Policy | 2014

Senior Citizens

HIGHLIGHTS

Labour will:

* establish an Aged Care Working Group to develop reforms to the aged care sector.
* introduce free GP visits and make prescriptions free for all people aged 65 and over.
* extend the Rates Rebate scheme to those living in retirement villages.

Introduction

Labour knows that older New Zealanders helped build this county. They deserve our respect. We also recognise and value the skills, knowledge and experience older people contribute to their families and communities.

In the coming decades, the proportion of older people in the population will increase and will have an increasingly important role to play in our society. We will support older New Zealanders to be fit and able, not only to contribute to the workforce where they choose to, but importantly to enjoy their well-earned retirement in good health.

In 2001 Labour launched the *New Zealand Positive Ageing Strategy* to reinforce our commitment to promoting the value of participation by older people in communities. The aim was to improve opportunities for older people to participate in ways that they choose. The *Positive Ageing Strategy* provides a framework within which all Labour policy that affects older people can be commonly understood and developed.

Aged Care

Labour will:

in the first 100 days of Government, establish an Aged Care Working Group to develop reforms to the aged care sector.

The working group will be tasked with advising on an agreed timeframe and funding the transition to:

* a continuum of care model that puts the older person at the centre of an individualised plan starting from ageing in place at home to hospital, respite and palliative care
* pay parity for nurses and caregivers working in the Aged Care sector, both residential care and home support, with nurses and health care assistants employed by District Health Boards
* sustainable, consistent and fair reimbursement of travel costs, including vehicle costs and travelling time, for home support and community carers
* minimum qualification standards, including progression standards, for the aged care work force
* agreed safe staffing levels for safe residential aged care, dementia care and home and community care
* a simple-to-understand system of comparing the quality of residential facilities to improve public accountability and choices for older people and their families
* consistent provision of Elder Abuse and Neglect Prevention services across New Zealand
* appropriate reporting to ensure that public funding for aged care is used to improve the quality of care for older people.

The Aged Care Working Group will be made up of representatives of the following stakeholders:

* Government
* Older New Zealanders
* Care Providers
* The Aged Care Workforce
* District Health Boards
* Ministries of Health and of Social Development
* Education Providers

The Working Group will be expected to reach agreement on the issues it is to consider. It will deliver a plan to implement its agreed positions as early as possible in 2015. Implementation will then begin immediately.

Labour will

establish an Aged Care Commissioner with the following roles -

* oversee implementation of the Aged Care Working Group plan
* facilitate resolution of complaints about the provision of aged care
* investigate complaints of financial abuse of older people and, when appropriate, prosecuting through the courts to remedy the situation.

Free doctor visits and prescriptions for people aged 65 and older

Because they tend to visit the doctor more frequently and have greater medical needs, people aged 65 and older face the highest primary healthcare costs of any age group despite most older people having low, fixed incomes. The current government’s prescription charge increase hit older people hard, costing them $15 million a year collectively.

It is unfair that the people with the most medical need are also saddled with the greatest health costs, especially when they are largely on fixed incomes. It is also not cost-effective – if older people do not get care early on, they are at greater risk of their condition worsening, requiring more expensive hospital treatment.

Labour will make doctor visits and prescriptions free for people aged 65 and over, benefiting nearly 700,000 people.

Labour will:

introduce free GP visits for all people aged 65 and over

make prescriptions free for all aged 65 and over.

This package is forecast to cost $120 million a year: $100 million for free GP visits and $20 million for prescriptions.

Assistance with the cost of rates

Norman Kirk and the Third Labour Government introduced the Rates Rebate scheme because they recognised that rates bills were a "must pay" account and, for people on low and fixed income, paying the bill was a struggle.

Over the years the scheme fell into disrepair, with the amount of income earned and the rates level not keeping up with real costs.

The Clark Labour-led Government upgraded the scheme so that both the income level and rates amount better reflected reality. The next Labour government will help those missing out on the rates rebate because their living arrangements were not in existence when the scheme first came into place.

Labour will:

extend the Rates Rebate scheme to those living in retirement villages.

People with license to occupy units in retirement villages are currently ineligible for the Rates Rebate scheme because they are not technically ratepayers. They will now be able to apply for relief. Some Councils have acknowledged this as unfair and amended their own policies so that residents can receive a rates remission. We will amend the Rates Rebate Act 1973 to extend eligibility to income-qualifying residents in license to occupy units throughout the country.

We estimate that this will cost up to $4 million a year, taking into account trends for the Rates Rebate scheme to be underspent against its appropriation.

Superannuation

Ensuring Superannuation is Sustainable

Labour is committed to a sustainable and fair superannuation system, which pays an adequate income to our senior citizens.

We guarantee no changes to the rate of New Zealand Superannuation. We are firmly committed to retaining the current rate for a couple of 66 per cent of the average wage. NZ Super is a vital safety net that provides every New Zealander with a guaranteed minimum level of income during their retirement. This must be protected for this generation and the next.

