

In Confidence

Office of the Minister for Seniors

Chair, Cabinet Social Wellbeing Committee

Older Workers Employment Action Plan

Proposal

1. This paper seeks Cabinet's agreement to the public release of the Older Workers Employment Action Plan (older workers are people aged 50 and over who are working or want or need to work in paid employment). The plan fulfils actions under the All of Government Employment Strategy [CAB-19-MIN-0385] and the first action plan to implement Better Later Life - He Oranga Kaumātua – the Government's Strategy for our ageing population [CAB-21-MIN-0314].

Relation to government priorities

2. The Older Workers Employment Action Plan (OWEAP) supports the Government's broader social cohesion objectives by helping to ensure all people have the resources and support they need as they live longer while also embracing the opportunities that longevity brings. Specific 2020 manifesto commitments the OWEAP will contribute to are:
 - a. continue to implement Better Later Life - He Oranga Kaumātua (Better Later Life Strategy), which promotes a society where people can age positively and where older people are highly valued and recognised as an integral part of families and communities
 - b. partner with regions to progress their regional economic development plans and support the growth of new and innovative industries and deliver sustainable employment opportunities
 - c. expand employment support and services to New Zealanders who are out of work to upskill, train and re-enter the labour market.
3. The OWEAP also supports the response to COVID-19 to reset and revitalise the economy through promoting an inclusive recovery consistent with the Employment Strategy.

Executive Summary

4. The 2019 Employment Strategy [CAB-19-MIN-0385] presents the Government's overall vision for the labour market. This strategy aims to ensure all New Zealanders can fulfil their potential in developing skills, finding secure employment and engaging in rewarding careers. The strategy is supported by a series of action plans that focus on improving outcomes for groups of people who consistently experience poor labour market outcomes.
5. In March 2021, responsibility for the development of an Older Workers Employment Action Plan (OWEAP) was assigned to me [SWC-21-MIN-0022]. In September Cabinet approved public consultation on a draft OWEAP which closed on 26 November 2021 [CAB-21-MIN-0384].

6. Respondents and participants overwhelmingly supported the need for this plan and gave a great deal of feedback on potential actions. This included a strong theme that there needs to be more tailored responses to the diverse needs and aspirations of older workers to ensure they can train for, find, and remain in secure, fulfilling employment. Respondents also emphasised that the responsibility of employers towards older workers needs to be a clear thread in the plan.
7. The OWEAP, attached as Appendix 1, has been updated in response to consultation findings and is set clearly within the context of changing economic and social circumstances. The plan highlights the issues facing older workers and acknowledges the unique challenges affecting older people who are also members of other population groups that experience poorer labour outcomes (Māori, women, Pacific people, disabled people, former refugees, recent migrants and ethnic communities). The plan sets out actions that aim to improve outcomes for older workers at risk of, or already experiencing, poor labour market outcomes, whilst also considering COVID-19 impacts.
8. Importantly the OWEAP does not stand alone. The Better Later Life Action Plan - He Mahere Hohenga 2021 ki 2024 - includes several actions to support older workers [CAB-21-MIN-0314]. The OWEAP also aligns with the Government's six other population-based employment action plans published or under development.
9. Overarching stewardship of the Employment Strategy sits with the Minister for Social Development and Employment, supported by the Ministry of Business, Innovation and Employment. The primary responsibility for monitoring implementation sits with the Employment, Education and Training (EET) Ministers' Group.
10. In line with Cabinet's mandate, I will prepare a monitoring and implementation framework for the OWEAP by mid-2022 [SWC-21-MIN-0022]. To the extent possible, reporting and indicators for the OWEAP will align with other processes such as reporting on the implementation of other employment action plans and the Better Later Life Action Plan.
11. I propose that Cabinet endorse the OWEAP, noting that the plan will be implemented on an ongoing basis, and remain open to development and opportunities to implement actions in tandem with other employment action plans.

