



**Social Workers
Registration Board**
Kāhui Whakamana Tauwhiro

STATEMENT OF PERFORMANCE EXPECTATIONS

2018 – 2019

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

CONTENTS

STATEMENT OF RESPONSIBILITY	3
REPORTABLE CLASS OF OUTPUTS	4
IMPACTS AND PRIORITIES	5
OUTPUT:	
ADMINISTRATION OF THE SWRB REGISTRATION FRAMEWORK	9
FORECAST FINANCIAL STATEMENTS	11

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STATEMENT OF RESPONSIBILITY

The Social Workers Registration acknowledge responsibility for the preparation of these Forecast Financial Statements and Forecast Statement of Service Performance and for the judgements used in them.

The forecast financial statements of the Board have been prepared in accordance with public benefit entity accounting standards based on International Public Sector Accounting Standards (IPSAS)

The forecast financial statements have been developed for the purpose of presenting the Social Workers Registration Board's operating intentions in Parliament and should be read in conjunction with the Statement of Intent 2017-2021.

Actual results are likely to be different from the forecast financial statements and the variation may be material.

We have authorised the issue of the forecast financial statements on this day, 30 April 2018.



Shayne Walker
Board Chair

30 April 2018



Khoa Nguyen
Chair – Finance Audit and Risk Management Committee

30 April 2018

REPORTABLE CLASS OF OUTPUTS

The Social Workers Registration Board is charged with protecting the public's safety by implementing a registration framework to ensure that social workers are competent to practise and held accountable for their practice.

The Board was established as a Crown agent as per the Crown Entities Act 2004 with its role established under the Social Workers Registration Act 2003 to:

- a) protect the safety 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 Board will continue 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.

Social Workers Registration Act 2003

In 2015 the Minister for Social Development asked the Board to undertake a review of the Social Workers Registration Act and report back by December 2015. The review recommended that social worker registration be made mandatory and in 2016, based on this advice the Social Services Select Committee undertook an inquiry into the Social Workers Registration Act (2003).

This was at the request of the Minister to identify how social work standards could be lifted so that vulnerable people are protected from poor practice. The Committee released its inquiry report in December 2016 concluding that legislative reform was needed to:

- strengthen the regulatory framework for the social work sector
- increase the professionalism and competence of social workers, and
- provide greater protection for the public.

As a result, the Social Workers Registration Legislation Bill was introduced into Parliament on 9 August 2017 with around 120 submissions received. The Bill has the stated intent

- increasing coverage of the regulatory regime so that it will cover all social workers
- ensure that social workers are competent and fit to practise;
- provide for an “appropriate and efficient complaints and disciplinary processes”; and
- increase “the effectiveness and transparency of the way the Act functions”. [1]

The Bill was reported back to the House at the end of April 2018 and is in the process of progressing through the subsequent stages. At the time of writing it is not clear when the legislation will pass, and when the changes proposed will come into effect, although at least some components are anticipated to be in place within the 2018/19 year. In addition to the likely increase in the number of applications for registration, other changes such as the size of the Board, and the process of competence assessment have the potential to be very influential in terms of both revenue and expenditure. In addition, Hon. Tracey Martin in her role as Associate Minister of Education has as a delegated responsibility for “leading a review of the quality of social work pre-service tertiary education qualifications, including the number of providers”. As this work progresses it is likely to influence priorities and timeframes for work being undertaken by the Board, although at this stage it is not clear what they will be.

Given the number of variables and potential timeframes the Board has produced this document on a business as usual basis and will produce a new SPE once the extent and scale of changes are determined.

Social workers work with some of those with the most complex needs in our society. Social workers are core members of multidisciplinary teams in a range of care settings; they play a leading role in child protection and welfare services and have access to at risk children and some of the most vulnerable, people, families and whanau in our society, spanning the very young to the very old.

Their role is crucial, and the public must have confidence and trust in their work, despite challenging and difficult situations. Public trust and confidence is dependent on professional accountability, accountability that is provided through regulation. The public is entitled to know that the social work profession is appropriately regulated, and that social workers are fit and competent to practise, during some of the most trying points in citizens’ lives.

Impacts and Priorities:

The impacts and priorities described below are a brief overview of the Board’s programme for the next twelve months and should be viewed alongside the Statement of Intent 2018-2022 which provides the Board’s strategic intentions for the next four years. The Statement of Intent notes legislative reform is expected to be a major focus for the SWRB over the next four years and that it will look at establishing a set of baseline measures, such as public confidence in the social work profession against which the impact of these reforms can be assessed. It should be noted that the Board have in development a Five Year Strategic Plan that will influence future priorities, and allow the Board to respond to the changing

regulatory environment. Fundamental to this work is valuing our relationship with Māori. Our goal is to build the Board's capability to deliver effectively with and for Māori through the development of a Māori Responsiveness Strategy, to be completed during 2018/19. This will be particularly important as the Board prepares itself for a mandatory environment.

