

Richmond Fellowship Annual Report 05/06



Richmond
NEW ZEALAND
— SINCE 1978

Partners in Community and Individual Wellbeing
Ngātahitanga i te takitahi me te hauoranga ā iwi

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The Chair's Report

The 2005-06 year for Richmond has been one of the most challenging twelve months ever faced by a Richmond Board in its 28 years.

The combination of a virtually brand new Board, facing a fourth year of operating deficits, followed by the resignation of the former Chief Executive, and a four-month gap until the appointment of Richmond's new Chief Executive, Kath Fox, in March 2006, together with a range of longstanding and complex policy issues which needed to be addressed, created one of the most active and concentrated governance years that any of the present Board members have ever experienced in their collective 150 years of governance experience.

One of the key tasks of any governance body is to ensure the organisation it serves is in a sound financial position. This responsibility is particularly focused when more than 2,300 clients rely on us for uninterrupted quality services, and 640 staff depend on us for their wages.

One of the first tasks of the incoming Board was to require significant budget changes, including reduction in expenditure, to ensure Richmond did not again make an overall operating loss, as it had in each of the previous three years.

Under the guidance of the new Chair of the Board's Finance, Audit and Risk Committee, Mr Trevor Thornton, the draft budget for the year 2005-06 was closely examined, and critical policy decisions were made, including some decisions which resulted in staff redundancies at National Office, as well as significant reductions in expenditure. This had to be achieved without diminishing the quality of services. As a result of this range of fiscally prudent decisions and careful monitoring, Richmond has ended the 2005-06 financial year with a surplus, rather than a loss. It is the Board's intention to ensure Richmond continues with sound financial policies and management. It is sometimes said organisations in our sector are "not for profit"; we prefer to say we are categorically "not for loss". The size and nature of the surplus in the year under review is made up of a mix of some unusual factors and is most unlikely to be repeated. This aspect is dealt with more fully in the financial section of this Annual Report.

Another key task of a Board (from time to time) is to appoint its Chief Executive; indeed few members of Boards

get the opportunity to do this. With the departure of Gerry Walmisley, a nation-wide search was undertaken for a new Chief Executive for Richmond, attracting nearly 50 applicants. A full Board interview panel was set up, and spent two days interviewing the "short list", as well as creating an advisory staff representative panel of two. The unanimous choice of both panels was Kath Fox, who was appointed in March 2006.

Kath Fox brings to Richmond a breadth and depth of health and mental health experience which will serve Richmond well; she also brings the highest of professional standards. The Board formally acknowledges the enormous contribution Kath has already made to Richmond in only a few months. We are honoured to have a person of her experience and capabilities as our Chief Executive.

A two day Strategic Advance, held in April 2006, was a landmark opportunity for the new Board, the new Chief Executive and Richmond's Senior Management Team, together with all service leaders from throughout New Zealand, to "think tank" future strategic directions for the organisation. The "refreshing" of the Richmond branding was one of the direct results of consensus reached, as was agreement on the values and principles that would guide all our decision-making. Thoughtful analysis of the environment in which Richmond will work over the next

years and the high standards we set for service delivery for our clients, were other key topics. It is the Board's intention to convene such strategic advances annually.

The Board has, in the year under review, tackled a number of key policy decisions in relation to a range of issues it has inherited from Richmond's past.

One such set of issues concerned Richmond's partnership with Nga Maata Waka (in Christchurch) formed to create a Wellness Centre in the suburb of Aranui, a project that commenced five years ago. Despite considerable effort over the years, the partnership's limited liability company, Te Amorangi Richmond, which owned the centre's building and ran services from it, had made successive annual losses. Richmond, as a partner in this venture, has each year supported its share of these losses through its capital reserves. After very careful consideration, Richmond's Board gave notice to Nga Maata Waka in November 2005 that it wished to withdraw from the project. This gave Nga Maata Waka several months to find a "substitute" partner. This proved to be an unsuccessful search. Subsequently, and after consideration of three offers to buy the building, the decision was made to sell to the St John of God Order (which will take possession in October 2006). The Richmond Board is pleased that the services which are currently offered to the community from the building (including a GP clinic), will not only continue under the new owners, but will also be expanded.

