

Aged Residential Care

INDUSTRY PROFILE 2021-22



New Zealand
Aged Care Association



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Key points

1. On 30 September 2021, NZACA member care facilities provided 93 percent of the total 40,941 aged residential care (ARC) beds.
2. Forty nine percent of all New Zealand ARC facilities are operated as part of a major group of care facilities, 50 percent are individual/minor group facilities and 1 percent are owned by DHBs.
3. Dual service beds are the largest bed category at 38 percent. Dedicated rest home beds constitute 22 percent of the supply, dedicated hospital beds 15 percent, and ORA ARRC-certified beds¹ 10 percent.
4. The median number of beds in care facilities is continuing to increase and now stands at 60 beds.
5. There were 35,254 residents at ARC facilities on 30 September 2021, 57 percent of whom are at one of the higher care levels (hospital, dementia, or psychogeriatric).
6. On 30 September 2021, average occupancy (including ORAs) is 86.1%. Over the year to September 2021 there has been a 1.9 percent decrease in occupancy rate.
7. Rooms carrying accommodation supplements make up the majority of rooms provided (66 percent). The median size of these is 15m², compared to 12m² for standard rooms.
8. Turnover of registered nurses (RNs) over the year to December 2021 is 48 percent, up from 33 percent in December 2019.
9. The percentage of RNs on a visa is 43 percent, while around one third of the caregiver workforce (made up of healthcare assistants, activities coordinators and diversional therapists) is on a visa.
10. The Philippines (39 percent of RNs, 35 percent of caregivers on visas) and India (37 percent of RNs and 40 percent of caregivers on visas) are the main countries of origin for ARC workers on visas.

¹ ORA – Occupational Rights Agreement
ARRC – Age Related Residential Care

Contents

Contents.....	3
Introduction.....	5
2021-22 report outline.....	6
1. Data sources and representation	7
TAS ARC Provider Quarterly Reporting Survey September 2021.....	7
NZACA Member Profiling Survey.....	7
Survey responses	8
2. Care facility segmentation by ownership type.....	9
Size of ownership segments	9
Co-locations	11
3. Beds.....	12
Total beds	12
Trend in percentage of beds within each service	13
Long-term increase in provision of dual service beds.....	14
Average facility size by segment	15
Trends in care facility size	15
Care facility sizes within band widths	16
Service mix of beds	18
Supply of Occupational Rights Agreement (ORA) beds	19
Changes in bed numbers by region	20
4. Residents.....	22
Residents by type of care	22
Rest home and hospital residents	22
Subsidised and private paying residents.....	23
Trends in care levels	25
5. Occupancy.....	28
Overall occupancy.....	28
Care facility occupancy ranges	31

6.	ARC workforce.....	33
	Composition and annual turnover of the ARC workforce	33
	Annual turnover trends.....	36
	Impact of Registered Nurse staffing levels on Clinical Nurse Managers.....	39
7.	Immigration	41
	Registered nurses, clinical and facility managers on visas.....	41
	Other staff on visas	42
	Length of employment of staff on visas	43
	Length of caregiver/healthcare assistant employment.....	43
	Country of origin.....	44
	Initiatives to recruit and retain New Zealanders.....	45
8.	Remuneration	47
	Average hourly rates.....	47
	Non-pay incentives or benefits	48
	Caregiver/Healthcare assistant pay bands	49
9.	Services offered	50
	Accommodation supplements	50
	Median accommodation supplements	51
	Reasons for not charging accommodation supplements.....	52
	Mix of premium and standard rooms.....	53
	Occupational Rights Agreements (ORAs)	54
	Services offered.....	55
10.	Topical.....	56
	Demand for ARC	56
	Care facility renovation and upgrade	57

Introduction

The New Zealand Aged Care Association (NZACA) together with BERL is pleased to bring you the Industry Profile 2021-22 for the aged residential care (ARC) sector.

Our industry profile or 'state of the sector' continues to grow in stature and is recognised by Government agencies and other groups as a highly credible source of data and insight for the sector. It is now the foundation for the evidence base we successfully bring to our policy and advocacy work.

Brought together from a range of sources, it includes information from the detailed NZACA Member Profiling Survey, the TAS Quarterly Bed Surveys as well as publicly available data from the Ministry of Health and the NZ Companies and Charities Registers.

The 2021 NZACA Member Survey included a range of topical questions covering issues of high relevance to the sector. This year, readers will find information on the forecasted demand for ARC, along with the need and intention of respondents to renovate and/or upgrade their care facility(ies).

Trend analysis on important areas including occupancy, charging of accommodation supplements, and staff turnover and vacancy rates is also included.

There is much more in-depth information behind what's been presented in this report and if you would like further information, please contact the NZACA office.

Nāku iti noa, nā



A handwritten signature in dark ink that reads "Simon Wallace".

Simon Wallace
Chief Executive

2021-22 report outline

- **Ownership:** Relative contribution to the ARC industry in terms of facilities and beds by care homes in various types of ownership.
- **Beds:** Trends in service provision and care facility size, current service mix of beds, trends in supply of ORA beds, and comparisons across DHB regions.
- **Residents:** Current split by care level and trends in this, comparisons across DHBs, trends in split between subsidised and private paying residents.
- **Occupancy:** Long-term trend in occupancy, trends in percentage of care facilities at full occupancy, and comparisons across DHBs.
- **ARC workforce:** Split of staff between care and non-care categories, turnover by staff category and changes in this, vacancy rates by staff category.
- **Immigration:** Percentage of staff on work visas, length of employment of staff on visas, country of origin.
- **Remuneration:** Average hourly rates, data on split between caregivers and activities coordinators by pay band L0–L4, non-pay incentives and benefits.
- **Premium room services and ORAs:** Percentage of care facilities offering premium rooms, median accommodation supplements, trends in the supply of premium vs standard rooms, size of rooms, and provision of ORA beds.
- **Topical issues:** Demand for ARC, care facility renovation and upgrade.

1. Data sources and representation

This report presents a profile of the aged residential care (ARC) industry as it stands in late 2021, combining information drawn chiefly from two surveys – the December 2021 NZACA Member Profiling Survey (herein known as the NZACA Member Survey) and the September 2021 TAS ARC Provider Quarterly Reporting Survey. Where other data sources are used, these are cited in the report.

This volume continues a series of reports by the NZACA that began in 2005. While there is discontinuity in the time series (no comprehensive member profiling surveys were carried out in 2015 and 2016), the NZACA Member Survey allows for long-term trend analysis. This ARC Industry Profile report marks the thirteenth time that NZACA has carried out a comprehensive survey of its members, spanning a sixteen-year period.

TAS ARC Provider Quarterly Reporting Survey September 2021

TAS Kahui Tuitui Tangata (trading name of Central Region Technical Advisory Services Limited) collects bed, resident and occupancy information from all ARC provider homes on a quarterly basis. It is a contractual requirement, under the ARRC Services Agreement, for ARC providers to report their bed and resident numbers to TAS. Since September 2013, this data has been collected and collated by TAS. The bed and resident numbers are collected as at 10pm on the last day of the March, June, September, and December quarters. The September quarter 2021 data, which is primarily used in this report, was collected based on care facility status as at 10pm on Thursday, 30 September 2021.

The NZACA prepares a brief report for members on each Quarterly Reporting Survey. This is published in its newsletter for members, In Touch.

NZACA Member Profiling Survey

The NZACA Member Survey series began in 2005 and has been carried out in most years since. Up to 2014 the survey was carried out annually. There was a hiatus in 2015 and 2016 when it was replaced by surveys which gathered information on employment and healthcare assistant² hours required to inform pay equity modelling and negotiations. The survey was again delivered in December 2017, and December 2019.

The questions asked do vary between years, depending on the information required to support the NZACA's current policy and advocacy work, while keeping the burden on respondents within bounds. In 2021, topical questions focused on future demand for ARC, required facility renovations or upgrades and the barriers to implementing these.

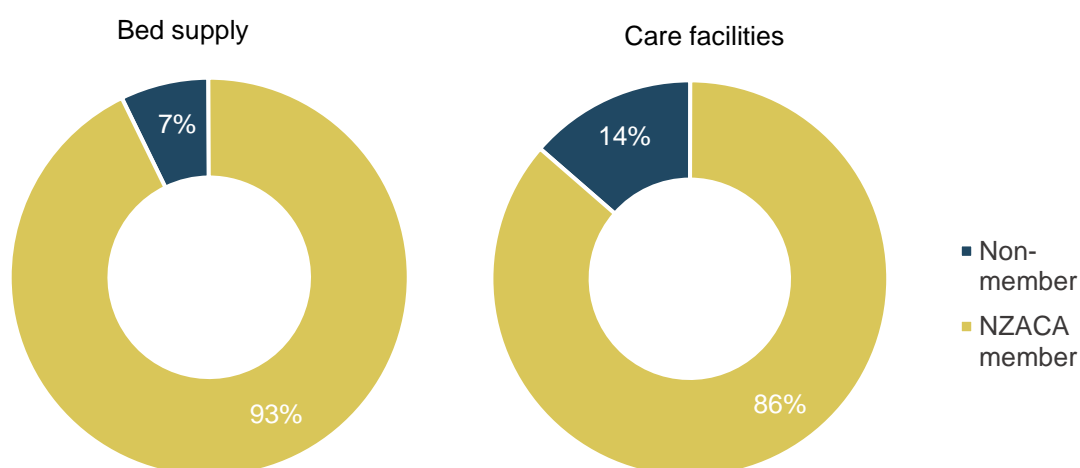
As with the 2019 NZACA Member Survey, the series of questions required to calculate care hours per resident per day was not included in 2021. Based on previous surveys we know these coefficients are reasonably stable over time. December 2017 data on care hours can be viewed in the [2019/20 ARC Industry Profile](#).

² Within this report, the title of caregiver/healthcare assistant (HCA) will be used interchangeably.

Survey responses

The NZACA's members' share of total ARC facilities and bed supply is illustrated in Figure 1.1 below. The Association's share of the industry has continued to grow since December 2019, now representing 93 percent of the total ARC bed supply.

Figure 1.1 NZACA share of the aged residential care industry



Source: TAS Quarterly Report September 2021/NZACA member database

In 2021, 582 eligible NZACA members were invited to participate in the 2021 Member Profiling Survey.^{3,4} A total of 122 organisations covering 432 facilities responded (Table 1.1). Responses to the survey covered 74 percent of member facilities, and 64 percent of all aged residential care (ARC) facilities in New Zealand. This is an increase of 8 percentage points on the 2019 survey. The 2021-22 Industry Profile provides a reliable snapshot of the industry as it stands in late 2021, with responses covering 77 percent of the NZACA membership bed supply and 71 percent of the total ARC bed supply.

Table 1.1 2021 survey responses compared to NZACA membership and the industry

	Survey response	NZACA members	Percentage of members	Industry	Percentage of industry
Facilities	432	582	74%	674	64%
Beds	29,204	38,012	77%	40,941	71%

Eighty three percent of the care facilities that responded to the survey were part of a major group of care facilities, with 17 percent being individual or minor groups. The major groups provided 78 percent of the beds covered by the survey. A detailed breakdown of the segmentation of ARC facilities by ownership type follows in Section 2.

³ To be included in the member sub-sample, facilities needed to be a current financial member of the NZACA and be certified and currently providing ARC in New Zealand.

⁴ The survey instrument was developed by the NZACA with advice from Business and Economic Research Limited (BERL). BERL was contracted by the NZACA to collect and analyse survey responses and write up results.

2. Care facility segmentation by ownership type

The NZACA has compiled bed number and ownership details on all ARC facilities in New Zealand. Information on NZACA member facilities, collected in the TAS ARC Quarterly Reporting survey and the NZACA Member Survey, has been supplemented by publicly available information on non-member facilities from the Ministry of Health⁵ and the NZ Companies Register and Charities Register. Forty nine percent of the 674 ARC facilities are operated by major groups of care facilities (for the purpose of this report, a major group is one with over 400 beds). These major groups provide 62 percent of ARC beds. Fifty percent of ARC facilities are operated by individuals or are part of a minor group (up to six homes) and these provide 38 percent of beds. Some one percent of ARC facilities are owned by DHBs. Another way of segmenting ARC facilities is on the basis of their ownership by either a commercial entity or a charitable trust.

We have developed a six-way segmentation of ARC facilities that combines these approaches:

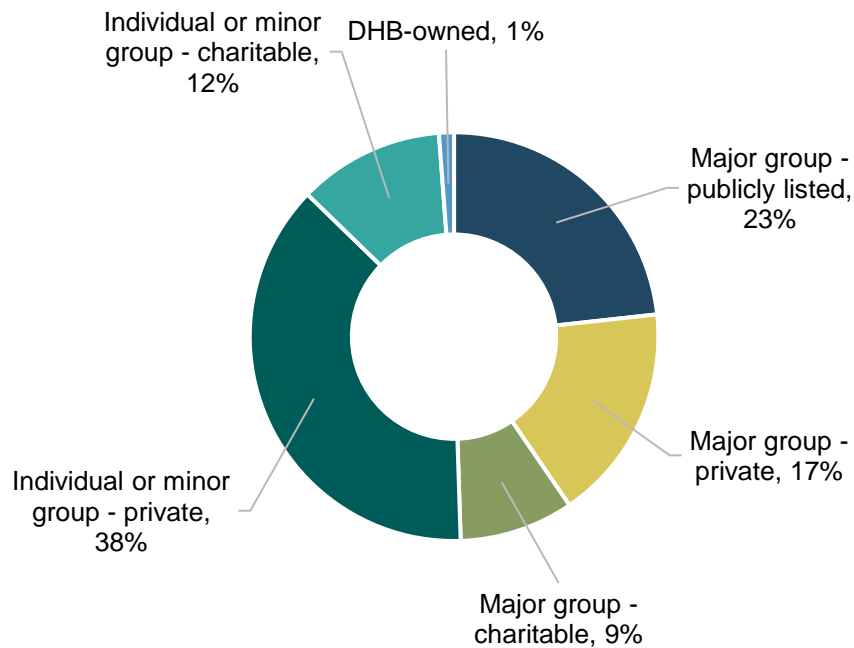
- Major group - publicly listed
- Major group - private
- Major group - charitable
- Individual or minor group - charitable
- Individual or minor group - private
- DHB owned.

Size of ownership segments

Figure 2.1 shows the percentage of ARC facilities in these ownership segments, and Figure 2.2 shows the breakdown of the ARC bed supply. It is notable that while only 23 percent of care facilities are in the major group/publicly listed segment, this segment supplies 34 percent of beds. On the other hand, individual or minor group/private facilities comprise 38 percent of care facilities but supply only 27 percent of ARC beds (see Figure 3.3 for comparison of average facility size by ownership segment).

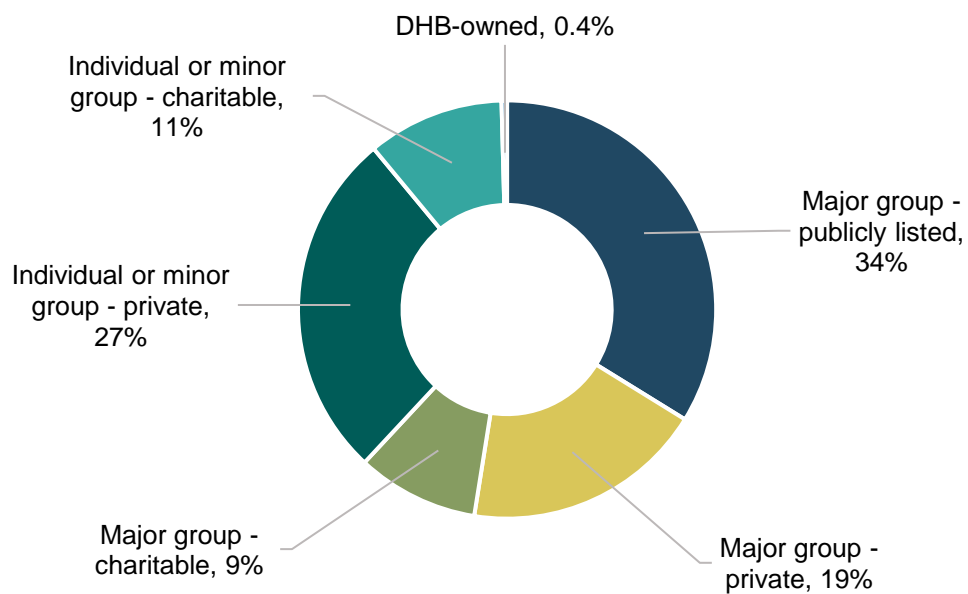
⁵ The certified rest home providers spreadsheet and audit reports are available at <https://www.health.govt.nz/your-health/certified-providers/aged-care>

Figure 2.1 Percentage of ARC facilities in each ownership segment



Source: TAS Quarterly Report September 2021

Figure 2.2 Percentage of bed supply in each ownership segment

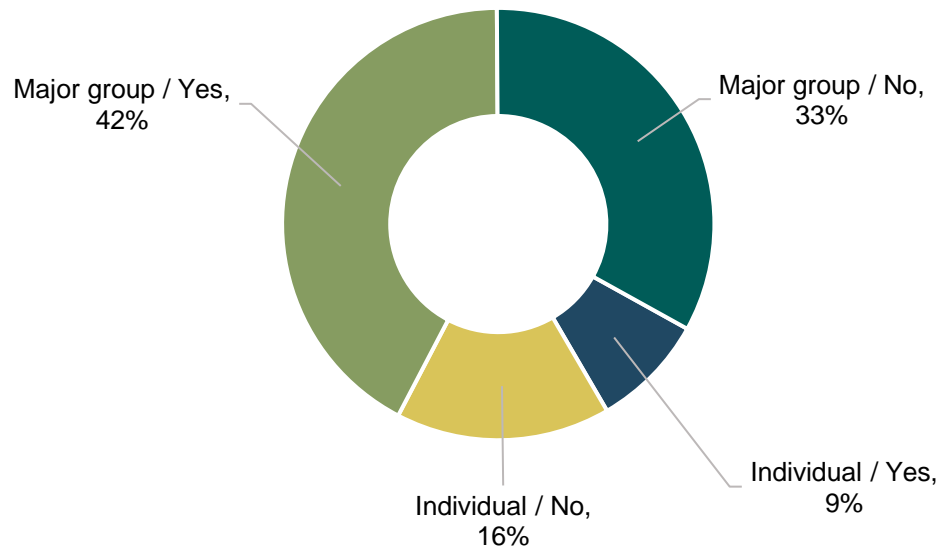


Source: TAS Quarterly Report September 2021

Co-locations

Around half of care facility respondents to the NZACA Survey were co-located with retirement villages (51 percent) (Figure 2.1). The majority of these were part of a major group (42 percent), with a smaller number being an individual facility.

