



**Social Workers
Registration Board**
Kāhui Whakamana Tauwhiro

Statement of Performance Expectations 2020/21

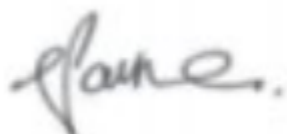
July 2020

Presented to the House of Representatives
pursuant to section 149 of the Crown Entities Act 2004

Board Statement

This Statement of Performance Expectations reflects the operations, prospective financial position and associated assumptions of the Social Workers Registration Board for the period 1 July 2020 to 30 June 2021.

The Board acknowledges responsibility for the information and prospective financial statements contained in this document, which have been prepared in accordance with the requirements of the Crown Entities Act 2004.



Shannon Pakura
Board Chair



Adam Davy
Chair – Finance Audit and Risk Management Committee

16 July 2020

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Our performance story

The 2019 amendments to the Social Workers Registration Act 2003 mean that social workers are moving from a voluntary regime to a mandatory regime where they must be registered and hold a valid practising certificate by 27th February 2021 and onwards.

2019/20 was year one of our change programme for the two-year transition period to the mandatory regime. Our performance results for our core activities in that year fell short in a couple of areas – an indication the changes required are impacting our performance.

We recognise the situation will be similar this year. As part of our planning, we have revised our performance targets down to take account of the continuing change programme for year two of the transition period.

We will also be impacted by COVID-19 and have adjusted the targets to recognise we will have to revise our priorities over 2020/21 as we learn more about the challenges. We are already looking at the potential impacts and working on how we can support social workers following the COVID-19 Alert Level 4. The longer-term impacts of the pandemic on health, wellbeing, and the economy will be for a lot longer than the Alert Level 4 period and will increasingly require social work skills to support people, whānau and communities over the next several years.

Since 2017, we have undergone substantive change. These changes have been rapid and expansive. Some have been designed to correct operational deficits (such as insufficient funding, outdated internal business processes and systems, and inadequate capacity and capability) and others are driven by the changes required to meet our obligations under the amended legislation.

Over the same period, we have developed our future vision, outcomes framework, organisational values, business planning, and annual reporting. With the key strategic thinking in place, many of our 2020/21 priorities are helping us change the way we operate to meet our outcomes in line with our mandate under the Act.

Our 2020/21 priorities have been designed to improve our effectiveness and efficiency to meet the needs of social workers, the sector, and the public. The three themes for our priorities are: completing our change programme for the mandatory regime, building our capability and capacity to be a more active partner with Māori, and continuing our shift to be a modern regulator.

Our continuing change programme for the mandatory regime

Significant changes are still required in 2020/21 as we are only part-way through our change programme. These will make our systems and processes simpler to use for social workers, social work students, education providers, employers and the public, and we will have clearer requirements that can be communicated more effectively.

Being more effective and efficient is particularly important to enable us to deal with the estimated 3,000 additional registrations and 3,000 additional practising certifications that need to be completed by February 2021.

Our 2020/21 work programme for implementation of the amended legislation includes key changes such as:

- implementing a new database
- developing and implementing more efficient and effective processes for registration, practising certification, and promoting our learnings from complaints by publishing findings and releasing practise notes
- changing competency assessment and professional standards
- developing and implementing a scope of practice
- clarification about our future 'stable state' and implementing a structure to support the successful ongoing operation of the business

Building capability and capacity to be a more active partner with Māori

We are on the pathway to be a more active partner with Māori by, in 2019/20:

- developing a Māori Responsiveness Strategy so that we can become an organisation that is known for being culturally competent and aware, inclusive and understanding of tangata whenua needs
- establishing Te Kāhui Māori to advise the Board
- appointing a Senior Advisor Social Work Practice Māori to our Advisory Team
- higher engagement with Kaupapa Māori social services and Māori social workers
- many staff completing Te Reo courses, staff performance appraisal measures reflecting Te Ao Māori, our team meetings being facilitated from Te Ao Māori values (our organisational values)
- developing workshops focused on exploring ‘things Māori’ to deliver from 2020/21.

There is more to do to get to where we can genuinely meet our obligations under the Act to –

Ensure the aims and aspirations of Māori as tangata whenua, and appropriate involvement of Māori as tangata whenua, are integral and ongoing priorities

Maintain mechanisms to ensure the views of Māori as tangata whenua are at all times readily accessible to us

We are recruiting an executive leadership position in 2020/21 for in-house expertise to enable us to build further and improve the strength and quality of our connections with Māori stakeholders.

