

Senior Citizens Unit

Post-election Briefing Papers 1999

Contents

Paper

Overview

<i>Portfolio of the Minister for Senior Citizens</i>	1
<i>A Profile of the Older Population</i>	2
<i>Positive Ageing</i>	3
<i>Retirement Income</i>	4
<i>Maintaining Independence</i>	5
<i>Health</i>	6
<i>Elder Abuse and Neglect</i>	7
<i>Organisation and Agencies</i>	8

Overview

Introduction

Older people are a growing proportion of the population. In June 1999, there were 446,000 people aged 65 and over estimated to be living in New Zealand¹. Under medium population projections, the older population will number 551,700 by 2011, and will be more than double its current size by 2031 (980,900). Older people accounted for 12 percent of the total population in 1999; this will rise to 13 percent by 2011, and to 17 percent by 2021. By the year 2051, older people are projected to make up 26 percent of all New Zealand residents. The growing numerical and proportional significance of the older population will raise its profile as a group of policy interest.

It is the role of the Minister for Senior Citizens to advocate for older people at Cabinet and other government policy forums. The increasing proportion of older people means that issues within the portfolio are becoming more prominent. The scope of the portfolio is broad, incorporating positive ageing, health, retirement income, housing, security, transport and other issues. The advocacy function of the Minister for Senior Citizens is complicated by the fact that the older population is a diverse group with differing needs and expectations. These expectations will be different to the expectations of future generations of older people. It is therefore essential that the advice provided to the Minister for Senior Citizens takes into account not only the views of older people today, but also the impacts of policy on future generations of older people.

The purpose of this set of eight papers is to provide a broad overview of the major issues relevant to the portfolio of Minister for Senior Citizens. The key points are highlighted. A brief summary of each paper follows.

Paper 1 - Portfolio of the Minister for Senior Citizens

This paper provides information on the establishment of the portfolio of the Minister for Senior Citizens and outlines the roles and responsibilities of the Minister. It explains the relationships between the Minister and the Senior Citizens Unit, and the work undertaken by the Unit. The role of the Advisory Council for Senior Citizens is described, with information on the current members of the Advisory Council.

The paper notes the increasing importance of the Senior Citizens portfolio and a greater public interest in issues relating to ageing. It notes that the effectiveness of the portfolio is dependent on the Minister for Senior Citizens receiving comprehensive advice on a wide range of issues. The paper advises that the ability of the Senior Citizens Unit to meet this demand, and to undertake work with other agencies and older people's organisations, is determined by the level of funding.

¹ Source: Statistics New Zealand, provisional age estimates as at 30 June 1999

Paper 2 – A Profile of the Older Population

This paper provides a demographic profile of the older population and sets the context for the papers that follow, illustrating their diversity and the differences between the current generation of older people and the baby boomers, who will become the next generation of older people. The paper analyses the impact that changes to the older population will have on current policies and the challenges they will present in the development of new policies.

The paper emphasises that there will be changing needs and expectations among future generations of older population, as diversity increases within this group. The fast growth in the numbers of older people aged 85 and over, the increasing numbers of Maori and Pacific Islands people, and the high proportion of women in older age are identified as key factors for policy consideration, as is the issue of employment in older age.

Paper 3 - Positive Ageing

There are many opportunities to be realised as future generations of older people are expected to be healthier, more skilled and educated, and remain more active in the workforce than their predecessors. Older people have the skills, experience and knowledge to contribute to society, and the benefits of positive and productive ageing are described. The paper outlines a number of recent positive ageing initiatives in the government sector and notes that changing attitudes about ageing is the first step to promoting positive and productive ageing. The role of intergenerational programmes in developing positive attitudes to ageing and older people is mentioned.

The many ways in which older people participate in and contribute to society are described, including the increased opportunities for workforce participation. The paper focuses on employment issues for older workers and outlines research findings which suggest a growing trend for early retirement from the workforce, at a time when the benefits of increased workforce participation for older people are being promoted.

The paper reinforces the importance of early life experiences on the ability to age positively and concludes that a national strategy for an ageing population needs to consider policies across a range of issues, including income support, employment, health and housing.

Paper 4 - Retirement Income

The debate about the most appropriate long term arrangements for retirement income has been protracted and, to date, inconclusive. This paper give details of policy initiatives and debates which have taken place during this decade with regard to planning for future demands of retirement income. It discusses the issues of saving for retirement, factors affecting the sustainability of New Zealand Superannuation, and managing the changes in retirement income policy.

The paper notes that much of the debate on retirement income strategies has been conducted around the statistical evidence of an ageing population, and suggests the effects of the discussion in this context have heightened generational differences in the attitudes and expectations regarding retirement income. It concludes that the ways in which changes

to retirement income are managed will be important for relationships between generations and for the maintenance of a cohesive and harmonious society.

Paper 5 – Maintaining Independence

It is in the interest of all New Zealanders that older people maintain their independence for as long as possible. While personal attributes and circumstances, such as health status, attitudes, skills, and financial status have significant impacts for individuals, environmental factors also influence the ability of older people to continue living at home.

This paper identifies key policy areas which influence the ability of older New Zealanders to “age in place”. Current issues in housing, home support services, access to the community, and safety and security are outlined. The paper contends that action needs to be taken now to develop a response to New Zealand’s ageing population, including consideration of the requirements of future older generations and how best to assist them to maintain their independence. The paper concludes by supporting the development, by the Ministry of Social Policy, of a national strategy on ageing.

Paper 6 - Health

Most people in their 60s and 70s have similar health characteristics to younger adults, with poor health and frailty being most common after the age of 80. This paper notes that as New Zealand’s population ages, changes to health services will be required to meet the health needs of the increasing number of people aged 80 and over. It also discusses a number of developments which have the potential to at least partially offset the expected higher health costs of an ageing population. These include reductions in disability rates, research and technology, and ways of supporting older people at home for as long as possible, to delay entry to residential care.

The paper recommends four key approaches for the health and well-being of New Zealand’s ageing population: encouraging health promotion and early intervention for all age groups; providing adequate support services to allow older people to age in place successfully; effective service planning; and appropriate service delivery.

Paper 7 - Elder Abuse and Neglect

New Zealand is regarded as a leader in the development of services to respond to incidents of elder abuse and neglect. This paper explains what is meant by the term ‘elder abuse and neglect’ and identifies factors that are known to contribute to incidents of elder abuse and neglect. It then goes on to describe the development of elder abuse and neglect prevention services in New Zealand, of which there are currently sixteen funded by Government. The model of service delivery in New Zealand is outlined, as are the standards required to be met by organisations contracted to provide the services.

The previous two years have seen major positive developments in the provision of elder abuse and neglect services in New Zealand. By F2001, there will be a total of twenty-two services providing national coverage throughout New Zealand. However, there are a number of issues

which pose fiscal risks for Government. The paper identifies those risks and other policy issues of current concern.

Paper 8 – Organisations and Agencies

The final paper provides information about the key agencies and organisations which have an interest in issues relating to older people. The paper is divided into two sections; government agencies and community organisations. Brief descriptions of the agencies and organisations are presented alphabetically within each section.

Portfolio of the Minister for Senior Citizens

Key points

- The importance of the Senior Citizens portfolio is increasing with the growth of New Zealand's older population.
- The way in which the portfolio is viewed by older people is dependent on the ability of the Minister to both reflect the needs and interests of older people at Government policy and decision making forums and to explain policy changes clearly and sensitively.
- The effectiveness of the portfolio is dependent on the Minister receiving timely and comprehensive advice on a wide range of issues.
- The ability of the Senior Citizens Unit to deliver advice on a wide range of issues, to undertake work with other government agencies and community organisations, and to consult with older people and groups representing their interests is determined by the level of funding.

Roles and Responsibilities of the Minister for Senior Citizens

The portfolio of the Minister for Senior Citizens was established in 1990. The role of the Minister is to advocate for older people at Cabinet and other government policy forums, and to represent their views and concerns at government level. The scope of the Senior Citizens portfolio is very broad, incorporating positive ageing; health; retirement income; housing; security; transport and other issues. Services to the Minister are provided by the Senior Citizens Unit, which is part of the Ministry of Social Policy.

Currently there is no legislation for which the Minister for Senior Citizens is responsible. Retirement income and health services are key concerns for older people and their advocates, most of the correspondence the Minister receives relates to these topics. As part of the portfolio responsibilities, the Minister regularly receives requests to meet with a range of organisations representing the interests of older people concerned with issues related to ageing. The Minister receives invitations to address meetings and conferences that cover the wide range of interests within the portfolio.

The Minister and officials from the Senior Citizens Unit contribute to policies affecting older people developed by a range of government agencies. The Minister for Senior Citizens, therefore, has working relationships with a range of other Ministers. The advocacy responsibility of the Senior Citizens portfolio means that the Minister for Senior Citizens may take a stance on an issue that is in opposition to that of other Ministers.

The advocacy function of the Minister for Senior Citizens is complicated by the fact that older people are not a homogeneous group. An issue such as retirement income, for example, gives rise to a range of viewpoints within the older population. Further, while the portfolio

responsibility requires the Minister for Senior Citizens to represent the needs and expectations of older people, these must be balanced against the requirements of other age groups in society and those of future generations of older people. In considering such issues, the focus of the Senior Citizens portfolio is to enhance the well-being of older people.

Vote Senior Citizens

The Senior Citizens portfolio is funded through Vote Senior Citizens. Currently, the Senior Citizens Unit operates on a budget allocation of \$487,000 (GST inclusive), or \$432,889 (GST exclusive).

	Budget 30/06/2000² \$'000
Salaries	290,316
Training	7,500
Other Personnel Costs	12,501
Total Personnel	310,317
Advisory Council for Senior Citizens	21,000
Administration Costs	16,229
Total Administration	37,229
TOTAL OPERATING BUDGET	347,546
OVERHEADS³	85,343
BUDGET TOTAL (GST Exclusive)	432,889

Senior Citizens Unit

The Senior Citizens Unit is responsible for providing the Minister with advice on policy relating to the well-being of older people. It currently operates with a manager and four policy analysts and reports to the Minister through the Chief Executive of the Ministry of Social Policy. The Senior Citizens Unit maintains close contact with the Office of the Minister for Senior Citizens.

As well as advising the Minister for Senior Citizens on a wide variety of issues, the Unit is responsible for ministerial services, including preparing draft responses to ministerial correspondence, parliamentary questions and requests under the Official Information Act.

An annual performance agreement is signed between the Minister for Senior Citizens and the Chief Executive of the Ministry of Social Policy. The agreement outlines the parameters of the

² Excludes specific funding allocated for the International Year of Older Persons.

³ Overhead costs include occupancy, depreciation, capital charge and support services costs.

work for the Senior Citizens Unit and sets performance measures for policy advice and ministerial services.

A work programme, identifying the work the Unit proposes to undertake, is prepared for the Minister's consideration each quarter. The majority of the Unit's work is demand driven, comprising requests from the Minister and government agencies to provide advice on policies that affect older people. Progress on each work item is provided in quarterly reports prepared for the Minister.

In the past, at the Minister's request, the Unit has taken a lead role in developing specific initiatives to promote positive ageing, with government agencies and community organisations. Recent initiatives are the establishment of elder abuse and neglect prevention services and the LinkAge guidelines for intergenerational programmes in schools.

Advisory Council for Senior Citizens

The Advisory Council for Senior Citizens is a panel of five to seven community representatives which provide the Minister for Senior Citizens with independent advice on issues concerning the well-being of older people. Members are appointed, as individuals, because of their knowledge of older people's issues and their community involvement and not as representatives of particular interest groups. The Minister seeks Cabinet approval for appointments to the Advisory Council.

The Advisory Council meets every two months for a full day, at the Ministry of Social Policy. The Minister generally attends part of the meetings to discuss issues with members. An annual work programme is developed by the Advisory Council, for the Minister's consideration. Throughout the year, other work is undertaken at the Minister's request, or at the instigation of Advisory Council members. The Advisory Council receives policy advice and secretariat services from the Senior Citizens Unit.

Since its establishment in 1992, the cost of the Advisory Council has been met from within the existing baseline for Vote Senior Citizens. The 1999/2000 allocation for the Advisory Council is \$21,000.

Current Membership

The five current Advisory Council members were appointed on 1 July 1999 for a term of two years, with the exception of the Chairperson whose term expires on 30 June 2000.

To ensure continuity, it has been the practice for half the members to have served a previous term and for the rest to be new appointees. This means that members generally serve two terms on the Advisory Council. As two of the current members joined the Advisory Council last year, it is expected these members will be re-appointed for a further two-year term commencing in 2001.

The current members of the Advisory Council are:

- a) Mr Ronald Francis is the Chairperson. He was first appointed to the Advisory Council on 1 November 1994. Mr Francis recently retired as the financial manager of a religious

and welfare residential care facility for older people in Wellington. He has completed two terms on the Advisory Council and was re-appointed for one further year to provide continuity over the election period.

- b) Ms Beverley Chappell was first appointed to the Advisory Council on 1 July 1997. She is highly regarded as a nurse educator and practitioner. Ms Chappell has an extensive knowledge of health issues, including those concerning older people. She lives in Waikanae.
- c) Ms Anne Delamere, QSO, was first appointed to the Advisory Council on 1 July 1997. She is of Te Whanau a Apanui and Te Arawa descent and currently works within the Wellington community advocating for Maori women. Ms Delamere is a Life Member of the Maori Women's Welfare League.
- d) Mr David Dobson was appointed to the Advisory Council on 1 July 1999. He is the immediate past Chairperson of SeniorNet Wellington, a community organisation providing peer education computer courses to people aged 55 years and over. Mr Dobson has had extensive experience in the corporate sector and was, until 1995, the General Manager of the New Zealand Pork Industry Board.
- e) Mr John Probert was appointed to the Advisory Council on 1 July 1999. He is an ordained Salvation Army Minister and has a background in human resource management and the development and delivery of services in the non-for-profit sector. Mr Probert currently works for Presbyterian Support in Christchurch.

General Comment

The importance of the portfolio of the Minister for Senior Citizens is increasing with the growth of the ageing population. Government agencies, community organisations and the public are taking a greater interest in issues related to ageing. Organisations representing the interests of older people are becoming more political and forthright in presenting their views. The expectations of older people are that the Minister reflects their views and interests of older people at Government policy and decision making forums, and represents and explains policy changes clearly and sensitively.

The Advisory Council works closely with officials in the Senior Citizens Unit, complementing the Unit's advice. Previous Ministers for Senior Citizens have considered the Advisory Council to be an essential adjunct to the Senior Citizens Unit and officials in the Unit value highly the contribution made by Advisory Council members. Despite this, financial constraints have made it necessary to reduce the size of the Advisory Council and restrict its membership mainly to the Wellington area. This has led to older people's groups questioning its ability to represent a national perspective.

Regular consultation with older people's groups is considered to be essential to the Senior Citizens Unit developing good advice. It enables the Unit to keep in touch with the issues affecting the older population and ensures that the advice given to the Minister accurately reflects its views. Consultation also raises the public awareness of the Minister for Senior Citizens role and increases knowledge about the portfolio. However, the extent of consultation that the Unit can undertake with older people and groups representing their interests, is determined by the funding available.

A Profile of the Older Population

Key points

- As the diversity of the older population increases, their needs and expectations will change.
- The number of older people is growing fastest among those aged 85 plus.
- Maori and Pacific Islands people account for a small but growing proportion of older people.
- Women make up the majority of older people and three-quarters of those living alone.
- Employment is rising among people in their early sixties.

