



**MINISTRY OF SOCIAL
DEVELOPMENT**
TE MANATŪ WHAKAHIATO ORA

Current and future disadvantage for older New Zealanders

Consultation on the topic and scope
of the Ministry of Social Development's
Long-term Insights Briefing

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We are seeking feedback on the proposed topic for our 2025 Long-term Insights Briefing

The Ministry of Social Development is seeking feedback on the proposed topic of our upcoming report, the 2025 Long-term Insights Briefing (or LTIB). LTIBs provide information and analysis about medium and long-term trends, risks, and opportunities that affect New Zealand.

Our proposed topic is current and future disadvantage for older New Zealanders.

MSD has chosen the topic because evidence suggests disadvantage for older people has the potential to become an issue of increasing significance for New Zealand, due to a combination of demographic changes, social and economic trends, and public finance constraints.

The NZ population is rapidly ageing, due to life expectancy gains and declines in fertility rates. The share of the population aged 65+ is projected to grow from around 17 percent now to 21 percent by 2035, and to 24 percent by 2055. The share aged 85+ is projected to grow from around 2 percent to 3 percent by 2035 and 5 percent by 2055. By 2058, the number of people aged 65+ is projected to nearly double, and the number aged 85+ is projected to more than triple.¹

Universal access to New Zealand Superannuation and the public health system, combined with high home ownership rates, have made New Zealand a good place to grow older for most people. There is evidence, however, that there are groups of New Zealanders who experience hardship and disadvantage as they age. This can be due to factors that affect them across the life-course or that are specific to later life.

This group may continue to grow over coming years as the cohort currently in middle-age approaches 65 with fewer assets and more ongoing costs. Growth and changes in this age group also suggest greater absolute numbers experiencing disadvantage. This could put pressure on services and supports across government, including those provided by MSD.

¹ All from Stats NZ Population projections (2022 base), median scenario



We propose to undertake more detailed analysis of patterns of disadvantage for older people now and consider how these might change in the future. We propose to do this by:

- describing the current landscape for older people, including summarising different views and expectations about ageing and retirement, and current lived experiences of ageing across different ethnicities, disability status, gender and sexual identities
- providing a description of older people (aged 65+) currently experiencing disadvantage, and how they compare with other age cohorts in New Zealand
- identifying key drivers of disadvantage in older age, as well as strengths and critical protective factors that support the wellbeing of older people
- understanding how patterns of disadvantage amongst older people are expected to change in coming decades – including by understanding those approaching older age (i.e. aged 50+)
- examining how the changing characteristics of older people described in the above analysis will impact MSD supports and services over the next ten years
- identifying ways to mitigate disadvantage for New Zealanders currently aged 65+, build on strengths and protective factors, and prevent disadvantage among future older New Zealanders.

Given the breadth of the proposed topic, MSD's primary focus would be on areas most directly relevant to its responsibilities in: employment services, income support provision, housing supports, and community services funding and provision. While the proposed topic is focused on a concept of disadvantage that is broader than just financial issues, we would have a clear emphasis on the material needs of older New Zealanders.

We welcome your feedback on this topic, including your thoughts on the following questions:

- Do we have the right topic? To what extent is the issue an important thing for the Ministry of Social Development to consider?
- How can we think about the diverse needs of older people? Are there particular groups of older people we need to think about in different ways?
- What are the most critical changes we expect in the coming decades that could have a significant impact on the wellbeing of older people in the future?
- Are there significant aspects of the proposed scope and analysis that are not captured in the issues set out in this consultation document?
- Is there any other feedback you want to provide?

Please note that the Ministry of Health is also consulting on a topic related to population ageing, but with a different focus. The Ministry of Health's proposed topic is unlocking the potential of active ageing. They will go out to public consultation later this year and you will be able to see when you can engage with the Ministry of Health on this topic through the government website on LTIBs.

How to provide feedback

You can provide feedback either by completing a short survey hosted on MSD's website, or by contributing a written submission.

