



Social sector annual reviews:

- **2019/20 Annual review of the Ministry of Social Development**
- **2019/20 Annual review of the Social Wellbeing Agency**
- **2019/20 Annual review of the Social Workers Registration Board**

Report of the Social Services and Community Committee

Fifty-third Parliament
(Angie Warren-Clark, Chairperson)
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Presented to the House of Representatives

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Social sector annual reviews

Recommendation

The Social Services and Community Committee has conducted the 2019/20 annual reviews of the following entities:

- Ministry of Social Development
- Social Wellbeing Agency
- Social Workers Registration Board.

The committee recommends that the House take note of its report.

About our consideration and the structure of this report

This year, we have decided to consider and report on the social sector as a whole, rather than reporting separately on each entity. We held a hearing with the Minister of Social Development and Employment, Hon Carmel Sepuloni, for an overarching discussion about issues in the sector, as well as meeting with individual agencies. The various sections of this report cover the main points from those hearings.

In the Review of Standing Orders 2020,¹ the Standing Orders Committee encouraged select committees to make overall sector reports, as well as their more traditional reporting on individual agencies. It also encouraged committees to invite Ministers to a hearing, to give evidence about the results of appropriations in the sectors they oversee.

The hope is that, over time, this form of scrutiny and reporting will make it easier for committees to comment on themes relating to an entire sector. They may be able to report on findings across a group of agencies, and on the sector-wide outcomes being achieved for New Zealand.

¹ Standing Orders Committee, Review of Standing Orders 2020, (I.18A), July 2020, p. 43.

Social sector overview

Overview of funding for the social sector

As part of Budget 2019, we heard that the Government invested \$1.3 billion in the Ministry of Social Development over four years. The Minister of Social of Development and Employment described this investment as building on the Government's \$5.5 billion Families Package. The Minister provided an overview of how this funding has been used.

Improving the financial wellbeing of New Zealand's most vulnerable

We heard that the investment has enabled the Government to implement "major shifts" in the financial wellbeing of New Zealand's most vulnerable. The Minister provided several examples of these changes. Main benefits are now indexed to average wage growth, a move that the Minister said would see benefits steadily rise in real terms.

Abatement settings were changed to increase the amount beneficiaries can earn before their benefit is reduced. The rates align with increases to the minimum wage. Also, section 192 of the Social Security Act 2018 was repealed. That section required the ministry to reduce rates of benefits for sole parents who did not name the other parent.

Support for the ministry's frontline staff

We heard that the Government has invested substantially in the ministry's frontline staff. This has enabled the ministry to maintain a strong focus on supporting people into employment. The Minister told us that exits into work have been increasing since April 2020. In November 2020 10,147 clients moved from a benefit into employment, which was the highest number of monthly exits since 2004.

Support during COVID-19

The Minister explained that the ministry's focus expanded with the onset of COVID-19. This was because it needed to respond to increasing numbers of New Zealanders experiencing hardship, and introduce measures to support businesses and workers. The following measures were implemented:

- The wage subsidy was introduced to protect jobs and incomes. It supported 1.7 million jobs.
- Income support was increased, including a \$2.8 billion income support package. The package increased benefits by \$25 a week, doubled the winter energy payment for 2020, and broadened eligibility for the in-work tax credit.
- The Government made operational changes to simplify access to support and relieve anxiety for clients. They included removing stand-down periods and requirements for medical certificates, and streamlining the process to apply for a benefit.
- In-home childcare was funded for essential workers.
- The ministry increased the total amount of the special needs grant for food that could be provided in a 26-week period by \$400. This applied from late March 2020 until early August 2020.

- A \$27 million package was introduced to help the social services sector respond to the needs of their communities during the alert level 4 lockdown.

Employment initiatives

We asked how many employment initiative places were available for the 150,000 or so job seekers who were on a job seeker benefit before COVID-19. The Minister told us that the Government does not differentiate between people who were unemployed before and during COVID-19.

The Minister noted that employment opportunities were still available despite the lockdown. They included jobs as an essential worker and in areas where seasonal work could still operate, provided that the COVID-19 guidelines for workplaces were followed.

We asked how many people have gone into seasonal work through the ministry's employment programmes. We were told that over 9,600 benefits were cancelled or suspended with a season work code in the 12 months ending December 2020.

Expansion of the flexi-wage scheme

Flexi-wage is an employment programme that helps job seekers obtain a job while gaining the skills needed to do that job. Flexi-wage support can include training and in-work support, as well as a contribution to wages. The job must be ongoing and continue after the flexi-wage has finished. In February 2021, the Government announced an expansion to the initiative.

