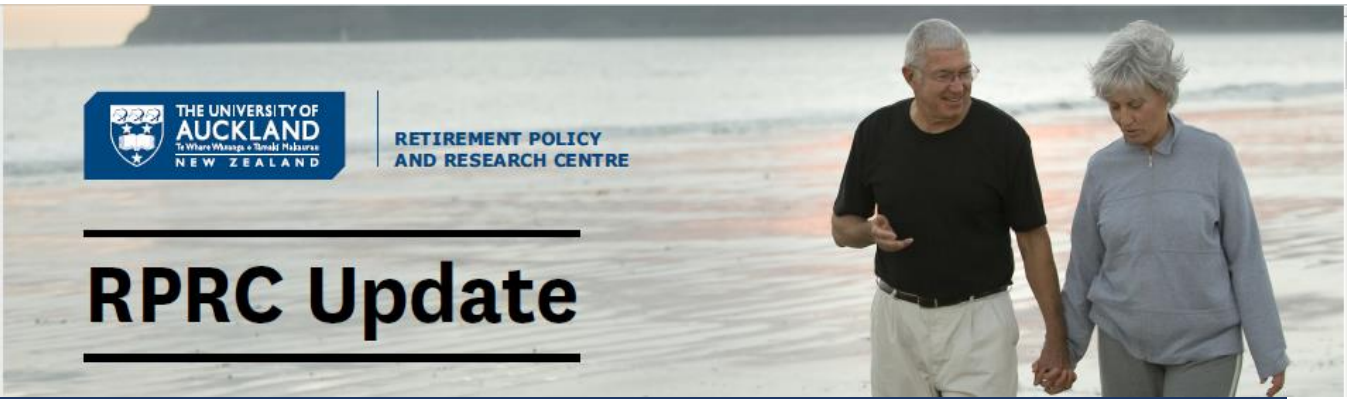
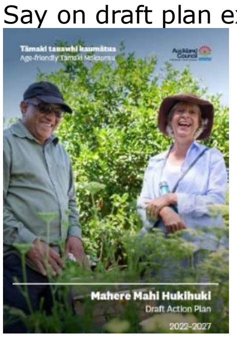



**September 2021 | Volume 14, Issue 3 Quarterly RPRC Update**

## Age-friendly Auckland: Have Your Say on draft plan extended to **Monday 4 October**.




The diversity of older Aucklanders is growing, and in the next 20 years or so, the number of people aged 65+ will double to roughly 19% of our population. This creates challenges and opportunities for improving participation in all areas of life as we age.

In 2018 New Zealand was accepted as an affiliate member of the WHO Global Network of Age friendly Cities and Communities. Auckland Council has worked with local communities and organisations to create a draft action plan, the Tāmaki Tauawhi Kaumātua, Age-friendly Auckland Action Plan, that provides measures to respond to older people's needs, including staying connected, getting information, using technology, accessing public space, buildings, transport, and housing.

Throughout 2019/2020, Dr M.Claire Dale, RPRC and member of Auckland Council Seniors Panel, contributed to the Council committee. Feedback was gathered from Aucklanders on what an age-friendly Auckland would look like, and what actions would bring that vision to life. We heard that older people want a friendly and inclusive Auckland where everyone is valued and has opportunities to connect with people of different ages, cultures and backgrounds. To participate in everything Auckland has to offer, they and their whānau need barrier-free access to affordable transport, events and outdoor spaces.

Alongside the plan is an Age-friendly Framework reflecting the bi-cultural foundations of Tāmaki Makaurau, drawing from Te Whare Tapa Whā; a Māori wellbeing model, and te ao Māori values, as well as the World Health Organisation's (WHO) age-friendly framework.

***To have your say [click here.](#)***
**The survey closes Monday 4 October 2021**.

**Next steps:** Feedback will be summarised and inform the final Action Plan, which will be reported to Auckland Council's Parks, Arts Community and Events Committee for adoption in November 2021.

Auckland Council will then seek membership of the WHO [Global Network of Age-friendly Cities and Communities (the Network)](#).

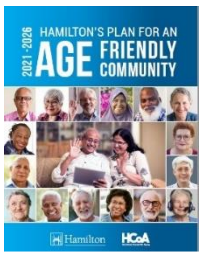
## International Day of Older Persons 1st October

## New Zealand Grandparents Day 3rd October 2021

## Friendlier future for older Hamiltonians

Hamilton City Council endorsed a new three-year Age Friendly Plan at a Community Committee Meeting, 31 August. Committee Chair Councillor Mark Bunting said "*The new plan shows Hamilton isn't slowing down on its vision to become the best place for older people to live. Future-proofing the city's facilities, support, and services for older people is more important than ever*".

Hamilton was the country's first city to join the World Health Organisations Age Friendly Network of Cities and Communities in 2018, led and championed by the Age Friendly Hamilton Steering Group. The new plan has more than 40 actions to be progressed over the next three years, involving dozens of local groups and organisations.