Government's Employment Strategy and targeted Action Plans

12. The 2019 Employment Strategy [CAB-19-MIN-0385] presents the Government's overall vision for the labour market and aims to ensure all New Zealanders can fulfil their potential in developing skills, finding secure employment, and engaging in rewarding careers.
13. The programme for implementation of the strategy focuses on ways to improve employment outcomes, productivity, and wellbeing for all New Zealanders across five objectives:
 - build a skilled workforce by ensuring the education, immigration and welfare systems meet business needs and support lifelong learning
 - support industries and regions to thrive, so that everyone gets a fair share of our prosperity
 - support workplaces to modernise, to create a landscape that supports productive and sustainable workplaces as we face changing world of work
 - respond to the changing nature of work in an equitable way, by partnering with businesses and workers to ensure that our labour market is inclusive

- ensure that anyone who wants to participate in the labour market can access decent work.
14. The Strategy requires the development of seven action plans that focus on improving outcomes for groups of people who consistently experience poor labour market outcomes. Older workers (those aged 50 and over) are one of those groups.

The current state for older workers – issues and opportunities

Issues

15. The impacts of employment disruption on some older workers are more enduring than for workers of other ages. A study of workers displaced following the 2009 financial crisis found that those aged 50 and over reported 11-12 percent lower employment and 25-30 percent lower incomes five years later. This was not the case for other age groups, who were more likely to “bounce back” in terms of employment and income level.
16. Workers aged 50 and over are over-represented among the long-term unemployed relative to their rates of unemployment and representation in the labour force. People aged 50 and over make up approximately one third of the total labour force, and only approximately 20 percent of Jobseeker recipients. However, they make up approximately 40 percent of those receiving Job Seeker support for a year or more.
17. Age discrimination around work also affects many older workers. It can be felt in terms of hiring, where assumptions are made about a person’s suitability for the job, or in work where they may not be given the same opportunities for training and development, or where they may not be given the support and flexibility they need.
18. Older people experience different employment outcomes depending on what other cohorts they are a part of.
- Older female workers are over-represented in unpaid carer roles and low paid part-time work, more underutilised than males, and may have fewer years to benefit from employer Kiwisaver contributions which are not compulsory for those over 65. Separation later in life can also mean losing more in terms of money and property, with less time and resources to rebuild wealth.
 - Older Māori workers suffer consistently higher rates of unemployment and underutilisation than older European workers.
 - Underutilisation of older Pacific workers is higher than for older workers of Māori, European and other ethnicities
 - Disabled older workers are half as likely to be employed as people of the same age who are not disabled.
19. An October 2020 survey on the impacts of Covid-19 on household incomes by Te Ara Ahunga Ora – the Retirement Commission found that the percentage of those still on reduced incomes compared to February 2020 was highest (at 37 percent) among households where the main respondent was aged 55 to 64.
20. Comparatively high rates of labour force participation amongst those aged 65 and over in Aotearoa New Zealand is a good thing for many older workers, with paid work providing a sense of identity, social engagement, and physical activity. Unpublished research by Te Ara Ahunga Ora – the Retirement Commission however, suggests that around 33 percent of those working past the age of 65 do so out of financial necessity.

21. For some, this situation is the result of cumulative lifetime labour market disadvantage. Net worth figures show that the retirement savings of Māori and Pacific peoples are substantially lower than those of other ethnicities. The retirement savings of women lag those of men. Financial pressure extending their working life can combine with poor health outcomes and shorter life expectancy to constrain the period of “retirement” for some kaumātua and older Pacific people, compared to what others in Aotearoa New Zealand can expect.

Opportunities

22. Older workers are an invaluable part of the workforce – both in terms of their skills, abilities and experience and the size of the cohort. As of December 2020, people over 50 made up 33.4 percent of the labour force in Aotearoa New Zealand (approximately 970,400 people). By 2033 the number is projected to grow to around 1.1 million and remain at around a third of the labour force.
23. Keeping older workers engaged in work is pivotal to making sure the labour force meets the demands of the economy. Their skills, abilities and experience should be seen as invaluable to employers. Older workers are highly represented among the self-employed; supporting further entrepreneurship among older workers offers both a flexible working option for individuals, as well as opportunities to generate employment.
24. Retaining older workers in the workforce has many benefits for those individuals - maintaining social connections, keeping physically and mentally active and increasing financial stability. These can reduce costs to government in health and social support services. Work also contributes to people feeling purposeful and connected to their community and aids their overall sense of wellbeing. This applies to people aged 50 and over as much as to workers in other age groups.
25. Māori academics have long urged policy makers to consider the full range of opportunities a growing older Māori population presents. Opportunities cited are the sharing of cultural responsibilities in communities where small numbers of kaumātua have unsustainable demands on their time and re-shaping the policy discourse to include the potential of older people to contribute to family and community wellbeing (which can include via paid employment).¹

