



Office of the  
Children's Guardian

# Annual Report 2021

Enable | Monitor | Act



The Honourable Matthew Mason-Cox MLC  
President of the Legislative Council  
Parliament House  
SYDNEY NSW 2000

The Honourable Jonathan O'Dea MP  
Speaker of the Legislative Assembly  
Parliament House  
SYDNEY NSW 2000

Dear Mr President and Mr Speaker

In accordance with sections 138 and 141 of the *Children's Guardian Act 2019*, I am pleased to present to Parliament the Office of the Children's Guardian Annual Report for the 2020-21 financial year.

The Annual Report has been prepared in accordance with the *Annual Reports (Departments) Act 1985* and the *Children's Guardian Act 2019*.

As provided by section 141(2) of the *Children's Guardian Act 2019*, I recommend that this report be made public forthwith.

Yours sincerely

A handwritten signature in dark ink, appearing to read 'Janet Schorer', written in a cursive style.

**Janet Schorer PSM**  
**Children's Guardian**



# Office of the Children's Guardian

## Annual Report 2020-21

In 2020-21, the Office of the Children's Guardian launched its new Strategic Plan which included updating our purpose, vision, strategic priorities and values.

### Our purpose

We regulate and oversee organisations to uphold children and young people's right to be safe.

### Our vision

We influence and lead change by building capability in organisations to be child-safe.

### Our strategic priorities

1. Regulate, monitor and foster capability in quality child safe practices
2. Strong outcomes-oriented stakeholder relationships
3. An integrated child-safe authority supported by contemporary systems
4. A great place to work and make a difference.

### Our values



## From the Children's Guardian



Amid COVID-19, we have been able to achieve a year of positive change. Last year, we launched our new Strategic Plan that embeds our additional powers and functions provided under the *Children's Guardian Act 2019*. The Strategic Plan includes a new vision, purpose and values for the Office of the Children's Guardian.

Alongside the new legislation, these elements will strengthen the Office of the Children's Guardian as a modern regulator, setting us on a secure path for the coming years. This new stage of our journey is reflected in the imagery for this year's Annual Report.

We are now responsible for three pillars of child protection in NSW: the Child Safe Standards, Working with Children Check, and Reportable Conduct Scheme. Having these supporting and

informing each other within one organisation, puts us in the strongest position yet to affect meaningful change.

A major focus for the year was the wide consultation that helped us progress Child Safe Scheme through to Parliament. The Children's Guardian Amendment (Child Safe Scheme) Bill 2021 is expected to go before the Upper House later in 2021 and, if passed, will create a new, broad regulatory scheme for implementing the 10 Child Safe Standards developed by the Royal Commission into Institutional Responses to Child Sexual Abuse.

In addition to preparing organisations for the new Scheme, we also increased focus on Aboriginal and Torres Strait Islander children and young people with the appointment in January 2021 of Deputy Children's Guardian, Richard Weston. This new leadership role has broad responsibilities across our functions to uphold the rights of all NSW children, with a focus on Aboriginal children.

This is part of our commitment to evaluate and reflect on practices to improve the experiences of Aboriginal and Torres Strait Islander youth, particularly in the out-of-home care sector. One of our aims is to reduce their intersection with juvenile justice and find ways to work differently when these children do come into contact with that system.

To support Richard's work and to respond to the Independent Review of Aboriginal Children and Young People in Out-of-home care in NSW, by Professor Megan Davis, we have a new Family is Culture team that is looking for solutions to be implemented widely across child-related organisations in our state – no small task.

Working remotely, and in our offices whenever conditions allowed, my leadership team has delivered cultural competency training, developed information sharing guidelines, and embedded the Reportable Conduct Directorate in addition to our usual business. Although "business as usual" doesn't really describe the past year and a half...

I continue to be inspired by the commitment, dedication and resilience of my colleagues. COVID-19 has made working difficult, but we have managed to adapt to support all those organisations we regulate so that they can continue to support the children and young people in their care.

My thanks go to my colleagues at the Office of the Children's Guardian, and to the organisations, agencies, carers and case workers who have found ways to make sure children and young people in NSW have positive experiences with the organisations, workers and carers with whom they have contact.

**Janet Schorer PSM**  
**Children's Guardian**

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# 1 About the Office of the Children's Guardian

Upholding children and  
young people's right  
to be safe.

## Office of the Children's Guardian

Our key responsibilities are to:

- promote the quality of child safe practices
- regulate organisations and individuals providing services to children
- educate employers and organisations about their responsibilities
- monitor organisations and individuals to achieve ongoing, child-centred culture and compliance
- facilitate sector-wide cultural change to achieve safe places for children.

## Reporting framework

The *Children's Guardian Act 2019* requires the Children's Guardian to provide an annual report to NSW Parliament on our operations.

The Children's Guardian reports to Parliament and the Minister for Families, Communities and Disability Services, the Honourable Alister Henskens SC MP.

The Joint Parliamentary Committee on Children and Young People monitors the execution of the Children's Guardian's functions under the *Child Protection (Working with Children) Act 2012* and Part 4 of the *Children's Guardian Act 2019*.

The Office of the Children's Guardian meets its obligations under the *Government Information (Public Access) Act 2009* and other reporting frameworks.

## Overview of main functions

### Child safe organisations

The Office of the Children's Guardian has been supporting organisations to develop a child safe culture for many years mainly through providing training and resources.

With the NSW Government accepting in principle the Child Safe Standards recommended by the Royal Commission into Institutional Responses to Child Sexual Abuse, our work in this area has expanded to develop a mandatory Child Safe Scheme.

Once the Scheme has passed Parliament our focus will continue to be providing capability building and support for organisations to help them implement the Standards prior to any enforcement or compliance requirements being introduced.

### Working with Children Check

The Working with Children Check is one of a number of tools that organisations can use to build a safe environment for children.

People who work or volunteer to provide services to children and young people in NSW are required to have a Working with Children Check application or clearance. It is an offence for a person to engage in child-related work without a current application or clearance.

Employers also have legal responsibilities administering the Working with Children Check.

We monitor employers' compliance with Working with Children Check laws with a focus on educating employers who have not verified their workers' Working with Children Checks. Having verified workers' Checks with continuous monitoring is one of the strengths of the system.



## Reportable Conduct Scheme

The Reportable Conduct Scheme provides oversight of how certain organisations prevent and respond to allegations that their employees, volunteers or certain contractors who provide services to children, have engaged in conduct with or towards children that may be inappropriate.

## Statutory out-of-home care and adoption

The Office of the Children's Guardian is responsible for regulating and monitoring government and non-government agencies authorised to provide statutory out-of-home care to children and young people across NSW. Our role is to protect the safety, wellbeing and welfare of children and young people who have been placed in out-of-home care through the accreditation and monitoring of care agencies.

The Office of the Children's Guardian also regulates adoption services in NSW. Agencies that offer adoption services are required to be accredited and then meet specific adoption standards and comply with legislative requirements.

## Voluntary out-of-home care

Voluntary out-of-home care is an arrangement between an organisation and a parent to provide overnight care to a child under 18 years old, outside of the child's home, and where there are no child protection concerns.

Voluntary out-of-home care provides support for families caring for children and young people with complex needs, many of whom are living with disability.

In NSW all voluntary out-of-home care must be provided or arranged by an agency that is registered with the Office of the Children's Guardian. We monitor the provision and arrangement of voluntary out-of-home care against the relevant procedures and agency registration.

## Registration systems

The Office of the Children's Guardian manages the Carers Register, which records information about carer applications, authorised carers and their household members who are providing out-of-home care. It is a licensing tool to assist in the selection and probity assessment of carers. Information collated from the Carers Register informs our accreditation and monitoring process for designated agencies.

We are also working to implement the proposed Residential Care Workers Register which will give effect to a recommendation by the Royal Commission into Institutional Responses to Child Sexual Abuse.

## Children's employment

The Office of the Children's Guardian is responsible for monitoring organisations that employ children in the entertainment, exhibition, still photography, modelling and door-to-door sales industries to ensure that the children's welfare while working is given due consideration.


# Performance highlights for 2020-21

## Our strategic priorities

1. Regulate, monitor and foster capability in quality child safe practices
2. Strong outcomes-oriented stakeholder relationships
3. An integrated child-safe authority supported by contemporary systems
4. A great place to work and make a difference.

Delivering on these priorities, 2020-21 highlights included the following:

Bill introduced in NSW Parliament, to implement the Child Safe Scheme	Resources that support the creation of child-safe organisations downloaded from our website <b>90,337</b> times	<b>24,685 people</b> attended training about creating child-safe environments
We work with <b>30,000</b> organisations across NSW		
<b>83</b> designated agencies are accredited and delivering statutory out-of-home care and adoption services	<b>18,369</b> carers authorised on the NSW Carers Register	<b>117</b> agencies registered to provide or arrange voluntary out-of-home care
Residential Care Workers Register consultation and development, implementing a recommendation of the Royal Commission	<b>1,820,463</b> people in NSW hold a cleared Working with Children Check as at 30 June 2021	
<b>516</b> decisions to bar applicants from working with children	<b>400,855</b> Working with Children Check applications processed	<b>2492</b> employers audited for Working with Children Check compliance
Launched NDIS Worker Check in February 2021	<b>37,500</b> applications for NDIS Worker Check received	Over <b>32,900</b> NDIS Worker Check clearances granted

A photograph of a forest path. On the left, a large, moss-covered tree trunk stands prominently. A dirt path leads into the forest, bordered on the right by a rustic wooden fence. The background is filled with dense green foliage and trees.

## 2 Legal framework and policy positions



## Children's Guardian Act

The *Children's Guardian Act 2019* commenced on 1 March 2020.

This year, we monitored how the Act operated in practice. In September 2020, amendments were made to the Act, most notably in relation to third party employers, such as subcontractors, and their reportable conduct obligations.

The Act will be reviewed in 2022 to ensure that the policy objectives of the Act remain valid, and the terms of the Act remain appropriate for achieving its objectives.

## COVID-19 related amendments

Legislative and regulatory amendments were made to accommodate Working with Children Check applicants who may have been adversely affected due to the COVID-19 restrictions in 2020-21. In particular, providing:

- a further extension of time for Working with Children Check renewal applications
- flexibility with proof of identity requirements for some applicants.

## Litigation advice and support

The Office of the Children's Guardian manages litigation involving administrative decisions made by the Children's Guardian, primarily Working with Children Check appeal matters to the NSW Civil and Administrative Tribunal (NCAT) and the Supreme Court.

In 2020-21 there were 41 applications for review including:

- 20 by applicants to NCAT seeking review of the Children's Guardian's decision to refuse a Working with Children Check clearance
- 21 applications to NCAT by applicants who have adult convictions for serious sex or violence offences and were automatically barred. These people must seek an enabling order from NCAT before a Working with Children Check clearance can be granted.

NCAT also reviewed an administrative decision of the Children's Guardian, supporting our decision to suspend a designated agency's accreditation for non-compliance with the accreditation criteria and went on to cancel the agency's accreditation.

We use key considerations and findings from court or tribunal decisions to refine our decision-making processes.

## New regulations under the *Children's Guardian Act*

We released the consultation draft of the Children's Guardian Regulation 2021 in March 2021, which will be the first regulation to be made under the *Children's Guardian Act 2019*. The regulation will implement the Royal Commission's recommendation to establish a Residential Care Workers register. Work to finalise this regulation continues.

## Interjurisdictional work

The Office of the Children's Guardian represented NSW in progressing the Royal Commission's recommendation to have national consistency of Working with Children Check legislation through the Working with Children Checks Interjurisdictional Working Group. The working group met in February 2021 to address the uniformity of offences under the National Standards for Working with Children Checks.

We continue to work with the Commonwealth and other states and territories on the National Reference System to exchange working with children information with other jurisdictions.

We expect to progress amendments to the *Child Protection (Working with Children) Act 2012* in late 2021 to implement the National Standards and National Reference System for people engaged in child-related work. Amendments are required to enable information sharing with the Working with Children Check National Reference System.

## Policy submissions

The Office of the Children's Guardian makes submissions to public inquiries to advocate on important issues that relate to child protection. In 2020-21 we prepared submissions to the Disability Royal Commission and the NSW Parliamentary inquiries into Child Protection and Social Services: Support for Children of Imprisoned Parents, and the Education Legislation Amendment (Parental Rights) Bill.

### Disability Royal Commission

In our submission to the Royal Commission into Violence, Abuse, Neglect and Exploitation of People with Disability, we provided evidence-based information on the nature and dynamics of abuse of people with disability. This highlighted the risk factors that increase the likelihood of abuse for children with disabilities. The submission drew attention to our work in raising awareness and building the capability of organisations across NSW to be child safe. It outlined the steps we are taking to develop and implement a new Child Safe Scheme.

### NSW Child Protection and Social Services

The NSW Parliamentary Inquiry into Child Protection and Social Services was established to examine the effectiveness of child protection and social services systems in NSW in responding to vulnerable children and families.

The Office of the Children's Guardian's submission highlighted the importance of system reforms being designed with the needs of vulnerable children and families at the centre, to avoid the system silos. We urged the Joint Parliamentary Committee to review recommendations made to previous inquiries into the child protection system.

Our submission also specifically highlighted the experience of Aboriginal children and families in the NSW child protection and social services system. We noted the appointment of our Deputy Children's Guardian to lead new approaches to better meet the needs of, and improve outcomes for, Aboriginal and Torres Strait Island children and young people.

### Support for Children of Imprisoned Parents

The NSW Parliament's Committee on Children and Young People established this inquiry into the impact on children of imprisoned parents and the adequacy of policies and services to assist the children of imprisoned parents in NSW.

The Office of the Children's Guardian's submission and subsequent attendance at a public hearing emphasised the issue in the context of children in out-of-home care.

Our submission acknowledged the disproportionate rates of Aboriginal and Torres Strait Islander people in prison which can result in children going into out-of-home care, and the rights of children and young people to know and maintain contact with their parents.

Our recommendations included developing evidence-based guidelines on facilitating contact between children and imprisoned parents and to improve data collection and protocols for information sharing between government agencies about children with imprisoned parents.

## Education Legislation Amendment (Parental Rights) Bill

The Children's Guardian and the Advocate for Children and Young People provided a joint submission into the NSW Parliamentary Inquiry into the Education Legislation Amendment (Parental Rights) Bill 2020, recommending that the amendments in this bill not be adopted.

The submission highlighted consultation that the Advocate for Children and Young People undertook with young people in NSW. The young people interviewed expressed concerns about the proposed amendments, and while they supported the right of parents to be informed about course content, they believed that parents did not have the right to decide what was or was not taught in schools.

The submission also highlighted that the proposed amendments do not recognise the rights of the child or young person to develop their own identity and core beliefs as set out in the United Nations Convention on the Rights of the Child.

## Australian and New Zealand Children's Commissioners and Guardians

The Children's Guardian continues as a member of the Australian and New Zealand Children's Commissioners and Guardians Group (ANZCCG), which comprises national, state and territory children and young people's commissioners, guardians and advocates.

The ANZCCG identifies common issues and works to promote and protect the safety, wellbeing and rights of children and young people across Australia and New Zealand.

Key priorities for the ANZCCG for the 2020-21 year were:

- achieving better outcomes for Indigenous children and young people
- empowering children and young people and promoting their engagement and participation
- upholding the rights and promoting the safety and wellbeing of children and young people in youth justice detention
- upholding the rights and best interests of children and young people in state care
- improving the safety of children and young people in organisations
- ending violence against children and young people
- promoting and monitoring children and young people's safety and wellbeing
- recognising the impact of poverty
- having a greater focus on early intervention.

Secretariat support for the ANZCCG is a shared function across represented jurisdictions. COVID-19 continued to place additional pressure on most jurisdictions. Moving from face-to-face meetings to regular online meetings, we provided secretariat support to the NSW Children's Guardian in her role as Chairperson of the ANZCCG throughout 2020-21.



# 3 Child Safe Standards and proposed Scheme



## Introduction of the Children's Guardian Amendment (Child Safe Scheme) Bill 2021

The Office of the Children's Guardian conducted public consultation on the Exposure Draft of the Children's Guardian Amendment (Child Safe Scheme) Bill 2021 between December 2020 and February 2021. We received over 100 written submissions and survey responses from a broad range of stakeholders representing the government and non-government sectors. Overall, there was strong support expressed for the Child Safe Scheme.

The Bill proposes a mandatory Scheme that embeds the Child Safe Standards, as recommended by the Royal Commission into Institutional Responses to Child Sexual Abuse, as the primary framework that guides child safe practice in organisations in NSW.

The Children's Guardian Amendment (Child Safe Scheme) Bill 2021 was introduced into the NSW Parliament on 12 May 2021. The Bill passed the Legislative Assembly on 9 June 2021 and was introduced into the Legislative Council on the same day.

We await the passage of the Bill through the Legislative Council. The proposed Scheme would strengthen our oversight and enforcement powers for child-related organisations.

## Preparing for the Child Safe Scheme

In 2020-21, the Office of the Children's Guardian has continued with the first phase of implementing the Child Safe Standards through our capability-building program. Building organisations' understanding of the Child Safe Standards sets the foundation for the Child Safe Scheme.

Our sector specific Child Safe Coordinators continue to provide support to six sectors: faith-based, local government, education, early childhood, Aboriginal agencies and sporting clubs and associations. Engagement with these sectors has included sector-tailored training, presenting at conferences, involvement in working groups and engaging with stakeholders including peak bodies about all aspects of the Standards.

### Training and resource development

Due to the ongoing impact of COVID-19, all training offered by the Office of the Children's Guardian has been online during 2020-21. Over 15,000 people have participated in our webinars, and eLearning continues to provide education on child safe practices with 8550 people completing the online program. We have focused on developing additional training that will build capability in child safe practices.

The proposed Child Safe Scheme includes that organisation have policies and systems that support development of a child-safe culture. To support organisations develop these, we produced a number of resources during 2020-21. These include 'A Guide to Developing Child Safe Codes of Conduct Guide', 'Empowerment and Participation' and the release of translated Child Safe flyers in seven languages.

These new resources expand our offering all of which has been well received with just over 90,000 downloads of our child safe resources from our website in the past year.

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Over 90,000 downloads of child safe resources

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## The Child Safe Standards self-assessment pilot project

The Office of the Children's Guardian piloted a project aiming to engage organisations and assess their implementation of the Standards. Forty-four organisations from both metro Sydney and regional NSW participated in the pilot between April and June 2021. Each assessment highlighted the organisation's strengths and opportunities for improving child safe practices delivered as a summary report.

We are using the information gathered from these assessments with other data to inform future decisions for sector support and resource development.

**Table 3.1** Child safe activities undertaken in 2020-21

	Face-to-face events	Online events	Number of organisations	Total people participating
Child Safe Standards activities	3	80	1712	8237*
SAFE series – protective behaviours program for early childhood sector	2	67	725	1378
eLearning				8550
<b>Total</b>	<b>5</b>	<b>147</b>	<b>2437</b>	<b>18,165</b>

*\* Child Safe Standards activities data for people participating includes videos and recorded webinar views as well as the other events listed in the table.*

A photograph of a dirt path winding through a dense, green forest. The path is light brown and leads from the bottom center towards the upper right. The surrounding foliage is thick and vibrant green, with various types of leaves and ferns visible. A dark blue rounded rectangle is overlaid on the left side of the image, containing white text.

# 4 Systems supporting child safety



A gravel road winds through a lush green field under a bright blue sky with scattered white clouds. The road is made of light-colored gravel and has a red dirt shoulder on the right. The field is vibrant green, and the sky is a deep blue with soft, white clouds.

# Working with Children Check System

People who work or volunteer to provide services to children and young people are required to have a NSW Working with Children Check application or clearance.

## Working with Children Check system

People who work or volunteer to provide services to children and young people in NSW are required to have a Working with Children Check application or clearance.

The Working with Children Check is one of a range of measures administered by the Office of the Children's Guardian to create safe places for children. The purpose of the Check is to protect children by requiring people engaging in child-related work to have a clearance.

One of the key strengths of the Check is the integrated continuous checking system which enables us to respond quickly to relevant changes in worker behaviour through continuous monitoring of police and workplace records.

**1,820,463** people in NSW hold a cleared  
Working with Children Check

### Types of applications

A person who is in paid or volunteer child-related work must have a valid Working with Children Check application before they commence that work. A Working with Children Check, once cleared, is valid for 5 years. A renewal application is required by people who want to continue in child-related work as their Check reaches its expiry date.

In 2020-21 a total of 400,855 applications were processed, a 16% increase in the number of applications received from 2019-20, which had low applications due to COVID-19.

