

**The Contribution of Wider Policies  
and Programmes  
to  
Living Standards of  
Older New Zealanders**

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## **A. Introduction and summary**

In New Zealand as in most modern economies the bulk of the cash income required to support the living standards of older people in retirement comes from a combination of public and occupational pensions and private investment income. In the New Zealand case the main public pension is New Zealand Superannuation, which often tends to be the main focus of discussions on provision for retirement.

The actual living standards and overall wellbeing of older people also depend on a number of other policies and programmes as well as the activities of families, friends and communities. This paper identifies a number of the key programmes and policies other than retirement income which contribute significantly to wellbeing in older age.

There are also a range of other personal and family factors which affect the living standards of individual older New Zealanders, including knowledge of and ability to access the range of available publicly funded programmes.

### **Living standards of older New Zealanders**

In combination the mix of income provision and other policies have generally served older New Zealanders well. The Ministry of Social Development material living standards surveys have consistently shown that New Zealanders aged 65 plus are the age group with the least likelihood of being in material hardship. The 2008 Economic Living Standards Survey found material hardship was experienced by:

- 4 per cent of the population aged 65 plus
- 13 per cent for the general population
- 19 per cent for those aged 0 -17.

The low levels of hardship are a rather striking feature of the older age group, as around 40 per cent of older people have little or no other income than NZ Superannuation. By international standards this is a relatively modest income in relation to average community cash incomes.

On current policy settings for NZ Superannuation the payment rate for a single person living alone is equal to 42.9 per cent of the net ordinary time average wage. For single superannuitants sharing accommodation the ratio is 39.6 per cent, and for a married or partnered person 33 per cent. However, the real situation of the current age cohorts of those aged 65 plus is boosted by high levels of home ownership, and widely accessible supplementary payments and services.

More generally the survey showed that material wellbeing in retirement was correlated with:

- Having a mortgage free home
- Having some other income on top of NZ Superannuation
- Having some cash reserves to deal with unexpected costs.

Conversely, people who lacked most or all of all these factors were more likely to experience material hardship. The hardship group also seemed to be predominantly those who had experienced a series of adverse life events (prolonged unemployment, major long term illnesses, marriage break downs, solo parenthood, bankruptcies and other problems).

### **The contribution of other policies and programmes**

Implicit in the good or adequate levels of material wellbeing of most older people (but not measured as such in the Survey) were the impact of a number of other factors including public sector programmes which also undergirded the economic wellbeing of many older people, particularly those with limited income. There are also some programmes run by the not-for-profit sector which do similar things.

In describing these programmes this report also identifies a number of trends which pose risks for the ability of part of the future older population to achieve adequate living standards in retirement. The implications of these trends together with some options for addressing them are also summarised.

The sections which follow in Part B summarise the main policies and programmes which contribute to the living standards and wellbeing of older New Zealanders.

Most of these programme categories relate to the equivalent sections of the Positive Ageing Strategy. However, the Positive Ageing Strategy also includes some goals which lie outside the scope of this paper. This paper covers:

- Consumption spending concessions
- Health
- Housing
- Transport and mobility
- Personal security
- Communication and social connection
- Employment opportunities.

## B. The programmes

### 1.0 Consumption pending concessions

The main determinants of consumption level possibilities in retirement are the levels of NZ Superannuation and supplementary cash benefits plus the private investment income and capital resources including housing of the retired person or couple. Most of the income issues lie outside the scope of this paper.

However, there are a number of areas where the consumption possibilities of the 65 plus age group are boosted by special concessions attached to the SuperGold Card and to the Community Services Card issued to low and moderate income people.

- All NZ Superannuitants and persons on Veterans Pension receive a **SuperGold Card**, which entitles them to free off-peak public transport plus a range of consumer discounts and concessions negotiated on their behalf. The public transport concessions (which include the Waiheke ferry) tend to benefit mainly people living in urban areas with public transport systems. However, commercial purchase concessions are available more widely.
- Nearly half of the NZS/VP group also receive a **Community Services Card** which gives entitlement to another range of concessions. At June 2012 Ministry of Social development data indicates that there were 274,816 Community Services Cards on issue to the 608,482 NZS and VP recipients. This was 45 per cent of the group.
- This percentage compares with about a quarter of working age adults who hold the Card, of whom the largest groups are beneficiaries. In addition 12,790 persons aged 65 plus who are not receiving NZ Superannuation or a Veterans Pension (often because they are not residentially qualified) also have a Community Services Card

For SuperGold Card holders MSD Senior Services indicated that there are now over 4,000 businesses offering discounted prices to the group. Further, since January 2012 bilateral agreements with the Australian states now mean that SuperGold Card holders are entitled to Australian State Seniors Card purchase concessions other than for public transport.

The Community Services Card was originally designed to provide concessional access to health care. Its role has since grown and is now used as a proxy income test for access to a range of other concessional services. These range from subsidies on home insulation to price concessions for entry to local government swimming pools.

Together these two cards mean that NZ Superannuitants and Veterans Pension recipients face somewhat lower costs for a range of goods and services than do most others in the community. The overall impact for most is modest but specific concessions are very significant for some people.

More detail including the role of the High Use Health Card is included in the health sections which follow.

## **2.0 Health and disability support**

New Zealand has a health care system where the majority of the costs for the provision of health services are funded from taxation. However, older New Zealanders use proportionally more of the public health dollar and related disability services than other age groups for several reasons:

- Health impairments and the need for health intervention services and medical treatment tend to rise with age. Data on this is cited at the end of this section.
- Part of the older population (around 5 per cent) are in residential care.
- A larger minority receive assistance with living in the community either from the Work and Income Disability Allowance or personal care and household management assistance from their District Health Board.

### **2.1 Primary health care**

Most older people (around 95 per cent) are enrolled in a Primary Health Organisation (PHO) which provides general practice and nurse services.

These are subsidised by the government through vote Health with an annual capitation subsidy for each person enrolled. Depending on the practice, most PHOs charge a patient consultation fee on top of the capitation subsidy. However, because of the capitation subsidy the consultation charges are lower than they would otherwise be.

Capitation subsidies are based on the age of the person enrolled. The highest rates are for children aged 0 to 4 and the lowest for younger working age adults. There are also additional capitation subsidies for people with a High Use Health Card which differ by gender.