We asked when the Minister had told the Prime Minister that the extension would not be granted before Christmas 2020. The Minister told us that she had a conversation with the Prime Minister near the end of 2020 about wanting to tighten the criteria for the scheme. The ministry had advised the Minister that the flexi-wage scheme was less accessible to employers because the criteria were not clear.

We heard that the Government needed to make the scheme as accessible as possible to employers because it was committing to 40,000 flexi-wage places. The Minister pointed out that the flexi-wage scheme still operated during 2020, with more than 4,000 people accessing flexi-wage opportunities. She described the programme as "highly effective", which is the reason for its extension.

Some of us expressed concern about the number of places (40,000 over three years) given the number of people on a jobseeker benefit who need jobs now. The Minister said that she would be concerned if it was the only initiative the Government was implementing. However, she noted that the Government has other initiatives committed to employment. The Minister highlighted the extension of He Poutama Rangatahi² and the continued success of Mana in Mahi as examples of initiatives.

² He Poutama Rangatahi is a cross-agency initiative. It is aimed at young people who are most at risk of long-term unemployment and who may need extra support to connect to training and employment.

We discuss the flexi-wage scheme further in our section on the 2019/20 annual review of the Ministry of Social Development.

Mana in Mahi

Mana in Mahi aims to help people who are disadvantaged in the labour market to move into long-term work and gain a formal industry qualification. The programme has been expanded to help a broader range of people who will need additional support to maintain employment while New Zealand recovers from the effects of COVID-19.

The Minister told us that she recently had conversations with an employer and employees in Ōtara who had used the flexi-wage and Mana in Mahi schemes. We heard that employer feedback was very positive about the employees they received through these initiatives. This included the calibre of employees and the difference the employees were making to their business. The Minister said that feedback from employees about their employers and the government support was also positive.

Warrant-to-arrest sanctions

The warrant-to-arrest sanction stops or reduces benefit payments if a benefit recipient does not clear an arrest warrant. We note that the gap between Māori and non-Māori affected by this sanction is particularly high. The ministry explained that it has no choice but to follow the process set in the legislation (the Social Security Act) if somebody has an active warrant to arrest. It said it realises that Māori are disproportionately affected by these processes because they are disproportionately represented in the justice system.

We asked whether the Minister is concerned about the effect the policy is having on Māori households where incomes have been docked. This may mean that additional assistance, such as hardship grants, is needed. The Minister said that the number of sanctions being applied more generally has reduced. She attributed this to attempting to have more constructive conversations with people where possible. However, the Minister acknowledged that the legislation relating to warrant-to-arrest sanctions means that there is no discretion to have these types of conversations.

The Minister told us that no consideration has been given to changing the warrant-to-arrest sanction at present. However, she added that the Government has committed to reviewing existing sanctions and has clearly indicated that it is considering sanctions that it deems excessive.

2019/20 Annual review of the Ministry of Social Development

About the Ministry of Social Development

The Ministry of Social Development describes its purpose as helping New Zealanders be safe, strong, and independent. It has about 8,000 staff who, in a typical year, provide direct support to between 1 million and 1.5 million New Zealanders and their families. It has about 180 office locations around the country.

The ministry's functions include providing:

- income support and superannuation services
- employment support and services
- support for young people to gain the skills they need to work and be independent
- a range of housing services
- advice on issues affecting youth, seniors, and disabled people
- community services in conjunction with others.

The ministry also provides a range of services to the Government to enable the welfare system to work as effectively as possible.

Financial performance and audit results

In 2019/20, the ministry's total revenue was \$1.22 billion. Its total expenditure was \$1.14 billion, resulting in a surplus of \$78 million. This compares with a \$19 million surplus in the previous year.

The Auditor-General was satisfied that the information audited fairly presented the ministry's activities for the year and its financial position at the end of the year. However, he issued a non-standard audit report because it draws readers' attention to the disclosures in the financial statements and performance information outlining the effect of COVID-19 on the ministry.

The Auditor-General assessed as "good" the ministry's management control environment, financial information and supporting systems and controls, and performance information and supporting systems and controls. These ratings were all unchanged from 2018/19.

Emergency housing

Ensuring the safety of clients in emergency housing

We asked what steps the ministry takes to ensure that suppliers of emergency accommodation provide safe spaces. The ministry explained that it does not have contracts with the providers who place clients into emergency housing. However, it expects them to provide a standard of care that any other New Zealander would receive if they were staying

in that facility. The ministry said it seeks feedback from clients and providers to identify whether they have any issues. It would discuss certain issues with the providers, such as clients not having the same access to facilities as other guests. For other issues the ministry would bring in other people who are relevant from a regulatory perspective, such as a local authority or another provider.