The Steering Group's Chair Dame Peggy Koopman-Boyden said the newest version of the [Age Friendly Plan](#) shows a continued commitment to the increasing number of older people in Hamilton. "*Hamilton is already a great place for older people to live, but we want it to become one of the very best places.*"

**Contents**

At **Public Policy Institute's** (PPI) ***UK Pensions Framework Workshop,*** 1 September, **Susan St John** was invited to zoom in as an international observer and commentator. The PPI is undertaking a comprehensive review of the complex retirement income framework in the UK.

The framework (link to Press Release) *"provides a comprehensive, systematic and multidimensional approach to analysing changes in the UK pension system over time. Its objective is to determine the extent to which the system supports the overarching goal of income security in later life by analysing the underlying objectives of adequacy, sustainability and fairness against a series of indicators. It aims to complement existing studies and fill a gap in research for analysis that is dedicated and tailored to pensions policy changes, interactions and outcomes in the UK. Amongst other things they are examining the assumptions in the UK pension system and the traditionally expected roles for the employers."*

It is interesting for the RPRC to reflect on the slow evolution of the UK system in light of our more rapid changes. Because New Zealand dramatically accelerated the shift from defined benefit schemes to defined contribution schemes by tax reform in 1988-90, the path for the successful introduction of KiwiSaver has been much more straightforward than the auto-enrolment scheme in the UK.

At an OECD conference attended by Susan St John in 1991, the UK delegate, L. Hannah, argued that company schemes can and should be edged out by personal schemes. Now 30 years on, KiwiSaver has gone a long way to doing just that. The traditional paternalism of employer role in offering an employment-based superannuation scheme has been largely supplanted by an individually controlled retirement savings scheme with wide coverage. While the employer must contribute 3% for KiwiSaver members, the member has their own scheme that is fully portable.

One of the debates that remains in New Zealand is whether the employer contribution is fair and/or necessary. See *PensionBriefing 2020-1: Would Total Remuneration improve KiwiSaver fairness?*

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**Worldwide Blog Week 2021 Summing up:** Posted 18th July 2021 by Liam Hill
International perspectives

*With so many ideas about how to improve public policy at home, insights from our colleagues from abroad have also proved incredibly valuable. Paul Kershaw from Canada's Generation Squeeze wrote about a major victory for intergenerational fairness on childcare, but also about the major challenges facing younger Canadians on issues like housing and pensions. Sonia Arakkal and Megan Shellie, on behalf of Think Forward Australia, also painted a picture of the challenges facing young people, including unemployment and the lack of affordable housing.* ***M.Claire Dale*** *wrote about the growing scourge of child poverty in New Zealand, arguing that investment in the nation's children is the only valid response to an ageing population.*

*A key theme in many of the articles published this week is about grounding policymaking in long-termism and ensuring the voices of young people, and the interests of future generations, are represented when decisions which affect them are made. Future Generations Commissioner for Wales Sophie Howe provided insight about how her role has helped to ensure policymaking in Wales takes into account the rights of future generations.*

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BUSINESS SCHOOL

Retirement Policy and Research Centre

A Briefing from the Retirement Policy and Research Centre

**RPRC PensionBriefing 2021-2** 25 August 2021

## New Zealand Superannuation as a basic income

This PensionBriefing updates the RPRC's 2019 Working Paper for the Commission for Financial Capability's 2019 Review of Retirement Income Policies: *Intergenerational impacts: the sustainability of New Zealand Superannuation*, an assessment of the impact of current retirement income policies on current and future generations, with due consideration given to the fiscal sustainability of current New Zealand Superannuation (NZS) settings. This PensionBriefing specifically focusses on the option of changing NZS into a genuine basic income that would allow for a simple but effective clawback mechanism to operate through the tax system.

In New Zealand, the challenge is to find a way to apply an income (or "affluence") test that could be seen as fair simple and acceptable, with enough useful savings to take the pressure off relying solely on raising the qualifying age or reducing the rate of NZS as the principal levers. Increasingly, the younger working age population who are struggling in the property market and may also have large student debts are questioning the largess of a universal pension for well-off, well-housed superannuitants.

Wealthy recipients of NZS may still be in well-paid work and/or have other large private incomes and assets, and sometimes annuities or private pensions (see St John and Dale 2019). Wealthy recipients of NZS are likely to have accumulated their wealth with tax-free capital gains, especially in housing, and may have gained substantially from the 2010 income tax cuts, lower Portfolio Investment Entity (PIE) rates of tax. Under the PIE regime, the top rate of tax is 28%. Compared to the top rate of 39% this is an 11-percentage point advantage.

In a basic income approach, each person has a universal grant that is not part of taxable income. When additional income is earned, it is taxed under a progressive tax regime so that the tax system does the work of providing a claw back of the universal grant for high income people. The higher the basic income, the higher tax rates on earned income must be and the more earning extra income is discouraged. Unfortunately for advocates, a universal basic income at a level high enough to prevent poverty for all adults over 18 years old would require prohibitive tax rates and result in probably unacceptable disincentives to work.