Another major set of issues for the Board during the year under review concerned our Information Technology (IT) policy. Like many NGOs that have grown quickly, Richmond's IT infrastructure has not, in the Board's view, kept pace with the organisation's expanding needs. During the year the Board made three key policy decisions. The first was to invest in a major upgrading of Richmond's basic network; the second was to invest in a major upgrading of

specific payroll and staffing IT; the third was not to proceed with a pilot started two years ago on a particular client information management system. The Board wishes to see an improved IT-based client information management system introduced as soon as feasible, but believes we have not yet found the right model for us. Investing wisely in major upgrading of IT inevitably involved major capital expenditure and is a specialist field; the Board sought outside expert advice to assist its decision-making on IT issues during the year and will continue to do so.

A third set of issues addressed by the Board in the year under review related to the Board's concerns to ensure appropriate standards for good process, best practice and accountability were actively followed throughout the organisation as well as "right-sizing" the organisation for most effective delivery of services. A number of independently commissioned reviews and internal audits have led to the identification of areas where improvements can and have been made. The Board believes we serve our clients best when the bar is set high.

The Board, in the year under review, joined together for sixteen meetings, three quarters of them by teleconference to minimise costs. The Board's only standing subcommittee – Finance, Audit and Risk – met seven times. Two special ad hoc Board subcommittees – for IT and Te Amorangi Richmond – met five times and ten times respectively. In addition, all Board members participated in the selection of the Chief Executive and in the two-day strategic advance held in April 2006. Individual Board members have also represented Richmond in a range of activities and functions during the year. We also rectified an inherited defect in our own election process.

Given the very modest level of Board fees currently prescribed by Richmond's Constitution, most of this Board contribution is, in effect, voluntary. The Board wishes to

signal that it believes that it will not retain (or attract in the future) the range and high level of skills and experience needed for governance of a major national organisation like Richmond with major responsibilities for consumer support and wellbeing, \$7 million worth of assets, and a turnover of \$30 million a year, on the present Board fee basis. This is to be the subject of a discussion paper to members in the 2006-07 year.

Given the enormity of the challenges it faced, the Board is pleased with the results of its work during the year. The appointment of Kath Fox as Richmond's new Chief Executive was obviously a key task for the Board, and one that took, appropriately, considerable time and consideration. Addressing a backlog of inherited issues has been incredibly time consuming, in addition to the normal governance responsibilities that came as a matter of course.

As Chair, I wish to record my considerable gratitude to all Board members, for their wisdom and dedication and for giving so much to governance during the year. I also thank our members for their continued support and encouragement. We all believe Richmond is a good cause.

Dame Ann Hercus (Chair)
on behalf of:
Judith MacKenzie (Deputy Chair)
Professor Ken Daniels
Peter Farley
Judge Philip Recordon
Lee Robinson
Trevor Thornton



Chief Executive's Report

The 2005-06 year has witnessed a period of significant organisational renewal and transformation for Richmond. We have placed considerable focus on renewing our organisation, reviewing and building on the strengths and achievements of our past, and also on reassessing our future direction and the challenges and great opportunities that lie ahead.

The story of Richmond is about our daily engagement with clients and our commitment to supporting clients to achieve their potential. We provide this support through the wide array of services that we offer in the community. We have chosen to profile just some of these services in this annual report as an acknowledgement and celebration of our core business. Our community support professional workforce is at the heart of our organisation – their ongoing commitment to, and work with clients, binds our past, our present and our future.

The latter half of the 2005-06 has seen a strong focus on organisational transformation. This process was initiated with a strategic advance workshop in April this year, and that work provided the basis for determining the vision, values and guiding principles for Richmond.

Our vision is:

Partners in Community and Individual Wellbeing

Ngātahitanga i te takitahi me te hauranga ā iwi

Our new vision statement captures the purpose of our organisation and it is the unifying focus which underpins all our activities. This is why we are here; it is our purpose, our aspiration, it is what we want to achieve.

