



MEDIA RELEASE

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Tax Cuts For All & \$2,000,000,000 extra for DHBs – But Still The Elderly Miss Out

Despite the Government having enough money for tax cuts and enough money to give \$2,000,000,000 extra to DHBs - DHBs still claim they do not have enough money to fully compensate the elderly for inflation.

This week the agencies empowered by the Government to fund elderly care, again refused to pass on all of the 3.3% they received claiming, *“DHB provider arms are facing exactly the same issues as your sector will be, and that is cost pressures that are exceeding funding parameters”*¹.

“If DHBs are right the Minister of Health has not funded them appropriately and as a consequence the elderly will miss out”, said Martin Taylor CEO of HCPNZ.

Mr Taylor said the Minister needs to explain to the elderly, why their entitlement to pay for aged care is being eroded by inflation despite DHBs been given a 3.3% for inflation and another \$2,000,000,000 in the last budget. Either the Hon David Cunliffe is underfunding them, or they are poorly run, or they are trying to pull ‘a swifty’ and hold onto \$4 million which should go to elderly care.

“We know inflation over the last year has been 3.5%, and the reserve bank is now saying it will go to 4.7% this year. Clearly, inflation at these levels makes it critical for the elderly care entitlement to be adjusted appropriately. If this does not happen then the viability of those who provide care, and the level of care that can be delivered is put in jeopardy”.

“I am sure both the government and DHBs 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 insulating the sector from inflation”.

ENDS

**FOR MORE INFORMATION AND INTERVIEWS CONTACT
Chief Executive Martin Taylor 0274535348**

¹ DHBNZ Chris Fleming letter to HCPNZ 5 June.