However, NZS already provides a high-level universal income for a well-defined group, and it is therefore an ideal candidate for a basic income reform. Paying NZS as a proper basic income offers a compromise between aggressive means testing as applied for second tier benefits, or abatement on additional income in the welfare system (or the affluence test as applied in Australia), and a fully universal taxable pension approach such as for the current NZS. It offers people flexibility in their employment choices in early retirement.

See the *PensionBriefing* here.

BUSINESS SCHOOL

Retirement Policy and Research Centre

Department of Economics, Owen G Glenn Building, 12 Grafton Rd, Auckland

## Paying for an ageing population by Associate Professor Susan St John

The coming fiscal pressures of both health and pensions from an ageing population imply some hard choices will have to be considered. Treasury's long Term Fiscal statement: He Tirohanga Mokopuna 2021 outlines 3 options for making New Zealand Superannuation (NZS) more affordable.

1. Raising the qualifying age to 67 saves about 0.7% of GDP eventually or about 12% of net NZS but with large offsetting costs elsewhere and long lead in time

2. Indexing NZS to CPI saves 2.4% of GDP. While NZS would maintain its purchasing power, as a proportion of wages it would fall below 50% of the average net wage by the 2050s. Much more effective than raising the age but would produce horrendous poverty.

3. A tax clawback as outlined in RPRC's PensionBriefing 2021-2, *New Zealand Superannuation as a basic income* to progressively take NZS back from higher income individuals.

**The tax clawback option**. Under the current tax rates, higher income superannuitants get less net super than those with no or modest incomes from other sources. Someone earning more than $70,000 pays tax of 33% on gross super, rising to 39% for incomes over $180,000. But well-off superannuitants still receive 69%-76% of the net super of the lowest income person. There is some saving however: the RPRC calculate the amount saved at 3.5-4.5% of total net New Zealand Superannuation expenditure. This clawback could be tweaked to deliver another 10% at least without affecting the vast majority of superannuitants who would notice little difference. We used to do this with a cumbersome surcharge. The RPRC suggest that a much better way is to pay NZS as an untaxed grant at the current net value and put recipients on a separate tax scale.

The advantage is that the savings could be made more quickly and fairly than in the usually cited option of raising the age. The RPRC briefing suggests a range of ways of doing this. The most feasible is to use a tax scale of 17.5% tax on non-NZS taxable income up to $15,000 and then 43% beyond that with alignment of the married and single sharing rates over time. For married persons for example the effect would be that the extra tax would cancel out the net super at an income of $122,000. Those still in the paid workforce in high paid jobs might not bother to apply for the NZ Super grant at age 65 but could do so at any point. It is always there as a basic income for all.

BUSINESS SCHOOL

Retirement Policy and Research Centre

A commentary from the Retirement Policy and Research Centre

**PensionCommentary 2021-2** by **Associate Professor Susan St John**

## The New Zealand Super Fund

This commentary focuses on the role of the New Zealand Superannuation Fund in the retirement incomes framework and asks whether it is fulfilling its initial promise. Is it time to revisit the purpose and formula of this fund or is it an opportunity to capitalise on the fact we have a fund and repurpose it for the benefit of all?

There is little policy debate around the New Zealand Superannuation Fund (NZSF), New Zealand's largest publicly-owned financial asset (June 2021, $59.8 billion) sitting on the Crown balance sheet. The purpose has been widely understood as helping us meet the future fiscal demands of an ageing population.

Paradoxically NZSF assets are treated differently to other Crown financial assets: they are not netted off against gross debt in the official net debt calculation. Does that mean they are not going to help us? The NZSF website has very little analysis on what the fund is in fact going to do for us, being largely concerned with investment returns. Most people have a vague idea that the fund is going to make their NZ superannuation affordable. It won't. Others think, equally misguidedly, that it guarantees there will be no changes to the full wage-linked, individual universal pension at 65 today's retirees now enjoy. It doesn't.

The first step may be to remove the straight-jacket of the imaginary ring around NZSF assets on the Crown balance sheet. The fund is how we prepare for the future so in logic it's assets should be netted off against gross debt as it is in other countries. The International Monetary Fund comparisons show that on this basis New Zealand has very low net figures today and projected for the future. Then let's have a clear-sighted debate about the way we can capitalise on our past sacrifices represented by the fund instead of being a captive to a redundant funding formula. It is an opportunity to think creatively. A future pensions commentary will explore constructive ideas.

See the *PensionCommentary* here.

For additional information, see Treasury's Working Papers in Public Finance 07/2021, July 2021, *Golden Years – Understanding the New Zealand Superannuation Fund, by* Matthew Bell, here.

BUSINESS SCHOOL

Retirement Policy and Research Centre

A commentary from the Retirement Policy and Research Centre

**PensionCommentary 2021-03** by Dr M.Claire Dale

## Finding the best solution for an Aged Care Commissioner

Following on the 2017 promise, $8.1 million was allocated over 4 years for the office of an Aged Care Commission in the 2021 Budget. On 31 July, the Government announced that recruitment for this Commissioner would start in August, with the role of ensuring greater oversight of New Zealand's aged care sector.