When PHO enrolees reach the age of 65 the ordinary annual capitation subsidy rises as follows:

<b>Age</b>	<b>Capitation (\$ p.a.)</b>
0-14	575.6200
5-14	369.0744
15-24	355.5300
25-44	355.5300
45-64	389.3904
65 plus	417.6072

**Source:** Ministry of Health website

When patients consult a doctor other than at their PHO (or are not enrolled in a PHO) a General Medical Services subsidy may apply. This is \$15 for an adult with a Community Services Card or a High Use Health Card. The High Use Health Card can be obtained by older people with ongoing health problems who do not qualify on income grounds for a Community Services Card.

The High Use Health Card offers the same benefits as the Community Services Card for general practitioner visits and prescription charges.

## **2.2 Pharmaceuticals**

Listed pharmaceuticals approved by Pharmac and prescribed by a doctor are provided at subsidised rates by pharmaceutical providers with a Ministry, DHB or PHO contract. Where the provider does not have such a contract, people with a Community Services Card or High Use Health Card can still get subsidised fees.

## **2.3 Other Community Services Card health entitlements**

In addition to the matters listed above, an adult holder of a Community Services Card may also access subsidies on:

- Fees for after-hours doctors' visits
- Emergency dental care provided by hospitals and approved dental contractors
- Travel and accommodation for treatment outside the area where the person has been referred (at least 80 km for an adult).

## **2.4 Aids and appliances**

People with a long-term disability not covered by ACC may get free loans of equipment to assist with coping with their disability. The MOH website indicates that this health-funded assistance is available after an assessment process and verification of need by an assessor.



This may include equipment to assist with:

- Showering, going to the toilet, cooking, eating and household tasks
- Walking or getting round (walking frame or wheelchair)
- Speaking or understanding
- Listening devices, faxes and vibrating alarms
- Vision (magnifiers, mobility canes, computer screen reading software, and in some cases glasses).

Hearing aids are also separately funded by the Ministry of Health under two different schemes. The Hearing Aid Funding Scheme will cover the cost of a hearing aid (but not test costs) for people who meet a number of criteria about the reasons for their hearing loss. The Hearing Aid Subsidy Scheme provides a more limited grant of \$500 available every six years to adults for part of the cost of the purchase of a hearing aid. Fuller funding may come from the ACC where the hearing loss is employment or accident related, or due to a sudden large noise. War Pensioners are also eligible for fuller funding, while beneficiaries may receive a benefit advance loan to cover costs.

## **2.5 Hospitalisation**

Public hospitals in New Zealand are run by District Health Boards funded by central government. Their main role is the provision of in-patient services and accommodation for acute care and elective surgery. However, they also provide emergency and outpatient services, and some assessment, treatment, and rehabilitation services. Access to inpatient care is via referral from GPs and other primary carers, or emergency services.

Admission and treatment in public hospitals providing acute care and elective surgery in New Zealand is generally free for New Zealand residents. For most services the same provisions apply to all age groups. However, older people tend to be heavier users of hospital services than younger adults.

Targets for the provision of elective services are set by the Government. The length of waiting lists has long been an issue.

The different provisions applying to residential care are described separately below.

## **2.6 Community care**

New Zealand government policies towards people who become less able to manage in their own homes as they age has included a mixture of support for “ageing in place”, plus subsidised residential care. The community care part of this has included a mix of policies administered by the Ministries of Health and Social Development.

- **Disability Allowance**

The most common form of additional assistance to older people and those with disabilities who remain living in their own homes in the community is not actually part of vote Health but the Ministry of Social Development Disability Allowance administered by Work and Income. This is a supplementary benefit paid mainly to Superannuitants and Beneficiaries who have additional identifiable ongoing living costs because of a disability or health issue. Uptake tends to increase as people become increasingly frail with age. In June 2012 MSD data indicated that a total 129,042 people on NZ Superannuation or Veterans Pension were also receiving a Disability Allowance. This represented 21.2 per cent of the group.

The Disability Allowance is subject to an income test, and most payments are in the range \$20 to \$40 per week. The income limits in 2012-13 for those without dependent children are \$585.67 a week gross for a single person and \$866.91 for a couple. The major categories of spending recorded in 2012 were health related costs, gardening, and medical alarms.

- **Home Support**

When a person becomes less able to manage in their home without assistance, the local District Health Board or their agent may perform a needs assessment to determine the needs for home support services. The assessment includes the capacity of the individual to manage, as well as the degree of “natural support” available from family or household members or others. Two types of Home Support assistance may be provided:

- Personal care (showering etc.)
- Household management (shopping, cleaning etc.)

Free household management assistance is provided only to those who qualify for a Community Services Card, which amounts to an indirect income test. The Community Services Card has income limits which depend on family size and composition. For those without children it is \$26,393 per year gross for a single person living alone, and \$39,423 for a couple. However, personal care is provided at DHB expense on the basis of assessed need.

The amount of Home Support hours a person may receive varies widely, though the average is close to 2 hours a week. About 60,000 people or around 10 per cent of the 65 plus population receive some element of Home Support. The annual cost is around \$250 million.

An individual may be in receipt of both a Disability Allowance and Home Support, though not for the same costs. Disability Allowance will cover some costs (e.g. gardening) which are not covered by Home Support.

- **Domestic Purposes Benefit subsidised care by relatives or “natural carers”**

In some circumstances a household member may receive a Domestic Purposes Benefit for the Care of a Sick and Infirm person. At June 2012 MSD statistics indicate this income tested benefit was being paid in respect of care of 3,926 persons identified as being aged 65 plus. The actual 65 plus total may be somewhat higher than this as a further 1,203 of the total 7,686 DPB/CSI case files did not identify the age of the person being cared for.

## **2.7 Residential Care**

When a person becomes too frail or incapacitated to stay in their own home they may be assessed as being eligible for residential care: This may be one of four categories of residential care:

- Rest home
- Dementia service (where confined conditions are needed for patient safety)
- Hospital level care (for the largely bed-ridden cases)
- Psycho-geriatric care

Ministry of Health data indicates that there are around 30,500 people in all four categories of residential care combined, equivalent to just over 5 per cent of the 65 plus age group. Most are aged 75 plus. The proportion in residential care has tended to fall over time as more Home Support services have been provided, and the population has tended to become healthier. Also most of the rapidly growing numbers of currently “young elderly” baby boomers do not need residential care. This will change as these cohorts age.

In round figures there are about:

- 16,250 in ordinary rest home level care
- 10,600 in hospital type care
- 2,900 in dementia care, and
- 750 in psycho-geriatric care

People stay resident for around two years on average, with around 9,000 each year dying while in residence, the balance mainly moving to other forms of care. Hence, while only around 5 per cent of older people are in residential care at any time, around 30 per cent of people are in residential care when they finally die.

