

Submission on *A New Zealand Income Insurance Scheme*

Your name and organisation

Name	Paul Goulter Chief Executive New Zealand Nurses Association, Tōpūtanga Tapuhi Kaitiaki o Aotearoa
Organisation (if applicable)	New Zealand Nurses Association (NZNO) NZNO is the leading professional nursing association and union for nurses in Aotearoa New Zealand, representing 55,000 nurses, midwives, students, kaimahi hauora and health workers on professional and employment matters. NZNO embraces te Tiriti o Waitangi and contributes to the improvements of the health status and outcomes of all people of Aotearoa New Zealand through influencing health, employment, and social policy development. We share the intent of the Ministry of Health's definition of equity which equally applies to NZNO work across professional, industrial and members' activities.
Contact details	Paul.Goulter@nzno.org.nz

Responses to consultation document questions

Chapter 4 – How a new income insurance scheme could achieve our objectives (Pg 30-48)

The Forum considers the benefits of income insurance for job loss due to displacement or health conditions would outweigh its costs.

1 *Do you agree New Zealand should introduce an income insurance scheme for displacement and loss of work due to health conditions or disabilities?*

- The New Zealand Nurses Organisation strongly supports an income insurance scheme for displacement and loss of work due to health conditions or disabilities

Chapter 5 – Honouring Te Tiriti o Waitangi (Pg 49-51)

Kawanatanga – Good governance and partnership

2 *How can we ensure the proposed income insurance scheme honours Te Tiriti o Waitangi?*

- NZNO acknowledges that in developing the Income Insurance Scheme discussion document, the Social Unemployment Tripartite Working Group engaged early with the Ministry of Social Development's Māori Reference Group and Te Puni Kōkiri. Later in the process, the Working Group engaged with the Accident Compensation Corporation's (ACC's) Māori Customer Advisory Committee and the Runanga of the Council of Trade Unions, as well as various stakeholders from across government
- The approach taken demonstrates a committed to Tino rangatiratanga (self-determination, sovereignty, independence, and autonomy). Te Puni Kōkiri reinforces the Māori authentic voice, a lens through which to view the scheme and a platform from which to have led this work

- Research clearly shows which groups are most impacted on by the proposed Income Insurance Scheme namely Māori, Pacific people, and whānau experiencing socioeconomic inequities. Prioritising these groups is an important step in addressing systemic inequities and the impact of colonisation

3

What are the opportunities for partnership and Māori representation in the proposed income insurance scheme's governance and operations?

- NZNO supports working in partnership with Māori in the governance, design, implementation, delivery, monitoring and evaluation of the Income Insurance Scheme. In addition to ensuring equal Māori representation at decision-making tables and in all governance arrangements

Māori need to be involved in a leadership role to ensure that:

- Opportunities for Māori self-determination and mana motuhake in the design, delivery, and monitoring of the Income Insurance Scheme
- Services are designed and delivered for Māori, with resource directed to Māori providers and communities to support them. Insights from whānau and the need to strengthen Māori self-determination will further drive improvement across the Income Insurance Scheme
- Participants in the Income Insurance Scheme act in the fullest extent practicable to achieve equitable outcomes for Māori. This includes ensuring that the Crown, its agents, and its Tiriti partners are well informed on the extent, and nature, of both Māori outcomes and efforts to achieve Māori equity
- Actions are prioritised that support equitable outcomes for Māori. This includes the need to provide more comprehensive, culturally appropriate, and holistic support for whānau accessing the Income Insurance Scheme
- Robust Māori, Pacific and consumer representation and should be guided by mātauranga Māori, Pacific ways of knowing, international best practice, and the knowledge of those with lived experience of redundancy and poor health outcomes
- Trusted relationships are developed with their Income Insurance Scheme provider, requiring continuity of care, cultural safety, cultural responsiveness, mana enhancing interactions, and adequate time to build whakawhanaungatanga
- Strong monitoring and accountability will support accelerated action on equity and in turn strengthen the proposed Income Insurance Scheme

4

How can we ensure equity of access, participation, and outcomes for Māori in the proposed income insurance scheme?

