



2 December 2014

New Zealand Productivity Commission
141 The Terrace
Wellington

Dear Geoff

A response to the 'more effective social services' issue paper

Please find enclosed a submission from Careerforce regarding the 'more effective social services' issue paper. Careerforce is making a submission on the basis of its role as the Industry Training Organisation (ITO) for many of the workforces that work in related sectors – i.e. community care, social services, disability, health, and cleaning.

Careerforce welcomes this review as an opportunity for discussion and appraisal of the important role the social services sector plays in enhancing the economic and social wellbeing of New Zealanders.

Careerforce has a number of new initiatives and long-term strategic projects that will, we believe, impact directly on the efficiency and effectiveness of the sectors within which we operate. We welcome the prospect of being able to share this work and our aspirations for the sector with the wider community, government agencies, and related organisations.

Careerforce aims to more than double the number of people currently involved in its training, moving from 12,000 this year to a total of 30,000 trainees including 1000 adult apprenticeships by the end of 2017. A major driver and end-product of workplace-based training is an improvement in efficiency and productivity for the companies that investing in training their staff via quality, NZQA-registered qualifications.

Careerforce welcomes any further discussion on any of the material included in this response paper, and is more than happy to share its findings and research with interested parties.

Yours sincerely,

Ray Lind
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Careerforce

Careerforce

Submission to the
New Zealand Productivity Commission
'More effective social services' issues paper
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Executive Summary

Workforce is a critical part of the solution to delivering more effective social services.

A competent and effective workforce can improve productivity and outcomes for service users, employers and commissioners. Examples of the benefits of a qualified social services workforce include reducing hospitalisations, improving employment outcomes by developing job ready beneficiaries, working to top of scope, and reducing the need to invest in evermore facilities by supporting aging in place. A competent workforce will enhance quality and manage risks.

The social services workforce includes the professional workforce, the unregulated or Kaiāwhina workforce and volunteers. All members of the workforce are integral to achieving improved and integrated social services.

Workforce costs are likely to take the largest share of operating costs for service providers. KPMG identified that the cost of labour ranged from 65% to 86% of annual operating costs for disability support services.

Achieving a competent workforce requires three key actions. The first is to identify the competencies. This is currently happening with social service stakeholders as part of the NZQA Targeted Review of Qualifications which will result in New Zealand qualifications that identify the competency standards required for every Kaiāwhina role.

Secondly, the standard of competence required for each role needs to be clearly and consistently articulated in the commissioning documents, with simple rules around compliance.

Finally, employees need to be able to demonstrate their competence against these standards. This is done effectively and efficiently using workplace based training which ensures learning is transferred into the workplace as part of the assessment process. Over 12,000 employees are currently engaged in workplace based training, this is forecasted to grow to 30,000 by the end of 2017.

Organisations that have implemented workplace based training to enable their staff to achieve NZQA registered qualifications, have seen improvements in quality. Training employees to recognise and respond to a wider range and more complex needs will support the delivery of more person centric and integrated services.

Careerforce, the Industry Training Organisation responsible for setting skill standards and arranging workplace based training, is uniquely placed to support the development of a competent social services workforce. We are currently undertaking research to measure the value training adds to an organisation. This research will provide evidence of productivity gains.

Careerforce also advocates for a planned approach to building workforce competency. A five year health and disability Kaiāwhina plan is being built in partnership with Health Workforce NZ. Greater productivity gains will be realised if this is expanded to include the entire social service workforce.

Recommendations

Workforce development planning and implementation

- Health Workforce NZ, the Ministry of Social Development and Careerforce lead the development of a 5 and 10 year workforce development plan building on the Kaiāwhina plan.
- The plan and its implementation will support the development of a fully competent and qualified workforce within the next 5 years.
- Current inconsistencies in access to training to achieve NZQA registered qualifications are addressed.

Workforce competence

- Social service commissioning documents provide clear and consistent competency requirements that are aligned to New Zealand Qualification Authority registered qualifications and standards. Compliance processes are clarified.
- Commissioning agencies test with non-conflicted stakeholders for reasonableness and to identify unintended consequences in new contractual requirements.
- Employers are supported to develop and implement workforce plans that are aligned to the national strategy.

Workforce intelligence

- Develop national workforce intelligence by identifying who is responsible for collating and reporting on workforce data and standardising questions and processes.
- Make changes to the census descriptions to better reflect the workforce so employees can see themselves in the next census.