Consultation on the draft Older Workers Employment Action Plan

26. In March 2021, responsibility for the development of an Older Workers Employment Action Plan (OWEAP) was assigned to me [SWC-21-MIN-0022]. In September Cabinet approved public consultation on a draft OWEAP (the draft Plan) [CAB-21-MIN-0384]. Consultation took place remotely during October and November 2021.
27. To ensure “real life” community insights informed the final OWEAP officials prioritised engagement with people representing the interests of older people in general, as well as employees and employers.
28. We received 40 detailed written responses (many of which were the joint effort of a team or organisation) and held seven online workshops attended by 63 people.
29. Several themes emerged from the consultation process that have been addressed in the final version of the OWEAP. People felt the final OWEAP should:
- identify a clear purpose and target audience

¹ Te Pou Matakana, ‘Kaumātuatanga: the needs and wellbeing of older Maori’, (2018) p. 14

- be accessible to a diverse range of recipients within the target audience (by using plain language and a logical structure)
- contain tangible actions that make a practical difference in peoples' lives
- acknowledge that people cannot be put in just one 'box' so the implications of discrimination including ageism, racism, and discrimination regarding gender identity, expression or sex characteristics, need to be well understood and taken into account
- recognise that the notion of 'work' extends beyond paid employment, with many older people making significant contributions to society for which they do not receive an income
- refine the language around 'work' to reflect the importance of 'decent work' for which appropriate recognition is received, and in which job satisfaction and a work-life balance is achieved
- value the accumulated skills and knowledge of older workers, promote these to employers and provide training opportunities to upskill
- reflect that more needs to be done to influence and shape the attitudes and behaviours of employers towards older workers
- emphasise the importance of a cross-government response to implementation, particularly through stronger connections at a regional level and with iwi and community groups.

Finalising the Older Workers Employment Action Plan

- 30.** Following the public, agency, EET Ministerial Group and Ministerial consultation, the OWEAP was refined and updated (attached as Appendix 1). I seek Cabinet's endorsement of this revised Action Plan.
- 31.** The following table outlines the actions included in the final OWEAP. The plan will develop over time and respond to opportunities to implement actions in tandem with other employment action plans.
- 32.** I have focused on prioritising actions that will:
 - make it easier for older workers who experience poor labour market outcomes to find out about, and access, training and employment support in a way that suits them, and
 - increase the visibility of older workers engagement in services and supports so we can better understand what they are accessing and what difference their engagement may make.
- 33.** The October 2021 report-back to Cabinet on the Employment Strategy noted that the Ministry of Business, Innovation and Employment (MBIE) has begun work with agency leads to identify opportunities to work together on common actions across the plans [SWC-21-MIN-0159]. This will provide for alignment of agency work programmes, avoid duplication of actions and help guide the Government's labour market priorities.
- 34.** Several actions with direct bearing on employment issues for older workers are already being implemented through the first action plan to implement Better Later Life - He Oranga Kaumātua [CAB-21-MIN-0314], and are therefore not repeated as OWEAP actions:

- pilot and evaluate an approach to help older entrepreneurs to establish sustainable businesses
- promote the Mature Workers toolkit
- lead good practice in the employment and support of older workers
- review COVID-19-response employment measures outcomes
- advise on employment service eligibility for people over 65
- research age discrimination in the workplace
- improve reporting on employment of older workers in the public service.

Implementation and monitoring

- 35.** To be successful, the Government's Employment Strategy requires a cross-portfolio and cross-agency approach, and clear accountability for actions. This will be delivered in the following way:
- I will be responsible for contributing to actions that relate to my portfolio responsibilities, as per normal Cabinet Conventions
 - the Minister for Social Development and Employment, supported by the Ministry for Business, Innovation and Employment (MBIE), provides overarching stewardship of the Employment Strategy; and
 - as with the other Action Plans, primary responsibility for monitoring and implementation will sit with the Employment, Education and Training (EET) Ministers' Group.
- 36.** The Ministry for Social Development be primarily responsible for implementation of the OWEAP. As directed by Cabinet, I will prepare a monitoring and implementation framework for the OWEAP by mid-2022 [SWC-21-MIN-0022]. Reporting and indicators for the OWEAP will align as much as possible with reporting for the Better Later Life Strategy and the other population employment action plans. Reporting on the implementation of the OWEAP to the EET Ministers' Group will be shared with the Better Later Life Ministerial Steering Group that is responsible for implementing the Better Later Life Strategy.

