



# Funding Review Report to the Board

Proposed fees, Annual Practising Certificate Fee and  
Disciplinary Levy for 2019/20

26 March 2019

## Glossary and definitions

Act	Social Workers Registration Act 2003 (as amended by the Social Workers Registration Legislation Act 2019)
club good	Activities that a <i>specific group</i> of individuals and organisations either primarily benefit from or primarily cause the need for (whether or not the activities are used by them).
Crown funding	General taxation that is provided to meet the cost of public goods. This funding covers the costs of an <i>area of activity</i> that primarily has <i>public</i> benefits or addresses <i>public</i> risks. This is where <i>use by one person</i> does not detract from the <i>use by another</i> and <i>excluding people</i> from the benefits or risks <i>is difficult, costly or undesirable</i> . Sometimes Crown funding only contributes to aspects of the activity that are primarily public goods with the remainder cost-recovered from a levy as club goods. General taxation funds activities that are called ‘public goods’.
Disciplinary Levy	A levy authorised under section 108 SWR Act, which can be set and imposed by the Board (by a Notice in the Gazette) on every registered social worker for the <i>purpose of investigations and other proceedings concerning discipline</i> under the Act. The Notice may exempt people of any kind or description from liability to pay the levy.
DHBs	District Health Boards
fees	Charges imposed on a <i>specific individual or organisation</i> for a good, service or regulation provided <i>directly to that individual or organisation</i> . Fee funded activities are called ‘private goods’. ‘Feeable’ means an activity for which fees can be charged because the activity is a private good. ‘Non-feeable’ means an activity for which fees cannot be charged because the activity is a club or public good.
Fees Notice or Fees and Disciplinary Levy Notice	The notice Gazetted by the Board under sections 108 or 109 of the Act for fees and the Disciplinary Levy
levy	Charges imposed on a <i>group of individuals or organisations</i> (e.g., an industry) as a <i>proxy</i> for the group that <i>primarily</i> benefits from, or <i>primarily</i> causes the need for, the activities or functions. While others may benefit from the activity or function, such as the general public, this is considered a spill-over or secondary benefit. Levies fund activities that are called ‘club goods’. Levies are commonly used to meet the cost of operating a regulatory and compliance system that applies to an industry or sector.
MBIE	Ministry of Business, Innovation and Employment
MSD	Ministry of Social Development
private good	A service or activity provided <i>directly to an individual or organisation</i> where the individual or organisation <i>directly benefits from, or primarily causes the need for, the activity</i> .
public good	Activities provided for the wider benefit of, or risk to, the general public where <i>use by one person</i> does not detract from the <i>use by another</i> and <i>excluding people</i> from the benefits or risks <i>is difficult, costly or undesirable</i> . General taxation is used to fund public goods that have wide.
SWRB	Social Workers Registration Board

# Summary of the SWRB's 2018/19 funding review

## About the 2018/19 funding review

- The SWRB's revenue currently comes from fees for services to social workers and tertiary education institutions, and through issuing practising certificates to registered social workers (initially and then annually to continue practising). There is also a Disciplinary Levy, but this has not been collected since 2010
- As part of good regulatory practice and to ensure appropriate ongoing funding, the SWRB should do an annual review of fees and the Disciplinary Levy
- Impacting on the review are the regulatory changes to the Social Workers Registration Act 2003 that came into force on 28 February 2019. This requires us to review our operational policy, systems and processes
- In December 2018 we made a Budget bid for Crown funding to contribute to the costs of implementing the regulatory change and the costs of Crown entity obligations for the next six years. We will know if this bid has been successful by mid-May 2019.
- Fees and the Disciplinary Levy are set by the Board and imposed under a Gazette Notice
- Any changes to fees and the Disciplinary Levy need to be Gazetted by 1 April 2019 to have annual practising certificates issued over a 2-month period from 1 May 2019. This is because practising certificates are valid from 1 July to 30 June, so registered social workers need a new one each year to continue practising

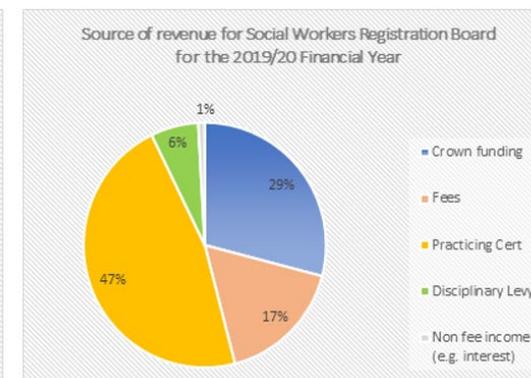
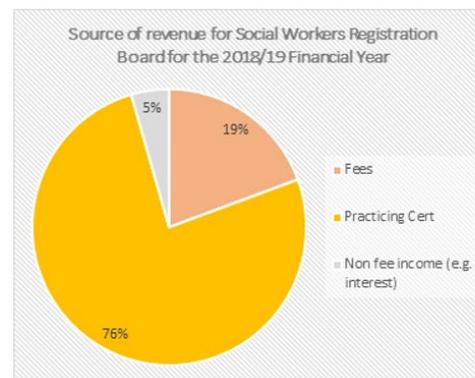
## SWRB funding budgeted 2018/19 and proposed 2019/20

Budgeted 2018/19 operating funding is **\$2.29 million** made up of:

- **19%** One off fees for services
- **76%** Issuing practising certificates initially and annually
- **5%** Non fee income (e.g. interest)

Proposed funding for 2019/20 is **\$4.6 million** made up of:

- **17%** One off fees for services
- **47%** Issuing practising certificates initially and annually
- **6%** Disciplinary Levy
- **1%** Non fee income (e.g. interest)
- **29%** Crown funding to contribute to the costs of implementing the regulatory change over the next two years and to contribute to the costs of Crown entity obligations over the next six years



## Additional resources

### Implementation in 2019/20

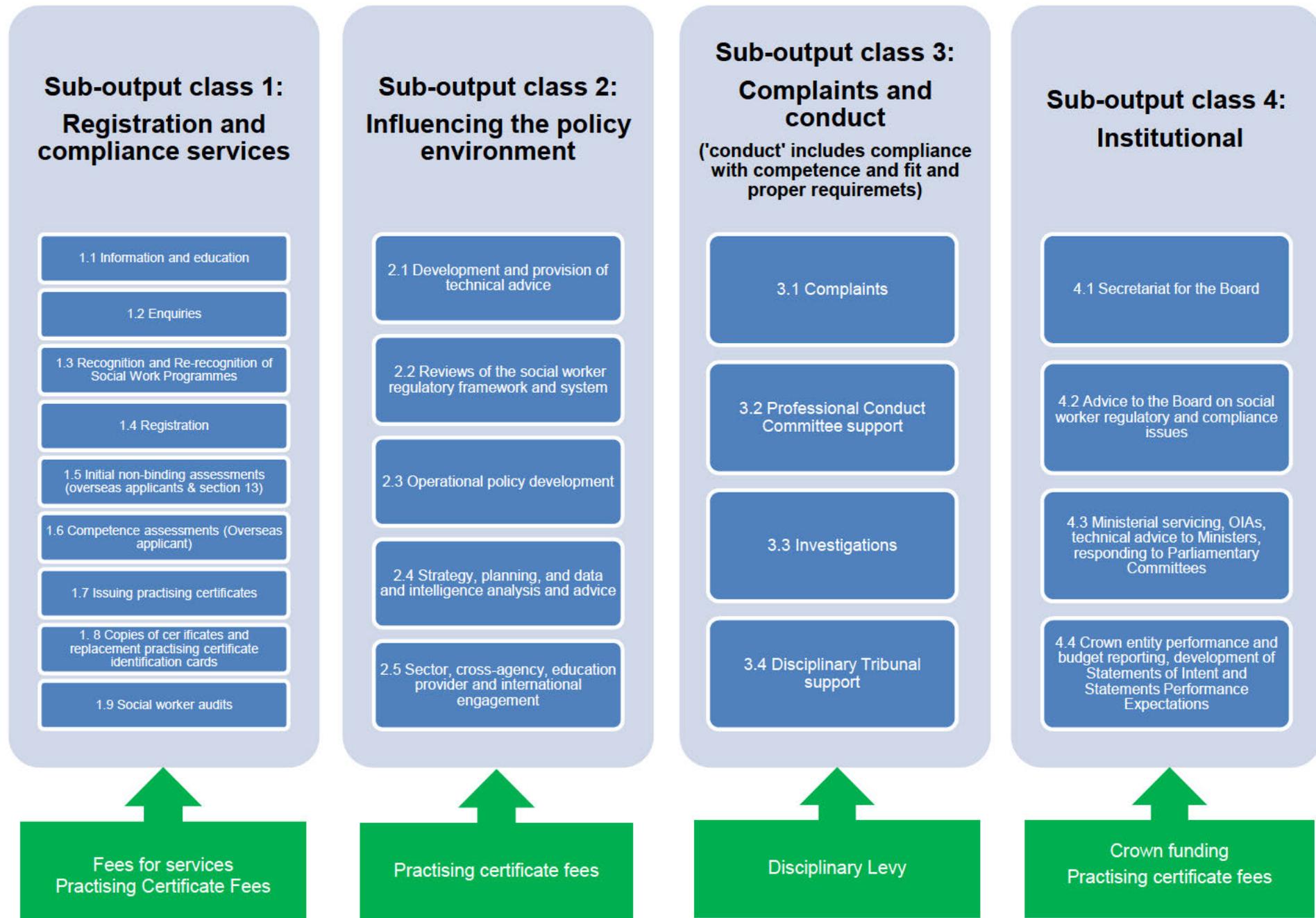
- Information and communications technology replacement – system/data base and IT advice
- Operational policy development - 1.0 FTE Senior Policy Adviser (fixed term) and non-FTE resources
- Information campaign - 1.0 FTE Communications Manager (fixed term) and non-FTE resources
- Website redevelopment and design – Design, Information Architecture, Content Load and Test Consultants (not IT or Comms)
- Volume increase – 3.0 FTE Registration Officer (fixed term) to deal with increased volume and assist with process changes under new IT system and due to under Act changes
- Move to larger premises

