

AGEING TRENDS AND TRANSITIONS

A REPORT PREPARED FOR INVEST BAY OF PLENTY by CG Consulting Ltd,
2014



“Population ageing is one of the most significant trends in the 21st century.”

United Nations Population Fund

POPULATION AGEING
IN THE BAY OF PLENTY

Te Moana a Toi ko au,
Ko aute Moana a Toi

Tūnga o nohoanga i roto i te Ao
Our Place in the World

CGConsulting

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This report was commissioned by Invest Bay of Plenty,
Bay of Plenty Regional Council.

The research contributes to a suite of seven key theme technical reports
that inform a Bay of Plenty Integrated Regional Plan.

*The Invest Bay of Plenty plan will provide a shared vision and collective voice for
development in the Bay of Plenty region. It will identify key goals for improving the
lives of Bay of Plenty residents over the next 30 years and plot a course to achieving
them.*

Executive summary

While changing economic and climatic environments dominate policy perspectives, decision makers and business enterprises no longer have the luxury of being able to do ‘business as usual’ and defer adapting to an ageing population. Our population including Maori is ageing and future growth will be driven by the rapidly changing demographic structure. For some decades to come, ageing ‘growth’ will occur as baby-boomers transition into maturity and older age with a diminishing number of younger people.

In an effort to guide spatial planning in the region, Invest Bay of Plenty has sought to provide a ‘think piece’ indicating trends and potential transitional considerations given the impact of population ageing on particular specified topics. The issues are diverse, interrelated and emergent.

It is expected that this report will contribute to a depth of understanding, further discussion, and instil a sense of urgency in responding to the transitions that are taking place within the Bay of Plenty and New Zealand at large.

Within a climate of complexity four key themes have emerged that have a common spatial planning context.

Firstly, a new way forward is needed to embrace a climate of demographic change while reconciling local government obligations. Second, Local Government ten year planning processes constitute an opportunity for change and significant risk from inaction. Thirdly, the ageing-in-place urban environment is in need of urgent attention, retrofitting, rehabilitation and redevelopment. Fourthly, decision making in this new social and economic climate requires a clear vision of the longevity continuum horizon. This new view will embrace a forty year period of ageing boomer culture, a view that respects diversity, fairness and equity in a context of widening generational difference.

The growing population over 50 represents both a transformative force by itself and a net asset- a fast growing contingent of active productive people who are working longer and taking the economy in new directions.

Oxford Economics 2014

New Zealand Treasury has developed a Living Standards Framework (LSF) which is structured to assist sustainable policy making. The intent is a framework, “designed to assist policy analysts to consider the elements of the LSF in their day to day work.” The tool includes key drivers for improving living standards in today’s environment and is ‘amenable’ for use by local government. This report highlights the applicability of the model as a tool for building a new spatial planning platform. It would include a non political alignment of intent, language and values alignment with New Zealand Treasury.

An operational policy paradigm shift is proposed as a platform for examining population ageing quality of life issues.

The challenge is not only about people living longer with an increasingly different interface with the economy, or the potential for the innovation of new and different products and services.

The challenge is to consider how the change might affect people of all ages in our region.

Today and in the foreseeable future a living longer quality of life and business platform will be shaped by a culture that nurtures engagement, purpose and meaning.

The challenge is to accept a new reality, to understand the demographic transitions that will influence a spatial policy platform including:

- A changing pattern of consumption and contribution.
- An opportunity business climate.
- Investment in quality of life housing and active ageing community environments.
- Managing increased service demands for health, social care and lifelong learning.
- Respecting the diversity, autonomy and dignity of old age.
- Recognising and engaging the social capital value of a mature and older population.
- A critical adjustment of economic growth perspectives and managing expectations in a society with a shrinking workforce.

This report provides a back drop for considering these issues in the Bay of Plenty. It includes topical overviews, notes on international trends and cites relevant New Zealand research and reports.

The report seeks to highlight key concepts as a basis for considering the new reality of an ageing 'place'. It offers some decision making considerations in a climate where there is insufficient time for a 'business as usual' approach to the next ten year planning period. In general the analysis is focused in the 2014 to 2033 period.

We know a great deal about babies, children, adolescents and adults. However, mapping the trajectory of increasing longevity on mature, older and older old people's lives, their needs, aspirations and capacity to contribute to a regions social cohesion, social capital and economy is a new field of study¹. Research provides a valuable backdrop, however some studies and forecasts on ageing, social and economic outcomes, or older people's views, are now outdated in a rapidly changing climate. Early international ageing population commentators spawned notions of a global grey tsunami, of needy and demented old people. The reality is that this is not happening. However a problem centred perspective is still dominant evidenced by biomedicalised research priorities.

The demographic data used in this report is largely from Statistics New Zealand 2013 Census base data, with projections by Statistics New Zealand, NIDEA and SmartGrowth. NIDEA projections indicate, over time, a decline in population growth stemming from population ageing, increasing longevity and declining youthful populations due to fewer births.

*An analysis of the regional demographic profiles
indicates distinct Territorial Local Authority
differences within the structural transitions.*

Each Territorial Local Authority (TLA) has a unique pattern of ageing indicating a need to consider and apply policy responses according to localised transitions. An analysis of the social impact of the ageing characteristics of each TLA was not part of this brief, but constitutes an important additional piece of analysis vital for each TLA ten year planning process.

Only by understanding the complexity of population ageing as a global and local process will policy makers, business leaders and families be able to make timely relevant responses at a local level. In particular to grasp the fact that caring for our older-old will become the challenge of the century.

Central to this position is a vital proposition that longevity, with more chronologically aged people in society, does not mean overwhelming numbers of frail and needy people. Living longer means living a more

¹ Social gerontology is a specialist field of social science. Specialist centres have been established in Universities worldwide.

mature, productive and able life longer, with a shorter span of possible frailty prior to death.

Caring for our older old population will become the most significant challenge of this century.

This is the basis of the Active Ageing, age-friendly platform adopted by the World Health Organisation (WHO), United Nations and Organisation for Economic Co-operation and Development (OECD) nations and cities. The view shift required now is to a conceptual framework that understands that living longer means, living more over a longer lifespan. This is the 'longevity dividend', where some of the social and health consequences or costs of an extended life are converted to the 'social capital' of healthy productive years.²

A growing body of New Zealand research shows expanding diversity of health and circumstance among mature and older people.³ Factors include, partnering, homeownership, family size and support, work and under employment, social networks, financial resources, and asset accumulation. Trends suggest that decision makers will need to consider an increasing breadth of inequality of income and wealth, particularly for women in regard to family and social support capacity, differing ethnic elder roles and family whanau inclusivity. Decision makers will need to be aware more than ever before that, a 'one size does not fit all'.

Diversity is a key concept

Diversity is a key concept. Critical to this platform is an understanding of an individualised ageing continuum of mature, older and older old people all of whom are clearly not captured in a descriptive frame such as "the elderly", a 65+ age band or a generalised older people policy framework or perspective. Adopting an ageing continuum position will become essential to embrace and engage the mature and older segment of communities in order to build inclusive multigenerational diverse and engaged ageing society.

Ageing is a cultural issue

As a cultural issue, ageing will change market demand. It is likely to propel a shift towards older consumers, further dispelling age related myths. Demand is expected to develop business opportunity, workplace reorganisation, labour retention and new service industries. Commentators suggest that

² Macarthur Foundation Research Network on an Ageing Society.2009. Millbank Quarterly 87.

³ Boston, J. & Davey, J. 2006. Implications of Population Ageing: Opportunities and Risks. Wellington Institute of Policy Studies VUW.

because life expectancy has increased so quickly, we are still immersed in cultures designed for lives half as long as the ones we are living, that older people are living in a world designed for the young.⁴

There is a risk that some older and older old people may become trapped in 'ageing' communities that decline and lose access to important services such as General Practice. Strategies to improve care through technology, improve existing homes through age-appropriate modification, repair and maintenance are needed. Incorporating universal design features into new homes and ensuring mixed use and multi-generational homes are key trends

It is vital that focus be given to building thoughtful supportive communities, to enhance quality of life, and reduce costs associated with the institutionalisation of elders.

The opportunity for change is to significant to ignore

Congruent with international trends, re-tooling existing neighbourhoods to embed essential health and social care services, recreation and social connectivity, should become a high priority.

One of the corner stones of healthy ageing is the concept of place. Older people spend more time at home and in their neighbourhood and are therefore more affected by the opportunities and constraints created by the 'active living' design of their community.

The challenge is to develop a new policy climate of opportunity that includes a mature and older culture enjoying lifestyle choices in a society where there are with fewer younger people. This requires investment in lifelong education to maintain productivity, prosperity and sense of purpose.

We need to 'pave the way' to think more broadly about a culture where education, services and neighbourhoods benefit people of all ages over a longer lifecourse.

Population ageing is likely to dramatically affect the socio-political positioning of younger generations. The demographic realities demand new solutions to meet the needs of the young and increasing numbers of mature, old and older-old people.

⁴ Laura Cartensen, 2013 in *Independent for Life*, edited by Cisneros, H. Dyer-Chamberlain, M., Hickie, J. Stanford Centre for Longevity. Texas University Press.

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Part 1: Introduction

The Bay of Plenty population is not the only part of world facing the challenge of a diverse and ageing population. Regarded as a megatrend⁵ most countries are adjusting policies to meet the economic, political and social implications of an ageing society. “The rapid ageing of humanity is perhaps the most salient and dynamic aspects of modern demography.”⁶

Population ageing is expected to drive change in families, workplaces, communities, cities and the nation for some decades to come.

By 2051, it is expected that there will be 1.4 million mature and older and older old New Zealand people over the age of 65 years.

Invest Bay of Plenty is seeking to provide a framework for considering the critical trends that will influence spatial planning in the Bay of Plenty. A growing awareness of structural ageing, the impact of global financial climates, migration patterns and future economic growth has prompted concerns about the sustainability of local communities, prosperity and the regional economy. It is acknowledged that social forecasting for a twenty or thirty year time frame is full of complexity. However, the transition has implications for all people in the region young and old as it is not a temporary demographic event.

The rapidity, magnitude, and complexity of ageing, challenges local government and communities to focus on policy development that reflects meaningful social realities in order to maintain generational social and economic stability. 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.⁷

This paper will highlight and discuss a raft of issues that have potential to shape a new planning perspective in the region. The overview will where possible, include relevant international experience and research, identify New Zealand trends and identify data that informs a Bay of Plenty position for future planning.

⁵ New Realities of an Older America. 2011. Hayutin. A, Dietz. M, Mitchell. L, Stanford Centre on Longevity.

⁶ Global Ageing: Peril or Promise. World Economic Forum. Geneva 2011.

⁷ <http://oag.govt.nz/2013/ageing/docs/oag-ageing-population.pdf>

Given that the ageing issue is highly amenable to risk management⁸, it is expected that this paper will raise many questions, illuminate the population ageing generational pathway, ethnic difference, and pose life course policy challenges for territorial authorities.

Today business leaders foresee the prospects of innovation aligned with longevity. Leading global debate suggests that the answer lies in understanding the changing demographic reality in order to react effectively to the challenges and capture the opportunities.

The good news is that, people are living longer in better health and will continue to making a significant contribution to the economy and society. Research shows that older New Zealanders contribute to productivity, economic competitiveness and living standards.⁹ Global economists predict that, consumer demand for products and services to meet the specific needs of the mature marketplace, is expected to account for more than half of consumer-spending growth in coming decades.¹⁰

Alongside that good news is the bad news that New Zealand society is not yet prepared for this first time in human history demographic shift. A transition that includes more people living longer, a falling birth rate, future workforce shortages and declining rural communities.¹¹ A place where there are more mature and older people than children.

A proactive response to new needs, aspirations and capacities of young and mature people, may enable the benefit of a 'longevity dividend' utilising the social capital of more mature and older people, so that very long lives are lived fully and well. It is a new space.

“Ko tepai tata, whakamaua, kia tina
Ko te pae tawhiti, whia kia tata”

Secure the horizons that are close to hand and pursue the more distant horizons so that they may become closer.

Mason Durie 2014

⁸ Klaus Schaab, 2012. Global Population Ageing Report. Geneva, World Economic Forum.

⁹ Business of Ageing: 2013 Update, 2013. Ministry of Social Development. www.msd.govt.nz.

¹⁰ Boston Group. 2012

¹¹ Jackson, N. 2014

Part 2: Framing an Analysis

Two topics are discussed in this section in an effort to achieve clarity and focus a frame for examining the impact of population ageing within a Local Government policy perspective.

1 A Treasury living standards model that provides a cohesive and integrated positioning of population ageing structural change as a basis for considering policy platform focus in ten year planning processes.

2 A language for interpreting and describing an ageing continuum of diversity in order to define and discuss age groups and relevant policy challenges consistently across the demographic transitions.



Source: The Treasury (2013), *Affording Our Future: Statement on New Zealand's Long-term Fiscal Position*, page 24.

FIG. 1 NEW ZEALAND TREASURY LIVING STANDARDS MODEL.

*The Framework is not intended to be an analytical tool in itself,
but as an input to the policy process.*

New Zealand Treasury 2011

2.1 A Living Standards Policy Analysis Model

“The degree of wealth and material comfort available to a person or community.”¹²

In an effort to frame population ageing challenges, Treasury developed a Living Standards Framework. This was an effort to clearly articulate its wider role, while also considering what New Zealanders find important. Treasury sought to frame the different policy options that affect people’s living standards. This resulted in a tool that expresses key elements that are “simple and relevant” to all policy platforms.

A 2012 Treasury paper, *Improving the Living Standards of New Zealanders: Moving from a Framework to Implementation*, provides valuable explanations and insight.¹³

Given that New Zealand Treasury regards the Living Standards model as a comprehensive and useful tool. It raises the potential for use as a platform for local government spatial planning.

Various Treasury reports 2006 and 2009, have discussed the impact of population ageing issues. The 2013 Report: *Affording Our Future: Statement on New Zealand’s Long Term Fiscal Position*¹⁴ indicates a need for Government focus on debt pressures to sustainably manage the economy while continuing to provide aged healthcare and New Zealand Superannuation. The 2013 Statement explains a number of key factors (all presenting challenges and opportunities) that affect the financial sustainability of government.

All factors are relevant in a Local Government setting.

- an ageing population
- an increasingly diverse society
- continued, moderate, economic growth
- changing income distributions
- changes in our natural environment.

¹² Oxford Dictionary 2011 definition of living standards.

¹³ The Treasury 2013.

¹⁴ The Treasury 2013.

Treasury stated that *“The Living Standards Framework is comprehensive, covering all aspects of life that impact on wellbeing.”* It notes that its strength is that it is overarching. While there are many indicators, Treasury notes that simplification has resulted in a tool with five key impacts. These provide a basis for policy choice, given the goal of higher living standards. Treasury is mindful of debt levels and the ongoing sustainability of the *“implied intergenerational contract”*. This assumes that the working-age population (taxpayers) will always support the non-working-age population. Therefore, as our population ages, it becomes more difficult for taxpayers to continue to fund the ‘dependency’ of our non-working-age older population.

The framework and model are further discussed in the Auditor General’s Report.¹⁵ The report urges that *“Governments develop plans to address cost pressures over the coming decades.”*

Considered by Treasury, as being at the *“heart of our work,”* the Living Standards Model Figure 2 shows the five interrelated elements, including the potential drivers of long-term financial sustainability.

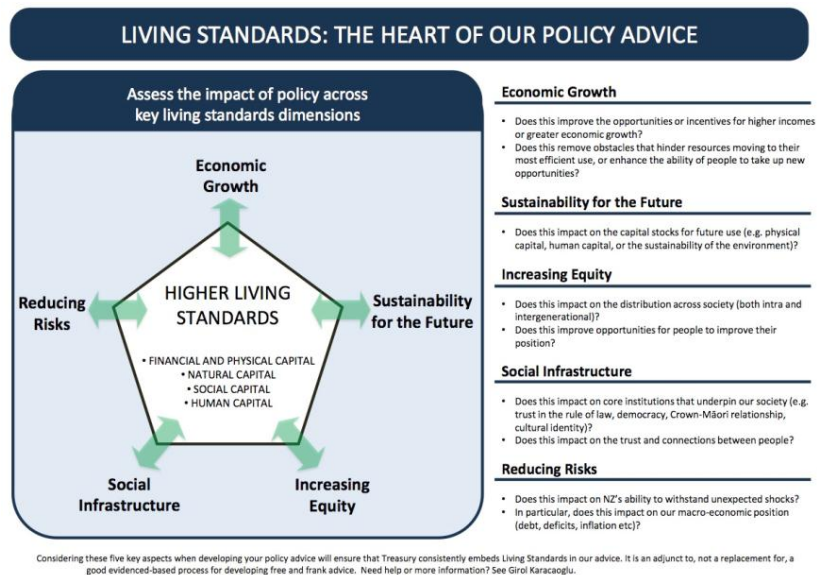


FIG. 2 RELATED ELEMENTS NEW ZEALAND TREASURY LIVING STANDARDS MODEL

One of the emerging topics considered central to the unprecedented increase in the number of older people on the planet, in cities, towns and communities is the valuable contribution of elders to social capital.¹⁶

¹⁵ Auditor General 2013

¹⁶ Laura Cartensen 2013.

The World Bank defines social capital as “the degree of trust in a society and the ability of people to work together for common purposes”.

Statistics New Zealand defines it slightly differently, as “relationships among actors (individuals, groups and/or organisations) that create a capacity to act for mutual benefit or a common purpose”. By analogy with other types of capital, the core idea of social capital theory is that investments made, affect the productivity of individuals and groups and have a measurable rate of return.

The measurement of social capital
and increasing equity
can be seen as a broad measure of community health.

With a goal to achieve greater public understanding of the key issues facing New Zealand, the 2013 Treasury Statement was seen as an opportunity to show its joined-up structure, values, (“bold, innovative, and ambitious”) quality of policy analysis and advice. The core of which is the Living Standards Framework.

Preliminary discussion suggests that there may be value in further discussion with Treasury on the usefulness of this model, or adaptations of it, for local Government use. It may be particularly useful as a ‘quality of life’ framework to support Local Government manage infrastructural “good choices”¹⁷ in resource allocation in the context of ‘local tipping points’¹⁸ in the ageing demographic transition.

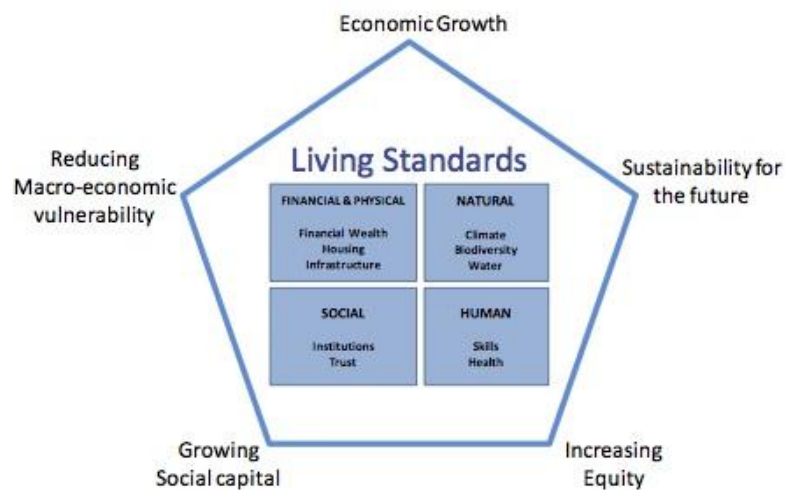


FIG.3 LIVING STANDARDS FRAMEWORK FIVE KEY FACTORS

¹⁷ Treasury 2013 p8 - building capabilities for individuals and society.

¹⁸ The author identifies localised TLA ‘tipping points’ relevant to ten year planning cycles, and the demographic transitions.

The Living Standards Framework has Local Government value for:

- Establishing a ‘government’ common language and understanding of the impact of various population ageing implications and policy challenges, including health outcomes.
- Enabling a whole of community approach that integrates ‘community’ with fiscal quadruple bottom line objectives.
- Providing a framework for adjustments needed to respond to the social and economic impact of population ageing based on the five focus areas: economic growth, reducing macro economic vulnerability, sustainability for the future, growing social capital and increasing equity.

*The Treasury model has potential to strengthen democracy,
encourage citizenship, and inform
an understanding of the competing fiscal priorities
that decision makers face,
in this new ageing place.*

The Framework positions New Zealand Treasury alongside the latest thinking from the Organisation for Economic Cooperation and Development (OECD, 2010).

There is congruency with statements from the United States Treasury (US Department of the Treasury, 2011), the International Monetary Fund (IMF, 2011) and the Australian Treasury’s Wellbeing Framework (2004).

Further Treasury reporting references are found in Appendix.I

*No other force is likely to shape the future
of national economic health, public finances and policy making as the irreversible
rate at which the world’s population is ageing.
Standard and Poors 2011*

2.2 An Ageing Continuum of Diversity

Ageing is a cultural issue and is therefore broadly defined by perceptions of language and interpreted in the context of its use. It appears that we do not yet have a language that adequately embraces longevity and celebrates age. Or even words that describe families of four and five generations all alive at the same time.

Expressions such as “the elderly” or describing people as “65+” are inadequate and dishonourable to elders and their achievement of human longevity.¹⁹ Seminal social gerontology research, by Phillipson, Walker and Biggs focused on the ageing identity as a place of crisis, given the subjective ‘decline, loss, deficit, silence’ positioning of older people. In New Zealand terms such as ‘the elderly’ are silently disowned, ‘not me,’ by mature and older people to whom the labels are now targeted, thus creating a discourse of disconnect and discontent.

Age related labels create a cultural disconnect among generations.

One of the clear examples of the need for clarity in an ageing climate is the demographic framing of people in a “65+” bracket or the dismissive often negative contextual misuse of the term “the elderly.” Neither are a responsible or an informed method of describing adequately the span of forty years or more of human adult living maturation, and a longevity of living to over 100 years of age. We would not describe babies and adolescents and their parents over a forty year period as the “young” or similarly generally categorise them as 0-45 yrs in a policy setting.

For the purpose of this report and in order to understand generational difference, longevity and diversity in developing policy frameworks, Fig. 4 shows chronological age segmentation of age cohorts. It includes a two part boomer segment.

The ageing continuum also shows the largely well and mature ‘contributing’ 65-74 year population segment. It can be assumed that ageing-in-place community support, social care and health services are, and will be increasingly focussed on the needs of the 85-90+ ‘older-old’ generation and those with similar but premature advanced ageing and disabilities.

¹⁹ The author has wherever possible transposed these terms. However Statistical data is still expressed as a 65+ and sometimes a 85+ category.

This progression of difference is expected to continue to expand.²⁰ For the purpose of identifying the boomer cohort in market and policy frameworks, the youngest of whom is reached 50 years of age in 2014, this report defines a ‘language of age segmentation’ as:

Mature - 50-64yrs and 65-74yrs

Older -75-84yrs

Older-old as 85-90+ yrs

The ageing continuum demonstrates the inadequacy of a 65+ policy positioning given increasing longevity.

Ageing Continuum: Age segment market and policy diversity

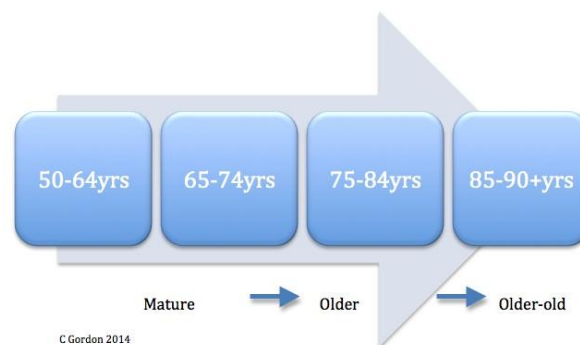


FIG. 4. LONGEVITY AND AGE SEGMENTATION.

Proactive private sector business and social sector organisations will anticipate this trend towards longer a lifespan, a no-age society with meaningful consumption, and the potential to benefit from adapting organisational practices, products and services in the market place. Some analysts are dividing the 20 year boomer generation into two distinctive segments of 50- 64 years and 65-75 years.²¹ The contribution and productivity of younger, mature and older employees will benefit business as the ageing population becomes one of consumers and contributors. There is much commentary on generational difference and the modern day characteristics of the boomer generation, and following generations X or Y.

²⁰ Stanford Centre for Longevity 2013

²¹ Marketing reports on boomer trends. Symphony IRI Group, Boston Consulting Group including World Economic Forum.

Since ageing is a culture issue, generations or cohorts of people born in a similar era or place have socially differing perspectives and expectations of 'what a good life is'. These values appear to progress throughout life.

The challenge now as we stretch out our lifespan,
is to recognise that packaging people up according to chronological age
is not only outdated, irrelevant and irresponsible, but dehumanising.

As people live longer²² and chart their own lifecourse, make work choices, seek adventures, learn more and fulfil desires, they become more diverse human beings. The reality also is that our bodies respond in different and sometimes alarming ways too. This creates significant diversity despite chronological age.

Diversity increases with age.

²² Embracing a thoughtful and respectful perception of age now includes many living to well over 100years. The oldest New Zealander has recently died, she was 110 years of age.

Part 3: Population ageing



Key Points:

- Longevity is a human achievement.
- Resource allocation needs reframing to meet future challenges.
- Diversity. Mature, older and older old people are very different.
- The lead boomer cohort reaches 75 years in 2021 heralding increasing demand for neighborhood services.
- The number of people over 85 years is likely to triple triggering supported housing considerations.
- Enabling ageing in place is vital.
- The social sector provides valuable support services in communities.

Policy Considerations:

- Utilise the Treasury Living Standards Model to guide ten year planning.
- Accept that there is no “business as usual”.
- Engage in an economic rethink. Align reduced workforce, new ageing business opportunity, building social capital, lifelong learning.
- Assess age-band transitions in distinct communities to guide redevelopment of neighborhood amenities.
- Reassess affordable access to community facilities and events.
- Focus on vitalising neighborhood amenities to encourage social connectivity, multi purpose and intergenerational use.
- Align a view of opportunity, innovation and change.

3.1 New Zealand overview

Mature and older New Zealanders are now making up a larger share of our total population. In less than one century life expectancy has increased an average of 30 years in New Zealand and other developed regions of the world. This unprecedented increase in human longevity is the result of improved living conditions and health care. New Zealand people are living longer and most are living a 'well' quality of life. More people are celebrating birthdays beyond one hundred years of age and enjoying four or more family generations. Ageing will inevitably transform the New Zealand culture.²³

The number of people over the age of 65 years has doubled since 1980 and passed 600,000 in 2012. The number is likely to double again by 2036.

Projections indicate that it is likely that there will be up to 1.25 million people over the age of 65 years in 2036, and between 1.44 million and 1.66 million in 2061.