Introduction

New Zealand is experiencing an increase in demand for its social and health services, driven by a combination of factors such as an aging population and an increasing focus on deprivation and challenging social factors. As demand increases and growth in funding is limited the need for more effective and efficient social services is crucial. Careerforce is already responding to this need through improved qualifications and training plans, and a long-term strategy to improve the depth and capabilities of the health and disability Kaiāwhina workforce.

Careerforce develops qualifications for workplace-based training by aligning learning with workplace activity. Developing workforce development plans with employers ensures the most efficient and effective training and transfer of learning. Over 12,000 trainees are engaged in workplace based training: it's accessible, practical, quality assured and cost-effective. This is forecasted to grow to 30,000 trainees including 1000 adult apprenticeships by the end of 2017. Careerforce supports employers to develop their training and assessment infrastructure.

Research shows that occupation and trades training increases the productivity of an employee by 61% during their lifetime. This training provides a benefit to cost ratio of \$4 to \$5 for every \$1 spent. This is particularly true of ITO training which reduces transaction costs by arranging the delivery of industry training. ITOs also work with stakeholders to identify the competency requirements and then develop national qualifications that meet industry needs. (1)

Research also shows that employees that have received training are far more 'loyal' to their employer, providing increased efficiencies through reduced staff turnover and recruitment costs. Trained staff are measurably more productive (2).

The long-term planning around the capability and size of the workforce that is going to be required in the social services sector needs careful consideration and co-operation between agencies. Careerforce has partnered with Health Workforce New Zealand (HWNZ) to develop the Health and Disability Kaiāwhina Workforce Action Plan, which has an overarching objective of providing a health care and disability support workforce in New Zealand that is sustainable, flexible, and fit for purpose.

Careerforce is uniquely placed to contribute to and effect change in response to workforce challenges. It has a pivotal role in the development of the non-regulated (Kaiāwhina) workforce. Careerforce also managed the review of the NZQA qualifications for the sectors. It is planning for the future in a considered and collaborative way, responding to existing and predicted needs.

Careerforce is also actively investigating successful United Kingdom and Australian health and social care workforce models that have delivered significant efficiencies in those countries.

About Careerforce

Careerforce is New Zealand's community support services Industry Training Organisation (ITO). Its coverage includes the social services, disability, health and cleaning sectors*.

We are recognised under the Industry Training and Education Act (1992), the purpose of which is to: provide for the recognition and funding of organisations (to be known as industry training organisations) to develop and maintain skill standards for, and administer the delivery of, industry training; encourage and improve industry training; encourage and help people to take up and complete apprenticeship training; and provide for other related matters. We are primarily funded by the Tertiary Education Commission (TEC).

Careerforce works with stakeholders including government agencies, employers, unions, representative groups, and other education providers to develop registered New Zealand qualifications.

It develops the sector qualifications for the New Zealand Qualifications Authority (NZQA), assists employers to develop and deliver workplace training, and moderates results. All of Careerforce's qualifications are a part of the New Zealand Qualifications Framework.

Careerforce has been working for the past eighteen months with the sector and government agencies to redesign the suite of NZQA qualifications for the areas that it covers. These new qualifications will be released during the course of 2015 and 2016. The new qualifications will enable the development of a person centric, thinking workforce. The qualifications provide the workforce with common core skills that are transferrable between employers. Qualification strands provide the skills and knowledge to meet more specific needs. This emerging workforce will have the ability to make a significant contribution to the social service needs of New Zealanders.

* A copy of Careerforce's TEC gazetted coverage can be found here: <http://www.tec.govt.nz/Resource-Centre/Directories/Industry-Training-Organisations/Community-Support-Services-Industry-Training-Organisation-Limited/>

Submission Structure

Careerforce has provided responses only to the specific questions that are of direct relevance to its experience and areas of expertise.

Questions & responses

Question 11 – International Examples

What other international examples of innovative approaches to social service commissioning and provision are worth examining to draw lessons for New Zealand?

Response

Integrated Health

The integrated model of health care is gaining significant traction in the OECD. The UK's 'Skills for Health' organisation (similar to Careerforce) recognised that poor use of highly skilled clinicians, and unrealised potential of non-registered staff was costing the entire health system in terms of return on training, productivity and outcomes for patients.

