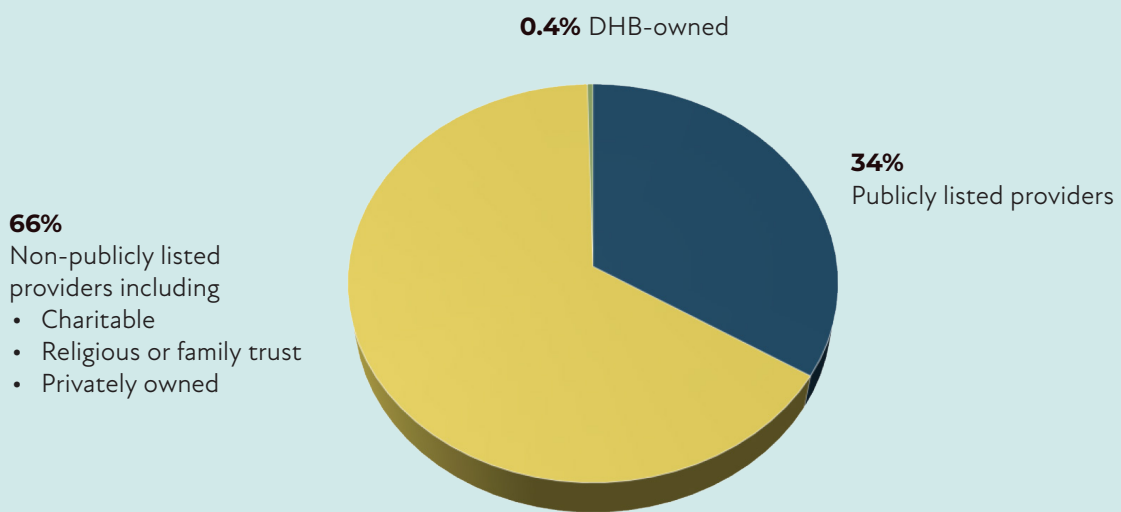


Aged Residential Care FAQ

1 How is the aged care sector made-up?

There are close to 680 care homes across New Zealand, with the capacity to provide care to more than 40,000 older Kiwis. The sector is a broad-church, with a wide range of ownership models including religious institutions, charitable trusts, family-owned, not-for-profits, publicly listed, and privately owned facilities and groups of varying sizes.

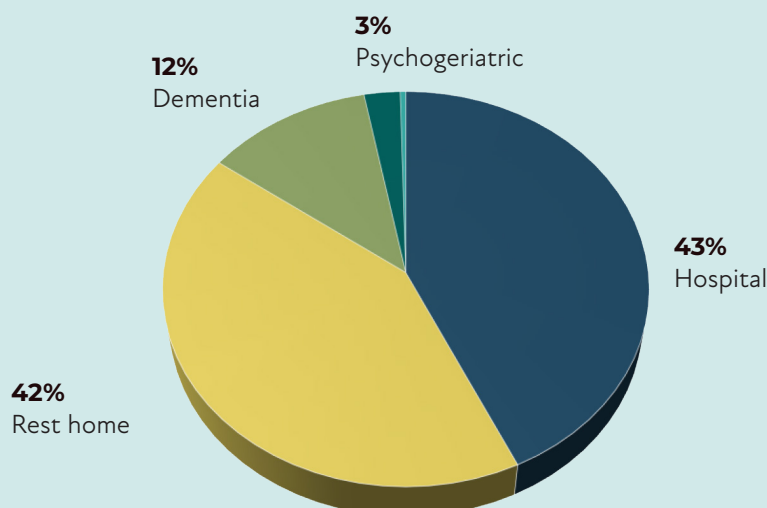
Bed supply distribution across the different ownership models, September 2021



2 Why do we need care homes?

Aged residential care (ARC) is available in New Zealand for people aged over 65 years who are assessed as being no longer able to live safely and independently in their own home. Care homes provide continuity of care in a safe and familiar environment, at the level of care a person requires. Most older people who enter a care home experience an increase in their physical and mental wellbeing. Currently there are over 35,000 residents receiving care in ARC, across four main care levels (rest home, hospital, dementia and psychogeriatric). Care homes also cater to more than 700 younger people with disabilities (YPD) and offer short term/respite stays.

Percentage of residents receiving each type of care, September 2021



3 What is the difference between a nurse in aged care and one working in a public hospital?

Work done by the NZACA, DHBs and Ministry of Health established that the role of an aged care nurse is very similar in scope to a nurse working in public hospital setting and they hold the same qualifications, however aged care nurses do it all without the support of the clinical teams available in hospitals.

A Registered Nurse (RN) working in one of the few DHB-owned aged care facilities is generally covered by the same or similar Job Description as one working in the hospital setting and sits within the wage matrix of the NZNO Multi Employer Collective Agreement (MECA), meaning they are paid in parity with their hospital counterparts.

4 What is the pay gap between a DHB and an aged care nurse?

The funding DHBs allocate to ARC is insufficient for providers to pay for their RNs the same rate they would be paid in a DHB. Some providers (usually large publicly listed groups) can and do pay their RNs more by cross subsidising from their large retirement village operations and property portfolios. The majority of the sector does not come under this category.

Prior to the 2021 NZNO Multi Employer Collective Agreement (MECA) an aged care nurse was paid, on average, \$10,000 less per annum than a nurse working in a public hospital. This pay gap has widened to around \$15,000-\$20,000, depending on penal rates, and is set to increase further following the imminent DHB nurses' pay equity settlement.

5 How many RN vacancies are there in aged care?

A survey in late 2021 by the NZACA showed that out of the 5,000 RNs required to staff the aged care sector there are more than 1,000 vacancies, or 20% of the RN workforce. There are several factors behind this, namely COVID-19 border closures, challenges accessing MIQ (particularly at the beginning of the pandemic), the pay discrepancy between aged care and the DHB setting.

6 What happens when there are no RNs to staff a care home?

Care homes are contractually obliged to have a minimum of one RN on duty in hospital units at all times, and to provide sufficient staff to meet the health and personal care needs of all residents at all times. Care homes are being forced to close beds or stop admissions to avoid compromising care.

Since 2021, the NZACA is aware of at least 20 care homes that have closed down either their hospital level beds or entire facilities. It has been the smaller, rural providers hit the hardest, with sites closing in recently in Wairoa, Wairarapa, Whanganui, and Southland. In the last year, 400 beds have been lost out of the sector due to the lack of RNs. The beds closing are primarily subsidy-only beds, those for which a resident can be fully subsidised by the government and not have to pay an additional accommodation supplement.

When beds close, residents have to move from what has become their home to a new facility, often further away from their families. When there is no space at a nearby facility, a resident will have to move towns or have to stay in a public hospital until new accommodation can be found. This can be disruptive, confusing, and traumatising for both the resident and their family.

The NZACA is the peak membership body for the ARC industry, representing the providers of 93% of the more than 40,000 beds in the sector. Our membership is diverse and includes a mix of larger companies as well as not-for-profit, religious, welfare, and privately owned and operated care facilities. Contact us at office@nzaca.org.nz or 04 473 3159.