



**Social Workers  
Registration Board**  
Kāhui Whakamana Tauwhiro

**ANNUAL REPORT**  
**2018–2019**

Presented to the House of Representatives  
pursuant to section 150 of the Crown  
Entities Act 2004

New Zealand Government

# SOCIAL WORKERS REGISTRATION BOARD BRAND REFRESH

**Crested wave** form preserved to recognise where we've come from, and maintain:

- Stepping forward
- Nurturing
- Openness, honesty, fairness

Parts work together in **harmony**, representing **responsiveness**.

Softer rounded shapes and soothing blue colour palette used implying **safety, professionalism**, and connection to **environment** (NZ's unique colour of ocean).



Overarching element speaks of **authority**.

**Weaving together** of elements speaks of original kaupapa.

Central focus represents the **people** at the **heart** of all SWRB does.

Wave present in both the form and the inverse – representing the coming together of cultures, of strengths and roles of the regulator.

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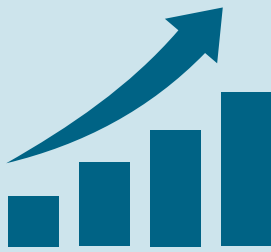
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# 01

## INTRODUCTION

### YEAR AT A GLANCE



7812

registered social workers

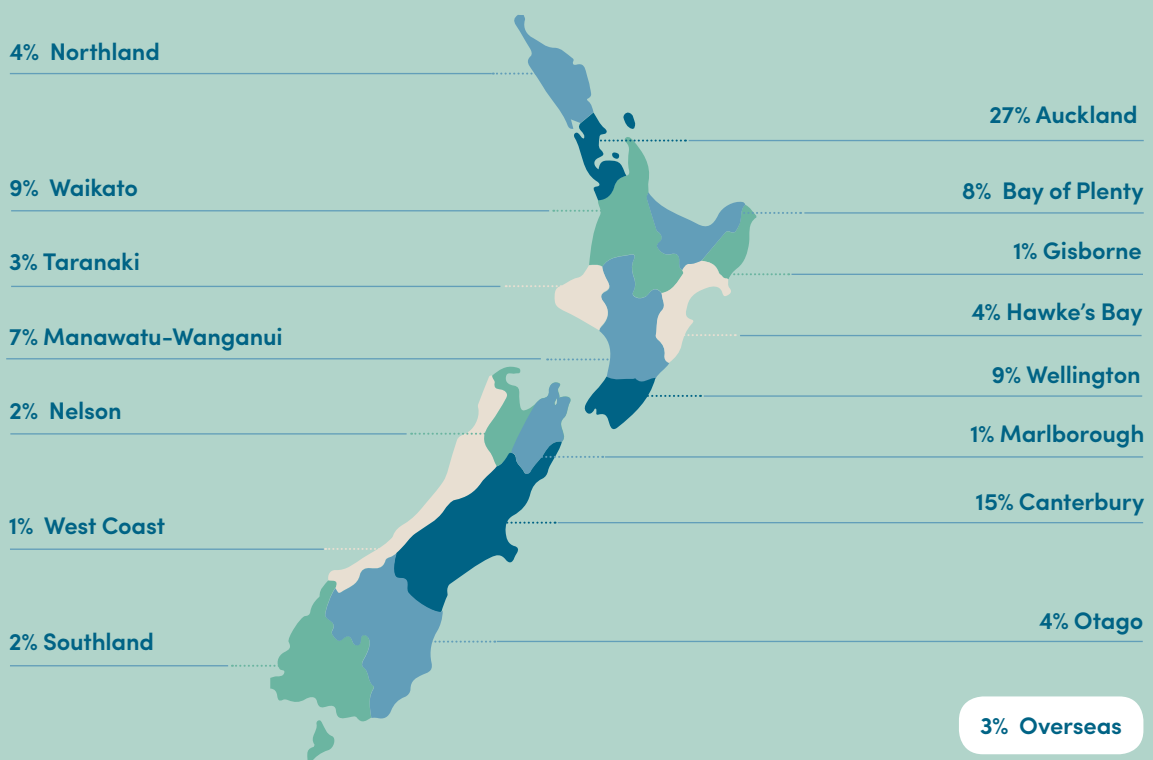


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registered social workers  
gained their social work  
qualification overseas



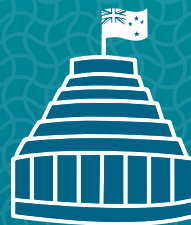
## Regions where registered social workers work:



**2**  
Tribunals



2 programme re-recognitions  
and 7 mid-cycle reviews of social  
work qualifications



Social Workers Registration  
Legislation Bill passed into  
legislation

# 01

## INTRODUCTION

### REPORT FROM THE CHAIR AND CE

#### **Ehara taku toa I te toa takitahi, engari he toa takini**

The Social Workers Registration Board (SWRB) is able to be a modern regulator because of the input and support we receive from those around us. As such, we acknowledge all Board members, past and present, for their mahi and leadership over the past 16 years. We also acknowledge the outgoing Chairperson, Shayne Walker, in particular for his commitment to enhancing the professionalism of social workers. We have been fortunate to have Board members who have supported our journey over the last 12 months. To the two New Zealand Social Workers' Professional Bodies, the Aotearoa New Zealand Association of Social Workers, and Tangata Whenua Social Workers Association, the Social Work Alliance and the Council for Social Work Education in Aotearoa New Zealand we thank you for your support, guidance and stewardship.



*Sarah Clark (left) and Shannon Pakura*

With the support of those organisations, the most significant achievement in the 2018-2019 year, was the passing of the amendments to the Social Workers Registration Act (the Act). The changes to the legislation heralds that registration for all social workers will be mandatory from the end of February 2021. The new legislation puts public safety first and ensures a robust mechanism that holds social workers accountable for their practice and enhances the professionalism of social workers. A significant achievement for the Social Work profession.

During the Parliamentary debate, it was encouraging to hear members of the House recognise the value of the social work profession and the importance of the work it undertakes. The appreciation by Members of Parliament of the significant contribution by social workers in strengthening communities, and supporting families, and individuals to be self-determining, embodies the qualities that social workers brings to those they work with. We hope that the new legislation will also help to promote a sense of confidence from the public in the social work profession.

Members of the Board, both past and present, have identified the importance of mandatory registration and advocated for this since the SWRB's inception. Mandatory registration is a vital component to support lifting the standard of the profession and being able to provide the public with an assurance that social workers are competent and accountable for the way in which they practise. Now that mandatory registration has been achieved, the SWRB will continue to work confidently, in partnership with others in the sector. It will strive to strengthen public confidence in the social work profession by having strong accountability mechanisms and supporting continuing professional development opportunities for social workers.

A priority for the SWRB Secretariat during the early part of this year was working with the sector and the Ministry of Social Development to support the Minister in the passage of the legislation, as it was being revised. This was a valuable process of collaboration and has resulted in the final legislation being welcomed by the sector. Once the legislation was passed, a key priority for the Secretariat

was commencing the implementation phase, as elements of the revised legislation came into effect immediately.

While working under a voluntary registration system has provided a platform for the SWRB to build on, our transition to mandatory requires us to scrutinize everything we do and the way we do it, as well as to manage the increased demands of implementing the new legislation.

This year the SWRB was successful in acquiring Government funding. This is the first time since the SWRB was established in 2003 and this will help with the costs of implementing the amendments to the Act. Priorities include investing in upgrading and improving our systems. We are developing an information campaign and updating our policies to reflect the changes. This information campaign will be paramount to keeping the sector informed with the changes and help the transition from voluntary to a mandatory environment. The support SWRB has received from the Ministry of Social Development during the period of change and the increase in demand through the initial stages of implementation, has been significant. We acknowledge the positive working relationship we have with this Ministry.

Alongside this work, the Board has continued to focus on increasing the organisation's responsiveness to work with Māori. This year SWRB has developed a Māori responsiveness strategy and, in the years ahead, Māori responsiveness will continue to be a priority for both the Board and the Secretariat.

We appreciate that managing change, especially at speed, presents challenges. We are committed to working constructively with the sector to make positive changes for registered social workers, the wider social service sector and Aotearoa/New Zealand communities and whānau/families. We are pleased with the way we have adapted to our new environment. We look forward to the work ahead of us next year and to continue preparing ourselves and the sector for the transition from voluntary to mandatory registration.

Finally, we would like to thank our Board and the Secretariat for their hard work and dedication throughout the year. It is through their collective effort and talent that we have managed to attain our achievements through the year.



**Shannon Pakura**  
Chair



**Sarah Clark**  
CE

## WHO WE ARE

The Social Workers Registration Board (SWRB) is a Crown entity established under the Social Workers Registration Act (2003). As a public safety Crown regulator, our primary function is to protect the safety of the public by ensuring that when social workers come onto the register, they are competent, fit to practise and accountable for the way in which they practise once they are registered. A further purpose is to enhance the professionalism of social workers. We are also tasked with implementing the changes that have been made to the Social Workers Registration Act this year.

As the regulator, we undertake a broad range of work to achieve this, which includes:

- Register social workers and approve practising certificates
- Manage a complaints, investigations and disciplinary process
- Provide regulatory and practice advice
- Ensure social workers engage in Continuing Professional Development and supervision
- Set professional standards via a Code of Conduct
- Review and recognise social work degrees and provide educators with guidance
- Collect and analyse information and data on workforce trends
- Develop competence standards
- Develop policy, including Scope of Practice
- Undertake consultation and submissions



## OUTCOMES FRAMEWORK

The SWRB has adopted the following outcomes framework to guide our work:

<b>OUR VISION</b>	All social workers are registered				
<b>SOCIAL SECTOR OUTCOMES</b>	We protect the public's safety by administering a registration framework to ensure that social workers are competent to practise and held accountable for their practice				
	↑				
	RANGE OF GOVERNMENT AND NON-GOVERNMENT ACTIVITIES				
	↑				
	Registration, Education, Accountability, Professional Standards, Information				
<b>OUR IMPACTS</b>	Social workers registered to meet minimum standards via an efficient and accessible registration system	Social work students graduate from SWRB-recognised social work qualifications delivered to national standards	Registered social workers, the public, and employers see evidence of an accessible, transparent and fair complaints and disciplinary process	Registered social workers are viewed as professionals and adhere to accepted practice standards while continually developing their professional knowledge and skills	The system of registration is accessible, and the benefits of registration are acknowledged by the profession, employers, and the public
<b>OUR OUTPUT</b>	ADMINISTRATION OF THE SWRB REGISTRATION FRAMEWORK				
<b>WHAT WE DO</b>	Receive applications for registration and practising certificates	Recognise social work qualifications	Hold social workers accountable via a Code of Conduct and Complaints and Disciplinary Tribunal	Review the competence of social workers and issue practising certificates each year	Provide information and promote registration to the profession, employers and the public
<b>OUR PRIORITIES</b>	Social workers and those that receive social work services				

## THE EVOLUTION OF OUR LEGISLATION

The voluntary registration of social workers was established in 2003, after decades of debate (Dale, Mooney & O'Donoghue, 2017)<sup>1</sup>. This was supported by the Aotearoa New Zealand Association of Social Workers (ANZASW), which had been championing registration since the late 1990s (Hunt, 2017)<sup>2</sup>. The legislation created the SWRB in 2003, establishing it as a Crown entity and the regulatory authority. The inaugural Board was established at the end of 2003 and the SWRB Secretariat was established shortly after at the beginning of 2004.

Registration has continued within this voluntary environment in the years that followed, though SWRB and many others in the sector continued to advocate for mandatory registration.

In 2015 we undertook a review of the Social Workers Registration Act. The review recommended that social work registration be made mandatory and as a result of the review the Social Services and Community Select Committee undertook an inquiry into the Social Workers Registration Act. The Committee released its inquiry report in December 2016 concluding that legislative reform was needed to:

- Strengthen the regulatory framework for the social work sector
- Increase the professionalism and competence of social workers
- Provide greater protection for the public

As a result, the Social Workers Registration Legislation Bill was introduced to Parliament by the Minister for Social Development in 2017. The Bill progressed through the House with the social work sector actively engaged in its development, for example through the Select Committee process, to ensure that the resulting legislation would be fit for purpose. In February 2019 the Bill progressed through its third reading and received Royal Assent.

This saw the anticipated amendments to the Act, which include title protection for 'social worker' and a requirement that by 27 February 2021, a person practising as a social worker must be registered and hold a current practising certificate. Further changes to the Act relate to the professional framework, competence assessments, the introduction of audits of the Continuing Professional Development logs of randomly selected registered social workers, complaints procedures, quasi-judicial Disciplinary Tribunal procedures, and accrediting and standard setting for social work education and training programmes. Further information on these changes can be found throughout this report.

This move to mandatory registration will enable greater trust and transparency within the sector, put social work on a professional status similar to that of other professions and help ensure public safety.

