



PwC Insights on Aged Care

Ageing in Aotearoa

Older people play important roles in our whānau and communities – preserving traditions, sharing their knowledge and nurturing our young people to flourish.

By 2028, 1 in 5 people in Aotearoa New Zealand will be over the age of 65 years (more than one million people).

As our population ages and changes, the support and care we offer needs to evolve too. Increasingly whānau are wanting more participation in the care and decision making of their elders and older people are wanting more choice.

The aged care and retirement living sector plays a fundamental role in supporting older people and responding to the changing and ageing Aotearoa population demographics.

However, there are complex challenges such as;



workforce shortages,



regulatory changes,



increasing demands placing additional pressure on the sector,



while providers are concurrently trying to manage financial sustainability.

Looking to the future

The Pae Ora (Healthy Futures) Act 2022 ushered in unprecedented changes to Aotearoa New Zealand's health system, shifting all commissioning and specialist healthcare responsibility from 20 district health boards into one new crown entity, Te Whatu Ora (Health New Zealand).

Change is ongoing and key initiatives such as primary and community care localities, regionalisation and investment in streamlining system level data and digital infrastructure presents new opportunities for aged care and retirement living providers.

So how do we leverage these changes to enhance living options for older people that enable them to thrive?





Five key issues



1. Ageing in place

'Ageing in place' is the concept many governments, aged care leaders and researchers use to refer to older people being enabled to live in their own home and community. It is widely supported because it leads to better health and well-being outcomes for older people.

As our population ages and people live for longer, the number of older people needing this support to live at home will grow. The increase in more whānau wanting to participate in the care and decisions for older people is leading to an increase in private and public funded home care packages.

Home and community care services, including monitoring and communication technology in the home, must evolve and innovate to meet these changing needs and demands. Initiatives such as localities could provide an opportunity for increased home care, primary care and retirement living integration.



2. Increasing demand for aged residential care

With people living and in their homes longer they're entering aged residential care with higher levels of complexity and disability than in the past, so there is a rapidly increasing demand for aged residential care. However, in the last few years aged care available bed numbers have declined due to financial and staffing challenges. These issues are disproportionately affecting small and rural communities where large scale is not possible, and small aged care providers struggle.



3. Increasing demand for retirement village living

The demand for retirement village living is also growing, and while developers are responding with new villages and units, development is not fast enough to meet the anticipated demand. It is estimated that;

- an additional **22,000 units will be needed by 2033**,
- but at current rates of development, **only 18,500 will be created**.



4. Workforce shortages

The current number of nurses and care staff does not meet aged care workforce demand. Immigration settings shifted in December 2022 to enable nurses eligibility for the 'Residence Green List Pathway.' While this will help, there are many avenues operators can explore to maximise workforce efficiency, and increase the desirability of the aged care career pathway. Consideration for care and kaiāwhina care assistant workforce value and growth, integrating digital health technologies into aged care are all valuable opportunities.



5. Increasing demand on the health system

If we do not change how we provide healthcare, an ageing population will add increasing pressure on our health system. Older people use health services more often. Falls and fractures cover 39% of ACC claims costing \$1.1b, and are most common in older adults. Dementia prevalence is anticipated to increase rapidly.

How we can help

PwC Aotearoa New Zealand has vast experience across the health, finance and property sectors and offers a range of aged care and retirement living services that combines the best local knowledge, clinical expertise, indigenous models, and global experience.

Financing, Property and Organisational Structuring

We have extensive experience supporting health organisations with financial restructuring to support sustainability for growth, property acquisitions, mergers and acquisitions.

Strategy

Changing population demographics offer challenge and opportunity and should be planned for intentionally with a long term outlook. The aged care and retirement living sectors must forward plan and proactively anticipate the infrastructure, workforce, and technology required to support the increased volume of older people, and to review business model sustainability in light of increasing future demand. We work with many organisations every year to do this kind of planning and strategy work.

Equity

All older people have a right to care and support that is culturally safe and accessible. Not all aged care services are equitable. Undertaking work to review and plan services to eliminate inequities and explore cross-cultural models of health and wellness is our specialty. We use three frameworks to guide this work – Standing for Equity, Mana Tiriti, and The Pacific Way (Nesian Vaka).

Service and Care Models

Transitioning to modern and holistic care modalities that incorporate digital technology in powerful and appropriate ways will be critical for aged care and retirement living providers. The Covid-19 pandemic expedited the integration of digital technologies into aged care delivery. Significant investment in alignment of IT platforms across secondary and primary care providers will enable streamlined shared care records across the health sector. These developments alongside localities development and changing populations are all opportunities for reviewing and developing models of care.

We have been working with health and social care organisations for many years to review service models and create exceptional service experiences. We collaborate closely with organisations to align their vision and goals, conduct research and analysis, and design customer-centric operating models or models of care, enhance customer satisfaction, and drive sustainable growth.

Workforce

Improving the experience and value of working in aged care and retirement living will be key to ensuring a strong, highly valued, larger future workforce. Workforce pressures will continue to be a part of the health sector, so innovation and diversification will be required to be the exception to this trend. We help organisations undertake workforce planning so that they become employers of choice, creating exciting career pathways and satisfying meaningful work experiences.

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