

Annual Report 2022

Contents

NZDSN Strategic Plan 2022 - 2027	3
NZDSN Chairperson's Report	6
NZDSN Chief Executive's Report	8
Performance and Auditors Report	10

Strategic Plan

2022 – 2027

From our Constitution, our *Purpose* is...

to promote, encourage, support and represent members in regards to the provision of high quality equitable disability services and support for disabled people and families throughout New Zealand to enable good lives.

Our *Vision* for the future is...

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.

Our *Values* are:

- We are committed to work in a manner that upholds the ***Treaty of Waitangi*** and its principles
- We are committed to the UNCRPD and its principles
- We are committed to the principle of mana Motuhake (self-determination) of disabled people
- Being a strong ***advocate*** for our members and the sector
- Where needed and appropriate, we will ***agitate*** to ensure the voice of our members is heard and seek to make a strong ***impact*** to ensure our member's issues are addressed
- We are ***transparent*** in all that we do
- We are ***responsive*** to the needs of our members and ***timely*** in offering advice and support
- We desire a strong ***partnership*** with our members, with others in the disability sector and with those who design and implement policy and service purchasing and funding frameworks
- We are committed to ***unifying*** our sector so that every disabled person feels they are consistently enabled to enjoy a good life.

To achieve our Vision, we will:

1. Member Development, Support and Satisfaction

- Encourage and support membership by disabled people and whānau who are employing staff
- Act on the need to market among non-member providers
- Increase the value to our members of their membership with NZDSN by building our knowledge of our membership and the various segments/ types of member, the issues they face and the support needs they have
- Build and deliver a support framework available to our members to better meet their needs (eg: tools and templates that interpret the impact of policy to practice so members can design relevant service responses to the transforming system)

This will be measured by member satisfaction through conducting research and environmental scans to ensure that NZDSN's support is responsive to their common needs and priorities and that members rate NZDSN's activities as value for money.

2. Workforce Development

- Call for and participate in the development and implementation of a Disability Workforce Strategy that:
 - Services delivered for disabled people should be determined by them
 - Promotes disability leadership throughout providers
 - encourages our members to set aggressive targets for increasing their number of disabled employees
 - Identifies the nature of the workforce required to meet the wider implementation of Enabling Good Lives and the needs of disabled people over the next ten years and beyond
 - Considers the range of roles and impact of technologies over that period
 - Attracts people into the workforce and retains them
 - Creates a career pathway for those seeking it, including ongoing professional development opportunities and qualifications frameworks
 - Addresses the current critical workforce shortage
 - Recognises the investment in workforce by providers and reflects this in service funding arrangements.
- Reserve the right to comment on the proposed Disability Workforce Strategy so that it recognises the actual skills staff need to acquire

This will be measured by the publication of a Disability Workforce Strategy that embodies the voice of providers and that includes a strengthened workforce in capability and capacity promoting sustainability and changing needs.

3. The Operating Environment (reflecting legislative, regulatory and policy issues)

- Advocate for our members to set aggressive targets for increasing their number of disabled employees and engage with relevant Ministries on establishing how this will be measured, reported and supported.
- Build on our efforts to reflect our members' views on issues that relate to the operation of high-quality disability support services at all levels, including (but not exclusively) on matters relating to funding; service design, engagement and monitoring; workforce development; and the uncertainty created by the COVID pandemic.

This will be measured by NZDSN being a sought-after influencer on behalf of its membership leading to positive, long term changes that improve access and quality of disability support services. Furthermore, this will be promoted by NZDSN's strong voice to the government on matters of policy, service design, and legislation.

4. Financial Sustainability

- Explore and secure alternative revenue sources to continue to offer value to our members and to sustain NZDSN's future viability.
- Explore opportunities for partnerships where members can collaborate (and share efficiencies e.g. around shared services) rather than compete.
- Explore and secure opportunities to use the collective purchasing power of the membership to good effect. E.g. insurance, director liability, vehicles, travel/hotel costs, employee discounts etc.

This will be measured by financial measurable growth that is sustainable through diverse revenue streams to fund the innovation required to keep NZDSN relevant and useful to its members.

NZDSN will also regularly take the opportunity to review the wider operating environment to consider the challenges and changes facing the provider sector and disabled people generally. This strategic plan will be reviewed annually.