Through the passage of the legislation we also heard Members of Parliament and others highlight the importance of the role social workers play in society and the high esteem in which they are held.

The Minister for Social Development, Hon. Carmel Sepuloni stated "Being a social worker is not an easy job... That's why it is essential that this workforce has protections in place for themselves and that they have the skills they need to manage these situations and are valued for the mana they bring to our communities."<sup>3</sup>

1 Dale, M., Mooney, H., & O'Donoghue, K. (2017) *Defining social work in Aotearoa: Forty years of pioneering research and teaching at Massey University*. Auckland, New Zealand: Massey University Press.

2 Hunt, S. (2017). *The social work regulation project in Aotearoa New Zealand*. Aotearoa New Zealand Social Work, 29(1), 53-64. Retrieved from <https://anzswjournal.nz/anzsw/article/viewFile/370/431>

3 New Zealand Parliament. (2019). *Social Workers Registration Legislation Bill – Third Reading*. Retrieved from [https://www.parliament.nz/en/pb/hansarddebates/rhr/combined/HansDeb\\_20190221\\_20190221\\_12](https://www.parliament.nz/en/pb/hansarddebates/rhr/combined/HansDeb_20190221_20190221_12)

## HOW WE MEASURE SUCCESS

Ensuring all social workers practising in Aotearoa New Zealand are registered has been a long-term goal for the organisation, and in 2018–2019 we focused on measures related to our support for mandatory registration. As a result, particular attention was given to registration, education, professional standards and accountability matters.

We measured our performance through a range of indicators that reflect SWRB activities. Our performance measures for 2018–2019 were set out in both our *Statement of Performance Expectations 2018–2019* and our *Statement of Intent 2017–2021*. The results of these measures can be found throughout the report and the measures and results are also set out in full on pages 29–31 of this report.

## STRATEGIC PLAN 2018–2019

In 2018/2019 we developed a strategic plan to help guide our work programme for the next five years. This plan has a strong focus on ensuring we are an effective and efficient modern safety regulator, which will allow us to respond to the changing regulatory environment. Fundamental to this work is valuing our relationship with Māori. Our goal is to build our capability to deliver effectively with and for Māori, through the development of a Māori responsiveness strategy. This will be particularly important as we prepare for a mandatory environment.

The three priorities that will govern our work are:

### Priority One: Safety of the Public

REGISTRATION, COMPETENCE, FITNESS TO PRACTISE, CAPABILITY AND CAPACITY.

*All social workers are registered competent, fit and safe to practise.*

*Recognised programmes meet the needs of current and future practice.*

### Priority Two: Strong Organisation

ORGANISATIONAL PERFORMANCE

*The Board and its Secretariat are effective and efficient, aligned to their purpose and engaged with their stakeholders.*

### Priority Three: Effective Governance

GOVERNANCE PERFORMANCE

*Board governance is effective and efficient, aligned to its purpose.*

The strategic plan also outlines our revised vision, purpose and values:

**Vision** = social workers enable the mauri ora of our communities, family, whānau and individuals.

**Ko tō mātau whāinga** = ka tautoko ngā tauwhiro i te mauri ora o ō tātau hapori, o ō tātau whānau me ngā tāngata takitahi hoki

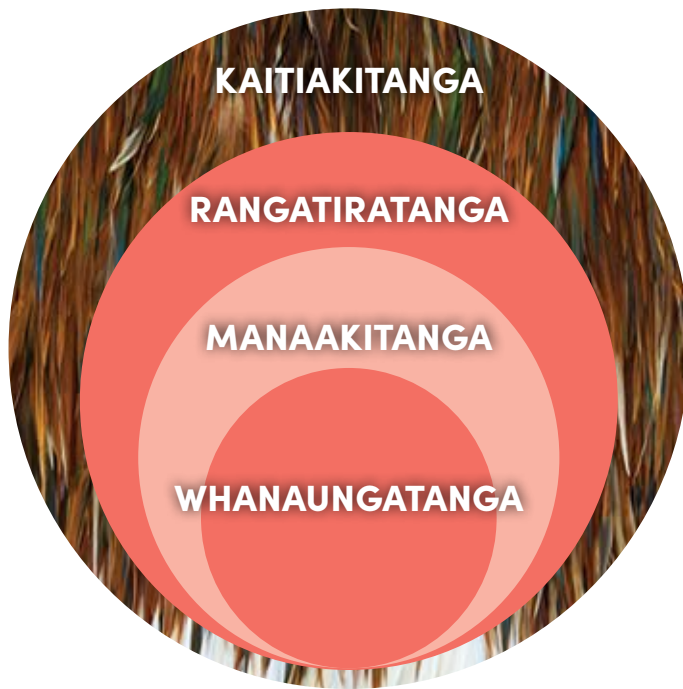
**Purpose** = to protect the public by ensuring social workers are accountable, competent and safe to practise now and into the future.

**Ko tā mātau kaupapa** = Te tautiaki i te iwi tūmatanui mā te whakarite, ka noho haepapa ngā tauwhiro, ka haumaruru, ka whai pūkenga, ka tika hoki ki ngā mahi ināianeji, ā, haere ake nei

**Values =**

- **Kaitiakitanga** is the responsibility of the SWRB for safe stewardship, guardianship and protection
- **Rangatiratanga** is the responsibility of the SWRB to lead, advocate for, facilitate and act with integrity
- **Manaakitanga** is the responsibility of the SWRB to engage in mana-enhancing relationships through the demonstration of care, mutual respect, hospitality, generosity and aroha
- **Whanaungatanga** is the responsibility of the SWRB to purposefully connect and strengthen mutual and sustainable relationships

**Figure 1: SWRB Values**



When considering the direction for our organisation, we also looked at internal capacity and how to ensure that the operation of the Secretariat and the Board was appropriate and fit for purpose in a new environment. One of the biggest changes that came from this process was the decision to split the Chief Executive/Registrar role.

The Chief Executive role has an emphasis on the leadership and management of the organisation while the Registrar role focuses on providing advice and assistance to the Board to implement its regulatory functions. Splitting these roles allows a greater and more specialised focus on meeting the requirements of the statutory role of the Registrar, particularly in the context of a mandatory environment. Figure 2 provides a visual representation of the functions and responsibilities for each role, the inner layer reflecting the functions and responsibilities of the Registrar and the outer layer reflecting the functions and responsibilities of the Chief Executive.

**Figure 2: SWRB Core Regulatory and Enabling Functions<sup>4</sup>**



4 Image sourced from the Physiotherapy Board of New Zealand. The image does not include the SWRB's Crown entity functions or reporting obligations, which sit with the Chief Executive.

## BEING A MODERN REGULATOR

We have been operating as a traditional regulator, focused on transactional (regulatory) interventions (e.g. registration, practising certificates, programme recognition, complaints, conduct notifications, investigations and disciplinary proceedings). To improve the professionalism of the social worker workforce, the SWRB recognises the need to move to operating as an evidence-based, intelligence-led and risk-focused regulator, in line with Aotearoa New Zealand and international regulators that have been moving to this model since 2012. This requires the SWRB to shift to the modern regulator model, which is...

- ...outcomes-focused with system (non-regulatory) interventions (e.g. monitoring, patterns and trends analysis across multiple complaints and conduct notifications, research, engagement, relationships, assisted compliance, education, guidance and targeted campaigns)
- as well as...
- ...outputs-focused with transactional (regulatory) interventions (e.g. registration, practising certificates, education provider programme recognition, complaints, conduct notifications, investigations and disciplinary proceedings).

A modern regulator uses non-regulatory interventions that change behaviour as well as regulatory interventions. For a breakdown of this, please see the Pyramid of Practitioner Regulator Interventions diagram below<sup>5</sup>.

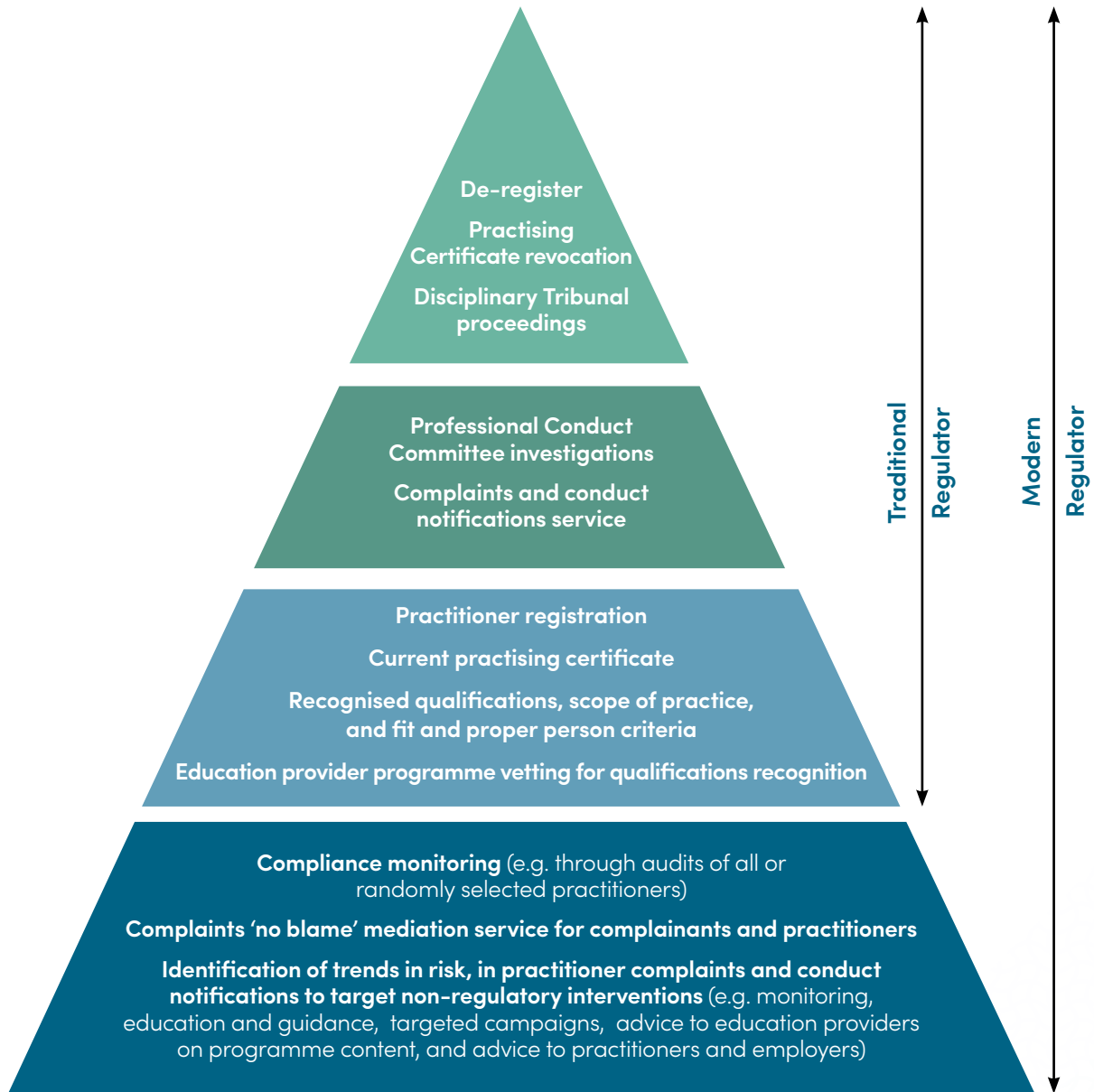
The development of this approach, with an explicit goal of becoming a modern regulator, was the focus of the review of our funding model that was undertaken during 2018-2019. The review facilitated discussions of our strategic priorities and financial sustainability and identified how we could transition to operating as a modern regulator.

Through this approach we aim to enhance the professionalism of the social work workforce, with the SWRB operating as an evidence-based, intelligence-led and risk-focused regulator. We will also align Aotearoa New Zealand with good practice, as seen in other international and national regulators that have been moving to this model since 2012.

This shift towards becoming a modern regulator will be an ongoing journey and we anticipate it will take six to ten years to fully embed this approach.

5 Developed by Sarah Mehrrens in 2019 based on John Braithwaite's Regulatory Pyramid see <http://johnbraithwaite.com/responsive-regulation/>

Figure 3: Pyramid of Practitioner Regulator Interventions



# 02

## GOVERNANCE

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Our Board's work programme for 2018–2019 focused on the SWRB's strategic priorities, ensuring that we were ready and prepared for the shift to mandatory registration. This involved looking at what we did well and where we needed to focus on capacity building. Outside setting the strategic priorities outlined earlier in the report, the two main areas of work included a Māori responsiveness strategy and undertaking a budget bid for further funding.