Introduction

The older population will change substantially over the next few decades. It will become much larger, as a result of the entry of the post-war baby boom generation and improving survivorship rates in middle age. Older people will constitute a larger proportion of the population and the ethnic and social diversity of the older population will increase. There will be higher proportions of Maori, Pacific people and Asians in the older population, and lower proportions of women and men who have had children or remained in their first marriage. Older people in the 21st Century will be better educated and have more work options at 65 than previous generations of older people. Older women will be more likely to have had a long employment history, while older men will have experienced greater diversity in their working lives. For some, however, long periods without full-time employment or support from an employed partner will mean reduced circumstances in older age. Increasing income inequality in the working-age population may be reflected in wider income and wealth disparities in older age.

The growing numerical and proportional significance of the older population will raise its profile as a group of policy interest. It will become increasingly important to monitor the changing characteristics of this population so that policies for older people can be tailored to meet their evolving needs.

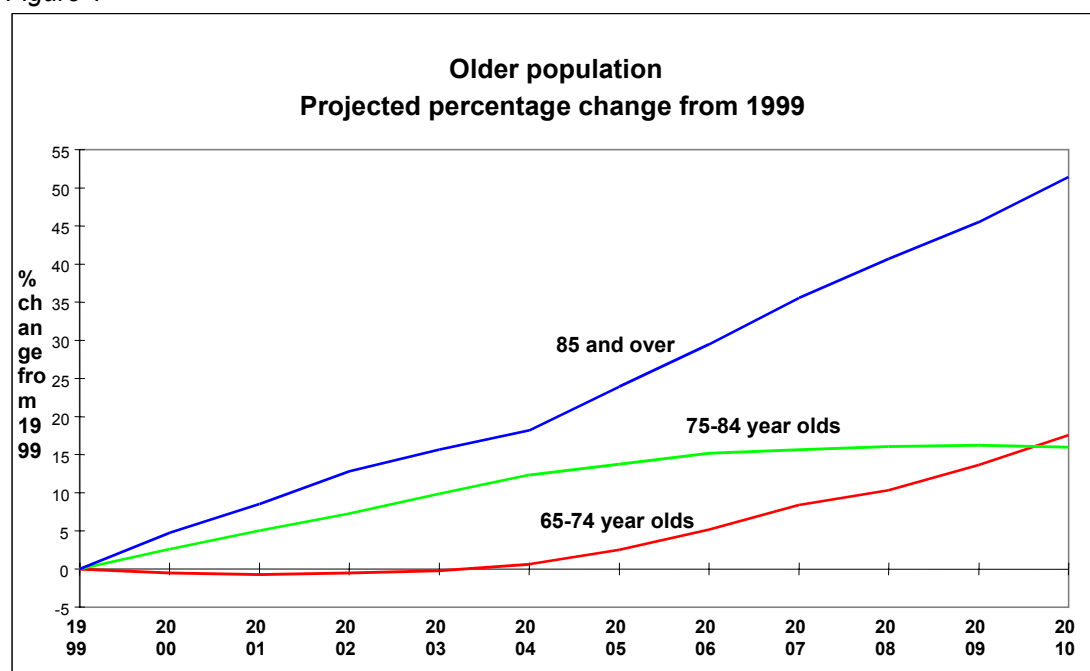
Current and future size of the older population

In June 1999, there were 446,000 people aged 65 and over estimated to be living in New Zealand.⁴ The number of older New Zealanders is currently growing at a rate of around 1 percent per year, but this growth rate will increase early in the new century, accelerating to over 3 percent per year after 2011 as members of the post-war baby boom generation begin turning 65. Under medium population projections, the older population will number 551,700 by 2011 and will be more than double its current size by 2031 (980,900). Older people accounted for 12 percent of the total population in 1999; this will rise to 13 percent by 2011 and to 17 percent by 2021. By the year 2051, older people are projected to make up 26 percent of all New Zealand residents.

Changing age structure of the older population

Over the next five years, all of the growth in the older population will occur among those aged 75 plus, with the number aged 85 plus growing the fastest. By 2004, there will be 12 percent more people aged 75-84 and 18 percent more people aged 85 and over, than there were in 1999. In contrast, the 65-74 year age group, which contains the small generation born in the 1930s, will not start growing until around 2005.

Figure 1



Different growth rates between these age groups will change the age structure of the older population over the next few decades. In 1999, 65-74 year olds made up 56 percent of older people, 75-84 year olds 34 percent, and those aged 85 and over, 10 percent. By 2011, these proportions will be 55, 32 and 13 percent, respectively. More dramatic changes in age structure will not be evident until the third and fourth decades of the new century: in 2051,

⁴ Source: Statistics New Zealand, provisional age estimates as at 30 June 1999.

there will be over 250,000 people aged 85 and over and they will make up over a fifth (22 percent) of the older population (Figure).

The rapid growth in the number of very old people has important implications for providers of health care and community support services and will intensify demand for long-term residential care. In 1996, almost one in four people aged 85 and over lived in a residential home.

Changing ethnic composition

Table 1 shows the changing ethnic composition of the older population up to 2016, using 1996-based resident population projections.

Table 1

Changing ethnic composition of the population aged 65+

	1996	2001	2006	2011	2016
Number					
Maori	16,410	20,900	26,610	32,310	41,220
Pacific Is.	6,130	7,820	10,150	12,910	17,000
Asian	5,000	8,000	12,000	17,000	27,000
Total	429,940	456,290	495,910	551,690	648,590
% of total					
Maori	3.8	4.6	5.4	5.9	6.4
Pacific Is.	1.4	1.7	2.0	2.3	2.6
Asian	1.2	1.8	2.4	3.1	4.2

Source: Statistics New Zealand, 1996-based resident population projections, assuming medium fertility, mortality, migration and inter-ethnic mobility, and long-term annual net migration of: Total population, 5,000; Maori ethnic group, -500; Pacific Islands population, 1,000; and Asian population, 4,000. Maori, Pacific Islands and Asian projections are based on a total count of all those who identified with these ethnic groups at the 1996 census, whether or not they also identified with other ethnic groups.

Older Maori population

The older Maori population numbered approximately 19,000 in June 1999 and is projected to grow rapidly (around 5 percent per year), reaching 32,000 by 2011 and nearly 84,000 by 2031. Older Maori currently account for just 3 percent of the Maori population; this proportion will increase to 5 percent by 2011 and to 10 percent by 2031. The older Maori population has a relatively youthful age structure, with 73 percent aged 65-74, 22 percent aged 75-84 and only 4 percent aged 85 plus. However, these proportions will change quickly: by 2011, 6 percent of older Maori will be aged 85 plus.

Older Maori accounted for 4 percent of all older people in 1999; this proportion is expected to rise to 6 percent by 2011 and to 9 percent from 2031. The representation of Maori decreases with age; in 1999, they accounted for 6 percent of all 65-75 year olds, 3 percent of 75-84 year olds and just 2 percent of those aged 85 and over.

Older Pacific people

The vast majority of older Pacific people migrated to New Zealand; at the 1996 Census, only 8.6 percent were New Zealand born.

There were approximately 7,000 older Pacific people in 1999 and, like Maori, they are expected to increase rapidly, to reach almost 13,000 by 2011. Older Pacific Islands people currently account for just 3 percent of the total Pacific Islands population; this proportion will increase to 4 percent by 2011, and to 8 percent by 2031. They have a similar age structure to that of older Maori, with 71 percent aged 65-74, 25 percent aged 75-84, and 4 percent aged 85 plus.

Older Pacific people currently account for just 1.6 percent of all older people; this proportion is expected to rise slowly but steadily to reach 2.3 percent by 2011 and just under 4 percent by 2031. Fewer than 1 percent of the very old population aged 85 plus are Pacific Islands people, compared with 2 percent of those aged 65-74.

Older Asian population

The Asian population in New Zealand is also relatively young, with just 3 percent aged 65 and over. This is not unexpected, given that many of the Asian groups consist of recent immigrants to New Zealand, who are largely people in the main working ages. Under medium population projections, the number of older Asians will more than double in the decade to 2011, when they will number around 17,000 and make up 3 percent of the older population.

Effect of migration on the older population

The size and ethnic composition of the older population has been shaped by patterns of migration over past decades and this will continue to happen in the future. However, migration patterns are difficult to predict with certainty. There are large numbers of New Zealanders overseas who may return to New Zealand when they retire. Conversely, the outward flow of older people may increase as reciprocal retirement income support arrangements are secured. In 1996, 24 percent of the older population had been born overseas, compared with 17 percent of those aged under 65.

Dependency ratios

A dependency ratio compares the size of the working age population with the size of the populations of younger and older people. It makes the assumption that the non-working age population is dependent on the working age population for support. The ratio does not take into account the effects of employment opportunities or education and training on workforce participation, or the extent to which a "dependent" person is actually dependent. While the ratio measures both older age and youth dependency, there is no assumption made about whether either of the two populations is more dependent on the working age population than the other.

There are currently 18 people aged 65 and over for every 100 aged 15 to 64 years. By 2011, the older dependency ratio is expected to be 20 per 100, rising rapidly thereafter to reach 36 per 100 in 2031 (Table 2). However, declining youth dependency means that the total dependency ratio (youth plus older persons) will decline in the first decade of the century from its present level of 52 children and older people per 100 aged 15 to 64, to 49 per 100 by 2011. This ratio is then expected to rise to 64 per 100 by the year 2031.

Dependency ratios are higher if only those persons in the labour force are counted in the denominator. Table 2 compares population-based and labour force-based dependency ratios for the period up to 2051.

Table 2

Dependency ratios - population and labour force based, 1996 to 2051

	Children 0-14	Older persons 65+	Total (children plus older persons)	Children 0-14	Older persons 65+	Total (children plus older persons)
	<i>Per 100 persons aged 15-64</i>			<i>Per 100 persons in labour force</i>		
1996	35	18	52	45	23	68
2001	34	18	52	43	23	66
2006	31	18	50	40	23	63
2011	29	20	49	37	25	62
2016	27	23	50	35	29	64
2021	27	26	53	34	33	67
2031	28	36	64	35	45	80
2041	27	42	69	34	52	86
2051	26	43	70	33	54	87

Sources: 1996-based total resident population and labour force projections (assuming medium fertility, medium mortality, long-term annual net migration 5,000, medium labour force participation rates).

The increase in the age of eligibility for New Zealand Superannuation to 65 years has extended the pool of working age adults and reduced the number of older adults regarded as "dependent". Declining fertility rates suggest a lower level of youth dependency. At the same time, however, youth are likely to remain in training or education for longer than in the past and this will tend to produce partial offsetting effects, increasing the number of younger adults regarded as "dependent". Furthermore, the dependency ratio concept does not take into account the extent of dependency on income support among adults of working age. At the end of June 1999, an estimated 17 percent of people aged 15-64 were receiving an income-tested benefit, compared with 8 percent in 1986.

Life expectancy

The life expectancy of New Zealanders is increasing: in 1986 a newborn boy could expect to live 71.1 years, a newborn girl 77.1 years; by 1996, these levels had improved to 74.3 and 79.6 years, respectively. Most of the gains in life expectancy in recent years have been due to reductions in mortality at older ages, with reduced infant mortality playing a smaller role than in the past. Life expectancy in New Zealand remains below levels found in Japan, Australia, Canada, and many European nations.

The gender gap in life expectancy has narrowed over the past 20 years: a female born in 1976 could expect to live 6.4 years longer than a male; by 1996, this had reduced to 5.3 years. At age 65, men can expect to live a further 15.5 years and women, 19 years.

Historically, Maori life expectancy was much lower than non-Maori, but the gap has narrowed considerably over time. For example, in 1956, a newborn Maori girl had a life expectancy of 59 years, compared to the 74 years that a non-Maori baby girl could expect to live, a difference of 15 years. In 1996, the gap between Maori and non-Maori females at birth was 9 years.

Longer life expectancy means that savings accumulated during periods of employment will need to last longer. Gender and ethnic differences in life expectancy, employment and income need to be taken into account in developing retirement income policies which are equitable.

Gender distribution of older people

Women make up the majority of the older population and their predominance increases with age. In June 1999, while women accounted for 56 percent of all those aged 65 and over, this proportion varied from 52 percent among 65-74 year olds, to 60 percent among 75-84 year olds, and 70 percent among those aged 85 and over. There are twice as many women as men in the population aged 85 and over. Although the gender imbalance will continue, these proportions will be smaller in future as a result of faster improvements in life expectancy among men.

The gender imbalance means that older women are far more likely than older men to live alone (37 percent compared to 17 percent). The need for support services increases with age and older women are twice as likely as older men to be in residential care.

Smaller family sizes, greater geographical distribution of families, higher labour force participation among women in late middle age and higher rates of marriage breakdown will increase the numbers of older people living alone without access to support from family members. Women will continue to make up the majority of people in this category among the very old. The high proportion of older women living alone has profound implications for social policy, particularly in the areas of security and care. While older people generally wish to remain as independent as possible in their own communities, the desire for independence must be balanced against the need for adequate support.⁵

Marital status

Just over half (51 percent) of the current older population are married, the proportion being higher at the younger ages. At the 1996 Census, 77 percent of men and 56 percent of women in the 65-74 year age group were married. The proportion of older people who are widowed is significantly higher for women than for men. For example, 9 percent of men in the 65-74 year age group were widowed, as opposed to 32 percent of women. Over the age of 85 years, 45 percent of men were widowed, compared to 80 percent of women.⁶ The

⁵ Davey, Judith, *From Birth to Death III*, Institute of Policy Studies, 1993, p196

⁶ Statistics New Zealand, *New Zealand Now- 65 Plus*, (1998 edition), p24.

difference can be attributed to the longer life expectancy of women, together with the tendency for men to be married to women younger than themselves.

A significant trend in the marital status of older people is the growth in the number of people who are either divorced or separated. The proportion is greatest amongst the “younger olds”, with 7 percent of those aged 65-74 years being separated or divorced in 1996, as compared to 2 percent aged 85 years and over. This compares with 3 percent and 1 percent in 1971. These proportions can be expected to grow as the generations of New Zealanders affected by higher rates of separation and divorce in recent decades enter the older age groups.

Another emerging trend is the growth of cohabitation among older people. Over the five years to 1996, the number of women and men aged 60-74 who were living in de facto relationships grew by 80 percent.⁷ While only 2 percent of this age group were cohabiting, this proportion can be expected to grow.

Older people who have had children

The current older population includes the parents of the baby boom generation, who had larger than average families. Older women who responded to the 1996 Census question on the number of children ever born reported that they had had, on average, just over three children each. This compares with the current fertility rate of 2.1 children per woman of childbearing age. The current older female population is also more likely to have had any children than older women of the previous generation. A similar question in the 1981 Census showed that 79 percent of women aged 65 and over had had at least one child; the proportion in 1996 was 87 percent. Thus, to the extent that children are a source of support in older age, today's older people are more favoured in this respect than their previous and future counterparts.

Living circumstances of older people

Most people over the age of 65 years live independently in their own homes, either with a spouse or on their own. Older men are much more likely than older women to live with a spouse or partner and the disparity increases with age. In 1996, the proportion of 65-74 year olds living as part of a couple was 77 percent for men and 55 percent for women. Almost two-thirds of men aged 75-84 were living with a spouse or partner, compared with 28 percent of women, while for those aged 85 and over, the proportions were 40 percent and 8 percent, respectively.⁸

In 1996, women made up 74 percent of the 121,077 older people living alone. A small number of older people live with relatives. At the time of the census, 47,220 respondents aged 65 or over (11 percent) said they usually lived with their children, 5,043 (1 percent) lived with siblings and 23,823 (6 percent) were living with other relatives.