Early priorities for being a more active partner with Māori include developing:

- our Te Tiriti o Waitangi Policy Statement as the formal expression of the high-level direction for how we will work to honour our obligations as a Tiriti partner
- an action plan alongside a finalised Māori Responsiveness Strategy – turning strategy into action for 2020/21 and onwards

Continuing on our shift to be a modern regulator

Once the transition period ends, we will focus more on our shift to be a modern regulator where we ‘support and encourage’ high standards of practice and professional conduct among social workers and the employers of social workers.

For instance, in 2021, we will do research, surveys and data analysis (including of complaints and notifications received) that includes identifying trends in harm by practitioners and social work issues. This will inform our activities directed at social worker professionalism, such as:

- information and compliance marketing campaigns for social workers, social work students, employers, education providers and the public, and to attract people to the social work profession or return to practise
- audits/reviews of social workers’ continuing professional development logs targeted to parts of the sector showing the highest harm by practitioners, rather than randomly as currently

Setting the scene

We are the national regulatory and compliance agency of social workers and social work education programmes under the Social Workers Registration Act 2003. Our role is to protect the safety of members of the public by ensuring social workers are accountable, competent and safe to practice, and to enhance the professionalism of social workers.

Our vision

Social workers enable the Mauri Ora of our communities, family, whānau and individuals

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

Our purpose

To protect the safety of members of the public by ensuring social workers are accountable, competent and safe to practice now and into the future

Ko tā mātau kaupapa... te tautiaki i te iwi tūmatanui mā te whakarite, ka noho haepapa ngā tauwhiro, ka haumarū, ka whai pūkenga, ka tika hoki ki ngā mahi ināianeī, ā, haere ake nei

Our principles

What is important to us:

Be safe. An uncompromising commitment to public safety

Be fair. Consistent, fair, reasonable and transparent processes

Be accountable. Accountable to the public, Minister of Social Development, staff and the profession

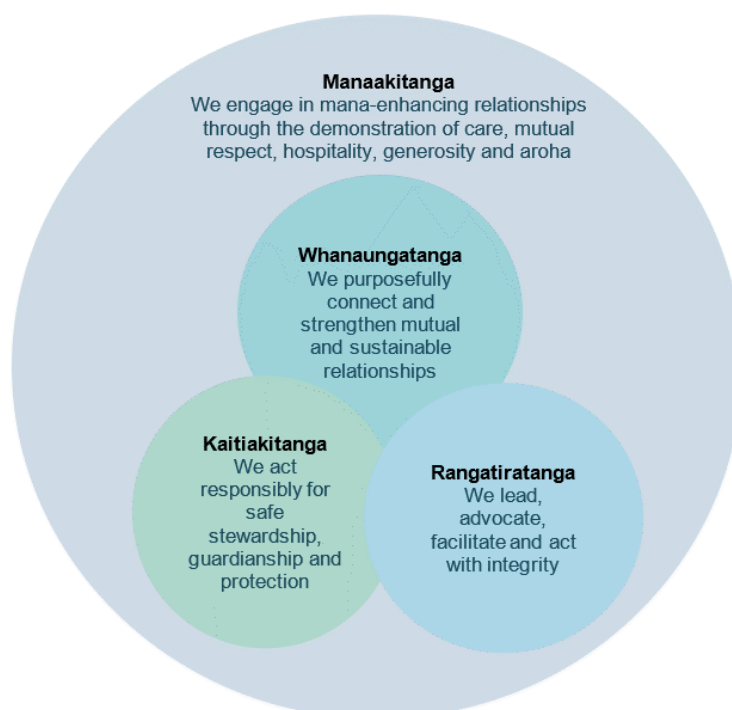
Be effective. Best practice governance/regulatory role

Be collaborative. Collaborate and communicate through strong respectful relationships so the best outcomes are achieved

We learn and improve. Excellence and continually challenging ourselves to keep getting better

Our takepū

The takepū inform and guide the Board in its kaupapa to protect the safety of members of the public and enhance the professionalism of social workers.



Our core functions

Our core functions focus on ensuring social workers...



Are registered
(qualified, competent and fit & proper)



Uphold the Board's Code of Conduct and meet the Board's Core Competence Standards



Hold a current practising certificate
(maintain being qualified, competent and fit & proper)



Undertake continuing professional development and supervision to maintain and enhance knowledge and expertise