A sustainable superannuation system is essential and, in fairness to all generations, requires action now. The number of Kiwis above the retirement age has increased by 24 per cent since the last census, showing action is needed to keep universal superannuation sustainable.

Labour will:

gradually lift the age of New Zealand Superannuation eligibility from 65 to 67, starting on 1 April 2020 and taking 12 years to phase in.

There will be no change for anyone born before 1955. This includes everyone currently receiving NZ Super or those close to retirement.

Labour is committed to ensuring the transition to a NZ Super eligibility age of 67 is done fairly. Labour will ensure there is transitional assistance for those who can’t readily keep working in their normal occupation.

Labour realises that for some people working another two years is simply not an option. For some in manual labour an additional 2 years may not be physically possible.

Labour will:

develop a New Zealand Superannuation Transition payment, set at the same level as New Zealand Superannuation, for which those aged 65 or 66 who are not readily able to keep working in an occupation of the same kind and unable to support themselves, would qualify.

New Zealand Superannuation Fund

The Super Fund – one of the great successes of the last Labour Government – continues to go from strength to strength. But it could have been much better. The Guardians of the New Zealand Super Fund say that as of 30 June 2013 the NZ Super Fund was $10.8 billion smaller than it would have been if contributions had continued, with $2.2 billion of foregone investment gains.

The fund returned almost $4 billion in the twelve months to May 2014 ($3.9 billion)  at a rate of over 17 per cent.

Given those figures it is astonishing that National still refuses to resume contributions to the Fund until around 2020. That’s six years away. By then National would have suspended contributions for 12 years while trying to maintain the pretence they are pre-funding superannuation. We will have foregone billions of dollars in returns by then.

New Zealand can’t afford to lose that sort of money with the ballooning cost of New Zealand Superannuation forecast to exceed the cost of education in just three years’ time.

Labour will:

restart contributions to the Super Fund when the books are back in the black, ramping them up over time.

Superannuation portability

An increasingly mobile society, including in retirement, raises complex issues as to how pensions are paid between countries.  The current pension portability arrangements aim to ensure that all New Zealand residents receive an equitable level of pension and that costs of pensions are shared between countries. But the unique nature of New Zealand Superannuation presents a number of policy and administration issues, including real or perceived inequity in the treatment of overseas pensions.

Over time a number of adjustments have been made to New Zealand Superannuation portability arrangements in order to overcome these issues. But there is more that can be done to ensure that all people are treated fairly. In particular, given the introduction of KiwiSaver as an additional means for people to provide for their retirement over and above their income from New Zealand Superannuation and Labour’s plan to make KiwiSaver universal from 2014, it is important to ensure that we treat people from countries with arrangements similar to KiwiSaver in a fair and equitable fashion.

Labour will:

review the legislation around superannuation portability.

Recognition of overseas pension schemes:

Labour recognises the need to address the situation of those who are now permanent residents and citizens of New Zealand, but who worked and contributed to overseas pension schemes before they settled here. Currently people have the value of these pensions deducted from New Zealand Superannuation; and if the overseas pension is more than New Zealand Superannuation then their partner has that amount deducted from their superannuation entitlement.

Labour will:

review the legislation around overseas pension schemes to ensure those who have been active savers are treated fairly and not unduly penalised when they become eligible for NZ Superannuation.

Grandparents raising grandchildren

Increasingly, grandparents are taking over the full-time care of their grandchildren. Labour recognises this, and the historic inequity around support for these carers. Under Labour, grandparents will be treated in the same way as people who undertake foster care.

Labour will:

undertake a review of the differences in government assistance provided to foster carers and to kin carers (including grandparents) with a view to ensuring that both groups are treated equitably.

Positive ageing - community participation and support

Labour is committed to ensuring that older New Zealanders are able to maintain active fulfilling lives and participate fully in our communities - making our *New Zealand Positive Ageing Strategy* meanmore than just words. This includes increasing opportunities for personal growth, friendship and community participation.

Mobility is an important factor in enabling older people to remain healthy, socially connected and active. The SuperGold Card recognises the contribution senior citizens and veterans have made, and continue to make, to their communities and New Zealand as a whole.

Labour will:

continue to make free off-peak travel on public transport available to older New Zealanders nationwide through the SuperGold Card.

Labour will continue to challenge the notion of older age as a time of retirement and withdrawal from society. We realise that some older people feel isolated and disconnected from their communities but we also know they have a wealth of information and experience and can play important roles in their community. Labour believes that older people should be encouraged and given the support they need to get involved in the community in ways that are suitable and comfortable for them.

Labour will:

encourage and support older people contributing to the voluntary sector as a means of combating social isolation and building stronger and healthier communities.

SAGES is a programme where older people are trained as home and life skills mentors for families and individuals in their community. Mentors provide information, encouragement, practical advice and support to families in areas such as budgeting, nutritious cooking, positive parenting and networking. Communities benefit from the knowledge and experience of older people, and older people themselves benefit from the opportunity volunteering offers them to keep connected with their communities.

Labour will:

continue to support the SAGES programme to cover the costs of older volunteers.