The ministry acknowledged that the vast majority of its moteliers provide good services. However, it recognises that, as with other matters, it is “a bell curve” and it will need to engage with some providers.

Verifying the suitability of emergency accommodation providers

We acknowledged the point about a bell curve, but wondered what steps are taken to find the unsafe providers who may place people in situations that are unhealthy or harmful. We asked whether the ministry visits emergency accommodation providers to verify that the accommodation is suitable before agreeing to provide a grant. We heard that the ministry does not have a routine where it regularly checks that providers are suitable. However, its local staff generally know the motels and their location and quality. Also, the ministry’s regional staff visit some locations and talk to the moteliers on a “fairly regular basis”.

The ministry notes that one challenge is emergency housing supplied by a provider that is not a motel, such as a boarding house. It told us that it sometimes needs to take whatever is available because it is desperate to house people. The ministry acknowledges that sometimes these places are not “up to scratch”, but it stops using them if it discovers this.

Support for providers of emergency housing

We asked what support the ministry gives providers of emergency housing. The ministry told us that it received funding for a number of staff in October 2019. This included 62 people navigators and 62 intensive client case managers, as well as housing brokers and support people. These staff provide information and support to moteliers or providers. The ministry’s local and regional staff also regularly engage with providers.

Work to improve the provision of emergency housing

We note that the longest stay in emergency housing is nearly two years, whereas the intention is that people will stay for a maximum of several weeks. We are interested in what the ministry has been doing differently to ensure that the provision of emergency housing is more effective and efficient.

The ministry acknowledged that it has several people who have been staying in emergency accommodation for long periods. We heard that the investment it received for additional staff was to provide support and services to people in emergency housing.

The ministry told us that it has been working with individuals who are often high-risk and have high and complex needs. It said that its people navigators and intensive case managers have worked with these individuals to find housing solutions. We heard that they have found solutions for all but one of the clients who were in the list of the 10 longest stays in emergency housing.

Recoverable grants

We observed that people are waiting longer to get into public housing and spending longer in emergency housing, and that median rent prices are increasing across New Zealand. Given these factors, we asked whether grants for emergency housing would be recoverable if a person was deemed not to be taking enough steps to find appropriate accommodation. The ministry said it understands that the difference between recoverable and non-recoverable assistance depends on factors other than a person not taking reasonable steps.

Response to COVID-19

Support for individuals and communities during COVID-19

The ministry told us that it was able to ensure that it could continue to provide income support and make that accessible during the COVID-19 period. For example, it said that almost “overnight” it moved to providing services online and by telephone. The ministry said it went from granting about 10,000 benefits a month to about 10,000 benefits a week during the peak of COVID-19 restrictions.

The ministry recognised its community partners, the social sector, and the many marae, hapū, and iwi that mobilised to support whānau and communities. The ministry provided examples of its work to support communities during the COVID-19 response:

- It provided \$27 million to support NGOs and community groups to meet their immediate needs. This included funding to support crisis providers responding to cases of family and sexual violence.
- It provided support to community groups that needed seed funding to help people needing food or digital support. This included funding of \$7.5 million for 1,300 grants.
- It provided \$6 million for about 130 grants to disability support providers to ensure the ongoing wellbeing of disabled people.

Wage subsidy

On 16 March 2020, Cabinet agreed to implement a COVID-19 wage subsidy for 12 weeks. The Government subsequently announced an extension and then a wage subsidy recovery stage. The total spending on the scheme was \$14 billion (just over \$12 billion in 2019/20). We heard that the wage subsidy supported about 500,000 businesses and about 1.7 million jobs.

Some of us have received feedback from employers about the promptness of the ministry’s support. The ministry told us that its staff have had “fantastic” feedback from employers. The employers said that the subsidy meant that they could pay their staff and keep their businesses open.

Investigations regarding the wage subsidy

As at 30 June 2020, 512 wage subsidy cases had been referred for investigation, with 91 under way and none completed. Some of us were concerned that none of the investigations

are complete. We asked about the reason for the delay in processing the investigations and whether the ministry expects any will lead to prosecutions for fraud.

The ministry noted that these are ongoing investigations; it does not believe they have been delayed. It pointed out that investigations take time. The ministry needs to get evidence, prove it has a case, and make a decision about whether it will take further action, including legal action. The ministry said that if prosecutions eventuate they will follow the guidelines regarding evidential sufficiency and public interest.