### **Māori Responsiveness**

In the 2018–2019 year, our Board focused its attention on supporting the Secretariat in developing a Māori responsiveness strategy for the organisation. This strategy looked at enhancing the organisation's capability and building on the internal capacity of staff members. The aim of the strategy is to increase Māori responsiveness so that we can become an organisation that is known for being culturally competent and aware, inclusive and understanding of tangata whenua needs. The strategy is currently in draft form but will be finalised in the next financial year. The role of Senior Social Work Advisor (Māori) was also established, to provide cultural advice and support for work currently being undertaken by the Secretariat. Recruitment for this role is to be completed early in 2019–2020.

### **Support to enable implementation**

We worked closely with the Ministry of Social Development to ensure the organisation was able to support implementing the regulatory change and the increase in the number of applicants and policy work required. We also discussed the costs of our Crown entity obligations.

In addition, moving from a voluntary registration system to a mandatory system means that we need to upgrade and improve our systems. This includes moving our outdated ICT systems and processes to cloud-based software, as well as developing an information campaign around the changes to the Social Workers Registration Act and what social workers will need to do to become registered. There is also a wider programme of work that includes developing a Scope of Practice in consultation with the sector and looking at new ways of assessing competence.

### **SWRB MEMBERS**

This year a number of members had their terms finish and under the new legislation, the composition of our Board also changed. Under the new legislation, our Board has been reduced in size, going from ten presiding members to seven. Out of the seven members, four are required to be registered social workers, ensuring that the majority of the governing body is still made up of social workers.

To facilitate its work, our Board has four sub-committees in place:

- Finance, Audit and Risk Management
- Policy Development and Review
- Te Komiti Māori
- Remuneration



With the changes to our Board's composition, sub-committees were also affected with membership of the Policy Development and Review Committee heavily affected. While the Secretariat gains more internal resources for developing policies, the Policy Development and Review Committee is in abeyance until the new financial year, when all Board sub-committees will be reviewed.

### Current members to the end of June 2019:

#### Shannon Pakura (Chair)



Until recently, Shannon was President of ANZASW. Over the years, she has actively lobbied for mandatory registration of social workers in Aotearoa New Zealand. Shannon was the first social worker to be registered in Aotearoa New Zealand. She has worked extensively in both the Statutory Child Protection and Youth Justice social work sectors. She is the former Chief Social Worker for the Department of Child, Youth and Family. Currently, Shannon serves as Chair of the SWRB, is a non-judicial member of the New Zealand Parole Board, and is the Māori Service Development Manager for Barnardos.

#### Andrea Nichols



Andrea is a registered social worker with more than 25 years of experience working with children, young people, and their whānau within both NGO and statutory settings. Until recently she worked in the Office of the Chief Social Worker, where she led professional social work practice at a national level. She is currently Director, Safety of Children in Care at Oranga Tamariki, a unit that is responsible for reviewing and reporting on harm caused to children in care. Andrea has a strong interest in supervision and professional development for social workers.

#### Shirley Ikkala



Shirley is of Ngāti Whātua Ōrākei and Cook Island descent. She is a registered social worker with more than 20 years' experience working mostly in the government sector. She is a professional Teaching Fellow in the School of Counselling, Human Services and Social Work at the University of Auckland. Shirley has a keen interest in the need for accountability and responsibility in the social work sector.

#### Khoa Nguyen



Khoa is a Vietnamese New Zealander. He is a certified Chartered Accountant and Managing Director of Viet River Holdings Ltd, a niche consultancy company providing executive lease, governance and commercial connections to the ASEAN market. He has held various directorships and is an avid volunteer. He is currently a member of the New Zealand Lottery Grants Board and the Rangitāne Tū Mai Rā Trust.

### **Paula Rose**



Paula has a wide range of experience in the policing, welfare, community and media standards sectors. She is a former National Manager Road Policing, New Zealand Police and was involved in implementing the Ministry of Social Development's action plan for vulnerable children. She sits on the boards of WorkSafe New Zealand, Brackenridge and the Broadcasting Standards Authority and is a Commissioner on the Transport Accident Investigation Commission, a member of the New Zealand Parole Board, and on the South Island Trust Board for St John. In 2013 she was awarded a Queen's Service Order for her contribution to policing and the community.

### **Scott Thomson**



Scott is a physiotherapist from Christchurch and co-owns the Merivale Hand Clinic. He is a past Chair of the New Zealand Private Physiotherapists Association and the International Private Physical Therapy Association. He has been closely involved with the development of physiotherapy standards through the New Zealand Physiotherapy Accreditation Scheme and as a member of the Standards New Zealand Technical Committee developing the Allied Health Services Sector Standard. Scott is currently a member of the Physiotherapy Board of New Zealand.

### **During 2018–2019 the following Board members finished their terms:**

- Shayne Walker (Chair)
- Turitea Bolstad (Deputy Chair)
- Michelle Derrett
- Dianne Wepa
- Lisa King
- Leisa Moorhouse

## **BOARD MEETING DATES**

The Board met for physical meetings on:

- 17 August 2018
- 26 October 2018
- 6 and 7 December 2018
- 14 and 15 February 2019
- 14 May 2019
- 18 June 2019

The Board met for electronic meetings on:

- 20 July 2018
- 21 September 2018
- 16 November 2018
- 15 March 2019
- 18 April 2019

## **INSURANCE**

We have taken out insurance for Board members and Secretariat staff to cover personal loss caused by wrongful acts in the course of their duties where indemnity is not available from the organisation. We have also taken out insurance to cover personal accident and travel risk for Board members and Secretariat staff where injury or loss occurs while carrying out the organisation's business.

# 03

## PRIORITIES

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### REGISTRATION

**Social workers are registered to meet minimum standards through an efficient and accessible registration system.**

#### Reviewing our registration system

In preparation for the passing of the legislation, we began reviewing the registration application systems we use, to see where improvements could be made to increase efficiency and applicant experiences. As outlined in Figure 4, the number of applications we receive continues to grow each year and we expect this trend to continue in the next couple of years as we transition to the mandatory environment. In acknowledgement of the increase in work associated with mandatory registration, we have expanded the Registration team from three to four staff. Through this increase, alongside a focus on clear, easily navigated information, we aim to improve the registration process for all applicants and help to ensure that it is clear and simple. A survey undertaken in August 2019 regarding registration applications, showed that 87% of respondents reported being satisfied with the registration and practising certificate renewal processes, including timeliness. The overall response from this survey was positive, although the qualitative data also indicated that additional work could be undertaken to improve our processes, such as working to provide clearer instructions on what is required for an application.

Figure 4 provides information on the number of social workers applying for registration each year, along with the number of applicants (from the current or previous year) who have been registered.

*"It can become confusing for a first-time applicant..."*

*"I think [the registration process] is simple and straightforward and when help is needed, staff are very competent and helpful"*

*"Perhaps work more closely with education providers about information relating to application processes."*

**Figure 4: Applications for registration per year 2014-2019<sup>6</sup>**

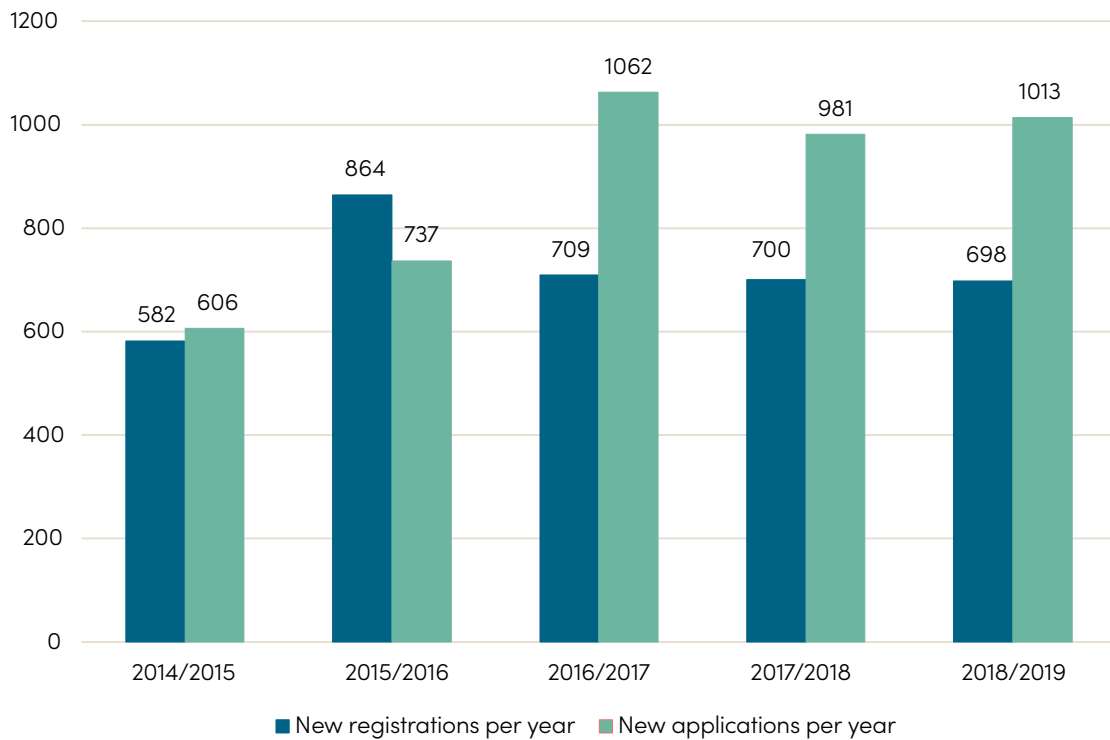
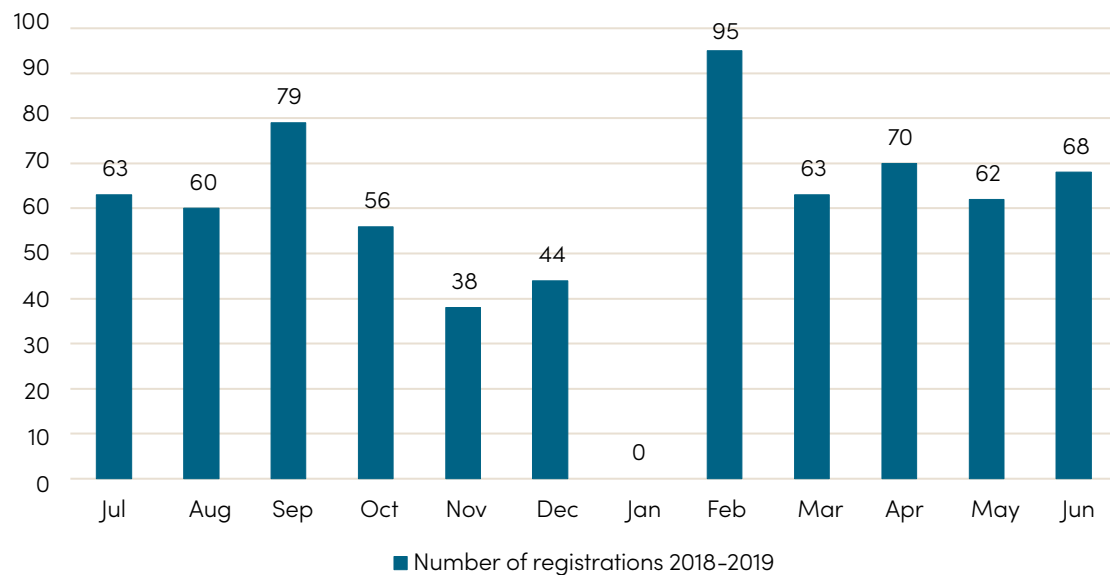


Figure 5 provides a month-by-month breakdown of the number of new registrations granted<sup>7</sup>.

**Figure 5: Registrations per month 2018-2019**



We have identified a need to better understand the expectations of applicants, so that they are better able to navigate the registration process, including all the components involved. Over the next year we will be looking at moving to a case management system for the Registration team,

6 As a result of reviewing our registration processes through the 2017-2018 year, the SWRB does not begin processing applications until full payment has been received. This means the number of applications named as being received (paid for) differs from the number of applications that were completed through the online application process.

7 No Board meeting was held in January to approve registration applications.

so that each applicant will work with one Registration Officer during their application process. We anticipate this change will enable our Registration Officers to build better rapport with applicants, be responsive to individual circumstances and be in a better position to provide assistance and advice when they are required.

### **Continuing to develop our online presence**

We also continued to look at our online registration functions, such as the initial online registration application and the online practising certificate renewal. We reviewed the practising certificate renewal process, and amendments were made aimed at enhancing efficiencies and making the process simpler for social workers. These included revising the online renewal process to make it more concise and minimising the information we requested from those completing the process, effectively making the process more efficient. We also revised the declaration that social workers make when applying for practising certificates, breaking down the declaration into two distinctive sections: fit and proper, and compliance. This provided practising certificate applicants with further clarity and made the declaration more effective.