Richmond is committed to working in partnership and collaboration with the clients we serve, with families and whanau, with other service providers, with funding agencies and with the wide and varied range of stakeholders who have an interest in the health and wellbeing of the community. And that is why there is an explicit statement about partnership in our vision as a means of acknowledging we do work in partnership with individual clients. We believe that partnering with other organisations and stakeholders is beneficial in facilitating good outcomes for clients.

We have also agreed the values of our organisation. These are: respect, biculturalism, inclusion, excellence, innovation, professionalism, and leadership.

We are committed to reflecting our values in the way we

Our vision is: Partners in Community and Individual Wellbeing Ngātahitanga i te takitahi me te hauoranga ā iwi

carry out our roles both at an individual and at a collective level within the organisation and in our relationships with others.

We have also agreed some key principles to guide the way in which we think and work. Our guiding principles are about client focus, best practice, accountability, fairness, equity, consistency, and sustainability. And we have also refreshed our branding.

We have now developed a strong strategic platform for our organisation, and I am confident that this will be robust into the future.

We have taken the opportunity to review the roles, composition and capabilities required at Senior Management Team level in order to ensure our ability to deliver on our strategic vision, better engage with staff and key stakeholders, and to design and develop the systems and processes that are so critical to ensuring the sustainability of our organisation. Our Senior Management Team comprises three Regional Managers (Northern, Midland Central, and Southern) and three General Manager roles dedicated to Corporate Services, Human Resources, and Service Development.

During the year we also adopted, after extensive consultation, a key document for Richmond – our Maori Health Plan “Kokiritia Te Hauora Maori” – and have commenced its implementation.

We have seen some significant achievements over the past twelve months in an environment of extensive and quite rapid organisational change. We can now report a turn around in our financial performance from a previous annual operating deficit to a surplus result, and an improved focus on systems and infrastructure development. The 2005-06 financial year has seen the implementation of the Human Resources Competency Framework across the organisation, which includes identification of foundation and key competencies for all roles, a link to our organisational values, and the development of key performance indicators to guide performance planning across the organisation. A training and development strategy has also been agreed, and this will see an enhanced focus on building and

maintaining competency across all roles in the organisation as part of our commitment to best practice and ensuring quality service provision to clients.

Richmond is committed to the development of the NGO sector, and it is for this reason that we are working closely with Platform. This organisation is an incorporated society that exists to give a national voice to non-government organisations (NGOs) providing health and disability services. Richmond wishes to invest in collaborative initiatives with Platform in key areas such as quality, outcomes, workforce development and innovation.

There are still challenges ahead. We need to ensure that our infrastructure is appropriate for the nature of our business and the size of our organisation. Some developments that lie ahead include the upgrading of our vehicle fleet, the development of a client management information system, and the development and implementation of an outcomes framework across the organisation. We want to provide career pathways within Richmond and ongoing professional development opportunities.

The past twelve months have been challenging for our organisation. However, there is much to acknowledge and celebrate. Quality services continue to be provided to our clients; some critical issues have been identified, addressed and resolved; our strategic direction has been reviewed, and we are well under way with our process of organisational renewal and transformation. Our collective commitment to supporting clients to achieve their potential is the common motivator that binds all of us, and that will hold us strong into the future. I would particularly like to acknowledge and honour the commitment and competence of all of our staff, the judicious, thoughtful and wise guidance of our Board, the particular dedication, generosity and expertise of our Chair, and the professionalism and dedication of our Senior Management Team. All of us look forward to the future with hope, excitement, confidence and belief.

Kath Fox
Chief Executive

Services Provided by Richmond 2005-06

Richmond is a national organisation, providing community-based health services and operating from Kaitia to Dunedin. Administratively divided into three regions (Northern, Midland-Central and Southern), Richmond operated on average more than 100 specific services or programmes in the year under review, for an average of 2,300 clients with mental illness, intellectual disabilities, alcohol and other drug addictions, and dual diagnoses. An average over the year of 640 staff (a mix of full time, permanent part time and relieving) supported these clients, in a wide range of community settings

Richmond’s philosophy (as it is expressed throughout a network of Richmond organisations in 40 different countries) is based on a conviction that many citizens with severe mental health and disability issues can in fact live full and fruitful lives in the community with the appropriate support. Richmond’s range of services has, over its 28 years of service in New Zealand, broadened well beyond the provision of community-based residential services for those with moderate or severe mental health diagnoses – important though that specific kind of service still is.