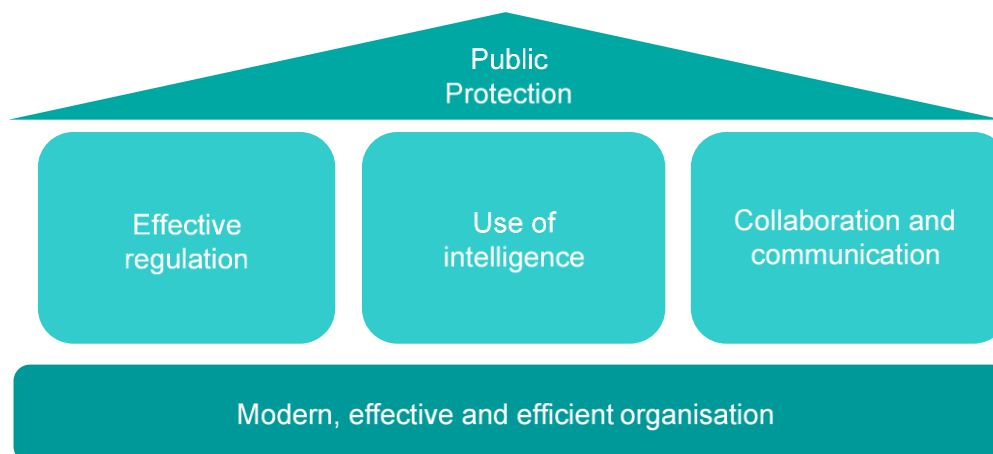
We also:

- Provide regulatory and practice advice
- Ensure social workers engage in Continuing Professional Development and supervision
- Set professional standards via a Code of Conduct
- Review and recognise social work degrees and provide educators with guidance
- Collect and analyse information and data on workforce trends
- Develop competence standards
- Develop policy, including Scope of Practice
- Undertake consultation and submissions
- Have Crown entity reporting and other obligations (note: health practitioner regulators that do similar work to us are not Crown entities under the Crown Entities Act 2004 and we are the only Crown entity safety regulator monitored by the Ministry of Social Development).

How we will know we have been successful

Our Strategic Plan 2018-2022 sets out that we will know we have been successful when:

- we have increased collaborative opportunities and engagement with our stakeholders
- our standards, guidelines, and policies are responsive to current practice and consider evolving models of practise
- we have no successful legal challenges to our decisions or processes
- our strategic initiatives are achieved in line with the annual business plan and budget.



Our output class

We have one output class: administration of the registration framework, which we intend to achieve through three sub-outputs as set out on this page.

Most of our funding comes from social workers, with some funding from education providers and Government.

Fees - paid by social workers and education providers for services provided directly to them

Practising certificate fees - paid by registered social workers wishing to practise, and annually to continue to practise

Disciplinary Levy – paid by registered social workers to cover the costs of investigations and other proceedings concerning discipline

Crown funding – the Government's contribution to our Crown entity obligations, and for 2020/21, a contribution to changes due to the amended legislation

Sub-output 1 Regulatory and Compliance

1.1 Professional Standards Advisory

- Assessments of social worker health, competence (NZ, overseas, Māori), fit and proper person, practical experience
- Advice to social workers and employers

1.2 Registration and Certification

- Applications for registration
- Assessments of social worker health, competence ((NZ, overseas, Māori), fit and proper person, practical experience
- Issuing practicing certificates
- Advice to social workers and employers

1.3 Social Worker Audits

- Targeted audits of social workers
- Assisted compliance
- Guidance for social workers and employers

1.4 Complaints Assessment and Advisory

- Complaints and notifications assessments
- Professional Conduct Committee advice and administration
- Secretariat for the Board committee
- Disciplinary Tribunal (outsourced)

1.5 Education

- Programme recognitions and reviews
- Advice to social workers, employers and education providers

Fees for services
Practising certificate fees
Disciplinary Levy

Sub-output 2 Strategy and Policy

2.1 Active Partner with Māori

2.2 Policy

- Advice to Ministers
- Strategic policy development
- Operational policy
- Reviews of the Act

2.3 Research, Surveys & Data Analysis

2.4 Compliance Marketing

2.5 Strategy, Planning & Performance

- Advice to the Board
- Crown entity obligations:
 - Statement of Intent
 - Statement of Performance Expectations
 - Responding to Parliamentary Committees
 - Performance monitoring and reporting requirements
- Annual Report
- Memorandum of Understanding with Minister
- Funding reviews

2.6 Ministerial Services and Official Information Act requests

Practising certificate fees
Crown funding

Sub-output 3 Corporate

3.1 Board Secretariat

3.2 Business Operations

- Finance
- Human Resources
- Legal
- Procurement
- IT, database and information management
- Work programme and project management
- Property management

