



Social Workers
Registration Board
Kāhui Whakamana Tauwhiro

STATEMENT OF INTENT

2010–2011

Presented to the House of Representatives Pursuant to
Section 149 of the Crown Entities Act 2004



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OPENING STATEMENT

This Statement of Intent has been prepared to meet the requirement of section 139(1) of the Crown Entities Act 2004.

It describes the three-year strategic direction set by the Social Workers Registration Board ("the Board"), as the Crown entity established to give effect to the Social Workers Registration Act 2003.

The purpose of the Statement of Intent is to promote the public accountability of the Board by:

- enabling the Crown to participate in the process of setting the Board's medium-term intentions and undertakings
- setting out for the House of Representatives those intentions and undertakings
- providing a base against which the Board's actual performance can be assessed.

The Statement of Intent is supported by a Memorandum of Understanding with the Minister for Social Development and Employment.



Toni Hocquard

Board Chair

20 May 2010



Paula Nes

Chair – Finance, Audit and Reporting Committee

OVERVIEW FROM THE BOARD CHAIR

The Social Workers Registration Board is increasingly aware that full implementation of the stated purposes of the legislation will be achieved when all Social Workers are registered. Full registration is the Board's vision and the driving purpose governing the policy and operations of the SWRB. In the current voluntary environment, the challenge is to gain the full support of all social workers, their employers and the public and ensure that the public receive social work services in accordance with the stated aims of the Social Workers Registration Act.

The Board has four key goals that remain prominent in both the governance and operational aspects of its direction, namely:

Registration – all social workers are registered to minimum standards

Accountability – all social workers are accountable for their standards of practice

Professionalism – all social workers adhere to the Board's practice standards

Promotion – all social workers, their employers and the public are aware of the benefits of registration.

Under the current voluntary environment, the Board continues to pursue its stated objective that all social workers are registered through an effective registration system that protects the public and ensures high standards of social work practice.

Since the implementation of the Social Workers Registration Act in 2003, a system of statutory registration has been in place. The Board has created a framework for the registration of social workers that has been accepted by the profession after considerable consultation. The framework developed to register social workers provides for:

- policies that set the criteria for determining:
 - a set of recognised social work qualifications
 - fitness and competence to practise
 - practical experience requirements
- a code of conduct for the social work profession
- a tribunal to consider complaints about Registered Social Workers.

This framework for voluntary registration has enabled social workers and their employers to gradually undertake registration while the profession worked to enhance the capacity of recognised qualifications, workplace supervision and post-qualifying professional development, which are all recognised as the cornerstones to providing a sound professional regulation environment.

Following a consultation period in 2006 the Social Workers Registration Board presented the first review of the Social Workers Registration Act in July 2007 as required by section 104 of the Act. The majority of issues raised in the review related to the cost and perceived complexity of the registration process by many social workers.

The Board has actively worked to address the complexity issues and has implemented a number of substantial changes to ensure that the process is now less onerous while still ensuring that the minimum standards set by the Act are maintained. These changes include:

- significantly reducing the paperwork required for an application for registration
- introducing a pathway for new graduates to register on completion of their study
- launching an affordable paper-based competence assessment and recertification programme
- reducing the costs associated with applying for and maintaining registration.

Cost issues have also been reduced considerably as a result of Board processes and policies to address the complexity issues. The cost of applying for registration is now \$360 (down from \$450) and the cost of a competence assessment is now \$250. In 2010/2011 the Board has decided not to impose a disciplinary levy which means a further reduction of \$90 to maintain registration. The Board will operate a deficit for the 2010/2011 budget and offset this from accumulated funds and the current disciplinary reserve. As a self funding organisation the Board is unable however to make any further cost reductions until such time as the numbers of registered, practising social workers increase.

Registration trends are however beginning to slow down. While the Board continues to promote registration, including targeting District Health Boards (DHBs) and Non-Governmental Organisations (NGOs) in particular, it is difficult to encourage social workers to apply when registration remains voluntary unlike other regulated professions that legislatively require mandatory registration. The Board has distributed registration application packs widely amongst the profession and the less complex process appears to have been positively accepted but even so the cost and the voluntary nature of registration are still cited as the major reasons for the low return rate.

For many it is a matter of not being able to afford the cost of registration without employer support while others are not prepared to undertake the process until such time as it is mandatory. This situation also has an impact on social workers actively renewing their Annual Practising Certificates (APCs) as the cost of the APC (\$360/year) remains relatively high compared with some other professions. For other health professionals registration is mandatory and in order to practise they are required to hold an APC. As this is a requirement of their employment they are most often supported financially by their employer. It is the Board's opinion that there is also a minority that is potentially using the current voluntary status as a way of avoiding adherence to minimum standards.

It is the Board's view that the system of voluntary registration needs to be reviewed and a move to a mandatory environment considered in order to ensure that all social work practitioners are equally recognised and held accountable for the way in which they practise.

The Board is aware, through regular informal feedback from stakeholders, that the public, the profession and organisations employing social workers will demand significant input into the review, especially on whether or not the system of voluntary registration is achieving the purposes of the Act.

The Board, in collaboration with the Ministry of Social Development, will consult the public, the profession and organisations employing social workers on their views on whether a system of mandatory registration would better achieve the purposes of the Act.

Once this consultation process is completed the Board will present the findings to the Minister.



Toni Hocquard
Board Chair

PART 1: OUR OPERATING ENVIRONMENT

FUNCTIONS OF THE SOCIAL WORKERS REGISTRATION BOARD

How we operate

For the purposes of the Public Finance Act 1989 the Board is a Crown entity established by the Social Workers Registration Act 2003 (the Act). The major purpose of the Act is:

To protect the safety of members of the public, by prescribing or providing for mechanisms to ensure that social workers are:

- competent to practise
- accountable for the way in which they practise.

As well as any other functions conferred or imposed on it by or under the legislation or any other enactment, section 99 of the Act sets out a number of inter-related functions. These can be grouped as follows in direct alignment with Board outputs:

Managing the registration of social workers

How we provide this:

- by receiving and considering applications for registration, taking recognised educational qualifications and competence of social workers into account
- by authorising the registration of social workers and maintaining a Public Register
- by considering applications for, and issuing Annual Practising Certificates (APCs).