- Scope of Practice development, Education (Programme Recognition Standards) review, Competence Framework review – 1.0 FTE Principal Policy Adviser and 2.0 FTE Senior Policy Adviser (all fixed term)

- Administration and invoicing – 0.5 FTE Officer Administrator (fixed term)

### Business as usual 2019/20 and ongoing

- Crown entity obligations – 1.0 FTE Strategy, Planning and Performance Manager and non-FTE resources
- Complaints – 1.0 FTE Complaints Advisor to assist develop new processes and for increased volume
- Practice and policy advice – 1.0 FTE Senior Social Worker Advisor – Māori/Kaiwhakahaere
- Education engagement resources (sector meetings, travel cost, collateral design, venue and catering)
- Business operations – 1.0 FTE Business Manager (HR/finance/IT/Procurement)
- Reserves – build up reserves to cover the standard three-months operating costs in the event of a major shock and to provide for a minimum of two Disciplinary Tribunal hearings per year



# Summary

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## We've done a review of our charges

We have undertaken a funding review to inform the Board's decision on setting our fees and the Disciplinary Levy (together referred to as 'charges') for 2019/20.

The Board currently sets the charges annually. For 2019/20, this would be done by the Board issuing a Fees and Disciplinary Levy Notice for charges to apply from 1 May 2019.

## Our costs are impacted by changes to our Act

Impacting on our costs is the Government's changes to the Social Workers Registration Board Act 2003 (Act), which includes title protection for 'social worker', and requires that by 28 February 2021, a person practising as a social worker must be registered and hold a current practising certificate. The estimated increase in registration and practising certificate applications is 4,000 people over the two-year transition period. If this increase occurs, the register would increase from the nearly 8,000 people currently to about 12,000 people by 2022.

There are also other changes to the Act relating to the professional framework, competence assessments, introduction of audits of the Continuing Professional Development (CPD) Logs of randomly selected social workers, complaints procedures, the quasi-judicial disciplinary tribunal procedures, and accrediting and standards setting for social work education and training programmes.

Mandatory registration and the other changes mean that to ensure we are an effective regulator we need to change what we do and how we operate. This is required so we can:

- deliver quality and timely services and functions
- make robust decisions about a social worker's registration, practising certificates and conduct<sup>1</sup> because our decisions affect a social worker's ability to work
- achieve the performance targets set by the Minister
- deal with higher scrutiny of our work to improve the professionalism of the social worker workforce (e.g. by monitoring social worker compliance with the Act, using non-regulatory interventions such as targeted campaigns and education and guidance, and being able to provide sector leadership through data and information that assists with social worker workforce planning).

To ensure we improve the way we operate to meet increased expectations and scrutiny, we need to check we have the right level of funding and that the costs are recovered through the right funding source. To do this we have reviewed our services, functions, costs and charges.

## We've followed the rules for setting our charges in the public sector

We are a Crown entity, so we are part of government. This means we must apply current government policy settings under the Office of the Auditor General (OAG) and the Treasury guidelines for setting charges in the public sector.<sup>2</sup>

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<sup>1</sup> Note that 'conduct' includes competence (issues with qualifications, skills and experience) and fit and proper (issues with behaviour due to health, mental state, criminal charges and convictions etc)

<sup>2</sup> Treasury Guidelines for Setting Charges in the Public Sector April 2017, which covers fees and levies <http://www.treasury.govt.nz/publications/guidance/planning/charges>; and the Office of the Auditor-General (OAG) Good practice guide: Charging fees for public sector goods and services June 2008, which covers fees but not levies <https://www.oag.govt.nz/2008/charging-fees>

Under those guidelines, fees and levies need to be reviewed regularly to ensure they remain appropriate and the assumptions on which they are based (for example, volumes of demand or cost increases) remain valid and relevant.

Both guidelines broadly instruct that fees and levies should be no more than the amount necessary to recover costs, should not be used to cross-subsidise other services or functions (unless the government agency is expressly authorised to do otherwise) and be based on the principles of authority, efficiency, and accountability.

## Government is contributing to the cost of the changes we need to make

The Ministry of Social Development (MSD) is providing us with up to \$57,000 for a Senior Communications Advisor and a Registration Officer until 30 June 2019.

If our Budget bid is successful, we will receive the Crown funding over six years for part of the implementation costs for 2019/20 and 2020/21, and the cost of meeting ongoing Crown entity obligations, as set out in the table below.

Funding Sought (\$m)	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25 & outyears	TOTAL over six years
Operational implementation of regulatory change - Operating funding	1.224	0.677					1.901
Crown entity reporting activities – Operating funding	0.119	0.111	0.113	0.114	0.116	0.118	0.691
<b>Total operating</b>	<b>1.343</b>	<b>0.788</b>	<b>0.113</b>	<b>0.114</b>	<b>0.116</b>	<b>0.118</b>	<b>2.592</b>

## Recommendations

We recommend that to recover the SWRB's costs for 2019/20 the Board:

- a) **note** the information in this 2018/19 Funding Review Report
- b) **agree** to the additional resources as set out in this Report with the Board undertaking strategic and budget planning for 2019/20 in May 2019
- c) **agree** to increase reserves from \$400,000 to \$1 million as set out in this Report
- d) **agree** to set the fees, and collect an annual Disciplinary Levy of \$50, for 2019/20 as set out in Appendix 1
- e) **agree** to issue a Fees and Disciplinary Levy Notice for the fees and Disciplinary Levy referred to in (d) above, with Gazetting on 1 April 2019 for effect from 1 May 2019.

# Background

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## SWRB's organisational context and roles

The SWRB is the national regulatory and compliance agency of social workers with the purpose of *protecting the safety of members of the public and enhancing the professionalism of social workers* under Section 3 Social Workers Registration Act 2003. It is the only Crown entity public safety regulator monitored by MSD.

The SWRB was established in 2003 and is governed by a ten-member Board (reducing to seven from 28 May 2019) appointed by the Minister of Social Development under the Social Workers Registration Board Act 2003. The SWRB is located in Wellington, with 10.4 Full Time Equivalents (FTEs), including the Chief Executive and the Registrar.

There are nearly 8,000 social workers on the SWRB's register, which is estimated to increase to 12,000 by 2021/22. Currently, we process an average of 900 new registrations, 700 initial practising certificates, and 5,094 annual practising certificates a year.

## SWRB's funding sources

We are entirely industry funded. This funding is received through fees. The Board can also impose a Disciplinary Levy on registered social workers, which it has not been collected since 2010.

The Board is authorised to set and impose fees and the Disciplinary Levy within the authority provided by the fees and Disciplinary Levy sections in the Act. Under those sections, the Board may also exempt people of any kind or description from liability to pay a fee or the Disciplinary Levy and can provide a waiver or refund.

- Fees to recover the costs of services paid by social workers and tertiary education institutions for the services provided directly to them are set by the Board under section 108(1)(a) and (c) to (j).
- The fee for issuing a practising certificate paid by a registered social worker who wishes to practise, and annually to continue to practise, is set by the Board under section 108(1)(c). This fee also recovers the costs of *"anything the Board is required to do in order to carry out its functions"* under section 108(1)(k).
- The Disciplinary Levy that can be imposed on registered social workers to recover the costs of investigations and other proceedings concerning discipline under the Act is set by the Board under section 109.

The authorising sections in the Act for the fees and the Disciplinary Levy are set out in Appendix 2.

## More funding will help us operate better for better outcomes

The outcomes expected from this funding are:

- improved registration and other processes (such as invoicing, enquiries, complaints and investigations) so we can operate in a modern way and deal with the volume increase
- a better-informed sector to enable social workers to improve their professionalism, employers to understand their obligations and the public to understand their rights and access to the complaints and disciplinary process that is independent of employer processes
- improved data and information, including through being able to interrogate data and information from complaints, conduct notifications and Disciplinary Tribunal hearings, to enable us to identify trends in risk to target regulatory and non-regulatory interventions to best effect

- a better standard of Crown entity reporting and related activities<sup>3</sup>
- that we have been fair and transparent about our costs and robust in assessing the funding source for our activities under the OAG and Treasury guidelines.

The changes will also assist with future work we plan to do on social worker workforce planning and sector leadership to assist MSD, Oranga Tamariki, DHBs, Corrections, New Zealand Defence Force (NZDF) and non-government organisations (NGOs).

## Outcomes assist with Government strategy

The changes to the SWRB are intended to assist with the Government's strategy to:

- Improve the wellbeing of all children in New Zealand
- Improve, as a particular focus, the wellbeing of children with greater needs
- Reduce child poverty and mitigate the impacts of child poverty and socioeconomic disadvantage experienced by children
- Improve the wellbeing of the core populations of interest to Oranga Tamariki.

