

Annual Report 2021

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New Zealand Disability Support Network

Statement of Strategic Intent 2020 - 2021

Leading and Influencing Change that Supports Inclusive Lives

NZDSN is a membership network of organisations that provide support services to disabled people and families, mainly through contracts with Government. Associate membership also includes related organisations, individual disabled people and family members with an interest in being part of the network. NZDSN is governed by a Board elected from the wider membership and employs a full time Chief Executive with a small support team based mainly in Wellington.

Vision

An inclusive New Zealand where all disabled people are valued, their human rights are promoted and protected, and they are enabled to maximise their potential as citizens.

Purpose

To lead and influence change that supports inclusive lives:

Objectives

- To provide a strong and valued voice to government on matters of common interest.
- To support strong networks within and across the provider sector and ensure effective communication with all members.
- To keep abreast of and communicate to members and government, emerging trends and issues.
- To promote and support the continuous improvement and innovation of disability supports and services.
- To work collaboratively with disabled people, their families and allied agencies to foster an inclusive society.

Our Values

- The human rights of disabled people must be promoted and protected and that when injustices occur that we have an absolute responsibility as individuals and as disability service providers to intervene and ensure people are safe.

- All people should have the ability to realise their potential in the communities where they live and have equal chances for success in life.
- Diversity must be respected and actively nurtured in disability services.
- While NZDSN is essentially a network of service organisations it must not stand in the way of the aspirations of disabled people and their families.
- NZDSN has a dual role of challenging established consensus where it poses a barrier to the aspirations of disabled people and building a new consensus around policies and practices that move us closer to an inclusive society.
- Strong constructive relationships are the foundation of our work. We are committed to the development and maintenance of collaborative solution-focused relationships with our members, government, and the other community agencies.
- In all our dealings with others we will be transparent, accountable and conduct ourselves with integrity.

The work of NZDSN is informed by 5 core documents:

- The Treaty of Waitangi
- United Nations Convention on the Rights of Persons with Disabilities
- The Enabling Good Lives Principles
- The Disability Action Plan
- New Zealand Disability Strategy

The Strategic Environment 2020/21

The strategic landscape in front of us is delicately poised as the disability sector grapples with a series of intersecting priorities which have significant interdependencies and challenges, not the least of which is how we emerge from the COVID-19 crisis.

- The system transformation work programme is beginning to unfold, but with an uncertain timetable and growing hesitation from Government around transformative change. A lack of momentum around implementation is a risk
- The impact of the pay equity legislation, while moving us away from a minimum wage labour market, is also exacerbating long standing funding and workforce issues
- Funding concerns centre around the fact that providers have to manage in a contracting environment that is only partially funded and where organisations, not government, bear the majority of risk.
- In the emerging world of personal budgets there are concerns that these risks, while remaining for providers, will also be transferred directly to disabled people and families as they find themselves negotiating an emerging market place without real purchasing power.
- There is renewed focus on workforce development now that qualifications are linked to remuneration – and an urgent need to review the relevance and fit for purpose of the qualifications themselves. The absence of a coherent workforce development strategy is a barrier.

- There is not yet a clear picture of how all stakeholders in a transformed system will be supported to participate with confidence, or of how transformative the changes will actually be.
- There is a level of political uncertainty, not only because of the upcoming general election, but because of the risk that delivery on longstanding disability sector specific issues will be lost in a suite of broader social policy and economic reform programmes – which of course have the added layer of also responding to the recovery from the COVID-19 pandemic.
- **The impact of the COVID-19 pandemic** has and will continue to be far reaching. However, it is important for NZDSN to re-engage with ongoing government programmes, particularly the work on the RPM and the expansion of FDS contracts along with the broader system transformation work programme. Both the MOH and MSD response to COVID-19 has involved increasing the flexibility of service specifications – something we do not wish to lose in a return to business as usual. The labour market for support workers is rapidly changing as many displaced workers seek alternative employment – this is an opportunity to recruit and then hold on to a younger and more diverse workforce. And finally, the prospect of contract price uplifts in a very different economic and political environment will need some careful thought.

INVESTING FOR INNOVATION AND BETTER LIVES FOR DISABLED PEOPLE

A funding regime that offers certainty and sustainability for providers is essential to firstly maintain acceptable levels of quality and safety in current services and secondly to spur investment in the changes and innovations that are required to embed EGL practices - and that are increasingly demanded by a younger generation of individuals and families.

We also need to acknowledge that there is a cohort of mostly aging families who are unlikely to be convinced of the need for any changes to the current models of residential care. Providers are therefore faced with the dual demands of maintaining high quality legacy services for some time into the future while at the same time moving towards supporting more personalised approaches to housing, living arrangements and wider community participation, including inclusive employment options.

In order to embark on a programme of change and innovation providers need to do so on the basis of a financial position that enables investment in the change process, its workforce and the innovation itself. The latest iteration of the RPM for example will, in most cases, provide that financial base and the confidence to move in new directions that are consistent with the Enabling Good Lives principles. More broadly, regular contract price uplifts that match cost of living increases will contribute to the ongoing financial sustainability that is a prerequisite to achieving the changes we all want to see.

This change will involve things like:

- Engaging with FDS contracts and the range of opportunities this opens up – both for some people already in residential services and for new referrals
- Engaging with initiatives such as IChoose and FFC
- Investing in a range of new technologies that compliment staff support activity and safeguarding
- Investing in workforce development that embeds EGL practice frameworks (as part of a matching workforce development strategy)
- Developing staffing models that shift greater authority and decision making to the front line of organisations – creating a greater range and diversity of support roles – and driving the recruitment of a younger and more diverse workforce.
- Establishing living and community participation options that are more individualised, and enable real choice for people over with whom, how and where they live (rather than the current tendency for cluster housing, larger group homes and facility based day programmes that is driven purely by cost issues)

It has not been lost on any of us that the COVID-19 crisis has propelled funders and providers to explore greater flexibility and approaches that better reflect EGL principles. There is strong momentum to continue in this way and not to return entirely to the way things were before the crisis. Maintaining this momentum will need to be supported by continued flexibility around contracting and sustainable funding to embed new innovations as everyday practice.