The New Zealand population will continue to grow across all age groups into the foreseeable future to 520 million by 2031.²⁴

- Two thirds of that growth will be in the 65 years and over age group, growing rapidly to reach 1.4 million by 2050.
- The population of people over the age of 85 years is expected to increase significantly by 2061, reaching a projected 180,000-210,000 by 2036, and 290,000-430,000 by 2061²⁵.
- This may include 175,000 people 90 years of age and over, including a possible 106,000 women and 67,000 men by 2060 (Statistics New Zealand).
- The number of children born will continue to decrease.
- One in four people over 65 years by 2061 will be a person over 85 years of age.

²³ Bascand, G. 2012. Planning for the Future: Structural change in New Zealand's population, labour force and productivity. Wellington. Statistics New Zealand.

²⁴ Jackson, N. New Zealand's Population Trends. NIDEA, 2013

²⁵ Bascand, G. 2012. Planning for the Future: Structural change in New Zealand's population, labour force.

The number of people over the age of 85 years will continue to be the fastest growing demographic group for many decades, increasing over five times to over 330 thousand older people.

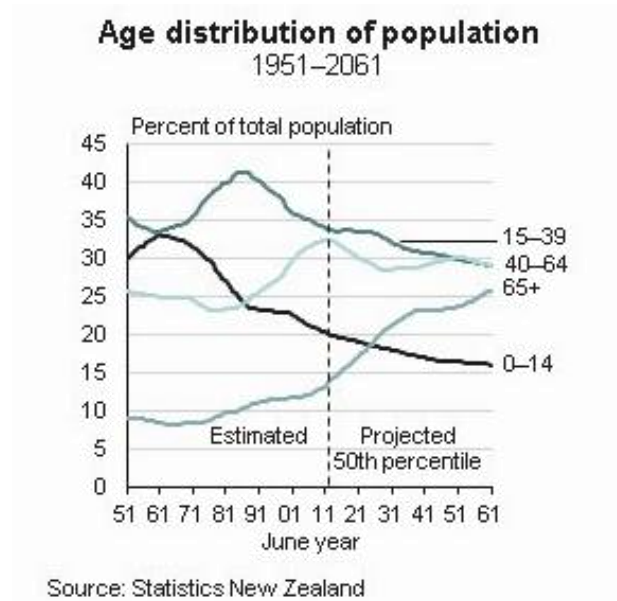


Figure 5 New Zealand population age distribution 1951-2061.

The ageing of the New Zealand population is considered moderate in relation to other OECD countries. Ageing and population decline are predictable and expected to significantly influence greater social, ethnic and health diversity in neighbourhoods, communities, towns, cities and regions.

Population ageing occurs when there are more older people growing older than younger people being born. These factors are further impacted by the baby-boom cohort born during the twenty year period 1945-1965 that began to reach 65 years in 2011. Secondly a baby blip occurred in 1991 and current rise in the birth rate that began in 2008.

There are two main drivers of population ageing: a declining birth rate and increased longevity.

- (i) Declining Fertility. The number of children born declined from a 1960's New Zealand average of 2.5 children to below replacement rate of 1.4 births. Maori and Pacific people have a higher birth rate therefore a younger population profile.
- (ii) Increased longevity. Life expectancy is increasing. People are now living longer engaging in a full mature life with a shorter period of frailty in later life. Medical care and technology has greatly improved health status, improving the quality of later life.

Despite a youthful Maori and Pacific demographic profile, New Zealand populations will continue to age for the foreseeable future. As the boomers reach 65, then 75, then 85, the population in each age bracket will swell; the age mix of older people will shift upward. The greatest growth in the 65+ population occurs between 2011 and 2031 as the boomers (born between 1945 and 1964) turn 65 from 2011 onwards for a further 20 years.

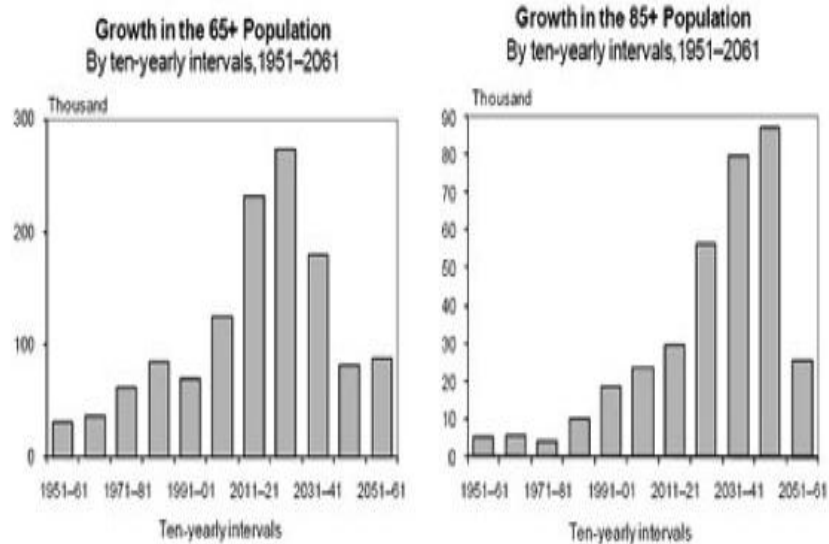


Figure 6 Impact of structural population change New Zealand population aged 65 years and over and 85 years and over 1951-2061 (Statistics New Zealand).

More New Zealanders are living longer with an increased life expectancy. In 1950 people reaching 65 years could expect to live an average of another 14 years. In 2013, people reaching 65 years can expect to live on average another 22 years.

In 2013 average life expectancy in New Zealand increased to:

- 83.4 years for men.
- 86.5 years women.

The process of New Zealand's population becoming older reached a milestone in 2014 when the tail of the 'boomer generation' born 1945-1965 turned 50 years of age. The lead group became Gold Card holders in 2011, thus beginning a period of gradual retirement for most mature and older workers. For the foreseeable future there will always be more older people than younger people living in New Zealand.

As more people live longer, the structure of our population is changing from a pyramid with a broad base of young people, into a cube with population more evenly distributed across age brackets.

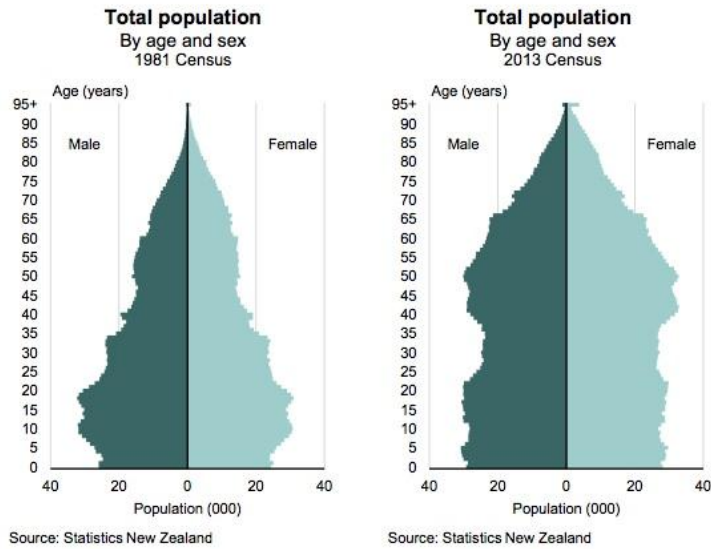


Figure 7 Changing ageing New Zealand demographic profile 1961-2013.

The fact that we are now living longer is reflected in the increased number of people who reach over 80 years of age.

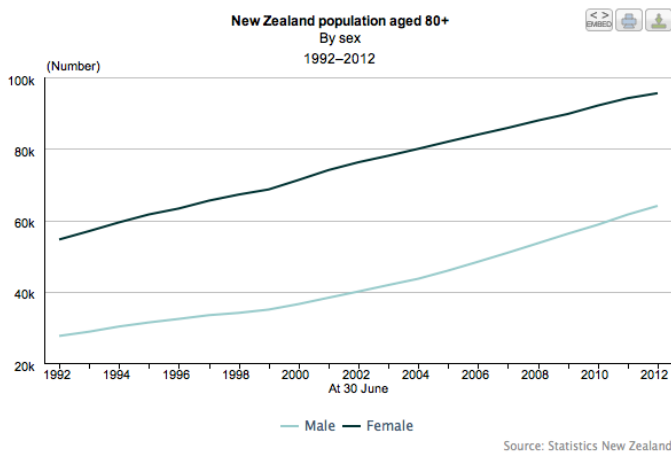


Figure 8 Increase 80+ New Zealand total.

The population aged 90 years and over was about 1,000 during the 1930’s, reaching 27,000 in 2013 and is expected to exceed 50,000 by 2030’s, with a possible 180,000 by 2061 (105,000 female, 67,400 male).

Women are living longer than men.

New Zealand women’s higher life expectancy creates a ‘feminisation’ of communities. More than half of the older old are women. Less than half of older women are married and most live alone.

Gender differences in ageing affect policy issues for labour force participation, lifecycle savings, housing and living arrangements, support services, financial services and intergenerational care giving.

Maori are living longer.

The population of Maori men and women aged 65 years and over is increasing faster than other groups.

The number of Maori people 65 years of age and over is expected to triple by 2026.

- Maori male life expectancy is increasing.
- In 2013 the median age is 23.9 years, (NZ 38.0 yrs) up from 22.7 in 2006.

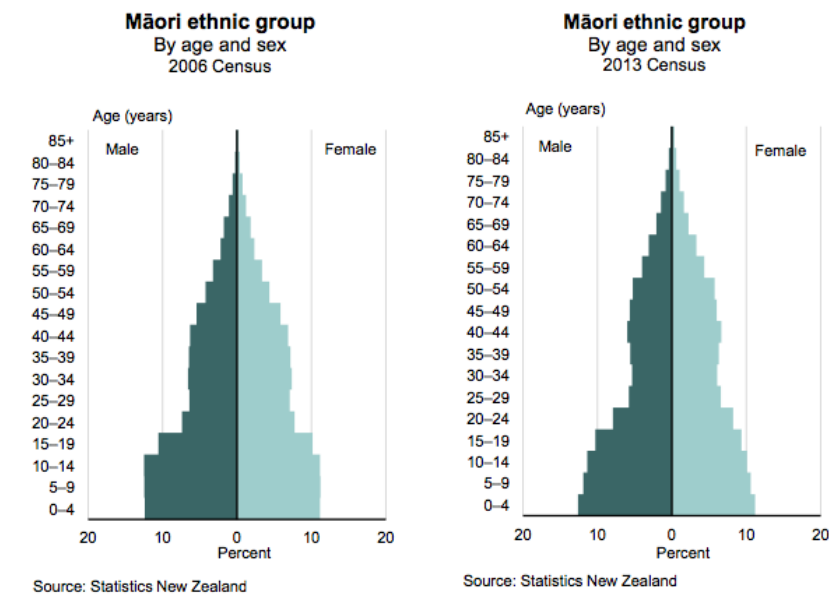


Figure 9 Changing ageing Maori demographic profile 2006-2013.

The number of Maori older old people reaching 80+ years of age is increasing.

- 5,000 Maori people were aged 80 and older in 2012. This represents a 50% increase from 2002.

- Twice as many Maori are celebrating an 80th birthday now than a decade ago.

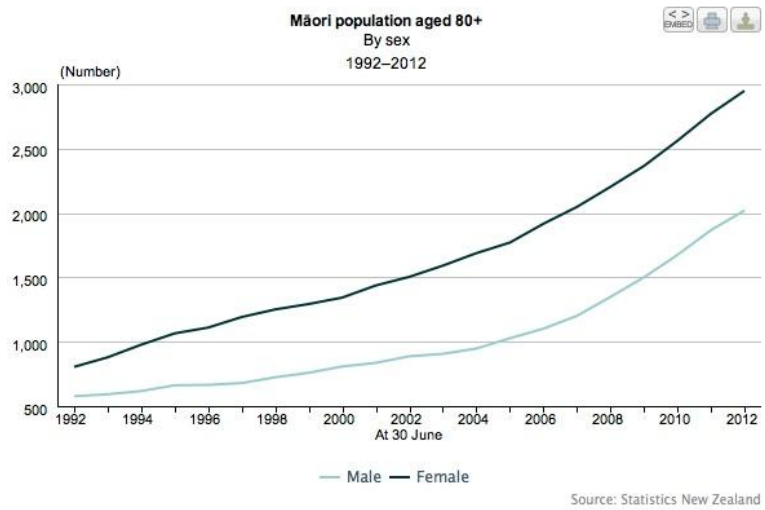
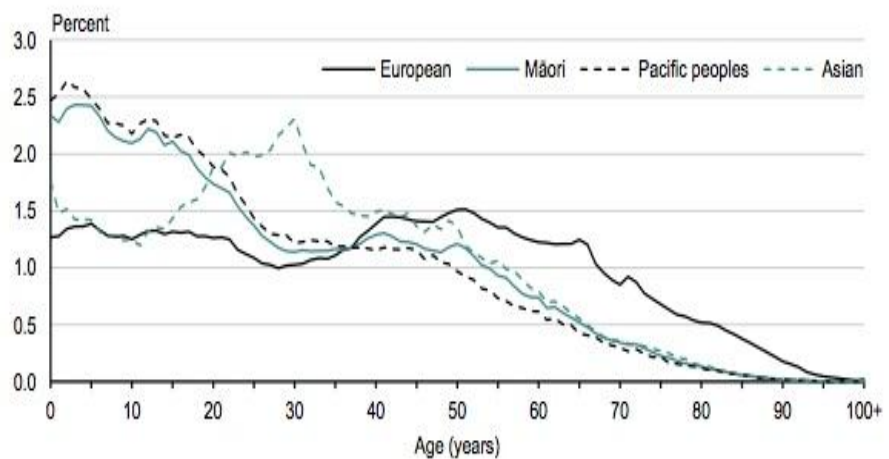


Figure 10 Increase 85+ Maori 1992-2012 (Statistics New Zealand).

By 2026, the number of people 65 years of age and over is projected to include:

- 784,400 New Zealand European.
- 90,900 Asian ethnic groups.
- 70,900 Māori.
- 32,700 Pacific ethnicities.

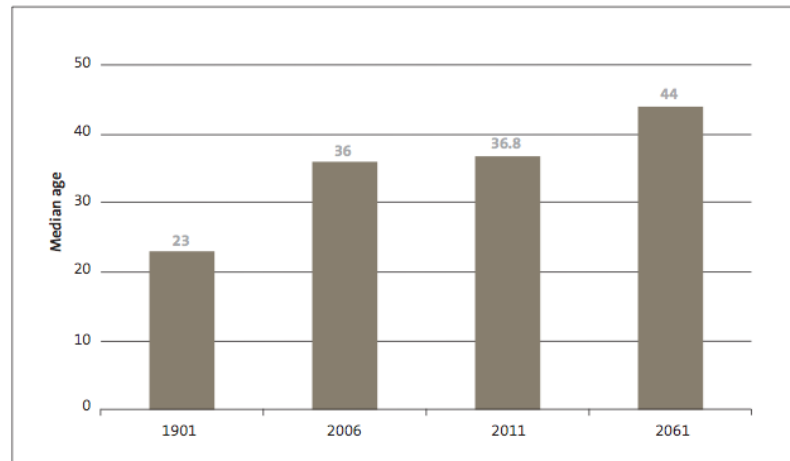


Source: Statistics New Zealand

Figure 11 New Zealand age distribution selected ethnic groups 2013.

The changing median age also reflects population ageing overtime. The median age (half are younger and half older) in 2013 was:

- European New Zealander – 41.0 years.
- Maori – 23.9 years.
- Pacific – 22.1 years.
- Asian – 30.6 years.



Source: Statistics New Zealand.

Figure 12
New Zealand median age 1901-2061.

The 2013 Census indicated that:

- Fewer young people under the age of 15 years, making up 20.4% of the total population in 2013 (865,632) than in 2006 (867,576).
- More older people over the age of 65 years, making up 14.3% of the total population in 2013 (607,032) than 12.3% in 2006.
- More people 85 years and over, in 2013 (73,000) a 29.4% increase since 2006. 64.3% of whom are women.
- Females outnumber males in all age groups from 25-29 onwards and have a higher median age 38.9 years and males 36.7 years.
- Compared to other age groups, few older people were international migrants. In the year to 30 June 2012, 2269 older people moved to New Zealand and 1543 older people left the country. This was about 2% of all permanent and long-term arrivals and 2% of all permanent and long-term departures.

3.2 A Global Phenomena

In less than one century life expectancy has increased by an average of 30 years in more developed regions of the world. All countries worldwide are experiencing an ageing of their populations. It is widely accepted that the global economy is linked to ageing.



No other force is likely to shape the future of national economic health, public finances, and policy making as the irreversible rate at which the world's population is ageing.²⁶

The United Nations forecasts that by 2050, 42 countries will have a greater share of older people than the 30% Japan has now.²⁷ Over the next four decades the global 60+ population will increase from 800 million to 2 billion between 2010 and 2050, making up 22% of the world population. Women make up 64% of the 80+ group and 82% of the 100+ group.

The degree to which various nations manage the social and economic impact of their demographic change and labour force stability will influence successful and sustainable New Zealand export markets and import commodity trends.

In comparison to OECD countries, and some Asian countries such as Korea, and Japan, New Zealand experiences moderate ageing. High ageing nations provide New Zealand with a valuable opportunity to learn from research, innovation and a breadth of policy initiatives for enhancing the liveability of communities and neighborhoods.

²⁶ Standard and Poors in Global Ageing 2010 :The Irreversible Truth.

²⁷ European Commission, 2009, Ageing Report: Economic and Budgetary projections for EU 27 Member States. Brussels EU Commission.

We live in a world where two people celebrate their 60th birthday every second, 58 million birthdays.

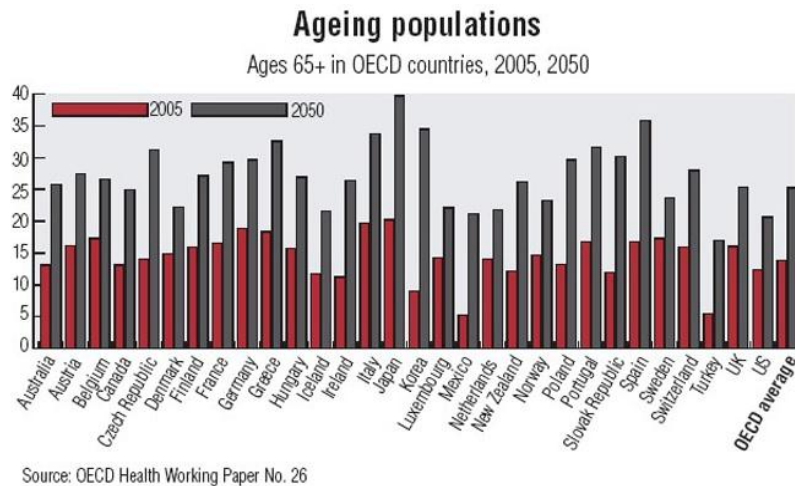
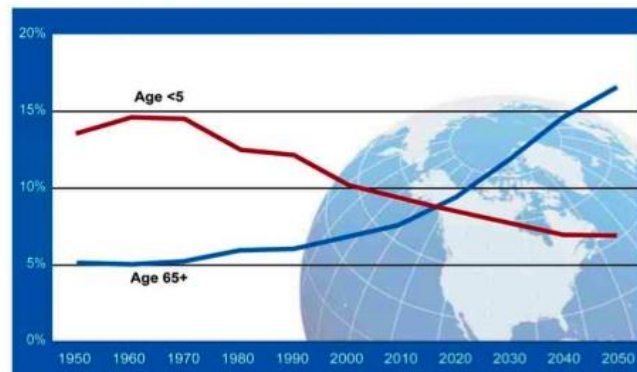


Figure 13 Ageing Populations 65+ in OECD countries 2005-2050.

The OECD has regularly advised governments on the need for macro policy change in order to provide a platform for fiscal responsibility. OECD country responses to the impact of population ageing include initiatives such as:

- Promoting age-friendly infrastructure.
- Creating flexible workplaces.
- Reforming pension systems.
- Introducing active ageing policies.
- Removing barriers to older worker employment, tax credits, informing employers about benefits of older workers and workplace change.
- Family friendly policies.

Figure 1. Young Children and Older People as a Percentage of Global Population: 1950-2050



Source: United Nations. *World Population Prospects: The 2010 Revision*. Available at: <http://esa.un.org/unpd/wpp>.

Figure 14 Global population dependency.

The challenge is not only about people living longer with an increasingly different interface with the economy, an opportunity for gerontechnology (assistive care devices), or potential for the innovation of new and different products. It includes:

- A changing pattern of consumption and contribution.
- Managing increased service demands for health and social care.
- A critical adjustment of growth perspectives and expectations in societies where a shrinking workforce and older people may be expected to maintain productivity.

It is expected that developing nations will need to cope with getting old before they get rich.

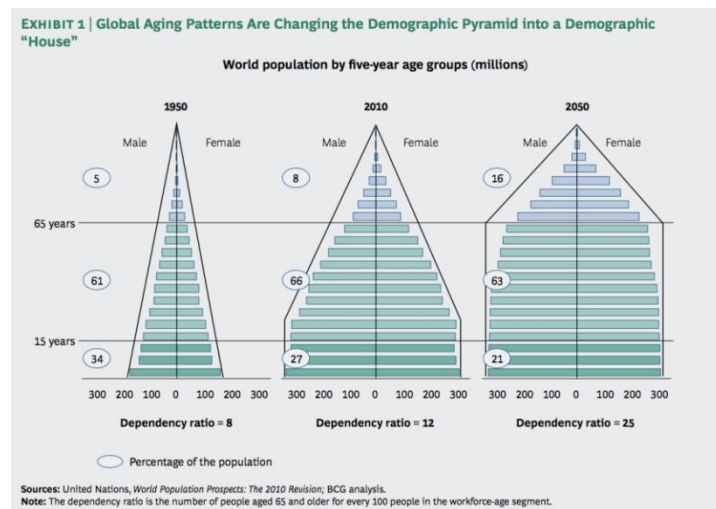


Figure 15 Global ageing 1950–2050 (United Nations).

Although ageing is occurring in all countries, the share of older people will change. The ten countries with the highest ageing now are all developed OECD countries or those in transition, such as Bulgaria or Croatia. It is predicted richer countries such as Finland and Sweden will leave the list by 2050. Global ageing is accelerating in the less developed world, reflecting improved standards of living and health care. Rapidly developing economies are experiencing improving life expectancy, declining birth rates and family shrinkage similar to developed nations. They are ageing more quickly.

- China’s birth rate dropped as a result of its one child policy, reducing births by an estimated 400 million between 1979 and 2010.
- China’s workforce is expected to shrink by 19% over the next 40 years.

- The fertility rate in India has also dropped to 2.5 down from 5.0 births. Ageing is expected to have a future impact.
- Many European countries have high ageing including, Germany, Italy, Greece, Spain and Portugal, including eastern European countries.
- Accelerated ageing will occur in industrialised or developing countries such as China and Brazil and India.
- Japan will have more than 40% of its population 60+ by 2050.

Economic groups such as the World Economic Forum and the Boston Group have focused on company change they promote a 'no longer business as usual' adaption to a new mature consumer culture.

The emergent ageing boomer market is a growing focus alongside efforts to adapt workplace environments.

The Boston Group states: *"Companies, governments, and private individuals will therefore have to deal in a structural way with the new reality caused by a global population that is becoming increasingly skewed toward retirees and senior citizens."* ²⁸

Similar to other commentators, Estes provides a critical analysis and notes that old age and policy, in the United States is shaped by four key social processes:

- Biomedicalisation of ageing.
- Commodification of ageing.
- Privatisation of old age policy.
- Rationalisation of old age policy.²⁹

Specialist ageing or gerontology centres in Universities in Europe, United Kingdom, Australia United States and philanthropic and economic organizations are conducting a breadth of research and innovation worldwide. The fields are diverse, often specialist topic focused, and are globally informative in areas such as biological ageing, longevity and medical interventions, dementia care, mobility technology, care environments and liveable communities to enable ageing in place.

The European Commission provided leadership in Europe by instigating an Age-Friendly European Government policy platform in 2012:

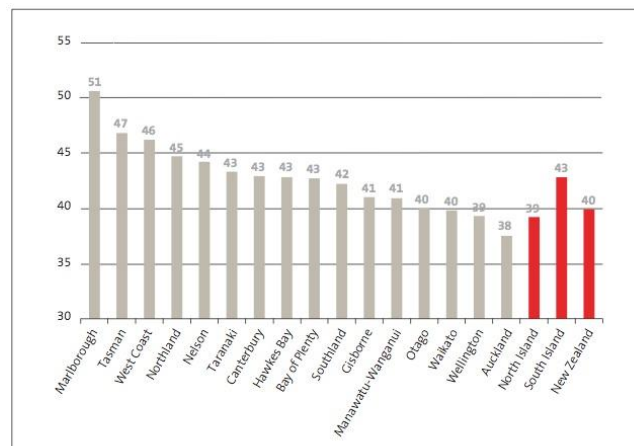
²⁸ Boston Consulting Group. 2011

²⁹ Estes, C. 2001

3.3 Bay of Plenty ageing

Over the next two decades all territorial authorities in the Bay of Plenty will experience a rapid increase in the number of mature and older people and an ongoing decrease in younger people. The number of mature, older and older-old people aged 65 and over is expected to grow by 80% between 2011 and 2031 to become 25% of the total population.

The Bay of Plenty population is older and ageing faster than the New Zealand average despite the youthful Maori population



Source: Statistics New Zealand, 1996-2031 (2006-base, October 2012 update), medium projection.

Figure16 Projected median age by region 2031.

The median age for the Bay of Plenty region is 37.8 years, older than the New Zealand median of 35.9 years. The transition will occur overtime in differing patterns for each authority. However all have the common feature of inevitable ageing despite youthful cohorts.

The new reality is that the 65+ cohort embraces a 40 year mature and ageing lifespan, a huge range of capabilities, contributions and needs.

Given a projected 1.8% non-replacement growth, the trajectory of structural ageing is clear, exacerbating population decline. NIDEA population projections show onset of population decline dates as:

- Western Bay of Plenty from 2034,
- Tauranga from 2039,
- Rotorua from 2039,
- Whakatane from 2034,
- Kawerau from 2031,
- Opotiki from 2049.

The Bay of Plenty pattern of ageing is accentuated by higher numbers of older people choosing to live in some parts of the region, youth migration and a growing Maori birth rate. Maori populations have increased by 1.7% to 68,943 in 2013.