Access to subsidised residential care is subject to an asset test, though the charge for the higher levels of care for those required to pay for the cost of care is capped at the Rest Home level of costs. The District Health Board pays for the cost difference. The assets test limit for provision of the Residential Care Subsidy is currently \$215,000 in assets.

Those provided with subsidised care because their assets are under the limit must however pay their income including NZ Superannuation as a contribution towards care costs. They retain the small “hospital rate” of NZ Superannuation (currently \$42.38 a week) to cover incidental expenses. There is also a small exemption for income from investments (\$945 per year for a single person, \$1,980 for a couple, and \$2.835 for a couple where one spouse/partner has been assessed as requiring care).

MOH estimates that currently around 5,000 residents are paying the full cost of their rest home care, and another 4,000 are paying at the capped rest home rate for higher cost forms of residential care.

Residential care costs about \$1,550 million a year (ex GST) with DHBs paying approximately \$890 million a year. Of the balance about \$450 million is recovered from client contributions (including from NZ Superannuation) for those in subsidised care, and \$210 million was contributed by fully private payments.

## 2.8 Age related costs of health care

In 2009-10 vote Health cost \$12,406 billion. Of this \$4.372 billion or 35.2 per cent of the cost was estimated by the Ministry of Health to be generated by those aged 65 plus. This compares with a 12.9 per cent share of the New Zealand population aged 65 plus in that period.

Health costs rise rapidly with age. For example an earlier Ministry of Health study for 2006-07 indicated the following pattern of age-related costs.

Age group	Female \$ p.a	Male \$ p.a.
50-54	1,856	1,826
55-59	2,161	2,208
60-64	2,634	2,744
65-69	3,275	3,625
70-74	4,249	4,730
75-79	5,639	6,170
80-84	7,980	7,770
85-89	11,181	9,752
90 plus	16,722	12,973

**Source:** Ministry of Health

The Treasury Long term fiscal model indicates that on the basis of current policies, total crown health spending will rise from an estimated 6.47 per cent of GDP in 2011-12 to 7.13 per cent by 2024-25 and 8.34 per cent by 2034-35. The change is driven in substantial degree by the ageing of the population.

As this rise will coincide with a parallel rise in New Zealand Superannuation spending from a gross 4.60 per cent to a projected 6.96 per cent of GDP by 2034-35 government finances will be under significant pressure in the absence of tax or policy changes.

## **2.9 Impact on access to services**

This scale of health costs indicates that older New Zealanders as a group, and especially those on lower incomes benefit very heavily from the publicly funded and significantly targeted pattern of provision of health and disability services. Otherwise this level of costs would simply be unaffordable for low income retirees in a strictly actuarial insurance based system or a system where individual users paid for all health services.

## **3.0 Housing**

Traditionally the current cohorts of New Zealanders aged 65 plus have been viewed as having a favourable housing situation. The decline in New Zealand home ownership ratios from 73.6 per cent in 1991 to an 66.8 per cent (including properties held in family trusts) in 2006 has so far mainly affected younger and middle aged adults. However, unless there is a home ownership “catch up” amongst those now middle aged, home ownership ratios will begin to decline faster amongst those reaching retirement pension age.

The estimate by Phil Briggs which varies slightly from the Statistics NZ estimate was that home ownership by those aged 65 plus fell by 4.9 percentage points between 1991 and 2006, or from 84.4 per cent to 79.5 per cent. Most of the estimated drop (4.2 percentage points) occurred between 2001 and 2006. Overall home ownership by adults dropped by 8 percentage points, while for adults aged 25-49 the drops were in double digits. Home ownership was the highest in the age group 60-64, after which some older people begin to move out of home ownership.

The Briggs estimates are as follows (the postponement of the 2011 Census means that there are no more recent figures):

Age group	Ownership % in 2006	Drop 1991-2006
20-24	21.7	-4.9
25-29	36.3	-17.5
30-34	52.6	-16.5
35-39	61.9	-15.3
40-44	68.5	-13.6
45-49	73.7	-10.7
50-54	77.8	-7.9
55-59	80.5	-7.9
60-64	81.2	-6.2
65 plus	79.5	- 4.9

**Source:** *Briggs, P. (July 2006). "Family trusts: ownership, size, and their impact on measures of wealth and home ownership". Reserve Bank New Zealand.*

Alternative Census based calculations by Roger Hurnard which cover only the period 2001 to 2006 draw a distinction between the tenure of the household and the home ownership status of adults living in it. For example adult children living with their homeowner parents are not classified as homeowners. Prior to 2001 the way the Census question was asked blurred this distinction.

Using this basis of classification the proportion of people answering the census question who classified themselves as homeowners was only 54.9 per cent in 2001. This figure fell further to 53.2 per cent in 2006. Almost all age groups experienced a drop in ownership proportions except those aged 80-84. The biggest falls were amongst young and early middle-aged adults.

### 3.1 Home ownership and living standards

The impact of housing tenure on low income retired people showed up strongly in the 2008 MSD Economic Living Standards Survey. For those aged 65 plus with incomes below \$20,000 per year the hardship rates were:

	%
Owned without mortgage	5
Owned with mortgage	15
Private rental	13
HNZ rental	51

Having a mortgage-free home in retirement was one of the best predictors of living standard adequacy for people on low incomes in retirement. The HNZ rental housing catered for the housing needs of many of the most

disadvantaged of the age group, though these still showed up as likely to be in hardship for other reasons. The Accommodation Supplement eased the situation of those in private rental accommodation.

A generation ago New Zealand had a number of programmes designed to assist home ownership, notably concessional loans for first home buyers from the then Housing Corporation, and Family Benefit Capitalisation for deposit assistance. These programmes which were mainly orientated to younger families are now long gone. However, there are a number of other programmes which assist older people with the cost of housing provision while living in the community. These include:

- Housing NZ state rental housing
- Local government pensioner housing
- Third sector concessional housing
- Accommodation Supplement
- Rates Rebate Scheme
- Local government rates deferral schemes.
- Home insulation funding

A note is also included on Retirement Villages (section 3.6).

### **3.2 HNZ State Rental Housing**

In 2012 Housing New Zealand statistics indicate that it had 13,128 primary tenants aged 65 or over. These represented 20.5 per cent of the HNZ tenant group. Most of these would be on low or moderate incomes and would be charged only 25 per cent of their income as a rental under the Income Related Rents policy.

