



SWRB Fees and Disciplinary Levy: Consultation 2023 - 2024

Social Service Providers Te Pai Ora o Aotearoa SSPA 7 February 2024

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Summary of Te Pai Ora SSPA's feedback on these proposals

- a) The timing of this fee and levy review is too soon given the last review was only in November 2021 and resulted in comprehensive fees and levy changes which have only been in place since 1 July 2022.
- b) SWRB has undertaken a cost analysis to inform the change proposals rather than a full review of the operating model. We believe that these two things go hand in hand. Te Pai Ora SSPA recommends that a full review is undertaken to ensure accountability and efficiency.
- c) The consultation document makes the argument that the fee and levy increases are relatively benign for social workers and the sector, in part as it makes the assumption that the practising costs will be paid by employers and that the pay equity settlement and extension will cover this increase. We are concerned that in reality these proposed increases will have major implications for community-based organisations and social workers in this sector. Community-based providers do not always cover the fees and levies and this is even trickier with part-time employment. Furthermore, pay equity does not cover all registered social workers, but rather those in identified social work roles. We are concerned that the overall impact will be a reduction in demand for registered social workers as employers and funding agencies seek to reduce operating costs. Te Pai Ora SSPA therefore recommends the SWRB reconsider the level of proposed increases (and how these can be lowered).
- d) Yearly increases to registration fees to incorporate CPI adjustments is likely to place community-based social service providers in a difficult position, given that government funding rates for contracted social services are not always CPI-adjusted. Te Pai Ora SSPA strongly recommends that the SWRB reconsider this approach.



Introduction & Background

1. Thank you for the opportunity to comment on the proposed changes to the fees and the disciplinary levy. We recognise how much work has gone into this proposal and for the consultation extension. Te Pai Ora SSPA appreciates your on-going commitment to openness and transparency in these processes.
2. We also need to acknowledge the high degree of concern amongst our membership about the proposed increases and this has shaped our feedback. A number of members took part in an online hui on 24 January 2024 in which we discussed the SWRB proposals from a community-based social service organisation perspective. The majority of social workers are in the community-based sector and we are keen to ensure that the environment and needs of this sector are well understood to inform the outcomes of this consultation.
3. Social Service Providers Te Pai Ora o Aotearoa is a membership-based national organisation, comprising of over 200 community-based social service organisations from around Aotearoa New Zealand, based in both rural and urban locations.
4. Te Pai Ora SSPA advocates for better and more equitable socio-economic outcomes for children, rangatahi, their families and whānau. We champion our members and their kaimahi, who are walking alongside their hapori every day, through the complexity of multiple and often persistent challenges, and to prevent these from occurring in the first place.

What Te Pai Ora SSPA suggests as key areas for attention in relation to the change proposals 1 - 8 especially Proposal 1: Practising certificate fee increase & Proposal 2: Disciplinary levy (annual) increase

5. Our feedback is predominantly focused on the implications of the proposed annual practising certificate fee and disciplinary levy increase however proposals 3-6 which put forward increases are also of concern. Proposals 7 & 8 listing fee decreases are welcomed however raise questions for us about the evaluation and cost analysis processes across the operating system to inform the proposals put forward.
6. It is important to point out that the level of proposed fee increases are as follows: annual practising certificate an increase of 17%, disciplinary levy 62%, and overseas applicant fees are increasing by almost 200%. The scale of proposals shows an indicative total annual revenue increase for 2024/25 from \$5m to over \$7.6m, together with a substantial indicative amount held in reserve. This is a significant increase and we are not clear how these fee increases can be justified given the functions and scope of the SWRB remains the same.
7. We are sympathetic that there have been unexpected increased costs across the different SWRB regulatory functions however we're sceptical that the proposed increases are warranted. Rather than undertaking a cost analysis to inform the change proposals we believe that a full review of the current operating model could answer if the overall fee and levy model is working well and provide the analysis to ensure internal system improvements and efficiencies, and whether the operating model is robust to future proof against external pressures. This would ensure efficiency and accountability



to the community-based sector currently under significant pressure being asked to pay increased fees.