A sustainable funding regime enables both providers and the Ministry to realise jointly held goals for disability support services that implement the Enabling Good Lives principles in practice (a key plank of the DDS draft Disability Directorate Strategy 2020). NZDSN understands that implementing the latest iteration of the RPM along with broader contract price uplifts that match cost of living increases in one budget cycle is not possible, but what we do want is a commitment to make a start to close what is now an agreed and very transparent funding gap over time.

In the absence of this we will all get frustrated by a lack of tangible change – providers will be constrained by inflexible contracts and funding shortfalls and the Ministry will not see the outcomes it is seeking for the lives of disabled people and their families. **We must use the COVID-19 crisis as a springboard for the change we want to see, not an excuse to stand still and lose the momentum that has begun.**

There are also a couple of other challenges we need to work on together that rely on the participation of other parts of government:

- **A national affordable and accessible housing strategy** - including a scheme that enables disabled people to acquire equity to invest in housing (Canada has a scheme that is well worth a look).
- **A coherent workforce strategy** that provides consistent qualification pathways that match the future we are all seeking

NZDSN has multiple roles and opportunities to add value in this landscape:

- To keep its membership and the wider sector abreast of developments through coherent analysis, asking searching questions, pointing out unintended consequences and offering evidence based solutions

- To ensure active involvement and contribution by:
 - Participating in relevant working groups and forums
 - Advocating for sustainable funding and researching options
 - Advancing the review and development of relevant qualifications
 - Engaging the labour market to secure the workforce that is needed
 - Supporting innovation and quality among providers and that prepares organisations for system transformation
 - Facilitating understanding of system changes with providers, disabled people and families

With increasing demand for NZDSN to expand the range of services it provides the organisation will need to pay careful attention to its own sustainability and balance any growth with new revenue streams that can support any additional activity. An emphasis on a collaborative approach to project work is increasing our direct engagement with disabled people and families. More tailored communications, particularly social media and digital formats are needed to reach out to a network that is increasingly diverse and on line. Our obligations under the Treaty of Waitangi are a work in progress and there is now leadership through a Cultural Advisory Committee of the Board and Kaumatua.

In conclusion, these are the critical factors at work in the strategic environment in front of NZDSN. It is these factors that have informed our strategic goals and our business objectives for the 2020/21 financial year.

Because of the timing of our strategic leadership forum in September 2019 and the onset of the COVID-19 crisis in February 2020 the strategic goals and business objectives outlined in this document are designed to cover the period January 2020 through to June 30 2021.

NZDSN Strategic Goals for 2020/21 are:

- 1. Long term sustainable funding that's enables investment in innovation and better lives for disabled people.**
- 2. Facilitate provider and workforce development with a focus on quality, innovation and networking.**
- 3. Effective and collaborative relationships with key partners and stakeholders.**
- 4. Securing the sustainability of NZDSN as the peak body for disability providers.**

NZDSN Chairperson's report 2021

It is with pleasure I present my second Chair's report. The annual report provides an opportunity to reflect on our successes, the key role that NZDSN has played in 2020-21, and the challenges that we still face as we plan our work programme for the upcoming year and beyond.

The year that was

This year has been one of change and uncertainty. We farewelled Garth Bennie, our CEO for the last six and a half years. Garth has left NZDSN in a strong position, providing a well-respected platform from which we can continue to advocate for our members and their mahi within the disability sector. The diversity of stakeholder groups that acknowledged the contribution that Garth has made highlights the inclusive approach of NZDSN within the sector.

It is great to welcome our new CEO, Peter Reynolds. Alongside the board I look forward to working with Peter over the coming months as we review our strategic goals and embark on our 2021-22 work programme where we will look to see how we can provide more value-added services that are nuanced to our different members.

2021 has still been dominated by COVID-19. It was good to continue seeing and hearing NZDSN raising member concerns and working collaboratively on pragmatic solutions to uniquely challenging issues across a range of pandemic forums. This included advocacy in the areas of funding, service delivery, PPE, communications, and vaccinations for the sector. NZDSN continues to play a significant role as a conduit between providers and government to ensure that frontline staff and the people we support have access to appropriate information about the vaccine and are well supported when being vaccinated.

Our regional networks provide valuable peer support and a flow of information up and down to ensure an important level of connectivity. They remain a vital component of the NZDSN infrastructure. My thanks to all the coordinators: Mike Brummitt (Otago), Henrietta Trip and Tom Callanan (Canterbury), Karen Bailey (Nelson region), John Taylor (Lower North Island), Sue Robson and Andrew Wordsworth (Hawke's Bay), Samantha Lee and Warren Herring (Waikato), Mireille Vreeburg and Paul Revill (Auckland Region) and a new region that came on early in 2021 Adam Dade (Northland). Your work and commitment are valued.

The joint NZDSN/Ministry of Health work programme has been an important focus for both the board and NZDSN team. While it has taken considerable effort to move these initiatives along, we are fortunate to have retained the services of Garth Bennie to project lead the workforce initiatives over the next year. The Commissioning work gained momentum in the Flexible Disability Support space while we are yet to see what progress can be made with the residential pricing model (which has been renamed the equitable pricing project). We are determined to realise previous efforts and attempts at landing a sustainable pricing model for the residential sector that will allow our members to deliver supports and services that are individualised, safe and allow investment for continuous improvement.