When undertaking surveys of the registration process and the practising certificate renewal process, 88% of respondents identified benefits in using the online functions provided by the SWRB. In particular, the respondents in the practising certificate renewal survey found the process “...very easy to follow” and “super easy”. However, there were comments in both the practising certificate renewal survey and the registration survey that indicated further work needed to be undertaken to make sure our website and online communication were more effective. We have taken a proactive approach to this and towards the end of the 2018-2019 year we established a new role of Communications Manager. This role will bring new skills and expertise to our organisation and enhance the way we communicate. We will continue to review and refresh the information on our website about changes to the regulatory framework and have also taken steps to make it more user-friendly and to ensure that information is attainable.

### **Changes to our section 13 process – the experience pathway**

This year we also revised our section 13 process, which looks at eligibility for registration through a pathway based on experience. We consider these applications on a case-by-case basis and looked to refine our system to make the overall process simpler for the applicant. We moved to a staged process, which broke down the process into parts. We also moved to having the completed section 13 practice framework assessed by external assessors, rather than internal staff. This step was added to ensure a more rigorous process that included both Secretariat staff and external assessors. In the new financial year, we will continue to look at refining the section 13 process.

With the new legislation it was confirmed that our section 13 pathway would only be open until February 2024, at which point anyone wishing to apply for registration will need to hold a recognised qualification.

### **Beginning to look at registration trends**

As we begin to transition into a modern regulator, we will place greater emphasis on looking at trends that we see and analysing these trends to help inform our business and the sector at large. Below is a breakdown of the major registration trends at the end of 2018-2019.

Figure 6 provides information on the ethnicities that registered social workers identified as. However, to make the data in this graph easy to read some ethnicities have been grouped into a larger ethnic group.

**Figure 6: Ethnic breakdown of registered social workers for 2018–2019**

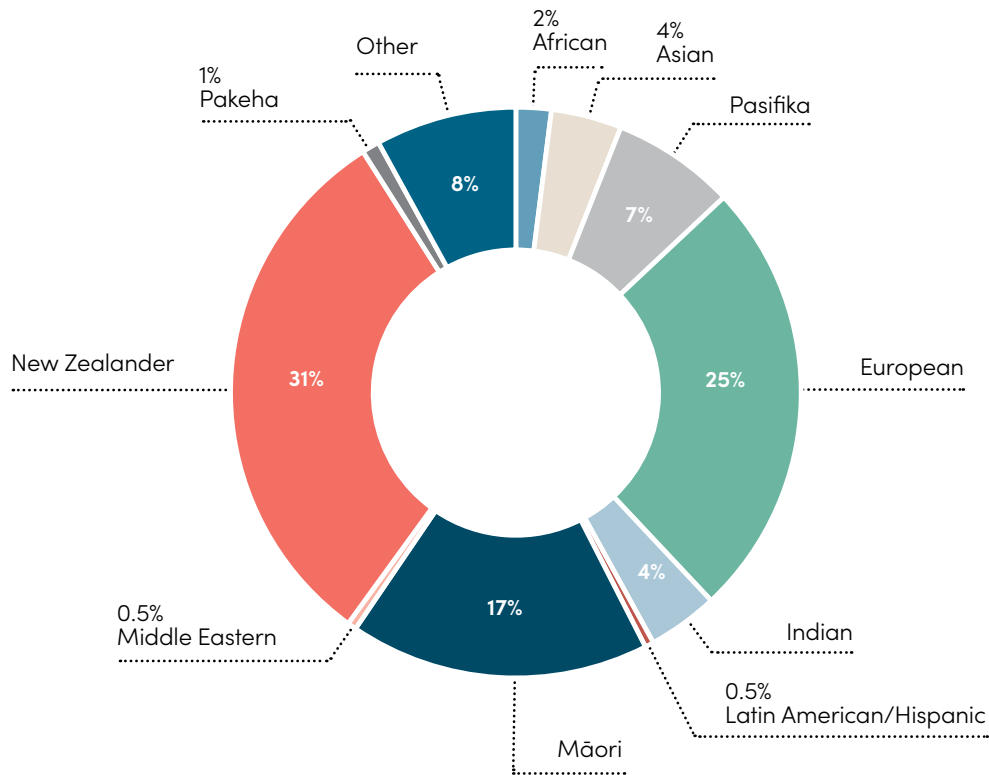


Figure 7 provides a breakdown of registered social workers' ages for 2018–2019 in ten-year brackets.

**Figure 7: Age breakdown of registered social workers for 2018–2019**

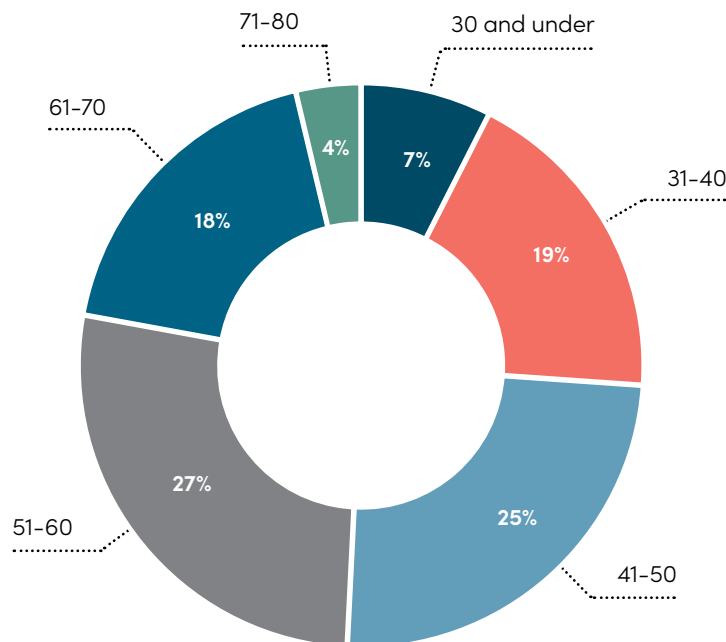


Figure 8 provides a breakdown of the types of registration that registered social workers held in 2018–2019.

**Figure 8: Type of registration breakdown for 2018-2019**

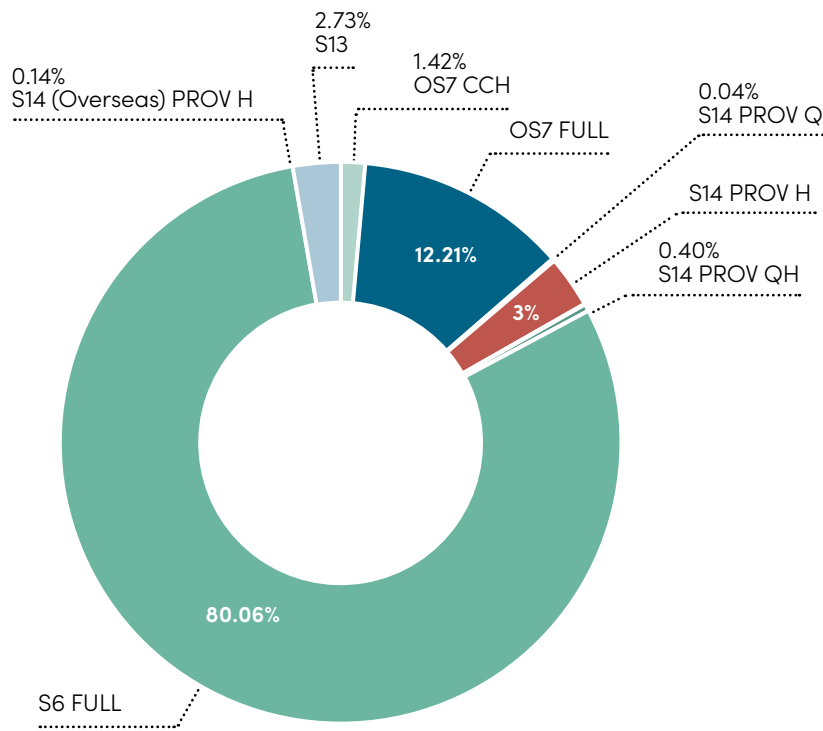
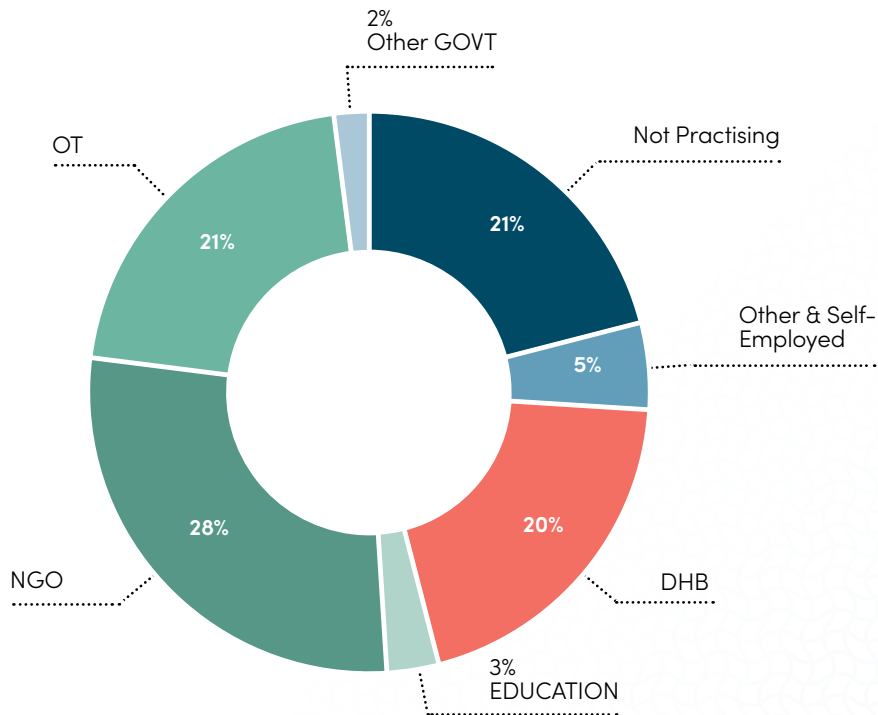


Figure 9 provides a breakdown where registered social workers have identified they are employed, or where they are not practising.

**Figure 9: Number of registered social workers by employer for 2018-2019**



## EDUCATION

**Social work graduates enter the workforce with the expected entry-level competencies as a result of completing SWRB recognised social work qualifications delivered to national standards supported by educators.**

### Continuing to work with tertiary education providers

Since 1 January 2006, the entry level qualification for registration has been a degree level social work qualification. However, we continue to recognise historical social work qualifications that started before that date. We recognise a range of undergraduate and post-graduate social work qualifications provided by 18 providers in Aotearoa New Zealand. In the past six years we have been transitioning from a three-year undergraduate social work qualification to a four-year qualification. In December 2019, for the first time, the full cohort of graduates with recognised undergraduate social work qualifications of all 18 providers will hold four-year degrees.

During 2018–2019 we maintained our programme recognition reviews to ensure that providers met the standards required for delivering professional social work degrees. We also updated the Programme Recognition Standards, making changes to the panel composition to increase and strengthen panel membership for recognition and mid-cycle reviews and the practice experience for field educators. Mātauranga Māori principles and practice were also added to the requirements.

### Social work employers' thoughts on new social work graduates

The results of a survey undertaken with social work employers for 2018–2019 showed that 85% of all respondents thought that the quality of new social work graduates in their employment met the graduate profile set out in the SWRB's Programme Recognition Standards. However, while the overall feedback from the survey was positive, the qualitative data collected also showed that there were areas of concern in relation to a lack of skills such as "*report writing*", "*cultural competence*" and "*engaging with whānau or children*".

Under an Ako Aotearoa funded project, *Enhancing the readiness to practise of newly qualified social workers*, research is currently being completed on developing a professional capability framework that will provide guidance to employers and educators as the profession moves to a post qualification framework that considers practice from a generic new graduate to an advanced specialist perspective. We continue to support this research and expect that, once completed, it will provide further insights into the capabilities of new graduate social workers and the expectations of employers.

We have also been engaged in the Associate Minister of Education's review of the quality of social work pre-service tertiary education qualifications. We anticipate that further progress will be made on this review in the next financial year, which will influence our work programme.

### Education sector changes

The Ministry of Education announced that it was undertaking a Review of Vocational Education, proposing that all Institutes of Technology and Polytechnics be folded into one large New Zealand Institute of Skills and Technology. Ten of the 18 providers of recognised social work qualifications are characterised as providing vocational education, so this change would have significant impacts for our organisation. As a result, we initiated a communication strategy with both the Ministry of Education and the Tertiary Education Commission to ensure that officials met with staff responsible for education accreditation, not only at our organisation but also at other health regulatory authorities and the New Zealand Teachers Council, which accredit qualifications in the Institutes of Technology and Polytechnics sector.



## Snapshot of information from our Education Report for 2018:

There was an overall drop in enrolments for 2018

There has been an increase in students receiving on-site placement supervision from registered social workers

There has been a 7% increase in enrolled students aged 30 years or younger

By the end of 2018, there was an 18% increase in students identifying as Māori

69% of all social work education placements are completed in a non-government agency setting

As we continue to build our information, we will provide further analysis of the trends in our data.