Chairperson's Report for 2021-2022



E ngā mana, e ngā reo, e ngā maunga, e ngā awaawa, e ngā pātaka, o ngā taonga tuku iho, tēnā koutou.

The past financial year saw COVID continue to have a significant impact on our members and disabled people and whanau. From continuity of service and staff shortages to access to PPE including KN95 masks and RAT tests, our sector experienced similar logistical issues to those faced in 2020-21. Thank you to all our members who attempted to assist the Ministry of Health in the supply chain issues they were experiencing. Your frustrations were shared in the hope that providers are seen as legitimate and trusted partners in the future. Collaborating and communicating early and often are key takeaways from this experience.

COVID also had a significant impact on NZDSN's financial performance, resulting in a \$200,322 deficit for the year. This loss is attributed to the effect COVID had on NZDSN's key event and contract activities, and costs related to pay equity. In the case of our contract activities, we've been successful in carrying these over into the new financial year. Both the CEO and Financial reports will speak to these matters further.

Significant time has been spent on the review of the 2017 Pay Equity Settlement and preparation for a fresh pay equity claim. This activity proved far more complex than anticipated and required us, in collaboration with other peak bodies, to engage specialist legal advice and a lead negotiator to secure an acceptable and fully funded outcome. As it transpired, the Government was not interested in negotiating (or consulting, for that matter), delivering instead a 3% interim wage adjustment that has still not been fully funded.

Our focus now is supporting those members named in the pay equity claim lodged by the unions on 1 July. The unions have also advised their intention to table more claims in the coming weeks to address other roles and relativity concerns. This will require significant resource and energy from NZDSN Chief Executive Peter Reynolds to achieve a satisfactory outcome (through the funded framework process) for those named employers and the wider sector.

Staff shortages for our members are at a crisis point. We've had a perfect storm of COVID-related illness, isolation, vaccination mandates, closed borders, stringent immigration rules and low wage rates impacting our sector's ability to maintain current service provision while investing in a workforce strategy that builds capability and competence to support disabled people and whanau to have voice, self-determination and mana.

NZDSN has been working with Immigration NZ to highlight some of these workforce issues, including connecting our members with officials through a hosted webinar. It's disappointing that disability workforce opportunities were left completely off the list when the Minister of Health announced a special package of conditions for attracting overseas health workers to New Zealand. We'll ensure our advocacy is heard over the coming year. Notions of enabling good lives for disabled people and whanau will remain purely aspirational without a well-paid, values-driven and trained workforce. This is not rocket science.

We're advised that the Ministry of Health is undertaking a review of the COVID Vaccination Mandatory Order and is aware of the impact this is having on our workforce and service provision. We're anticipating more robust debate about removing support workers from the mandatory order

and leaving the responsibility for staff and disabled people safety with providers under the Health and Safety at Work Act 2015.

The housing crisis has become a greater focus for our Policy Advisor over the past year. We appreciate warm, dry, safe and accessible housing is fundamental to a good life and have been more involved in housing forums, echoing concerns that Kāinga Ora needs to significantly increase their accessibility targets for new builds. Housing needs to be a fundamental human right and our systems need to start reflecting this.

We've spent various parts of the year focused on funding. Projects have been underway to explore funding equity and sustainability for Residential Services, and calls continue for investment in our sector. Inflation is also impacting service provision, with 6.9% inflation over the past year and wage increases at record highs across the economy. Our Board is very much aware of these pressures and continues to push for sustainable and realistic Government funding. Despite assurances from the Ministry of Health that this is being considered, we're no further ahead than we were a year or even 10 years ago.

A beacon of hope for disabled people, whānau and providers has been the establishment of a separate Whaikaha Ministry of Disabled People from 1 July. I remain optimistic that, over time, Whaikaha will demonstrate its role in advancing the aspirations of disabled people and whānau. While we've essentially seen a 'lift and shift' approach to date, the clock is ticking on demonstrating true leadership by investing in a sector that's been downtrodden for too long.

On behalf of the Board, I thank Peter and his small team at NZDSN for their professionalism and dedication over the past year. They punch well above their weight for their limited resources. Certainly, it's been a baptism of fire for Peter, given the issues he's faced.