The Board will continue to provide support and advice as required to the Minister for Social Development and officials as the legislation progresses from passage to implementation.

Registration

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

The Board provides access to a registration system for a large number of social workers that is continuing to grow each year. Over the last two years the Board has invested in an on-line application process and continues to investigate new opportunities to simplify the system, including reducing the amount of paperwork required.

In 2018/2019 the Board will review aspects of its current registration application process to look for where improvements may be made to increase efficiency and customer experience and to ensure we can manage any increase in demand following legislative change.

Education

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

Social work education in New Zealand is recognised internationally as professionally taught and consistently of a high calibre. By maintaining programme delivery standards across tertiary providers, this priority contributes to ensuring that graduates have the skills they need to deliver high-quality social services to New Zealanders, especially those most vulnerable.

In 2018/2019 the Board will also continue to work with tertiary education providers to ensure they meet the SWRB requirements for degree delivery. The Board will also work with others across the sector in preparation for undertaking a review of Programme Recognition Standards in 2019/20 and contribute to any review led by Minister Martin.

Accountability

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

The Board ensures that all social workers are aware of the revised Code of Conduct and the conduct expected of Registered Social Workers. The Board will continue to provide access to a Complaints and Disciplinary system for anyone with concerns about a social worker's practice. It remains a priority for the Board to ensure the public have access to an independent and fair process.

In 2018/2019 the Board will undertake a programme of work to update policies relating to ensuring social workers are competent to practise and to best practise in assessing competence including developing a Return to Practise policy.

Professional standards

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

The Board ensures that only social workers who are deemed competent to practise social work and are competent to work with Māori, Pasifika and other different ethnic and cultural groups in New Zealand are registered. This priority contributes by ensuring social workers are adaptable to new approaches to providing social services including those identified under Whānau Ora.

In 2018/2019 the Board will develop a Māori Responsiveness Strategy to ensure that the organisation has the appropriate internal capability, policies and processes to work with Māori effectively.

Information and promotion



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

This is a significant area of focus for the Board as it is necessary for all New Zealanders to be aware of social worker registration to ensure that the system provides for the purposes as set out in the Act. Protection of the public, by providing for mechanisms to ensure that social workers are competent to practise and accountable for the way in which they practise, contributes to better public services.

In 2018/2019 the Board will continue to support government with the proposed legislative changes to the Social Workers Registration Act, and with the implementation of the changes.

In 2018/2019 the Board will ensure the profession and employers of social workers remain aware of the progress of the proposed mandatory registration legislation and are advised of any obligations that will result from this legislation.

THE DIFFERENCE WE WANT TO MAKE AND HOW WE WILL MAKE IT

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

OUTPUT: ADMINISTRATION OF THE SWRB REGISTRATION FRAMEWORK

What is intended to be achieved?

We protect the public's safety by administering a registration framework to ensure that social workers are competent to practise and held accountable for their practice.

The processes undertaken to achieve this are:

Management of the registration of social workers

- 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 for, practising certificates.

Consideration of complaints against Registered Social Workers

- 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.

Enhancement of the professionalism of social workers

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

Promotion of the benefits of registration

- 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.

Set standards for social work education and training

- by ensuring that the delivery of social work qualifications in New Zealand adheres to the Social Workers Registration Board Programme Recognition Standards
- by maintaining and reviewing the Programme Recognition Standards for recognised social work education providers
- by reinforcing high standards of education in order that social workers achieve minimum competencies prior to engaging in professional practice.

How will we assess performance?

Performance Measure	Target 2017/2018	Estimated Actual 2017/18	Target 2018/19
The percentage of applicants who report being satisfied with the Registration and APC renewal process, including timeliness will be no less than	95%	95%	90%*
The percentage of applicants who report being satisfied with the Competence Assessments process will be no less than	95%	95%	90%*
The percentage of employers who report satisfaction with the advice they receive will be no less than	90%	90%	90%*
Stakeholders are kept informed of changes to the regulatory framework resulting from the implementation of the Social Work Registration Legislation Bill	New measure	New measure	Stakeholders are kept informed through: <ul style="list-style-type: none"> - at least 4 issues of OnBoard newsletter - website up to date - collateral developed

*** This is/will be evaluated via an annual survey**

Forecast revenue and expense for 2018-19

Expense on the output for 2018/2019 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 registration 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 2016/17 \$000	Estimated Actual 2017/18 \$000		Forecast 2018/19 \$000
2,061	2,140	Revenue	2,124
2,042	2,004	Expense	2,244
19	136	Total surplus/(deficit)	(120)

