Tertiary Education Report: Opportunities for a Health-focused CoVE

To: Hon Chris Hipkins, Minister of Education

Date: 12 December 2019

Priority: Medium

Security Level: In Confidence

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Messaging seen by Communications team: No

Round Robin: No

Purpose

This report provides an update on discussions with the Ministry of Health (MoH) regarding opportunities for a third pilot Centre of Vocational Excellence (CoVE) focused on the Health sector.

Recommended Actions

The Ministry of Education and the Tertiary Education Commission (TEC) recommend that you:

a. note that discussions are continuing with MoH and that a number of preliminary opportunities for a pilot CoVE in the Health sector have been identified,

   Noted

b. note that good progress is being made on the first two pilot CoVEs in the Primary and Construction sectors and that the TEC expects to begin funding these CoVEs from mid-2020 from the $5m of available operating funding,

   Noted

c. note that, should there be funds remaining from the current $5m of available operating funding following the establishment of the first two pilot CoVEs, or if additional CoVEs funding was secured through other means, then officials could begin a more open engagement with stakeholders on the design of a Health CoVE,

   Noted

d. note that officials recommend waiting until adequate funding has been confirmed before committing publicly to the establishment of a third pilot CoVE in the Health sector,
e. indicate whether you would like to discuss the opportunities for a Health CoVE detailed in this paper with officials,

Agree / Disagree

f. note that MoH has indicated its support for a Health CoVE that aligns with its strategic priorities and avoids overlap with existing initiatives,

Noted

h. forward this briefing to any additional ministers you may wish to inform, and

Agree / Disagree

i. note that this briefing will be proactively released once decisions and announcements on a Health CoVE have been made.

Noted

Andy Jackson
Acting Deputy Secretary, Graduate Achievement, Vocations and Careers Ministry of Education
12 / 12 /2019

Gillian Dudgeon
Deputy Chief Executive, Delivery Directorate Tertiary Education Commission
12 / 12 /2019

Hon Chris Hipkins
Minister of Education
7 / 1 /2020
Background

1. On 29 July 2019, Cabinet considered the Reform of Vocational Education – Centres of Vocational Excellence paper [SWC-19-MIN-0086] noting:
   - your "intention to establish two pilot CoVEs in the Primary and Construction sectors",
   - that "officials... were in discussions with the Ministry of Health on the potential for a Health sector CoVE".

2. Through an earlier 8 July 2019 Annotated Agenda – Design of Centres of Vocational Excellence [METIS: 1198562] – you agreed:
   - "to initially prioritise the establishment of two pilot CoVEs to ensure that each is able to be sufficiently funded from the $5m in available operating funding".

3. This briefing provides an update on our discussions with the MoH regarding opportunities for a future Health sector CoVE.

Overview of the Health sector and potential opportunities for a CoVE

Opportunity one: an NZIST-based Kaiāwhina CoVE

Kaiāwhina and nursing qualifications make up 41% and 23% of health-related studies

4. In 2018, there were approximately 36,000 learners enrolled in Level 3-7 qualifications related to the health and disability sector, excluding medical students. These learners can be categorised into three major health workforce groups:

   - **Kaiāwhina** (non-regulated care and support workers) provide assistance, support and care to people in a variety of health, disability and community settings including in their homes. The Kaiāwhina workforce in New Zealand is approximately 63,000. Most of these workers are in the aged-care, disability support services, home and community support, and mental health and addiction sector.

   Kaiāwhina learners make up 41 percent of enrolments in health and disability qualifications. Around 78 percent of Kaiāwhina learners are enrolled through the Industry Training Organisation (ITO) Careerforce, and the remaining 22 percent of Kaiāwhina learners are enrolled through an Institute of Technology and Polytechnic (ITP).