The new role will sit with its own funding in the Health and Disability Commissioner's (HDC) office. This appears to be an appropriate location for the role as almost a fifth of complaints to the HDC in the past year have come from consumers over 65, and there were 26 formal investigations relating to aged residential care facilities, particularly inadequate care and treatment issues.

The HDC's advertisement for the position describes the role of Aged Care Commissioner as: "*… a statutory decision-maker on complaints and formal investigations about health and disability services, [providing] a focal point for monitoring and addressing quality and safety issues in the aged care sector*."

In support Minister Verrall said: "*It is vital to improve the aged care system as New Zealand's population ages. We need to ensure older New Zealanders experience consistent, quality care that's culturally appropriate for everyone, particularly our Māori and Pacific communities*.

However, a problem emerges from locating the role of Aged Care Commissioner within the HDC's office: the majority of Aged Residential Care (ARC) beds are currently located in retirement villages. And under the Retirement Villages Act 2003, the Retirement Commissioner is required to monitor the effects of the retirement villages legal framework, including the Act, associated Regulations, and the Code of Practice.

So locating the Aged Care Commissioner within the HDC office could create a potential confusion in jurisdiction with Te Ara Ahunga Ora Retirement Commission, a problem that could increase over time as Retirement Villages provide an ever-growing proportion of ARC beds.

See the *PensionCommentary* here.

## *Good News:* Libraries partnership

In July 2021, the New Zealand Libraries Partnership Programme (NZLPP) funding package was announced to retain and support librarians and library services so they can further help community recovery from COVID-19. Since its inception the programme has committed to fund and support over 180 people in public library roles across the motu and ensure free and easy access to the internet and library digital services.

## *Not so good News:* Fair Residency Bill: delayed. 

See the Cabinet Paper here.

In addition to authorisation for a Supplementary Order Paper to amend the Fair Residency Bill, Hon Carmel Sepuloni, the Minister for Social Development and Employment, has delayed by 2 years the phased increase to the residence requirements for New Zealand Superannuation (NZS) and Veteran's Pension (VP) as currently proposed by the New Zealand Superannuation and Retirement Income (Fair Residency) Amendment Bill (raising the minimum residency requirement for NZS and VP from 10 to 20 years after age 20), and to associated changes to appropriations.

Delaying the start of the phased increase in residence requirements by 2 years means fewer people face delays to their NZS and VP entitlement in the near term. The RPRC finds the arguments for this delay unjustified in light of the phased-in nature of the changes

BUSINESS SCHOOL

Retirement Policy and Research Centre

Department of Economics, Owen G Glenn Building, 12 Grafton Rd, Auckland

**Working Paper 2021-1, June 2021**

## *Fair Economic Return: Restoring equity to New Zealand's social fabric*

by Susan St John, RPRC, University of Auckland, and Terry Baucher, Director, Baucher Consulting Ltd

This paper addresses the demand side tax distortion that, along with loose monetary policy, has under-pinned the emergence of a dangerous speculative bubble in the New Zealand housing market. Several demand-side tools have already been employed, such as Loan to Value ratios, Brightline tests, and removal of interest deductibility for landlords. But low interest rates and tax subsidisation of housing income remain potent incentives for over-investment in housing.

We suggest an approach we call the Fair Economic Return (FER). The intent is to build on the broad base low-rate approach taken since the late 1980s that is now embedded in the NZ tax system. FER is derived from the Risk-Free Rate Method (RFRM) that was first discussed in the McLeod Tax Review Issues paper 2001 and is now the basis of the Foreign Investment Fund regime (FIF). Under a FER approach, currently untaxed housing income is included in the tax base.

By treating all personal income the same for tax purposes, regardless of source, the playing field is levelled. Moreover, such an approach overcomes the disadvantages of introducing a Capital Gains Tax (CGT) which, in any case, has proven to be not politically acceptable at this time in New Zealand. FER does not upset well-functioning rental markets; it encourages better use of the housing stock and makes a significant and stable revenue stream possible for government. It is targeted using a realistic per person net equity exemption so that it affects the top deciles of residential housing owners only. Its progressive impact could significantly reduce housing wealth inequality over time.

See the Working Paper here.