A form to assist you with providing a written submission is available on the [Ministry of Social Development website](#). Please complete this form and email it to ofs@msd.govt.nz.

Alternatively, you can mail your submission to: Long Term Insights Briefing Consultation, PO Box 1556. Wellington 6140. New Zealand

The consultation period concludes on Friday 25 October. MSD will publish a summary of submissions on the scope after the consultation process.

The Ministry intends to publish a draft of the LTIB in early 2025 for public consultation, before publishing the final LTIB in late 2025.

For further details and updates, visit: [MSDs 2025 Long-Term Insights Briefing](#).

Private Information

The Privacy Act 2020 establishes certain principles with respect to the collection, use and disclosure of information about individuals by various agencies, including the Ministry of Social Development.

Any personal information you supply in the course of making a submission will only be used for the purpose of assisting in the development of, and policy advice in relation to, the Ministry's LTIB.

Please clearly indicate in your submission if you do not wish your name, or any other personal information, to be included in the summary of submissions and consultations that the Ministry will publish.

Submissions and the Official Information Act

Submissions received are subject to the Official Information Act 1982 (OIA). Please set out clearly with your submission if you have any objection to any information in the submission being released under the OIA. In particular, clearly state which part(s) you consider should be withheld, and the reason(s) for doing so.

The OIA sets out reasons for withholding information. Reasons could include that the information is commercially sensitive or that you wish us to withhold personal information, such as names or contact details. An automatic confidentiality disclaimer from your IT system is not a reason to withhold information.

Your objections will be considered when responding to requests under the OIA.

What is the Ministry of Social Development's role?

MSD is the lead agency for managing and delivering New Zealand's welfare system. MSD's purpose – *Manaaki Tangata, Manaaki Whānau | We help New Zealanders to be safe, strong and independent* – forms the basis for what we do.

MSD works to build successful individuals, and in turn build strong, healthy families and communities. We work towards this by providing:

- support into employment as the public employment agency
- income support and New Zealand Superannuation
- funding to community service providers
- social policy and advice to government
- student allowances and loans
- housing supports.

MSD includes the Office for Seniors, a business unit within the Ministry. It acts as a focal point within government for information and advice on issues affecting older people and their wellbeing, based on sector engagement and good practice.

What is a Long-term Insights Briefing?

Government departments are required to publish a Long-term Insights Briefing (a LTIB) at least once every three years. The purpose of the LTIBs is to share:

- information about medium and long-term trends, risks, and opportunities that affect or may affect New Zealand and New Zealand society
- information and impartial analysis, including policy options for responding to these matters.

The LTIBs are not government policy and are independent of Ministers.

They provide the opportunity to explore and better understand critical issues affecting our future. Departments select the subject matter for the LTIB. They do this by taking into account the purpose of LTIBs and those future trends, risks, and opportunities that are particularly relevant to their department's functions.

The legislative requirements for LTIBs are set out in the Public Service Act 2020. This can be found at: [Public Service Act 2020](#).

MSD published its first and only previous LTIB, *Preparing All Young People for Satisfying and Rewarding Working Lives*, in 2021. This was a joint briefing with the Ministry of Education, Ministry of Women, and the Ministry of Business, Innovation and Employment. A summary is available at: [Summary | Preparing all young people for satisfying and rewarding working lives](#).

Our proposed LTIB topic:

Current and future disadvantage for older New Zealanders

What would this topic include?

The topic that MSD intends to consult on is *current and future patterns of disadvantage for older New Zealanders, and policies and services that prevent and/or mitigate this disadvantage.*