Considering complaints against Registered Social Workers

How we provide this:

- by maintaining a Complaints and Disciplinary Tribunal and providing administrative and related services for the Tribunal
- by promoting the establishment, by organisations that employ social workers, of accessible and efficient procedures for making, considering and determining complaints relating to social workers they employ.

Enhancing the professionalism of social workers

How we provide this:

- by maintaining a code of conduct to apply to Registered Social Workers that will apply generally in the social work profession
- by promoting and encouraging high standards of practice and professional conduct among Registered Social Workers and the employers of social workers.

Promoting the benefits of registration

How we provide this:

- by promoting the benefits of registration among people practising as social workers, to bodies and organisations that employ social workers, and to the New Zealand public
- by acknowledging the status of Registered Social Workers as qualified, competent and regulated professionals
- by reinforcing the place of Registered Social Workers as contributing members of multi-disciplinary teams working within many sectors.

This part of the Statement of Intent begins with a brief overview of the Minister's expectations, the Social Workers Registration Board's operating context and an outline of the legislative functions of the Board.

The Minister for Social Development and Employment expects the Board to:

- continue to improve access to registration and increase the number of Registered Social Workers
- continue to work on reducing costs, and keeping fees and charges sustainably low
- have financial sustainability as a critical part of its strategy
- demonstrate a strong understanding of the business, e.g. price, quality and standards of service, the cost drivers and how the Board will manage them
- set tight, realistic budgets and manage within those budgets
- have realistic pay and employment conditions
- continue to review how services can be delivered better and more cost effectively, including looking at opportunities to use technology or shared services agreements to lower costs and improve services, and implement changes to deliver on findings

during the timeframe covered by this Statement of Intent.

With the Minister's expectations in mind the Board will strive to achieve the best results within the current operating environment. The current environmental challenges to the Board's operations are due to the voluntary nature of social work registration.

The Board has addressed many of the barriers to the increase in registration numbers that have been raised by social workers and their employers but still the Board is experiencing only a slow but steady increase in the numbers of Registered Social Workers. The Board has currently registered almost 2,500 social workers although this number represents just under half of the total number of social workers that the Board expects should be registered.

The barriers to registration that social workers and their employers have raised with the Board have focused on the cost of applying for and maintaining registration, and also the complexity of the registration process (including competence assessment). The Board acknowledged that both these areas were of concern and has implemented strategies to:

- reduce the paperwork associated with the application process
- provide a more efficient and affordable paper-based process to evidence competence
- reduce costs where possible.

The Board has made significant changes to address the identified barriers but still parts of the social work profession have yet to fully adopt registration.

The major state sector employers of social workers, such as Child, Youth and Family and the DHBs, have all adopted the Board's minimum policy standards and criteria relating to:

- recognised social work qualifications
- fitness and competence to practise
- practical experience requirements
- a code of conduct for the social work profession
- a tribunal to consider complaints about Registered Social Workers.

There are still large numbers of frontline social work practitioners however who are yet to meet these standards.

The NGO sector, as the largest employer of social workers over its various representative organisations, is also significantly under-represented in registration figures and it appears that even with the changes implemented by the Board cost remains the significant barrier identified by social workers when registration is discussed.

In reviewing our current operating environment it is the Board's view that an effective social work registration framework is in place that:

- is capable of ensuring that Registered Social Workers are competent to practise
- provides for the protection of the public by ensuring that Registered Social Workers and their employers are held accountable for the way in which they practise.

However, under the current and unique voluntary registration system:

- not all social workers are required to register
- unregistered social workers are not required to demonstrate their competence to practise to an independent body
- there is no legislative requirement that all unregistered social workers be held accountable to anyone other than their employer if their practice endangers the safety of the public.

Under this system it is therefore going to be difficult for the Board to:

- further reduce costs while maintaining standards
- increase registration numbers to the critical mass required to achieve the purposes of the Act
- ensure a culture of compliance with regard to maintaining continued professional competence, development and practice.

ACHIEVING A SOUND PROFESSIONAL REGULATION ENVIRONMENT

While acknowledging the challenges within the current registration environment it remains the focus of the Board to ensure that as many social workers as possible are registered. The Board continues to promote and encourage high standards of practice and professionalism among Registered Social Workers and the employers of social workers through:

- the recognition and standard setting of social work education and training
- adherence to a national code of conduct
- taking action when Registered Social Workers have failed to live up to the standards of conduct expected of them.

SOCIAL SERVICE SECTOR ENGAGEMENT

How we work with others

The Board has effectively created an operating environment ready to consider the next phase of social work regulation in New Zealand with the support of providers of social work education and training, other standard setting bodies within the profession and employers of social workers.

It is acknowledged that without the support and collaboration of the wider social work profession the Board would not be in a position to begin to consult on the next phase of social work registration and whether it is time to move to a system of mandatory registration.

The Board works closely with many employers including the **Ministry of Social Development** including **Child, Youth and Family**, the **DHBs**, the **Department of Corrections**, the **Ministry of Education**, the **New Zealand Police**, the **Ministry of Youth Development**, the **Accident Compensation Corporation**, **Barnados**, the **Open Home Foundation**, **Family Start**, **Presbyterian Support Services**, the **Salvation Army** and hundreds of other employers in the health, government, education and NGO sectors.

Employers are actively encouraging registration and assist social work employees with professional development opportunities and financial assistance for fees, competence assessments, Annual Practising Certificates and more.

The Board also has a number of formal and informal agreements with employers to assist with the investigation of complaint and disciplinary matters.

In return the SWRB assists employers by providing:

- recruitment assistance regarding qualification assessment for New Zealand and overseas educated social workers
- professional advice in relation to social work practice, continuing education and competent conduct
- employee registration statistics
- an independent complaint referral process.

The professional body, the **Aotearoa New Zealand Association of Social Workers (ANZASW)**, has a proven record of supporting the profession through competence assessment, continuing professional development, provision of indemnity insurance, professional publications and lobbying on behalf of members. The Board acknowledges that the introduction of statutory registration has sometimes provided a challenge for both the Board and ANZASW in terms of boundaries and areas of responsibility but by working through these issues both organisations support and collaborate with each other in many areas, including:

- provision of less costly and complex competence assessment processes mutually recognised by both organisations that meet the criteria for both membership of the ANZASW and registration with the Board
- acknowledgement of the Board's criteria for registration and the issuing of Annual Practising Certificates as part of the ANZASW's membership application and renewal process
- streamlining of both organisations' complaint and disciplinary procedures to ensure that complainants are clear on process and social workers are not disadvantaged or subject to dual investigations or differing disciplinary outcomes.