The outcomes are also intended improve our sector leadership role generally and as the facilitator of the cross sector Social Work Alliance. This is a group representing the sector including:

- major employers – DHB social work leads, Oranga Tamariki, Social Service Providers Association, New Zealand Council of Christian Social Services
- Educators – Council of Social Work Educators Aotearoa New Zealand, Career Force
- Professional Organisations – Tangata Whenua Social Worker Association, Aotearoa New Zealand Association of Social Workers
- Union – Public Services Association (PSA).

## Why we made the Crown Budget bid

We have sought Crown funding because the SWRB is different to health sector practitioner regulators –

- We are a **government agency** and they are not
- Our **legal structure** is governed by the Crown Entities Act 2004 and theirs is not
- Our **regulatory framework** is modelled on the Health Practitioners Competency Assurance Act 2004, which applies to health sector practitioner regulators, but we are not subject to that Act.

We consider the SWRB should receive Crown funding as a contribution to the implementation costs and to meet Crown entity obligations<sup>4</sup> because:

- **In accordance with the OAG and Treasury guidelines**, these activities should be Crown funded because they have the economic characteristics of 'public goods' (they primarily benefit the wider public by ensuring the proper administration of government and trust in

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<sup>3</sup> See *It Takes Three: Operating Expectations Framework for Statutory Crown Entities*, State Services Commission July 2014. <http://www.ssc.govt.nz/it-takes-three-operating-expectations-framework>

<sup>4</sup> Crown entity obligations include Ministerial servicing, responding to requests under the Official Information Act 1982, technical advice to the Minister, responding to Parliamentary Committees, and specifically under the Crown Entities Act 2004, Crown entity performance and budget reporting, development of Statements of Intent and Statements Performance Expectations

government institutions). These guidelines do not apply to the health sector practitioner regulators.<sup>5</sup>

- As an important equity issue for the Board, **so that social workers are treated consistently with practitioners in other sectors where their regulator is a Crown entity**. For instance, Crown funding is received for these activities by transport sector Crown entity practitioner regulators – the Civil Aviation Authority (CAA), which does registration of pilots for the safety of the public, and Maritime New Zealand, which does registration of seafarers for the safety of the public.<sup>6</sup> This registration is similar to that done by the SWRB in relation to social workers for the safety of the public.
- **We do not have an operational levy in our Act**. An operational levy is used to recover the costs of operating the regulatory system and for regulatory and non-regulatory interventions that are provided to a group rather than an individual.

Other Crown entity practitioner regulators have both a fees section and an operational levy section, e.g. the Real Estate Agents Authority.



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<sup>5</sup> Under the OAG guidelines they are not “public entities”, which are those entities within the Auditor-General’s mandate and defined in section 5 of the Public Audit Act 2001. Under the Treasury guidelines, even though they have statutory authority to charge third parties to cover the costs of an activity, they are not “a government agency”.

<sup>6</sup> [Redacted]

<sup>7</sup> [Redacted]

# Strengthening SWRB's performance

## The SWRB is already under considerable pressure

We need to be funded to operate in a more professional way with good data and information provided by good systems and processes. However, the effectiveness of the SWRB's work is currently constrained by resource availability, which is putting significant pressure on staff.

Under a mandatory regime the consequences of not being properly resourced is heightened because the expectation is that registration and issuing practising certificates must be done in a quality and timely manner, and decisions on conduct notifications must be robust. This also becomes far more important for social workers – they cannot work as a social worker without registration and a current practising certificate.

## Benchmarking resource, register size and charges

### Comparison with health sector practitioner regulators

SWRB staff have been operating under considerable pressure with volume in excess of health sector practitioner regulators. For example:

Comparison of register size and total FTEs		
Regulator	Number of people on the register	Total number of FTEs
Social Workers Registration Board	8,000 (increasing to 12,000 by 2021)	10.4
Dental Council	4,845	17
Physiotherapy Board	6,880	15
Pharmacy Council	3,700	12

A comparison of our registration fees, Practising Certificate Fee and Disciplinary Levy with health sector practitioner regulators shows our fees are lower, noting these professions are well-established, unlike social workers who have only more recently been recognised as a regulated profession.

Comparison of registration fee, Practising Certificate Fee and Disciplinary Levy \$ incl GST				
Regulator	Registration Fee (one off)	Practising Certificate Fee (annual)	Disciplinary Levy	Total on initial charge
Social Workers Registration Board (proposed 2019/20)	345	368	50	758
Dental Council (current)	546.16	1,005.59	168.74	1,720.49
Physiotherapy Board (current)	354	555.50	Included in Practising Certificate Fee	909.5
Pharmacy Council (current)	345	793.62	Included in Practising Certificate Fee	1,138.62
Occupational Therapy Board (current)	280	500	Included in Practising Certificate Fee	780

In addition, the health sector practitioner regulators above are not Crown entities, so do not have to meet obligations under the Crown Entities Act 2004. This includes activities such as Ministerial servicing, responding to requests under the Official Information Act 1982, technical advice to the Minister, responding to Parliamentary Committees, and specifically under the Crown Entities Act

2004, Crown entity performance and budget reporting, development of Statements of Intent and Statements Performance Expectations.<sup>8</sup>

### Comparison with another Crown entity practitioner regulator with similar volume

The table below compares the SWRB's processing volume and number of FTEs with Maritime NZ's role as the Crown entity regulator of seafarers. Maritime NZ has similar processing volumes but the SWRB is undertaking processing using an Access database, which is 15 years old and no longer supported. Note that seafarers are a well-established profession, unlike social workers who have only more recently been recognised as a regulated profession.

Comparison of the SWRB's social worker certification with Maritime NZ's seafarer certification					
Regulator	Number of people on the register	Number of Registration Officers (FTEs)	Number of registrations processed per year	Number of initial practising certificates issued per year	Number of renewed practising certificates issued per year
Social Workers Registration Board	8,000 (increasing to 12,000 by 2021)	2	900	700	5,094
Maritime New Zealand	14,000	10	1,100	None	None

### Moving to operate as a modern regulator

The SWRB is currently set up to operate as a **traditional regulator**, which is **outputs-focused** with **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 needs to move to operate as an *evidence-based, intelligence-led and risk focused regulator* in line with 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, 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<sup>9</sup> uses non-regulatory interventions that change behaviour as well as regulatory interventions that control entry to a sector and punish mis-conduct.<sup>10</sup> See the Pyramid of Practitioner Regulator Interventions diagram below.<sup>11</sup>

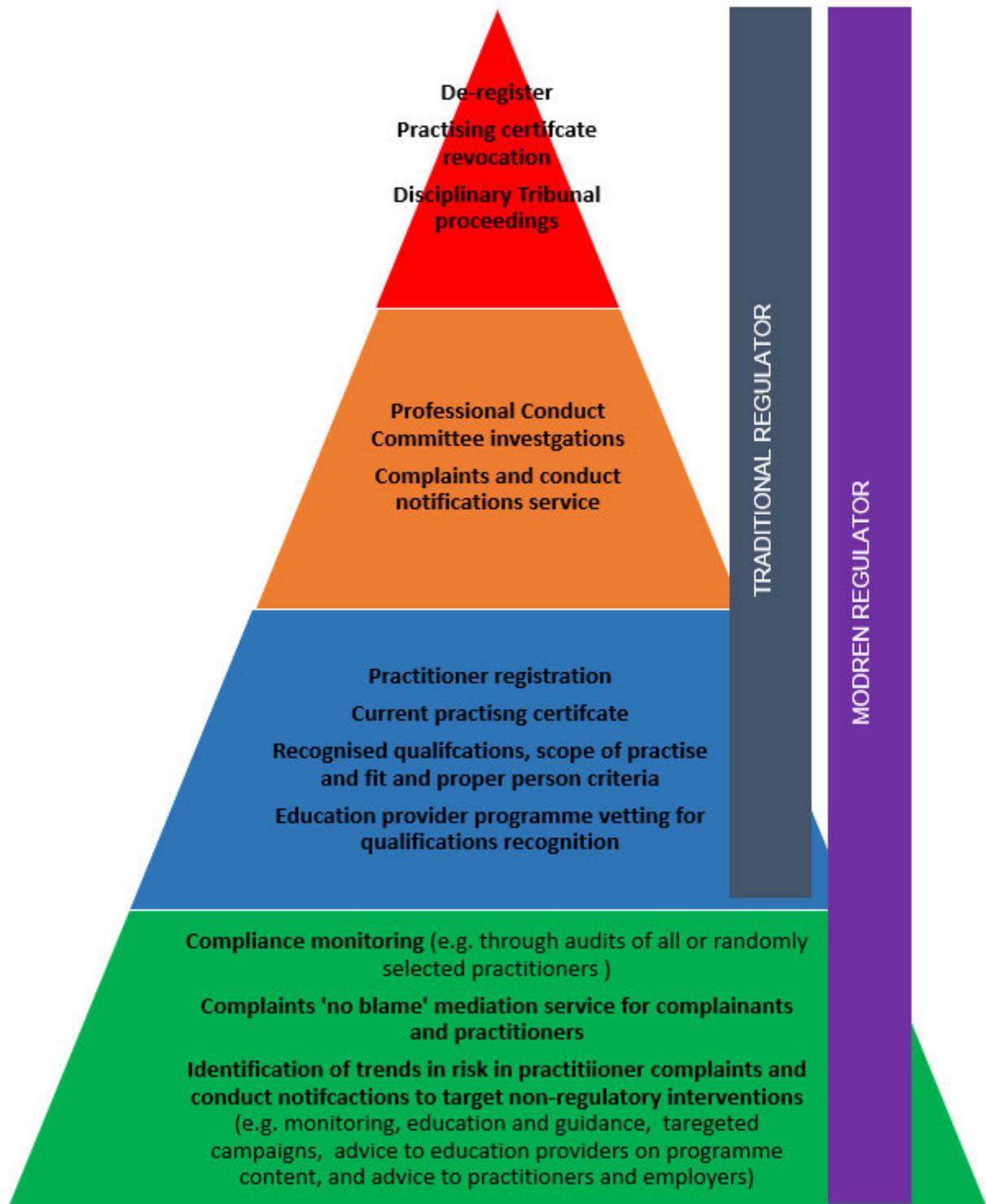
<sup>8</sup> See *It Takes Three: Operating Expectations Framework for Statutory Crown Entities*, State Services Commission July 2014. <http://www.ssc.govt.nz/it-takes-three-operating-expectations-framework>

