

AGE CONCERN NEW ZEALAND

He Manaakitanga Kaumātua Aotearoa

Submission: A fair chance for all - breaking the disadvantage cycle

To: New Zealand Productivity Commission

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Date: 27 August 2021



Serving the needs of older people

Age Concern New Zealand: Who are we?

Age Concern New Zealand is a registered charity working for the wellbeing, rights, respect, and dignity of the 750,000 people aged 65 and over that call New Zealand home.

Our vision:

Older people live valued lives in an inclusive society

He pāpori e whai whakaarohia ana, e whakanuitia ana, e tautokona ana, e whai mana anahoki te hunga kaumātua

We promote wellbeing, rights, respect, and dignity for older adults. We want everyone's contribution to society valued and respected regardless of age.

Our core values are dignity, wellbeing, equity, and cultural respect.

Age Concern New Zealand provides expert information and support services in response to older people's needs through our network of 29 local Age Concerns, seven branches and a national office. We have 40 front doors as well as delivering services in older people's homes, over the phone and in community venues throughout Aotearoa.

Age Concern provides key services for older New Zealanders including:

- Advocacy and public awareness
- Elder abuse and neglect prevention
- Services to enhance social connection, including a visiting service
- Health promotion programmes

We provide leadership on issues affecting older New Zealanders and represent their perspectives by making submissions on national policy and providing input on national working groups. We are active and vocal on relevant issues and work to assist older people to stay connected with their whānau, friends, and community.

The mahi we do is only possible through the generous support of all our donors, sponsors, and funders.

Introduction

1. Age Concern New Zealand and member organisations welcome the opportunity to comment on *A fair chance for all – breaking the disadvantage cycle*. Aotearoa is paying a high price socially and economically for the persistent disadvantage that too many New Zealanders are experiencing.
2. Our comments to the Productivity Commission are in part made from a generic perspective but will primarily focus on the implications of persistent disadvantage for older New Zealanders. Age Concern is focused on the rights, dignity and wellbeing of New Zealanders aged 65 and over, this is our point of difference and where we have expertise.
3. The over 65 population in Aotearoa is increasing. Within thirteen years there will be 1.2 million older New Zealanders, a quarter of our estimated total population.¹ This is expected to escalate the number of older people living in poverty.² Vulnerability and disadvantage in the older population is due to their reduced participation in paid work and their lack of savings to supplement New Zealand Superannuation. In some cases, it is the result of a lifetime of disadvantage. Poverty is especially high amongst older Māori.
4. We strongly support the Productivity Commission drawing on the He Ara Waiora model, and on Māori perspectives, knowledge and lived experiences to describe wellbeing and frame the inquiry. We endorse the four aspects of mana within He Ara Waiora as important pathways to support people to thrive. Holistic frameworks are inclusive and offer pathways to equity, health and wellbeing for all. We endorse using a framework unique to Aotearoa.
5. The Sustainable Development Goals framework³ (of which New Zealand is a signatory) would work well alongside He Ara Waiora. Similar to He Ara Waiora, this framework takes a holistic approach to the health and wellbeing of people and the planet. Sustainable development goals include no poverty, zero hunger, quality education, reduced inequalities, gender equality and decent work and economic growth. We won't end persistent disadvantage without embracing these concepts.
6. Persistent disadvantage is associated in Aotearoa (and overseas) with higher rates of unemployment, higher rates of imprisonment, lower educational achievement, insecure housing, eviction from rental housing, poorer health outcomes, less stable social networks and earlier mortality.⁴
7. In Aotearoa, tāngata whenua in particular, are experiencing high levels of persistent disadvantage. This alone sends an urgent call to action.

¹ <https://www.superseniors.msd.govt.nz/documents/ageing-population-consultation/better-later-life-strategy-web-accessible.pdf>