The Board aims to continue working with the ANZASW to achieve the best outcome for social workers in New Zealand.

The **Council of Social Work Education Aotearoa New Zealand (CSWEANZ)** is the representative body for social work educators in New Zealand. Each of the current 15 providers of SWRB-recognised social work programmes are represented in the membership of CSWEANZ. All adhere to the Board's policies regarding the process for recognition/re-recognition of social work qualifications in New Zealand and other supporting policies, such as those dealing with practicum requirements within a recognised social work qualification.

The Board acknowledges that one of our objectives is to promote and enhance the professionalism of social workers in New Zealand. As such the Board has joined forces with the ANZASW, the CSWEANZ and the Social Services Industry Training Organisation to create an **Alliance for Professional Social Work Leadership** to be an avenue for improved collaboration, communication and consultation between the sector leadership groups, the wider social service sector and the public.

The Board looks forward to further developing the work of the alliance group and reporting on our future successes.

The Board, as well as being responsible for setting standards for social work education and training in New Zealand, is also responsible for assessing the equivalency of overseas social work qualifications to those provided in New Zealand. By gaining the support of social work education and training providers in New Zealand the Board has recently taken the international lead to work towards securing a consistent understanding of international standards for social work education.

The Board has been invited to run two workshops on standard setting for social work education and social work regulation at the 2010 Joint World Conference of the **International Federation of Social Workers (IFSW)**, the **International Association of Schools of Social Work (IAASW)** and the **International Council on Social Welfare (ICSW)**.

The first workshop on standard setting for social work education will concentrate on finding ways to benchmark current practice against the IFSW/IAASW international standards and consider ways to manage recognising the variation in qualifications and levels of specialisation across international jurisdictions.

The second workshop recognises that social work is an internationally mobile profession and that there is a need to develop an understanding of the challenges and opportunities for social work and social service regulatory frameworks internationally.

PART 2: OUR VISION

ALL SOCIAL WORKERS ARE REGISTERED

The increase in the numbers of social workers undertaking qualifications leading to registration over the past five years and the steady increase in registration numbers is evidence that the Board's focus on promotion and protection through effecting high quality education and training is having an impact on the profession. The Board notes that within the profession there is now an emphasis on the importance of continuous post-registration training and professional development which enhances the professionalism of social work in New Zealand.

Social work registration is now the benchmark that many employers have set when recruiting to social work positions. Holding an SWRB-recognised social work qualification, along with a valid competence certificate, is also the accepted definition of a professionally qualified and competent social work practitioner in New Zealand.

The adoption of this definition or standard in the short history of social work registration is evidence that the social work profession, social work educators, employers of social workers and professionals across health and other sectors have accepted that registration is having a positive influence.

The Board believes that the system of voluntary registration needs to be reviewed and a move into a mandatory environment considered in order to ensure that all social work practitioners are equally recognised and held accountable for the way in which they practise. This would go a long way to ensuring that the public is indeed protected.

A WAY FORWARD

A lot of discussion has occurred over the years about the ability to clearly identify what social work is, and therefore the ability to regulate what is perceived to be an ambiguously defined profession. The Board believes that this ambiguity is based on the public perception that social work has historically and traditionally been a vocation, open to caring people willing and able to help others, often in a voluntary capacity. This is reflected in 2006 Census figures that reflect that over 14,000 individuals perceive that they undertake social work.

The Board would challenge this Census figure and suggest that a figure of approximately 6,000 is more reliable as a measure of professional social worker numbers in that it is based on the approximate numbers of social workers who meet the Board's requirements of a recognised qualification, evidenced competence and practical experience.

DEFINITION/ TITLE

The Board believes that the registration policies it has developed over the past five years, in consultation with the profession, have provided an unambiguous definition of:

- how an individual is educated in order to practise social work
- how an individual is deemed competent to practise social work
- how an individual is deemed to have enough experience to practise social work
- how an individual is expected to conduct themselves in their social work practice.

By comparing the examples of similar regulatory authorities and their relevant legislation the Board remains convinced that a recognised social work qualification and competence to practise is the accepted definition when considering protecting a professional title. This approach to 'definition' overcomes problems with defining a range of tasks and activities that constitute professional 'social work'.

COSTS/ECONOMIES OF SCALE

With approximately 2,500 Registered Social Workers, the Board has progressively worked to reduce the initial costs associated with applying for registration and a Annual Practising Certificate. Prior to the Board working to reduce costs the total cost of applying for registration was approximately \$1,575.

The Board has actively worked to reduce costs by removing complexity and providing alternative competence assessment options. The cost of applying for registration is now \$360 (down from \$450) and the cost of a competence assessment is now \$250.

The increase in the total number of Registered Social Workers has also allowed the Board to keep the Annual Practising Certificate fee at the reduced cost of \$360 and from 1 July 2010 the Board will not be charging a disciplinary levy which means a reduction of another \$90 to maintain registration. The Board sets the fees at a level that allows the Board to fulfil its legislative requirements and work to a break even budget.

By the time registration numbers reach a critical mass of 3,000 – 4,000, the economies of scale that this would provide would likely lead to some reduction in registration costs.

Mandatory registration however would see registration numbers steadily increase to a conservative figure of 6,000 Registered Social Workers which could potentially see costs drop to around a half to one-third of current fee costs.

TIMING

Since registration first became available in October 2004 the Board has progressively worked to ensure that its systems and procedures are robust enough to easily transition from voluntary to mandatory registration. The Board's view is that that the social work sector has reached a point of readiness to consider mandatory registration for social workers.

The Board will work with the Minister for Social Development and Employment and her officials to develop a consultation process on the issue of mandatory registration and whether this is supported. To ensure the Minister is provided with informed advice the Board will canvas the views of the social work profession, employers of social workers and the public on this issue prior to the review of the Act.

COVERAGE AND SCOPE

It is the Board's view that social workers, who meet the current criteria for registration, or anyone claiming to be a social worker, should be registered.

The Board recognises that there is a significant group within the social service sector who do not meet the Board's current registration criteria although they identify as providing social work services.