The ministry pointed out that the wage subsidy does not sit within the Social Security Act. As a result, the ministry does not have powers under that Act that help with investigations. We heard that “these are basically fraud investigations” and the ministry has to use different tools. These take a bit longer for its staff, who are used to dealing with the Social Security Act.

We asked how much the ministry has spent investigating these cases and trying to recover the funds. The ministry told us that it has an investigation team of 112 people working on the complaints. We heard that it does not have a figure for the amount spent. However, the ministry noted that this work is a reprioritisation of resources and the staff would usually be investigating benefit fraud.

Lessons learnt and changes implemented

We are interested in the lessons learnt, and changes implemented between the first and second lockdown.³ The ministry told us that, during the first lockdown, it made refinements to increase the clarity of wage subsidy criteria and the process for employers. It also strengthened the wage subsidy declaration and guidance.

The ministry said that stakeholder feedback as alert levels de-escalated and labour market data indicated that some businesses continued to experience a significant reduction in revenue. Before the second lockdown, Cabinet agreed to extend the wage subsidy in a targeted way. The wage subsidy extension required employers to demonstrate that revenue had declined by 40 percent. This compared with the previous requirement of 30 percent. The resurgence wage subsidy was also established nationally to provide confidence and certainty to businesses affected by the second lockdown. It was provided to support eligible businesses not receiving the wage subsidy extension.

The ministry noted that the wage subsidy was a high-trust model. To prevent some issues, it undertook daily data-matching with Inland Revenue. This aimed to ensure that people were who they said they were. The ministry’s investigation team also carried out reviews of companies and organisations with more than 80 employees. We were told that the ministry asked Deloitte and KPMG to make recommendations about strengthening the system.

³ The ministry has interpreted the first lockdown to be the period that affected the whole country (23 March to 13 May 2020). It has interpreted the second lockdown as the period from August to September 2020 when Auckland moved to alert level 3 and the rest of New Zealand shifted to alert level 2.

Moving clients to online services as a result of COVID-19

We heard that about 80 percent of the ministry's clients are able to conduct business online. However, this does not mean that they always do. The ministry cited two reasons: difficulty accessing data or WiFi, and difficulty using some parts of the ministry's system online. The ministry said it is working to improve its systems as part of its reform and transformation programme.

Projections for Jobseeker Support recipients

In November 2020, the Half-Year Economic and Fiscal Update forecast that the number of Jobseeker Support recipients would peak at an average of 228,900 by 2022. We heard that the monthly peak will be 243,000 in January 2022 before decreasing to 228,000 by June 2022.

We sought an update on the current projections and the total number of places available from the ministry's planned employment initiatives. The ministry explained that it received additional funding of about \$260 million for a multi-category appropriation as a result of the forecasts. This will enable it to allocate staff resources to helping people find work, as well as purchase more programmes, such as training or flexi-wage programmes.

The ministry told us that the additional funding has meant that it has started to see increased exits into employment over the past few months. For example, in the 12 months prior to COVID-19, the ministry had 75,000 exits into employment. It believes that it will have more than 100,000 in 2021.

Delays in the flexi-wage extension

Given the additional funding for the multi-category appropriation, we asked why the flexi-wage extension was delayed. The ministry reiterated (as noted in an earlier section of this report) that it wanted to ensure it had the criteria right. It said that the 40,000 placements will allow the ministry to help existing clients and people who are at risk of long-term unemployment. It believes that this is important given the number of people who may not have been employed for very long and are now unemployed due to COVID-19.

Initiatives to support Māori and Pacific people

We asked whether the ministry is undertaking any initiatives to support people of Māori and Pacific descent, including any that have been particularly successful. The ministry said it is very aware of the number of Māori and Pacific people coming on to a benefit as a result of COVID-19. It told us that it wants to ensure that Māori are accessing what it calls its mainstream programmes, such as flexi-wage, \$5K to Work, and Mana in Mahi. The ministry is also targeting and focusing on getting people into work across all ethnicities.

The ministry described He Poutama Taitamariki in Northland as an "exciting" programme that works with Māori youth. We heard that it has received significant investment to support people who are not in education, employment, or training (known as NEETs). About 30 youth workers are helping people into employment. We were told that the programme has been evaluated as having positive outcomes in terms of input, numbers, and outcomes.

Support for victims and perpetrators of family and sexual violence

The ministry administers the appropriation *Community Support Services*, working with a large number of service providers to improve social outcomes for New Zealanders. In 2019/20, the largest component of the appropriation was support for victims and perpetrators of family and sexual violence. The ministry reported expenses of \$89 million, compared to \$53 million in 2018/19. The significant increase in activity reflects the additional funding provided as part of Budget 2019. The funding was to support the work of the joint venture of 10 government agencies on a whole-of-government approach to prevent, address, and reduce family and sexual violence.