Separate figures are not available for the degree of subsidy of older tenants on income related rents. However, the average in 2011-12 for all tenants on income related rents was \$9,478 per year. This is the average difference between market rents and income related rents for occupied HNZ properties to which an income related rent applied.

The HNZ rental stock share of the total NZ housing stock has been declining over time. At 30 June 2012 there were 69,515 total HNZ dwelling units, representing 4.2% of estimated occupied dwelling, of which 61,816 or 3.7 per cent of occupied dwellings were let at Income Related Rents. The balance included some paying market rents plus temporarily unoccupied dwellings and those under repair. Two decades earlier 70,296 HNZ units represented 5.5 per cent of then total of occupied dwellings. This declining ratio suggests that the state rental housing role in providing part of the housing for the rapidly growing number of older New Zealanders can be expected to decline in the foreseeable future.

### **3.3 Local government social housing**

The latest Ministry of Social Development estimate is that there are about 14,000 social housing units administered by NZ local governments. Most of these originated as pensioner housing schemes and were developed with central government concessional loans. These loans ceased in the mid-1980s.

While the tenant mix is now more varied than in the past most tenants are understood to be older people.

Little new local government social housing has been developed in the past decade, and its role in providing housing for older New Zealanders seems also likely to decline.

### **3.4 Third sector concessional housing**

New Zealand has a small non-government social housing sector, much of which concentrates on providing concessional or sheltered housing for older people. The Productivity Commission Housing Affordability Report (p.218) quotes a 2011 survey by HNZC which identified 5,076 community housing units in the sector. The proportion of occupants who are aged 65 plus is not known.

In 2011 the NZ Government set up a Social Housing Fund to encourage growth in the sector. The Fund has an allocation of \$35.35 million, with the possibility of capital grants of up to 50% of capital cost to qualifying providers.

The allocation so far will fund only a small increase in the community social housing stock. If the average cost of a social housing unit was \$300,000 and the average subsidy was \$100,000, then the Fund would facilitate the building of only 354 housing units. However, there may be further developments in the area once Government policy reviews are completed.

### **3.5 Accommodation Supplement**

The Accommodation Supplement provided as a supplementary benefit by Work and Income to subsidise high housing costs for those on low incomes has been a growing source of housing assistance for recipients of NZ Superannuation and Veterans Pension.

The Accommodation Supplement pays for 70% of the additional housing costs where these exceed 25 per cent of benefit or NZS income for renters, and 30 per cent for home owners. However, the subsidy declines by 25 cents in the dollar when the claimant has other income, and a "cash assets" test also applies. This measure of investment assets is \$8,100 for single people and \$16,200 for a couple.



The average subsidy in 2011-12 for NZ Superannuitants and those on Veterans Pension was \$55 per week, or \$2,860 per year. This would cost the taxpayer about \$85 million per year. The average subsidy per older claimant is less than the average for all groups as older low income people generally occupy smaller and less costly premises than families with children.

Actual numbers of recipients of Accommodation Supplement by these two groups (NZS and VP) which have nearly doubled in the past decade have been as follows:

<b>Year</b>	<b>Number of recipients who have received Accommodation Supplement</b>
2002	16,293
2003	16,294
2004	17,383
2005	18,895
2006	20,474
2007	21,606
2008	22,800
2009	24,523
2010	26,458
2011	27,711
2012	29,689

**Source:** Ministry of Social Development

Growth in the number of older claimants of the Accommodation Supplement is mainly a function of the gradually growing proportions of older people now in private rental accommodation. MSD data for the 2012 totals for NZS and VP recipients also receiving Accommodation Supplement were comprised as follows:

	<b>Number of people receiving both Accommodation Supplement and NZS or VP</b>
Renting	21,118
Boarding	2,888
Own home	5,683
<b>Total</b>	<b>29,689</b>

**Source:** Ministry of Social Development

The proportions of NZS and Veterans Pension recipients on Accommodation Supplement are still modest, having risen from 3.6 per cent of the NZS/VP total in 2002 to 4.9 per cent in 2012. As a percentage of households containing a Superannuitant or Veterans Pension recipient it would be somewhat higher than this as couple households are counted as only once case in the statistics. Also, some would be living in other claimant households.

### 3.6 Rates Rebate scheme

Most older homeowners do not qualify for an Accommodation Supplement either because their costs do not exceed 30% of NZS income, or because they have additional income, or their “cash assets” are above the limits. However, many of those so excluded by cost or asset criteria still can qualify for a rates rebate from vote Internal Affairs.

Ministry of Internal Affairs statistics indicate that the maximum rebate for 2012-13 is \$590 per year, with the actual average rebate 2011-12 being \$541.20. Entitlement is subject to an income limit. For 2012-13 this is \$23,650. As the annual payment rate for NZ Superannuation in 2012-13 is \$20,803.64 for a single person living alone but \$31,449.60 for a couple it is fairly clear that the main target groups are older single or widowed homeowners on low incomes, plus beneficiary home owners.

A survey of 89,319 claimants in 2011 who had a single declared source of income showed the following proportions of claimants:

	Proportion of claimants %
NZ Superannuation	72.9
Beneficiaries	16.5
Employed or self-employed	10.5

**Source:** Department of Internal Affairs

In 2011-12 the total number of recipients of the rate rebate was 115,074, and the annual cost \$62.3 million. The budget for 2012-13 is \$60 million.

While the average rates of payment for Rates Rebates are much lower than for Accommodation Supplement or HNZ Income Related Rents subsidies, the Rates Rebate is actually the most widely used form of accommodation subsidy by those aged 65 plus.

### 3.7 Rates deferral

Some local governments have a rates deferral programme for low income homeowners. In effect the rates debt is accumulated and charged against the estate or eventual house sale. Use of these programmes seems to be limited. Part of the reason seems to be that by deferring rates payments the eligibility for Accommodation Supplement or Rates Rebate also stops.

### **3.8 Retirement Villages**

A feature of recent decades has been the growth in Retirement Villages. These provide a sheltered environment which allows older people to continue living in their own housing unit, but with some support services and recreational facilities adjacent, allowing the residents to remain in most respects in the community. The villages often have residential care facilities attached.

The villages are self-supporting and usually run as commercial ventures. Issues in the development of the villages have been associated with the purchase of “licences to occupy” the particular unit taken up, and the effect of this on the financial equity of the individual or their estate.

While the villages are not subsidised, Government supervision of the development in the interests of occupants led to the Retirement Villages Act 2003, and the associated Code of Practice. The Retirement Commissioner oversaw the preparation of an evaluation on the impact of the Act and Code of Practice.

