



**PSA Submission on
Better Later Life
He Oranga Kaumātua**
Draft Strategy on priorities for action
for our ageing population

June 2019

PSA submission on the draft strategy Better Later Life He Oranga Kaumātua 2019 to 2034

About the PSA

The New Zealand Public Service Association Te Pūkenga Here Tikanga Mahi (the PSA) is the largest trade union in New Zealand with over 70,000 members. We are a democratic organisation representing members in the public service, the wider state sector (the district health boards, crown research institutes and other crown entities), state owned enterprises, local government, tertiary education institutions and non-governmental organisations working in the health, social services and community sectors.

People join the PSA to negotiate their terms of employment collectively, to have a voice within their workplace and to have an independent public voice on the quality of public and community services and how they're delivered.

Our interest in strategies for a Better Later Life

Approximately one in five current members are over 60 years old. We seek better pay, fairer workloads and security in all forms of work, this includes responding to the needs of older workers.

Many PSA members provide care and support and other services for older people. Our membership spans public services provided or funded by the state across the country.

Our members have an interest in strong, sustainable and properly funded innovative public and community services that support the needs of our communities and that provide decent working conditions for those people who deliver the services. We have encouraged members across the union to make individual submissions on the review.

Summary

The PSA is supportive of the vision described, the guiding principles of the strategy and the broad key areas for action.

We have focussed our comments on:

- Preparing for financial and economic security;
- Improving access to health and social service and;
- Providing housing choices and options so people can age in the community.

Strategies related to well-being should be integrated, that is seamless and consistent.

Poverty in later life needs to be addressed as a priority.

Lack of access to appropriate health and social services need to be addressed urgently.

The principles, desired outcomes (what we want to achieve) and key areas for action (what needs to happen) apply to all communities and all ages. We support a better life for everyone.

The PSA recommends

- The strategy for a Better Later Life is integrated with and consistent with other reforms to the policy approach to improve wellbeing.
- Further work including public consultation is undertaken to come to a consensus about how income sufficiency is to be achieved for a better later life. This work could be linked to the imperative of a living wage and benefit levels being set at a level at which people can live decent lives, at all ages and stages.
- More specific actions are identified to improve people's health over their life span. Work on this is already underway in the Health and Disability System Review, He Ara Oranga, and the report from the Welfare Expert Advisory Group.
- PSA welcomes the recommendations at p50 regarding housing and suggest a specific reference to healthy housing.

Guiding Principles

The PSA supports the overall vision of the strategy:

'Older New Zealanders lead valued, connected and fulfilling lives.'

We also support the guiding principles:

*'Valuing people as they age
Keeping people safe
Recognising diversity and that everyone is unique
Taking a whole-of-life and whanau-centred approach to ageing.
Taking collective responsibility to plan and act for later life.'*

The PSA recognises consistent themes with the approach being taken with other government strategies such as the Health and Disability System Review and He Ara Oranga – the report of the government inquiry into Mental Health and Addiction, not just those cited on page 5 of the draft document. **PSA recommends that the strategy for a Better Later Life is integrated with and consistent with other reforms to improve wellbeing.**

The PSA is also supportive of the key areas for action

*'Preparing for financial and economic security
Improving access to health and social services
Providing housing choices and options so people can age in the community
Enhancing opportunities for social connection and participation
Providing accessible built environments so people can participate in their community'*

Preparing for financial and economic security

The importance of NZ Super as a protection against poverty in retirement needs to be emphasised. It is arguably not enough but as a citizen's pension it is available to all regardless of income and work history and as such helps ameliorate poverty in old age.

The emphasis on saving and financial literacy assumes sufficient lifetime income for people to build retirement savings. PSA is concerned that people on low wages, and /or who have periods of unpaid work compounded by increasing levels of housing costs will face poverty in their later life and this needs to be addressed.

The PSA notes that in the description of the current situation the issue of increased poverty (p12) and changes to levels of home ownership and being mortgage free (p13) are flagged, with the conclusion on p14 being:

'Based on current trends such as reducing home ownership, increases in financial hardship amongst those aged 50 to 64, and the projected increase of the ageing population, there is a risk of more older people experiencing poverty and a need for some assistance alongside NZ Super.'

'Savings schemes such as KiwiSaver may mean that some New Zealanders will be better prepared for later life. Others, for varying reasons, may have little or no savings and may be in debt.'

Certain groups are identified as being particularly vulnerable to living in poverty in later life. They include women, and *those living in areas of high deprivation, which includes a higher proportion of Maori than non-Maori, are more likely to be affected by a lack of economic activity and employment, and also struggle with poverty, chronic illness and multiple disabilities.* Kiwi saver is a contributory scheme, and the size of a person's Kiwi saver nest egg depends on their earnings.

Yet in the section on what needs to happen (the priorities for action), there are specific recommendations about encouraging people to save, through providing financial literacy information and advice, but very light and non-specific recommendations about how people who have insufficient income over a lifetime to save can be supported. The statement of the current state describes *'increased numbers of financially vulnerable older people needing extra support in the future, including housing support'* (at p25)

Those recommendation currently state:

*'Ensure additional assistance is available when needed to assist with basic needs
Undertake timely planning across local and central government to respond to the financial and economic impacts of the ageing population'*

In the final section of the draft strategy (pp49- 50) these concerns are not addressed.

The PSA recommends further work including public consultation is undertaken to come to a consensus about how income sufficiency is to be achieved for a better later life. This work could be linked to the imperative of a living wage and benefit levels being set at a level at which people can live decent lives, at all ages and stages. Other possibilities to consider are increasing employer contribution to KiwiSaver and Government and/or employers covering the cost of contributions for those who have breaks in employment or are not in paid employment.

The PSA supports the aspirations and priorities for action in the section on paid work. We welcome the specific recommendations listed in the section on possible initial priorities at p49. In particular we look forward to working with government to:

‘Encourage workplaces to employ people over the age of 50 and provide guidance to employers on supporting older workers to contribute their potential. Reduce barriers to older workers’ employment.

The State sector to role model good practice in the employment and support of an ageing workforce, to trial approaches that could be used outside of government.’

The PSA is committed to 65 as the age of eligibility.

Improving access to health and social services

The PSA agrees that *‘being in good health can help people live a better later life’*, indeed being in good health can help all people live a better life. We are also supportive of the recognition of inequities in health that need to be reduced, in particular Māori, Pacific people, migrant and refugee communities and people with disabilities.

We also agree with the goals of entering *later years as fit and healthy as possible* and having equitable access to the health services and other support they need to live well.

The proposed actions however are light on specificity.

‘Encourage people to stay fit and healthy’ How?

‘Understand the links between health, financial security, mobility and social isolation.’ To what purpose? To do what?

‘Improve access to health services for vulnerable population groups.’ How?

The PSA recommends that more specific actions are identified to improve people’s health over their life span. Work on this is already underway in the Health and Disability System Review, He Ara Oranga, and the report from the Welfare Expert Advisory Group.

Refer to our submissions on these reports here:

<https://www.psa.org.nz/media/resources/submissions/>

PSA members working in health and social services provided directly or indirectly from the state report chronic under-resourcing, lack of co-ordination, inequitable access to services and a lack of sufficient options to meet diverse needs. Refer to our submissions on other current reviews.

Being and remaining in good health will also require attention to the economic and social determinants of health.

Providing housing choices and options so people can age in the community

Access to healthy homes, which are affordable to those on low incomes and where people have security of tenure is a critical component of wellbeing for people of any age. **PSA welcomes the recommendations at p50 regarding housing and suggest a specific reference to healthy housing.**

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