



**Aged Care 2020 Election Manifesto**

# **Fair Pay for Registered Nurses Working in Aged Care**

July 2020

## Foreword

Covid-19 has highlighted the critical role the aged residential care sector plays in our country's healthcare system – in particular the role of the carers at the front line.

More than 99% of the 650 rest homes in New Zealand have had zero cases, and where there were cases, the clusters were contained and are now resolved.

The sector's role has been highlighted in the Independent Review of Covid-19 Clusters in Aged Residential Care Facilities, acknowledging the *"substantive work done by the ARC sector to prevent and manage Covid-19 cluster outbreaks"* (p. 3.).

Much of this is due to the skill, leadership and dedication of registered nurses working in aged residential care (ARC) who have been at the forefront of the sector's response.

Yet these nurses are undervalued by the healthcare system, as reflected in the fact that on average, they earn at least \$10,000 a year less than nurses who work in public hospitals – in turn undervaluing the care of the more than 36,000 older people in their care.

Fair pay for aged care nurses is the single focus for the New Zealand Aged Care Association (NZACA) 2020 Election Manifesto.

Our call is for government to adequately fund the ARC sector so that registered nurses working in ARC are paid in parity with registered nurses who work in public hospitals.

There is a groundswell of public support for this. More than 15,000 people have supported this by signing our Fair Pay for Aged Care Nurses petition that ran during June 2020.



**Simon Wallace**

CHIEF EXECUTIVE, NEW ZEALAND AGED CARE ASSOCIATION

## What we do

New Zealand's ARC industry takes great pride in caring for more than 36,000 of the country's most vulnerable people.

The care we provide helps older people who are dependent and often enduring multiple chronic health conditions, to live with dignity and companionship in a safe and welcoming environment.

What we do matters to Kiwis who rank caring for older people as a top 10 issue (2019 Colmar Brunton research).

We are New Zealand's largest public-private partnership and provide significant value to the New Zealand economy, as well as contributing to the well-being of New Zealanders by reducing the loneliness and social isolation of older people and easing the burden of care on families.

## Valuing our nurses

Aged care nurses play a crucial role in looking after our most frail and vulnerable citizens in ARC facilities.

Successive governments have allowed a growing disparity between what aged care nurses earn and what those who work in public hospitals earn.

**Right now, aged care nurses earn on average at least \$10,000 a year less than nurses in public hospitals.**

Yet the work they do is of no less importance and value. Aged care nurses are specialists, responsible for the clinical care and health and wellbeing of people with often multiple chronic and serious health conditions ranging from kidney disease and congestive heart failure to failing and broken bones, and mental instability – as well as providing palliative care, which is a growing area of care for ARC.

Our nurses do all this without the support of expert clinical teams that are available in public hospitals. They also manage teams of caregivers.





## Accelerating nursing shortages

The pay disparity has widened following the 2018 multi-employer collective agreement (MECA), which, very rightly, improved pay and conditions for nurses who work in public hospitals.

The MECA has also accelerated shortages of nurses in aged care as District Health Boards were required to recruit 500 more nurses.

As a result, since then rest homes have continued to lose valued nurses to DHBs seeking better pay – which rest home providers are not funded to match.

The amount of pay aged care nurses receive is directly related to the amount of funding rest homes receive from District Health Boards – a per bed, per day rate based on the level of care each resident is assessed for by DHBs when they admit them to rest homes – rest home, hospital, dementia or psychogeriatric level care.

Those rest home providers that can and do pay their nurses more have a retirement village to cross-subsidise their rest home offering. But contrary to popular opinion, rest homes are not profitable businesses. They rely wholly or largely on capped Government funding.

## What we want

It is time to value aged care nurses and ensure the sector is funded to pay them what they are worth in parity with their peers who work in public hospitals.

More than 15,000 members of the public have supported this by signing our Fair Pay for Aged Care Nurses campaign petition during June 2020.

This also aligns with the recent Review of the Health and Disability System released by Heather Simpson on 16 June 2020, which has called for pay parity issues to be addressed for all professions working across the health system.

*“The system should seek to address pay parity issues for professions working in different parts of the system” (p. 195).*

As a society, if we really value the care of our older people, we must have pay parity across a common pool of nurses in the healthcare system.



## What we're doing

- » The NZACA has this year established the ARC Nursing Leadership Group (NLG) to champion nursing issues for our sector, and to act as a conduit between the sector, the DHBs and the Ministry for Health so the nursing voice is heard.
- » Our providers are offering clinical career pathways into nursing from caregiving.
- » The sector is up-skilling and training our nurses on an ongoing basis.
- » Providers have in place attraction strategies not only to attract young Kiwis into the care profession but are putting place initiatives to support, train and grow Kiwi nursing talent.

## Top priorities for the incoming Government

- » **Ensure the ARC sector is adequately funded** to bring aged care nurses up to parity in pay and conditions with their counterparts who work in public hospitals.
- » The cost to Government of **funding the sector to ensure pay parity** for the 5,000 aged care nurses in New Zealand – an increase of at least \$10,000 per annum per nurse.
- » **Budget 2020 injected \$4.37 billion into District Health Boards** – so we consider there is ample funding available for fair pay.