While considerable effort was made to connect with Ministers and Officials to input into the Machinery of Government and Health and Disability review, we have been concerned about the limited role that providers have had to play in this process to date. We certainly get the need for disabled people to take a strong lead and be central to decision making however, NZDSN and our members should be an important ally for disabled people having choice and control over the supports, they require to live a good life.

NZDSN has and is continuing to work with MSD to improve supported employment outcomes for disabled people who, under the current outcomes model, are left with significant challenges to enter the workforce with no real chance of success.

We have been vocal at a Ministerial level and with MSD officials regarding community participation programmes where we are seeing fewer people being served with fewer hours. We are pleased to hear that MSD have committed to a comprehensive demand and costing project to inform future funding bids.

It is pleasing to see the ongoing progress of the Graduate Diploma in Health and Wellbeing (Employment Support) with two cohorts of 24 students each currently working through the programme. Thanks to Gordon Boxall and Grant Cleland and their team of learning facilitators, as well as Careerforce for their ongoing administrative and academic support for making the Diploma a reality.

I would like to thank and acknowledge our members who made up our Employment Advisory Committee (sub-committee of the NZDSN Board) which was recently disestablished by the board in favour of appointing a contracted Employment Support Service Coordinator (Gordon Boxall) to maintain relationships and advocacy with MSD and oversee continued development of our MSD contracts. Gordon is supported with two co-leads - Grant Cleland (Creative Solutions) and Simon McCosh (CCT). An important piece of work in this space is the review of the Employment Support Practice Guidelines.

NZDSN continues to be involved in contracted work around the Disability Support Services Systems Transformation and the roll out of NZDSN's Development Programme through the excellent work of the training organisation Humanly. This work will continue to be an important focus for the Board over the next year.

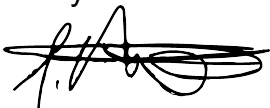
Overall, and in summary, I am pleased with the contribution NZDSN has made to ensuring our members views are being heard and acted on while also ensuring NZDSN plays a proactive role in provider development. There is always more to be done and as a board we remain open to feedback about how best we can serve our membership.

On behalf of the board, I would like to thank our small NZDSN team of Sue, Sara, Mireille and Nicky for their professionalism and dedication over the year. They have been instrumental in supporting Peter into his new role as well as keeping the ship afloat while we transitioned from one CE to another. Thank you also to David Matthews for his steady pair of hands to fill the void over this transition period.

I also thank my board colleagues for their contributions to the Board and subcommittees that include Tui Tuia (our Cultural Committee), our disestablished Employment Advisory Committee and our Finance and Audit Committee. I am mindful their time and commitments come at a cost to their own organisations which is deeply appreciated. Thanks also to Mātua Graham Warren for his wise counsel and support of the board over the past year.

Looking forward

Continuing to build on strong partnerships will be critical if we are to make Enabling Good Lives a reality across our sector. Ongoing advocacy and attention to issues within the sector, such as affordable and accessible housing, workforce development, workforce supply, pay equity, and sustainable funding pathways will keep both the board and management team busy over the coming year.



Sean Stowers,
NZDSN Chairperson

NZDSN Chief Executive's report for the NZDSN 2021 Annual Report

It is my pleasure to present my first Chief Executive's Report to the membership of the New Zealand Disability Support Network (NZDSN). It's a rather strange thing to do, given just a few days in the role, but an excellent opportunity to get my head around all that has happened over the past year and all that we continue to be involved in.

Garth Bennie finished up on 1 July 2021 after six and a half years of leading NZDSN as Chief Executive. David Matthews was interim CEO for six weeks. I commenced 16 August 2021. Two days after that, the nation went into COVID Alert Level Four lockdown!

The year in review

The 2020/21 year has been quite a rollercoaster ride with the continuation of the pandemic and all the impacts this has had on our sector. Alongside this, funding and cost pressure issues continued to run their course in the background. Despite this there has been significant progress made in a number of areas, including workforce development initiatives, while the development of new funding and service delivery models with government agencies required for the disability support system transformation can be best described as "a work-in-progress".

The NZDSN has four strategic goals that guided the structure of our work programme for 2020-21.

Strategic Goal 1: Long term sustainable funding that's enables investment in innovation and better lives for disabled people

During the year an agreement was reached for NZDSN and the Ministry of Health's (MoH) Disability Support Services (DSS) to develop a joint work programme focused on two key priority areas.

The first was to develop an approach to commissioning that delivers sustainable funding now and into the future, supports innovation and includes flexible contracting approaches like Flexible Disability Support (FDS).

The second priority area concerned workforce development, detailed under Strategic Goal two below.

There were significant challenges to employment support providers from MSD processes, including cash flow difficulties and unintended consequences that take providers away from the practice guidelines. We have been seeking MSD to urgently replace enrolment and planning outcome payments with a bulk funding in advance arrangement for these components; that the pricing of contracts be reviewed; and that a cycle of independent developmental evaluation be introduced.

Strategic Goal 2: Facilitate provider and workforce development with a focus on quality, innovation and networking

During the year we sought to encourage the MoH to take a strategic approach to workforce development in our sector that includes future focused qualification pathways and leadership development to support innovation. Four initiatives were identified to

addressing short, medium and long term workforce needs that facilitate the embedding of EGL-informed practice frameworks.

This project is being funded through the Ministry of Health, Ministry of Social Development and Careerforce. A project governance group comprising project sponsors (funders), NZDSN, the National EGL Leadership Group and Te Pukenga has oversight of these projects.

In addition, a wide range of workshops, symposiums and forums were delivered, and key projects initiated, including:

- The NZ Diploma in Health and Wellbeing (Employment Support) (Level 5) developed in partnership with NZDSN and Careerforce.