### **3.9 Home insulation funding**

A high proportion of older homes in New Zealand are poorly insulated and hence expensive to heat adequately. To help deal with this problem the New Zealand government provides a subsidised home insulation scheme run through EECA Energywise. The EECA website indicates that homeowners in general, including landlords, can get a subsidy of up to \$1,300 or 33% of costs towards ceiling and under floor insulation and its installation.

In the case of holders of a Community Services Card the subsidy rate can be as high as 60 per cent. The unsubsidised portion of the cost may also be paid for over time in conjunction with rates or mortgage payments.

As 45 per cent of the NZS/VP group have a Community Services Card the subsidy option is significant for many of those needing to install insulation.

### **3.10 Summary on housing**

The existence of several housing assistance schemes targeted at different groups of low income older people is clearly one of the significant factors in the low rates of hardship amongst older people. Curiously, the most expensive of these per head (HNZ income related rents) contains the biggest cluster of low income older people in continuing hardship. This would seem to reflect the fact that the “serious housing need” criteria for HNZ rental units gives accommodation to people who often have a series of adverse life events creating multiple financial, health, and family problems, and not simply

a housing affordability problem. In particular, a high proportion of older HNZ tenants would have been beneficiaries prior to reaching the age of 65.

For most of the other older people, the high home ownership ratios of current cohorts of older people plus the range of public sector assistance schemes means that housing is generally affordable. However, those on low incomes with limited savings may still face significant problems when major housing related costs occur such as the need to replace a roof. Large increases in local government property rates may also impact adversely on fixed incomes.

For the foreseeable future the rapid growth in the numbers now reaching 65 years and the declining home ownership ratios suggest that housing affordability issues will become more pressing for a growing proportion of the older age group. Under current institutional structures this is likely to put more pressure on the Accommodation Supplement system.

#### **4.0 Transport and mobility**

An effective part of the living standards of modern populations is mobility. This is the ability to move around within a district or living area to meet daily needs for things such as employment, shopping, visiting health services, social and cultural activities, and visiting family and friends.

Mobility for many people declines with age. Reasons include:

- Growing frailty or physical disabilities which reduce the ability to walk to places once easily visited
- Declining ability including deteriorating eyesight may mean giving up driving a motor vehicle
- Inability of a widowed spouse to drive when the traditional household driver dies
- Limited budgets which restrict the ability to use taxis or even public transport
- Having a degree of disability which makes it difficult or impractical to use public transport

Two Government funded programmes address parts of the mobility issue.

##### **4.1 Free off-peak public transport**

Public transport is already subsidised for users, with most of the focus being on urban public transport. However, for NZ Superannuitants and Veterans Pension recipients the “SuperGold Card” provides free public transport in off-peak times. This is generally between 9 a.m. and 3 p.m., and after 6 p.m. and at weekends. The cost of this concession is included in the passenger transport subsidy.

For part of the older population this provides a degree of mobility which allows them to continue an active community life which would otherwise be much more constrained. The Ministry of Transport estimated that SuperGold Card holders made 10.5 million free public transport trips in 2011-12. This amounts to an average of around 18 trips a year.

As public transport is mainly urban in location, rural dwellers are less able to access it.

## **4.2 Total Mobility Scheme**

The “Total Mobility Scheme” provides subsidised taxi services to people who have an impairment that prevents them from travelling unaccompanied on a train, bus or ferry in a safe and dignified manner. Jointly funded by central and local government, the scheme provides:

- Subsidies of 50 per cent (up to a maximum fare) on taxi services
- Funding to scheme providers to help purchase and install wheelchair hoists in taxi vans
- Payments for the owners of vehicles that are part of the scheme.

Many of the users of the scheme are older people.

## **4.3 Driving by older people**

Policies relating to older drivers focus around two issues:

- Maintaining the ability to drive at older ages
- Ensuring the driving is safe for the driver and others

Current policies listed on the MOT website focus more on the second of these objectives. Generally older drivers have fewer serious accidents than younger drivers. However, this seems at least in part to be because they usually do much less driving in total and are on the road for far fewer hours per year. Police statistics indicate that the number of motor vehicle accidents involving older people has been growing.

From age 75 a driver seeking a renewal of drivers licence must pass a medical examination which results in a “NZ Transport Agency medical certificate”. From age 80 the requirement is a medical test every two years. If there are doubts about the ability to drive safely, a further assessment is needed. This usually means a two-hour off-road assessment by an occupational therapist, plus a 50-60 minute on road driving assessment. The cost for these procedures can be \$500 to \$600. This poses financial problems for some older drivers.

A doctor can also recommend:

- Correcting lens must be worn while driving
- Only automatic transmission vehicles can be used
- Vehicle must have a rear view mirror on both sides
- The person must not drive during hours of darkness

Programmes to teach older drivers how to drive safely despite declining capacity are not currently subsidised by the government though information on safer driving practices is on the NZTA website. Previously the government funded “Safe with Age” defensive driving courses, but these have been discontinued and funding cut. Information on safe driving practices for older people is however available on the transport website. The AA runs a “Carfit” programme in nine centres which focus on aspects of vehicle safety and ability to use the car.

The limited government focus on keeping older drivers safely on the road by teaching them defensive driving skills as distinct from getting unsafe drivers off the road is of some concern with the ageing population.

#### **4.4 Mobility scooters**

A number of older people with walking difficulties now use motorised mobility scooters. These are mostly driven on footpaths. This is currently an unregulated activity, and no driving permits are required. However, they are subject to a general requirement to operate safely. Issue of ensuring safety both for the mobility scooter drivers and pedestrians remain unclear.

### **5.0 Communication and social integration**

Having regular social contact, being able to continue with traditional social and cultural activities, and maintaining contact with family and friends are important to the wellbeing of older people. Indeed, Age Concern briefing papers to the incoming government (updated in 2012) indicate that loneliness can be as damaging to health as being a heavy smoker. Age Concern estimate that there are about 50,000 severely or chronically lonely older people in NZ, or about 8 per cent of the older population.

In addition to the transport measures listed above, technology is beginning to contribute to the ability of older people to maintain contacts. However, some lack direct personal contact.

#### **5.1 Communication**

Traditionally, older people in New Zealand did most of their longer distance communication by mail or telephone. This now appears to be changing for older groups as with the rest of the population with the internet, e-mail and Skype.

No statistics are available but the general impression is that the “younger old” age groups under 75 are now catching up with the internet usage rates of other adults, though this is less so for the older 80-plus population.

The SeniorNet organisation which focuses on teaching computer skills to older people has 86 learning centres with 17,000 people participating.

