



Aged Care Ministerial Advisory Group

A place to grow old:

Securing the future of aged care

Dementia NZ Conference, September 2026

Aged Care Is at a Turning Point

New Zealand faces a choice: continue with a system that is becoming increasingly strained, or reform aged care so it works better for older people and remains affordable for future generations.

Why change is needed

- Growing demand is outpacing available aged care services.
- The system has become fragmented, difficult to navigate and underfunded.
- Home care, including dementia care, is underfunded and needs capability lift for higher acuity.
- Without reform, bed shortages and unmet need will worsen.
- Costs are projected to nearly double over the next 20 years.

Our conclusion

We can make the system both:

Better for seniors and their Whānau

- ✓ More support to age well at home
- ✓ Simpler, integrated care pathways
- ✓ Faster access to the right care at the right time

More sustainable for future generations

- ✓ Investment focused on areas of greatest need
- ✓ Fairer sharing of costs based on ability to contribute
- ✓ Delayed entry into residential care when appropriate
- ✓ Reduced pressure on hospitals



The Terms of Reference

The **Terms of Reference** requested the Advisory Group provide independent advice on three specific areas, including:

Funding model components and mechanisms needed to support sustainable aged care services, particularly a sustainable supply of standard residential beds.

How the costs of providing aged care could be reasonably shared between individuals receiving care and the government, to support sustainability while ensuring timely access to aged care services for all who need them.

Changes needed to contracting arrangements and regulatory settings for aged care services, to remove red tape, support cost-effective and innovative service delivery, and increase integration between aged care services*, wider health services, and Disability Support Services.

Key parameters:

- Fast six-month process from start to finish (other MAGs have been up to three years)
- Bipartisan consultation along the way and pre-release
- Sector-based expert team supplemented by a mixed Ministry of Health (policy, coordination across government) and external secretariat (PM, communications, modelling support, editorial)

Note: * Team defined this to include dementia services within both home care and residential care settings

The Ministerial Advisory Group



Brien Cree



Shelley Cunningham



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Murray Penman



Mike Peters



Max Robins



Allan Sargeant



Helen Watson



Hon David Cunliffe – Chair

The Ministry of Health Aged Care Policy Team provided extensive support to the Advisory Group, including:

