



MEDIA RELEASE

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Budget a kick in the guts for rest homes

Yet again, the Budget has ignored rest homes, accelerating already dire nursing shortages, putting more pressure on already overworked staff and having flow-on impacts for the healthcare system, says the New Zealand Aged Care Association (NZACA).

“On top of the immigration announcements on Monday that will threaten the sector’s ability to recruit the migrant workers it needs, this Budget is a kick in the guts for the efforts our staff have made to protect the most vulnerable New Zealanders during the pandemic,” says Simon Wallace, Chief Executive of the NZACA.

“Not only has it ignored pay disparities that are sucking nurses from rest homes into hospitals but has added another layer of bureaucracy with the creation of an Aged Care Commissioner, doubling up on already rigorous audit and reporting at the cost of \$8.1 million over four years.”

Mr Wallace says rest homes are facing increasing loss of registered nurses to District Health Boards (DHBs) offering pay packages that rest home providers are not funded to match.

“Right now, DHBs are actively poaching registered nurses from rest homes to work in public hospitals in order to meet their own staffing requirements,” says Mr Wallace.

“At the same time, critical pipelines of internationally qualified nurses who make up around 55% of our sector’s 5,000 registered nurses are blocked, with India and the Philippines the most significant.

“Quite frankly, at a time when the need is greater than ever, we are astounded the Government has yet again ignored our calls to fund pay parity for nurses in rest homes with their counterparts in DHBs.”



Mr Wallace says shortages are likely to worsen with Australia's aged care sector an increasingly attractive option for nurses thanks to a multi-billion-dollar Budget injection last week.

"Our rest homes are currently short of between 300-500 nurses across the country and it's worse in some areas than others. This is putting huge pressure on rest homes that are already struggling with wide funding issues.

"This month we've seen the announced closure of the rurally based Cheviot Rest Home in North Canterbury. The loss of a rest home for a community not only means loss of beds for frail older people, but has a wider economic hit taking with it jobs and income for local service providers."

Mr Wallace says aged care is a nursing-led sector and a mainstream part of the healthcare system providing 40,000 beds that protect the DHBs' 13,000 beds from being overwhelmed, as well as saving the system \$5.5 billion annually.

"The cost to Government of funding pay parity for aged care nurses is just \$85 million, a mere fraction of the \$5.5 billion in value the sector delivers to our healthcare system.

"Government has just committed \$178 million to fund pay parity for teachers in early childhood education with kindergarten teachers, who have a collective contract with government.

"Rest homes operate under the same private-public partnership model as early childhood education so there is no justification to ignore pay parity for our nurses."

Mr Wallace says alongside seeking pay parity for rest home nurses, the sector is already working on a broader range of solutions to the nursing workforce shortages, including designing and delivering the right training pathways and promoting work in the sector as a rewarding career.

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