<sup>9</sup> See *Regulatory institutions and practices*, New Zealand Productivity Commission, June 2014, <https://www.productivity.govt.nz/sites/default/files/regulatory-institutions-and-practices-final-report.pdf>; and *What Does Good Regulatory Decision Making Look Like?*, Keith Manch, Policy Quarterly – Volume 13, Issue 2 – May 2017 [https://www.victoria.ac.nz/\\_data/assets/pdf\\_file/0006/1175091/Manch.pdf](https://www.victoria.ac.nz/_data/assets/pdf_file/0006/1175091/Manch.pdf)

<sup>10</sup> See *Government Expectations for Good Regulatory Practice*, New Zealand Treasury April 2017, <https://treasury.govt.nz/information-and-services/regulation/regulatory-stewardship/good-regulatory-practice>

<sup>11</sup> Developed by Sarah Mehrtens in 2019 based on John Braithwaite's Regulatory Pyramid see <http://johnbraithwaite.com/responsive-regulation/>

## Pyramid of Practitioner Regulator Interventions



### A modern regulator is risk focused and responsive

Operating as a modern regulator requires more effective interventions including<sup>12</sup>:

- using a “...graduated, proportionate approach”
- compliance strategies that focus on “...risk, proportionality, and outcomes”

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<sup>12</sup> Department of Internal Affairs, *Achieving Compliance – A Guide for Compliance Agencies in New Zealand*, June 2011. 3.1.B, p. 26

- using an “intelligence-led, risk-based approach” which enables an agency to “maximise its effectiveness, subject to the resources available to it.”
- “By using a systematic approach to risk management, a compliance agency can:
  - identify, analyse, and quantify risk
  - prioritise risk, based on an assessment of its likelihood and potential consequences
  - plan and conduct activities to eliminate or mitigate risk.”
- applying a risk-based approach that provides a “proportionate and flexible use of a range of tools for achieving compliance.” A compliance agency needs to select “appropriate measures, tailoring its compliance tools to the attitudes and capabilities of different segments of the regulated sector and the different risks that are presented.”

This means to operate as a modern regulator we need to be:

- **Risk-focused** – meaning:
  - Our activities are targeted and proportionate to sector and practitioner risks
  - We exercise sound judgment in applying the right regulatory and non-regulatory tools at the right time
  - We put emphasis on protecting the safety of members of the public and enhancing the professionalism of social workers
- **Responsive** - meaning our activities:
  - Are based on a problem-solving approach
  - Acknowledge sector behaviour drivers, but are not dictated by them
  - Provide consistent and reliable engagement, without unnecessary transaction costs.

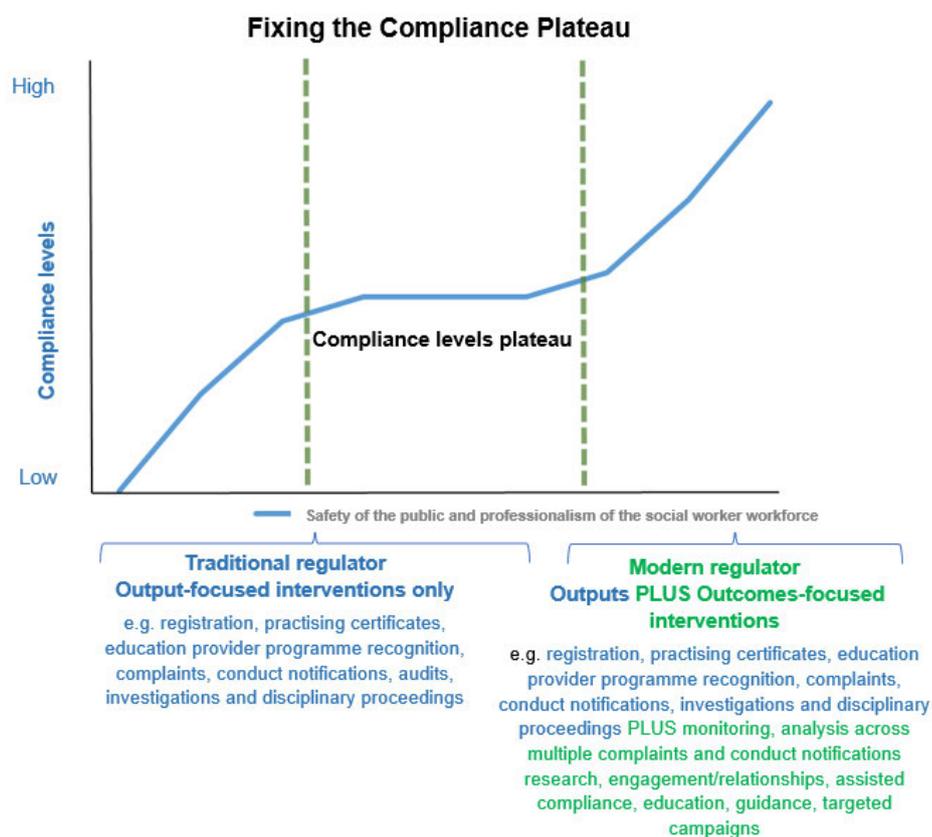
To assist with this, a modern regulator focuses on ‘systemic risk’ using interventions that reduce risk across the system. This is a macro view as a modern regulator, rather than a micro view as a traditional regulator.

Systemic risk activities are those that identify trends in risk and then use the intervention that addresses the risk to best effect. For the SWRB, this means analysing multiple complaints and conduct notifications to see if there are patterns or common issues that arise. This information is then used to target interventions to the right areas to improve the safety of the public and enhance the professionalism of the social work workforce.

As illustrated in the Fixing the Compliance Plateau diagram below<sup>13</sup>, the problem systemic risk activities are intended to address is that ‘transactional’ interventions like certification, investigations and disciplinary proceedings can only reduce risks to a certain point, then the response to the intervention plateaus. The safety of the public and professionalism of the social worker workforce cannot be improved further using transactional interventions. Systemic risk activities are what we need to do to get past the compliance plateau.

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<sup>13</sup> Developed by Sarah Mehrtens for the SWRB in 2019 based on the Fixing the Compliance Plateau diagram developed by Sarah Mehrtens and Lois Hutchinson in 2018



## Setting the proposed charges for 2019/20

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### Resources, costs and volume

The proposed charges for 2019/20 are based on the review of our resourcing needs, the costs for each of our services and functions, and volume forecasting. To do this we have applied the Government's user-pays cost-recovery model.<sup>14</sup>

The review included:

- task and effort assessments of each service and function – the tasks, how long each staff member takes to do their part of the service or function, and estimated volume, against expected timeliness and quality standards
- assessing resources required to reduce current pressures and to operate as an effective modern regulator
- assessing the balance of the implementation resources required and costs not met by Crown funding (including the changes to the professional framework, competence assessment, complaints procedures, the quasi-judicial disciplinary tribunal procedures, and accrediting and standards setting for social work education and training)
- assessing whether the Disciplinary Levy should be collected and what activities it should fund
- seeking efficiency gains through changes to processes and systems

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<sup>14</sup> Using the Cost Recovery Impact Statement Stage 2 template under the Treasury guidelines and by applying the OAG guidelines.

- developing a financial model, including to attribute costings to funding sources for each service and function
- assessing the economic characteristics of our services and functions for categorisation as private good (fees funding), club goods (levy funding) and public goods (Crown funding) under the OAG and Treasury guidelines.

See Appendix 3: Additional Resources required; Appendix 4: Assessment of activities applying the OAG and Treasury guidelines; and Appendix 5: SWRB 2019/20 indicative budget forecast revenue and expenses (which is not business or budget planning).

Note that under the OAG guidelines, setting a fee that recovers more than the costs of providing the service could be viewed as a tax. Unless expressly authorised by statute, this would breach the constitutional principle that Parliament's explicit approval is needed to impose a tax.<sup>15</sup> Accordingly, any authority given to the SWRB to charge a fee is implicitly capped at the level of cost recovery.

For example, specific authority is required to charge a fee that would recover more than the cost of providing a service – to generate additional revenue, impose a penalty, limit access to or demand for a service, or meet social objectives. This can also cause difficulties if the SWRB tried to recover a deficit from a previous period of under-recovery. The attempt to do so might result in current registered social workers being charged more than the costs of providing the service they receive, or in a lack of equity between current and future registered social workers – which could be outside the scope of the SWRB's legal authority.

### Transition period volume increase

We have estimated the increased volume of registration and practising certificate applications in 2019/20 as being 500 people of the forecast 4,000 people. We anticipate that the remaining 3,500 people will register in 2020/21 (within the two-year transition period ending on 28 February 2021).