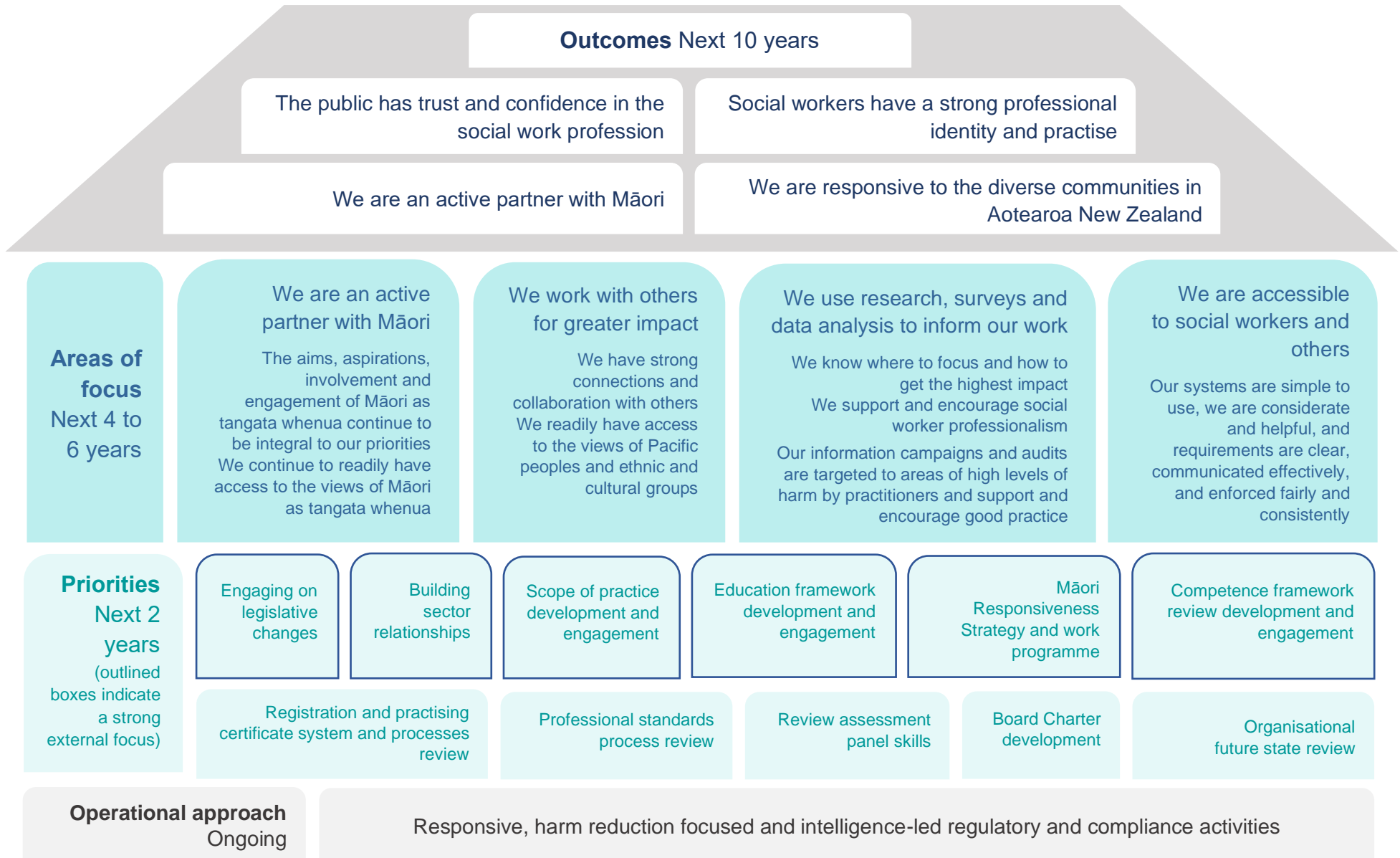
3.3 Communications

- Stakeholder engagement
- Relationship management
- External and internal comms
- Website content development and maintenance
- Publications

Practising certificate fees

Our outcomes

Our output class is intended to achieve the strategic intentions under our Outcomes Framework below (developed in 2019). We have taken a system approach to outcomes with coordinated effort across our functions to maximise synergies for system-wide improvement.



Priorities and impacts

The priorities for 2020/21 align with our Outcomes Framework and Strategic Plan 2018-2022, and have similar themes to our Statement of Intent 2017-2022. We will revise our Statement of Intent in 2020/21 to align with our Outcomes Framework, Strategic Plan, and that we will move to a stable state at the end of the transition period for mandatory registration and practising certification.

The priorities for 2020/21 focus on continuing our change programme due to the amended legislation, being a more active partner with Māori, and changing the way we operate to continue our shift to be a modern regulator.

Priorities for 2020/21 build on work to date

Our priorities for 2020/21 build on the changes successfully completed in 2019/20 and continue others that are part-way through. We have prioritised implementation of the changes due to the amended legislation, recognising the impact of our work to date. This is described below.

Change simultaneously occurring internally and externally

We have worked hard to overcome our internal operational issues. Some of this has taken time - setting priorities and planning, and progressing with the support of the Minister and the Ministry of Social Development as our monitoring agency. At the same time, changes due to the amended legislation are sector facing and we have been occupied with ensuring these are well understood (information campaign) and that compliance processes are fit for purpose.

