



Education Report: Social work funding rate increase

To:	Hon Chris Hipkins, Minister of Education		
Cc:			
Date:	6 September 2022	Priority:	High
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Messaging seen by Communications team:	No	Round Robin:	No

Purpose of Report

The purpose of this Education Report is to provide you with advice on increasing the tuition subsidy rate for recognised social work programmes to reflect the Social Workers Registration Board (SWRB) practicum component requirements. Your decisions on this paper are sought by 12 September in order to allow for a short period of targeted consultation on any changes ahead of the finalisation of 2023 funding mechanisms.

Recommended Actions

The Ministry of Education recommends you:

- a. **Note** that the Social Workers Registration Board (SWRB) and providers of qualifications required by the SWRB have raised concerns about the adequacy of funding for those qualifications, particularly the work-based practicum components.

Noted

- b. **Agree to:**

9(2)(f)(iv)

OR

- (2) shift the practicum component courses of degree-level social work programmes to the same tuition subsidy rate as 'health-related professions' at an estimated cost of \$1.0 – \$1.5 million per annum (depending on enrolments), with the cost being managed by the Tertiary Education Commission reducing funding for other lower priority provision, with an implementation date of 1 January 2023 (*recommended*)

Agree / Disagree

c. **note** that:

- (1) we are currently consulting on proposed changes to funding mechanisms for 2023 [METIS 1290840 refers];
- (2) subject to your decision on recommendation b, we would conduct a short period of targeted consultation with providers of degree-level social work programmes to be consistent with the overall approach for the 2023 funding mechanism; and consultation feedback would be reflected in advice when you are asked to approve the proposed final funding determinations for 2023 before the end September.

Noted

d. **Agree** to forward this paper to the Minister of Social Development for their information

Agree / Disagree

Proactive Release

e. **Note** that the Ministry of Education will release this briefing once it has been considered by you, with any redactions in accordance with the Official Information Act 1982.

Noted



James Campbell
Acting Group Manager – Tertiary Education
Te Puna Kaupapahere

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Hon Chris Hipkins

Minister of Education

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Background

- 1 The Social Workers Registration Board (SWRB) was established as a Crown Entity in 2003 under the Social Workers Registration Act ('the Act') to regulate social work as a profession. The SWRB became the social work workforce planning lead in August 2020. A key part of its role includes supporting social workers within a regulated profession and ensuring the system has social workers with the right skills, knowledge, and competencies, to enhance the wellbeing of New Zealanders.
- 2 There are currently nine tertiary providers¹ recognised by the SWRB that deliver twenty-five social work programmes. Twenty-one of these programmes are four-year undergraduate degrees, and four are applied master's degrees delivered by universities. Learners can apply to the SWRB to become a registered social worker either after they have completed the Bachelor of Social Work and met the SWRB registration requirements or after completing the Master of Social Work degree.
- 3 The SWRB has been working closely with the sector to inform its investment funding report to the Tertiary Education Commission (TEC) with the aim to support social work as one of the investment priorities. The SWRB reported a decline in participation across all SWRB recognised social work programmes: in 2016 there were 3,337 learners enrolled compared to 2,685 enrolled in 2020. In addition, the SWRB reported that social work graduates are transitioning to become registered social workers at a relatively low rate.
- 4 The issue of inadequate funding rates was raised by the sector in 2015 during a review of the Act. At the time, the SWRB reported that 'the funding classification for social work does not recognise the qualification level and the costs associated with the practicum requirements of a professional degree.' The tuition subsidy rate for social work programmes has not been reviewed since the degree programme was phased in during 2006.²
- 5 Hon. Carmel Sepuloni as Minister for Social Development has an interest in this area given her portfolio covers workforce needs for the social sector. The SWRB raised the issue of funding with Minister Sepuloni in November 2021, advising it had been in discussions with the Ministry of Education and the TEC. The Ministry and the TEC have continued to work closely with the SWRB during 2022 to understand the specific barriers relating to the delivery of the social work degree programme.

The number of registered social workers is declining

- 6 As part of their ongoing work, the SWRB is looking into how to support the supply of social workers into the profession and to grow within the profession. , It is likely that there are challenges associated with both aspects of these issues which are driven by factors not directly attributable to the tuition subsidy rate (eg, cost of living challenges for learners who may be unable to be in paid work to complement student support while on practicum placements).
- 7 The data suggests outcomes of social work programmes for graduates are good. Employment rates for social work graduates who do go into the profession seem to be improving more than those of other comparable degree graduates over the last five

¹ Eight Universities and Te Pūkenga. Te Pūkenga is working closely with the SWRB on options to consolidate its degree-level programmes in this area to better meet the needs of learners, employers and the wider profession.

² The three-year degree course was phased-in in 2006-2007; before then it was a diploma.

years, showing a supported transition pathway into employment. For example, compared to 84 percent of non-social work degree graduates, 86 percent of social work graduates in 2019 were employed in 2020, and this has increased to 94 percent of 2020 graduates for 2021.

- 8 Social work graduates also, on average, earn more in their first year of employment than non-social work degree graduates. The difference is small for older graduates (between 2 percent and 8 percent for those working in 2020 and 2021), but much larger for younger graduates, those under 25 who are more likely to be commencing their careers. Young social work programme graduates entering the labour market in 2020 and 2021 were earning on average around 30 percent more per year than their young non-social work degree counterparts.
- 9 A higher proportion of social work graduates are also Māori or Pacific compared to non-social work degrees; showing there is a growing interest from diverse learners to be engaged in supporting community needs. 85 percent of social work graduates are also gaining employment in New Zealand in healthcare, social assistance and in government industries³, demonstrating that social work graduates tend to remain in New Zealand.
- 10 While social work graduates' outcomes are good, and there are a range of factors impacting the social workers supply pipeline, tertiary providers have raised specific concerns around the current tuition subsidy rates. Waikato University has recently informed the SWRB they have withdrawn their social work programme this year citing costs to deliver the programme as a barrier.
- 11 The SWRB concurs with providers and stakeholders that the current tuition subsidy rate for social work programmes does not reflect the skills-based component delivery of the programme, or its current clinical fieldwork placement requirements.