While the total increase in volume and when it occurs is very uncertain, our estimate is based on the following:

- we are already getting more enquiries and registrations are up with 202 applications so far for March 2019 compared with 70 in March 2018, but
- there might not be high volumes immediately because the NGOs will probably need to get more funding under their contracts with government to pay the fees and the Disciplinary Levy for their staff. That might take some time. NGOs might wait until the end of the two-year transition period if they can, unless MSD makes registration a condition under their government contracts.

As a prudent approach to forecasting volume, we have been conservative so that we do not forecast higher volume than occurs and then find we cannot cover our operating costs for 2019/20.

### Disciplinary levy needs to be imposed

We propose imposing a Disciplinary Levy of \$50 annually to:

- recover the costs of the entire complaints, conduct and discipline pathway
- fund an estimated two Tribunal hearings per year.

The Disciplinary Levy has not been collected since 2010. We understand that this is because, at that time, the Board considered cash reserves had been built up sufficiently to recover the Disciplinary Tribunal costs where there are proceedings. This was the case in 2010 – more latterly

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<sup>15</sup> See section 22(a) of the Constitution Act 1986

it has not been on the Board's radar as a conscious decision with limited historic information and information to the Board about options being somewhat informed but without the full context.

In addition, the reserves are needed to cover three-months operating costs in the event of a major shock. The Board has set the reserves policy at a minimum of \$400,000. The current reserves are about \$400,000, whereas the minimum three-months operating costs are currently \$500,000. This leaves no funding available to cost-recover the estimated \$150,000 of two Disciplinary Tribunal hearings (including SWRB's costs in supporting the Tribunal for the hearing). The Professional Conduct Committee proceedings will be cost-recovered from the Disciplinary Levy (but this will not be in the reserves).

Currently, the SWRB's cost of supporting the Disciplinary Tribunal during a hearing and for the SWRB's processes that may lead to a Tribunal hearing, such as complaints, conduct notifications and dealing with the Professional Conduct Committee (was called the Competence Assessment Committee) are currently cost-recovered through the Practising Certificate Fee. We consider that, in accordance with the OAG and Treasury guidelines, these costs fit more appropriately within the Disciplinary Levy authorising section 109 than the fees authorising section 108.

This is because the processing and dealing with complaints and conduct notifications that relate to competence or health that could lead to an investigation or Disciplinary Tribunal decision. It is only the preliminary enquiry and expertise of advice and staff (in regulatory and disciplinary matters) that leads to a resolution of a complaint or conduct notification that does not involve a Professional Conduct Committee or Disciplinary Tribunal hearing. We consider that these activities fall within the complaints and disciplinary pathway even if they do not end up in an investigation or hearing. Some issues that we deal with will be in the grey area, but that should not influence the overall intent of the section.

### Board recognition and re-recognition of social work programmes increased

We have reviewed of the costs of delivering the 'Recognition and Re-recognition of a New Zealand social work programme' services, which has revealed that the costs are being under-recovered. This is partly due to the fees not being charged at the right level and partly because the fees are too low. The consequence of this is that the costs are being met out of the Practising Certificate Fee. This may be viewed as cross-subsidisation, which is not in accordance with the OAG and Treasury guidelines.

The recognition assessment is done when the programme is first offered and the re-recognition assessment is done at least every five years. There are also mid-cycle assessments if the programme changes or if it is offered at more sites. This service involves us:

- assessing whether a New Zealand tertiary education provider's social work programme and qualifications are of high quality and a standard to be recognised by the Board for the registration of social workers
- travelling to the sites in New Zealand where the programme is offered to review the programme delivery systems, processes and staff.

The fees need to increase, and be charged at the right level, to recover the current costs of the staff effort and travel time and costs involved. See table below.

Proposed increase in recognition fees paid by education providers (incl. GST)		
Charge proposed to change	Current amount 2018/19	Proposed amount 2019/20
Recognition and Re-recognition of a New Zealand social work education programme	Up to \$17,250.00	Up to \$29,900

Mid-cycle review of a SWRB recognised New Zealand social work education programme

Up to \$5,750

Up to \$10,350

## Additional resources required

The additional resource required to be cost-recovered by the fees and the Disciplinary Levy are as follows. More detail on why the resources are required is in Appendix 3: Additional Resources required.

Additional resources required - Implementation in 2019/20	
Activity	Resources
Information and communications technology (ICT) replacement (Crown funding)	Office software IT Infrastructure Database Business management system Website External IT advice and staff training
Operational policy development (Crown funding)	1.0 FTE Senior Policy Adviser (fixed term) External HR recruitment External legal advice External finance advice
Information campaign (Crown funding)	1.0 FTE Communications Manager (fixed term) Collateral design Advertising Travel & Accommodation Venue and Catering
Registration and practising certificate volume increase (Crown and Practising Certificate Fee funding)	3.0 FTEs Registration Officer (fixed term) External HR recruitment
Scope of practice development Education (Programme Recognition standards) review Competence framework review (Practising Certificate Fee funding)	1.0 FTE Principal Policy Adviser (fixed term) 2.0 FTEs Senior Policy Advisor (fixed term) External HR recruitment
Move to larger premises (Practising Certificate Fee funding)	Moving costs Additional rent

Additional resources required - Business-as-usual 2019/20 and ongoing	
Activity	Resources
Crown entity obligations (Crown and Practising Certificate Fee funding)	1.0 FTE Strategy, Planning and Performance Manager External HR recruitment Government Property Portal External legal advice External Finance advice
Complaints (Disciplinary Levy funding)	1.0 FTE Complaints Advisor
Practice and policy advice (Practising Certificate Fee funding)	1.0 FTE Senior Social Worker Advisor – Māori/Kaiwhakahaere Education engagement (travel and venue costs)
Business operations (Practising Certificate Fee funding)	1.0 FTE Business Manager (HR/Finance/IT/Procurement) 1.0 FTE Office Administrator (fixed term)

Reserves (Practising Certificate Fee and Disciplinary Levy funding)	Build up reserves to: <ul style="list-style-type: none"> <li>cover the standard three-months operating costs in the event of a major shock</li> <li>provide for two Disciplinary Tribunal hearings</li> </ul>
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## Impact on social workers

If Crown funding is not provided, this will impact on the Practising Certificate Fee as follows.

Increase in Practising Certificate Fee paid by social worker if Crown funding NOT provided (incl. GST)			
Financial Year	Number of people practising (Practising Certificate Fee invoiced on 1 May each year)	Practising Certificate Fee paid by social worker (incl. GST) (Paid initially then by 30 June each year)	Practising Certificate Fee revenue for the SWRB (excl. GST) (Most revenue received by 30 June each year)
2018/2019 (Budget forecast)	5,093 people	\$368	\$1.69 million (Budget forecast)
2019/20 (Estimate) (includes \$1.343m if Crown funding not provided)	6,752 people (1,659 more includes - <ul style="list-style-type: none"> <li>1,159 usual new grads and other annual increase</li> <li>plus 500 estimated additional mandatory practising certificates)</li> </ul>	\$598 (\$230 increase)	\$2.16 million (Indicative)
2020/21 (Estimate cannot be done until additional number of mandatory practising certificates for 2019/20 is known) (Would include \$788,000 if Crown funding not provided)	6,752 plus balance of mandatory practising certificates (could be up to 3,500 more people)	Practising Certificate Fee based on total number of practising certificates issued	Total revenue depends on total Practising Certificate Fees received

The impact on fees paid by social workers if the Crown funding is NOT provided and where Crown funding is provided is as follows.

Increase in total amount paid by a social worker if also registering that year (incl. GST)				
Financial Year	Registration Fee (one off fee)	Practising Certificate Fee (annual fee)	Disciplinary Levy (annual fee)	Total paid by social worker
2018/2019 (actual)	\$345	\$368	50 (not collected)	\$713
2019/20 (estimate) (includes \$1.343m if Crown funding not provided)	\$345	\$598	\$50 (collect)	<b>\$993</b> <b>(\$280 increase from 2018/19)</b>
2019/20 (estimate) (excludes \$1.343m where Crown funding is provided)	\$345	\$368	\$50 (collect)	<b>\$763</b> <b>(\$50 collected from 2018/19)</b>

## Consultation

The OAG and Treasury guidelines expect that changes to fees and levies are publicly consulted on, unless it is difficult to do so before they are implemented. We have not publicly consulted on the proposed fees and the Disciplinary Levy. In this instance, the fees and levy could not be set

until the Social Workers Registration Legislation Act came into force, which was 28 February 2019. This is because:

- to do so prior to the Act coming into force would be considered pre-determining the outcome of a Parliamentary process, which is not appropriate
- as the fees and the Disciplinary Levy must be Gazetted by 1 April 2019, the Act coming into force on 28 February 2019 has not left enough time to provide the usual 6-8 weeks consultation period and time to analyse and report on the submissions.

## Implementation plan

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We have prepared an implementation plan. Oversight of the plan is by the Chief Executive, with implementation led by a Change Manager and SWRB staff. Progress will be reported through the Board at the Board's two-monthly meetings.

## Monitoring, evaluation and review

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Regular monitoring of the SWRB's performance is undertaken by MSD as the monitoring agency for the SWRB. This includes whether the SWRB is meeting performance targets set by the Minister.