- Health conditions are far broader than physical wellbeing. Māori views on health are framed by a holistic approach that encompasses four key elements - wairua (spiritual), hinengaro (psychological) tinana (physical) and whānau (extended family)
- ACC needs to address any conflicts in approving a request for income support under this scheme as they may not meet their current threshold for ACC support (i.e. insufficient evidence)
- Providing for and properly resourcing kaupapa Māori and whānau-centred services. The Crown is obliged to ensure that all services are provided in a culturally appropriate way that recognises and supports the delivery of Māori models of care when dealing with claimants

5 How can we reflect and embed te ao Māori in the proposed income insurance scheme's design?

NZNO recommends:

- Applying a people, based approach to improving the health of populations, as well as a mechanism for organising health and social services to meet the needs identified by whānau, community and Iwi-Māori
- Partnership with mana whenua, recognising their tino rangatiratanga
- Supporting locally led solutions that take a holistic approach to wellbeing, acknowledging the range of other factors that impact on a person's health
- Joining up care across communities and improving integration with different layers of the health and social system. Healthcare providers need to be linked into social care agencies. So, if an individual is having trouble paying rent, that will also be considered when their health and wellbeing is being assessed
- Focusing on integration across services so that people with more complex care needs have a better experience when accessing the health system. Provider networks will involve individual providers working together and must include Kaupapa Māori providers and Pacific providers where available, to ensure a focus on equity
- Considering working arrangements. For example: forming partnerships across iwi, health and social care and community organisations or Iwi-Māori Partnership Boards, Health New Zealand, and the Māori Health Authority to develop plans to support the Income Insurance Scheme. Mechanisms bringing together providers across health and social care will include contractual arrangements, shared financial incentives and / or data sharing arrangements
- The use of good quality data that has the potential to drive quality improvement and change at both a local and national level. The ability to access (anonymised) information at a national level will enable monitoring against projected and actual uptake of the Income Insurance Scheme and progress on equity. Development of national performance measures, will further drive ongoing quality improvement and allow evidence informed and equity-based decision making
- Incentivising workplaces that support progression of Māori and not those who do not demonstrate consideration for cultural support for their workers
- Cultural awareness to be at the forefront when assessing the health and of disability of Māori workers, a medical model / approach when making assessments will have a negative impact. Health needs to be considered from a well-being perspective
- Cultural oversight should be provided to all working in this environment
- Applying Mātauranga Māori whereby *the unique Māori way of viewing themselves and the world, which encompasses (among other things) Māori traditional knowledge and culture is supported*
- The care and support that is delivered will be joined up across different health and wellbeing providers. For example, and individuals General Practitioner, local pharmacist and in-home nurse will work better together to provide the wraparound care and support that an individual requires
- Health and wellbeing providers will be connected to other community organisations that have a role in supporting individuals. This will ensure that there is better support for whānau's needs, across areas like housing, employment, and finances, alongside healthcare

Chapter 6 – Coverage for displaced workers (Pg 53-72)

Displacement and standard employment (full- and part-time permanent employees)

- 6 *Do you agree with defining displacement as the involuntary loss of work due to the disestablishment of a job?*
- NZNO agrees with defining displacement as the involuntary loss of work due to the disestablishment of a job
- NZNO also recommends:
- The definition be extended, so that fixed term agreements cannot be set up with the intent to avoid delivering the provisions of the new scheme
 - The end of a contract is not a cause for displacement
 - The number of casual workers required to accumulate an entitlement may pose challenges for an employer.
- 7 *Do you agree with excluding poor performance and gross misconduct as reasons for claiming insurance?*
- NZNO agrees with excluding poor performance and gross misconduct as reasons for claiming insurance
- 8 *Do you agree with excluding resignation as a reason for claiming insurance?*
- NZNO agrees with excluding resignation as a reason for claiming insurance

Coverage provided for complete job loss only

- 9 *Do you agree that income insurance should cover only the complete loss of a job, and cover situations where a person loses only one of several jobs that they hold?*
- NZNO agrees that income insurance should cover the complete loss of a job, in addition to including situations where a person loses one of several jobs that they hold
- 10 *Do you agree that insurance would be payable only where income loss was greater than a minimum threshold, such as a 20 percent loss of total earnings, counting income from all of their jobs?*
- NZNO does not agree that insurance would be payable only where income loss was greater than a minimum threshold

