



Media release
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Coalition calls for urgent Government action on aged care nursing shortages

As dire nursing shortages in rest homes threaten the viability of the sector, a coalition of organisations is calling on the Government to urgently close the pay gap between aged care nurses and their peers in public hospitals to prevent further nursing losses and potential sector collapse.

The Coalition on Fair Pay for Aged Care Nurses is made up of nine organisations with a shared interest in the care of older New Zealanders: New Zealand Aged Care Association (NZACA) and its Nursing Leadership Group, Age Concern New Zealand, Alzheimers New Zealand, Care Association of New Zealand (CANZ), Grey Power New Zealand, Home and Community Health Association (HCHA), New Zealand Council of Christian Social Services (NZCCSS), New Zealand Nurses Organisation (NZNO), and the Retirement Villages Association (RVA).

The Coalition is calling on government to urgently fund pay parity for aged residential care (ARC) nurses with those in public hospitals and commit to investing more in training and upskilling nurses for both the (ARC) sector and the home and community support (HCSS) sector to build a sustainable domestic workforce.

NZ Nursing Organisation spokesperson Lesley Harry (Industrial Adviser) says the NZNO is very aware of the dire nature of the situation and supports pay parity for ARC nurses.

“We know how bad the situation is because we are hearing daily from nurses who are working long hours and are exhausted because there is no one to relieve them at the end of their duty. Nurses feel a huge professional and ethical responsibility and won’t abandon the residents they care for. The toll of this is just too great and many have left for better pay in public hospitals.”

Grey Power New Zealand president Jan Pentecost says older New Zealanders are already being hard hit through challenges accessing home care services.

“Things are getting extremely serious for older people needing care. We can’t afford to see rest homes collapse and back the calls for government action all the way.”

NZACA Chief Executive Simon Wallace says pay parity for nurses working in ARC is not solely an issue facing the sector, it has much wider implications for the health and wellbeing of all older New Zealanders and their families.

“We have lost more than 1,000 nurses; around 20% of the total nursing workforce and mostly to District Health Boards (DHBs) that are actively recruiting from rest homes offering remuneration often \$15,000 per annum above what rest homes are able to pay – and are not funded to match.

“The shortages are exacerbated by the border closure due to COVID-19, insufficient places for nurse training, and barriers to the recruitment of Internationally Qualified Nurses (IQNs).

“These factors are seeing rest homes closing around New Zealand, most recently in Wairoa, Whanganui, Wairarapa and Southland, while others are having to reduce the number of hospital level beds and nurses experiencing stress and burnout.”



Mr Wallace says the pay gap will only worsen following the recent NZ Nursing Organisation (NZNO) DHB MECA negotiations and once the imminent pay equity claim for DHB nurses is finalised.

“Health Minister Andrew Little is aware of this situation and has committed to support pay parity following the DHB nurses pay equity settlement. But by then it will be too late. As Omicron stretches us further, I am deeply concerned that as much as 40% of all staff in a rest home could be stood down at any one time which, on top of the current 20% shortage could potentially lead to collapse of the sector.”

Mr Wallace says the cost of achieving full parity with the wage rates set out in the 2021 NZNO/DHB MECA would be around \$112 million per annum. This figure has already been agreed by NZACA, the Ministry of Health and DHBs.

This is minimal compared to the value the sector delivers, providing 40,000 care beds, more than half of which are catering for residents receiving hospital, dementia or psychogeriatric care. This comes at a fraction of the price that can be delivered by the public hospital system with the Government funding a hospital level ARC bed at a maximum of \$250 a day, compared to over \$1,000 a day in a DHB setting.

Frances Hughes, Chair of the NZACA Nursing leadership Group says that ARC has inherited a significant underinvestment in nursing.

“Years of undervaluing and underinvestment in the sector have resulted in barriers to training and pathways for nurses to enter aged care. This means rest homes have had to rely on IQNs. The fact is that New Zealand has the highest reliance on IQNs in the OECD and within that, ARC has the highest reliance.

“We have continued to put forward evidence and discuss and develop solutions for building the domestic supply of nurses with the Ministry of Health, Ministry of Social Development, and the Nursing Council. They are aware of the issues, but little action has been taken. We’ve moved beyond crisis with nursing shortages and can’t wait any longer. Now is the time for decisions and action.”

Nikki Hurst Chief Executive of the NZ Council of Christian Social Services, which provides a vast range of services for older people, says without an urgent injection of equitable funding and a committed pipeline of nurses for aged care, many of their members’ homes will begin to close.

“And once they are closed, reopening them will be near on impossible. The brutal reality is that without nurses our services have to close. More New Zealanders will have no choice but to care for their loved ones at home, with the attendant stresses on families that can bring, including the prospect of increased incidences of elder abuse as already pressured families struggle to cope.”

Age Concern New Zealand Chief Executive Stephanie Clare says every older New Zealander living in aged residential care should have access to high quality care.

“We can achieve this through pay parity for the hard-working nurses in aged care with their DHB colleagues. Every day this valuable workforce treats seniors with dignity and respect. They deserve to have their skill and compassion acknowledged and remunerated at the same level as nurses working in DHB settings.”

Alzheimer's New Zealand Chief Executive Catherine Hall says residential care is critical to the health of vulnerable older people.



“The dire nursing shortage is a significant issue that puts the care and wellbeing of our older people at risk. It is frustrating that while the sector has had supportive conversations with Minister Little, he has been very slow to get to a decision and take action.”

Jennie Herring of the Care Association of New Zealand, which represents many smaller ARC providers, says it is an industry in crisis and older people and their families will suffer.

“We are going to see more of these smaller Ma and Pa operated rest homes that offer crucial services in their communities have to close. It’s not sustainable to have two nurses working 24-hour shifts. When they close, where do the residents go, what happens to those that do not have family back-up?”

Graeme Titcombe Chief Executive of the Home and Community Health Association says that the rapidly increasing inability to attract and retain Registered Nurses is impacting on home based aged care service provision to over 120,000 New Zealanders.

“This nursing workforce is a vital component of the provision of effective services and the support of over 17,000 community support workers. With the rapid growth of Covid19 in the community there is an increasing additional need for skilled services in the home-based sector. The continuing loss of Registered Nurses is adversely impacting on the quality delivery of all aged home-based services.

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