Secretariat and Coordination Support

Stakeholder Engagement

Policy Analysis and Advice

Report Development and Drafting

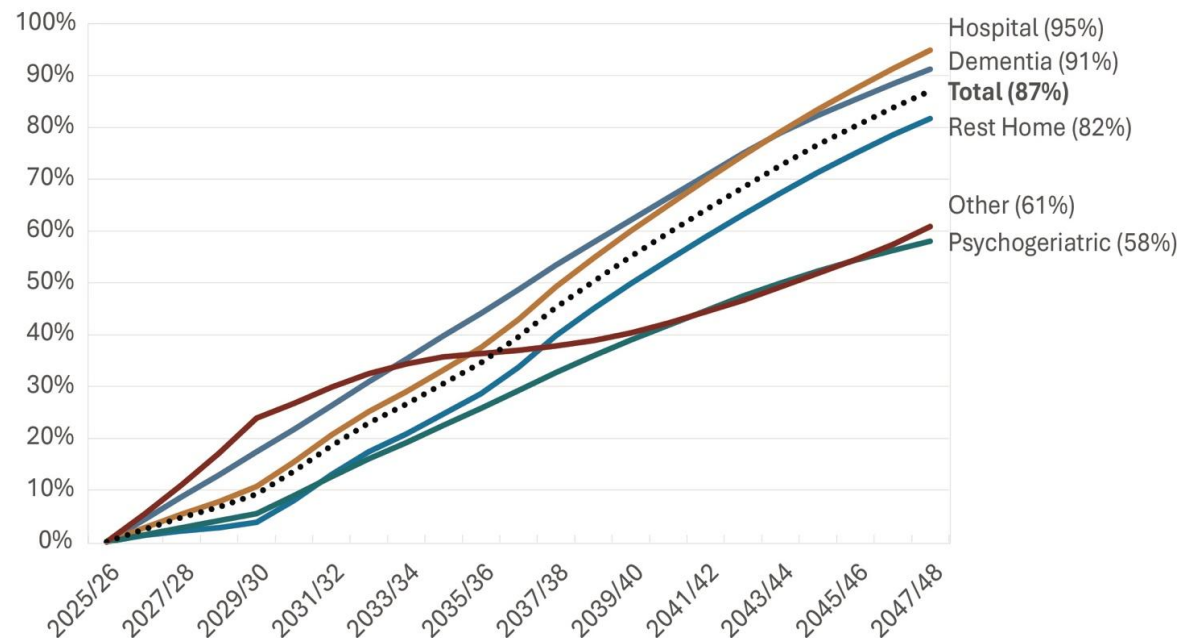
Modelling and Evidence Gathering

External support with programme support, report drafting, modelling, and communications advice was also provided to the Group.

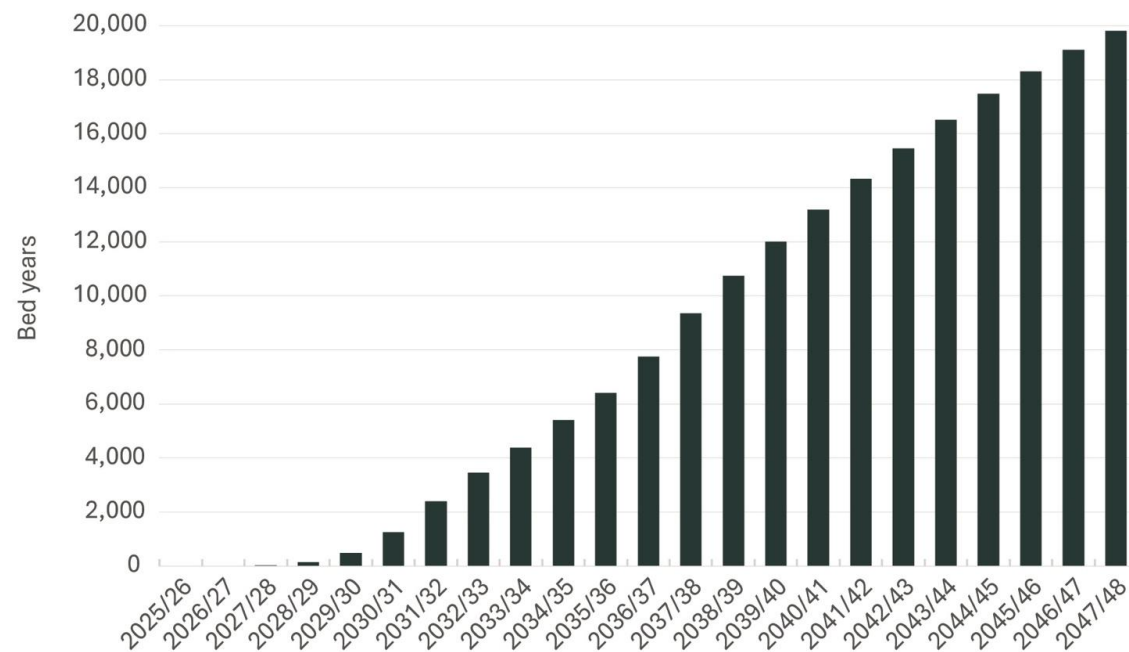
The Growing Demand for Services

More older New Zealanders will need care, but under the current system there will not be enough aged care beds or services to meet future demand.

Projected growth in residential care demand by care level
(as a percentage increase from 2024/25 levels)



Projected unmet demand for residential care
(in bed years)



Key ACMAG recommendations

New Zealand can build an aged care system that helps people stay independent for longer, provides better support when care is needed, and remains affordable for future generations.

The reform package will:

Support people to age well at home

Provide better home-based care, faster access to services, and stronger support for carers so more people can live independently for longer.

Create a simpler, more integrated care system

Replace today's fragmented system with a more coordinated, consistent and easier-to-navigate care journey.

Increase aged care capacity

Invest in workforce, services and residential care so capacity can keep pace with growing demand.

Reduce pressure on hospitals

Deliver more proactive care in the community to reduce avoidable hospital admissions and lengths of stay.

Keep the system affordable

Create a more sustainable funding model that shares costs fairly and delivers better value over the long term.