Of these applications:

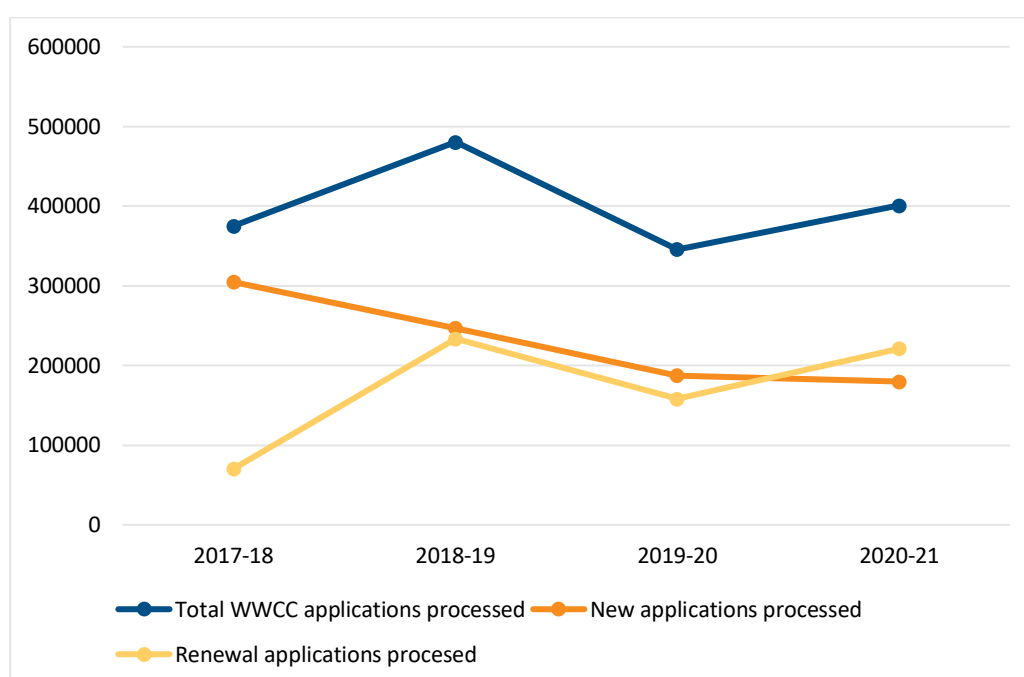
- 179,837 (45%) applications were new applications
- 221,018 (55%) were to renew a Check.

**400,855** applications were processed in **2020-21**

**55%** were renewal  
applications

**45%** were new applications

Figure 4.1 New and renewal Working with Children Check applications 2017-18 to 2020-21



## Screening and information exchange

The Working with Children Check includes screening from a number of internal and external sources. It includes:

- a national criminal history check through the Australian Criminal Intelligence Commission and NSW Police
- workplace records from our Reportable Conduct Scheme
- information shared between prescribed bodies allowed under our legislation
- the new NDIS worker screening database.

Information we consider includes juvenile offences, offences against adults, and charges that did not result in a conviction. Offences that did not involve children are included in our decision making because of their potential impact on children, even though a child may not have been the primary victim.

There is a cumulative total of 5563 relevant records held in the Working with Children Check system as at 30 June 2021.

In 2020-21 we received 258 notifications from prescribed bodies, including the Department of Communities and Justice and NSW Police.

## Continuous monitoring

A strength of the NSW Working with Children Check system is the continuous monitoring for new police and workplace records. The legal basis for data sharing underpins our strong relationship with NSW Police along with the integration with the Reportable Conduct Scheme. Both contribute to prompt alerts to any new police or workplace misconduct records to review the status of the person's Working with Children Check.

In 2020-21 through the continuous monitoring process, we were notified of 5236 continuous check events due to new police or workplace records.



## Working with Children Check outcomes

### Automatic clearance

Where screening shows an individual does not have any police or workplace records, or their records are not relevant to working with children (for example driving offences), clearances are issued automatically.

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83% of individuals were cleared within five days of applying  
when there were no relevant records.

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### Application reviews

Where screening shows an individual has police or workplace records, we conduct further review to decide if the individual should be automatically disqualified, cleared, or referred for risk assessment.

Schedule 1 and 2 of the *Child Protection (Working with Children) Act 2012* guide these decisions. We also have the discretion to conduct a risk assessment for matters not listed in Schedule 1, if the records are relevant to the safety of children.

In 2020-21, 46,934 applications returned police or workplace misconduct records, requiring further consideration.

#### Clearance granted after records review

42,992 individuals were granted a clearance where they had no records relevant to the safety of children.

#### Automatic disqualification

Records under Schedule 2 of the *Child Protection (Working with Children) Act 2012*, result in an immediate disqualification from working with children. Equivalent records from other States and Territories, including offences under a law of a foreign jurisdiction, also lead to an automatic disqualification or a risk assessment.

In 2020-21, there were 434 applicants who were automatically disqualified from working with children due to their having a Schedule 2 offence.

#### Referral to risk assessment

If a person has records that fall under Schedule 1 of the *Child Protection (Working with Children) Act 2012*, the records **must** be subject to risk assessment before a decision on the individual's Working with Children Check status is made.

In 2020-21, 3508 individuals were referred for risk assessment due to the presence of a Schedule 1 or other record relevant to the safety of children.

When a risk assessment is required, we request further information from the applicant and other agencies to ensure we have all relevant information before we decide to grant or refuse a clearance. We encourage applicants to participate in the process.

Risk assessment factors include:

- the applicant's conduct: seriousness of the offence(s), how long ago
- their age at the time of the offence, age now and conduct since
- ages of the victim(s), vulnerability, and their relationship to the applicant
- the likelihood of recurrence and impact on children.



## Risk assessment outcomes

We finalised 3642 risk assessments during 2020-21.

### Interim bar during risk assessment

We can impose an interim bar while the risk assessment is conducted if there is a likely risk to the safety of children.

In 2020-21, we imposed 552 interim bars.

### Clearances granted following risk assessment

Legally, we must grant a clearance to a person who is subject to a risk assessment unless we are satisfied that the person poses a risk to the safety of children.

In 2020-21, we granted clearances to 780 individuals following a risk assessment.

### Refusal or cancellation following risk assessment

We must refuse or cancel a Working with Children Check application if we are satisfied that the person poses a real and appreciable risk to the safety of children.

In 2020-21, we refused or cancelled 82 applications.

### Applications closed

We can close applications or cancel clearances within 3 months if people do not respond to a written request for information. We have worked to increase engagement in the risk assessment process by simplifying our written correspondence and phone contact and reducing identified barriers that may stop people from engaging in the risk assessment process.

In 2020-21, we closed 2331 applications as we did not receive a response and applicants did not provide a reasonable excuse for not doing so. These individuals can make a new application if they still require a Check.

**Table 4.1 Risk assessments processed and outcomes, 2019-21**

Activity	2018-19	2019-20	2020-21
Total WWCC applications processed	480,485	345,541	400,855
New WWCC applications processed	246,906	187,326	179,837
Risk assessments with outcomes	3684	3988	3642
Individuals automatically barred due to Schedule 2 records	448	470	434
Individuals interim barred during risk assessment	312	364	552
Individuals barred after risk assessment	95	100	82
Individuals cleared following risk assessment	868	1138	780
Applications terminated after referral to risk assessment	2253	2280	2331

**Table 4.2 Refusals for a Working with Children Check, 2019-21**

Year	2018-19	2019-20	2020-21
Working with Children Checks applications processed	480,485	345,541	400,855
Number of barring decisions	614	570	516
% of barring decisions (of the total applications each year)	0.12%	0.17%	0.13%

## Process improvements

### Encouraging First Nations people's engagement

The Office of the Children's Guardian has been working to improve engagement with First Nations applicants who are at risk of non-engagement, particularly to support them through the risk-assessment process. We have made practical changes to our communication to increase awareness of the process. We have built links in the community, working closely with relevant legal services and have developed targeted resources and referral pathways to encourage more Aboriginal applicants to apply.

We have amended our communication to be more flexible, streamlined and less intrusive, particularly for the risk assessment process for First Nations applicants.

The Office of the Children's Guardian developed a Policy Statement about Aboriginal Applicants and the Working with Children Check. It outlines how we work so that our processes and decisions are informed by evidence and research that takes into consideration the impacts of colonisation and dispossession and Aboriginal offending. This information is balanced with the need to prioritise the safety of children when making decisions about granting or refusal of a Check, which is our paramount consideration. This policy statement is publicly available on our website.

### Support in response to COVID-19

As part of our response to COVID-19, we amended the Working with Children Check legislation allowing us to extend all Working with Children Check clearances due to expire. This resulted in over 100,000 extensions where people were not required to attend a Service

NSW to pay or show identity documents. They are, however, still covered by the ongoing monitoring the system provides.

The amended legislation also gave authorised carers, adult members of carers' households and people who live at a family day care service the option of providing certified copies of their proof of identity documents to their foster care agency, instead of going to a Service NSW Centre. Arrangements for verifying identities were also modified for these groups.

## Working with Children Check compliance

We continue transitioning our data in this section to financial year reporting. To allow comparison with the previous 2 years, we have provided calendar year data in brackets where this data has been provided previously.

The *Child Protection (Working with Children) Act 2012* and the Child Protection (Working with Children) Regulation 2013 establish the legal obligations of employers in relation to Working with Children Check compliance.

To be compliant, employers in child-related work have a legal responsibility to:

- register online as an employer
- verify all employees and volunteers in child related roles
- remove any barred or unauthorised person from child-related work, and
- maintain the required records.

We monitor employer compliance against these legal requirements both proactively and reactively.

Reactive work involves matters that come to us from the Working with Children Check system through processing Check applications, risk assessments and through organisations registering as employers. We also receive external and internal referrals and reports of concern from other organisations and from members of the public.

Our proactive work is targeted towards higher risk organisations using intelligence from the Working with Children Check system and trends based on data collated through previous compliance activity.

Importantly, when an individual lodges an application for a Working with Children Check they become part of a system that provides continuous monitoring for new police charges or workplace misconduct reports. If a person has their Check cancelled, we notify their employer, and that person must be removed from any child related work.

## Work sector audits

In 2020-21, we contacted over 2492 (2099 in 2020) employers as a part of our compliance plan, including requests to gain compliance which comprise notices to audit and requests for information. The areas focused on included:

- registrations where new employers had not verified any workers
- targeted audits
- non-verified Working with Children Check renewal clearances.

### Registrations where new employers had not verified any workers

Employers are required to register as an employer in the Working with Children Check system to verify their workers' Working with Children Check status. We contact any employers who have recently registered but have not verified any workers, to support them to meet their compliance requirements.

In 2020-21, there were 3722 (3174) new employer registrations created. Of these, 1897 (1570) did not immediately verify any workers, and were contacted by the Office of the Children's Guardian:

- 1176 (1098) were informed of their legal obligations to verify
- 272 (170) were organisations creating a duplicate registration
- 449 (302) were not in child-related work and were made inactive in the system
- of those contacted that did work with children, 124 (275) required further follow up to reach compliance.

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At 30 June 2021 there were  
**29,959**  
active employer registrations  
in the Working with Children Check system.

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#### Targeted audits

In our compliance audit program, we targeted sectors with low Working with Children Check verification rates. These were religious services, education (including tuition) and sporting organisations in water polo, dance and rugby league. The organisations audited were assessed on their compliance with the *Child Protection (Working with Children) Act 2012*.

In 2020-21, we contacted 243 (139 in 2020) employers, auditing 120 and identifying the remainder were either no longer operating or now not providing services to children. Of the 120 audited, 90 (56) were found to be in breach of the legislation with a collective total of 757 (297) breaches identified. All identified breaches are required to be rectified before an audit is finalised.

The work sector audits resulted in 89 warnings and 1 Penalty Infringement Notice being issued.

#### Non-verified Working with Children Check renewals

When people renew their Working with Children Check, employers (including those who 'employ' volunteers) must re-verify their workers' Working with Children Checks. We targeted sectors where there were significant numbers of unverified renewed applications. These were mainly in child development, religious services, clubs and sporting organisations.

In 2020-21, 361 unverified applicants were reviewed. Of these applicants, 129 did not require a check either because they were not working with children or were exempt. Where an employer could be identified, we contacted them and provided information to help them comply. 99 employers were contacted which resulted in verification of 74 of these applicants.

#### Continuous monitoring

If a person's Working with Children Check status changes through the continuous monitoring process, the Office of the Children's Guardian will contact any verifying employers to establish if the person is still engaged in child related work. If they are, we notify the



employer of the worker's change in status so that the person is removed from child-related work. The employer is required to confirm in writing that this has been done.

Noting that one barred person can have multiple employers, from 1 July 2020 to 30 June 2021 we:

- dealt with 1108 (1083 in 2020) barred applicant decisions
- notified 361 (318) employers about their employee's change in status and that they could no longer work with children
- contacted 497 (501) organisations that were potential employers, to try to trace barred applicants' current employers.

We contacted every verifying employer of barred applicants via phone or email. In all instances where a barred worker or adult-household member was found to be currently working or authorised, following notification, they were removed from any child-related role or had their authorisation cancelled.

If a barred person had not been verified, we use all data available to try to identify any possible employer. No employer was identifiable for 380 (337 in 2020) applicants whose Check clearance was revoked.

## Closed applications

Closed Working with Children Check applications are checked through our compliance audit program. An application is considered closed:

- when an applicant requests to withdraw their application, which requires approval of the Children's Guardian
- when an applicant surrenders their clearance with the approval of the Children's Guardian
- if a person subject to a risk assessment has failed, without reasonable excuse, to provide further information within three months of our request
- where a person has provided incorrect or incomplete information on their application.

When an application is closed, the applicant must not begin or continue to work in child-related employment. Employers who have verified an applicant whose application has subsequently been closed, are contacted to advise that the worker is not permitted to work with children.

From 1 July 2020 to 30 June 2021:

- we closed 1558 (1461 in 2020) verified applications that were subject to risk assessment
- 42 of the 1558 (42 of the 1461) closed applications were found to be still working in child-related roles but were removed after employers were notified
- 838 of the closed applications were done so for administrative reasons such as:
  - The applicant failed to provide requested information within 3 months
  - The applicant provided incorrect information resulting in the application being closed
  - 11 people whose applications closed due to administrative reasons, were removed from child-related work when the employer was notified that the application was closed.

## Allegations

The Office of the Children's Guardian reviews instances of alleged non-compliance with the Act and Regulation. Allegations are received from many sources including other government agencies, internally or from concerned members of the public. All allegations received are treated seriously and are investigated thoroughly.

From 1 July 2020 to 30 June 2021, we received 149 (126 in 2020) instances of alleged non-compliance or misconduct towards children. 11 of 149 (7.38%) of these matters, required investigation.

As a result of our investigations, we issued 12 warnings for legislation breaches and 17 penalty infringement notices to employers who engaged child-related workers without first verifying their worker's clearance status.

## Building understanding

To build awareness and better compliance from employers, we launched the first Working with Children Week in June 2021. The week included launching a video series for employers about their legal obligations around the Check, webinars and general information and promotion of the week and its purpose. The events and resources have been well received.

Due to COVID-19, our capability building continues to be online.

The background of the slide is a photograph of a dirt path leading through a forest. The path is reddish-brown and leads towards the center of the frame. On either side of the path are various trees and bushes, some with green leaves and others with bare branches. The sky above is blue with large, white, fluffy clouds. A dark blue rounded rectangle is overlaid on the left side of the image, containing the text.

# Reportable Conduct Scheme

Monitoring how organisations prevent, investigate and report on allegations against people who provide services to children within the organisation.

## Reportable Conduct Scheme

The Reportable Conduct Scheme transferred from the NSW Ombudsman to the Office of the Children's Guardian in March 2020 on the commencement of the *Children's Guardian Act 2019*. This is the first year that the Children's Guardian is required to report on the Scheme under the new Act.

Our primary functions under the Reportable Conduct Scheme are:

- providing oversight and guidance on reportable conduct investigations
- conducting investigations and inquiries into reportable allegations and convictions and the response to, and handling of these matters by relevant entities
- ensuring appropriate action is taken by a relevant entity
- monitoring a relevant entity's systems for preventing, detecting and dealing with reportable conduct and reportable convictions
- providing advice and education.

### Key data

The Reportable Conduct Scheme requires relevant entities from both government and non-government sectors to notify us of reportable allegations and reportable convictions against their employees.

Under the Scheme, 'employee' is defined broadly to include contractors, volunteers and people otherwise engaged by the relevant entity to provide services to children.

**Table 4.4**      **Number of notifications received by primary allegation type**

Primary allegation	2019-20	2020-21
Assault	630	590
Ill treatment	169	140
Neglect	381	246
Offence under section 43B or 316A of the Crimes Act*	0	4
Behaviour that causes significant emotional or psychological harm	42	36
Reportable conviction	3	2
Sexual misconduct	242	182
Sexual offence	256	340
Not in jurisdiction	253	356
<b>Total</b>	<b>1976</b>	<b>1896</b>

*\* Failure to reduce or remove risk of child becoming victim of child abuse or concealing child abuse crimes.*



**Table 4.5**      **Number of notifications received by relevant entity type**

Type of relevant entity	2019-20	2020-21
Agency providing substitute residential care to children	24	37
Approved education and care service	179	263
Department of Communities and Justice	491	333
Department of Education	432	422
Designated Agency – non-government	656	604
NSW Health*	26	32
Non-government school	127	126
Public authority	14	17
Religious body	23**	56
TAFE	2	3
Agency not in jurisdiction	2	3
<b>Total</b>	<b>1976</b>	<b>1896</b>

\* Includes Ministry of Health, Local Health Districts, statutory health corporations, affiliated health services and Ambulance Service of NSW

\*\* Only in jurisdiction from 1 March 2020

Relevant entities have a range of reporting obligations once they become aware of reportable allegations or convictions. They are required to report within 7 business days, at 30 days and on completion of a reportable conduct investigation. The Children's Guardian may require further information about their investigation. We also have a complaint handling function in relation to the way in which relevant entities respond to reportable allegations or convictions.

## Notifications, enquiries and complaints

During 2020-21, 3773 matters were reported to the Reportable Conduct Scheme:

- 1896 notifications
- 1833 enquiries
- 44 complaints.

In addition, we made inquiries requiring information of relevant entities on 418 occasions. We did not initiate any investigations.

### Notifications

The number of reportable allegations was approximately equal to the previous financial year, however there were some differences in the types of matters notified, in part as a result of changes to definitions and thresholds for neglect and sexual misconduct with the commencement of the *Children's Guardian Act 2019*.

Notifications from designated (out-of-home care) agencies were 18% lower than the previous year. This was largely due to the changed definition of 'neglect', which has a higher threshold for notification under the *Children's Guardian Act 2019* than it did previously. As a result, notifications of neglect were 35% lower across all sectors, and accounted for 58% of the drop in notifications from designated out-of-home care agencies.



Notifications of sexual misconduct were 25% lower than the previous year. Under the *Children's Guardian Act 2019*, allegations about employees crossing professional boundaries with children of a type that is not explicitly sexual in nature no longer fall under the Reportable Conduct Scheme. Notifications of sexual offences increased by 33% comparing 2019-20 to 2020-21, with notifications of sexual offences from schools close to doubling from 92 to 176. A number of factors have influenced this increase in sexual offence notifications, including new and broader sexual offences in the Crimes Act and increased disclosure and reporting rates.

Notifications from the early education and care sector increased by 47% from 179 to 263. This may reflect the sector's strong participation in a range of education and awareness activities about the *Children's Guardian Act 2019* that we ran. At the same time, 40% of the early education and care service notifications did not meet the threshold of a reportable allegation.

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The majority of notifications involved either  
allegations of assault (45%) or  
allegations of a sexual nature (40%).

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The majority (68%) of assault allegations were notified by designated out-of-home care agencies, while the majority of allegations of a sexual nature (60%) were notified by education services.

63% of neglect allegations were notified by designated out-of-home care agencies with neglect allegations constituting 20% of their notifications.

Notifications that were not within scope of the Scheme were 41% higher than the previous year, which may reflect that relevant entities were adjusting to the new reportable conduct definitions and thresholds.

Of the notifications within jurisdiction:

- The majority involved either allegations of assault (45%) or allegations of a sexual nature (40%)
- Those involving allegations of a sexual nature constituted 67% of the total notifications from schools, 60% of the notifications from health entities and 16% of all out-of-home care notifications.

Overall, male and female employees were the subject of reportable allegations in equal numbers (Table 4.6). However male employees were the subject of 82% of notifications involving allegations of a sexual nature, while female employees were the subject of 71% of both the neglect and ill-treatment allegations.

