



REFUGEE SERVICES

AOTEAROA NEW ZEALAND INC.

ANNUAL REPORT

2008/2009

Refugee Services Annual General Meeting 19 October 2009

CHAIRPERSON'S REPORT

The ten months that have passed since the last AGM have been challenging for Refugee Services, for those charged with its governance during that time, and for staff and volunteers alike.

The 2008 AGM convened in difficult circumstances. I do not need on this occasion to elaborate in detail what those difficulties were. They related to the organisation's Constitution, its membership, its senior management and its mainline funding. The key funding agencies were unhappy. The Auditor had made plain his unease over Refugee Services prospects as a going concern.

Arising from discussion on 11 December 2008 and by general agreement, an Interim Board was appointed with a clear mandate to bring about some necessary changes. The Interim Board was given until 30 June 2009 to fulfill that mandate.

At a Special General Meeting of members on 29 June this year the Interim Board submitted a revised Constitution. This was not a mere fine-tuning of the previous text but reflected a major makeover of the organisation's founding document. The reason being that the Interim Board had quickly discovered the old text was incomplete and out of date.

As a matter of urgency the Constitution had to be brought into step with the more robust framework instruments that are now common among other not for profit, non-government agencies with a high level of dependence on public funding sources. The law firm of Morrison Kent supplied independent legal advice for this exercise, at no charge.

The Interim Board's second point of main focus was on the senior management tier. This had created accountability issues and had become an area of serious tension between management and the previous board. The Interim Board disbanded the three-member 'national management team' structure, and following an internal and external search appointed a new chief executive, Heather Hayden. She has brought formidable skills and experience, high energy and impressive commitment to the job.

The Interim Board was also requested to reinvigorate Refugee Services membership in order to enhance the organisation's profile, credibility and relevance. On the Board's recommendation the Special General Meeting endorsed full member status for an additional eight agencies in the Ordinary membership category, thereby doubling the number of sister agencies associated with Refugee Services. Importantly, six of the new members are refugee-driven and managed.

If those three areas of major concern - the Constitution, management structure and membership - were not worrisome enough, the Interim Board had to deal with the stark reality that Refugee Services had been living well beyond its means. This situation had become very evident to the Auditor and underpinned his qualified opinion.

Fortunately from the standpoint of Refugee Services immediate future, the reforms initiated by the Interim Board and supported at the Special General Meeting, were sufficient to give renewed comfort to the principal funders. Their support has been obtained for the 2009-2010 financial year. I wish to acknowledge the constructive and helpful relationship that now exists with the responsible officers in the Ministry

of Social Development and the Department of Labour, Immigration Division, and has consolidated since Heather took up her appointment.

Having said that, Refugee Services cannot now sit back with any sense of complacency about its long-term financial position. There is further work to be done in this area.

I will add only three additional points. The first is that more rigorous external monitoring of Refugee Services financial and operational performance will have to be accepted as a fact of life. This should be welcomed, not be a cause for apprehension.

The second point is that the organisation must strive to reduce the level of its dependence on public funding sources. This will not be easy and will not happen quickly. Especially in the existing tough economic conditions that has put pressure on the discretionary dollars available to likely benefactors. The plain message is that new ways of attracting non-core funding have to be identified. New means of profiling Refugee Services as a value proposition have to be explored.

My final point relates to Refugee Services role as one element in the network of organisations, public and private sector, that operate in the broad field of refugee settlement, care and advocacy. A number of them are Ordinary members of Refugee Services, and are valued partners to us in that capacity. Our emphasis moving forward and working with those other agencies, will be very much on maximising opportunities for collaboration to mutual advantage.

I will leave Heather to speak in more detail on these particular issues in her CE Report.

It remains for me to thank my fellow-members of the Interim Board for the journey we've been on together since January, and to the success of which they have all applied unstinting effort: Druis Barrett, Love Chile, Diana Crossan, Margaret Griffin, John Lumsden, Arif Saeid, Carol Stigley and Mahad Warsame. And to Carla Wild who served admirably in the role of Minute taker and scribe.

The permanent board that will be elected at this AGM will inherit a modern Constitution, a strengthened membership base, an improved management framework, more secure funding, dedicated staff and volunteers, and a topflight chief executive. We wish the new board well as it assumes responsibility for the delivery of Refugee Services critically important settlement programmes.

Brian Lynch
Chair
Interim Board
Refugee Services Aotearoa

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19 October 2009**

CHIEF EXECUTIVE REPORT

This Report accompanies the presentation of the audited financial statements for 2008/2009.

As I commenced my role as chief executive mid-way through the last month of the financial year, I was not in a position to influence the outcome nor would I wish to defend the result.

What I would like to do in this report is acknowledge Refugee Services has been in a very poor financial situation, and those organisations purchasing services from us would have been right to be concerned about our viability.