From its first residential house (in Christchurch in Dorset Street) 28 years ago, Richmond now offers a broad and diverse range of services. In the year under review, the organisation has provided

- Residential services in an average of 62 settings across the country, supporting both youth and adult clients with a range of mental health and/or social care issues.
- An average of 20 separate community support programmes, to support individuals in their own homes and community (again for both youth and adults). These programmes are not all identical. Some have a particular perspective such as a service for older people, or for parents.
- A Regional Intellectual Disability Supported Accommodation Service (RIDSAS), a support service for people with intellectual disabilities who have “high and complex” needs, in an average of eleven homes.
- A service focusing on support for clients with a mental health diagnosis to find and maintain paid employment, in six different locations.
- A service based on MST (multi-systemic therapy), which offers 24-hour support to multi-problem youth and their families, based in Christchurch.

- Community Alcohol and Other Drug Detox Services in Dunedin and (through two short term contracts) alcohol and drug counselling services in Napier, Wanganui and Palmerston North.
- Two overseas services, sponsored by Richmond – one in the Cook Islands and one in Sri Lanka (funded by NZ overseas aid funds).

It is this broad and multi-faceted range of more than 100 services and programmes that is a hallmark of Richmond as a national provider of community-based client-responsive support.

Funding for Richmond’s work in the year under review came from a range of sources, including 18 District Health Boards, Child, Youth and Family, the Ministry of Social Development, the Department of Corrections, and the Ministry of Health.

Some of Richmond’s services involve joint ventures with another organisation, a characteristic that it is intended to expand wherever possible in the future.

In the year under review, Richmond exited one service (a youth service programme in Wellington) and gained two totally new contracts. Two alcohol and drug intervention services that were funded out of the closing of Hanmer also concluded during the year. Richmond also gave notice of its intention to withdraw from a limited liability partnership, Te Amorangi Richmond, in Christchurch.

Community Residential Services

Richmond's community residential services – typically four or five bedrooms or blocks of flats or apartments with access to 24-hour, seven days a week staff support – offer a home to clients with a significant mental health diagnosis and in some cases, an intellectual disability as well. Clients are supported to undertake daily life skills, such as planning for meals, shopping, budgeting, working, cleaning and laundry and using public transport. There is focus on responding to individual need, people's dreams and ambitions, maximising potential and the quality of life to enhance self worth and

confidence. On average, clients stay up to two years in one of Richmond's residential homes following planned programmes of treatment and rehabilitation.

Richmond offers separate community residential services for both adults and youth. Some services support people with a diagnosed mental health issue as well as an intellectual disability. Some Richmond services offer additional specialist support (for example, Segar Lodge in Auckland, which is a joint venture with the Auckland District Health Board, offers a formal specialist psychotherapy programme).



A Residential Service Story

Client "Fred" came into our residential service with severe depression, psychotic features, loneliness and isolation. Despite unsuccessful attempts at flatting on his own, this remained a strongly desired goal for the client.

The client initially came into a supported accommodation house, later moving to a shared flatting situation. The idea of initially living with others for a time was to enhance personal confidence in relating to others and to build on communication skills to help gain a greater sense of inclusiveness with people and the world around them. Through attending to the routines of daily living and engaging with others in the tasks that are a part of group living arrangements, including house duties, meetings, shared meals, shopping, the celebration of birthdays and special events, etc., the client very slowly built a sense of camaraderie that also added a deeper sense of belonging and security helping to anchor them in their day-to-day life. Though all this was difficult for the client, he at all times accepted the challenges as part of the recovery journey and the need to bring greater satisfaction into his life.

It took a long time for the client to be stabilized on an effective medication regime. When this eventually did occur the client was able to begin part-time employment sourced through a Richmond employment-based service. When the client felt ready, staff supported him to live on his own in his own unit. Usually two people share a unit at this complex but the need was greater for the client to again try living on his own while remaining engaged with familiar contacts and the established tasks and routines they had now built into their life. Staff reduced the amount of time that they initiated contact with the client thus allowing the client to take a greater lead. With minimal intervention and ongoing encouragement and guidance from staff when problems arose, the client eventually achieved their desired level of independence but this time with a greater sense of contentment and desire to input into life.