Figure 2.1 Number of care facilities co-located with retirement village



Source: NZACA Member Profiling Survey December 2021

3. Beds

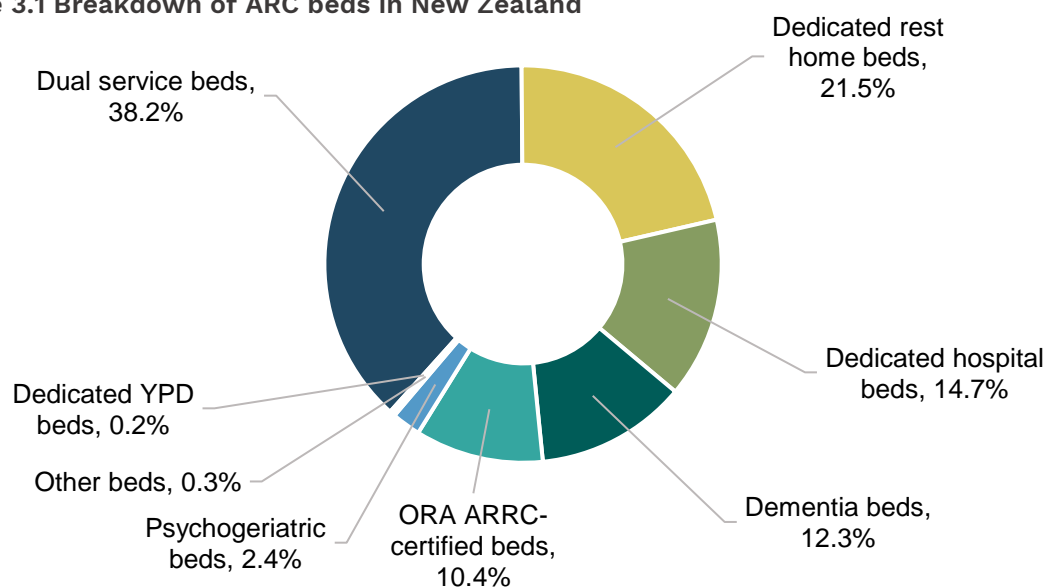
For those aged over 65 years who are assessed as being no longer able to live safely and independently in their own home, ARC homes provide support through long-term and short-term care beds. These beds operate across four levels of care: rest home (entry level of care), hospital, dementia and psychogeriatric. Most ARC beds are paid for on a daily or weekly basis by DHBs or the resident themselves, but an increasing number of beds are occupied under an Occupational Rights Agreement (referred to as ORA beds).

The data in this chapter is from the two sources. Information for the years 2005 to 2013 is sourced from the NZACA Member Profiling Surveys carried out in the respective years. For 2014 to 2020 the information is sourced from the TAS ARC Provider Quarterly Reporting data for 31 March in each year (unless another quarter is specified), while for 2021, the 30 September TAS data is used (unless another quarter is specified).

Total beds

A total of 40,941 ARC beds were operated by the 674 ARC facilities who provided Quarterly Reporting data on 30 September 2021. Dual service beds are the largest bed category in New Zealand,⁶ at 38 percent (Figure 3.1). Dedicated rest home beds constitute 22 percent of the supply, and dedicated hospital beds make up 15 percent. ORA ARRC-certified beds are now the fastest growing category in aged care, and account for 10 percent of all beds.

Figure 3.1 Breakdown of ARC beds in New Zealand



Source: TAS Quarterly Report September 2021

The two smallest bed categories are 'other' beds (0.3 percent) and dedicated Young People with Disabilities (YPD) (0.2 percent). YPD residents are those under 65 who require

⁶ Dual service beds are beds certified to provide both rest home and hospital level care, dependent on the type of care required by the resident.

support with self-care, mobility and/or communication. The number of dedicated YPD beds is not representative of the total number of YPD residents (approximately 700 nationwide), many of whom occupy other bed types. Other beds include any that do not fit into another category including respite/short stay.

Table 3.1 presents data on the number of beds by service and DHB region.

Table 3.1 Number of beds by DHB and service on 30 September 2021

DHB	Dedicated Rest Home	Dedicated Hospital	Dual Service	ORA ARRC-certified	Dementia	Psycho-geriatric	Dedicated YPD	Other	Total
Northland	386	357	321	32	170	20	11	4	1301
Waitematā	624	605	1871	394	549	126	1	2	4172
Auckland	782	889	1629	431	378	46	26	8	4189
Counties Manukau	440	422	1352	227	240	41	4	6	2732
Waikato	887	644	1125	344	547	66	4	17	3634
Lakes	232	69	393	64	88	22	6	0	874
Bay of Plenty	319	265	1122	163	253	30	0	1	2153
Tairāwhiti	73	0	255	30	50	0	0	0	408
Taranaki	432	73	573	124	162	20	0	13	1397
Hawke's Bay	351	155	544	128	211	45	13	10	1457
MidCentral	527	282	680	127	278	30	0	10	1934
Whanganui	181	79	211	32	90	10	2	0	605
Capital and Coast	457	425	706	222	223	87	1	8	2129
Hutt Valley	253	100	470	135	160	42	3	11	1174
Wairarapa	124	58	238	43	90	0	0	3	556
Nelson Marlborough	257	89	663	471	210	25	0	3	1718
West Coast	28	31	165	0	15	17	0	0	256
Canterbury	1138	802	2140	1161	879	219	1	1	6341
South Canterbury	215	110	190	10	60	20	1	3	609
Southern	1107	558	998	138	388	97	0	16	3302
National	8813	6013	15646	4276	5041	963	73	116	40941

Source: TAS Quarterly Report September 2021

Trend in percentage of beds within each service

Table 3.2 shows the proportion of beds within each service type over the past five years.

There has been a marked trend towards dual service beds, and an accompanying decline in supply of dedicated rest home and hospital beds.

Dual service beds as a percentage of total supply increased from 22 percent to 38 percent over the five years to September 2021. The proportion of dedicated rest home

beds over this five-year period decreased significantly, from 33 percent to 22 percent. The share of hospital beds across the supply has also decreased, from 24 percent to 15 percent. ORA ARRC-certified beds as a percentage of supply increased from 6 percent to 10 percent.

Table 3.2 Five-year trend of the percentage of beds by service type

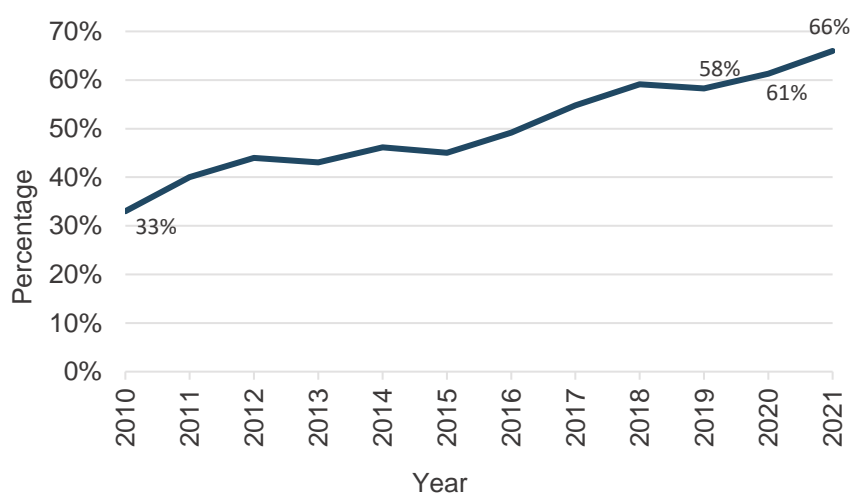
Bed Type	2016	2017	2018	2019	2020	2021
Dedicated Rest Home	32.5%	30.1%	27.1%	25.5%	23.5%	21.5%
Dedicated Hospital	24.2%	21.9%	19.4%	18.3%	16.9%	14.7%
Dual Service	22.4%	26.6%	31.5%	33.2%	35.7%	38.2%
ORA ARRC-certified	5.9%	6.5%	7.1%	8.1%	9.0%	10.4%
Dementia	11.6%	11.8%	12.1%	12.1%	12.1%	12.3%
Psychogeriatric	2.5%	2.4%	2.3%	2.4%	2.4%	2.4%
Dedicated YPD	0.2%	0.2%	0.1%	0.2%	0.1%	0.2%
Other	0.7%	0.5%	0.3%	0.3%	0.3%	0.3%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Source: TAS Quarterly Report (2016-2020 March/2021 September)

Long-term increase in provision of dual service beds

Figure 3.2 illustrates the long-term trend in the percentage of care facilities that operate dual service beds. This has doubled from 33 percent to 66 percent over the eleven-year period from 2010 to 2021.

Figure 3.2 Change in the percentage of NZACA member facilities operating dual service beds between 2010-2021

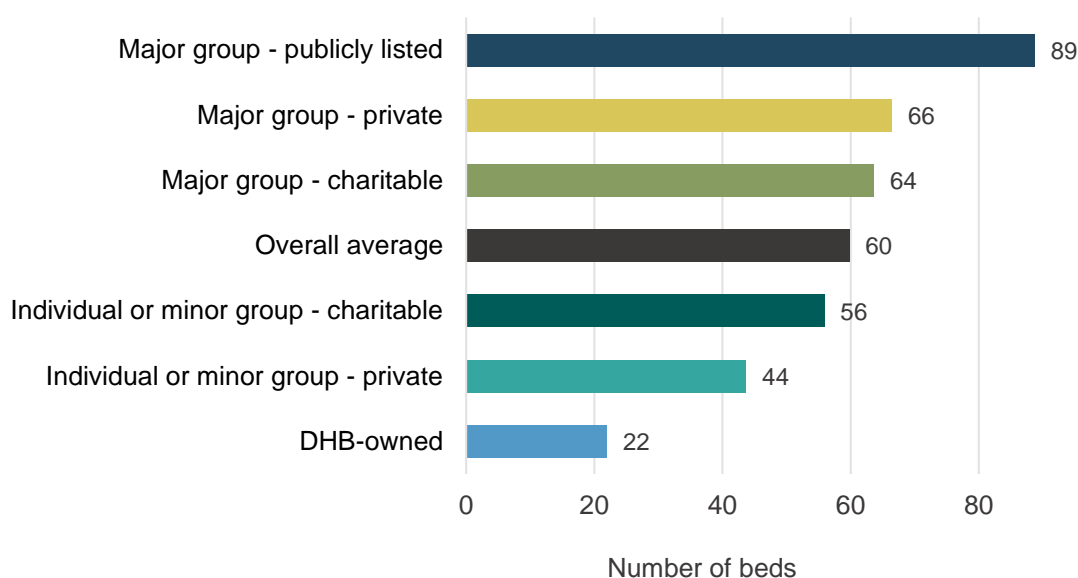


Source: TAS Quarterly Report September 2021

Average facility size by segment

The median size of an ARC facility is sixty beds. Figure 3.3 below shows how average facility size varies between the ownership segments defined in Section 2. The average size of a publicly listed provider has increased slightly to 89 beds. This is more than twice the size of the average individual/minor group, privately owned care facility (44 beds).

Figure 3.3 Average number of beds per facility in each segment

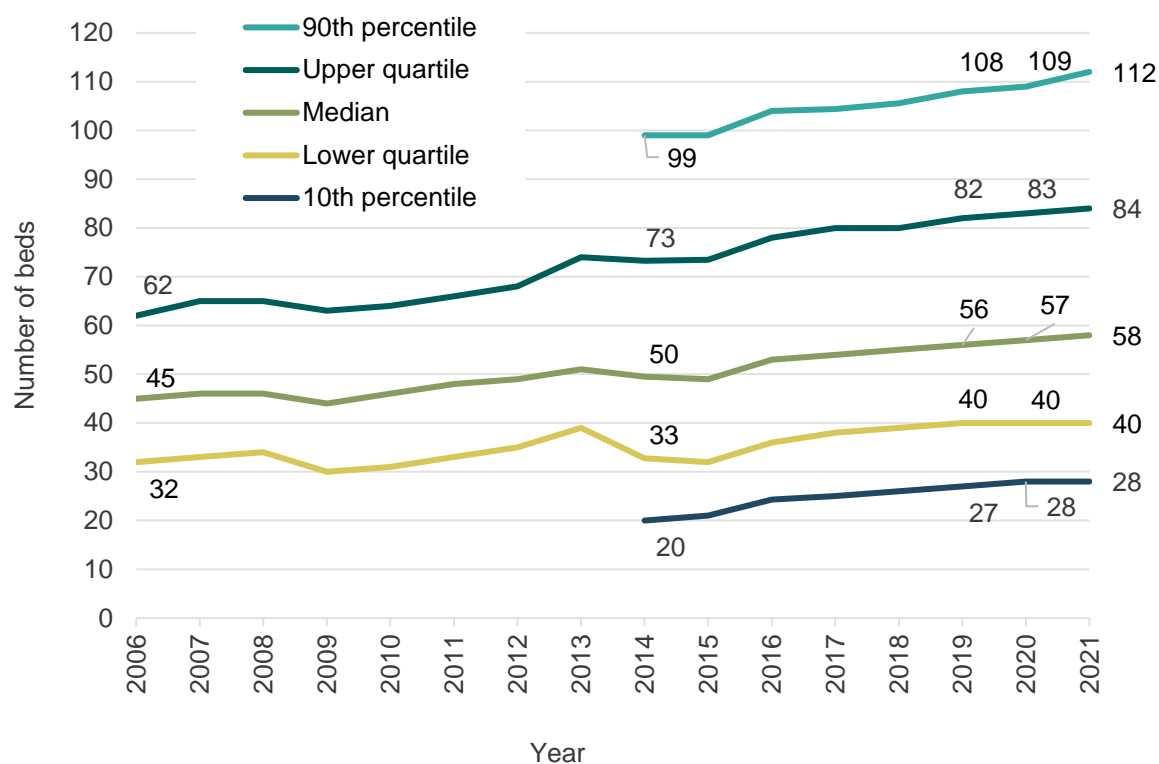


Base: All ARC facilities

Trends in care facility size

Care facility size, as determined by total beds supplied, has been increasing steadily. Almost all new ARC facilities are developed by major groups alongside a retirement village (RV). Most closures are of older, smaller, private and charitable facilities.

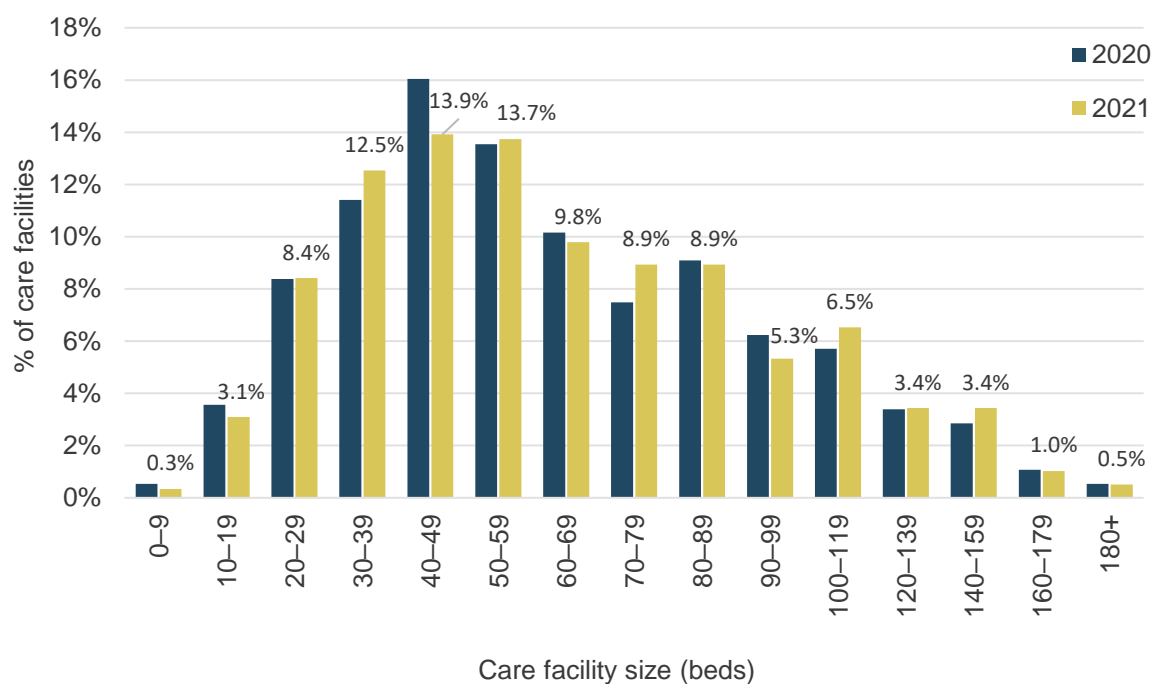
Consequently, the overall average size of NZACA member care facilities is gradually rising. The median number of beds, an indicator of the size of the 'typical' care facility, is now 58 beds, up from 56 in 2019. The middle fifty percent (interquartile range between the 25th and 75th percentiles) of all care facilities had between 40 and 84 beds (Figure 3.4), relatively steady over the past three years. Overall, the interquartile range has been progressively widening. This is a good indicator that the ARC facilities being built or renovated are increasing in size. Another indicator is that the largest 10 percent of care facilities provided 99 or more beds in 2014, but this has increased to 112 or more in 2021.

Figure 3.4 Fifteen-year trend on the range of NZACA member care facility sizes

Source: TAS Quarterly Report September 2021

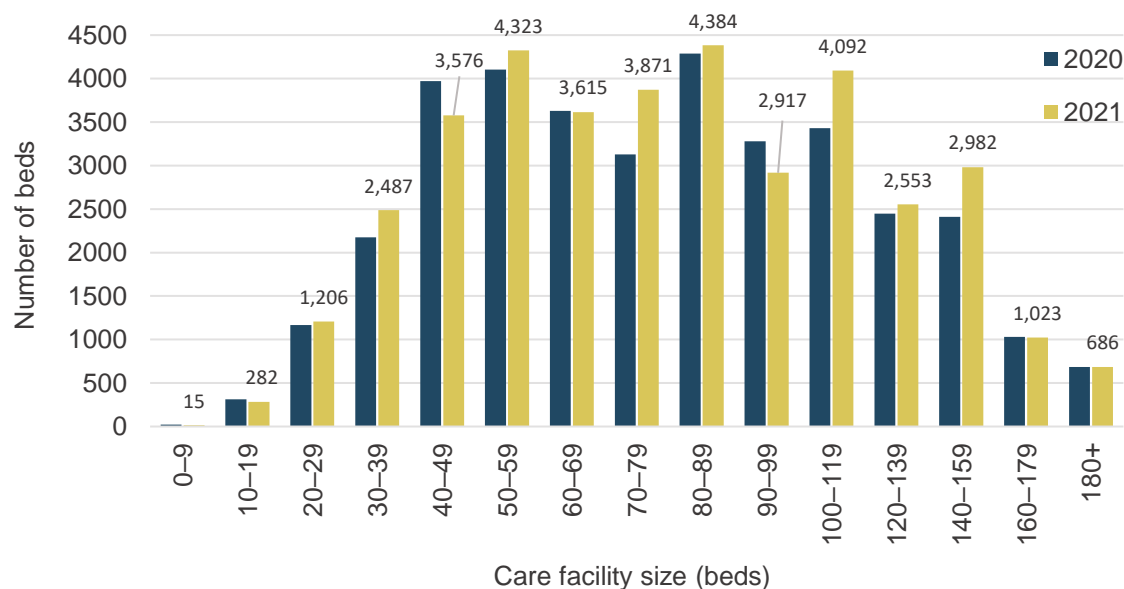
Care facility sizes within band widths

This upward trend of the size of ARC facilities is also illustrated in Figure 3.5. There was either a decrease or no change in the number of facilities with less than 30 beds between 2020 and 2021. Further up the size scale, care facilities in the 70-79 bed range rose from 7.5 to 8.9 percent of all care facilities and those in the 100-119 bed range went from 5.7 percent to 6.5 percent.