This qualification has been endorsed by Working Matters, the all-of-government Disability Employment Action Plan. This makes it clear that employment support providers will be required to implement the Enabling Good Lives Principles and NZDSN Employment Support Practice Guidelines, which are covered as part of the Diploma modules.

- A series of National Symposiums in the second half of last year, including one in Christchurch on safeguarding a good life; an Employment Symposium (Wellington); a symposium on High and complex needs (Auckland) and a symposium on Transition from school (Rotorua). These were all originally intended to be in the first half of 2020 but were postponed due to COVID.
- NZDSN Leadership Forum April 28 and 29 in Wellington, focussing on the interests of our member's chief executives, senior managers and those in Governance roles.
- Leadership development and support for Service Transformation, in partnership with Humanly

These are six-month learning journeys where groups of providers in a particular community identify a "change team" of up to six people who then embark on a series of workshops and online learning communities aimed at identifying and implementing the cultural and system changes they need to make in their organisations to embed Enabling Good Lives (EGL)-informed practice. These projects are currently underway with nine providers in Mid-Central as part of prototype provider capability building (funded by Ministry of Health (MoH)) and with another four projects involving another 20 providers in four locations (funded by MSD).

- Employment Support Webinars, held between July-December, offering five online training courses (Employer Engagement, Job Development and Systematic Instruction). These webinars have now been incorporated into the course content of the Diploma in Health and Wellbeing (Employment Support).

Strategic Goal 3: Effective and collaborative relationships with key partners and stakeholders

The COVID 19 pandemic has continued to dominate, this has required a lot of time, energy and focus from the NZDSN office, board members and our network membership.

An MoH Advisory Group was set up to provide guidance on the roll out of vaccines to the disability workforce and to disabled people as identified priority groups. Issues around access to PPE, funding and support worker travel were also raised.

In other work, we partnered with Imagine Better to deliver a series of workshops in five locations to support the introduction of pilots for employment services in schools. The workshops (funded by MSD) brought together identified providers, schools, Ministry of Education personnel, families and students to develop a shared vision and action plan based on “employment first” principles.

NZDSN jointly hosted a forum with IHC, People First and the Bankers Association to look at how we can develop a collective response to the challenges experienced by people with learning disabilities in operating personal bank accounts, particularly following the phasing out of cheques. We will continue to ensure appropriate policies and processes are developed to meet the needs of disabled people whilst still complying with legal requirements.

Strategic Goal 4: Securing the sustainability of NZDSN as the peak body for disability providers

This goal seeks to create financial sustainability through longer term and varied funding streams. We continue to investigate options to enhance the value of membership and ensure we live within the means we have. We are also advancing the use of quality improvement techniques to ensure office processes are as efficient as we can make them.

We continue to develop a partnership approach with disabled people, DPOs and families through collaborative projects and ongoing liaison with the EGL leadership Group.

Finally, we have moved to alternate regional Symposiums with a national conference each year, meaning we move to a conference every two years.

The NZDSN staff team

My thanks to both Garth Bennie and David Matthews, Garth for his leadership of the association over the past six years and David for stepping in to help out during the transition of CEO.

In the short time I have been in the role, I am also grateful for the dedication and support of our small NZDSN team – Sue Eastwood (Office Manager), Sara Georgeson (Policy Analyst) and Mireille Vreeburg (Auckland Facilitator).

There has also been a regular team of contractors who have made significant contributions in their specialist areas on a regular basis: Gordon Boxall, Grant Cleland, Nicky Louis, Fiona Jones, Tony Mclean, Pete Wilson, Nicky Maine, Callum McMenamin, Libby Carson, Neale Jones and Clint Smith. And of course, Mātua Graham Warren who has provided such valuable cultural support.

My thanks also to Sean and the Board for their support, leadership and forward-thinking on behalf of our members and our sector.

Finally, my thanks to those organisations that have supported the work of NZDSN through contracts and funding, such as the Ministry of Health, Ministry of Social Development and Lotteries Commission.

I look forward to the challenges that the next year brings us, those we know about and those we haven't yet recognised. I look forward to seeing progress on the many issues we are working on, on behalf of our members, and I look forward to us collectively enabling *great* lives for disabled people and their families that we support.

A handwritten signature in black ink, appearing to read 'P. Reynolds', with a large, stylized circular flourish at the end.

Peter Reynolds
CEO
September 2021



New Zealand Disability Support Network Incorporated

Performance Report for the year ended 30 June 2021

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for the year ended 30 June 2021

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Entity Information

for the year ended 30 June 2021

Legal Name	The New Zealand Disability Support Network Incorporated ("NZDSN")
Type of Entity and Legal Basis	NZDSN is an association of disability support providers. It is registered as an incorporated society domiciled in New Zealand, and under the Charities Act 2005.
Registration Numbers	2453666 / CC46231
Vision	Leading and influencing change that supports inclusive lives.
Mission	NZDSN believes that the human rights of disabled people must be promoted and protected and that when injustices occur that we have an absolute responsibility as individuals and as disability service providers to intervene and ensure people are safe.
Organisational Structure	<p>NZDSN is a membership organisation. Its membership is open to organisations and individuals who enhance and promote the work of NZDSN, contribute to the achievement of NZDSN's objectives and who have aims and objectives that are consistent with NZDSN.</p> <p>NZDSN is governed by a Board of elected members. The Board appoints the Chief Executive Officer who is responsible for all strategic and operational requirements of the organisation. NZDSN has a small team of paid employees and volunteers reporting to the Chief Executive Officer.</p>
Main Sources of Funding	NZDSN relies on revenue received from membership subscriptions, services contracts, hosting annual conferences and symposiums, and grants.
Contact Details	
Physical Address:	Level 8, Prime Property Tower 86-90 Lambton Quay Wellington
Postal Address:	PO Box 2653 Wellington 6140
Phone:	04 473 4678
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Web:	http://www.nzdsn.org.nz/