RETIREMENT POLICY AND RESEARCH CENTRE


# Dean's 2021 series: Shaping our futures, in partnership with the Retirement Policy and Research Centre - *"Pressure points in our policies: Facing up to the ageing population?"* August 10th 2021

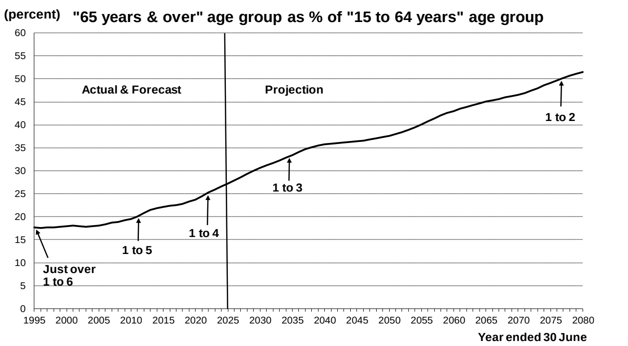
After a welcome from the Business School Dean, Professor Susan Watson, the Chair, Dr Claire Dale, introduced the Panelists: Matthew Bell, a senior Treasury Analyst, Professor Ngaire Kerse, Joyce Cook Chair in Ageing Well and Co-Leader, Te Puāwaitanga o Ngā Tapuwae Kia Ora Tonu/Life and Living in Advanced Age: A Cohort Study in New Zealand (LiLACS NZ), a longitudinal study of Māori and non-Māori (joining via zoom), Retirement Commissioner Jane Wrightson and Associate Professor Susan St John, RPRC Director.

(Photo shows, from left, Retirement Commissioner Jane Wrightson**,** Matthew Bell, Associate Professor Susan St John and via zoom, Professor Ngaire Kerse.)

**Setting the scene**

We know the population is ageing and that has implications for rising pensions and health spending. In 2010, there was approximately one person over 65 to every five of working age and that is expected to fall to 1 to 3 by 2035 and eventually 1 to 2 by the end of the century. Given that retired people depend on those of working age to produce the necessary goods and services, increased competition for resources is expected.

"*The one factor in the projections that is …predictable is the ageing population structure, because many of the people incorporated in these projections are alive now. It is highly unlikely that fertility rates will rise significantly, or that longevity improvements will cease*." Matthew Bell.




Matthew Bell's diagram summarises this statistical context of demographic ageing for the panel contributions.

**Matthew Bell** began by discussing the forthcoming Long Term Fiscal Statement (LTFS) projections and the implications for future net debt if all policy settings, including those for tax policy, stay the same. The LTFS projections for New Zealand Superannuation (NZS) as a % GDP look more benign than those done 20 years ago due to much stronger labour force growth and hence strong GDP growth. A major source of this was significantly increased older age and female labour force participation rates. Although net NZS currently costs around $14 billion annually (approx. 5% of GDP), and the older population is likely to double by 2060 the proportionate cost of NZS is projected to reach only 7.5%.

Bell also clarified the New Zealand Superannuation Fund's (NZSF) role in helping those future costs. NZSF is a means of tax smoothing and provides funding of some of the future cost of NZS, not reaching any significant levels until beyond 2060. And by 2100 it pays for only 11% of the net NZS cost. Neither of those outcomes aligns with the perception that having the NZSF means that NZS in its current form is sustainable.

As Bell explained "*It is important to understand that the NZSF will help greatly in the future, but is not a panacea to solve all fiscal pressures, including NZS… There are pressures coming in the future, and not just from an ageing population structure, but also in maintaining strong public health services, addressing disparity through the welfare system, and adapting to climate change, to name just a few!... Current tax and public spending policy settings are not going to be sustainable as the population structure continues to age. Changes will be needed.*" His powerpoints are here.

**Professor Ngaire Kerse** discussed the present and likely future of healthcare and support for our ethnically diverse ageing populations, whose multicultural mix has been Increased by migration and diaspora. Attitudes to ageing vary across different cultures: for example, Māori, Pacific and Asian peoples tend to venerate the elderly. Women and men also tend toward different living arrangements, for example, nearly twice as many women (51% of Māori and 65% of non-Māori) aged 80+ live alone compared to men (26% of Māori and 33% of non-Māori). While more women and more Māori received informal care, non-Māori women received the most support services of all the groupings, suggesting the inequity in the health system continues into aged-care services.

As longevity increases, more people are ageing with health conditions including multimorbidity, polypharmacy, HIV and addictions. As Kerse explained, the problems of provision of care across vastly different environments, and the complexity of health care and increase of expensive therapies are driving the need for health reform. The future will require primary care investment, community engagement, and intersectoral work, with health, social services, transport, housing, and national and local government working together. Her powerpoints are here.

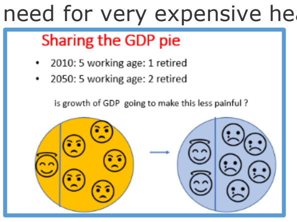
**Retirement Commissioner Jane Wrightson** shared Te Ara Ahunga Ora Retirement Commission's (RC) perspectives on NZS and the general population's own financial preparation for retirement.

The RC aims to help New Zealanders retire with confidence, meaning New Zealanders feel secure they'll have resources to live and the know-how to make ends meet. The RC has three main focus areas: Retirement Income Policies, Retirement Villages and Financial Capability.