Displacement and non-standard employment – a principle-based approach

- 11 *Do you agree that it is important to provide income insurance coverage to non-standard workers, where practical?*
- NZNO agrees that it is important to provide income insurance coverage to non-standard workers, where practical
- 12 *Do you agree that income insurance should cover the 'loss of reasonably anticipated income'?*
- NZNO agrees that income insurance should cover the loss of reasonably anticipated income
- 13 *Do you agree that income insurance entitlements should be based on an 'established pattern of work'?*

- NZNO recommends that guidance needs to be developed to specify what exactly amounts to an established pattern of work

Coverage provided for fixed-term and seasonal employees

14

Do you agree that income insurance should cover fixed-term and seasonal employees if they are displaced before the end of an employment agreement, with the duration of the payment running to the scheduled end of the employment agreement, or the maximum insurance entitlement duration, whichever is shorter?

- NZNO agrees that income insurance should cover fixed-term and seasonal employees

15

Do you agree that income insurance should cover fixed-term and seasonal employees, where their employment agreements are not renewed, and they can show a regular pattern of work and reasonable expectation of future income?

- NZNO agrees that income insurance should cover fixed-term and seasonal employees, where their employment agreements are not renewed, and they can show a regular pattern of work and reasonable expectation of future income

Coverage provided for casual employees

16

Do you agree that income insurance should cover casual employees who can show a regular pattern of work with an employer and a reasonable expectation of future income?

- NZNO agrees that income insurance should cover casual employees who can show a regular pattern of work with an employer and a reasonable expectation of future income

17

How would these design choices work in practice? What risks can you see with the approach to establishing a regular pattern of work?

- NZNO agrees that income insurance should cover casual employees who can show a regular pattern of work with an employer and a reasonable expectation of future income. For example, those employed in seasonal work who can demonstrate they were gainfully employed e.g. kiwi fruit picking, freezing works, vineyards etc.
- There is also an assumption that a uniform pay rate supports the argument for casual workers

Coverage for self-employed workers

18

What risks do you see with covering, or not covering, people in self-employment?

- NZNO supports covering, people in self-employment as they have paid their levies
- The opportunity to retrain may need to be addressed and strategies put in place to support the training

19

Are there some groups of self-employed who should and should not be covered?

- NZNO suggests that self-employed and / or good employers who support their employees should be covered

20

How can we practically distinguish between contractors who resemble employees, and those with a high degree of independence?

- NZNO recommends a review of their employment contract to determine their status and contractual responsibilities

21 *Because a self-employed person cannot technically be made redundant, what types of events would be appropriate 'triggers' for insurance payments?*

- NZNO agrees with defining displacement as the involuntary loss of work due to the disestablishment of a job
- NZNO also recommends the definition be extended, so that fixed term agreements cannot be set up with the intent to avoid delivering the provisions of the new scheme
- The end of a contract is not a cause for displacement

22 *How do you think the levy should be collected from self-employed workers?*

- NZNO recommends this be collected through PAYE

A modest minimum contribution period

23 *Do you agree with the proposed minimum contribution period of six months over a period of 18 months preceding the claim?*

- NZNO agrees to the proposed minimum contribution period of six months over a period of 18 months preceding the claim

Limits on subsequent claims

24 *Do you agree limits should be placed on the number claims people can make?*

- NZNO supports the overarching directive that if employees meet the requirements they should receive the benefits

25 *Do you agree with limiting claims to a total of six months within an 18-month period?*

- NZNO agrees with limiting claims to a total of six months within an 18-month period and that they may be spread over multiple claims that total 6 months

26 *Could the risks associated with a low contribution history be managed in other ways?*

- NZNO recommends good financial management of funds and / or a contribution from government

Coverage for New Zealand citizens and residents

27 *Do you agree with limiting coverage of the proposed income insurance scheme to New Zealand citizens and residents?*

- NZNO agrees with limiting coverage of the proposed income insurance scheme to New Zealand citizens and residents

28 *To ensure New Zealand workers are not disadvantaged by lower cost international workers, do you agree that working holiday makers, international students, and temporary work visa holders – and their employers – should contribute to the proposed income insurance scheme's costs?*

- NZNO supports those working holiday makers, international students, and temporary work visa holders, and their employers, should contribute to the proposed income insurance scheme's costs
- There is a requirement that they pay into the income insurance scheme, so that they do not disadvantage New Zealand citizens and residents

Chapter 7 – Entitlements for displaced workers (Pg 73-95)