With support from parents and family members the client was able to purchase his own home where the client now lives happily on his own. The client occasionally makes contact with staff for a little guidance on matters that arise, and to catch up on friends made, and also continues successfully in his part time employment.

Community Home-Based Support Service

An alternative to offering clients a staffed environment within a Richmond community residential service is to offer targeted support to the clients with mental health diagnoses in their own home and individual community environment. Some of Richmond's services focus on youth offering one-to-one support at school, at home, vocational and accommodation support, as well as behaviour modification and life skills programmes.

Other Richmond home-based services focus on adults. Again, such services offer one-to-one support, helping clients learn to live with their illness and building good habits of self-care and effectively tackling the tasks of daily living. Clients are encouraged to connect with their community at every opportunity – through, for example, joining a library, a swimming group, a study course, and for finding full or part time employment.

Clients, with very few exceptions, move successfully through these services – a process that can take a few months or an average of up to two years.

Some of Richmond's home-based support services reflect particular client groups because of local initiatives. For example, a service may have a focus on older clients, or may focus on empowering the whole family. Other services, funded as adventure-based learning have taken a particular approach, such as using, on a five-week basis, challenge and adventure in outdoor pursuits (mainly for young adults) to help change and personal growth.

Another variation is a joint venture (in South Auckland) between Richmond and two other trusts to provide one-to-one support for youth and their families, including holiday programmes and parent education.

Yet another variation on the community-based services theme in these Richmond services is a pilot parenting programme, focused on clients with mental health diagnoses who are parents.

There were approximately 20 such home-based community support programmes in the year under review, spread across the three regions.



Home-Base Support Service Story

Client “Jan” has ten years of struggle behind her, including two years in hospital when she could not see her two sons on a regular basis and was under a community treatment order. Her outlook on life was bleak. With help from Richmond Residential Services she gradually built up some independence.

Then, with guidance from a community support professional, she says she felt “things really took off”. She still battled with panic attacks but, thanks to the support she gets from Richmond staff, she says she can now manage to “go anywhere, even for coffee”. Her goals were set in little steps at a time. Now she lives independently in a three-bed roomed house and can have her children to stay overnight.

She continues to be very thankful for the recovery help from Richmond and says she “couldn't have done it with this support”.



Home-Base Support Service Story

Client “Shirley”, aged 38, came to Richmond's Community Support service showing post-natal depression, bipolar, and associated anxiety.

The team provided Shirley with daily plans to help her run her household and family routines, and helped her to find new activities to enjoy. She steadily gained confidence and began to cope better with the demands of daily life.

Shirley is now back nursing three nights a week and enjoying her life again. She had help from Home-Based Support for a year and at the end was warm in her appreciation of how important the service was to her and her family.



Adventure Challenge Story

Client “Geoffrey” joined the “Challenge by Choice” programme, which let him assume responsibility himself for the degree of difficulty he was prepared to face. The course encouraged Geoffrey to overcome personal barriers, increase his confidence in himself and other people, discover initiatives through new activities, and to deal with fears.

Geoffrey said the course “helped me to learn to have a go at new experiences, to work with a team of people, and especially to have fun”.

A consultant psychiatrist for the course says it “helps those with anxiety and social phobia to become less anxious and more assertive; it improves the way in which they relate to their environment and to other people”.

Specialist Vocational/Employment-Based Services

Richmond in the year under review ran six vocational/employment-related services, spread over the three regions. Each reflects local initiatives and regional variations.

Two examples of these are firstly the Mahi Boys Trust in Tauranga. This service is based on finding work for clients (working in groups) such as lawn mowing, hedge cutting, fencing and path laying, all under supervision. It provides great work experience and is in part self-funding. The support of the local District Health Board has been valuable.

The second example is CreativeWorks run in Christchurch. This is funded by the Ministry of Social Development to support people with a mental health diagnosis to find, and maintain, paid employment. It aims to maximise the potential of the mental health community and achieve the objectives set out in the New Zealand Disability Strategy. The strategy's vision is for a

society that values the lives of people with disabilities and enhances their full participation in society. The primary focus of the programme is to provide genuine employment opportunities for people with disabilities.