A stable retirement income framework enables trust and confidence that older New Zealand residents can live with dignity and mana, participate in and contribute to society, and enjoy a high level of belonging and connection to their whānau, community and country. The framework has two parts: NZS ensures an adequate standard of living for New Zealanders of eligible age and second, active support for New Zealanders to build and manage independent savings that contribute to their ability to maintain their own relative standard of living. And is NZS fair to all, when MSD's June 2021 report shows that of current NZS recipients, only 5.6% are Māori and just 2.6% are Pasifika. KiwiSaver is great, but the average balance is only $25,000.

Currently, COVID-19 has dented individual's ability to manage long-term saving as well as the Crown's fiscal position, and low interest rates have a negative effect for older people. We know that seniors' housing costs will be seriously impacted within two decades. NZS is not designed to include significant housing costs, and MSD already reports increasing uptake of supplementary assistance amongst NZS recipients (Accommodation Supplement, Special Needs Grant, Temporary Additional Support). As Wrightson said "*Is it time to think harder about our tax settings? We are international outliers for not taxing capital gains, inheritance or land/property. And can we afford **not** to properly provide for seniors' wellbeing? Avoiding pension poverty is as important as addressing child poverty*." Her powerpoints are [here](#).

**Associate Professor Susan St John** observed that since the late 1980s, a perception of crisis has been a familiar response to demographic change. In 1988 she and Toni Ashton wrote 'Superannuation in New Zealand: averting the crisis?' And now, 35 years later, the net cost of NZS rises from 3.5% in 2010 to just 6.3% in 2060, which maybe doesn't sound too bad. BUT from 2030 the baby boomers start to enter the 85+ group so that by 2060, 1 in 4 of the population will be over 85 with much greater need for very expensive health and residential aged care, and we have no annuity or aged-care insurance mechanisms.




The title of Treasury's LTFS *He Tirohanga Mokopuna* 2021, acknowledges that our future depends on the young. We have a stewardship role to the next generation, and the future for older people and young is intertwined. GDP growth is the main reason the projections look so benign, but much of the growth will be to patch up disasters: leaky buildings, environment degradation. We have just learnt we are at code red for action on climate change if we are even to have a planet by 2060. We have an intractable housing crisis. Health professionals are under immense pressure. In the future GDP pie, will we have health services, aged-care nursing, well-designed cities? Are we retaining and nurturing young skilled people, ensuring their education and health?

It is important to examine all policies carefully not just for their fiscal impact but for their capacity to help the growth of the kind of GDP that will actually alleviate the pressures. We cannot look to the NZSF to save us. It doesn't reduce the cost of NZS. It changes only the financing of it (a little less from current taxes and more from the NZSF). Contributing to and spending from the NZSF is money not spent on other valuable things. St John quoted Treasury, 2021, p.6: "*Small and gradual changes in the near-term could help minimise the cost of fiscal pressures across generations, preventing higher debt and a larger, relatively more costly adjustment in the future*." Her powerpoints are [here](#).

**Questions from the floor:**
As we move toward a dominant 'gig economy' what will be the impact on retirement?
When will we have a research-led review of NZS and all associated retirement policies?
Why don't we increase the qualifying age for NZS?
Why isn't the Government ensuring adequate and affordable housing for pensioners?

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## Financial Markets Authority (FMA) – Te Mana Tātai Hokohoko –[KiwiSaver Annual Report](#)

Based on providers' statistics for the year ended March 2021, the report shows total funds under management reached $81.6 billion, double the $40.8 billion held in 2017. The year to March 2021 shows investment returns reaching $13.2 billion – a welcome turnaround after the previous year's $820 million loss.

Member withdrawals of more than $3 billion included $1.4 billion for first homes (up 18.8%), $1.2 billion for over-65s (down 8.3%) and deeply concerning: $159.3 million for significant hardship (up 42.8%). There were 21,000 hardship withdrawals, up from 17,534 the year before. No gender breakdown is provided for hardship withdrawals, but [Australian reports](#) confirm more women than men are drawing on their retirement savings to survive the pandemic.

Interestingly, the number of over-65 members increased by 15% to 147,331, and fewer over-65s fully exited KiwiSaver during the year, down 14% to 19,512.

Overall membership increased 2.1% to 3,090,631 and the number of members who contributed to their accounts increased 3.9% to 1,883,118.

The FMA published two important pieces of guidance for fund managers in 2021. The first focused on accurate labelling of funds regarding claims of ethical and responsible investments, the second focused on value for money. While total funds of $81 billion grew by 31.7%, total fee revenue of $650 million was up 20.7%.

Read the full media release [here](#).

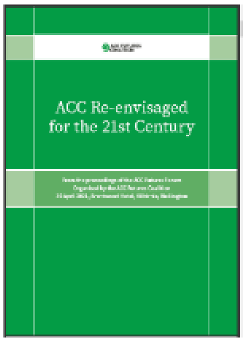
He Kaupare. He Manaaki. He Whakaora.
prevention. care. recovery.