   - **Allied Health, Science and Technical** includes over 40 health professions that provide technical and scientific expertise to support the diagnosis, monitoring, management and treatment of health conditions. The Allied Health workforce is approximately 35,000, and Allied Health learners make up 27 percent of enrolments in health and disability qualifications.

   - **Nursing** is the largest regulated health workforce in New Zealand, comprising of approximately 55,000 registered nurses and 2,400 enrolled nurses. Level 7 Bachelor of Nursing degrees make up 23 percent of enrolments in health and disability qualifications.

A CoVE could support the transition of Kaiāwhina-related functions from Careerforce to providers

5. Careerforce is the largest of the 25 tertiary education organisations (TEO) providing health and disability qualifications, holding one-third of total enrolments (approximately 12,000 learners). The next largest TEOs are Auckland University of Technology (3,900

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1 This number is based on the total distinct number of learners enrolled in Level 3-7 qualifications related to the health and disability sector at Institutes of Technology and Polytechnics (ITPs), industry training organisations, and/or universities.
learners), and Open Polytechnic (3,200 learners). Around 91 percent of Careerforce’s enrolments are for Kaiāwhina-related qualifications.

6. As part of the reform of vocational education (RoVE), support for these enrolments will transition, at an appropriate time, from Careerforce to vocational education providers, including to the New Zealand Institute of Skills & Technology (NZIST).

7. There may be an opportunity for a CoVE to support the NZIST to develop the capability and capacity required to take on some of Careerforce’s enrolments in Kaiāwhina-related qualifications. It would be important to design such a CoVE in a way that did not reduce the impetus for the NZIST to develop its capability in this area on its own accord. This could be a ‘transitional CoVE’, intended to support the transition to the new unified system, and may be integrated as part of the NZIST’s business as usual functions (and funding process) in the long-term.

Opportunity two: an aged-care workforce CoVE

Trends in the Health sector

8. New learners starting Bachelor of Nursing degrees declined from 3,944 in 2013 to 3,407 in 2018, while new Allied Health learners increased slightly from 2,834 in 2013 to 3,209 in 2018.

9. New Kaiāwhina learners studying through Careerforce rose from 3,761 in 2013 to 7,561 at the end of 2017, due in part to the Care and Support Worker (Pay Equity) Settlement Act 2017, which increased wages based on qualifications or experience.

10. Economic, social, and demographic changes are expected to impact on the types and volumes of Health sector skills we need over the coming years.

11. According to the interim New Zealand Health and Disability System Review (August 2019), there are persistent workforce shortages in several areas of Health (for example, in midwifery, sonography, clinical psychology, and in rural areas). Furthermore, the report notes that “New Zealand’s ageing population with more complex needs is increasing the demand for health services. This will put pressure on the system as demand for service grows at a time when proportionally fewer people are expected to be in the workforce”.

A CoVE could focus on our aged-care workforce

12. To ensure that the aged-care workforce is of sufficient quantity and skill to meet this increasing future demand, a CoVE could focus on improving the quality and consistency of vocational education programmes related to aged-care, and/or strengthening the pipeline of students coming into aged-care related studies.

13. Many aged-care related qualifications have generic titles like ‘Health and Wellbeing’, which make it difficult to isolate specific aged-care learners. A large proportion of the aged-care workforce are registered nurses, and the Kaiāwhina workers working in the aged-care sector would learn similar Level 3-5 qualifications as Kaiāwhina workers from other Health sectors. This could make the scope of this CoVE challenging to define.

Opportunity three: a mental health CoVE

Budget 2019 priorities within Health

14. Budget 2019 outlines a transformative approach to mental health, wellbeing and addiction systems and services in New Zealand. One of the Budget’s five priority areas is: Taking Mental Health Seriously – Supporting mental wellbeing for all New Zealanders, with a special focus on under 24-year-olds. This priority commits to:

- a new frontline service for mental health with a $455m programme providing access for 325,000 people by 2023/24,
- a $40m boost for suicide prevention services,
- reaching 5,600 extra secondary students with more nurses in schools.
A CoVE could focus on mental health-related studies, or could take a cross-sector approach to improving mental health awareness.

