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**A commentary from the Retirement Policy and Research Centre**

**PensionCommentary 2021-04**

## **A Commission for the Future - again**

**Dr M.Claire Dale, Research Fellow, RPRC**

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The RPRC is pleased to publish this PensionCommentary<sup>1</sup> suggesting there is a great need to reinstate a Commission for the Future to promote intergenerational equity and to ensure there is a future for the rangitahi of Aotearoa.

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### **Introduction**

A critical issue not addressed by the roles of Retirement Commission, Aged Care Commission or any other Commission is intergenerational equity and future-proofing our rapidly changing society. Given the number and range of Commissions established in Aotearoa New Zealand (see Appendix 1), that is a remarkable oversight that could be addressed by instituting a new, revised Commission for the Future.

### **Recent proposals in the aged care sector**

Labour's pledge in 2017 to introduce an Aged Care Commissioner to protect older Kiwis from breaches in standards of care was addressed in the 2021 Budget, with \$8.1 million allocated over four years. The new role will sit within the Health and Disability Commission's (HDC) office. This appears to be an appropriate location as almost a fifth of complaints to the HDC in the past year have come from consumers over 65.<sup>2</sup>

However, a problem with locating the role of Aged Care Commissioner within the HDC's office is that the majority of Aged Residential Care (ARC) beds are located in retirement villages. 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](#).

Given the predominant location of ARC beds within retirement villages, confusion is likely to ensue between the roles and responsibilities of the Retirement Commissioner and the Aged Care Commissioner (see [PC 2021-3: Aged Care Commissioner for Aotearoa](#) which discusses the issues). This risk needs to be addressed promptly.

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<sup>1</sup> PensionCommentaries are opinion pieces published as contributions to public debate, and do not necessarily reflect the view of the RPRC.

<sup>2</sup> See <https://www.hdc.org.nz/media/5696/hdc-annual-report-2020.pdf>.

## A new Commission for the Future

In *A Partial History of Futures Thinking in New Zealand*,<sup>3</sup> Malcolm Menzies writes:

*The New Zealand Planning Act 1977 formally established two sibling bodies, the New Zealand Planning Council and the Commission for the Future. In summary, the functions of the Commission for the Future were: to study the possibilities for the long-term economic and social development of New Zealand, with particular reference to developments in science and technology and trends and events in New Zealand and overseas; to report to the minister and inform members of Parliament; and to publish and promote discussion and education about the future. The particular reference to science and technology is significant, because many futures initiatives and the people involved have come from the natural and physical sciences.*

The original Commission for the Future was abolished by the Government in 1982. From that time, the New Zealand Futures Trust, set up by Commission's ex-chairperson (and chaired for a time by Menzies) continued to carry out research and produce a journal, *Future Times*, until 2012. The Planning Council, also established by the 1977 Act, was disestablished in 1990.<sup>4</sup>

The remit of New Zealand's original Commission for the Future was in stark contrast to the legislation introduced by the Welsh Government's 'Well-being of Future Generations (Wales) Act 2015'. There, public bodies listed in the Act must ensure that, when making their decisions, they take into account the impact they could have on people living in the future. That Act also establishes Public Services Boards for each local authority area, tasked with improving the economic, social, environmental and cultural wellbeing of its area by working toward the well-being goals. These goals are: A Wales that is prosperous, resilient, healthier, and more equal; with cohesive communities, vibrant culture and Welsh language; and is globally responsible.<sup>5</sup>

Of particular relevance here, Wales's 2015 Act also established a statutory Future Generations Commissioner whose role is to act as a guardian for the interests of future generations in Wales, and to support the public bodies listed in the Act to work towards achieving the well-being goals.<sup>6</sup>

In New Zealand as in Wales, explicit constitutional recognition of future generations could and should assist in ensuring that rights today are not unduly valued over rights tomorrow. Given the reality of the ageing population, such a legislated requirement would assist in ensuring and providing intergenerational equity.

## Intergenerational equity and inequity

Intergenerational *equity* refers to equity in treatment and opportunities for different generations.<sup>7</sup> Tobin (1974) captures the essence of the concept when asserting that the task of trustees in managing endowed institutions is to preserve equity among generations, and to guard the future against the claims of the present.<sup>8</sup> Padilla (2002) suggests that in order to ensure a fair treatment to future generations, their right to

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<sup>3</sup> See [https://www.victoria.ac.nz/\\_data/assets/pdf\\_file/0008/1347236/PQ14-1-Menzies.pdf](https://www.victoria.ac.nz/_data/assets/pdf_file/0008/1347236/PQ14-1-Menzies.pdf), p. 21.

<sup>4</sup> Ibid.

<sup>5</sup> See <https://gov.wales/well-being-future-generations-act-essentials-html>.

<sup>6</sup> Ibid.

<sup>7</sup> See Marshall, V. W., F. L. Cook and J. G. Marshall (1993). Conflict over Intergenerational Equity: Rhetoric and Reality in a Comparative Context. *The Changing Contract Across Generations*. V.L. Bengtson and W. A. Achenbaum. New York, A. de Gruyter: 119 - 140.

