



## **MEDIA RELEASE**

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### **Budget ignores collapsing aged residential care sector**

It looks like the Government has again failed New Zealand's aged residential care (ARC) sector with Budget 2022, ignoring pay parity for aged care nurses in a move that paves the way for the collapse of the sector, says the New Zealand Aged Care Association (NZACA).

Simon Wallace, Chief Executive of the NZACA says dire nursing shortages have forced the closure of almost 800 beds in the country's rest homes over the last six months. This has displaced older people – many of whom have had to be put into public hospitals or relocated out of their communities.

“At a time when ARC needs to be growing to accommodate a rapidly ageing population, we are seeing unprecedented bed closures. Quite frankly we are astounded that the Government has yet again ignored this crisis by failing to pay registered nurses working in ARC at parity with their counterparts in District Health Boards (DHBs).

“It's going to dramatically accelerate loss of aged care nurses to work for DHBs, which following their pay settlement will pay them anywhere from \$20,000 to \$30,000 a year more. Our providers aren't funded to match that.

“We're already down by over 1,100 nurses – more than 20 percent of the ARC nursing workforce – with turnover at an all-time high of 48 percent to the year December 2021.

“This Budget is a devastating blow - last year's Budget that was a kick in the guts too. And this is not just for the sector, which plays a central role in the healthcare system, but for our older people, their whānau and their communities, which stand to lose this critical service.”



Mr Wallace says nursing shortages in general continue to worsen in New Zealand, with more attractive options to work overseas including Australia, where the aged care sector received a 2021 Budget injection of \$17.7 billion including \$7.8 billion to increase sector access to registered nurses. Aged care is also a centre piece of Australia's general election campaign.

"The fact is that our aged care sector can't function without nurses. It's nursing-led and it's a mainstream part of the healthcare system with the capability to provide 40,000 beds. These beds protect the DHBs' 13,000 beds from being overwhelmed, as well as saving the system \$5.5 billion annually.

"How ironic that on Wednesday the Hutt Valley DHB announced a plan to transfer its patients from an earthquake prone facility to ARC when we have had to close beds because the DHB has actively poached our nurses and paid them a lot more.

"However, yesterday we reached out to offer our support to the Hutt Valley DHB if it can support us with a complement of nurses and other resource and funding to deliver optimal hospital-level care".

Mr Wallace says the Government has also ignored the broader range of solutions to the nursing shortages put forward by the NZACA, including delivering the right training pathways and financial incentives to get more New Zealanders into nursing.

"As far we can tell, there's nothing for our sector. If the Government wants to tell us otherwise, we look forward to hearing it."

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