⁷ Davey, Judith, *Tracking Social Change in New Zealand: From Birth to Death IV*, Institute of Policy Studies, 1998, p181.

⁸ Statistics New Zealand (1998) *New Zealand Now - 65 Plus*, pp41-47.

Housing

Levels of home ownership are high among older people in New Zealand: in 1996, 81 percent of household occupiers aged 65 and over lived in owner-occupied housing and for 90 percent of these people, the house was mortgage-free. In part, this reflects past government policies that fostered home ownership through low-interest loans and the capitalisation of family benefit. However, 1996 Census data indicates that fewer people in the 20-34 year age group are purchasing their own homes.⁹ Factors which have been suggested as contributing to delaying home ownership include student debt, increasing disparity in income distribution, loss of government provisions to assist families to purchase their first home, lifestyle, and personal preferences. These trends may result in lower home ownership rates for older generations in the future.

Of those older people who were renting their homes at the time of the 1996 Census, more than a third (35 percent) were renting from Housing New Zealand, while 29 percent were renting from local authorities or city councils. The remaining 36 percent rented from the private sector. Local authority landlords charged the lowest median rent for one-bedroomed properties at just under \$49 per week, while Housing New Zealand charged the highest median rent for one-bedroomed properties, at around \$101 per week.¹⁰

In 1996, there were 19,929 people aged 65 or over (4.9 percent of the older population), who said that their usual residence was a residential or rest home. Women made up three in every four of those living in residential homes. The likelihood of living in a rest home increases with age: only 1.3 percent of people aged 65-74 and 5.7 percent of those aged 75-84 lived in a rest home, compared with 24.5 percent of those aged 85 and over. Rest homes have increasingly taken the place of hospitals in providing long-term care. In 1996, fewer than 2 percent of older people were in hospitals, public or private. This compares with 4.3 percent in 1966.

Education

While the majority of the current older population have no formal qualifications, this is likely to change in the future as younger generations have benefited from higher participation in education and educational reforms that have allowed partial qualifications to be awarded.¹¹ Gender disparities in the qualifications of older people are also likely to reduce. In 1996, 57 percent of older women and 48 percent of older men had no qualifications, compared with 31 percent of men and 30 percent of women aged 15-64.¹²

⁹ Statistics New Zealand (1998) *New Zealand Now – Housing*, p36.

¹⁰ Statistics New Zealand (1998) *New Zealand Now – 65 Plus*, pp44-45.

¹¹ For example, School Certificate became available on a single subject basis in 1968.

¹² Statistics New Zealand, *New Zealand Now – 65 Plus* (1998 edition), p26; Social Policy Agency, *Social Environment Scan*, Table 5, p31.

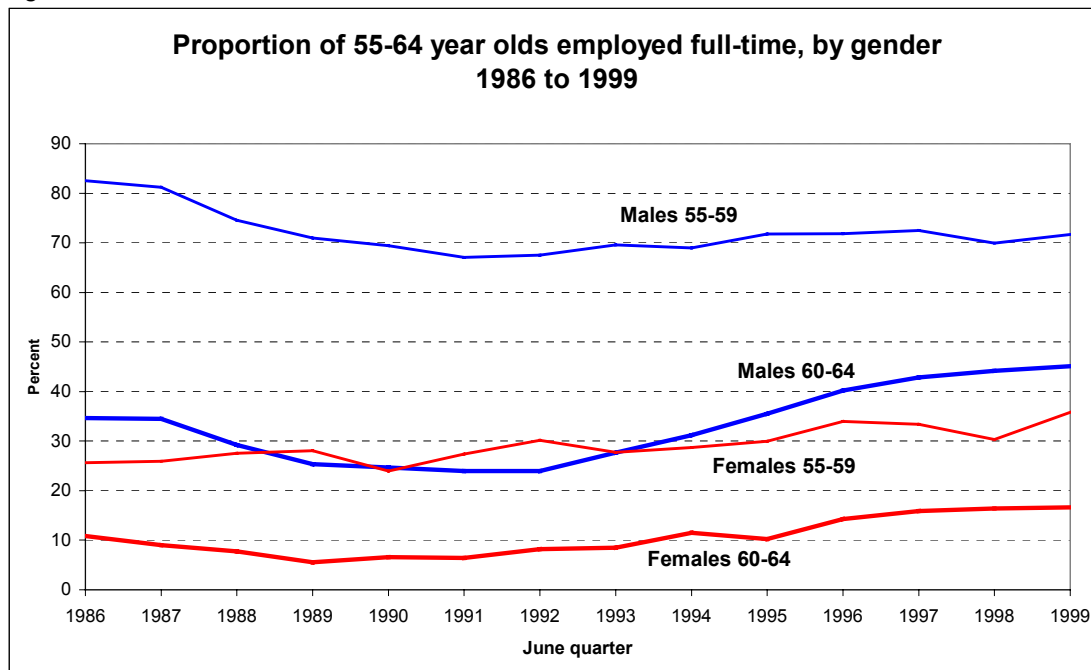
Employment of older people

Since the age of eligibility for retirement income support began rising in 1992, the number and proportion of people in their early sixties who are employed has increased substantially. Men's response to the rising age of eligibility for retirement income support has been largely to continue in full-time work. In June 1999, 45 percent of men aged 60-64 were employed full-time, compared with 24 percent in 1992. A further 10 percent of men were employed part-time in June 1999, up from 8 percent in 1992.

Among women aged 60-64, the likelihood of being employed has more than doubled since 1992. The proportion of women in this age group who were employed full-time increased from 8 to 17 percent between 1992 and 1999, while the proportion employed part-time rose from 7 to 15 percent. In total, 32 percent of women aged 60-64 were employed either full-time or part-time in June 1999, compared to 55 percent of men.

Full-time employment among men in their late fifties has recovered slightly from a low point in 1991 but is still at a lower level than in 1986. For women of this age, full-time employment has increased gradually over the period.

Figure 2



Future employment trends for older people are difficult to predict because of the substantial changes that have occurred to patterns of work in the last 15 years. Longer periods spent in education have led to later entry into full-time work, but whether this leads in turn to later exit remains to be seen. Delayed childbearing is changing the pattern of full-time work among women in their thirties and forties, but it is not yet clear whether they will follow previous generations of women, who have reduced their levels of full-time employment beyond age

50. Many of those affected by the decline in low-skilled work (in particular, men, Maori and Pacific people), will have difficulty securing full-time work as they age, particularly if they lack opportunities to retrain.

Incomes

Reflecting their lower employment levels, older people have lower incomes, on average, than adults in the main working ages of 15-64. In the year prior to the 1996 Census, the median annual income of people over 65 years (from all sources, before tax) was \$12,040, compared to \$15,600 for all adult New Zealanders. Employed older men had the highest median annual incomes and Asians the lowest (Table 3). Differences by ethnic group are partly explained by residential requirements. However, it is noteworthy that older Maori have lower than average take-up of New Zealand Superannuation (only 78 percent reported having received NZS in the 1996 Census, compared with 91 percent of the rest of the older population).¹³ The reasons for this are unclear.

Table 3
**Median annual income¹ of older people aged 65+
 Year to March 1996**

	\$
All older people	12,040
All older men	12,380
All older women	11,830
Employed older men	18,800
Employed older women	14,200
Older Maori	10,380
Older Pacific people	8,900
Older Asians	8,440
New Zealand Superannuation rates from 1 April 1995 to 31 March 1996	
	\$
Single living alone	12,567
Single sharing	11,468
Married (each)	9,306

Sources: Statistics New Zealand, *New Zealand Now – 65 Plus* (1998 edition), pp55-56; DSW.

1. Half received more, half received less than this annual income.

New Zealand Superannuation makes up roughly half of all the income received by older households (defined as households with a single person aged 60 years and over, or a couple where one or both members were aged 60 years and over).¹⁴ However, in recent years, the contribution of NZS has declined as a proportion of aggregate household income, while the proportion of income received from employment and from other transfer payments has grown. In 1997/98, 42 percent of the aggregate household income of older households

¹³ Statistics New Zealand, *New Zealand Now – 65 Plus* (1998 edition), p57.

¹⁴ Krishnan, V. (1997) "Divergent Paths: Changes in Public and Private Income Provision Amongst Older Households", in *Social Policy of New Zealand*, Issue 9, November, pp151:163.

came from NZS, 5 percent from other social welfare benefits, 30 percent from wages or self-employment, and 23 percent from private superannuation provision.¹⁵

There is a wide variation in the extent to which older households rely on New Zealand Superannuation. In 1997/98, older households in the bottom fifth of the income distribution (the lowest income quintile) received 87 percent of their income from NZS, while older households in the highest income quintile received just 13 percent of their income from this source.

The contribution of NZS increases with age. In households where there is a single person aged 70 years and over, or a couple where one or both members were aged 70 or more, NZS made up 63 percent of aggregate household income in 1997/98.

¹⁵ Household Economic Survey, 1997/98.

Positive Ageing

Key points

- Positive ageing defines older age as a time for continuing contribution and participation in society.
- Changing attitudes about ageing and older people is the first step to promoting positive and productive ageing.
- Intergenerational activities provide opportunities for young people to see older age as a positive experience.
- Continued productivity in older age has benefits for the individual concerned, the community and the State.
- Positive ageing policies improve individual life experiences and support an environment with opportunities for continuing participation in society.
- A national strategy for an ageing population needs to consider government policies across a range of issues, including income support, employment, health and housing.

Positive Ageing Policies

The growth in the older population has significant policy implications for all nations throughout the world. In developed nations in particular, much of the debate on the ageing population centres around expected increases in health and retirement income expenditure. But people are not just living longer. They are also living healthier.¹⁶ There are many opportunities to be realised as future generations of older people are expected to be healthier, more skilled and educated and remain more active in the workforce than their predecessors.

Active ageing, positive ageing, productive ageing, and successful ageing are all concepts that advance the theory of ageing as a life-long process, where positive attitudes to ageing and expectations of continuing productivity, challenge the notion of older age as a time of retirement and withdrawal from society. The focus is on lifetime experiences contributing to well-being in older age, and older age as a time for ongoing participation in society.

Even for those aged 85 and over, for whom increased dependency and healthcare needs are closely associated, the ability to be positive and maintain their self esteem has been shown to have an effect on well-being and healthcare¹⁷. Adaptiveness is the key to productive ageing; it enables an individual to meet the challenges of ageing in an ever-changing environment. The ability to age positively is assisted by good investment in education, to provide individuals with a repertoire of skills and an ability to set and achieve goals. It is also dependent on an environment that provides opportunities for older people to

¹⁶ Clay, R. *Ageing Everywhere*, American Association of Retired Persons, 1998

¹⁷ The British Medical Journal reported research that found that social and productive activities that involve little or no enhancement of fitness lower the rate of all cause mortality as much as fitness activities do.

remain involved in society. Positive ageing policies aim to improve an individual's life experiences and to create an environment that offers opportunities for continuing participation.

Over recent years, Government has responded to the need to promote positive ageing in the community, by funding a number of initiatives that endorse older age as a time of ongoing opportunities. These include:

- the national strategy for the International Year of Older People which aimed to raise awareness of the contribution which older people can make to their local communities and initiatives which successfully involve older people
- the Hillary Commission's KiwiSeniors programme, which encourages active ageing, for people aged over 50, through recreational activities
- Age Concern New Zealand's *Ageing is Living*¹⁸ workshops and resource kit, which encourages those aged 45 plus to start planning for their older age
- the Senior Citizens Unit's *LinkAge* handbook, distributed to all schools, which aims to encourage the development of positive attitudes towards older people through intergenerational programmes.

The underpinning premise of these initiatives is that the years of "older age" should be both viewed and experienced *positively*. The focus is therefore not only on the experience of older individuals, but also on younger generations' attitudes, expectations and actions regarding ageing and older people. Promoting positive attitudes to ageing is the first step to achieving this goal.

Attitudes to ageing

Attitudes to ageing are developed from early childhood and are based on personal experiences of older people, as well as society's views of ageing. Creating positive attitudes to ageing not only prevents discrimination against older people, but also provides an environment in which older people are encouraged to continue contributing to the community; and where recreation, learning and positive living are promoted throughout older age¹⁹.

The geographic spread and mobility of families today mean that many young people do not have grandparents or other family members living nearby. As a result, they may not have opportunities to interact and learn about the unique qualities and skills of other generations. Role models are an effective way of building positive images of ageing among children and their families.

Intergenerational programmes, such as a Wrinkle in Time²⁰ and other initiatives outlined in the LinkAge handbook²¹, create new opportunities to bring old and young together and provide children with a range of positive role models. Intergenerational programmes in place throughout New Zealand have benefits for both older and young people by providing opportunities to:

- promote the exchange of learning and skills between young and older people
- utilise the skills, talents and experiences of older people to meet the needs of young people

¹⁸ Funded through the Regional Health Authority

¹⁹ Maire Dwyer, Alison Gray and Margery Renwick, Factors Affecting the Ability of Older People to Live Independently Ministry of Social Policy (forthcoming)

²⁰ An intergenerational programme developed by Age Concern Hamilton

²¹ Developed by the Senior Citizens Unit and launched in 1999 as part of the International Year of Older Persons

- utilise the skills, talents and experiences of young people to meet the needs of older people
- increase both young and old people's awareness of, and involvement in, their local community.

Continuing participation and contribution

The concept of "productive ageing" recognises the life skills and experiences of older people and encourages older people to continue to contribute these to society. Retirement from the paid work force does not mean that people cease to contribute to society - it provides opportunities for participation in different ways and in a range of roles: as employees; volunteers; family members; neighbours; caregivers; committee and trust members; kaumatua; business mentors and advisors; and members of communities.

Older people of today comprise a significant proportion of the volunteer workforce. For people in their early sixties, full-time employment rates have increased since the age of eligibility for New Zealand Superannuation began rising in 1992²². The introduction, on 1 February 1999, of provisions in the Human Rights Act, prohibiting compulsory retirement on the basis of age, is expected to contribute to the trend of continuing employment.

A recent survey²³ of American "baby boomers", or those born between 1946-1964, reveals the following attitudes of the future generation of older people:

- 8 in 10 plan to work at least part-time during retirement. Only 16% do not expect to work at all
- only 2 in 10 have the attitude: "the future will take care of itself" and only 9% believe in dependence on their family for assistance during their retirement
- nearly half (49%) expect to devote more time to community service or volunteer activities during retirement
- 81% of those who claim they have given considerable thought to retirement say they feel optimistic about those years.

A survey commissioned by the Super 2000 Task Force in September 1999 found some similarities and some marked differences in the attitudes of New Zealanders. For example:

- 77% of those aged 18 to 64 years, including 63% of those aged 45-49 years, expect to retire by age 65 years. Only 12% of those aged 45-59 do not expect to retire
- 75% agreed with the statement that "I'm going to have to rely entirely on my own efforts to ensure I have a comfortable retirement"
- around 25% of those aged 45-59 years had not given any thought to providing for their retirement.

The majority (80%) of those surveyed agreed with the statement that "it is very difficult to plan for retirement if Government continues to chop and change New Zealand Superannuation arrangements."