**Table 4.6 Notifications received by primary allegation type and employee gender, 2020-21**

Primary allegation type	Female	Male	Unknown or other	Total
Assault	329	256	5	590
Ill treatment	100	38	2	140
Neglect	174	66	6	246
Offence under section 43B or 316A of the Crimes Act	4	0	0	4
Behaviour that causes significant emotional or psychological harm	20	16	0	36
Reportable conviction	0	2	0	2
Sexual misconduct	31	149	2	182
Sexual offence	59	277	4	340
Not in jurisdiction	215	130	11	356
<b>Total</b>	<b>932</b>	<b>934</b>	<b>30</b>	<b>1896</b>

Other relevant notification trends:

- More than half of the notifications involved allegations against employees (in the broad sense as defined under the Scheme) who were casual, agency staff, contractors or volunteers (including authorised carers).
- Children aged between 13 and 15 years and between 1 and 6 years were the highest represented age groups in notifications, each accounting for approximately a quarter of alleged victims.
  - Of notifications involving children aged 13 to 15 years, 43% involved alleged conduct towards them of a sexual nature, while 35% involved alleged assault.
  - Of notifications involving children aged 1 to 6 years, 44% involved alleged assault, while 26% involved allegations of neglect.
- The least represented group were children under the age of 12 months, at 2%.
- The split between male and female alleged victims was roughly half:
  - Male children were the alleged victims in allegations involving assault, ill-treatment and neglect at higher rates than female.
  - Female children were notified at higher rates than males as alleged victims of sexual misconduct and sexual offences.

## Notification cases

In 2020-21, we closed 1816 notifications, however we did not have capacity to assess 14% of the investigations.

At 30 June 2021, we had 1333 open notification cases with entity investigation reports pending, 56% (745) of which have been active for more than 6 months. The vast majority of these matters were transferred to the Office of the Children's Guardian from the NSW Ombudsman and have been the subject of a deferral of investigation. Reportable conduct investigations are typically deferred or suspended when a third-party investigation is underway – for example by police – or when the matter is the subject of criminal proceedings.

There are other genuine reasons for suspending an investigation including health concerns for the alleged victim or the employee about whom the allegation was made.

A deferral or suspension is the primary reason a reportable conduct investigation becomes protracted. The average period of deferral for matters that were finalised during 2020-21 was 229 days (7.6 months).

Of the 2463 matters for which entity investigations were finalised over 2020-21, 34% (834) took more than 6 months to investigate. Of matters notified and completed since the *Children's Guardian Act 2019* commenced, the average investigation completion time has been 73 days (2.43 months).

Factors, other than a deferral or suspension, that impact the investigation time include the complexity of the allegation, whether or not the alleged conduct is historical, the availability of witnesses and having to gather third party information. Any investigation that results in disciplinary action generally takes longer than 6 months to complete to meet expectations of procedural fairness.

## Enquiries

We provide guidance and advice through our enquiries phone line. We received 1833 calls to this service, 41% more than the previous year. Most enquiries were received from relevant entities seeking guidance and advice on whether an allegation required notification or how to progress an initial response to a child protection allegation.

We also received enquiries from alleged victims or family members, employees, third party investigators and members of the general public. Most of these enquiries involved subject matter which could give rise to a complaint under the *Children's Guardian Act 2019*.

However, we were able to take informal steps to resolve many through our oversight work. Some of these enquiries did progress to become formal complaints.

## Complaints

Under the *Children's Guardian Act 2019*, any person can make a complaint about the way in which relevant entities are responding to reportable allegations. We received 44 complaints, 34% lower than the previous year.

The majority were received either directly from alleged victims or on behalf of alleged victims, followed by complaints from employees who were the subject of reportable allegations or by a person acting on their behalf. The main matters raised in complaints were:

- failure to notify a reportable allegation
- the inadequacy of risk management or communication with involved parties
- the length of time for an investigation
- procedural fairness.

## Guidance and education

In addition to our enquiries line, we fulfil our function of providing education and guidance to relevant entities in other ways. This includes a range of fact sheets and other information on our website, case-by-case tailored guidance as reportable conduct investigations are underway and our new eLearning.

Over the year, we released six reportable conduct eLearning modules, with 5000 completions and 97% of participants stating they would recommend the eLearning to others.

## Other systems and schemes

### NDIS Worker Check

The National Disability Insurance Scheme (NDIS) Worker Check commenced in NSW on 1 February 2021. It is part of the national quality and safeguarding arrangements for NDIS participants. It is part of a nationally consistent approach to worker screening for NDIS workers. All States and Territories are operating an equivalent worker screening check that is recognised by the Commonwealth Government.

In NSW, the scheme operates under the *National Disability Insurance Scheme (Worker Checks) Act 2018* and the National Disability Insurance Scheme (Worker Checks) Regulation 2020. The Regulation prescribes the disqualifying and presumptively disqualifying offences, and the corresponding laws to support national information sharing.

The Commonwealth Government sets the requirements for NDIS worker screening. It is a requirement placed upon providers. That is, which workers need a clearance to work, and what type of worker screening they must undertake. The Commonwealth Government also administers the NDIS Worker Screening Database which allows employers to verify an application and keeps a national list of clearances and exclusions.

The rollout of the NDIS Worker Check was to be phased-in under the Commonwealth's requirements. This is because workers in the sector were already subject to transitional arrangements that should allow them to work for some time without a new NDIS Worker Check. However, many workers have been proactive in applying.

In the first five months of operation to 30 June 2021, we received over 37,500 applications and issued over 32,900 clearances.

**Table 4.7**      **Key statistics NDIS Worker Check, 2020-21**

	2020-21
Number of applications	37,567
Decisions made:	
Clearances	32,984
Exclusions	2



## Child Sex Offender Counsellor Accreditation Scheme

The Child Sex Offender Counsellor Accreditation Scheme has been operating in NSW for nearly 20 years and was originally established to improve service quality of practitioners providing expert opinion to the Courts. The Scheme accredits counsellors working with adults who sexually offend against children and children and young people with harmful sexual behaviours.

In 2019, the Office of the Children's Guardian commenced a review of the Scheme. The review sought feedback from the members of the Scheme and key NSW Government stakeholders. Overall, the review found that members considered the Scheme was valuable but that there were areas for improvement particularly to the accreditation process.

To allow time to develop and implement the improvements, we suspended the scheme in March 2020 until 2021.

Work continues in partnership with NSW Health and the Department of Communities and Justice to revise assessment criteria and develop a new, more streamlined accreditation process that aligns with the broader NSW Government Framework to improve prevention and response to children and young people with harmful sexual behaviour.

## Official Community Visitors Scheme

The child-related function of the Official Community Visitors Scheme transferred to the Office of the Children's Guardian's legislation with the implementation of the *Children's Guardian Act 2019*. Official Community Visitors are independent statutory appointees of the Minister for Families, Communities and Disability Services.

The Official Visitors Scheme covers both child and non-child related functions and so has stayed as one unit and transferred to the Ageing and Disability Commission.

The Office of the Children's Guardian and the Ageing and Disability Commission developed an agreement under section 146 of the *Children's Guardian Act 2019*, that enables the Ageing and Disability Commission to oversee and support Official Community Visitors Scheme on a day-to-day basis.

The Official Community Visitors Scheme produces a stand-alone Annual Report which includes information on the child-related functions, as allowed under the *Children's Guardian Act 2019*. It is available on the Ageing and Disability Commission website as well as our website.

The background image shows a vast, open landscape under a clear sky. In the foreground, a rustic stone path leads towards the horizon. To the left, a steep hillside is covered in dry, golden-brown grass, with a narrow dirt trail snaking up its slope. In the distance, more hills and a body of water are visible under a pale blue sky. A dark blue rounded rectangle is positioned in the lower right, containing the text '5 Sector information' in white.

# 5 Sector information

## Statutory out-of-home care and adoption

The Office of the Children's Guardian regulates and monitors statutory out-of-home care and adoption services in NSW. We have two main functions in this area:

- we accredit agencies to provide out-of-home care and adoption services  
This involves assessing designated agencies seeking accreditation for the first time and assessment of agencies seeking to renew their accreditation to provide out-of-home care or adoption services.
- we monitor and oversee out-of-home care and adoption agencies  
We ensure that accredited designated agencies continue to meet their responsibilities throughout their period of accreditation.

## Family is Culture

In response to the Independent Review of Aboriginal Children and Young People in Out-of-home care in NSW by Professor Megan Davis, the Office of the Children's Guardian implemented a project team to respond to the Review.

The Family is Culture team was in place by March 2021 and throughout the remainder of the financial year met with stakeholders to be able to respond to the 7 areas the Minister has requested be further examined in our Family is Culture Report:

1. Implementation of the Aboriginal Case Management Policy which aims to support Aboriginal people and communities to make decisions about the safety, welfare and wellbeing of their children, families and communities.
2. Improvements to casework policies including screening and assessment processes.
3. Process improvements to make carer assessments and authorisations more efficient and timely, including better use of online and digital technology.
4. Operation of the new mandatory Alternative Dispute Resolution system including Family Group Conferences for Aboriginal families.
5. Implementation of the Joint Protocol to Reduce the Contact of Young People in Residential out-of-home care with the Criminal Justice System.
6. Effectiveness of the internal complaints handling system within the Department for Communities and Justice for people involved in the child protection system.
7. Improvements to public reporting by the Office of the Children's Guardian on the accreditation of statutory out-of-home care agencies.

The Office of the Children's Guardian's Family is Culture report is due to the Minister at the end of 2021.



## Out of home care agencies

Four new statutory out-of-home care providers were accredited in the last year and all four are Aboriginal agencies. There are now 17 Aboriginal out-of-home care agencies accredited to provide foster care.

Designated and adoption agencies are accredited once they have demonstrated they meet the requirements in the NSW Child Safe Standards for Permanent Care. Designated agencies have responsibilities under the *Children's Guardian Act 2019* and the *Children and Young Persons (Care and Protection) Act 1998* and regulation. Adoption agencies must also comply with the *Adoption Act 2000* and regulation.

Designated agencies and adoption providers are required to meet the standards throughout the period of their accreditation. A Notice of Condition of Accreditation is issued to each accredited agency. It sets out the services the agency can provide and any other requirements the agency must meet. The Children's Guardian can defer, suspend or cancel an agency's accreditation if it fails to comply with any of the conditions or fails to meet the standards over a period of time. Information about agencies' accreditation periods and conditions of accreditation are published on our website.

This year, the challenges posed by COVID-19 continued to impact on service delivery, casework and the authorisation process for carers. We worked with the sector to develop practice guidelines for home visits, home safety inspections, carer assessments and family contact arrangements, to align with health advice and continue to keep children and young people safe during the pandemic.

### Designated agencies

On 30 June 2021, 83 designated agencies were accredited to provide statutory out-of-home care in NSW. They include non-government providers and the Department of Communities and Justice.

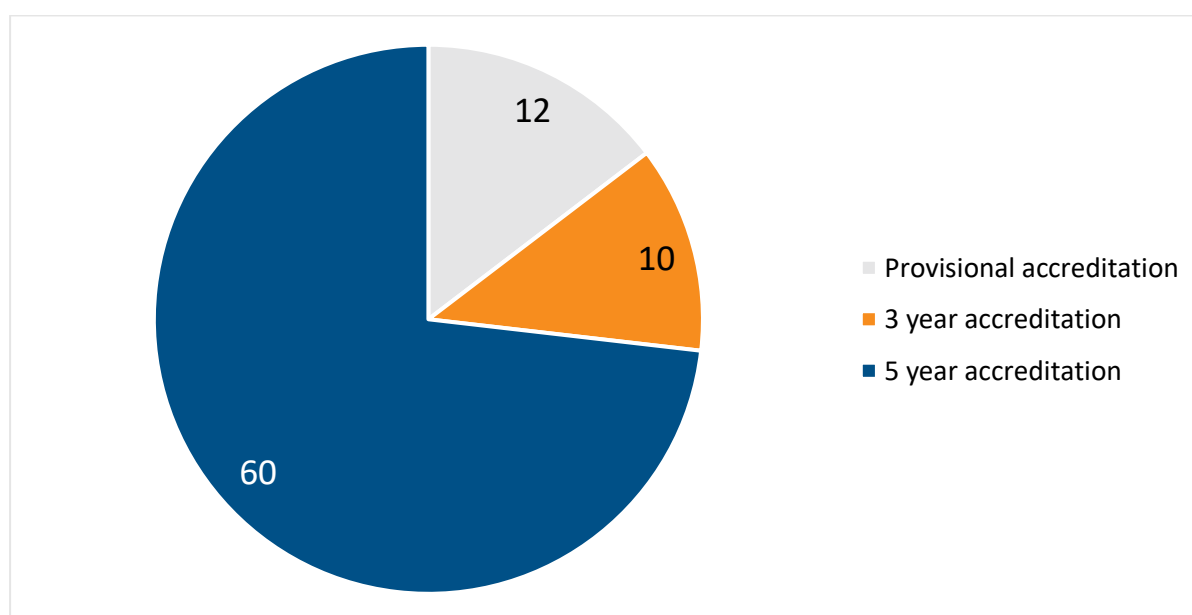
In the last year, 16 agencies had their accreditation extended for 12 months, due to delays in completing accreditation renewal assessments due to COVID-19. These assessments have continued either via remote access to agency's record keeping systems, or onsite assessments where this has been possible.

Two agencies had an accreditation decision deferred in 2020-21, where there were issues of non-compliance. Agencies are required to address the issues before they can have their accreditation renewed. We visit these agencies regularly to monitor progress towards complying with the standards and concerns about individual children and young people are referred to the Department of Communities and Justice.

Last year the Office of the Children's Guardian took action against a designated agency for persistent non-compliance with the Standards and cancelled its accreditation. The decision was upheld on appeal.



Figure 5.1 Accredited agencies in NSW at 30 June 2021



One non-government adoption service provider had its accreditation to provide adoption services renewed for five years. We also conducted a monitoring program review of the Department of Communities and Justice's adoption services.

### Monitoring out-of-home care agencies for compliance

Throughout each year, the Office of the Children's Guardian visits designated agencies to monitor their compliance with the Standards and provide feedback on areas for improvement.

Visits include discussions with key staff and a review of documentation about individual children to check the agency has systems to promote the safety and wellbeing of children and young people. We assess compliance with child protection requirements, suitability of placements and care environments.

We conducted monitoring visits to 14 agencies this year. These visits were to agencies that were new providers or were working on practice improvements.

This year we conducted 2 responsive monitoring visits. The agencies demonstrated that they met the Standards, however, we provided feedback suggesting further areas for improvement and are monitoring their progress.

### Improving accreditation and monitoring processes

In 2020, we conducted individual consultation workshops with Aboriginal out-of-home care providers and Aboriginal staff employed in non-Aboriginal agencies to inform the coming review of the accreditation criteria for out-of-home care providers.

Discussions with agencies focused on three broad questions:

1. what practices are most critical in promoting the safety, welfare and wellbeing of Aboriginal children and young people?
2. how could we improve our assessment and monitoring processes and reduce regulatory burden on agencies?
3. what are some of the sector-wide challenges facing out-of-home care providers?

Discussions with agencies were wide ranging but some common themes emerged:

- The standards need to reflect that culture and wellbeing are inextricably linked.

- There is a need across the sector for a much greater commitment to supporting Aboriginal families and communities in making decisions that affect children and young people in out-of-home care.
- There is a need for a more sophisticated understanding of who is family, because without this, family placement options could be overlooked.
- The Office of the Children's Guardian's monitoring program is useful in providing feedback about areas of strength and areas for improvement. Agencies would like a greater focus on continuous improvement.
- It is critical for our assessors to continue to speak with staff and spend time visiting agencies to have a good understanding of how agencies do their work.
- Agencies are required to provide a duplicated information to us and the Department of Communities and Justice which reduces time spent with children and young people.

We are currently developing a new model for monitoring and accrediting agencies based on this feedback, that increases focus on continuous improvement. We are also looking at options to reduce duplication of information agencies have to provide to both the Office of the Children's Guardian and the Department of Communities and Justice.

#### Leaving care monitoring program

In 2020-21, the Office of the Children's Guardian reviewed leaving care practices for 635 young people who turned 18 between 23 March 2020 and 31 December 2020. The program included a brief review of ChildStory records for every young person leaving care as well as an in-depth review of 169 young people's leaving care records.

The purpose was to ensure that leaving care casework with young people continued despite the challenges posed by COVID-19, given the particular vulnerabilities of this group. We provided feedback to agencies regarding the circumstances of individual young people throughout the monitoring program and will continue to provide feedback to individual agencies regarding their leaving care practices and areas for improvement.

The review found that the out-of-home care sector adapted swiftly to the challenges of a new operating environment and that agencies had been innovative in their approaches to supporting these young people. It found evidence that agencies have been proactive in providing practical assistance to the young people and their households. There was also evidence of discussions with young people regarding their anxieties about leaving care during the pandemic, including finding accommodation and work, and maintaining contact with important people in their lives.

We observed a number of themes across the sector:

- most young people who left care between 23 March and 31 December 2020 had a leaving care plan, but the quality of these plans varied significantly
- most young people who had a leaving care plan participated in the development of their plans and were able to influence decisions impacting on their lives
- where young people were not engaged in planning for leaving care, plans were often generic and not informed by an assessment of the young person's independent living skills
- those who were in stable placements and had the support of at least one adult had more comprehensive plans
- agencies need to strengthen approaches to cultural planning to help young people to maintain connections with culture, particularly for Aboriginal young people

- many leaving care plans were approved after the young person had turned 18 and leaving care casework needs to begin much earlier
- the support that young people receive after leaving care varies significantly across the sector.

To continue this work, the Office of the Children's Guardian will work to establish a sector advisory group including peak bodies the Association of Children's Welfare Agencies, CREATE Foundation and the NSW Child, Family and Community Peak Aboriginal Corporation (AbSec), to provide advice on the themes raised in the review particularly in relation to the review of the Permanent Care Standards to be conducted next year.

A copy of the Leaving Care report can be found on our website.

## Children and young people in non-home-based emergency care

Non-home-based emergency care (also known as alternate care arrangements) is the immediate placement of children and young people into a motel, hotel, serviced apartment or other short-term accommodation. These arrangements are used in emergency situations until a suitable foster care or residential care placement can be arranged.

In these circumstances, designated agencies may authorise a person from an external agency to provide this type of emergency care. Designated agencies must undertake mandatory checks to ensure any employee or person they have engaged is safe and suitable. We have issued Guidelines for the Emergency Authorisation of Staff and Contractors to inform designated agencies of their obligations and reporting requirements in respect to emergency care. Designated agencies must adhere to the guidelines under their conditions of accreditation.

The guidelines also require designated agencies to notify the Office of the Children's Guardian at three stages of every emergency placement. We are to be notified at the following points every time an emergency placement is arranged:

- within 24 hours of the child or young person entering the non-home-based emergency placement
- within 7 days from the start of the placement, provide a copy of the agency's transition plan that identifies the steps that will be taken to move the child or young person to a permanent, suitable placement
- within 7 days of the placement ending, details of where the child and young person has been placed.

The reporting requirements allow us to monitor the circumstances, the length of time and the supports and arrangements being made to transition children and young people into more suitable long-term placements. We track and assess the placements with the relevant designated agencies.

In 2020-21, there were a total of 530 non-home-based emergency care placements started: 333 managed by the Department of Communities and Justice and 197 by non-government agencies.

Of these 530 children and young people starting placements, 32% were placed in emergency care as a result of high needs behaviours, 28% the result of a placement breakdown and 14% were because there were no available carers.

There were also 530 placements that ended: 344 Department of Communities and Justice placements and 186 by non-government organisations. The placements starting and ending would not have been identical with some starting prior to the 2021 calendar year, and some expected to end after 30 June 2021.

## Information reported to the Office of the Children's Guardian

Agencies are required to notify us when a child or young person dies while in statutory out-of-home care and when a child under 12 years old is placed into residential care. Once we receive a notification, we carefully assess the information to determine whether the agency is meeting its legislative requirements. We may decide to make additional inquiries and use the information to inform our monitoring decisions.

With the transfer of the Reportable Conduct Scheme in March 2020, we streamlined reporting requirements so that designated agencies are now only required to report through the Reportable Conduct Scheme. The Scheme has slightly different parameters from what was previously notified. Of significance, rather than serious physical assault, the Reportable Conduct Scheme as the broader category of assault. This means the data for the first line of the table on the following page is not comparable to previous years.

**Table 5.2 Information reported relating to out-of-home care in 2020-21**

Information reported	NGOs	Dept Communities and Justice	Total
Allegations of sexual misconduct or assault by staff, carers and volunteers	314	128	442
Death of a child or young person in statutory out-of-home care	2	5	7
Number of children under 12 years old placed in residential care	29	0	29

## Department of Communities and Justice

In 2020-21 we undertook monitoring of three Department of Communities and Justice districts and began accreditation renewal assessments for 12 districts where accreditation was due to expire at the end of 2021.

## Adoption

If a designated agency seeks to provide adoption services, it is required to comply with legislative requirements and to demonstrate it meets specific additional adoption standards. Once a designated agency is accredited, it can process the adoption of children.

There are four designated agencies that have been accredited to provide adoption services and one agency with provisional accreditation as of 30 June 2021.

## The NSW Carers Register

The Carers Register records information about carer applications, authorised carers and their household members providing out-of-home care. It is a licensing tool to assist designated agencies in the selection and probity assessments of carers.

The Carers Register requires designated agencies to share information about carers, prospective carers and their household members. It is designed so that only carers who have met minimum mandatory suitability and probity checks are able to provide out-of-home care to children and young people.