If they do not meet the standards set by the Board in relation to the title Registered Social Worker then there is the need to find the title that reflects the work they undertake, the level of qualification required to competently undertake that work and the standards and code of conduct they should be held accountable to. This would need to occur within a process that maximises the resources available to the sector and involve considerable consultation with the sector.

Broadening the entitlement of registration would however provide an assurance that the public is afforded the best level of service, under one comprehensive registration body, without duplication, competition or under utilisation of skills within the sector. It is also anticipated that broadening the coverage of registration, and the economy of scale this provides, would allow the Board to reduce costs even further for those applying for and/or maintaining registration.

MULTI-DISCIPLINARY RECOGNITION

In 2003 both the Social Workers Registration Act and the Health Practitioners Competence Assurance Act were introduced. Both acts had a similar purpose in terms of protecting the public by ensuring that practitioners were competent to practise. The main difference between the two acts was the HPCA Act provided for mandatory registration and the SWR Act was voluntary. This difference has had unexpected consequences for those social workers working in health who were often excluded from providing services or participating in multi-disciplinary teams based on the fact that they were not recognised by the HPCA Act. Further confusing this issue was that although the HPCA Act did not recognise social workers as health practitioners, the Health and Disability Commissioner Act 1994 did.

A move to mandatory registration would likely solve the unintended consequence that the HPCA Act has had on the delivery of social work and ensure that social workers are able to contribute to the wellbeing of those receiving health services in New Zealand.

PART 3: MOVING FORWARD

STRATEGIC OUTCOME FRAMEWORK

Our Vision	All social workers are registered			
Contributing Outcome	An effective registration system that protects the public and ensures high standards of social work practice			
Strategic Goals	Registration All social workers are registered to minimum standards	Accountability All social workers are accountable for their standards of practice	Professionalism All social workers adhere to the Board's practice standards	Promotion All social workers, their employers and the public are aware of the benefits of registration
Our Contribution (What we do)	Registration process and policy for minimum requirements to practise social work <ul style="list-style-type: none"> • Fit & Proper Status Criteria • Recognised qualifications • Practical Experience Competence • Competence to work with Māori • Competence to work with different ethnic & cultural groups • APC process and policy 	Board Code of Conduct Complaints and Disciplinary Tribunal APC Renewals	Board Code of Conduct Board Practice Standards Current APC Promote and provide professional development	Publicity and awareness activities Research
Outputs (What we deliver)	Managing the registration of social workers	Considering complaints against Registered Social Workers	Enhancing the professionalism of social workers	Promoting registration and its benefits
Who We Work with	All social workers, employers of social workers, educators of social workers, social services sector, professional bodies and representative groups, members of the public and users/consumers of social work services, other government agencies			

This part of the Statement of Intent covers a three-year planning period from 1 July 2010 to 30 June 2013. It reflects the Board's outcome-based strategic planning and how the Board contributes to the social development sector's broader strategies. It draws on previous discussion in this Statement of Intent.

The period of this plan will be challenging for us and for those who work within social work as demand for and expectations of services increase at the same time as resources to meet those demands are limited.

The Board will continue to work with partners to ensure the social work profession has the skills and confidence to make a major contribution to the wellbeing of individuals and communities and to the protection of every adult and child who uses social work services.

The objectives of the Board are to:

- continue to maintain the reduction in the costs associated with gaining and maintaining registration in order to increase the uptake of registration
- continue to expand the availability of alternative competence assessment processes in order to ensure that all applicants for registration have accessible, affordable and cost-appropriate options
- review the extent to which the Board's policy settings strike the right balance between high standards and expectations, and ensuring the greatest number of social workers benefit from registration
- continue targeted promotion in the DHB sector and increase the promotion of registration in the NGO sector
- improve APC compliance so that Registered Social Workers consistently adhere to the APC processes required to ensure they continue to practise competently and are held accountable for their practice
- to undertake a consultation process on the issue of mandatory registration prior to the review of the operation of the Social Workers Registration Act 2003 as per section 104
- improve public awareness regarding Registered Social Workers and the Social Workers Registration Act 2003 by implementing a cost-effective promotional campaign
- explore improving access to registration and its intended accountability through broadened entitlement to registration for those with allied qualifications and practical experience in the social service sector.

Our organisation will:

- continue to develop our capacity and capability within carefully managed resources
- continue to meet our statutory responsibilities
- continue to review how registration can be delivered in an affordable and efficient way
- ensure our policies are consistent with government and social development sector strategies
- regularly review the Board's progress against its objectives.

OUR STRATEGIC GOALS AND OPERATING INTENTIONS

Registration

Strategic Goal: All social workers are registered to minimum standards

The Board is convinced that if the purposes of the Act, in relation to protecting the public and enhancing the professionalism of social work practice in New Zealand, are to be met, then all social workers need to be registered. The Board's continued focus will remain on increasing registration levels within the current voluntary environment.

Until such time as registration becomes mandatory for social workers, the Board will:

- maintain a registration application process that is simple, straightforward and meets the minimum criteria set out in the Act
- ensure that social workers are registered within three months of the receipt of a complete application
- ensure that, as the standard setting body for social work education and training in New Zealand, all SWRB-recognised social work qualifications meet the minimum criteria as set out in the Board's programme recognition standards
- maintain a competence assessment process that is simple, straightforward and meets the minimum criteria set out in the Act
- issue APCs to all Registered Social Workers who are required by the Act to hold one and ensure that Registered Social Workers, their employers and the public are aware of the consequences if a social worker practises without a current APC.

Accountability

Strategic Goal: All social workers are accountable for their standards of practice

The Board is committed to raising standards within social work giving assurance that social workers, who are in a position of trust working with vulnerable people, meet required standards.

The Board is required under the Act to issue and maintain a code of conduct covering the minimum standards of integrity and conduct that are to apply to Registered Social Workers; and also should apply generally in the social work profession. The current voluntary registration environment however only allows the Board to hold **Registered Social Workers** accountable to the code.