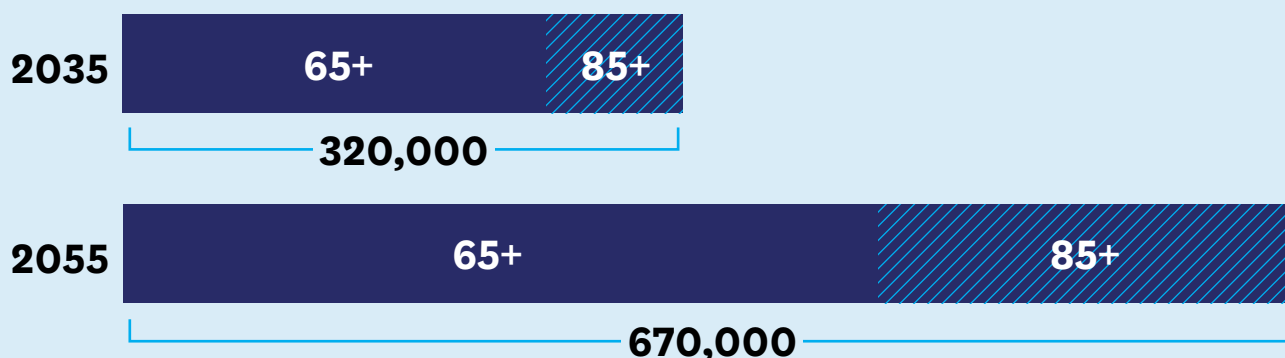
Why are we proposing this topic for our LTIB?

MSD has chosen the topic because evidence suggests disadvantage for older people has the potential to become an issue of increasing significance for New Zealand. A high-level summary of some of this evidence is below, which we intend to build on through the analysis undertaken as part of the development of the LTIB in early 2025.

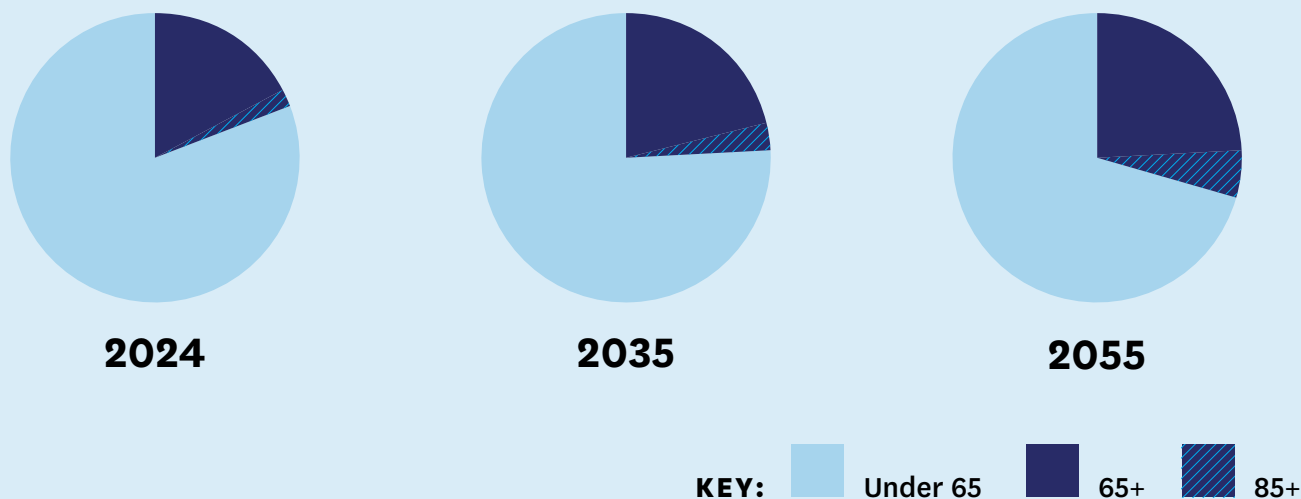
We know that our population is ageing.

Within the next two years, the number of New Zealanders aged 65+ will surpass the number of children aged 0–14 for the first time.² This is a result of the long-term ageing of our population – a trend we have in common with virtually every other country. Population ageing is a result of two factors: lengthening lifespans and declining birth rates. It results in two related shifts with significant implications for many areas of government policy:

- A substantial increase in the total number of older people – especially within older age brackets:
 - By 2035 there will be a projected additional 320,000 New Zealanders aged 65+, of which 78,000 will be aged 85+.
 - By 2055 there will be about 670,000 additional New Zealanders aged 65+, of which 239,000 will be aged 85+, as compared to today.



