

1 March 2022

Hon Andrew Little
Minister of Health
Parliament Buildings
Wellington

Tēnā koe Minister

Sector coalition calls for URGENT pay parity for aged residential care nurses

Pay parity for aged residential care (ARC) registered nurses (RNs) and enrolled nurses (ENs) is not solely an issue facing the aged care sector, it has much wider implications for the health and wellbeing of all older New Zealanders and their families. As such the Coalition on Fair Pay for Aged Care Nurses (The Coalition) has been formed, made up of nine organisations with an interest in the care of older peoples that is calling on the Government to URGENTLY fund pay parity for nurses working in ARC with their peers working in public hospitals.

The members of The Coalition have come together with a shared deep concern about the dire nursing shortages in ARC that are threatening the sector's viability – and the significant implications for the care and future of older New Zealanders should further losses occur.

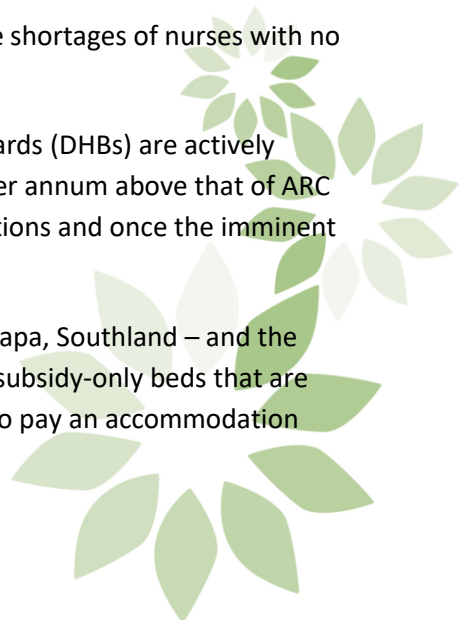
The Coalition has a two-pronged call to action as outlined at the end of this letter. Our members are:

- New Zealand Aged Care Association (NZACA) and its Nursing Leadership Group (NLG)
- Age Concern New Zealand
- Alzheimers New Zealand
- Care Association of New Zealand (CANZ)
- Grey Power
- Home and Community Health Association (HCHA)
- New Zealand Council of Christian Social Services (NZCCSS)
- NZ Nurses Organisation (NZNO)
- Retirement Villages Association (RVA).

The issue: As you are well aware, the ARC sector is experiencing chronically dire shortages of nurses with no fewer than 1,000 vacancies nationwide – 20% of the total nursing workforce.

At the heart of the matter is the number of nursing staff that District Health Boards (DHBs) are actively recruiting from ARC facilities offering remuneration often more than \$15,000 per annum above that of ARC nurses. This pay gap will only worsen following the recent NZNO MECA negotiations and once the imminent pay equity claim for DHB nurses is resolved.

Facilities are already closing around New Zealand – Wairoa, Whanganui, Wairarapa, Southland – and the number of hospital-level care beds having to be reduced. Note that it is mainly subsidy-only beds that are closing, creating inequity for the many older New Zealanders who can't afford to pay an accommodation



supplement for their care. And of course, there is increasing burn-out amongst nurses, potentially risking resident quality of care.

Another sector suffering severe staffing shortages is home care. If support is not available for a person in their home, often the only alternative to receive the care they require is to enter a rest home. Should both sectors collapse, the country's public hospitals will be inundated with high acuity older people. This would be disastrous at any time, let alone now given the pressure hospitals are under with the Omicron outbreak.

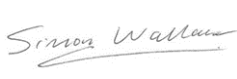
Now, with Omicron rife in the community and already impacting dozens of rest homes, the reality is that as much as 40% of all staff in a rest home could be stood down at any one time. This would be difficult at best of times, but potentially catastrophic on top of the current shortage.

You have said that you will address pay parity for professions outside of the DHB setting once the DHB nurses' pay equity claim is finalised. But pay parity for ARC nurses is needed NOW. The Government cannot continue to ignore pay parity for this critical health service while hospital-level beds around the country are closing and the whole sector is perilously close to collapse.

The Coalition calls on the Government to:

- **URGENTLY fund pay parity for nurses working in ARC with nurses working in DHB settings.** The cost to the ARC sector of achieving full parity with the wage rates set out in the 2021 NZNO/DHB MECA amounts to around \$112 million per annum. This figure has already been agreed by NZACA, MOH and DHBs.
- **Increase government investment in training and upskilling of nurses:** To help build a sustainable ARC nursing workforce, we call on government to commit to URGENT and ongoing investment in training and upskilling of the nursing workforce. This includes removing barriers to education and creating new pathways that encourage New Zealanders to take up roles in ARC.

Nāku iti noa, nā



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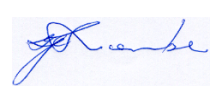
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cc Hon Dr Ayesha Verrall, Associate Minister of Health, Minister of Seniors