## ACCOUNTABILITY

**Social workers are held accountable to the Board's Code of Conduct, and the public, the profession and the employers of social workers see evidence of an accessible, transparent and fair process.**

*"It was really straightforward"*

### **New Return to Practice Policy and Competence Requirements**

During 2018-2019 we developed a high-level Return to Practice policy, with principles established to clarify the Board's expectations. This will be supported by guidance to be developed in 2019-2020.

Under the new legislation, changes to our competence process needed to be implemented immediately. Two main changes occurred: applicants for registration who hold recognised Aotearoa New Zealand social work qualifications no longer need to complete competence assessments; and the competence recertification process was removed.

When undertaking a survey of the competence assessment process in August 2019, 85% of respondents reported being satisfied with it. The qualitative data collected during this process indicated that respondents were interested in receiving written feedback on their assessments, and we will look to arrange this in the new financial year. The process has highlighted that we have room to improve, but as we have been in a space of active change, we anticipate that this measure will continue to track upwards.

*"It's very impersonal and no feedback is given..."*

## PROFESSIONAL STANDARDS

Social workers are required to meet accepted practice standards and are expected to continually develop their professional knowledge and skills for them to be viewed as professionals by the public, employers and their peers across multi-disciplinary teams.

### Complaints and notifications

The professional standards team received 164 complaints and notifications about social workers in the 2018/2019 year. 104 complaints were received by clients and members of the public, 20 social workers self-disclosed that they were unable to practice because of conduct competence or health issues, 19 complaints were received by employers and we received 21 complaints and notifications from other sources such as the Health and Disability Commissioner, the media and Court Registrar.

Type of Complainant	Number of complaints received 2018/2019 financial year
Public	104
Employer	19
Self-disclosed	20
Health and Disability Commissioner	1
Media	1
Court Registrar	1
Unknown	18
<b>Total</b>	<b>164</b>

### Professional Conduct Committees

Professional Conduct Committees (PCCs) are established to independently investigate allegations about the conduct or competence of social workers and to determine whether the matters need to be referred to a Social Workers Complaints and Disciplinary Tribunal. Fourteen PCC determination reports were made during the 2018–2019 financial year.

### PCC decisions

Conduct issue	
Conduct – conviction	7
Breaching professional boundaries	2
Bringing the profession into disrepute	2
Practising without a practising certificate	2
Other	2

Of the 14 PCC's established last year, one PCC considered two conduct allegations about one social worker. Six of the seven conviction determinations were about drink driving and no further action was taken. No further action was taken after the investigation of the two allegations of breaches of professional boundaries. No further action was taken after the investigation of one allegation of bringing the profession into disrepute; the other was referred for a competence review. Both determinations about practising without a practising certificate were referred to the Tribunal.

## Tribunals

The Social Workers Complaints and Disciplinary Tribunal hears charges laid by the PCCs.

### Tribunal decisions

#### Nature of charges

Practising without a practising certificate	2
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The Tribunal had two hearings in the 2018-2019 year. Each hearing resulted in the social workers being censured and fined for practising without practising certificates.

### Looking at diversity and the changes from the new legislation

We are responsible for handling complaints about registered social workers. Each complaint is considered on its own merits and all complaints are managed on a case-by-case basis.

The new legislation has improved the SWRB complaint and conduct procedures. The Board now has the authority to refer complaints for investigation to PCCs. This will enable us to process complaints more efficiently. PCC's have a broader range of options available to use when deciding on a complaint or conduct matter, and they now have the power to request information to assist in their investigations.

This year we began a programme of work to ensure that our organisation has the appropriate internal capabilities, policies and processes to work with Māori effectively. In 2018 we appointed a legal member with particular expertise to increase our capability to work with Māori. We will continue to look at the membership of the Tribunal to ensure that more diversity can be found, and we will also continue to work towards ensuring we can work with Māori effectively.

Additional changes were made to our professional standards processes in response to the new legislation. These changes saw us transferring the authority to appoint new Tribunal members to the Minister of Social Development and the ability to refer complaints to PCCs moving to the Board.

## INFORMATION AND PROMOTION

**The public, the profession and employers of social workers are aware of the system of registration and how to access it, and the benefits of ensuring that all registered social workers are competent and held accountable for their practice.**

### Keeping registered social workers and their employers informed

Keeping people informed is always an important area of focus for us, as we need both employers and social workers to understand the regulatory system for it to function well. It is necessary for the wider public to be aware of social work registration to ensure that the system can deliver the purposes set out in our legislation. Providing clear and up-to-date information took on further significance once the new legislation was in place, as we needed to ensure that our registered social workers and their employers understood the immediate changes that affected them, as well as the changes that will be implemented over time.

Our main source of correspondence with registered social workers is our regular newsletter *OnBoard* and bulk emails that we send out periodically. During 2018–2019, we sent out five editions of *OnBoard* and several bulk emails to help ensure the sector was kept abreast of all changes. In addition to this, we had regular face-to-face engagements with different Ministers' offices, other regulators, various social work agencies and the Social Work Alliance (a group representing the different sectors within the social work workforce). These engagements helped to raise awareness of our organisation and the changes in legislation, and also gave us a platform to hear directly from our stakeholders.

*From an employer: "we need to provide a lot more support and supervision to support best practice"*

*"I have a strong commitment to registration. We as social workers need to hold our professionalism high and proud."*

We also built our contact information on employers and began to reach out more proactively so that they could learn more about what we do, and what their obligations are under the new legislation. This was the first year that we were able to have direct electronic communication with employers.

### Developing collateral and re-branding

To assist with positioning our organisation as a modern regulator and to reflect the transition from a voluntary to a mandatory regulatory environment, we are refreshing our brand. This refresh is based on the kaupapa of our original logo and brand. We want to signal our presence as a modern safety regulator and make it a visible change as well as implementing the operational and regulatory changes required under the Act. The branding refresh began being developed in early 2019 and will be rolled out early in the next financial year.

This year we also developed collateral on the changes to the regulatory framework. This included a detailed information campaign, which will begin in 2019–2020, and educative material around changes to the legislation. We also developed a flyer to describe changes in fees and a flyer that outlined the differences between the SWRB and the ANZASW.

### Reported benefits of maintaining registration on the rise

In a series of surveys, both registered social workers and employers were asked if they could identify enhancements to their practice, or the practice of the registered social workers in their employment, as a result of maintaining registration. This year, 74% of registered social worker respondents confirmed that there had been enhancements to their practice, a 7% increase on last year. 80% of employers who responded to the survey confirmed there had been enhancements to the registered social workers in their employment, a 60% increase on last year. However, given the low response rate in our employer survey in 2017–2018, we do not have confidence in the validity of the increase.

The qualitative data received also indicated areas where social workers could be better supported. An important part of our 2019–2020 information campaign will be highlighting the value of registration and also receiving feedback from the sector about what it needs to know and how we can help it acquire this knowledge. As we transition from a voluntary to a mandatory model, we continue to aim for rises in the reported benefits of maintaining registration.

## OUR PEOPLE

**We are committed to supporting our staff to demonstrate our values of kaitiakitanga, rangatiratanga, manaakitanga and whanaungatanga.**

### Building staffing resources

In 2018–2019 we focused on ensuring that the Secretariat had the internal capacity to deliver the changes under the new legislation and the organisation’s move to a mandatory environment. This included creating new staff positions and looking to increase staffing resources in different teams of the organisation. With the increase in staff and further new staff due to arrive early in the next financial year, we also relocated offices.

### Diversity

At the end of the 2018–2019 year, the Secretariat staff was made up of 14.5 full-time equivalents, with female staff members making up 85% of the total. For a small organisation, our staff continues to be made up of a range of ethnic groups, with 60% of staff identifying as New Zealand European, 6.7% identifying as Māori, 6.7% identifying as Pasifika, 6.7% identifying as African and 20% identifying as other.

We are committed to ensuring that diversity is represented and respected as part of our recruitment process. We are currently recruiting for an in-house role to strengthen the organisation’s kaupapa Māori perspective and build the organisation’s responsiveness, including its recruitment practice.

We are actively working on our Māori responsiveness strategy, and in April 2019, all staff took part in a Māori Cultural Foundation workshop. This was the first in a series of training courses that looks to lift the organisation’s understanding of and engagement with Māori. Additionally, four staff members completed courses related to te reo Māori and tikanga as a part of their continuing professional development during the year. As part of professional development, staff members are encouraged to identify training courses that they believe will lift their capabilities including their understanding of diversity.

## EQUAL EMPLOYMENT

Our organisation is committed to being a good employer and to adopting policies and practices that ensure fair and proper treatment of its employees in all aspects of their employment. This includes adhering to the Human Rights Commission equal employment opportunities (EEO) and Crown Entities Good Employer principles requiring:

- Good and safe working conditions
- An EEO programme
- The impartial selection of suitability qualified people for appointment

We also recognise:

- The aims and aspirations of Māori
- The employment requirements of Māori
- The need for greater involvement of Māori in social work

And we are committed to providing:

- Opportunities for enhancing the abilities of individual employees
- Recognition of the aims, aspirations and cultural differences of ethnic and minority groups

- Recognition of the employment requirements of women
- Recognition of the employment requirements of people with disabilities

We continue to develop and maintain the:

- Even representation of men and women in our workplace and decision-making structures
- Participation and representation of Māori as employees and Board members
- Participation and representation of other ethnic groups as employees and Board members
- Participation and representation of people with disabilities as employees and Board members

We are also operating in a way that is consistent with the standards released by the State Services Commission in June 2018.

Our EEO practices also include:

#### **Leadership, accountability and culture**

- We utilise the Public Service Code of Conduct, as well as operational staff and governance manuals
- Actively engage all staff in the development of policies and procedures that affect their positions
- Support the development of effective leadership skills
- Promotion of good health and safety practices

#### **Recruitment, selection and induction**

- Use recruitment processes based on merit
- Ensure diversity is represented and respected as part of our recruitment process
- Have a mix of full-time and part-time staff

#### **Employee development, promotion and exit**

- Ensuring all staff have access to professional development opportunities
- Receive ongoing support from senior members of staff
- Undertake annual performance appraisals for all staff

#### **Flexibility and work design**

- Work with all staff to allow flexible working arrangements where business needs can enable this

#### **Remuneration recognition and conditions**

- Staff salaries are reviewed on an annual basis, ensuring that relevant external factors are also taken into account
- Maintain a remuneration system that is market aligned

#### **Harassment and bullying prevention**

- We operate a zero tolerance of bullying and harassment
- Encourage all staff to bring any issues immediately to the attention of the Chief Executive or Board

#### **Safe and healthy environment**

- All staff have access to an Employee Assistance Programme that provides confidential counselling and advice
- All staff are provided with emergency procedures, which are up to date
- Health and safety equipment is available in the SWRB office for use in the event of a disaster
- All staff are also provided with emergency provisions to keep at their desks

## FULL MEASURES AND RESULTS

Performance measure	Target 2017/18	Actual 2017/18	Target 2018/19	Actual 2018/19
The percentage of applicants who report being satisfied with the Registration and APC renewal process, including timeliness will be no less than	95%	89% <sup>8</sup>	90%	87%
The percentage of applicants who report being satisfied with the Competence Assessments process will be no less than	95%	53% <sup>9</sup>	90%	85%
The percentage of employers who report satisfaction with the advice they receive will be no less than	90%	40% <sup>10</sup>	90%	82% <sup>11</sup>
Stakeholders are kept informed of changes to the regulatory framework resulting from the implementation of the Social Workers Registration Legislation Bill	New measure	New measure	Stakeholders are kept informed through: <ul style="list-style-type: none"> <li>• At least four issues of <i>OnBoard</i> newsletter</li> <li>• Website up to date</li> <li>• Collateral developed</li> </ul>	Met the target <sup>12</sup>

8 This measure was adapted to include 'including timeliness' in the SWRB's 2018-2019 Statement of Performance Expectations. Timeliness was not measured in 2017-2018.

9 Note that 30% of respondents from the annual survey were 'moderately satisfied', so the total of all 'moderately to extremely satisfied' is 89%.

10 For the purpose of this measure we are using the response we received from a survey of employers. However, given the very low response rate we do not have confidence in the validity of this result.

11 Given the low response rate to the 2017-2018 employer survey, we used a different methodology for 2018-2019. The difference between the results is in direct relation to this change in methodology. As the 2018-2019 survey had a far larger pool of respondents, these better reflect the actual result.

12 During 2018/2019 we sent out five OnBoard newsletters, continually reviewed and refreshed the information on our website about the changes to the regulatory framework and took steps to make it more user-friendly and to ensure that information is attainable. We also continue to develop collateral on the changes to the regulatory framework, including a detailed information campaign and educative material around changes to the legislation. We have also developed a flyer to describe changes in fees and a flyer that outlines the differences between the SWRB and the ANZASW.