The funding review changes will be evaluated as part of the funding reviews for 202/21 and 2021/22. The changes will be successful if the SWRB's performance is assessed as meeting the SWRB's Statements of Performance Expectations each year to 2022/23. The next review will occur in 2019/20 for the financial year 2020/21 and then in 2020/21 for financial year 2021/22.

## Appendix 1: Proposed fees and Disciplinary Levy for 2019/20

Charge	Current amount 2018/19 \$ incl GST	Current amount 2018/19 \$ excl GST	Proposed amount 2019/20 \$ incl GST	Retain / Increase / decrease / remove / collect \$
Application for registration with a New Zealand qualification	345	300	345	Retain
Application for registration with an overseas qualification	345	300	345	Retain
Application for Practising Certificate	368.00	320	368.00	Retain
Application by a new graduate <sup>1</sup> for their first practising certificate	268.00	233	268.00	Retain
Application under section 13: initial non-binding assessment (part 1 of the Framework)	276	240	276.00	Retain
Application under section 13: non-binding assessment of full Framework	1,400	1,217	1,400	Retain
Application under section 7: non-binding assessment of overseas qualification	300	261	300	Retain
Application for Competence Assessment (Full New Zealand)	255.55	222	255.55	Remove
Application for Competence Assessment (Re-certification)	153.52	133.50	153.52	Remove
Application for Competence Assessment (Overseas)	255.55	222	255.55	Retain
Competence Assessment in person (face to face)	3,102.70	2698	3,102.70	Retain
Applications for copies of certificates or entries, or for supplying documents for overseas registration purposes (Certificate of Good Standing)	46.00	40	46.00	Retain
Replacement practising certificate identification cards	20.00	17	20.00	Retain
Re-processing of lapsed application	345	300	NIL	Remove
Application for recognition and re-recognition of a New Zealand social work education programme, including site visits in New Zealand (at least every 5 years)	Up to 17,250.00	Up to 15,217	Up to 29,900 (26,000 excl GST)	Increase
Mid-cycle review of a Board recognised New Zealand social work education programme, including site visits in New Zealand	Up to 5,750	Up to 5,000	Up to 10,350 (9,000 excl GST)	Increase
Disciplinary Levy	50 (not collected)	43.48 (not collected)	50 (collect)	Collect

### Notes:

1. For the purpose of this fee, a new graduate is someone applying for their first practicing certificate within 12 months of completing the requirements of a Board recognised New Zealand qualification.

## Appendix 2: Fees and Disciplinary Levy sections

### **Social Workers Registration Act 2003**

(amended from 28 February 2019 under the Social Workers Registration Legislation Act 2019)

#### **Section 108 Board may set fees**

- (1) The Board may from time to time, by notice in the Gazette, set fees payable in respect of the following matters:
  - (a) applications for registration:
  - (b) additions or alterations to the Register:
  - (c) the issue of practising certificates:
  - (d) the issue of other certificates:
  - (e) the issue of copies of certificates:
  - (f) the supply of a copy of an entry in the Register:
  - (g) inspecting the Register, or any other document kept by the Board that is open for inspection:
  - (h) supplying to any registered social worker any document, other than a certificate of registration, required by him or her for the purpose of seeking registration overseas:
  - (i) sitting any examination set or assessment recognised by the Board:
  - (j) the setting and conduct of competence assessments:
  - (k) any other matter relating to anything the Board is required to do in order to carry out its functions.
- (2) The notice may exempt people of any kind or description from liability to pay any fee, and may provide for the waiver or refund of any fee.

#### **Section 109 Disciplinary levy**

- (1) The Board may from time to time, by notice in the Gazette, impose on every registered social worker a levy of any amount it thinks fit for the purpose of investigations and other proceedings concerning discipline under this Act.
- (2) The notice may exempt people of any kind or description from liability to pay the levy, and may provide for the waiver or refund of the levy.

## Appendix 3: Additional resources required

### Information and Communications Technology (ICT) (Crown funding)

To replace the organisation-wide systems, particularly in relation to the register, certification and complaints processes, and address the lack of ICT system integration and interface. These currently present barriers to efficiency gains and to producing quality and relevant information for stakeholders, business planning and reporting and for workforce planning that is to be done by MSD and other agencies. Preference is for cloud-based 'as a service' products that can work across other office systems, including Finance, and be easier for users of our online forms and templates (including social workers) to navigate.

### Operational policy development (Crown funding)

We require a 1.0 FTE Senior Policy Adviser (fixed term for one year) to do operational policy development for changes to:

- the professional framework
- complaints, conduct and offences procedures
- accrediting and standards setting for social work education and training.

If this resource is not provided, the work would have to be done by the Chief Executive, who would face significant challenges in fitting this work into her already stretched schedule. This also presents reputational risk to the Board, the Minister and the Ministry where only minimum changes can be done so are less effective.

### Information campaign (Crown funding)

We require a 1.0 FTE Senior Communications Advisor fixed term for one year, then reduced to 0.5 FTE for one year, for developing and managing the information campaign. This includes liaising across agencies and working with employers. There is also funding to meet the cost of external providers doing the collateral design and advertising (mostly social media).

The Senior Communications Advisor will also work with the registration team and professional standards team to develop the changes required to our application forms and templates (some of which link to the register database) and the information on our website.

If this resource is not provided, the work would have to be done by the Chief Executive, which would add to the issues with the Chief Executive's workload, as raised above.

### Website redevelopment and design

To improve our reach, engagement and influence, significant change is required to our website. This cannot be achieved by simply updating the wording. We require external assistance to redevelop and design a new website. This requires us to engage external consultants in design, information architecture, and content upload and testing. These are not IT or Communications consultants.

The nature of websites is that information connects across multiple different points. If one component is changed, this flows through to other components. Currently our website does not enable users to have a seamless journey through the contents to get to the information they need. Well-designed websites reduce enquiries and reduce user frustration.

Additionally, to deliver efficiency gains and improve data quality, the website should connect to other systems. For instance, the information in forms filled out online should transfer to other systems without manual intervention. Currently, while our forms are filled out online, they are emailed to us then manually loaded to the Register database and separate systems for

communications, invoicing and payments. This is time-consuming and increases the chance of mistakes in data input, which can cause incorrect register information and failed communications, invoicing and payments.

### Crown entity obligations (Crown funding and Practising Certificate Fee funding)

We require a 1.0 FTE Strategy, Planning and Performance Manager to undertake the work:

- required to meet our Crown entity obligations, such as Ministerial servicing, responding to requests under the Official Information Act 1982, technical advice to the Minister, responding to Parliamentary Committees, and specifically under the Crown Entities Act 2004, Crown entity performance and budget reporting, development of Statements of Intent and Statements Performance Expectations. These obligations do not apply to the health sector practitioner regulators as they are not Crown entities under the Crown Entities Act 2004.
- for organisational business strategy, planning and performance work.

The Chief Executive is struggling to deal with leading this work as the only available resource. Note some support is provided by the Executive and Board Advisor.

The first strategic plan in some years has only recently been done. However, legislative change means the outcomes framework and subsequent performance measures need to be significantly revised. Issues with the SWRB's performance have been raised by Audit New Zealand as part of their audits over the past three years, with the expectation that these will be reviewed and resolved from 2019.

If this resource is not provided, the work would have to continue to be done by the Chief Executive, which would add to the issues with the Chief Executive's workload, as raised above.

### Registration and Practising Certificate Volume increase (Crown funding and Practising Certificate Fee funding)

We require 3.0 FTE Registration Officers (fixed term) to:

- assist existing staff with the increased volume over the two-year transition period
- make changes to our application forms (some of which link to the register database) and our website. Most importantly, they refer widely to competence assessment, which will no longer be done for New Zealand qualified applicants but continues for overseas applicants. This work would be led by the Senior Communications Advisor, with the input from our two Registration Officers and one Registration Manager. This means our registration staff will have to be diverted from processing registrations and issuing practising certificates.
- operate our current system and processes for registration and issuing practising certificates until the ICT changes are made and training on how to use that has occurred. The Register is held on an Access data base that is at end of life (15 years old) and no longer supported. Currently, the processes that interact with the Register are largely manual and paper-based.

The additional Registration Officers will have to be trained on the job by the three existing registration staff who will, at the same time, be working with the Senior Communications Advisor on changes and on the ICT changes.

Without the additional Registration Officers, the changes would take considerably longer. In particular, our forms, templates and website would remain out-of-date for some time. This would increase enquiries and double-handling, and presents reputational risk for the Board, the Minister and the Ministry. The support from the social services sector the Minister has gained through the process of legislative change will diminish, resulting in a loss of confidence.

## Move to larger premises (Practising Certificate Fee funding)

We need to move to larger premises to accommodate up to 14 additional people required for implementation (some of whom will be required long-term) and for ongoing business as usual. Our current premises cannot fit more people without raising issues under the Health and Safety at Work Act 2015 (HSWA) and Government good practice guidelines on staff accommodation.

We've identified a suitable space through Ministry of Business Innovation and Employment's (MBIE) Government Property Group that was occupied by part of the Ministry of Education. The benefits of taking this space are that:

- it is available soon and for the timeframe we require – we can review at the end of the two-year transition period when we are back to business as usual and can assess our accommodation needs for the future
- it is the right size for us
- minimal fit-out is required, which reduces our costs
- it is already part of the government property portfolio so assists government in having occupied, rather than empty, already leased premises (most government agencies require larger spaces than this, so it difficult to find an agency to occupy it)
- would not require us to enter a lease but a sublease with the Ministry of Education, reducing our legal costs and risk of having the relationship directly with a landlord. It also reduces the compliance costs associated with leasing through the private sector, which involves a two-stage approval process through MBIE
- the rent is reasonable at \$136,000 per year. However, we will have to continue to pay rent for our current premises until 2020 unless we can sublease it (which we can do under the terms of our lease), but this will incur legal costs and fixing any damage on leaving the premises. We can also seek the landlord's agreement for our lease to terminate early. Given the demand for property in inner city Wellington this may be of benefit to the landlord if it can be leased again.