The survey showed that there is a public expectation of changes to retirement income policies. This expectation provides Government with an opportunity to make necessary changes, thereby providing people with security to plan their future. A stable and secure

²² Social Policy Agency, *Social Environment Scan* June 1999, p36

²³ American Association of Retired Persons, *Looking Ahead: A Baby Boomer Perspective*. www.usia.gov/journals/itsv/0699

income in retirement is recognised as an essential prerequisite for people to be able to age in a positive and productive way. A lack of adequate income has negative effects on health and on the ability of older people to remain active participants in society.

Encouraging workforce participation

The OECD advocates employment and labour reforms as a necessary component to encouraging continued contributions of older people in society.²⁴ The choice to work later in life, using flexible part-time arrangements is of central importance to meeting the active ageing challenge.²⁵ The evidence suggests that those who work longer enjoy better health in their old age. The policy conclusion is clear: it is imperative to maintain people in gainful activity longer. In order to achieve this objective, more emphasis must be given to life-long learning for workers of all ages, so that workers maintain and increase their skills and productivity as they grow older.²⁶

Policies which allow older adults to continue in the paid workforce not only maintain the self-esteem of the individuals involved, but also help to reduce financial dependence on the State, and contribute to economic growth.

Reducing workforce participation

Today, older people no longer face compulsory retirement on the basis of their age and this is in line with the OECD promotion of continuing workforce participation as a positive step to reducing the effects of the dependency ratio. However, there is a growing trend, internationally, for early retirement from the workforce.

Research from industrialised countries indicates there has been a decrease in the age of exit from gainful work in past twenty-five years, particularly for men²⁷. New Zealand research²⁸ concludes that, at each stage in life, successive cohorts have:

- had less full time work at each stage of life
- entered employment more slowly and later
- seen their peak of employment come earlier in life, and at a lower point.

The pattern for women is quite different, with each successive cohort showing higher levels of full-time employment at most ages, while full-time employment declines beyond the late forties.

The New Zealand research suggests a number of factors contributing to the trend towards declining full-time employment among older workers, including:

- technological change, leading to streamlining and “disappearing” jobs
- restructuring and globalisation of the capitalist system, leading to further streamlining for efficiency gains and reducing costs
- attitudes to older workers

²⁴ OECD, *Policy Implications of Ageing Populations*, May 1996, p13

²⁵ OECD, *Policy Implications of Ageing Populations*, May 1996, p39

²⁶ Paye Jean-Claude *Strategies for a Learning Society* OECD Observer No 199 April/May 1996

²⁷ Kohli, M; Rein, M, Guillemard, AM, Van Gunsteren, H (eds) 1991 *Time for retirement: Comparative studies of early exit from the labor force* Cambridge, Mass., Cambridge University Press

²⁸ Thomson, David *Our Ageing Workforce – benefit or burden?* University of Auckland Winter Lecture Series 1999

- increasing affluence, increasing the choice to leave the workforce
- occupational pensions where the maximum benefits accrue early, providing an incentive to retire
- lifestyle choice.

Australian research²⁹ reports increasing early withdrawal from the labour force among those aged 55 years and over, citing evidence which contends that much of it is involuntary. Supporting research³⁰ suggests that unemployment is more serious in older workers, due to their unwillingness to move to other geographical areas to obtain employment, a lack of transferable skills and negative employer perceptions of the abilities of older workers. Further, while there is widespread concern regarding youth long-term unemployment (over 12 months), it is reported that workers aged 50 years and older spend longer durations in receipt of unemployment benefits.

However, evidence on the demand for older workers in the future is not clear. At least part of the problem may lie in lower education levels and skills of the current generation of older workers, rather than as a function of age itself. Furthermore, many newer jobs in the knowledge-based economy are more suited to an older workforce³¹ than is the case with an industrial-based economy.

The OECD recommends that governments implement policy measures which avoid disincentives for continuing labour force participation. Eliminating barriers to participation involves changing attitudes to ageing and older workers, and providing employment options for older workers, including part-time, job share, flexible hours, and retraining budgets, through workplace reforms.

The American Association of Retired Persons reports some evidence that changes in employer attitudes are occurring. It suggests that while employers targeted older workers for downsizing earlier in the decade, many now see them as valuable employees because of their years of experience. The result has been a 2% increase in number of men 65+ staying in the workforce over the last 3 years.³² Increased opportunities for lifelong learning can help older workers replace outmoded skills or prepare for second careers.

Future Directions

It is in everyone's interest "that older people are encouraged and supported to remain self-reliant, and that they continue to participate and contribute to the well-being of themselves, their families and the wider New Zealand community"³³.

The benefits of positive ageing for individuals are obvious; good health, independence, intellectual stimulation, self-fulfillment and friendship are just some of the valued outcomes. Society as a whole has a lot to gain from these outcomes: a healthy, happy, ageing population places less demand on social services; contributes a wealth of expertise and

²⁹ Kryger, Tony Trends in unemployment and underemployment (Labour Market Papers, Parliamentary research Service, Subject Collection No 2) Canberra, Australian Government Publishing Service 1995

³⁰ Linda Rosenman and Jeni Warburton "Restructuring Australian retirement incomes: Implications of changing work and retirement patterns" International Social Security Review 4/96

³¹ OECD Observer No 212 June/July 1998

³² Clay, R Ageing Everywhere, American Association of Retired Persons, 1998

³³ Department of Social Welfare, Positive Ageing Strategy 1996 (unpublished)

skills to the community and the workforce; and provides positive role models for younger generations.

Intergenerational programmes provide opportunities for older people to contribute to the well-being of young New Zealanders. These programmes also help young people develop positive attitudes to ageing and influence their views of their own participation in older age. In general, intergenerational programmes and other initiatives are contributing to an increased awareness of positive and productive ageing. While changing attitudes to ageing is important in preparing for an ageing population, it is not enough. Increased opportunities are needed for older people to continue to participate in the workplace and in other sectors of society.

There are significant implications for the adequacy and the duration of income security programmes, if earlier exit from the work force and increasing life expectancy continues to expand the period spent in retirement.³⁴ The OECD suggests that financial disincentives to continue working and the lack of flexible working arrangements contribute to this situation. Managing the fiscal risks of an ageing population requires policy solutions which reduce or eliminate disincentives for would-be retirees, so that they can work longer, and can opt for more gradual transition into retirement.

Active ageing is the process of optimising opportunities for physical, social and mental well-being throughout the life course, in order to extend healthy life expectancy.³⁵ Active ageing policies are those designed to support people, as they grow older, in leading productive lives in the economy and society. It is important that government policies across the range of issues, including employment, health, housing and income support, allow and encourage older people and future generations of older people, to experience ageing as a positive and productive phenomenon.

The Senior Citizens Unit considers it a priority that a national policy framework is developed to address the challenges of an ageing population.

³⁴ Linda Rosenman and Jeni Warburton *Restructuring Australian retirement incomes: Implications of changing work and retirement patterns*, International Social Security Review 4/96

³⁵ Kalache, Dr Alexandre, Chief, Ageing & Health, WHO in opening address, 4th Global Conference IFA, Montreal, 1999

Retirement Income

Key Points

- The changes in the proportion of older people to those of working age, which will occur from the year 2010, will have a major impact on the ability of New Zealand to provide a sustainable retirement income based on a public pension funded from general taxation.
- There has still to emerge a clear consensus on the most appropriate long-term structure for a retirement income policy and the extent and means by which economic risks should be factored in.
- The present focus of the retirement income strategy is on a public pension funded on a pay as you go basis from general taxation (New Zealand Superannuation), supported by voluntary retirement savings.
- Significant aspects of the retirement income strategy, especially the establishment of an appropriate linkage between public and private provision, have still to be resolved.
- Changes to New Zealand Superannuation to make it sustainable have not been accepted by many older people.
- The attitudes and expectations of older people need to be carefully managed when changes are being made to retirement income policy.

Introduction

Retirement is the way we reconstruct our lives when our paid employment draws to a close. An adequate income is fundamental to the enjoyment of the opportunities retirement years can bring to people.

In New Zealand, as in many countries, changes in the composition of the population where a greater proportion of people are moving into the older age groups, has given rise to a major rethink of retirement income strategies and policies. This process has been going on for the last fifteen years at least, but has still to evolve into an agreed and implementable plan for change. The issues to be resolved and the pressures both for and against change, are complex and embrace significant factors that affect most parts of society.

They include:

- the design of a sustainable retirement income scheme
- the process for securing the required public and political mandate for a common strategy
- managing the process of change from the current system to longer term sustainability
- establishing fairness between generations and the maintenance of inter-generational harmony.

The present New Zealand Superannuation scheme, funded from general taxation revenue on a “pay as you go” basis, has been the cornerstone of New Zealand’s retirement income

policy, with relatively little change in structure, for 25 years. From time to time changes have been made, generally under the pressure of an adverse economic situation. How to make the provision robust and its fiscal impact capable of management under the combined pressure of demographic change and fluctuations in economic performance, remains a critical issue.

Changes in the Population

The significant changes to the population impacting on retirement income planning, if current patterns continue, are as follows.

- By the year 2030, there will be twice as many people of retirement age to people of working age, as there is at present. Consequently, there will be far fewer taxpayers to provide the level of tax revenue to sustain the need for publicly funded superannuation.
- By the mid-2000s, approximately 22% of the country's annual wealth, or double that spent at present, will need to be spent on superannuation and health.
- There will not only be more people entering the retirement age group, but, as life expectancy continues to rise, people will remain in that age group longer.

Overview of Retirement Income Strategy

The debate about the most appropriate long term arrangements for retirement income has been protracted and, to date, inconclusive. Further, those matters on which there is general public consensus are often subject to contrary patterns. For example, although people are able to work longer, increasing numbers of people aged 45 and over are leaving the workforce earlier³⁶, in some cases through choice, in others, consequential to changes in their employment. This not only raises questions about personal choices and lifestyle planning, but also the extent of changes in attitudes and in the job market likely to be required to make a strategy both effective and sustainable.

Much of the debate on retirement income strategies has been conducted around the statistical evidence of an ageing population, which has tended to present the population changes in a negative light and indirectly portray the increasingly ageing population as a major looming problem. This has led to many older people taking a defensive attitude to proposals to change New Zealand Superannuation to make it sustainable for future generations. It has also heightened generational differences with the attitudes and expectations of older people to retirement income, quite different from those of people of working age.

The approach to retirement income strategy was reviewed in 1992, by the Taskforce on Private Provision for Retirement (the Todd Taskforce). Its recommendations favoured:

- promoting voluntary retirement income provision but not through tax concessions
- a continued State pension provision, but with:
 - a targeting mechanism, such as a tax surcharge or means test, to enable private provision to offset the cost of public pensions
 - a gradual lowering of the pension-wage ratio to make it more sustainable

³⁶ Thomson, David [Our Ageing Workforce – benefit or burden?](#) University of Auckland Winter Lecture Series 1999

- endorsement of the change, commenced in 1991, whereby the age of pension entitlement began increasing from 60 to 65 years to reduce the numbers eligible at any one time
- the periodic review of retirement income strategy and policies.

The Taskforce did not support compulsory superannuation. A subsequent public referendum in 1997 declined to support a particular compulsory superannuation model.

In 1993, the main political parties developed an Accord to seek consensus on retirement income policy. A Retirement Commissioner was appointed to promote increased private retirement savings and a transitional retirement benefit was introduced for people most affected by the increase in the qualifying age for New Zealand Superannuation.

The Coalition Government in 1996, moved to reduce the impact of the surcharge from 1 April 1997 and abolished it entirely from 1 April 1998.

The 1996 Periodic Review Group, established to undertake the first review of the retirement income framework proposed by the Todd Taskforce, endorsed the concepts of voluntary private provision and public provision funded from general taxation. However, the withdrawal of the tax surcharge, which had occurred in the interim, was seen as reducing the incentive and opportunity for private and public retirement provisions to more appropriately and affordably complement each other. This aspect is likely to be of increasing importance over time.

The Review Group pointed out that the fiscal impacts of the 'babyboom' generation will not be experienced until 2012 to 2017, but that the best use should be made of the time in the interim to prepare for those pressures and the changes they may require. This was seen as encouraging public discussion of the options that may need to be applied, such as; targeting changes to the age of entitlement and indexation of payments, as well as ensuring that there were processes, including political processes, available for managing change.

At the present time, the key policies that impact on retirement income include:

- the promotion of voluntary private retirement income and savings
- changes to the Human Rights Act which effectively removed impediments to continued working beyond the previously defined retirement age of 65
- a State pension which:
 - will, from 1 April 2001, be payable from age 65 years
 - is based on a person's residence in New Zealand and not influenced by their earnings record
 - is payable at standard rates which provide a minimum retirement income to give a reasonable standard of living. It is price indexed and the married couple rate is not permitted to fall below 60% of the average wage after tax
 - is currently not influenced by any other income or assets the recipient may have
 - is partially portable for persons who wish to retire overseas and covered by reciprocal agreements with several countries with which New Zealand has close connections
 - is protected by legislation which covers eligibility, rates, portability, payment outside New Zealand, hospitalisation and other relevant aspects
 - may be supplemented by other assistance measures, such as those that provide for higher than usual rents or costs associated with a disability.

With the removal of the tax surcharge in 1998, the significant uncompleted part of the retirement income strategy, as proposed by the Todd Taskforce, is the application of a mechanism, such as an income test or tax surcharge, which will ensure that voluntary private retirement incomes and state provisions appropriately complement each other.

In December 1998, the Government announced the establishment of the Superannuation 2000 Taskforce to develop a stable retirement income framework. The major focus of the Taskforce is to encourage widespread consensus on a sustainable and affordable retirement income strategy. The Taskforce is due to report in November 2000.

Research undertaken by the Superannuation 2000 Taskforce indicates that 88% of New Zealanders believe there should be as much certainty as possible about retirement income policies. However the research also indicates that most of the younger generations do not believe that New Zealand Superannuation will be available to them, in its present form, when they reach retirement age. The issues of sustainability and affordability will need to be fully explored before there is long-term public confidence in the stability of retirement income policies and people can plan their future retirement with confidence.

Saving for Retirement

In New Zealand, as in many OECD countries, the focus for policies to provide for future population changes is to encourage self-provision, where possible. This would allow better management of future government expenditure on state retirement pensions when changes in the age of the population indicate the greatest call on retirement income.

In 1993, the Retirement Income Act legislated for the Office of the Retirement Commissioner that has as its essential tasks, to:

- promote retirement income savings and motivate New Zealanders to make financial provision for their retirement, as far as is possible
- research and monitor trends in retirement savings behaviour.

In 1999/00 the Office of the Retirement Commissioner operates with a budget of \$4.45M appropriated through Vote Social Services.

Since 1993, the Office of the Retirement Commissioner has given substantial publicity to the need for present earners to make financial provision for their retirement. Television has been used extensively to convey the retirement income message and printed material provided to assist people to make the key decisions for their lifestyle choices.

Because of lack of reliable information, it is difficult to establish the effectiveness of the private retirement savings campaign. Overall, savings are increasing but the percentage of people in superannuation schemes which will lead to a pension on retirement, for example, as compared with a lump sum endowment, have not increased discernibly.

Currently, a common feature of people in or near retirement is the high proportion that owns their own home. This effectively provides them with a financial resource in their retirement, but not necessarily one which contributes to retirement income. Reverse mortgages that provide an annuity secured against a home as a mortgage have not been widely accepted in New Zealand as a means of income supplementation.