Consultation

- 37.** Consultation on the final OWEAP has been undertaken with the Ministries for Social Development; Business, Innovation and Employment; Education; Women, Pacific Peoples, Ethnic Communities, the Department of Prime Minister and Cabinet; Te Puni Kōkiri; The Treasury; the Tertiary Education Commission and the Office for Disability Issues.
- 38.** As with other employment Action Plans, the OWEAP is intended to coordinate and encourage action across a range of labour market actors, including local and central Government, unions, employers and older workers themselves. Throughout the development of this plan officials have engaged with stakeholders including the Public Service Association, Tertiary Education Union, Employers and Manufactures Association, Disabled Persons Assembly, Inside Out Works, Alzheimer's NZ, E Tu, Diversity Works, Carers NZ, Age Concern, Human Rights Commission, New Zealand Council of Trade Unions, Ministry of Social Development Regional Staff, Ministry of Business, Innovation and Employment regional staff, Social Service Providers Aotearoa, Ako Aotearoa, University of

Auckland, Partners in Change, Platinum Recruitment, Human Resources New Zealand, Nga Tangata Microfinance Trust, Nelson City Council, Whanau Ora Community Clinic, Timaru District Council, Dunedin Senior Chinese Association, Taituarā: Local Government Professionals Aotearoa, Stafford Recruitment, Venture Timaru, Wallwork Consulting, Vakatautua, Pacific First Home Care, Toa Pacific, Solomon Group, Pasifika Consulting, LM4Group and P.A.C.I.F.I.C.A Inc.

Financial Implications

39. s 9(2)(f)(iv)



Legislative Implications

40. There are no legislative implications arising from this paper.

Impact Analysis

41. A regulatory impact assessment is not required.

Te Tiriti o Waitangi Analysis

42. Māori are entitled to full and satisfying participation in the labour market, and the Government has an obligation to facilitate this. Like the Māori Employment Action Plan, Te Mahere Wha Mahi Māori released in February 2022, the OWEAP contains actions (3 and 11) that will see government agencies designing services for Māori in partnership with iwi/hapū and Maori organisations.²

43. The OWEAP acknowledges:

- a. the status of Māori workers under Te Tiriti o Waitangi/the Treaty of Wairangi as tangata whenua under article 2 and citizens under article 3, and
- b. the intergenerational impacts of systemic barriers that exist for older Māori workers.

44. I also acknowledge that many Māori communities consider their kaumātua, and the knowledge they hold, to be taonga deserving of the active protection Article 2 requires of the Crown.³

45. The competing obligations of kaumātua mean tackling the distinct impacts, opportunities and risks older Māori workers encounter in the labour market. Sustained and multi-faceted approaches are required. The OWEAP has been developed with a view to how the Crown, through the agencies responsible for implementing the actions in it, could empower iwi/hapū and Māori representative groups to exercise their rangatiratanga in addressing these issues for their tangata. It is for that reason proposed actions 3 and 11 explicitly state

² [SWC-21-MIN-0212 refers], para 9, 24-26

³ Summary of feedback, [Older-Workers-Employment-Action-Plan-consultation.pdf \(officeforseniors.govt.nz\)](https://officeforseniors.govt.nz), p. 11

that government agencies must collaborate with iwi/hapū and Māori organisations in work to engage older Māori workers in training opportunities and improve the understanding of the effects and opportunities of an ageing workforce across industry groupings and sectors. Further work should build on this intention.

46. One of the actions in the Better Later Life - He Oranga Kaumātua Action Plan is to research age discrimination in the workplace (as mentioned at paragraph [33] above). The Office for Seniors will undertake this research in the first half of 2022, and it will focus on the employment experiences of older Māori, as there are significant gaps in our knowledge about their experiences of employment.

Population Implications

47. Not all of the actions in the OWEAP explicitly reference specific cohorts of older people within populations that are also the focus of other employment action plans. The plan's focus on older people at risk of poor employment outcomes means many of the actions in the OWEAP will support older members of those populations who face compounding barriers in the labour market.