Income caps and income replacement rates that match the accident compensation scheme

29 *Do you agree with a replacement rate set at 80 percent?*

- NZNO agrees with a replacement rate set at 80 percent

30 *Do you agree with a cap on insurable (and leviable) income set at the same rate as the accident compensation scheme (currently \$130,911)?*

- NZNO agrees with a cap on insurable (and leviable) income set at the same rate as the accident compensation scheme (currently \$130,911)

Only personal exertion income would abate (reduce) insurance entitlements

31 *Do you agree that only the insurance claimant's personal exertion income should affect their insurance entitlements?*

- NZNO agrees that only the insurance claimant's personal exertion income should affect their insurance entitlements and other income / entitlements would not affect their income insurance entitlements

32 *Do you agree that income insurance should have individualised entitlement, meaning a partner's income would not affect the rate payable?*

- NZNO agrees that income insurance should have individualised entitlement, meaning a partner's income would not affect the rate payable

Abatement rates would ensure a claimant is not financially better off as a result of their loss of work

33 *Do you agree that someone should be able to earn some income from paid employment before it affects their entitlements to income insurance?*

- NZNO supports the approach taken by ACC to paid employment and the ability to receive entitlements and retaining benefits

34 *Do you agree that insurance should abate 'dollar for dollar' when earned income and insurance combined reach 100 percent of previous income?*

- NZNO agrees that insurance should abate 'dollar for dollar' when earned income and insurance combined reach 100 percent of previous income. This is not a personal profit-making scheme

Insurance would generally be treated as income, to determine eligibility for welfare and student support

35 *Do you agree that insurance should be treated as income for assessing eligibility for income support such as main benefits and Working for Families tax credits and student support?*

- NZNO agrees that insurance should be treated as income for assessing eligibility for income support such as main benefits and Working for Families tax credits and student support

36 *Given the purpose of the In-Work Tax Credit and Minimum Family Tax Credit in encouraging people into employment and helping with in-work costs, do you agree that income insurance claimants would not be eligible for these tax credits?*

- NZNO recommends that each case be assessed on its own merits. NZNO does not want to see individuals, families and whānau disadvantaged through no fault of their own

Insurance claimants could also receive New Zealand Superannuation or the Veteran's Pension

37 *Do you agree that income insurance claimants could also receive New Zealand Superannuation or the Veteran's Pension?*

- NZNO agrees that income insurance claimants could also receive New Zealand Superannuation or the Veteran's Pension

38 *Do you think a limit should be placed on the amount of time someone can receive New Zealand Superannuation or the Veteran's pension and income insurance?*

- NZNO does not think a limit should be placed on the amount of time someone can receive New Zealand Superannuation or the Veteran's pension and income insurance

Where eligible, insurance claimants could choose whether to access Paid Parental Leave or income insurance and may receive both sequentially

39 *Do you agree that income insurance and Paid Parental Leave could be accessed sequentially but not at the same time?*

- NZNO agrees that income insurance and Paid Parental Leave could be accessed sequentially but not at the same time

Insurance claimants could also receive ACC weekly compensation where it covers a different income loss

40 *Do you agree that claimants should be able receive both ACC weekly compensation and income insurance at the same time for differing income loss subject to independently meeting the eligibility criteria for both?*

- NZNO agrees that claimants should be able receive both ACC weekly compensation and income insurance at the same time for differing income loss subject to independently meeting the eligibility criteria for both

A sufficient base entitlement period

41 *Do you agree with a base insurance entitlement length of six months, plus a four-week bridging payment paid by the employer?*

- NZNO agrees with a base insurance entitlement length of six months, plus a four-week bridging payment paid by the employer

42 *Would you support a longer or shorter length of base insurance entitlement?*

- NZNO supports a base insurance entitlement length of six months, plus a four-week bridging payment paid by the employer

Extending the maximum period in specified circumstances

43 *Do you think the scheme should allow extensions to the base period of income insurance entitlements for training or vocational rehabilitation?*

- NZNO supports extending the coverage to 12 months and possibly longer, but that is dependent on the required training or vocational rehabilitation

Enhancing the income insurance scheme with notice periods

44 *Do you agree that employers should give at least four weeks' notice to employees, and the insurer, before redundancy takes effect?*