Our Board consists of 10 hard-working sector representatives, and I'd like to extend my thanks to them all, including those that serve on our Finance and Risk Committee (including Richard Williams, a co-opted member to this committee) and the Tui Tuia Committee – very ably led by Tania Thomas.

Three members of our Board are stepping down this year, with two of them having served their maximum six-year terms. This includes Mike Brummitt from Community Care Trust in Dunedin; Laurie Hilsgen, the CE for Carers NZ; and Vicki Stewart, the DCE for Community Living NZ, who's been co-opted for the past two years.

Finally, I want to give a thought to the future and what the next year might bring. We're looking at what additional 'value-add' opportunities NZDSN can bring its members. 2023 is also an election year. We look forward to seeing what disability-relevant policies emerge from the various political parties and want to ensure they keep our sector front of mind.

We also look forward to the leadership that Paula Tesoriero can bring to Whaikaha. There is the general feeling the sector has waited long enough for change to come and, in the words of another NZDSN Board member, *"Now is the time for us to be brave and set the agenda, rather than wait on the Government to lead."*

Sean Stowers



Chairperson
September 2022

CEO's Report



This is my second report to NZDSN members at an Annual General Meeting, although my first 12 months in this wonderful role ticked over in mid-August.

And what an eventful year it has been with the promise of more to come.

It is with significant regret that I report the sizeable loss recorded for the last financial year, of \$200,072. In simple terms, this loss is a reflection of the impact of COVID on our activities, and more recently the impact of pay equity issues.

Projects with revenue totalling over \$1m were only partially completed by the end of June 2022, some just getting underway. COVID truly impacted in this last year, meaning that efforts to engage with people were significantly hampered. The largest of these projects – the Disability Workforce Development Collaboration Project – is funded jointly by Whaikaha, MSD and Careerforce. Over \$500,000 from this project, approximately half, has been carried over into the 2022-2023 financial year in line with a contract extension to this project until 23rd December this year. We are already seeing progress on the work involved in this project ramping up toward completion by the revised date. The issue, of course, is that this now traverses two financial years meaning that the 2021-2022 financial year looks particularly poor.

In addition, we had to abandon hopes of a 2021 NZDSN Conference and our workshop programme was significantly reduced.

We have received an extension to the Diploma in Employment Support project led by Gordon Boxall with additional funding for this financial year and an extension to the MSD Training Fund.

While these extensions and carry-overs have been helpful, they highlight the risk and reliance we have on such arrangements and strengthen my resolve to explore ways to diversify our revenue base.

This means we are forced to focus on our immediate future under more pressure than would be ideal.

My team members are focussing on our business plan for the year, with Dr Solmaz Nazari (our Policy Analyst) leading the policy work we undertake. Solmaz has been working away on a housing policy to provide backbone to our advocacy and debate in this space. Simply, we want a significant growth in accessible housing. Kainga Ora quotes a goal of wanting to achieve 15% growth in new community housing. 85% sounds about right for this goal, not 15%. Other priorities Solmaz and I are working on include funding issues (FDS, equitable residential pricing, general services uplift to reflect inflation, etc).

We are keen to enhance our relationship with and support of Maori disability support providers and Pasifika and are working with Tui Tuia in this regard.

We continue the development of a range of Operational policy templates and other tools across a number of management areas to support our members and aim to publish these tools later in the year coinciding with a refresh of our website.

We are presently planning a Survey of Disabled People in Leadership and Governance Roles – something that we believe has not been done before. We expect this survey to become an annual monitor of the growth of disabled people in leadership roles.

We are presently finalising our submission on the Accessibility for all New Zealanders Bill, in collaboration with Platform, reflecting a dual interest in the issues raised by this bill for both disabled people and those with mental health and addictions issues

Kristi Shaw, our Auckland Regional Co-ordinator, has been busy engaging with our Auckland members, facilitating forums and network meetings to identify key issues and to explore local solutions.

Sue Eastwood and I have been working on cleaning up our membership database. We have applied to the Lotteries Commission for a grant toward establishing a Membership Management System and hope, if our grant application is successful, to have this in place before Christmas. This will enable us to ensure our communications are more targeted along with some other features I look forward to telling you about in due course.

