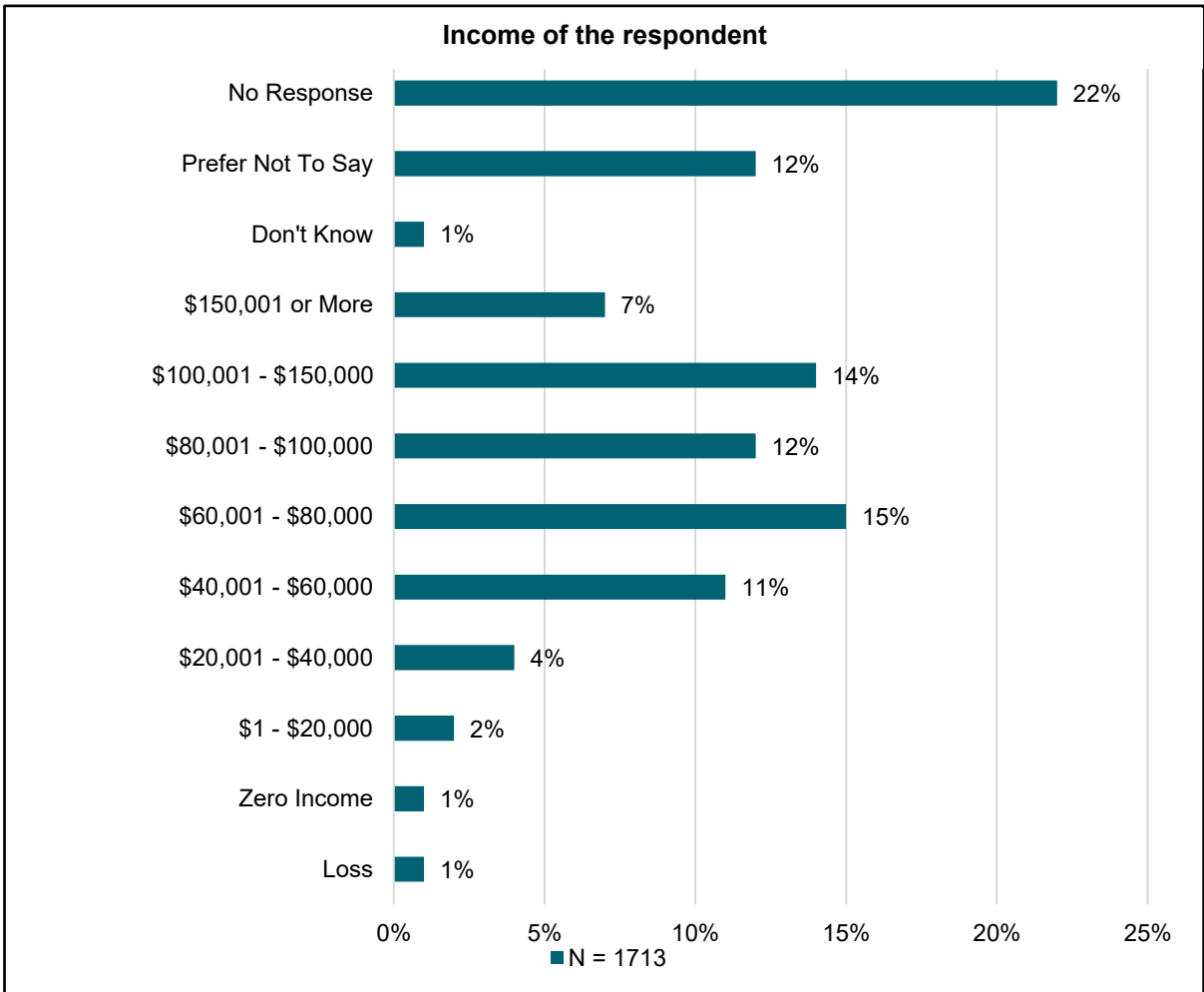
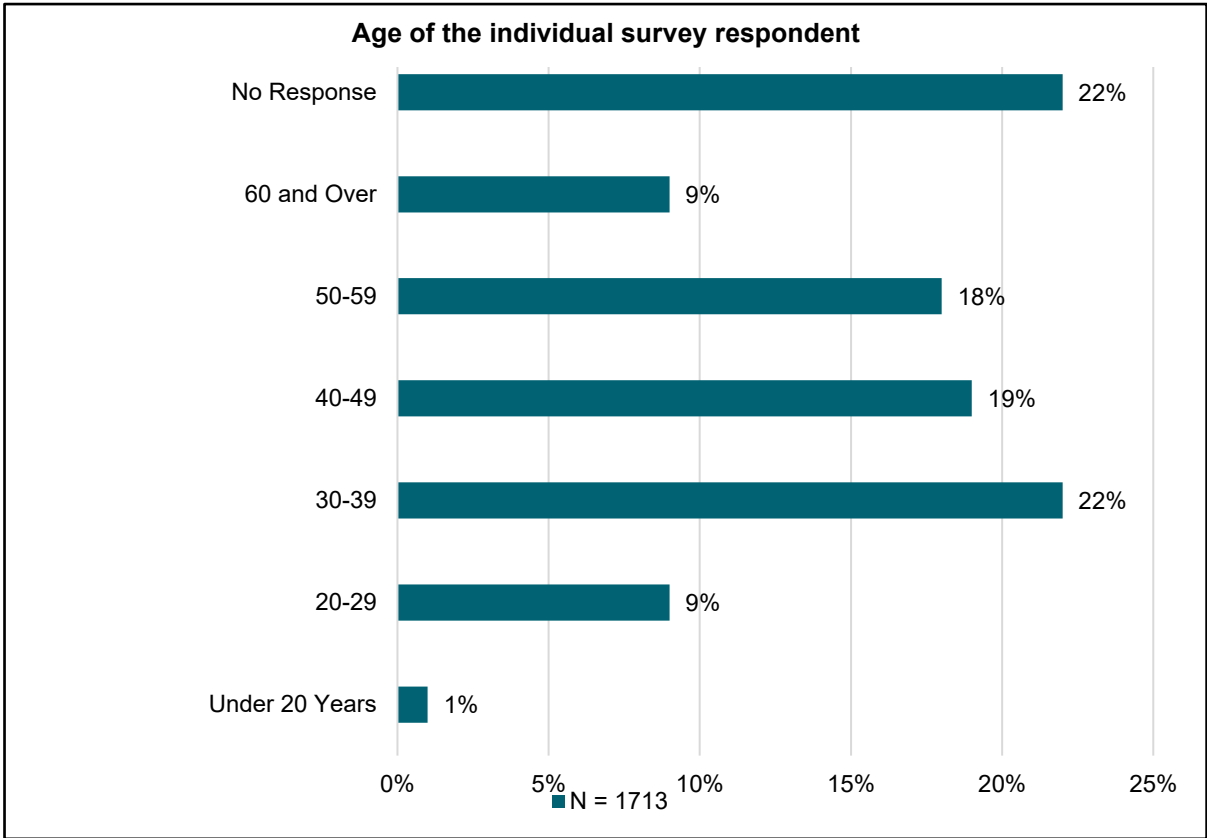
Table 114: Submission feedback on varying entitlements