The cumulative effect of managing major change on two fronts is that in spite of the increase in capability within the organisation, we are stretched to maximum capacity.

Significant lift in organisational capability

We have significantly lifted our organisational capability in a short period of time. The strategic content in our corporate documents is now more cohesive and represents an increased level of organisational maturity. Our shift in conceptual thinking emphasises how we can most effectively support and encourage a professional workforce, ensure safety of members of the public, and be an active partner with Māori. A shift of this magnitude over such a short period of time has been challenging and requires further work to embed.

Operational issues have been addressed but are not yet completed

Most of our operational issues have been addressed to some extent, but not all of this work has been completed. The most significant resource building that is part-way through is the new database, which will help us efficiently deal with increased registrations and practising certification in 2020/21 and provide more effective ongoing processes, records, and data.

There is a residual layer of internal policies that need to be developed or reviewed, as well as external policies such as the scope of practice, professional standards framework, education framework and competence framework. We have proactively re-scheduled developing or reviewing some internal policies important for our future organisational health as a means of reducing internal resource pressure.

Moving to a stable state

We have managed our change processes using formal programme management disciplines. This has enabled us to clearly track the progress of priority areas of work and manage delivery risks, supported by specialist resource with a high level of skill and a good delivery record. This has contributed to the level of change we have been able to achieve, and the rapid pace at which that has happened.

As the change programme begins to deliver core business over 2020/21, we are moving to permanent internal resource that supports organisational stability, including institutional memory retention. We have started developing a 'stable state' vision and will work towards putting in the structure to support successful business operations for 2021/22 and onwards.

Active partner with Māori

In 2019/20, we developed our Māori Responsiveness Strategy, established Te Kāhui Māori to advise the Board, and appointed a Senior Advisor Social Work Practice (Māori) to our Advisory Team.

For 2020/21, we are recruiting an executive leadership position for expertise in-house to enable us to develop our Te Tiriti o Waitangi Policy Statement as our formal expression of the high-level direction for how we will work to honour our obligations as a Tiriti partner, and develop an action plan alongside a finalised Māori Responsiveness Strategy – turning strategy into action for 2020/21 and onwards.

Priorities for 2020/21 are also forward looking

Strategic shift - moving to operate as a modern regulator

We are on the pathway to becoming a modern regulator¹ in line with the approach taken by other New Zealand regulators².



All New Zealanders benefit when social workers practise in a **knowledgeable, skillful and ethical** way and claim their professional space by speaking out courageously – **mātātoa**



The foundation for this is a modern regulator operating on a **support, encourage and require** basis



Well-informed social workers, who are influenced (i.e. **supported and encouraged**) to understand the intent and requirements of regulations are more likely to comply – and adopt better practices



Where information and influence doesn't work, some form of **enforcement action** can be necessary (i.e. **require**) to ensure **good practice is adopted**

Changing the way we operate

Our priorities for 2020/21 are designed to ensure the changes we make support our move to be a modern regulator. Being a modern regulator means we need to be...

Responsive

Our activities are based on a problem-solving approach
We acknowledge sector behaviour drivers, but are not dictated by them
We provide consistent and reliable engagement, without unnecessary transaction costs

Public safety focus

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
Our activities are targeted and proportionate to embed best practice and reduce harm by practitioners

Intelligence-led

We use research, surveys and data analysis to inform our work

¹ 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

² 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>

Here is how the priorities for 202/21 contribute to our Strategic Plan 2018-2022

Outcomes

Next 10 years

We are an active partner with Māori

The public has trust and confidence in the social work profession

Social workers have a strong professional identity and practise

We are responsive to the diverse communities in Aotearoa New Zealand

Areas of focus

Next 4 to 6 years

We are an active partner with Māori

We work with others for greater impact

We are accessible to social workers and others

We use research, surveys and data analysis to inform our work

Strategic Plan Priority One: Safety of the Public – Registration, competence, fitness to practice, capability and capacity

All social workers are registered competent, fit, and safe to practise
Recognised education programmes meet the need of current and future practice

2020/21 outputs: priorities and impacts

Registration and practising certificate system and processes review

- Efficiently process 3,000 additional registrations and 3,000 additional practising certificates
- Registration policies and processes are appropriate, current, and effective
- Disclosures of fitness to practice issues on registration are managed consistently

Scope of practice development and engagement

New scopes of practice are considered to meet the needs of current and future practice

Competence framework review development and engagement

- Competencies reflect the expectations of the public and profession and ensure safe, culturally competent, and effective social work practice
- Our competence framework is fit for purpose