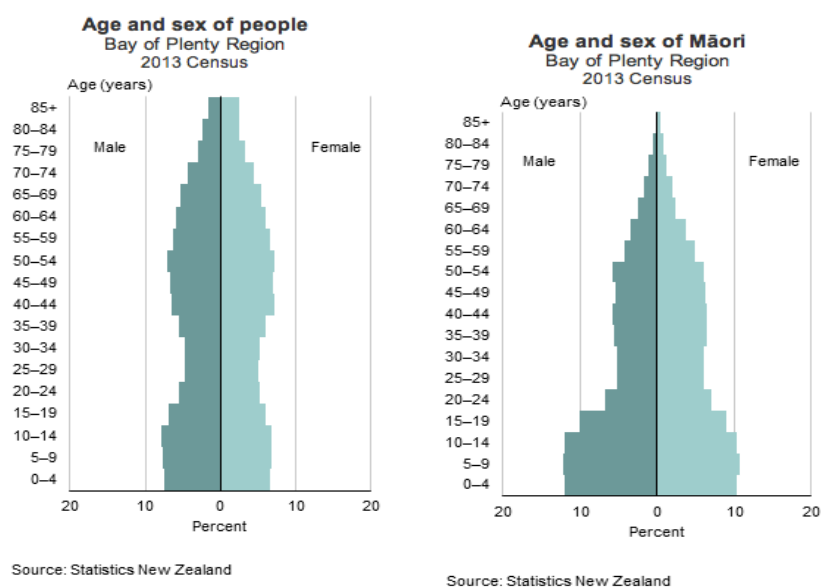


Figure 17 Total Bay of Plenty population profile 2013.

Figure 18 Bay of Plenty Maori population profile 2013.

Some towns and communities will become more extreme in profile, including some with younger generations of Maori, who make up 34.6% of total Bay of Plenty youth. The Maori population is older and ageing faster than the national average with increased numbers of mature older people.

Table 1 Bay of Plenty broad age group and sex 2013 Census.

Age group (years)	Male	Female	Total
Under 15	29,865	28,038	57,726
15-64	77,595	85,554	263,146
65 and over	21,594	25, 275	46,869
85+	2,052	3,522	5,571
Total people	128,874	138,867	267,744

The ageing of Bay of Plenty territorial authority populations is expected to occur in differing demographic patterns. Crucially this structural difference will demand similar but unique policy responses to the impact of ageing communities.

Key projections include:

WESTERN BAY OF PLENTY

- Rapid ageing, growth to 2033 then flat from 2038.
- 85.8% of all growth will be 65+.
- One third of the population will be 65+ in 2033.
- Total Population: 46,110 in 2013 growing to 57,546 in 2033.
- Growth rate: 2013-2033 at 24.8%.
- Decline from 2034.
- 65+ growth: increased to 33.3% of total in 2013, making up 85.8% of all growth to 2033.
- 85+ growth: accelerating between 2034-2063, half of all growth.
- Replacement: 2011-2031, 0-64yrs loss - 0.8%.
- Longevity: 2011-2031 gain 65+ gain 94%.

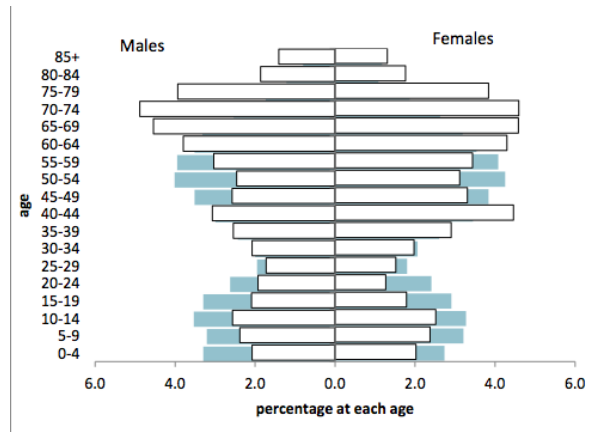


Figure 19 Western Bay of Plenty age-sex structure NIDEA 2014.

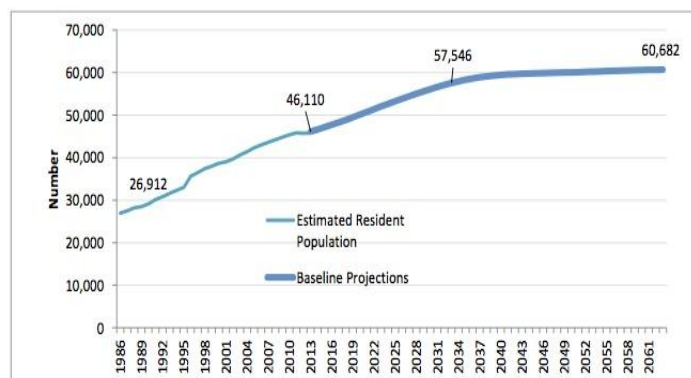


Figure 20 Western Bay of Plenty projected resident and estimated baseline population. NIDEA 2014.

TAURANGA CITY

Some growth in all age groups prior to 2033. By 2033 one third of the city's population will be 65+.

- Total population: 117,280 in 2013 increasing to 161,646 in 2033.
- Growth rate: 2013-2033 increasing 37.8%.
- Gradual decline: From 2039.
- Growth 65+: Increasing by 84.4% making up 71.8% of all growth, 19.75% of all total in 2013, 33.3% in 2033.
- 85+ Growth: 2013 2.9%. Accelerating older old women.
- Replacement: 2011-2031, 0-64yrs, gain 20.7%.
- Longevity: 2011-2031, gain 78.5%.

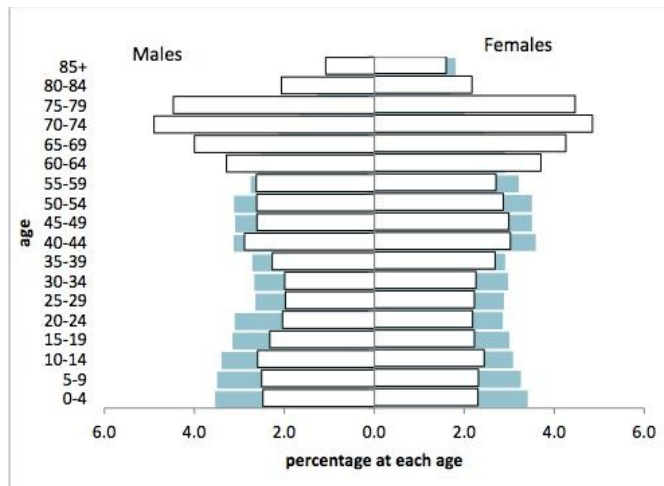


Figure 21 Tauranga City age - sex structure 2013 and 2033 (unshaded) NIDEA 2014.

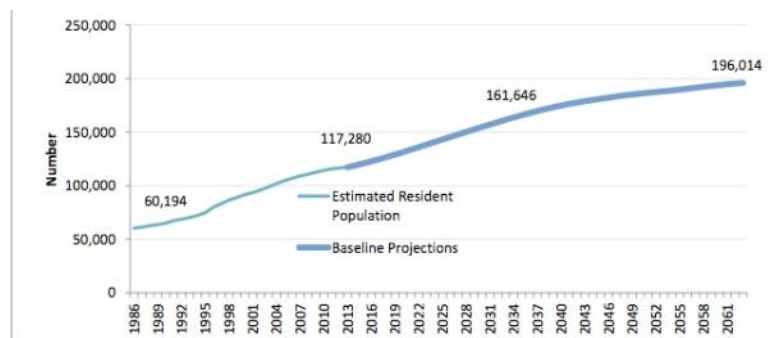


Figure 22 Tauranga City projected resident and estimated baseline population NIDEA 2014.

ROTORUA DISTRICT

Youngest TLA but ageing rapidly, female survivorship. One quarter of the population will be 65+ by 2033.

- Total population: 68,590 in 2013, 69,127 in 2033.
- Growth rate: Peaks in 2026, 2013-2033 a 0.8% increase.
- Decline: From 2039, declining cohorts 0-24 and 40-54 years.
- Rapid Growth 65+: 13.4% of total in 2013, 25% in 2033.
- Rapid growth 85+: 2013-2033 130%, becoming oldest old in region.
- Replacement: 2011-2031, loss 10.4%.
- Longevity: 2011-2031, gain 82%.

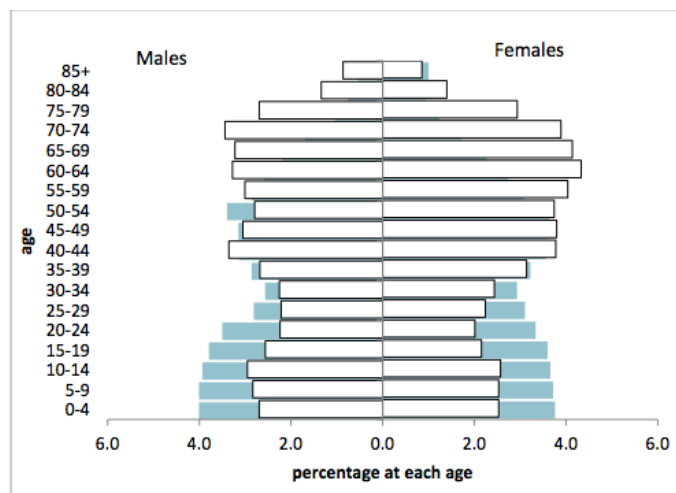


Figure 23 Rotorua age – sex structure 2013, (shaded) and 2033 (unshaded) NIDEA 2014.

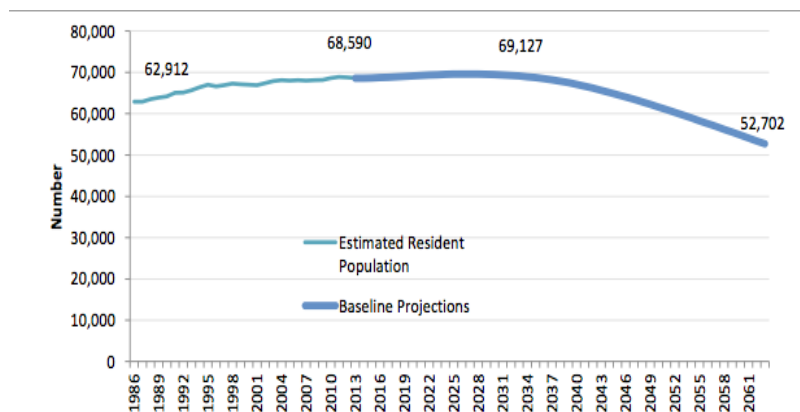


Figure 24 Rotorua projected Resident and estimated baseline population NIDEA 2014.

Whakatane

Stable until 2033, rapid ageing and female survivorship. One third of the population will be 65+ by 2033.

- Total population: 33,408 in 2013-2033.
- Growth rate: Rapid decline from 2029, 2013-2033 a decline of 2.4%.
- 65+ significant growth up 33.3%.
- 85+ growth 7.7% to 2013-2033.
- Replacement: 2011-2031, loss 17.0%.
- Longevity: 2011-2031, gain 77.4%.

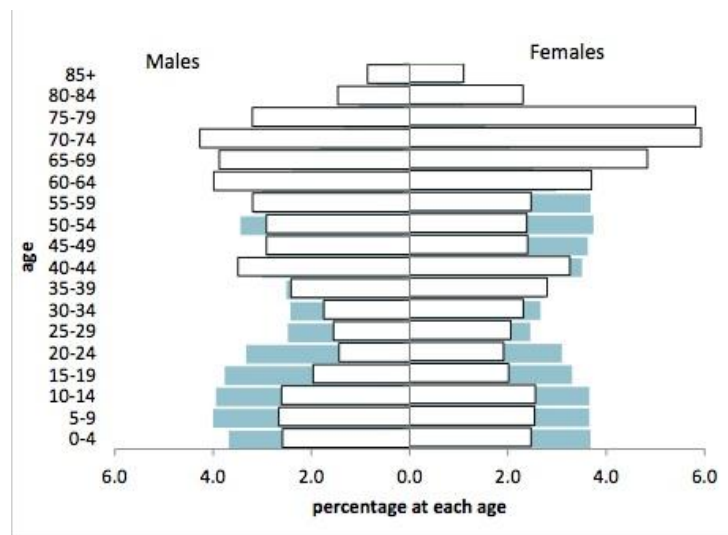


Figure 25 Whakatane age – sex structure 2013, (shaded) and 2033 (unshaded) NIDEA 2014.

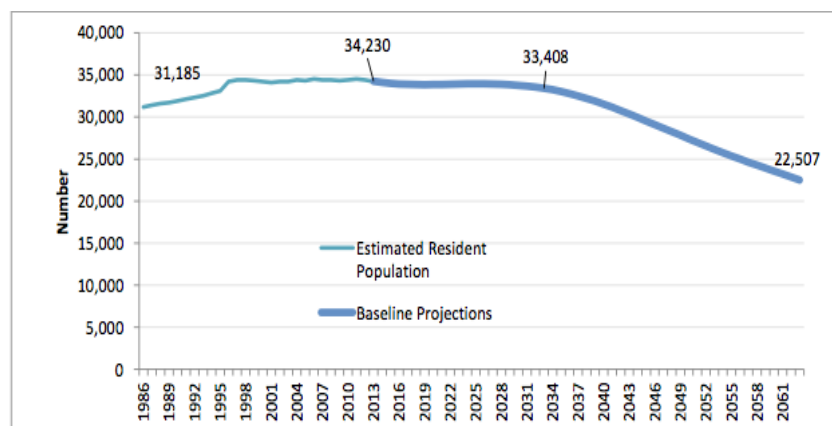


Figure 26 Whakatane projected resident and estimated baseline population NIDEA 2014.

Extreme ageing, with ongoing decline in all age groups below 75 years from 2031. Male/female ageing diversity.

30% of population will be 65+ by 2033, 67.1% by 2063.

- Total population: 6,710 in 2013 to 5,542 in 2034-2063.
- Growth rate: 2013-2033 a decline of 17.4%.
- 65+ growth increase of 17.7% in 2013 85+ small increase.
- Migration: -82 per year 2013.
- Fertility: 2011-2031, loss 32.4%.
- Longevity: 2011-2031, increase 27.3%.

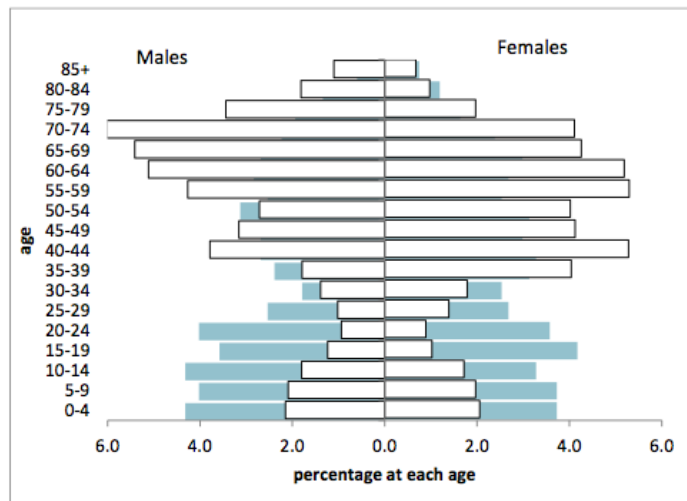


Figure 27 Kawerau age - sex structure 2013, (shaded) and 2033 (unshaded) NIDEA 2014.

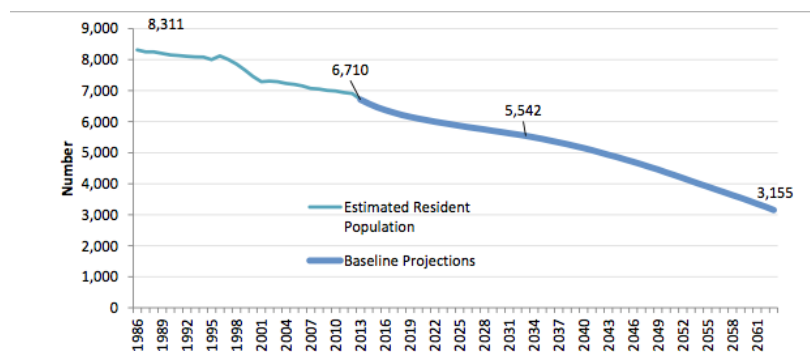


Figure 28 Kawerau projected resident and estimated baseline population NIDEA 2014.

OPOTIKI

Youngest age structure in Bay of Plenty steady decline to 2033, 22.2% of population will be 65+ by 2033.

- Total population: 8,580 in 2013 declining to 7,395 by 2033. All ages declining.
- Growth: 2013-2033 a decline of 13.8% in 2033.
- 65+ Growth: Little growth then decline.
- 85+ Little growth then decline.
- Migration: Continuing negative net migration.
- Replacement: 2011-2031, loss 27.9%.
- Longevity 2011-2031, increase 57.2%.

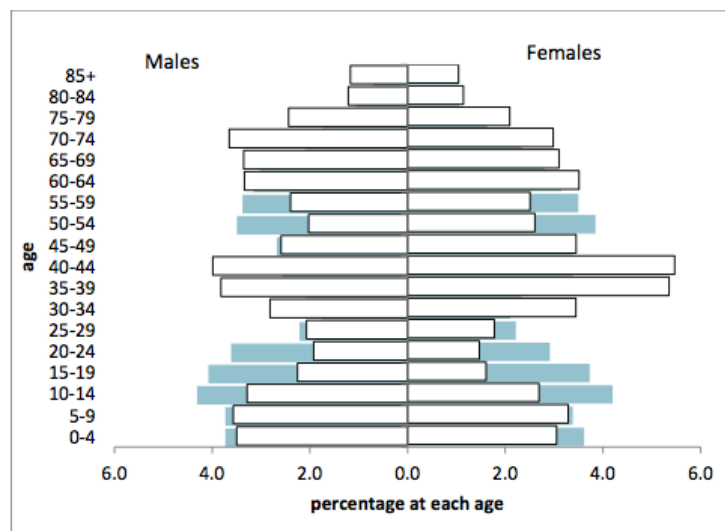


Figure 29 Opotiki age – sex structure 2013, (shaded) and 2033 (unshaded) NIDEA 2014.

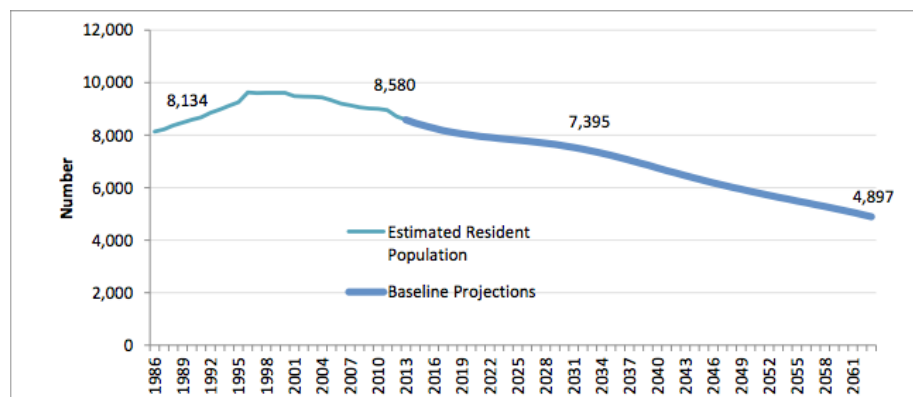


Figure 30 Opotiki projected resident and estimated baseline population NIDEA 2014.

Ageing will, despite births and migration, affect the demographic structure of all Bay of Plenty cities, towns, communities and workplaces over coming decades.³⁰ NIDEA reports that the over 65's will be the only growth group³¹ with a rapid increases in the number of 85 years of age. The population of older people themselves is still ageing and living longer with more active people celebrating a century of life.

NIDEA projects that the demographic transition will result in population gain and loss in the region over the period 2013 to 2033. The TLA ten year planning periods will need to accommodate the trend and enhance an ageing population community context.

- Tauranga City will gain population share in the region from nearly 42% in 2013, to nearly 50% in 2033.
- Western Bay of Plenty District will gain some population share also from 16.4% in 2013 to 17.8% in 2033.
- Rotorua will reduce from 25% in 2013, to 20.7% in 2033.
- Whakatane will reduce share from 12.2% in 2013 to 6.6% in 2033.
- Kawerau reducing from 2.4% in 2013 to 0.9% in 2033.
- Opotiki reducing from 3.0% in 2013 to 1.4% in 2033.

When people live longer in a world and community where there are fewer younger people, this poses major economic, social and urban infrastructure planning challenges.

By 2031 when the boomer cohort has reached the 65 to 85 years of age band, it is projected that one in five people will hold a Gold Card. This demographic transformation may challenge intergenerational solidarity and affect business and local infrastructure demand in service areas such as finance, transportation, housing, social amenities, civic life, leisure and education, community support services and public safety.

Many people are expected to continue to extend their work life, and lead active, healthy and participative existences well into their ninth or tenth decade.

³⁰ Jackson, N. 2014

³¹ Jackson, N. 2014

The shift from a younger and working age population profile is also demonstrated in the dependency ratio.³² Here is a Smart Growth Western Bay of Plenty sub-region example, with the transition occurring in 2015.

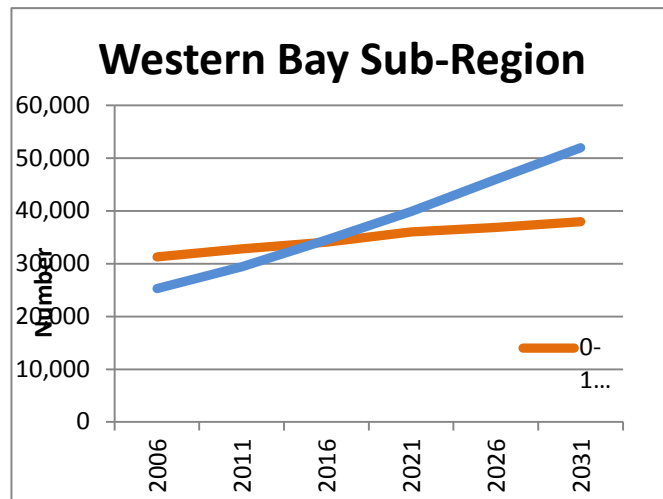


Figure 31: Dependency Ratio Western Bay of Plenty Sub-region

The region's ageing transition will produce particular challenges:

1. Ethnic considerations as Maori and Pacific populations have a high birth rate and youthful profile.
2. The boomer generation has distinctive segments of difference.
3. Aged diversity extends over the life course highlighting the need to avoid generalisations according to chronological age.

There are those who:

- Are healthy and independent
- Experience chronic health conditions,
- Rely solely on National Superannuation as an income,
- Are older and frail women and men living alone,
- Have experienced lengthy periods of under employment,
- Had physically demanding working lives,
- Experience memory loss,
- Have no family members.

³² A measure showing the number of dependents (aged 0-14 and over the age of 65) to the total population (aged 15-64).

4. Community profiles differ across the region, in towns and neighbourhoods, with small naturally occurring retirement communities (NORC's) and large numbers of older old people living in suburban enclaves, retirement villages, care apartments, hospitals and dementia facilities.
5. Population decline may mean some local services such as schools, playgrounds and retail outlets become unsustainable. Funding for local government and voluntary services will be challenged affecting democratic revaluation and prioritisation of policy responses to service provision.

The demographic shift also presents a quality of life opportunity for people reaching older life stages and ages now, and for generations to come.

Part 4: An economy in transit



KEY POINTS

1. Treasury Living Standards Model provides planning alignment.
2. Economic complexity.
3. Suburban environments support social cohesion and social capital.
4. Major shift in consumer segmentation diversity and demand.
5. Attitudinal shift to longevity and new boomer markets.
6. Changing industry contribution to GDP.
7. Workforce decline and global demand.
8. New Zealanders expect to work longer.
9. More older workers, increased participation contribution to national wealth.
10. Older New Zealanders expected to spend \$60.28 billion in 2051.
11. Ethnic diversity.
12. New reality - ageing assumptions outdated.

POLICY CONSIDERATIONS

1. Rebuild the 2015 Ten Year Plan over the next three years to align with the Treasury Living Standards (TLS) model to reconcile a sustainable 'affording our future' challenges at a local government level.
2. Based on the TLS: Position a 'new reality' economic investment strategy that includes opportunity actions in the 'ageing industry' - tertiary research, education and workforce training, from an economic social capacity building development perspective.

4.1 Overview

New Zealand research indicates that, in the context of a diminishing labour force, older people are likely to make a significant contribution to productivity, economic competitiveness and living standards.³³ Trends indicate that the mature and older segment of global, New Zealand and Bay of Plenty communities will endeavour to maximise their longevity. People are extending their work life and spending over 20 and 30 years in a longer mature and later lifestyle.

This report is focused on the demographic transition to the rapid growth in the older population and the rapid shrinking of younger generations. This section will discuss trends in an ageing consumer market opportunity, workforce participation, workforce change, and productivity. Aspects of which closely relate to the underpinning quality of life issues driving Treasury reporting and concern for the impact of population ageing in *Affording Our Future Report 2013*.³⁴ The living standards measures are referenced separately as a 'think piece' in Part 2 at the beginning of this report. The five key determinants are highly relevant to this section. It will highlight issues and give linkage to further resources.

For local government and business this means responding to a shift in consumer demand. It means that companies will need to respond to an unprecedented workforce brain drain.

In order to understand generational difference and diversity in policy frameworks, the workforce and the market place, some analysts are dividing the 20 year boomer generation into two segments of 50-64 years and 65-75 years.³⁵ An ageing continuum is discussed Part 2.

The section defines an age segmentation as:

1. Mature - 50-64 years and 65-74 years.
2. Older - 75-84 years.
3. Older-old - 85-90+ years.

³³ Ministry of Social Development 2013. *The Business of Ageing: 2013 Update*. Ministry of Social Development (2011).

³⁴ The Treasury (2013), *Affording our Future*:

³⁵ Marketing reports on boomer trends. Symphony IRI Group, Boston Consulting Group including World Economic Forum.

It is considered likely that proactive private sector business and social sector organisations will anticipate the trend towards longer lifespan to benefit from adapting organisational practices, services and products. The contribution and productivity of younger, mature and older employees will benefit business as the population becomes one of consumers and contributors.

The stage for population ageing is set to be one of economic complexity.

The issue is not entirely about growing numbers of ageing people and reduced younger generations in the workforce, or even the costs associated with demands for income or health care. The real issue is that government policies, business, the media and society aren't adequately addressing, or in some cases even contemplating, the social and economic potential within the ageing population phenomena. Fortunately some entrepreneurs are.

'Productive' ageing is, according to some theorists, fraught with ideology. The concern is that a perpetuation of micro level (individual lifestyle) health and wellbeing will result in inadequate attention to the macro structural factors.