We asked about the outcomes that are sought with the funding and the progress to date against those outcomes. The ministry explained that the primary purpose of the funding was to ensure that the ministry could “stabilise the family violence sector”. This was because the sector had not received new funding for some time. The funding aimed to ensure that the ministry could support providers who had experienced increased demand and develop a plan for the future.

We heard that the secondary purpose was to fund the ministry’s whānau resilience services, which work on long-term recovery. The ministry said that a lot of funding has shifted to crisis support at “the front end”. The ministry told us that it has been designing whānau resilience services and it will soon move to the full implementation phase.

We asked whether the ministry has clear outcomes, performance measures, and criteria for measuring the progress of the services. The ministry said that what providers need to deliver is clear in terms of its contractual agreements. The providers report back to the ministry quarterly.

We were pleased to hear that feedback and comments from providers about the increased investment has been “really positive”. We were told that providers have been able to respond to increased demand and start to consider how they can develop workforce capability. They have also been able to pay wages to some staff who had previously been volunteers.

Progress on recommendations of the Welfare Expert Advisory Group

On 3 May 2019, the Welfare Expert Advisory Group published its report *Whakamana Tāngata: Restoring Dignity to Social Security in New Zealand*. We sought an update on the ministry’s progress in implementing the 42 recommendations from the report.

The ministry told us that Cabinet had agreed to a work programme based off the report, rather than signing up to the individual recommendations. We heard that the Minister was very clear that the work would be a four-to-five-year process, which was bigger than the report and started with the \$5 billion Families Package. The package was passed in late 2017 and progressively came into force after that. It made changes to the family tax credit

and the accommodation supplement, introduced the Best Start payment, and increased paid parental leave.

The ministry told us the progress includes repealing section 192 of the Social Security Act, removing the subsequent child policy, indexing main benefits to wages, and increasing main benefits. It said that its longer-term work programme includes a lot of work on the principles and purposes of the Act.

Procurement

We asked what significant improvements the ministry made to its procurement systems in the past year. The ministry told us that its focus over the past year has been on improving procurement and contracting processes. It has undertaken a significant procurement process to evaluate and select a replacement financial management information system that is fit for purpose.

We are interested in any complaints that the ministry received about its procurement processes. The ministry told us that its procurement board oversaw about 250 procurements for contracts for services that were over \$100,000 in 2019/20. During this period, two concerns were raised about the ministry's commercial procurement process.

For social service procurement, the ministry received correspondence about concerns relating to parts of the procurement for whānau resilience services. It also received an enquiry requesting feedback on tender submission for the youth service tender.

2019/20 Annual review of the Social Wellbeing Agency

What does the Social Wellbeing Agency do?

The Social Wellbeing Agency (SWA) is a small departmental agency hosted by Te Kawa Mataaho—the Public Service Commission.⁴ It was established on 1 July 2017. The interim chief executive is Dorothy Adams.

The SWA analyses data, science, and lived experience to inform social policy. The SWA states that data and evidence is at the centre of its work. This includes developing methodologies for measuring wellbeing and helping to increase the data and analytical capability of the social sector.⁵

The SWA also has a system role for the social sector. This means that the agency provides strategic advice and tools to coordinate decision-making across the social sector. The chief executive described the SWA's system role as the “glue” for the social sector.

Changing role of the Social Wellbeing Agency

The SWA was formerly known as the Social Investment Agency. It was renamed on 19 March 2020 to reflect a change in how the agency operates—from an investment approach implemented by the previous Government to an approach that focuses on wellbeing.

The investment approach used science and data to invest sooner and more effectively to improve long-term social outcomes. Similarly, the wellbeing approach uses science and data to inform social policy but with a goal of improving wellbeing. We heard that six social wellbeing principles were developed to guide the social wellbeing approach.

Financial performance and audit results

The agency is funded from Vote State Services. In 2019/20, its total revenue was \$13.625 million. Its total expenses were \$10.677 million, resulting in a surplus of \$2.948 million. The SWA explained that the surplus was because enhancements to the Data Exchange⁶ had to be deferred to 2020/21 because of COVID-19.

The Auditor-General did not conduct a separate audit for the Social Wellbeing Agency. The audit results for its host agency, the Public Service Commission, were reported to the Governance and Administration Committee. The Auditor-General assessed its management control environment and financial information and supporting systems as “very good”. No improvements were recommended. He assessed the Public Service Commission's performance information and supporting systems and controls as “good”, with some improvements recommended.