## Minister announces ACC changes

A law change announced 28 September will be introduced to Parliament later this year, making access to ACC easier for employees injured by a work-related process, disease or infection. The changes reverse a 2010 law change and more: putting the onus of proof back on ACC to prove that a disease/infection is not work-related. The 3-step test was applied in 2010 to reduce the number of claims, said ACC Minister Carmel Sepuloni in a Cabinet paper, so approved claims can now be expected to increase.

Sepuloni said "*This would improve the support available to birthing parents suffering childbirth injuries, and in particular provide more timely access to surgeries and to pelvic physiotherapy. This is an important change, the first of its kind, and one that aims to improve gender balance, fairness and equity in the ACC scheme, making support more accessible to those who need it.*"

Sepuloni said "*I report this morning that the law will be changed so ACC's assessment of gradual process claims focuses on employment tasks and environments – that is, the causes of any illness – as distinct from specific occupations. This will provide greater transparency on how claimants' exposures are considered, and better enable access to ACC for claimants.*"




The ACC Futures Coalition, a group of health providers, lawyers and ACC consumers, has welcomed the changes. Co-convenor Hazel Armstrong says claimants have faced problems with the three-step test for work-related gradual process, disease or infection cover. "Placing the burden of proof back on ACC to demonstrate that a disease or infection is not work related should be a great relief to many injured workers and we welcome it."

See the Cabinet Paper here.
See the ACC Futures Forum report here.
See the full Newsroom report here.

## Employment Court Rules Care is Work

On 27 May, the Employment Court found that the mother of a severely disabled adult son with high care needs, is a homeworker and the Ministry of Health is her employer and therefore she is entitled to be paid for hours worked caring. The Judge also ruled that she was discriminated against in the way the state treated her and that she is entitled to compensation

"*This ruling is a meaningful advancement in the area of workers' rights in family care of persons with disabilities, The judgment also re-asserts that employment rights have a legitimate role to play in disability policy*," CTU President Richard Wagstaff said. The CTU was an intervenor in this case. See the Scoop report here.

Stats NZ

## Help Shape the 2023 Disability Survey

Objectives, in priority order, are to understand the size of the disabled population usually resident in New Zealand and describe characteristics of that population. More specifically to:
• produce reliable national estimates of the disabled population by demographic characteristics, such as age group, gender, and ethnicity
• produce reliable national estimates of the disabled population by functional domain
• to understand the extent to which social, wellbeing, and economic outcomes for disabled people differ from those for non-disabled people, and how those outcomes differ between groups within the disabled population
• to understand the level and type of support disabled people need to perform activities of daily living, including identifying unmet need for support
• to understand what creates barriers or enables participation by disabled people in important aspects of life, such as work, education, civic society, and recreation.

Consultation PDF document available at the website here.
Consultation online is here.

Submissions close 5pm, **Friday 29 October 2021.**

NZ Human Rights. Human Rights Commission Te Kāhui Tika Tangata

## Framework Guidelines: the right to a decent home

The ***Framework Guidelines on the Right to a Decent Home in Aotearoa*** were launched on August 1, 2021, along with an announcement that Te Kahu Tika Tangata Human Rights Commission (HRC) will hold a national inquiry into housing.

As part of the launch, Chief HR Commissioner Paul Hunt said: "*New Zealand governments have signed up to a critically important human right: the right to a decent home. For generations, they have promised to create the conditions to enable everyone to live in a decent home, but this has not happened.*"

He said "*Successive governments have failed New Zealanders. For many people, especially young people, the goal of an affordable, healthy, accessible home has actually become more remote. These serial governments bear a heavy responsibility for this massive human rights failure which is blighting lives and communities.*"

See the full report here.

## It is timely that the Government has unveiled its urban development plan

On 28 September, the Government revealed its long-termvision for housing and urban development. Housing Minister Megan Woods says the Government Policy Statement on Housing and Urban Development (GPS-HUD) provides clarity to all those working within the system about how Government policies and investments will align to tackle the housing crisis.

The GPS-HUD's six areas of focus are: Ensuring more affordable homes are built; Ensuring houses meet the needs of our communities; Enabling people into stable, affordable homes; Supporting whānau to have healthy, affordable homes with secure tenure; Re-establishing housing's primary role as a home rather than a financial asset; and Planning and investing in our places.

Dr Woods said "*Our vision is that everyone in New Zealand lives in a home and within a community that meets their needs and aspirations. The GPS-HUD will guide policy decisions and investment to deliver a shared, consistent, and enduring set of outcomes to achieve this. We are building more new public housing and investing in critical infrastructure like pipes and roads to enable new housing than any government has done in two decades, but we also need a long-term response to the housing crisis and the GPS-HUD provides direction for that*."

The Government also released the new Maihi Ka Ora the National Māori Housing Strategy, which is strongly connected to the GPS-HUD through Te Maihi o te Whare Māori – the Māori Housing Innovation (MAIHI) Framework for Action. Minister Woods said "*We need to pursue meaningful partnerships with iwi and Māori as Te Tiriti o Waitangi partners to make progress. We also need to cement resilient relationships with community housing providers and other non-government organisations, local government, the private sector, and communities*."