At June 30 2021, 18,369 carers were authorised to provide out-of-home care to children and young people in NSW. Of these 2592 identified as Aboriginal and Torres Strait Islander.



There were 49 designated agencies accredited to provide statutory out-of-home care that are required to use the Carers Register to authorise carers and their household members at 30 June 2021.

The main activities we undertake to operate the Carers Register are:

- monitoring and compliance to check agencies are meeting Carer Register requirements
- checking data integrity and undertaking remediation so the information recorded is current and accurate.

## Capability building

Capability building activities to support designated agencies to meet their Carers Register legislative requirements included training and phone/email support, to increase agency knowledge and improve data integrity of the Register. Additionally, we produce business intelligence reports as requested to support designated agencies' data management and quality assurance.

## Monitoring agencies

We began the Carers Register review for the Department of Communities and Justice which authorises almost half of all carers (46%). Non-government agencies account for other 54%.

The review commenced in January 2021 and due to the size of the Department, will conclude into 2022. In 2021, nine (approximately 50%) districts have been reviewed.

Additionally, 7 non-government organisations have participated in a Carers Register Review. Three were able to be held onsite while four were completed remotely.

## Data integrity

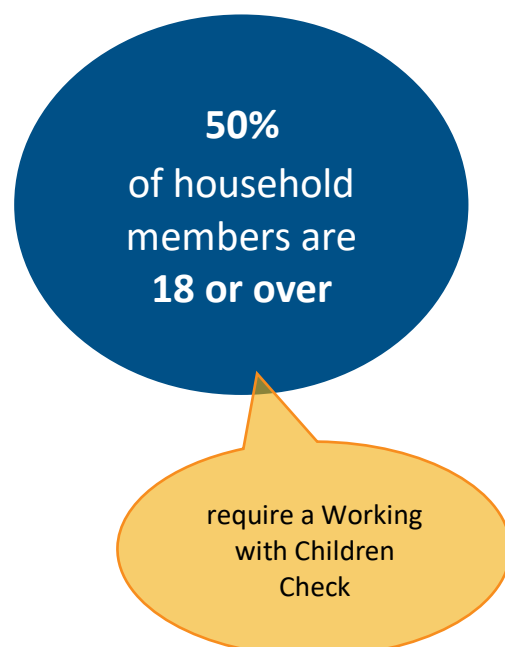
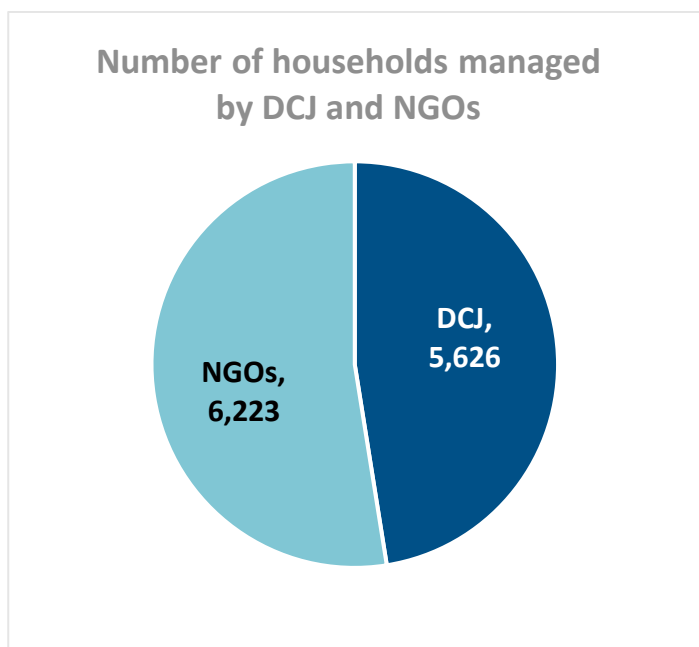
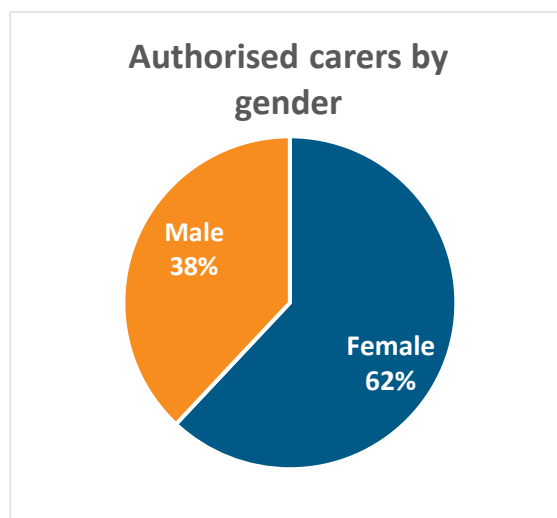
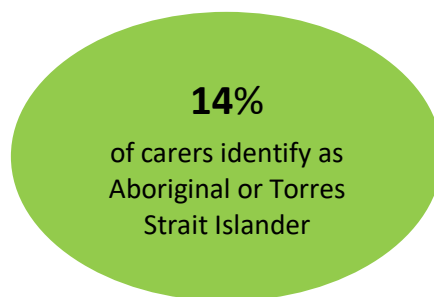
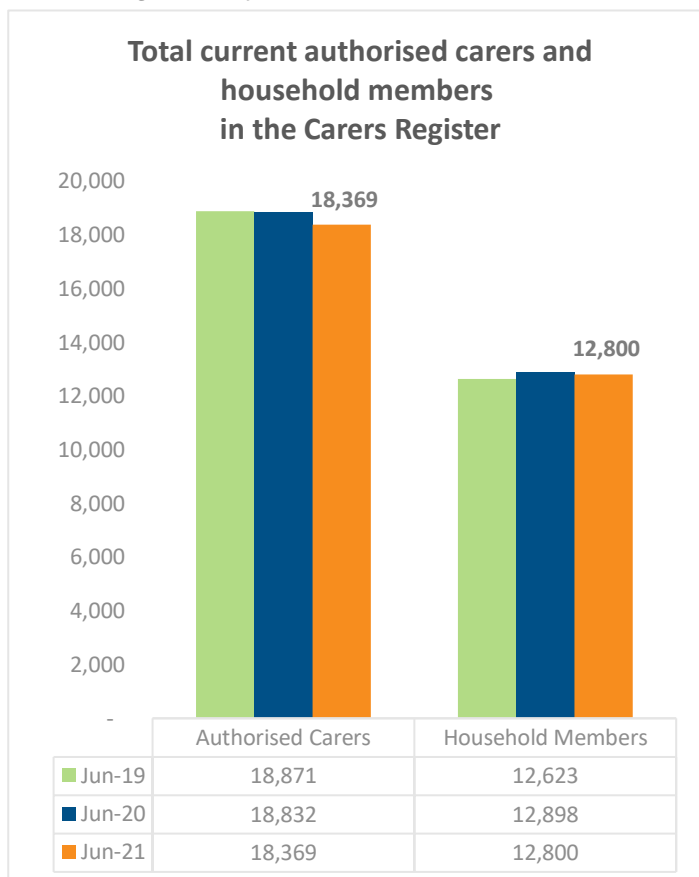
Carers Register data is audited to check its reliability and integrity and to create reports, some of which require action from designated agencies. If a report highlights non-compliance, we monitor that the designated agency fixes it. Non-compliance can include expired or no Working with Children Check being recorded or where a provisional authorisation has extended beyond 3 months. Issues are often errors and anomalies.

## Overview of carer households

In 2020-21 there were 18,369 authorised carers. This total number of authorisations has decreased slightly compared to last year's figure.

- 14% of authorised carers identify as Aboriginal or Torres Strait Islander, this number remains consistent with last year's figure
- 62% of authorised carers are female, this number remains relatively consistent
- 48% of household members are female, this number remains relatively consistent
- 50% of household members are over 18 years and require a Working with Children Check, this number has decreased slightly over the past year
- 47.5% of households are being managed by the Department of Communities and Justice with an increase in non-government organisations this year to 52.5%.

## Carers Register key statistics 2020-21



### Carer application outcomes

During 2020-21, 510 carer applications have either been refused or withdrawn due to concerns. This number remains consistent compared with last year.

Current applications	
Number of household applications	1886
Number of carer applicants	2895

Carer applications refused/ withdrawn			
Status	2018-19	2019-20	2020-21
Refused	316	314	293
Withdrawn no concerns	1436	1417	1528
Withdrawn with concerns	191	193	217

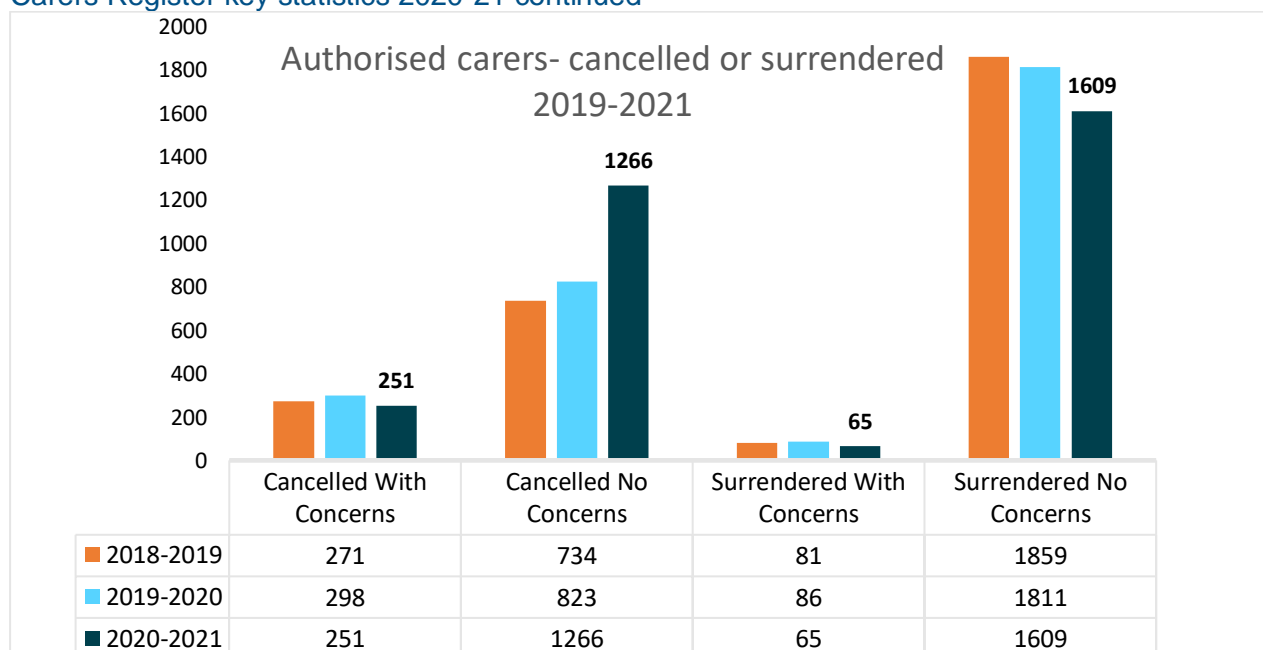
### Carer authorisation outcomes

During 2020-21, 510 carer applications have either been refused or withdrawn due to concerns.

In addition, 251 carer authorisations were cancelled due to concerns and 65 were surrendered with concerns.

If these individuals were to apply to another agency to become a carer, the concerns would be shared between agencies.

### Carers Register key statistics 2020-21 continued



## Working with Children Check bars and interim bars of carers and household members

A total of 437 carers or their household members have had their Working with Children Check clearance cancelled since the Carers Register began in 2015 and are no longer legally allowed to care for children and young people in out-of-home care.

**Table 5.3 Working with Children Check bars (cumulative) relating to carers and household members**

	At 30 June 2019	At 30 June 2020	At 30 June 2021
<b>WWCC bars</b>			
<b>Authorised carers</b>	161	168	176
<b>Household members</b>	89	91	99
<b>Interim bars</b>			
<b>Authorised carers</b>	77	84	90
<b>Household members</b>	63	69	72

### Notes:

*Figures in this table adjusted from previous Annual Reports with each number representing distinct individuals. Previous reports included duplicate roles held by individuals.*

*Carer authorisations are automatically cancelled if the person no longer has a Working with Children Check or is subject to a bar or interim bar.*

*Carer authorisations are automatically suspended if a household member no longer has a Working with Children Check or is subject to a bar or interim bar.*

*The relevant designated agency must, within 48 hours of becoming aware of a cancellation or suspension, ensure that children or young people in out-of-home care are no longer placed in a household where a person with a Working with Children Check bar or interim bar resides.*

## Residential Care Workers Register

The Royal Commission into Institutional Responses to Child Sexual Abuse recommended that each jurisdiction in Australia should establish a register of residential care workers as a means of improving the safety of children and young people in contemporary out-of-home care. The *Children's Guardian Act 2019* now provides the legislative power to the Office of the Children's Guardian to establish a register of residential care workers.

We formally consulted on the draft Children's Guardian Regulation with the out-of-home care sector and key stakeholders. The Regulation is expected to commence in early 2022 and will support the register's operation.

We continue to consult about how the register will provide a mechanism for agencies to exchange information relevant to the safety, welfare or wellbeing of children and young people. This will support agencies' decisions about the suitability of any individual to provide care to children and young people living in residential care and will help prevent unsuitable workers move from one agency to another.

To support the sector to prepare for the new register, initial guidance materials, online forums and training have been delivered in 2020-21. This will continue to be a focus in the coming year, culminating in the commencement of the register expected in early 2022.



## Voluntary out-of-home care

In NSW, all voluntary out-of-home care must be provided or arranged by either a designated or registered agency.

In NSW all voluntary out-of-home care must be provided or arranged by an agency that is registered with the Office of the Children's Guardian. These can be either a designated or registered agency. We manage agency registration and monitor compliance against the requirements.

The voluntary out-of-home care system is now in its tenth year since launching in February 2011.

Our management and registration of the voluntary out-of-home care system aims to:

- safeguard the interests of children and young people with complex needs, many of whom have disabilities, and to provide support to the families caring for them
- make it possible for children, young people and their parents to access relevant information, and meaningfully participate in planning and decision-making about their care
- improve the consistency and quality of intake, assessment, planning, care and interagency coordination
- improve knowledge of a child or young person's care history and previous case plans, to support improved care planning and information sharing
- ensure that children and young people in longer term care, benefit from comprehensive and holistic case planning.

The total number of voluntary out-of-home care agencies was 117 at the end of June 2021. This has increased by 5 since this time last year.

Over the year:

- 11 agencies withdrew their registration for a variety of reasons including agencies that merged into a single entity and others no longer providing overnight care
- three agencies had their registration cancelled by the Children's Guardian due to ongoing breaches of their conditions of registration which placed children at unacceptable level of risks
- one application for registration was refused due to the organisation having breached the *Child Protection (Working with Children) Act 2012* and failing to demonstrate sufficient capacity to comply with the Statutory Procedures
- we registered 20 new agencies to provide or arrange voluntary out-of-home care
- we received 116 enquiries and 31 applications for registration.

**Table 5.5** Agencies providing voluntary out-of-home services, at 30 June 2021

Agency type	Number of agencies
Registered agencies	93
Designated agencies	24
<b>TOTAL</b>	<b>117</b>

In 2020-21 the Office of the Children's Guardian monitored 131 agencies. These include agencies that were no longer registered at the end of the year.

Due to the COVID-19 pandemic, all onsite monitoring visits have been suspended since mid-March 2020. Where possible, we replaced onsite assessment with remote assessment to continue our oversight.

To support agencies' understanding of the *Children's Guardian Act 2019* and its implications, we published a fact sheet for the voluntary out-of-home care sector, guidance materials, and education through webinars. We also assessed agencies' policies to ensure legal changes were understood and complied with by the sector. We will continue with policy assessments and capability building activities.

## Children using voluntary out-of-home care services

In 2020-21, 830 children accessed voluntary out-of-home care, compared to 1234 in 2019-20, representing a 33% decrease. The notable decrease may have resulted from continued COVID-19 restrictions. Of the 830 children and young people, 740 (89%) have disability.

Of these 830 children and young people, 770 accessed placements with registered agencies and 167 with designated agencies. Some children and young people accessed multiple agencies throughout the year.

## Care episodes

As a child may use more than one agency for their care needs, the Office of the Children's Guardian measures care episodes to give a complete picture of the use of voluntary out-of-home services. One care episode represents each time a child uses a voluntary out-of-home service. This can range from very short term (overnight, for example) to weeks or months at a time.

We recorded 5,776 care episodes. Of these, 4,776 were provided by registered agencies and 1,000 were provided by designated agencies. The number of care episodes decreased by 22% in 2020-21.

Supervision by a designated agency is required when a child or young person's care runs for a cumulative period of 90 days in a year and a registered agency provides some or all of that care.

In 2020-21, 55 children and young people's placements required supervision by a designated agency, an increase on the previous year of 38 supervised placements.

We also monitor the number of children and young people who are in care for over 180 days as, from this point, the child requires a case plan. At the end of the 2020-21 there were 52 children and young people on the voluntary out-of-home care Register for cumulative care lasting over 180 days in the year an increase of 14 from the previous year.

## Employing children

The Office of the Children's Guardian monitors organisations that employ children under 15 years old in the entertainment industry and under 16 years old in the modelling industry. There is a Code of Practice that sets out the minimum required standards when employing children in these industries.

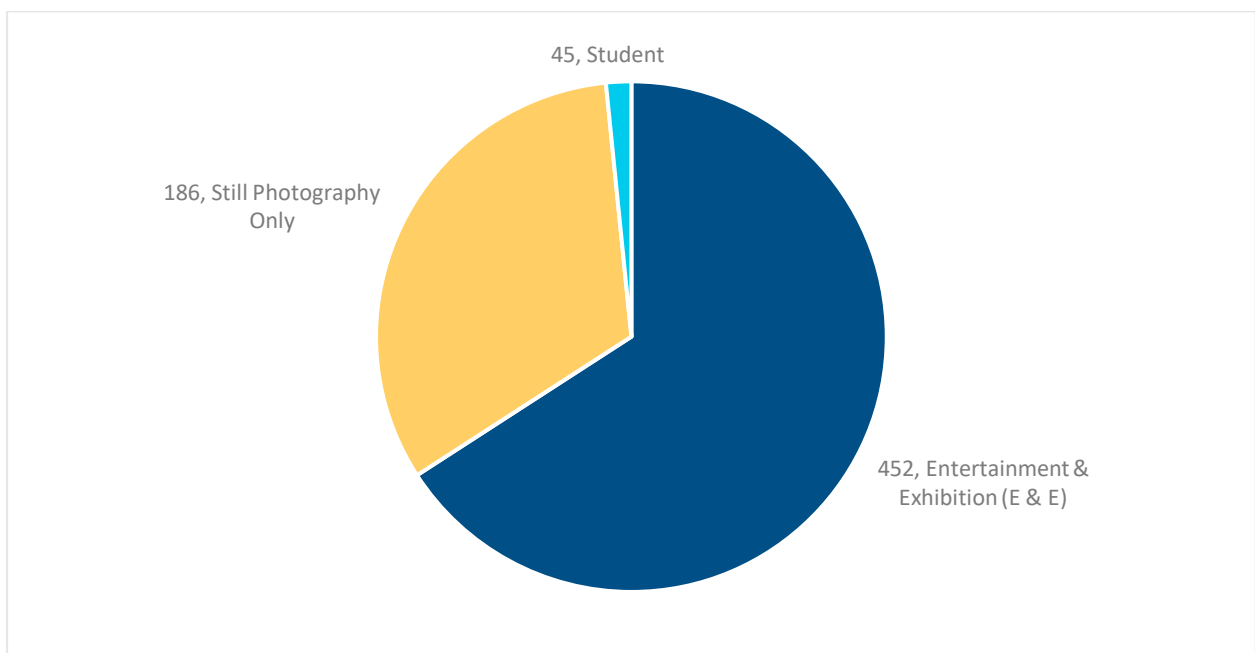
We issue employers with an authority to employ children in the categories of entertainment and exhibition, still photography, and student productions. Through this process, employers register their intention to employ children in NSW with the Office of the Children's Guardian.

In 2020-21, we received 683 applications for an authority to employ children within NSW, an increase of 42% compared to the previous year. Applications for authorities significantly declined during 2019- 20 because of COVID-19. In 2020-21 there was an increase in interstate and international companies producing content in NSW because of pandemic restrictions in their own states.

**Table 5.6 Authority to employ children**

Authority length	Number of applications
1 week	501
3 months	23
6 months	13
12 months	146
<b>Total</b>	<b>683</b>

**Figure 5.2 Employer authority applications by type, 2020-21**



## Productions

Employers holding an authority need to notify the Office of the Children's Guardian of the details of children's work in each production; the risks associated with the work and their risk management strategies.