² <https://borgenproject.org/elderly-poverty-in-new-zealand/>

³ <https://sdgs.un.org/goals>

⁴ <https://berl.co.nz/our-pro-bono/inequality-and-new-zealand>

8. Te Tiriti o Waitangi, our country's founding document, protects the right of Māori to health and wellbeing, to be involved in decision-making and to determine their own future. Statistics and lived realities graphically demonstrate, however, that Māori are experiencing poorer social, economic and physical wellbeing than non-Māori. Priority must be placed on ending the cycle of disadvantage for Māori of all ages.
9. Pacific peoples living in Aotearoa also experience high levels of poverty and disadvantage, even when they are in employment.^{5 6} Income and housing are the key challenges Pasifika families experience and they are more likely than other ethnic groups to live in deprived neighbourhoods.
10. Persistent disadvantage also wreaks havoc for non-Māori, non-Pacific New Zealanders when they have experienced long-term poverty and disadvantage.
11. With the current housing crisis, older and middle New Zealanders who traditionally had a reasonable standard of living, are being pushed into poverty in increasing numbers.
12. Bold action is required by central and local government, Iwi and Māori providers, non-government organisations, the community and social sectors, businesses and communities. We will all need to work together to disrupt the cycle of disadvantage.
13. Education, employment, social networks, agency, and a strong positive sense of identity - including cultural and gender identity - are pathways out of disadvantage. Disrupting persistent disadvantage requires solutions addressing all of these potential circuit breakers.
14. Older New Zealanders are ethnically diverse, with the proportions of Māori, Pasifika, and Asian older adults increasing. This trend is expected to continue. It is well recognised that disparities exist in outcomes, especially for Māori and Pasifika. Older adults from these communities may have had a lifetime of getting by on a low income and accumulated multiple disadvantages that will continue to impact on their tamariki and mokopuna.
15. An increasing number of older adults live alone and may experience poorer mental and physical health because of their social isolation. Some older New Zealanders are experiencing disadvantage and isolation because they are not digitally savvy. This is worsening as more and more services shift to online service provision and changes occur such as the discontinuation of cheques.

⁵ https://workresearch.aut.ac.nz/_data/assets/pdf_file/0010/331957/Pacific-Inwork-Poverty-Report.pdf

⁶ <https://www.health.govt.nz/publication/ola-manuia-pacific-health-and-wellbeing-action-plan-2020-2025>

Our survey question responses

1. **What are the main aspects of disadvantage that should be investigated in this inquiry?**
 - a. Reduce inequities for Māori – these are well documented.⁷ Government has an obligation to work together with tāngata whenua to reduce inequalities and track progress toward equity for Māori.
 - b. Persistent disadvantage impacts across generations and age groups. When investigating the impact and solutions for disadvantage we urge the Commission to remember older New Zealanders. We note, for example, the image on the discussion document is of children, not wider whānau or neighbourhoods. The image is a delightful one; we all want to see every child thrive. However, children are less likely to thrive if their wider whānau and neighbourhood are deprived.
 - c. Disadvantage is compounding, like interest, and if not interrupted early in life, the effects of disadvantage are compounded and magnified. We think this is an aspect of disadvantage the Commission should make clear.
 - d. In addition to a focus on children and their immediate whānau, an inclusive approach must be taken that includes older New Zealanders, people with disabilities, single parents and single person households. These groups are more likely to experience persistent disadvantage throughout their lifetime, as well as intermittently.
 - e. In many disadvantaged families, older family members receiving New Zealand Superannuation may be the only people receiving a steady, secure income. In our experience this often leads to sharing – by choice or coercion - their limited income with younger family members to pay bills, pay off loans, buy food and pay for other daily essentials. Superannuitants may also find themselves sharing their accommodation with wider family, again not always by choice. If the older person is living in rental housing and additional family members cause problems with the tenancy, they may all be evicted, including the older tenant. These common outcomes of intergenerational disadvantage should be investigated as part of any inquiry.
 - f. Since the 1980s, Aotearoa New Zealand has experienced a well-documented growing inequality gap.⁸ Increasing income disparities, racism, housing costs and changing employment opportunities have played a major role in creating disadvantage. The current older generation spend their younger years living in neighbourhoods and communities where that inequality gap was much smaller. Younger disadvantaged generations are finding themselves needing two or more incomes to make ends meet, let alone able to get on the property ladder or save for emergencies and older age.

⁷ <https://www.stuff.co.nz/national/politics/101231280/fact-check-disparities-between-mori-and-pkeh>

⁸ <https://berl.co.nz/our-pro-bono/inequality-and-new-zealand>

- g. The impact of events such as the Christchurch earthquakes in 2010 and 2011, along with the impact of climate change, are raising the cost of house insurance. Council rates continue to rise as we deal with ageing infrastructure in New Zealand. Multiple factors such as these present homeowners with a huge challenge, especially those on limited incomes such as New Zealand superannuation, other benefits or low wages. There is no way to cover increased costs without reducing expenditure on other essential items, such as medical care and healthy food.

2. Where should the Commission focus its research effort?

Age Concern New Zealand and member organisations consider there is plentiful research and data to guide actions to tackle persistent disadvantage. We instead urge that funding and effort be invested in addressing the determinants that contribute to the cycle of disadvantage.

We do however offer the following priority areas if there are further research efforts:

- a. Identify innovative and courageous initiatives that Iwi, Māori and the social and community sectors have initiated that are working effectively to disrupt the compounding cycle of disadvantage.
- b. Evaluate current solutions that are working effectively to address persistent disadvantage so that they can be strengthened, supported and funded sustainably.
- c. Explore the difference in how disadvantage plays out for those living in rural, remote and urban areas in Aotearoa.
- d. Ensure data is available in a format that can be used effectively at local level.
- e. Analyse life history and oral history data (including stories gathered by organisations such as Downtown Community Ministries, City Missions, Veterans Affairs and the Returned Services Association). This rich data will help identify points at which people became more vulnerable and lead to finding solutions to address the transition points that occur in people's lives, including those who are homeless.
- f. Ensure future research is New Zealand based and brings insights that will provide data and identify solutions that inform national, regional and local action.