⁴ Until 2020, the Public Service Commission was known as the State Services Commission.

⁵ The social sector includes government agencies and non-governmental organisations.

⁶ The Data Exchange is a platform used to transfer data between government agencies and service providers.

The Data Exchange

The Data Exchange is a platform used to securely transfer data between government agencies and service providers. It has been operating for four years. Current users of the exchange comprise 14 government agencies and 39 non-governmental organisations (NGOs). We heard that other government agencies, such as the Ministry of Justice, are in the early stages of signing up for the Data Exchange.

How the Data Exchange is used

We heard that, when the Data Exchange was first established, the SWA thought that the information being shared would be used for analytics. Instead, the SWA has found that data is generally being used for day-to-day operations. We heard that this shift was not deliberate but a reflection of where the Data Exchange can provide immediate value. The SWA said that big government agencies tend to join the Data Exchange when the service it provides is necessary to get work done.

The SWA used the example of data sharing between the Department of Corrections and the Salvation Army to illustrate this point. We heard that the Salvation Army uses the Data Exchange to provide Corrections with information about accommodation that it has available for parolees. Before signing up to the Data Exchange this information was provided monthly in a spreadsheet. This meant that the information Corrections had was often out of date, resulting in people staying in prison longer while accommodation was found for them.

Supporting agencies to use the Data Exchange

We heard that the technology behind the Data Exchange is simple. More complicated and important is the support that the SWA provides to users. Part of this support is the SWA's data protection and use policy.⁷ This policy sets out principles for how to collect and use people's data and information in a transparent and trustworthy way. The SWA is also working on establishing data standards for the social sector so that data collected by agencies can "talk to each other".

Non-governmental organisations using the Data Exchange

We asked how NGOs are made aware of the Data Exchange. The SWA said it promotes the exchange by talking to NGOs about the service and what their needs are. In the 2018/19 financial year the SWA hosted 84 hui (meetings) across the country to seek input on its data protection and use policy. These hui provided an opportunity to talk with NGOs.

The SWA is also piloting an integrated services hub with Methodist Mission Southern. This is an initiative where a large NGO joins the Data Exchange and supports small NGOs, with similar services and clients, to come on board with them. The larger NGO also provides ongoing data collection support and training to the small NGOs.

⁷ [Social Wellbeing Agency, Data Protection and Use Policy, December 2019.](#)

We heard that the Data Exchange can take data from simple sources such as Excel tables. This means that NGOs without sophisticated case management systems can still use the Data Exchange.

Data protection

We asked how the SWA works with NGOs that have joined the Data Exchange and do not have sophisticated systems, to ensure that data is protected.

The SWA said it offers “packages” to NGOs when they join. These packages aim to increase NGOs’ data capability by educating them about data protection and use, and data standards. We also heard that the SWA does assessments of NGOs before they join the exchange. After an assessment, the SWA may decide that an organisation is not ready to join the Data Exchange or that a better option is to connect them with another agency that can provide the service they need.

Place-based initiatives

Place-based initiatives (PBIs) are programmes which respond to social issues in specific locations. This means that PBIs are tailored to the community they serve and run in partnership with local social sector leaders.

Quantitative analysis

An evaluation of PBIs was undertaken by Litmus Limited in 2019. It found that quantifying the outcome of PBIs using Stats NZ’s Integrated Data Infrastructure was not feasible.⁸ We asked why this was, when it had previously been thought possible. The SWA said that quantitative analysis did not work for two reasons. First, there are a number of initiatives within each PBI. The small sample size of each initiative made it hard to do quantitative analysis. Second, PBIs were set up to respond to complex whānau needs. Quantitative analysis did not do well at measuring multiple interventions at a whānau, rather than individual, level.

Measuring success

The SWA has developed frameworks to measure the success of PBIs.⁹ We heard that the South Auckland Social Wellbeing Board (SASWB) and Manaaki Tairāwhiti were used as case studies for developing success frameworks for PBIs. The SWA said that it has developed a “maturity-based” success framework for the South Auckland Social Wellbeing Board, which can be used as a generic framework for measuring the success of PBIs. This framework sets out five stages of development and criteria for moving between these stages. The criteria for moving between stages is different for each of the stakeholders in the PBI. A bespoke success framework is being developed for Manaaki Tairāwhiti. SASWB, Manaaki Tairāwhiti, the Ministry of Social Development, and SWA collaborated to design these success frameworks.