Until such time as registration becomes mandatory for social workers and all social workers are held accountable to the code of conduct, the Board will:

- ensure that Registered Social Workers, their employers and the public are aware of the Board's code of conduct and the consequences if a social worker breaches the code
- encourage the public to seek social work services only from organisations employing Registered Social Workers, or individual Registered Social Workers, who are held accountable to the code of conduct
- maintain a Complaints and Disciplinary Tribunal that is able to provide timely, informed and independent services to Registered Social Workers, their employers and the public
- promote the establishment by organisations that employ Registered Social Workers of accessible and efficient procedures for making, considering and determining complaints relating to social workers they employ so as to encourage and support the professionalism of social workers and enhance the public perception of social work services in New Zealand.

Professionalism

Strategic Goal: All social workers adhere to the Board's practice standards

The Board exists to raise standards in social work practice and to protect people who use social work services by building a confident and competent workforce. The Board will be working with employers to ensure that Registered Social Workers are guaranteed the support they need to deliver high quality services.

Until such time as registration becomes mandatory for social workers and all social workers are held accountable for their professional practice, the Board will:

- promote and encourage high standards of practice and professional conduct among Registered Social Workers and the employers of Registered Social Workers
- promote to the public the high standards of practice and professional conduct expected of Registered Social Workers and the employers of Registered Social Workers
- ensure that Registered Social Workers, their employers and the public are aware of the Board's code of conduct and the consequences if a social worker breaches the code
- ensure all Registered Social Workers who are required by the Act to hold an APC do so
- audit Registered Social Workers to ensure that they meet the minimum requirements to hold an APC as set out in the Board's APC criteria
- inform employers of Registered Social Workers of the consequences if a social worker does not meet the minimum criteria in order to hold a current APC.

Promotion

Strategic Goal: All social workers, their employers and the public are aware of the benefits of registration

The Board believes that in order for the Act to achieve its intended purpose and for there to be actual benefits of registration of social workers:

- to departments of State, other instruments of the Crown, other bodies and organisations that employ social workers, and the public; and
- among people practising social work

then there is a need to consider a move from voluntary to mandatory registration.

The Board intends to promote this next phase of the Act by working in partnership with the Government, employers, the workforce itself and other agencies, to develop further our contribution to improving the quality of social work practice in New Zealand.

In order to achieve a sound professional regulation environment able to support mandatory registration for social workers, the Board will:

- continue to promote the benefits of registration
 - among people practising as social workers
 - to bodies and organisations that employ social workers
 - to the New Zealand public
- undertake a consultation process on the issue of mandatory registration prior to the review of the operation of the Act as per section 104.

As soon as is practicable after the expiry of the period of 3 years beginning on the commencement of section 99, and then at intervals of not more than 5 years, the Board must—

- (a) review the operation of this Act, and its own operations, since—
 - (i) the commencement of this Part (in the case of the first review carried out under this paragraph); and
 - (ii) the date of the last review carried out under this paragraph (in the case of every later review); and
- (b) consider—
 - (i) the extent to which this Act, and the system of voluntary registration it provides for, are achieving the purposes stated in paragraphs (a) and (d) of section 3; and
 - (ii) whether any amendments to this Act are necessary or desirable; and
- (c) report its findings to the Minister.

REPORTING TO THE RESPONSIBLE MINISTER

The Board has a Memorandum of Understanding with its Responsible Minister, setting out details of the way in which it will continue to consult and report to her on the Government's purchase and ownership interests.

The Board is also required by the Crown Entities Act (section 150) to provide the Minister with an Annual Report on its operations for each year. The Annual Report will provide certain financial information about the Board, Board members and employees. As well as this formal reporting obligation, the Board is empowered by its Act [section 99 (1) (l)] to advise, and make recommendations to, the Minister in respect of matters relating to the regulation of the social work profession.

ORGANISATIONAL CAPABILITY/HEALTH

The Board was appointed with the introduction of the Act in 2003 and began to build the operational policy requirements for registration in early 2004. By 1 October 2004 the Board had developed the key policy and registration documents required to support registration, set up a national office in Wellington, appointed staff and was ready to accept applications. Since that time 3,088 applications have been received and 2,385 social workers have been registered. Of the remaining 703 applications received, 534 are being supported to complete their applications and should be eligible for registration once this is done. 169 have either withdrawn or put their applications on hold while they work to meet the current registration criteria. These 169 applicants would potentially be able to be registered under a broadening of the current entitlement to registration.

The Board is reliant on income generated by the application fees for registration and APCs in order to maintain a small but efficient office with three full-time and two part-time staff.

MEMBERS AND OPERATION OF THE BOARD

Under the Act the Board has up to 10 members who have a strong understanding of the social work environment and cultural contexts of New Zealand society.

Members of the Complaints and Disciplinary Tribunal also bring extremely valuable skills and experience to the organisation (see Appendix for list of Board and Tribunal members).

The Board is committed to a clear governance/management division of responsibility and supports the efforts of the Chief Executive and Registrar to ensure that all people working for the Board (in a permanent or contracted capacity) share the same vision of the way the Board and its people are to operate.

The Board operates a forward planning environment and has implemented a Board committee structure to enable this, as well as operating a Risk Management Strategy.

The following standing committees of the Board are tasked, along with the Chief Executive, with the strategic direction of the Board:

- Finance, Audit and Risk Management Committee
- Policy Development and Review Committee.

The Board employs three full-time and two part-time permanent staff, and, according to need, has engaged contract staff for such purposes as legal, accounting and information technology support.

MANAGING OPPORTUNITIES AND RISKS IN THE CURRENT ENVIRONMENT

Opportunities

Regulating social work practice in New Zealand has provided a number of opportunities that have had a positive impact for the profession and have up until now mitigated many of the identified risks associated with implementing a registration framework.

The Act has allowed the Board and the profession the opportunity to:

- set standards for social work education and training in New Zealand, benchmarking them internationally as well as ensuring consistency of delivery across providers
- establish a code of conduct for the social work profession
- set a nationally accepted competence assessment programme to determine whether people have the skills and knowledge required to practise social work and meet the professional standards expected of a social worker
- set the minimum level of practical experience required for an individual to be recognised as a competent social work practitioner
- provide an independent complaints and disciplinary framework for making, considering and determining complaints relating to social workers and their practice

and most importantly to:

- provide a clear definition of the title Registered Social Worker, i.e. a professionally qualified and competent social work practitioner based on the accepted policies of the Board.

Risks

By harnessing the opportunities provided by the Act the Board has identified a number of unique risks that the current system of voluntary registration has created.