<sup>8</sup> See Tobin, J. (1974). *The new economics, one decade older*. Princeton University Press, p. 427.

enjoy at least the same capacity of economic and ecological resources that present generations enjoy must be recognized and protected, and sustainability must be assumed as an equity commitment with future generations.<sup>9</sup>

According to Rawls's (1971) "just savings principle" each generation should put aside "savings" to establish and preserve "just institutions and the fair value of liberty" for their successors. Importantly, intergenerational justice is in one direction: earlier generations owe "just saving" to later generations, but later generations owe nothing to earlier generations.<sup>10</sup>

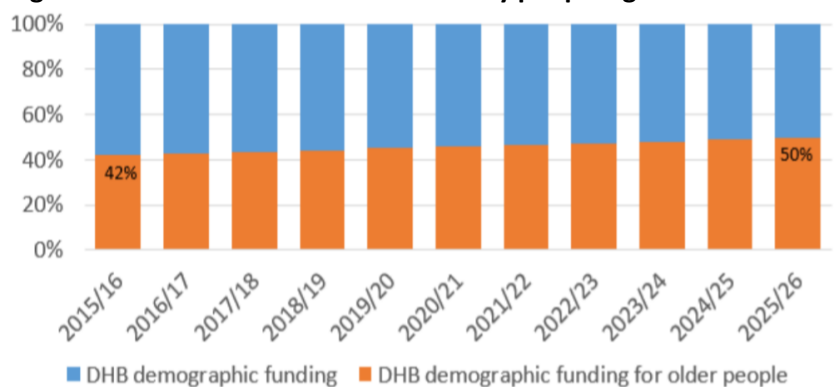
Intergenerational *inequity* can be described as:

*... the distribution of the economic costs of an aging population, where the young are being deprived of opportunities for their well-being because of the excessive allocation of societal resources to the elderly.*<sup>11</sup>

It can be argued that, on this definition, intergenerational *inequity* appears to be the case in New Zealand.

For example current taxpayers fund public healthcare, compulsory education and the universal age pension: New Zealand Superannuation (NZS). While older people make up 15% of the population, they use 42% of health services, and as shown in Figure 1, without health improvements, population ageing will cause this share to increase. Vote Health funds District Health Boards (DHBs) per head of population. The older a person gets, the more likely they are to end up in hospital, but DHB funding also covers the provision of aged residential care (ARC). An estimated 5% of older people live in ARC, and the Residential Care Subsidy is expensive although tightly targeted with a means test. Also at least 10% of older people receive DHB/government-funded, home-based support. By 2025 Vote Health expenditure on those aged 65+ is projected to reach 50%.

**Figure 1. Share of health services used by people aged 65+<sup>12</sup>**



Given the ageing population, while government spending on compulsory education is projected to reduce over time, spending on NZS is projected to increase significantly (see Figure 2). Treasury in 2021 projected that NZS expenses would increase from 4.2% of GDP in 2009 to 7.7% by 2061, due to demographic change, and Health expenditure would increase from 6.7% of GDP in 2009 to 10.6% in 2061.

<sup>9</sup> See Padilla, E. (2002). "Intergenerational equity and sustainability." *Ecological Economics* 41: 69 - 83.

<sup>10</sup> See Rawls, J. (1971). *A theory of justice*. Oxford, Oxford University Press, p. 284.

<sup>11</sup> See

[https://www.researchgate.net/publication/228517259\\_The\\_long\\_goodbye\\_Age\\_demographics\\_and\\_flexibility\\_in\\_retirement](https://www.researchgate.net/publication/228517259_The_long_goodbye_Age_demographics_and_flexibility_in_retirement).

<sup>12</sup> See <https://www.health.govt.nz/nz-health-statistics/health-statistics-and-data-sets/older-peoples-health-data-and-stats/dhb-spending-services-older-people>.

Demographic change accounts for around one third of the projected increase, with increasing demand for healthcare, rising prices for health services, and wage growth making up most of the remainder.<sup>13</sup>

Under current policy settings, considerable increases in health care and NZS expenditure over time come at the expense of other critical areas, in particular spending that affects the working age population such as education and welfare.

**Figure 2. 2021 Draft Long-Term Fiscal Statement projection scenario 2010-2060<sup>14</sup>**

Fiscal variable	2009/10	2019/20	2029/30	2039/40	2049/50	2059/60
NZS	4.2%	4.9%	5.6%	6.4%	6.7%	7.5%
Health	6.7%	6.3%	6.8%	8.0%	9.1%	10.4%
Education	6.0%	5.2%	4.9%	4.9%	5.2%	5.6%
Non-NZS welfare	6.6%	9.0%	5.1%	5.0%	5.0%	5.0%
Interest costs	1.2%	1.0%	1.2%	2.6%	4.4%	7.2%
Other expenses	8.0%	8.0%	7.0%	7.0%	7.0%	7.0%

The emerging social distress of child poverty, increasing inequality, inadequate social support and unaffordable housing, as documented by the Welfare Expert Advisory Group in 2019<sup>15</sup> suggests current fiscal policies are unsustainable and may be increasingly seen as intergenerationally inequitable should they remain unchanged. However, caution must be exercised around the claims regarding the relative positions of children and older New Zealanders. As Perry 2019 writes, although NZS is widely understood as an effective basic income that is highly successful in preventing poverty,