Gordon Boxall continues his work to support employment support providers, including facilitating projects to revise the Employment Support Guidelines and the Diploma in Employment Support programme

Gordon and I have been engaging with MSD around the development of practical initiatives to address critical staffing shortages in our sector. We are close to launching Jobs expos in the main centres and an initiative to lift the capability and capacity of disabled people in governance and leadership roles both inside and outside our sector.

Perhaps the most demanding single activity over the past year has involved pay equity. Many of you will recall the pay equity settlement reached in 2017 for support workers. The legislation to support this settlement expired on 30th June this year. Frustratingly, we attempted regularly to engage with the Ministry of Health in the lead up to the expiry date, unsuccessfully until very late in the piece. While we had prepared detailed costings and a case to argue for a significant increase for support workers and the full funding required for providers, the Minister of Health trumped this by announcing a 3% wage uplift from 1 July. NZDSN advised its members not to pay this increase if they could not afford to do so until funding was received from the Ministry. At one point in June there were as many as 10 meetings per week to work through the issues arising from this process, including preparing for the new pay equity claim, delivered to 15 employers on 1st July. This is reported in our Annual Report, with over 250 meetings held during the year – much of this reflecting pay equity. The pay equity process is complex and demanding. It presents significant costs we have not previously anticipated, but costs no one employer could easily sustain. The role of NZDSN as your peak body is clear – to support and represent our members to navigate this process, working jointly with the other sector peak bodies involved in an effort to secure an appropriate wage uplift for the workers involved and, critically, the full funding from government to enable this to be paid.

In the coming year, much of the planning and effort detailed in my report will come to the sharp, implementation end. Our budget for the 2022-2023 year has been carefully crafted to meet the challenges we face.

I am thankful for the efforts of my team during the year in, at times, trying (COVID) circumstances. I am grateful for the continuing support of our Board and its Chair, Sean Stowers, and look forward to working closely with the new Board following this AGM.



Peter Reynolds
NZDSN CEO
September 2022



New Zealand Disability Support Network Incorporated

Performance Report for the year ended 30 June 2022

Performance Report
for the year ended 30 June 2022

Contents
for the year ended 30 June 2022

	Page
Non Financial Information	
Entity Information	2
Statement of Service Performance	3 - 4
Financial Information	
Statement of Financial Performance	5
Statement of Changes in Accumulated Funds	6
Statement of Financial Position	7
Statement of Cash Flows	8
Notes to the Performance Report	9-13
Independent Auditors Report	14

Entity Information

for the year ended 30 June 2022

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
Fax:	04 473 4677
Email:	admin@nzdsn.org.nz
Web:	http://www.nzdsn.org.nz/



Statement of Service Performance

for the year ended 30 June 2022

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*	12	0	33
b) Workshop and forum programme registrations*	383	0	844
c) Satisfaction ratings for workshop and forum programmes*	90.75%	0%	83%
d) Regional network meetings*	32	0	27
e) Conference / symposium registration*	0	0	391
f) Net conference / symposium surplus*	\$0	\$6,000	\$67,097
g) Website traffic*	79,033	0	82,968

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

2 Facilitate the Development of a Qualified Disability Workforce

	Actual This Year	Budget/Target This Year	Actual Last Year
a) Participation in Disability Workforce Strategy Group	9	0	0

3 Effective Leadership for Research Practice and Policy Development

	Actual This Year	Budget/Target This Year	Actual Last Year
a) Working party and reference groups	275	0	16
b) Submissions and consultations	10	0	0
c) Presentations (Conferences) to sector groups/symposiums	3	0	3

4 Effective and Collaborative Relationships with Key Partners

	Actual This Year	Budget/Target This Year	Actual Last Year
a) Ministerial / MP meetings	3	0	5
b) Meetings with DPO's and other Peak groups/bodies*	61	0	6
c) Media interactions / features	6	0	12

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



Statement of Service Performance

for the year ended 30 June 2022

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	185	180	187
b) Membership revenue	\$221,674	\$200,000	\$193,318
c) Service contracts	6	5	6
d) Revenue - service contracts **	\$558,896	\$1,045,000	\$573,444
e) Training and other event income*	\$12,600	\$75,000	\$74,771