Annex 2: Breakdown of individual survey respondents







New Zealand should have an income insurance scheme for people who are made redundant and laid off

	All Individuals	An Employee	An Employer	Self Employed/Contractor (with no employees)
N =	1705	1158	243	195
Strongly Agree	23%	27%	5%	17%
Agree	13%	13%	8%	13%
Neither Agree nor Disagree	6%	7%	5%	4%
Disagree	14%	14%	14%	18%
Strongly Disagree	44%	39%	67%	47%
Don't Know	0%	0%	0%	1%

New Zealand should have an income insurance scheme for people who have to stop working or reduce their hours because of a health condition or disability

	All Individuals	An Employee	An Employer	Self Employed/Contractor (with no employees)
N =	1699	1154	242	195
Strongly Agree	27%	32%	7%	21%
Agree	16%	16%	15%	22%
Neither Agree nor Disagree	8%	8%	10%	6%
Disagree	14%	13%	21%	12%
Strongly Disagree	34%	31%	48%	38%
Don't Know	0%	0%	0%	1%

Breakdown of individual survey respondents by employment status

Survey respondent by employment status	Percentage
Employers	14%
Employees	68%
Self-employed or contractors with no employees	12%
Not in paid work	3%

Breakdown of survey respondent by gender

Survey respondent by gender	Percentage
Female	38%
Male	38%
Another gender	2%
Did not respond	22%

Breakdown of survey respondent by ethnicity

Survey respondent by ethnicity	Percentage
New Zealand European	49%
Māori	9%
Chinese	3%
Indian	2%
Samoan	1%
Niuean or Tongan	>1%
Another ethnicity	11%
Preferred not to say/did not respond	33%

Breakdown of survey respondent by age

Survey respondent by age	Percentage
20-29	9%
30-39	22%
40-49	19%
50-59	18%
60 or over	9%
Did not respond	22%

Annex 3: Submissions Analysis Framework

A template was provided for public submissions, with each question effectively a free text field for submitters to set out their views. We also received some in different formats, ranging from brief emails to extensive papers. A small number of submissions used the survey template and responded to those questions instead.

The team developed a thematic analysis template for coding submissions. Where possible, these used a Likert-type scale to gauge strength of view expressed:

- Strongly agree
- Partly agree
- Mixed
- Partly disagree
- Strongly disagree

This necessarily required a degree of subjective judgement around each submitter's response. Only where a view was expressed was a response recorded. It is also worth noting that very few submitters answered all questions.

The team also captured free text quotes from all submitters, which were used to identify the themes in the engagement report. Quotes have been used in the engagement report where they illustrate or amplify the views expressed by submitters. In some cases, these have been edited for clarity or brevity – which is identified by the use of "...".

Some submitters either requested their comments be used unattributed or that that their submission should be treated confidentially. No quotes are attributed in the document and where appropriate, identifying information in the quote has been omitted. Where submitters requested confidentiality, no quotes have been used.