

Briefing for Incoming Minister

# Seniors

2017



Administered by the Ministry of Social Development



**MINISTRY OF SOCIAL  
DEVELOPMENT**

TE MANATŪ WHAKAHIATO ORA



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The Minister for Seniors leads and advocates across Government on seniors' issues



**723,000**

New Zealanders are over 65 years old



**1 in 4**

By 2036 almost a quarter of the population will be over 65



**\$36.61b**

Seniors' projected unpaid or voluntary work by 2051



**\$1.010m**

The appropriation to support your portfolio

You are responsible for the appropriation Promoting Positive Outcomes for Seniors within Vote Social Development

*Erratum now corrected in advice - \$1.010m was the 2016/17 appropriation amount. The 2017/18 appropriation amount is \$1.022m*



**35,000**

seniors are considered vulnerable due to lack of income or assets, poor health status, inadequate housing, or social isolation



**2,100**

cases of elder abuse reported each year  
Up to 1 in 10 seniors will experience some form of abuse



**10.5%**

Proportion of the total workforce aged 65+ in 2051



**\$2.990m**

funding for Elder Abuse Response Services

## Introduction

We look forward to working with you and discussing the most effective ways we can support you and your priorities and responsibilities.

This briefing provides you with an overview of your portfolio, along with key matters for your consideration in your first three months. It also explains how the Office for Seniors supports you, and outlines other support provided by the Ministry of Social Development (the Ministry).

This briefing details current areas of focus and key issues in the portfolio. We look forward to discussing your priorities with you.

In addition to your portfolio briefing, we have included information on what we consider to be the key strategic issues for the wider social development sector at the moment. We have also provided background information on the Ministry to assist you.

## Scope of your portfolio

### Leadership and advocacy

Currently the Minister for Seniors leads and advocates across government for seniors' issues, including:

- retirement income
- employment
- housing
- transport
- ageing in the community
- disability support
- the community and voluntary sector
- protection of older people's rights and interests.

A key part of your role is promoting action on and accountability for older people's issues in the policy, services and practice of these portfolios.

## Support for your portfolio

The Office for Seniors supports you, along with support from the Ministry’s Seniors Policy team and Service Delivery team.

**Figure 1: Seniors portfolio relationships**



### **Office for Seniors**

The Office for Seniors is a small team with five staff, led by a Director. We are based in the Ministry of Social Development.

The Office:

- provides advice on issues about older people and their wellbeing
- promotes and supports engagement between government agencies
- provides independent and second-opinion advice.

The Office works closely with the Ministry's operational areas and the Seniors Policy team.

### **Seniors Policy team**

The role of the Seniors Policy team is to secure and increase the wellbeing of older New Zealanders, present and future. The team is responsible for policy development and advice on a range of retirement income and social policy issues relevant to seniors. The Seniors Policy team is largely accountable to the Minister for Social Development. They also support your portfolio and will brief you on key issues.

Legislation includes the relevant sections of the New Zealand Superannuation and Retirement Income Act 2001<sup>1</sup>, Social Security Act 1964 (both of which are administered by the Ministry), and the Veterans' Support Act 2014 (this is administered by the Ministry of Defence and the Ministry manages Veteran's Pension payments).

We look forward to discussing your priorities and how we will assist you with these. The policy work programme currently planned is detailed below and will be updated following discussions with you on your priorities.

The policy work programme currently planned includes:

- building on the success and enhancing the SuperGold card
- supporting the Ministry of Health's Healthy Ageing Strategy Action Plan work streams (including leading cross-government work on improving housing options for older people)
- updating the Business of Ageing research on the economic contribution of older people
- contributing to cross-government work on family and sexual violence, with a particular emphasis on elder abuse and neglect
- implementing the New Zealand Carers' Strategy Action Plan for 2014-2018, and developing a new Action Plan for 2019-2023.

The Seniors Policy team also work closely with the International team, who are responsible for international social security agreements, policy on payment of benefits and pensions overseas and overseas government pensions paid to New Zealand residents. They are primarily responsible to the Minister for Social Development.

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<sup>1</sup> The Ministry is responsible for Part 1 and Schedules 1 and 2 of the New Zealand Superannuation and Retirement Income Act, which relate to entitlements to New Zealand Superannuation.