- NZNO agrees that employers should give at least four weeks' notice to employees, and the insurer, before redundancy takes effect

Avoiding unnecessary redundancies

45 *Do you agree that employers should pay former workers for the initial period of unemployment for four weeks?*

- NZNO agrees that employers should pay former workers for the initial period of unemployment for four weeks

46 *Should bridging payments be applied to all workers, including those not eligible for income insurance?*

- NZNO supports bridging payments be applied to all workers, excluding those not eligible for income insurance

47 *Should the income insurance scheme finance bridging payments in circumstances where the payments are not forthcoming from employers, and refund employers for bridging payments if workers find work within this period?*

- NZNO recommends further investigation of ACC's involvement (as the preferred provider to manage the scheme) in undertaking a finance bridging payment role in circumstances where the payments are not forthcoming from employers, and refund employers for bridging payments if workers find work within this period

48

Do you consider that stronger integrity measures are necessary to manage the risk of spurious claims to the income insurance scheme?

- NZNO supports stronger integrity measures being considered to manage the risk of spurious claims to the income insurance scheme

Chapter 8 – Coverage and entitlements for loss of work due to health conditions or disabilities (Pg 96-112)

No restrictions on the types of conditions covered by the income insurance scheme

49

Do you agree there should be no restrictions on the types of conditions covered by the scheme?

- NZNO agrees there should be no restrictions on the types of conditions covered by the scheme except for those covered by ACC
- NZNO asks how are the conditions and disabilities are agreed to, so that the claimant can receive funding? Stating all conditions pre-existing or newly acquired may prove difficult to manage
- Historically ACC has struggled with managing some health issues, how will that change to accommodate a new Income Insurance Scheme?

No restrictions on the working arrangements covered by the scheme

50

Do you agree that all work arrangements should be covered (assuming other eligibility criteria are met)?

- NZNO agrees that all work arrangements should be covered (assuming other eligibility criteria are met)

Coverage for loss of at least 50 percent of capacity to work, for at least four weeks

51

Should the scheme cover partial loss of earnings due to a health condition or disability reducing work capacity?

- NZNO agrees that the scheme cover partial loss of earnings due to a health condition or disability reducing work capacity

52

If partial loss is to be covered, do you agree claimants should have at least a 50 percent reduction of capacity to work caused by a health condition or disability and that reduction is expected to last for at least four working weeks?

x

- NZNO agrees that claimants should have at least a 50 percent reduction of capacity to work caused by a health condition or disability and that reduction is expected to last for at least four working weeks

Claimants' medical practitioners would assess work capacity, with final eligibility assessed by the scheme administrator

53 *Do you agree that the claimants' health practitioner should be main the assessor of work capacity?*

NZNO does not agree that the claimants' health practitioner should be main the assessor of work capacity

- Who is considered a health practitioner? Doctor, Nurse Practitioner, or Physiotherapist?
- Not all New Zealanders have access to a Health Professional who personally knows about their health. Across New Zealand Aotearoa it is not uncommon for the Emergency Department to act as an individual's General Practitioner due to individuals, family or whānau being unable to afford Doctor's visits or there is no accessible health practitioner where they live. This will create inequities for Māori, Pacifica, those on low incomes, those with mental health conditions and underserved populations
- The burden to confirm a disease or disability falls to the health practitioner (for example: General Practitioner and Nurse Practitioner). The cost and additional time to undertake an assessment and complete the paperwork is substantive. Will this be funded by the Income Insurance Scheme utilising co-payments or capitation, regardless of the availability of a health practitioner?
- Extending the pool of assessors should be strongly considered. Namely employing Registered Nurses specifically trained, accredited, and funded as part of the Income Insurance Scheme. This will go some way to addressing equity and access issues, particularly in underserved, rural and remote areas
- It would be beneficial if all assessors have participated in some form of accredited education / training in how to undertake cultural competence assessments as part of the processes used to support the Income Insurance Scheme

54 *Do you agree that, where appropriate, employers could provide supporting information to inform the claimant's work capacity assessment process?*

- NZNO does not agree that, where appropriate, employers could provide supporting information to inform the claimant's work capacity assessment process. Employers are not health practitioners and therefore may provide incorrect or biased information that can lead to poor health outcomes for the claimant

Employers would remain responsible for taking reasonable steps to support an employee to continue working