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

** An extension to some of these contracts to December 2022 has been granted due to the impact of covid.

Statement of Financial Performance

for the year ended 30 June 2022

	Notes	2022 \$	2021 \$
Revenue	2		
<i>Revenue from providing goods and services</i>			
Service contracts	3	558,896	573,444
Training income		12,600	74,771
<i>Donations Fundraising and other similar revenue</i>			
Grants	4	-	40,000
<i>Interest revenue</i>		4,108	4,883
<i>Fees, Subscriptions and other revenues from members</i>			
Membership fees		221,674	193,318
NZDSN conference / symposium income	5	-	79,986
<i>Other income</i>		1,573	17,157
		798,851	983,559
Expenses			
<i>Employee related costs</i>			
Employee expenses		282,437	282,958
<i>Costs related to providing goods and services</i>			
Contractors		85,198	54,036
Service contract expenses		517,780	473,827
NZDSN conference / symposium expenses	5	-	52,889
Legal fees - negotiation costs		17,247	2,100
Travel & accommodation		6,256	29,168
<i>Other Expenses</i>			
Accounting fees		7,476	7,080
Administration		22,198	42,363
Audit fees		6,492	5,450
Bank fees		941	1,217
Board expenses		241	1,715
General expenses		3,580	4,995
Meeting expenses		210	3,190
Occupancy costs		39,028	39,133
Website & IT expenses		5,730	5,681
		994,813	1,005,802
Net surplus / (deficit) before depreciation		(195,962)	(22,243)
Depreciation	8	4,110	3,284
Net surplus / (deficit)		(200,072)	(25,528)

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 2022

	Notes	2022 \$	2021 \$
General reserve			
Balance at beginning of year		198,886	224,413
Net surplus / (deficit)		(200,072)	(25,528)
Transfer from pay equity project reserve to general reserve		3,999	-
Balance at end of year		2,813	198,885
Restricted reserve - Pay equity project			
Balance at beginning of year		3,999	3,999
Additions / (drawdowns)		(3,999)	-
Balance at end of year		-	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	9	222,813	422,884

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



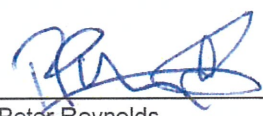
Statement of Financial Position

as at 30 June 2022

	Notes	2022 \$	2021 \$
Accumulated Funds			
General reserve		2,813	198,886
Restricted reserve - pay equity project		-	3,999
Restricted reserve - operating/contingency		220,000	220,000
		222,813	422,885
Current assets			
Bank accounts and cash	6	592,506	778,991
Accounts receivable	7	115,350	68,475
Accrued interest		2,325	748
Prepaid insurance		5,135	4,864
Prepayments		1,228	3,165
Term deposits		297,968	295,877
		1,014,512	1,152,120
Non-current assets			
Plant & equipment	8	5,855	6,828
		5,855	6,828
Total assets		1,020,367	1,158,948
Current liabilities			
Accounts payable	10	52,478	50,865
Employee costs payable	11	26,046	30,691
GST payable		(8,182)	50,566
Income in advance	12	542,660	351,556
MSD training fund	13	184,552	252,385
Total liabilities		797,554	736,063
Net assets		222,813	422,885


Sean Stowers, Chair

06/09/22
Date


Peter Reynolds
31/08/2022
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 2022

	2022 \$	2021 \$
Cash flows from operating activities		
Cash was received from:		
Receipts from providing services	717,298	716,920
Membership fees	221,674	193,318
MSD training fund	(67,833)	(9,579)
Grants / Donations	-	40,000
Interest received	2,531	7,343
	873,670	948,002
Cash was applied to:		
Payments to suppliers and employees	(996,179)	(977,303)
Net GST	(58,748)	(11,711)
	(1,054,927)	(989,014)
Net cash inflow/(outflow) from operating activities	(181,257)	(41,012)
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	(3,137)	(6,423)
Payments to purchase term deposits	(2,091)	(7,091)
	(5,228)	(13,514)
Net cash outflow from investing activities	(5,228)	(13,514)
Net increase / (decrease in cash)	(186,485)	(54,526)
Add opening cash brought forward	778,991	833,517
Ending cash carried forward	592,506	778,991
This is represented by:		
Bank accounts and cash	592,506	778,991

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 2022

Note 1: Basis of Preparation

NZDSN financial statements for the 30 June 2022 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 except for accounts receivable and accounts payable which are recorded inclusive 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