3. Where should the government focus its effort on finding solutions?

- a. Identify and remove barriers to successful existing initiatives that address persistent disadvantage. There are many solutions already out there that could be sustainably funded and upscaled. Many of these are provided by Iwi and community organisations.

- b. Offer incentives to attract skilled New Zealanders back from overseas. Ngati Kahungunu, for example, provide incentives to attract their skilled trades people back from overseas, bringing their skills and knowledge back to their Iwi, hapū and whānau⁹. The intention is for the trades people to help the Iwi to build hundreds of homes for their people.
- c. Incentivise people to engage in education and assist them to buy their first home. Several Iwi, for example Ngāi Tahu use Treaty Settlement funding to enable whānau to access funds for higher education, to purchase or build a home, and save for retirement¹⁰.
- d. Support initiatives such as Habitat for Humanity, and other community housing providers, that partner with people to build or improve a home for themselves.
- e. Support Kaumatua housing providers that take people out of poverty creating a sense of community and help meet their wider needs.
- f. Invest in wrap around holistic services for families over the first 1000 days of children's lives. These services need to address the employment, housing and education needs of parents, not only ensure the child is well nurtured. Although this will incur costs, this strategy will prevent incurring much higher costs further down the track if the cycle of disadvantage is not disrupted.
- g. Provide sustainable funding for effective initiatives. Often funding is for pilots or with the expectation programmes become self-funding. This is a barrier to sustained effective interventions. Short-term fixes are not going to solve complex issues like persistent disadvantage.
- h. Fund community research to empower communities to identify and implement their own solutions.

4. Is there anything else you would like to see covered in this inquiry?

- a) Include in the inquiry the provision of secure housing for renters and homeowners. Secure, affordable, healthy housing is a determinant of overall wellbeing. Insecure, unaffordable housing means people lose connection with their support networks, places they are familiar with and access to services. It frequently disrupts educational achievement and employment, both of which are essential to breaking the cycle of disadvantage.
- b) Today's older generation grew up when state housing was available and buying your own home was affordable for most. The quarter acre section became the New Zealand dream. People were typically mortgage free by the time they retired and could live

⁹ <https://www.stuff.co.nz/national/maori-tv/300364433/ngti-kahungunus-20k-offer-to-tradies-overseas-goes-viral>

¹⁰ <https://whairawa.com/how-it-works/>

reasonably well on their pension. This is no longer the case and owning a home is moving beyond the reach of many New Zealanders. To avoid the poverty and insecure housing resulting from our current housing crisis, housing choices and options must diversify.

- c) Look for ways to bring employment options back from overseas. Many manufacturing roles have gone offshore where there is cheaper labour. This has reduced the employment options for many people. Hospitality and tourism have replaced many of these roles, but they are vulnerable to disruption by Covid-19 which will impact Aotearoa for several years to come. Although unemployment in Aotearoa is very low, many people are still living in poverty. This indicates wages are not keeping up with living costs, forcing some people to hold down several jobs and yet still be on a low overall income. Providing accessible paid training for the types of employment that are currently available and reviving ethical manufacturing industries in Aotearoa will help people find pathways out of disadvantage.
- d) Investigate how to ensure lending services and mobile shopping services are regulated and operate ethically. Disadvantage is perpetuated by people with lower incomes being forced to use loan sharks and mobile shops that charge exorbitant interest rates. People may default on the loans, lose the goods and still owe a growing debt. Afterpay is one option that provides a more ethical, interest free way of purchasing goods for people on lower incomes. Another example that should be upscaled is the Salvation Army's ethical mobile shop The Good Store.¹¹ This model should be the only type able to operate. Barriers to initiatives such as this one must be removed and upscaled with support.
- e) Explore how to work with councils and supermarket chains to ensure lower decile areas have cheaper food available in their neighbourhood. Many poorer suburbs are food deserts that force people to buy food that lacks nutritional value from takeaway shops or dairies. The only alternative for people living in these food deserts, is to travel further afield to buy basic food items. Given some older people and low income earners may not own a car, this is especially problematic.

Closing Comment

Thank you for the opportunity to make a submission on *A fair chance for all – breaking the disadvantage cycle*. We value the opportunity to provide comment and welcome any questions or clarification you may require.

Kind regards



Stephanie Clare
Chief Executive

¹¹ <https://www.salvationarmy.org.nz/news/salvation-army-wheels-out-first-ethical-shopping-truck>