It moved from an input approach - e.g. 'how many staff do we need' - to a competence-based output approach – e.g. 'what is required'. It meant assessing what competencies were required, how competencies could be grouped in safe, satisfying roles that delivered high quality care, and then looked at who could carry out those roles.

By training non-registered staff to do some of the clinical functions – under supervision – the new system produced significant results, including an improved national breast cancer screening programme saving 1,400 lives per year; a dementia care unit that reduced hospital stays and improved quality of care; and a hospital-based podiatry service that reduced its waiting lists from two years to 4-6 weeks, with a decrease in cost per treatment from \$50-\$100 down to \$20, and new employment opportunities valued at \$500,000 per annum.

Careerforce has developed a relationship with Skills for Health (UK), and is actively working with that organisation to better understand these innovations and what might be appropriate for New Zealand.

Question 14 – Service Integration

What needs to happen for further attempts at service integration to be credible with providers?

Response

Feedback received by Careerforce from the sector during the qualifications review identified that many of the workforce skills are common to all sectors and that there is a willingness to improve skills to support integrated services. A joined up workforce plan is critical to supporting the implementation of integrated services.

A Long-term Plan

Health Workforce New Zealand (HWNZ) and Careerforce have jointly developed and are implementing a workforce action plan focusing on the development of the health and disability Kaiāwhina/unregulated workforce. It aims to provide a workforce that adds value to the health and wellbeing of New Zealanders by being competent, adaptable and an integral part of service provision. It lays out the pathway for the development of the sectors Careerforce supports.

Called the Health and Disability Kaiāwhina Workforce Action Plan, the plan describes the current workforce and identifies what the actions required between 2014 and 2019. It also has a 20-year horizon plan, to ensure the long-term needs of New Zealand's ageing population are met. Further information on the Health and Disability Kaiāwhina Workforce Action Plan can be found at <http://www.workforceinaction.org.nz/>

Overseas Research Regarding Integrated Care

Overseas research has also highlighted that care for older people with complex needs produces a better outcome for all if an integrated approach is taken to their care.

“Often, these formal social care services are organised and funded separately from health care or medical services, which can result in fragmented care for people who need both types of service. A common response is to develop integrated health and social care for older people with complex needs. Integrated care can mean different things in different settings; however, a common feature of this approach is that it seeks to improve the quality of care for individual patients, service users and carers by ensuring that services are well co-ordinated around their needs.

Coordinated services that recognise the person being at the centre contribute towards a more efficient and integrated system. Core to this success is a workforce that is able to either work across specialities or, at a minimum, have a greater concept of the various workings of the system and the services available to ensure that the person receives or has access to the specific services they require.” (3)

Careerforce's work with the social care sector highlighted that the core skills required of a social services worker are similar to the core skills required of workers in the health and disability. A range of core skills (common competencies) have been identified and built into the new qualifications suite being developed by Careerforce. (4)

Recommendations

- Health Workforce NZ, the Ministry of Social Development and Careerforce lead the development of a 5 and 10 year workforce development plan building on the Kaiāwhina plan.
- The plan and its implementation will support the development of a fully competent and qualified workforce within the next 5 years.

Question 21 – Flexible Service Delivery

How can the benefits of flexible service delivery be achieved without undermining government accountability?

Response

A Collaborative, Educated and Flexible Workforce

A collaborative cross-government approach would allow the Kaiāwhina workforce within the social services sector to become more flexible and able to respond to the shift to primary and community models of care and support, and assist the integration between institutional and community settings.

Upskilling and creating a ‘thinking’ workforce means that government can ensure flexible service delivery by having a workforce that is able to recognise and respond to lower level risk without the requirement of loading the professional workforce with basic tasks. This has the benefit of allowing the professional workforce to work at the top of their scope.

Qualified workers are also more likely to have a greater level of awareness of client needs and what they should and shouldn’t do in relation to these needs, resulting in increases in improved service user experiences; higher rates of incident reporting and identifying “root causes” in incident investigations. This heightened sense of professionalism results in a “virtuous circle” whereby better trained employees take on more responsibility, provide improved levels of service and gain recognition and respect as a result. (2)

However, across the workforce, training is currently inconsistent and ad hoc. Whether the workforce is trained and to what measure of competency depends primarily on the commitment of employers unless there are stated qualification requirements in contracts.

