

Aged Care in Aotearoa New Zealand

Issue Snapshot | 2026



New Zealand Council Of
Christian Social Services

Understanding Aged Care in Aotearoa

Since Aotearoa New Zealand led the world in first introducing the Pension in 1898, our society has understood that we have a responsibility to support our older people. The Aged Care sector we know today follows from that understanding. It grew out of a formalisation of not for profit organisations caring for older people that could not afford their own support, often through church societies and other faith-based institutions.

The continuum of care for older people

Increasing support needs

Community Support Programmes

Programmes within communities that can support older people to stay well and remain independent.

Government-funded support relies on a needs assessment or carer payments, meaning many people cannot access without paying for access themselves.

Home and Community Support Carers

Quality support at home can keep older people active and independent, is responsive to changes in need, and helps them regain independence after an incident.

Supports approximately 45,000 older people to remain at home with services ranging from household management to personal cares. Costs approximately \$732 million per year to deliver.

Short Stay Residential Care

When whānau care is needed at a higher level, respite care can provide a much-needed option for care respite, or a clinical setting after a medical incident.

If approved, can be available for up to 28 days per year, allocated as the family needs. Paid for through Carer respite allowances.

Rest Home Residential Care

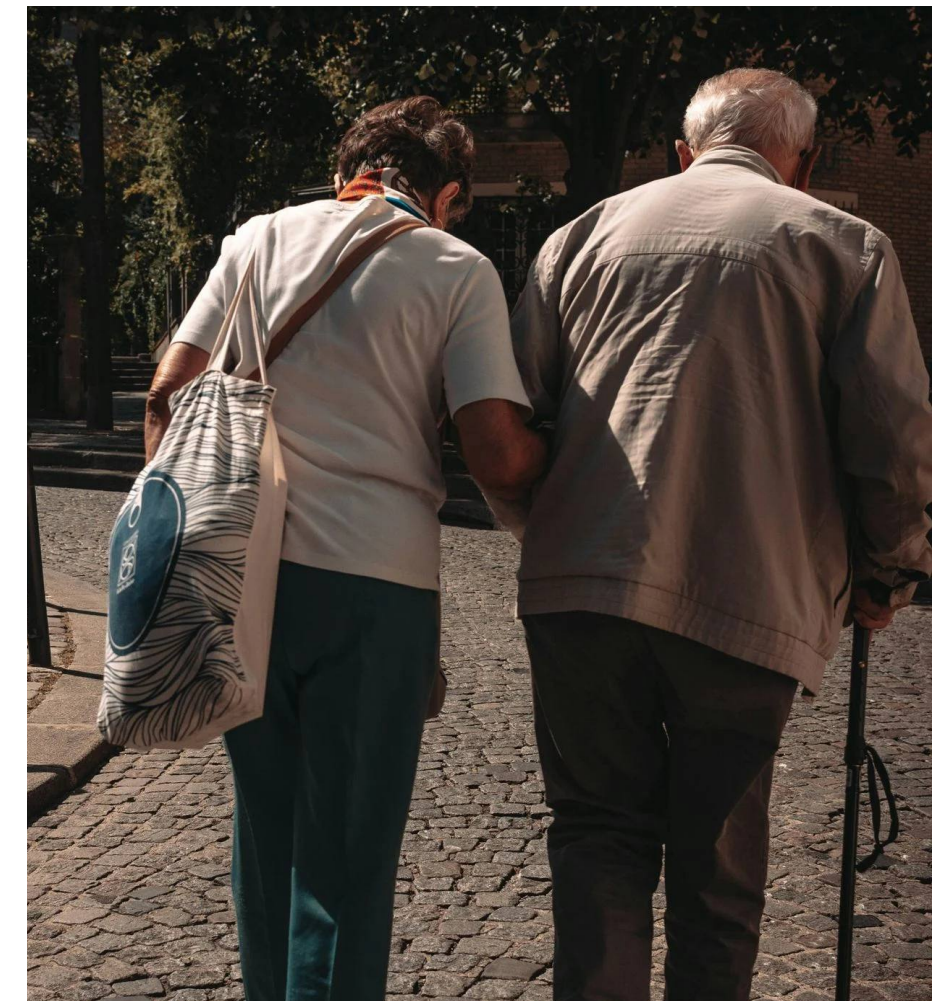
A safe, home-like residential care setting for those who can no longer be safely cared for at home. When accessed in a timely manner can support reablement and prolong wellbeing.

Cares for approximately 35,000 older people at almost 700 homes nationwide, providing approximately 12.5 million bed days per year. Approximately 20,000 residents meet the asset and income threshold for subsidised care.

Hospital and Continuing Residential Care

A more intensive clinical setting that is tailored to the needs of older people with acute needs and ensures that they do not need to be on a hospital ward.

There is strong regional differences in availability of care, and a number of consecutive reports detailing that the system is underfunded.



Specialised support needs

Dementia and Psychogeriatric Care

Secure and specialised care for those experiencing neurological decline.

