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Northland DHB actions may cause closure of elderly hospital wing

HealthCare Providers NZ said today it was appalled by the actions of the Northland DHB that could cause Kaitaia's only private provider to close its hospital wing for the elderly.

"Unfortunately, this is not only a problem for Kaitaia, but is also happening in many rural areas of New Zealand," Mr Martin Taylor, Chief Executive of HealthCare Providers NZ, said today.

This week, the Claude Switzer Memorial Trust in Kaitaia put the DHB on notice that it would have to close its hospital wing if nothing was done to combat the shortage of registered nurses there.

Claude Switzer Trust has accused the Northland DHB of poaching its nursing staff. The DHB controls funding for the private providers and there is now a huge discrepancy between wages paid to "government" nurses and those paid to aged-care nurses.

This disparity has been caused by the Government increasing DHB nurse wages by 20 percent in 2005 and further 4 percent in 2008, but DHBs then refusing to pass on funding received in the Budget for wage increases to the aged care sector.

"It's the reality that DHBs are funded to pay higher wage rates than for nurses in aged care. This was apparent again this year when DHBs agreed to pay their nurses a wage increase of 4 percent, but refuse to pass on more than 2.8 percent to the aged care sector for inflation adjustments," Mr Taylor said.

"Providers in rural areas regularly tell DHBs they are having difficulty finding nurses and have to operate without ideal nursing coverage. In dollar terms, a register nurse in aged care will earn between \$10,000 and \$15,000 less per year than a government nurse."

"The government and DHBs need to understand aged care operators cannot continue to deliver high quality elderly care services when they are not being funded to pay comparable nurse wage rates. Something has to give, and it is. As a result, we may see more closures like Kaitaia," Mr Taylor said.

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