



MEDIA RELEASE

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AGED CARE FUTURE REMAINS UNCERTAIN

Today's Budget demonstrates once again that this Government has no vision for solving the issues around the provision of aged care in New Zealand.

HealthCare Providers Chief Executive Martin Taylor said: "The overall objective for any Government of the day is how we, as a nation, deal with the increasing numbers of elderly now and in the next few years.

"While there was some catch up funding last year to cover costs incurred between 2000-2006, this Government has done nothing to encourage increased supply of aged care beds, committed no funds to addressing the chronic shortage of dementia beds in most DHBs and committed no funds to allow this core health service ensure retention of qualified and experienced nursing staff."

"I am sure the government will refer back to past funding increases to show their largess, but the reality is under funding a sector for five years and then giving some financial relief does not address the issue of assuring future supply, or of insulating the sector from inflation."

"Of equal concern is that no funds have been committed to support research into increasing need levels of those in care or to establish a realistic, sustainable cost basis for aged care. Again, this leaves the sector and the elderly vulnerable."

Elderly Kiwis in care are facing the same cost pressures as other New Zealanders as food prices spike and fuel is the highest cost for consumers in years. Unfortunately, their care is not inflation proofed, as their government entitlement is not automatically indexed to CPI inflation. Furthermore, while the sector has managed some tagged inflation adjustments for aged care these have been well below CPI (2006: 2.93% v CPI 3.5% and 2007: 2.1% v CPI 2.7%).

"The repeated refusal of this government to automatically index the aged care entitlement to CPI inflation puts current levels of service delivery in doubt, especially when health inflation is even higher than general CPI inflation," Mr Taylor said.

"All New Zealanders accept superannuation must be automatically inflation proofed to guarantee elderly living standards. We must also accept that the elderly care entitlement needs to be automatically inflation proofed."

"Aged residential care in New Zealand will be one of the defining challenges for any incoming Government," Mr Taylor said.

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