Alternative options considered were:

- renting a small space short-term for the fixed term contractors or existing staff, rather than moving to larger premises. However, this would not work because our:
  - Register data base and other systems cannot be accessed from outside of our premises and most staff do not have lap-tops
  - existing staff (and additional fixed term contractors) work using a process-flow model for processing applications, doing invoices, and taking enquiries. This means the two Registration Officers and Manager must discuss their work with the Registrar, and two senior staff, who provide advice and have decision-making responsibility. This work also includes discussions with our Chief Executive. One person does not do all parts of the work. Being in different spaces would add pressure to the workflow.
- we identified a space that is leased by MSD, but currently not being used. This is part of the floor occupied by the Office of the Childrens Commission (OCC) (Level 7, 110 Featherston Street, Wellington). MSD holds the lease for this space until 2022 (with an annual rent for the space of \$240,000 pa) and MSD could have helped us by not charging us rent which would have been budget neutral for them. MSD has indicated they are unlikely to confirm availability of the site within a workable timeframe for SWRB.

## Scope of practice development, Education (Programme recognition standards) review, Competence framework review (Practising Certificate Fee funding)

We require a 1.0 FTE Principal Policy Adviser (fixed term) and 2.0 FTEs Senior Policy Advisor (fixed term) to undertake the policy work due to changes to the Act. This is to develop the scope of practise, review of the setting of education standards (including programme recognition standards) and review of the Competence framework. We currently have no policy resource to do this work.

If this resource is not provided, leading the work would have to be done by the Chief Executive, which would add to the issues with the Chief Executive's workload raised above.

## Complaints and conduct notifications (Disciplinary Levy funding)

We require a 1.0 FTE Complaints Advisor to assist the development of new processes and deal with the predicted increase in numbers of complaints and conduct notifications due to the increase in registered and practising social workers. Reports drafted for the Board that relate to social workers who are the subject of conduct complaints will be the responsibility of this position.

Prior to the changes to the Act, complaints about unregistered practising social workers were outside our mandate under the Act. Once registration is mandatory, more complaints and conduct notifications will come to the SWRB as fewer practising social workers will be unregistered. In addition, employers are now obliged to inform the Board of serious misconduct, which was previously not the case.

We have only recently established a 0.5 FTE dedicated resource to coordinate and manage the complaints and conduct notifications process, which is already facing considerable demand. With further increases in volume, our complaints process needs to be more organised.

Currently, complaints and conduct notifications received in writing and complaints received by phone, are collected by the part time Complaints Officer and then reviewed fortnightly by the Triage Team. The Triage Team includes the Chief Executive, Registrar, Professional Advisor Social Work, Chief Advisor Education Policy and Research, Senior Professional Standards Coordinator/ Legal Advisor, Registration Manger, Executive and Board Advisor, and Complaints Officer. Following triage, complaints are either resolved by our discussions with the complainant or referred to the Board with a potential outcome of the social worker concerned being referred to the Professional Conduct Committee for investigation.

The current Complaints Officer is retiring, and the position is currently being recruited for. If a part time position only is appointed the demand will exceed the capability of someone to successfully complete the work required, which is not appropriate from a staff welfare perspective.

## Practice and policy advice – Māori/Kaiwhakahaere and Education (Practising Certificate Fee funding)

### *Māori/Kaiwhakahaere*

We require a 1.0 FTE Senior Social Worker Advisor – Māori/Kaiwhakahaere with specific expertise in Te Ao Māori, to provide social work practitioner guidance and advice to social workers and externally with iwi and other stakeholders.

We have specific responsibilities under our legislation to be responsive to tanga whenua. To date this has not been resourced. This issue has been raised as an area of concern under the Māori Responsiveness Strategy (DRAFT) 2019. We also need this resource to build the capability of the Secretariat in Tikanga Māori.

This work is currently being done by the Chief Executive as there is no other resource available. This is part of the reason the Chief Executive is working up to 65 hours a week.

## Business Operations (Practising Certificate Fee funding)

### *Business management*

We require a 1.0 FTE Business Manager to undertake HR, Finance management, IT management, Procurement and Contract management for the organisation and for interaction with government agencies that deal with a collective approach to these activities (e.g. MBIE's Government Property and Procurement business information requests and reporting).

Also, while we have outsourced our finance function for budget management and reporting purposes, someone still needs to provide the information, manage operations (including contracts) and deal with external providers. There is currently no internal HR resource and while some advice has been sourced externally, the day-to-day operations, including employment processes are led by the Chief Executive.

This work is currently being done by the Chief Executive as there is no other resource available. This is part of the reason the Chief Executive is working up to 65 hours a week.

### *Account administration and invoicing*

We require a 1.0 FTE Office Administrator (fixed term) to provide support with invoicing and payments and to assist the current Office Administrator who is at maximum capacity. There have been some efficiencies made with new financial management systems, however, this has not sufficiently offset the volume and interactions with the database, which is time-intensive.

This role would also support the Business Manager, including with information for budget planning and reporting as well as the office support required by a larger staff. This is split between implementation and business-as-usual.

This work is currently being done by the Office Administrator, Executive and Board Advisor and the Chief Executive. This is an inefficient use of these FTE resources. Also, tasks that should be done by the Executive and Board Advisor and the Chief Executive are either being delayed or deferred indefinitely in order to complete these tasks.

## Reserves (Practising Certificate Fee and Disciplinary Levy funding)

We need to build up our reserves to:

- cover the government agency standard three-months operating costs in the event of a major shock
- provide for two Disciplinary Tribunal hearings per year.

Our current reserves are around \$400,000, whereas the minimum operating costs currently average \$500,000. This means no funding is available for Disciplinary Tribunal hearings. We intend to build up the reserves from \$400,000 to \$1 million over two years to reduce the impact on the Practising Certificate Fee and the Disciplinary Levy. The reserves held will need to increase to a minimum of \$1 million because:

- the operating costs for three-months will average \$850,000 due to the additional resources
- based on the costs of recent hearings, to cost-recover the estimated \$150,000 for two Disciplinary Tribunal hearings.

The costs of Professional Conduct Committee proceedings are currently being met from the Practising Certificate Fee, but from 2019/20 the Professional Conduct Committee proceedings will be cost-recovered through the Disciplinary Levy (but the funding will not be in the reserves).

## Appendix 4: Assessment of activities applying the OAG and Treasury guidelines

Mechanisms generally used to fund public sector agency activities include:

- **Club goods** - most funding of the regulatory system occurs through levies that are spread across groups of people who are the primary risk exacerbators and who underpin the need for the regulation, as well as (often) the primary beneficiaries of an effectively functioning regulatory system. The Treasury Guidelines apply to cost recovery for club goods, as well as private goods.
- **Public goods** - Crown funding is generally used in situations of public goods. Some regulatory functions have a range of broad benefits (including reputational, general economic, or environmental protection benefits) that are wider than the social worker sector system and are not directly or indirectly attributable to the participants or primary beneficiaries; these can be considered as activities with a public good. Crown funding can be used in these cases.
- **Private goods** - where charges can be imposed on a specific individual or organisation for a good or service or regulation directly provided to (or directly benefiting) that individual or organisation. These types of charges must be set at no more than the amount necessary to recover the cost attributable to providing the private good. The OAG Guidelines apply to cost recovery for private goods.

Note that the **public and users of social worker services** are secondary beneficiaries of the social worker regulatory system. They are not the primary beneficiaries and do not primarily cause the need for the regulatory system. The public and users of social worker services do, however, receive the spill-over benefit of 'safety of the public' and 'enhanced professionalism of social workers'. Spill-over benefits do not usually result in Crown funding for activities relating to a specific profession such as such as certification, monitoring, education and guidance, complaints, conduct notifications, investigations and disciplinary proceedings.

See the assessment of the SWRB's activities applying the OAG and Treasury guidelines in the table below.