55 *Are the current requirements on employers to make workplace changes sufficient to allow health condition and disability claimants to return to their regular employment (or alternative work)?*

- NZO does not agree that the current requirements on employers to make workplace changes are sufficient to allow health condition and disability claimants to return to their regular employment (or alternative work)

56 *How could employers be supported to help workers with health conditions or disabilities to remain in or return to work?*

- NZNO recommends employers are supported to help workers with health conditions or disabilities to remain in / or return to work.
- The adoption of processes like those used by ACC including assessment, allocation of Case Managers, referral to additional services etc. be utilised. Furthermore, the referral to Social Work, Work and Income, and Social Services be actively adopted

Employers would be expected to make reasonable efforts to keep a job open where a return to work within six months is likely

57 *Where an employee must stop work entirely because of a health condition or disability, do you think employers should be expected to keep a job open and help with vocational rehabilitation where a reasonable prognosis is made of return to work within six months?*

- NZNO acknowledges the difficulty of keeping a job open, but we support the use of any intervention to do so

58 *Should this be a statutory requirement placed on employers or an expectation?*

- NZNO agrees that the requirement on employers should be an expectation

The scheme would generally meet the full cost of income replacement once a claim is accepted

59 *Do you agree that employers should only pay a bridging payment to employees leaving work because of a health condition or disability when the employment is terminated by the employer?*

- NZNO agrees that employers should pay a bridging payment and 6 months financial support to employees leaving work because of a health condition or disability when the employment is terminated by the employer

Chapter 9 – Insurance claimants' obligations (Pg 113-120)

Reasonable obligations for people receiving income insurance payments

60 *Do you agree claimants should be obligated to look for work or prepare to return to work while receiving insurance?*

- NZNO agrees claimants should be obligated to look for work or prepare to return to work while receiving insurance in the same manner as those receiving ACC support

61 *Do you agree that claimants would not be expected or required to accept offers of employment that provide lower wages or conditions?*

- NZNO agrees that claimants would not be expected or required to accept offers of employment that provide lower wages or conditions

62 *Do you agree the insurer could waive obligations partially or fully where a claimant is unable to meet those obligations?*

- NZNO agrees the insurer could waive obligations partially or fully where a claimant is unable to meet those obligations

63	<i>Do you agree claimants should be obligated to remain in New Zealand to remain eligible for income insurance?</i>	<ul style="list-style-type: none"> NZNO agrees claimants should be obligated to remain in New Zealand to remain eligible for income insurance. NZNO acknowledges that individuals, family and whānau should not be penalised for emergency situations
64	<i>Do you think a period of time, such as 28 days, should be allowed for travel overseas, for example, to support ill family?</i>	<ul style="list-style-type: none"> NZNO agrees that a period, such as 28 days, should be allowed for travel overseas, for example, to support ill family
Specific obligations for claimants with a health condition or disability		
65	<i>Should claimants with health conditions or disabilities be subject to obligations to participate in rehabilitative programmes and other support, where appropriate?</i>	<ul style="list-style-type: none"> NZNO supports claimants with health conditions or disabilities participate in rehabilitative programmes and other support, where appropriate. NZNO reinforces the requirement for individuals being supported to return to work
66	<i>Should claimants with health conditions and disabilities be subject to obligations to search for work or undertaking training where they are able to?</i>	<ul style="list-style-type: none"> NZNO supports claimants with health conditions and disabilities be subject to obligations to search for work or undertaking training where able
Consequences for non-compliance		
67	<i>Do you think financial penalties should be in place for people who do not meet their obligations while receiving insurance payments?</i>	<ul style="list-style-type: none"> NZNO agrees financial penalties should be in place for people who do not meet their obligations while receiving insurance payments. The intention is that claimants comply
68	<i>Do you agree that payments could be fully suspended in cases of serious, intentional non-compliance with obligations?</i>	<ul style="list-style-type: none"> NZNO agrees that payments could be fully suspended in cases of serious, intentional non-compliance with obligations
69	<i>Do you think any other consequences should be in place for people repeatedly not meeting their obligations, such as permanent suspension of entitlements?</i>	<ul style="list-style-type: none"> NZNO recommends that other consequences may need to be considered for claimants repeatedly not meeting their obligations, such as permanent suspension of entitlements, but they need to be assessed on current circumstances. For example, needing to attend daily chemotherapy sessions due to a cancer diagnosis can contribute to not meeting their requirements