Table 2: Actions in Older Workers Employment Action Plan that address different cohorts

Population group	What we know about the employment experiences of older people within this cohort	OWEAP actions that address this cohort
Māori	<ul style="list-style-type: none"> Older Māori workers are overrepresented as people with poor labour market outcomes, as compounding lifetime labour market disadvantage disproportionately affects them. Older Māori may also face more demanding familial obligations (which they may not receive financial compensation for) than other older New Zealanders.⁴ 	2, 3, 4, 5, 6, 7, 9 and 11
Women	<ul style="list-style-type: none"> Older women are overrepresented as older people with poor labour market outcomes, as past social and employment policies, the gender pay gap and the concentration of older women in precarious employment make their involvement in the labour market challenging. 	1, 2, 4, 7, 9 and 10
Pacific Peoples	<ul style="list-style-type: none"> Older Pacific workers are overrepresented as people with poor labour market outcomes, as compounding lifetime labour market disadvantage disproportionately affects them. 	2, 3, 4, 5, 6, 7, 9 and 11
Former refugees, recent migrants and ethnic communities	<ul style="list-style-type: none"> Older workers from these groups face a unique combination of barriers in the labour market. Anecdotal evidence suggests that older ethnic workers are at risk of poorer employment outcomes due to language barriers, limited networks, difficulty in having overseas qualifications and experience recognised, difficulty in retraining (especially if they relocated to Aotearoa New Zealand later in life), discrimination, pay and equity gaps and other structural inequalities. Former refugees aged 51 to 64 are considerably less likely to be employed than younger people. 	1, 2, 3, 4, 5, 7, 10 and 11

⁴

Population group	What we know about the employment experiences of older people within this cohort	OWEAP actions that address this cohort
Disabled Peoples	<ul style="list-style-type: none"> As age increases so does the likelihood of living with a long-term health condition or disability requiring ongoing support. In addition, those with lifelong disabilities are increasingly “ageing in” to the 50+ age bracket. Older workers who experience these issues are over-represented among those with poor labour market outcomes. 	3, 4, 5, 6, 7, 9, 10 and 11

48. Officials will ensure the OWEAP connects appropriately to the other six population employment action plans. A select group of agencies are collectively responsible for most of the actions and their implementation across multiple employment action plans. Officials from the Ministry of Social Development, the Ministry for Business, Innovation and Employment and Te Puni Kōkiri are exploring an approach to monitoring, evaluation and reporting across the employment action plans that will create efficiencies and ensure alignment in approach.

Human Rights

49. The proposals in this paper are consistent with the *New Zealand Bill of Rights Act 1990* and the *Human Rights Act 1993*.

Publicity


50. I seek Cabinet agreement to the public release of the attached OWEAP. I will consider what form of launch is appropriate following Cabinet approval and in light of the phase of pandemic response Aotearoa New Zealand is in at that time. The OWEAP will be published on the Office for Seniors’ website. The summary of submissions on the draft OWEAP was published on 27 January 2022.

Proactive Release

51. I intend to proactively release this paper following the release of the final OWEAP.

Recommendations

The Minister for Seniors recommends that the Committee:

1. **note** that following consultation on a draft Older Workers Employment Action Plan [CAB-21-MIN-0384], the attached final version responds to public comment and further cross-agency engagement
2. **note** that the Older Workers Employment Action Plan contains actions that will facilitate the exercise of rangatiratanga by iwi/hapū and Māori organisations through their collaborating with government and sector groups to address the particular challenges faced by older Māori workers
3. **note** that the Older Workers Employment Action Plan will remain open to development and opportunities to implement actions in tandem with other employment action plans
4. **note** that the Ministry of Social Development will lead implementation of the Older Workers Employment Action Plan
5. **note** that the Minister for Seniors will develop a framework for monitoring progress implementing the Older Workers Employment Action Plan, including indicators to assess labour market outcomes for older workers
6. **s 9(2)(f)(iv)** 
7. **agree** to the public release of the attached Older Workers Employment Action Plan, subject to minor editorial, design and formatting changes by the Minister for Seniors.

Authorised for lodgement

Hon Dr Ayesha Verrall

Minister for Seniors