### Service Delivery

The Ministry's Service Delivery supports seniors to be independent and participate in society. Service Delivery provides New Zealand Superannuation (NZS) and manages the Veteran's Pension. They also manage concessions and discounts available to seniors eligible for the SuperGold card.

The Ministry also provides support to seniors for state/social housing through our role of purchasing state/social housing places.

Working closely with the Office for Seniors, Service Delivery is also responsible for management of providers contracted for the new Elder Abuse Response Service (and the appropriation that supports this).

### New Zealand's ageing population

New Zealand's population is ageing. Between 1970 and 2016 New Zealand's median age rose from 25.6 years in 1970 to 37.1 years old<sup>2</sup>. Statistics New Zealand predicts half the population will be over 46 years old by 2068. Currently there are around 723,000<sup>3</sup> people aged over 65.

Growth of the 65 plus age group is accelerating, and increased by 25,000 people in the last year. By 2036 this will rise by 77 percent to over 1.2 million people. Combined with the low birth rate, this means seniors will make up almost a quarter of the total population. By the late 2020s the number of people aged 65 plus will exceed the number of children aged less than 15 years<sup>4</sup>.

**Figure 2: Percent of New Zealanders aged over 65 years in 2016 and 2036**



There are now 30,000 people aged 90 plus, compared with 20,000 in 2007. This number is projected to reach 40,000 in the late 2020s and 50,000 in the early 2030s.

New Zealand's older population is also becoming increasingly diverse. In the future, Māori, Pacific peoples, Asian and other ethnic minorities will make up a greater proportion of our older population. There will be more single-person households and older people with a disability.

Many of our regions are also ageing faster than our cities. There are currently just two local authorities where a quarter of the population is over 65. By 2033 this will number 48<sup>5</sup>.

<sup>2</sup> National Population Estimates: At 30 June 2016.

<sup>3</sup> National Population Estimates: At 30 June 2017.

<sup>4</sup> National Population Projections: 2016(base)-2068.

<sup>5</sup> Statistics New Zealand population projections.



## **Implications**

The implications for government of the ageing population are wide ranging, with pronounced impacts on the funding and resourcing of superannuation, health, aged care, social services and housing.

The Treasury has warned that spending pressures on the government from an ageing population are projected to rise strongly over the next 40 years. These pressures will need to be managed carefully to avoid having to make trade-offs in other areas of spending.

Statistics New Zealand's national population projections show all regions across the country will experience an increase in the population aged over 65 years.

At the same time, some regions will experience falling numbers among younger population groups. Local government will see significant demand for critical services as resources become stretched. Many small or remote areas will face a falling rates base and a shortage of skilled workers, which will affect their ability to deliver critical services, such as health and transport.

Last year the Treasury released the 2016 Statement on the Long-Term Fiscal Position. This highlighted fiscal challenges for our ageing population. Population ageing will contribute around 25 percent of the projected increase in the cost of health care from 6.2 percent of GDP in 2015 to 9.7 percent in 2060, and the cost of superannuation will rise from 4.8 percent of GDP in 2015 to 7.9 percent in 2060<sup>6</sup>, though this remains lower than the average for OECD countries.

While the rate of material hardship among seniors is significantly lower than for the total population, it is expected that a greater proportion of older people will be affected in the future.

Census data indicates home ownership rates are dropping and fewer older people will own their home. Renters face higher weekly household costs, reduced tenure security and potential issues associated with the quality of rental housing. People aged 45 to 64 who live on their own currently have the second highest rate of income poverty after sole parents.

We estimate that around five percent of older New Zealanders, or around 35,000 people, are currently vulnerable due to having complex needs that cross over multiple factors, such as poor health status, inadequate housing, income poverty and/or social isolation. The number of people affected is expected to increase as longevity continues to increase.

### ***The economic contribution of seniors***

The growing senior population presents economic opportunities in terms of spending, participation in the workforce, and contribution as volunteers and as taxpayers<sup>7</sup>.

By 2051:

- seniors' consumer spending will reach \$65 billion per year<sup>8</sup> (offering opportunities for business to expand and highlighting the importance of the SuperGold Card)
- there will be over 316,800 seniors in some form of work (making up 10.5% of the workforce)
- seniors will contribute \$36.6 billion worth of unpaid or voluntary work
- seniors will pay total taxes of \$18.7 billion.