Our focus is now on strong financial management and building a solid foundation for the future.

We have undertaken a number of measures to achieve this. I would like to outline these and then present some of the initiatives which will be the focus of Refugee Services for the 2009/2010 year.

First the challenges

Refugee Services had been increasingly living beyond its means as these financial statements show. The planned budget for 2009/10 showed expenditure of more than \$300,000 over projected income. The loss of Pathways to Partnership funding from the Ministry of Social Development exacerbated this deficit.

Refugee Services must now seek funding from a contestable pool of money to which we have to apply. By its very nature contestable funding is liable to fluctuate from year to year. Furthermore, in the current economic climate securing contestable funds is now a much greater challenge than before.

To address this we have:

- ❖ Conducted two line-by-line reviews to reduce operational expenditure by \$200,000
- ❖ Put in place a review of the cost of managing and storing furniture to look at more cost effective ways of managing this important area
- ❖ Reviewed our office occupancy and have a plan to reduce the number of offices in Wellington
- ❖ Frozen any new appointments for staff, other than those at the front-line
- ❖ Introduced tighter processes around some HR areas such as time in lieu and annual leave, where we have a historic and significant contingent liability.

In taking these steps the underlying principle has been to maintain front line services and reduce operational expenditure. Our revenue situation is

however tenuous and we are heavily reliant on outcomes from contestable bids. Therefore we have a contingency plan ready, which will require a reduction in the number of staff – again with the principle of protecting front-line services as much as possible.

Longer term we need a more effective way of matching specific services with revenue from government agencies. To this end we are:

- ❖ Having a costing model developed which will identify the cost of each of our contracted outputs and attempt to estimate the overall cost of resettling quota refugees
- ❖ Contracting with Augen (an IT company led by a former refugee) to put in place a database which will enhance both our internal client planning and management and more particularly in this context provide better reporting to funders
- ❖ Aligning all our services with identified purchasers or funders so that there is greater transparency in the cost, provision and reporting of those services.

I am confident that with these measures we will be able to both balance our budget for this year and provide a more stable financial environment for the next years. We will also be in a better position to manage any unexpected changes to our budget as a result of the global economic environment.

It is important to note that our services are largely demand-driven. We are contracted to resettle the government's quota of 750 refugees. Currently we have no role in the selection of the quota and must determine the level of support we provide on the basis of an assessment once they arrive in New Zealand. We are pleased at the government's decision to put in place a three-year planning around the composition of quota refugees. This will enable Refugee Services to put in place a longer-term planning framework.

Looking ahead to the rest of this financial year, there are three key initiatives I would like to highlight.

The **first** of these is the determination to allow a greater refugee voice within Refugee Services. We need that voice at the governance level, in our planning and most importantly within our services. We are delighted that we have four former refugees standing for the Board. Other ways we will be seeking to learn from and involve former refugees is through:

- ❖ Board meetings taking place in Auckland and Christchurch as well as Wellington, so that Board members can meet local community leaders
- ❖ A series of community planning days so that local refugee communities can contribute to our longer-term planning
- ❖ Seeking funding to employ former refugees as social work interns
- ❖ Scoping a business case for a community caseworker position for former refugees which would provide full-time employment and customised training
- ❖ Developing a leadership programme to enable former refugees to take their first management steps within Refugee Services

- ❖ Ensuring a greater degree of collaboration with refugee-led organisations.

The **second** is the introduction of a Comprehensive Resettlement Plan that will assist in outlining a pathway for a refugee for the first few years in New Zealand. The Plan is currently being developed, overseen by a steering group from Refugee Services, Department of Labour, the Ministry of Social Development and some former refugees who are working in the area. Within the next month it will go out for wider consultation within the refugee and service delivery sector.

The Plan will provide a pathway to resettlement. It will capture a refugee's hopes and aspirations as they enter life in New Zealand, as well as assessing and following up on individualised resettlement needs. The Plan has a much wider application than the initial resettlement activities of Refugee Services and therefore it will need to involve all the agencies and organisations within host communities. The Plan will fundamentally change the way Refugee Services manages its services at the day-to-day level and we expect it will enhance our professional delivery of services at all levels.

The Comprehensive Resettlement Plan will require a significantly greater level of coordination and cooperation between agencies and we look forward to working this through at the national and local levels.

This is the **third** key area we are focussing on this year - seeking to enhance our relationships with communities and other agencies. This may be through joint projects, planning or seeking a better understanding and respect for each other's aspirations and programmes.

By its very nature, Refugee Services should be a connecting agency. Our focus for this next year is on connecting with you, our members; connecting with communities, connecting with other agencies working in the sector; connecting with international organisations and most importantly of all connecting with and listening to the refugee voice within New Zealand.

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