The 2014 Treasury briefing to the incoming Minister of Health also highlighted the need for the non-regulated workforce in the health sector to be better trained:

“We also need to look more closely at the role of the care and support workforce in the aged care and disability support sectors. This workforce is important to the health sector’s capability to respond to the ageing population and the increasing prevalence of chronic disease. It is also important to the wider workforce because it allows other health workers such as nurses to concentrate on tasks that make better use of their training. A well-functioning, appropriately trained care and support workforce enables people with more complex health needs to be cared for in their homes for longer and facilitates earlier discharge from hospital, freeing up hospital beds with a positive impact on patient flows and efficiency”.

Similarly, the social care sector needs to continuously adapt to meet the changing and dynamic needs of the people and communities that it supports, as well as responding to changes in government priorities. This sector is more able to readily adapt to these changes if the workforce has been trained and can demonstrate how the learning has been transferred into the workplace.

A consistent and planned investment in this workforce would achieve both the productivity and support government accountability.

Pay Inequity

Some employers do not actively support their staff to gain recognised competencies using the argument that if they upskill them they will leave. All employers need to take responsibility for upskilling and valuing this workforce.

Currently there are different pay rates for the same skill set. Typically a health care assistant working in a hospital will earn more than a health care assistant working in an aged residential care facility, and a worker in an aged care facility will earn more than someone with the same skills working in the home and community sector. This pay disparity reduces the flexibility of the workforce as they gravitate towards an environment with the highest remuneration.

Supporting the Social Care Sector with New Qualifications

The health and social care stakeholders are currently working together on the NZQA Mandatory Review of Qualifications, working together to establish workforce competencies and future sector needs.

The key education and employment outputs from the Mandatory Review of Qualifications are:

- One qualification framework for the aged care, disability, health and social service workforces covering levels 2 – 6 on the New Zealand Qualifications Framework. The framework includes leadership and management qualifications. No framework currently exists.
- Clear education and employment pathways, including from school to work and from unregulated to regulated roles. These pathways do not currently exist.
- Greater access, more efficient and customised training opportunities for the workforce.
- Consistency, clarity and equity in terms of the skills and knowledge required to undertake roles.

Workers will also be trained in critical thinking and reflective practice. It is expected that this will lead to continuous improvement. All of the qualifications involve gaining an understanding of ‘person centred’ support and strengths based approaches.

Government accountability can be supported by requiring the development of a competent workforce based on clear and consistent competency requirements that are part of the New Zealand Qualifications Framework.

Recommendations

- Current inconsistencies in access to training to achieve NZQA registered qualifications are addressed.
- Social service commissioning documents provide clear and consistent competency requirements that are aligned to New Zealand Qualification Authority registered qualifications and standards. Compliance processes are clarified.
- Employers are supported to develop and implement workforce plans that are aligned to the national strategy.

Question 25 – Information Technology

What are the opportunities for and barriers to using information technology and data to improve the efficiency and effectiveness of social service delivery?

Response

A Lack of Workforce Intelligence and Data

There is a dearth of intelligence about the workforce, and there is little being done about it. The workforce is not easily identified in the census, so it can be difficult to accurately assess the size of the workforce.

A lack of clarity about the numbers and demographics of the existing workforce means poorly informed workforce planning in terms of supply and demand and identifying future needs and resources.

Careerforce has commissioned a report[†] to provide a profile of the Health and Disability Kaiāwhina workforce as part of the Health and Disability Kaiāwhina Workforce Action Plan. Similar work is required to ensure data is available for the broader social care sector also.

Recommendations

- Develop national workforce intelligence by identifying who is responsible for collating and reporting on workforce data and standardising questions and processes.
- Make changes to the census descriptions to better reflect the workforce so employees can see themselves in the next census.

Question 26 - Streamlining Government Purchasing Processes

What have been the benefits of government initiatives to streamline purchasing processes across agencies? Where could government make further improvements?

Response

Consistency

A streamlining of government contracts would create a consistently qualified and competent.

Currently only a few contracts identify the competency standards required to deliver the service. Establishing the competency requirement shifts the training from participatory to assessment based. Assessment in the workplace ensures the learning has been transferred and can be applied to meet the standard.