<sup>6</sup> This is before tax expenditure on NZS. The net cost to the Crown of NZS is around 15 percent less.

<sup>7</sup> *The Business of Ageing Update 2015*.

<sup>8</sup> Figures adjusted for the growth in the value of wages between 2013 and 2051.

## Priorities

### Growing the SuperGold Card

The SuperGold Card, which was introduced in 2007, recognises seniors' contribution to New Zealand, offering a range of discounts and concessions to cardholders. The SuperGold Card is managed by the Ministry of Social Development. The Minister for Social Development has previously delegated responsibility for the card to the Minister for Seniors.

There are currently more than 700,000 SuperGold cardholders. Over 8,500 businesses represented by 13,400 outlets offer discounts to cardholders. Cardholders are also able to access free off-peak public transport. Since the transport scheme was introduced in 2008, cardholders have taken over 97 million SuperGold Card trips.

There are significant opportunities to build on the success of the SuperGold Card. In particular there is scope to explore:

- expanding the range of government-funded benefits for cardholders, for example, including health-related and/or utility discounts
- utilising smart technology to increase the convenience and value of the card
- leveraging the collective buying power of cardholders to secure a wider range of discounts
- supporting the transition of the SuperGold Card in line with the progressive implementation of Smart card technology across regional councils to access public transport over the next four to five years.

Work is already underway in some of these areas:

- Business recruitment campaigns are planned for November 2017 and April 2018 to further increase the numbers of SuperGold businesses, particularly outside the main city centres, to enhance the value of the programme for those who do not have the same access to the benefits of the free off-peak transport concessions. The aim is to continue to increase the number of SuperGold participating businesses, which has grown more than tenfold to date, from 800 in 2008 to over 8,500 in 2017.
- We are working with our card supplier to scope out the details around transitioning to a Smart SuperGold Card. Key issues to be worked through include operational costs and logistical issues. What is technically feasible will depend on a range of factors, including the number of functions to be added.
- S9(2)(j) Ongoing negotiations

## The New Zealand Positive Ageing Strategy

You are responsible for the New Zealand Positive Ageing Strategy. The Strategy's vision is for a society where people can age positively and where older people are highly valued and recognised as an integral part of families and communities. This will be achieved through government, local government and non-government agencies' contributions to 10 goals:

1. secure and adequate income for older people
2. equitable, timely, affordable and accessible health services for older people
3. affordable and appropriate housing options for older people
4. affordable and accessible transport options for older people
5. older people feel safe and secure and can 'age in the community'
6. a range of culturally appropriate services allows choices for older people
7. older people living in rural communities are not disadvantaged when accessing services
8. people of all ages have positive attitudes to ageing and older people
9. elimination of ageism and the promotion of flexible work options
10. increasing opportunities for personal growth and community participation.

The strategy was launched in 2001 and a progress report is provided to Cabinet every three years. The progress report due in 2017 was deferred and a decision will need to be made on whether to proceed with it in 2018.

An important decision for you is whether the strategy should be reviewed. There have been significant demographic, social and economic changes affecting this population group since 2001. The pace of this change will accelerate over the next ten years. There will be a larger number of older people who are considered vulnerable. There is a strong case to revise the strategy in order to optimise its value and relevance.

In 2016 the Government approved the updated New Zealand Disability Strategy (Office for Disability Issues) and the Healthy Ageing Strategy (Ministry of Health). Both strongly link to the Seniors portfolio (and contain plans of action); updating the Positive Ageing Strategy would ensure their alignment.

A new Positive Ageing Strategy would act as a key document, reflecting the aspirations of older New Zealanders, and underpinning and co-ordinating the efforts of central and local government and the community to improve outcomes for older people in the context of population ageing.

Updating the strategy offers an opportunity to agree on measurable outcomes and improve alignment and lines of accountability among agencies. It would also enable us to prepare for the World Health Organization's Decade of Healthy Ageing from 2020 to 2030, which is expected to emphasise issues and opportunities associated with the ageing population.

## Elder abuse

More than 2,100 cases of elder abuse are reported each year. Most abuse, however, goes unreported, and research suggests that up to 70,000 seniors may experience some form of elder abuse. Abuse may be psychological, financial, physical or sexual. More often than not, people experience more than one type of abuse.

On 1 July 2017 the government launched the Elder Abuse Response Service. The service includes a new free 24-hour confidential helpline linking those in need to a nationwide network of support providers, for a period of three years.