	2022 \$	2021 \$
Ministry of Health - Mid Central Provider Capability	30,000	170,000
Ministry of Health - AoG Consultancy Services Order	-	55,000
Ministry of Health - Workforce Projects	300,000	-
Ministry of Social Development - Workforce Development Programme	35,000	155,000
Ministry of Social Development - Employment Support Dip.Development	26,556	58,444
Ministry of Social Development - Employment Support Dip.Costs	56,400	-
Ministry of Social Development - Employment Support Practice Guidelines	2,640	-
Ministry of Social Development - Disability System Programme - Stage2	100,000	-
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	8,300	15,000
	558,896	573,444

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 2022

Note 4: Grants and Distributions

	2022 \$	2021 \$
NZ Lottery Grant	-	40,000
	-	40,000

Note 5: NZDSN Conference / Symposiums

	2022 \$	2021 \$
Revenue		
Registrations	-	71,036
Sponsors	-	7,200
Exhibitors	-	1,750
	-	79,986
Less expenses		
Conference / symposium expenses	-	52,889
Plus grant contribution		
NZ Lottery grant	-	40,000
Net surplus from conference / symposiums	-	67,097

There was no conference / symposium held during the year.

Note 6: 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.

	2022 \$	2021 \$
Westpac current account	350,941	585,377
Westpac savings account	44,783	44,715
Westpac MSD training fund account	196,782	148,898
	592,506	778,991

Note 7: 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 2022

Note 8: 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	1.4 - 7.4 years
Website	4 years

2022

Asset Class	Cost	Opening Carrying Amount	Purchases	Sales/ Disposals	Current Year Dep'n and Impairment	Closing Carrying Amount
Furniture & fittings	6,633	-	-	-	-	-
Computer equipment	11,371	4,128	3,137	-	2,348	4,916
Plant & equipment	13,307	2,700	-	-	1,763	937
Website	12,158	-	-	-	-	-
Total	43,469	6,828	3,137	-	4,110	5,854

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

Note 9: 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. These unspent contributions have been transferred to general reserve to cover the costs of legal advice.



Notes to the Performance Report

for the year ended 30 June 2022

Note 10: Accounts payable

Accounts payable are stated at cost.

Note 11: Employee costs payable

Employee costs payable are stated at cost.

Note 12: Income in advance

	2022 \$	2021 \$
Income in advance - received	542,660	351,556
	542,660	351,556

Note 13: 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. \$6,700 has been transferred to 2023 to cover costs for this period (Note 3)

	2022 \$	2021 \$
MSD held on behalf	184,552	252,385
	184,552	252,385

Note 14: Reconciliation of net surplus with net cash outflow

	2022 \$	2021 \$
Reported net surplus / (net loss)	(200,072)	(25,528)
Add non-cash items:		
Depreciation	4,110	3,284
Movements in working capital		
(Increase) / decrease in accounts receivable	(46,875)	(60,246)
Increase in accrued interest and prepayments	89	11,138
Increase / (decrease) in accounts payable	1,612	16,855
Increase / (decrease) in current liabilities	59,878	13,482
	14,704	(18,771)
Net cash inflow/(outflow) from operating activities	(181,257)	(41,012)

Notes to the Performance Report

for the year ended 30 June 2022

Note 15: Commitments

There were no capital commitments as at 30 June 2022 (2021: nil).

Operating lease commitments

Photocopier lease commitment - Up to 1 year \$1,244 and Over 1 year \$2,281 (2021: \$1,244 and \$3,525)

Rental commitment - \$43,560 pa up to 31 October 2024 (2021: \$43,560).

Note 16: Contingent liabilities

There were no contingent liabilities as at 30 June 2022 (2021: nil).

Note 17: Related parties

There are no related party transactions as at 30 June 2022 (2021:nil).

Note 18: 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 2022, 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 2022 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

9 September 2022

9 September 2022

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 2022**

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 2022 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

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.

It was pleasing to note that post the audit process last year our recommendation of reconciling the account to the ledger and ensuring the GST was transferred to the NZDSN 00 accounts was implemented.

Membership Database

We recommend that the membership levels are reviewed on a regular basis as we noted 2 organisations that were in an incorrect category.

- Chris Ruth Trust – should be level 3 based on income of \$3.8m
- Agape Homes Trust – should be level 5 with revenue of \$2.7m

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,



Viv Cotton
Director