Statement of Service Performance

for the year ended 30 June 2021

Description of Outcomes

Description and Quantification of Outputs

1 Facilitate Provider Development and Networking

	Actual This Year	Budget/Target This Year	Actual Last Year
a) Workshop and forum events*	33	20	16
b) Workshop and forum programme registrations*	844	600	501
c) Satisfaction ratings for workshop and forum programmes*	83%	85%	94%
d) Number of regional networks	8	7	8
e) Facebook special interest groups	6	0	0
f) Regional network meetings*	27	20	57
g) Conference / symposium registration*	391	400	0
h) Net conference / symposium surplus*	\$67,097	\$42,000	\$0
i) Website traffic*	82,968	80,000	63,391

* Under and Over performance due to Covid 19 lockdown and consequences

2 Facilitate the Development of a Qualified Disability Workforce

a) Participation in ITO activity and advice (no. of meetings)	26	15	30
b) Participation in Open Polytech advisory	3	4	3
c) Participation in Kaiawhina Taskforce (no. of meetings)	9	3	6

3 Effective Leadership for Research Practice and Policy Development

	Actual This Year	Budget/Target This Year	Actual Last Year
a) Research and policy papers	0	3	2
b) Working party and reference groups	16	16	18
c) NZDSN working party memberships	11	26	29
d) Submissions and consultations	0	4	2
e) Presentations (Conferences) to sector groups/symposiums	3	6	17

4 Effective and Collaborative Relationships with Key Partners

	Actual This Year	Budget/Target This Year	Actual Last Year
a) Ministerial / MP meetings	5	6	11
b) Meetings with DPO's and other Peak groups/bodies*	6	12	5
c) Project partnerships / collaborations	8	3	4
d) Media interactions / features	12	15	19

* Under and Over performance due to Covid 19 lockdown and consequences



Statement of Service Performance

for the year ended 30 June 2021

Description of Outcomes

Description and Quantification of Outputs

5 A Sustainable Organisation as the Peak Group for Disability Providers

	Actual This Year	Budget/Target This Year	Actual Last Year
a) Growth in NZDSN membership	187	180	173
b) Membership revenue	\$193,318	\$200,000	\$194,878
c) Service contracts	6	5	6
d) Revenue - service contracts	\$573,444	\$250,000	\$280,731
e) Training and other event income*	\$74,771	\$100,000	\$85,125

* Under and Over performance due to Covid 19 lockdown and consequences

Statement of Financial Performance

for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
Revenue	2		
Service contracts	3	573,444	280,731
Grants	4	40,000	75,076
Interest		4,883	8,554
Membership fees		193,318	194,878
NZDSN conference / symposium income	5	79,986	-
Other income		17,157	18,403
Training income		74,771	85,125
		983,559	662,767
Expenses			
Accounting fees		7,080	6,540
Administration		42,363	18,811
Audit fees		5,450	6,000
Bank fees		1,217	1,222
Board expenses		1,715	120
Contractors	6	54,036	155,164
Employee expenses		282,958	276,365
General expenses		4,995	1,540
Legal fees - negotiation costs		2,100	4,250
Meeting expenses		3,190	1,190
NZDSN conference / symposium expenses	5	52,889	-
Occupancy costs		39,133	36,674
Project expenses		-	9,776
Provider development expenses	6	-	76,849
Service contract expenses	6	473,827	-
Travel & accommodation		29,168	29,727
Website & IT expenses		5,681	6,322
		1,005,801	630,551
Net surplus / (deficit) before depreciation		(22,242)	32,217
Depreciation	9	3,284	6,346
Net surplus / (deficit)		(25,527)	25,871

These statements should be read in conjunction with the accounting policies and notes to the financial statements and audit report



Statement of Changes in Accumulated Funds

for the year ended 30 June 2021

	Notes	2021 \$	2020 \$
General reserve			
Balance at beginning of year		224,413	198,542
Net surplus / (deficit)		(25,527)	25,871
Transfer from policy project reserve to general reserve		-	-
Balance at end of year		198,886	224,413
Restricted reserve - Pay equity project			
Balance at beginning of year		3,999	3,999
Additions / (drawdowns)		-	-
Balance at end of year		3,999	3,999
Restricted reserve - Operating/contingency			
Balance at beginning of year		220,000	220,000
Additions / (drawdowns)		-	-
Balance at end of year		220,000	220,000
Total accumulated funds at end of year	10	422,885	448,412

These statements should be read in conjunction with the accounting policies and notes to the financial statements and audit report



Statement of Financial Position

as at 30 June 2021

	Notes	2021 \$	2020 \$
Accumulated Funds			
General reserve		198,886	224,413
Restricted reserve - pay equity project		3,999	3,999
Restricted reserve - operating/contingency		220,000	220,000
		422,885	448,412
Current assets			
Bank accounts and cash	7	778,991	833,517
Accounts receivable	8	68,475	8,229
Accrued interest		748	3,208
Prepaid insurance		4,864	3,355
Prepayments		3,165	13,352
Term deposits		295,877	-
		1,152,120	861,661
Non-current assets			
Plant & equipment	9	6,828	3,690
Term deposits		-	288,786
		6,828	292,476
Total assets		1,158,948	1,154,137
Current liabilities			
Accounts payable	11	50,865	34,009
Employee costs payable	12	30,691	27,727
GST payable		50,566	62,277
Income in advance	13	351,556	319,748
MSD training fund	14	252,385	261,964
Total liabilities		736,063	705,725
Net assets		422,885	448,412