The Supported Employment model that is the basis for the CreativeWorks Employment Service assumes that all people with disabilities can work successfully in the open labour market if they find a suitable job and are given the right support. This model achieves the best employment outcomes for people who experience a mental illness; Supported Employment for people who experience a mental illness in New Zealand has been shown to be a viable, effective option. It is a cost effective solution that meets the needs of users of mental health services who are seeking to return to employment, the needs of employers, and the aims of Government mental health and disability strategies.



CreativeWorks Story

Client "Julia" is one of many Richmond success stories, showing that people with disabilities can work successfully in the open labour market – with a suitable job and the right support.

Julia is a highly motivated woman who experiences bipolar disorder. Her dream was to work with animals, to become an animal attendant, a job that is extremely sought after. A few days after registering with CreativeWorks she began voluntary work at a dog day care centre. Within a month she was offered a paid position. After six months her independence has increased and she no longer needs support from mental health services.

Richmond's RIDSAS Service

The Ministry of Health funds RIDSAS (Regional Intellectual Disability Supported Accommodation Service) throughout New Zealand. Richmond in the year under review has been funded to provide this service to 34 clients, in eleven different residential settings.

The service is designed to deliver a range of quality 'high and complex' support options to clients who meet eligibility requirements. Services are based upon individualised packages of support and can include community supervised or community secure options (as defined within the Intellectual Disability [Compulsory Care and Rehabilitation] Act 2003).

The range of services being provided include:

- Secure Residential placements
- Supervised residential placements

- Care Management
- Transition Management
- Intensive Service Management
- Assessment Service
- Life Skills and Day Activity Services
- Planned Respite

The staff of RIDSAS services provide 24 hours a day/seven days a week care. Too many clients with 'high and complex' needs have, in the past, often been accommodated in large mental institutions. This service is committed to support, wherever possible, the right to live in the community and the right to learn skills and partake in meaningful activities, with whatever assistance is required.



A RIDSAS story

In December of 2005 a user of the Richmond RIDSAS service was supported to attend an athletics meet in Auckland, winning four gold medals in track and field events. Valerie Ville, the New Zealand female record holder, presented him with his shotput medal.

Whilst watching the other competitors lots of vocal support was given by the client and at one stage he stood up and sang the national anthem in Maori. A wonderful weekend of achievements, new friendships made, medals won and two airplane flights under his belt.

MST (MultiSystemic Therapy)

MST is a goal-oriented, evidence-based 24 hours a day/ seven days a week home-based treatment programme designed to help multi-problem youth and their families.

Richmond in the year under review was contracted to run one of the current eight MST teams in New Zealand by the local District Health Board; it is based in Christchurch.

MST is effective in helping youth with chronic violent delinquent behaviour and youth with serious emotional problems, including:

- truancy and academic problems
- serious disrespect and disobedience
- aggressive behaviour (verbally abusive, fighting and property destruction)
- criminal behaviour
- drug and alcohol problems
- running away

The team provides a 24 hours a day, seven days a week on-call service to the families that they work with, services are provided within the home, and the treatment is intensive,

often involving multiple contacts with the family and other key agencies every week. Treatment is time limited and the length of treatment averages between three and five months.

This is what the Richmond MST team reports:

“Since the team began we have worked with 89 young people and their families. Of these 89 cases we have completed 79 (we are currently working with ten families), and out of these we have closed 78% with a partial success or successful outcome. That is at the time of closing the case; we have achieved at least half, if not all of the goals that we developed with the family at the beginning of treatment. We have worked with youth with diagnosis of ADHD, ADD, ODD, Conduct Disorder, Depression, Mood Disorder’s, PTSD and Anxiety. Many of the case managers who refer to our service say that our programme is often the last resort for many families who have frequently been involved with multiple agencies with very little success.”



“Charlie’s” Story

Fifteen year old “Charlie” had a history of involvement with Mental Health Services, going back six years, and a long history of very poor attendance at school. He also had frequent migraines and low self-esteem.