The principal risks identified by the Board include:

- the number of Registered Social Workers achieving the minimum criteria for registration but not following through with the renewal of their APC will remain unchanged or could increase because registration remains voluntary
- the number of individuals identifying as social workers, who do not have the qualifications, competencies or assessed practical experience to do so will continue to undertake social work interventions with vulnerable clients and therefore potentially pose a significant risk to members of the public. (Unlike Registered Social Workers, these individuals are not expected to be professionally supervised nor are they held uniformly accountable for the way in which they practise).

Given that the current system of registration is voluntary, there is concern that a large number of social workers remain unregistered, resulting in increased risk to public safety.

There are also a number of related risks to the financial health of the Board, including the continued indication from the profession that for many the costs associated with applying for, and maintaining, registration are still a barrier to applying. This leads to:

- the continued decrease in the number of social workers applying for registration
- the continued increase in the number of social workers not renewing their APCs

resulting in decreased income for the Board to undertake its functions.

FINANCE AND INFRASTRUCTURE

Apart from initial Crown funding provided by government to set up the registration framework, the Board has been self-funding since 2006. The current voluntary nature of social work registration does however put the Board in the uncertain position of not having the financial security that mandatory registration would provide to ensure the continued and broader benefits to the public.

The current non-payment of up to 20 percent of APC renewals impacts on the financial situation relating to the Board's aim of reducing costs of registration. The Board is also a Crown entity and as such is required to comply with the regulations as set out in the Crown Entities Act 2004 along with the associated costs. The Board's financial forecasting is therefore always cautious, more so as a result of the current economic environment.

Fee income provides the main source of revenue for the Board and is generated from fees for the assessment of applications, renewal of APCs for Registered Social Workers, the assessment of competence and a disciplinary levy.

The Board has created reserves through the disciplinary levy to underwrite disciplinary costs but information with regard to the possible number and complexity of disciplinary proceedings is limited as it is difficult to undertake any statistical modelling on the number of complaints the Board's Complaints and Disciplinary Tribunal is likely to encounter while the pool of registered versus unregistered practitioners remains fluid.

Unlike regulatory bodies responsible for the mandatory registration of professional occupations, the Board operates in a voluntary environment and as such is not able to base expenditure on the knowledge that all practising individuals will be required to register and hold an APC.

The Board is however required to provide a registration framework for all social workers to access and to ensure that this meets the minimum criteria as set out in the Act. The challenge for the Board is to undertake the functions required of it while at the same time to remain affordable to the social work profession and financially solvent.

PART 4: PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE AND FORECAST FINANCIAL INFORMATION

STATEMENT OF RESPONSIBILITY

The Social Workers Registration Board is a Crown agent under the Crown Entities Act 2004 with its role established under the Social Workers Registration Act to:

- (a) protect the safety of members of the public, by prescribing or providing for mechanisms to ensure that social workers are —
 - (i) competent to practise; and
 - (ii) accountable for the way in which they practise; and
- (b) for the purposes of paragraph (a), to create a framework for the registration of social workers in New Zealand, and —
 - (i) establish a Board to register social workers, and provide for its powers; and
 - (ii) establish a tribunal to consider complaints about Registered Social Workers; and
- (c) to provide for the Board to promote the benefits of registration of social workers —
 - (i) to departments of State, other instruments of the Crown, other bodies and organisations that employ social workers, and the public; and
 - (ii) among people practising social work; and
- (d) to enhance the professionalism of social workers.

The Social Workers Registration Board is responsible for the preparation of the Statement of Intent and prospective financial statements, including the assumptions on which the financial statements are based. The prospective financial statements have been prepared in accordance with NZ IFRS. The Social Workers Registration Board does not intend to update and republish the prospective financial statements. This departure from FRS-42 is necessary to allow the impacts of the transition to NZ IFRS to be identified and quantified. The prospective financial statements have been developed for the purpose of presenting the Social Workers Registration Board's intentions in Parliament, and should not be relied upon by any other party for any alternative purpose without the express written permission of the Social Workers Registration Board. Actual results are likely to be different from the prospective financial statements and the variation may be material.

We have authorised the issue of the financial statements on this day, 20 May 2010.



Toni Hocquard
Board Chair
20 May 2010



Paula Nes
Chair – Finance, Audit and Reporting Committee

PROSPECTIVE STATEMENT OF SERVICE PERFORMANCE

The performance standards related to the Board's outputs for 2010/2011 are set out below.

Expenditure on outputs for 2010/2011 will be funded by payments received by the Board from social workers who apply for registration and from Registered Social Workers. The programmes for 2011/2012 and 2012/2013 are dependent on performance achievements in 2010/2011 and the Board will review out-year figures as more information becomes available.

Third Party revenue	Expenditure
\$818,950	\$979,440

NB All figures are GST exclusive.

This will be allocated to outputs as summarised here:

Output 1: Managing the registration of social workers	\$263,940
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The majority of social workers are registered by the Social Workers Registration Board. Competence and educational standards of social workers are improved and only those people who are assessed as fit to practise social work are registered.

Output 2: Considering complaints against Registered Social Workers	\$251,540
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The general public and key stakeholders are aware of the Social Worker Registration Board's complaints processes and complaints made against Registered Social Workers are dealt with without undue delay. If needed, social workers are disciplined appropriately and transparently.

Output 3: Enhancing the professionalism of social workers	\$219,270
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The reputation of the social work profession is enhanced and recognised by the public and key stakeholders. Professional standards improve and with higher standards come higher quality social work with improved outcomes for New Zealanders.

Output 4: Promoting the benefits of registration	\$244,690
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All key stakeholders, including social workers, are aware of the benefits of registration. The number of Registered Social Workers continues to grow and employers are increasingly employing Registered Social Workers.

Details of the performance standards and measures for these four outputs, including assumptions affecting them, are set out as follows.

Output 1: Managing the registration of social workers

Description: This output involves the operation of a Register of Social Workers and the issuing of APCs as provided for in the Social Workers Registration Act 2003. As part of this process the Board will process applications for registration and for APCs. Applications for registration and for APCs are to be checked to ensure they comply with the criteria in the Act and with the policies of the Board.

Forecast demand for services

It is estimated that demand for services under this output in 2010/2011 is as follows:

- 2,020 Registered Social Workers are expected to renew their APCs
- 300 new social workers will apply for registration
- 480 Registered Social Workers will not renew their APC but will remain registered.