## **5.2 Visiting services**

Age Concern has contracts with a number of District Health Boards to organise visiting services for part of the older population affected by social isolation and loneliness. These are provided by people from local Age Concern branches with trained volunteers with similar interests to those being visited. The national organisation of Age Concern provides the training.

Age Concern estimates are that about 70,000 visits per year are provided to about 3,000 individuals.

## **6.0 Personal security**

Crime statistics indicate that older people are on average less likely to be victims of crime than younger adults. However, the physical and emotional frailty of many older elderly means that the consequences of victimhood may be more severe. Hence, security is a legitimate concern for older people.

As older people are more likely to be victims when at home, a focus on household and neighbourhood safety is of particular concern to older people.

### **6.1 Police programmes**

Most police programmes are generic and cover the community in general. However, several are of particular interest to older people:

- The police support and maintain liaison with Neighbourhood Support groups.
- Support is also given to Community Patrols, which according to Police National Headquarters have around 4,000 members.
- The police website gives information on how to improve personal and household safety.
- The police also co-operated with Age Concern in producing a booklet on safety issues.

### **6.2 Elder abuse prevention**

Elder abuse and neglect are serious problems for part of the older population. Age Concern is notified of at least two new cases a day, while the true incidence is thought to be very much higher. Perpetrators are usually family or household members. Financial abuse where the older person has their resources siphoned away is common. However, the abuse can also run to

physical violence or sexual abuse, and well as neglect and psychological abuse.

Age Concern runs 24 elder abuse prevention programmes under contract from the Ministry of Social Development. This funding covers about 3,600 cases. The services focus on exploring with the victims ways of stopping the abuse or extracting themselves from abusive living situations. Consciousness raising is also part of the programme.

## 7.0 Employment

A striking feature of the labour force changes since the 1991-92 economic trough has been the rise in labour force participation and employment by those aged 65 plus. The census figures showed a continuing rise up till the 2006 Census. The strongest rise was amongst those aged 65-69. However, rises also occurred amongst those in older age groups.

Between 1992 and 2006 the Household Labour Force Survey showed that labour force participation rate of men aged 65 plus rose by 8.6 percentage points to reach a four quarters annual average of 17.5 per cent. For women the rise on the same basis of measurement was 5.7 percentage points to 8.7 per cent of the age group.

The deferment of the planned 2011 Census to 2013 has limited the detail of data currently available, particularly the more detailed stratification by different 65 plus age groups. However, the Household Labour Force Survey does provide an aggregate for all persons aged 65 plus. This shows a continuing strong rise after 2006 despite the recession and slowdown in the overall economy from 2008 onwards.

June	Labour force participation %
2006	12.0
2007	13.7
2008	14.6
2009	16.1
2010	16.3
2011	18.2
2012	19.6

**Source:** Statistics NZ Infoshare tables

By sex the employment percentage rise for men over the sixty five years was 8.7 percentage points to 24.9 per cent of the male population aged 65 plus. Women showed a somewhat smaller but still very significant employment rise of 6.4 percentage points to 14.4 per cent.



The more detailed labour force composition by age groups for those aged 65 plus is only available up to June 2010. This showed the shift since 2006 as follows.

### Labour Force Participation Rates

Age group	2006	2010
65-69	28.2	35.3
70-74	11.4	14.8
75 plus	1.8	3.0

**Source:** Statistics NZ special data run

The rise in labour force participation by those aged 65 plus has been most marked amongst the “young elderly,” particularly those aged 65-69. This age group is currently growing very rapidly as the baby boomers begin to reach pension age, and increasingly remain in employment.

The MSD Living Standards Survey showed a very strong linkage between having significant additional income on top of NZ Superannuation, and material wellbeing, particularly the absence of hardship. The employment figures indicate that a growing minority of older people are achieving this by remaining in employment. In principle this should mean a growing minority should finally retire with larger net assets than their predecessors. However, there has been no recent Net Worth Survey to confirm this expected trend.

Part of this rise in ongoing employment at older ages was a consequence of the legal abolition of age restrictions on employment for most categories of work, and the focus on capacity to do the job. This approach was enshrined in the Human Rights Act 1993.

Generally employment amongst older people is a continuation of a prior status of being employed, though many shift to a part-time basis. This usually means that those out of the labour force for long periods prior to reaching NZ Superannuation age are unlikely to move into paid employment. Job change at this age is also more difficult. A further problem affecting older workers is the short-term nature of ACC earnings related compensation for NZS/VP accident victims aged 65 plus, which is restricted to one year’s payment eligibility.

## **8.0 Family and community**

### **8.1 Family**

Traditionally many of the care services needed by older people have been provided by unpaid family members, the “natural carers” envisaged in the design of the Ministry of Health Home Support scheme.

Where carers are the children of the older people, the development is often part of a pattern of ongoing family relationships. In the earlier stages the flow is mainly from older to younger adults as the “young elderly” provide babysitting and childcare services and perhaps financial assistance for house purchase or for the needs of grandchildren. Later the patterns tend to shift to middle-aged children and sometimes the grandchildren providing assistance with household tasks or transport for ageing parents or grandparents.

Other care patterns reflect ongoing marriage or partnership relationships, as the needs of the spouses change. Spouses or partners are actually one of the major providers of care services to infirm older people. Traditionally this has been particularly important for older men, who usually die before their female partner, because of shorter life expectancy and older average age at marriage. Their older average age means that they may develop care needs before their spouse.

There a number of reasons why the future supply of “natural carers” may be more problematic than in the recent past:

- **Demographics:**

The current cohorts of “old elderly” who are the main groups needing care services are by and large the parents of the large “baby boom” generation. Hence on average there are several adult children for each older couple or widowed older person.

However, the baby boomers have been a less fertile group and have had smaller families. Hence, the ratio of adult children as potential carers will fall as the baby boomers who are now swelling the ranks of the “young elderly” in turn become the “old elderly.”

Demographic ageing of the resident population in New Zealand appears to be occurring most rapidly in small towns and regional areas, with significant outward movement of younger people.

- **Migration:**

There has always been significant internal migration within New Zealand which ends up in creating a geographical separation between different generations in a family. More recently this has been accentuated by large scale emigration of working age New Zealanders to Australia and elsewhere.

While immigration will replace many of the lost workers, it will not replace the absent family members of older New Zealanders.

- **Employment:**

One of the most striking labour force changes of the past generation has been the rapid rise in the proportion of married or partnered women who are in full time employment. A side consequence of this is that there are fewer daughters and daughters-in-law with available time during the working day to provide care services to older family members.