In 2025 it was estimated that 83,000 New Zealanders live with dementia, with 40,000 needing access to day-to-day supports or residential care. Almost 6500 beds in residential care are for this cohort's needs.

Palliative and Hospice Care

Purpose-made end-of-life care that can be residential or in ones own home. A highly specialised form of care.

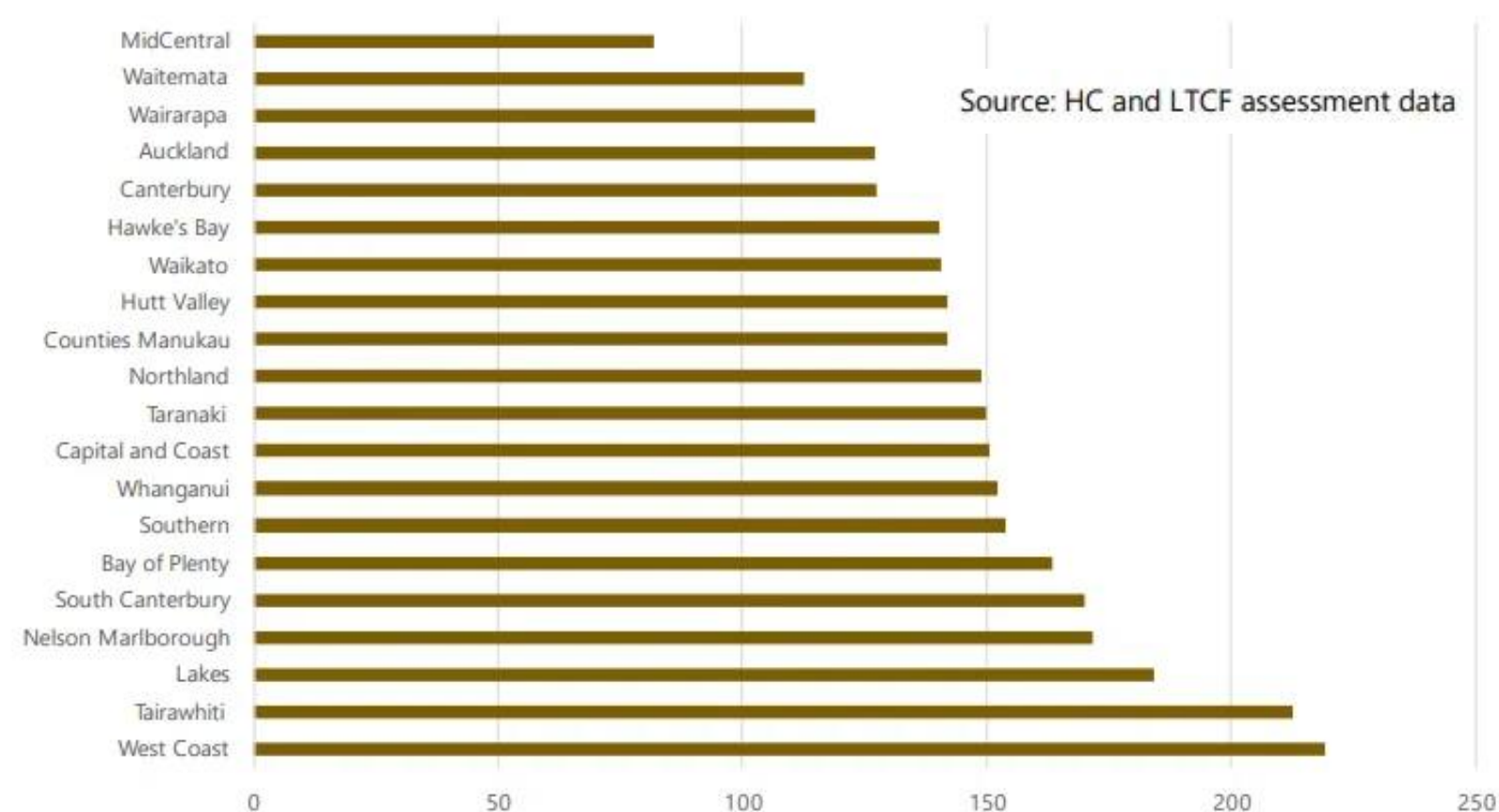
Support over 10,000 people as they die, as well as to their families.

Aged Care in Aotearoa

What this means for people

Repeated investigations into the way this sector runs come back to the same core issue - Aged Care has been underfunded for so long that it now hardly meets need. Providers of standard-only beds, which are largely rural or not-for-profit, are at real risk of closing in the event of unexpected costs, such as facility repairs or compliance-related upgrades. This puts older people at risk of not having access to the care they need when they need it, with smaller and more remote communities having few options to keep loved ones close, and older people waiting for significant periods of time before they can enter an Aged Care home.

Figure 6: Average number of days to be admitted into ARC after scoring 4 or 5 on the MAPLe scale by region (2021/22)



Source: HC and LTCF assessment data

Source: A Review of Aged Care Funding and Service Models. Sapere (2024).