While highlighting the economic scenario of a 'longevity dividend' in this section it is vital to note that there is also a concern for equity.³⁶ The future prospects of some sectors of the population have been framed as a 'digital divide'. A 2000 Retirement Commissioner Report notes a future where low educational attainment particularly in regard to technology, those who are unmarried or single and those who are unable to buy a house, will likely have less retirement resource than their parents' generation. They will be at risk of uncertain medical expenses and uncertainty about life expectancy.³⁷ Concern for this outcome is growing and is reflected in the work of the OECD and the Stanford Longevity Centre . A recent Stanford study concluded that:

*Ageing isn't the challenge; building an equitable society is.*³⁸

³⁶ Equity is a key aspect of the Treasury Living Standards model. Social inequalities are costly to communities and the state.

³⁷ Office of the Retirement Commissioner, 2000. Age Dependency: A review of the literature.

³⁸ Reported in Boston Globe.com.

Major factors of diversity that contribute to a ‘divide’ in later life include the broken earning lives of women and for those with disabilities, or experiences of under or broken employment, early widowhood. Another factor is the change in generational capacity and attitudes to transfer wealth. Treasury notes that there is some evidence that shows that intergenerational transmission of income is not as large in New Zealand as in other OECD countries.

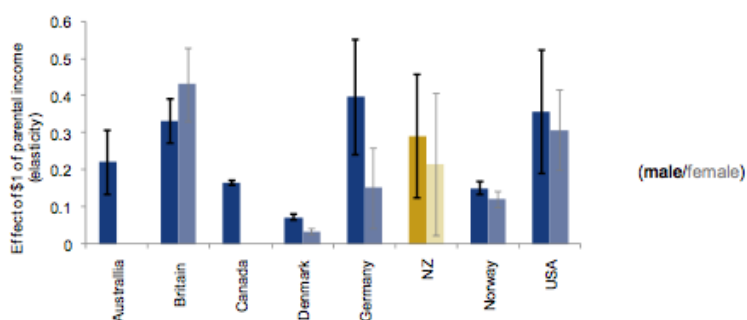


FIG 32 EFFECT OF \$1 OF PARENTS' INCOMES ON SUBSEQUENT INCOMES OF THEIR GROWN-UP CHILDREN TREASURY 2010

In a response to population ageing and a United Nations (UN) global concern for social and economic wellbeing, the World Health Organisation developed an Active Ageing Strategy. It serves as an umbrella for action to progress age-friendly urban environments. The UN Economic Commission for Europe has developed a policy tool to enable change and states:

“In the light of these demographic trends, and in order to meet the policy goal of maintaining prosperity and social cohesion, mobilising all available human resources is crucial. Policies need to ensure that, as people grow older, they can continue contributing to the economy and society and be able to look after themselves for as long as possible.”

“This demographic change is ‘absolutely’ a driver of growth,” says Flemming Morgan, President of Nutricia, a medical nutrition company, also echoed by a knee and hip joint manufacturer. Major companies such as Intel have invested in technology research for independent living looking at the active living needs of mature and older consumers.

While such targeting will be a rich field of opportunity for those companies and organisations who adapt product, services and the workplace to the changing demographic reality, it can also be assumed that for some, there will be challenges and the prospect of failure.

*Bath tubs and big cars are out. Nutritious foods,
Harley's and comfortable shoes are in.*

The increasing longevity of 1.4 million people in New Zealand will shape a dramatic change in both workforce participation and the consumer landscape. Similarly, global trends indicate a workforce shrinkage as the baby boomer generation ages. This results in a reduced German workforce of 25% by 2050, Italian by 30%, and Japan 38%.

Population ageing workforce shortages are already impacting on air services. A Japanese airline announced in June 2014 that it expects to cancel more than 2,000 flights in the next six months due to a shortage of airline pilots. It is forecast that the unprecedented changes in workforce composition and the threat of labour and skill shortages will challenge business leaders to manage human resources in a climate of significant complexity.³⁹

This section will not transverse the depth of macro fiscal policy issues that will influence the individual and industry response to the fundamental shift in workforce demographics or the influence of national ideological political positions.

However several areas of economic impact as a result of population ageing and increased longevity are worthy of further consideration in a Bay of Plenty context.

4.2 A major cultural shift

It is widely accepted that the transition to an ageing society requires a critical shift from ageing pessimism and a perception of older people being considered a dependent burden to family and society.

Biggs, Cartensen and Hogan 2012,⁴⁰ stress the importance of a climate where mature and older peoples' contribution to social capital and the economy is fully realised. They identify two major challenges in order to fully, capitalise on the learning and innovation provoked by population ageing:

- How to tap into a source of accrued social investment, largely unused.

³⁹ Dytchwald, Erikson and Morison 2006.

⁴⁰ Biggs, S., Cartensen.L, Hogan. P. 2012. Social Capital, Lifelong Learning and Social Innovation in Global Population Ageing: Peri or promise? Geneva. World Economic Forum.

- How to recognise that the process of adaptation - a hallmark of the ageing process - is in itself a source of innovation and business opportunity.⁴¹

The national structure of population ageing and the capacity for increased longevity in New Zealand has been set by ideologically driven policy frameworks for more than 100 years, world wars and the recent global recession. Similarly women's choice of 'fertility' or family size, was influenced by a cultural gender revolution, medical technology and pharmaceutical innovation. Women's choices of motherhood, home and work roles will continue to influence further generational choices and care roles in later life.

Dytchwald, Erickson and Morison suggest that successful economic transitioning will depend on the organisational capacity to understand the context of an empowered mature worker.

- A worker who seeks to contribute meaning fully, potentially assuming leadership roles relatively late in their career.
- A worker who seeks to continue to improve their skills and talents with a potential to serve as trainers, coaches, and mentor.
- A worker who seeks to enjoy flexible work arrangements and one that transitions into a gradual retirement.

Key trends include:

- Ageing population and a slowdown in labour force growth.
- Changing ethnic composition.
- Increased importance of lifelong education.
- Changing levels of participation, as worker, contributor and consumer, across age, gender and life course.

⁴¹ Davies, R., Gordon, C., 2012. The Implications and Opportunities of an Ageing Population in the Western Bay of Plenty Sub-region. SmartGrowth.

4.3 A boomer market

Statistical evidence shows a new mature and older extended lifestyle reality.

The boomer world reality is confirmed by international studies and reports that focus on the potential of the boomer market where particular trends and consumer segments have been identified. One such global trend setting market analysis takes a no-age approach identifying four domains, each with specific areas of enterprise and consumer items as a means to navigate the complexity of tomorrow's mind sets.

Key drivers are identified as:

- Total transparency.
- Smart technology.
- Always on (communications).
- Cultural capital.
- 4G workforce.
- Social entrepreneurship.
- Intelligent health.
- Happiness hunting.

At over one million strong, New Zealand future ageing generations represent a major market share.

The history of the frugality of earlier New Zealand generations influenced by a world of wars and large families 'bringing in the land', has given way to urbanised generations of older people living and working in more sedentary workplaces, seeking more optimism, adventure and meaning in their middle and later years. The baby-boomer generation is huge, some wealthy, better educated and well known for its individuality and diversity.

Generations preceding the boomers have been labelled the 'traditionalists,' followed then by the 'silent generation' born 1925-1945, who are now the ageing parents of the boomers shopping into later in life. Both generations are well known for investing in their health and wellbeing. American business commentators consider that the boomer generation actually comprises two distinctly different behavioural types, those older, born 1945-1955 and those younger, born 1956-1965.

Consumer research in 2011 and 2012 reflected distinct spending differences, with younger boomers spending more freely than older boomers. International economic agencies including the Boston Consulting Group, Stanford University, MIT, Neilsons and the Economist Intelligence Unit

concur that the boomer business is business with a prosperous future.⁴² They suggest that:

Embracing boom times is a business imperative.

The marketing industry is actively seeking to capture the boomer consumer as a ‘silver opportunity’. Focused studies of boomer preference and company realignment are prevalent.

The Boston Consulting Group suggests a powerful business opportunity with a global estimate of \$8.4 trillion. The New Zealand Business of Ageing Reports forecasts a spending of \$50 billion by 2050.



Figure 33: Ageing Market Potential Opportunity

Market indicators in Europe, which is ageing faster and more deeply than New Zealand America and Australia, who have similar population structures and systems, all reflect similar consumer patterns.

Research and reports from global agencies such as: World Bank, IMF, UN, OECD, European Economic Commission, Standard and Poors, Boston Group, Stanford University, Economist Intelligence Unit indicate a positive outcome if adaption to the ageing consumer is understood and actions taken.

⁴² Boston Consulting Group, Economist Intelligence Unit, Silver Group, Harvard.

The reports indicate:

- A need for a major economic rethink.
- Challenges associated with a diminishing workforce
- Opportunity for business innovation

An Economist Intelligence Unit 2011 study undertook a global research project that included a survey of 583 business executives. Sponsored by Axa, the respondents included, 36% from Europe, 33% Asia Pacific, 18% North America, and 13% from the rest of the world, including a range of business size and turnover. The survey looked at the risks and opportunities faced by businesses as they 'grapple with' their internal workforce, and, changing consumer demand. A concluding message is:

Only those businesses who successfully adapt will benefit from the new market opportunity.

Key findings regarding consumers included:

- Opportunity versus risk. Optimism about longevity.
- New markets: Health care, pharmaceuticals, leisure, tourism and financial services will benefit along with consumer goods, food and beverages, retail and technology, companies that support independent living.
- Longevity offers long term business prospects: business expects to sell more to a rapidly evolving specialised market.
- More firms considering R&D product development and marketing.

Key findings from marketing companies suggest:

- Knowing the difference between the silent generation (ageing parents of boomers), older boomers and younger boomers.
- Recognising the long term market potential.
- Savvy and demanding generation of boomers.
- Need to be age sensitive but more age-neutral.
- Technology supports data on consumer habits and preferences.
- Highly strategic approach, personalised and targeted.
- Spending on health care increases with age.
- Anti-ageing skin care products evolve to continue market capture.
- In store experience important.
- Boomers spend on label products.

Key findings in regard to workforce risks include:

- One in three businesses expect higher proportion of older workers.
- Concern for loss of skills, 45% have considered impact and are aligning human resources. 14% not yet considered longevity.
- Worry over pension and health care costs, financial liabilities.
- Outdated human resource policies and practice.
- Executives seek to work longer with flexibility. Need to continue to earn.

4.4 Global workforce demand

Although New Zealand is considered globally to be a moderately ageing nation, given increasing life expectancy and declining birth rate in New Zealand, five key factors emerge.

- A high 85+ population to care for, with increasing workforce demand.
- Sustainability of primary export industry productivity given reduced New Zealand workforce and global workforce demand for skilled workers.
- Market change and adaption given high ageing trading partners, particularly in Europe, including rapidly ageing developing nations, such as China, with all the complexities of generational transitions.
- An employment climate where leveraging the talents, skills and leadership capabilities of mature people is paramount.
- The workforce will soon span four generations, requiring a positive corporate mind set that adapts to: use of flexible work arrangements, innovative learning opportunities, creative compensation and benefits programmes in order to attract, engage and retain workers of all ages.

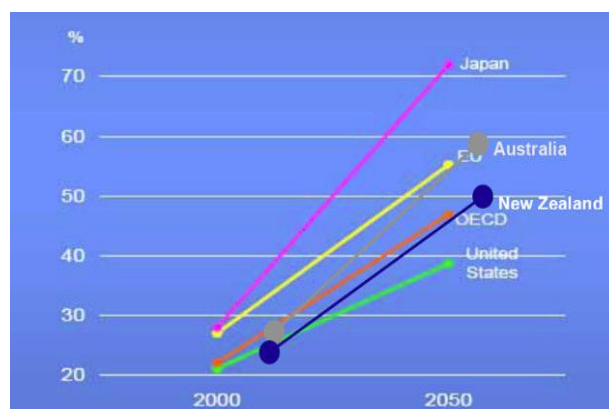


Figure 34 Ratio of population aged 65+ to younger.

4.5 Changing industry contribution to GDP

A major shift to the service sector has occurred, accounting for 64.3% of GDP in 2010.⁴³ This is relevant to Bay of Plenty workforce growth, labour participation, volunteer engagement, economic development priorities and tertiary provision.

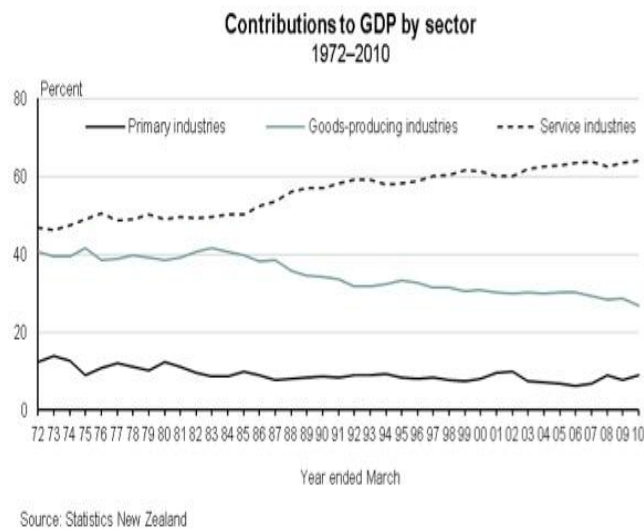


Figure 35 Contributions to GDP by sector 1972-2010 (Statistics New Zealand).

Advice to Treasury notes that the contributions of the service industries may be understated, leading to underestimates of growth and output benefits such as social connectedness, cultural, identity, health and well-being leading to positive spillovers for productivity throughout the economy.⁴⁴ In the Bay of Plenty, top sectors in 2012, by value added output, were:

- Social Services (\$1.77bn),
- Manufacturing (\$1.77bn)
- Business Services (\$1.72bn).

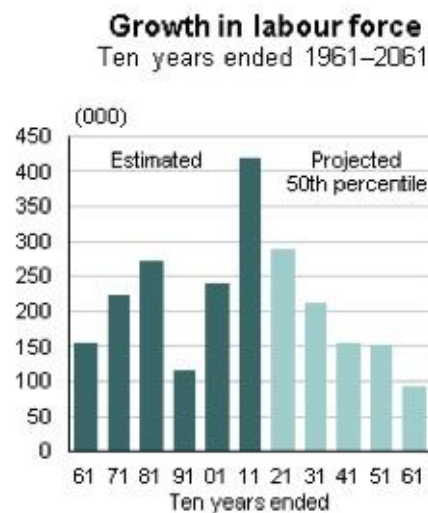
⁴³ Bascand, 2012 Planning for the future: Structural change in New Zealand's population, labour force, and productivity. Statistics New Zealand.

⁴⁴ Bascand 2012.

The Primary sector (\$1.33bn), Wholesale and Distribution sector (\$1.32bn) and Retail and Trade Services sector (\$1.13bn) also generated more than \$1 billion of output each in 2012.⁴⁵

4.6 Slowing growth and labour force decline

Labour force growth of about half a million between 1991-2001 is expected to decline during 2006-to 2020 to 320,000. This includes a projected net migration of 70,000. According to the Department of Labour⁴⁶ increases in labour force participation will contribute about 80,000 and changes in age structure will contribute about 170,000 because more people will move into ages with higher participation rates.



Source: Statistics New Zealand

Figure 36 Projected growth in labour force (Statistics New Zealand)

Currently New Zealand has one of the highest labour force participation rates in the OECD, especially for older people.

Population ageing will lead to a significant increase in the number of mature and older people in the labour force .

Trends include:

- Increasing mature and older people participation rates since the 1990's.

⁴⁵ Berl 2013. www.boprc.govt.nz/media/322184/berl-bay-of-plenty-situation-analysis-final-report-14-november-2013-.pdf

⁴⁶ MBEI. Forces for Change in the Future Labour Market of New Zealand.

- growing female and slowly decreasing male participation.
- Beyond 2020, the labour force will plateau in size.
- Around 80 percent of the current workforce will still be in the workforce in 2020.⁴⁷

Slower workforce growth or even contraction will exacerbate skill and labour shortages. Slow economic growth may lead to unsustainable increases in public social expenditure. Jackson et al forecast decline in the Bay of Plenty, particularly Kawerau and Opotiki over the period 2013-2063, Rotorua, Western Bay of Plenty and Whakatane have some labour growth before decline. Tauranga is expected to maintain some growth out to 2063.

4.7 More older workers

New Zealand currently has the highest proportion of mature and older workers in the OECD. The ability of business to maintain older workers is well documented and includes workplace adaption such as changing roles, flexible work hours and workplace environments.

By 2020 around one in four people in the labour force is likely to be aged 55 years and over, including many more people likely to be working beyond the traditional “retirement age” of 65 years.

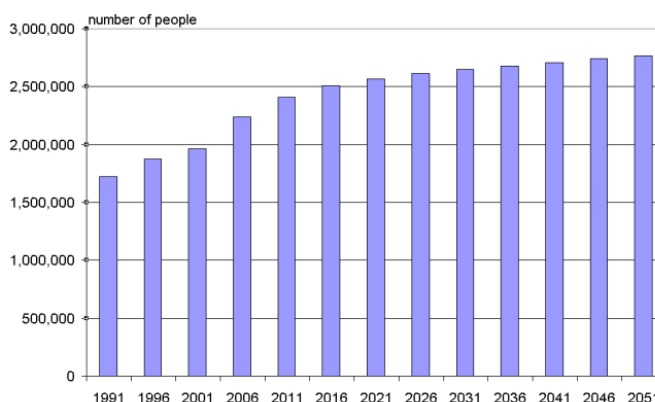
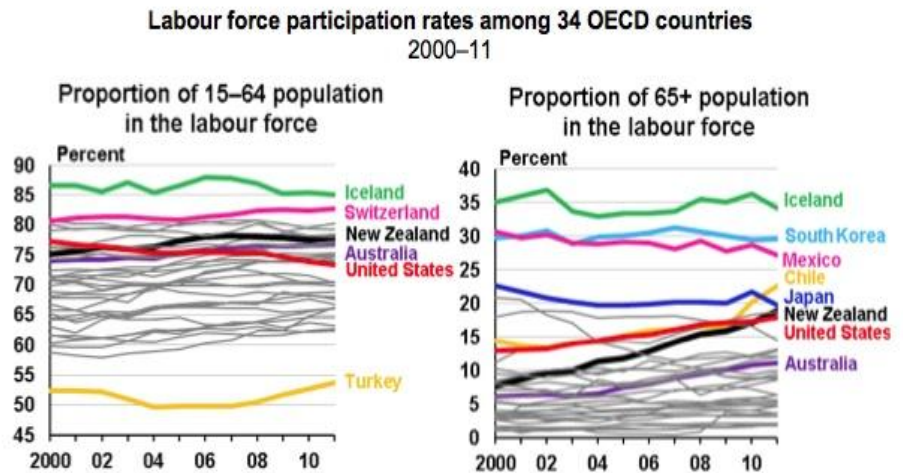


Figure 37 Projected New Zealand labour force 1991-2051 (Stats.New Zealand).

Currently in New Zealand, there are about the same number of older people in the labour force as younger people aged 15-24, with both age groups containing around 400,000 people. This trend clearly indicates a focus on lifelong education, retraining entry opportunity, and workforce up skilling choices for a mature workforce.

⁴⁷ MBEI. Forces for Change in the Future Labour Market of New Zealand.

By 2020 the New Zealand 65+ labour force is likely to have risen to include about 600,000 people.



Source: Statistics New Zealand based on data from OECD

Figure 38: More older workers in New Zealand

A Treasury 2012 Colmar Brunton survey of 1,000 people found that 59% of New Zealanders expect to work beyond 65 years, 81% were not concerned by the prospect. Older people are continuing to participate in the workforce projected to make up 12% of the labour force by 2031. They are expected to receive earnings of \$13.38 billion in 2051, and pay taxes of \$1.65 billion

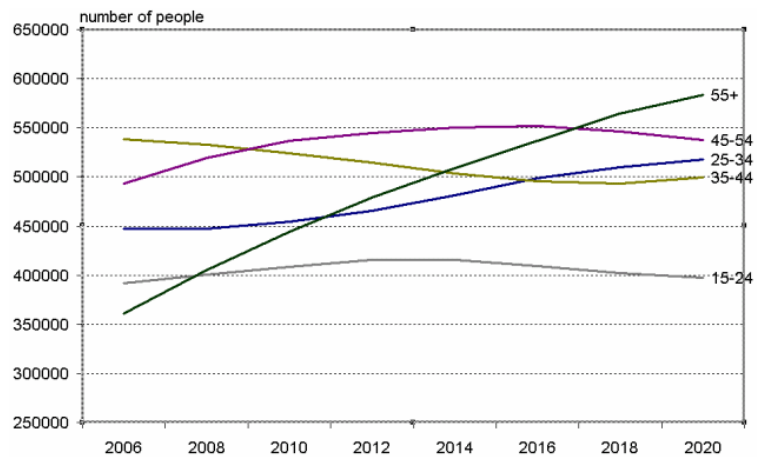


Figure 39 New Zealand Labour force projections by main age band 2006-2020 (Statistics New Zealand).

4.8 Ethnic diversity

The ethnic mix of New Zealand’s population will change in the next 10 to 15 years. The proportion of Maori and Pasifika is expected to grow because of their higher fertility rates and younger populations.

The Asian population share should grow even faster, driven by net migration.

With a more youthful population, Maori have a critical role to play in the nation's economy.

Skill sets, income levels and health status will play a critical role in the wider Bay of Plenty economy as the population ages. In particular a younger Maori labour contribution will, given higher education and skills, become vital in a social, economic and productivity context.

The growing international demand for both higher and lower skilled workers is expected to change the nature of migration, with more people moving between countries for short-term contracts, rather than permanently migrating.

The changing nature of work will intensify this trend, with a continuing move to flexible workforces with shorter term or temporary employment arrangements, particularly for high skilled workers with internationally transferable skills.

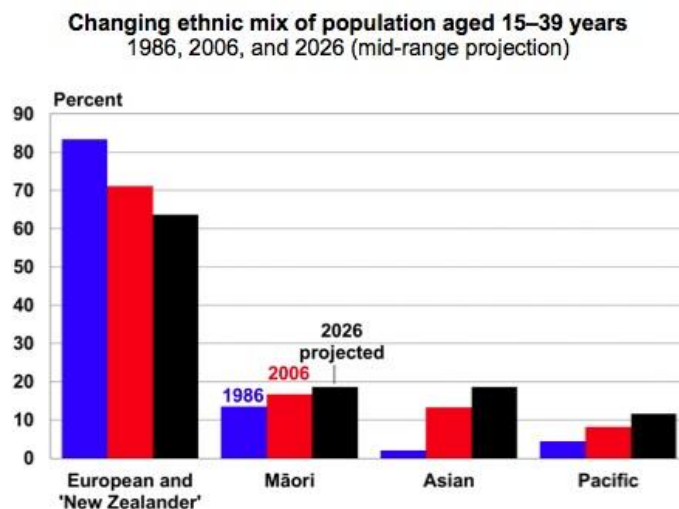


Figure 40 Changing ethnic mix of populations 15-39 years.

4.9 Volunteer contribution to the economy

The third sector is likely to expand as people seek meaning in a longer life. Service demand can be expected to increase throughout the Bay of Plenty, particularly in health and social care service provision. The value of this sectors' contribution is clearly stated in the Business of Ageing Report update 2013 with an unpaid and voluntary workforce in 2013 worth \$11.68

per hour. Mature and older people will contribute a projected \$15.18 billion to the volunteer economy in 2031.

The unpaid voluntary workforce is expected to contribute \$25.65 billion in 2051.⁴⁸

Volunteering has been defined as: activities or work done of a person's free will for the benefit of others (beyond immediate family) for no payment other than in some cases a small honorarium and or expenses. (Gaskin and Smith 1997). Volunteering also occurs in the Government sector e.g., Civil Defence, Fire Service and major essential services such as St Johns Ambulance. The Bay of Plenty Regional Council engages young, mature and older people in environmental care projects. The largest volunteer sector is in sport and leisure where knowledge and skills are shared. Formal volunteering involves direct costs such as travel which impacts on potential mature and older participation as costs of essential services and food rise.

A 2001 Statistics New Zealand and Ministry of Women's Affairs and Time Use Survey recorded: 127,574 Job equivalents in the non-profit sector, or 5% of workforce. Women 55-64 spent 4.7 hours per week on unpaid work outside the home. Among the 65-74 age group men recorded more time than women. Maori 65 and over and rural residents even more on activities.

Several New Zealand studies have indicated high levels of extended family care and levels of reciprocity. Research examining theories of 'sandwich generations' of care-giving roles for women, noted the 'double-dependency' that occurs with long living generations particularly women; Maori giving and receiving, and familial roles of care with reference to daughters even though they may be of an older age themselves. An International Social Survey 2002 found that for most people, relatives and friends seldom make too many demands. There was also some evidence that carers 'adapt' to high level demand but a lack of assistance and support to carers is a common in New Zealand issue. This may be a key reason for institutionalisation.⁴⁹

4.10 Ageing and productivity

Recognising that birth cohorts, lifecycle stages generations and gender along with social, economic, environmental and cultural issues are inextricably

⁴⁸ MSD. 2013 Business of Ageing Update Report.

⁴⁹ Taylor, B., Neale, J., Allen, B. et al in Boston, J., and Davey, J., (2006), Implications of population ageing: Opportunities and Risks, Institute of Policy Studies, School of Government, Victoria University of Wellington.

intertwined⁵⁰ in *Affording our Future: Statement on New Zealand's Long Term Fiscal Position*, Treasury uses a Long Term Fiscal Model to project economic outcomes influenced by factors such as ageing. Bascand (2013) discusses assumptions regarding older workers productivity growth living standards and overall wellbeing and comments that productivity may benefit from a more experienced workforce. This view is aligned with Davey (2007) who links the possibility that older workers have more institutional knowledge, are seen to be reliable, loyal and committed, while some may be resistant to change, be technically challenged and expensive to employ. Earlier research on ageing is centred in a negative context e.g. cognitive decline and dependency.

Many recent assumptions on the ageing process are now contentious and considered by some to be outdated.

A recent survey in the United States showed that it was only a small minority who wanted to retire at the traditional age. Around 80% wanted to continue to participate, but not in the same way. They wanted to work part time or start a new career, or launch a small business. They wanted flexibility. This is exciting, says Dr Margaret Chan Director General of the World Health Organisation, "because if older people can remain active participants in society, they can continue to contribute to our socioeconomic development. Engagement also prevents isolation and loneliness and ensures their financial security."⁵¹

Evidence on the age-productivity profile in New Zealand is minimal⁵² and therefore a field for further understanding. Callister (2006) noted that an analysis of labour force data showed men's declining participation in the labour market.⁵³ Tipper (2012) found slight increase in older worker productivity while Bell Gardiner and Rodway (2012), found lower levels. The changing workplace roles and responsibilities will influence a range of variables and make assumptions difficult. However there is plenty of information on maximising the workplace to accommodate the growing number of mature and older workers needed to maintain business sustainability.