*NZS .... does not 'prevent poverty' .... It is NZS plus the very high rates of mortgage-free tenure that leads to lower hardship and lower after housing costs rates. Older New Zealanders who rent privately have a hardship rate of 12%, a little less than children but higher than the overall 65+ rate of 3%.<sup>16</sup>*

**Figure 3. Low-income and material hardship rates (%) compared for one person households (18-64 yrs), children (0-17 yrs), and older New Zealanders (65+)<sup>17</sup>**

	HES 2018-19	One person HHs (18-64 yrs)	Children (0-17yrs)	Older NZers (65+ yrs)	ALL
		180,000	1.13m	700,000	4.9m
New Zealand comparisons	BHC 50	31	13	9	10
	BHC 60	37	22	37	20
	AHC 40	31	12	7	10
	AHC 50	37	19	13	15
	AHC 60	44	27	26	22
	Material hardship (DEP-17, 6+/17)	21	13	3	9
	Severe material hardship (9+/17)	10	6	1	4
	Material hardship plus income less than AHC 60	19	8	2	5
EU comparisons for material hardship (EU-13)	EU-13, 5+/13	22	14	4	10
	EU median	14-15	11-12	8	10
	NZ rate relative to EU countries	NZ BHC60 rate relatively high, along with Ireland, Belgium (21-23%) etc. Better only than Serbia, Latvia, Lithuania, Romania, etc.	A little above the EU median – similar to Italy, Portugal, Belgium	Among those with lowest rates such as the UK, Finland, Denmark, Switzerland, etc	

That prospect of retiring with a mortgage-free home has disappeared in recent years. Research in September 2021 from Consumer NZ found the runaway housing market had

<sup>13</sup> See <https://www.treasury.govt.nz/publications/lftp/he-tirohanga-mokopuna-2021>, 1.3.2.

<sup>14</sup> See <https://cdn.auckland.ac.nz/assets/business/about/our-research/research-institutes-and-centres/RPRC/presentations/Matthew%20Bell%20Facing%20up%20to%20the%20ageing%20population.pdf>.

<sup>15</sup> See the Welfare Expert Advisory Group Report 2019 at <http://www.weag.govt.nz/weag-report/whakamana-tangata/>.

<sup>16</sup> See [www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/index.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/index.html).

<sup>17</sup> See [www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/index.html](http://www.msd.govt.nz/about-msd-and-our-work/publications-resources/monitoring/index.html).

“solidified New Zealand as a country divided by property wealth”. For those who are not already home-owners, the dream of owning a home is becoming increasingly unlikely. In the 3<sup>rd</sup> quarter of 2021, the average house price was more than 12 times the average national income. About 58% of respondents did not think they would be able to purchase their home at its current valuation. Consumer NZ’s ‘Sentiment Tracker’ also asked those not currently owning property but wanting to be homeowners how they felt about their chances of purchasing a property: 42% felt completely locked out of the market, and 20% said they’re saving for a deposit but can’t catch up.<sup>18</sup> Clearly a future including homeownership looks less likely for current generations.

The ageing of the population that is already underway compounds other dramatic and enduring endogenous and exogenous changes, including climate change. Adding to the complexity:

*... there may be ‘probable’ futures in the near term, ‘possible’ futures which depend on a whole range of factors, and ‘preferred’ futures able to be shaped by human agency. All of these will overlap.<sup>19</sup>*

Boston and Stuart (2015) suggest other options for policy change that could contribute to intergenerational equity. Their examples include public agencies with ‘guardianship-type’ roles in relation to future generations; advisory bodies with responsibilities to promote sustainable development; parliamentary committees with specific duties to consider long-term issues; legislative requirements for governments to produce regular reports on their efforts to protect citizens’ long-term interests; and incorporating specific requirements into domestic statutes.<sup>20</sup>

### Other impacts of an ageing population

The concept of an ageing population tends to conjure fears of an increasing multitude of frail elderly dependent on decreasing numbers of young workers for provision of their care and support as well as their income: primarily the age pension, NZS. Hence the ‘silver tsunami’ metaphor: an unstoppable and overwhelming surge of grey-headed women and men, destroying everything in their path.<sup>21</sup>

As the population ages, the proportion of ‘old’ increases, and older people become more visible. In 2017, the 65+ population was 15% of the total population of 4.5 million; by 2036, the 65+ population is projected to comprise 20% of the total population estimated at 5.4 million. The proportion aged 75+, and thus more likely to be frail and in need of care and support, is projected to double in the next 30 years.<sup>22</sup> The dependency ratio, the ratio of working age (15 to 64 years) to those aged 65+ years, was just over 5 to 1 in 2010, but by the 2060s the ratio will be closer to 2 to 1.<sup>23</sup> With increasing longevity,

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<sup>18</sup> See <https://www.newshub.co.nz/home/money/2021/09/majority-of-homeowners-couldn-t-afford-to-buy-their-house-if-purchased-now-consumer-nz.html>.