In 2020-21, we received 1392 notifications of productions employing children, an increase of 33%. There were notable increases in:

- online videos and advertisements (91% increase from 87 in 2019-20 to 166 in 2020-21)
- fashion still photography (56% increase from 254 in 2019-20 to 396 in 2020-21). This increase may be due from our campaign to raise awareness in the modelling and fashion industries
- commercial advertisements (52% increase from 248 in 2019-20 to 378 in 2020-21).

## Compliance

We undertake a range of compliance activities to check employers are adhering to the requirements for employing children and young people.

We completed 111 desk-based compliance checks by contacting employers after work was completed. This is a 4% increase from 2019-20. Desk-based compliance checks continued as pandemic restrictions prevented officers from making unannounced visits to locations.

Of the employers checked, 66 were compliant and 45 were in breach of the legislation. Depending on the seriousness of the offence, employers receive an informal caution, formal warning letter with an invitation to participate in an education session or are investigated.

As a result of investigations into alleged breaches of the children's employment legislation, we issued five penalty infringement notices. This is the same as the number of penalties issued in the previous year.

Of the five penalty infringement notices:

- four were issued to employers who failed to notify us of employment of a child
- one was issued to an employer who failed to notify of risks identified with employing a child.

In addition, nine formal warnings were issued to employers and three participated in education sessions to improve compliance.

## Capability building

In addition to our compliance program, we met with 59 organisations as part of an educational campaign to raise awareness about the requirements for employing children and to build understanding around why the safeguards exist.

This included visits to 14 productions that were deemed high risk and 45 employer and stakeholder meetings to encourage upfront compliance with the children's employment legislation, an increase of 62% on the previous year. The significant increase in stakeholder meetings resulted from an improved ability to organise meetings by video conferencing.



## Sport and recreation

**Table 5.7**      **Sport and recreation key statistics**

	Measure
Training and education provided specific to sector	12
Attendees from that sector	969
Total WWCC registrations	129,342 employees 207,666 volunteers Number of current WWCCs = 337,008
WWCC applications made in 2020-21	New = 30,223 Renewal = 26,185 TOTAL = 56,408
Number of employers registered in the WWCC system	9345
Number of employers that have verified workers	9320
Notifications to the Reportable Conduct Scheme	Sector not covered by the Reportable Conduct Scheme

Sport and Recreation is the largest sector in terms of the number of organisations. These include many small organisations with an average of 36 employees per organisation. The majority of workers are volunteers.

## Education

**Table 5.8**      **Education key statistics**

	Measure
Training and education provided specific to sector	11
Attendees from that sector	2158
Total WWCC applications	462,875 employees 115,723 volunteers Number of current WWCCs = 578,598
WWCC applications made in 2020-21	New = 39,518 Renewals = 71,329 Total = 110,847
Number of employers registered in the WWCC system	5440
Number of employers that have verified workers	5426
Notifications to the Reportable Conduct Scheme	548

The education sector is large, particularly considering that the Department of Education which employs around 4000 people, counts as one employer.

Having a large number of renewal applications shows a fairly stable employee population.

The large number of volunteer Working with Children Checks is possibly due to schools sometimes having a policy requiring anyone helping at school to have a Check.

## Early childhood education

**Table 5.9** Early childhood education key statistics

	Measure
Training and education provided specific to sector	83
Attendees from that sector	5888
Total WWCC registrations	Employees = 159,218 Volunteers = 39,629 Number of current WWCC registrations = 198,847
WWCC applications made in 2020-21	New = 13,821 Renewals = 20,421 Total = 34,242
Number of employers registered in the WWCC system	4673
Number of employers that have verified workers	4670
Notifications to the Reportable Conduct Scheme	263

The Early childhood education sector is a large sector made up of many small employers with an average of 42 employees per organisation. There has been a lot of targeted focus on this sector over the past year with very high engagement as can be seen by the high number of both training and education sessions and the huge attendance numbers (average of 70 people per session).

## Faith-based organisations

**Table 5.10 Religious sector key statistics**

	Measure
Training and education provided specific to sector	15
Attendees from that sector	1004
Total WWCC registrations	Employees = 27,874 Volunteers = 107,910 Total = 135,784
WWCC applications made in 2020-21	New = 6326 Renewals= 10,097 Total = 16,422
Number of employers registered in the WWCC system	3344
Number of employers who have verified workers	3340
Notifications to the Reportable Conduct Scheme	56

This sector has low number of paid employees per organisation, with a very high proportion of volunteers – 79%.

A significant number of training and education sessions were provided to the sector, with an average of 67 people attending each session. This is a reasonable proportion, particularly given the high number of volunteers.

## Local government

**Table 5.11 Local government key statistics**

	Measure
Training and education provided specific to sector	8
Attendees from that sector	902
WWCC data	Local government or similar is not identifiable in the WWCC employer categories
Notifications to the Reportable Conduct Scheme	17



## Health services for children

**Table 5.12** Health sector key statistics

	Measure
<b>Training and education provided specific to sector</b>	0
<b>Attendees from that sector</b>	186
<b>Total WWCC registrations</b>	Employees = 248,765 Volunteers = 40,006 Total = 288,771
<b>WWCC applications made in 2020-21</b>	New = 18,747 Renewals = 37,697 Total = 56,444
<b>Total employers registered in the WWCC system</b>	2056
<b>Number of employers that have verified an employee</b>	2053
<b>Notifications to the Reportable Conduct Scheme</b>	32

The sector has one significant employer, NSW Health, with many smaller organisations such as private General Practitioners and specialists.

NSW Health requested that education and training about the Child Safe Standards and Scheme be delayed until it commences, hence we have not provided specific sector training. However, some health sector employees attended sessions targeted at other sectors which is pleasing to see.

# 6 Looking ahead



## Looking ahead

### Child Safe Standards Scheme

The Children's Guardian Amendment (Child Safe Scheme) Bill 2021 was introduced into Parliament in May 2021. It was passed by the Legislative Assembly on 9 June and is awaiting debate in the Legislative Council. The Child Safe Scheme adopts recommendations made by the Royal Commission and is based on extensive stakeholder consultation on the best approach for regulating the Child Safe Standards.

Under the Child Safe Scheme, the Office of the Children's Guardian's work with organisations to raise awareness of child safety, build the capability of organisations to implement the Child Safe Standards will continue. Additionally, we would have powers to monitor implementation and investigate complaints based on the Child Safe Standards. We would also have enforcement measures to gain compliance with the Child Safe Scheme.

### Statutory review of the *Children's Guardian Act 2019*

From March 2022, the *Children's Guardian Act* will be reviewed to make sure its objectives remain valid and the terms of the Act remain appropriate. A report on the outcome of the review will be tabled in Parliament by 1 March 2023. Any proposed amendments to the Act as a result of the review are expected to be made in Spring Session of Parliament 2023.

### New Regulation under the *Children's Guardian Act 2019*

In creating the *Children's Guardian Act 2019*, powers and functions of the Children's Guardian were consolidated from a number of Acts. Regulations under these Acts remain in force until new regulations are made under the *Children's Guardian Act 2019*. The principal Children's Guardian Regulation is expected to commence in early 2022 to implement the Residential Care Worker Register with the transferring regulations being consolidated through an amending regulation. The consolidated regulation will commence by September 2022.

### Family is Culture Review

The Office of the Children's Guardian has implemented a project team in response to the Family is Culture Review and to write a report for the Minister in response to the Review. The report will provide advice on the impact of recent reforms and provide the Minister with recommendations to improve outcomes for Aboriginal children and their families encountering the child protection system.



# 7 Appendices





# Appendices

Appendix A Our people

Appendix B Financial statements

Independent Auditor's Report

Children's Guardian Statement

Audited Financial Statements

Payment of accounts

Consultants

Appendix C Governance and Risk

Legislative framework

Public information and access

Risk management and insurance

## Appendix A: Our people

In response to the COVID-19 pandemic, most staff continued to work from home throughout the 2020-21 financial year. Employees have shown great resilience and flexibility in adapting to the new hybrid working environment and we have been able to continue our work.

### Human resources

At 30 June 2021, the Office of the Children's Guardian employed 229 people (executive, award employees and contractors) on either a full-time or part-time basis.

The increase in headcount shown in Table A1 for 2020-21 is due to the appointment of the new Deputy Children's Guardian and the formation of the temporary Family is Culture team.

Table A1 does not include contractors and employees seconded out of the Office of the Children's Guardian but does include employees on unpaid leave and seconded into the Office of the Children's Guardian.

See Table A2 for Senior Executive information.

**Table A1** Number of employees by employment category by financial year

	At 30 June 2019	At 30 June 2020	At 30 June 2021
Ongoing	130	169	181
Temporary	28	32	26
Casual	6	2	3
Senior Executive	7	8	9
<b>TOTAL</b>	<b>171</b>	<b>211</b>	<b>219</b>

### Policies and practices

#### Personnel

The Office of the Children's Guardian has comprehensive policies, procedures and other guidance materials which provide a framework for the appropriate management of employees and business risks. Policy changes incorporate any new legislative changes and Public Service Commission requirements, including initiatives to promote flexible working and the Premier's Priorities, to enhance diversity in senior leadership.

We continue to review and update all internal policies and procedures against best practice and to incorporate current legislative requirements. In 2020-21 we updated our Gifts and Benefits Policy and Business Ethics Statement. We also launched a Parental Leave Handbook to assist employees with applying for leave and transitioning back into the workforce.

#### Industrial relations

The Office of the Children's Guardian conducts quarterly state-wide Joint Consultative Committee meetings with the Public Service Association.

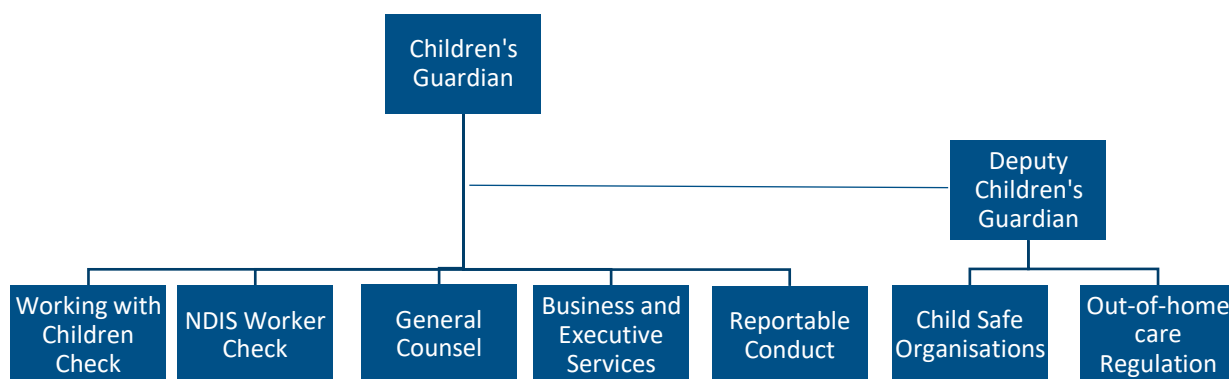
### Exceptional movement in wages, salaries and allowances

There were no exceptional movements in wages, salaries or allowances during 2020-21.

### Overseas visits

There were no overseas visits during 2020-21.

## Management and structure



In 2020-21, the executive team comprised:

**Ms Janet Schorer PSM**, Children's Guardian

Diploma in Applied Science (Nursing), Bachelor of Arts (Psychology), Graduate Diploma in Child and Adolescent Psychology, Executive Master of Public Administration

**Mr Richard Weston**, Deputy Children's Guardian

Bachelor of Business

**Ms Louise Coe**, Director, Child Safe Organisations

Bachelor of Commerce, Bachelor of Laws (Hons), Diploma of Legal Practice, Executive Master of Public Administration, Executive Master of Public Administration

**Ms Larissa Johnson**, Director, Out-of-home care Systems and Regulation

Bachelor of Social Work

**Ms Natasha Mewing**, Director, Reportable Conduct

Bachelor of Arts, Bachelor of Laws (Hons)

**Mr Michael Rosmalen**, Director, NDIS Worker Check

Bachelor of Commerce (Economics), Master of Applied Economics

**Mr Steve Gholab**, Director, Working with Children Check

Bachelor of Social Science (major in Criminology and Sociology), Advanced Diploma of Management, Diploma of Project Management

**Ms Liz McGee**, Director, Business and Executive Services

Diploma of Teaching (Primary), Graduate Diploma in Public Administration

**Ms Sharminie Niles**, General Counsel

Master of Laws, Solicitor of the Supreme Court of NSW, Solicitor of the Supreme Court of England and Wales

The tables below include all executives who were employed at any time during 2020-21 and includes the Children's Guardian and Deputy Children's Guardian, although these are statutory positions.

Numbers and remuneration of senior executives

**Table A2** Number of Public Service Senior Executives employed in each band

PSSE Band	2019-20	2020-21
Band 3		1 female
Band 2	1 female	1 male
Band 1	5 female 2 male	5 female 2 male

**Table A3** Average remuneration of senior executives in each band

Remuneration level	Average remuneration 2019-20	Range 2019-20	Average remuneration 2020-21
Band 3*	NA	\$345,551 – \$487,050	\$345,551
Band 2**	\$345,528	\$274,701 – \$345,550	\$300,000
Band 1	\$222,277	\$192,600 – 274,700	\$241,184

Notes:

\* There are no PSSEs employed in the Band 3 level. The Children's Guardian is a statutory appointment and the remuneration disclosed is as per the current incumbent's employment contract. The Children's Guardian role was re-evaluated to Band 3 equivalent effective 1 March 2020.

\*\* There are no PSSEs employed in the Band 2 level. The Deputy Children's Guardian is a statutory appointment and the remuneration disclosed is as per the current incumbent's employment contract. The Deputy Children's Guardian commenced 18 January 2021. The remuneration disclosed in 2019-20 was updated to reflect Children's Guardian's employment contract prior to the re-evaluation.

**Table A4** Percentage of total employee-related expenditure relating to senior executives

Year	Percentage
2019-20	7.54
2020-21	8.10

## Workforce diversity

Our workforce diversity is having a greater focus with the introduction of the Multicultural Plan 2020-23. We continue implementing our Reconciliation Action Plan and Disability Inclusion Action Plan.

### Innovate Reconciliation Action Plan

We launched our Innovate Reconciliation Action Plan in May 2019.

We continued our focus on developing and strengthening relationships with Aboriginal and Torres Strait Islander peoples, engaging staff and stakeholders in reconciliation and developing and piloting innovative strategies to empower Aboriginal and Torres Strait Islander people.

Specific achievements in 2020-21 were:

- Celebrations of Aboriginal and Torres Strait Islander people were recognised particularly NAIDOC Week, Reconciliation Week and a commemoration of National Sorry Day.
- Cultural awareness training for all staff with different levels of training depending on roles.

#### Diversity and Inclusion Working Group

Our Diversity and Inclusion Working Group supports, celebrates and promotes a positive attitude towards the rich diversity within our workplace and the broader community.

During 2020-21 the working group organised celebrations and recognition days for International Day of People with Disability and Harmony Week, Racism, It Stops with me, Global Accessibility Awareness Day and the NSW Government inclusion and Pride Week campaigns.

**Table A5** Workforce diversity groups (shown as percentages)\*

Workforce diversity group	Benchmark	2019	2020	2021
Women	50.0	77.9	67.5	75
Aboriginal people and Torres Strait Islander people	3.3	1.2	3.3	6.8
People whose first language spoken as a child was not English	23.2	12.3	11.5	13.7
People with a disability	5.6	1.8	1.4	1.4
People with a disability requiring work-related adjustment	NA	1.2	0.5	1

\* Data provided by the Public Service Commission.

#### Notes:

The benchmark of 50% for representation of women across the sector is intended to reflect the gender composition of the NSW community.

The NSW Public Sector Aboriginal Employment Strategy 2014–17 introduced an aspirational target of 1.8% by 2021 for each of the sector's salary bands. If the aspirational target of 1.8% is achieved in salary bands not currently at or above 1.8%, the cumulative representation of Aboriginal employees in the sector is expected to reach 3.3%.

A benchmark from the Australian Bureau of Statistics Census of Population and Housing has been included for People whose first language spoken as a child was not English. The ABS Census does not provide information about first language but does provide information about country of birth. The benchmark of 23.2% is the percentage of the NSW general population born in a country where English is not the predominant language.



Table A6 Distribution index for workforce diversity groups\*

Workforce diversity group	Benchmark	2019	2020	2021
Women	100	104	103	165
Aboriginal people and Torres Strait Islander people	100	NA	NA	15
People whose first language spoken as a child was not English	100	92	96	30
People with a disability	100	NA	NA	3
People with a disability requiring work-related adjustment	100	NA	NA	1

\* Data provided by the Public Service Commission.

A Distribution Index score of 100 indicates that the distribution of members of the Workforce Diversity group across salary bands is equivalent to that of the rest of the workforce. A score less than 100 means that members of the Workforce Diversity group tend to be more concentrated at lower salary bands than is the case for other staff. The more pronounced this tendency is, the lower the score will be. In some cases, the index may be more than 100, indicating that members of the Workforce Diversity group tend to be more concentrated at higher salary bands than is the case for other staff.

The Distribution Index is not calculated when the number of employees in the Workforce Diversity group is less than 20 or when the number of other employees is less than 20.

## Disability Inclusion Action Plan

Our Disability Inclusion Action Plan (DIAP) was launched 2018 and is supported across the agency. Key actions implemented this year included:

- introducing mandatory disability awareness training for all employees
- improving our website's accessibility rating with all new documents added to the website meeting accessibility requirements.

We are a member of the Australian Network on Disability which continues to help us build our knowledge, understanding and ability to be more confident and inclusive with employees, potential employees and customers with disability.

## Multicultural policies and services program

In 2020-21, we launched our first Multicultural Plan 2020-2023, focusing on service delivery, leadership, engagement and planning. The Plan will guide how our organisation considers and supports our multicultural stakeholders and employees.

We are focusing on assisting culturally diverse communities and including them in community engagement and consultation when developing policies, programs and services. Multicultural events have been more widely recognised across the agency and employees are encouraged to share their own significant cultural and religious events to build our own acceptance and understanding.

## Workplace health and safety performance

There were no notifiable incidents reported in 2020-21.

There were no worker's compensation claims in 2020-21.

## Appendix B: Financial statements



### INDEPENDENT AUDITOR'S REPORT

Office of the Children's Guardian

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the Office of the Children's Guardian (the Office), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- have been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the *Government Sector Finance Regulation 2018* (GSF Regulation) and the Treasurer's Directions
- presents fairly the Office's financial position, financial performance and cash flows

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Office in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Other Information

The Office's annual report for the year ended 30 June 2021 includes other information in addition to the financial statements and my Independent Auditor's Report thereon. The Children's Guardian is responsible for the other information. At the date of this Independent Auditor's Report, the other information I have received comprise the Statement by the Children's Guardian.

My opinion on the financial statements does not cover the other information. Accordingly, I do not express any form of assurance conclusion on the other information.

In connection with my audit of the financial statements, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude there is a material misstatement of the other information, I must report that fact.

I have nothing to report in this regard.

## The Children's Guardian's Responsibilities for the Financial Statements

The Children's Guardian is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Children's Guardian's responsibility also includes such internal control as the Children's Guardian determines is necessary to enable the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Children's Guardian is responsible for assessing the Office's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

## Auditor's Responsibilities for the Audit of the Financial Statements

My objectives are to:

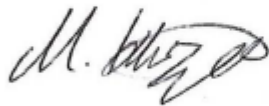
- obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Office carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where they may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Michael Kharzoo  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

27 September 2021  
SYDNEY

## Office of the Children's Guardian

### Statement by the Children's Guardian

Pursuant to Division 7.2, section 7.6(4) of the Government Sector Finance Act 2018, I state that to the best of my knowledge and belief:

- (a) the accompanying finance statements in respect of the year ended 30 June 2021 have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the Government Sector Finance Act 2018 (GSF Act), Public Finance and Audit Regulation 2015 and mandatory NSW Treasury accounting publications.
- (b) in the absence of a specific accounting standard, the Office considers using the hierarchy of reporting as in AASB 108 and performs the financial reporting provision of the GSF Act 2018 when the provisions commence to comply with Part 7 of the GSF Act.
- (c) the financial statements exhibit a true and fair view of the financial position, financial performance and cash flows of the Office of the Children's Guardian
- (d) there are no circumstances that would render any particulars included in the financial statements to be misleading or inaccurate.