Figure 3.5 Percentage of NZACA member care facilities in each bed size band

Source: TAS Quarterly Report September 2021

The absolute numbers of beds contributed by care facilities in each size range is shown in Figure 3.6. The total number of beds contributed by member care facilities with up to 49 beds has fallen since 2018, while beds contributed by those facilities with 100 or more beds has increased by 1331. The largest rise was seen in the 100-119 bed category, with an increase from 3431 in March 2020 to 4092 (661 beds) in the 18 months to September 2021.

Figure 3.6 Number of beds contributed by NZACA facilities in each size band

Source: TAS Quarterly Report September 2021

Service mix of beds

The mix of services offered by member care facilities is analysed in detail in Table 3.3.

- The most common service make-up of a care facility is a combination of rest home and hospital beds; these constitute 44 percent of care facilities and supply 43 percent of beds.
- The second most common service make-up of a care facility is those that also provide dementia beds alongside rest home and hospital services (24 percent of facilities supplying 35 percent of beds). The average size of care facilities offering these three services is considerably larger than those offering only rest home and hospital services (95 vs 64 beds).
- Facilities offering only rest home care constitute 16 percent of all member facilities and, because of their small average size (31 beds), supply only 8 percent of beds.
- Dementia specialist care facilities constitute 2 percent of member facilities and, again, because of their small average size (35 beds), supply only 1 percent of members' beds.
- Care facilities offering a mix of rest home and dementia beds constitute 4 percent of care facilities and supply 3 percent of beds. Care facilities providing the 'top five' mix of services constitute a total of 91 percent of care facilities and provide 90 percent of beds. Refer to Table 3.3 for the contribution of the less common mixes of services provided by care facilities.

Table 3.3 Mix of long-term services offered by NZACA member care homes, September 2021

Combination of Services	Facilities (%)	Beds (%)	Average beds (no.)
Rest Home and Hospital	43.8%	43.1%	64
Rest Home and Hospital and Dementia	23.9%	34.7%	95
Rest Home	16.3%	7.9%	31
Rest Home and Dementia	4.1%	2.7%	43
Dementia	2.4%	1.3%	35
Hospital	2.4%	2.1%	57
All Services	1.7%	2.4%	91
Hospital and Dementia	1.4%	1.4%	67
Psychogeriatric	1.0%	0.6%	41
Rest Home and Hospital and Psychogeriatric	0.9%	1.2%	94
Hospital and Psychogeriatric	0.9%	1.3%	100
Hospital and Dementia and Psychogeriatric	0.9%	0.9%	66
Dementia and Psychogeriatric	0.3%	0.3%	63
Total	100.0%	100.0%	65

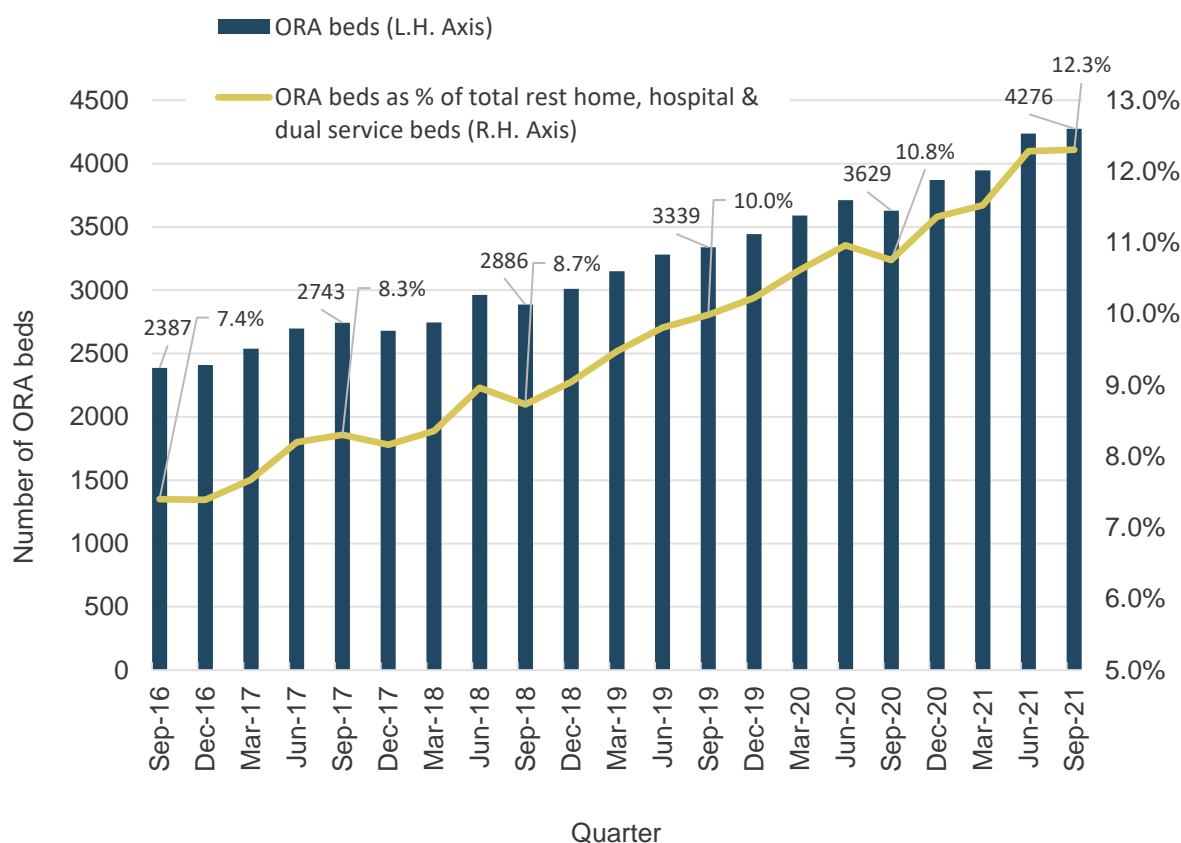
Source: TAS Quarterly Report September 2021

Supply of Occupational Rights Agreement (ORA) beds

ORA ARRC-certified rest home, hospital, and dual service beds are continuing to increase, both in absolute terms and as a percentage of the total supply of said beds. This is illustrated in Figure 3.7.

In September 2021, ORA beds constituted 12.3 percent of total rest home, hospital, and dual service beds, up from 10.8 percent of these beds in September 2020.

Figure 3.7 National ORA bed supply September 2016-2021

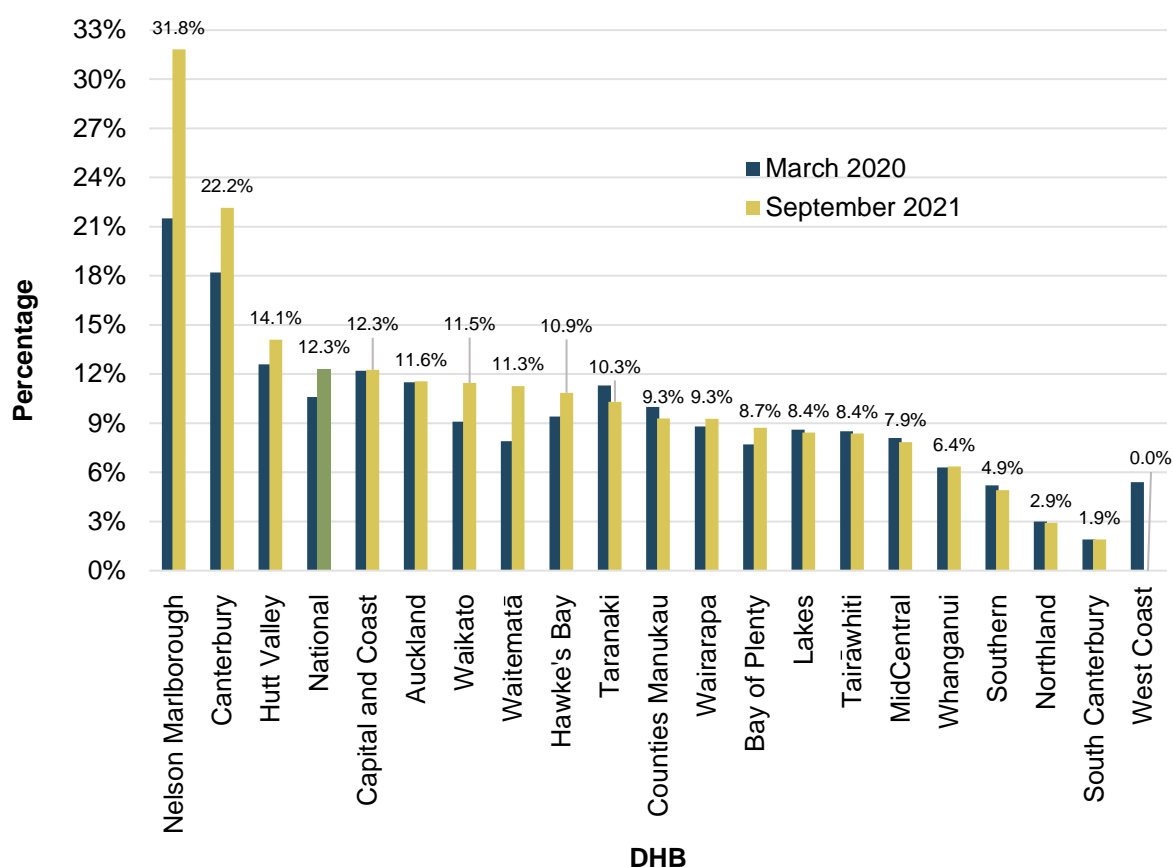


Source: TAS Quarterly Report September 2021

The regional variation of ORA beds as a percentage of total supply of rest home, hospital and dual service beds is illustrated in Figure 3.8. With an already relatively high supply of ORA beds, Nelson Marlborough DHB region has seen a marked increase (to 32 percent) which can be put down to several recent new developments in the region by major and private group providers.

Canterbury DHB region also has a high supply (22 percent). In absolute number terms, however, the supply of ORA beds in Canterbury (1,161, up from 869 in March 2020) is much higher than in Nelson Marlborough (471, up from 288 in March 2020). The region with the third highest number of ORA beds in September 2021 is Auckland (431), followed by Waitematā (394).

Figure 3.8 ORA beds as percentage of total rest home, hospital and dual service beds by DHB region



Source: TAS Quarterly Report September 2021

Changes in bed numbers by region

Net changes in beds by service and DHB region recorded by the Quarterly Reporting Survey since the last Industry Profile Report in 2019/20 are shown in Table 3.4. Nationally, total beds increased by 1,174 between March 2020 and September 2021. The greatest increase was in dual service beds (up 1,468) and ORA beds (up 685) but these were partially offset by falls in dedicated rest home beds (down 530) and dedicated hospital beds (down 702). Total bed numbers grew most in Canterbury DHB over this period (up 519 beds) and Waikato DHB (up 335).

Table 3.4 Net change in beds by service and DHB region, March 2020-September 2021

DHB	Dedicated rest home beds	Dedicated hospital beds	Dual service beds	ORA ARRC-certified beds	Dementia beds	Psycho-geriatric beds	Dedicated YPD beds	Other beds	Total beds
Northland	-50	15	4	-2	1	0	11	1	-20
Waitematā	-74	-140	279	133	87	-7	-1	0	277
Auckland	-44	-78	62	-7	-54	-1	2	5	-115
Counties Manukau	-125	-294	389	-23	22	4	-1	-6	-34
Waikato	-5	59	150	99	57	-23	1	-3	335
Lakes	-8	-23	36	-1	1	7	-4	-4	4
Bay of Plenty	-101	-147	260	21	19	-15	0	1	38
Tairāwhiti	11	0	-5	0	0	0	0	0	6
Taranaki	3	24	-12	-11	-1	0	0	4	7
Hawke's Bay	-27	-61	28	13	6	0	13	10	-18
MidCentral	-26	-4	67	-1	19	12	-1	0	66
Whanganui	-2	0	0	0	1	0	2	-10	-9
Capital and Coast	32	-33	-18	-1	1	3	0	0	-16
Hutt Valley	-10	-30	-12	9	0	-2	-2	0	-47
Wairarapa	-21	21	-4	2	5	0	0	1	4
Nelson Marlborough	-42	-34	34	183	20	4	0	0	165
West Coast	-2	1	14	-12	-9	9	0	0	1
Canterbury	-42	-11	231	292	51	0	1	-3	519
South Canterbury	-5	7	4	0	11	0	1	-1	17
Southern	8	26	-39	-9	-6	0	0	14	-6
National	-530	-702	1468	685	231	-9	22	9	1174

Source: TAS Quarterly Report September 2021

4. Residents

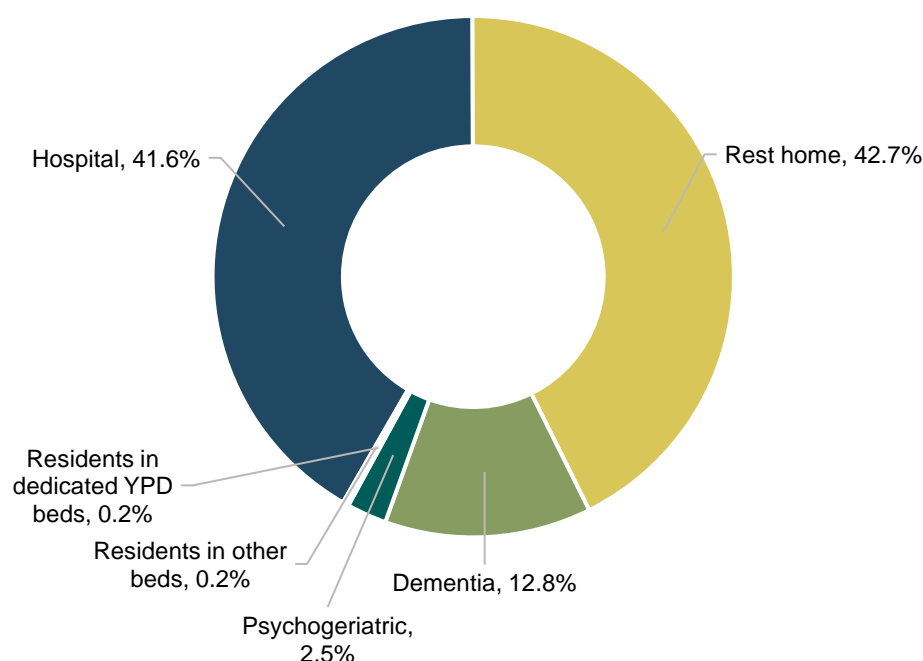
Aged residential care is available in New Zealand for people aged over 65 years who are assessed as being no longer able to live safely and independently in their own home. They receive different services of care over the long or short term, depending on their care requirements.

This section discusses the number of people receiving aged residential care on 30 September 2021.

Residents by type of care

A total of 35,254 residents were receiving care at ARC facilities on 30 September 2021. Of these residents, 43 percent were receiving rest home level care, 42 percent hospital level care, 13 percent dementia care and 2 percent psychogeriatric care (Figure 4.1). 0.2 percent of residents were receiving care in a dedicated YPD bed, while another 0.2 percent were in the other bed category.

Figure 4.1 Percentage of residents receiving each type of care on 30 September 2021



Source: TAS Quarterly Report September 2021

Rest home and hospital residents

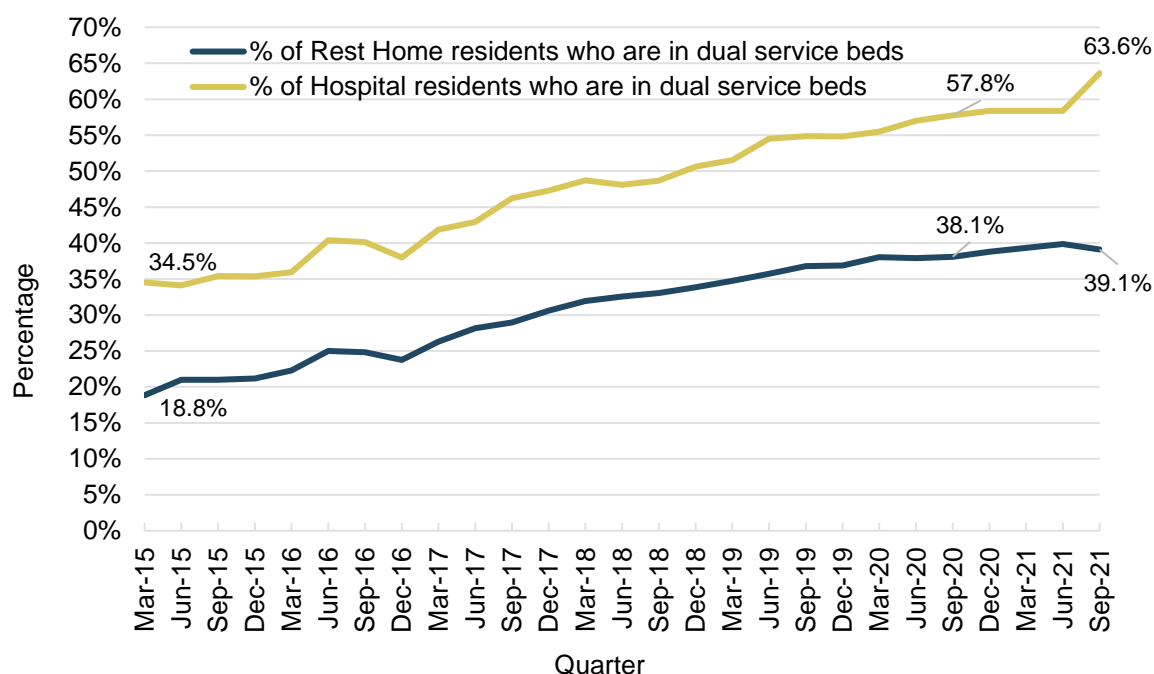
Of the 15,057 residents receiving rest home level care in September 2021, 52 percent were residents occupying dedicated rest home beds, 34 percent were residents receiving rest home level services in a dual service bed, 9 percent were residents who received rest

home level care into their own rest home-only ORA unit, and 5 percent were residents receiving rest home level care into their own dual service ORA unit⁷.

Of the 14,672 residents receiving hospital level care, 36 percent occupied dedicated hospital beds and 64 percent occupied swing beds (normal or ORA) while receiving hospital level care.

Figure 4.2 illustrates the increasing role of dual service beds for both rest home and hospital residents. In March 2015, only 19 percent of rest home residents were in a dual service bed (normal or ORA), but in September 2021 this percentage had risen to 39 percent. In the case of hospital residents, in March 2015, 35 percent were in a dual service bed (normal or ORA), by September 2021 this had risen to 64 percent.