<sup>19</sup> See [https://www.victoria.ac.nz/\\_data/assets/pdf\\_file/0008/1347236/PQ14-1-Menzies.pdf](https://www.victoria.ac.nz/_data/assets/pdf_file/0008/1347236/PQ14-1-Menzies.pdf), p. 2.

<sup>20</sup> See Boston, J., & Stuart, T. (2015). Protecting the Rights of Future Generations: are constitutional mechanisms an answer? Policy Quarterly, 11(2), 60 - 71.

<sup>21</sup> See <https://cdn.auckland.ac.nz/assets/business/about/our-research/research-institutes-and-centres/RPRC/WorkingPaper/WP%202018-1%20Some%20equity%20issues%20in%20health%20and%20care%20policy%20and%20provision%20FINAL.pdf>.

<sup>22</sup> See <https://cdn.auckland.ac.nz/assets/business/about/our-research/research-institutes-and-centres/RPRC/presentations/p-Equity-issues-in-health-and-care-policy-2017.pdf>.

<sup>23</sup> See <https://www.treasury.govt.nz/publications/wp/new-zealand-treasurys-living-standards-framework-exploring-stylised-model-wp-15-12-html>.

and more than an average 20 years after age 65 years of accessing NZS, and given its universality, the system appears both unrealistic and inequitable.

In addition to the looming future cost of one child in four growing up in New Zealand in poverty and hardship and thus likely to suffer compromised health and reduced ability to contribute economically, there are existing and anticipated regional and ethnic variations in our ageing populations. As the Auditor General (2013) noted in a report to Parliament:

*Some regions will have older populations and age more quickly than others. When an increasing proportion of the population is on a fixed income, local authorities with the oldest populations are more likely to be the first to face challenges in paying for community services and maintaining, repairing, and replacing infrastructure. One way or another, many public resources will be committed to responding to our ageing population.<sup>24</sup>*

In late June 2018, the then Minister for Seniors, Hon Tracey Martin, launched "Discussion Document He Pukapuka Matapaki: Developing a new strategy to prepare for an ageing population".<sup>25</sup> The Office for Seniors Te Tari Kaumātua, part of the Ministry for Social Development, has close links with community organisations representing the interests of older people, including Grey Power and Age Concern NZ. In a message introducing the Discussion Document, the Minister noted that our response to our ageing population will have a huge impact on economic growth:

*Not only will Seniors be a vital part of a 21st century workplace, but ... our country will turn to them more and more for the contribution they make as taxpayers, carers, consumers, volunteers, and employees. If, in a little under 20 years, people aged 65+ are to make up almost a quarter of our population, the implications for our economy, workforce, healthcare and government services will be significant. .... We need everyone – government, local government, nongovernmental organisations, communities, whānau, family, individuals, and businesses – to work together.*

Maré (2018) shows that employment rates for those aged 60-64 rose from 42% in 2000 to 74% in 2017; for 65-69 year olds the rate rose from 16% to 44%, and for workers over the age of 70, from 4% to 13%.<sup>26</sup> While seniors currently make up around 6.2% of the workforce, by 2033 that will increase to 10.6% of the workforce, and their contribution to the economy will increase accordingly. The 34% percent of workers over the age of 50 in 2021 comprise a considerable proportion of New Zealand's workforce.<sup>27</sup>

However, not all the news is good news. With almost 24% of New Zealand's workforce aged 55+, there are only four to five teachers/nurses to replace every 10 that will retire. Similarly, a 2016 workforce survey by the Royal New Zealand College of General Practitioners found 44% of all GPs plan to retire within 10 years (up from 36% in 2014). So it is deeply concerning that the 2018 EMA Employers Survey showed 83% of employers have no plans to address the challenge presented by the ageing population.<sup>28</sup>

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<sup>24</sup> See <https://oag.parliament.nz/2013/ageing>.

<sup>25</sup> See

[https://infocouncil.aucklandcouncil.govt.nz/Open/2018/07/SEN\\_20180716\\_AGN\\_8124\\_AT\\_files/SEN\\_20180716\\_AGN\\_8124\\_AT\\_Attachment\\_61524\\_2.PDF](https://infocouncil.aucklandcouncil.govt.nz/Open/2018/07/SEN_20180716_AGN_8124_AT_files/SEN_20180716_AGN_8124_AT_Attachment_61524_2.PDF).

<sup>26</sup> See <https://www.motu.nz/our-research/population-and-labour/firm-performance-and-labour-dynamics/the-labor-market-in-new-zealand-20002017/>.

<sup>27</sup> See <https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/information-releases/better-later-life/appendix-3-draft-action-plan-to-implement-the-better-later-life-strategy.pdf>.

<sup>28</sup> See <http://www.toi-eda.co.nz/getattachment/Workforce-Development/EMA-Employers-survey-2018.pdf.aspx?lang=en-NZ>.