⁵⁰ Auditor General's Report on *Affording Our Future: 2012*

⁵¹ Dr Margaret Chan in *Global Population Ageing: Peril or Promise*. World Economic Forum. 2011 Geneva.

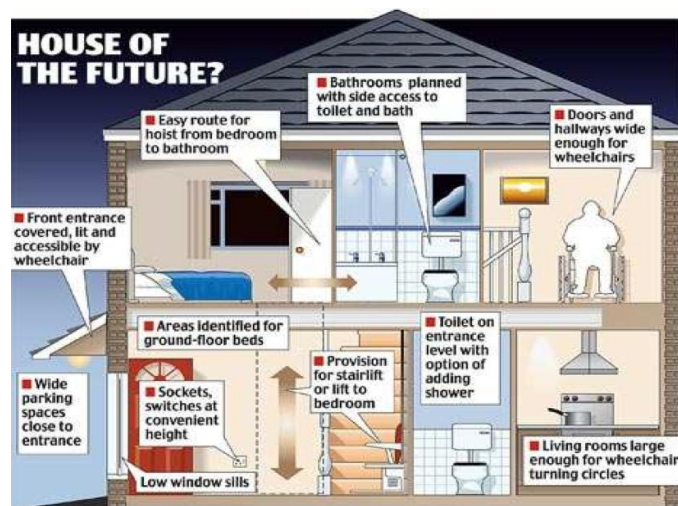
⁵² Bascand, G. 2012.

⁵³ Callister, P., Richer, *Better Educated and More Likely To Be Employed in Boston and Davey*. 2006.

New Zealand data shows labour market participation rates are high and projected to increase rapidly to 31% in 2031⁵⁴.

- Younger women are more likely to be in paid work (higher levels of education) both in prime child rearing years and in later life.
- Men are less likely to be in paid work and less likely to be working full time.
- Work and pay rates are partner relationships are linked to education.
- Both men and women are likely to work into older age groups.
- There will be more diversity in regard to both work and income and wealth.

⁵⁴ Callister in Boston, Jonathan and Davey, Judith A. (2006), Implications of population ageing: Opportunities and Risks, Institute of Policy Studies, School of Government, Victoria University of Wellington.



Part 5: Housing longevity

KEY POINTS

- Longevity drives housing demand.
- Ageing people are living in ageing homes.
- Inequality in housing impacts on life expectancy and age care costs.
- Living arrangements are crucial to the economy intergenerational care and transfer of wealth.
- People prefer to ageing-in-place.
- There are more one and two people households.
- Deinstitutionalising older people is essential.
- New care and supported housing models exist internationally.
- The “Te Keteparaha mo nga Papakainga” is a valuable toolkit.
- Retrofitting homes for warmth and safety is a major challenge.

POLICY CONSIDERATIONS

- Seriously view housing as a critical population ageing economic issue.
- Introduce universal/lifemark design housing standards.
- Engage in efforts to achieve supported housing innovation.
- Continue to support and engage with Maori housing initiatives.
- Advocate for housing retrofitting and home maintenance relief.
- Ensure multipurpose housing development that meets affordability (energy/technology/maintenance) criteria.

- Assess age-band transitions in distinct communities to focus redevelopment of neighbourhood amenities.
- Align a view of opportunity, innovation and change.

5.1 Overview

The quality of living and urban environments are key factors that influence happiness and wellbeing.⁵⁵ Improvements in these environments are, along with medical science, the prime contributors to a human longevity now reshaping our society. The home is where the mature and older person experiences relationships, housing security, personal comfort, safety, future living and consumption lifestyle aspirations. As a capital investment, the New Zealand home has always played a part in savings and the transfer of intergenerational wealth.

It is globally accepted that meeting the living arrangements of an ageing population is crucial to the economy, generational family care obligations, and the transfer of wealth.

This section will discuss housing issues in the wider social and economic context of longevity and the population ageing transition. It notes the shift that is occurring towards more people living alone, ageing housing stock, care environments, and the imperative to create ageing in place living environments.

The current housing shortage and affordability discussions highlight the importance of housing as a key factor in quality of life and health and wellbeing status for children, families and older people. Leading housing researchers in New Zealand have stressed the importance of a healthy home as a national lifecourse investment.

Research also indicates that secure, appropriate and comfortable accommodation will deliver physical and psychological benefits to older New Zealanders resulting in healthier and more resilient older population.⁵⁶ It is claimed that suitable housing is central to addressing the wider implications of population ageing.

As the populations of the Bay of Plenty change in structure, culture and continue to age, so do housing needs and choice of living locations. Living arrangement needs vary significantly by age and gender, health status, disability and lifecourse events. It is now clear that as people live longer and

⁵⁵ van Der Pas, S. 2007 Living Arrangements, Ageing in Place and Wellbeing EWAS. http://www.ewas.net.nz/Publications/filesEWAS/EWAS_M1.pdf.

⁵⁶ Saville-Smith, K. CRESA. 2009.

changes in family structures occur the number of households will grow affecting housing choices and demand.⁵⁷

Longevity drives housing demand.

This is exemplified in both current national data that shows more people of all ages now live alone or in two person households⁵⁸ and the rapid expansion of retirement village environments particularly in Tauranga. By 2050 it is estimated that 820,000 households in New Zealand will accommodate older people.⁵⁹ A key consideration is the link between increasing numbers of mature and older people progressively living longer-ageing in ageing houses, which are not designed for later life.

Ageing people are living in ageing houses.

As the number of older people rapidly increases over the 20 year boomer transition, diversity widens with longevity. New Zealand research indicates that living arrangements and social connectivity change as people age.⁶⁰ The urgent challenge is to provide suitable supportive housing options and choice for people in later life particularly those aged over 85 years. This group of older old people will increase rapidly to become one in four by 2061. That number being inclusive of 180,000 people over the age of 90 years.

Living arrangements for long term care is changing internationally as new elder centred care models are transforming inner cities and communities.⁶¹

In New Zealand there has been a tendency for housing and aged care to develop as separate, distinct policy and a tendency for housing and aged care to develop as separate, distinct policy and often privatised service systems, with little systemic policy integration. An Australian Report on

⁵⁷ See Statistics New Zealand change in household composition (Figure) increase in one and two person households.

⁵⁸ Statistics New Zealand 2013. How will New Zealand's Ageing Affect the Property Market.

⁵⁹ Saville Smith, K., (CRESA) and James, B. (Public Policy and Research) 2009 Housing Futures, Scenarios for Older People's Housing 2010-2050.

⁶⁰ van Der Pas, S. 2007 Living Arrangements, Ageing –in Place and Wellbeing http://www.ewas.net.New Zealand/Publications/filesEWAS/EWAS_M1.pdf.

⁶¹ See more detail on America Green House model and the Netherlands Hogwey Manhattan project in the health section.

service integrated housing notes the importance of an integrated systems policy approach.⁶²

The Papakainga model established in the Western Bay of Plenty examples an alignment of regulations to meet the need for caring connectivity. It examples a high value for elders and their role in family and whanau. The achievement should not be regarded as an isolated cultural model, but seen as a principled transferrable platform. In contrast to earlier research on housing and ageing,⁶³ the model of 'family' home ownership in older age is now dynamic.

Ageing in place is the key premise driving age-friendly policy efforts internationally to:

- Support retrofitting of homes
- Reconfiguring urban environments.
- Planning for liveable communities
- Building 'lifetime' homes
- Creating supported care environments.
- Establishing "community village" neighborhoods.

Many people seek to stay connected to family, friends and neighbors within their own social context. The values that underpin the ageing-in-place concept include an ability to maintain individuality; retaining control over lifestyle, and an ability to maintain independent living in the community.

These attributes maximise the ability of older New Zealanders
to make contributions to their family and community
thereby strengthening society as a whole.

Congruent with international trends, population ageing in New Zealand means that the number of older persons requiring supportive housing environments is steadily increasing. Insufficient innovation investment and policy attention has been paid to the 'housing' dimension of elder centred community care, including new 'family sized' models of housing with links to support and care services, including dementia care.

A continuum of care model⁶⁴ defines the housing spectrum as:

⁶²<http://www.ahuri.edu.au/publications/projects/p20287#sthash.tzLTmz40.dpuf>

⁶³ Davey, J. 2006 in Boston, Jonathan and Davey, Judith A. (2006), Implications of population ageing: Opportunities and Risks, Institute of Policy Studies, School of Government, Victoria University of Wellington.

⁶⁴ Ginzler. E., in Cisnero. 2012.

- General community housing
- Independent living
- Lifestyle housing
- Active adult communities.
- Service enriched housing:
- Co-housing, continuing care retirement communities, assisted living, nursing homes.

5.2 Living in the Bay of Plenty

The Bay of Plenty has always attracted a significant capital investment to support a 'retired lifestyle' that has grown many beach or lake side naturally occurring retirement communities (NORCS) such as Omokoroa, Pukehina, Maketu, Rotoiti, or Ohope. People have invested in dreams of a quality later life, in 'home' as a place of security where they can express their individuality and remain independent and enjoy the lifestyle.

According to Stanford Longevity Centre, the home is a shelter for those persons and objects that define the self; thus it becomes, for most people an indispensable symbolic environment.

The Bay of Plenty is positioned to experience a new 'wealth' as people live longer with more life to live. The 'longevity dividend describes the economic, social or health benefit to society that is anticipated from a longer life 'well lived.' We are on the cusp of a non age society where chronological age norms and social constraints are disappearing. There is now a prevalence of multigenerational fashion, movies, music, shoes, food, cars, or recreation pursuits that are increasingly genderless and ageless.

In the context of Local Government long term planning:

It is vital that 'old' outdated notions or pre-existing myths and assumptions about mature and older people's lives and their preferences, are not imposed on present and future generations.

A local report on housing affordability made an assumption about 65+ householders and the availability of one or two person houses. Whereas with longer maturity, continuing work and interests, grandparenting roles, and generational care options, these roles demand flexible living arrangements. Age-friendly city engagement with older people in Tauranga indicated preference for more choice in housing stock.

The reality of people living longer mature lives demands an informed social context in planning for future environments that enable a diversity of choice.

The context of change in Bay of Plenty communities evidenced in the 2013 Census data includes family formation, dissolution, size and lifestyles, new older age relationships, employment, multigenerational ethnicity, financial instability and intentions regarding intergenerational or interfamilial transfer of assets. Studies by CHРАНZ, CRESA and BRANZ have highlighted future ageing demand for diversity in housing options and importance of universal design to maintaining health and wellbeing. However there appears to be

little change in the 'construct' of housing stock thus creating current pressures.⁶⁵

With a population that has increased number of mature and older people there is an increasing need for highly functional houses.

An Australian real-estate company reports that there is a need to fuse function with up to date design appeal including (Universal design, LifeMark New Zealand) non-slip floors, elevators, sensor lights and touch pad light screens as "downsizers" are a major force in the property market."

Key factors that influence mature and older living arrangements include:

- Quality, suitable and healthy housing choice in Bay of Plenty communities, given ageing people and ageing housing stock.
- Capacity to retrofit or maintain existing homes and properties.
- Quiet location that enables easy access to bus stop and neighbourhood shopping.

The demographic projections undertaken by NIDEA provide an excellent platform for the housing industry to undertake an ageing 'housing stock-take' in all TLA's.⁶⁶ A significant factor being the indisputable link between ageing people, ageing homes, the cost of living in unsuitable housing, related health care burden and anxiety related to the financial burden of home maintenance.

Further research can inform a locality related detailed analysis of the trends and preferences of particular generations within the extent and timing of the inevitable transitions that are underway.

2013 Census data confirms the ongoing survivorship of women particularly among those living beyond 85 years. This highlights the need for supportive families and community relations, with accessible neighbourhoods that are well served with home-based social care services.

More women than men live alone in later life.

The social and economic impact of population decline alongside a residual consolidation of aged people in costly high maintenance homes and

⁶⁵ Coffin, A. et al SmartGrowth.

⁶⁶ This subject suits an 'infrastructure' investment in locality based research.

outmoded ageing communities, is cause for high level planning focus in the SmartGrowth settlement pattern review, the coming ten year plan processes for all territorial authorities in the Bay of Plenty, and Regional spatial planning priorities.

It is evident that most locations will 'grow' a residual older-old population, predominately women, and a younger Maori working age population within the next two decades.

In a low and 'non growth' population environment it will become critical that 'economic' investment focus is given to:

- Innovative community based economic development that examines models⁶⁷ for vitalising community management of self-supporting village style care co-operatives to avoid geographical service isolation and loss of private housing capital asset.⁶⁸
- A focus on adapting housing stock and or neighbourhood development rather than expanding institutions and dependency.
- The housing needs of young Maori families, including access to a stable work environment and 'healthy' homes in order to reduce 'environmentally influenced' health conditions in babies and children as 11.5% of all New Zealand Maori children live in the Bay of Plenty.
- The changing structure of urban environments, and communities. As the population of Bay of Plenty communities ages and society changes, so do traditional living arrangements, relationships and housing needs. Today couples without children are as common as couples with children.⁶⁹

Bay of Plenty Household composition currently comprises:

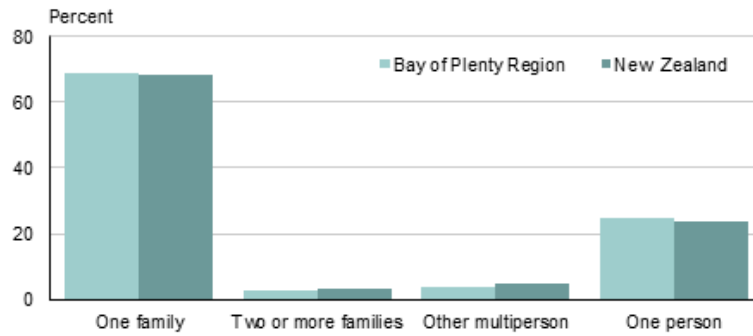
- 68.6% one family households (New Zealand 68.3%).
- 24.6% one person households or 24,339 people living alone.
- 2.6 people average household size (New Zealand 2.7%).

⁶⁷ Examples of innovative solutions given in: Cisnero, H, Editor.2012. Independent for Life: Homes and neighbourhoods for an Ageing America. Stanford Centre for Longevity. Austin. Texas Press.

⁶⁸ Beacon Hill in Boston and Nest in Seattle are 'Village' models established by elders to manage age-in- place home based environments.

⁶⁹ Statistics New Zealand 2013 Census.

Household composition
Bay of Plenty Region and New Zealand
2013 Census



Source: Statistics New Zealand

Figure 41 Bay of Plenty household composition 2013.

All Bay of Plenty TLA's have had a significant increase in the number of people living alone.

Over the next two decades ageing and increased diversity is likely to further alter living arrangements for young and old.

The Retirement Commissioner reported in 2000 that the focus should be on adapting housing stock rather than expanding institutions.⁷⁰ The 2013 Census indicated several 'generalised' current Bay of Plenty trends that need unpacking according to age, gender and ethnicity:

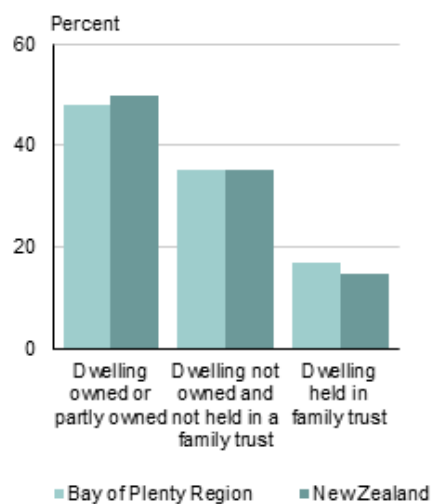
- A marked increase in couples without children.
- Increasing numbers of people living alone.
- Decline in two parent families and increase in one parent families.
- Slow growth in the number of households.

Bay of Plenty home ownership includes:

- 64.7% owned dwelling or in trust (New Zealand 64.8%).
- Average rent \$260.00 (New Zealand \$280.00).

⁷⁰ Grimmond. D., 2000. Age Dependency: A review of the literature. Office of Retirement Commissioner.

Home ownership by household
Bay of Plenty Region and New Zealand
2013 Census



Source: Statistics New Zealand

Figure 42 Bay of Plenty home ownership 2013.

Bay of Plenty TLA's are projected to have an increasing number of people living alone and couples without children, the majority of whom will be mature and older.

That is a majority of homes without children.

For the Bay of Plenty the projected data indicates a gain of 50% or 55,000 households between 2013-2063.

- + 27,000 families, a 33.3% increase.
- + 32,000 couples without children, a 82% increase.
- + 261 sole parent families, a 1-2%.
- - 5,200 two parent families, a 19% decrease.
- + 28,000 single person households, a 102% increase.

Table 2 Western Bay of Plenty Family and multi-person households (Statistics New Zealand).

Year	Family	One person	Multi person	Total
2013	79,039	27,822	3,240	110,101
2033	102,358	46,276	3,716	152,351
2063	104,928	56,289	3,536	164,752

Western Bay of Plenty: A gain of 59% or 10,700 households, between 2013-2063

- + 6,500 families, 46% increase.
- + 6,300 couples without children, a 85% increase.
- + 520 sole parent families, a 26% increase
- - 300 two parent families, a 7% decrease
- + 4,300 single person households, a 100% increase.

Table 3 Tauranga City changing living arrangements 2013-2033-2063.

Year	Family	One person	Multi person	Total
2013	33,171	12,280	1,700	47,152
2033	49,199	22,476	2,121	73,776
2063	59,753	32,266	2,313	94,332

Tauranga City : A gain of 100% or 47,000 households between 2013-2063

- + 7,000 families, a 80% increase.
- + 24,000 couples without children, a 139% increase
- + 2,623 sole parent families, a 42% increase.
- + 1,129 two parent families, a 10% increase.
- + 20,000 single person households, a 163% increase.

Table 4 Rotorua changing living arrangements 2013-2033-2063.

Year	Family	One person	Multi person	Total
2013	18,495	6,591	800	25,887
2033	20,397	9,940	814	31,151
2063	15,665	9,998	579	26,241

Rotorua: A gain of 1-2% or 350 households, between 2013-2063

- - 3,000 families, a 15% decrease.
- + 1,600 couples without children.
- - 1,290 sole parent families, a 27% decrease.
- - 3,400 two parent families, a 48% decrease.
- + single person households, a 52% increase.

Table 5 Whakatane changing living arrangements 2013-2033-2063.

Year	Family	One person	Multi person	Total
2013	9,510	3,178	300	12,988
2033	10,107	5,111	270	15,487
2063	6,844	4,067	168	11,080

Whakatane: Between 203-2063 a decline of 15% or 1.900 households.

- - 2,800 families, a 28% decrease
- + 95 couples without children, a 2% increase.
- - 910 sole parent families, a 39% decrease.
- - 2,000 two parent families, a 60% decrease.
- + 890 single person households, a 28% increase.

Table 6 Kawerau changing living arrangements 2013-2033-2063.

Year	Family	One person	Multi person	Total
2013	1,832	699	40	2,571
2033	1,866	888	43	2,796
2063	1,049	709	23	1,781

Kawerau: A decline of 31% or 790 households, between 2013-2063.

- - 830 families, a 43% decrease.
- + 40 couples without children, a 5% increase
- - 410 sole parent families, a 68% decline.
- - 460 two parent families, a 81% decline.
- + 10 single person households, 1-2% increase.

Table 7 Opotiki changing living arrangements 2013-2033-2063.

Year	Family	One person	Multi person	Total
2013	2,330	930	100	3,360
2033	2,257	993	88	3,338
2063	1,557	820	66	2,442

Opotiki: A decline of 27% or 920 households, between 2013-2063.

- - 810 families, a 33% decline.
- - 170 couples without children, a 17% decline.
- - 270 sole parent families, a 38% decline.
- - 380 two parent families, a 51% decline
- - 110 single person households decline.

Commentary on housing demand suggests that demand at the higher end of the housing market will likely produce on going requirement for new efficient homes and replacement of homes in desirable locations. In addition there will be more ‘retirees’ seeking a quality lifestyle, with potential impact from returning New Zealand boomers, and probable growth in migration to the Bay as a location of lifestyle and business choice.

The NIDEA study concludes that the ageing of communities is inevitable and irreversible.

It is possible that the continued expansion of Retirement Village accommodation offering ‘lifetime care’ will exacerbate and consolidate ongoing ‘migrant’ ageing into Tauranga and Western Bay of Plenty with a possible delay of projected population decline and increased numbers in older age groups.

The decline of populations overtime will affect housing demand but not in the immediate future because longevity will increase demand. Reduced occupancy may be exacerbated by migration out of declining districts. NIDEA population projections show onset of critical population decline dates as:

- Western Bay of Plenty from 2034.
- Tauranga 2039.
- Rotorua 2039.
- Whakatane 2034.

- Kawerau 2031.
- Opotiki 2049.

***These facts indicate urgent action
to support the retrofitting and refurbishment
of existing ageing homes
and properties to support older old people
remaining in unsuitable and possibly
unhealthy homes.***

Planning and the market will need to accommodate an integrated ageing-in-place transformation:

- Suitable housing choices for mature and older, mostly single people that is healthy, safe and integrated with access to essential health, social care and transport services.
- Recognising elder choice for maintenance free housing, universal design features, minimal gardening, and safe mixed neighbourhoods.
- Concern for increasing inequality of wellbeing as the population ages, particularly in some locations.
- An awareness that expansion of new retirement living complexes leaves tracts of high maintenance 'unhealthy' suburban housing.
- To learn from international models of co-housing, communal complexes, integrated supportive living, liveable communities and intergenerational neighbourhood development.
- Capacity to modify and retrofit existing housing stock to improve quality of life and reduce cost of living and improve health.⁷¹
- Capacity to refurbish liveable community environments to attract and support social connectivity, recreation and learning for young families integrated with older people.
- The social cost and impact of age and racial segregation.
- Review the current housing landscape for future generations who may not seek lease to occupy hospitalised ageing communal living environments.

The common perception that older people are resistant to change or to move house is now disputed⁷² and clearly evidenced by a significant 'cultural'

⁷¹ A continued focus is required on house insulation to both reduce on-going operating costs of homes and to improve health outcomes
<http://www.chranz.co.nz/pdfs/bay-plenty-housing-report.pdf>.

⁷² Australian Housing Research Institute 2005. www.ahuri.edu.au.

shift to village environments. While research shows a high desire for security among older people, this means different things to different people. A key factor in moving house is driven by a very real need to reduce housework, home and section maintenance as a physical and financial demand. Moving to a new home fits that desire with the opportunity for modern household technology and furnishings. An Australian study found that mature and older people are extremely diverse in their experiences, their aspirations and expectations.⁷³ The SmartGrowth Bedford study found that 85+ people in the Western Bay of Plenty sub-region moved more than any other cohort.⁷⁴

However, the practice of ‘shifting home’, ‘downsizing’ or ‘cashing up’ indicates a paradox or a significant shift in generational attitudes to housing and wealth. This is particularly evident as large numbers of current older people are choosing to move closer to family, health care, or into gated and retirement village environments that offer lifetime care, a “better place”, “warmer weather”, or “coastal recreational environments”⁷⁵, in such places as the Bay of Plenty, Kapiti Coast or Nelson.

A study by CHRANZ⁷⁶ in the Bay of Plenty that included many near or retired residents commented on reasons for moving house to a newer location:

- Safe and secure environment (women) the cul-de-sac means strangers are not using the road.
- Quiet and private everyone knows everyone else.
- Being close to neighbours means it is easy to call for assistance.
- A new build has quality fixtures, insulation, indoor/outdoor flow.
- Looking for a smaller cosy place reduces housework – it’s like an apartment.
- We want to sit outside, just don’t want lawns or garden maintenance
Others want a small garden.
- Do not want to spend money on home maintenance.

An Australian housing study of 7,000 people over 50 years of age concluded that a significant shift in values and priorities has occurred. The findings indicated changing family relationships, new forms of identity, greater social

⁷³ Australian Housing Research Institute 2005. www.ahuri.edu.au.

⁷⁴ Bedford R, 2004 SmartGrowth.

⁷⁵ AHURI Study.

⁷⁶ CHRANZ Urban Ridge Study.

mobility, consumer and lifestyle choices and diversity. Clear differences were found between those 75+ and the boomer cohort 50-59 years. It indicated a generational shift in housing preference to more freedom, where change is driven by problems associated with home-based household and garden maintenance, divorce, death of a spouse and new lifestyle options. An attitudinal shift from viewing the home as an asset, is reflected in common expressions such as OWLS (Oldies Withdrawing Loot Sensibly) or SKI (Spending the Kids Inheritance). New mobile living lifestyles are spawning homes on wheels and living parks in preferred warmer locations.

Reporting on the impact of population ageing on the property market, Statistics New Zealand notes that while the market is affected by many non-demographic factors including housing supply, interest rates, savings and investment patterns and income, it can be affected at a local level by holiday homes and investment in housing locations. The Bay of Plenty has 13,437 unoccupied houses (Census 2013).

Some international evidence suggests that ageing will have a negative impact on real estate prices.⁷⁷ While slower growth is expected to result in lower residential investment, slower growth in prices and less speculative volatility in the market. Alternate views suggest that ageing will grow demand through to 2031 because of increasing single and two person households. There are a variety of coastal locations in the Bay of Plenty that are likely to continue to attract ageing wealth and housing investment.

⁷⁷ Stephenson. J. 2006. in Boston, Jonathan and Davey, Judith A. (2006), Implications of population ageing: Opportunities and Risks, Institute of Policy Studies, School of Government, Victoria University of Wellington.

4.3 Housing and ageing issues

Quality of Life Issues

Maintaining independence is a cornerstone principle that supports both individual dignity and autonomy in older age, but is also an essential national goal for reducing health care and support and hospitalisation costs. It is the basic premise of Active Ageing, Age-Friendly strategic social and economic approaches to population ageing.

Older old people are the fastest growing group of citizens in every town and community in the Bay of Plenty.

- The number living alone increases with age.
- More than 1 million people will not be in paid labour.
- Nearly half that number will experience some level of disability, suffer co-morbidity and some chronic conditions.
- Cognitive decline and dementia will increase.
- The normal process of ageing can create hardships and danger in homes that are designed only for younger families.
- The oldest old are the most financially vulnerable.
- Are most likely to be maintaining an ageing home and property.
- Fewer are likely to be mortgage free.
- Differences in physical capabilities, cognitive skills, financial resources and gender difference will have important implications for housing choices and supportive environments.

Research efforts to understand the lives of older old people living in their own home, have uncovered a set of issues that beset frail people, possibly contributing to increased levels of anxiety. According to Cisnero a former Senator, Secretary of Housing and Urban development and American housing specialist, all the issues have possible practical and policy responses in the context of community based survivorship.⁷⁸ (See Appendix X)

Housing research shows that older-old people are very anxious about their vulnerability in regard to housing issues:

⁷⁸ Ciserno. 2012.