[†] <http://www.workforceinaction.org.nz/wp-content/uploads/sites/2/2014/05/2013-Health-and-Disability-Kaiawhina-Worker-Workforce-Profile.pdf>

Contracts that are silent about the standard required result in variable training outcomes. Resources are not being maximised with this approach. Employees can also be disadvantaged as they have no proof of the skills they have developed.

Recommendation

- Social service commissioning documents provide clear and consistent competency requirements that are aligned to New Zealand Qualification Authority registered qualifications and standards. Compliance processes are clarified.

Question 32 – Additional Information in the Tender Process

What additional information could tender processes use that would improve the quality of government purchasing decisions?

Response

Careerforce has experienced occasions where employers have received contracts that have some form of qualification requirements for their workforce. Careerforce supports this approach however unfortunately there have been occasions where contracts have referenced qualifications that do not exist or the implementation timeframe is not realistic. This has led to unintended consequences including resources being duplicated and delays in meeting the requirement.

Commissioners needs to engage with stakeholders who can answer pragmatic 'how' questions and are able to provide an overview of what the practical steps, processes and timelines are likely to be.

Recommendation

- Commissioning agencies test with non-conflicted stakeholders for reasonableness and to identify unintended consequences in new contractual requirements.

Question 48 - An Investment Approach to Social Services Spending

An investment approach is critical to improved social outcomes as it offers the provider with a level of certainty over the medium to long-term.

Providers with uncertain future funding may be reluctant to provide a long-term employment, let alone have the flexibility to consider the future workforce dynamics that they require and the associated investment in training that is needed to meet their future workforce needs.

The challenge is for government agencies to contract in a way that provides sufficient certainty to allow long-term workforce planning and development to occur. A longer and more analytical view of future workforce requirements is needed. It requires both commitment and investment of time and resource, but reduces the risk of shortages appearing in the workforce into the future.

In addition contracts need to be developed that encourage successful providers in one area to diversify into other related areas. For example providers who have successfully implemented smoking cessation programmes need to be supported to diversify into other areas where behaviour change are needed rather than their contract reducing because there are fewer smokers to support.

Question 52 – Provider Organisational Culture and Leadership

How do the organisational culture and leadership of providers affect the adoption of improved ways of supplying services? In what service areas is the impact of culture and leadership most evident?

Response

An organisation's culture is a key factor in determining whether an organisation successfully implements workplace training and how effectively that learning is transferred to workplace activity.

Careerforce commissioned research that provided evidence that organisations that successfully implement a workplace learning culture, improved their service delivery, which in turn enhanced their ability to successfully compete in competitive tendering processes.

One provider noted:

Looking at our policies and procedures... that was where we first made the link between these and the training. And we've developed all our own material. It's really helped us in RFP's and things, because we had such a comprehensive orientation that all our workers go through that we can guarantee that every single one of them will do the things the way that they're supposed to. (Workplace manager) (2)

All parts of the workforce need to support the changing needs to achieve these results, especially those with leadership responsibilities.

Careerforce's experience of social service providers – especially those providing disability, mental health, and social services – suggests this question should also consider how providers through their leadership and culture collaborate to achieve outcomes for clients. Integrated service provision that is truly client and family/whānau centred requires integration and collaboration.

Contracts are frequently at provider level and don't provide space for the costs incurred to collaborate and achieve collective impacts.

Leadership within a provider is a strong factor in creating culture change and improved services. New Zealand leadership and management qualifications will be available as part of the new qualifications framework being developed by Careerforce. The supporting programmes of study will be contextualised to the social services sector.

Question 53 - Institutional Arrangements and Organisational Features

What institutional arrangements or organisational features help or hinder the uptake and success of innovative approaches to service delivery?

Response

As noted previously, if an organisation invests in its workforce it will create a productive and flexible workforce that has the ability to implement innovative approaches of service delivery.

Generally contracts do not appear to have specific requirements stipulating that the provider's workforce should be upskilled and developed.

Research (5) suggests that while staff need appropriate qualifications to implement best practices in their workplace, they also need organisational support. This is likely to vary, one example included:

- reasonable caseloads
- accessible clinical supervision
- time and a forum for reflective practice and a culture that promotes it
- management decisions based on social work ethics
- a shared view of child protection that enables agencies to work together
- adequate, appropriate and accessible resources
- a flexible and creative service system, which allows them to exercise their professional judgement

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