² Stats NZ population projections (2022 base) – median scenario www.stats.govt.nz Accessed: 6/9/2024



- A shift in our age demography; currently 17 percent of the population is aged 65+ and 2 percent is aged 85+. By 2035 these figures will be 21 percent and 3 percent respectively, and by 2055 they will reach 24 percent and 5 percent.³

Contrary to some popular portrayals, these changes to our population are not a temporary result of a population “bulge” moving through the age brackets. It is a permanent shift to the age structure of our society.

The population aged 65+ will also become increasingly diverse. It is projected that, of those who are over 65, the proportion who are:⁴

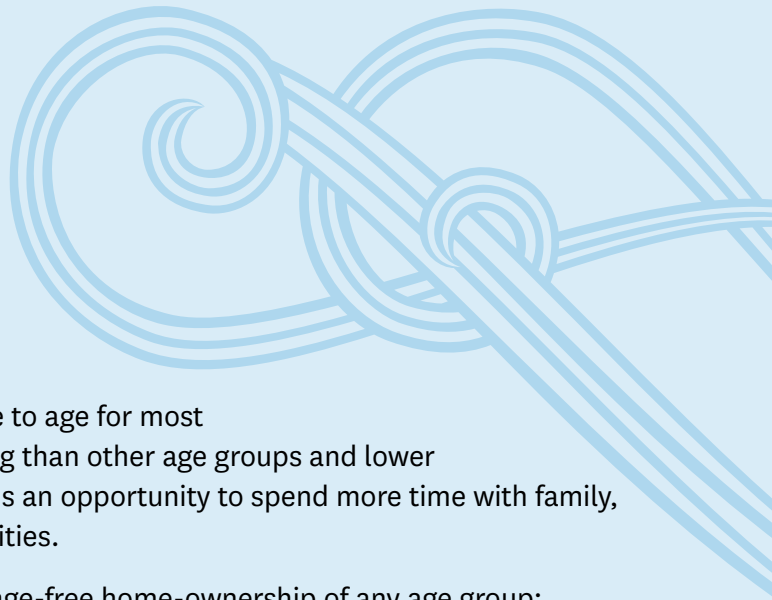
- European will decrease from 83 percent in 2023 to 79 percent by 2033 and 75 percent by 2043.
- Māori will increase from 8 percent in 2023 to 10 percent by 2033, and 11 percent by 2043.
- Pacific will increase from 3 percent in 2023 to 4 percent by 2033, and 5 percent by 2043.
- Asian will increase from 9 percent in 2023 to 12 percent by 2033, and 15 percent by 2043.

There are other ways that diversity is increasing, in terms of relationship status, health needs, employment situation, and gender and sexual identity.

This increasing diversity means people who make up the older population may have different aspirations and needs as they age.

³ Stats NZ population projections (2022 base) – median scenario www.stats.govt.nz Accessed: 6/9/2024

⁴ Stats NZ (2022) national ethnic population projections (2018 base) – median scenario www.stats.govt.nz Accessed: 6/9/2024



For many, New Zealand is a relatively good place to age...

Universal access to NZ Superannuation and the public health system, combined with high historic home ownership rates, have made New Zealand a good place to age for most people. Older people report higher subjective wellbeing than other age groups and lower rates of material deprivation. For many, later life affords an opportunity to spend more time with family, contribute to their community and pursue leisure activities.

Older New Zealanders have the highest rates of mortgage-free home-ownership of any age group; approximately 66 percent as at the 2018 Census. This results in lower housing costs, as well as supporting broader benefits such as community engagement and a sense of place.

Large numbers of people aged 65+ report that they have the right amount of contact with friends and family and are engaged with at least one community or social group.⁵ Many older people volunteer; 31.6 percent of those aged 65+ in a June 2018 survey.⁶ Research has found older people who volunteer rate life as more worthwhile.

...but evidence suggests there are already significant differences in the experience of later life for different groups.