- Frustration at being immobile and dependent on others to run errands and drive them to appointments.
- Deterioration of their homes.
- High utility costs- heating and cooling.
- Fear of crime, assaults or burglary and scams.
- Debilitating effects of major impairments and serious frailty.
- Isolation from friends/family.
- Fear of falling or getting hurt, becoming ill and not being able to communicate.
- Pain and feelings of inadequacy in managing daily living.
- Lack of money for home improvements.
- Fear of volume of high moving traffic.
- Danger of misusing appliances such as stove or oven.

Ageing in Place

Studies have strongly indicated that older people seek to retain independence, autonomy and lifestyle choices that maintain cultural and social connectivity affirming the concept of ageing-in-place. Research has found a strong link between housing quality and health status and psychological well-being among older people.

Research reflects that older people all over the world make the same statement in regard to housing choice, "I want to live in my own home for as long as I can."

Familiarity with friends, the neighbourhood, access to shopping, community facilities and services are key factors in managing later life. Implicit in this concept is the preference to live independent of family, given that people can live and die in mainstream housing if it is available, affordable, and if necessary support services and care are provided.⁷⁹

Ageing-in-place is defined in *New Zealand in a Positive Ageing Strategy*⁸⁰ as a people's ability to "make choices in later life about where to live and receive the support to do so." Residential Care, rest homes and hospitals are excluded from this definition consistent with the report, *Factors Affecting*

⁷⁹ CHRANZ, 2006. Accommodation Options for Older People in Aotearoa New Zealand.

⁸⁰ Minister of Senior Citizens 2001, New Zealand Positive Ageing Strategy.

the Ability of Older New Zealanders to Live Independently (Dwyer et al. 2000). OECD countries have increasingly become committed to reducing the number of people living in institutions (OECD 2003). Institutional care has been criticised for isolating older people from their social networks and is considered to be more costly than continued living in the home and community. The concept of ageing-in place is internationally accepted.

Elders in Boston innovated a “grass roots” community village model in 2002 that transcends the physicality of a home and space. They have established a system of connectivity that is based on valuing the principle of ageing-in-place and maintaining independence. The “village” model as it is known is not to be confused with the commercial model of retirement village complexes that have sprung up in New Zealand and elsewhere.

Beacon Hill Village in Boston, is a community “Village” on which over one hundred other consumer driven villages are now modelled, in USA, Canada, Australia and the Netherlands. There are a reported further one hundred and twenty in development. Beacon Hill was established by a group of older people who sought to enrich their lives and provide a social support system for themselves and others in their neighborhood, because they wanted to stay living “ safely and affordably” in their own homes. Beacon Hill in Boston⁸¹ and NEST are examples of elder organised voluntary community based ‘villages’ enable people living in their own homes in the community to access the services they need. The model is expanding rapidly in many countries.

Quality Home Environments

New Zealand housing research concludes that building homes in an ageing society is not only about building homes for old people. It means designing well for all ages.

Saville-Smith emphasises a lifecourse approach stressing that the needs of young and old are best served by sustainable design. A key focus of her research on ageing and the New Zealand home indicates that applying universal design standards is a benefit for all and will make homes work better, be more attractive and have more use and value over the long term. *“Dwellings that last – not simply in terms of materials but in terms of use – are critical to a sustainable infrastructure.”*⁸²

⁸¹ Beacon Hill Village. <http://www.beaconhillvillage.org/>

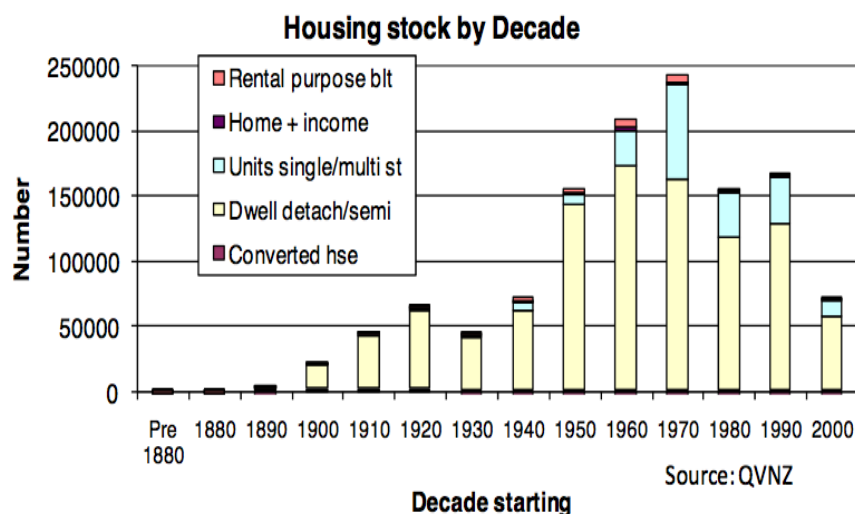
⁸² Saville- Smith, K. 2012, in BUILD February-March 2012.

Given population ageing, the current ageing housing stock and supply demand, consideration of future housing provision over the next several decades, will need to include:

- An analysis of a changing population structure in any region, local authority and community.
- Be inclusive of changing family structures.
- Deinstitutionalising older people through provision of home based and community care.
- Maori, Pacifica and Asian aspirations and choices.
- Increasing functional disability.
- A critically awareness of the growing number of people of all ages who live alone, including frail older-old.
- The link between ageing people and ageing houses.
- Policy to support warming of homes, retrofit capacity and the home maintenance physical and financial capability of ageing house owners.

A Page and Verner 2009 study affirmed a need to improve New Zealand housing stock and argued a case for quality retrofitting. The following graph shows an ageing housing stock that will have real relevance for some older urban locations.

Figure 39 shows a decline in home building that exacerbates increasing current housing demand. It also shows the reduction in supply of purpose built rental accommodation which was largely state supported TLA social housing supply.



Living Alone

Older people are more likely to live alone than younger people and that likelihood increases with age. Older men are more likely to live with a spouse while older women are more likely to live alone, with or near relatives, or in care. Over the last two decades the popularity of ‘sheltered’ retirement enclaves, particularly those offering recreation and ‘whole of life care’, has seen a change in the living arrangements for older New Zealanders. However, in contrast, a Waikato University national study found that 97% of respondents intend to stay in their own home. Key points influencing housing values and future choice factors included:

- Their own or spouses good health.
- Family or friends nearby.
- Living in a desirable neighbourhood.
- Having easy access to transport.
- Reasonable rent or maintenance.

The number of one person households grew as a 23.5% share of all New Zealand households in the 2013 Census, while the share of the traditional one family household remained at 68.3%. It is projected that the number of one person households will grow from 9% in 2006 to 12% in 2031.

Age Segregation

According to Stanford University longevity expert Professor Laura Cartensen, we now live in a highly age-segregated society.

“Eliminating age segregation should be one of the most pressing goals of the century.”

Retirement village complexes are burgeoning in regions where climates support old age living lifestyles. Many have integrated care options and hospital and dementia services. Long term social and economic impact of isolating mature and older people in enclaves and the loss to community life is potentially a key research query, for the Western Bay of Plenty. It is projected that the demand for more communal, non-private (including retirement village complexes) dwellings will increase, as the number of 80+

people rises. Nationally there are also 3,240 people living in hospitalised dementia care facilities and 32,000 people housed in residential care settings.⁸³ The number of retirement village residents 80 years and over is expected to double between 2006–2031 from 23,000 to 43,000 nationally.

There is plenty of anecdotal information on mature and older people seeking more manageable homes in accessible neighbourhoods. Older people report that there are limited choices when they seek to downsize and live in a house and property that is newer, energy efficient and easy to maintain.⁸⁴

Bay of Plenty District Health Board data shows that in 2014:

- 2,500 people in the Bay of Plenty live in Retirement Villages.
- 1,800 live in Rest Homes, inclusive of those who are in care; dementia, hospital and psycho geriatric settings.
- 5,500 people living in their own homes receive home based care.

In line with international trends, OECD, UN. WHO research and advice, and New Zealand Treasury indications, the New Zealand health system strategic direction exemplified by the Bay of Plenty District Health Board,⁸⁵ is to provide increased home based care services as preference to increased funding for ‘hospital type’ commercial settings.

Supported Living Environments

Many countries are developing ways to mix housing and care needs in non-institutional settings.

Any analysis of housing and ageing populations within a spectrum of frailty, demands a discussion on the supply and demand for quality living arrangements for those with dependency support and home care needs. There has been a rapid expansion of retirement village complexes that additionally provide care apartments, rest home, hospital and dementia facilities.

⁸³ New Zealand Listener May 2014 quoting information from Associate Minister of Health Jo Goodhew.

⁸⁴ A key finding in the Tauranga Age-friendly City engagement process. 2013.

⁸⁵ <http://www.bopdhb.govt.nz/media/56824/bopdhb-health-of-older-people-strategic-plan-2012-2017-low-res.pdf>.

International trends indicate attention to ‘family size’ scale and community connectivity.

Few New Zealand examples exist where independent autonomous socially connected living is maintained in a supported family scale care home environment.

There is some community interest in examining a virtual or community living village concept. This is a neighbourhood driven process where people form their own supportive community collective contracting a raft of services such as home maintenance, food supply or care services. The model has successfully created supportive intergenerational caring and connectivity to business ‘social good’ relationships.

- A Green House project in New York is replacing traditional ‘hospital’ style care with ‘family’ living units of no more than 12 people in a complex in Manhattan.
- The English Abbeyfield model has been transposed to New Zealand. It is an example of an adapted or purpose built larger home environment where independent living is supported by on site care provision.
- A dementia care model Hogewey in Amsterdam is uniquely focused on recreating homelike culturally appropriate environments in a safe urban setting. It has a focus on facilitating the person’s own daily living choices.
- Co-housing models exist in large cities overseas. They are largely intentional within social groups where housing availability exists, e.g. outdated hotels or motels, warehouses or large inner city houses.

Prioritising housing options that meet a breadth of ageing population requirements and levels of frailty have been identified by the OECD as an essential planning challenge.

The range of independent living to care options include:

- Mainstream dwellings.
- Adaptable dwellings.
- Adapted dwellings.
- Multigenerational.
- Co-housing.
- Sheltered housing.
- Housing with services.
- Homes for aged.
- Dwellings functionally integrated with nursing homes.

- Nursing care (hospitalisation).

Liveable Communities

In a climate of increased focus on building design, energy efficiency, sustainability and quality built environments, compact urban spaces with high level amenity are an ideal living environment for ageing. Lifelong neighbourhoods are often termed, age-friendly, walkable or liveable communities.

Internationally efforts are underway to maximise the relationship between home, community and the urban environment. In Arlington, Virginia, a strip business district redevelopment was transformed into a thriving walkable urban place with senior living, adding life and economic value. New York has established two precincts or ageing overlay zones, incorporating age-friendly development. The projects are led by a partnership between the City, the New York Academy of Medicine and Mayor's Office, it seeks to create a public/private partnership to encourage adaptation. In San Francisco the city has a Parklet Plan to enable inner city transport focussed roadways and streets to become 'living places'. Mini parks are located on streets providing a seat and garden feature to enable social connection and rest places. A lifelong or liveable neighbourhood is considered to have six major design elements that shape the quality of the space:

- Connectivity.
- Pedestrian access and transit.
- Diverse dwelling types.
- Neighbourhood retail and services.
- Public spaces that foster social interactions.
- Accommodation of existing residents.

It is clear that there is an urgent Bay of Plenty need for the development of walkable urban housing options integrated with community service infrastructure to provide social engagement and health care service accessibility.

The Age-friendly Cities initiatives world wide are addressing these issues including structural redesign of city scapes , transport systems and urban re-development. This effort is enhanced at neighborhood level to ensure access to essential services. The European Commission led Government engagement in strategic development in 2012. Cities such as London and New York age-friendly efforts have established goals and provided leadership often with funded support to localised community initiatives.

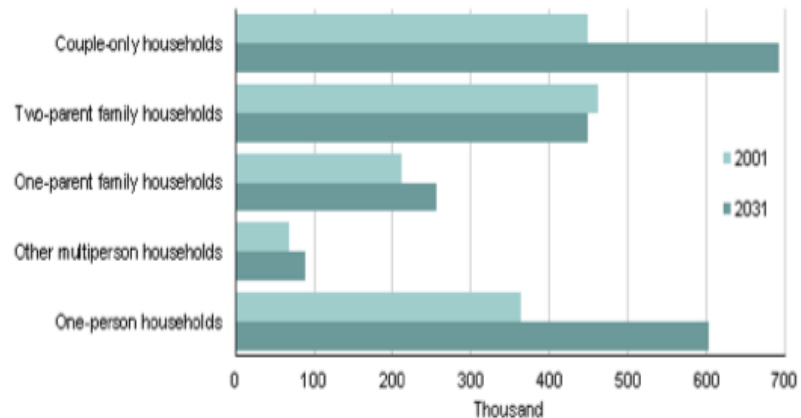
Household Structure

As 74% of New Zealand's future market, the growing single person households and ageing two person households 50-64 years including those transitioning work life 65-75 years will clearly drive future growth.⁸⁶

Longevity creates housing demand

Accelerated growth in one person households is forecast, along with a growing number of two person households. It is projected that:

- In 2033 the Bay of Plenty 30.3 % or 46,276 people are projected to be living alone (27,822 in 2013).
- In 2031 29% of New Zealand households will be a person living alone (23% 2006).
- 12% of the total population will be living alone, mostly 55+ years.⁸⁷
- Two out of three 85+ women in New Zealand live alone.



Source: Statistics New Zealand

Figure 44 New Zealand household type projection 2006-2031.

Household Structure

Over one in three households do not own their own home according to the 2013 Census (35.2%). Home ownership is high among mature people, 77.5%

⁸⁶ Dunbar and Mc Dermott. 2012.

⁸⁷ Statistics New Zealand 2013. How will New Zealand's Ageing Affect the Property Market.

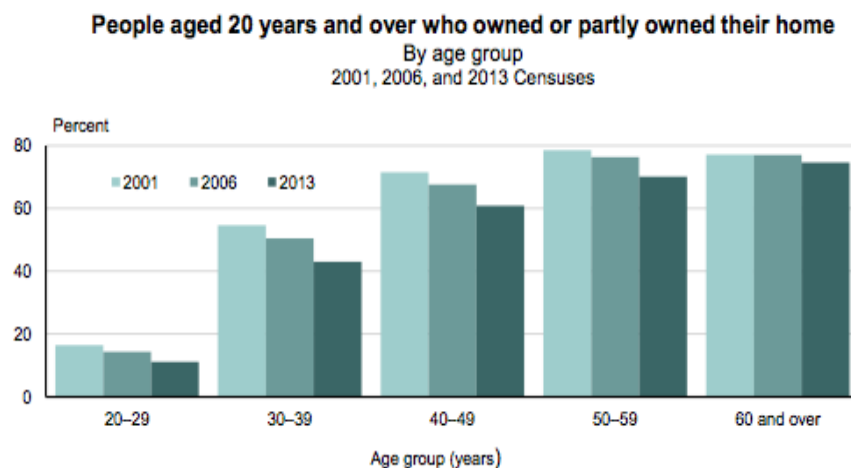
of people 70-74 years of age own their own home. New Zealand Home ownership has fallen, down from:

- 64% in 2001.
- 54.5% in 2006.
- 49.9% in 2013.

Home ownership has dramatically fallen greatly influencing the prospect of financial and social 'security' for future generations of older people. (2013 Census).

Family trust ownership has been shown to be more common in the 65-85 year age group.⁸⁸

- In 2013, 64.8% homes were owned by household or trust falling from 66.8% in 2006.
- 49.9% owned their home, falling from 54.5% in 2006.
- 14.8% of homes were in a family trust.
- 35.2% did not own their home.



Source: Statistics New Zealand

Figure 45 Home ownership by age cohort, 2001, 2006, 2013 Census.

There is a significant ethnic difference in ownership which will affect life expectancy, wellbeing in later life and the capacity to age-in-place.

As a major predictor of wellbeing and good health housing is a key influence on capacity for autonomous quality of life ageing and life expectancy. The

⁸⁸ Fergusson et al .2001 Living Standards of Older New Zealanders.

New Zealand home ownership data according to ethnicity bears this truth. According to Cartensen, discussion about ‘ageing’ societies often obscure the more important issue – the cumulative effects of disadvantage.

The home ownership data reveals a significant social equity challenge in order to prevent ageing high cost dependency.

- European - 56.8%.
- Asian - 34.8%.
- Maori - 28.2%.
- Pacific - 18.5%.

Immigrants in the same period numbered 131,799 people who are most likely to be living in Auckland.

Unpredictable Housing Market

According to Dunbar and McDermott in a 2011 CRANZ study, the variables are too great to make prescriptive ‘market’ planning guidelines on future housing preferences. Particularly in intensified settings.

They propose a set of principles⁸⁹. The authors give emphasis to the fact that:

“The fundamental driver of housing demand is life-stage within that socio-economic circumstance.”

The authors also comment on the prospects of the rental housing market capacity. 450,000 New Zealanders were renting a home in 2013. Rental properties generally have fewer rooms and are less insulated than privately owned homes.

Statistics New Zealand notes a probable future impact from 600,000 New Zealanders living overseas who may return as they age.

While demographic projections indicate changes in housing demand, there are also many other factors that influence the market. Statistics New Zealand notes:

- Housing supply.
- Interest rates.

⁸⁹ <http://www.chranz.co.nz/pdfs/improving-the-design-quality-affordability-residential-intensification.pdf>

- Savings and investment patterns.
- Income levels.
- Labour force.
- Investment in holiday homes.
- Investment in rental property.
- Access to housing wealth.

Davey noted in 2006 that the data from the 2001 census showed a stable traditional environment where “three quarters of people 65+ lived in an owner occupied home, where the majority were mortgage free.”⁹⁰ This position is clearly not the current environment for future generations of ageing New Zealanders.

The 2013 Census data indicates a different and changing generational story.

Among the many economic influences on housing market, this data may reflect a 65+ ‘tidal movement’ to ‘lease to occupy’ type of accommodation supplied by the retirement village industry. Several reviews of the Retirement Villages Act⁹¹ have sought to reduce legal vulnerability for elders in residential settings. Villages have increased service capacity providing increased access through a variety of unit size and scope of service contractual arrangements. The lifestyle includes recreational facilities, care apartments, rest home, hospital and dementia units.

Davey et al. warned in 2004 that if home ownership levels decline, and the 2013 Census showed this to be the case, then there will be increased pressure on rental accommodation and residential care. Congruent with global literature on longevity, the CRANZ report on accommodation options for older people (in the community) claims that:

“Ensuring adequate accommodation for older people has public benefits”.⁹²

Similarly as a result of ongoing housing research in New Zealand, (CRESA) Saville-Smith and James have advocated for housing action to reduce

⁹⁰ Davey, J 2006. Housing in Boston, J Davey, J. Implications of Population Ageing: Opportunities and Risks Institute of Policy Studies .VUW. Wellington.

⁹¹ Retirement Commissioner 2005.

⁹² Davey, J., V. de Joux, G. Nana and M. Arcus 2004. Accommodation Options for older people in Aotearoa/New Zealand. Wellington. Centre of Housing Research Aotearoa/New Zealand.

dependency, social and economic exclusion, in order to improve the health status of older New Zealanders.

They identify the following ageing and housing issues as :

- houses that are hard to heat,
- under maintained,
- requiring substantial modifications,
- many in low density, poorly connected neighbourhoods with few amenities and services.

They suggest that the problems will be exacerbated by:

- Increased reliance on rental market
- Under supply of social stock,
- Poor maintenance and repair,
- Disability prevalence—projected 45% (chronic conditions)
- A reliance on public transport by 2051 when a possible 324,700 older people will be without licenses.

Homes in the future will likely be filled with technologies that support daily living, provide medications and make them safer and healthier for older people.⁹³ A number of pilot programmes are underway now in New Zealand to assist with home-based care and monitoring.

Maori Home Innovation

The Western Bay of Bay of Plenty Mangatwa Papakainga project has enabled multiple housing to be built on Maori land. Ten Kaumatua have moved into houses and there are plans for housing low income families. A toolkit *“Te Keteparaha mo nga Papakainga”* has been prepared to assist Maori develop proposals that reflect a whanau ora approach to increasing longevity.

The Home as a Transferrable Asset

The complexity of ‘home’ as a place of identity, a supportive place, the use of equity in later years and intergenerational transfer of assets are becoming more challenging for many New Zealanders as patterns of tenure and the cost of housing, home maintenance and care change. Downsizing to smaller

⁹³ Laura Cartensen in *Independent for Life*, Cisneros, H. Editor, 2012. Stanford Centre for Longevity, University of Texas Press.

village locations unlocks ‘savings’ for many New Zealanders. However an extended lifecourse risks the loss of this family and national ‘wealth’ to fees and associated costs of care, alongside a decreasing capital value of the village property.

Retrofitting Homes

A BUILD magazine article on the costs and benefit of retrofitting noted that when a house is being retrofitted with universal design features – the cost typically jumps to \$16,000 per house for internal changes and another \$6,000 if an external feature such as an access ramp to the front door is required. The retrofit cost will vary considerably depending on the layout of the house and whether the occupants need the full range of features.

However, clearly it is considerably cheaper to install lifetime design in new houses than to retrofit the same houses later.⁹⁴

Most New Zealanders seeking to remain in their own homes and communities in later life will face the need to install insulation, examine hot water efficiency, remodell bathroom facilities, outdoor steps and accessways in order to maintain a safe and affordable living environment. The market is responding to this new industry. The availability of independent advice on design standards, efficient technology and new products and materials is a desirable service to be developed to enable older people to make wise choices. Maintaining capital value is another driver for quality home retrofit investment.

⁹⁴ Ian Page in Build 2012. For more information, BRANZ Study Report 263 Housing for the aged. – the value case can be downloaded for free from www.branz.co.nz

Part 6: Healthy independent and dignified ageing



KEY POINTS

- The facts on the population transition health issues are known.
- The BOPDHB has a worthy plan that requires a plan of actions.
- Determinants of health are defined by urban planning standards.
- International research, experience provides evidence based solutions.
- Biomedicalisation of ageing creates costly dependency.
- Growing social capital in communities is vital.
- Intergenerational connectedness is a key to support and cohesion.
- Technology will assist with care, management of chronic conditions.
- Focus on deinstitutionalising of older people is a human rights issue.
- Home-based care services support ageing-in-place.
- Eliminating elder abuse.

POLICY CONSIDERATIONS

- Understand and act on Active Ageing Age-friendly imperative.
- 2021 is a key point of time in aligning primary health and social services -
- Proactive effort to provide supported living environments for older people, people with disabilities, dementia and Maori.
- Collaborative engagement with communities, not-for-profit and social services in preventative health age-friendly actions to improve independence and ageing in place housing and urban environments.
- Home repair and modification policy support advocacy.
- Align a view of engagement, opportunity, innovation, change and collective impact.

6.1 Overview

The health and wellbeing of older New Zealanders is a marvellous achievement of individual ageing in an era of globalised longevity. More people are living longer in Bay of Plenty communities that will be challenged by a future of competing interests and resource sharing.

The demographic transitions facing the Bay of Plenty are known, predictable and quantifiable.

This section will highlight the importance of intersectorial collaboration to ensure quality of later life outcomes in the region. A Bay of Plenty District Health Board, *Health of Older People Strategic Plan 2013*, provides a full coverage of the future health service challenges in the region.

Key reports that underpin global efforts to improve the health outcomes and service sustainability are discussed briefly. All express concern for urgent preventative actions to adapt lifestyles, community environments, workplaces, and health care service delivery to the new reality of mature and older people's lives in order to maintain social and economic sustainability. New Zealand reports anticipate that Government will spend more on superannuation, health care and social support care (home-based support services and aged residential care), with increasing pressure for reporting on outcomes.⁹⁵

The healthy ageing of communities, towns and cities is a major public policy issue in a welfare state that values both individual independence and social interdependency. It is widely accepted that the provision of health care and long term elder care is as much about ideology, socio-political assumptions and generational expectations as it is an issue of capacity for resource allocation and investment in a lifecourse approach.

There is a need to build solutions into communities in ways that benefit all.

The New Zealand health system is progressively adapting to meet the challenges of providing health care to an ageing population, while continuing a focus on child health in a lifecourse approach. The impact of an impending demand from chronic conditions is reshaping the delivery of an integrated system of services that will strengthen primary care delivery.

However, despite home-based care initiatives (about 9% of older people receive health and disability services, excluding MSD and ACC) it is clear that the privatised model of rest home hospitalised elder care is facing a financial

⁹⁵ <http://www.oag.govt.nz/2014/health-audits/docs/health-audits.pdf>

crisis.⁹⁶ The care industry is now a share market favourite, with one company worth \$3.7 billion. Many reports including the Auditor General have stressed the need to ‘sort out’ workforce issues, quality standards, training, and elder abuse. The appointment of an Ageing Commissioner has been proposed.

The New Zealand Treasury Living Standards model is a lead mechanism to enable an understanding and policy action to reflect a collective impact approach or mobilise the “intellectual courage” to manage autonomous personal ageing and meet society’s obligation to ensure dignified aged health care.

How we grow the social capital needed to maintain intergenerational connectedness is likely be the next measure of human success.

The United Nations,⁹⁷ WHO and OECD are major policy agencies that have provided leadership founding a vast ‘library’ of ageing perspectives expressed in global research and health policy initiatives.

The quality of life among mature, old and older-old people varies greatly. While this difference has generally been regarded as the result of a good life and good genes, scientific knowledge now indicates that healthy older age has more to do with a range of behavioural, social, economic and occupational factors. Essentially it has more to do with education and social class.⁹⁸

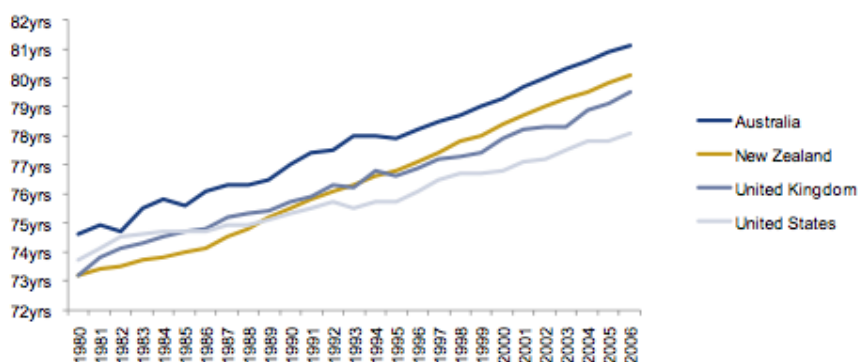


FIGURE 46 NEW ZEALAND LIFE EXPECTANCY AT BIRTH

The life expectancy of New Zealanders at birth has increased faster than in many other OECD countries since 1980.