To meet the needs of the projected number of disabled older people requiring a high level of support, the Department of Labour (2009) estimated that the number of paid careworkers needs to almost treble from just under 18,000 in 2006 to 48,200 in 2036: “the current pathway is not sustainable”.<sup>29</sup> In addition, demand for ‘aged caregivers’ increases with population ageing and public and private preference for ageing in place rather than institutional care. Also, ageing increases the propensity toward health loss and disability. While leading a healthy lifestyle can reduce the risk of future ill health, some of this health loss is not preventable.<sup>30</sup>

As shown in Figure 4, the majority of people aged 65 years and older have at least one long-term condition, with the most common disease patterns being arthritis, chronic pain and anxiety/depressive disorder, and coronary heart disease.<sup>31</sup>

**Figure 4. Percentage Disabled of Total Population, Ministry of Health, 2013**

	Māori			Non-Māori		
	Males	Females	Total	Males	Females	Total
0–14 years	19	10.6	14.9	11	7.2	9.2
15–24 years	20.3	23.5	20.9	14	13.8	13.9
25–44 years	24.7	22.2	23.3	14	15.3	14.7
45–64 years	39.6	45.3	43.6	26	26.1	26.1
65+ years,	73.7	50	62.2	55.1	57	55.9

With a current estimate of over a million disabled New Zealanders, and recognition that this number will continue to grow as the population ages, the Government’s October 2021 announcement of a Ministry for Disabled People could be a helpful step forward, as long as its well-resourced and led by the right people.<sup>32</sup> For seniors the impact could be profound: the Ministry of Health forecasts 1.18 million Kiwis over the age of 65 by 2051, and almost half of these will have some form of disability according to the UN Department of Economic and Social Affairs finding that more than 46% of people aged 60 and over around the world live with some form of disability.<sup>33</sup>

*Disability is not about having a specific medical condition, it is about living with activity limitations or functional difficulties that affect everyday life, and older people are more likely than younger people to be affected.*<sup>34</sup>

The hope is that this Ministry will end the disparity of the current ‘two-tier’ system, where the entitlement to funding and support depends on *how* the person became disabled rather than the disability itself. If it was a result of an accident, then ACC

<sup>29</sup> See Ministry of Business Innovation & Employment (2009). Demographic Shift. The Future Demand for Paid caregivers in a Rapidly Ageing Society. Wellington, Department of Labour.

<sup>30</sup> See <https://cdn.auckland.ac.nz/assets/business/about/our-research/research-institutes-and-centres/RPRC/WorkingPaper/WP%202018-1%20Some%20equity%20issues%20in%20health%20and%20care%20policy%20and%20provision%20FINAL.pdf>.

<sup>31</sup> See Ministry of Health (2015). Health and Independence Report 2015. The Director-General of Health’s Annual Report on the State of Public Health. Wellington, Ministry of Health.

<sup>32</sup> See <https://www.beehive.govt.nz/release/government-delivers-transformative-changes-disabled-people>.

<sup>33</sup> See [https://www.newsroom.co.nz/pro/how-an-ageing-population-need-a-ministry-for-disabled?utm\\_source=8+Things+Subscribers&utm\\_campaign=2e31ecee1f-Newsroom+Pro+02.11.21&utm\\_medium=email&utm\\_term=0\\_2412c1d355-2e31ecee1f-%5BLIST\\_EMAIL\\_ID%5D&ct=t%28Newsroom+Pro+02.11.21%29](https://www.newsroom.co.nz/pro/how-an-ageing-population-need-a-ministry-for-disabled?utm_source=8+Things+Subscribers&utm_campaign=2e31ecee1f-Newsroom+Pro+02.11.21&utm_medium=email&utm_term=0_2412c1d355-2e31ecee1f-%5BLIST_EMAIL_ID%5D&ct=t%28Newsroom+Pro+02.11.21%29).

<sup>34</sup> See <https://www.stats.govt.nz/reports/measuring-inequality-for-disabled-new-zealanders-2018>.

subsidies and income support apply. When a person is born with a disability, or became disabled as a result of an underlying health condition or age-related illness, they are only eligible for means-tested benefits via the Ministries of Health and Social Development, financial support which is set at a lower level than ACC cover.<sup>35</sup>

ACC explicitly does not cover “illness, sickness, or conditions related to ageing”, even though the most common cause of disability in older people is disease or illness (42%), so this unequal system impacts heavily on older people.<sup>36</sup> People aged 65 have significantly higher rates of disability (59% compared to 21% for adults under the age of 65), and are far less likely to be covered by ACC.<sup>37</sup>

It is proposed that disabled people will be at the helm of the new Ministry, from the Board and CEO down to frontline staff, allowing them to have direct influence over the issues that affect them. The key to ensuring a fair system for everyone is for every facet of the disabled community to have a seat at the table, including older people.<sup>38</sup>

While this Ministry for disabled people, if it delivers on the promises, will contribute to a more equitable environment for the young and old who have a disability, it will not contribute to ensuring equity between current and future generations.

### Concluding remarks

In 2016, over three days in November, some of the world's brightest descended on Christchurch for Australasia's first exponential technology summit, hosted by Silicon Valley's Singularity University. The event's organiser and speaker Kaila Colbin said:

*We used to think of future studies as being 20, 30, 50 years out, but we're looking at massive, widespread technical and societal changes on a timespan of 10 years or less. All Kiwis need to know how these shifts would transform their lives, and to join the conversation.*<sup>39</sup>

In 2017, Television New Zealand aired a series of interactive programmes on New Zealand's future: “What Next?”.<sup>40</sup> Nigel Latta, John Campbell and guests attempted to focus 20 years into the future and investigated questions about technology, what a ‘clean green New Zealand’ would look like, what economic disruptions could be expected, and what fundamentals of our lives need to change. It was a useful if inconclusive conversation. Now, 4 years later, New Zealand is in the grip of a pandemic and, like the rest of the world, struggling to look past the precarious present.