Sean Stowers, Chair

06/09/21

Date



Peter Reynolds

06/09/2021

Date

These statements should be read in conjunction with the accounting policies and notes to the financial statements and audit report



Statement of Cash Flows

for the year ended 30 June 2021

	2021 \$	2020 \$
Cash flows from operating activities		
Cash was received from:		
Receipts from providing services	716,920	737,967
Membership fees	193,318	195,328
MSD training fund	(9,579)	261,964
Grants / Donations	40,000	65,331
Interest received	7,343	9,186
	948,002	1,269,776
Cash was applied to:		
Payments to suppliers and employees	(977,303)	(615,058)
Net GST	(11,711)	49,075
	(989,014)	(565,983)
Net cash inflow/(outflow) from operating activities	(41,012)	703,793
Cash flows from investing activities		
Cash was received from:		
Receipts from the sale of plant and equipment	-	-
Cash was applied to:		
Payments to acquire plant and equipment	(6,423)	(2,342)
Payments to purchase term deposits	(7,091)	(8,929)
	(13,514)	(11,271)
Net cash outflow from investing activities	(13,514)	(11,271)
Net increase / (decrease in cash)	(54,526)	692,523
Add opening cash brought forward	833,517	140,994
Ending cash carried forward	778,991	833,517
This is represented by:		
Bank accounts and cash	778,991	833,517

These statements should be read in conjunction with the accounting policies and notes to the financial statements and audit report



Notes to the Performance Report

for the year ended 30 June 2021

Note 1: Basis of Preparation

NZDSN financial statements for the 30 June 2021 year end have been prepared under Tier 3 Public Benefit Entity Simple Format Reporting - Accrual Not-For-Profit (PBE SFR-A NFP) on the basis that NZDSN does not have public accountability and has total annual expenses of equal to or less than \$2,000,000.

The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

This performance report is presented in New Zealand dollars.

All amounts are recorded exclusive of GST.

The entity is exempt from income tax under section CW 42(1)(a) of the Income Tax Act 2007. The entity has been granted tax exempt status and is registered as a charity under the Charities Act 2005.

Note 2: Revenue

Income from the service contracts with the Ministry of Social Development is not recognised in the Statement of Financial Performance until the costs for which the income has been provided have been incurred and the requirements under the agreement have been met.

Grants received are not recognised in the Statement of Financial Performance until the conditions associated with the transfer have been met.

All other income is considered to be recognised when the cash is receipted and controlled by the entity.

Note 3: Service contracts income

	2021 \$	2020 \$
Ministry of Health - Mid Central Provider Capability	170,000	-
Ministry of Health - AoG Consultancy Services Order	55,000	-
Ministry of Social Development - Workforce Development Programme	155,000	222,000
Ministry of Social Development - Employment Support Dip.Development	58,444	20,000
Ministry of Social Development - Employment Serv. in Schools Training	70,000	-
Ministry of Social Development - Employer Engagement Training	50,000	-
Ministry of Social Development - Administration of Training Fund	15,000	12,391
Ministry of Social Development - DEAP Workshops	-	4,500
Ministry of Social Development - Employment Service Contract Analysis	-	14,000
Careerforce - Development of Curriculum Programme	-	7,840
	573,444	280,731

The Ministry of Social Development contracts were focused on identifying and developing workforce capability in the context of system transformation. Deliverables related to organising and facilitating training workshops and forums.

These events were focused on deliverables related to innovation and best practice in employment and community participation with the aim of developing a more capable and qualified workforce.

The Ministry of Health contracts were focused on EGL informed practice through leadership development with the Mid Central providers involved in the system transformation prototype and to develop a pricing and planning tool to support the implementation of FDS contracts. Deliverables related to organising and facilitating training workshops and forums.

Notes to the Performance Report

for the year ended 30 June 2021

Note 4: Grants and Distributions

	2021 \$	2020 \$
Inclusive NZ Wind Up Distribution	-	65,331
IIDL Contributions	-	9,745
NZ Lottery Grant	40,000	-
	40,000	75,076

Note 5: NZDSN Conference / Symposiums

	2021 \$	2020 \$
Revenue		
Registrations	71,036	-
Sponsors	7,200	-
Exhibitors	1,750	-
	79,986	-
Less expenses		
Conference / symposium expenses	52,889	-
	52,889	-
Plus grant contribution		
NZ Lottery grant	40,000	-
	40,000	-
Net surplus from conference / symposiums	67,097	-

Note 6: Contractors and Service Contract expenses

During the year there has been a reclassification of expenses. Expenses shown in 2020 for contractors and provider development expenses include transactions that have now been classified in Service contract expenses.

Note 7: Bank accounts and cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (including short term deposits) with original maturities of 90 days or less.

	2021 \$	2020 \$
Petty cash	-	28
Westpac current account	585,377	494,548
Westpac savings account	44,715	44,693
Westpac MSD training fund account	148,898	294,248
	778,991	833,517

Note 8: Accounts receivable

Receivables, which usually have 30 to 60 day terms, are recognised at cost less impairment value.



Notes to the Performance Report

for the year ended 30 June 2021

Note 9: Plant & equipment

Items of plant and equipment are measured at cost less accumulated depreciation and impairment losses.

Depreciation of plant and equipment is calculated on a straight-line basis over the estimated useful life of the asset.