Review assessment panel skills

The panel can more effectively and efficiently deal with assessments

Education framework development and engagement

Appropriate qualifications are prescribed for entry into the profession and align with the general scopes of practice

Strategic Plan Priority Two: Strong Organisation – Organisational performance

We are an effective and efficient organisation, aligned to our purpose and engaged with our stakeholders

2020/21 outputs: priorities and impacts

Māori Responsiveness Strategy and work programme

Recognise that our roles and obligations under the Te Tiriti o Waitangi include that we:

- understand Te Tiriti obligations and aspirations
- have respectful, enduring partnerships with Māori
- understand the needs and expectations of Māori in relation to our services, and our functions ensure staff and the Board have the necessary skills, knowledge and competencies to work effectively with Māori

Building sector relationships

Develop and maintain positive relationships with stakeholders with a collaborative focus and have appropriate representation at national and international forums

Engaging on legislative changes

Develop our leadership role in the national and international regulatory environment with a particular emphasis on social work

Undertake a review of the Act as required by our legislation

Professional standards process review

Processes and operational policies are effective and up to date

Organisational future state review

- An effective and efficient organisational structure
- Operational policies are effective and up to date
- Social worker information is collected, and a Register is maintained
- Quality employee learning and growth is promoted
- Publications and communications are timely, relevant, and accessible
- Financial performance is managed effectively
- Annual Report and financial outputs are available to all stakeholders

Strategic Plan Priority Three: Effective Governance – Governance performance

Board governance is effective and efficient, aligned to its purpose

2020/21 outputs: priorities and impacts

Board Charter development

Governance policies are up to date and effective

Performance measures for our output class

The expected revenue and proposed expense for our output class is equal to that stated in the prospective statement of comprehensive revenue and expense on page 12.

The performance for the output class is assessed through the measures below, which have been revised downwards for 2020/21 to take into account the impact of the implementation changes on our core operations and the COVID-19 pandemic. However, we expect that the quantity of communications will exceed the target given the high number of interactions with the sector regarding changes and provision of advice for COVID-19.

Timeliness ¹				
Measure	Instrument	2019/20 Target	2019/20 Estimated actual	2020/21 Target
Percentage of overseas qualification non-binding assessments processed within one month of being received	Database information	85-90%	85%	80-85%
Complaints received responded to within 20 working days	Notifications tracking	70-85%	Exceeded target 100%	65-80%
Percentage of applicants/registered social workers who require a refund receive one within 60 working days	Financial management system	80-85%	75%	75-80%

Quantity ¹				
Measure	Instrument	2019/20 Target	2019/20 Estimated actual	2020/21 Target
Stakeholders are kept informed of changes to the regulatory framework resulting from the implementation of the Social Work Registration Act 2003	Actual publications (including website)	Stakeholders are informed through: <ul style="list-style-type: none"> ▪ at least 4 issues of OnBoard newsletter² ▪ website up to date ▪ collateral developed 	Achieved	Stakeholders are informed through: <ul style="list-style-type: none"> ▪ at least 4 issues of OnBoard newsletter² ▪ website up to date ▪ collateral developed
Ensure education providers are meeting minimum standards by completing:	Education recognitions and reviews schedule	4 programme re-recognitions ³ 4 programme midcycle reviews ⁴	4 programme re-recognitions 2 programme mid cycle reviews Deferrals due to COVID-19	3 programme re-recognitions ³ 3 programme midcycle reviews ⁴

Quality¹

Measure	Instrument	2019/20 Target	2019/20 Estimated actual	2020/21 Target
Percentage of applicants who report being satisfied with the registration process, including timeliness	Survey	90-95%	Currently being surveyed ⁶	80-85%
Percentage of applicants who report being satisfied with the practising certificate renewal process, including timeliness	Survey	90-95%	Currently being surveyed ⁶	80-85%

Notes

1. These measures have been revised downwards to reflect the ability of the organisation to meet the higher band during transition to mandatory in anticipation of increased demand, and unknown effects of COVID-19.
2. Number of OnBoard newsletters measure has increased as the base number produced increased in 2019/20.
3. A programme re-recognition is a complete review of a recognised education programme, which is completed every 5 years by a panel of experts. This is completed to reassure the SWRB the programme delivers to the SWRB required standard and is theoretically current and internationally benchmarked.
4. A midcycle review is a process where the SWRB maintains an overview of the education programme and follows up on implementation of recommendations made at the time of re-recognition. It also provides an opportunity for education providers to discuss proposed future developments within their programme delivery.
5. Some flexibility was required in light of the COVID-19 pandemic, which meant fewer midcycle reviews taking place than originally planned.
6. The results for these measures are populated through annual surveys, which cover the financial year (1 July 2019 – 30 June 2020). The surveys are currently open and are due to be completed by the 20th of July. The results will be included in the organisation's Annual Report. Moving forward, this process will be reviewed and streamlined to better meet reporting requirements.