With the support of the MST team, a regular daily routine and proper sleeping pattern was established at home. Medication was taken as prescribed and plans were worked out on how to best avoid “migraine triggering” activities. A strong link with the school was established, with attendance rules agreed and enforced. Incentives were set for homework and, with positive feedback from teachers and students, Charlie’s confidence at school was enhanced.

At the end of the MST team’s time with Charlie, he had far exceeded his goal of 75% attendance at school, on a sustained basis.

Alcohol and Drug Services

Richmond has run for several years a District Health Board-funded specialist Alcohol and Drug Detoxification Service in Dunedin, a home-based service aimed at helping people break the cycle of alcohol and other drug use.

Two short-term contracts for lower North Island alcohol and drug counselling, which came to Richmond as part of the closing of Hanmer, concluded during the year under review.

Overseas Services

Richmond has, for the past seven years, supported and mentored a community-based mental health service in the Cook Islands. This service has essentially been funded from New Zealand by, in the first instance, the former HFA, and more recently by the New Zealand Government overseas aid funds. There is also a substantial local funding input from both the Cook Islands Government and the local Richmond Board. This community-based service, in the year under review, underwent some restructuring after an audit of its work. Two Cook Islands nurses now lead the service, which offers one-to-one support together with running mental health awareness campaigns. The service is further supported by four visits per year by New Zealand senior psychiatrists, who see the Cook Islands clients. This roster is organised by Professor Mulder, Head of the Department of Psychological Medicine, Christchurch School of Medicine and Health Sciences and Consultant Psychiatrist for the Psychiatric Consultation Service, Canterbury District Health Board.

Richmond, in the year under review, also supported and sponsored a pilot programme in Sri Lanka for one year. Established post-tsunami in 2005, it aims to provide community-based support and counselling for tsunami victims in three locations.

Both overseas services are governed by a local Richmond Board – part of the network of 40 countries round the world visibly demonstrating Richmond’s philosophy.

Richmond’s Own Management and Support Services

In the year under review, Richmond’s management and support services were spread over a head office in Christchurch and three area offices (located in Auckland, Hamilton and Christchurch). Mid-way through the year under review, the Senior Management Team was restructured; the three Area Managers joined the National Office Senior Managers (Finance, HR) to create a single coordinated team.

The incoming Chief Executive, Kath Fox, established an additional position of General Manager Service Development, to encompass a broad range of responsibilities, including

quality, standards and risk management. The Senior Management Team therefore comprises seven, led by the Chief Executive.

Late in the year under review, the resignation of the Finance Manager provided an opportunity for an examination of Richmond’s internal financial and related services and a decision was made towards the end of the year under review to create a new position of General Manager Corporate Services, with broader responsibilities than the previous portfolio. Head office financial and IT staff levels reporting to this new position however remained constant in numbers.

The year under review also saw a modest expansion in the head office staffing levels in the human resources area with the creation of two new positions, recommended by an independent review, of an occupational health and safety coordinator and a second human resources advisor position. These appointments reflect Richmond’s commitment to the best possible support for its more than 640 staff nationwide.

The same independent review recommended the disestablishment of the position of General Manager Operations, which had the three area managers reporting to it. This was actioned; as a result (as has been stated) the three area managers moved to a senior management level and a new position, at the same level – that of General Manager Service Development with particular responsibility for service standards – was appointed. A new executive assistant to the Chief Executive has also been appointed.

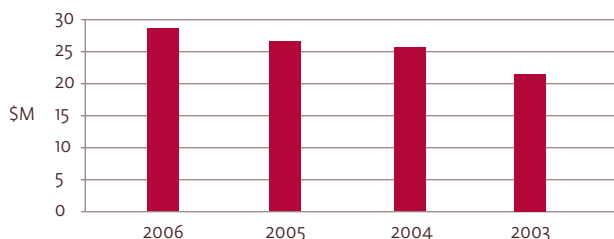
A total of three head office positions were disestablished during the year, bringing expenditure savings without compromising the quality of performance of management. A second independent review – this time of the three regional administration services – was commissioned during the year. The results saw recommendations accepted which standardised the character and amount of support services available to each region. A mix of new positions and some redundancies will be the result of this rationalisation.