Inequality and inequity appear to effect life expectancy, murder and violent crime, school dropouts, obesity, depression and mental illness.<sup>41</sup> According to the OECD's ‘Better Life Initiative’ snapshot of New Zealand, shown in Figure 5, much work is required here to prepare for a better future.

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<sup>35</sup> See <https://www.scoop.co.nz/stories/PO2111/S00200/the-ministry-for-disabled-people-could-spell-the-end-of-an-ageist-system.htm>.

<sup>36</sup> See Disability Survey, 2013, Stats NZ, <https://www.health.govt.nz/our-work/populations/maori-health/tatau-kahukura-maori-health-statistics/nga-mana-hauora-tutohu-health-status-indicators/disability>.

<sup>37</sup> Ibid.

<sup>38</sup> See <https://www.scoop.co.nz/stories/PO2111/S00200/the-ministry-for-disabled-people-could-spell-the-end-of-an-ageist-system.htm>.

















<sup>39</sup> See <https://www.nzherald.co.nz/nz/back-to-the-future-has-nz-stopped-looking-ahead/OW2X4VIAMG6YWWTWDWRJYC6QM/>.

<sup>40</sup> See <https://www.tvnz.co.nz/shows/what-next>.

<sup>41</sup> See Woulfe, C. (2017). How inequality devastates our economy, health and social relations. New Zealand Listener, October.



**Figure 5. New Zealand’s resources for future well-being, 2018 or latest available year<sup>42</sup>**

Natural Capital 	Economic Capital 	Human Capital 	Social Capital 
Greenhouse gas emissions per capita  ↗	Produced fixed assets  ↗	Educational attainment of young adults  ↗	Trust in others  ...
Material footprint  ↘	Financial net worth of government  ↔	Premature mortality  ↔	Trust in government  ↔
Red List Index of threatened species  ↘	Household debt  ↔	Labour underutilisation rate  ↗	Gender parity in politics  ↔

Note: ①=top-performing OECD tier, ②=middle-performing OECD tier, ③=bottom-performing OECD tier. ↗ indicates consistent improvement; ↔ indicates no clear or consistent trend; ↘ indicates consistent deterioration, and "..." indicates insufficient time series to determine trends since 2010. For methodological details, see the Reader's Guide of *How's Life? 2020*.

A Parliamentary Commission for the Future would consider the impact current issues could have on people living in the future, and ensure decisions gave due weight to the future. That Commission could be tasked with protecting and improving the economic, social, environmental and cultural wellbeing of New Zealand, while ensuring it is globally responsible.<sup>43</sup> As in Wales, a statutory Future Generations Commissioner could act as a guardian for the interests of future generations.<sup>44</sup>

In New Zealand as in Wales, explicit constitutional recognition of future generations could and should assist in ensuring that rights of today are not unduly valued over rights of tomorrow. Given the reality of the ageing population, such a legislated requirement would assist in ensuring and providing intergenerational equity.

As well as establishing a Parliamentary Commission for the Future, actions that could be taken now to improve intergenerational equity include: improving support for families and reducing child poverty; joining international organisations developing age-friendly communities; and introducing safe, fair, gender-neutral annuity products to enable intragenerational sharing of the costs of the ageing population.<sup>45</sup>

More controversially, a clawback through higher tax on high-income NZS recipients as suggested by St John and Dale 2019,<sup>46</sup> or a method of taxing housing wealth as suggested by St John and Baucher 2021,<sup>47</sup> could be part of a suite of redistributive measures.

<sup>42</sup> See <https://www.oecd.org/statistics/Better-Life-Initiative-country-note-New-Zealand.pdf>.

<sup>43</sup> See <https://gov.wales/well-being-future-generations-act-essentials.html>.

<sup>44</sup> Ibid.

<sup>45</sup> See <https://cdn.auckland.ac.nz/assets/business/about/our-research/research-institutes-and-centres/RPRC/WorkingPaper/WP%202018-1%20Some%20equity%20issues%20in%20health%20and%20care%20policy%20and%20provision%20FINAL.pdf>.

<sup>46</sup> See <https://cdn.auckland.ac.nz/assets/business/about/our-research/research-institutes-and-centres/RPRC/OtherPapers/ToR%206%20FINAL%20St%20John%20and%20Dale%204%20Oct%20revised.pdf>.

<sup>47</sup> See <https://cdn.auckland.ac.nz/assets/business/about/our-research/research-institutes-and-centres/RPRC/publications/WP%202021-1%20Fair%20Economic%20Return%20St%20John%20and%20Baucher.pdf>.