**Assessment of the SWRB's activities applying the OAG and Treasury guidelines**  
(excludes implementation activities directly relating to recent changes to the Act)

Activity	Rationale	What type of charge applies and how often	Economic characteristics of the activity to identify the funding source	Full or part cost recovery	Outcome sought
Registration	Assessment of an individual for assurance they are qualified and are a fit and proper person to be a social worker	<b>Fee</b> – an individual who wants to practise as a social worker (one off)	<b>Private good</b> – user funded – an individual is the primary beneficiary or primarily causes the need for the services and the services are provided directly to the individual	Full	Safety of the public  Improve the professionalism of the social worker sector  Monitor the appropriate use of the title 'social worker'
Practising Certification	A check that the social worker has not been removed from the register  Declaration from them that they remain a fit and proper person to practice as a social worker	<b>Fee</b> – an individual who wants to practise as a social worker (annual)	<b>Private good</b> – user funded – an individual is the primary beneficiary or primarily causes the need for the services and the services are provided directly to the individual	Full	Safety of the public  Assurance that the registration standards are still met  Monitor the appropriate use of the title 'social worker'
New graduate Practising Certification	A check that the social worker been registered  Declaration from them that they are a fit and proper person to practice as a social worker	<b>Fee</b> – an individual who is a new graduate wants to practise as a social worker (one off)	<b>Private good</b> – user funded – an individual is the primary beneficiary or primarily causes the need for the services and the services are provided directly to the individual	Full	Safety of the public  Improve the professionalism of the social worker sector  Monitor the appropriate use of the title 'social worker'
Initial non-binding assessments -	An assessment of an individual's experience to be	<b>Fee</b> – an individual who does not have a SWRB	<b>Private good</b> – user funded – an individual is the primary beneficiary or primarily causes the need	Full	Safety of the public

section 13 (applies until 28 February 2023)	registered in New Zealand, where no SWRB recognised qualifications are held	recognised qualification wants to practise as a social worker  (one off)	for the services and the services are provided directly to the individual		Improve the professionalism of the social worker sector  Monitor the appropriate use of the title 'social worker'
Initial non-binding assessments - overseas applicant	An assessment of an individual's international qualification where no SWRB recognised qualifications are held	<b>Fee</b> – an individual who does not have a SWRB recognised qualification wants to practise as a social worker  (one off)	<b>Private good</b> – user funded – an individual is the primary beneficiary or primarily causes the need for the services and the services are provided directly to the individual	Full	Safety of the public  Improve the professionalism of the social worker sector  Monitor the appropriate use of the title 'social worker'
Competence assessments (Overseas applicant)	An assessment of an individual's overseas competence to practice in New Zealand	<b>Fee</b> – an individual who has overseas qualifications wants to practise as a social worker in New Zealand  (one off)	<b>Private good</b> – user funded – an individual is the primary beneficiary or primarily causes the need for the services and the services are provided directly to the individual	Full	Safety of the public  Improve the professionalism of the social worker sector  Monitor the appropriate use of the title 'social worker'
Copies of certificates or entries, or for supplying documents for overseas registration purposes (Certificate of Good Standing)	Usual activity in operating a practitioner Register	<b>Fee</b> – an individual who was/is registered and holds/ held a current practising certificate wants to register as a social worker overseas  (one off)	<b>Private good</b> – user funded – an individual is the primary beneficiary or primarily causes the need for the services and the services are provided directly to the individual	Full	Ensure access to information on the register by those who have authority to access that information
Replacement practising certificate identification cards	Usual activity in operating a practitioner Register	<b>Fee</b> – an individual who holds a current practising certificate  (one off)	<b>Private good</b> – user funded – an individual is the primary beneficiary or primarily causes the need for the services and the services are provided directly to the individual	Full	Provide proof of authorisation for a person practising as a social worker

<p>Recognition and Re-recognition of Social Work Programmes</p>	<p>Assessing New Zealand tertiary education providers' programmes and qualifications provided to be recognised by the SWRB for registration of social workers</p> <p>Provides assurance as to programme quality and standard of delivery</p>	<p><b>Fee</b> – a New Zealand tertiary education provider wants its programme and qualification recognised, or continue to be recognised, by the SWRB</p> <p>(initial and at least every 5 years)</p>	<p><b>Private good</b> – user funded – the organisation is the primary beneficiary or primarily causes the need for the services and the services are provided directly to the New Zealand tertiary education provider</p>	<p>Full</p>	<p>Programmes and qualifications are appropriate</p> <p>Safety of the public</p> <p>Improve the professionalism of the social worker sector</p> <p>Monitor the appropriate use of the title 'social worker'</p>
<p>Social worker audits (New activity that replaces competence assessment and competence recertification of New Zealand qualified applicants)</p>	<p>Audits of randomly selected registered social workers who hold a current practising certificate</p> <p>Provides incentives for social workers to comply with the social worker regulatory system for the safety of the public</p>	<p><b>Social Worker Levy</b> – registered social workers who hold a current practising certificate - as a group, annually</p> <p>(annual - currently through the Practising Certificate Fee)</p>	<p><b>Club good</b> – participant group funded – registered social workers holding a current practicing certificate, as a group, are the primary beneficiaries or primarily cause the need for the social worker regulatory system</p>	<p>Full</p>	<p>Robust monitoring of social worker compliance with the Act and regulatory framework</p>
<p>Enquiries</p>	<p>Enquires from social workers, employers and the public</p> <p>The enquiries system provides 'assisted compliance' for social and information to the public and others, for the safety of the public</p>	<p><b>Social Worker Levy</b> – registered social workers who hold a current practising certificate - as a group, annually</p> <p>(annual - currently through the Practising Certificate Fee)</p>	<p><b>Club good</b> – participant group funded – registered social workers holding a current practicing certificate, as a group, are the primary beneficiaries or primarily cause the need for the social worker enquiries system, whether or not they use it</p>	<p>Full</p>	<p>Assist social workers comply with the Act and regulatory framework</p> <p>Provide information to the public and employers about social worker the regulatory system</p>
<p>Complaints</p>	<p>Complaints about a social worker from another social worker, an employer, the public or a government agency</p> <p>The complaints system supports social worker</p>	<p><b>Disciplinary Levy</b> – registered social workers who hold a current practising certificate</p>	<p><b>Club good</b> – participant group funded – registered social workers holding a current practicing certificate, as a group, are the primary beneficiaries or primarily cause the need for the social worker complaints system, whether or not they use it</p>	<p>Full</p>	<p>Provide access to redress those who deal with social workers for non-compliance by social workers</p> <p>Safety of the public</p>

	compliance for the safety of the public	(annual - currently through the Practising Certificate Fee)			Improve the professionalism of the social worker sector
Investigations, Professional Conduct Committee support and Tribunal support	Investigations and tribunal hearings of serious complaints about a social worker  Provides incentives for regulatory compliance by social workers and to protect the public	<b>Disciplinary Levy</b> – registered social workers who hold a current practising certificate  (annual - currently through the Practising Certificate Fee)	<b>Club good</b> – participant group funded – registered social workers holding a current practicing certificate, as a group, are the primary beneficiaries or primarily cause the need for the social worker disciplinary system, whether or not they use it	Full	Provide access to redress those who deal with social workers for non-compliance by social workers  Safety of the public  Improve the professionalism of the social worker sector
Secretariat for the Board  Advice to the Board on social worker regulatory and compliance issues	As part of the legal structure under the Crown Entities Act 2004	<b>Social Worker Levy</b> – registered social workers who hold a current practising certificate - as a group  (annual - currently through the Practising Certificate Fee)	<b>Club good</b> – participant group funded – registered social workers holding a current practicing certificate, as a group, are the primary beneficiaries or primarily cause the need for the Board	Full	Assist the Board act in accordance with the Crown Entities Act 2004 and Government guidelines and policy settings
Development and provision of technical advice  Reviews of the social worker regulatory framework and system  Operational policy development	Business-as-usual reviews and updates of regulation, policy, criteria and processes to deliver on the SWRB's legislative mandate	<b>Social Worker Levy</b> – registered social workers who hold a current practising certificate - as a group  (annual - currently through the Practising Certificate Fee)	<b>Club good</b> – participant group funded – registered social workers holding a current practicing certificate, as a group, are the primary beneficiaries of an effectively functioning regulatory system or primarily cause the need for the social worker regulatory system primary beneficiaries	Full	Ensure up-to-date, effective and efficient delivery of SWRB's legislative mandate  Ensure trust in government institutions  Safety of the public  Improve the professionalism of the social worker sector
Ministerial servicing, OIAs, technical advice to the Minister, responding	As part of the Crown entity obligations as a government agency	<b>Crown funding</b> – from general taxation	<b>Public good</b> – wider public benefits to the public for the proper administration of government and trust in government institutions	N/A	Assist Ministers and the Government

to Parliamentary Committees		(annual - currently through the Practising Certificate fee)			Ensure trust in government institutions
Strategy, planning, and data and intelligence analysis and advice	Usual business strategy and planning and reporting  Identify trends in risk and apply regulatory interventions that best change behaviour to improve the social worker workforce professionalism  Ensure the SWRB is an evidence based, intelligence-led, risk focused regulator	<b>Social Worker Levy</b> – registered social workers who hold a current practising certificate - as a group  (annual - currently through the Practising Certificate Fee)	<b>Club good</b> – participant group funded – registered social workers holding a current practicing certificate, as a group, are the primary beneficiaries of an effectively functioning regulatory system or primarily cause the need for the social worker regulatory system	Partial	Ensure the SWRB an effective regulator using the good practice modern regulator approach applied by other New Zealand safety regulators
Crown entity performance and budget reporting, development of Statements of Intent and Statements Performance Expectations	Part of the Crown entity obligations as a government agency	<b>Crown funding</b> – from general taxation  (annual - currently through the Practising Certificate Fee)	<b>Public good</b> – wider public benefits to the public of compliance with the Crown Entities Act 2004 for the proper administration of government and trust in government institutions	N/A	Ensure the SWRB delivers appropriate performance and to meets Government’s policy objectives fir social workers and the wider sector  Ensure trust in government institutions
Sector, cross-agency, education provider and international engagement	Part of the being as an effective regulator and a government agency	<b>Social Worker Levy</b> – registered social workers who hold a current practising certificate - as a group  (annual - currently through the Practising Certificate Fee)	<b>Club good</b> – participant group funded – registered social workers holding a current practicing certificate, as a group, are the primary beneficiaries of an effectively functioning regulatory system or primarily cause the need for the social worker regulatory system	Full	Collaboration to assist Government meet wider sector policy objectives  Ensure constancy across agencies  Stay up-to- date with social sector international good practice

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