Janet Schorer PSM  
Children's Guardian  
23 September 2021

# Office of the Children's Guardian

## Financial Statements for the year ended 30 June 2021

### Office of the Children's Guardian Statement of Comprehensive Income for the year ended 30 June 2021

	Notes	Budget 2021 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
<b>Expenses excluding losses</b>				
Employee related expenses	2(a)	27,554	<b>27,035</b>	23,701
Other operating expenses	2(b)	23,915	<b>19,155</b>	16,731
Depreciation and amortisation expenses	2(c)	3,747	<b>2,866</b>	2,446
Grants and subsidies	2(d)	873	<b>1,454</b>	3,801
Finance costs	2(e)	39	<b>30</b>	61
<b>Total expenses excluding losses</b>		<b>56,128</b>	<b>50,540</b>	46,740
<b>Revenue</b>				
Appropriation	3(a)	26,109	<b>20,035</b>	25,942
Sale of goods and services from contracts with customers	3(b)	20,673	<b>24,865</b>	17,483
Grants and contributions	3(c)	210	<b>315</b>	2,738
Acceptance by the Crown of employee benefits and other liabilities	3(d)	778	<b>1,394</b>	1,318
<b>Total revenue</b>		<b>47,770</b>	<b>46,609</b>	47,481
<b>Gains/(Losses) on disposal</b>	4	-	-	(1)
<b>Other gains/(losses)</b>	5	-	<b>(85)</b>	(421)
<b>Net Result</b>		<b>(8,358)</b>	<b>(4,016)</b>	319
<b>Other comprehensive income</b>				
<b>Total other comprehensive income</b>		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(8,358)</b>	<b>(4,016)</b>	319

The accompanying notes form part of these financial statements.



**Office of the Children's Guardian  
Statement of Financial Position  
as at 30 June 2021**

		Budget 2021 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
	Notes			
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	6	1,656	3,580	8,438
Receivables	7	1,258	2,293	1,259
<b>Total current assets</b>		<u>2,914</u>	<u>5,873</u>	<u>9,697</u>
<b>Non-current assets</b>				
Property, plant and equipment				
- Plant and equipment	8	657	343	308
- Leasehold improvements	8	1,494	829	1,907
Total property, plant and equipment		2,151	1,172	2,215
Right-of-use assets	9	1,026	1,285	2,808
Intangible assets	10	5,369	5,727	4,624
<b>Total non-current assets</b>		<u>8,546</u>	<u>8,184</u>	<u>9,647</u>
<b>Total assets</b>		<u>11,460</u>	<u>14,057</u>	<u>19,344</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	11	2,840	2,733	2,726
Borrowings	12	1,571	1,400	1,680
Provisions	13	2,895	3,453	2,997
Other		350	-	-
<b>Total current liabilities</b>		<u>7,656</u>	<u>7,586</u>	<u>7,403</u>
<b>Non-current liabilities</b>				
Borrowings	12	(16)	228	1,697
Provisions	13	494	508	493
<b>Total non-current liabilities</b>		<u>478</u>	<u>736</u>	<u>2,190</u>
<b>Total liabilities</b>		<u>8,134</u>	<u>8,322</u>	<u>9,593</u>
<b>Net assets</b>		<u>3,326</u>	<u>5,735</u>	<u>9,751</u>
<b>EQUITY</b>				
Accumulated funds		3,326	5,735	9,751
<b>Total Equity</b>		<u>3,326</u>	<u>5,735</u>	<u>9,751</u>

The accompanying notes form part of these financial statements.

**Office of the Children's Guardian  
Statement of Changes in Equity  
for the year ended 30 June 2021**

	Notes	Accumulated Funds \$'000	Total \$'000
<b>Balance at 1 July 2020</b>		9,751	9,751
Correction of errors		-	-
<b>Restated balance at 1 July 2020</b>		<u>9,751</u>	<u>9,751</u>
<b>Net result for the year</b>		<u>(4,016)</u>	<u>(4,016)</u>
<b>Other comprehensive income</b>			
<b>Total other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total Comprehensive income for the year</b>		<u>(4,016)</u>	<u>(4,016)</u>
<b>Transaction with owners in their capacity as owners</b>			
Increase/ (decrease) in net assets from equity transfers	14	-	-
<b>Balance at 30 June 2021</b>		<u>5,735</u>	<u>5,735</u>
<b>Balance at 1 July 2019</b>		9,706	9,706
Changes in accounting policy - Initial application of AASB 15, 16 & 1058		-	-
Changes in accounting policy - initial application of AASB 1059		-	-
Correction of errors		-	-
<b>Restated balance at 1 July 2019</b>		<u>9,706</u>	<u>9,706</u>
<b>Net result for the year</b>		<u>319</u>	<u>319</u>
<b>Other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total other comprehensive income</b>		<u>-</u>	<u>-</u>
<b>Total comprehensive income for the year</b>		<u>319</u>	<u>319</u>
<b>Transaction with owners in their capacity as owners</b>	14	<u>(274)</u>	<u>(274)</u>
<b>Balance at 30 June 2020</b>		<u>9,751</u>	<u>9,751</u>

The accompanying notes form part of these financial statements.

**Office of the Children's Guardian  
Statement of Cash Flows  
for the year ended 30 June 2021**

		Budget 2021 \$'000	Actual 2021 \$'000	Actual 2020 \$'000
	<b>Notes</b>			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Employee related		(26,776)	(25,079)	(21,747)
Other operating expenses		(23,902)	(20,677)	(18,127)
Grants and subsidies		(873)	(1,454)	(3,801)
Finance costs		(39)	(29)	(58)
<b>Total payments</b>		<b>(51,590)</b>	<b>(47,239)</b>	<b>(43,733)</b>
<b>Receipts</b>				
Appropriation		26,109	20,035	25,942
Sale of goods and services		20,673	24,806	17,398
Grants and contributions		210	315	2,738
Other		-	461	2,602
<b>Total receipts</b>		<b>46,992</b>	<b>45,617</b>	<b>48,680</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	16	<b>(4,598)</b>	<b>(1,622)</b>	<b>4,947</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of plant and equipment		(189)	(154)	(180)
Purchases of leasehold improvements		-	-	(760)
Purchase of intangibles		(172)	(1,590)	(4,076)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(361)</b>	<b>(1,744)</b>	<b>(5,016)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payment of principal portion of lease liabilities		(1,823)	(1,492)	(1,488)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(1,823)</b>	<b>(1,492)</b>	<b>(1,488)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(6,782)</b>	<b>(4,858)</b>	<b>(1,557)</b>
Opening cash and cash equivalents		8,438	8,438	9,995
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	6	<b>1,656</b>	<b>3,580</b>	<b>8,438</b>

The accompanying notes form part of these financial statements.

## 1. Summary of Significant Accounting Policies

### (a) Reporting entity

The Office of the Children's Guardian (the Office) is a reporting entity and is consolidated as part of the NSW Total State Sector Accounts.

The Public Sector Employment and Management (Children's Guardian and other matters) Order 2013 established the Office of the Children's Guardian as a Division of the Government Service responsible to the Minister for Families, Communities and Disability Services. The order was dated 15 May 2013 and was effective on the 17 May 2013.

The Office is a not for profit entity (as profit is not its principal objective) and it has no cash generating units. The financial statements for the period ended 30 June 2021 has been authorised for issue by the Children's Guardian on 30 September 2021.

### (b) Basis of preparation

The Office's financial statements are general purpose financial statements which have been prepared on an accrual basis in accordance with:

- Applicable Australian Accounting Standards (which include Australian Accounting interpretations);
- The requirements of the Government Sector Finance Act 2018 (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

Property, Plant and equipment, assets are measured at depreciated historical cost as an approximation of fair value.

Judgements, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency.

NSW Treasury has approved the Office's future budgeted expenditure for the period 2022-2025. As such, the financial statements of the Office have been prepared on a going concern.

### (c) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

### (d) Accounting for the Goods and Services Tax (GST)

Income, expenses and assets are recognised net of the amount of GST, except that:

- The amount of GST incurred by the Office as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of an assets cost of acquisition or as part of an item of expense and
- Receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which is recoverable from, or payable to, the Australian Taxation Office are classified as operating cash flows.

### (e) Fair value hierarchy

AASB13 fair value hierarchy disclosure is not required as the Office's assets are non-specialised assets with short useful lives and measured at depreciated historical cost as an approximation of fair value.

# **1. Summary of Significant Accounting Policies (Cont'd)**

## **(f) Equity**

Accumulated Funds includes all current and prior year retained funds.

## **(g) Comparative information**

Except when an Australian Accounting Standard permits or provides otherwise, comparative information is disclosed in respect of the previous period for all amounts reported in the financial statements.

## **(h) Budgeted amounts**

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the primary financial statements are explained in Note 18.

## **(i) Changes in accounting policy, including new or revised Australian Accounting Standards.**

### **(i) Effective for the first time in 2020-21**

The accounting policies applied in 2020-21 are consistent with those of the previous financial year except for the following list of new/revised Accounting Standards applicable for the first time in year ending 30 June 2021.

AASB 1059 Service Concession Arrangements: Grantors

AASB 1059 is effective for the Office from 1 July 2020. At the same time NSW Treasury Policy and Guideline Paper TPP 06-8: Accounting for Privately Financed Projects (TPP 06-8) was withdrawn effective from 1 July 2020.

Service Concession Arrangements are contracts between an operator and a grantor, where the operator provides public services related to a service concession asset on behalf of the grantor for a specified period of time and manages at least some of these services.

The adoption of AASB 1059 did not have an impact on financial statements of the Office as the Office has not entered into any Service Concession Arrangement.

In addition to AASB1059, several other amendments and interpretations apply for the first time in 2020-21. They do not have an impact on the financial statements of the Office.

- AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business
- AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material
- AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework
- AASB 2019-3 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform
- AASB 2019-7 Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations

### **(ii) Issued but not yet effective**

NSW Public Sector entities are not permitted to early adopt Australian Accounting Standards unless Treasury determines otherwise.

The following new Australian Accounting Standards have not been applied and are not yet effective.

- AASB 17 Insurance Contracts
- AASB 2014-10 Amendments to Australian Accounting Standards - Sale of Contribution of Assets between an Investor and its Associate or Joint Venture

### **(iii) Impact of COVID-19 on Financial Reporting for 2020-21**

The impact has been minimal for the Office. Based on advice from Property NSW following a market rent forecast for the quarter ended 31 March 2021, impairment was recognized on the Statement of Comprehensive Income of \$85k. Another impairment assessment was undertaken for the quarter ended 30 June 2021 which came to \$69k. The reduction of impairment of \$16k is considered immaterial and not reflected in the financial statements.



## 2. EXPENSES EXCLUDING LOSSES

	2021	2020
(a) Employee related expenses	\$'000	\$'000
Salaries and wages (including annual leave)	22,139	19,443
Superannuation - defined benefits plans	46	50
Superannuation - defined contributions plans	1,890	1,640
Long service leave	1,473	1,327
Workers' compensation insurance	86	56
Payroll tax and fringe benefits tax	1,220	1,185
Redundancy payments	181	-
	<b>27,035</b>	<b>23,701</b>

Employee related costs of \$121,142 have been capitalised as an asset, and therefore excluded from the above (2020: \$112,097).

### (b) Other operating expenses

Employment Screening	13,465	9,944
Expense relating to short-term leases	51	419
Variable lease payments, not included in lease liabilities	383	179
Corporate services	911	1,740
Contractors	597	1,373
Events Management	4	30
Stores and Stationery	117	58
Consultancy Costs	266	384
Telephone	77	98
Printing	28	72
Data processing	1,585	795
Travel	104	294
Auditor's remuneration - audit or review of the financial statements	68	55
Community education	50	50
Boards, Tribunals and Meetings	21	24
Motor vehicle	12	24
Conference and seminars	265	175
Electricity and cleaning	71	92
Fees	899	800
Maintenance expenses	15	14
Other	166	111
	<b>19,155</b>	<b>16,731</b>

## Recognition and Measurement

### Lease expense

The Office recognises the lease payments associated with the following types of leases as an expense on a straight-line basis.

- Leases that meet the definition of short-term. i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Lease asset that are value at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability. These payments are recognised in the period in which the event or condition that triggers those payments occurs.

## 2. EXPENSES EXCLUDING LOSSES (Cont'd)

	2021 \$'000	2020 \$'000
<b>(c) Depreciation and amortisation expense</b>		
<b>Depreciation</b>		
Office equipment	51	32
Computer hardware	150	85
Leasehold improvement	979	412
Right-of-use assets	1,181	1,636
	<b>2,361</b>	<b>2,165</b>
<b>Amortisation</b>		
Intangibles	505	281
<b>Total depreciation and amortisation</b>	<b>2,866</b>	<b>2,446</b>
<b>(d) Grants and subsidies</b>		
Grants	1,454	3,801
	<b>1,454</b>	<b>3,801</b>
<b>(e) Finance costs</b>		
Interest expense from lease liabilities	29	58
Interest	1	3
	<b>30</b>	<b>61</b>

## 3. REVENUE

### (a) Appropriations and transfers to the Crown

Summary of Compliance	2021 \$'000		2020 \$'000	
	Appropriation	Expenditure	Appropriation	Expenditure
Original Budget per Appropriation Act	26,109	20,035	28,407	24,264
Other Appropriations/Expenditure	(122)	-	-	-
- Adjustment - payroll tax rate reduction				
- Section 4.9 GSF Act/Section 24 PFAA – transfers of functions between entities	-	-	1,678	1,678
<b>Total Appropriations/Expenditure</b>	<b>25,987</b>	<b>20,035</b>	<b>30,085</b>	<b>25,942</b>
Appropriation drawn down*		20,035		25,942
*Comprising:				
Transfer payments				
Appropriations (per Statement of comprehensive income)**		20,035		25,942
**Appropriations				
Recurrent Appropriation		19,677		25,143
Capital		358		799
		<b>20,035</b>		<b>25,942</b>

### Movement of Section 4.7 GSF Act - Deemed appropriations

	2021 \$'000	2020 \$'000
Opening balance	8,438	-
Adjustment for appropriations deemed on commencement of section 4.8	-	9,995
Add: additions of deemed appropriation	25,582	22,738
Less: expenditure charged against deemed appropriation	(30,440)	(24,295)
Closing balance	<b>3,580</b>	<b>8,438</b>

### 3. REVENUE (Cont'd)

The Office receives its funding appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriation Act for that year. Subsequent to 1 July 2019, the responsible Minister for a GSF agency is taken to have been given an appropriation out of the Consolidated Fund under the authority of Section 4.7 of the GSF Act, at the time the agency receives or recovers any deemed appropriations money, for an amount equivalent to the money that is received or recovered by the agency.

#### Recognition and Measurement

##### (a) Income recognition

Income is recognised in accordance with the requirements of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities, dependent on whether there is a contract with a customer defined by AASB 15 Revenue from Contracts with Customers. Comments regarding the accounting policies for the recognition of income are discussed below.

Parliamentary appropriations other than deemed appropriations

Income from appropriations, other than deemed appropriations does not contain enforceable and sufficiently specific performance obligations as defined by AASB15. Except as specified below, appropriations (other than deemed appropriations) are recognised as income when the Office obtains control over the assets comprising the appropriations. Control over appropriations is normally obtained upon the receipt of cash.

Deemed appropriations

The movement of section 4.7 GSF Act - deemed appropriations is a cash (not an accrual) statement. The 'expenditure' refers to cash payment and 'additions' refer to cash receipts. Deemed appropriation money is government money that the Office receives or recovers of a kind prescribed by the regulations that forms part of the Consolidated Fund and is not appropriated under the Authority of an Act.

##### (b) Sale of goods and services from contracts with customers / Sale of goods and services

	2021 \$'000	2020 \$'000
Rendering of Services		
- Working With Children Check fee	21,616	17,444
- NDIS Worker Check fee	2,841	-
- Children's employment authority fee	348	254
- Recoveries	60	85
	<b>24,865</b>	<b>17,483</b>

#### Recognition and Measurement

##### (i) Sale of goods

Revenue from the sale of goods is recognised as when the Office satisfies a performance obligation by transferring the service. Majority of the revenue comes from the paid applications for the Working With Children Check (WWCC). The WWCC license meets the definition of a low value license. Therefore OCG has elected to recognise the revenue when the applicant pays for their application rather than when the license is issued. This is not expected to lead to any material differences as all applications for paid applicants are processed within 30 days.

Revenue from these sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

### 3. REVENUE (Cont'd)

#### (ii) Rendering of services

Revenue from rendering of services is recognised when the Office satisfies a performance obligation by transferring the promised services.

#### (c) Grants and contributions

	2021 \$'000	2020 \$'000
Grants without sufficiently specific performance obligations - Crown	215	2,738
Grants without sufficiently specific performance obligations - Office of Sport	100	-
	<u>315</u>	<u>2,738</u>

#### Recognition and Measurement

Income from grants to acquire/construct a recognisable non-financial asset to be controlled by the Office is recognised when the Office satisfies its obligations under the transfer. The Office satisfies the performance obligations under the transfer to construct assets over time as the non-financial assets are being constructed. The percentage of cost incurred is used to recognise income, because this most closely reflects the progress of completion.

Income from grants without sufficiently specific performance obligations is recognised when the entity obtains control over the granted assets (e.g. cash).

#### (d) Acceptance by the Crown of employee benefits and other liabilities

	2021 \$'000	2020 \$'000
The following liabilities and/or expenses have been assumed by the Crown:		
Superannuation - defined benefit plans	46	50
Long service leave	1,345	1,266
Payroll tax	3	2
	<u>1,394</u>	<u>1,318</u>

### 4 GAINS / (LOSSES) ON DISPOSAL

	2021 \$'000	2020 \$'000
Net gain /(loss) on disposal of property, plant and equipment	-	(1)
	<u>-</u>	<u>(1)</u>

### 5 OTHER GAINS / (LOSSES)

	2021 \$'000	2020 \$'000
Impairment loss on right-of-use-assets	(85)	(421)
	<u>(85)</u>	<u>(421)</u>

## 6 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2021	2020
	\$'000	\$'000
Cash at bank and on hand	3,580	8,438
	<b>3,580</b>	<b>8,438</b>

For the purposes of the Statement of cash flows, cash and cash equivalents include cash at bank, cash on hand, short term deposits with original maturities of three months or less and subject to insignificant risk of changes in value and net of outstanding bank overdraft.

Cash and cash equivalent assets recognised in the statement of financial position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per statement of closing financial position)	3,580	8,438
<b>Closing cash and cash equivalent (per statement of cash flows)</b>	<b>3,580</b>	<b>8,438</b>

## 7 CURRENT ASSETS - RECEIVABLES

	2021	2020
	\$'000	\$'000
<b>Current Receivables</b>		
GST Receivable	265	209
Trade receivables from contracts with customers	2,028	919
Prepayments	-	66
Other receivables	-	65
	<b>2,293</b>	<b>1,259</b>

The Office will not recognise any expected credit losses for its cash and cash equivalents and receivables balances as the counterparties to these financial assets are generally AAA rated banks or other government organisations. Any expected credit losses for such financial assets are therefore expected to be immaterial.

Details regarding credit risk of trade receivables that are past due but not impaired are disclosed in Note 19(b).



## 8 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Plant and Equipment \$'000	Lease Improvement \$'000	Total \$'000
<b>At 1 July 2019 - fair value</b>			
At Cost	525	2,076	2,601
Less Accumulated depreciation and impairment	(313)	(490)	(803)
<b>Net carrying amount</b>	<b>212</b>	<b>1,586</b>	<b>1,798</b>
<b>Year ended 30 June 2020</b>			
Net carrying amount at start of year	212	1,586	1,798
Additions	214	733	947
Disposals	(1)	-	(1)
Depreciation expense	(117)	(412)	(529)
<b>Net carrying amount at end of year</b>	<b>308</b>	<b>1,907</b>	<b>2,215</b>
<b>At 1 July 2020 - fair value</b>			
At Cost	631	2,809	3,440
Less - Accumulated depreciation and impairment	(323)	(902)	(1,225)
<b>Net carrying amount</b>	<b>308</b>	<b>1,907</b>	<b>2,215</b>
<b>Year ended 30 June 2021</b>			
Net carrying amount at start of year	308	1,907	2,215
Addition	154	-	154
Reclassification to intangibles	82	(99)	(17)
Disposals	(48)	-	(48)
Other movement	48	-	48
Depreciation expense	(201)	(979)	(1,180)
<b>Net carrying amount at end of year</b>	<b>343</b>	<b>829</b>	<b>1,172</b>
<b>At 1 July 2021 - fair value</b>			
At Cost	818	2,710	3,528
Less: Accumulated depreciation and impairment	(475)	(1,881)	(2,356)
<b>Net carrying amount</b>	<b>343</b>	<b>829</b>	<b>1,172</b>

### Recognition and Measurement

#### (i) Acquisitions of property, plant and equipment

Property, plant and equipment acquired are initially recognised at cost. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

## 8 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (Cont'd)

### Recognition and Measurement (Cont'd)

#### (ii) Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

#### (iii) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP 21-09). This policy adopts fair value in accordance with AASB 116 Property, Plant and Equipment.