## Appendix. Some Commissions in Aotearoa

It seems New Zealand governments have a preference for Commissions as solutions to problematic areas. While Royal Commissions<sup>48</sup> are established for a specific purpose then disestablished,<sup>49</sup> as with the current [Royal Commission of Inquiry into Historical Abuse in State Care and in the Care of Faith-Based Institutions](#), other Commissions may or may not endure over decades. Of interest are some of the many Commissions that have been established, and mostly continue to operate:

**[The Commission for the Future](#)**, 1977–1982, papers,<sup>50</sup> and Menzies (2018) 'A Partial History of Futures Thinking in New Zealand'.<sup>51</sup>

**[Te Kawa Mataaho Public Service Commission](#)** established in 1912 is the central agency charged with leading and improving the performance of the State sector of New Zealand. The current office of State Services Commissioner descends directly from that of the Public Service Commission. The office of State Services Commissioner is central to New Zealand's politically neutral, professional and permanent Public Service. The Commission was established to employ all public servants, thus protecting the Public Service from political interference.

**[The Local Government Commission](#)** **Mana Kāwanatanga ā Rohe** was originally established in 1947, with its functions outlined in section 12 of the Local Government Commission Act 1946. It was established "to review from time to time the functions and districts of local authorities and to inquire into proposals and prepare schemes for the reorganisation thereof and generally to review and to report to the Minister upon such matters relating to local government as may be determined by the Commission or referred to it by the Minister." In October 2007 the Commission adopted its Māori name, Mana Kāwanatanga ā Rohe. A literal translation is "the authority for governance of districts". The name was chosen because both its literal and conceptual meanings appropriately convey the Commission's functions and responsibilities

**[The National Housing Commission](#)** sat from 1975 – 1984, when owning a home was seen as a foundation of social wellbeing, rather than a very profitable tax-exempt investment.

**[New Zealand Human Rights Commission](#)** was set up in 1977 and works under the Human Rights Act 1993 to promote and protect the human rights of all people in Aotearoa New Zealand, and to work for a free, fair, safe and just New Zealand, where diversity is valued and human dignity and rights are respected.

**[The Commerce Commission](#)**, established in 1986, enforces competition, fair trading and consumer credit contracts laws; and has regulatory responsibilities in the electricity lines, gas pipelines, telecommunications, dairy and airport sectors.

**[Te Ake Matua o te Ture Law Commission](#)**, established 1986, is an Independent Crown Entity that reviews New Zealand law, then makes recommendations to Government to improve the law. It also advises the Responsible Minister and

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<sup>48</sup> See <https://teara.govt.nz/en/commissions-of-inquiry/print>.

<sup>49</sup> See <https://www.dia.govt.nz/Public-and-Government-Inquiries>: Public Inquiries include Royal Commissions, are appointed by and report to the Governor-General, and the Inquiry report is tabled in Parliament.

<sup>50</sup> See <https://www.mcquinnessinstitute.org/about/the-james-duncan-reference-library/commission-for-the-future/>.

<sup>51</sup> See [https://www.victoria.ac.nz/\\_data/assets/pdf\\_file/0008/1347236/PQ14-1-Menzies.pdf](https://www.victoria.ac.nz/_data/assets/pdf_file/0008/1347236/PQ14-1-Menzies.pdf).

government agencies on how to make the law more accessible and easier to understand.

**Te Kaitiaki Taiao a Te Whare Pāremata - [Office of the Parliamentary](#)**

**[Commissioner for the Environment](#)**. The role of Parliamentary Commissioner for the Environment was set up under the Environment Act 1986. Its roots lay in the reform of New Zealand's environmental administration following an OECD report, *Environmental Policies in New Zealand*. This 1981 report recommended changes, including strengthening environmental advice to government, and establishing an environmental body with a separate audit and oversight function.

**[Te Taura Whiri i te Reo Māori Maori Language Commission](#)** was set up under the Māori Language Act 1987 and continued under Te Ture Reo Māori 2016 Māori Language Act 2016 to promote the use of Māori as a living language and as an ordinary means of communication. This autonomous Crown entity is responsible to Parliament for the use of public funds to support its objectives. Each year, the Minister of Māori Development issues a Letter of Expectations, and the Commission produces a Statement of Intent (SOI), a four-year plan, and a one-year plan known as a Statement of Performance Expectations (SPE) which are submitted to Parliament and published on the website. The **[Commission's roles](#)** include: Promotion of te reo Māori to wider New Zealand; Examination and registration of translators and interpreters; and Language development ensuring Māori language can be used effectively in all circumstances.

**The [Office of the Children's Commissioner](#)** (OCC), established in 1989, has responsibility under the United Nation's Optional Protocol to the Convention against Torture (OPCAT) for monitoring places where children and young people are detained. The OCC's work also involves advocating for the rights, interests and wellbeing of Aotearoa New Zealand's 1.2 million children and young people. The legislation underpinning the Office is being re-written, with the Commissioner sole model to be replaced by that of a Commission. Some of the **[monitoring functions](#)** will be transferred to the new Independent Children's Monitor while the OCC focuses on strengthening advocacy and continuing to monitor places where mokopuna can be detained. **[Annual budget allocation to OCC](#)** is approximately \$3m annually.