Figure 4.2 Percentage of rest home and hospital residents who are in dual service beds



Source: TAS Quarterly Report September 2021

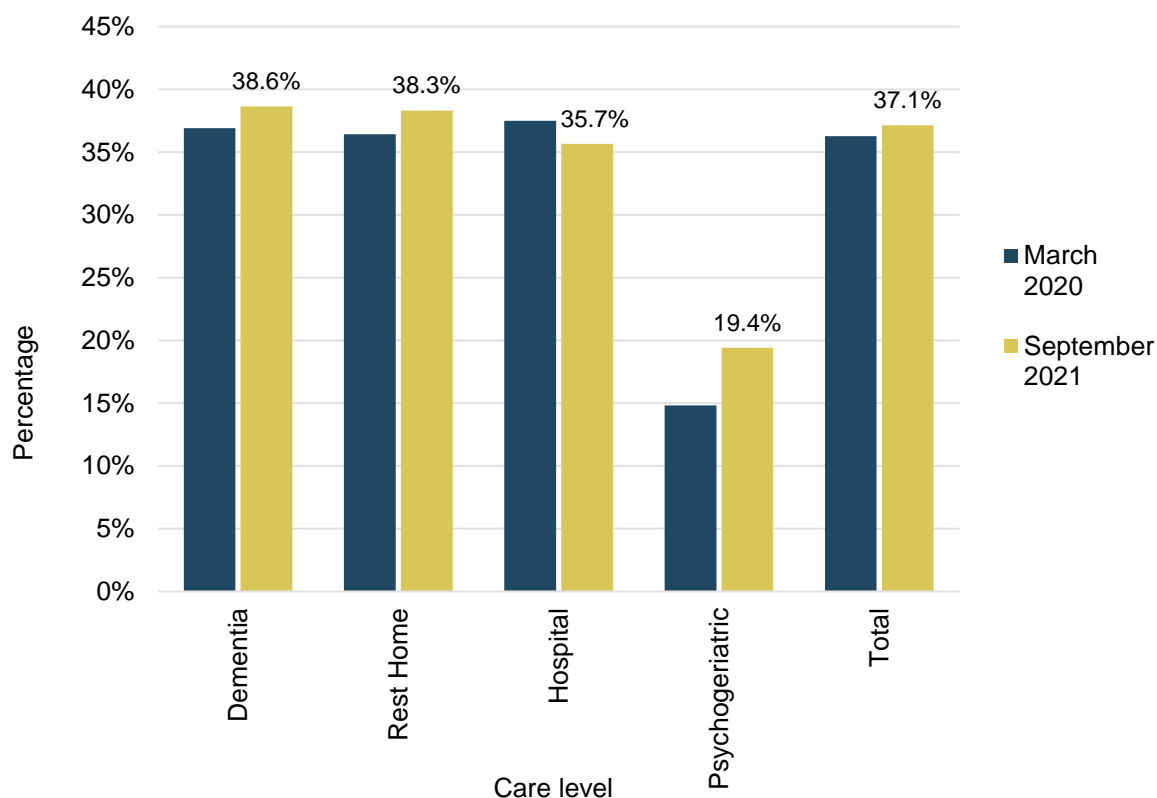
Subsidised and private paying residents

On 30 September 2021, 63 percent of long-term ARC residents received a Residential Care Subsidy (RCS) for their care. This has decreased from 64 percent in March 2020 and 66 percent in March 2018. Figure 4.3 compares the non-subsidised (maximum contributor) percentage of long-term ARC residents across the care levels. This ranges from 38.6 percent of dementia residents (up from 36.9 percent in March 2020), to only 19.4 percent

⁷ ORA swing/dual service unit.

of psychogeriatric residents (up from 14.8 percent). Of those in hospital care, 35.7 percent are non-subsidised and of those in rest home level care, 38.3 percent are non-subsidised.

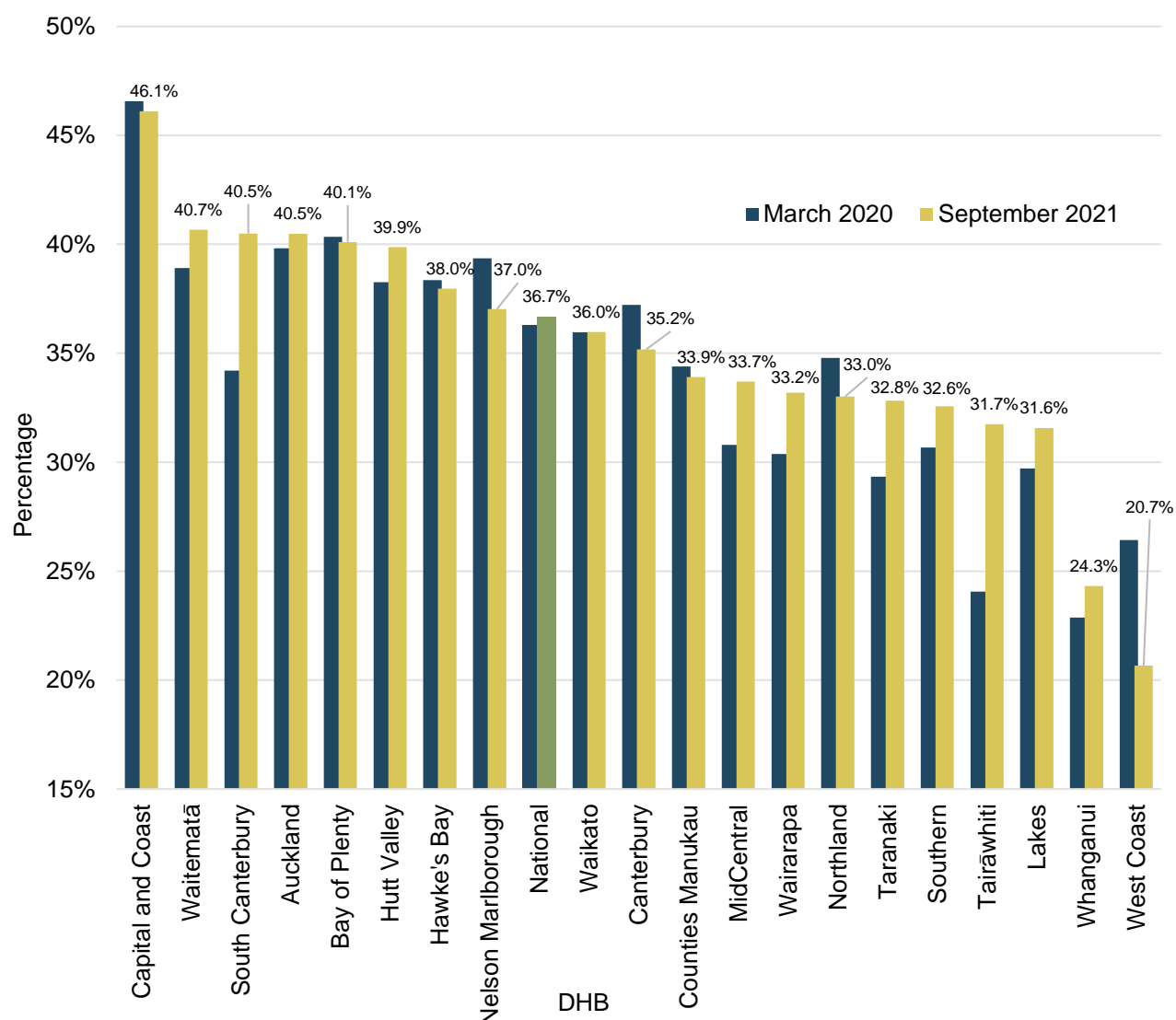
Figure 4.3 Percentage of long-term ARC residents who are non-subsidised, by care level



Source: TAS Quarterly Report September 2021

Figure 4.4 shows the percentage of long-term ARC residents (all care levels) who are non-subsidised across the DHBs. This percentage is highest in the high property value/high income DHBs of Capital and Coast (46.1 percent), Waitematā (40.7 percent) and Auckland and Bay of Plenty (both 40.5 percent). The greatest percentage increase was seen in South Canterbury which jumped from 34.2 percent to 40.5 percent in the 18 months. At the other extreme are Whanganui (24.3 percent) and West Coast (20.7 percent).

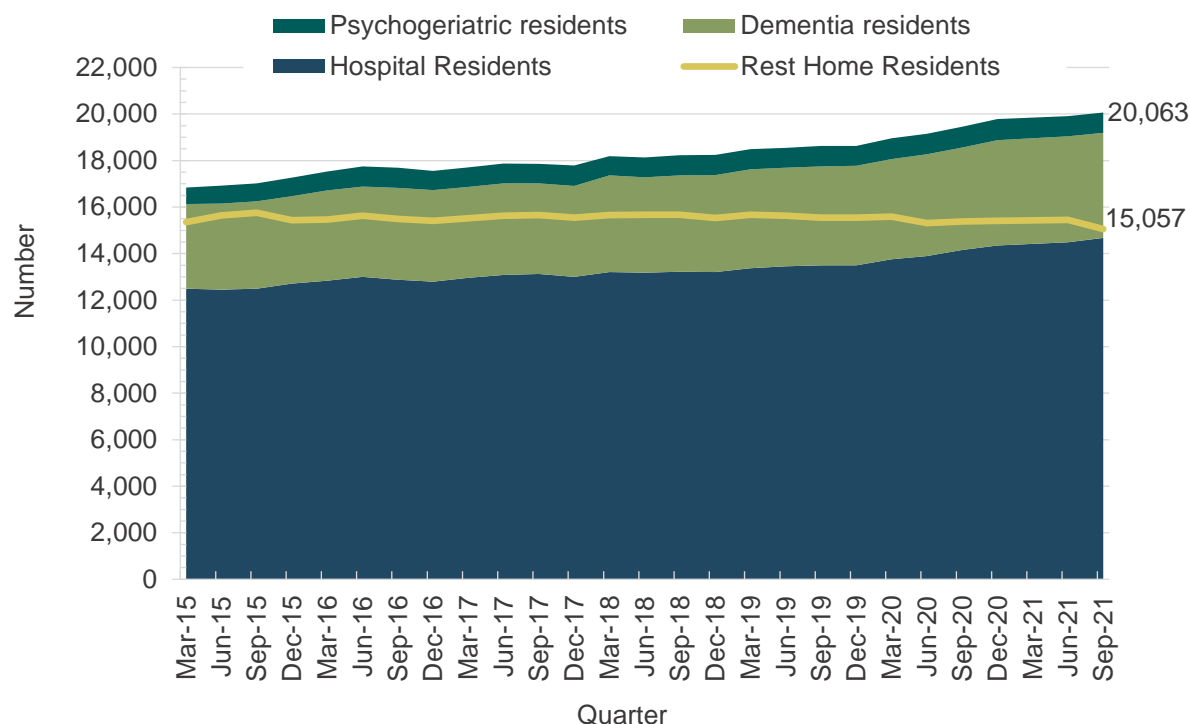
Figure 4.4 Percentage of long-term ARC residents who are non-subsidised, by DHB



Source: TAS Quarterly Report September 2021

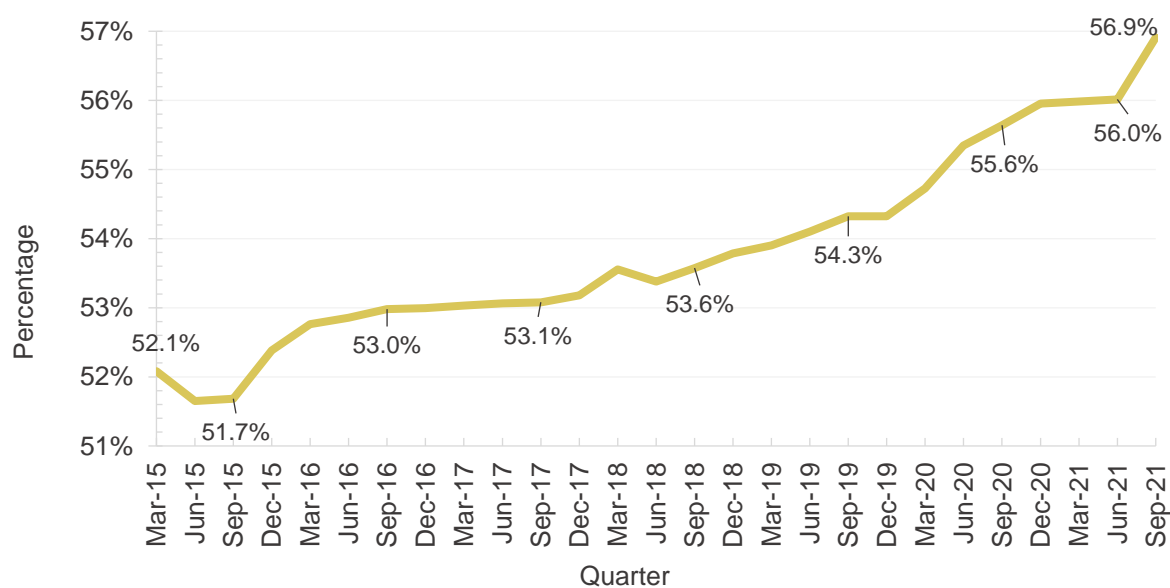
Trends in care levels

Combined, residents receiving the higher care levels (hospital, dementia, and psychogeriatric) outnumber those receiving rest home care. In March 2015, there were 15,354 rest home residents (Figure 4.5) and this decreased to 15,057 in September 2021. In contrast, those at the higher care levels combined grew 19 percent over the period shown, from 16,844 in March 2015 to 20,063 in September 2021.

Figure 4.5 ARC residents by care level 2015–2020

Source: TAS Quarterly Report September 2021

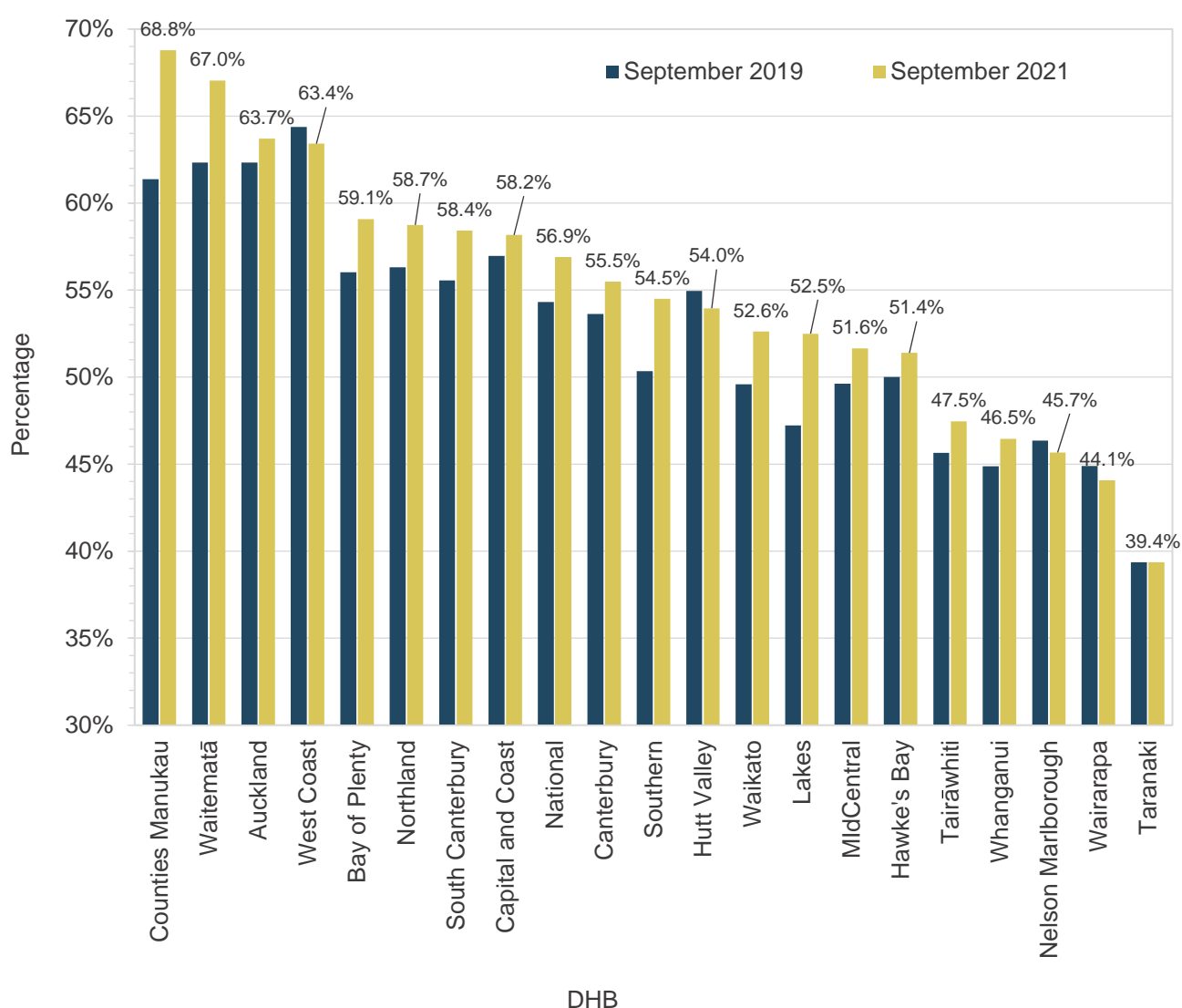
In March 2015 those at the higher care levels combined were 52 percent of total residents, growing to 57 percent of the total in September 2021 (Figure 4.6).

Figure 4.6 Hospital, dementia, and psychogeriatric residents as a % of total residents 2015–2021

Source: TAS Quarterly Report September 2021

Contrasts across the DHB regions in the percentage of residents at the higher care levels are shown in Figure 4.7. It is notable that there is a much higher percentage of residents at the higher care levels in some regions than others. At the high end are the Counties Manukau (69 percent), Waitematā (67 percent) and Auckland (64 percent) DHB regions. At the lower end are the Taranaki (39 percent), Wairarapa (44 percent) and Nelson Marlborough (46 percent) DHB regions. This raises questions over whether residents in some regions are receiving the level of care they need. This question is examined in more detail in the NZACA's 2018 report *Caring for our Older Kiwis: The right place, at the right time* (updated 2022 version underway).

Figure 4.7 Hospital, dementia, and psychogeriatric residents as a % of total residents by DHB



Source: TAS Quarterly Report September 2021

5. Occupancy

Occupancy at a national and DHB regional level is investigated in this chapter. Occupancy information from 2014 to 2021 is sourced from the TAS ARC Quarterly Reporting Survey. Historical data from NZACA Member Profiling Surveys supports analysis of trends over the long term.

Overall occupancy

The national occupancy figure on 30 September 2021 is 86.1 percent, down from 87.3 percent in June 2021 (Figure 5.1). Occupancy in September quarter 2021 is 0.1 percent higher than the lowest recorded occupancy since March 2015, 86 percent in March 2017.