15. There may be opportunities through CoVEs to support the Budget 2019 priority Taking Mental Health Seriously.

16. A CoVE in this space could focus on driving high-quality vocational education provision within mental health-related qualifications such as Counselling, Community Health, Social Work, Youth Work, etc.

17. Alternatively, a ‘cross-sector’ mental health CoVE could work with providers across different areas of vocational education to develop tailored programme modules that raise awareness of mental health issues within that career/occupation, provide strategies for managing one’s own mental health, warning signs to look for in co-workers, and how to offer support to co-workers, etc.

18. A cross-sector mental health CoVE could draw on best practice and target that knowledge towards sectors where workers are at a higher risk of facing mental health challenges, such as primary, construction, and transport (e.g. truck driver). This could link in, where appropriate, with the Primary and Construction sector pilot CoVEs.

Opportunity four: a Māori and Pacific workforce CoVE

Māori and Pacific participation in Health-related vocational education

19. Māori and Pacific peoples make up a slightly higher proportion of Kaiawhina learners compared to other areas of health-related studies. Overall, Māori and Pacific are fairly well represented across the three broad areas of health-related learning.

20. Table 1: Proportion of 2018 Health learners who identify as Māori and Pacific peoples

<table>
<thead>
<tr>
<th></th>
<th>% of total population</th>
<th>Kaiawhina learners</th>
<th>Nursing learners</th>
<th>Allied Health learners</th>
<th>Total health learners</th>
</tr>
</thead>
<tbody>
<tr>
<td>Māori</td>
<td>16.5%</td>
<td>20%</td>
<td>15%</td>
<td>15%</td>
<td>17%</td>
</tr>
<tr>
<td>Pacific Peoples</td>
<td>8.1%</td>
<td>13%</td>
<td>11%</td>
<td>12%</td>
<td>11%</td>
</tr>
</tbody>
</table>

21. However, there is evidence to suggest that Māori and Pacific learners may be studying at lower levels within these broad areas, and may be more likely to move into lower-skilled occupations following study.

22. A 2018 article[^2] notes that of New Zealand’s doctors, only 3.2 percent were Māori and 2 percent were Pacific. The article argues that because these “cultures are under-represented in the Health field, it is consequently believed Pasifika and Māori families are less likely to go on and study to be a doctor”.

23. Another article from early 2018[^3] suggests that increasing the number of Māori and Pacific in the health workforce is essential to eliminating health inequities across New Zealand. The article notes “that not everyone arrives at university on an equal footing. It’s what’s happening before they get to university, and we have put in systems to try and address the pre-university issues and then build on it as they go through university”.

Strengthening pathways for Māori and Pacific students into higher levels of Health-related education

24. There may be an opportunity for a CoVE to support Māori and Pacific learners to move on to higher forms of Health-related studies (and work) by strengthening pathways between different areas of study.

[^3]: https://www.newsticker.co.nz/2013/03/18/97643/the-need-for-maori-and-pacific-doctors

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Further work would be needed to better understand the issues and opportunities in this space that a CoVE could focus on.

**Opportunity five: a Kaiāwhina Workforce Action Plan CoVE**

*Kaiāwhina Workforce Action Plan*

26. The Kaiāwhina Workforce Programme is a partnership between Health Workforce New Zealand and Careerforce. This Programme sets out a 20-year vision and a five-year *Kaiāwhina Workforce Action Plan (KWAP)* to support the development of the health and disability Kaiāwhina workforce.

27. The 2015-2020 KWAP covers areas of: Access; Career Development; Workforce Recognition; Consumer Focus; Qualify and Safety; Workforce Intelligence; and Sustainability. There are a range of actions under each area, some of which have been completed, and some which are yet to be completed.