**The [Electoral Commission Te Kaitiaki Take Kōwhiri](#)** is an independent Crown Entity that works independently from government to administer the Electoral Act 1993 which provides the rules for parliamentary elections and the electoral roll. It is responsible for running New Zealand's parliamentary elections and keeping the electoral rolls up to date. The Commission works to provide an effective and impartial electoral system that New Zealanders understand and trust.

**The [Office of the Privacy Commissioner Te Mana Mātāpono Matatapu](#)** (OPC), originally established under the **[Privacy Act 1993](#)**, works to develop and promote a culture in which personal information is protected and respected. The Privacy Act applies to almost every person, business and organisation in New Zealand. The Act includes privacy principles that guide how personal information can be collected, used, stored and disclosed. On 1 December 2020, the new **[Privacy Act 2020](#)** came into force.

**The Office of the [Health and Disability Commissioner](#)** (HDC), established in 1994,<sup>52</sup> manages complaints about individual or whānau experiences of using mental health and/

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<sup>52</sup> See <https://www.hdc.org.nz/about-us/history/>.

or addiction services. The HDC acts as an independent watchdog for people's rights when using health and disability services.

**[Kupu Taurangi Hauora o Aotearoa - Health Quality & Safety Commission New Zealand](#)** As a Crown entity mandated under the New Zealand Public Health and Disability Act 2000, this Commission is categorised as a Crown agent for the purposes of the Crown Entities Act 2004. It drives and coordinates quality-related activities and improvement initiatives at a national level, with strong clinical engagement and support.

**The [Retirement Commission](#) Te Ara Ahunga Ora** was established under the New Zealand Superannuation and Retirement Income Act 2001. In addition to monitoring the effects of the Retirement Village Act 2003, the regulations, and the Code of Practice to ensure the legislative framework for retirement villages is effective, promoting education and publishing material on retirement village issues, and administering the Disputes Panel, part of the dispute resolution scheme for retirement villages; the Commission's role includes empowering Aotearoa's people on their journeys to a better retirement. After multiple name changes the Commission has returned to the original.

**The [Gambling Commission](#)** is an independent statutory decision-making body established under the Gambling Act 2003. The Commission hears casino licensing applications, and appeals on licensing and enforcement decisions made by the Secretary of Internal Affairs in relation to gaming machines and other non-casino gambling activities. The Gambling Commission has the powers of a Commission of Inquiry.

**[Tertiary Education Commission](#) - Te Amorangi Mātauranga Matua** (TEC) is a Crown agency under the Crown Entities Act 2004, governed by a Board of Commissioners appointed by the Minister of Education. TEC leads the Government's relationship with the tertiary education sector in New Zealand. The name Te Amorangi Mātauranga Matua was inspired from the whakatauaikī of Canon Wi Tetau Huata from the tribes of Ngāti Porou and Ngāti Kahungunu. During the Second World War, Canon Wi is said to have called out this whakatauaikī to rally and inspire his troops.

**The New Zealand [Walking Access Commission](#) Ara Hikoi Aotearoa**, the Crown agent responsible for outdoor access issues, was established in 2008.

**The [Productivity Commission](#) – Te Kōmihana Whai Hua o Aotearoa**, was established under the [New Zealand Productivity Commission Act, 2010](#). "The principal purpose of the Commission is to provide advice to the Government on improving productivity in a way that is directed to supporting the overall well-being of New Zealanders, having regard to a wide range of communities of interest and population groups in New Zealand society."

**The [New Zealand Infrastructure Commission](#), Te Waihanga** was established in 2019 to ensure that New Zealand gets the quality infrastructure investment needed to improve long-term economic performance and social wellbeing. The Commission is made up of four teams: Strategy, Major Projects, Engagement and Corporate Services. [See https://infracom.govt.nz](https://infracom.govt.nz) for a snapshot of issues and trends for New Zealand's infrastructure sector, and the latest projects and updates from the Commission.

**The [Mental Health and Wellbeing Commission](#)**, after the early set-up phase in 2020, was established with a new Commissioner in July 2021.<sup>53</sup> As part of its broader wellbeing role, the Commission has taken on the monitoring and advocacy function for mental

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<sup>53</sup> See <https://www.scoop.co.nz/stories/GE2106/S00060/karen-orsborn-appointed-as-mental-health-and-wellbeing-commission-chief-executive.htm>.

health and addiction services from the outgoing Mental Health Commissioner at the HDC. The Commission's priority populations, as noted in the Mental Health and Wellbeing Commission Act 2020, include Māori, Pacific peoples, Asian peoples, rainbow and trans communities, people with variations of sex characteristics, migrants and former refugees, rural communities, disabled people, veterans, prisoners, young people, older people, children experiencing adverse childhood events, and children in state care.<sup>54</sup>

**For comments or further information on this *Pension Commentary* please contact:**

Dr M.Claire Dale  
Research Fellow, Retirement Policy and Research Centre  
University of Auckland Business School  
E: [m.dale@auckland.ac.nz](mailto:m.dale@auckland.ac.nz)

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<sup>54</sup> See <https://www.mhwc.govt.nz/assets/Our-reports/MHWC-Access-and-Choice-report-Final.pdf>.