An effective and efficient infrastructure for a substantial national organisation with a diverse range of services is never easy; “right-sizing”, the best and most sustainable use of scarce resources, and fairer remuneration practices for staff have been three key internal management and support activities in the year.

Treasurer's Report for the Year Ended 30 June 2006

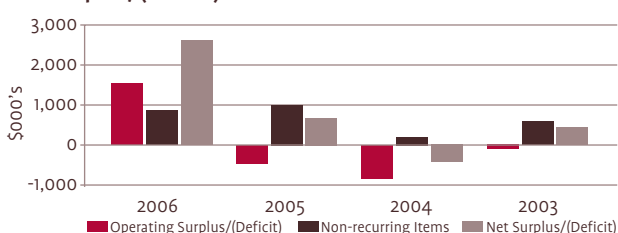
The year under review saw an essential fiscal focus on turning around Richmond's historical operating deficit position. The underlying plan of monitoring and controlling costs has been successful, resulting in a Consolidated Operating Surplus of \$1,832,184 for the year. In addition a number of contracts were renewed with increased funding (most of these had not been increased for several years); hence Consolidated Operating Revenue continued to increase to \$29,870,560, indicating growth of 8.3% over the previous year.

Operating Revenue



The Consolidated Operating Surplus was further enhanced by some significant non-recurring items of income including the sale of properties yielding one off gains totalling \$432,865 and \$370,452 additional income from the backdating of contract price increases along with \$202,222 from the continued allocation of a government suspensory loan, bringing the Consolidated Net Surplus for the year to \$2,837,723.

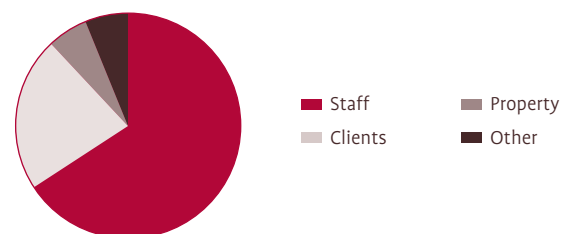
Net Surplus/(deficit)



Moving forward, Richmond has been striving to find the right balance between ensuring strong fiscal control and accountability, and delivering a quality and efficient service to its clients. Further, as noted in the 2005 year end report, the development of a Competency Framework for staff has become the cornerstone in building a workforce that demonstrates the behaviours, skills and knowledge needed by all Richmond staff to serve the organisation's goals. The implementation of this Competency Framework began in the year under review. With a large part of Operating Expenses being staff related, it is important that Richmond invests wisely in the quality of staff and their provision of care for clients.

Richmond is projecting 2007 as a further year of fiscal transition and anticipates that the organisation will move towards a lower Operating Surplus than the year under review.

Operating Expenditure



The asset base of Richmond, built up over many years (including bequests of properties) continues to be strong. A change in the previous policy of revaluing land and buildings every three years has seen a reversion to the historical cost method of recording all assets. Property which is owned and used for Richmond's own use is now all recorded at cost.

Acknowledgements

Patron:

Her Excellency, the Hon. Dame Silvia Cartwright, Governor General of New Zealand.

Board Members 2005-06

July 2005 – August 2005

- Nigel Dunlop (Chair)
- Philip Recordon
- Meri Gibson
- Michael Keyse
- Judith Mackenzie

September 2005 – June 2006

- Dame Ann Hercus (Chair)
- Judith Mackenzie (Deputy Chair)
- Philip Recordon
- Lee Robinson
- Trevor Thornton
- Ken Daniels
- Peter Farley

Lawyers

- Duncan Cotterill, Christchurch
- Goodman, Steven, Tavendale & Reid, Christchurch

Auditors

- Pricewaterhouse Coopers, Christchurch

Thank You

Richmond warmly acknowledges the many individuals and organisations that, in a myriad of ways, support, contribute to, and encourage, the work of our organisation.

A special thank you to Richmond's staff; Richmond's clients deserve the highest possible standards of support.

We also wish to thank the many government and sector agencies with whom we work, for their continued cooperation and support. We value being accountable.

Lastly, to our members, thank you for your renewed commitment.

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