It is the Board's stated objective to increase the number of Registered Social Workers renewing their APCs as well as the numbers of social workers applying for registration.

Measures	Standard
Quality Processed registrations will comply with the provisions of the Social Workers Registration Act 2003 and the Board's agreed policies and procedures.	100%
Timeliness All completed applications for registration will be processed within Information on Registered Social Workers is able to be accessed by telephone during business hours. The Register of Registered Social Workers is available at www.swrb.org.nz 24 hours per day.	3 months 95% 95%

Output 2: Considering complaints against Registered Social Workers

Description: This output involves the Board providing administrative support to an independent Social Workers Complaints and Disciplinary Tribunal which can appoint Complaint Assessment Committees (CACs) to assess complaints against Registered Social Workers.

There will be an ongoing cost of training members of the Social Workers Complaints and Disciplinary Tribunal as well as establishing and providing training for CACs. The Board secretariat will also provide ongoing administrative support to both the Complaints and Disciplinary Tribunal and CACs. The number of complaints and the complexity of complaints expected remain unknown but there is likely to be an increase in complaints over the next few years as public awareness increases.

A disciplinary reserve has been established to meet the costs of complaints.

Forecast demand for services

- It is expected that up to 15 complaints will be assessed by the Tribunal. Depending on the outcome of the assessment, the complaints will be processed as set out in the Social Workers Registration Board Act 2003.

Measures	Standard
<p>Quality</p> <p>Administrative support will be provided to enable the Tribunal to deal with all complaints against Registered Social Workers.</p>	100%
<p>Quality</p> <p>Administrative support services provided by Social Workers Registration Board staff will comply with the provisions of the Social Workers Registration Act 2003.</p>	100%
<p>The Complaints and Disciplinary Tribunal's level of satisfaction with the support services provided by the Social Workers Registration Board staff will be no less than</p>	90%
<p>The percentage of complainants that are satisfied with the complaints process will be no less than</p>	80%
<p>Timeliness</p> <p>The Registrar shall notify the Tribunal of complaints within</p>	15 working days
<p>The complainant and the Social Worker will be advised whether a complaint will be accepted by the Tribunal within</p>	3 months of receipt
<p>The complainant and the Social Worker will be advised of the outcome of a case referred to a Complaints Assessment Committee within</p>	6 months of referral
<p>Deliberations of complaints referred by the Complaints Assessment Committee to the Tribunal will be completed within</p>	12 months of referral

Output 3: Enhancing the professionalism of social workers

Description: The Board will maintain and review the code of conduct for social workers and reinforce high standards of practice in order that Registered Social Workers are accountable for their ongoing professional development. The Board will continue to promote the code of conduct to social workers and their employers as well as the ongoing professional development criteria and other standards for all Registered Social Workers.

The Board will maintain and review the Programme Recognition Standards for recognised social work education providers and reinforce high standards of education in order that Social Workers achieve minimum competencies prior to engaging in professional practice.

Measures	Standard
<p>Quality</p> <p>An information programme on professional standards will be provided to Registered Social Workers who are on the registration database.</p>	100%
<p>Quantity and Timeliness</p> <p>The number of meetings or consultations with tertiary education providers to provide updates on Social Worker Registration Board policy and to gather information from providers on social work student statistics will be at least</p>	One meeting per year
<p>Quality</p> <p>The Programme Recognition Standards for recognised social work education programmes comply with the provisions of the Social Workers Registration Act 2003.</p>	100%
<p>The Programme Recognition Standards for recognised social work education programmes are available to all tertiary education providers.</p>	100%

Output 4: Promoting the benefits of registration

Description: This output recognises that the registration of social workers is voluntary. The Board, therefore, will promote registration and its benefits to social workers and their employers.

The Board intends to continue meeting with social workers, their employers and other stakeholders at least once in a year and will also be issuing regular newsletters and updates to the sector.

Measures	Standard
<p>Quality</p> <p>To maintain a nationwide targeted Board promotion campaign to meet the targets for APC renewals, competence assessments and new applications for registration.</p> <p>To meet with government and NGO employer groups, major social work professional bodies and representative organisations to promote registration and provide updates on Board policy and information at least</p> <p>Electronic or hardcopy newsletters will be published to publicise the work of the Board and profile other activity relevant to wider social work sector networks at least</p>	<p>Ongoing campaign</p> <p>Once a year</p> <p>Three times a year</p>
<p>Quantity and Timeliness</p> <p>In collaboration with the Ministry of Social Development, the Board will consult the public, the profession and organisations employing social workers on their views on whether a system of mandatory registration would achieve the purposes of the Act and report its findings to the Minister.</p> <p>Scope the framework for the legislative review of the Social Workers Registration Act 2003, taking into consideration stakeholder feedback on mandatory registration.</p>	<p>31 December 2010</p> <p>30 June 2011</p>

FORECAST FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2011

Statement of Performance

Statement of Movements in Equity

Statement of Financial Position

Statement of Cash Flows

Statement of Accounting Policies

FORECAST STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2011

Actual 2009 \$		Budget 2011 \$	Forecast 2010 \$
	Income		
–	Government Grant	–	–
747,634	Application & registration fees	775,950	772,515
137,144	Discipline levy	– ¹	154,380
37,735	Expense recoveries & other income	23,000	5,976
42,231	Interest	20,000	23,253
964,744	Total Income	818,950	956,124
	Expenditure		
18,290	Audit fees	20,000	15,000
102,070	Board & Tribunal costs	78,000	58,674
49,478	Course recognition	20,000	4,416
60,379	Depreciation & amortisation	53,100	58,394
–	Net loss on disposal of property, plant & equipment	–	18
386,757	Personnel costs	481,000	431,708
114,206	Promotion & publications	55,700	59,269
94,109	Operating lease costs	94,140	94,117
172,573	Other	177,500	184,921
997,862	Total Expenditure	979,440	906,517
\$(33,118)	Surplus/(Deficit)	\$(160,490)²	\$49,607

The accompanying notes and accounting policies form part of these financial statements.

1. The Board will not be imposing a disciplinary levy this financial year.
2. As the Board will not be imposing a disciplinary levy this financial year the expected deficit will be offset from the Board's accumulated surplus from previous years which includes the SWRB Disciplinary Levy reserve.

