

MEDIA RELEASE

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For immediate release

Caregiver wage increases highlight broader challenges faced by aged care sector

“There is a need for a carefully considered solution to the pay equity issue in aged care involving all parties, including the providers of residential care in the sector,” says Simon Wallace, Chief Executive of the New Zealand Aged Care Association (NZACA), the peak body for aged residential care providers.

This follows the announcement that aged care provider Metlifecare will fund a significant increase to its employees’ wages.

“Our Association would want to highlight the important role of caregivers in the aged care sector, and is pleased that Metlifecare has assessed it is in a financial position where it is able to support such increases to its staff.

“It is vital that aged care workers feel valued for the important job that they do to look after our elderly,” says Wallace.

“The NZACA has continued to highlight issues that underpin wage disparities in the aged care sector,” he says.

Many smaller providers, and especially ‘mum and dad’ owned aged care homes, make up a large portion of the aged care homes in New Zealand. Many of these operations continue to face on-going challenges due to limited funding.

“The NZACA is aware that the Ministry of Health is currently considering the issue of caregiver wages, as Government is a significant provider of funding to the sector,” he says.

“The issue of caregiver wages has been highlighted in the Equal Pay Case, where the Association has found itself in a challenging position. While the NZACA wholly supports equal pay for aged care workers - in fact, it ran a public campaign for pay parity for aged care workers in 2014 - the reality is that a significant increase in wages would place many aged care providers into insolvency. Any increase must be matched with an increased subsidy from Government.”

“Metlifecare has committed to increasing wages for its staff, as it is the right thing for it to do. The challenge for the aged care sector is that providers, like those who make up the NZACA’s

membership base, include large and small organisations. Different challenges, circumstances, capacity and locations play a huge part in a providers' ability to increase wages, and as such the issue of funding for caregiver wages remains high on the NZACA's list of priorities," says Wallace.

"This issue will not be resolved by a 'one-size-fits-all' solution, but the aim remains the same – to recognise the important work that those who care for our elderly do every day in New Zealand whilst maintaining a quality level of care and access to aged care homes throughout New Zealand."

ENDS.

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Frequently Asked Questions

1. How many residential aged care homes are there in New Zealand?

There are around 660 residential care homes spread around New Zealand.

2. Why don't all aged care homes meet the additional cost to increase caregiver wages?

Every care home receives a subsidy for the elderly from the Government. A large portion of care homes, especially those that are smaller and rurally located, simply do not have the required income to increase wages from their own resources, even with this funding. An imposed increase would cause the closure of many care homes around New Zealand.

3. How many people are in long term residential care?

At any one time, there are around 36,000 beds available for residential aged care, but over a year 40,000 elderly receive care in residential care homes.

4. Are more people requiring residential care?

Yes, this number is steadily increasing, and will continue to do so. The number of beds required for residential care is going to increase to 38,000 by 2016 and up to 52,000 by 2026. Source: [Aged Residential Care Service Review, September 2010, Grant Thornton](#).

5. How old are people who go into residential care?

The average age to enter a residential care facility is about 84. Ten years ago the average age was around 75.

6. How many caregivers are there working within aged care facilities?

There are 30,000 caregivers and 5,000 nurses working in the 660 aged residential care homes. DHBs manage eight additional facilities.