

Aide-Memoire: Qualification equivalence for the care and support sector

To:	Hon Chris Hipkins, Minister of Education
From:	Mike Blanchard, Deputy Chief Executive, Operations
Date:	14 May 2018
Reference:	AM/18/00233

Purpose

1. This briefing provides you with information on the issue of qualification equivalence and how it affects employers and employees in the care and support sector. You requested this information following discussions with Minister Martin, who recently met with Careerforce.
2. We recommend that you release this aide-memoire in full once it has been considered by you.

New legislation sets pay rates according to qualification levels

3. The Care and Support Worker (Pay Equity) Settlement Act 2017 (the Act) came into force on 1 July 2017.
4. Schedule 2 of the Act specifies the wage rates an employer must pay to care and support workers. The rates are based on the worker's level of qualification.
5. The Act (Part 1(5)) specifies these qualifications as Level 2, 3 or 4 New Zealand Certificates in Health and Wellbeing issued by the New Zealand Qualifications Authority (NZQA), or qualifications (whether from New Zealand or overseas) that are recognised by the relevant industry training organisation (ITO) as being equivalent. The Community Support Services Industry Training Organisation (Careerforce) is the relevant ITO for the care and support sector.

Careerforce determines equivalence of qualifications for the care and support sectors

6. Careerforce is one of 11 funded ITOs with an obligation to set standards and arrange training for its industries. Careerforce covers the health, mental health, aged care, disability, social services, youth work, cleaning and pest management industries.
7. Careerforce is responsible for determining the equivalence of qualifications that determine pay rates in the care and support sector.
8. The pay equity settlement was announced on 18 April 2017 and new pay took effect on 1 July 2017. The process for determining equivalence of qualifications has therefore implemented under tight time frames.

9. As the equivalency process has unfolded, its varying impacts across different care and support organisations has become apparent, along with some anomalies in assessment.

The aged care sector has concerns about relevancy

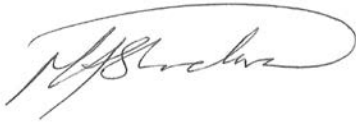
10. The New Zealand Aged Care Association (NZACA) is a national membership organisation which represents all parts of the aged care residential sector.
11. NZACA considers Careerforce's process for assessing other qualifications for equivalency results in assessments of equivalency that are not relevant to the aged care sector.
12. NZACA has also expressed concern that degree or diploma qualifications in nursing from the Philippines, India, South Africa, Australia or the United Kingdom are assessed as equivalent to a level 4 Health and Wellbeing certificate qualification. Many employees with these qualifications are employed in Level 2 care and support roles, but receiving pay rates for Level 4.
13. From the employer's perspective, Careerforce's equivalency process can result in a pay rate the employer considers is not supported by the employee's skills and/or performance. NZACA is concerned the potential implications of the equivalency process were not considered when it negotiated and agreed the service delivery price.
14. The equivalency process can have financial implications for care and support providers who may:
 - not have considered qualifications when making decisions regarding employment; and /or
 - have employed significant numbers of overseas trained nurses in support worker roles.
15. The Ministry of Health is aware of NZACA's concerns. The Ministry has provided additional financial support to providers in material deficit as a result of the pay equity settlement.

Some stakeholders have suggested options to address their concerns

16. NZACA suggests the Act be amended to refer to qualification relevancy rather than qualification equivalency. However, this proposal does not remove interpretation from the implementation process.
17. Careerforce suggests the removal of qualification equivalency from the Act and the use of recognition of prior learning or current competency to award New Zealand qualifications at the appropriate level. This proposal would shift the responsibility to employees to demonstrate competency.
18. The Ministry of Health does not yet have a position on qualification equivalency issues. It is aware of the various concerns and the financial impacts. As noted above, providers significantly affected have received additional financial support.

Agencies are continuing to work with the sector

19. The Ministry of Health are continuing to work with Careerforce and the care and support sector on pay equity issues. Educational agencies such as the Tertiary Education Commission and the New Zealand Qualifications Authority will provide advice and input as required.
20. Mental health care and support workers will be included into the pay equity settlement in the near future. The Ministry of Health will provide advice to the Minister of Health on this and any related matters as required. This advice may cover how current qualification equivalency assessments can be improved and whether legislative changes are necessary or desirable.
21. Care and support providers will have discretion over future employees in terms of their skills and qualifications (for clarity, providers have a choice over who they employ but not the required minimum pay rates). Over time, attrition and changing models of care will allow employers to shift their business models to achieve the appropriate workforce mix.



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Tertiary Education Commission

14 May 2018

Hon Chris Hipkins

Minister of Education

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