Callers are triaged to a co-ordinator who works in their region and usually has a background in nursing or social work. They work with their clients to ensure they are safe and identify and work with other organisations who can offer support (such as the NZ Police, health providers, lawyers, banks and government agencies).

Total funding for the programme, including the contracted services, the helpline and awareness-raising activities, is \$2.990 million per year. This is funded through a Ministry of Social Development appropriation.

Quarterly reporting from the service providers will provide you with robust and real-time data to enable continuous improvement of the programme and adapt service provision to meet changing needs and emerging trends.

It will be important for you to review how the new services are progressing, the demand for the services and key issues.

## Social isolation

Older people are particularly vulnerable to social isolation or loneliness as a result of loss of friends and family, health and mobility, or income. Social isolation is a key risk factor for elder abuse and other poor outcomes such as depression and anxiety, alcoholism, dementia and worsening of chronic conditions. Social isolation impacts the potential for older people to make a positive contribution for their families, their communities and the economy. It may also lead to unnecessary hospital admissions and earlier entry to residential care. The Community Connects programme of work is an important part of addressing this issue.

## The Community Connects programme

The Office for Seniors is working with central government agencies, local authorities, non-government organisations, researchers, and communities to develop a New Zealand model for age-friendly communities.

In December 2016 the Ministry of Health published the Healthy Ageing Strategy. Age-friendly communities are one of the action areas in the strategy. The Office for Seniors is working with the Ministry of Health on a cross-government approach to its implementation. Work on housing options for older people will be led by the Seniors Policy Team.

The Office for Seniors is leading work on Age-friendly communities. An age-friendly environment is more connected, responsive and supportive for everyone who lives in it. The Office is drawing on the age-friendly model developed by the World Health Organization (WHO), which has built a global network of communities, cities and governments. Membership of the network offers strong stakeholder support, and we have investigated the possibility of affiliate membership for New Zealand. Hamilton City is in the final stages of submitting its membership request and will be the first New Zealand city to be a member.

### ***Age-friendly pilots***

The Office for Seniors currently provides advice and support for three pilot ‘age-friendly communities’ in Hamilton City, Kāpiti Coast and New Plymouth. The pilots aim to encourage people to participate in their community, regardless of their age. This includes improving access to local services, parks, cultural events, and education. The lessons from the pilots will support work to adapt the WHO framework for a New Zealand context.

We are also working with the Ministry of Business, Innovation and Employment to support the Horowhenua District Council and Gore District Council on projects in Levin and Gore, as part of the Regional Growth Programme.

A small part of our appropriation is available to support initiatives that contribute to community connectedness.

### **Older people in the workforce**

The Office for Seniors is part of a multidisciplinary group considering the implications of our ageing workforce. New Zealand is already facing skill and labour shortages in some sectors. This has increasing importance as our workforce ages. The group, established by the Employers and Manufacturers Association and Business New Zealand, includes representatives from the Ministry of Business, Innovation and Employment, Inland Revenue, the Tertiary Education Commission, the Commission for Financial Capability, Statistics New Zealand, and the Human Resources Institute of New Zealand.

One focus of discussion is around older people choosing to participate in the workforce and working for longer and how they can be supported.

### **Carers’ Strategy and Action Plan**

The Ministry’s Seniors Policy team leads work on the Carers’ Strategy and Action Plan.

Many families are facing pressure to care for older family members, either alongside or instead of paid services. This often impacts on the health, wellbeing, employment and financial security of the carer.

The New Zealand Carers’ Strategy was launched in 2008. Its Action Plan for 2014 to 2018 includes priority areas for carers’ needs, such as:

- encouraging them to take breaks
- protecting their general health and wellbeing
- keeping them informed
- improving pathways to employment
- increasing awareness and understanding of the role carers play in our communities.

An online tool to help people to find support, MyCare, enables people to find relief carers in their community. A Guide for Carers also provides information on support available to carers.

The Ministry’s Seniors Policy team will develop a new Action Plan for 2019-2023. We will update you on progress in January 2018.

## Appropriation responsibilities

You are the appropriation Minister for the departmental appropriation Promoting Positive Outcomes for Seniors, within Vote Social Development. In the 2017/2018 financial year this is \$1.010 million.