The estimated useful lives for the current and comparative periods are as follows:

Furniture & fittings	4 years
Computer equipment	3 years
Plant & equipment	2 - 7.4 years
Website	4 years

2021

Asset Class	Cost	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Dep'n and Impairment	Closing Carrying Amount
Furniture & fittings	6,633	-	-	-	-	-
Computer equipment	9,985	2,159	3,990	-	2,020	4,128
Plant & equipment	12,472	1,493	2,433	-	1,226	2,700
Website	12,158	36	-	-	36	-
Total	41,248	3,688	6,423	-	3,282	6,828

2020

Asset Class	Cost	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Dep'n and Impairment	Closing Carrying Amount
Furniture & fittings	6,633	22	-	-	22	-
Computer equipment	9,985	1,641	2,342	-	1,824	2,159
Plant & equipment	12,472	3,668	-	-	2,175	1,493
Website	12,158	2,363	-	-	2,327	36
Total	41,248	7,694	2,342	-	6,348	3,688

Note 10: Accumulated funds

Accumulated funds is measured as the difference between total assets and total liabilities. Accumulated funds is disaggregated and classified into the following components:

- General reserve
- Restricted reserves

Restricted reserves

Restricted reserves are a component of accumulated funds representing a particular use to which various parts of accumulated funds have been assigned in accordance with the NZDSN reserves policy. The following reserves have been set by NZDSN and may be altered without reference to a third party - transfers to and from these reserves are at the discretion of NZDSN:

Operating contingency reserve - to maintain a reserve at all times to cover an unexpected winding up event or other unexpected short term reduction in operational income.

Pay equity reserve - the unspent contributions from members towards the financial costs of legal advice in relation to the equal pay negotiations. There is no obligation to pay this money back to the members but there is an expectation that it is spent on pay equity legal matters.

Notes to the Performance Report

for the year ended 30 June 2021

Note 11: Accounts payable

Accounts payable are stated at cost.

Note 12: Employee costs payable

Employee costs payable are stated at cost.

Note 13: Income in advance

	2021 \$	2020 \$
Income in advance - received	351,556	319,748
	351,556	319,748

Note 14: MSD training fund

NZDSN received an administration fee to administer the fund on behalf of the MSD for the year and this amounted to \$15,000. (Note 3)

	2021 \$	2020 \$
MSD held on behalf	252,385	261,964
	252,385	261,964

Note 15: Reconciliation of net surplus with net cash outflow

	2021 \$	2020 \$
Reported net surplus / (net loss)	(25,527)	25,871
Add non-cash items:		
Depreciation	3,284	6,346
Movements in working capital		
(Increase) / decrease in accounts receivable	(60,246)	217,465
Increase in accrued interest and prepayments	11,138	(8,954)
Increase / (decrease) in accounts payable	16,855	11,479
Increase / (decrease) in current liabilities	13,482	451,586
	(18,771)	671,576
Net cash inflow/(outflow) from operating activities	(41,012)	703,793

Notes to the Performance Report

for the year ended 30 June 2021

Note 16: Commitments

There were no capital commitments as at 30 June 2021 (2020: nil).

Operating lease commitments

Photocopier lease commitment - Up to 1 year \$1,244 and Over 1 year \$3,525 (2020: \$1,539 and \$256)

Rental commitment - \$43,560 pa up to 31 October 2024 (2020: \$35,640).

Note 17: Contingent liabilities

There were no contingent liabilities as at 30 June 2021 (2020: nil).

Note 18: Related parties

The chief executive sits on the board of Career Force (a member of NZDSN) and NZDSN receive director fees.

Note 19: Subsequent events

There were no events subsequent to balance date.



INDEPENDENT AUDITOR'S REPORT

To the Members of New Zealand Disability Support Network Incorporated

Opinion

We have audited the performance report of New Zealand Disability Support Network Incorporated on pages 2 to 13, which comprises of the statement of financial position as at 30 June 2021, the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year then ended, and the notes to the performance report including the statement of accounting policies.

In our opinion:

- (a) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, in the statement of service performance are suitable; and
- (b) the performance report on pages 2 to 13 presents fairly, in all material respects:
 - the financial position of New Zealand Disability Support Network Incorporated as at 30 June 2021 and of its financial performance and cash flows;
 - the entity information; and
 - the service performance for the year then ended

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board.

Basis for Opinion

We conducted our audit of the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with International Standards on Auditing (New Zealand), and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Performance Report* section of our report. We are independent of New Zealand Disability Support Network Incorporated in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other than in our capacity as auditor we have no relationship with, or interests in, New Zealand Disability Support Network Incorporated.

Restriction on responsibility

This report is made solely to the members, as a body, in accordance with section 42F of the Charities Act 2005. Our audit work has been undertaken so that we might state to the members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members as a body, for our audit work, for this report, or for the opinions we have formed.

Board's Responsibility for the Performance Report

The Board is responsible on behalf of the entity for determining that the Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) framework is acceptable in the entity's circumstances and, for:

- (a) identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance;
- (b) the preparation and fair presentation of the performance report which comprises:
 - the entity information;
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report

in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued in New Zealand by the New Zealand Accounting Standards Board, and

- (c) for such internal control as the Board determines is necessary to enable the preparation of a performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board is responsible on behalf of the New Zealand Disability Support Network Inc for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intends to liquidate the entity or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Performance Report

Our objectives are to obtain reasonable assurance about whether the performance report is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this performance report.

As part of an audit in accordance with ISAs (NZ) and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional skepticism throughout the audit.

We also:

- ☐ Identify and assess the risks of material misstatement of the performance report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ☐ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.

- ☐ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- ☐ Conclude on the appropriateness of the use of the going concern basis of accounting by the Board and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the performance report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern.
- ☐ Evaluate the overall presentation, structure and content of the performance report, including the disclosures, and whether the performance report represents the underlying transactions and events in a manner that achieves fair presentation.
- ☐ Perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

We communicate with the Board regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

CKS Audit

CKS Audit

PALMERSTON NORTH

6 September 2021

6 September 2021

The Board
New Zealand Disability Support Network
P O Box 2653
WELLINGTON 6140

Dear Board,

**AUDIT OF THE PERFORMANCE REPORT
FOR THE YEAR ENDED 30 JUNE 2021**

The above audit is now complete and the signed audit report and performance report are enclosed.