Statement of forecast comprehensive income and expense for the year ending 30 June 2019

Actual 2016/17 \$	Estimated Actual 2017/18 \$		Forecast 2018/19 \$
Revenue			
1,985,145	2,076,257	Application, registration & practising fees	2,063,579
49,124	29,222	Programme recognition & other revenue	30,000
27,049	34,319	Interest	30,000
<u>2,061,318</u>	<u>2,139,798</u>	Total Income	<u>2,123,579</u>
Expense			
940,014	925,500	Employee related costs	1,148,795
150,241	136,657	Board costs	137,000
296,346	288,352	Costs of providing services	393,700
114,953	102,127	Depreciation & amortisation	72,523
540,079	551,748	Administration & overhead costs	492,276
<u>2,041,633</u>	<u>2,004,384</u>	Total Expense	<u>2,244,294</u>
-	-	Other Comprehensive revenue	-
<u>19,685</u>	<u>135,414</u>	Net Surplus/(deficit)	<u>(120,715)</u>

Forecast statement of movements in equity For the year ended 30 June 2019

Actual 2016/17 \$	Estimated Actual 2017/18 \$		Forecast 2018/19 \$
421,091	440,776	Total Crown Equity at start of year	576,190
19,685	135,414	Net surplus/(deficit)	(120,715)
<u>440,776</u>	<u>576,190</u>	Total Crown Equity at end of year	<u>455,475</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 2019

Actual 2016/17 \$	Estimated Actual 2017/18 \$		Forecast 2018/19 \$
		Current Assets	
748,693	650,300	Cash & cash equivalents	651,094
23,875	13,292	Account receivable	12,042
1,350,000	1,710,397	Investments	1,711,590
16,679	26,822	Prepayments	27,322
<u>2,139,247</u>	<u>2,400,811</u>		<u>2,402,048</u>
		Non current assets	
256,938	170,187	Property plant & equipment	97,664
<u>2,396,185</u>	<u>2,570,998</u>	Total Assets	<u>2,499,712</u>
		Less	
		Current Liabilities	
404,246	310,761	Accounts payable & accruals	316,466
45,959	43,210	Employee costs payable	41,710
1,488,449	1,630,358	Income received in advance	1,681,858
6,276	6,276	Deferred lease liability	4,203
<u>1,944,930</u>	<u>1,990,605</u>		<u>2,044,237</u>
		Non-Current Liabilities	
10,479	4,203	Deferred lease liability	-
<u>1,955,409</u>	<u>1,994,808</u>	Total Liabilities	<u>2,044,237</u>
<u>440,776</u>	<u>576,190</u>	Net Assets employed	<u>455,475</u>
		Crown Equity	
421,091	440,776	Accumulated surplus	576,190
19,685	135,414	Current year surplus/(deficit)	(120,715)
<u>440,776</u>	<u>576,190</u>	Total Crown Equity	<u>455,475</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 2019

Actual 2016/17 \$	Estimated Actual 2017/18 \$		Forecast 2018/19 \$
		Cash Flows from Operating Activities	
2,084,314	2,229,664	Registration fee, levies & APC fees	2,117,329
37,237	28,307	Other revenue	29,000
23,708	34,319	Interest received	30,000
(944,467)	(1,086,661)	Payment to Suppliers	(1,024,047)
(956,416)	(928,249)	Payment to employees	(1,150,295)
<hr/>	<hr/>	Net Cash flows from operating activities	<hr/>
244,376	277,380		1,987
		Cash Flows from Investing Activities	
(1,350,000)	(360,397)	Net movement in bank term deposits held	(1,193)
600	-	Sale of property, plant & equipment	-
(40,812)	(15,376)	Purchase of property, plant & equipment	-
(33,262)	-	Purchase of intangible assets	-
<hr/>	<hr/>	Net Cash flows from investing activities	<hr/>
(1,423,474)	(375,773)		(1,193)
(1,179,098)	(98,393)	Net increase (decrease) in cash or cash equivalents	794
1,927,791	748,693	Cash or cash equivalents at beginning of year	650,300
<hr/>	<hr/>	Cash or cash equivalents at end of year	<hr/>
748,693	650,300		651,094

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 2019

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 a change in accounting policy with regard to asset addition that is reflected in the prospective accounts. Items are only capitalised now if they meet the definition of an asset and have a value greater than \$2,000.

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 Board receives no funding through revenue received from the Crown.

Interest

Interest income is recognised when earned.

Fees

Revenue from Annual practicing certificate fees are recognised in the year to which the practicing certificate 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 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 computer software (20% SL)
- Developed website (33% 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.