For future generations of older people, saving for their retirement could be a problem. People can commence their working lives with a student loan to be paid off, face inconsistent and irregular employment prospects, and low incomes, as well as the demands of child rearing and healthcare. This is particularly the case for Maori, for women and for Pacific people. While the reality of the retirement savings message remains relevant, its application by individuals and families is often a challenge due to individual circumstances and ongoing experiences of uncertainty which make it difficult to accord retirement savings a priority.

While the thrust of the retirement savings message is directed to present earners, it is based on a prediction of the effects of an ageing population. For many older people, these predictions are seen as a commentary on the value which society places on older people and which they interpret as portraying older people as a 'problem'. This perception by older people is aggravated when changes are made to the rates of New Zealand Superannuation they are receiving and which they do not necessarily see in a wider strategic or policy context. What motivates one section of society can unsettle the other, and consequently the issue has potential for increasing inter-generational divisiveness in society.

Making New Zealand Superannuation Sustainable

The ability of the country at any time to provide for its financial commitment to New Zealand Superannuation, as the State funded retirement pension, will depend on a variety of factors, including:

- the performance of the economy over time and its ability to deliver the economic growth necessary to meet the increased cost of public pension provision
- the demands of other areas of public expenditure such as debt servicing and health
- the employment market's capacity to provide opportunities for people to secure continuous employment and accumulate the resources necessary for their living costs as well as savings for their own retirement
- the adequacy of the tax base to provide diversified opportunities for revenue gathering
- private savings patterns and a mechanism that ensures they appropriately complement public pension provision
- the expectations of older people about their standard of living
- the demands for, and consequent costs of, health and related services required by older people
- inter-generational cohesion and the willingness of future taxpayers to commit to the taxes necessary to maintain pensions and other public programme costs influenced by age, such as health.

All the evidence on retirement indicates that changes will be necessary to ensure New Zealand's capacity to continue to fund retirement income from taxation. The acceptance of changes in superannuation, by superannuitants at the time, will depend on how policies are explained and managed.

In 1998, the downturn in the economy, arising from the adverse trading conditions associated with the collapse of South East Asian economies, led to the revision by the Government of the floor above which the rate of New Zealand Superannuation may fall relative to average wages. Effectively, it allows the married couple rate of New Zealand Superannuation to fall from 65% to 60% of the average wage.

While the change was implemented without reduction in current rates, the nature of the change and the intention behind it was not accepted by many older people. What it highlighted, as have previous changes to New Zealand Superannuation, is the different perception of older people to retirement income issues, compared with younger people. In implementing changes to make the provisions affordable and sustainable in the long term, consideration needs to be given to how the changes impact on the current generation of superannuitants and how those impacts should be managed.

Managing the Changes

When expressed, the public attitude of many older people to the debate on retirement income has been defensive at best and hostile at worst. While the focus of much of the debate is on younger people making provision for their own retirement, the very common depiction of statistical evidence of the ageing population as a looming catastrophe or 'black hole', has been a source of anxiety to many older people. Very often it has been interpreted as critical and devaluing of older people.

In 1998, when the floor, to which New Zealand Superannuation could fall relative to average wages, was lowered from 65% to 60%, the sustainability and affordability aspects of the issue became more pertinent and personal to superannuitants. When combined with the nil increase for single pensioners, as a consequence of the July 1998 tax cuts, the changes were construed by many older people, and often their families, as an 'attack on older people's living standards'. This compounded the effects of the constant litany of statistical information and the call for greater self-provision, in the minds of many older people and exacerbated their feelings of alienation.

The Periodic Report Group, in its 1997 Interim Report, pointed out the different perceptions of retirement income issues by different generations and highlighted the importance of intergenerational consensus to an effective long-term strategy. The conduct of the debate to date and the changes to New Zealand Superannuation made in 1998, have not assisted the achievement of consensus.

The present generation of older people has come through a period of New Zealand's social policy history where central government had a greater role. Without careful management of communication between the Government and older people on retirement income and New Zealand Superannuation issues, older people will continue to regard the historical approach that has been appropriate for them as the best for the future. To the extent that their views as current consumers are often given prominence in the media, their input has often not been helpful to the debate on retirement income for the longer term.

Future Directions

Retirement, as experienced by the present generation of older people, is different from that which is likely to be experienced by future generations. The foundations on which New Zealand's social policy has traditionally been based, are being increasingly questioned in the

face of an ageing population, uncertainty about the country's capacity to continue to provide public pensions at their current level and changing concepts of State and self responsibility.

Retirement income has been an issue of major political, social and economic significance for some 25 years. The political weight exerted by the increasing proportion of the voting population at or near retirement has ensured retirement income issues are never far from the political spotlight. This situation will continue unless deliberate measures are taken to place it in an apolitical context, give it clear objectives and a sound structure, and establish processes for accommodating future social and economic changes.

The difficulties New Zealand currently faces in its retirement income policy are more to do with political consensus, than policy and programme design. The problem of sustaining the present taxpayer funded pension approach will be exacerbated when, from 2012, the proportion of older people starts to increase rapidly. At that point, the impacts of social change and economic performance on the scheme and the pressure that the resourcing of the scheme will have on other areas of government spending as well as on economic growth, will become much more pronounced and difficult to manage. It is important therefore, that in the intervening period there be developed a publicly recognised and accepted way of addressing such impacts in a flexible, and politically neutral way.

The way changes are managed and the attitudes and expectations of different generations recognised and accommodated, will be important for relationships between generations and for the maintenance of a cohesive and harmonious society.

Maintaining Independence

Key points

- It is in the interest of all New Zealanders that older people maintain their independence for as long as possible.
- Most older people do not require support to live at home, but people aged 80 and over are more likely to require some assistance.
- Government's role in funding support services, and/or providing financial assistance to people on low incomes to purchase the services, is an issue of increasing urgency.
- Action needs to be taken now to develop a response to New Zealand's ageing population.

Introduction

Governments around the world are responding to their ageing populations by putting policies in place to encourage older people to live at home for as long as possible. By providing an environment in which older people are healthy, independent, safe and secure, it is possible for older people to continue to participate in, and contribute to, society. To create such an environment, a coherent policy framework is required to address issues such as adequate income; access to health services; appropriate housing and provision of support services. Without such an approach, societies miss out on the experience and contributions of their older citizens and governments face higher costs associated with older people becoming dependent earlier and moving into residential settings prematurely.

Older people are a diverse population group. Most are in good health, but some have long-term illness or disabilities that limit their ability to care for themselves or take part in everyday activities. There is also considerable variation in older people's financial resources. Those who own their homes tend to be financially advantaged, as they have fewer accommodation costs. Other differences relate to personal experiences, like education, involvement in the paid workforce and cultural, political and religious views of the world.

The needs of future older generations will not necessarily be the same as those of the current older population. The life-experiences of younger generations are different and this will influence their expectations of older age. They are likely to have different patterns of home ownership, a lifetime experience of computer technology and have had to adapt to rapid change within the workforce. Also, younger generations do not have the same expectation, as the current older population, of reliance on publicly funded retirement income.

Factors in maintaining independence

A number of factors contribute to the ability of older people to maintain their independence. While personal attributes and circumstances, such as health status; attitudes; skills and financial status have significant impacts for individuals, environmental factors also influence the ability of older people to continue living at home. The key environmental factors which assist older people to age in place³⁷ are adequate housing; support services; access to the community and safety and security. Research³⁸ undertaken as part of International Year of Older Persons confirmed the importance of these environmental factors, as well as personal factors, in maintaining older people's independence.

Housing

For older people to maintain their independence and age in place successfully, it is important that they have adequate and affordable housing that meets their needs.

Affordability of housing

Affordability of housing is a key factor both for older homeowners and those who rent. The Accommodation Supplement provides financial assistance to people on low incomes who have high housing costs. At consultation meetings with the Senior Citizens Unit, older people have expressed concerns about the suitability of the Accommodation Supplement in meeting their housing costs, such as increases in local authority rates, or high rents. The low asset threshold for the Accommodation Supplement³⁹ means that, in many cases, older people have to reduce their assets in order to access financial assistance to meet their housing costs. Most older people, particularly those for whom New Zealand Superannuation is their only income, will not have the opportunity to build up their assets again. This is likely to impact on their ability to meet other financial commitments in the future, such as replacing whiteware, purchasing new glasses or hearing aids and funeral expenses.

One way in which older homeowners can utilise the equity in their homes is through home equity conversion schemes. These schemes can assist older people to maintain independence, both in terms of providing money for specific costs, like home maintenance, or increasing income for living expenses. However, the range of home equity conversion products on the New Zealand market is limited and high use of home equity conversion could have negative financial implications for government. For example, by utilising the equity in their homes, older people requiring long-term residential care will have fewer assets available to pay for this care. This will in turn increase the cost to government of long-term residential care.

Affordability of housing is a significant issue for older people in rental accommodation, as they tend to have higher living expenses and their costs of living generally increase faster than for other superannuitants⁴⁰. Housing New Zealand has reduced the level of its housing

³⁷ *Ageing in place* refers to the concept of older people living at home for as long as possible

³⁸ Maire Dwyer, Alison Gray and Margery Renwick, *Factors Affecting the Ability of Older People to Live Independently*, Ministry of Social Policy (forthcoming)

³⁹ For a single person, assets under \$2,700 are not taken into account for the Accommodation Supplement. If the person's assets are between \$2,700 and \$8,100 the Accommodation Supplement is abated. A single person with assets over \$8,100 is not eligible for the Accommodation Supplement. The asset thresholds for a couple are \$5,400 and \$16,200.

⁴⁰ Information provided by Statistics New Zealand

stock from approximately 66,000 dwellings in 1992 to 59,000 in 1999. Also, some local authorities are selling pensioner housing units. Reductions in public and local authority housing stock, lower home ownership rates and an ageing population, mean that, in the future, more older people are likely to rent from the private sector. If affordable and suitable housing is not available to older people, this will impact on their ability to age in place.

Appropriate housing

As well as being affordable, housing must be suitable for older residents. For instance, large homes and sections requiring ongoing maintenance can be a liability for older people who are not able to do the maintenance themselves and cannot afford to pay for it to be done. Buying a new home with lower maintenance costs is not always an option, as the value of the older home may be less than a small, more modern dwelling. It is also important that housing does not place older people's health at risk because the dwelling is cold and damp⁴¹, or in inadequate repair. For Pacific families overcrowding⁴² has been identified as an important health and housing issue.

For older people to continue living at home for as long as possible, housing stock needs to be available which allows for preferred living and support arrangements. It is of concern, for example, that many existing pensioner housing units and kaumatua flats have only one bedroom, or are bedsits, which do not provide space for family to stay, or for a carer to sleep overnight. Current government initiatives to promote housing which is suitable for extended family living⁴³ will benefit older people who wish to live with other family members. While at present, one in five Maori elders live in extended families⁴⁴, family and whanau roles are changing and the future levels Maori extended family living are not known. There are also indications, based on anecdotal reports, that living arrangements for Pacific families are changing and an increasing number of older Pacific people are residing in rest homes⁴⁵. This illustrates that assumptions cannot be made about Pacific people continuing to live as extended families in the future.

The present lifecycle living arrangements of younger generations differ from the experiences of today's older people. Higher rates of separation and divorce mean an increasing number have spent time living alone, in single parent households, or in reconstituted families. Patterns of child-rearing are also changing, with an increasing number of women giving birth in their late thirties and early forties, meaning that children may still be living at home when their parents retire from the paid workforce. These factors are likely to influence the housing choices and needs of future generations of older people.

Support services

⁴¹ Philippa Howden-Chapman, Louise Signal & Julian Crane, *Ageing in Place: Health and Housing in Older People* (forthcoming)

⁴² Ministry of Pacific Island Affairs, *Scoping Report on Status of Housing for Pacific People*, July 1999

⁴³ An interagency working group is currently developing policy initiatives to support extended family living.

⁴⁴ Statistics New Zealand, *New Zealand Now – Housing*, 1998 edition, page 61

⁴⁵ Ministry of Pacific Island Affairs, *The Social and Economic Status of Pacific Peoples in New Zealand*, July 1999, page 49

Most older people do not require support to live at home, but people aged 80 and over are more likely to require some assistance. There is growing evidence that low level support services, like housework, gardening, laundry, and home maintenance, enhance the quality of life for older people and help them maintain their independence⁴⁶. It is important that these services are available for older people who require support and that they are culturally appropriate.

Much of the practical assistance that older people require is provided by informal carers, who are generally family members, close friends or neighbours. New Zealand is a highly mobile society, and many older people do not have family members living nearby. Smaller families impact on the availability of family assistance. Workforce patterns may also affect caring options. In the UK⁴⁷ it has been found, contrary to expectations, that women who have joined the paid workforce are continuing to provide similar levels of support to older family members. The key role of family members in supporting older people suggests that strategies that strengthen families are likely to benefit not only today's children and young people, but also future older generations.

Home support services for older people, funded through Vote Health, focus on personal care and on providing household assistance, including meals and cleaning. Older people who are ill or frail often require additional practical services, such as transport; help with personal shopping; house maintenance and assistance with gardening. For older people who can afford it, there is an increasing diversity of these kinds of services available from private providers. However, older people who cannot pay for these services have few options. A Disability Allowance, for people with an ongoing disability or health-related condition, is available to help meet the costs of a small range of services, such as gardening. Limited services are also provided by community organisations, which in many cases receive funding assistance from the Lottery Aged Distribution Committee.

Consideration of government's role in funding support services and in providing financial assistance to people on low incomes to purchase the services, is an issue of increasing urgency in planning for New Zealand's ageing population.

Access to community

Access to community support services, shops, recreation, community activities, friends, and family is most important in maintaining older people's social networks, and their independence and wellbeing. Recent research published in the British Medical Journal showed that social and productive activities involving little or no enhancement of fitness, lower the rate of mortality from all causes as much as activities designed to improve fitness.

Factors influencing older people's ability to access services and community include their health status, income, and access to, and availability, of transport. To maintain their independence, older people need accurate information about services and the eligibility criteria for accessing them. Super Centres⁴⁸ provide this type of information as well as specialist income support services for older people. Thirty-seven Super Centres were established around the country in the mid-1990s, but the number currently operating has reduced to 16⁴⁹.

⁴⁶ Royal Commission on Long-Term Care Policy, *With Respect to Older Age*, March 1999, page 86

⁴⁷ *ibid*, page 17

⁴⁸ Work and Income New Zealand (WINZ) staff providing specialist services to superannuitants.

⁴⁹ Currently there are 13 Super Centres located in WINZ service centres and 3 stand-alone Super Centres

Older drivers

New Zealand society is very mobile, and private cars play an important role in recreation, friendships and access to services. In 1996, 95% of people aged 70 held a driving licence⁵⁰ and this percentage decreased with age, with only 17 percent of people at age 90 retaining their licence⁵¹. It is too early to assess the effect of the new re-testing provisions for older drivers⁵² on the number of older people holding driving licences.

Statistics from the Land Transport Safety Authority demonstrate that, while the road accident rate for older people is lower than for younger age groups, the accident rate per kilometre driven is higher for older people than for the rest of the population, because older people drive shorter distances. Also, the impact of an accident on an older person is far greater than on a young person. Statistics confirm that the old are more likely to be killed or injured in an accident and have a much slower recovery rate, than the young.

The decision to stop driving is made for a variety of reasons, often related to ill health. In the past, this decision was often prompted by the re-licensing requirements for older drivers. Recent changes, which increased the age older drivers sit their first practical re-test, are likely to continue to play a major role in the decision to stop driving. Loss of a driving licence can have a significant impact on an older person's ability to access services, friends and family. New Zealand's ageing population means that the number of older drivers on New Zealand roads will continue to increase.