Performance measure	Target 2017/18	Actual 2017/18	Target 2018/19	Actual 2018/19
Percentage of employers who rate the quality of social work graduates in relation to the extent to which they meet the graduate profile as set out in the SWRB Programme Recognition Standards	A baseline of 75% and this figure trends upwards over the remaining years	80% <sup>13</sup>	A baseline of 75% and this figure trends upwards over the remaining years	85% <sup>14</sup>
Percentage of users who report satisfaction with the online functions provided by the Board	At least 80% of users report satisfaction with the functions provided and this figure increases	78%	At least 80% of users report satisfaction with the functions provided and this figure increases	82%
Percentage of users who report identifiable benefits from using the online functions provided by the Board	At least 80% of users report satisfaction with the functions provided and this figure increases	85%	At least 80% of users report satisfaction with the functions provided and this figure increases	88%
Percentage of eligible registered social workers who maintain their social worker registration through competence recertification and practising certificate renewal	A baseline of 95% and this figure trends upwards with a target of 100% over the remaining years	80%	A baseline of 95% and this figure trends upwards with a target of 100% over the remaining years	84%

13 For the purpose of this measure we are using the response we received from a survey of employers. However, given the very low response rate we do not have confidence in the validity of this result.

14 For the purpose of this measure we are using the response we received from a survey of employers. However, given the very low response rate we do not have confidence in the validity of this result.



Performance measure	Target 2017/18	Actual 2017/18	Target 2018/19	Actual 2018/19
Percentage of surveyed employers who support the social workers they employ to maintain their registration through payment of competence recertification and practising certificate costs	A baseline of 75% and this figure trends upwards over the remaining years	86% <sup>15</sup>	A baseline of 75% and this figure trends upwards over the remaining years	95% <sup>16</sup>
Percentage of registered social workers who report identifiable enhancement to their practice as a result of maintaining registration	A baseline of 75% and this figure trends upwards over the remaining years	67%	A baseline of 75% and this figure trends upwards over the remaining years	74%
Percentage of employers who report identifiable enhancement to their practice as a result of maintaining registration	A baseline of 75% and this figure trends upwards over the remaining years	20% <sup>17</sup>	A baseline of 75% and this figure trends upwards over the remaining years	80% <sup>18</sup>

15 For the purpose of this measure we are using the response we received from a survey of employers. However, given the very low response rate we do not have confidence in the validity of this result.

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# 04

## FINANCIAL STATEMENTS

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### STATEMENT OF RESPONSIBILITY

The Board are responsible for the preparation of the Social Workers Registration Board financial statements and statement of performance and the judgements made in them.

The Board are responsible for any end of year performance information provided by the Social Workers Registration Board under section 19A of the Public Finance Act 1989.

The Board have responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the Board's opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Social Workers Registration Board for the year ended 30 June 2019.

Signed on behalf of the Board



**Shannon Pakura**  
Chairperson  
31 October 2019



**Khoa Nguyen**  
Board member (FAR Chair)  
31 October 2019

## INDEPENDENT AUDITOR'S REPORT

### To the readers of the Social Workers Registration Board's financial statements and performance information for the year ended 30 June 2019

The Auditor-General is the auditor of the Social Workers Registration Board (the Registration Board). The Auditor-General has appointed me, John Whittal, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for appropriations, of the Board on his behalf.

#### Opinion

We have audited:

- the financial statements of the Registration Board on pages 37 to 58, that comprise the statement of financial position as at 30 June 2019, the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Registration Board on pages 29 to 31.

In our opinion:

- the financial statements of the Registration Board on pages 37 to 58:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2019; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Reporting Standards Reduced Disclosure Regime; and
- the performance information on pages 29 to 31:
  - presents fairly, in all material respects, the Registration Board's performance for the year ended 30 June 2019, including:
    - for each class of reportable outputs:
      - its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
      - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
    - complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2019. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the members of the Board and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

### **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of the Board for the financial statements and the performance information**

The Board is responsible on behalf of the Registration Board for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Board is responsible for such internal control as it determines is necessary to enable it to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Board is responsible on behalf of the Registration Board for assessing the Registration Board's ability to continue as a going concern. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Registration Board, or there is no realistic alternative but to do so.

The Board's responsibilities arise from the Crown Entities Act 2004.

### **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Registration Board's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Registration Board's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- We evaluate the appropriateness of the reported performance information within the Registration Board's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Registration Board's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Registration Board to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

### **Other information**

The Board is responsible for the other information. The other information comprises the information included on pages 1 to 58, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Independence**

We are independent of the Registration Board in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Registration Board.



**John Whittal**

Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand

## STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES

FOR THE YEAR ENDED 30 JUNE 2019

	Notes	2019 Actual \$	2019 Budget	2018 Actual \$
<b>REVENUE</b>	2	2,334,575	2,093,579	2,223,902
<b>EXPENSES</b>				
Administration and Overhead costs		124,475	117,689	99,096
Complaints and Tribunal Fees		86,772	230,235	49,430
Publications		16,244	45,776	52,220
Depreciation & Amortisation expense		83,139	72,523	97,809
Personnel costs	3	1,429,326	1,148,795	1,233,805
Other expenses	4	723,813	629,276	585,964
<b>Total Expenses</b>		<b>2,463,770</b>	<b>2,244,294</b>	<b>2,118,324</b>
<b>Surplus/(deficit) before finance income</b>		<b>(129,195)</b>	<b>(150,715)</b>	<b>105,578</b>
Finance Income	5	31,005	30,000	31,607
<b>Surplus/(deficit) for the year</b>		<b>(98,190)</b>	<b>(120,715)</b>	<b>137,185</b>
<b>Total Comprehensive Revenue and Expense</b>		<b>(98,190)</b>	<b>(120,715)</b>	<b>137,185</b>

The above Statement of Comprehensive Revenue and Expense should be read in conjunction with the accompanying notes.

## STATEMENT OF CHANGES IN NET ASSETS/EQUITY

FOR THE YEAR ENDED 30 JUNE 2019

	Total \$
<b>Balance as at 1 July 2017</b>	<b>440,772</b>
Net surplus or deficit / total comprehensive revenue and expense for the year	137,185
<b>Net Assets/Equity at 30 June 2018</b>	<b>577,958</b>
<b>Balance as at 1 July 2018</b>	<b>577,958</b>
Net surplus or deficit / total comprehensive revenue and expense for the year	(98,190)
<b>Net Assets/Equity at 30 June 2019</b>	<b>479,768</b>

The above Statement of Changes in Net Assets should be read in conjunction with the accompanying notes.

## STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2019

	Notes	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>CURRENT ASSETS</b>				
Cash and Cash Equivalents	6	1,030,886	651,094	2,383,332
Investments	7	1,852,145	1,711,590	-
Receivables	8	31,638	12,042	102,513
Prepayments		35,260	27,322	27,622
<b>Total Current Assets</b>		<b>2,949,930</b>	<b>2,402,048</b>	<b>2,513,467</b>
<b>NON-CURRENT ASSETS</b>				
Property, plant and equipment	9	54,770	52,728	92,264
Intangible assets	10	37,246	44,936	77,031
<b>Total Non-Current Assets</b>		<b>92,016</b>	<b>97,664</b>	<b>169,295</b>
<b>TOTAL ASSETS</b>		<b>3,041,945</b>	<b>2,499,712</b>	<b>2,682,761</b>
<b>CURRENT LIABILITIES</b>				
Payables	11	462,952	316,466	416,802
Deferred revenue	12	2,013,816	1,681,858	1,602,342
Lease liability	13	4,667	4,203	6,276
Provisions	14	24,106	-	-
Employee entitlements	15	56,637	41,710	75,179
<b>Total Current Liabilities</b>		<b>2,562,177</b>	<b>2,044,237</b>	<b>2,100,599</b>
<b>NON-CURRENT LIABILITIES</b>				
Lease liability	13	-	-	4,203
<b>TOTAL LIABILITIES</b>		<b>2,562,177</b>	<b>2,044,237</b>	<b>2,104,802</b>
<b>NET ASSETS</b>		<b>479,768</b>	<b>455,475</b>	<b>577,958</b>
<b>EQUITY</b>				
Accumulated surplus / (deficit)		479,768	455,475	577,958
<b>TOTAL EQUITY</b>		<b>479,768</b>	<b>455,475</b>	<b>577,958</b>

The above Statement of Financial Position should be read in conjunction with the accompanying notes.



## CASHFLOW STATEMENT

FOR THE YEAR ENDED 30 JUNE 2019

	Note	2019 Actual \$	2019 Budget \$	2018 Actual \$
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>				
Revenue Received		2,822,458	2,147,329	2,255,896
Interest received		25,469	32,324	34,868
Payments to Personnel		(1,112,163)	(1,027,371)	(1,203,821)
Payments to Suppliers		(1,253,379)	(1,150,295)	(789,035)
<b>Net Cash Inflow/(Outflow) from Operating Activities</b>		<b>482,384</b>	<b>1,987</b>	<b>297,908</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>				
Receipts from sale of property, plant and equipment		23,172	-	337
Receipts from sale or maturity of investments		-	-	1,350,000
Purchase of property, plant and equipment		(5,858)	-	(3,630)
Purchase of intangible assets		-	-	(9,975)
Acquisition of investments		(1,852,145)	(1,193)	-
<b>Net Cash Inflow/(Outflow) from Investing Activities</b>		<b>(1,834,831)</b>	<b>(1,193)</b>	<b>1,336,732</b>
<b>Net Increase/(Decrease) in Cash and Cash Equivalents</b>		<b>(1,352,447)</b>	<b>794</b>	<b>1,634,640</b>
Cash and Cash Equivalents at the Beginning of the year	6	2,383,333	650,300	748,693
<b>Cash and Cash Equivalents at the end of the year</b>		<b>1,030,886</b>	<b>651,094</b>	<b>2,383,333</b>

The above Cashflow statement should be read in conjunction with the accompanying notes.

# NOTES TO THE FINANCIAL STATEMENTS STATEMENT OF ACCOUNTING POLICIES

## FOR THE YEAR ENDED 30 JUNE 2019

### 1. STATEMENT OF ACCOUNTING POLICIES

#### Reporting Entity

The Social Workers Registration Board (SWRB) is a crown entity registered under the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing SWRB's operations includes the Crown Entities Act 2004, the Crown Service Enterprise Act 2002 and the Social Workers Registration Act 2003. SWRB's ultimate parent is the New Zealand Crown.

SWRB's primary objective is to provide services to the New Zealand public and does not operate to make a financial return. For the purposes of complying with generally accepted accounting practice in New Zealand ("NZ GAAP"), SWRB is a public sector public benefit entity.

The financial statements for the Board are for the year ending 30 June 2019 and were approved by the Board on 31 October 2019.

#### Basis of Preparation

The financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

#### Statement of compliance

SWRB has elected to report in accordance with Tier 2 Public Benefit Entity Standards (Public Sector) and has applied disclosure concessions. SWRB is eligible to report in accordance with Tier 2 Public Benefit Entity Standards because it is not publicly accountable and its operating expenditure is less than \$30 million. These financial statements comply with Public Benefit Entity Standards Reduced Disclosure Regime ("PBE Standards RDR") and The Crown Entities Act 2004.

#### Presentation currency and rounding

The financial statements are presented in New Zealand dollars (\$) which is SWRB's functional and presentation currency. All financial information presented in New Zealand dollars has been rounded to the nearest dollar.

#### Standards issued and not yet effective and not early adopted

PBE IFRS 9 Financial Instruments                      Effective Date: 1 January 2021

PBE International Financial Reporting Standard (IFRS) 9 Financial Instruments is effective from periods beginning on or after 1 January 2021. PBE IFRS 9 addresses the classification, measurement and recognition of financial assets and financial liabilities and relaxes current requirements for hedge accounting. Management do not expect the impact of the Standard to have a significant effect.

#### Critical accounting estimates and assumptions

In preparing these financial statements, SWRB has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events and are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- Useful lives and residual values of property, plant and equipment (refer to note 10)

- Useful lives of software assets (refer to note 10)

### Critical judgements in applying accounting policies

- Practising fees revenue non-exchange classification (refer to note 2)

### Summary of accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

#### a) Goods and Services Tax

The financial statements are stated exclusive of Goods and Services Tax (GST), with the exception of receivables and payables, which are stated on a GST inclusive basis. Where GST is not recoverable as input tax, it is recognised as part of the related asset or expense. The net amount of GST recoverable from, or payable to, the IRD is included as part of receivables or payables in the statement of financial position.

The net GST paid to or received from the IRD, including the GST relating to investing activities, is classified as a net operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

#### b) Income Tax

SWRB is a public authority under the Income Tax Act 2007 and consequently is exempt under s CW 38 from the payment of income tax. Accordingly no provision has been made for income tax.

#### c) Budget figures

The budget figures are derived from the Statement of performance expectations as approved by the Board at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Board in preparing these financial statements.