This broadly positive picture, however, does not apply to every older person in New Zealand. There are a number of older New Zealanders who are financially precarious:

- While NZ Superannuation and Veterans Pension provides a stable income source, 40 percent of people aged 65+ have virtually no other income and another 20 percent have only a little more.⁷
- The majority of older people own their home outright, but there is a sizeable proportion (13 percent) paying a mortgage, and 20 percent are renting. European older people own their own home at much higher rates (70 percent) than older Māori (46 percent), Asian (41 percent), and Pacific (32 percent) New Zealanders.⁸
- There is a group of older New Zealanders experiencing poverty and/or material deprivation. Over the last decade, older New Zealanders have consistently had hardship rates of ~3–5 percent, but those who are renting have notably higher rates (~10 percent). Further, the rate of after-housing-cost income poverty (on the AHC50 relative measure) has increased from around 5 percent in the early 2000s to 12 percent by the early 2020s.⁹

Many older people face other kinds of disadvantage, often in combination with financial difficulties. These include issues such as health problems; poor housing quality and overcrowding; loneliness and social isolation; and abuse and neglect. These different forms of disadvantage often coincide and reinforce

5 Stats NZ, New Zealand General Social Survey www.stats.govt.nz Accessed: 6/9/2024

6 Labour market statistics (volunteer work): June 2018 www.stats.govt.nz Accessed: 6/9/2024

7 Bryan Perry (2019), Household Incomes in New Zealand, p. 186

8 Stats NZ, Census 2018 www.stats.govt.nz Accessed: 6/9/2024

9 Bryan Perry (2019), Household Incomes in New Zealand, p. 184

one another. Recent research by MSD, the Social Investment Agency and Ministry of Health found that 13 percent of those aged 65+ experience disadvantage across two or more of five selected life domains (health, housing, financial, access and social connection).¹⁰

There is the potential for long-term trends to increase disadvantage for some groups and put pressure on supports and services.

In addition to population ageing, there are several emerging trends that may have significant implications for older people, and could mean the future older population experience old age in much more varied ways:



Housing and home ownership

The overall rate of home ownership for older New Zealanders has been declining, and the proportion of older homeowners who are paying a mortgage is increasing. Based on home ownership rates among younger age groups, this trend is likely to continue.¹¹ This trend is likely to disproportionately impact on Māori and Pacific older people, who own their homes at much lower rates already. Other shifts are also occurring in housing, such as changes in the role of councils in providing housing for older people and increasing costs of home ownership that can present challenges even for those who do own their home outright.



Labour market disparities, income inequality and wealth

The OECD has found that, in most OECD countries, levels of inequality are higher for younger generations than those experienced by today's older people, and the risks of increasing inequality among future retirees have been "building up".¹² Though there is not any evidence of increasing material hardship for older people, MSD's reports suggest income inequality amongst over 65s has been steadily increasing over the past four decades, driven by differences in employment and private investments.¹³ Disparities in patterns of wealth accrual and transfer – including intergenerationally – will also affect this picture.



Pressures on services and public finances

In 2021, the Treasury's LTIB indicated that New Zealand Superannuation (NZS) expenditure is projected to grow from 5 percent of GDP in 2020/21 to 7.7 percent of GDP by 2061, and health expenditure is projected to grow from about 7 percent to over 10 percent.¹⁴ Even setting aside any possible policy changes that future Governments may pursue in response to growing costs, there is likely to be a substantial increase in demand for health services and increasing pressure on formal and informal care.

10 Pinto S, Mok, P and Warn V, Older people experiencing vulnerability and multiple disadvantage in New Zealand, Social Wellbeing Agency and the Ministry of Social Development, p. 5

11 Retirement Commission (2022) Review of Retirement Income Policies, p. 69

12 OECD (2017c), Preventing Ageing Unequally. Paris: OECD.

13 Bryan Perry (2019), Household Incomes in New Zealand, p. 192

14 NZ Treasury, He Tirohanga Mokopuna 2021 www.treasury.govt.nz Accessed: 6/9/2024 p. 18

There may be other trends, such as those related to emerging technologies and climate change, which will interact with these trends above and mean heightened risks to the wellbeing of older people now and into the future. For example, the Ministry of Housing and Urban Development's 2023 LTIB¹⁵ noted the risks of climate change for older people: the movement of older people to 'sunshine belts', early patterns of retirement village building, and the historical location of housing stock means older people are over-represented among populations vulnerable to climate change and extreme weather events.

