



## **HCPNZ Budget Release**

**28 May 2009**

### **Aged Residential Care Sector Welcomes \$90 Million In Additional Funding**

The Government has made good on an election promise for an additional \$90 million over four years for the Aged Residential Care sector. This is to help retain and recruit nurses and for respite care. The extra funding will go a long way towards the sector meeting the challenges it faces, says HealthCare Providers New Zealand.

“The funding compensates the aged-care sector for the last wage hike caused by a 12 percent increase in DHB nurse wages over three years,” HealthCare Providers CEO, Martin Taylor, said today.

Over the last few years market forces have markedly increased private health sector nurse wages, as public sector nurse wages went up following large settlements with unions. Nurses in DHB hospitals are paid about 20 percent more on average due to overtime and shift allowances, but the gap is narrowing and this is important for the viability of the aged-care sector.

Additionally, the Government also delivered on their election promise to make DHBs pass on a full inflation adjustment to aged residential care providers.

“The DHBs have held back about \$4.5 million of the inflation adjustment they received for the aged-care residential sector, but that practice seems has been broken and this will assist the sector plan for the future”, Mr Taylor said.

“Aged sector providers have been watching the Government very closely on whether it would deliver on pre-election promises and are pleased to say the commitments have been met to date”, said Mr Taylor.

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