⁹⁶ Thornton Report.

⁹⁷ Appendix 3, UN Ten Priority Actions to maximise the opportunity of ageing populations.

⁹⁸ Cartensen, L., and Rowe, J. The Boston Globe. 2014.

While investments in understanding the biological processes of ageing have resulted in a wealth of scientific knowledge that evolves our patterns of living, eating and interrelationships, it has resulted in what is now known as the 'ageing industry.' This is where markets exist for cosmetic surgery, life-saving techniques and medical interventions, lifesaving pills and potions, exercise modalities, ant-ageing creams and a plethora of 'healthy' life enhancing nutrients.

Estes has discussed a critical analysis of the positioning of ageing as a social construct influenced by the biomedicalisation of the ageing process.⁹⁹ Committed to critiquing the formation of the 'problem of ageing' paradigm, she claims that social policy is the foundation for a distribution of resources by the state in order "to materially affect the sustainability of health security for individuals, groups in the population across the lifecycle."

However, Cartenson expresses a view that a happy healthy old age is associated with understanding the 'normal' ageing process, how it affects, our emotional, social, physical and mental processing. An appreciation of these trends will she says, inform our ability to put together the kinds of homes, communities and services that benefit an ageing society.¹⁰⁰

The quality of the years lived (measured by 'healthy life expectancy') in New Zealand is slightly above average compared to other OECD countries.

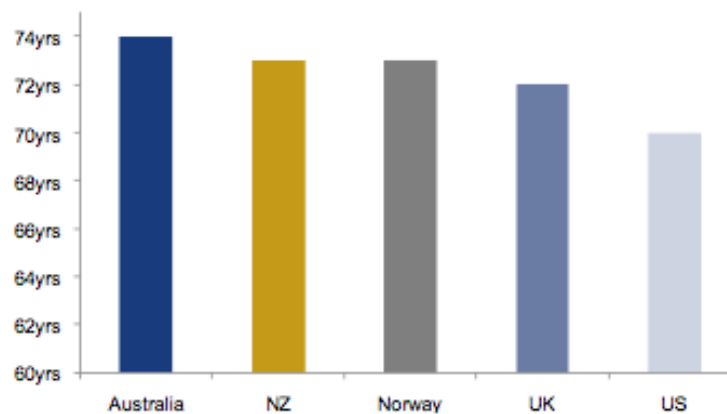


FIGURE 47 HEALTHY LIFE EXPECTANCY OECD 2010.

⁹⁹ Estes, C., and Associates. 2001. *Social Policy and Ageing: A critical perspective*. Thousand Oaks. Sage Publications.

¹⁰⁰ Cartenson, L. 2013

However, differences in healthy life expectancy by ethnicity and gender are high.

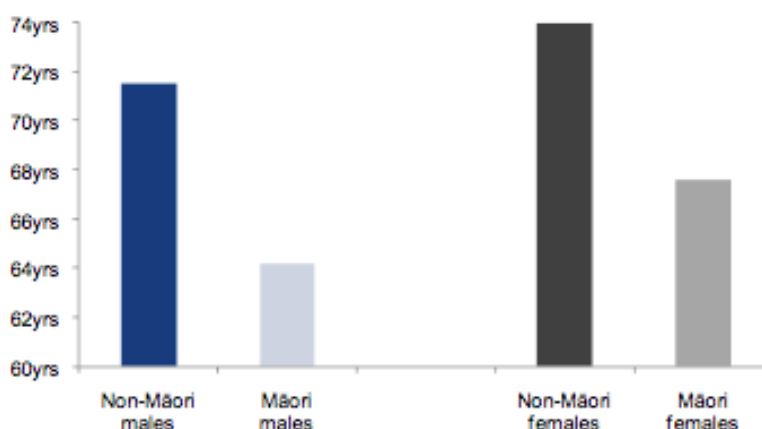


FIGURE 48 HEALTHY LIFE EXPECTANCY IN NEW ZEALAND. MOH

Commentators also look to the technology revolution in managing a health care crisis. Technology to assist in managing and monitoring chronic disease from within the home is now possible, along with telehealth systems to assist people manage a range of conditions such as diabetes, depression or asthma or vital signs such as blood pressure.

One of the priorities identified in the literature is the availability and training of the health care workforce. A British study found that while ageing is considered health system core business, the training of doctors and nurses is still geared to a youthful population.

One of the clear messages in the ageing wellbeing rethink, is the move to a person centred approach where services are accessible in neighbourhoods, wherever mature and older people, live, work and play, rather than expensive hospitals and clinics.

The standardisation of assessment processes is expected to assist with efficient provision of appropriate services.

With a total regional health care budget of \$584.5 million The Bay of Plenty District Health Board (BOPDHB) has developed a *Health of Older People Strategic Plan 20012-2017*.¹⁰¹ The BOPDHB states that systems need to change.

¹⁰¹ <http://www.bopdhb.govt.nz/media/56824/bopdhb-health-of-older-people-strategic-plan-2012-2017-low-res.pdf>.

The stated purpose of the BOPDHB strategy given a high ageing population is: *“To review current services for older people in line with the New Zealand Health of Older People Strategy 2002, current Government policy, international and New Zealand best practice, and identify and prioritise actions for local services to meet the challenges ahead.”*

The plan is comprehensive and worthy. It specifically identifies the health resource related challenges of population ageing:

- The DHB forecasts that the population over 65 years is expected to grow by 84% in the twenty years 2006-2026 in its region.
- The service requirement of rapidly increasing numbers of people over 80 years of age is predicted to grow at the rate of 7% per annum from 3,000 in 2006 to 35,000 in 2050.

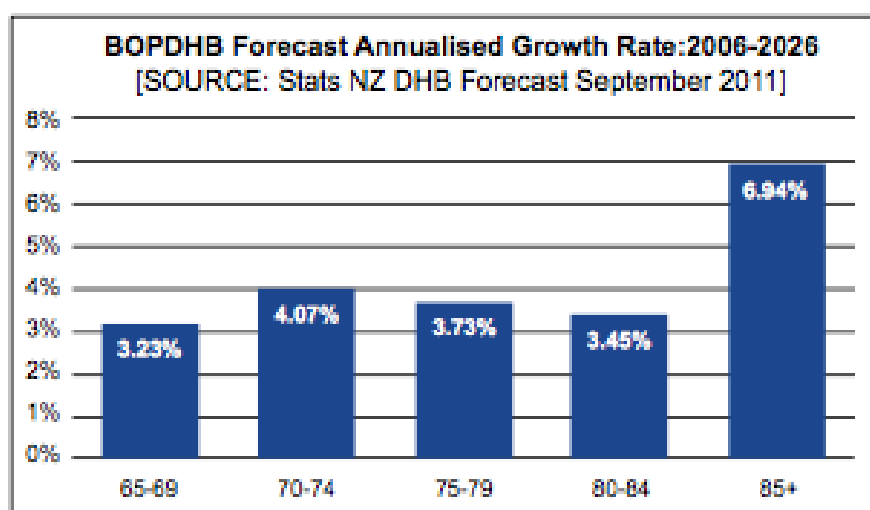


Figure 49 Projected population growth by age cohort 65-85+, 2006-2026.

The BOPDHB Strategic plan identifies some key drivers of change:

- Older people have greater need for health services than young.
- A new approach is needed to integrate health and social services, families and communities and respite care.
- Disease and chronic conditions increase with age.
- People with complex needs are living longer.
- More people are living with dementia.
- Culturally appropriate services for Maori and other ethnicities are needed.
- Ageism exists, attitudes to frail and older people needs to improve.
- Access to specialist health services for older people needs an improved understanding of ageing and longevity.

In 2021, seven years' time, the lead boomers in New Zealand will be 75 years of age, with the likelihood of increasing health care demand.

It is apparent that ageing-in-place is not well understood in local government, economic development or the business sector. Neither is there a localised connectivity between home-based care, social services and neighbourhoods. Engaging the public in reframing health and social service provision will require collaboration with investors, designers, planners and those with a social capacity building framework of analysis. It requires intentional ageing-in-place, age friendly community strategies.

BOPDHB efforts to support ageing-in-place home based care provision are evidenced below. Despite this investment, and maintaining rest home care expenditure, the figure shows that the demand for high level hospitalised care services continues to grow.

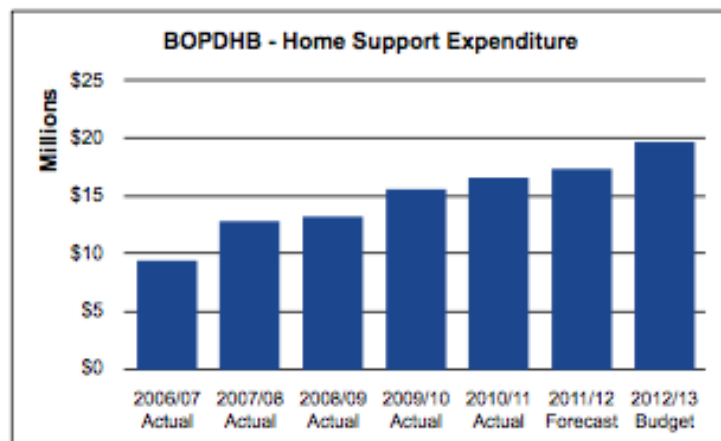


Figure 50 BOPDHB home care expenditure.

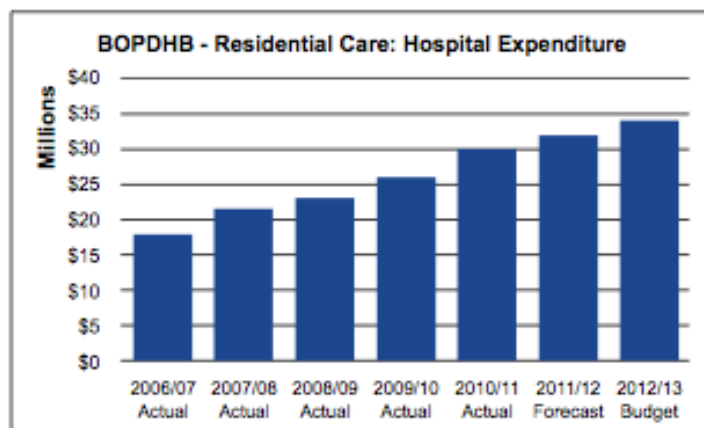


Figure 51 BOPDHB residential care hospital expenditure.

The DHB states commitment:

“Given our ageing population, making savings or significant reductions in services for older people is unrealistic.”

The World Health Organisation highlighted the serious fiscal implications associated with provision of health and social services for ageing populations. It warned of the need to reduce the onset of age-related conditions by “compressing morbidity” or reducing sickness. Essentially this led to the World Health Organisation Active Ageing Framework, the Age-Friendly Cities Guidelines and the Age-Friendly Primary Health Framework.

Improving accessibility to care, and improving the urban built environment for older people are keys to changing the social and economic determinants of health. This is crucial to happiness, improving independence and reducing dependency. It is a vital factor in enabling the ability of older people to contribute to the social capital of their communities.¹⁰²

New Zealand Treasury has recognised the ageing population imperative in various reports, the most recent being: *Affording Our Future* 2013, where the fiscal challenges of both superannuation and elder health care are discussed. The Living Standards model used to provide framework for quality of life measures is discussed in Part 2.

The SmartGrowth Update 2013 embraced population ageing as a key factor shaping the sub-region. However current actions are ‘baby steps’ given the impact of ‘baby-boomer’ ageing. It is critical that all Territorial Authorities move from a ‘business as usual’ approach to acknowledging the depth and significance of effort required to maintain social and economic sustainability.

Evidence suggests that the physical design of communities plays a central role in the health, wellbeing and overall quality of life.

Older people spend more time at home and in their local community, their reality is shaped by the opportunities and constraints of urban design and essential service provision including access to health and social care services.

- Obesity has doubled among people 65-74 years.
- The number of older people experiencing falls has increased.

¹⁰² See Appendices for Active Ageing tool domains.

- Congruent with publicly expressed concern for levels of elder abuse, quality elder care, Maori and Pacific health status and inequality issues, the Auditor General¹⁰³ is seeking improvements to overcome the lack of real data, risk factors and inadequacy of elder abuse services and reporting. (A 2008 Crime survey found that 20% of 60+ people experienced victimisation) No single agency collects data. Responsibility for action was clearly stated: *“We expect public entities to work with service providers to understand the size and scope of the elder abuse problem and the main risk factors involved, and evaluate the effectiveness and efficiency of current prevention programmes and legislation.”*¹⁰⁴ This is concerning given that most people live in the community and ageing-in-place is a key policy platform.

Issues included:

- A lack of reliable data on the delivery of community support services from whanau, family, friends, neighbours, churches, charities, and state agencies. An estimated 31,305 older people were living in residential care in 2013. The Ministry and DHBs do not have reliable information about the quality of residential and home-based support services received by vulnerable older people.
- Maori and Pacific older people and people on low incomes have poor outcomes.

Introduction of InterRAI¹⁰⁵ assessment services are expected to assist with data systems.

The consequences of inaction are significant.

It is timely for the Bay of Plenty Regional Council to “pave the way” in spatial planning processes. Further to undertake collaborative leadership to assist Local Governments to refocus priorities that will influence a ‘quality of life’ living standard for current and future older and younger people.

It will not be easy to challenge the mind set and consider governance responsibilities from a broad health perspective. One that not only improves a living longer quality of life, but also reduces the cost of living and health care as a spatial planning goal and investment in future generations.

¹⁰³ The Auditor General uses the UN Madrid Indicators to assess health standards for older people in New Zealand.

¹⁰⁴ Item 6.27 <http://www.oag.govt.nz/2014/health-audits/docs/health-audits.pdf>.

¹⁰⁵ The interRAI Organization is a collaborative network of researchers in more than 30 countries, committed to improving care for persons who are disabled or medically complex. In practice, the term “interRAI” is used to refer to the organisation’s clinical assessment tool. Data collected by health professionals using the tool is stored in an information technology system.

Part 7: Transport and mobility



KEY POINTS

- More mature and older people want to drive.
- Transport is a key social and economic determinant of health.
- Transport enables continued participation in the workforce paid or voluntary.
- Transport and mobility is central to growing social capital in communities.
- Intergenerational connectedness is a key to community support and cohesion.
- High density heavy traffic threatens the safety of older and younger drivers and pedestrians.
- A lack of mobility causes social isolation. Mobility scheme and Gold Card travel is vital to connectivity, autonomy and independence.

POLICY CONSIDERATIONS

- Neighbourhood access to essential services reduces transport dependency.
- Research into travel patterns of mature and older people will provide decision making information
- Research that enquires into the complexity of transport needs of older-old people with mobility issues to identify gaps.
- Investigate the potential for separating large haulage traffic from commuter traffic on main port routes.

7.1: Overview

Local governments face a significant challenge to ensure that community environments meet the mobility needs of an ageing population.

Mobility determines people's ability to live independently and is a factor in promoting health and quality of life.

Transport will be a key factor in enabling a thriving boomer economy.

The New Zealand Positive Ageing Strategy affirms that access to appropriate and affordable transport options enables older people to remain active in their communities. Private cars play an important role in recreation, friendships and access to services for older people.

Mobility, defined as “the fundamental physical capacity to move” is important for active ageing. The World Health Organization's definition of active ageing identifies participation (alongside health and security) as one of three key contributors to quality of life in older age.

Other sections of this report have referred to the social capital contribution of older people to the social cohesion of communities; to the vital role in intergenerational relationships and to economic productivity.

While the mature and older population will double, the older old are likely to triple over the coming decades exacerbating the need for transport and mobility options.

The significant increase in older people will place new and growing accessibility and safety demands on traditional transport systems.

New Zealand research indicates that older people prefer private transport.¹⁰⁶ People who drive will generally prefer to continue doing so for as long as possible, They also ‘hope’ to have access to alternative transport modes that meet their individual needs, especially as they approach older old age. Many are reluctant to ask family and friends for transport.¹⁰⁷ As people age and driving licences relinquished there are diminishing circles of transport options within their networks. With fewer family members and even those may be living in other cities, at work or overseas there is less transport

¹⁰⁶ Davey, J., 2004. Coping Without a Car. NZIRA. MSD.

¹⁰⁷ Dwyer Gray and Renwick. 1999.

support available. It is likely that these factors will become more prevalent as the population ages.

A society for all ages encompasses the goal of providing older persons with the opportunity to continue contributing to society.¹⁰⁸

In a study looking at how older people coped without a car Davey noted:

- Life changes dramatically, especially for men.
- Women have better social networks that offer assistance.
- Women tend to cease driving earlier than men.
- People can cope if they are well and can access public transport.
- Problems occur in emergencies.
- Many use taxis in bad weather or at night.
- People just stay at home. A factor in social isolation.

Further, that few people knew how to access community transport such as door to door transport provided by voluntary organisations. Total Mobility offers subsidies on taxi use for people with disabilities. This is a useful scheme, well known and well used.

It is observable on busy Bay of Plenty roads that there is clearly a 'clash of space' that is daunting for drivers.

Smaller vehicles used by mature and older people are 'squeezed' by extremely large truck and trailer units that serve industry. While the region is well served with accessible roading that serves both port traffic and day to day commuter traffic, the incompatibility of size and speed factors creates a climate of risk. This issue should be addressed in the Regional Transport Strategy, as a response to the impact of population ageing in the region.

It is well known that older drivers maximise their safety by carefully choosing their routes and timing in order to manage their affairs. Large shopping centres, supermarkets and centralised specialist health services exacerbate the necessity to travel off well known manageable routes for frail older-old people.

Gold Card free travel in off peak times is considered valuable by many older people in the region, not only for suburban trips but also to undertake travel to family. People aged over 65 are using free public transport to get to work

¹⁰⁸ United Nation Population Fund.

(paid or voluntary), visit friends, do their shopping and generally keep engaged with their communities.

New Zealand data¹⁰⁹ (2006) shows that:

- Mature and older women have less access to a car than men.
- Maori and Pacific people have less access than Asian or New Zealand European.
- People aged 65 and over have far fewer trips associated with paid work and education than other age groups.
- Most trips are taken will be taken outside periods.
- The number of trips and distance travelled reduces with age.
- The main reason older people travel in the Waikato and Bay of Plenty is for shopping, social or recreational reasons.
- These findings are not expected to change in the future even though older people are more likely to be working for longer.
- Currently the main reason (45%) for travel on the Tauranga bus service is for shopping¹¹⁰.

Main modes of transport for older people are: personal car, getting a lift with friends or family, taxi, bus, total mobility taxi, and mobility scooter. Many now rely on retirement village provided shopping trips and outings.

Providing for the ongoing, safe mobility of ageing baby boomers will require active planning and a tolerant rethinking of strategies, policies and provision of services in order to support their continued health and well-being into later years. Sensitivity to ageing transport issues is a vital policy platform that will contribute to economic sustainability in the Bay of Plenty.

Connecting New Zealand summarises the government's policy direction for transport. It identifies the ageing population as one of several challenges in trying to achieve an effective, efficient, safe, secure, accessible and resilient transport system.

¹⁰⁹ <https://www.msd.govt.nz/what-we-can-do/seniorcitizens/positive-ageing/progress/affordable-and-accessible-transport-options-for-older-people.html>.

¹¹⁰ Transport Publication 2010/03 Study of the Relationship between an Ageing Population and the Transport System in the Bay of Plenty.

It is known that mobility is largely dependent on musculoskeletal and neurological health, which may deteriorate even in healthy older people.

The New Zealand Auditor General notes that:

- *Having accessible transport makes it easier for older people to take part in social and leisure activities, volunteering and paid work.*
- *The SuperGold Card and other new policies increasingly make public transport physically accessible to older people and make it cheaper to use at off-peak times.*
- *All disabled people can use subsidised mobility taxi services.*
- *Public entities collect data and report on whether older people have access to a motor vehicle.¹¹¹*

The community or built environment should enable everyone to stay active and engaged, regardless of varying needs and capacities. Critically mobility is often central to enabling older people's participation, particularly when they reside in suburban communities where the characteristics of the built environment and transport infrastructure may either enable or impede their participation in out-of-home activities.

An Australian study¹¹² found that:

- The walkability of neighbourhoods is critical to active ageing, as it inhibits or allows the integration of physical activity into daily routines and fosters interaction with others.
- The use of public transport options is generally found to be difficult in older age because of service design and provision, vehicle accessibility, provision of information, other people and personal mobility.
- Older drivers also change the use of their car due to factors such as retirement, age and health as well as difficult traffic situations and might therefore also face reduced mobility.

A British travel study¹¹³ of older-old people found that: despite being in good health people were only moderately active, did not travel far from home and were sedentary.

¹¹¹ <http://oag.govt.nz/2013/ageing/docs/oag-ageing-population.pdf>.

¹¹² www.hindawi.com/journals/cggr/2012/257186.

The OECD Report, 2001. *Ageing and Transport: Mobility Needs and Safety Issues*¹¹⁴, examines emerging mobility and transport issues given an ageing society with a goal to dispel myths and misconceptions about older road users. It is a comprehensive report that “*provides research findings to assist planners and decision makers to formulate sound policies, programmes and services that meet the mobility needs of their ageing populations.*” It includes analysis, projections and policy recommendations.

The OECD report identified four key issues:

- Older drivers tend to be safer than commonly believed with fewer reported crashes;
- Frailty increases vulnerability injury or death; older pedestrians have higher fatality than young people.
- Older people who suffer from health limitations often cease walking or using public transport before giving up driving.
- Ageing-in-place planned communities is paramount to lifelong mobility.

The impact of population ageing may mean a decrease in public resources however ageing communities will require more focus on mobility and safety needs for older people.

The OECD report identifies nine major policy priorities:

- Support and funding to enable lifelong mobility.
- Support for older people to continue.
- Driving safely.
- Provision of suitable transport options to the private car.
- Safer vehicles for older people.
- Development of safer roads and infrastructure.
- Appropriate land-use practices.
- Involvement of older people in policy development.
- Educational campaigns to promote maximum mobility and safety for older people.

¹¹³ www.newdynamics.group.shef.ac.uk.

¹¹⁴ [www.oecd.org/sti/transport/roadtransportre search/2675189.pdf](http://www.oecd.org/sti/transport/roadtransportre%20search/2675189.pdf).

Other valuable topics included:

- Encouraging older people to choose the mobility option which provides the highest level of safety.
- Vehicle safety features need to be significantly improved if lives are to be saved.
- Roads need to be made safer and easier for older people to use.
- Ageing in place requires governments to take a new look at land-use planning.
- Better land-use planning can help people to stay mobile longer.
- Older people have diverse needs, expectations, preferences and lifestyles. This calls for a flexible policy approach.
- Decision makers and stakeholders need to be informed about the safety and mobility needs of older people.
- Undertake road improvements that will enable older people to drive, walk and use alternative transport options safely well into old age.

The accessibility, comfort, safety features and design of public transport buses is often considered in global Age-Friendly City initiatives. Efforts include specific seating options and age-friendly training for bus drivers, route specificity to suit access to health and shopping amenities.

The Bay of Plenty Regional Council reviewed the Regional Transport Strategy in 2010.¹¹⁵ The Council recognised;

The wider benefits from improving the age-friendliness of the transport network.

One of the outcomes from the review was to consider changing the basis for transport modelling from households to age, as this may give a better indication of peak and off peak trips.

It is also important to monitor the travel behaviour of older people.

This piece of work will be valuable to inform solutions to the 'clash of space' that older drivers currently experience. The Bay of Plenty Regional Council report noted that the information will inform future planning in an effort to provide an age friendly transport network because the rest of the people living in the Bay of Plenty region will also benefit.

¹¹⁵ <http://www.boprc.govt.nz/media> Transport Publication 2010/03 Study of the Relationship between an Ageing Population and the Transport System in the Bay of Plenty.

Part 8: Leisure recreation and ageing



KEY POINTS

- Recreation and leisure activities have no age boundaries.
- There are gender preferences.
- Older-old people participate less.
- Boomers will transform the leisure market.
- Longevity is a driver of new choices and opportunity for leisure, travel and educational pursuits.
- Active ageing reduces dependency and healthcare costs.
- Leisure and educational tourism is a booming market.

POLICY CONSIDERATIONS

- Assess age-band transitions in distinct communities to redevelop amenities and ongoing investment.
- Reassess affordable access to community events and facilities.
- Develop a plan to encourage engagement of mature and older peoples as event support, volunteers, coaches, mentors and ambassadors.
- Focus on neighbourhood amenities to encourage social connectivity.
- Reassess investment in traditional sports fields, services, buildings, toilets and seating.
- Provide outdoor fitness equipment.
- Enhance safe access to public spaces.
- Align a view of opportunity, innovation and change.

8.1 Overview

Increased longevity is opening further opportunities for people to enjoy a longer period of mature wellbeing and engagement in a range of leisure, travel and recreational activities. Patterns of activity and interests may continue into later life alongside the time, opportunity and motivation for new experiences and lifestyle pursuits. Lifecycle transitions, physical or mental health conditions, transport and or financial considerations are factors that may influence an ability to participate as people grow older.

Longevity is a key driver of opportunity to find satisfaction in new pursuits.

Trends indicate a growing desire to explore new experiences, find meaning, happiness and fulfilment in a mature and later living longer life. Global commentators are discussing the breadth of 'meaningful consumption'. "How can I get more out of life?" Some claim that the boomer generation has no intention of having a quiet retirement, they aim to enjoy their spending power, enjoy a new level of active health and go happiness hunting. This is evidenced in Wonderwalkers,¹¹⁶ sky diving nannies, marathon runners, cruise ship and mobile home lifestyles. It is probable that the 'no-age' mature period of life will further extend and be embraced by most people well into their 80's, limited not by attitude, but by onset of a physical condition or financial capacity.

Investment in improving wellbeing in later life is increasingly viewed from a lifecourse approach.

The World Health Organisation, UN and agencies such as OECD have charted a course towards engaging an active ageing approach. It is recognised that 'managing' future chronic disease conditions, therefore the social and economic impact of population aging, is crucially dependent on a life course approach to policy and citizen engagement.

Healthy ageing demands a greater focus on getting people to make lifestyle choices along the road to later life.

Leisure time has been defined as a time when people can do what they want to do, away from work and other commitments (Ministry of Social

¹¹⁶ Wonderwalkers is a website that encourages women to participate in walking. www.wonderwalkers.co.nz.

Development, 2001).¹¹⁷ Recreation can often involve a physical activity or sport. Leisure and recreation are described as means to:

- Provide people with a sense of identity and personal autonomy.
- Add meaning to individual and community life.
- Encourage personal growth and self-expression.