Prospective statement of accounting policies

For the year ending 30 June 2021

Basis of preparation

The forecast financial statements of the Social Workers Registration Board have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice.

These forecast financial statements comply with public benefit entity (PBE) financial reporting standard (FRS) 42 – Prospective Financial Statements. They have been prepared in accordance with Tier 2 PBE Accounting Standards. We are required to prepare a Statement of Performance Expectations including prospective financial statements at or before the start of each financial year to promote public accountability by providing a base against which entity's actual performance can later be assessed. The forecast financial statements may not be appropriate for any other purposes.

All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Changes in accounting policies

There have been no changes in accounting policies. All accounting policies were applied consistently during the period.

Functional and presentation currency

The financial statements are presented in New Zealand dollars. Transactions not in New Zealand dollars are translated at the exchange rate at the date of the transaction, Monetary asset and liability balances are to be translated using the exchange rate at balance date.

Significant accounting policies

Revenue

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

Revenue from the Crown

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements. This funding is restricted in its use for the purpose of the Board meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of the funder.

Interest

Interest income is recognised when earned.

Fees

Revenue from Practising certificate fees are recognised in the year to which the practising certificate relates.

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

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 measured at fair value.

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 measured at cost.

Property, plant and equipment

Property, plant and equipment asset classes consist of leasehold improvements, furniture, office equipment, computer equipment and software which are shown at cost less any accumulated depreciation or amortisation 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, and the total value of the item exceeds \$2,000.

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, office and computer equipment is provided on a diminishing value basis at rates provided under the Income Tax Act 2007.

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

- Leasehold improvements (16.7% SL)
- Furniture and office equipment (18% - 60% DV)
- Computer equipment (48% DV)
- Developed website and computer software (20% SL)

Impairment of property, plant and equipment

If an asset's value to the Board in using the asset falls below the carrying amount of the asset it 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 cost.

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.

Income tax

The Board is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.

Forecast revenue and expense for 2020-21

Expense on the output for 2020/2021 will be funded by payments received by the Board from social workers who apply for registration, from Registered Social Workers who wish to maintain their annual practising certificate and from Tertiary Education Organisations that require their social work qualifications to be recognised for the purposes of the Social Workers Registration Act 2003.

Output

Administration of the Social Workers Registration Board Registration Framework

Actual 2018/19 \$000	Estimated 2019/20 \$000		Forecast 2020/21 \$000
2,366	4,172	Revenue	5,765
2,464	3,961	Expense	5,323
(98)	211	Total surplus/(deficit)	442

Forecast comprehensive income and expense for the year ending 30 June 2021

Actual 2018/19 \$	Estimated 2019/20 \$		Forecast 2020/21 \$
		Revenue	
2,087,416	2,609,159	Registration & practising fees and levy	4,313,503
44,606	1,343,000	Revenue from the Crown Program recognition & other revenue	788,000
202,553	176,594	Interest	613,617
31,354	43,296		50,000
<hr/>	<hr/>	Total Income	<hr/>
2,365,929	4,172,050		5,765,120
		Expense	
118,179	119,774	Administration and overhead costs	100,941
139,231	225,424	Complaints and tribunal fees	410,000
16,244	83,427	Publications & Promotions	348,704
59,967	45,381	Depreciation & amortisation	75,108
1,161,818	2,116,841	Personnel costs	2,690,379
968,681	1,369,722	Other expenses	1,697,403
<hr/>	<hr/>	Total Expense	<hr/>
2,464,119	3,960,570		5,322,535
<hr/>	<hr/>	Other Comprehensive revenue	<hr/>
0	0		0
<hr/>	<hr/>	Net Surplus/(deficit)	<hr/>
(98,190)	211,480		442,585

The accompanying notes and accounting policies form part of these financial statements
These statements have not been audited

Forecast statement of movements in equity

For the year ended 30 June 2021

Actual 2018/19 \$	Estimated 2019/20 \$		Forecast 2020/21 \$
577,958	479,768	Total Crown Equity at start of year	691,248
(98,190)	211,480	Net surplus/(deficit)	442,585
<u>479,768</u>	<u>691,248</u>	Total Crown Equity at end of year	<u>1,133,833</u>

The accompanying notes and accounting policies form part of these financial statements
These statements have not been audited