Read the full announcement here.

Also, new information on Māori housing and wellbeing was published today by StatsNZ in Te Pā Harakeke – Māori housing and wellbeing 2021, bringing together data from Census, the General Social Survey, and Te Kupenga (Tatauranga Aotearoa's survey of Māori wellbeing).

Work, wealth, and wellbeing statistics senior manager, Sean Broughton said "*Good quality housing contributes to physical and mental health, but for many Māori a home is more than just having a roof over their heads. It is also about being connected to people and place – their whakapapa*."

Also see It's about wellbeing – people and place are important for Māori housing.

TE ARA AHUNGA ORA
Retirement Commission

## Older Persons' Forum, webinar September 1&2, 10am – 11.30am: Preparing for the 2022 Review of Retirement Income Policies

The Older Persons' Forum successfully turned into two well-attended and well-regarded webinars. Thanks to everyone who participated and to all our presenters.

Watch Webinar 1
This webinar includes a keynote presentation by Professor Paul Spoonley on 'The New New Zealand – Facing Demographic Disruption'. The webinar also includes a presentation on recent Reviews of Retirement Income Policies, looking at their Terms of Reference, and a selection of the recommendations made. The final presentation is a recent piece of work undertaken by the Retirement Commission on the income and expenditure of retirees, using a qualitative approach, and discussing case studies. Slides for each presentation are available. After the presentations, participants had a chance to korero in break out rooms, and this document provides a summary of those discussions.

Watch Webinar 2
This webinar focused on housing and featured three keynote speakers who each shared some alternative models for housing for older New Zealanders. Listen to Colleen Tuuta talk about the Wisdom Village,

Greer O'Donnell from the Urban Advisory discuss co-owned housing models, and Jason More from the Selwyn Foundation share the story of Haumaru Housing. Slides for each presentation are available. After the presentations, participants had a chance to korero in break out rooms, and this document provides a summary of those discussions.

## New Zealand Superannuation: generational wellbeing, a commentary from RPRC Associate Alec Waugh. See full article here.

Len Bayliss a well-respected New Zealand economist (1927-1918) said in 1996: *"Doomsday rhetoric characterizes NZ media handling of retirement income policy*". I suggest some of the language about NZ Superannuation over the last two decades has moderated, and there is now a growing awareness that our superannuation scheme is excellent public policy, supported by the sound Kiwi Saver scheme.

New Zealand's superannuation scheme is a recognised world leader, with a simple structure, low-cost administration, and with no exceptions. Be alert and wary to those suggesting means-testing or removing universality, as these are wonderful pub fare one liners, but are poison for the greater public good.

## RPRC Media mentions and public presentations:

**24 June 2021, PensionPolicyInternational,** reports '*Women and retirement in a post-COVID world*' by M.Claire Dale and Susan St John.
**15 July 2021, Newsroom,** M.Claire Dale writes: '*New housing policy runs risk of urban slums*'.
**16 July 2021, Australian Journal of Social Issues**, M.Claire Dale submits review of manuscript.
**16 July 2021, RNZ,** Jesse Mulligan interviews M.Claire Dale on '*Concerns over Government's urban planning policy*'.
**18 July 2021, Worldwide Blog Week,** Liam Hill's Summing up includes blog by M.Claire Dale.
**19 July 2021, stuff.co.nz,** Susan Edmunds quotes Terry Baucher and Susan St John in 'Tax on all housing needed to fix 'distortion of social fabric''.
**30 July 2021 interest.co.nz**, Susan St John writes '*Housing is Labour's Achilles' Heel'.*
**3 August 2021, www.lifetimeincome.co.nz,** quotes M.Claire Dale and Susan St John in '*COVID-19 could put women at disadvantage. Fears are growing that women could be put at a disadvantage by withdrawing more of their KiwiSaver in advance than men, because of financial pressure from COVID-19*'.
**16 August 2021 Interest.co.nz,** Susan St John asks '*Will the New Zealand Superannuation Fund really help pay the costs of the baby-boom retirement, and might there be a better approach?*'
**2 September 2021, stuff.co.nz, Susan Edmunds quotes Susan St John in '***Taxing pensioners' other income at higher rate 'could be better way to make super affordable''*.
**2 September 2021, scoop.co.nz,** NZ Taxpayers Union quotes Susan St John in "*Proposal to hike taxes on working superannuants is daft'*.
**2 September 2021, DailyBlog**, Susan St John, writes ''*What a disgusting state of affairs'.* Chris Trotter replies: '*Staying focussed, Why Labour still won't help the poor '.*
**13 September 2021, DailyBlog**, Susan St John writes *'Is appeal to self-interest the answer? '*Chris Trotter replies: '*Not Understood: Susan St John'.*
**20 September 2021, DailyBlog, Susan St John writes** 'Working for families isn't working for poor families'.
**22 September, 2021, UABS Insights**, reports RPRC event: Pressure points in our policies – facing up to the ageing population.

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