Chapter 10 – Delivering income insurance (Pg 121-134)

Independent and effective delivery

- 70 *Do you think it is best for ACC to deliver the income insurance scheme alongside the accident compensation scheme?*
- NZNO agrees that ACC can deliver the Income Insurance Scheme alongside its existing accident compensation scheme.
 - NZNO notes that ACC has the infrastructure to deliver the Income Insurance Scheme but we are concerned that the existing governance and culture of the organisation will need to change if it wants to support its new claimants
- 71 *Would the income insurance scheme be better delivered by a government department or a new entity?*
- NZNO does not support the income insurance scheme being delivered by a government department or a new entity
 - NZNO recommends that the scheme be delivered by ACC but have links to Health New Zealand and the Māori Health Authority

Accountable and effective governance

- 72 *How could employer and worker perspectives best be incorporated to strengthen the income insurance scheme's delivery for New Zealanders?*
- NZNO suggests that employer and worker perspectives best be incorporated to strengthen the income insurance scheme's delivery for New Zealanders by the user of surveys, focus groups, quality improvement measures, research, evaluation of current practice and health outcomes
- 73 *How could Māori perspectives best be incorporated to ensure the income insurance scheme is delivered equitably and with aspiration?*
- NZNO recommends:
- Partnership with mana whenua, recognising their tino rangatiratanga
 - Supporting locally led solutions that take a holistic approach to wellbeing, acknowledging the range of other factors that impact on a person's health.
 - Joining up care across communities and improve integration with different layers of the health and social system
 - Focussing on integration across services so that people with more complex care needs have a better experience when accessing the health system. Provider networks will involve individual providers working together and must include Kaupapa Māori providers and Pacific providers where available, to ensure a focus on equity
 - Considering working arrangements for example forming partnerships across iwi, health and social care and community organisations or Iwi-Māori Partnership Boards, Health New Zealand, and the Māori Health Authority to develop plans to support the Income Insurance Scheme. Mechanisms bringing together providers across health and social care will include contractual arrangements, shared financial incentives and / or data sharing arrangements
 - Incentivising workplaces that support progression of Māori and not those who do not demonstrate consideration for cultural support for their workers

- Cultural awareness to be at the forefront when assessing the health and of disability of Māori workers, a medical model / approach when making assessments will have a negative impact. Health needs to be considered from a well-being perspective

Displaced workers: Getting back to good jobs

74 *What practical support should be available to insurance claimants to return to work?*

- NZNO recommends ACC review current best practice, successes, failures etc. and then implement the most appropriate and practical support based on findings

75 *Who should provide that return-to-work support?*

- NZNO recommends that ACC provide the return to work support

76 *What type of claimants would need an employment case manager, and who could self-manage?*

- NZNO recommends that all claimants participate in a personalised assessment to determine what services are required before any decisions are made
- Case Managers / Navigators are highly recommended

77 *What do you think a 'return-to-work plan' should include?*

- NZNO recommends the ACC return-to-work plan

Health condition and disability claimants: Getting back to good jobs

78 *What practical support should be available to income insurance claimants with a health condition or disability to return to work?*

NZNO asks if:

- As part of the return to work assessment does that include education, training, childcare, access to Work and Income etc to confirm requirements?
- Health coverage does it need to be wider, for example to cover workers who are unable to work because they need to care for a family member?

79 *Who should provide that support to return to work?*

- NZNO recommends that ACC should provide the return to work support as part of the Income Insurance scheme based on the initial and ongoing assessment of the claimant's assessment

80 *What type of claimants would need a case manager, and who could self-manage?*

- NZNO recommends all claimants should be assessed and offered a case manager as part of an equitable process

Dispute resolution

81 *Do you agree with the proposed four-step dispute resolution process for the scheme?*

- NZNO agrees with the proposed four-step dispute resolution process for the scheme

82 *Are there specific aspects to the scheme's dispute resolution you think should be considered?*

- NZNO does not have any additional comment

Scheme integrity and enforcement

83 *Do you agree with the proposal to establish an effective offences and penalties framework to protect the scheme's integrity?*

- NZNO agrees with the proposal to establish an effective offences and penalties framework to protect the scheme's integrity