**A CoVE could take forward some initiatives within the KWAP**

28. Given the impacts of the RoVE on Careerforce, and the fact that the KWAP is nearing the end of its timeframe (2020), there may be an opportunity for a CoVE to take on some of the unfinished work set out within the action plan (or to drive the next stages of this work). To get a clearer sense of how a CoVE could contribute to this work, officials would need to engage directly with Careerforce.

**Summary of opportunities for a Health sector CoVE**

29. Based on the current situation and trends in the Health sector and our initial discussions with the MoH, several opportunities for a Health CoVE have emerged:

<table>
<thead>
<tr>
<th>Focus within Health</th>
<th>Examples of activities</th>
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</thead>
</table>
| Opportunity one: an NZIST-based Kaiāwhina CoVE | This type of CoVE could:  
  * support the NZIST to build capacity and capability to take on some of Careerforce’s responsibility in supporting workplace-based training (around 12,600 learners). |
| Opportunity two: an aged-care workforce CoVE | This type of CoVE could:  
  * raise the overall quality of our aged-care workforce,  
  * strengthen the pipeline of domestic learners coming into aged-care, or  
  * focus on other areas suggested by the sector. |
| Opportunity three: a mental health CoVE | This type of CoVE could:  
  * raise the overall quality of our professional and/or volunteer mental health workforce,  
  * work across different sectors/areas of vocational education provision to develop and incorporate mental health components into different courses (e.g. primary, construction, transport, etc.), or  
  * focus on other areas suggested by the sector. |
| Opportunity four: a Māori and Pacific workforce CoVE | This type of CoVE could:  
  * support Māori and Pacific learners to move on to higher forms of Health-related studies (and work) by strengthening pathways between different areas of study. Further work would be needed to better understand the issues and opportunities in this space that a CoVE could focus on. |
| Opportunity five: a Kaiāwhina Workforce Action Plan CoVE | This type of CoVE could:  
  * complete any remaining high-priority initiatives within the KWAP (that are aligned with the intent/purpose of a CoVE),  
  * develop and drive the next phase of the KWAP beyond 2020, or  
  * focus on other areas suggested by the sector, in particular, Careerforce. |
Comment from the Ministry of Health

30. MoH highlights the need to ensure that New Zealand has the right workforce with the right training, in the right place, at the right time. They are supportive of a CoVE that takes an equity lens, provides opportunities for employers to be part of the conversation, and ensures that training and educational programmes support the development of a flexible workforce that meets the current and future needs of the Health and disability system and of the people we serve.

31. MoH is particularly supportive of a Health-focused CoVE that:

- supports the achievement of successful outcomes for Māori and Pacific health and disability workforces,
- provides opportunities for the various Health sector workforces to undertake further education helping them to progress into new roles (for example, a CoVE focused on enabling the recognition of prior learning and developing stair casing across qualification levels), and
- supports career pathways for kaiawhina and their progression into other Health professions, including nursing.

32. From an MoH perspective, opportunities one and four (discussed previously) appear to be most closely aligned to supporting their objectives. MoH considers that opportunities two and three could be rolled up into opportunity one as they are all broadly focused on kaiawhina and kaimahi workforces. Opportunity five focuses on specific areas and may not have enough of an impact to support building system change (and could be addressed by opportunities one and four).

33. MoH has stated their interest in continuing to participate in the development of a possible Health CoVE. They also highlight the importance of engaging with the Minister of Health on the framing of a potential Health CoVE in order to avoid duplication with other activities already happening across the education, health, and disability sectors.

34. MoH will begin work in 2020 to examine the education, training and workforce development of New Zealand’s health and disability workforces in relation to the needs of our growing and changing population. This work will include thinking about workforce capability and capacity and could feed into the design of a potential Health CoVE.