These dynamics could have implications for support provided by MSD and government more generally.

Population growth, and the potential for increasing financial difficulties for some people, may have implications for government policy settings and also for the support provided by MSD. There may be an increase in demand for additional financial supports from MSD, and potentially also an increase in the need for other kinds of support and services, both from MSD and from other areas of government. There may also be opportunities to prevent disadvantage in the future, by intervening early to improve long-term outcomes.

What analysis could we undertake as part of this topic?

Specific pieces of analysis that we propose to explore as part of this topic include:

Summarising the current landscape for older people, including different views and expectations about ageing and retirement, and lived experiences of ageing across different ethnicities.

This could include a high-level description of the current living situation of older New Zealanders, current policies and services for older people provided by MSD and across government. It could also include consideration of views and expectations about ageing and retirement for specific population groups, and lived experiences of ageing across different ethnicities, disability status, gender and sexual identities.

Providing a description of older people (aged 65+) currently experiencing disadvantage, and how they compare with other age cohorts in New Zealand.

This could include:

- trends and breakdowns of material hardship/poverty for older people, including comparisons with other age groups, international comparisons, and breakdowns by key characteristics such as housing tenure and ethnicity.
- analysis of older people experiencing other kinds of disadvantage, including multiple disadvantage across several life domains (health, housing, financial, access and social connection).

¹⁵ Ministry of Housing and Urban Development (2023), Te hua o tō tātou taupori kaumātua tanga ki ngā anamata whanake whare, tāone anō hoki <https://www.hud.govt.nz>. Accessed: 6/9/2024

Identifying key drivers of disadvantage in older age, as well as strengths and critical protective factors that support the wellbeing of older people.

We could provide a high-level summary of the various factors that have the most critical influence on the wellbeing of older people, including factors in early life, employment, housing, health, disability, relationship status, and so on. This could have a focus on identifying the key drivers of disadvantage in older age (including disruptive events or “life shocks”) as well as strengths and critical protective factors that support wellbeing in later years, both at the individual level and at the level of wider networks of family, whānau and community.

Identifying how patterns of disadvantage amongst older people are expected to change in coming decades.

This could include:

- examining the situation of older working age New Zealanders (those aged 50-64), to consider what older age and a transition away from paid work may look like in the future
- summarising trends in housing tenure, supply and affordability, and any implications for the wellbeing of older people in the future, drawing on the recent LTIB from the Ministry of Housing and Urban Development
- considering labour market trends for younger generations, and whether there is evidence of employment and earnings becoming more polarised, which may feed through to increased inequality and/or hardship in later life
- summarising trends in receipt of supplementary MSD assistance, including the Accommodation Supplement, Disability Allowance, Temporary Additional Support, and hardship assistance
- exploring the role of savings and sources of retirement income other than NZ Superannuation, including the increasing role of Kiwisaver, drawing on recent and upcoming work from the Retirement Commission
- considering other trends that are likely to impact on the wellbeing of older people in New Zealand, such as trends in the availability of health services, the availability and affordability of care and other changes that could occur at the social and community level.

We could consider how the issues above interact with one another, and potentially result in compounding disadvantage for some groups of people. We could also explore interactions of the issues above with other significant future trends, such as climate change, technological change, and so on.

Considering the implications of the above for policy and services, and the options available to better address disadvantage in the future.

This could include:

- examining how the changing characteristics of older people described in the above analysis will impact MSD supports and services over the next ten years
- identifying ways to mitigate disadvantage for current older New Zealanders and prevent disadvantage among future older New Zealanders.