We have conducted our audit in accordance with International Standards on Auditing (New Zealand) and the audit of the entity information and statement of service performance in accordance with the International Standard on Assurance Engagements (New Zealand) ISAE (NZ) 3000 (Revised), with the objective of expressing an opinion on the performance report prepared by management in accordance with Public Benefit Entity Simple Format Reporting Standard – Accrual (Not-For-Profit) (PBE SFR – A (NFP)).

The engagement team and the firm have complied with relevant ethical requirements regarding independence.

It is our responsibility to provide those charged with governance with timely observations arising from the audit that are significant and relevant to the Boards' responsibility to oversee the financial reporting process. This management letter allows us to communicate with those charged with governance as well as management.

Based on significant findings and other matters which arose during the course of the audit, we have the following comments and recommendations to make:

1. AUDIT REPORT

The Audit Report on the 2021 financial statements is an unmodified audit report.

2. REVIEW OF INTERNAL CONTROLS

Internal controls and appropriate segregation of duties are a critical part of any accounting system. These are the responsibility of management, and the risks associated with any lack of segregation of duties must always be assessed to ensure that the financial statements are free from material misstatement, whether due to fraud or error.

As part of the audit process we reviewed and enquired about the accounting procedures and internal control processes that are in place. Because of the inherent limitations of an audit, there is an unavoidable risk that some material misstatements may not be detected, even though the audit is properly planned and performed in accordance with New Zealand Auditing Standards.

SUGGESTION:

That the Board continue to ensure that appropriate internal controls and segregation of duties are incorporated into the income, expenditure, and payroll systems.

3. OTHER MATTERS

Completeness of Training Course Income

Training Income is based on the registrations received for each course. Some courses are run through ARLO and this process automatically generates an invoice in Xero therefore ensuring completeness over the invoicing of course registrations

There are other courses where the registration is not done through ARLO and as a result as part of the audit it was identified that through a breakdown in communication that not all attendees had been invoiced. This has since been rectified.

We recommend that once each course has been completed that a check is made for all courses to ensure that all participants have been invoiced (where appropriate as some courses are free, or some support people are also free).

Pay Equity Reserve

A number of years ago funding was received from various external parties to assist NZDSN in the Pay Equity negotiations. \$3,999 of that funding was unspent and remains "tagged" in a reserve for any future negotiations. We recommend as to whether this reserve is still required into the future.

MSD Training Fund

This is a fund that is held by NZDSN on behalf of the MSD. It is in effect a trust account for which outside organisations can apply to for financial assistance associated with course costs. It is therefore very important that at any point in time the funds held in the NZDSN 02 Bank Account reconcile to the amount accounted for in the ledger for this fund.

At present this is not the case mainly due to two factors:

- The GST on all the transactions is not being "paid to" or "received from" the NZDSN 00 bank account when GST returns are filed every two months, and
- The account is not being reviewed on a regular basis to ensure that the transactions being coded to this fund are correct.

During the audit we identified some transactions that had been incorrectly coded to the fund. Many of these were due to the process not being clearly understood by all people involved.

We recommend that all past GST is quantified and reconciled.

We recommend that moving forward that every two months (when the GST return is being completed) that the Bank Account is reconciled to the ledger and that a transfer of funds is completed to account for the GST.

Contract Extensions

During the year a number of contract extensions were made to the "Contracts for Service" agreements. These were verbal only and we recommend that any extensions in the number of hours, term or \$ value are formally recorded.

Membership Database

We recommend that each member organisation is given a member number. This is due to the membership database sometimes having 3 or 4 "Member Names" that fall under one membership. This is a mechanism to ensure that every member is contained on the list.

Signed Board Minutes

We noted that one set of Board minutes provided to us during the audit were not signed. We also noted that the Finance Committee Minutes provided were not signed.

We recommend that signed copies of all minutes are retained.

4. LEGISLATIVE COMPLIANCE RESPONSIBILITIES

It is the responsibility of management, with the oversight of those charged with governance; to ensure that the Society's operations are conducted in accordance with the provisions of laws and regulations, including compliance with the provisions of laws and regulations that determine the reported amounts and disclosures in Society's performance report.

There are a number of specific legislative provisions that we review each year as a result of our requirements as auditor. However, the auditor is not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

During the course of the audit this year, no instances of non-compliance with these laws and regulations have come to our attention.

SUGGESTION:

That the Board continue to monitor its compliance with all applicable legislative provisions.

5. FRAUD

The primary responsibility for the prevention and detection of fraud rests with both those charged with governance and management. It is important that management, with the oversight of those charged with governance; place a strong emphasis on fraud prevention and deterrence. This involves a commitment to creating a culture of honesty and ethical behaviour which can be reinforced by an active oversight by those charged with governance.

The auditor is responsible for obtaining reasonable assurance that the performance report, taken as a whole is free from material misstatement, whether caused by fraud or error.

During our audit, we have not identified a fraud or obtained information that indicates that a fraud may exist. Additionally, we have not identified any other matters related to fraud that are, in our judgement, relevant to the Board's responsibilities that should be brought to your attention.

SUGGESTION:

That the Board continue to ensure that appropriate internal controls are in place for the prevention and detection of fraud.

CONCLUSION

Please pass on our thanks to all the staff for all their cooperation and support during the audit.

If you have any questions with respect to the items contained in this letter please do not hesitate to contact us. We look forward to working with you again next year.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Viv Cotton', with a stylized, cursive script.

Viv Cotton
Director