⁸ [Litmus Limited, *Implementation and emerging outcomes evaluation of the Place-Based Initiatives*. December 2019.](#)

⁹ [Litmus Limited, *Success frameworks for Place-Based Initiatives: Design and toolkit*. December 2020.](#)

2019/20 Annual review of the Social Workers Registration Board

About the Social Workers Registration Board

The Social Workers Registration Board (SWRB) is a Crown entity, and is the regulatory authority responsible for the registration of social workers. Its primary function is to protect the safety of the public by ensuring that registered social workers are competent, fit to practise, and accountable for how they practise. The SWRB is also responsible for enhancing the professionalism of social workers.

In 2019/20, the SWRB increased its full-time equivalent (FTE) staff from 14.5 to 24.6¹⁰. Sarah Clark is the chief executive, and Shannon Pakura is the chair of the SWRB.

We took this opportunity to express our thanks to the social workers of New Zealand, recognising that the value of a connected community became fully apparent during COVID-19.

Financial performance

In 2019/20, the SWRB's total revenue was \$4.207 million. Its total expenditure was \$3.637 million, resulting in a surplus of \$570,000. This compares with a deficit in 2018/19 after revenue of \$2.335 million and expenditure of \$2.464 million. The increase in revenue reflected the growth in registrations as mandatory registration is introduced. Although registrations have increased substantially, expenses increased by nearly 20 percent less than the budgeted \$4.424 million.

The Auditor-General assessed as "good" the SWRB's management control environment, along with its financial information and supporting systems and controls, and performance information and supporting systems and controls. These ratings were unchanged from 2018/19. The Auditor-General recommended some improvements. They include putting in place appropriate performance measures to convey progress against the SWRB's priorities, and ensuring that performance measures sufficiently cover all attributes of good performance reporting.

Mandatory registration of social workers

Registration is being made mandatory for all practising social workers, after amendments to the Social Workers Registration Act 2003 in 2019. They must be registered by 27 February 2021 and hold a practising certificate, which must be renewed annually. Budget 2019 allocated funding of \$2.358 million over four years to support the establishment of mandatory registration. Previously, the SWRB was funded almost entirely (98 percent of revenue in 2018/19) by social workers' fees to practise, and other fees.

¹⁰ At the date of our hearing, the SWRB had 27 FTEs.

We heard from the SWRB 16 days before registration became mandatory and asked whether it was expecting a surge in applications. The chair told us that the surge is happening, with the SWRB managing 100 applications a week. She said that many people have waited until the last few months to apply. However, the SWRB is prepared to do everything it can to get people ready for 27 February.

The SWRB expects many applications at the end of February, and is likely to continue receiving applications until the end of 2021. It recognises that moving from voluntary to mandatory registration is a big transition for the profession.

The Ministry of Social Development is responsible for taking action when people are practising without being registered. The SWRB said it will work with the ministry if it finds particular cases, which it will view through a “public safety lens”. We heard that the SWRB’s main focus will be getting people registered so it can then support them.

Improving the registration process

Internally, the SWRB is implementing a two-year change programme to increase its ability to deal with mandatory registration and other changes to competence assessments, professional development, and reporting. In 2019/20, \$1.224 million of government funding was allocated towards the change programme. This includes a new database for registrations, which went live in October 2020. Social workers can now submit their applications online.

The SWRB explained that it has worked hard to refine the information it provides to applicants. The work includes translating resources to te reo Māori to reach a wider audience, and operating weekly Zoom sessions to answer applicants’ questions.

The SWRB said it is particularly focused on making itself accessible to NGOs, recognising that they operate under more constrained circumstances than government-funded agencies. It receives regular feedback from people across the sector, as well as Social Services Providers Aotearoa.

The SWRB pointed out that having a small team, combined with the volume of applications, is a downside. It expects that its “new normal” will be in one to two years’ time when the process is smoother for everyone and lessons have been learnt.

Effect of COVID-19 on registrations

The SWRB told us that the number of applications slowed during the COVID-19 lockdown. It believed this was due to social workers prioritising the needs of the community, and not to problems with access to IT. In recognition of these priorities, the SWRB relaxed some processes for providing documentation for practising certificates.

We asked whether the SWRB’s staff were able to work remotely during lockdown. The chief executive explained that the SWRB was still working from the old database and paper-based systems when COVID-19 struck. She credited the hard work of her team, which enabled them to transition to processing applications by email within a three-to-four-week period. The SWRB acknowledged that it was very fortunate because it had invested in laptops as its

main way to get IT services at the beginning of 2019/20. This meant that it could quickly move to working off site.