Figure 5.1 Occupancy rate with and without ORA ARRC beds and residents



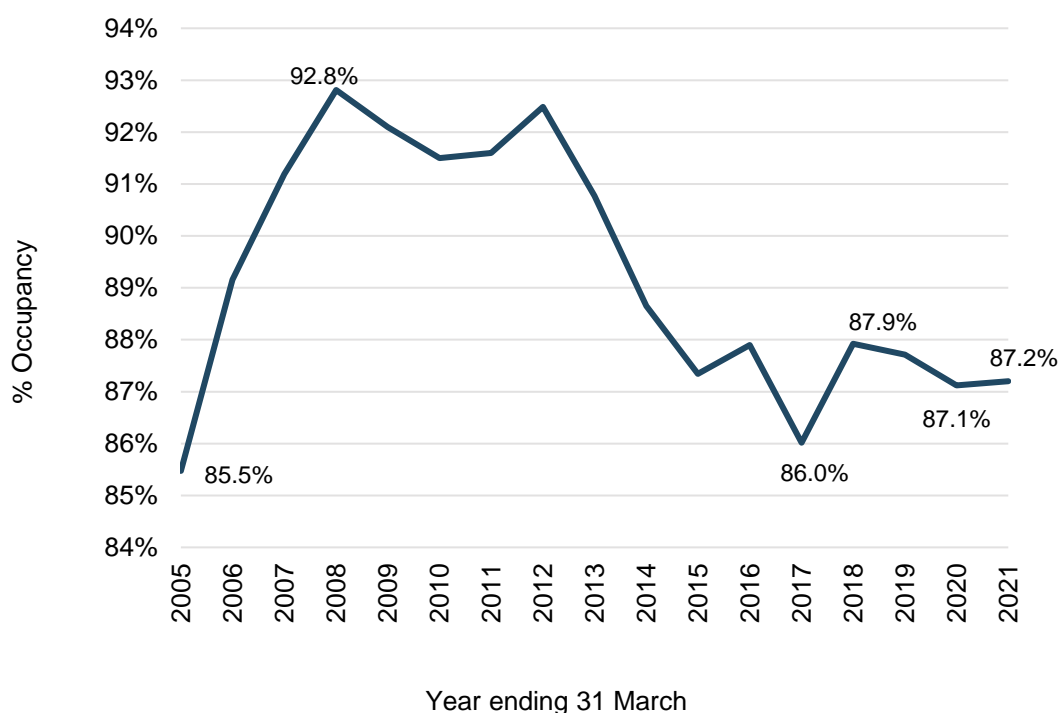
Source: TAS Quarterly Report September 2021

Stop Press: 9 March 2022, the NZACA has calculated occupancy rates from the recently released TAS Quarterly Report December 2021. Occupancy including ORA beds remains relatively unchanged at 86.2%. Occupancy excluding ORA beds and their residents has dropped slightly to 89.1%.

The Quarterly Reporting data allows the ORA ARRC-certified beds and residents occupying these beds to be excluded from occupancy calculations. Figure 5.1 shows the occupancy rate with ORA ARRC-certified bed and residents excluded. This stands at 89.4 percent, down from 90.5 percent in June 2021. Figure 5.1 also includes four-quarter moving average occupancy lines that smooth out the seasonal dip in occupancy that occurs in the December quarter to help reveal underlying trends.

Figure 5.2 illustrates changes in occupancy over the long term, including the 2005-2012 period before the current Quarterly Reporting survey began. The data suggests that occupancy peaked at 93 percent in 2008, which approaches nominal full occupancy (95 percent). However, occupancy has been below 90 percent since the current Quarterly Reporting survey began in September 2013, with occupancy in March 2021 being slightly higher than the previous year.

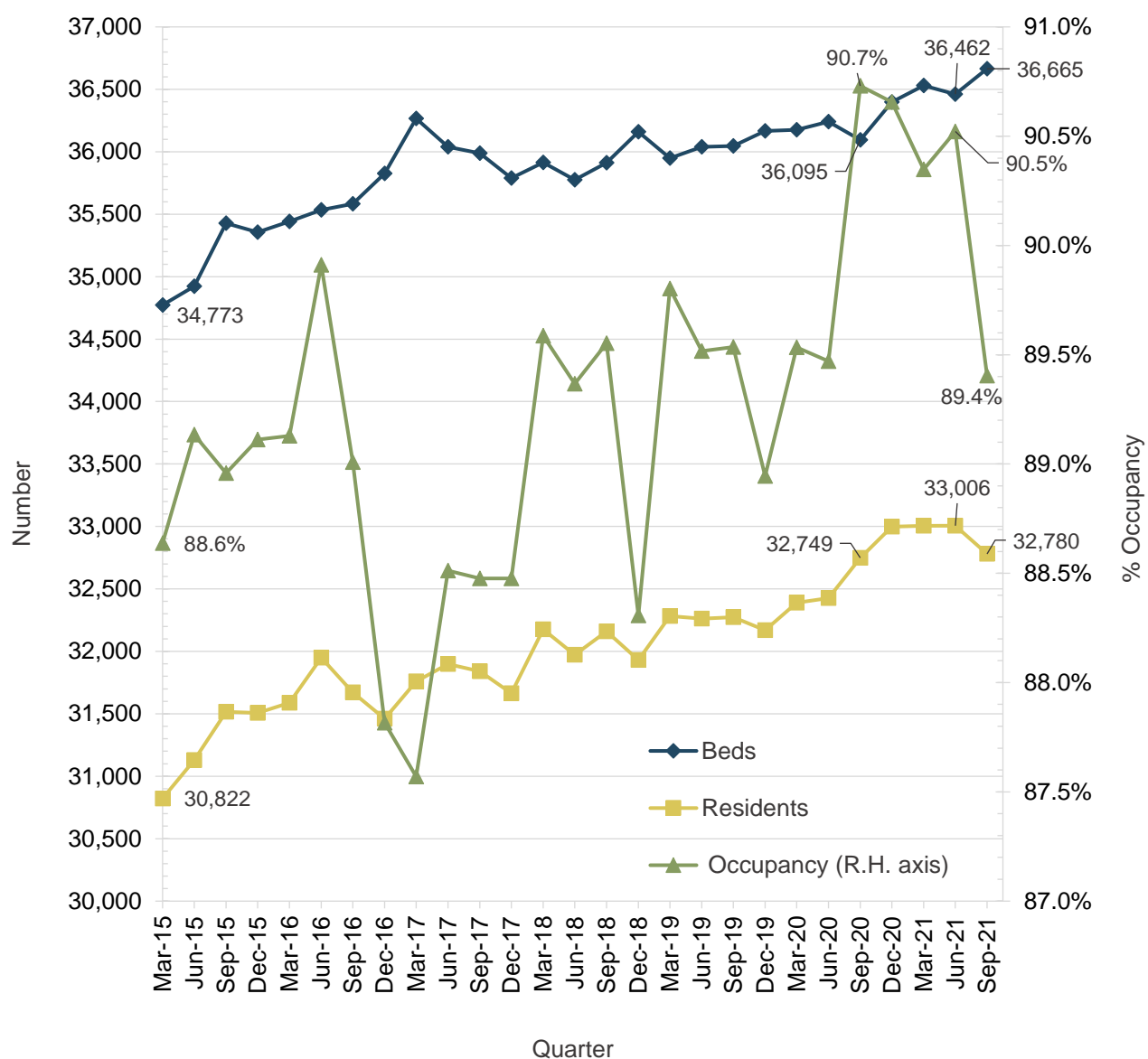
Figure 5.2 Long-term trend in overall occupancy, year ending 31 March



Source: TAS Quarterly Report September 2021

The growth in bed and resident numbers since March 2015 is shown in Figure 5.3, together with the occupancy rate. Figure 5.3 shows that both ARC beds and residents have grown steadily over most of the period, with a dip in resident numbers in the September 2021 quarter. Short term dips in resident numbers (particularly notable in December quarters) cause marked falls in the occupancy rate when accompanied by opening of new capacity.

Figure 5.3 Trends in beds, residents, and occupancy, excluding ORAs



Source: TAS Quarterly Report September 2021

Occupancies across the different service types for each DHB region are shown in Table 5.1.

Table 5.1 Occupancy across each DHB for service types excluding ORAs, September 2021

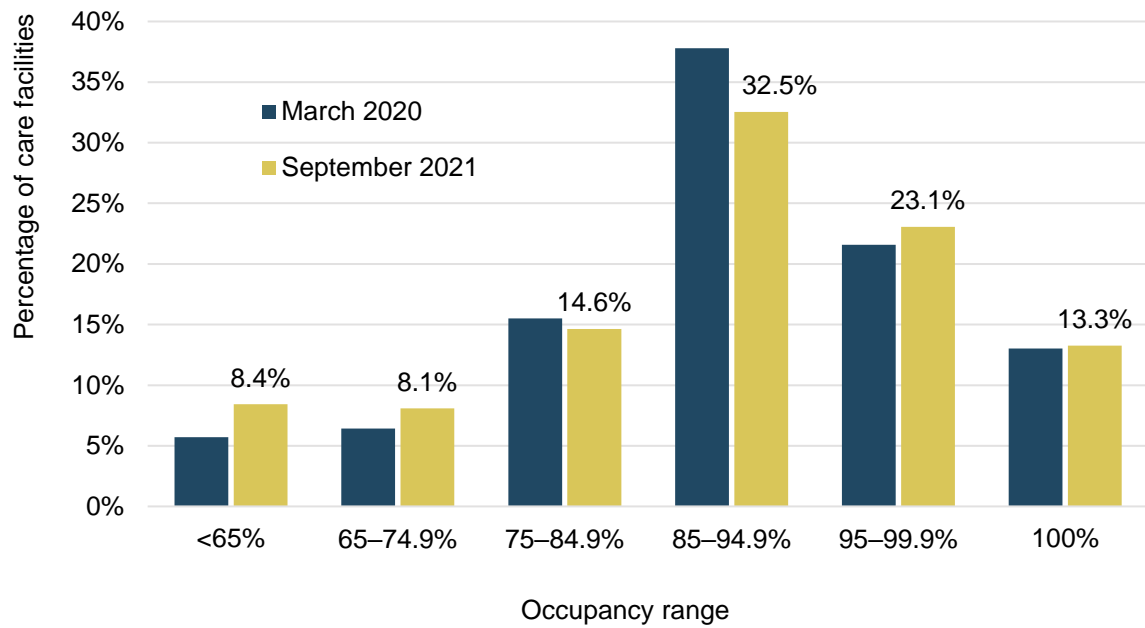
DHB	Dedicated rest home beds	Dedicated hospital beds	Dual service beds	Dementia beds	Psycho-geriatric beds	Dedicated YPD beds	Other beds	Total beds
Northland	96.4%	93.8%	96.9%	95.3%	80.0%	100.0%	100.0%	95.4%
Waitematā	81.1%	88.1%	88.5%	85.8%	92.9%	100.0%	100.0%	87.0%
Auckland	85.3%	91.5%	91.4%	88.9%	91.3%	69.2%	75.0%	89.7%
Counties Manukau	93.0%	93.6%	92.0%	93.8%	95.1%	100.0%	66.7%	92.6%
Waikato	94.7%	91.6%	85.0%	82.4%	62.1%	75.0%	23.5%	87.7%
Lakes	91.8%	97.1%	71.2%	90.9%	90.9%	100.0%	n/a	82.2%
Bay of Plenty	95.0%	95.8%	92.2%	97.6%	90.0%	n/a	0.0%	93.7%
Tairāwhiti	87.7%	n/a	83.1%	96.0%	n/a	n/a	n/a	85.7%
Taranaki	87.7%	75.3%	90.2%	93.2%	95.0%	n/a	92.3%	89.0%
Hawke's Bay	95.2%	94.8%	90.8%	98.6%	97.8%	84.6%	100.0%	93.9%
MidCentral	83.3%	85.8%	85.6%	81.7%	60.0%	n/a	90.0%	84.0%
Whanganui	87.3%	89.9%	90.5%	91.1%	90.0%	100.0%	n/a	89.5%
Capital and Coast	86.9%	91.8%	91.8%	95.5%	96.6%	100.0%	100.0%	91.3%
Hutt Valley	89.7%	89.0%	94.0%	95.0%	92.9%	100.0%	81.8%	92.5%
Wairarapa	94.4%	69.0%	95.8%	76.7%	n/a	n/a	33.3%	88.7%
Nelson Marlborough	90.7%	94.4%	89.3%	77.1%	84.0%	n/a	0.0%	87.6%
West Coast	85.7%	96.8%	97.0%	100.0%	100.0%	n/a	n/a	96.1%
Canterbury	89.2%	89.0%	87.5%	86.0%	95.0%	100.0%	0.0%	88.1%
South Canterbury	94.4%	92.7%	83.7%	96.7%	100.0%	100.0%	33.3%	90.8%
Southern	90.3%	89.6%	88.7%	93.6%	93.8%	n/a	12.5%	89.8%
National	90.3%	92.2%	90.4%	91.2%	92.6%	90.1%	49.6%	90.7%

Source: TAS Quarterly Report September 2021

Care facility occupancy ranges

Thirty six percent of care facilities were at “full” occupancy (95 percent or higher) in September 2021 (Figure 5.4). This includes the 13 percent of care facilities that have 100 percent occupancy. There has been little fluctuation in these percentages in recent years, with 36 percent of care facilities at full occupancy in March 2018 and 34 percent in March 2020.

Thirty three percent of care facilities in September 2021 had occupancy in the range of 85–94.9 percent, down from 38 percent in March 2020.

Figure 5.4 Percentage of care facilities within each occupancy band for 2020 and 2021

Source: TAS Quarterly Report March 2020 and September 2021

6.ARC workforce

The NZACA Member Survey analysed 17 staff categories of the ARC workforce. These 17 categories are split into two broad groups: care and non-care staff.

- Care staff refers to employees working directly with residents and their care needs. This includes nurse/clinical managers, registered nurses, enrolled nurses,⁸ caregivers, diversional therapists, occupational therapists and physiotherapists and assistant physiotherapists.
- Non-care staff refers to employees who do not have direct contact with residents and their care needs including facility managers, office administration staff, chefs, cooks, kitchen hands, garden/maintenance staff, cleaning and laundry staff, and home assistants.

Composition and annual turnover of the ARC workforce

Table 6.1 Workforce in respondents' care facilities by staff category, December 2021*

	Staff Category	Number of staff	Number of current vacancies	Number of staff departures in past 12 months	Annual turnover rate (%)
Care Staff	Clinical Manager	591	39	194	33%
	Registered Nurse	3,265	494	1,577	48%
	Enrolled Nurse ⁹	224			
	Caregiver	11,292	354	2,887	26%
	Activities Coordinator	931	46	244	26%
	Occupational Therapist	9	1	2	22%
	Physiotherapist	24	5	17	71%
	Assistant Physiotherapist	48	0	1	2%
	Total Care Staff	16,384	939	4,922	30%
Non-Care Staff	Facility Manager	346	29	78	23%
	Office Administration Staff	735	29	146	20%
	Chef (qualified)	290	29	78	27%
	Cook (unqualified)	480	59	179	37%
	Kitchen Hand	1,169	84	431	37%
	Gardening/Maintenance Staff	749	57	135	18%
	Cleaning Staff	1,579	109	450	29%
	Laundry Staff	588	42	125	21%
	Home Assistants	374	26	109	29%
	Total Non-Care Staff	6,311	464	1,732	27%
	Total Staff	22,695	1,403	6,654	29%

Source: NZACA Member Profiling Survey December 2021

*refer table 6.2 for estimated industry-wide vacancy figures.

⁹ The survey did not require vacancy or departure information for Enrolled Nurses.

NZACA editor's note. Based on the figures in Tables 6.1 and 6.3, an industry-wide estimate of the number of current and pending RN and CNM vacancies as of December 2021 is provided below. Responses from the NZACA Members Profiling Survey 2021 were scaled up using the percentage of beds in the sample to represent the full sector. While a margin of error applies, these results corroborate research conducted by the NZACA in both July and September 2021.

Given the high proportion of responses from publicly listed providers to the survey, the NZACA considers the RN and CNM vacancy rate is likely higher than what is shown below.

Table 6.2 Estimated industry wide vacancy rates for CNMs and RNs, December 2021

Employment Status	Estimated currently employed	Estimated departures over last year	Estimated currently working out notice	Estimated current vacancies	Estimated current and pending vacancies
Clinical Nurse Managers					
Full Time	710	239	34		
Part Time	126	35	3		
Total CNMs	836	274	37	55	92
Registered Nurses					
Full Time	3,541	1,805	93		
Part Time	1,077	426	23		
Total RNs	4,618	2,231	116	699	815
Total CNMs + RNs	5,454	2,505	153	754	907

Source: NZACA estimates based on NZACA Member Profiling Survey December 2021

Table 6.3 Nursing and caregiving workforce in respondents' care facilities by work status, December 2021

	Employment Status	Employed by respondents	Percentage by employment status	Departures over last year	Working out notice	Annual turnover (%)
Clinical Nurse Managers						
	Full Time	502	85%	169	24	34%
	Part Time	89	15%	25	2	28%
	Total	591	100%	194	26	33%
Registered Nurses						
	Full Time	2,503	77%	1,276	66	51%
	Part Time	762	23%	301	16	40%
	Total	3,265	100%	1,577	82	48%
Caregivers						
	Full Time	6,193	55%	1,427	50	23%
	Part Time	5,099	45%	1,460	45	29%
	Total	11,292	100%	2,887	95	26%
Activities Coordinators						
	Full Time	484	52%	119	7	25%
	Part Time	447	48%	125	7	28%
	Total	931	100%	244	14	26%

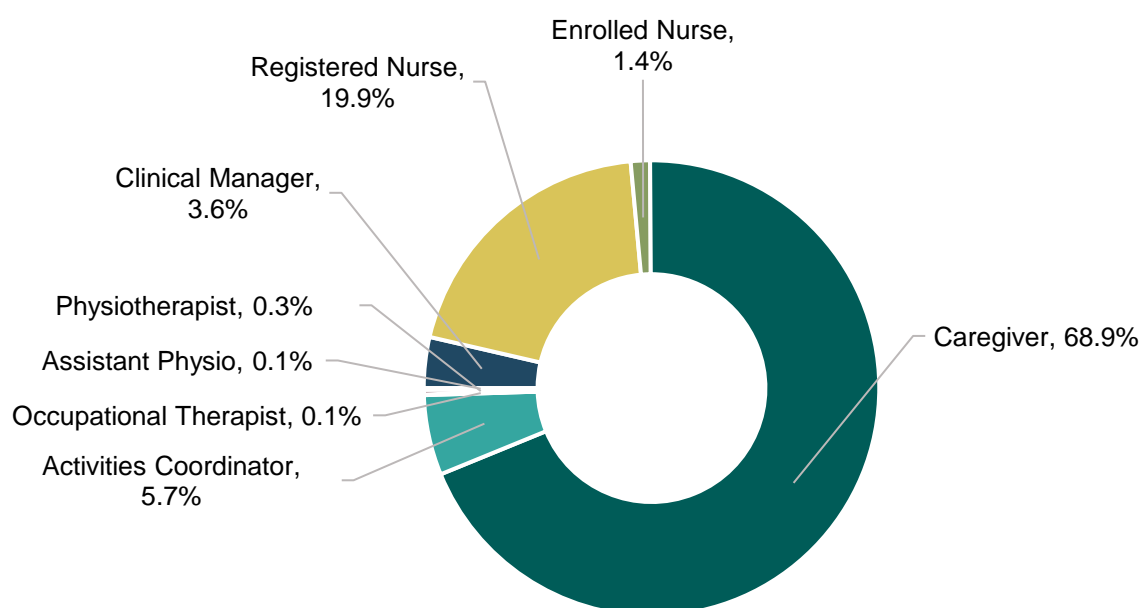
Source: NZACA Member Profiling Survey December 2021

CNMs and RNs are predominantly employed in full time positions, while caregivers and activities coordinators have a more even spread across full and part time work status.

Table 6.3 breaks down the total turnover rate presented in Table 6.1 by work status. Annual turnover of CNMs and RNs is higher among the full time workforce, than the part time. In the case of RNs, the turnover rate for full time workers is 11 percentage points higher. Additionally, annual turnover for full time RNs was 34 percent in 2019, so the full time annual turnover rate has increased by 17 percentage points. For part time RNs, the increase on 2019 is 10 percentage points.