Next steps

We recommend progressing a Health CoVE once adequate funding has been confirmed

35. Good progress is being made on the two pilot CoVEs in the Primary and Construction sectors, with TEC having run a series of CoVE design workshops with industry over the past few months. TEC expects to be in a position to begin funding these two CoVEs from mid-2020, following an application process [METIS: 1207493].

36. As noted above, there is currently $5m of annual operating funding available, which we estimate will support two pilot CoVEs. The Ministry and TEC recommend waiting until adequate funding has been confirmed before committing publicly to the establishment of a third pilot CoVE in the Health sector.

37. Should there be funds remaining from the current $5m of operating funding following the establishment of the first two pilot CoVEs, or if additional CoVEs funding was secured through other means, then we could begin engaging more openly with the sector on the design of a Health CoVE. Any earlier stakeholder engagement on opportunities for a Health CoVE would risk raising expectations among the sector.

38. You will be reporting to Cabinet in February 2020 with a strategy to manage the fiscal implications of RoVE. A draft of this paper was sent to your office on 11 December and will be developed further in January 2020. The paper proposes to progressively increase the current $5m CoVEs baseline, subject to decisions about spreading the available funding across other components of RoVE.

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Establishing a Health CoVE would need to be weighed against other CoVE priorities

39. Through the Ministry and TEC’s engagements on the RoVE and CoVEs with stakeholders across the country, there has been significant enthusiasm for additional CoVEs in various sectors or areas of provision. Proposals from stakeholders have included an Advanced Manufacturing CoVE, a Māori CoVE, a Secondary-Tertiary Pathways CoVE, a Tourism CoVE, a Digital Design CoVE, and more.

40. If funding becomes available for the establishment of additional CoVEs beyond the Primary and Construction pilots, the option of progressing a Health-focused CoVE would need to be weighed against opportunities in other areas.

41. As outlined in the Tertiary Education Report: Update on pilot Centres of Vocational Excellence and confirmation of funding mechanism, in early 2020 the Ministry and TEC will design guidelines to help inform the prioritisation of future investment in CoVEs, in consultation with industry and stakeholders, for agreement by you [METIS: 1207493].

42. Limited work has been done on this prioritisation framework, as the focus to date has been on preparing for the establishment of the two pilot CoVEs and other priorities (such as the RoVE Bill).

A Health CoVE would likely differ from the first two pilot CoVEs in Primary and Construction

43. The first two pilot CoVEs in the Primary and Construction sectors have a clear link to the private sector – the work of these CoVEs will likely benefit industry and employers. Therefore, industry peak bodies and employers from these sectors have an incentive to get involved in these two pilot CoVEs, and may in some cases contribute extra support to the CoVE (funding or in-kind support).

44. However, given that the public nature of New Zealand’s Health sector, private sector organisations may be less likely to get involved in or contribute to a Health CoVE. Should a Health CoVE be progressed in the future, further work would be needed to determine how best to engage with private sector organisations on the development of the pilot.

Key Health sector stakeholder groups

45. Once adequate funding has been confirmed for a third pilot CoVE, and if the decision was made that this third pilot would be in the Health sector, it would be important to work with key stakeholders to refine the CoVE’s focus and scope to ensure it does not duplicate existing functions in the system and targets a specific and valuable opportunity or challenge.

46. Key sector stakeholders that would need to be involved in shaping a Health CoVE include:

- The Health Workforce Directorate within MoH that has overall responsibility for planning and developing the health workforce. They would need to be closely involved in the development of a Health CoVE.

- The Health Workforce Advisory Board which provides advice to the Minister of Health on Health workforce matters and works in partnership with MoH to provide strategic oversight and sector leadership for New Zealand’s health workforce.

- Workforce Centres – Te Pou, Werry Workforce Whāraurau, Le Va and Te Rau Matatini – which deliver workforce-related services on behalf of MoH and are in a good position to advise on and help shape a Health CoVE.

- Careerforce is the main ITO for the Health sector and it would therefore be important to meet with this group to discuss their ideas for a CoVE.