Information collection and sharing

84 *Do you agree with the proposal to develop information sharing agreements and sharing arrangements with employers, other agencies, and service providers?*

NZNO does not agree with the proposal to develop information sharing agreements and sharing arrangements with employers, other agencies, and service providers

NZNO supports data sovereignty:

- Māori data refers to digital or digitizable information or knowledge that is about or from Māori people, our language, culture, resources, or environments.
- Māori Data Sovereignty refers to the inherent rights and interests that Māori have in relation to the collection, ownership, and application of Māori data.
- Māori Data Governance refers to the principles, structures, accountability mechanisms, legal instruments and policies through which Māori exercise control over Māori data
- <https://cdn.auckland.ac.nz/assets/psych/about/our-research/documents/TMR%2BM%C4%81ori%2BData%2BSovereignty%2BPrinciples%2BOct%2B2018.pdf>

Chapter 11 – Funding income insurance (Pg 135-144)

Most funding would come from compulsory levy payments on income

85 *Do you agree the income insurance scheme should be funded from compulsory levies on the income that is insured, rather than from general taxation?*

- NZNO agrees the income insurance scheme should be funded from compulsory levies on the income that is insured
- NZNO acknowledges the pressure on those who are on lower incomes and their inability to pay into a compulsory levies scheme

Levy payments would be shared by employers and workers

86 *Do you agree that levy contributions should be equally split between the employee and employer?*

NZNO has identified:

- Additional contributions to the existing wage bill could put strain on business facing a range of increasing costs

- Should insurance be compulsory for those employees and employers who have already opted to have private insurance cover?
- Is the one size fits all approach to the rate of levies appropriate?
- How are levies and claims calculated, should this include all forms of employment income such as bonuses, share schemes and fringe benefits?

87 *Do you agree that levies for health conditions and disabilities and for redundancy should be set separately?*

- NZNO agrees that agree that levies for health conditions and disabilities and for redundancy should be set as one for all

Both the employee and employer would be charged at a flat rate

88 *Do you agree that employees should be levied at a flat rate on income below \$130,911?*

- NZNO agrees that employees should be levied at a flat rate on income below \$130,911

89 *Do you have any other suggestions for how the employee levy should be structured?*

- NZNO asks if means testing is an option?

90 *Do you agree that experience rating would not be an appropriate design setting for the employer levy?*

- NZNO agrees that experience rating would not be an appropriate design setting for the employer levy

Levies would adjust smoothly over time, with independent fund management

91 *Do you agree that an independent fund with a stable levy-setting system should be established to finance the income insurance scheme?*

- NZNO agrees that an independent fund with a stable levy-setting system should be established to finance the income insurance scheme. NZNO also recommends the establishment of a small reserve fund
- NZNO acknowledges that the government will be separate from the fund

92 *Do you favour a Pay As You Go or Save As You Go funding approach?*

- NZNO favours a Pay As You Go approach

Building in scheme adaptability, while protecting levy sustainability

93 *Do you agree that the legislation for the income insurance scheme should provide the flexibility to vary entitlements and eligibility in times of crisis, over and above the proposed income insurance scheme?*

- NZNO agrees that the legislation for the income insurance scheme should provide the flexibility

94 *Does such flexibility create risks that require additional mitigations?*

- NZNO acknowledges that introducing flexibility poses risks for capture of the fund, where it could be used for non-intended purposes

Other comments

Issues identified during the NZNO consultation process:

- Where industries close and workers lose their jobs through no fault of their own, what other strategies will be undertaken or implemented to support this group of workers, outside of a 7 months redundancy payment and training opportunities? What other Government services, including health will be made available and will this group receive priority of access?
- How should the scheme work if a displaced worker wants to start a new business rather than find new employment?
- Can alternative incentives be used to adapt to the *future of work*, for example rewarding employers and employees who proactively retrain to avoid displacement occurring in the first place?
- What impacts could the scheme have on employment contracts going forward, particularly for employers currently offering redundancy packages and sick leave above the statutory minimum level?
- If the scheme is not implemented in line with a standard tax year (1 April – 31 March), how will income and levies be calculated in year 1?
- Providing a compulsory insurance scheme for employees without insurance or who are potentially uninsurable may be a positive action
- Is there an opportunity to address minimum legal employment conditions are included to include universal redundancy provisions?