The cost structure of social workers' programmes is likely to be high compared to other programmes in its existing funding category

- 12 The funding rate for social work currently sits within the 'Arts and Social sciences' funding category, with a 2022 tuition subsidy rate per EFTS of \$6,589 for undergraduate degrees and \$8,316 for postgraduate programme. The subject areas within the 'arts and social sciences' funding category are generally intended for learners to develop critical thinking and transferable skills that can be applied across various occupations without being directed towards a specific profession. These include a wide range of humanities and commerce subjects that are generally delivered in lecture and tutorial-based formats with relatively low overall cost of delivery (and economies of scale), and no practical or placement requirements.
- 13 Social work programmes on the other hand require an additional component of practicum or clinical placements, and skills-specific delivery towards a registered profession for learners to graduate. The programme includes individually supervised sessions that are more resource-intensive than lecture-based programmes (including in the first year one-on-one pastoral care and noho-marae experiences for learners). Learners undertaking the degree programme are required to complete 120 days (900 hours) of field placements in two different agencies during their third and fourth year of study, and for masters, this is integrated across the two years. As learners progress to

³ The public administration and safety industry group includes all central government administration organisations, including Oranga Tamariki.

registering as a social worker, they need to also meet additional requirements such as character references and police vetting checks.

- 14 In order to meet the programmes' requirements, providers' contract supervised placements to host organisations (in many cases community based or social enterprises) and cross-subsidise these costs rely on the host supervisors to participate in goodwill. However, the SWRB advised that in addition to the costs of arranging supervision, in some cases employers are beginning to charge tertiary providers to make placements available.
- 15 Programme underfunding in the tertiary system is difficult to measure, and the insights we can often get from the New Zealand Benchmarking Tool (NZBT) are not readily available for social work delivery.⁴ More specifically, NZBT is collected at teaching-unit level, meaning the costs of individual programmes are not identifiable.
- 16 However other programmes leading to qualifications for a regulated profession (such as health-related professions, teaching and nursing) with similar requirements (supervised delivery, the completion of practical hours or placements, and practicum and skills-based delivery components) are funded at higher rates to recognise the additional costs inherent within the programme structure.
- 17 We consider that updating the tuition subsidy rate to a course category that better reflects its requirements alongside comparable health-related professions, and to reflect the SWRB requirements, is a step in the right direction to maintain ongoing provision and support for the education and training pipeline.

We have identified options for funding changes

- 18 9(2)(f)(iv)
- we propose two main options to adjust the tuition subsidy rate for social work programmes.
- Option 1
- 20 9(2)(f)(iv)

⁴ The New Zealand Benchmark Tool (NZBT) is used to collect data from all tertiary education institutions and can be used to compare operating costs and funding across broad fields of study. When advising on funding rates, we look at relative cost data from the New Zealand Benchmarking Tool, benchmarked to management and commerce. However, in the case of social work, the data from the tool cannot be disaggregated from that for other fields within the same broad field of study.

Option 2 (recommended)

- 22 Shift the tuition subsidy rates for only the 'practicum components' of social work programmes to the same tuition subsidy rates as 'health-related professions' (\$10,357 undergraduate and \$13,166 for postgraduate). This approach would be aligned to recent targeted tuition subsidy rate increases and focus on recognising the SWRB requirement of a practicum or placement component, with a focus on meeting registration requirements.
- 23 This option is recommended. It has an estimated cost of \$1.0 - \$1.5 million per annum (depending on enrolments) and can be managed by the Tertiary Education Commission within current baselines, e.g. by reducing funding for other lower priority provision (between 130 and 215 EFTS per annum).
- 24 We recommend proceeding with this option as it can be implemented in time for the 2023 calendar year and directly targets funding to clinical placements for learners who may be entering their final years of the degree programme. We do note that this option is unlikely to resolve all the issues highlighted by providers and the SWRB. The Ministry, MSD and SWRB will continue to monitor delivery and report back in 2024 on the effect of this funding rate change on 2023 delivery.

Next steps

- 25 9(2)(f)(iv)
- 26 If you agree to the recommended Option 2, the final funding determination is to be issued no later than 30 September 2022 to be able to implement the rate change from 1 January 2023. To be consistent with the overall approach for the 2023 funding mechanisms [METIS 1290840 refers], officials need to carry out a short period of consultation with affected providers before providing you with the final version of the funding determination for your approval.
- 27 Consultation feedback would be reflected in advice when you are asked to approve the proposed final funding determinations for 2023 before the end of September.
- 28 The TEC supports the recommended Option 2 and is ready to develop an implementation plan to roll it out by 1 January 2023. This will include what data and system changes are needed, along with the development of targeted communications to providers with guidance and information on next steps, such as changing the course codes for the practicum components.
- 29 There are also a technical and other aspects to implementation that the TEC will lead. This includes the process to identify and assign the 'health-related professions' course classification code to the practicum components of social work programmes and implement other necessary data/IT changes to ensure correct funding allocations. The TEC will also lead communicating the change to the sector through its usual channels once the final funding mechanism is confirmed.