Public transport and other options

While public transport tends to be an important option for older people who do not drive, it is not universally available throughout the country, particularly in rural areas. Furthermore, public transport is only a practical alternative if there are services at the times, and to the destinations, older people want to travel. Older people who do not drive and cannot access public transport, largely depend on family, friends or community groups to take them to services and social activities.

The introduction of more accessible buses in some centres has been of benefit to older people, as well as to younger people with disabilities and parents with young children. Also, some older people utilise the Total Mobility Scheme⁵³, which enables people with a disability to travel in taxis for half price.

For older people who do not drive, lack of adequate public transport or other alternatives can severely limit their access to friends, family and services and therefore their ability to maintain their independence.

⁵⁰ Prior to 1999, drivers held a lifetime driving licence until 71 years, the age at which drivers were first subject to older drivers re-testing provisions

⁵¹ Figures provided by Land Transport Safety Authority

⁵² From 3 May 1999, new re-testing provisions for older drivers came into effect. At age 75 drivers are required to pass a medical examination and those over the age of 80 must renew their licences every two years, which involves undertaking a practical driving test and a medical examination.

⁵³ This scheme is currently operated by most regional councils.

Communication technology

Another important method of accessing services and keeping in touch with the community is through communication technology. For older people today, the telephone is an important way of keeping in touch with friends and family and accessing help and support services. Cheaper toll calls and the introduction of special discounts have made it easier for older people to ring friends and family living in other parts of New Zealand and overseas. However, telephones and other communication technology cannot replace face to face communication. This is particularly true when older people need to access information that is new or complex and when language differences exist.

Most older people are not computer literate, but the success of SeniorNet groups⁵⁴ indicates that there is a keen interest among older people in computer technology. The internet offers new opportunities, such as remote shopping to those who have difficulty physically accessing services, and is an easy way of keeping in contact with friends and family. Anecdotal reports suggest that older people, who are computer literate, are high users of the internet. Some older people find the speed of technological change overwhelming and new technology, such as electronic banking and automatic telephone answering systems, daunting and difficult to use. Training sessions⁵⁵ designed for older people have been successful in overcoming their concerns about using new technology.

Safety and Security

Concerns about safety and security are greatest among older people who are vulnerable because of frailty, lack of resources, or isolation. In general, older people perceive themselves to be more at risk of fire or crime than is indicated by statistics. Concerns about safety and security can be a major factor in influencing older people to leave their homes and consider moving into a retirement village or other forms of age segregated housing⁵⁶.

The main home safety issues for older people are prevention of crime, fire and accidents. In order to improve safety, the New Zealand Fire Service installs smoke alarms free of charge for senior citizens. For the current older population, safety concerns outside the home include potential dangers associated with street crime, including use of automatic teller machines and skateboards and bicycles on footpaths.

Fear of crime can be reduced by providing older people with practical information about how to reduce the possibility of crime and fire. The Confident Living Programme⁵⁷, currently operating in Christchurch, has shown that this type of initiative enhances older people's independence by enabling them to live confidently within the community.

Future directions

A range of environmental and personal factors influence the ability of older New Zealanders to age in place successfully. As New Zealand's population continues to age, and in particular the

⁵⁴ In October 1999, there were 40 SeniorNet groups in New Zealand, with a further two in the process of being established.

⁵⁵ Technology training sessions were featured in activities undertaken during the International Year of Older persons 1999

⁵⁶ Maire Dwyer, Alison Gray and Margery Renwick, *Factors Affecting the Ability of Older People to Live Independently*, Ministry of Social Policy (forthcoming)

⁵⁷ The Senior Citizens Unit is working with the NZ Fire Service and the NZ Police to develop guidelines for local seminars based on the successful Confident Living Programme in Christchurch.

number of people over the age of 80 increases significantly, there will be growing expectations on Government to provide more support. While the concept of ageing in place has fiscal advantages for Government, by reducing the cost of more expensive residential care, this approach will only be effective if there is an infrastructure which will enable older people to continue living at home for as long as possible. As at present, the provision of support services in the future will require government-funded agencies to work collaboratively with older people, carers, community organisations and local government.

While the issue of the future retirement income policies is currently being looked at by the Superannuation 2000 Taskforce, consideration also needs to be given to other impacts of an ageing population. The Ministry of Social Policy is developing a national strategy for an ageing population. Key to this work will be consideration of the requirements of future older generations and how to best to assist them to maintain their independence. The Ministry will be working with other government agencies to take into account the links between factors influencing independence in older age. The development of a long-term strategy will offer an opportunity to effectively respond to New Zealand's ageing population.

Health

Key points

- Most people in their 60s and 70s are in good health, and it is not until after the age of 80 that poor health and frailty are likely to occur.
- The health needs and expectations of future generations of older people will be different from those of today's older population.
- It is estimated that reducing age-specific dependency rates by 1% could halve the future cost of long-term care.
- Key approaches to meeting the health needs of New Zealand's ageing population are:
 - encouraging health promotion and early intervention for all age groups
 - providing adequate support services to allow older people to age in place successfully
 - effective service planning
 - appropriate service delivery.

Introduction

Health in older age is dependent on many factors, including health status throughout life. Good health and positive relationships in childhood, healthy lifestyle choices and the availability throughout life of appropriate health and social support services, increase the probability of good health in older age.

There is considerable individual variation in the health status of older people. The majority of people in their 60s and 70s are largely independent and healthy, but the likelihood of ill-health and disability increases with age. For some older people, frailty, ill health or an ongoing disability limits their ability to care for themselves and contribute to family and the community. Use of health services, and health costs, tend to be greatest in the last few years of life.

Health is a high priority for older people and groups representing their interests. In an environment of rapid change, and of discussion about rationing⁵⁸ of health services, older people are concerned about whether they will be able to access health services when they need them. This is particularly true for the current older generation which believes the public health system is a cornerstone of New Zealand society and should be available to meet their health care needs, when required and that health services should be free.

As New Zealand's population ages, changes to health services will be required to meet the health needs of the increasing number of people aged 80 and over. The potential cost of this health care is becoming an issue of public concern. However, it is difficult to make

⁵⁸ This refers to consideration of which health services are publicly funded. The National Advisory Committee on Core Health and Disability Support Services was established in 1992 to consider this issue. Since its establishment the Committee's role has expanded and its focus moved to advising on the best mix of publicly funded services. It is now known as the National Health Committee

assumptions today about health service needs in future decades, as new technologies and treatments, or new diseases, could radically change the type and cost of services needed.

While a strategic long-term approach to health services is needed, planning for health services for an ageing population should focus on a five to ten year period to be most effective. In addition, maximising the health status and independence of current and future generations of older people will help to contain potential increases in health expenditure.

Older people's health status

The OECD reports⁵⁹ that most people in their 60s and 70s have similar health characteristics to younger adults, with poor health and frailty being most common after the age of 80. In New Zealand, 66% of people aged 75 and over, and 41% of people aged 65-74, live with some form of disability, compared with 25% of people aged between 45 and 64 years⁶⁰. However, prevalence of disability is one of many factors affecting health status and, while disability rates increase with age, statistics indicate that older people aged under 75 years are less likely to require personal assistance, as a result of disability, than those aged over 75⁶¹. Comparative ethnic data on disability rates for older people is not available, although the overall Maori population disability rate is higher than the non-Maori rate⁶².

Health status is dependent on life experiences. For the current older population, this includes living through war and economic depression, as well as rapid social and technological change. Advances in technology and changes in lifestyle mean that future older generations are unlikely to have the same health problems as today's older population. On the other hand, future older generations may face different illnesses and disabilities resulting from the experiences and the choices they make during their lives.

Perceptions of health

Most older people tend to view their health positively. The results of the 1996/97 New Zealand Health Survey⁶³ indicated that older people viewed their mental health as positively as, or more positively than, younger people, but that people aged over 65 had a less positive view of their physical health than younger age groups.

Studies on self perception of health indicate that there is a difference between older people's views of their health and their health status and that older people have a tendency to overlook medical conditions or disabilities when describing their health. This tendency is greater for older Maori, who generally view health in a holistic way which encompasses both individual and group aspects of well-being, and may include a variety of determinants, including cultural identity.⁶⁴ Older people's attitudes about themselves have a significant

⁵⁹ *The Impact of Ageing on Public Policy*, The OECD Observer, No 203, December 1996/January 1997

⁶⁰ Ministry of Health & Health Funding Authority, *Older Persons and Disability – an analysis of data from the 1996 and 1997 disability surveys*, June 1999, page 4

⁶¹ *ibid*, page 2

⁶² *ibid*, page 5

⁶³ Ministry of Health, *Taking the Pulse – The 1996/97 New Zealand Health Survey*, April 1999

⁶⁴ Te Puni Kokiri, *Oranga Kaumatua - The Health and Wellbeing of Older Maori People*, July 1997

impact on their health and well being, which affects their independence and their ability to participate in community life⁶⁵.

Comparative statistics on Pacific peoples' perceptions of health are not available. However, as most of the current generation of older Pacific people living in New Zealand were born overseas,⁶⁶ their perceptions about well-being tend to relate to differences between lifestyles in the Pacific Islands and in New Zealand. These differences include changes in diet, being more housebound and inactive, changing family relationships, and colder temperatures.⁶⁷ The increasing number of Pacific peoples, who are New Zealand-born, means the factors influencing the health and perceptions of health status of future generations are likely to be different.

Impacts on future health care costs

There is a tendency to see old age as a fiscal problem and the issue of the future provision of care as increasingly insolvable. This mindset fails to acknowledge that current developments in health management are already having a positive impact on the health costs of the older population and that they have the potential to at least partially offset the expected higher health costs of an ageing population.

There is increasing evidence of the value of early intervention in reducing the impact of health conditions⁶⁸. Delaying the onset of conditions such as hip fracture or diabetes not only enables older people to remain independent and contributing to family and community, but reduces health service costs. Promoting physical activity, mental stimulation and social networks in older age also assists people to remain healthy for as long as possible.

Disability rates

It is recognised internationally that as people age, they use more health care services. However, it is only after the age of about 80 that there is a dramatic increase in expenditure on health care⁶⁹. The rapid growth in the number of people aged 80 and over will have significant implications for New Zealand's health services. Recent analysis of long-term care surveys in the United States⁷⁰ indicates that disability rates among older people have fallen since 1992, and that this decline is accelerating. Similarly, a review of disability trends in OECD countries⁷¹ showed a significant decline in disability rates, particularly in the 65-80 year age group, and that this trend was more pronounced for males than females. While there are less people with a disability, research in Britain⁷² found that those people with a disability are living longer.

⁶⁵ Marie Dwyer, Alison Gray and Margery Renwick, *Factors Affecting the Ability of Older People to Live Independently* (forthcoming)

⁶⁶ Only 8.6% of Pacific peoples aged 65 and over living in New Zealand were born in New Zealand

⁶⁷ Age Concern New Zealand, *Ageing is Living – An education and training resource to prepare for positive ageing*, March 1999

⁶⁸ *ibid*, page 132

⁶⁹ *The Impact of Ageing on Public Policy*, The OECD Observer, No 203, December 1996/January 1997

⁷⁰ Manton, Kenneth et al, *Chronic disability trends in elderly United States populations, 1982-94*, Proceedings of the National Academy of Science, USA, Vol 94, pages 2593-2598

⁷¹ *Maintaining Prosperity in an Ageing Society: the OECD study on the policy implications of ageing*, Working Paper AWP 4.2, 1998

⁷² Royal Commission on Long-Term Care Policy, *With Respect to Older Age*, Research Volume 1, March 1999, page 26

Disability rates are an important factor in determining the health costs of an ageing population. The British Royal Commission on Long-Term Care⁷³ calculated that a 1% decrease in age-specific dependency rates⁷⁴ would almost halve its estimate of the future cost of long-term care. Similarly, the World Health Organisation⁷⁵ has estimated that if the cardiovascular disease rate was reduced by 1.1%, the number of older people with disabilities resulting from cardiovascular disease would remain at current levels, despite the increasing number of people in this age group.

Even if the level of disability for older New Zealanders declines over future decades, the rapid increase in the actual number of people aged over 80 will have significant implications for our health services. Rising numbers of people aged 80 and over will increase demand for high level support, in residential and home care settings.

Research and technology

Changes in technology and society mean the health care expectations of future older generations will not be the same as those of the current older generation. For instance, while future older generations are likely to expect to receive the latest treatments and use technology to overcome physical disability, they may also expect to contribute to the cost of their care.

The impact of future technological advances on the health care of older people is unknown. New procedures and pharmaceuticals are likely to reduce health costs in certain areas, but may also create new, more costly ways of extending life. One area where new treatments resulting from research could have a significant impact on health care costs is dementia care. The prevalence of Alzheimer's disease and other dementias increases with age, with one in five people over the age of 80 being affected⁷⁶. The OECD⁷⁷ estimates that, even if no cure was found for Alzheimer's disease, postponing the onset by an average of five years could halve the cost of care.

Ageing in place

Governments around the world are encouraging older people to "age in place", that is to continue living at home for as long as possible. As well being more cost-effective than early entry into long-term residential care, this approach recognises the preferences of older people to be at home. Delaying the onset of residential care will reduce the health costs of an ageing population, but only if there is comprehensive and appropriate support services in place to meet the needs of an older population and their informal carers. To successfully promote ageing in place, adequate home support services for older people who are frail, have a disability, or have on-going illness, are essential. Furthermore, the policy of ageing in place relies on factors outside the health sector, appropriate housing and other support services.

⁷³ Royal Commission on Long-Term Care Policy, *With Respect to Older Age*, March 99, page 23

⁷⁴ Number of people in each age band who have a specified dependency level.

⁷⁵ Dr Alexandre Kalache, Chief, Ageing and Health, World Health Organisation, in a presentation to the Fourth Global Conference of the International Federation on Ageing, September 1999.

⁷⁶ Alzheimers Society New Zealand

⁷⁷ *The Impact of Ageing on Public Policy*, The OECD Observer, No 203, December 1996/January 1997

A home care options programme has been piloted in Auckland, where older people who have been assessed as requiring residential care were given the option of continuing to live at home with a high level of home support services tailored to meet their specific needs. A study of the pilot⁷⁸ found that the older people in the homecare group were more satisfied with their living arrangements and their cost of care was lower than for those who opted for residential care. However, there were some negative impacts on family carers and the study concluded that this type of care option should be carefully managed.

Residential care becomes the most appropriate care option when an older person requiring extensive care reaches a stage when it is not possible to continue living at home. For instance, once a person with Alzheimer's disease needs twenty-four hour care and supervision, it is very difficult for family members or support services to provide the necessary care in the home setting.

Ageing in place relies heavily on the support and care provided by family members, neighbours and friends. These informal carers provide older people with social support as well as undertaking household and personal care tasks. The recent disability survey⁷⁹ showed that a similar percentage of older people with disabilities received support from informal carers, as those who received support from voluntary organisations, private providers and agencies.

In planning for an ageing population, it is important that support for carers is provided. If carers are stressed, they can become ill, and the caring relationships breaks down. Respite care, which enables carers to take a break, is an essential element in home care provision. The British Royal Commission on Long Term Residential Care⁸⁰ found that training and support programmes can assist carers who provide care at home. In New Zealand, the National Health Committee has identified a number of strategies for supporting carers.⁸¹

Whether informal carers will continue to provide a similar level of care and support in the future will depend on a number of factors, including demographics, family structures, and living arrangements. As the number of older people rises, it is expected that there will be increasing pressure on employers to take elder care responsibilities into account when designing family friendly policies.