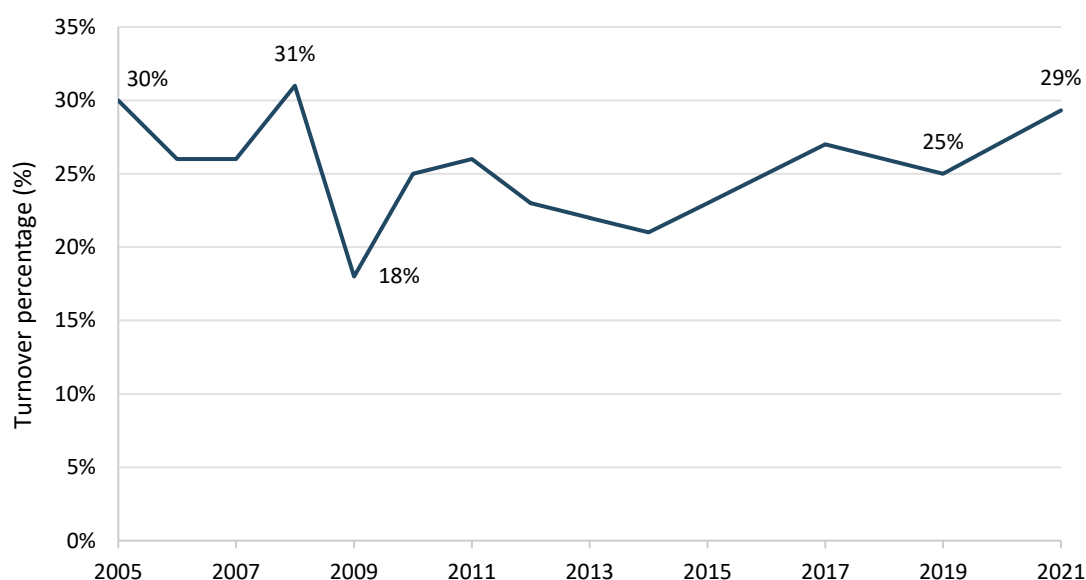
For caregivers and activities coordinators, the part time workforce has a higher annual turnover. These roles have also seen an increase on 2019 annual turnover rates. Full time activity coordinator turnover increased from 16 percent in 2019 to 25 percent in 2021, while part time turnover increased five percent. Turnover for full time caregivers in 2019 was 22 percent, with a small increase in 2021. However, turnover for the part time workforce increased from 24 percent to 29 percent.

Caregivers accounted for the largest proportion of the care workforce in 2021 at 68.9 percent (Figure 6.1), a slight decrease from 72 percent in 2019. RNs made up 19.9 percent of the workforce, followed by activities coordinators (ACs) at 5.7 percent, and CNMs at 3.6 percent. Enrolled nurses (ENs) were 1.4 percent of the care staff workforce, while other roles each made up less than one percent of the workforce (physiotherapist 0.3 percent and assistant physiotherapist and occupational therapist, both 0.1 percent).

Figure 6.1 Composition of the care staff workforce, December 2021

Source: NZACA Member Profiling Survey December 2021

Annual turnover trends

Figure 6.2 Annual turnover trend, 2005 to 2021

Source: NZACA Member Profiling Survey December 2021

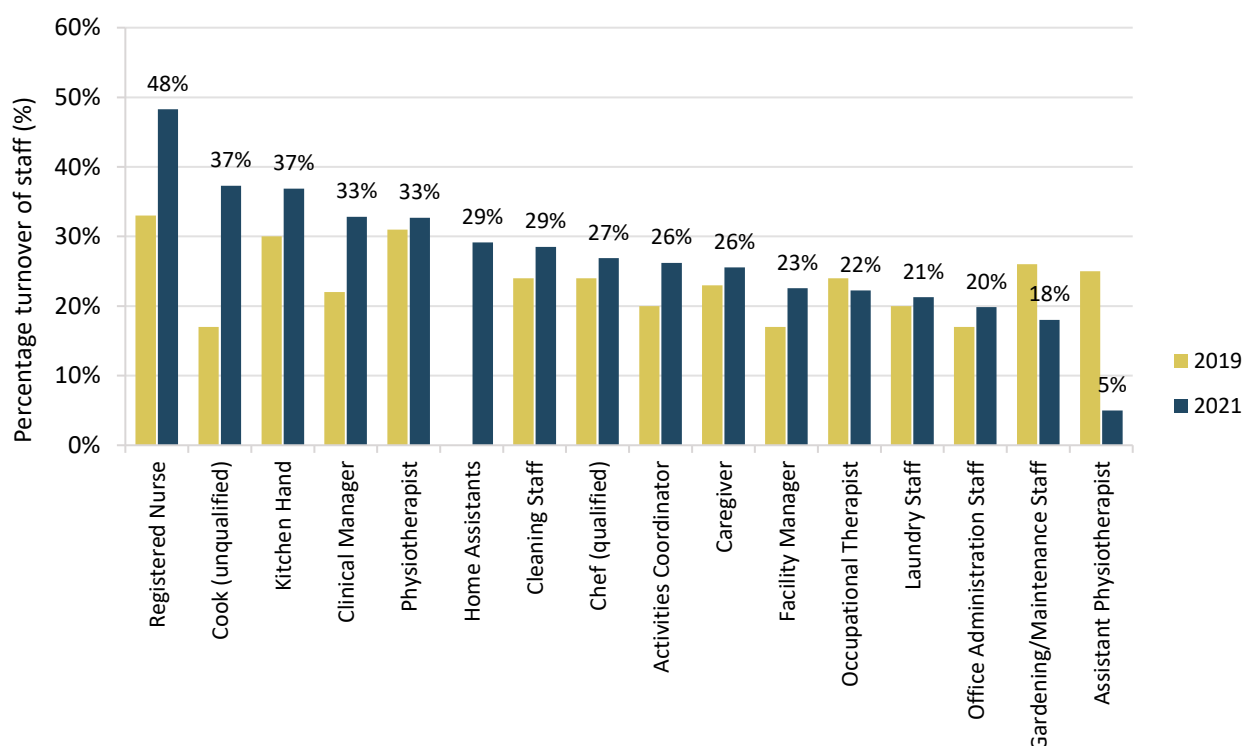
The overall annual turnover of the ARC workforce has fluctuated widely over the past 14 years (Figure 6.2). Previously, the annual turnover of all staff categories reached high rates of turnover in 2008 (31 percent) and 2005 (30 percent). 2021 has the third highest annual turnover rate at 29 percent, up from 25 percent in 2019.

Annual turnover by staff category is shown in Figure 6.3, in descending order of 2021 turnover. The figure includes 2019 results to show how turnover shifted over the two time points.

Some staff categories have seen substantial increases in annual turnover rates since the December 2019 survey. In particular, the annual turnover rate for RNs increased from 33 percent to 48 percent, a staggering turnover rate. Additionally, CNM turnover increased 11 percentage points from 2019 to 2021, to 33 percent. Caregiver turnover increased 3 percentage points over the same time period. Overall, care staff turnover increased from 25 to 30 percent.

Non-care staff annual turnover increased slightly overall, from 26 percent in 2019 to 27 percent. Among non-care staff, annual turnover of unqualified cooks was 37 percent, up from 17 percent in 2019. However, home assistants were more stable and their turnover rate nearly halved from 52 percent to 29 percent.

Figure 6.3 Annual turnover by staff category compared with 2019



Source: NZACA Member Profiling Survey December 2021

Table 6.4 shows where departing staff went, including RNs and ENs, caregivers and health care assistants (HCAs), and ACs and diversional therapists (DTs). As with previous surveys, this information can indicate whether a departure is a net loss to the ARC sector, therefore supporting sector workforce planning.

For situations where the destination was known, most departing RNs and ENs stayed within the health sector and moved to District Health Board (DHB) hospitals (46.4 percent), other ARC providers (14.3 percent), or to other health sector related roles.

Table 6.4 Where ex-employees went, December 2021

Where they went	RNs/ENs	Caregivers/ HCAs	ACs/DTs
To a DHB hospital	46.4%	11.1%	1.3%
To another ARC provider	14.3%	12.2%	25.3%
To work in MIQ	0.7%	0.3%	0.0%
To work as a COVID-19 vaccinator	1.6%	2.0%	0.0%
To another non-aged care NZ health sector employer	12.2%	5.5%	8.0%
Moved location (within NZ) ¹⁰	14.3%		
Moved location (out of NZ) ¹⁰	2.9%		
Overseas due to visa expiry (internationals) ¹¹		3.1%	1.3%
Overseas for other reasons (internationals) ¹¹		3.3%	2.7%
Overseas (NZers) ¹¹		1.0%	1.3%
Out of the paid workforce	3.0%	15.3%	24.0%
Retired	4.5%		
Don't know where they went ¹¹		46.3%	36.0%
Total HCAs/ACs/DTs leaving of which destination known		53.7%	64.0%
Estimated total leaving the ARC industry	1,136	2,084	191

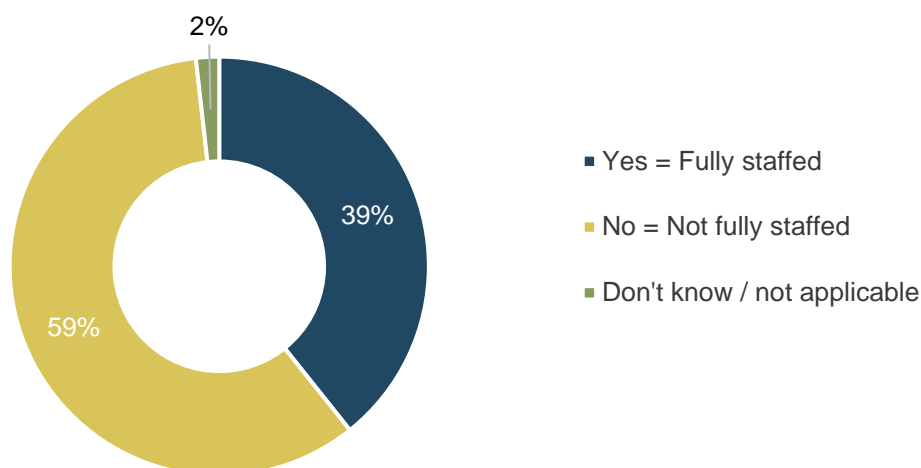
Source: NZACA Member Profiling Survey December 2021

¹⁰ This option was only provided for RN/EN departures.

¹¹ This option was only provided for caregiver/HCA and AC/DT departures.

Impact of Registered Nurse staffing levels on Clinical Nurse Managers

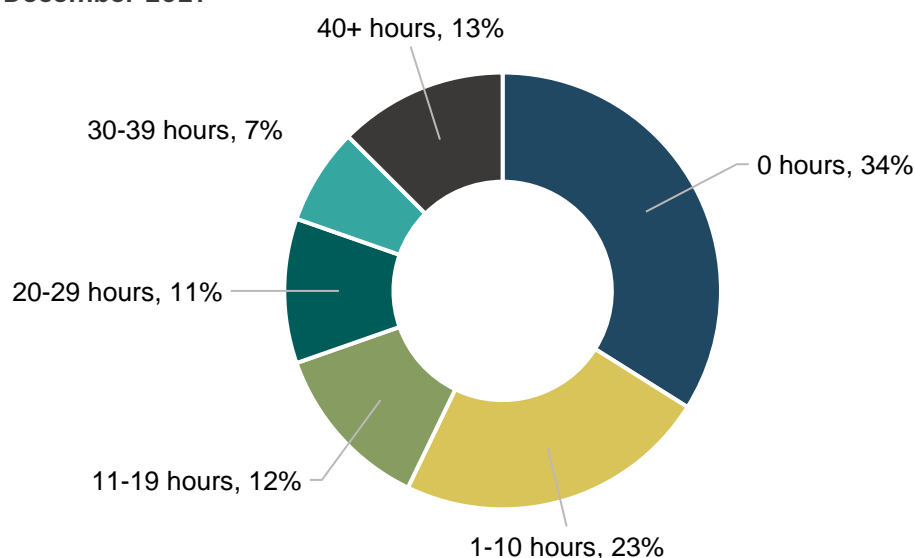
Figure 6.4 Percentage of care facilities fully staffed with RNs, December 2021



Source: NZACA Member Profiling Survey December 2021

Respondents were asked if their care facilities were fully staffed with RNs now (Figure 6.4). The vast majority answered no (59 percent), while 39 percent said yes. They were subsequently asked about the impact of this on CNM working hours.

Figure 6.5 Hours per week worked by CNMs on floor when care facility fully staffed with RNs, December 2021



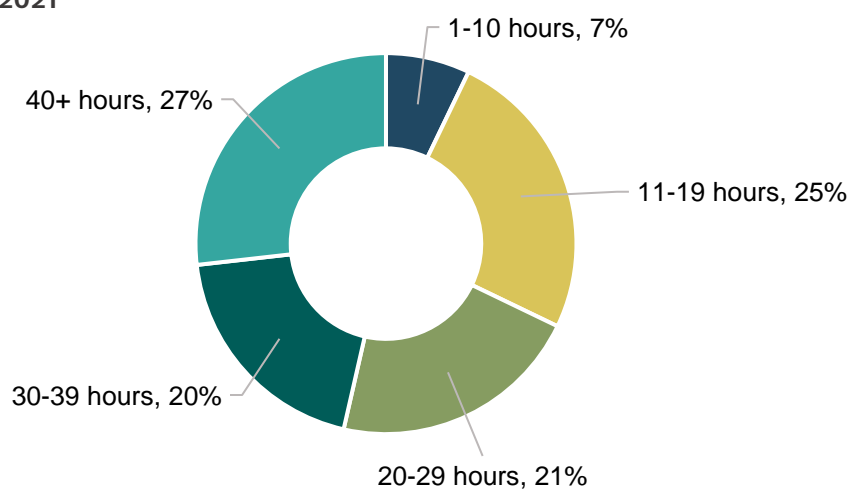
Source: NZACA Member Profiling Survey December 2021

When care facilities were fully staffed with RNs, CNMs worked an average of 13.6 hours “on the floor” (Figure 6.5). Around a third worked no hours on the floor, with an additional 23 percent working 10 hours or fewer. However, some CNMs worked considerable additional hours, with 13 percent working 40 or more hours on the floor.

When care facilities were short-staffed of RNs, the percentage of CNMs working 40 or more hours on the floor rose to 27 percent (Figure 6.6). A further 41 percent worked between 20 and 39 hours on the floor, and a quarter worked 11 to 19 hours on the floor.

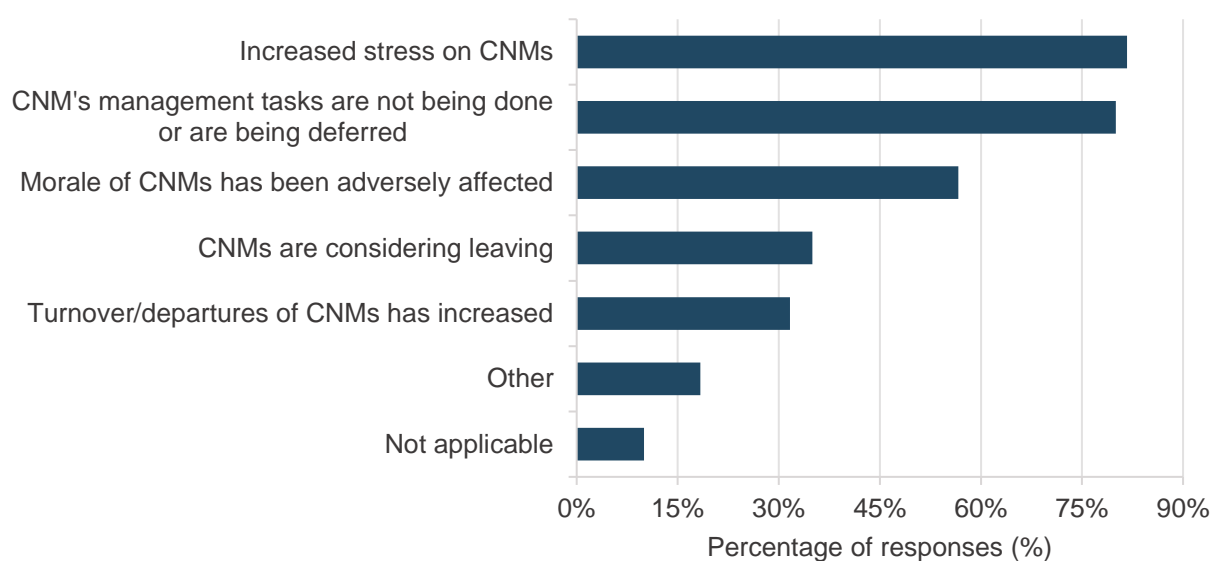
The effects of CNMs working more hours on the floor are listed in Figure 6.7. Eighty two percent of CNMs experienced more stress, while 80 percent were not doing or were deferring their management tasks. Over half of CNMs had lower morale (57 percent), while actual turnover rates and turnover intentions also increased (32 percent and 35 percent respectively).

Figure 6.6 Hours per week worked by CNMs on floor when care facility has shortage of RNs, December 2021



Source: NZACA Member Profiling Survey December 2021

Figure 6.7 Effects of CNMs working more hours on floor, December 2021

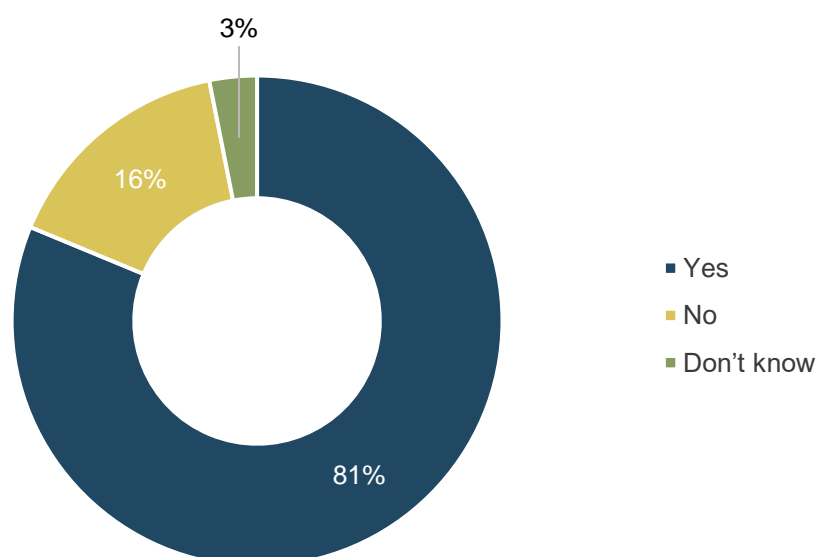


Source: NZACA Member Profiling Survey December 2021

7. Immigration

This section presents the results of questions from the 2021 NZACA Member Survey on the contribution migrant staff make to the aged residential care industry. The majority of respondents had migrant staff on a range of visas that permit work (Figure 7.1).