FORECAST STATEMENT OF MOVEMENTS IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

Actual 2009 \$		Budget 2011 \$	Forecast 2010 \$
463,698	Total Crown Equity at the start of the year.	480,187	\$430,580
(33,118)	Operating surplus/(Deficit) for the period	(160,490)	49,607
(33,118)	Total recognised revenue and expenses for the period	(160,490)	49,607
\$430,580	Total Crown Equity at the end of the year.	\$319,697	\$480,187

The accompanying notes and accounting policies form part of these financial statements.

FORECAST STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

Actual 2009 \$		Budget 2011 \$	Forecast 2010 \$
	Current Assets		
398,236	Cash & cash equivalents	355,364	467,795
23,163	Accounts receivable	8,642	11,917
–	Investments	–	–
15,458	Prepayments	3,000	3,000
436,857		367,006	482,712
	Non Current Assets		
111,867	Property, Plant & Equipment	61,932	86,132
78,128	Intangible assets	50,043	78,943
189,995		111,975	165,075
626,852	Total Assets	478,982	647,787
	Less:		
	Current Liabilities		
66,987	Accounts Payable & accruals	76,685	85,000
18,835	Employee entitlements	10,000	10,000
110,450	Income received in advance	72,600	72,600
196,272	Total Liabilities	159,285	167,600
\$430,580	Net Assets Employed	\$319,697	\$480,187
	Crown Equity		
463,698	Accumulated surplus	480,187	430,580
(33,118)	Current Year Surplus/(Deficit)	(160,490)	49,607
\$430,580	Total Crown Equity	\$319,697	\$480,187

The accompanying notes and accounting policies form part of these financial statements.

FORECAST STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 30 JUNE 2011

Actual 2009 \$		Budget 2011 \$	Forecast 2010 \$
	Net Cash Flows from Operating Activities		
887,828	Registration fees, levies & APC fees	775,950	889,045
37,735	Other revenue	23,000	5,976
29,288	Interest received	23,275	34,499
(557,300)	Payments to Suppliers	(453,656)	(385,926)
(378,965)	Payments to Employees	(481,000)	(440,543)
18,586	Net Cash flows from Operating Activities	(112,431)	103,051
	Net Cash Flows from Investing Activities		
–	Sale of property, plant & equipment	–	458
288,602	Receipts on maturity of bank term deposits	–	–
(19,249)	Purchase of property, plant & equipment	–	(6,539)
(56,187)	Purchase of intangible assets	–	(27,412)
–	Investment in bank term deposits	–	–
213,166	Net Cash flows from Investing Activities	–	(33,493)
231,752	Net Increase/(Decrease) in Cash or cash equivalents	(112,431)	69,559
166,484	Cash or cash equivalents at beginning of the year	467,796	398,237
\$398,236	Cash or cash equivalents at end of the year	\$355,364	\$467,796

The accompanying notes and accounting policies form part of these financial statements.

STATEMENT OF ACCOUNTING POLICIES

For the year ending 30 June 2011

Reporting Entity

The Social Workers Registration Board ("the Board") is a Crown entity as defined by the Crown Entities Act is domiciled in New Zealand. As such, the Board's ultimate parent is the New Zealand Crown.

The Board's primary objective is to provide public services to the NZ public, as opposed to that of making a financial return.

Accordingly, the Board has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to International Financial Reporting Standards ("NZ IFRS").

The budget financial statements for the Board are for the year ending 30 June 2011.

Basis of preparation

Statement of Compliance

The financial statements of the Board have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand generally accepted accounting practice ("NZ GAAP").

The Board has applied the Framework for Differential Reporting for entities adopting the NZ IFRS and its interpretations as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

The Board qualifies for differential reporting exemptions as it has no public accountability and does not qualify as large under the criteria set out in the Framework for Differential Reporting.

Differential reporting exemptions as available under the Framework for Differential Reporting have been applied in relation to:

NZ IAS 1 Disclosure of critical accounting estimates and assumptions

NZ IAS 24 Related Party Disclosures

NZ IFRS 7 Financial Instruments: Disclosure

Measurement base

The financial statements have been prepared on a historical cost basis.

Functional and presentation currency

The financial statements are presented in New Zealand dollars. The functional currency of the Board is New Zealand dollars.

Significant Accounting Policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Revenue from the Crown

The Board receives no funding through revenue received from the Crown.

Interest

Interest income is recognised using the effective interest method.

Fees

Revenue from APC fees and disciplinary levies are recognised in the year to which the APC or levy relates. Other fee revenue is recognised on receipt.

Leases

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Board are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the statement of financial performance.

Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits held with New Zealand-registered banks with original maturities of three months or less.

Accounts receivable

Accounts receivable are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Investments

At each balance sheet date the Board assesses whether there is any objective evidence that an investment is impaired.

Bank deposits

Investments in bank deposits are initially measured at fair value. After, initial recognition investments in bank deposits are measured at amortised cost using the effective interest method.

Property, plant and equipment

Property, plant and equipment asset classes consist of leasehold improvements, furniture and office equipment which are shown at cost less any accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of financial performance.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Board and the cost of the item can be measured reliably.

The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of financial performance as they are incurred.

Depreciation

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

Depreciation of furniture and office equipment is provided on a diminishing value basis at rates provided under the Income Tax Act 2007.

The depreciation rates of major classes of assets have been estimated as follows:

- Leasehold improvements 6 years
- Furniture and office equipment (18% – 48%)

Intangible assets

Software acquisition and development

Acquired computer software licenses 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 by the Board are recognised as an intangible asset. Direct costs include the software development.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of the Board's website is recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in statement of financial performance.

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

Developed computer software 5 years 20%

Impairment of non-financial assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Board would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount and recognised in the statement of financial performance.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements

Short-term employee entitlements

Employee entitlements that the Board expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date.

The Board recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

Good and Service Tax (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (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 and financing activities, is classified as an operating cash flow in the statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

Income Tax

The Board is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

Cost allocation

The Board has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be identified in an economically feasible manner, with a specific output.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity information. Secretariat costs including personnel, occupancy and other indirect costs are charged on the basis of estimated time involvement of personnel on each output class.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.



**Social Workers
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Kāhui Whakamana Tauwhiro

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