Scopes of practice

We recalled that there had been a lot of discussion about scopes of practice during the legislative process for the Social Workers Registration Legislation Act 2019. We sought an update on progress, including feedback and whether additional scopes of practice will be required in the future.

The SWRB told us that a working group, consisting of people from across the sector, has developed a general scope of practice for social work. The SWRB said it took feedback and made some changes to the scope, which has now been publicly circulated in the *Gazette*. It described the feedback as mainly positive.

The SWRB envisages that other scopes of practice will be developed, noting that people working on health and child statutory protection have expressed interest. However, it said that it would probably like to embed the general scope over several years before taking further steps. This is because the concept of a scope of practice is a new one for the profession. The SWRB noted that conversations about other scopes could still be happening during this time.

We observed that there has been some talk about a scope that would extend the registration requirement to the next level down. The SWRB told us that it does not have an official view about this at present. However, its chair said she believes that one tier of social work involves people supporting a social worker, which should be recognised as a qualification.

Increase in the number of complaints

We note that the number of complaints and notifications has doubled from 42 in 2018/19 to 84 in 2019/20. We also note that, as part of its change programme in 2019/20, the SWRB made an effort to publish findings about complaint information, as a way of promoting learning. We expressed interest in what lessons it had drawn from the complaints and notifications, and what actions it plans to take to continually improve standards.

The SWRB acknowledged that it has not made as much progress in this area as it would like because it has prioritised registrations. We heard that one of the main lessons is the importance of all parts of the “information loop” being functional between the practitioner, the SWRB, and the employer. This enables practitioners to feel supported in their work and the employer to have clear expectations about their role. It also allows the SWRB to operate in a more “mana-enhancing” way, rather than always pointing out people’s errors.

The SWRB is starting to develop small case studies based on the complaints it is receiving. Once the case studies have been developed, the SWRB plans to disseminate them through its newsletter and other information channels. It also hopes to provide education providers with some insights that can be built into the information provided to students. The chair added that she is keen to publish some of the findings in 2020/21 so that the sector can consider them when providing services.

Mandatory reporting of serious misconduct

The 2019 amendments to the Social Workers Registration Act introduced a mandatory requirement for employers to report allegations of serious misconduct to the SWRB. The SWRB told us that it has been receiving referrals. Although employers are more aware of their obligations, the SWRB said, it needs to undertake further work to ensure that they understand the requirements. That is, the employer must deal with competence issues and refer them to the SWRB if they are unresolved. The SWRB believes the change will make a difference, but that it is too soon to say what the effect will be.

Strengthening the SWRB's engagement with Māori

We heard that the SWRB has increased its capacity and capability to be an active partner with Māori. It said it has done so by building on relationships with board members, its staff, and an advisory group, Te Kāhui Māori, which was established to advise the board. The SWRB has also created the role of chief adviser of Māori development and appointed a specialist Māori social work adviser. The SWRB considers that this work strengthens its ability to engage and work with Māori social workers. We were pleased to hear that the kāhui provides advice, guidance, and support to the chair and the SWRB and ensures that they are responsive.

Geographic distribution of social workers

The SWRB noted that most social workers are in the upper North Island, based around the main urban centres. It told us that the new database will enable it to better understand the sector. The SWRB said it has not completed any analysis on whether the percentages of social workers correspond to the population of the regions. We consider that this could be interesting work for the future.

Appendix

Committee procedure

We met on 23 February 2021 to hear evidence from the Minister of Social Development and Employment and the Ministry of Social Development.

We met between 10 February and 24 March 2021 to consider the annual reviews of the Ministry of Social Development, the Social Wellbeing Agency, and the Social Workers Registration Board. We heard evidence from these entities and received advice from the Office of the Auditor-General.

Committee members

Angie Warren-Clark (Chairperson)
Glen Bennett
Karen Chhour
Dr Emily Henderson
Anahila Kanongata'a-Suisuiki
Ricardo Menéndez March
Terisa Ngobi
Maureen Pugh
Hon Louise Upston

Simon O'Connor participated in some of this review.

Advice and evidence received

We received the following documents as advice and evidence for these annual reviews. They are available on the Parliament website, www.parliament.nz, along with a transcript of our hearing.

Office of the Auditor-General (Briefing paper, Ministry of Social Development).

Office of the Auditor-General (Briefing paper, Social Workers Registration Board).

Office of the Auditor-General (Briefing paper, Social Wellbeing Agency).

Ministry of Social Development (Responses to written questions).

Social Workers Registration Board (Responses to written questions).

Social Wellbeing Agency (Responses to written questions).