Health services for ethnic diversity

In considering the health needs and costs of an ageing population, the increasing ethnic diversity of future older generations needs to be recognised. Currently older Maori have lower life expectancy and earlier onset of preventable chronic conditions, and therefore may require increased care and support at an earlier age⁸². However, Maori do not access health and disability support services as often as might be expected⁸³. This indicates that, in order to improve the health status of older Maori and reduce the cost of high level care, there is a need for services that are more appropriate and accessible for Maori.

The expected rapid increase in the older Pacific population also needs to be taken into account when planning future health services. It is projected that the number of Pacific peoples aged

⁷⁸ Northern Regional Health Authority, *Home is where the heart is*, April 1997

⁷⁹ Ministry of Health & Health Funding Authority, *Older Persons and Disability – an analysis of data from the 1996 and 1997 disability surveys*, June 1999, page 14

⁸⁰ Royal Commission on Long-Term Care Policy, *With Respect to Older Age*, Research Volume 2 March 1999, age 63.

⁸¹ National Health Committee *How Should We Care for the Carers?*, June 1998.

⁸² Ministry of Health, *The Health and Wellbeing of Older People and Kaumatua*, December 1997

⁸³ Te Puni Kokiri, *Oranga Kaumatua - The Health and Wellbeing of Older Maori People*, July 1997

65 will increase eleven times its current size by 2051⁸⁴. At present, Pacific peoples have higher rates of ill health and disability than Pakeha. This indicates that there is likely to be growing pressure for health and disability services designed to meet the needs of Pacific peoples and that in future decades there will be an increasing requirement both for home support and residential care services for older Pacific peoples.

Future directions

In New Zealand, there is growing public concern about the costs of health services for ageing population. While fairly accurate projections can be made about the health needs of older people for the next five or ten years, it is difficult to plan today with any accuracy for the year 2051, the date when current projections show the highest proportion of older people in the population⁸⁵. Variables affecting future health care costs include actual numbers of people aged 80 and over, health status and disability rates, levels of informal care, and changes in technology and health care.

The OECD⁸⁶ has identified that one of the major challenges of an ageing population is ensuring that health expenditure is cost-effective and meets the most pressing requirements. It suggests that reducing time spent in dependence and in chronic care is the best way to achieve this. In the New Zealand context, there are several key areas which will assist in containing future health care costs. These include encouraging early intervention and health promotion for all age groups, providing adequate support and services to allow older people to age in place successfully, effective service planning and appropriate service delivery. While the impact of new interventions and technology is unknown, they have the potential to significantly reduce health care costs in the future.

For health policies to be effective in promoting the wellbeing of older people, it is important that they are supported by congruent policies in the areas of housing, retirement income and community support.

⁸⁴ 1996 Census

⁸⁵ It is projected that in 2051, 26% of New Zealand's population will be aged 65 and over. Projections beyond the year 2051 are yet not available.

⁸⁶ OECD Policy Brief, *Maintaining Prosperity in an Ageing Society*, No 5 - 1998

Elder Abuse and Neglect

Key points

- New Zealand is regarded as a leader in the development of services to respond to incidents of elder abuse and neglect.
- There are currently sixteen elder abuse and neglect services funded through the Department of Child, Youth and Family Services, with funding allocated for a total of twenty-two services by F2001.
- The need for specific services for Maori is the major current area of concern.
- The incidence of elder abuse and neglect is expected to increase due to the projected increase of older people in the population.

Introduction

Elder abuse and neglect is any act occurring within relationships where there is an implication of trust which results in harm to an older person⁸⁷. Categories of elder abuse may be identified as⁸⁸:

- **physical abuse** - infliction of physical pain, injury or force
- **psychological abuse** - behaviour that causes mental or emotional anguish or fear
- **sexual abuse** - sexually abusive and exploitative behaviours involving threats, force, or the inability of a person to give consent
- **material/Financial abuse** - the illegal or improper exploitation and/or use of funds or other resources
- **active neglect** - conscious and intentional deprivation by a carer of basic necessities resulting in harmful effects
- **passive neglect** - refusal or failure by carer, because of inadequate knowledge, infirmity or disputing the value of the prescribed service, to provide basic necessities resulting in harmful effects.

Data collected from elder abuse and neglect services show that most incidents of elder abuse usually involve more than one type of abuse, and that most abusers are family members.⁸⁹ The effects on the victim, his/her carer, family and society are far-reaching and can result in the need for expensive health and other social services.⁹⁰ Preventing and reducing the incidence of elder abuse and neglect therefore has significant benefits not only for the older person concerned, but also for Government.

⁸⁷ Draft definition currently being developed with the Australian Network for the Prevention of Elder Abuse

⁸⁸ Age Concern New Zealand, *Promoting the Rights and Well-being of Older People and Those who Care for Them*, September 1992

⁸⁹ Business and Economic Research Limited, *Report of Evaluation of Elder Abuse and Neglect Programmes*, January 1998

⁹⁰ Ibid

Extent of the problem

The full extent of elder abuse and neglect is unknown, both in New Zealand and internationally. Difficulties in obtaining accurate information about its prevalence are due to inadequate data collection, inconsistencies between research definitions and the usual problem of under-reporting associated with family violence. Also, in many cases, the older person may not recognise the behaviour as elder abuse. However, preliminary examination of international research suggests that between 3% and 5% of older people are subject to abuse or neglect. While the BERL⁹¹ report notes that no studies have been done in New Zealand, Davies⁹² suggests that about 3% to 4% of older people in New Zealand are victims of elder abuse and neglect.

Causes of elder abuse and neglect

Most research on causes of elder abuse has concentrated on identifying risk factors associated with either the victim, the perpetrator, or the family environment. Several factors that are known to contribute to incidents of elder abuse and neglect are:⁹³

- dependency of the older person on others for all or part of their personal care or day-to-day functioning
- dysfunctional family dynamics, including a history of family violence and/or alcohol abuse
- carer stress
- social isolation of both the older person and the abuser
- psychological and social problems of the abuser.

The variation of these contributing factors reflect the complexity of elder abuse and neglect, however increasing recognition is being given to the relationship between domestic violence, or child abuse, and elder abuse. In many cases, the long-term perpetrator becomes dependent on their victim and the previous power relationship is reversed⁹⁴. While identification of individual contributing factors allows the development of responses appropriate to the different causal factors and the particular needs of older victims, the influence of broader social structural issues such as poverty, isolation, ethnicity and gender is still unknown.

It has been suggested⁹⁵ that a better understanding of elder abuse as a social phenomenon and the development of a theoretical framework, is required to enable the development of effective long-term prevention strategies. Until then, preventative strategies will remain restricted to increasing awareness about elder abuse and the associated risk factors and to early intervention at an individual level to prevent more serious or ongoing incidents of abuse.

Elder Abuse and Neglect Services in New Zealand

⁹¹ Business and Economic Research Limited, *Report of Evaluation of Older Abuse and Neglect Programmes*, 1998

⁹² Davies, E. *Elder Abuse and Neglect: North Health's Responsibility*, Report prepared for North Health, November 1994

⁹³ National Advisory Group on Elder Abuse and Neglect, *Elder Abuse and Neglect in New Zealand*, Age Concern NZ, September 1995

⁹⁴ Kinnear, P & Graycar, A *Abuse of Older people: Crime or Family Dynamics?*, Trend and Issues in Crime and Criminal Justice Paper 113, Australian Institute of Criminal Justice, May 1999

⁹⁵ Ibid

Internationally, New Zealand is regarded as a leader in the development of services to respond to incidents of elder abuse and neglect. Age Concern New Zealand, in particular, and the Senior Citizens Unit have played significant roles in the establishment and ongoing development of elder abuse and neglect services in New Zealand. More recently, other organisations have been involved in the provision of these services.

The Department of Child, Youth and Family Services (Child, Youth and Family) currently funds sixteen elder abuse and neglect prevention services; in Whangarei, North Shore, Auckland (2 services with one specifically for Maori), Manukau, Waikato, Tauranga, Hawkes Bay, Wanganui, Manawatu, Kapiti, Wellington, Nelson, Christchurch, Dunedin and Invercargill. Age Concern, through its local councils, provide fourteen of the sixteen elder abuse and neglect prevention services and the national office of Age Concern is contracted to provide national co-ordination of these services. Presbyterian Support provide the services in Tauranga and Otago.

In October 1998, following an evaluation⁹⁶ of the seven services operating at that time, funding was allocated by Government for twenty-two services by F2001. The evaluation confirmed the need for the services and concluded that the existing model of service delivery is appropriate and effective. It suggested that services should be located in areas with high older populations and with high levels of existing intervention services. It provided suggestions on improving service delivery, including the development of national guidelines.

Requests for Proposals for four new services will be sought for the current fiscal year and an additional two contracts will be completed in F2001, resulting in national coverage of elder abuse and neglect services. Services are located in areas with public hospital geriatric Assessment, Treatment and Rehabilitation (ATR) services, which provide existing professional expertise for appropriate intervention.

Model of service delivery

Elder abuse and neglect services use a multi-disciplinary co-ordinated approach. The following description is provided in the 1998 BERL evaluation report.

“A co-ordinator refers cases on to a team of professionals with a sound understanding of abuse issues for consultation and recommendations. This model is effective because it can deal with complex cases of elder abuse and neglect. In this way the different needs of the older person can be met – for example, access can be provided to both health and legal services if appropriate. The multi-disciplinary co-ordinated model has four key components;

- A local co-ordinator, who initially assesses cases and if necessary refers them to the appropriate case workers. The co-ordinator also provides training, education and raises public awareness in elder abuse issues
- Case workers, who provide the intervention and are experienced professionals working directly with clients to provide appropriate care and services
- An advisory group, with a professional interest, knowledge and skill in the area of elder abuse and neglect
- Consultants, representing a wider group of professionals and representatives from iwi/Maori, other community agencies and relevant ethnic groups.

⁹⁶ Williams J, Neale J and Preston D *Report of the Evaluation of Elder Abuse and Neglect Programmes*, BERL, January 1998.

Case workers, advisory group members and consultants are not funded by the programme but provide their services as part of their paid employment or community service.”⁹⁷

Service standards and requirements

The organisations contracted to provide elder abuse and neglect prevention services are required to meet the Department of Child, Youth and Family Services’ Interim Standards for Approval for Elder Abuse and Neglect Prevention and Co-ordination of Intervention Services. These standards specify service delivery requirements as well as the structures and systems which must be met by the organisation. The standards refer to the requirements of the United Nations Principles for Older Persons, the Domestic Violence Act 1995, the Protection of Personal and Property Act 1998 and the Health Disability Commissioner (Code of Health and Disability Services Consumers’ Rights) Regulations 1996.

The organisation provides the following services to individual clients;⁹⁸

- initial assessment of reported incidents of elder abuse and neglect
- co-ordination of and referral to existing professional services
- support/arranging support to victims and, where appropriate, their family and carers
- identification and/or establishment of emergency safe beds
- monitoring and reviewing individual cases.

The organisation is also required to:

- provide education to a range of professionals about elder abuse and neglect prevention, detection, intervention and treatment
- raise community awareness of elder abuse and neglect
- provide statistical data on the services provided.

Legal Provisions

Incidents of elder abuse and neglect in New Zealand are more likely to involve less formal “negotiated” responses, rather than formal legal processes. This has developed from the underlying philosophy that the older person has ultimate control over any action to be taken in response to their situation. Due to the personal relationship with their offenders, victims of elder abuse have tended not to want legal action to be taken against offenders. The BERL evaluation report⁹⁹ identified potential savings to Government through the avoidance of Court action.

Arguments about the proper role for legal interventions in elder abuse are similar to those in the fields of domestic violence and child abuse¹⁰⁰. Although there are many similarities between elder abuse and other forms of family violence, there are also important differences.

⁹⁷ Williams J, Neale J and Preston D *Report of the Evaluation of Elder Abuse and Neglect Programmes*, BERL, January 1998 p11

⁹⁸ New Zealand Community Funding Agency *Interim Standards for Approval Elder Abuse and Neglect Prevention and Co-ordination of Intervention Services*, August 1998 (p.22)

⁹⁹ Williams J, Neale J and Preston D *Report of the Evaluation of Elder Abuse and Neglect Programmes*, BERL, January 1998.

¹⁰⁰ Kinnear, P & Graycar, A *Abuse of Older people: Crime or Family Dynamics?*, Trend and Issues in Crime and Criminal Justice Paper 113, Australian Institute of Criminal Justice, May 1999

Using a domestic violence model response for elder abuse would result in either the victim or the perpetrator being removed from the current situation. Where dependency is a factor, this would result in the need to establish some other form of care, with the most likely alternative being residential care. Similar difficulties exist using the child abuse model, where the child is deemed legally incompetent. Most older people are fully competent and able to make decisions about their personal well-being. For the minority who are not mentally competent, protection is available under the Protection of Property and Personal Rights Act 1988.

Despite the focus on non-legal remedies, there are legal remedies available to victims of elder abuse and neglect. Apart from the usual criminal proceedings available for incidents of theft and fraud, the Domestic Violence Act 1995 provides for legal protection of older people, through the Family Court process rather than the District Court. The effect of the Domestic Violence Act on the number of incidents reported and on action taken, particularly by the Police in response to reported incidents, is unclear.

Current Issues

Culturally appropriate services

It is recognised that any policies or programmes developed to address social issues must be culturally appropriate if they are to be effective. The Interim Standards for elder abuse and neglect services require organisations to provide services which are culturally appropriate to clients. The organisation is required to demonstrate that it makes available to clients the names of organisations that offer a culturally appropriate service and ensure that the organisation's advisory group and consultants reflect the ethnic base of the community.¹⁰¹

Maori participation is an essential component in each of the existing services, with iwi and pan-Maori groups represented in local advisory groups. In addition, it is normal practice that Maori caseworkers are involved where the client is Maori. To date, two models established to meet the specific needs of Maori have been successful in receiving funding through Child, Youth and Family. In Auckland, a separate Maori service has been established under the umbrella of Age Concern, while in Tauranga, Presbyterian Support and Ngati Ranginui Iwi Social Services developed a joint service proposal, although the agreement broke down before a formalised contract was signed.

The current level of funding allocated for elder abuse and neglect prevention services is not adequate to fund separate Maori services in each of the service locations. While information from the longer established services show that Maori have been using those services, there are increasing demands for "By Maori For Maori" programmes to address Maori social and economic priorities. The Senior Citizens Unit has planned to undertake work with Child, Youth and Family on this issue early next year and this is likely to result in a proposal for additional funding.

Refuge

Organisations are required to identify and/or establish emergency safe beds for victims of elder abuse and neglect, but there is a lack of suitable refuge. Places of safe refuge must be sensitive to the needs of older people, not merely on the basis of their age, but also in terms of their gender, ethnicity, cultural values and health status.

¹⁰¹ New Zealand Community Funding Agency *Interim Standards for Approval Elder Abuse and Neglect Prevention and Co-ordination of Intervention Services*, August 1998 (p.24)

Women's Refuges cater primarily for women and children who have been subjected to abuse, usually by a male partner. The needs of older women who are victims of elder abuse and neglect, possibly from another family member or from other caregivers or service providers, are different from those of younger women and their children. As such, these refuges are not usually an appropriate avenue of assistance for older women. There is no equivalent refuge for older male victims of abuse.