Non-Specialised assets with short useful lives are measured at depreciated historical cost, as an approximation of fair value. The Office has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

#### (iv) Impairment of property, plant and equipment

As a not for profit entity with no cash generating units, impairment under AASB 136 Impairment of Assets is unlikely to arise. As plant and equipment is carried at fair value, impairment can only arise in the rare circumstances where the costs of disposal are material. Specifically, impairment is unlikely for not for profit entities given that AASB 136 modifies the recoverable amount test for non-cash generating assets of not for profit entities to the higher of fair value less costs of disposal and depreciated replacement cost, where depreciated replacement cost is also fair value.

The entity assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the entity estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

#### (v) Depreciation of property, plant and equipment

Depreciation is provided for on a straight-line basis for all depreciable assets so as to write off the depreciable amount of each asset as it is consumed over its useful life to the Office.

All material separately identifiable components of assets are depreciated over their useful lives.

Depreciation Rates	% Rate 2021	% Rate 2020
Plant & Equipment		
Office furniture and fittings	14-25	14-25
Computer equipment and software	25	25
Land and buildings – right of use assets	Over the period of the lease	-
Leasehold improvements	Over the period of the lease	Over the period of the lease

## **8 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

### **(vi) Restoration costs**

The expected cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, if the recognition criteria for a provision are met.

### **(vii) Maintenance**

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement of a component of an asset, in which case the costs are capitalised and depreciated

## 9 LEASES

From 1 July 2019, the Office applied AASB 16 for the first time. Upon assessment of the existing contracts the Office has two operating leases that are for its office premises at L1 East, 219-241 Cleveland St, Strawberry Hills and Ground Floor East and South, 1 Prince Albert Road, Queens Square. The Strawberry Hills lease commenced on 1 Jan 2018 and finishes on 30 Sep 2022. The Queens Square lease commenced on 1 Jul 2019 and finishes on 31 Mar 2022.

Lease contracts are typically made for fixed periods of 2 to 4 years but may have extension options. The lease agreements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. The Office does not provide residual value guarantees in relation to leases.

Extension and termination options are included in the property leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by the Office and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash outflows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or not terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee.

### Right-of-use assets under leases

The following table presents right-of-use assets that do not meet the definition of investment property.

<b>Land &amp; building - Right-of-use</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Balance at 1 July	2,808	4,865
Remeasurement	(257)	-
Impairment Loss	(85)	(421)
Depreciation expense	(1,181)	(1,636)
<b>Balance at 30 June</b>	<b>1,285</b>	<b>2,808</b>

### Lease liabilities

The following table presents liabilities under leases, including leases in respect of investment properties.

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Balance at 1 July	3,377	4,865
Remeasurement	(257)	-
Interest expenses	29	58
Payments	(1,521)	(1,546)
<b>Balance at 30 June</b>	<b>1,628</b>	<b>3,377</b>

The following amounts were recognised in the statement of comprehensive income for the year ending 30th June 2021 in respect of leases where the entity is the lessee

	<b>2021 \$'000</b>	<b>2020 \$'000</b>
Depreciation expense of right-of-use assets	1,181	1,636
Interest expense on lease liabilities	29	58
Variable lease payments, not included in the measurement of lease liabilities	383	179
<b>Total amount recognised in the statement of comprehensive income</b>	<b>1,593</b>	<b>1,873</b>

The Office had total cash outflows for leases of \$1,903,887 in 2020-21 (2019-20: \$1,725,704).

### Recognition and measurement

The Office assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

The Office recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

#### (i) Right-of-use-assets

The Office recognises right-of-use assets at the commencement date of the lease. Right-of-use assets are initially measured at the amount of initial measurement of the lease liability, adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site. The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

The right-of-use assets are also subject to impairment. In 2020-21 the Office recognised impairment losses of \$85k from a market rent forecast for the quarter 31 March 2021 and included this in Other Net Gains/(Losses) in the 'Statement of Comprehensive Income'. Another impairment assessment was undertaken for the quarter 30 June 2021 and the impairment loss was reduced to \$69k. The reduction of \$16k between the quarters are considered immaterial and not reflected in the financial statements.

#### (ii) Lease liabilities

At the commencement date of the lease, the Office recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- fixed payments (including in substance fixed payments) less any lease incentives receivable;
- variable lease payments that depend on an index or a rate;
- amounts expected to be paid under residual value guarantees;
- exercise price of a purchase options reasonably certain to be exercised by the Office; and
- payments of penalties for terminating the lease, if the lease term reflects the Office exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for the entity's leases, the lessee's incremental borrowing rate is used, being the rate that the Office would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Office's lease liabilities are included in borrowings.

## 10 INTANGIBLE ASSETS

	<b>Software \$'000</b>
<b>At 1 July 2019</b>	
Cost (gross carrying amount)	1,822
Accumulated amortisation and impairment	<u>(993)</u>
<b>Net carrying amount</b>	<u>829</u>
<b>Year ended 30 June 2020</b>	
Net carrying amount at start of year	829
Additions	4,076
Disposals	(124)
Other movements - retirements	124
Amortisation (recognised in 'depreciation and amortisation')	<u>(281)</u>
<b>Net carrying amount at end of year</b>	<u>4,624</u>
<b>At 1 July 2020</b>	
Cost (gross carrying amount)	5,774
Accumulated amortisation and impairment	<u>(1,150)</u>
<b>Net carrying amount</b>	<u>4,624</u>
<b>Year ended 30 June 2021</b>	
Net carrying amount at start of year	4,624
Additions	1,590
Disposal	(26)
Other movements - retirements	27
Reclassification from lease improvements	17
Amortisation (recognised in 'depreciation and amortisation')	<u>(505)</u>
<b>Net carrying amount at end of year</b>	<u>5,727</u>
<b>At 30 June 2021</b>	
Cost (gross carrying amount)	7,355
Accumulated amortisation and impairment	<u>(1,628)</u>
<b>Net carrying amount</b>	<u>5,727</u>

### Recognition and Measurement

The Office recognises intangible assets only if it is probable that future economic benefits will flow to the Office and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition.

The useful lives of intangible assets are assessed to be finite.

The entity's intangible assets are amortised using the straight-line method over their useful lives.

Intangible assets are subsequently measured at fair value only if there is an active market. As there is no active market for the Office's intangible assets, the assets are carried at cost less any accumulated amortisation.

The amortisation period for intangible asset with a finite useful life is reviewed at least at the end of each reporting period. Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.



## 11 CURRENT LIABILITIES - PAYABLES

	2021	2020
	\$'000	\$'000
<b>Payables</b>		
Accrued salaries, wages and on costs	309	226
Creditors	<u>2,424</u>	<u>2,500</u>
	<u>2,733</u>	<u>2,726</u>

### Recognition and Measurement

Payables represent liabilities for goods and services provided to the Office and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method.

Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Details regarding credit risk, liquidity risk and market risk, including a maturity analysis of the above payables are disclosed in Note 19.

## 12 CURRENT/NON-CURRENT LIABILITIES - BORROWINGS

	2021	2020
	\$'000	\$'000
Lease liability - current	1,400	1,680
Lease liability - non-current	<u>228</u>	<u>1,697</u>
<b>Total Lease Liability (Note 9)</b>	<u>1,628</u>	<u>3,377</u>

### Changes in liabilities arising from financing activities

<b>As 1 July 2019</b>	4,865
Cash flows	<u>(1,488)</u>
Balance at 30 June 2020	<u>3,377</u>
Recognised on adoption of AASB 1059	-
<b>As 1 July 2020</b>	3,377
Cash flows	<u>(1,492)</u>
Other – Remeasurement	<u>(257)</u>
Balance 30 June 2021	<u>1,628</u>

### 13 CURRENT/NON-CURRENT LIABILITIES - PROVISIONS

	2021 \$'000	2020 \$'000
<b>Current</b>		
Employee benefits and related on-costs		
Recreation leave	2,485	2,188
Long service leave	497	384
Payroll tax	470	424
Fringe benefits tax	1	1
<b>Total</b>	<b>3,453</b>	<b>2,997</b>
<b>Non-current Employee benefits and related on-costs</b>		
Long service leave	49	33
Payroll tax	26	18
	<b>75</b>	<b>51</b>
<b>Other provisions</b>		
Restoration costs	433	442
<b>Total</b>	<b>508</b>	<b>493</b>
<b>Aggregate employee benefits and related on costs</b>		
Provisions - current	3,453	2,997
Provisions - non-current	75	51
Accrued salaries, wages and on-costs (Note 11)	309	226
	<b>3,837</b>	<b>3,274</b>

#### Movements in provisions (other than employee benefits)

Movements in restoration provision are set out below:

##### Year ended 30 June 2021

Opening Balance at 1 July 2020	442
Adjustment to make good asset	-
Amount used	-
Unused amount reversed	-
Unwinding / change in the discount rate	(9)
Decrease: transfer previous provision to current payable	-
Closing Balance at 3 June 2021	<b>433</b>

##### Year ended 30 June 2020

Opening Balance at 1 July 2019	450
Adjustment to make good asset	(27)
Amount used	-
Unused amount reversed	-
Unwinding / change in the discount rate	19
Decrease: transfer previous provision to current payable	-
Closing Balance at 30 June 2020	<b>442</b>

### 13 CURRENT/NON-CURRENT LIABILITIES - PROVISIONS (Cont'd)

#### Recognition and Measurement (Cont'd)

##### *(a) Employee benefits and other provisions*

##### *(i) Salaries and wages, annual leave and sick leave*

Salaries and wages (including non-monetary benefits) and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefits.

Annual leave is not expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 Employee Benefits (although short cut methods are permitted). Actuarial advice obtained by Treasury has confirmed that the use of a nominal approach plus the annual leave on annual leave liability (using 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. The Office has assessed the actuarial advice based on the Office's circumstances and has determined that all annual leave is taken within 12 months so discounting is not applicable.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

##### *(ii) Long service leave and superannuation*

The Office's liabilities for long service leave and defined benefit superannuation are assumed by the Crown in right of the State of New South Wales (Crown). The Office accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as 'Acceptance by the Crown of employee benefits and other liabilities'.

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

##### *(iii) Consequential on-costs*

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, worker's compensation insurance premiums and fringe benefits tax.

##### *(b) Provisions*

Provisions are recognised when: the entity has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of obligation. When the entity expects some or all of the provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented net of any reimbursement in the 'Statement of Comprehensive Income'.

#### 14 INCREASE / DECREASE IN NET ASSETS FROM EQUITY TRANSFERS

The Reportable Conduct function transferred in from NSW Ombudsman in 2019-20 financial year. No equity transfers occurred in 2020-21 financial year.

	2021 \$'000	2020 \$'000
<b>Assets</b>		
<b>Current Assets</b>		
Cash and cash equivalents	-	-
Receivables	-	-
<b>Total current assets</b>	-	-
<b>Non-current assets</b>		
Property, plant and equipment	-	34
<b>Total non-current assets</b>	-	34
<b>Total assets</b>	-	34
<b>Liabilities</b>		
<b>Current liabilities</b>		
Provisions	-	302
<b>Total current liabilities</b>	-	302
<b>Non-current liabilities</b>		
Provisions	-	6
<b>Total non-current liabilities</b>	-	6
<b>Total liabilities</b>	-	308
<b>Net assets</b>	-	(274)
<b>Increase/(decrease) in net assets from equity transfers</b>	-	(274)

#### 15 CONTINGENT ASSETS & CONTINGENT LIABILITIES

The Office is not aware of any contingent liabilities and / or assets associated with its operations.

## 16 RECONCILIATION OF CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

	2021	2020
	\$'000	\$'000
Net cash used on operating activities	(1,622)	4,947
Depreciation and amortisation	(2,866)	(2,446)
Allowance for impairment	(85)	(421)
Decrease / (increase) in provisions	(471)	(770)
Increase / (decrease) in receivables and other assets	1,035	(833)
Decrease / (increase) in payables	(7)	(438)
Decrease / (increase) in make good revaluation	-	(27)
Decrease / (increase) in equity transferred in	-	308
Other Losses	-	(1)
<b>Net Result</b>	<b>(4,016)</b>	<b>319</b>

## 17 NON-CASH FINANCING AND INVESTING ACTIVITIES

	2021	2020
	\$'000	\$'000
Adjustment to make good asset	-	(27)
New recognition of right-of-use asset	-	4,865
	-	4,838

## 18 BUDGET REVIEW

### Net Result

The net result was a deficit of \$4,016k compared to a budgeted deficit of \$8,358k. This is a favourable variance of \$4,342k arising from the following items:

### Expenses

Total expenses excluding losses were \$50,540k compared to a budget of \$56,128k. This was \$5,588k under budget due to underspends in other operating expenses of \$4,760k and depreciation expenses of \$881k. Underspends in operating expenses caused by timing of projects affected by COVID-19, including the Digital Restart project and reduction in corporate costs. Delay in go-live of NDIS Worker Check IT system and Residential Register has resulted in underspend in depreciation.

### Revenue

Sale of goods and services including recoveries was \$24,865k against a budget of \$20,673k. This was over budget by \$4,192k primarily driven by a catch up in renewal applications for Working With Children Check from extensions provided last financial year in response to COVID-19. In addition to this, NDIS Worker Check system went live in February with application volumes exceeding estimates.

Grants and contributions were \$315k compared to a budget of \$210k, an increase of \$105k reflecting unbudgeted grant of \$100k received from the Office of Sport for Child Safe Sport Online Training Course.

Recurrent appropriation received was \$20,035k compared to a budget of \$26,109k, under budget by \$6,074k due to Treasury approved carry forwards of \$5,952k from recurrent and capital expenditure, and payroll tax reduction of \$122k.

## Assets and Liabilities

Net assets were \$5,735k compared to a budget of \$3,326k. The major variances arising on the statement of financial position are noted below:

### Assets

Total Assets were \$14,057k which is higher than budget by \$2,597k. Cash and cash equivalents were \$3,580k compared to a budget of \$1,656k. This is \$1,924k higher than budget. Receivables were \$2,293k compared to budget of \$1,258k. This is \$1,035k higher than budget. Both are driven by the additional revenue from high application volumes of the Working With Children Check and the NDIS Worker Check.

### Liabilities

Total Liabilities were \$8,322k which is higher than budget by \$188k. Current Provisions were \$3,453k compared to budget of \$2,895k. This is higher than budget by \$558k due to transfer over of LSL provisions of new employees. Other liabilities budget of \$350k for deferred income was removed from budget for 2020-21 from a late correction of accounting treatment of Digital Restart grant. Payables were \$2,733k compared to a budget of \$2,840k. This is \$107k under budget which is due to a lower level of accruals from timely invoicing and payment to suppliers for the reporting period.



## 19 FINANCIAL INSTRUMENTS

The Office's principal financial instruments are outlined below. The financial instruments arise directly from the Office's operations and are required to finance the Office's operations. The Office does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

The Office's main risks arising from the financial instruments are outlined below, together with the Office's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout this financial report.

The Office has overall responsibility for the establishment and oversight of risk management and reviews and agrees on policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by the Office, to set risk limits and controls and monitor risks. Compliance with policies is reviewed by the Office, to set risk limits and controls and to monitor risks. Compliance with policies are reviewed by the internal auditors on a continuous basis.

### (a) Financial instrument categories

<b>Financial Assets</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount</b>	<b>Carrying Amount</b>
<b>Class:</b>			<b>2021</b>	<b>2020</b>
			<b>\$'000</b>	<b>\$'000</b>
Cash and cash equivalents	6	Amortised cost	3,580	8,438
Receivables <sup>1</sup>	7	Amortised cost	2,028	984
<b>Financial Liabilities</b>	<b>Note</b>	<b>Category</b>	<b>Carrying Amount</b>	<b>Carrying Amount</b>
<b>Class:</b>			<b>2021</b>	<b>2020</b>
			<b>\$'000</b>	<b>\$'000</b>
Payables <sup>2</sup>	11	Financial liabilities measured at amortised cost	2,424	2,500
Borrowings	12	Financial liabilities measured at amortised cost	1,628	3,377

1. Excludes statutory receivables and prepayments (i.e. not within scope of AASB 7)

2. Excludes statutory payables and unearned revenue (i.e. not within scope of AASB 7)

### (b) Credit Risk

Credit risk arises when there is the possibility of the Office's debtors defaulting on their contractual obligations, resulting in a financial loss to the office. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for impairment).

Credit risk arises from the financial assets of the Office, including cash, receivables and authority deposits. No collateral is held by the office. The Office has not granted any financial guarantees.

Credit risk associated with the Office's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

### Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11am unofficial cash rate, adjusted for a management fee to NSW Treasury.

## 19 FINANCIAL INSTRUMENTS (Cont'd)

### Receivables - trade debtors

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. Debts which are known to be uncollectible are written off. An allowance for impairment is raised when there is objective evidence that the entity will not be able to collect all amounts due. This evidence includes past experience, and current and forward looking information on changes in economic conditions and debtor credit ratings. No interest is earned on trade debtors. Sales are made on 30 day terms.

The only financial assets that are past due or impaired are "sales of goods and services" in the "receivables" category of the statement of financial position. There were no aged debtors at the end of the financial year.

		\$'000	
	Total <sup>1,2</sup>	Past due but not impaired <sup>1,2</sup>	Considered impaired <sup>1,2</sup>
<b>2021</b>			
< 3 months overdue	-	-	
3 months – 6 months overdue	-	-	
> 6 months overdue	-	-	
		\$'000	
	Total <sup>1,2</sup>	Past due but not impaired <sup>1,2</sup>	Considered impaired <sup>1,2</sup>
<b>2020</b>			
< 3 months overdue	12	12	
3 months – 6 months overdue	-	-	
> 6 months overdue	-	-	

<sup>1</sup> Each column in the table reports "gross receivables".

<sup>2</sup> The ageing analysis excludes receivables that are not past due and not impaired. Therefore the "total" will not reconcile to the receivables total recognised in the statement of financial position.

### (c) Liquidity risk

Liquidity risk is the risk that the Office will be unable to meet its payment obligations when they fall due. The Office continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances.

The Office's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11/12. Under the Faster Payment Terms Policy, registered small businesses will be paid within 5 business days of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. For late payments to registered small businesses, interest payments are no longer applicable but are at the discretion of agencies to pay. For late payments to other suppliers, the Head of an authority (or a person appointed by the Head of an authority) may automatically pay the supplier simple interest. There was no interest paid during the year 2020-21 (2019-20: nil).

## 19 FINANCIAL INSTRUMENTS (Cont'd)

The table below summarises the maturity profile of the Office's financial liabilities, together with the interest rate exposure.

### *Maturity Analysis and interest rate exposure of financial liabilities*

Financial Liabilities	Weighted Average Effective Int. Rate %	Interest Rate Exposure		Maturity dates			
		Nominal Amount	Variable Interest rate	Non-interest bearing	< 1year	1-5 years	>5 years
\$'000							
<b>2021</b>							
<i>Payables:</i>							
Creditors <sup>1</sup>		2,424	-	2,424	2,424	-	-
<i>Borrowings</i>							
Lease liabilities <sup>2</sup>	1.42	1,640	1,640	-	1,413	227	-
		<b>4,064</b>	<b>1,640</b>	<b>2,424</b>	<b>3,837</b>	<b>227</b>	-
<b>2020</b>							
<i>Payables:</i>							
Creditors <sup>1</sup>		2,500	-	2,500	2,500	-	-
Lease liabilities <sup>2</sup>	1.42	3,423	3,423	-	1,717	1,706	-
		<b>5,923</b>	<b>3,423</b>	<b>2,500</b>	<b>4,217</b>	<b>1,706</b>	-

#### Notes:

1. The amounts disclosed are the contractual undiscounted cash flows based on the earliest date on which the Office can be required to pay.
2. The amounts disclosed are the contractual undiscounted cash flows and will not reconcile to the amounts disclosed in the statement of financial position.
3. The Weighted Average Effective rate has been used as at 1 July 2019 and will not change until the end of the lease term.

### **(d) Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Office has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Group operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2020. The analysis assumes that all other variables remain constant.

## 19 FINANCIAL INSTRUMENTS (Cont'd)

### (e) Interest rate risk

The Office does not account for any fixed rate financial instruments at fair value through profit or loss or as available for sale. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity. A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates.

The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility. The Office's exposure to interest rate risk is set out below:

	\$'000	-1% Profit	Equity	1% Profit	Equity
<b>2021</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,580	(36)	(36)	36	36
Receivables	2,027	(20)	(20)	20	20
<b>Financial liabilities</b>					
Payables	2,424	-	-	-	-
<b>2020</b>					
<b>Financial assets</b>					
Cash and cash equivalents	8,438	(84)	(84)	84	84
Receivables	984	(10)	(10)	10	10
<b>Financial liabilities</b>					
Payables	2,500	-	-	-	-

### (f) Fair value measurement

#### Fair value compared to carrying amount

The amortised cost of financial instruments recognised in the statement of financial position approximates the fair value, because of the short term nature of all the financial instruments.