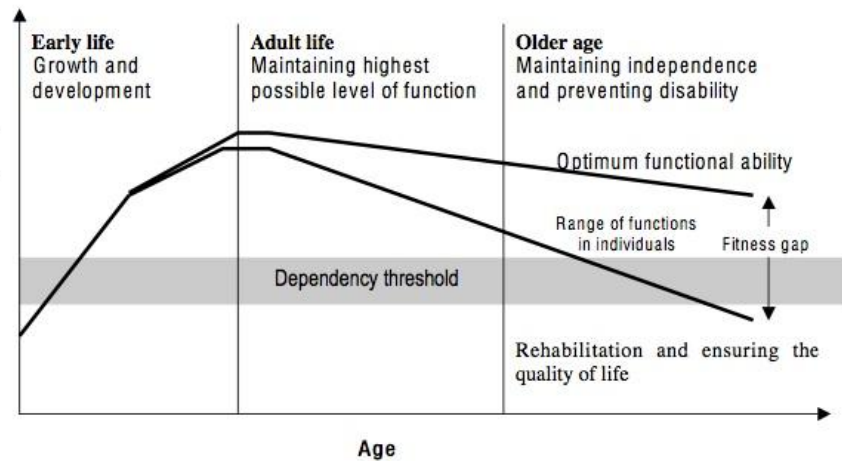
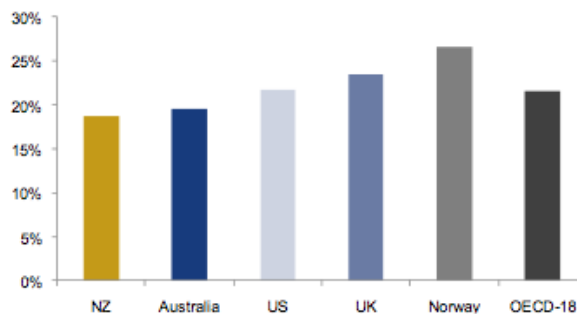


Figure 52 FUNCTIONAL CAPACITY OVER LIFECOURSE. (WHO 2001).

New Zealanders are considered as having high participation in sport and cultural leisure and travel activities. Compared to other OECD countries, this is not the case.



Source: OECD (2009a)

Figure 53 PERCENTAGE OF 24HR PERIOD SPENT IN 'LEISURE' (2006).

¹¹⁷ New Zealand Ministry of Social Policy. (2001). A positive ageing strategy: Diversity, participation and change. Wellington: Ministry of Social Development.

Sport is regarded as character building and indoor activities are viewed as building family according to the Enhancing Wellbeing in an Ageing Society (EWAS)¹¹⁸ study of older people. Koopman Boyden and van Der Pas claim that while various studies explored theories related to age wellness and recreational activity, “research in this area has now gone beyond these theories and has established empirically the relationship between physical/mental activities and wellbeing as a positive one.”

Robinson 2013, explains that older New Zealanders have always been involved in sport and recreation where most have no age restrictions. He cites: hunting, fishing, mountaineering, boating skiing, cycling, indoor and outdoor bowls and jogging.¹¹⁹

Research into ageing and activity in New Zealand suggests, according to Grant 2008,¹²⁰ that the knowledge, beliefs and attitudes that older people have about the importance of physical activity in later life do not necessarily mean that they will lead an active life. Further he notes that:

The choice older people have in their leisure and recreation activities, reflects how the cultural and social context in which they live influences lifestyle choice.

Grant affirms that physical activity makes a notable contribution to one’s independence and ability to perform everyday tasks thereby contributing to a quality of life in elder years. His view is that increased consideration should be given to this aspect of enhancing wellbeing.

New Zealand research on leisure and recreation using three nation-wide surveys of Health, Cultural Experiences and Quality of Life, (MSD 2008) has shown that:

- the level of participation in physical activity was higher among men than women and declined with age, being highest among those under 35 years and lowest for those over 65 years.
- The level of participation in cultural and arts activities was only slightly higher among women than men (95% and 92% respectively), and was greatest among those aged 15-24 (98% participation), and lowest among those aged 65+ (81%).

¹¹⁸ www.ewas.net.New Zealand/Publications/filesEWAS/EWAS_M1.pdf.

¹¹⁹ Robinson. R., 2013. *Veterans and Masters sport - sport and recreation for older people*. Te Ara, Encyclopaedia New Zealand.

¹²⁰ Grant, B. C. (2008). *An Insider’s View on Physical Activity in Later Life*, in *Psychology and Sport and Exercise*, 9, 817-829.

- However, among older respondents the level was still high.
- Three quarters of all New Zealanders (73%) were satisfied overall with their leisure time.
- People 65 years and over reported the highest levels of overall satisfaction (90%).

The Waikato University Enhancing Wellbeing in an Ageing Society: 65-84 year old New Zealanders in 2007 (EWAS) study found that:

Older people who participated in a larger number of leisure and recreation activities had a higher overall wellbeing.

- Older people continue interest in leisure and recreation into later years.
- Diversity of activities in old age seems to decrease.
- Formal leisure is declining in favour of a café culture.
- Older men participate in more activities than older women.

Satisfaction with Participation in Leisure and Recreation Activities by Participation Rate in Leisure and Recreation Activities (out of nine) (%)

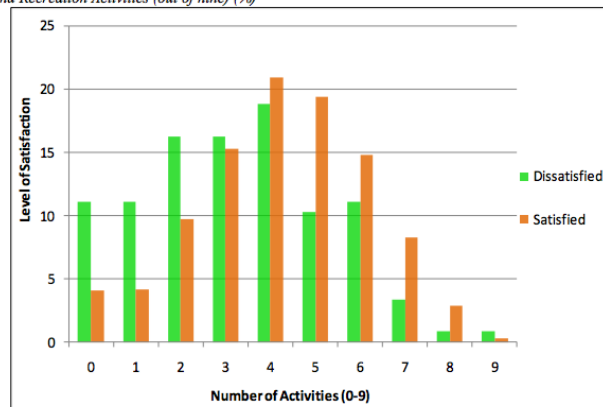


Figure 54 EWAS LEISURE AND RECREATION SATISFACTION AND PARTICIPATION RATE 65-84 YEARS.

Overall Wellbeing by Participation in Different Types of Leisure and Recreation Activities (%)

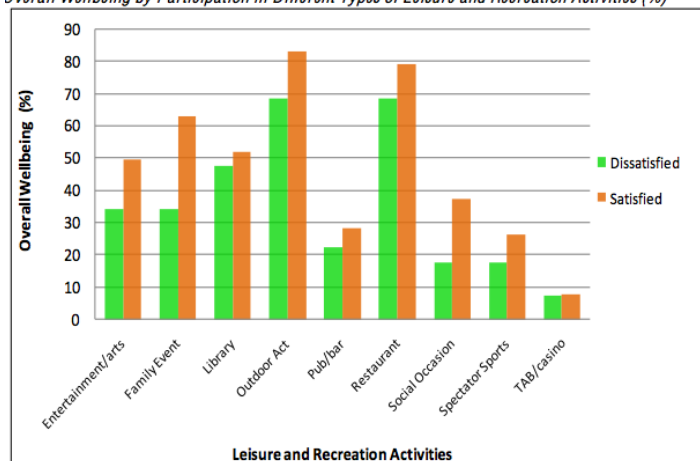


Figure 55 EWAS OVERALL WELLBEING BY PARTICIPATION IN DIFFERENT TYPES OF ACTIVITY 65-84 YEARS.

Outcomes from the study included:

- Participation in leisure and recreation activities is historically gender specific.
- Older people were most likely to participate in outdoor activities. Going to a restaurant/café or attending a family event but fewer people gambled, went to watch a sports event or went to the pub.
- Men were more likely to have been involved in an outdoor activity, attended a social event or have gone to a pub or bar, a sporting event or the Totalizator Agency Board (TAB) or casino.
- Women were more likely to visit a library and go to a concert, the theatre, a museum or a cinema.
- People aged 80-84 participated in the smallest number of leisure activities.
- Participation was higher for those who had:
 - higher education levels;
 - higher personal income;
 - lived with a partner.
- People who rated their health as fair/poor participated less.

The notion of what it means to be 'old' is dynamic, neither chronological or even generationally specific in terms of maintaining a vital lifestyle.

People of all ages will continue to learn, be entrepreneurial, make new friends, maintain interests, discover new ones, climb mountains and fulfil desires.

International research indicates that the mature and older consumers do not want to be patronised because of their age, but want their needs acknowledged.

Wellington City Council offers a Leisure Card scheme. That gives discounts to a range of recreational services. *"We want to provide sport and recreation opportunities to people of all ages, abilities and circumstances."*

There is a strong case for Local Government to review recreation policy goals and investments.

Given a population ageing perspective:

- There are some policy pathways for inclusion and accessibility to sport and recreation evidenced by international trends and the experience of early ageing nations such as Japan and Europe, e.g. outdoor elder gym or exercise stations.
- While children and teens require ongoing developmental opportunities, much is already well understood and provided for. There is concern for the obesity epidemic and the sedentary lifestyles of many families. Two national studies are underway, one, looking at a Report Card for Children and Youth, another with a focus on City kids and their neighbourhood activity.
- It is clear that in a population ageing environment a critical assessment of appropriate investment in Maori youth wellbeing is vital to New Zealand's future.
- One third of people with Maori descent are under 15 years of age, while 5.6% were aged 65 years or over.
- As numbers of young people decline, some reduction in green space and other outdoor sporting spaces will be realistic as they may not be needed, offering inner city/ town high density greened supported living housing space.
- Obesity is an issue. In 2006/2007, 25% of the total New Zealand population aged over 15 years was obese. For Pacific adults, the risk of obesity was 2.5 times higher than that for the overall New Zealand population and over 2.5 times higher for Pacific children (Ministry of Health, 2008a).
- It is observable that Bay of Plenty mature and older people, indeed people of all ages, are exercising personal choices to participate in a wide variety of outdoor and indoor activities.

The Bay of Plenty climate and geography are assets that enable participation in masters sports, marathons, surfing, cycling, walking swimming, kite sailing, yachting, tennis, dragon boating, fishing and a variety of family activities. When observing the boardwalks at Mt Maunganui people of all ages are getting outside, exercising and enjoying the enhanced environment.

- A focus of inclusive consideration for the need to enhance participation of mature, old, and older-old engagement in recreation and leisure pursuits will challenge traditional views and policy platforms and resource allocation as people ageing in the Bay of Plenty seek to enjoy a rich and varied lifestyle.
- Over the coming decades a variety of challenges will emerge. Given that they are largely unknown at this point of time, it will therefore require continuous assessment processes to support innovation and affordable access, especially for the very older old.

Older people reported in the Tauranga City engagement process that community facilities were far too expensive. In some countries unsustainable golf courses have given way to housing, schools to elder care or recreation centres.

It can be expected that a critical examination of ‘business as usual activity’ and resource use: e.g. traditional sports, recreation centres, community facilities, will become urgent as accessible cost relevant demand grows.

- Opening affordable access to community amenities.
- Creating community care vegetable or flower gardens and fruit trees.
- Creating urban and shopping precinct ‘parklet’ rest spaces.
- Replacing suburban children’s playgrounds with elder outdoor gym equipment in high ageing neighbourhoods.
- Increasing safety for walking, surfaces, lighting, shelter and shade.
- Installing more seats and toilets.
- Increasing options for engagement and socialisation.
- Responding to innovation and community initiatives.
- The WHO Active Ageing Policy Framework¹²¹ is intended to inform discussion and the formulation of action plans that promote healthy and active ageing. It was developed by WHO’s Ageing and Life Course

¹²¹ WHO Active Ageing : A policy Framework
whqlibdoc.who.int/hq/2002/who_nmh_nph_02.8.pdf.

Programme as a contribution to the Second United Nations World Assembly on Ageing 2002, in Madrid, Spain.

- “Active ageing is the process of optimizing opportunities for health, participation and security in order to enhance quality of life as people age. It applies to both individuals and population groups.”

The United Nations European Economic Commission developed the Active Ageing Index as means to evaluate ageing policy progress in Europe. It serves as a tool for use by countries, cities and towns who seek to measure their own policy progress and to undertake international comparative analysis.

Active Ageing Index

The Active Ageing Index (AAI)¹²² is a tool to measure the untapped potential of older people for active and healthy ageing across countries. It measures the level to which older people live independent lives, participate in paid employment and social activities as well as their capacity to actively age.

OVERALL INDEX	Active Ageing Index			
DOMAINS	Employment	Participation in society	Independent, Healthy and Secure living	Capacity and Enabling Environment for active ageing
INDICATORS	Employment rate 55-59	Voluntary activities	Physical exercise	Remaining life expectancy at age 55
	Employment rate 60-64	Care to children and grand children	Access to health services	Share of healthy life expectancy at age 55
	Employment rate 65-69	Care to older adults	Independent living	Mental well-being
	Employment rate 70-74	Political participation	Financial security (three indicators)*	Use of ICT
			Physical safety	Social connectedness
			Lifelong learning	Educational attainment
	Actual experiences of active ageing			Capacity to actively age

Figure 55 UNECE ACTIVE AGEING INDEX FRAMEWORK.

The Index is constructed from 22 individual indicators that are grouped into four distinct domains. Each domain presents a different aspect of measuring the untapped potential of older people for active and healthy ageing. Leisure tourism is a key industry. Mature and older people are travellers. This is

¹²² UNECE Active Ageing Index.

<http://www1.unece.org/stat/platform/display/AAI/l.+AAI+in+brief>.

evidenced locally and globally, in campervan clientele, cruise ship holiday market and extreme adventures.

- It is a boomer market and one that extends over the mature and older age lifespan. Market research indicates high demand for meaningful experiences.

More than 40% of New Zealand's international visitors are in the older (50+) age groups, with the fastest growth rate for international visitors occurring in the 60-69 year-old demographic.

According to New Zealand Ministry of Business Employment and Innovation this trend will continue.

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www.atlantaregional.com/llc Atlanta Centres Initiative

www.atlantaregional.com/land-use/liveable-centres-initiative.

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Appendices

Appendix 1 – Key reports linked to treasury living standards model

While reporting on the process of developing the Living Standards Framework (LSF) Treasury notes the vast amount of research that was reviewed and the breadth of consultation undertaken.

The dominant theme in scene-setting papers is New Zealand's changing demographics according to the Auditor General Lyn Provost.¹²³

While indicating the value of use of the living standards model for all public entities, the Auditor General's Office also uses the Madrid Plan of Action as a measure for attaining the triple bottom line adjustments needed for sustainability in an ageing society.¹²⁴

[The United Nations Madrid Plan of Action](#) adopted an *Ageing for the 21st Century* declaration in 2002. The UN Plan is the first global agreement which recognises older people as contributors to the development of their societies and which commits governments to including ageing in all social and economic development policies, including poverty reduction programmes.

The declaration states:

*"A society for all ages encompasses the goal of providing older persons with the opportunity to continue contributing to society. To work towards this goal, it is necessary to remove whatever excludes or discriminates against them."*¹²⁵

[United Nations Ten Priority Actions](#) to maximise the opportunity of ageing populations (Appendix 3) identifies key actions that are transferable across policy domains.

The UN Ten Priority Actions are a vital point of reference for ageing policy development in all sectors of government and the social sector.

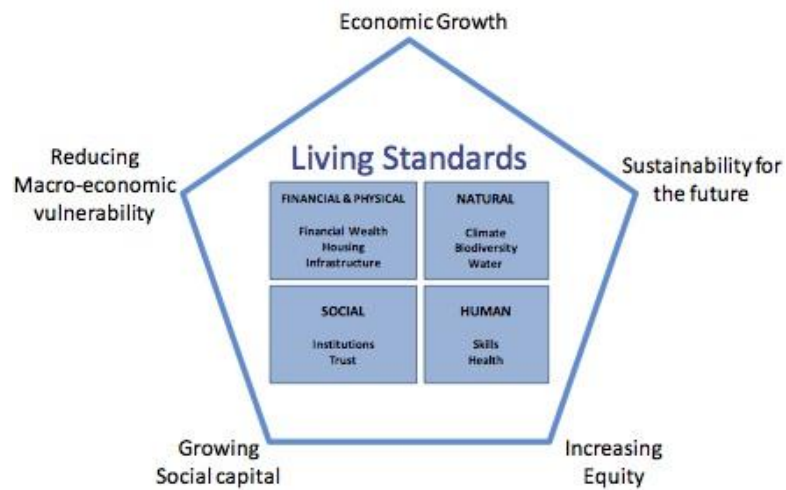
¹²³ Item 4.5 in.

¹²⁴ Lyn Provost, Auditor General speaking at SUPA-NZ informal meeting, May 2014.

¹²⁵ (2002 Madrid International Plan of Action on Ageing para 19.

In its efforts to define factors that ‘make a difference’ Treasury also notes the value of the UN World Happiness Report and its list of key determinants of subjective wellbeing.¹²⁶

In developing the framework, Treasury has drawn on substantial and valuable data and analysis from other government departments, international organisations and from the wider academic literature on living standards.



¹²⁶ World Happiness Report 2012, ed by John Helliwell, Richard Layard, and Jeffery Sachs, available at <http://www.earth.columbia.edu/sitefiles/file/Sachs%20Writing/2012/World%20Happiness%20Report.pdf>.

Appendix 2 – Plenty of perspectives

There is a growing 'library' of information, research and opinion on the many aspects of population ageing including economic forecasting and the role and place of mature and older people as consumers and contributors to society.¹²⁷ This includes some key perspectives on the New Zealand positioning of longevity and the implications of a reduced workforce and other global studies and commentaries that provide insight and learning. Reference to a sample of perspectives is given here to stimulate further thinking on the issues.

Mature and older New Zealanders are expected to spend about \$60.28 billion in 2051.

However, there is little forecasting on the implications for young people living in a world of mostly mature and older people, or what the future of work could look like in 2030?

[A UK Future of Work Report, March 2014](#)¹²⁸ published by the UK Commission for Employment and Skills details research that looks ahead to 2030 and explores what the world of work could look like. It analyses trends that are already influential, such as an aging population, increasing diversity, growing household income uncertainty and incredible leaps forward in technology and digitalisation. Key comments include:

- “Across all the scenarios, those that are vulnerable now are likely to be more exposed in the future, facing fewer opportunities and weakening job security. Those in low-skill, low-pay jobs are anticipated to bear the brunt of the drive for increasing flexibility and efficiency, resulting in increasing inequality.”
- “In the future individuals will be expected to shoulder more responsibility for their skills development. Those that can't access new skills, or adapt those they do have, face being left behind. Certain skills are likely to be at a premium, including resilience, entrepreneurialism, problem solving, and core business and self-management skills to cope in increasingly flexible work environments.”

¹²⁷ <http://unfpa.org/ageingreport/>.

¹²⁸ <http://www.jrf.org.uk/blog/2014/03/work-2030>.

The New Zealand Business of Ageing Report 2013 Update¹²⁹ is a key New Zealand Government document that provides the basis for a new think on the Bay of Plenty regional economy, maintaining an ageing population quality of life environment and the future viability of business and local government structures in the region.

Given the challenges of the impact of population ageing and a concern for the sustainability of our towns and communities the view shaft is vital.

The report based on older population projections of 1.11 million in 2031 and 1.36 million in 2051 indicates that:

- the spending of older New Zealanders (65+) projection is up from \$13.48 billion in 2011 to \$60.28 billion in 2051.¹³⁰ (see footnote on treasury forecasting).
- This activity is expected to accrue GST of \$4.73 billion in 2031, increasing to \$7.86 billion in 2051.
- With more time for outings, food and entertainment is expected to increase fourfold.

The prospect of and implications for new realities in an ageing New Zealand and therefore ageing Bay of Plenty communities are clearly identified.

The report discusses many aspects of the changing consumer and contribution climate. Mature and older people are projected to:

- Make up 12% of the labour force by 2031.
- Have a 31% labour market participation by 2031.
- Receive employment earnings of about \$13.38 billion by 2051.
- Pay tax on employment earnings of \$1.65 billion by 2051.
- Contribute \$25.65 billion in unpaid voluntary work.
- Spend about \$60.28 billion in 2051.

¹²⁹ Ministry of Social Development 2013. The Business of Ageing: 2013 Update.

¹³⁰ Business of Ageing Report projections are derived by Treasury based on their 2012-2013 Long Term Fiscal Model (LTFM), 2011 adjusted dollar values, personal income tax rates including GST.

The report suggests that a slowing labour market will create significant workplace change:

- The workforce will be older with more mature workers than young.
- There will be a need for workforce adaptation and job mobility.
- It is time to redefine outdated concepts of sudden retirement.
- Employers will want access to the hard-to-replace skills of older workers.
- More mature interest in continuing to work than previous generations.
- Succession planning will be vital to ensure valuable knowledge and skills aren't lost as baby boomers leave the workforce.

The [SmartGrowth 2014 Review – Demographic and Employment Projections 2013-2063](#), Bay of Plenty demographic projections by NIDEA clearly show that:

- The Bay of Plenty the dependency ratio will shift permanently as the labour force will average growth of only 0.4% to 2050 and beyond.¹³¹ As the boomers retire there will be fewer people to replace the workforce. Further, to emphasise the depth of understanding needed for decision making, Jackson comments:
- Neither the boomer generation nor that of its children will be replaced “as they pass into history”.¹³²

[New Zealand Treasury](#) has noted (2002, 2009 and 2013) the need for politicians, policy makers and businesses to prepare to advantage future workforce and societal change.

The [SmartGrowth Update 2013 Report for the Western Bay of Plenty sub-region](#) recognises a need for considering population ageing, and highlights tertiary education development..

¹³¹ Wilson P, Rodway P, Ageing and the Long Term Fiscal Position, in Implications of Population Ageing, Boston and Davey, 2006 Institute of Policy Studies. Wellington.

¹³² Jackson , N., Cameron, M., Cochrane, B., NIDEA SmartGrowth 2014 Review – Demographic and Employment Projections 2013-2063. University of Waikato.

While the populations of mature and older people are high in the sub-region now, the total Bay of Plenty has fast ageing and varied 'tipping points' over the coming decades.

A SmartGrowth report *Implications of Ageing in the Western Bay of Plenty*, notes that: Over the next 40 years there will not be enough new workers with appropriate skills to replace the baby boom generation as they exit the workforce.

This indicates an ongoing need for lifelong learning for mature people in order to reskill and make work changes as they age and or adapt to new job options arising from the transitional impact. They suggest a focus on developing a productive innovative highly skilled, high-performing age-inclusive workforce.¹³³ Davies and Gordon comment:

*“Older workers will feature prominently in future workplaces
but not at the expense of younger workers.”*

Davies and Gordon note a number of factors that will influence the population ageing economic trajectory.¹³⁴ “A number of variables will create a dynamic economic climate that includes a new potential for ‘boomer market’ opportunity in the region.¹³⁵ Some of the variables include.”

- High structural ageing.
- High ageing rural and coastal communities.
- Increased aged urbanisation.
- Increasing Māori fertility.
- Sustainability of export commodity global market risks.
- Public and private business investment risk.
- Sub-regional productivity ‘growth’.
- Loss of labour, skill and knowledge.
- Social and health service high skill labour shortage.
- Predictable elder care challenges.
- Affordable Lifemark housing.
- Innovation.

¹³³ Davies and Gordon.

¹³⁴ Davies, L., and Gordon, C.

¹³⁵ Ministry of social Development, 2010 Business of Ageing Report.

- Employer adaption to flexible workplaces.
- Migration and immigration - growing international demand for transferable skills.
- Flexible short and temporary employment.
- Negative impact on living standards.
- Increasing 65+ diversity.
- High increasing 85+ dependency.
- Increased 65+ productivity and labour participation.
- Changing consumer habits and choices.
- Increased leisure opportunity, including mature tourism.
- Demand for lifelong learning.

These variables challenge the efficacy of local government decision making where all or some of these will need to be carefully considered in policy development and particularly in longer term planning priorities. Given the size and diversity of 'more people living longer' in a breadth of fit to frail, coupled or living alone, wealthy or 'Super' dependent, working or not, owning a home, renting or institutionalised lifestyle, clearly a 'one-size fits all,' 65+ perspective is no longer relevant or ethically purposeful.

Stereotypes of what it means to be older have been in dispute for some decades. Efforts to foster shifts in attitudes and to enact proactive responses to population have been led by major global agencies such as UN, OECD and in New Zealand, through the Positive Ageing Strategy, 2001 based on the UN Madrid plan of Action.

[OECD publications](#) have given forceful attention to the population ageing issues, given the implications of changing dependency ratios. In New Zealand the dependency ratio will shift permanently as the labour force will average growth of only 0.4% to 2050 and beyond.¹³⁶ This factor will be central to considering the 'tipping points' in the Bay of Plenty regional context, particularly at a local TLA level and quite critically for the social sector and investment in education.

¹³⁶ Wilson P, Rodway P, Ageing and the Long Term Fiscal Position, in Implications of Population Ageing, Boston and Davey, 2006 Institute of Policy Studies. Wellington.

Appendix 3 – UN ten priority actions to maximize the opportunity of ageing populations

- 1 Recognize the inevitability of population ageing and the need to adequately prepare all stakeholders (governments, civil society, private sector, communities and families) for the growing numbers of older persons. This should be done by enhancing understanding, strengthening national and local capacities, and developing the political, economic and social reforms needed to adapt societies to an ageing world.
- 2 Ensure that all older persons can live with dignity and security, enjoying access to essential health and social services and a minimum income through the implementation of national social protection floors and other social investments that extend the autonomy and independence of older people, prevent impoverishment in old age and contribute to a more healthy ageing. These actions should be based on a long-term vision and supported by a strong political commitment and a secured budget that prevents negative impacts in time of crisis or governmental changes.
- 3 Support communities and families to develop support systems which ensure that frail older persons receive the long-term care they need and promote active and healthy ageing at the local level to facilitate ageing in place.
- 4 Invest in young people today by promoting healthy habits, and ensuring education and employment opportunities, access to health services, and social security coverage for all workers as the best investment to improve the lives of future generations of older persons. Flexible employment, lifelong learning and retraining opportunities should be promoted to facilitate the integration in the labour market.
- 5 Mainstream ageing into all gender policies and gender into ageing policies, taking into account the specific requirements of older women and men.
- 6 Ensure inclusion of ageing and the needs of older persons in all national development policies and programmes.

- 7 Ensure inclusion of ageing and the needs of older persons in national humanitarian response, climate change mitigation and adaptation plans and disaster management and preparedness programmes.
- 8 Ensure that ageing issues are adequately reflected in the post 2015 development agenda, including through the development of specific goals and indicators.
- 9 Develop a new rights-based culture of ageing and a change of mindset and societal attitudes towards ageing and older persons, from welfare recipients to active, contributing members of society. This requires, among others, working towards the development of international human rights instruments and their translation into national laws and regulations and affirmative measures that challenge age discrimination and recognize older people as autonomous subjects.