- **Marriage stability:**

New Zealand marriages and partnerships are now less stable than in some previous generations, while the proportions of sole parents, particularly mothers without male partners has risen over the longer term.

The family structure trends indicate that fewer older people will have long-term partners as they move into older age brackets. Older men may turn out to experience the biggest impact of this trend.

- **Legal challenges:**

The expectation that family members will be unpaid carers for the disabled or infirm has recently been subject to a number of legal challenges. If these challenges succeed the cost structure of public sector care services could rise.

There are of course some offsets on the other side. Older people are now generally healthier and able to be fully self-supporting in daily life for longer. Further, some assistance responsibilities can be taken up by friends and neighbours. Also, many of the more affluent older groups will be financially able to pay for commercial home assistance or residential care. However, for lower income older people the need for state-assisted care is likely to expand at the time when public sector budgets are under severe pressure for demographic reasons.

## **8.2 Community**

The word community has a range of meanings, but here it is used to refer to organised activities above the level of informal assistance from neighbours or friends.

New Zealand has a wide range of community and not-for-profit groups which address particular needs and concerns for the local population. Most of these are generic like the Red Cross, Meals on Wheels, Food Banks, or neighbourhood support groups, providing services to a range of age groups. From their activities older people gain benefits as do other age groups. Active older people also provide many of the volunteers who help run the voluntary side of these services. Some of the funding for these organisations is public and comes from Government or Lottery Grants Board.

There are also a number of groups that provide services targeted to older people. Of these, Age Concern has contract funding from government to run a number of programmes such as Elder Abuse prevention services.

## **9.0 Current gaps in service provision**

The Positive Ageing Strategy has goals relating to **cultural diversity** and rural people. These are areas where more consideration is needed – for example the availability of own language services for older migrants. Cultural services in general for older people seem to be underdeveloped.

For older people living in **rural areas** access to many services available to urban dwellers is often difficult. An example is free public transport, which is available only in the mainly urban areas which have public transport systems.

The wide range of services provided to older New Zealanders and the low levels of identified hardship for the age group indicate that most of the priority material needs of older people are being addressed in one form or another. In many cases an improvement in the volume or quality of services would be beneficial to older people, but this is true of public services in general, and the public purse is not bottomless.

However, a few areas do stand out as not being addressed or under resourced. One such area is the need for low income older homeowners to fund large cash outlays for major costs for such things as replacing roofs. Financial inability of some older people to deal with such things may lead to excessive stress and premature opting for residential care, which in turn raises other public sector costs. It might be beneficial to have a special loan scheme for low income elderly people who are homeowners covering major repairs. Costs could be repaid over time as with home insulation loans, or else treated as a suspensory loan which would be recouped on death or sale of the property.

Other areas where services seem insufficiently developed geographically is in the availability of services to deal with situations of elder abuse.

A “silo” approach has also been identified by some groups who were consulted in relation to the restricted provision of care service for “old elderly” people wishing to remain in their own home in the community. Restrictions in this area have been argued as inducing premature movement into residential care, which is a much more expensive option.

Another area which has been cited as short sighted is the ending of earlier programmes focussed on teaching safe driving to older people with reduced physical capacity.

These issues can be examined as part of ongoing policy reviews.

## **C. Summary and emerging issues**

### **The current situation**

The great majority of the current cohorts of older New Zealanders have adequate or comfortable living standards, with a relatively small percentage experiencing hardship. Notably, the percentage of older people in material hardship is lower than for all other age groups in the population.

This generally satisfactory situation (with some qualifications as noted above) comes from the NZ approach adopted for funding retirement income. This is:

- A modest universal pension at age 65 for all those residentially qualified
- Access to a range of publicly funded services provided to all age groups
- Targeted supplements and services for those older people with particular needs

Also important in the effective living standards of those now aged 65 plus are the very high levels of home ownership currently prevailing.

While the material living standards and security of older New Zealanders are generally adequate, there are some gaps in service provision. There are also some areas where a degree of ‘silo’ approach by different government agencies may mean that the best and most cost effective solutions to meeting needs are not always being achieved.

The gaps however are not the dominant characteristic of the mix of policies and programmes impacting on the present cohorts of older people. The overall combination of NZ Superannuation and a range of other policies works well for most older people, while the service gaps are things which can be progressively addressed.

### **Emerging trends**

However, it is not clear that this favourable situation can be projected forward indefinitely. The elephant in the room is the projected increase in the proportion of older people in the population. The proportion aged 65 plus is expected to rise from the present nearly 14 per cent to almost twice this proportion over the next generation. This will place strains on the affordability of many of the programmes which currently help sustain the living standards of those aged 65 plus.

Even without the demographic issue, several trends now visible are likely to impact on the situation of those now moving into retirement:

- Declining home ownership rates
- Declining possibilities of intergenerational family member assistance for older people because of smaller family size, geographical migration and weaker family structures
- The arrival at retirement pension age of increasing numbers of people who have been long-term benefit dependent and are in a weak financial situation

In 1970 when virtually all of the current 65 plus age group were young or middle aged adults, income tested beneficiaries at 30,961 were only 2 per cent of the population aged 16-64. Half of these were widows. By mid-2012 the 309,986 beneficiaries in that age group represented nearly 11 per cent of the total. The rapidly growing numbers in this group now reaching retirement age will swell the proportion of older people in need of significant amounts of supplementary assistance.

At the same time there are trends for other parts of the older population which are pointing in the opposite direction in terms of living standards possibilities for oncoming cohorts of older people. These include:

- More two income households
- Increasing employment rates for those aged 65 plus, and
- Accumulating KiwiSaver balances

These disparate trends suggest that the later cohorts of people reaching the current NZ Superannuation age will be more diverse than in the past. There will be both more poor and more affluent proportions. The ethnic proportions will also change, with more Māori, Pacific and Asian older people amongst the older age group.

### **Those retiring in a poor financial state**

The retirement living standard impact of prior long-term benefit dependence when people are in their 50s or early 60s may help explain an otherwise puzzling feature of the 2008 Ministry of Social Development Economic Living Standards Survey. This indicated that the “young elderly” were somewhat more likely to be in economic hardship than the older elderly. This seems counter intuitive since medical costs rise with age, and paid employment ratios drop.