[T]he challenges we all see, staff shortages, stress, and strain, are symptoms of a system that hasn't been funded to match the true cost of care



Hon. Tracey Martin

CE, NZ Aged Care Association

Recent research

Sapere (2024, 2025). Review of the Aged Care Funding Model, phase one and two

- The first phase outlined that the sector had been underfunded for so long that both the funding levels and funding mechanisms are no longer fit for purpose
- Research has found that risk of entry into care was 28% higher when carer distress was recorded on a home care assessment, yet carers support programmes are poorly funded and difficult to access.
- Individuals requiring more complex levels of dementia and psychogeriatric care are facing average wait times of 169 and 176 days, respectively.
- There are almost half as many Aged Care beds as we will need by 2040.

Ansell Strategic (2024). New Zealand Aged Residential Care Financial Performance Study

- 56% of Aged Care Homes run at a net loss, at approximately \$4.24, per bed, per day.
- If premium room charges were removed, the average loss per bed per day was \$16.14.
- Between 2017 and 2023, income increased on average by 28% while costs increased by 46%.
- Earnings before Interest, Taxation, Depreciation and Amortisation (EBITDA) reduced by 83%, from \$23.82 to \$3.94 per bed day.

Aged Care Commissioner (2024). Amplifying the Voices of Older People

- Identified the distress from the closure of 66 specialist dementia care residential beds between January 2022 and June 2023, extending the regional disparity in availability of this service.
- The average length of stay in Aged Care is now only 18 months due to increasing resident acuity.
- Kaumātua Māori face difficulties in accessing culturally safe care, both at home and in residential care.

Aged Care in Aotearoa

How are our members responding to this issue?



Our members are key providers of Aged Residential Care beds, including a significant number of the Standard Beds (no additional charges) across the country.



Many are key providers of funded Home and Community Support Services, keeping people home safely and supported in their communities.



Collaboration for Success

Led by member organisation, The Selwyn Foundation, NZCCSS is part of the National Forum for the Decade of Healthy Ageing, which advocates for a system that supports everyone to age well.

Support in the Community

The Supported Independent Living programme at Wesley Community Action provides a unique and innovative support system for those ageing alone in communities, helping with advocacy, accommodation, health, and other issues in a responsive way.



Virtual Village East

Virtual Village East, run by HBH Senior Living, enables community and connection to support older people to retain their independence. Established in 2018 and based on the Eden Alternative approach, the goal is to ensure that older people are equipped to remain home and well physically, mentally and socially.

In addition to a wide variety of programmes throughout the month, including outings, seminars, exercise classes, walking groups and coffee catch-ups, the Village acts as a directory of local support services that can be confidently recommended. These include age-friendly transport, cleaning, gardening, and other community services that make it easier to remain at home.

In 2024, there were approximately 180 active members of the Village, with 91% average daily Day Club attendance. 190 activities and events were coordinated in the same year which were rated highly by attendees.



Virtual Village connects members with each other and with the resources we all need to remain active and independent while ageing in our homes. Think of it as the old-fashioned village.

Barbara

Founding Member

Aged Care in Aotearoa

Improving Aged Care in Aotearoa

We support the work currently being done through the Ministerial Advisory Group to chart a course towards a more sustainable and effective Aged Care sector.

NZCCSS has representatives on the group who engages with the Ministry of Health each year regarding the inclusions to the contract and the maximum contribution rates.

We support the inclusion of Aged Care into future infrastructure planning, with providers being supported to refurbish and build Aged Residential Care homes through capital grants.

We support the inclusion of older people and their needs into wider government policy, including ageing well strategies and inclusion in health and housing policy.

Relevant submissions by NZCCSS include:

[Inquiry into the Aged Care Sector's current and future capacity to provide support services for people experiencing neurological cognitive disorders](#)

NZCCSS supported the attention to this cohort and the need for additional support for this sector, and linked our previous work, the Aotearoa Aged Care Action Plan, to solutions.

[Long Term Insights Briefings for the Ministry of Social Development, the Ministry of Housing and Urban Development, Ministry of Business, Innovation and Enterprise, and Ministry of Health](#)

Supported the inclusion of the needs of older people, especially those engaging with higher levels of care, to ensure that the systems that exist are not overwhelmed by growing demand. Advocated for changes in language and perspective to reduce ageism and to account for the incredible contributions of older people even when they leave the paid work force.

[Budget Policy Statement](#)

Encouraged the inclusion of Aged Care as a fundamental element of infrastructure, which was recently adopted by the new National Infrastructure Plan

NZCCSS is not alone in calling for this overhaul. The Aged Care Association and many other sector leaders are also calling loudly for the change to be made before it is too late.

NZCCSS is a member of the Carers Alliance, advocating for support for both those who are caring for older people, and older people in care roles. We also have a representative on the group who engages with the Ministry of Health each year regarding the increase to the standard bed subsidy, as well as on the Ministerial Advisory Group into Aged Care.



Find out more

New Zealand Council Of
Christian Social Services

www.nzccss.org.nz