#### d) Financial Instruments

##### i. Financial Assets

Financial assets and financial liabilities are recognised when SWRB becomes a party to the contractual provisions of the financial instrument.

SWRB derecognises a financial asset or, where applicable a part of a financial asset or part of a group of similar financial assets when the rights to receive cash flows from the asset have expired or are waived, or SWRB has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party; and either:

SWRB has transferred all the risks and rewards of the asset; or

SWRB has neither transferred nor retained all the risks and rewards of the asset, but has transferred control of the asset.

At the reporting date all of SWRB's financial assets are classified as loans and receivables. SWRB determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

##### *Loans and receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

At initial recognition, they are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

SWRB's loans and receivables comprise cash and cash equivalents, investments and receivables.

#### *ii. Impairment of financial assets*

SWRB assesses at the end of the reporting date whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that a loss event has an impact on the estimated future cash flows through the use of the financial asset or the group of financial assets that can be reliably estimated.

For financial assets carried at amortised cost, if there is objective evidence that an impairment loss on loans and receivables carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The amount of the loss is recognised in the surplus or deficit for the reporting period.

In determining whether there is any objective evidence of impairment, SWRB first assesses whether there is objective evidence of impairment of financial assets that are individually significant. If SWRB determines that there is no objective evidence of impairment for an individually assessed financial asset, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognised are not included in a collective assessment for impairment.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed by adjusting the allowance account. If the reversal results in the carrying amount exceeding its amortised cost, the amount of the reversal is recognised in surplus or deficit.

#### *iii. Financial liabilities*

SWRB's financial liabilities include trade and other creditors. All financial liabilities are initially recognised at fair value (less

directly attributable transaction cost) and are measured subsequently at amortised cost using the effective interest method.

### **e) Provisions**

#### *i. Onerous contracts*

A provision for onerous contracts is recognised when the expected benefits to be derived by the SWRB from a contract are lower than the unavoidable cost of meeting its obligations under the contract. The provision is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, SWRB recognises any impairment loss on the assets associated with that contract.

## 2. REVENUE

### Accounting policy

Revenue is recognised when the amount of revenue can be measured reliably and it is probable that economic benefits will flow to SWRB and measured at the fair value of consideration received or receivable.

The following specific recognition criteria in relation to SWRB's revenue streams must also be met before revenue is recognised.

### Revenue transactions

Exchange transactions are transactions in which one entity receives assets or services, or has liabilities extinguished, and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to another entity in exchange.

Non-exchange transactions arise where an entity receives value from another entity without giving approximately equal value in exchange.

### Revenue from non-exchange transactions

#### Revenue from the Crown

An amount of \$44,606 of other revenue was received from MSD to fund implementation costs, (2018: \$80,000 to fund fee review).

#### Practising Fees

SWRB's annual recertification cycle runs from 1 July to 30 June. Fees received in advance of the commencement of the recertification cycle are recognised on the first day of the recertification year, that is 1 July. Fees received within the recertification year to which they relate are recognised in full upon receipt.

#### Other Revenue from non-exchange transactions

Application fees and fees for competence assessment, competence recertification and non-binding assessment are recognised when all application data has been received.

	2019 Actual \$	2018 Actual \$
<b>REVENUE FROM NON-EXCHANGE REVENUE TRANSACTIONS:</b>		
Practising fees	1,773,564	1,571,079
Application fees	313,852	288,151
Competence fees	192,333	282,566
Expense recoveries	-	1,472
Other revenue	54,827	80,634
<b>TOTAL NON-EXCHANGE REVENUE</b>	<b>2,334,575</b>	<b>2,223,902</b>
<b>TOTAL REVENUE</b>	<b>2,334,575</b>	<b>2,223,902</b>

### 3. PERSONNEL COSTS

#### i. Short-term employee benefits

Short-term employee benefit liabilities are recognised when SWRB has a legal or constructive obligation to remunerate employees for services provided with 12 months of reporting date, and is measured at the amounts expected to be paid when the liabilities are settled on an undiscounted basis.

#### ii. Superannuation schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

<b>Breakdown of personnel costs and further information</b>	<b>2019 Actual \$</b>	<b>2018 Actual \$</b>
Salaries	1,067,348	926,865
Other Fees	325,410	271,389
Superannuation employer contributions	34,625	32,451
Other personnel costs	1,944	3,100
<b>Total personnel costs</b>	<b>1,429,326</b>	<b>1,233,805</b>

<b>Employee remuneration</b>	<b>2019 Actual \$</b>	<b>2018 Actual \$</b>
<b>TOTAL REMUNERATION PAID OR PAYABLE:</b>		
\$100,000 - \$109,999	0	1
\$110,000 - \$119,999	0	0
\$120,000 - \$129,999	0	1
\$130,000 - \$139,999	0	0
\$140,000 - \$149,999	0	0
\$150,000 - \$159,999	1	0
\$160,000 - \$169,999	0	0
\$170,000 - \$179,999	0	1
\$180,000 - \$189,999	0	0
\$190,000 - \$199,999	0	0
\$199,999 - \$209,999	0	0
\$209,999 - \$219,999	0	0
\$219,999 - \$229,999	1	0
<b>Total employees</b>	<b>2</b>	<b>3</b>

*During the year ended 30 June 2019 an employee received one month salary as a lump sum payment in relation to their termination. (2018: Nil)*

### Board member remuneration:

The total value of remuneration paid or payable to each Board members during the year was:

	<b>2019</b> <b>Actual</b> \$	<b>2018</b> <b>Actual</b> \$
Walker, Shayne (Board Chair to January 2019)	12,833	19,518
Bolstad, Turitea	6,667	7,498
Derrett, Michelle	4,167	8,263
Ikkala, Shirley	10,000	7,663
King, Lisa-Marie	10,000	5,833
Moorhouse, Leisa	6,667	7,123
Nguyen, Khoa	10,000	8,869
Pukara, Shannon (Board Chair from February 2019)	9,167	-
Rose, Paula	10,000	7,348
Thomson, Scott	9,996	7,154
Wepa, Dianne	4,167	8,163
<b>Total Board member remuneration</b>	<b>93,662</b>	<b>87,432</b>

*There have been no payments made to committee members appointed by the Board who are not Board members during the financial year SWRB has provided a deed of indemnity to Directors for certain activities undertaken in the performance of SWRB's functions.*

*SWRB has taken out Directors' and Officers' Liability and Professional Indemnity insurance cover during the financial year in respect of the liability or costs of Board members and employees.*

### 4. EXPENSES

	<b>2019</b> <b>Actual</b> \$	<b>2018</b> <b>Actual</b> \$
Other Expenses		
Audit fees	24,901	23,800
Bad debts	-	348
Doubtful debts	9,450	1,804
Legal fees	83,866	73,488
Insurance	6,988	6,408
Computer expenses	105,822	112,942
Professional fees	79,588	94,453
Training and development	22,133	17,586
Staff expenses	5,040	3,400
Other expenses	386,026	251,735
<b>TOTAL OTHER EXPENSES</b>	<b>723,813</b>	<b>585,964</b>

## 5. NET FINANCE INCOME

Interest revenue is recognised using the effective interest method by accruing on a time proportion basis the interest due for the investment.

	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Actual</b>
	\$	\$
<b>FINANCE INCOME</b>		
Loans and receivables - Interest received	31,354	31,607
Loans and payables - Interest Paid	(350)	-
<b>NET FINANCE INCOME</b>	<b>31,005</b>	<b>31,607</b>

## 6. CASH AND CASH EQUIVALENTS

Cash and cash equivalents includes cash on hand, deposits held on call with banks, and other short term, highly liquid investments with original maturities of three months or less.

	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Actual</b>
	\$	\$
Cash on hand and at bank	970,872	2,363,759
Cash equivalents - bank call deposits	60,015	19,573
<b>Total cash and cash equivalents</b>	<b>1,030,886</b>	<b>2,383,332</b>
<b>NET CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS</b>	<b>1,030,886</b>	<b>2,383,332</b>

## INTEREST RATES

	<b>2019</b>	<b>2018</b>
Cheque Account	0.00%	0.10%
Call deposits	0.85%	0.12%

*Rates are percent per annum and subject to change at any time. The cheque account is a non interest bearing account.*

### **Term Deposit 1022**

Interest rate:	2.50%
Maturity date:	24 Sept 2019
Amount:	\$300,000



## 7. SHORT TERM INVESTMENTS

Short term investments comprise term deposits which have a maturity greater than three months and therefore do not fall into the category of cash and cash equivalents.

Bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and added to the investment balance.

	<b>2019</b> <b>Actual</b> \$	<b>2018</b> <b>Actual</b> \$
<b>SHORT TERM INVESTMENTS</b>		
ANZ Term Deposits	1,852,145	-
<b>TOTAL SHORT TERM INVESTMENTS</b>	<b>1,852,145</b>	<b>-</b>

### Term Deposit 1020

Interest rate: 3.25%  
Maturity date: 12 Nov 2019  
Amount: \$302,145

### Term Deposit 1021

Interest rate: 3.15%  
Maturity date: 15 July 2019  
Amount: \$350,000

### Term Deposit 1023

Interest rate: 2.85%  
Maturity date: 25 Nov 2019  
Amount: \$500,000

### Term Deposit 1024

Interest rate: 3.25%  
Maturity date: 21 Feb 2020  
Amount: \$400,000

### Term Deposit 1025

Interest rate: 3.15%  
Maturity date: 23 March  
2020  
Amount: \$300,000

## 8. TRADE RECEIVABLES

Short term receivables are recognised at fair value and subsequently measured at amortised cost using the effective interest rate method, less any allowance for impairment.

A receivable is considered uncollectable when there is evidence the amount due will not be fully collected. Impairment is the difference between the amount due and the present value of the amount expected to be collected.

	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Actual</b>
	\$	\$
<b>RECEIVABLES UNDER EXCHANGE TRANSACTIONS</b>		
Interest receivable	5,764	229
<b>Total receivables under exchange transactions</b>	<b>5,764</b>	<b>229</b>
<b>RECEIVABLES UNDER NON-EXCHANGE TRANSACTIONS</b>		
Accounts receivable	38,741	104,284
less: provision for impairment	(12,868)	(2,000)
<b>Total receivables under non-exchange transactions</b>	<b>25,874</b>	<b>102,284</b>
<b>Total Receivables</b>	<b>31,638</b>	<b>102,513</b>

All receivables greater than 30 days in age are considered past due. Receivables are normally assessed for collectability on an individual basis.

Movements in the provision for uncollectability of receivables are as follows:

	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Actual</b>
	\$	\$
Balance at 1 July	2,000	-
Additional provisions made during the year	10,868	2,348
Receivables written off during the year	-	(348)
<b>Balance at 30 June</b>	<b>12,868</b>	<b>2,000</b>

## 9. PROPERTY, PLANT AND EQUIPMENT

### i. Recognition and measurement

Items of property plant and equipment are initially measured at cost and subsequently measured at cost less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the asset. Where an asset is acquired through a non-exchange transaction its cost is measured at its fair value at the date of acquisition.

### ii. Subsequent expenditure

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to SW RB. Ongoing repairs and maintenance are expensed as incurred.

### iii. Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposal are reported net in the surplus or deficit.

### iv. Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets that have a useful life that is different from the remainder of those assets, those components are depreciated separately.

Depreciation is recognised in surplus or deficit on a straight line or diminishing value basis over the estimated useful lives of each component of an item of property, plant and equipment.

*The depreciation rates for the prior period:*

Leasehold Improvements	16.7% SL
Computer Equipment	48% DV
Furniture & Fittings	18% - 60% DV

*The depreciation rates for the current period:*

Leasehold improvements	16.7% SL
Computer Equipment	48% DV
Furniture & Fittings	18% - 39.6% DV

Depreciation methods, useful lives, and residual values are reviewed at reporting date and adjusted if appropriate. Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

### v. Impairment of property, plant and equipment

SWRB does not hold any cash-generating assets. Assets are considered cash generating where their primary objective is to generate a commercial return.