The explanation may in part lie in the recent arrival at retirement age of the advance guard of the greatly expanded beneficiary population. This trend together with declining home ownership may underlay a rise already occurring in the proportion reaching retirement age in a poor financial situation. The current beneficiary numbers suggest that the problem will get more

pronounced in the future. The trend may coexist with a parallel trend for a large and growing minority to reach pension age with substantial assets and ongoing paid employment. If these disparate trends continue, the future retired 65 plus population will be much more a “two-tier” or “multi-tier” group with much wider dispersal in the range of living standards.

### **Policy responses**

Possible policy responses fall into two categories:

- Policies to improve the financial situation of current working age people before they reach pension age
- Policies to cope with the prospect of growing numbers of older people needing supplementary assistance on top of NZ Superannuation

### **The current working age population**

For the current working age population the best strategy is to try to ensure that very few reach pension age in a poor financial situation. KiwiSaver already addresses part of this issue as a cash accumulation process providing a nest egg of savings for retirement use. However, it is voluntary, and the main group not covered (beneficiaries) are the group most likely to reach pension age in a weak financial situation.

Other approaches include:

- Additional measures including training and support services and health interventions to enable more beneficiaries to obtain paid employment – and also to provide part of the future workforce that an ageing population will need.
- Increasing home ownership proportions again after a generation of decline. As fiscal funding is likely to be under pressure, and not available for subsidised loans to would be owner-occupiers, the realistic options may include additional taxes on landlord property ownership, and selective monetary policy measures relating to financial institution mortgage lending. The aim would be to achieve an outcome where landlords become net sellers of existing housing property to home-seekers.
- The tax approach has already been partly used by the present government, with the withdrawal of tax deductible depreciation on property with an expected life of more than 50 years. Other options include the Tax Working Group proposals on capital gains tax and property tax. It would be possible to devise forms of these taxes which shield homeowners from their effect.

### **The needs of low income retired**

With growing numbers and proportions of people reaching pension age in a poor financial situation, the pressure will be on New Zealand governments to fund more services. For example falling home ownership rates will produce more demand for social rental housing and/or Accommodation Supplement subsidies for low income retirees. Health costs will also tend to rise as a share of GDP because of the ageing of the population. This trend will take place at a time when the fiscal situation will be under pressure from a declining ratio of working age people to retirees, and rising NZ Superannuation costs.

Responses such as increasing the age at which NZ Superannuation becomes payable lie outside the scope of this paper. However, the options to deal with the fiscal pressure would seem to include some combination of:

- Increased taxes (also outside the scope of this paper)
- More rigorous targeting of the types of supplementary assistance described in this paper.

### **Targeting**

The discussion on targeting in this paper relates to criteria for accessing the range of publicly-funded programmes described in the text.

Targeting can be based on either defined levels of need or criteria relating to financial situation. Where resources are scarce, targeting is a logical policy response. However, the form which the targeting takes needs to be shaped with an awareness of possible adverse behavioural reactions to the targeting.

The high degree of income- or asset- based targeting already associated with many of the services provided to older New Zealanders has been able to be applied in a way which is generally cost effective without producing large scale adverse behavioural responses. This is because with retired people and those no longer able to work, the adverse incentive issues associated with targeting are less relevant than with people in the workforce age groups. Also income-based targeting tends to kick in automatically to exclude the growing numbers of older people still in employment from accessing a significant range of concessions and subsidies.

The major exception is the continued incentive for assets and the investment income associated with them to be transferred into Family Trusts to reduce the impact on individuals and their families of the targeting associated with residential care and some other supplementary benefits.

If more targeting is to be used in the future, this would suggest that the ability to use Family Trusts to avoid the impact of the targeting would need to be revisited.



## Summary

While the present range of supplementary benefits and services work well to ensure that most of the current cohorts of older New Zealanders are not in hardship, the survey of trends now evident allows a number of key issues to be identified. These are:

- Rising needs for supplementary services as the number and proportion of older people in the population grows
- The impact of an ageing population on the fiscal affordability of services
- The prospect of a declining availability of “natural carers” for the eventually growing numbers of “frail elderly”
- The impact of declining home ownership ratios
- The arrival at pension age of growing numbers and proportions of former beneficiaries who are in a poor financial state
- Rapidly rising employment rates amongst those aged 65 plus, creating a growing minority of affluent “young elderly”
- The divergence between these trends indicating widening differences in the living standards of those reaching NZ Superannuation pension age

Possible policy responses to these trends include:

- Shifting the pattern and volume of service provision to meet the growth in the numbers and proportions of older people
- Measures to assist more beneficiaries back into remunerative paid employment
- Measure to boost home ownership ratios, including the tax treatment of landlord investor property ownership
- Increased financial targeting of access to supplementary benefits and services, including reviewing the ability to use Family Trusts to avoid income or asset based targeting

## **D. Annexes**

### **I. Data Sources**

Age Concern	NZ Briefing to Government and support parties (updated July 2012) Submission to New Zealand Productivity Commission February 2012 Submission on Local Government Act 2002 Amendment Bill (July 2012)
Briggs, Phil	Family trusts: ownership, size and their impact on measures of wealth and home ownership (July 2006)
EECA website	Home insulation funding
Housing NZ Corporation	Data on Housing NZ rental units and numbers of tenants aged 65 plus
Hurnard, Roger	Housing tenure changes 2001-2006
Ministry of Health	Needs assessment and support for older people (May 2011) Long term residential care for older people (July 2012) Website data on general practice services, capitation rates, Community Services Card, High Use Health card, and equipment for disabled people
Ministry of Internal Affairs	Rates Rebate data
Ministry of Social Development	Data tables on NZ Superannuation, Veterans Pension and supplementary benefits Beneficiary numbers Positive Ageing goals
Ministry of Transport website	The Total Mobility scheme Driving by older people – licence requirements

NZ Productivity Commission	Housing Affordability Inquiry (March 2012)
Police National Headquarters	Comments of police community focused programmes for crime prevention
Statistics NZ	Website Infoshare tables
SeniorNet	Data on computer seminars for seniors
The Treasury	Long-term fiscal model

## **II. Terms of reference summary**

The project will draw on existing knowledge to describe the elements of retirement income policies that are ancillary to the direct accumulation of financial resources and provision of retirement income (such as KiwiSaver, taxation policies, NZS etc.).

The overall objectives of the research are to provide:

- 1) A brief description of current wider policies and programmes that have implications for New Zealand's retirement income framework
- 2) A description of the trends in those wider policy and programme areas (e.g. the growth in the cost of health care) and their implications for retirement income policy
- 3) Some options for addressing trends and issues in identified policies and programmes so as to help ensure the sustainability of New Zealand's retirement income framework (assuming no changes in the parameters of the current framework).