Figure 7.1 Percentage of respondents with staff on visas, December 2021



Source: NZACA Member Profiling Survey December 2021

Registered nurses, clinical and facility managers on visas

A total of 1,393 RNs, 87 CNMs, and 51 facility managers (FMs) were on visas. This is 42.7 percent of respondents' RN workforce, up from 40 percent in 2019. For RNs, the most common visa type was Resident visas (34.1 percent), and a further 27.1 percent were on Essential Skills or other temporary work visas (Table 7.1). The number of RNs on Long Term Skill Shortage List visas has decreased since 2019, likely a feature of changing immigration settings, the COVID-19 pandemic, and an increase in RNs departing to work for DHBs. The majority of CNMs and FMs were also on Resident visas, with a lesser number on Work to Residence visas.

Table 7.1 Percentage of RNs, CNMs, and FM's by visa type, December 2021

Visa type	RNs	CNMs	Facility Managers
Work to Residence (including Long Term Skill Shortage List work visa and Talent work visa)	14.1%	21.8%	11.8%
Essential Skills Work visa or other temporary work visa that is NOT Work to Residence	27.1%	2.3%	3.9%
Resident Visa / Permanent Resident Visa	34.3%	64.4%	76.5%
Is an IQN but no information on visa type or residence status available	10.1%	8.0%	0.0%
Other Visa	14.4%	3.4%	7.8%
Total on visas	100.0%	100.0%	100.0%

Source: NZACA Member Profiling Survey December 2021

Other staff on visas

Nearly four thousand caregivers and AC/DTs were on visas in December 2021, around a third of this workforce employed by respondents. Of these, over half were on temporary work visas, with another third on resident visas (Table 7.2). The number on temporary work visas has decreased by seven percentage points since 2019.

Table 7.2 Percentage of caregivers and AC/DTs per pay band by visa type, December 2021

Visa Type	L0	L2	L3	L4 (L4a + L4b)	Level not known	Total
Number on temporary work visa	57.7%	54.1%	40.9%	60.0%	73.6%	57.4%
Number on resident visa	36.6%	41.1%	52.6%	31.9%	6.5%	34.4%
Number on visas by type unknown	5.7%	4.8%	6.5%	8.1%	19.8%	8.2%
Total visas	100%	100%	100%	100%	100%	100%

Source: NZACA Member Profiling Survey December 2021

Length of employment of staff on visas

Table 7.3 presents findings on the length of RNs' employment at ARC facilities, and how this duration relates to experience and whether they are New Zealand (NZQN) or internationally qualified nurses (IQNs). The median length of employment for NZQN graduates is around one year, which has halved since 2019, while NZQNs with around one to four years' experience has remained at around two years.

This is a similar length of time to IQNs with new registrations on work to residence visas, with more than two years' New Zealand experience and on resident visas or with citizenship. In 2019, the most experienced IQNs tended to stay longer with a median length of employment of around four years. The length of NZQN median employment also decreased from five years in 2019.

Table 7.3 Length of RN employment at respondents' care facilities, December 2021

	Average (years)	Median (years)
NZ Qualified, graduates	1.8	1.0
NZ Qualified, 1-4 years' experience	2.0	2.0
NZ Qualified, 5+ years' experience	5.3	3.5
IQNs with new NZ registration on a work to residence visa	1.9	2.0
IQNs with new NZ registration on a temporary work visa that is NOT a work to residence visa	1.6	1.7
IQNs with 2-4 year's NZ experience and on a resident visa	2.1	2.0
IQNs, 5+ year's NZ experience on a resident visa or with citizenship	2.8	2.0

Source: NZACA Member Profiling Survey December 2021

Around 40 percent of RNs and caregivers/HCAs on temporary work visas left respondents' care facilities in the previous 12 months (Table 7.4). Over half of workers in other roles who left were on resident visas (56.9 percent).

Table 7.4 Percentage of staff departures within last 12 months by visa type, December 2021

Staff departures by visa type	RNs	Caregivers / HCAs	Other Roles
Departures of those on temporary work visa	40.8	40.3	32.6
Departures of those on a resident visa	32.3	33.5	56.9
Departures where the visa type is unknown	26.9	26.2	10.6
Total	100.0	100.0	100.0

Source: NZACA Member Profiling Survey December 2021

Length of caregiver/healthcare assistant employment

The median length of time for caregiver/HCA employment of those who are New Zealand citizens is considerably longer than that of migrant workers (5.3 years) (Table 7.5). Those on essential skills or similar temporary visas had the shortest median stay (2 years).

Table 7.5 Length of caregiver/HCA employment at respondents' care facilities, December 2021

	Average (years)	Median (years)
NZ citizens	8.0	5.3
Migrants who are permanent residents	5.8	4.0
Migrants on a work to residence visa	3.8	3.0
Migrants on essential skills or similar temporary work visa	10.8	2.0

Source: NZACA Member Profiling Survey December 2021

Country of origin

The distribution of the care facility workers who are on visas is shown in Table 7.6. The Philippines is the most common country of origin for RNs (39.3 percent down from 41 percent in 2019) and the second most common for caregivers (unchanged from 2019). India is the most common country of origin for caregivers (40.2 percent up from 26 percent), and the second most common for 37.2 percent of RNs (up from 32 percent).

Table 7.6 Country of origin of workers on visas, December 2021

Country of origin	RNs	Caregivers / HCAs	Other Roles
Philippines	39.3%	34.8%	37.0%
India	37.2%	40.9%	36.2%
Malaysia	0.1%	0.2%	0.0%
Indonesia	0.0%	0.1%	0.1%
Singapore	0.1%	0.0%	0.0%
United Arab Emirates	0.0%	0.0%	0.0%
China	0.9%	0.5%	0.0%
Other Asia	0.7%	1.7%	0.4%
Pacific Islands	0.1%	4.9%	1.3%
United Kingdom and Irish Republic	0.4%	0.2%	0.2%
Rest of Europe	0.2%	1.2%	0.2%
South Africa	0.5%	0.6%	0.4%
North America	0.1%	0.0%	0.1%
South America	0.1%	0.1%	0.1%
Unknown	20.0%	13.6%	23.8%
Other	0.2%	1.1%	0.2%
Total	100.0%	100.0%	100.0%

Source: NZACA Member Profiling Survey December 2021

Initiatives to recruit and retain New Zealanders

Table 7.7 Number of initiatives currently in place or in development, December 2021

Staff roles affected by initiatives	Current	In Development
Registered Nurse	50	12
Enrolled Nurse	19	5
Caregiver/HCA	36	4
Activity Coordinator/Diversional Therapist	20	3
Other Care	12	2
Other	9	3
Non-Care	12	3
Total	158	32

Source: NZACA Member Profiling Survey December 2021

Respondents were asked about the initiatives they have in place, or are developing, to recruit and/or retain more New Zealand citizens in nursing, caregiving and other roles. There were 158 initiatives in place and 32 in development at the time of the survey (Table 7.7). Around one third of the initiatives in place or in development were for RNs. There were also a number in place for caregiver/HCAs and AC/DTs.

Comment on initiatives to recruit/retain New Zealanders

Responses to this section reflected the current RN workforce crisis, with a number of respondents commenting that the dire shortage of nurses was making any recruitment initiative futile.

Major group respondents were more likely to have initiatives in the pipeline with one independent respondent commenting that, “A small single operator does not have the resources to design and manage initiatives to recruit”.

Some providers relied on providing a supportive working environment with a strong culture and team spirit to retain staff and attract new staff through word of mouth. Others are using financial incentives including starting sick leave from day one, bonus payments upon completing six months or one year employment, and accommodation supplements to help new staff settle, particularly in remote areas.

Several respondents noted working with Careerforce and local universities, polytechnics, and high schools (work experience) to increase awareness of the sector and to support students to move into the aged care career pathway. Providers shared concerns that NZ is not training enough nurses

Insufficient funding was again raised as a major barrier to recruiting and retaining RNs; “The main reason we are unable to recruit or retain more New Zealanders in general relates to pay. This is mainly true for RNs where we are unable to compete with rates offered by the DHB”. With another respondent adding, “We urgently need pay parity with DHBs to be able to be a viable option for skilled RNs and Clinical Leaders. That will hugely help attracting and retention of RNs”.

Some respondents increased RN wages to compete with DHBs, but this is not a feasible option for many smaller, independently run or charitable providers, “We have no funding

to offer more money, we do not have another source of income. We are a stand-alone village offering high quality care in very difficult times”.

Despite initiatives to attract New Zealanders, providers found that most applications still came from overseas, with one commenting, “Encouraging NZers into residential care is virtually impossible as they don't want to work in this environment.” Another remarked, “We will literally employ and train any NZer who wants to be caregiver. Or any NZ RN that applies for a job. But they don't”.

8. Remuneration

Average hourly rates

The average hourly wage rates of ARC employees across 15 categories are shown in Table 8.1 (excluding caregivers/HCAs, and ACs/DTs whose rates are legislated under the Support Workers (Pay Equity) Settlements Act 2017). Lower and upper quartile, and median hourly rates are also given. For comparison, the minimum hourly wage was \$20.00 in December 2021,¹² and median hourly earnings were \$27.76 at June 2021.¹³

Table 8.1 Average hourly wage rates by staff category, December 2021

Staff Category	Average hourly rate	Lower quartile	Median hourly rate	Upper quartile
Clinical Nurse Manager	\$42.70	\$39.50	\$41.00	\$45.00
Registered Nurse	\$35.10	\$32.90	\$34.70	\$37.30
Enrolled Nurse	\$29.10	\$28.10	\$29.00	\$30.00
Occupational Therapist	\$31.10	\$27.00	\$30.10	\$35.00
Physiotherapist	\$30.40	\$25.00	\$25.00	\$32.40
Assistant Physiotherapist	\$25.40	\$24.40	\$25.00	\$27.30
Facility Manager	\$49.60	\$45.00	\$48.20	\$51.90
Office Administration Staff	\$25.80	\$23.70	\$25.60	\$26.00
Chef (qualified)	\$27.40	\$26.60	\$27.20	\$27.70
Cook (unqualified)	\$23.30	\$22.80	\$23.00	\$23.50
Kitchen Hand	\$20.70	\$20.20	\$20.60	\$21.30
Gardening/Maintenance Staff	\$24.90	\$23.50	\$24.20	\$26.10
Cleaning Staff	\$20.90	\$20.30	\$20.80	\$21.50
Laundry Staff	\$21.10	\$20.50	\$21.00	\$21.80
Home Assistants	\$20.80	\$20.30	\$20.70	\$21.40

Source: NZACA Member Profiling Survey December 2021

The median hourly rate for CNMs was \$41.00, with the lower quartile \$39.50, and upper quartile \$45.00.

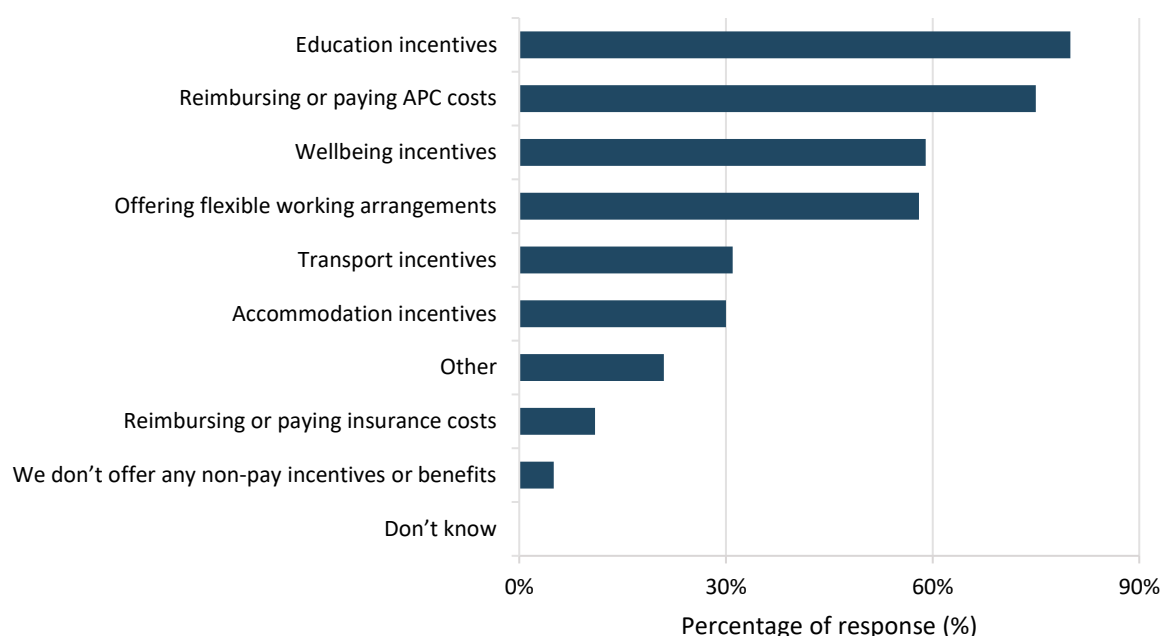
For RNs, the median hourly rate was \$34.70, an increase of \$3.70 or 12 percent since 2019. The lower quartile was \$32.91 and the upper quartile was \$37.30.

¹² <https://www.employment.govt.nz/hours-and-wages/pay/minimum-wage/minimum-wage-rates/>

¹³ <https://www.stats.govt.nz/information-releases/labour-market-statistics-income-june-2021-quarter>

Non-pay incentives or benefits

Figure 8.1 Non-pay incentives or benefits for RNs and ENs at respondents' care facilities, December 2021



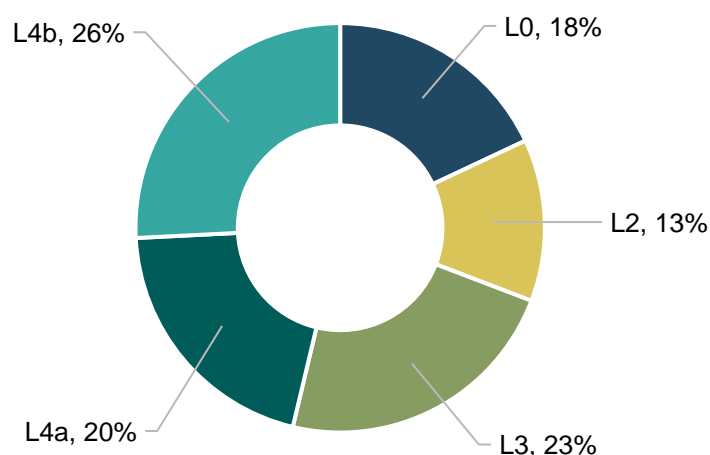
Source: NZACA Member Profiling Survey December 2021

Education incentives, such as providing or paying for education or offering study leave, were offered by 80 percent of respondents as a way of recruiting and/or retaining their RN and EN workforce (Figure 8.1). Three quarters reimbursed or paid for Annual Practising Certificate (APC) costs, while nearly 60 percent offered wellbeing incentives and/or flexible work arrangements. Wellbeing incentives included providing meals or snacks during shifts, providing access to an Employee Assistance Programme (EAP), offering wellness programmes, subsidised social events, and acknowledging birthdays. Transport incentives (e.g. free car parking, travel allowance, providing transport) and/or accommodation incentives (e.g. assistance with finding accommodation, accommodation allowance) were offered by around thirty percent of respondents.

Caregiver/Healthcare assistant pay bands

Figure 8.2 represents the caregiver/HCA workforce of respondents' care facilities as at December 2021. Nearly half the caregivers/HCAs were at Level 4a or 4b (46 percent), with close to a quarter on Level 3 (23 percent).

Figure 8.2 Numbers of caregivers/HCAs at each pay band, December 2021



Source: NZACA Member Profiling Survey December 2021

The appropriateness of the mix of caregivers/HCAs at each pay band is shown in Table 8.2. Respondents were asked to rate the appropriateness of their mix on a scale, where '0' represented 'nowhere near enough' and '100' represented 'far too many'. As a midpoint, '50' represented an 'appropriate mix'. The average is presented below, along with the number of responses from care facilities or groups at each band.

Table 8.2 Appropriateness of mix of caregivers/HCAs at each pay band, December 2021

Pay Band	Average	Number of responses at each band				
		<25	25-49	50	51-74	75+
L0	43	17	25	32	14	6
L2	38	21	25	36	12	0
L3	41	18	17	37	21	1
L4a	46	24	9	26	16	19
L4b	47	23	7	22	19	23

Source: NZACA Member Profiling Survey December 2021

9. Services offered

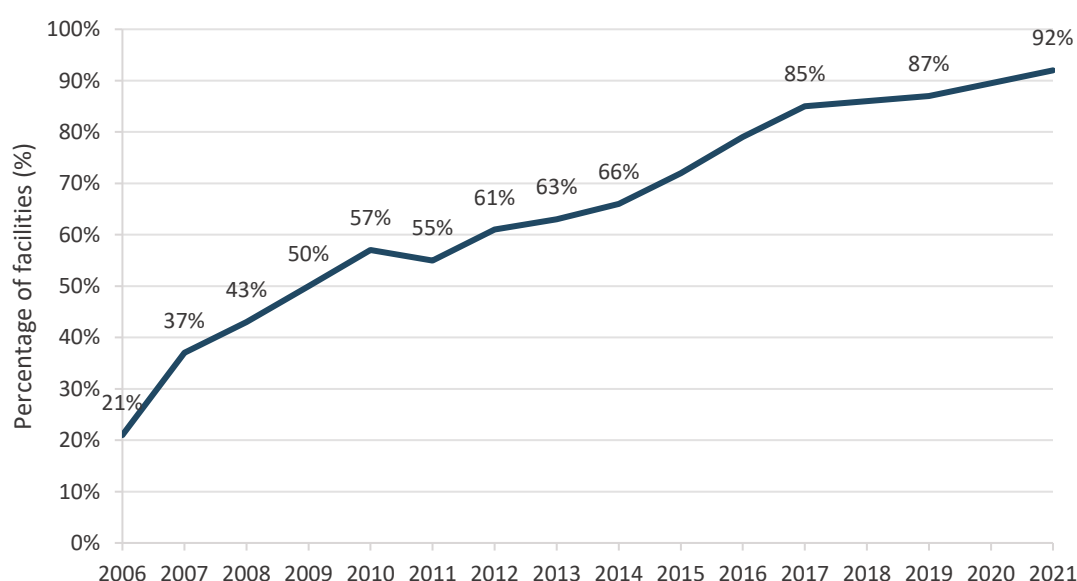
Accommodation supplements

ARC facilities are funded under the ARRC (Age-Related Residential Care) Services Agreement with their DHB, to provide specified age-related residential care services. Increasingly, people entering care facilities are willing to pay an accommodation supplement to purchase premium room services.¹⁴

Respondents to the NZACA Member Profiling Survey 2021 were asked about agreements with their residents to pay an accommodation supplement for premium room services. Accommodation supplements can be charged for rooms with services that are not included as part of the ARRC, for example, such rooms may include an ensuite, be larger, and/or have views.

In 2021, 92 percent of respondents' care facilities had agreements with some or all of their residents to pay accommodation supplements for premium room services (Figure 9.1). This rate is an increase of five percent from 2019 and is a continuation of the trend of the past few years.

Figure 9.1 Percentage of facilities with accommodation supplement for premium room services, 2006 to 2021*



Source: NZACA Member Profiling Survey December 2021

* where a data label is not shown, no survey was carried out in that year.

¹⁴ Refer Section 13 of the ARRC Services Agreement for provisions on premium room services.

One hundred percent of respondent's care facilities that were owned by publicly listed major groups or charitable major groups had rooms for which accommodation supplements were charged. The majority of privately owned major groups also charged accommodation supplements (83.3 percent).