## 20 RELATED PARTY DISCLOSURES

The Office's key management personnel was identified to be Janet Schorer, Children's Guardian, during the year, and her compensation is as follows:

	2021 \$'000	2020 \$'000
<b>Short-term employee benefits:</b>		
Salaries	328	338
Other monetary allowances	-	-
Non-monetary benefits	2	4
Other long-term employee benefits	14	18
Post-employment benefits	-	-
Termination benefits	-	-
Total Remuneration	344	360

## 20 RELATED PARTY DISCLOSURES (Cont'd)

The Office did not enter into any other transactions with key management personnel, their close family members and controlled or jointly controlled entities thereof.

In addition, during the year, the Office entered into transactions on arm's length terms and conditions with other entities controlled by NSW Government. The details of these transactions is as follows:

	2021 \$'000			2020 \$'000		
	Revenue	Expense	Net receivable /(payable)	Revenue	Expense	Net receivable /(payable)
<b>Crown</b> – Grant for Digital Restart				2,500		2,500
<b>Crown</b> – Grant to fund contribution to the National Clearance Database for NDIS Worker Screening	215		215	238		238
<b>Office of Sport</b> – Grant for Child Safe Sport Online Training Course	100		100			
<b>Service NSW</b> – Fees for performing Working With Children Check (WWCC) and grant payment for grant payment for NDIS implementation		6,077	(6,077)		5,579	(5,579)
<b>Property NSW</b> – Rent for leased property vested with Property NSW		1,988	(1,988)		1,802	(1,802)
<b>Department of Customer Service</b> – Administration and corporate services provided		392	(392)		892	(892)
<b>Department of Communities and Justice</b> – Recurrent grant for the provision of services associated with the WWCC and recharge of motor vehicle leasing costs		602	(602)		564	(564)
<b>NSW Police Force</b> – Grant payment for NDIS Worker Check system					13	(13)
<b>NSW Self Insurance Corporation</b> – Workers' Compensation Premiums to Treasury Managed Fund		131	(131)	6	65	(59)
<b>Crown Solicitor's Office</b> – Legal advice and guidance sought from Crown Solicitors		79	(79)		26	(26)

Payments to Department of Customer Service (DCS) above reflect actuals. Compared to prior year it has materially reduced due to software and infrastructure invoices for the period 2018-19 to 2020-21 being cancelled due to funding DCS received from Treasury to cover for these costs. Notional value for these three financial years is \$811,755.

**21 PROGRAM GROUP**

The Office of the Children's Guardian has one program group which supports the State Outcome to protect children and families. This State Outcome is about supporting the safety and wellbeing of vulnerable children, young people and families.

**22 EVENTS AFTER THE REPORTING PERIOD**

There are no events subsequent to balance date which affect the financial statements.

**End of audited financial statements**



## Payment of accounts

The payment of accounts for goods and services is closely monitored to ensure accounts are paid in accordance with NSW Treasury directions. Process improvements are being undertaken to further improve payment-on-time performance. Accounts payable policies and procedures are in accordance with the guidelines established by the NSW Small Business Commissioner.

**Table B1** Aged analysis at the end of each quarter

Quarter	Current (within due date)	< 30 days overdue	30 and 60 days overdue	61 and 90 days overdue	> 90 days overdue
September	\$4,255,689	\$133,661	\$44,199	\$21,007	\$328,185
December	\$3,729,148	\$292,774	\$31,325	\$0	\$101,874
March	\$6,269,093	\$128,939	\$284,596	\$6,592	\$34,207
June	\$6,953,857	\$388,557	\$44,147	\$4,291	\$9,057

**Table B2** Accounts due or paid within each quarter

Measure – all suppliers	Sep-20	Dec-20	Mar-21	Jun-21
No. of accounts due for payment	276	213	243	311
No. of accounts paid on time	230	184	200	276
Actual percentage of accounts paid on time (based on number of accounts)	83%	86%	82%	89%
Dollar amount of accounts due for payment	\$5,052,921	\$4,570,221	\$6,923,243	\$7,678,282
Dollar amounts of accounts paid on time	\$4,526,422	\$4,059,217	\$6,505,069	\$7,234,243
Actual percentage of accounts paid on time (based on \$)	90%	89%	94%	94%
No. of payments for interest on overdue accounts	0	0	0	0
Interest paid on overdue accounts	\$0	\$0	\$0	\$0
Small business suppliers	2	7	9	10

Table B3 Consultancies to or over \$50,000

Consultant	Description	Amount	Category
Ernst and Young	Review of the Working with Children Check	\$238,388	Management Services

Table B4 Consultancies under \$50,000

Category	No. of engagements	Amount
Management Services	1	\$27,491

## Research and development

The Office of the Children's Guardian did not undertake any external research projects in 2020-21.

## Major works in progress

The Office of the Children's Guardian did not undertake any major works in 2020-21.

## Appendix C: Corporate governance and risk

### Legislative framework

The following legislation sets the framework for the operations of the Office of the Children's Guardian:

- *Children's Guardian Act 2019*
- *Children and Young Persons (Care and Protection) Act 1998*
- Children and Young Persons (Care and Protection) Regulation 2012
- Children and Young Persons (Care and Protection) (Child Employment) Regulation 2015
- *Child Protection (Working with Children) Act 2012*
- Child Protection (Working with Children) Regulation 2013
- *Adoption Act 2000*
- Adoption Regulation 2015.

The Office of the Children's Guardian is established under the *Children's Guardian Act 2019* since 1 March 2020. Responsibility for the administration of the Act sits with the Minister for Families, Communities and Disability Services.

The principal functions of the Children's Guardian are at section 128 of the *Children's Guardian Act*.

During 2020-21 we also administered the *Child Protection (Working with Children) Act 2012*, Child Protection (Working with Children) Regulation 2013, *National Disability Insurance Scheme (Worker Checks) Act 2018* and the National Disability Insurance Scheme (Worker Checks) Regulation 2020. These also come under portfolio responsibility of the Minister for Families, Communities and Disability Services.

### Policies and procedures

*The Children's Guardian Act 2019* requires the Annual Report to include copies of policies and procedures to be adopted by the Children's Guardian, in relation to the exercise of the Children's Guardian's functions under this Act or another Act, and information about how perceived or actual conflicts of interest associated with the exercise of the functions are to be minimised or removed.

In 2020-21, we finalised our *Guidelines on internal information sharing*, that summarises the legislative framework and processes for internal sharing of personal information between our Directorates.

### Risk management activities

The Office of the Children's Guardian maintains several management disciplines to comply with the NSW Treasury Internal Audit and Risk Management Policy for the General Government Sector (TPP 20-08). The following management disciplines are complementary and constitute the foundation of the department's resilience.

### Fraud control and corruption prevention

The Office of the Children's Guardian has a Fraud and Corruption Control Policy that is based on Standards Australia AS8001-2008: Fraud and Corruption Control. This policy incorporates the 10 key attributes of fraud control contained in the NSW Auditor-General Better Practice Guide Fraud Control Improvement Kit.

Advice is provided to employees in response to queries concerning conflicts of interest, gifts, benefits and bequests, and secondary employment and private work.

## Internal audit

In 2020-21 the Office of the Children's Guardian continued to review its risk profile. The information contained in our risk register forms the basis for our ongoing Internal Audit Plan. During the reporting period our Audit and Risk Committee received and reviewed reports and management responses on the following:

- Working with Children Check Risk Assessment Framework
- OCG Risk Framework and Risk Register.

The internal audit and risk management attestation statement is on the following page.

## Audit and risk committee

The Office of the Children's Guardian has an independent Audit and Risk Committee.

As part of compliance with the Treasury Policy Paper 20-08 Internal Audit and Risk Management Policy for the General Government Sector, the Committee continued its advisory role in assisting the Children's Guardian with relevant and timely advice on the office's governance, risk and control activities and external accountability obligations.

Collectively, the Committee members have the experience, knowledge and qualifications to effectively discharge their responsibilities as outlined in the Committee Charter and Treasury Policy.

Mr Alex Smith completed his term as Chair of the Audit and Risk Committee and Ms Jan McClelland was appointed as the new Chair. Four Audit and Risk Committee meetings were held in 2020-21, with the number of meetings each independent member attended as follows:

- Alex Smith (Independent Chair): 3
- Jan McClelland (Independent Chair): 1
- John Hunter (Independent Member): 3
- Gul Izmir (Independent Member): 4

## Insurance activities

Insurance is provided for all major assets and significant risks through the NSW Government self-insurance scheme (NSW Treasury Management Fund). This includes full workers compensation, motor vehicle, property, public liability and miscellaneous insurance cover.

## Internal audit and risk management attestation statement

### Internal Audit and Risk Management Attestation Statement for the 2020-2021 Financial Year for the Office of the Children's Guardian

I, Janet Schorer, am of the opinion that the Office of the Children's Guardian has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the General Government Sector*, specifically:

Core Requirements		For each requirement, please specify whether compliant, non-compliant, or in transition <sup>1</sup>
<b>Risk Management Framework</b>		
1.1	The agency head is ultimately responsible and accountable for risk management in the agency	Compliant
1.2	A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009	Compliant
<b>Internal Audit Function</b>		
2.1	An internal audit function has been established and maintained	Compliant
2.2	The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing	Compliant
2.3	The agency has an Internal Audit Charter that is consistent with the content of the 'model charter'	Compliant
<b>Audit and Risk Committee</b>		
3.1	An independent Audit and Risk Committee with appropriate expertise has been established	Compliant
3.2	The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations	Compliant
3.3	The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'	Compliant

#### Membership

The chair and members of the Audit and Risk Committee are:

- Independent Chair, Alex Smith, 1 April 2014 to 31 March 2021
- Independent Chair, Jan McClelland AM, 1 May 2021 to 30 April 2025
- Independent Member, John Hunter, 1 April 2014 to 31 March 2021
- Independent Member, Gul Izmir, 1 April 2014 to 31 March 2022



Janet Schorer, Children's Guardian  
30 September 2021



Liz McGee, Director Business and  
Executive Services  
liz.mcgee@kidsguardian.nsw.gov.au

<sup>1</sup> Where an agency notes that it has been 'non-compliant' or 'in transition', the agency head must complete the 'Departure from Core Requirements' section below.

## Public information and access

### Public access to NSW government information

The Office of the Children's Guardian holds a range of documents and information, many of which are publicly available. The production of some documents may require an application under the *Government Information (Public Access) Act 2009*, the *Privacy and Personal Information Protection Act 1998* or the *Health Records and Information Privacy Act 2002*.

### Right to information requests

To promote open, accountable, fair and effective government in NSW, members of the public have the right to access government information. This right is restricted only when there is an overriding public interest against disclosing the particular information.

Formal requests made under the *Government Information (Public Access) Act 2009* for access to documents held by the Office of the Children's Guardian should be accompanied by a \$30.00 application fee and directed to:

Right to Information Officer  
Office of the Children's Guardian  
Locked Bag 5100  
Strawberry Hills NSW 2012

Telephone enquiries: (02) 8219 3600

Email: [legal@ocg.nsw.gov.au](mailto:legal@ocg.nsw.gov.au)

Further information can be found on our website: [www.ocg.nsw.gov.au](http://www.ocg.nsw.gov.au).

Children and young people aged less than 18 years are granted open-access information free of charge.

### Statistical information about *Government Information (Public Access) Act 2009* applications

Under section 7 of the *Government Information (Public Access) Act 2009*, agencies must review their programs for the release of government information to identify the kinds of information that can be made publicly available. This review must be undertaken at least once every 12 months.

We publish information about our functions on our website.

During the reporting period, no documents were identified through this process for publication on the website. The following series of tables provides data on Government Information Public Access (GIPA) applications for 2020-21.



Table C1 GIPA applications by type of applicant and applicant outcomes

TYPE	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/ deny whether information is held	Application withdrawn
Media	0	0	0	0	0	0	0	0
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	1	0	0	0	0	0	0
Not-for-profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	3	1	0	0	0	0	0
Members of the public (other)	2	2	2	0	0	0	0	0

**NOTES:**

*More than one decision can be made in respect to an access application. If so, a recording must be made in relation to each decision. This also applies to Table C2.*

*One application was received at the end of 2019-20 but was responded to in 2020-21 and has therefore been included in the above table.*

Table C2      GIPA applications by type of application and outcome

APPLICATION TYPE	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refusal to deal with application	Refusal to confirm / deny whether information is held	Application withdrawn
Personal information applications*	2	5	3	0	0	0	0	0
Access applications (other than personal information applications)	0	1	0	0	0	0	0	0
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

*\*A personal information application is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).*

*NOTE: One application was received at the end of 2019-20 but was responded to in 2020-21 and has therefore been included in the above table.*

Table C3      GIPA invalid applications

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	1
Application is for excluded information of the agency (section 43 of the Act)	1
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table C4      Conclusive presumption of overriding public interest against disclosure

These are matters listed in Schedule 1 of the Act.

Interest consideration	Number of times consideration used*
Overriding secrecy laws	0
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	3
Transport safety	0
Adoption	0
Care and protection of children	3
Ministerial code of conduct	0
Aboriginal and environment heritage	0

*\*More than one interest consideration may apply in relation to an access application and, if so, each such consideration is to be recorded (but only once per application).*

Table C5 Other public interest considerations against disclosure

These are matters related to section 14 of the Act.

Public interest consideration	Number of occasions when application not successful*
Responsible and effective government	7
Law enforcement and security	0
Individual rights, judicial processes and natural justice	3
Business interests of agencies and other persons	0
Environment, culture, economy and general matters	0
Security provisions	0
Exempt documents under interstate Freedom of Information legislation	0

*\*More than one interest consideration may apply in relation to an access application and, if so, each such consideration is to be recorded (but only once per application).*

Table C6 Timeliness of GIPA decisions

Time period	Number of applications
Decided within the statutory timeframe (20 days plus any extensions)	6
Decided after 35 days (by agreements with applicant)	5
Not decided within time (deemed refusal)	0
<b>Total</b>	<b>11</b>

*NOTE: One application received at the end of FY2019-20 but was responded to in 2020-21 and has been included in the above table.*

Table C7 GIPA applications reviewed under Part 5 of the Act

Type of review	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner	0	0	0
Internal review following recommendation under section 93 of Act	0	0	0
Review by the NSW Civil and Administrative Tribunal	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>

Table C8 GIPA applications for review under Part 5 of the Act

Type of application	Number of applications for review
Applications by access applicants	0
Applications by person to whom information the subject of access application relates (s. 54 of the Act)	0

## Public interest disclosures

There was one public interest disclosure during the 2020-21 reporting year.

## Privacy and personal information

The Annual Reports (Departments) Regulation 2015 requires a statement of action taken by the Office of the Children's Guardian in complying with the requirements of the *Privacy and Personal Information Protection Act 1998* and details of any reviews conducted by or on behalf of the Office of the Children's Guardian under Part 5 of the Act.

We have a Privacy Management Plan in place and we continue to comply with the *Privacy and Personal Information Protection Act 1998*, including the Information Protection Principles.

## Internal reviews

There were no internal reviews conducted under the *Government Information (Public Access) Act 2009*, undertaken in 2020-21.

## Consumer response

There were two formal complaints received during the reporting year.

The Office of the Children's Guardian's Complaints Management Policy and Procedures is publicly available on our website. It outlines who complaints should be made, how a complaint will be dealt with, and what outcomes can be expected. The Policy also provides information about how to seek an external review if a complainant is not satisfied with the outcome of the investigation by the Office of the Children's Guardian. The Policy is reviewed at least every two years to ensure continuous improvement.

## Cyber Security Annual Attestation Statement for the 2020-21 Financial Year for the Office of the Children's Guardian

I, Janet Schorer, am of the opinion that the cyber security controls in place in the Office of the Children's Guardian (OCG) have been improved during the 2020-21 financial year and will continue to be enhanced.

Independent audits of cyber security controls in place during the 2020-21 financial year for the OCG's maturity against the NSW Cyber Security Policy mandatory requirements have been performed and combined with the mandatory requirements provided by our shared services provider, GovConnect. GovConnect currently leverages NSW Department of Customer Service resources for delivery of services. Additionally, an independent audit of the cyber security controls in place for the National Disability Insurance Scheme Worker Check system was undertaken and factored into the overall OCG maturity rating.

The audit results have demonstrated that the significant technology, governance and service management changes already underway are improving OCG cyber security resilience goals.

The OCG will continue to review its practices in conjunction with GovConnect governance frameworks and operational feedback to further improve its effectiveness. The OCG will ensure that cyber security governance and controls adequately address cyber security risks and continue to improve alignment with ISMS Framework and policy which is based on the ISO 27001 standard, and independently audited.

The OCG will continue to work with GovConnect in continuing its push to improve operational security, service delivery, and technologies to provide greater assurance to its clients that cyber security risks are being managed in a consistent and effective manner.



**Janet Schorer PSM**  
**Children's Guardian**

14 September 2021

### Annual report preparation

This annual report was prepared in accordance with Premier's Memorandum M2013-09 Production costs of annual reports. There were no production costs for copywriting, design or printing outside existing allocation.

### Compliance with annual reporting requirements

Under the *Annual Reports (Departments) Act 1985*, the Annual Reports (Departments) Regulation 2015 and various Treasury circulars, the Office of the Children's Guardian is required to include certain information in its annual report. This Annual Report includes all required information.

**Table C9** Compliance with annual reporting requirements (Index)

<b>Compliance requirement</b>	<b>Comment or page reference</b>
<i>Access</i>	Back cover
<i>Additional matters</i>	
<i>PPIPA</i>	Appendix C
<i>No significant after-balance date events</i>	Appendix B
<i>Annual report production costs</i>	Appendix C
<i>Website</i>	back cover
<i>After balance date events</i>	Appendix B
<i>Agreements with Multicultural NSW</i>	No agreements
<i>Aims and objectives</i>	Page 4 – strategic priorities
<i>Application for extension of time</i>	Not applicable
<i>Audit opinion</i>	Appendix B
<i>Availability of this annual report</i>	<a href="http://www.ocg.nsw.gov.au">www.ocg.nsw.gov.au</a>
<i>Charter</i>	Section 1: About the OCG
<i>Consultants</i>	Appendix B
<i>Consumer response – complaints and improvements</i>	Appendix C
<i>Contact details and website address</i>	Back cover
<i>Cyber security policy (CSP) attestation</i>	Appendix C
<i>Disability inclusion action plan</i>	Appendix A
<i>Disclosure of controlled entities</i>	No controlled entities
<i>Disclosure of subsidiaries</i>	No subsidiaries
<i>Economic or other factors</i>	Not applicable
<i>External costs incurred in the production of this annual report</i>	Appendix C
<i>Exemptions</i>	none
<i>Financial statements</i>	Appendix B
<i>Funds granted to non-government community organisations</i>	No funds granted
<i>Government Information (Public Access) Act 2009</i>	Appendix C
<i>Human resources</i>	Appendix A
<i>Identification of audited financial statements</i>	Appendix B
<i>Inclusion of unaudited financial statements</i>	No unaudited financial statements
<i>Industrial relations policies</i>	Appendix A
<i>Internal audit and risk management attestation</i>	Appendix C
<i>Land disposal</i>	No land disposal



<b>Compliance requirement</b>	<b>Comment or page reference</b>
<i>Legal change</i>	Section 2: Legal Protection
<i>Letter of submission</i>	Page 3
<i>Management and activities</i>	Sections 1, Overview of main functions Appendix A (Major works)
<i>Management and structure</i>	Appendix A
<i>Multicultural policies and services program (formerly EAPS)</i>	Appendix A
<i>Numbers and remuneration of senior executives</i>	Appendix A
<i>Payment of accounts</i>	Appendix B
<i>Price determination</i>	Not applicable
<i>Privacy and personal information</i>	Appendix C
<i>Promotion – overseas visits</i>	Appendix A
<i>Public interest disclosures</i>	Appendix C
<i>Requirements arising from employment arrangements</i>	Appendix A
<i>Research and development</i>	Appendix A
<i>Risk management and insurance activities</i>	Appendix C
<i>Summary review of operations</i>	Section 1: About the OCG
<i>Time for payment of accounts</i>	Appendix B
<i>Work health and safety</i>	Appendix A
<i>Workforce diversity</i>	Appendix A
<i>Workforce profile</i>	Appendix A

## Glossary

### Acronyms used in the Annual Report

AbSec	NSW Child, Family and Community Peak Aboriginal Corporation
CSOCAS	Child Sex Offender Counsellor Accreditation Scheme
DCJ	Department of Communities and Justice
GIPA	Government Information Public Access
NCAT	NSW Civil and Administrative Tribunal
NDIS	National Disability Insurance Scheme
NDIS WC	National Disability Insurance Scheme Worker Check
RAC	Risk and Audit Committee
WWCC	Working with Children Check

## Contact

Switchboard: (02) 8219 3600

Working with Children Check: (02) 8219 3777

Email via our webform: [ocg.nsw.gov.au/contact-us](https://ocg.nsw.gov.au/contact-us)

### Postal address

Locked Bag 5100, Strawberry Hills NSW 2012

### Business hours

9 am to 5 pm, Monday to Friday

ABN: 43 304 920 597

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