How will we manage the scope of the topic?

The breadth of the proposed topic will limit the level of depth we will be able to go into on some of the proposed analysis above. Our focus will be on areas directly relevant to MSD's responsibilities in employment services, income support provision, housing supports, and community services funding and provision. While the proposed topic is focused on a concept of disadvantage that is broader than just financial issues, we would have a clear emphasis on the material needs of older New Zealanders.

How will we take into account diverse perspectives and think about specific groups?

As we develop the briefing, we want to take into account diverse perspectives on retirement and ageing, and consider the position of specific groups throughout the analysis, particularly Māori and Pacific people, ethnic minorities, disabled people and rainbow older people.

Considering how the over-65s population will change, including the ethnic composition of older people.

As noted on page eight above, we know that the ethnic make-up of older New Zealanders is expected to change, and we will consider any implications of this changing make-up and increased diversity for the topic at hand.

Exploring perspectives from across population groups on the underlying concepts such as ageing and retirement.

Research undertaken by the Retirement Commission suggests that the concept of 'retirement' has less currency for some Māori.¹⁶ For some Pacific groups, eldership may be a more relevant conceptualisation than retirement or being elderly. Tamasese et al (2014) describe that older Pacific peoples are considered at their most "optimum"; they are busy, and active in their families, churches, communities. They are not resting; their lives are not minimised.¹⁷

Explicitly considering specific population groups, including Māori and Pacific peoples, through each of the proposed stages of the analysis.

For example, the Retirement Commission has noted that the process of colonisation, which included the dispossession of land, has contributed to health and wellbeing inequities for Māori, including lower rates of home ownership and shorter life expectancy.

We are particularly interested in the views of specific ethnic communities, as well as women, disabled people and those with diverse gender and sexual identities within New Zealand and would appreciate any feedback from organisations with knowledge of or representing such groups.

¹⁶ Retirement Commission (2022) Review of Retirement Income Policies, p. 40

¹⁷ Tamasese, T.K., Parsons, L., Waldegrave, C. (2014) Pacific Perspectives on Ageing in New Zealand. Lower Hutt: the Family Centre. p. 60

Seeking your feedback

We are seeking your views on the proposed topic and scope

Do we have the right topic? To what extent is the issue an important thing for the Ministry of Social Development to consider?

The key thing we want to know now is whether we have landed on the right topic, or whether we should make changes to how we approach this.

How can we think about the diverse needs of older people? Are there particular groups of older people we need to think about in different ways?

As noted on page 12 above, we want to take into account diverse perspectives on retirement and ageing, and consider the position of specific groups throughout the analysis, particularly Māori and Pacific people, ethnic minorities, disabled people and rainbow older people. We are seeking feedback on whether we have the right approach to thinking about the needs and aspirations of specific groups of older people now and in the future.

What are the most critical changes we expect in the coming decades that would impact on the wellbeing of older people in the future? Have we missed any critical future trends in our proposed analysis?

We have outlined some of the key changes we propose to look into, which include changes in housing, employment, and other future trends such as climate change or emerging technology. We are seeking feedback on whether these are the right trends to explore, and/or if there are other important changes to consider.

Do you think there are other significant aspects of the proposed topic that are not captured in the issues and proposed analysis of the consultation document? Is there any other feedback you want to provide?

Given the topic – current and future disadvantage for older New Zealanders – we would like to know whether there are any key issues or essential analysis that we have missed – noting that the breadth of the proposed topic will limit the level of depth we will be able to go into in some areas.

You are also welcome to provide any other feedback on our proposed topic and scope that is not covered by the questions above.

Next steps

We are formally seeking feedback at two stages as we develop the briefing. During October 2024, we will use this consultation document to seek feedback on the topic and scope of the LTIB. This will help us develop the first draft of the briefing. In early 2025, we will seek public feedback on the draft briefing.

The final briefing will go to the Minister for Social Development and Employment and the Minister for Seniors. The LTIB will be presented to the House of Representatives in late 2025.