In contrast, 78.3 percent of individually owned charitable care facilities and 51.2 percent of individually owned private facilities charged accommodation supplements. These percentages have increased from 2019 (10 percentage points and two percentage points respectively).

Median accommodation supplements

Survey respondents were asked to provide their typical accommodation supplements for specified types of premium rooms. Results are shown in Table 9.1.

The most common type of premium room was a larger room with an ensuite bathroom/toilet and a standard view. The median accommodation supplement for this was \$59.00/day. In 2019, the supplement for this type of room was \$21.00/day, so the fee has more than doubled in the intervening period. Sixty percent of these rooms have a daily charge of \$59.00, which makes that charge both the median and upper quartile for that room type.

The median supplement for larger rooms with ensuite and premium views also increased from \$37.50 in 2019 to \$65.00 in 2021. This situation applies to standard sized rooms without ensuites (premium view) and larger rooms with ensuites (premium view).¹⁵

The second most common type of premium room was a standard sized room with an ensuite and standard view, and the median accommodation supplement for this was \$20.00/day. This daily figure has decreased by \$1.00 since 2019.

Table 9.1 Median accommodation supplements by room type, December 2021

Premium room type	Lower Quartile	Median	Upper Quartile	Number of rooms
Standard sized room with ensuite, standard view	\$12.50	\$20.00	\$40.00	2,126
Standard sized room with ensuite, premium view	\$14.75	\$25.00	\$54.00	1,444
Standard sized room without ensuite, premium view	\$13.50	\$13.50	\$13.50	329
Larger room with ensuite, standard view	\$30.00	\$59.00	\$59.00	2,146
Larger room with ensuite, premium view	\$65.00	\$65.00	\$65.00	1,580
Larger room without ensuite, standard view	\$15.50	\$18.00	\$18.00	169
Larger room without ensuite, premium view	\$17.00	\$20.00	\$43.00	68

Source: NZACA Member Profiling Survey December 2021

¹⁵ Larger groups of facilities tend to have large numbers of rooms of particular types at the same rate across all their care facilities, and this is noticeable in the results.

Reasons for not charging accommodation supplements

The 28 care facilities that did not have agreements with residents to pay accommodation supplements for premium room services were asked the reason for this.

The most frequently cited reason across all ownership types for not charging accommodation supplements was governance or management policy (37 percent, down from 50 percent in 2019). The age and/or design of the care facility was also given as a reason by 30 percent of respondents, followed by socio-economic status of residents (24 percent) and market forces (12 percent).

Comments on policy/practice for accommodation supplements

Several respondents expressed regret at having to charge accommodation supplements, with one commenting that “sadly it is the only way our business keeps going”. One respondent had owned the rest home for three years and was only now introducing accommodation supplements, “because of increasing cost of staff and low funding levels”.

It was a common theme that, even when an accommodation supplement is set, the resident’s financial situation was considered by facility management:

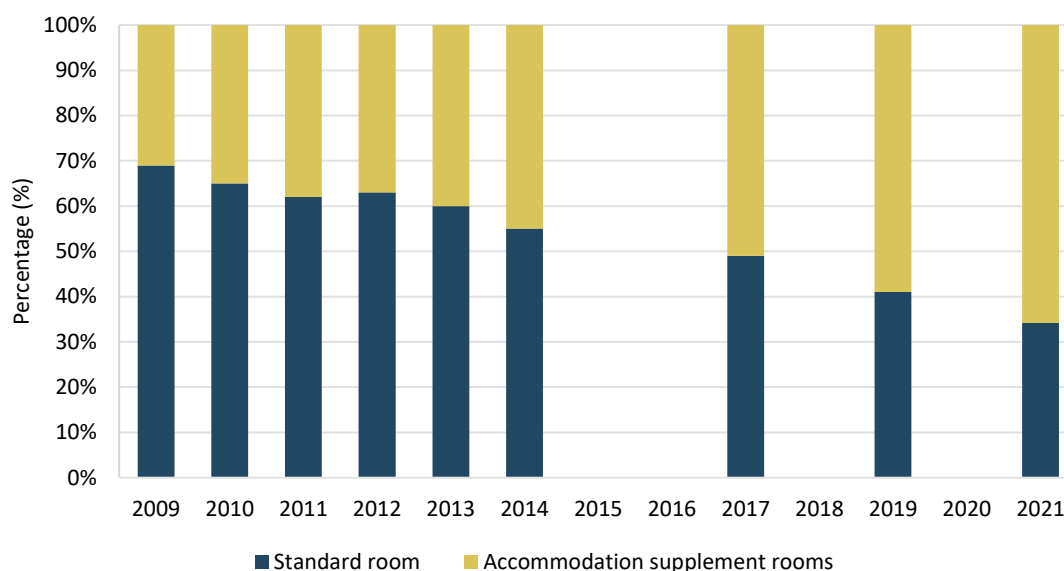
- “We charge those that can afford it and reduce or waive the fee for those who can’t”.
- “We have charges for room (sic) but more often than not do not charge these as residents cannot afford these.” Only 40 percent of premium charges were met on one of this respondent’s sites, and just 18 percent on the other.
- “We do not charge a premium when a person cannot afford it – at present this applies to seven of our 47 rooms.”

Several respondents mentioned that accommodation supplements are not charged for palliative/end of life residents and room rates are reviewed only when there is a change of resident, so a person’s charges are not increased while in residency.

For groups with multiple facilities, it was also noted that the amount of an accommodation supplement can vary greatly between regions; “room rates are largely driven by the local market and appetite for paying. The same type of room can have vastly different rates depending on where it is located”.

Mix of premium and standard rooms

Figure 9.2 Proportion of rooms with accommodation supplements to standard rooms, 2009 to 2021*



Source: NZACA Member Profiling Survey December 2021

* Gaps indicate no survey in that year.

In December 2021, 66 percent of responding care facilities operated rooms carrying an accommodation supplement, while 34 percent had standard rooms only (Figure 9.2). The increase of eight percentage points on 2019 continues the trend of care facilities charging accommodation supplements, and the number of these types of rooms growing.

A standard room is described as a room up to 11m² where the resident is not required to pay an accommodation supplement. Respondents were asked about the average size of three types of room (Table 9.2):

- Standard rooms - the median size of room that respondents classify as standard has remained at 12m².
- Premium rooms for which accommodation supplements are charged are increasingly the most common type of room available. The median size of these has decreased from 18m² in 2019 (now the upper quartile), to 15m².
- Premium but for which accommodation supplements are **not** charged has increased slightly to 15.25m².

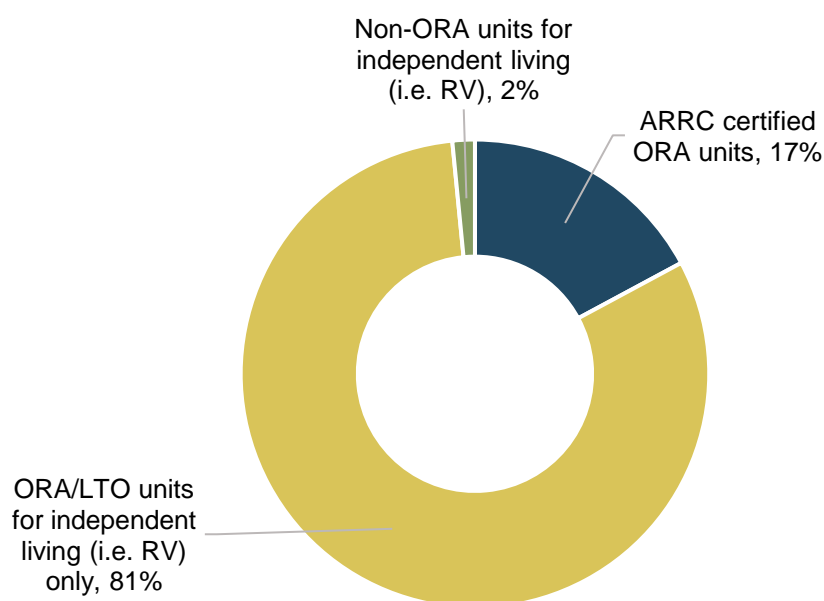
Table 9.2 Number and size of rooms by room type, December 2021

Room type	Size of rooms (square metres)			Number of rooms
	Lower Quartile	Median	Upper Quartile	
Standard Room	11.00	12.00	14.00	3,437
Premium Room for which an Accommodation Supplement is (normally) charged	13.00	15.00	18.00	6,291
Premium Room for which an Accommodation Supplement is NOT (normally) charged	13.50	15.25	18.00	2,128

Source: NZACA Member Profiling Survey December 2021

Occupational Rights Agreements (ORAs)

Nineteen percent of respondents provided ARRC-certified ORA rooms, apartments, or units or non-ARRC-certified retirement village units at their care facilities. Of these, the majority are ORA/LTO¹⁶ units for independent living (81 percent) (Figure 9.3).

Figure 9.3 Percentage of respondents' care facilities offering ORAs, December 2021

Source: NZACA Member Profiling Survey December 2021

¹⁶ LTO - licence to occupy.

Services offered

The list of additional services offered by respondents' care facilities is presented in Figure 9.4.

Homecare services

Of the NZACA members responding to the December 2021 survey, 15 percent offered homecare services to people within their site or in their local community.

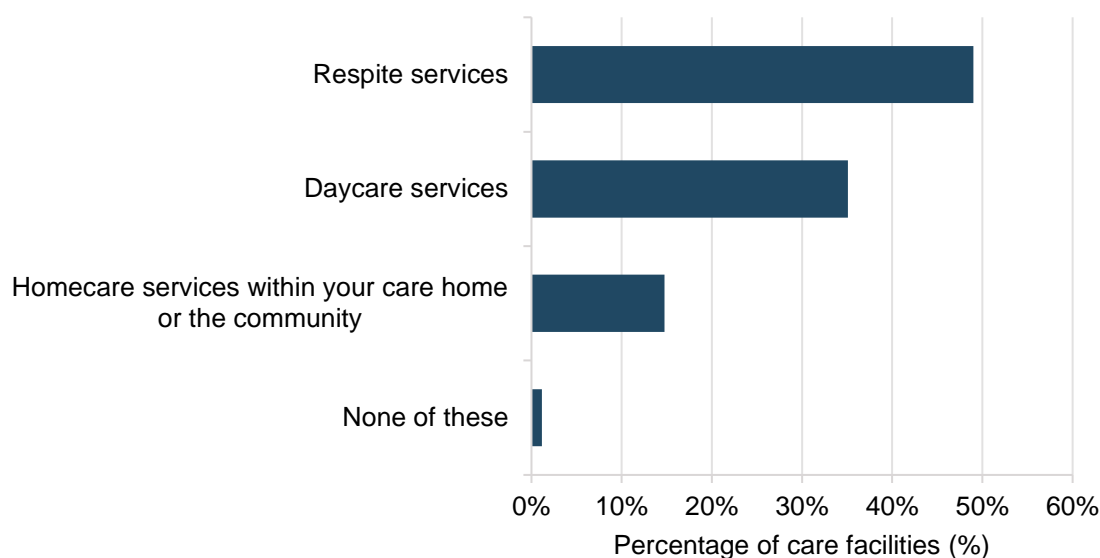
Respite services

Forty nine percent of care facilities offered respite services. This percentage has halved since the 2019 survey, with a bigger drop in facilities belonging to major groups (48 percent down from 100 percent) than individual care facilities (57 percent down from 92 percent).

Day care services

Thirty-five per cent of care facilities offered day-care services, down 30 percentage points. This percentage is lower among individual care facilities (31 percent) than among major group care facilities (68 percent). The drop-in day-care service provision is largely among individual care facilities with the number offering these services halving in the last two years.

Figure 9.4 Percentage of care facilities offering additional services, December 2021



Source: NZACA Member Profiling Survey December 2021

10. Topical

Demand for ARC

Seventy three percent of respondents expect the demand for ARC to increase and believe they could fill more beds in their care facilities, both now and in the next five years.

However, only 23 percent of respondents intend to add more rooms to meet the additional need, with 31 percent saying this depended on other factors, most commonly finances, demand, and the ability to recruit RNs to staff new facilities (Figure 10.1).

For those respondents that are planning to add rooms, there is a wide range of room types being considered (Table 10.)¹⁷.

Table 10.1 Types of additional rooms that may be added, December 2021

Type of rooms that may added	Percentage share of rooms
Standard rooms (no accommodation supplement) - Rest home	2.7%
Standard rooms (no accommodation supplement) - Hospital	13.5%
Standard rooms (no accommodation supplement) - Dual Service	16.2%
Standard rooms (no accommodation supplement) - Dementia	24.3%
Standard rooms (no accommodation supplement) - Psychogeriatric	10.8%
Standard rooms (no accommodation supplement) - Type not known	5.4%
Rooms that carry accommodation supplements - Rest home	27.0%
Rooms that carry accommodation supplements - Hospital	21.6%
Rooms that carry accommodation supplements - Dual Service	43.2%
Rooms that carry accommodation supplements - Dementia	37.8%
Rooms that carry accommodation supplements - Psychogeriatric	13.5%
Rooms that carry accommodation supplements - Type not known	8.1%
ORA rooms/care suites - Rest home	21.6%
ORA rooms/care suites - Hospital	37.8%
ORA rooms/care suites - Dual Service	70.3%
ORA rooms/care suites - Dementia	54.1%
ORA rooms/care suites - Psychogeriatric	13.5%
ORA rooms/care suites - Type not known	18.9%

Source: NZACA Member Profiling Survey December 2021

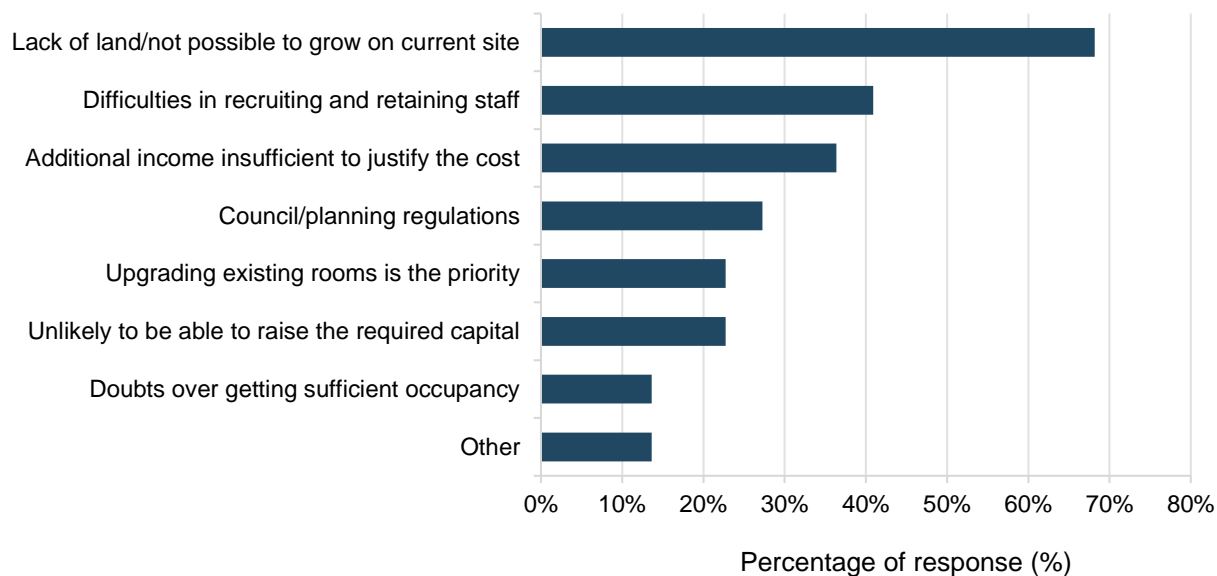
Dual service ORA rooms or care suites are the most commonly planned additional room (70.3 percent). Dementia focused ORA rooms or care suites (54.1 percent) and dual service rooms with accommodation supplement (43.2 percent) round out the top three planned additional rooms.

Thirty five percent are not planning to add additional rooms. These respondents were asked about the barriers to extending their care facilities (Figure 10.1). The inability to grow on their current site was cited as a reason by 68.1 percent of respondents, with a

¹⁷ Survey respondents were allowed to select multiple choices, therefore the percentages will not add up to 100 percent.

further 40.9 percent naming difficulties in recruiting and retaining staff as a factor. The additional income being insufficient for breakeven was a barrier for 36.4 percent.

Figure 10.1 Barriers to extending respondents' care facilities, December 2021



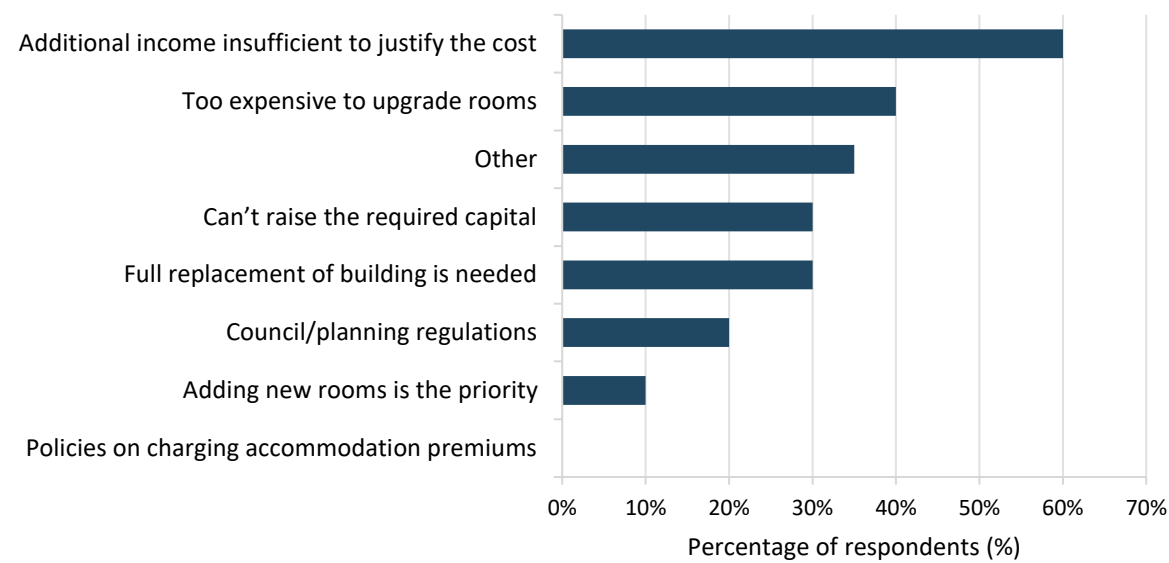
Source: NZACA Member Profiling Survey December 2021

Care facility renovation and upgrade

Sixty seven percent of respondents felt their care facility would benefit from an upgrade. Of these, 60 percent said their needed renovations are in the process of being implemented, while 37 percent are not currently able to implement the upgrades necessary for their facilities.

For these care facilities, as with adding additional rooms, the additional income is insufficient to justify the cost with 60 percent citing this factor (Figure 10.2). Cost is also an issue for other respondents, including building construction being too expensive to upgrade (40 percent), and the inability to raise the capital needed (30 percent). Thirty percent also noted that a full replacement of their building is required.

Figure 10.2 Types of renovation or upgrade needed, December 2021



Source: NZACA Member Profiling Survey December 2021



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