8. The fees and levy increases will impact on the community-based sector. As shown in the SWRB annual report: NGOs, Kaupapa Māori and Iwi-based organisations, and Pasifika/Pacific peoples organisations represent a substantial proportion of employers in the register. They are a large stakeholder group who needs to be taken into account in any impact assessment and decision-making process.
9. We'd like to draw attention to pay equity. The increases to social worker registration fees at the levels proposed will bring significant added pressure for community-based social service providers and their social worker employees. The consultation document makes the assumption that the practising costs will be paid by employers due to the pay equity settlement and extension for social workers thus nullifying any effects of proposed fee increases and increasing the number of social workers having their practising costs covered by their employer. Practically, the pay equity extension implementation is ongoing. A number of providers have not had professional development included in their contracts and others did not have their data received by funders. Some employers are still waiting for their pay equity adjustment due from 1 July 2023. Urgent work and government support to correct these issues is required.
10. Not all government-funded community-based providers and their social workers are covered by the pay equity settlement. For providers with contribution funding and partially funded social workers these proposed increases have major financial implications. The assumption that everyone is getting paid more or are fully funded and can absorb the cost, however this is not the case for many in our sector.
11. Our members have also raised the issue that these increases could inhibit social workers from getting roles. If a funding contract doesn't call for a social worker, and historically an organisation has chosen to employ a social worker because they are committed to having well qualified staff, a short-term financial decision may instead determine a non-qualified appointment. This is concerning to our members who raised that a non-qualified and untrained workforce would mean the quality of services provided in hapori around the motu could be severely impacted, and in turn have a long-term impact on the strength of community-based social services to meet the need of families and whānau.
12. As we've shown, there are a variety of circumstances facing organisations. We ask what workforce impact analysis has been undertaken to ensure this doesn't lead to lower demand for social workers or impacts on workforce. What are the considerations for those social workers who did not get pay equity. Are there some creative fee solutions that could be applied if a full review is undertaken exploring different fee payment options.
13. Te Pai Ora SSPA has played the lead role in securing pay equity for community-based social work roles, as the sector representative for the five employers in the social workers claim and a pivotal cross-sector role in the implementation of the extension of the settlement to all those in social work roles employed by community providers. Te Pai Ora SSPA is the representative for the employers in the social service workers claim. We welcome engagement with SWRB to share pay equity knowledge and the



experiences of the community-based sector which represents a significant proportion in the register to inform future decision-making.

14. Our members were also hugely concerned with the proposed increase to the disciplinary levy. We raise the following questions. How can we be better informed about the nature of the increasing complaints and in which areas of mahi they are happening? How does simply increasing a disciplinary levy increase public safety? Is there scope for work to reevaluate how these costs are recuperated? If an employer has a large number of complaints and associated disciplinary activity for their employees, then can these costs be reclaimed, and they are held to account with higher levies without the costs being imparted on the entire sector?
15. More broadly, we welcome the opportunity to feed back the experiences and insights from the community-based social sector. We were surprised at the amount of negative feedback we have received from members relating to experiences with the SWRB. Members spoke of long wait times for queries to be answered and being unsure of the best contacts for their queries for their employees. Communication, transparency and efficiency of base services is vital to our membership and we believe the development of, for example, a service charter could aid processes. We also note the high-level performance indicators in the Annual Report and urge you to fine-tune these to reflect a community-sector view of reasonable expectations of the regulator. We would welcome the opportunity to constructively support any such developments.
16. We strongly encourage SWRB to use its channels with the Government and the Minister for Social Development and Employment to highlight these areas of concern that impact the sector, and which therefore have implications for the proposals outlined by SWRB. Te Pai Ora SSPA envisages that without a broader system shift and changes to support the proposed increased fee structure, the fee increases (to the levels currently proposed) will be an additional factor placing pressure on community-based social service providers.

Proposal 9: Annual CPI (inflation) adjustments to the fees and disciplinary levy

17. We do not agree that SWRB should annually CPI adjust the fees and levy to keep pace with inflation without doing public consultation. We believe this is problematic without other ongoing efficiencies. Yearly increases to registration fees to incorporate CPI adjustments is likely to place community-based social service providers in a difficult position, given that government funding rates for contracted social services are not always CPI-adjusted. For example Oranga Tamariki funding is not CPI adjusted. We note that SWRB funding from Government is not CPI adjusted. How can SWRB seek a CPI adjustment from this process but are not seeking a similar CPI increase for their Crown funded functions. There needs to be consistency across the sector, contracting regimes need to align with regulatory functions and not undermine and cause cost impositions for organisations.
18. The SWRB Board 2021 communication to share the decisions on fee and levy changes stated that the proposal on annual CPI adjustment would not proceed with the following statement. *'The Board agreed that the annual CPI adjustment could be managed in a different way, which will increase transparency. The Board commits to undertaking regular reviews, noting that the reviews may identify that fees do not need to change, or could reduce (if they are over-recovering).'*



19. What different ways have been attempted by the SWRB before determining during this current change process to propose a yearly CPI increase. This is incredibly troubling to our membership citing their own current concerns within the contracting environment namely the lack of CPI adjustments, instability of funding and pay equity issues still to be resolved.

Looking ahead

20. Against this operating backdrop, the SWRB's change proposals have come as somewhat of a shock to community-based social service providers. Strengthening the capability and capacity of the social service workforce is a priority for Te Pai Ora SSPA and our members. The sector needs to be able to recruit and retain a capable and experienced workforce, able to respond to the needs of the people and communities that they work in.
21. Mandatory registration has been an important factor in recognising and valuing the profession of social work, and in giving the public and employers assurance that staff are appropriately qualified and competent to do the important roles they undertake. Te Pai Ora SSPA is supportive of systems that enable professional development and support for registered social workers. Retention of and development for graduate social workers and developing pathways for professional development and career progression will, in the long-term, build a strong and capable workforce, improving the wellbeing and financial security for those choosing to work in the profession.
22. We strongly encourage the SWRB to reconsider the level of the fees increases proposed, especially the proposed introduction of an annual CPI-adjustment. Te Pai Ora SSPA is ready and available to work constructively together with the SWRB from a community-based social sector perspective as SWRB works through this change process and other areas under development. We also encourage SWRB to work in partnership with the community-based sector on the implementation of any changes.