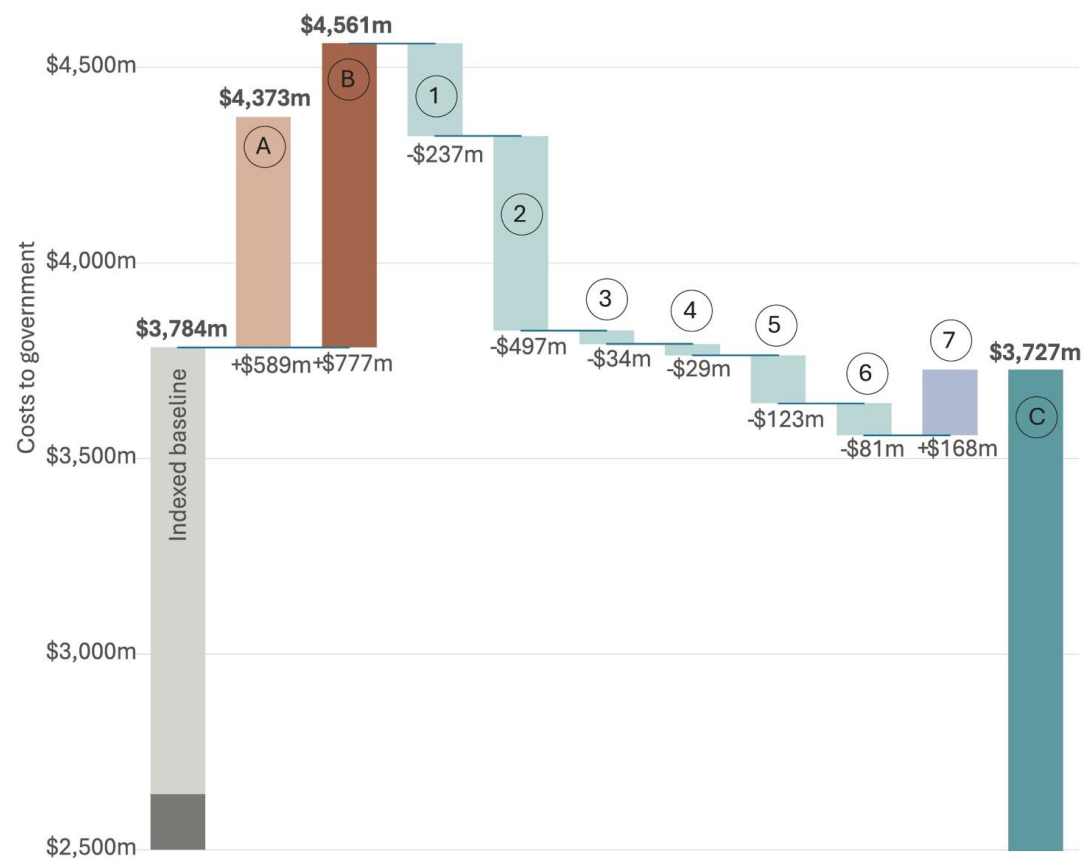


All five objectives align with and support the goals of the Dementia Action Plan.

Reform Delivers Better Care at a Lower Long-Term Cost

We can design a system that is both better and less costly than the alternatives..

Modelled costs to government under three scenarios



Scenarios	2037/38 Govt. Cost
A. Unmet residential care demand	\$4.37bn
B. More funding for the current system	\$4.56bn
C. Recommended reform package	\$3.73bn
1. Targeted bed funding	-\$237m
2. Fairer cost sharing	-\$497m
3. Home care contributions	-\$34m
4. Reduced demand	-\$29m
5. Supporting people at home	-\$123m
6. Less pressure on hospitals	-\$81m
7. Upfront investment	+\$168m

Reform Changes the Long-Term Cost Curve

Aged care costs will rise whichever path we choose. Reform is the option that keeps that growth manageable.

Aged care costs to government (including health system capacity impacts)



This diagram shows the impact of the new model over time, compared to Scenarios A and B.

ACMAG Report supported across Parliament – but needs implementation

The ACMAG Report has been supported in principle by every party in Parliament!
It is essential that the sector keep the pressure on for full and integrated implementation post-election.



Ongoing
bipartisan
consultation



Pre-and post-
release
consultation



Cabinet
consideration,
2x Ministerial
leadership