## Decisions that require your early attention

Below is a list of the key actions and decisions we would like to discuss with you in your first 100 days as Minister for Seniors, in addition to your key priorities.

What	Date expected
<p><b>Budget 2018</b> Discuss your Budget 2018 priorities.</p>	November 2017
<p><b>Growing the SuperGold Card</b> Discuss the opportunities to build on the success of the SuperGold Card.</p>	November/ December 2017
<p><b>New Zealand Positive Ageing Strategy Action Plan</b> Decision on providing Cabinet with the three-yearly report on the Positive Ageing Strategy.</p>	December 2017
<p><b>WHO Age-friendly communities membership to global network</b> The World Health Organization (WHO) developed the age-friendly model which the Office has been promoting nationally. The Office is leading work under the Healthy Ageing Strategy to promote an Age-friendly model. A number of communities have indicated that they will be applying for membership to the WHO network. Consideration needs to be given to the merits of national membership, led by the Minister for Seniors. This decision will inform the work programme for the Office.</p>	December 2017
<p><b>SuperSeniors Newsletter</b> Bi-monthly newsletter. The publication date for the last 2017 edition is December. Each newsletter includes an editorial from the Minister for Seniors. We will provide you with a draft editorial for your consideration.</p>	Aim to finalise content by mid-November

## Working with you

We look forward to working with you and discussing the most effective ways we can support you and your priorities as Minister.

We are keen to discuss how frequently and in what form you wish to meet with us, and the frequency and type of information you would like us to report to you on. We expect you will wish to be kept informed of progress on initiatives and work programmes, as well as financial and performance data.

## Key contacts

Name	Title	Direct dial	Mobile
Simon MacPherson	Deputy Chief Executive, Policy	S9(2)(a) Privacy of Natural Person	
Diane Turner	Director, Office for Seniors	S9(2)(a) Privacy of Natural Person	
Justine Cornwall	General Manager, Seniors & International Policy	S9(2)(a) Privacy of Natural Person	
S9(2)(a)	Policy Manager, Seniors Policy	S9(2)(a) Privacy of Natural Person	

## Appendix 1: Communication

The Office for Seniors has a communication function, promoting awareness and understanding of seniors' rights, and issues including health, social isolation, and elder abuse. Our key channels include the:

- SuperSeniors website  
<http://www.superseniors.msd.govt.nz>
- Bi-monthly SuperSeniors newsletter  
<http://superseniors.msd.govt.nz/news-events/superseniors-newsletter/index.html>
- Office for Seniors Facebook page  
<https://www.facebook.com/OfficeforSeniors/>
- @SuperSeniorsNZ Twitter feed  
<https://twitter.com/SuperSeniorsNZ>
- Office for Seniors' email  
[osc@msd.govt.nz](mailto:osc@msd.govt.nz)

The SuperSeniors newsletter is an important channel offering direct contact with our primary audience. The email newsletter is sent to a mailing list of 192,000 people, with an estimated reach of 230,000 readers. The Office's Facebook page has seen significant growth (18.6 percent) since the beginning of the year, rising from 7,558 followers to 9,382 at the time of writing.

The Office for Seniors' Facebook page has one of the highest levels of reach and engagement of all government agencies. We have a target to reach 14,000 followers by the end of the 2017/2018 financial year.

The Office works closely with central and local government agencies, non-governmental organisations (NGOs), membership organisations, and stakeholders to leverage their channels and reach a wider audience.

### SuperSeniors Champions

Our communications work is supported by 15 SuperSeniors Champions, who have been appointed by the previous Minister over the last year and a half. This year Sir Peter Snell was appointed as the Patron.

The Champions are inspirational role models and embody the ideals of positive ageing. They reflect and represent the diverse nature of society, and raise awareness of seniors' issues.

In addition to Sir Peter Snell, the SuperSeniors Champions are Lance Girling-Butcher QSM, Dame Kate Harcourt DCNZ, Precious McKenzie MBE, Dame Malvina Major ONZ GNZM DBE, Peter Hayden MNZM, Sir Jon Trimmer KNZM MBE, Margaret Austin CNZM, Donald Sew Hoy QSM, Jennie Sew Hoy QSM, Peter Chin CNZM, Seung-jae Yu QSM, Nanette Nathoo QSM, Sir Pita Sharples KNZM CBE, and Bryan Williams CNZM MBE.