Rest homes and hospitals are not ideal, but are used as alternative refuges. However, the use of rest homes and hospitals present problems in terms of appropriateness and they rely on the goodwill of owners who are currently providing beds at no cost to the older person or the service. Rest homes and hospitals are unable to provide the element of safety necessary for true refuge and admissions of victims of elder abuse and neglect to these institutions may in fact put other residents at risk. Furthermore, many continuing care hospitals or rest homes do not have staff with the expertise necessary to provide the counselling and support that may be needed by older people in these situations. Finally, older people themselves often strongly resist even short-term admission to residential care facilities, fearing that it could result in permanent removal from their home environment.

The use of private homes as emergency short term refuge for elder abuse victims is being used by some of the organisations. Again, concerns about the level of quality of care and the safety of both victims and carers means that the use of private homes as refuges may not be appropriate.

The establishment of purpose-built refuges for victims of elder abuse and neglect is not being advocated. However, there is a risk that residential care facilities, which provide most emergency safe beds, may require financial reimbursement for that service they currently provide. If so, policy work would be required to determine responsibility for meeting the cost and may result in the need for additional funding to be allocated for this purpose.

Mandatory reporting

From time to time, the issue of the mandatory reporting of elder abuse has been raised as an option for increasing awareness and increasing protection of those most vulnerable to abuse and neglect. In this regard, mandatory reporting supports the view that victims of elder abuse are unable to make appropriate decisions about their personal welfare. Mandatory reporting is commonly associated with a preference for legal remedies in response to incidents of elder abuse and neglect.

Arguments against mandatory reporting include the loss of personal autonomy of the older person and that it may inhibit the reporting of elder abuse by victims. In addition, it is seen as a potentially expensive option that may do little to improve the situation of older people and in some cases could result in a worsened situation, for example, the inappropriate institutionalisation of older people. The New South Wales Task Force on the Abuse of Older People concluded that arguments against mandatory reporting are currently stronger than those in support of it.¹⁰²

The Senior Citizens Unit supports the view that rather than introducing mandatory reporting, all possible means should be used to inform and empower older people, their families and formal caregivers to take measures to prevent abuse in the first instance.

¹⁰² New South Wales Task Force on the Abuse of Older People, *Abuse of Older People in Their Homes*, 1992. p.34

Future Directions

The previous two years have seen major positive developments in the provision of elder abuse and neglect services in New Zealand. By F2001, there will be a total of twenty-two services providing national coverage throughout New Zealand. The service standards which organisations are required to meet in order to obtain funding ensure the consistency and quality of those services. However, there are a number of issues which pose fiscal risks for Government.

In the short term, the issue of funding for separate Maori services will need to be considered and the Senior Citizens Unit has identified this work as a priority for next year. Policy work may also be required on the issue of emergency short term beds for victims of elder abuse and neglect, which are now provided at no cost by residential care facilities.

In the longer term, the current level of funding allocated for elder abuse and neglect prevention services, at an average of \$31,000, may not be adequate to deal with the expected increase in the incidence of elder abuse and neglect due to the projected increase of older people in the population. This issue will need to be considered in the context of a national Strategic Framework for an Ageing Population, which is being led by the Ministry of Social Policy.

Organisations & Agencies

Introduction

The Senior Citizens Unit works closely with a wide range of government agencies and community organisations. Through these links, the Unit maintains an overview both of policies that have an impact on older people lives and the issues that are of concern to older New Zealanders. The small size of the Unit, combined with the great of variety of issues which impact on the lives of older people, mean that effective links are necessary for the Unit to fulfil its role of providing advice to the Minister for Senior Citizens. Links with government agencies enable the Unit to have effective input into policy affecting older people. In addition, the Unit has worked with many agencies and organisations to develop specific initiatives which promote the well-being of older people.

Government agencies

In order to maintain and strengthen its links with government agencies, the Unit established an Interdepartmental Network. The Unit host quarterly meetings of the Network, at which officials share information about current policy work which has implications for older people. The Network is an effective way of keeping an overview of relevant policies and maintaining good relationships with other agencies. The following government agencies regularly undertake work with the Senior Citizens Unit.

Department of Child, Youth and Family Services

The Department of Child, Youth and Family Services (known as Child Youth and Family) was established on 1 October 1999 and reports to the Minister of Social Services, Work and Income. It was previously the Children, Young Persons and their Families Agency.

Child, Youth and Family is responsible for care and protection of children and young people, youth justice and adoptions and funding community social services. While the main focus of the department's work is on children and strengthening families, it also provides funding for elder abuse and neglect prevention services.

Health Funding Authority

The Health Funding Authority (HFA) was established on 1 January 1998, when the four Regional Health Authorities (RHAs) were amalgamated. Its funding agreement with the Minister of Health details the range of services it will fund, its quality and access parameters and monitoring requirements.

The HFA funds personal health, disability support and public health services through contracts with:

- Hospitals and Health Services (formerly Crown Health Enterprises) which provide hospital, community based and public health services
- privately-owned providers, including home support agencies
- rest homes and private hospitals providing long-term residential care for frail older people. Some rest homes are administered by voluntary and welfare organisations and others are owned by private companies or individuals
- community organisations, such as Rural Women New Zealand and Age Concern councils for the provision of specific services, such as home support or visiting older people in residential care
- community providers such as Maori/iwi providers and Pacific health services
- general practitioners, who provide the majority of primary health services.

Hillary Commission for Sport, Fitness and Leisure

The Hillary Commission is a government sector organisation with the aim of *Improving quality of life by enabling all New Zealanders to participate and achieve in sport, fitness and leisure*. The Commission reports to the Minister of Sport, Fitness and Leisure, and its initiatives include the KiwiSeniors programme, which offers local recreational activities for older adults. KiwiSeniors is co-ordinated through the 17 regional sports trusts, which the Hillary Commission funds.

Lottery Aged Distribution Committee

The Lottery Aged Distribution Committee is one of the nine committees of the Lottery Grants Board which distribute the profits from New Zealand lotteries, such as Lotto and Instant Kiwi. Lottery Aged makes grants to non-profit organisations for projects that improve the physical, mental and social well-being of older people. It can provide salary subsidies as well as funding for travel, administration, equipment and volunteer expenses. Priority for funding is given to projects which provide support for older people to enable them to continue living at home.

The Lottery Aged Distribution Committee has five members appointed by the Minister of Internal Affairs and approved by Cabinet. Each year, the Minister of Internal Affairs is required to consult with the Minister for Senior Citizens about the allocation level, broad priorities and funding criteria for the Lottery Aged Distribution Committee. The Committee receives advice and support from officials in the Department of Internal Affairs.

Ministry of Health

The Ministry of Health provides advice to Government on overarching health policy; negotiates with and monitors the purchaser, the Health Funding Authority; and administers public health regulations. Vote Health appropriations for 1999/2000 totalled \$6,675 million, of which \$56 million was allocated for the functions of the Ministry of Health and \$6,619 million for the purchase of health services.

The Senior Citizens Unit regularly works with Ministry staff in the policy areas of disability support, Maori health, public health and consumer safety.

Ministry of Pacific Island Affairs

The role of the Ministry of Pacific Island Affairs is to promote the development of Pacific peoples in New Zealand, in a way that recognises and reflects Pacific cultural values and aspirations. The Ministry's recent Pacific Vision Strategy, designed to improve outcomes for Pacific peoples in New Zealand, incorporated the Pacific Vision international conference held in July 1999 and the Pacific Directions report which outlines key goals and strategies for the future. The Senior Citizens Unit was involved in the development of the Pacific Directions report and will be working collaboratively with other agencies to implement relevant strategies.

Ministry of Social Policy

The Senior Citizens Unit is part of the Ministry of Social Policy, which was established on 1 October 1999, from the previous Department of Social Welfare. The Ministry provides the Minister of Social Services, Work and Income with policy advice on social policy issues and has a purchasing and monitoring role with respect to Child, Youth and Family and Work and Income New Zealand. The Ministry is taking the lead role in developing a national Positive Ageing Framework.

National Health Committee

The National Health Committee is a forum of prominent New Zealanders and health experts appointed by, and reporting directly to, the Minister of Health. It is responsible for giving the Minister an independent assessment of the quality and mix of services that should be publicly funded. It also advises the Minister on whether the Health Funding Authority's purchasing strategies are the best ways for New Zealanders to gain the greatest health and independence from publicly funded services. Its secretariat is based in the Ministry of Health.

Office of Veterans' Affairs

On 1 July 1999, the Office of Veterans' Affairs was established as a separate office within the New Zealand Defence Force. It brings together functions that were previously the responsibility of several government agencies. These include assessment of individual veterans' entitlement to war pensions and other financial assistance; policy advice on pensions and services for veterans; maintenance of defence service cemeteries; and provision of information on veterans' medals. The Office works closely with veterans, their representative organisations and government agencies. The payment of veteran pensions is the responsibility of Work and Income New Zealand.

Retirement Commissioner

The Office of the Retirement Commissioner was established under the Retirement Income Act 1993, to develop and promote methods of improving the effectiveness of retirement income policies. Included in its responsibilities is the development of education and information programmes, which focus particularly on encouraging New Zealanders to save for retirement. It also promotes research on financial provision for retirement and monitors trends and issues that may have an impact on retirement savings.

Superannuation 2000 Task Force

The Superannuation 2000 Task Force first met in January 1999 and consists of 10 “expert members”, representatives from political parties and senior officials from three government agencies. Its role is to encourage the development of widespread consensus on retirement income policy and to provide Government with a specific retirement income strategy in November 2000.

Te Puni Kokiri

Te Puni Kokiri, the Ministry of Maori Development, is the government’s principal adviser on the Crown’s relationship with iwi, hapu and Maori and on government policies as they affect Maori. It has 15 regional offices that, during the International Year of Older Persons, distributed the Senior Citizens Unit’s information kits to local iwi/Maori groups. The Senior Citizens Unit has a close working relationship with staff in the Social Policy Branch of Te Puni Kokiri.

Work and Income New Zealand (WINZ)

Work and Income New Zealand (WINZ) is the trading name for the Department of Work and Income. Its responsibilities include assisting job seekers, payment of social welfare benefits and New Zealand Superannuation, financial assessments for the Residential Care Subsidy and administering the Community Services Card. WINZ is close to achieving its target of 141 service centres nation-wide. While all WINZ offices provide services to superannuitants, currently there are three stand-alone Super Centres, providing services specifically to older people and 13 service centres which have a Super Centre on their premises.

Community organisations

The Senior Citizens Unit works closely with organisations representing the interests of older people and has established a network of Wellington-based community organisations with which it meets on a regular basis.

While the Unit has contact with a wide range of community organisations, regular liaison is maintained with the following key community groups, which have an interest in older people.

Age Concern New Zealand

Age Concern New Zealand is an independent, charitable, not-for-profit organisation. Through its 29 local councils, Age Concern New Zealand links with 500 agencies and groups working with older people in New Zealand. Its mission is *Working together to promote quality of life for older people*. Age Concern New Zealand makes representations to government and its agencies and consults community sector and general public on older people and ageing issues.

Age Concern New Zealand, including its local councils, is the largest recipient of Lottery Aged funding. Most of this funding is provided to meet salary and other administration costs. Age Concern New Zealand also receives funding, through the Department of Child, Youth and Family Services, to provide co-ordination of local elder abuse and neglect prevention services. It has contracts with the Health Funding Authority (HFA) for the provision of an Accredited Visiting Service to older people without family support. As well, it receives HFA funding to develop information resources and programmes covering issues affecting older people, their families and carers.

Alzheimers Society New Zealand

The Alzheimers Society New Zealand is a national organisation comprising 22 local groups that provide support and advocacy to people with Alzheimers disease and to their carers. The national office is located in Christchurch and its resource centre has developed a variety of printed resource material.

The local groups, some of which use the name ADARDS (Alzheimers and Related Disorders Society), each run their own services which may include field workers, support groups, telephone support, public education and newsletters. A few also provide befrienders, a sitter service, or day care.

Grey Power

Grey Power New Zealand is a political lobby group. The 80 Grey Power associations located throughout the country have a total membership of over 75,000 people. The objective of Grey Power is to *advance, support and protect the welfare and wellbeing of older people and the eradication of poverty in the lives of all New Zealanders*. The Grey Power New Zealand Federation has its office in Auckland and makes regular representation to government on issues of concern.

Maori Women's Welfare League - Te Ropu Wahine Maori Toko I Te Ora

The Maori Women's Welfare League was formed in 1951 to improve the wellbeing of Maori, in particular women and children. Since its establishment, the League has been at the forefront of efforts to improve the health, education, social and economic status of Maori people. Recent initiatives include promoting economic and business opportunities for women, encouraging healthy lifestyles and improving parenting skills. The League has a membership of 2,500 with around 150 affiliated branches in New Zealand and overseas. Many kuia are active members of the League.

Mature Employment Service

The Mature Employment Service Association is a network of 14 local organisations working with unemployed people aged 45 and over. The local organisations provide individuals with support and assistance to consider new careers and to identify opportunities both in the paid and voluntary.

New Zealand Association of Gerontology

The New Zealand Association of Gerontology is a multidisciplinary association for the study of ageing. The aims of the association are to:

- study ageing in all its aspects
- encourage training of those caring for older people
- advise interested persons, bodies or groups on aspects of ageing
- promote gerontological research
- stimulate interest and action in all matters concerning the welfare of older people.

Pacific Older People's Auckland Network

This network of 50 older Pacific people's groups was established under the auspices of the Methodist Mission Northern, with funding from the Health Funding Authority. The objective of the network is to enhance and celebrate the life and wellbeing of older people. Most groups meet together weekly and opportunities are provided for older Pacific people to socialise, exercise, enjoy arts and crafts, access health information of their choice, and take part in outings and trips.

Retired Persons Association of New Zealand

The Retired Persons Association of New Zealand (RPA) was established in 1983, with the objective of improving the status of older people in New Zealand. There are autonomous RPA branches in the Wellington and Auckland regions that further the organisation's aim of reinforcing the positive aspects of ageing.

RPA has initiated several innovative projects, including SeniorNet, and the Senior Achievers Awards. A current initiative is Seniors Abroad, a homestay programme for persons over the age of fifty years.

Senior Achievers Charitable Trust

The Senior Achievers Charitable Trust was established in 1997 to organise and promote annual Senior Achievers Awards. The concept of awards for older New Zealanders was developed and promoted by the Retired Persons Association, to recognise the voluntary contributions that older people make to their communities. The inaugural Senior Achievers

Awards were presented in Wellington in October 1995, with financial support from Trustees Executors. The awards are currently sponsored by Tower Trust.

SeniorNet

Forty-four SeniorNet groups have been set up around the country for people aged 55 years and over to learn computer skills from their peers. Courses include word processing, spreadsheets and databases. While SeniorNet groups are self-supporting, Telecom provides assistance for the establishment of new groups.

Supergrans Charitable Trust

Supergrans are mature women assisting young people to learn basic living and household skills. They work with young families on a one-to-one basis and run courses in the community and for young people in prison. There are currently five Supergrans groups throughout country and a further five in the process of being established. The Supergrans Charitable Trust is funded through sponsorship, grants and donations.

University of the Third Age (U3A)

Opportunities for informal learning are provided by the University of the Third Age (U3A) groups around the country. Each U3A group is autonomous and decides on its own structure and venue, which is usually in the homes of members. Members are both pupils and tutors, drawing on their own skills and knowledge to teach their peers. There are no course fees or educational prerequisites and the group sets the curriculum.