Forecast statement of financial position as at 30 June 2021

Actual 2018/19 \$	Estimated 2019/20 \$		Forecast 2020/21 \$
		Current Assets	
1,030,886	966,804	Cash & cash equivalents	587,395
31,638	32,873	Account receivable	32,873
1,852,145	3,100,000	Investments	4,250,000
35,260	26,511	Prepayments	26,511
<u>2,949,930</u>	<u>4,126,188</u>		<u>4,869,779</u>
		Non-current assets	
92,016	66,194	Property plant & equipment	56,086
<u>3,041,945</u>	<u>4,192,382</u>	Total Assets	<u>4,952,865</u>
		Less	
		Current Liabilities	
487,058	391,989	Accounts payable & accruals	439,540
56,637	62,426	Employee costs payable	62,426
2,013,816	2,954,071	Income received in advance	3,261,478
4,667	37,059	Deferred lease liability	37,059
<u>2,562,177</u>	<u>3,447,665</u>		<u>3,817,305</u>
		Non-Current Liabilities	
0	55,589	Deferred lease liability	18,529
<u>2,562,177</u>	<u>3,501,134</u>	Total Liabilities	<u>3,819,032</u>
<u>479,768</u>	<u>691,248</u>	Net Assets employed	<u>1,133,833</u>
		Crown Equity	
577,958	479,768	Accumulated surplus	691,248
(98,190)	211,480	Current year surplus/(deficit)	442,585
<u>479,768</u>	<u>691,248</u>	Total Crown Equity	<u>1,133,833</u>

The accompanying notes and accounting policies form part of these financial statements
These statements have not been audited

Forecast statement of cash flows for the year ended 30 June 2021

Actual 2018/19 \$	Estimated 2019/20 \$		Forecast 2020/21 \$
Cash Flows from Operating Activities			
2,822,458	3,692,740	Revenue received	5,470,088
	1,544,450	Revenue from the Crown	906,200
25,469	46,379	Interest received	57,504
(1,253,379)	(1,990,006)	Payment to suppliers	(2,959,555)
(1,112,163)	(2,089,909)	Payment to employees	(2,638,646)
482,384	1,203,654	Net Cash flows from operating activities	835,591
Cash Flows from Investing Activities			
(1,852,145)	(1,248,328)	Net movement in bank term deposits held	(1,150,000)
23,172	2,343	Sale of property, plant & equipment	-
(5,858)	(21,751)	Purchase of property, plant & equipment	(65,000)
-	-	Purchase of intangible assets	-
(1,834,831)	(1,267,736)	Net Cash flows from investing activities	(1,215,000)
(1,352,447)	(64,082)	Net increase (decrease) in cash or cash equivalents	(379,409)
2,383,333	1,030,886	Cash or cash equivalents at beginning of year	966,804
1,030,886	966,804	Cash or cash equivalents at end of year	587,395

The accompanying notes and accounting policies form part of these financial statements
These statements have not been audited

Prospective Statement of Accounting Policies

For the year ending 30 June 2021

Basis of preparation

The forecast financial statements of the Social Workers Registration Board have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice.

These forecast financial statements comply with public benefit entity (PBE) financial reporting standard (FRS) 42 – Prospective Financial Statements. They have been prepared in accordance with Tier 2 PBE Accounting Standards. We are required to prepare a Statement of Performance Expectations including prospective financial statements at or before the start of each financial year to promote public accountability by providing a base against which its actual performance can later be assessed. The forecast financial statements may not be appropriate for any other purposes.

All transactions in the Performance Report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Changes in Accounting Policies

There have been no changes in accounting policies. All accounting policies were applied consistently during the period.

Functional and presentation currency

The financial statements are presented in New Zealand dollars. Transactions not in New Zealand dollars are translated at the exchange rate at the date of the transaction, Monetary asset and liability balances are to be translated using the exchange rate at balance date.

Significant Accounting Policies

Revenue

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

Revenue from the Crown

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements. This funding is restricted in its use for the purpose of SWRB meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of the funder.

Interest

Interest income is recognised when earned.

Fees

Revenue from Practising certificate fees are recognised in the year to which the practising certificate relates. Application fees and fees for competence assessment, competence recertification and non-binding assessment are recognised when all application data has been received. 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 measured at fair value.

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 measured at cost.

Property, plant and equipment

Property, plant and equipment asset classes consist of leasehold improvements, furniture, office equipment, computer equipment and software which are shown at cost less any accumulated depreciation or amortisation 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, and the total value of the item exceeds \$2,000.

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, office and computer equipment is provided on a diminishing value basis at rates provided under the Income Tax Act 2007.

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

Leasehold improvements (16.7% SL)

Furniture and office equipment (18% - 60% DV)

Computer equipment (48% DV)

Developed website and computer software (20% SL)

Impairment of Property, plant and equipment

If an asset's value to the Board in using the asset falls below the carrying amount of the asset it 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 cost.

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.

Income Tax

The Board is wholly exempt from New Zealand income tax having fully complied with all statutory conditions for these exemptions.