*Non cash-generating assets*

Property, plant and equipment are reviewed for indicators of impairment annually and recoverable service amount is estimated if such indicators are identified. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value, less costs to sell, and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an assets carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

### Breakdown of property, plant and equipment and further information

Movements for each class of property, plant, and equipment is as follows:

	Furniture & office equipment \$	Computer equipment \$	Leasehold alterations \$	Total \$
<b>COST</b>				
Balance at 1 July 2017	158,107	116,043	81,364	355,514
Additions	1,217	2,413	-	3,630
Disposals	(3,715)	(61)	-	(3,776)
<b>Balance at 30 June 2018 / 1 July 2018</b>	<b>155,609</b>	<b>118,395</b>	<b>81,364</b>	<b>355,368</b>
Additions	-	5,858	-	5,858
Disposals	-	-	(81,364)	(81,364)
<b>Balance at 30 June 2019</b>	<b>155,609</b>	<b>124,253</b>	<b>0</b>	<b>279,862</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>				
Balance at 1 July 2017	87,875	90,743	43,623	222,241
Depreciation expense	14,557	12,075	14,568	41,200
Elimination on disposal	(210)	(127)	-	(337)
<b>Balance at 30 June 2018 / 1 July 2018</b>	<b>102,222</b>	<b>102,691</b>	<b>58,191</b>	<b>263,104</b>
Depreciation expense	11,119	9,060	-	20,179
Elimination on disposal	-	-	(58,191)	(58,191)
Transfer to assets held for sale	-	-	-	-
Impairment losses	-	-	-	-
Reversal of impairment losses	-	-	-	-
<b>Balance at 30 June 2019</b>	<b>113,341</b>	<b>111,751</b>	<b>0</b>	<b>225,092</b>
<b>CARRYING AMOUNTS</b>				
As at 1 July 2017	70,232	25,300	37,741	133,273
Balance at 30 June 2018 / 1 July	53,387	15,704	23,173	92,264
<b>Balance at 30 June 2019</b>	<b>42,268</b>	<b>12,502</b>	<b>0</b>	<b>54,770</b>

## Restrictions

There are no restrictions over the title of SWRB's assets, nor are any assets pledged as security for liabilities

## Capital commitments

The amount of contractual commitments for the acquisition of property, plant, and equipment is \$nil (2018: \$nil)

## 10. INTANGIBLE ASSETS

### i. Recognition and measurement

Intangible assets are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Costs that are directly associated with the development of software for internal use are recognised as an intangible asset. Staff training costs are recognised as an expense when incurred.

### ii. Subsequent Expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill, is recognised in surplus or deficit as incurred.

Costs associated with maintaining computer software are expensed when incurred.

Costs associated with development and maintenance of SW RB's website are expensed when incurred.

### iii. Amortisation

Amortisation is recognised in surplus or deficit on a straight line basis over the estimated useful lives of each amortisable intangible asset. The amortisation charge for each financial year is expensed in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

Website and database    5 years    20% SL

### iv. Impairment of intangible assets

Refer to the policy for impairment of property, plant and equipment in Note 9. The same approach applies to the impairment of intangible assets.

### v. Critical accounting estimates and assumptions

#### *Estimating useful lives of software assets*

SWRB's internally generated software largely comprises an interactive database provided to the public as part of SWRB's regulatory functions. Internally generated software has a finite life, which requires SWRB to estimate the useful life of the software assets.

In assessing the useful lives of software assets, a number of factors are considered, including:

- the period of time the software is intended to be in use;
- the effect of technological change on systems and platforms; and
- the expected timeframe for the development and replacement systems and platforms.

An incorrect estimate of the useful lives of software assets will affect the amortisation expense recognised in the surplus or deficit, and the carrying amount of the software assets in the statement of financial position.

SWRB has estimated a useful life of 5 years for its regulatory platform. This useful life is still considered reasonable based on the current performance and use of the software. There are currently no indicators the period of use of the software will be materially different.

### Breakdown of intangible assets and further information

Movements for each class of intangible asset are as follows:

	Database & Website \$	Total \$
<b>COST</b>		
Balance at 1 July 2017	581,245	581,245
Additions	9,975	9,975
Disposals	-	-
<b>Balance at 30 June 2018 / 1 July</b>	<b>591,220</b>	<b>591,221</b>
Additions	-	-
Disposals	-	-
<b>Balance at 30 June 2019</b>	<b>591,220</b>	<b>591,221</b>
<b>ACCUMULATED DEPRECIATION AND IMPAIRMENT LOSSES</b>		
Balance at 1 July 2017	457,580	457,580
Amortisation expense	56,609	56,609
Elimination on disposal	-	-
<b>Balance at 30 June 2018 / 1 July</b>	<b>514,189</b>	<b>514,188</b>
Amortisation expense	39,787	39,787
Elimination on disposal	-	-
Impairment losses	-	-
Reversal of impairment losses	-	-
<b>Balance at 30 June 2019</b>	<b>553,976</b>	<b>553,975</b>
<b>CARRYING AMOUNTS</b>		
Balance at 1 July 2017	123,665	123,665
Balance at 30 June 2018 / 1 July	77,031	77,031
<b>Balance at 30 June 2019</b>	<b>37,244</b>	<b>37,246</b>

### Restrictions

There are no restrictions over the title of SWRB's intangible assets, nor are any intangible assets pledged as security for liabilities.

### Capital commitments

The amount of contractual commitments for the acquisition of intangible assets is \$nil (2018: \$nil)

## 11. PAYABLES

Short term payables are recorded at the amount payable.

	<b>2019</b> <b>Actual</b> \$	<b>2018</b> <b>Actual</b> \$
<b>PAYABLES UNDER EXCHANGE TRANSACTIONS</b>		
Accounts payable	155,232	116,998
Accruals	28,687	20,101
<b>Total payables under exchange transactions</b>	<b>183,920</b>	<b>137,099</b>
<b>PAYABLES UNDER NON-EXCHANGE TRANSACTIONS</b>		
Taxes payable (GST & PAYE)	279,032	279,703
<b>Total payables under non-exchange transactions</b>	<b>279,032</b>	<b>279,703</b>
<b>Total Payables</b>	<b>462,952</b>	<b>416,802</b>

## 12. DEFERRED REVENUE

	<b>2019</b> <b>Actual</b> \$	<b>2018</b> <b>Actual</b> \$
<b>DEFERRED REVENUE UNDER NON-EXCHANGE TRANSACTIONS</b>		
Income in advance (practising fees)	1,953,816	1,542,342
Prepaid application fees	60,000	60,000
<b>Total deferred revenue under non-exchange transactions</b>	<b>2,013,816</b>	<b>1,602,342</b>

SWRB's practising certificate year commences on 1 July. Fees received prior to balance date for the subsequent year are recorded as fees received in advance.

### 13. OPERATING LEASES

Leases that do not transfer substantially all the risks and rewards incidental to ownership of the leased assets are classified as operating leases.

Payments made under operating leases are recognised in surplus or deficit on a straight-line basis over the term of the lease. Lease incentives received are recognised as an integral part of the total lease expense, over the term of the lease.

(i) Leases as lessee

	2019 < 1 year \$	2019 2-5 years \$	2018 < 1 year \$	2018 2-5 years \$
<b>RENTAL LEASE</b>				
Level 6, 11 Chews Lane, 45-55 Willis Street, Wellington				
Operating lease	-	-	96,420	64,280
Lease incentive	-	-	(6,276)	(4,203)
<b>Total rental lease commitments</b>	<b>-</b>	<b>-</b>	<b>90,144</b>	<b>60,077</b>

The lease commenced 1 March 2014, and expires on 28 February 2020. There is a right of renewal for two further periods of 3 years with a final expiry date of 28 February 2026. The premises was exited mid June 2019 and the lease was terminated on 30 September 2019. An onerous lease provision accounting for three months rent in the 2020 financial year has been recognised as at 30 June 2019.

	2019 < 1 year \$	2019 2-5 years \$	2018 < 1 year \$	2018 2-5 years \$
<b>RENTAL LEASE</b>				
Level 7, 110 Featherston St, Wellington				
Operating lease	140,000	350,000	-	-
Lease incentive	(28,000)	(76,667)	-	-
<b>Total rental lease commitments</b>	<b>112,000</b>	<b>273,333</b>	<b>-</b>	<b>-</b>

The lease commenced on 14 June 2019 and expires on 31 December 2022. There is a right of renewal for further period of 4 years with a final expiry date of 31 December 2026. As at 30 June 2019 a lease incentive of \$4,667 has been recognised in the financial statements.



	2019 < 1 year \$	2019 2-5 years \$	2018 < 1 year \$	2018 2-5 years \$
<b>OTHER LEASE COMMITMENTS</b>				
Photocopier	-	-	563	-
Telephones	-	-	162	-
<b>Total other lease commitments</b>	-	-	<b>726</b>	-
<b>Total lease commitments</b>	-	-	<b>90,870</b>	<b>60,077</b>

SWRB has entered into a lease agreement for a photocopier commencing 7 November 2013 for a term of five years. SWRB has entered into a lease agreement for rental of telephones commencing 1 October 2015 for a term of three years.

SWRB has no lease commitments for the period five years or later (2018:Nil)

#### 14. PROVISIONS

	Note	Lease rental	Total \$
Opening Balance (1 July 2018)		-	-
Increases due to early lease termination	11	24,106	24,106
<b>Closing Balance (30 June 2019)</b>		<b>24,106</b>	<b>24,106</b>
Current		24,106	24,106
Non-current		-	-
		<b>24,106</b>	<b>24,106</b>

The premises at 11 Chews Lane was exited mid June 2019 and the lease was terminated on 30 September 2019. An onerous lease provision accounting for three months rent in the 2020 financial year has been recognised as at 30 June 2019.

#### 15. EMPLOYEE ENTITLEMENTS

##### Short term employee entitlements

Employee benefits that are to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

## Long term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the year in which the employee provides the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- the present value of the estimated future cash flows.

## Presentation of employee entitlements

Annual leave and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

## Critical accounting estimates and assumptions

### Measuring retirement and long service leave obligations

Long service leave is calculated using the the Projected unit credit (PUC) method.

The present value of long service leave obligations depend on a number of factors that are determined on an actuarial basis. The two key assumptions used in calculating this liability include the discount rate and the salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

The salary inflation factor of 2.5% has been determined after considering historical salary inflation patterns. Actual entitlement owing has been used in 2019 due to the long service leave vesting.

## Breakdown of employee entitlements

	<b>2019</b>	<b>2018</b>
	<b>Actual</b>	<b>Actual</b>
	\$	\$
<b>CURRENT PORTION</b>		
Annual leave	46,229	37,877
Salaries payable	10,408	12,847
Long service leave	0	24,455
	<b>56,637</b>	<b>75,179</b>

## 16. CONTINGENCIES

There are no contingent liabilities and no contingent assets as at 30 June 2019 (Contingent liabilities and assets at 30 June 2018: nil).

## 17. RELATED PARTY TRANSACTIONS

SWRB is controlled by the Crown.

Related party disclosures have not been made for transactions with related parties that are:

- within a normal supplier or client / recipient relationship; and
- on terms and conditions no more or less favourable than those that it is reasonable to expect SWRB would have adopted in dealing with the party at an arm's length in the same circumstances.

### Rent Free period

SWRB's current premise is a co-location agreement with Ministry of Social Development (MSD). As part of the agreement and to ensure SWRB did not have to bear the costs of two leases, MSD granted SWRB with a rent free period from June 2019 to February 2020.

### Key management personnel compensation

	2019 Actual \$	2018 Actual \$
<b>BOARD MEMBERS</b>		
Remuneration	93,662	87,432
Full time equivalent members	0.50	0.50
<b>LEADERSHIP TEAM</b>		
Remuneration	\$ 570,477	\$ 499,129
Full time equivalent members	4.80	3.75
<b>Total key management personnel remuneration</b>	<b>\$ 664,139</b>	<b>\$ 586,561</b>
<b>Total full-time equivalent personnel</b>	<b>5.30</b>	<b>4.25</b>

The full time equivalent for Board members has been determined based on the frequency and length of meetings and the estimated time frame for Board members to prepare for meetings. An analysis of Board member remuneration is provided in Note 3.

## 18. FINANCIAL INSTRUMENTS

The carrying amounts of financial assets and liabilities in each of the financial instrument categories are as follows:

	Note	2019 Actual \$	2018 Actual \$
<b>FINANCIAL LIABILITIES MEASURED AT AMORTISED COST</b>			
Payables (excluding deferred revenue and taxes payable)	11	183,920	137,099
Employee entitlements	14	56,637	75,179
Lease liability	13	4,667	10,479
<b>Total financial liabilities measured at amortised cost</b>		<b>245,223</b>	<b>222,757</b>
<b>LOANS AND RECEIVABLES</b>			
Cash and cash equivalents	6	1,030,886	2,383,333
Receivables	8	31,638	102,513
Short term investments	7	1,852,145	-
<b>Total loans and receivables</b>		<b>2,914,669</b>	<b>2,485,846</b>

## 19. EVENTS AFTER REPORTING DATE

There were no significant events after the reporting date that impact these financial statements.

## 20. EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations of major variances from SWRB's budgeted figures in the statement of performance expectations are as follows:

### **Statement of comprehensive revenue and expense**

Total revenue (not including interest) is \$241k above budget, primarily driven by increased volume of registrants practicing certificates and the one-off MSD contribution to implementation.

Variances in individual expense categories from budget are due to the reclassification of the expenses. Internal budget categories have been used and these agree to the statement of performance expectation's overall total.

### **Statement of cash flows**

Cashflow to investing activities was \$1.85m due to the acquisition of 5 new term deposits during the year







## Social Workers Registration Board

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