

# Annual Report 2021-22

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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 2021-22 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 cursive script, appearing to read 'Janet Schorer'.

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

# Office of the Children's Guardian

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## Annual Report 2021-22

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### Our purpose

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

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### Our vision

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

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### 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



Integrity



Trust



Service



Accountability



Respect



Empathy

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## From the Children's Guardian



On 1 February 2022, after years of planning, the Child Safe Scheme came into effect in NSW to support the safety and wellbeing of children and young people in our state.

The Child Safe Scheme brings new clarity and focus to our mission as a modern regulator of child-related work.

In 2018-19, I reported on our consultations to put into action the Child Safe Standards recommended by the Royal Commission into Institutional Responses to Child Sexual Abuse. The following year, the Child Safe Scheme was mentioned for the first time.

With the Child Safe Standards as its foundation, the Child Safe Scheme not only directs our work as a regulator, it provides a shared vision of what a child-safe organisation looks like.

Government processes of enacting new legislation and drafting supporting regulations have set the framework. Now it's our task at the Office of the Children's Guardian to provide leadership and guidance for organisations that work with children to bring that shared vision to life.

Under the leadership of Deputy Guardian Richard Weston, we have continued our work we laid out in Family is Culture Review. Published in April 2022, our review is a detailed response to the report into Aboriginal Out-of-Home Care in NSW by Professor Megan Davis and will guide our work to find alternatives to the child protection system for Aboriginal children, and improve the experiences of Aboriginal children in statutory out-of-home care.

At the time of writing, the new Residential Care Workers Register is about to go live. I'm pleased to be implementing this new safety measure for vulnerable children recommended by the royal commission, with a launch date of 18 July.

We have also worked to further strengthen the Working with Children Check with amendments to legislation set to come into force on 1 September.

This is my last annual report for the Office of the Children's Guardian. It has been an honour, privilege and delight to lead an organisation that has as its sole focus the safety and wellbeing of children and young people.

I'm proud of what we've achieved together during my term as Children's Guardian, and my warmest thanks go to my colleagues and the network of communities that support, care for and protect the children and young people of NSW.

A handwritten signature in dark ink, reading 'Janet Schorer'. The signature is fluid and cursive, with a large initial 'J'.

**Janet Schorer PSM**  
Children's Guardian

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# 1

About the Office  
of the Children's  
Guardian



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## 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.

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## 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 and Communities and Minister for Disability Services, the Honourable Natasha Maclaren-Jones MLC.

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 Parts 3A, 4 and 9A 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.

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## Overview of main functions

### Child Safe Scheme

On 1 February 2022, the Child Safe Scheme commenced after years of planning and consultation.

The Scheme provides the overarching framework of the *Children's Guardian Act 2019* and is a significant reform to child safety in NSW. The Child Safe Scheme implements the preventative recommendations made by Royal Commission into Institutional Responses to Child Sexual Abuse.

The Child Safe Scheme is designed to support organisations to create and maintain child safe environments and to prevent child abuse in organisations by building safe cultures and improving practices to prevent incidents occurring.

The Child Safe Scheme also strengthens our compliance, investigation and enforcement powers which will come into effect in 2023.

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## 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. Continuous monitoring of verified workers' Checks is one of the strengths of the system.

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## Reportable Conduct Scheme

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

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## Statutory out-of-home care and adoption

The Office of the Children's Guardian is responsible for accrediting 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. Non-government agencies that offer adoption services are required to be accredited and all agencies are required to meet specific adoption standards and comply with legislative requirements.

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## 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.

From next year, voluntary out-of-home care will be regulated under the Child Safe Scheme as specialised substitute residential care. Providers will be required to complete a self-assessment using our online tool and comply with the Code of Practice against which they will be monitored, removing the current initial registration process.

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## 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 implementing the proposed Residential Care Workers Register in 2022-23 which will give effect to a recommendation by the Royal Commission into Institutional Responses to Child Sexual Abuse.

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## 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.

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## Performance highlights for 2021-22

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Launch of the

### Child Safe Scheme

1 February 2022, significant day for child safety in NSW

We work with

# 31,665

Organisations. These organisations all have responsibilities to verify employees' WWCCs, most fall under the Child Safe Scheme.

Launch on 18 July 2022 of the

### Residential care worker register

Another recommendation implemented from the Royal Commission into institutional responses to child sexual abuse

People undertaking any Child Safe capability building activity:

# 32,409

This includes attending training, webinars, eLearning and videos.

# 87,000

Downloads of child safe resources.

# 78

Designated agencies authorised to providing out-of-home services.

# 466

applications for a Working with Children Check were not granted, essentially barring these people from working with children.

Number of people with WWCC in NSW

# 1,814,124

People who work with children are required to have a verified Working with Children Check.

Audited

# 1545

organisations for WWCC compliance.

# 1531

notifications to Reportable Conduct Scheme.

# 2

## Legal framework and policy positions

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## Children's Guardian Act

The statutory review of the *Children's Guardian Act 2019* commenced on 1 March 2022, 2 years after the commencement of the Act.

The purpose of the review is to ensure that the policy objectives of the Act remain valid, and the terms of the Act are appropriate for achieving its objectives.

A discussion paper was released in July 2022. The consultation will inform a report to Parliament due by 1 March 2023.

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## The Child Safe Scheme

The Children's Guardian Amendment (Child Safe Scheme) Bill 2021 enabled the Child Safe Scheme to begin on 1 February 2022.

This significant reform implements the recommendations made by the Royal Commission into Institutional Responses to Child Sexual Abuse. It embeds the Child Safe Standards as the primary framework guiding child safe practice in organisations in New South Wales.

The Child Safe Scheme is designed to support organisations to create and maintain child safe environments and to prevent child abuse in organisations by changing cultures and improving practices before an incident occurs.

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## Out-of-home care reforms

Amendments were made to the *Children's Guardian Act 2019* in June 2022 addressing 4 key areas of reform in out-of-home care:

- designated agencies and adoption service providers were brought within the scope of the child safe scheme, and certain child safe organisations are required to comply with codes of practice
- concepts of voluntary out-of-home care and registered agencies were removed and replaced with 'specialised substitute residential care'
- register provisions were clarified and updated
- the accreditation framework for designated agencies and adoption service providers was consolidated into the *Children's Guardian Act 2019*.

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## Working with Children amendments

The object of the *Child Protection (Working with Children) Act 2012* is to protect children by not permitting certain people to engage in child-related work and by mandating those engaged in child-related work to obtain a Working with Children Check clearance.

Amendments were made to the *Child Protection (Working with Children) Act 2012* in November 2021 to:

- include serious animal cruelty offences as disqualifying offences for Working with Children Checks
- specify other animal cruelty offences as assessment triggers for risk assessments of Working with Children Check clearances
- allow certain animal welfare agencies to provide details of individuals subject to certain animal cruelty proceedings.

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## National Reference System

Amendments were made to the *Child Protection (Working with Children) Act 2012* in June 2022, strengthening the Office of the Children's Guardian's ability to access, use and disclose information relevant to assessing whether an applicant or clearance holder poses a risk to the safety of children. The amendments:

- strengthen cross-jurisdictional information sharing
- enable us to record, maintain and share information relating to negative working with children check decisions on the National Reference System.

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## Children's Guardian Regulation

The principal regulation under the *Children's Guardian Act 2019* was made on 1 April 2022.

The regulation implements the Royal Commission's recommendation to establish a Residential Care Workers Register. The Residential Care Workers Register commences on 18 July 2022.

Work is underway to transfer existing regulations providing for the Children's Guardian's functions under the *Adoption Act 2000*, *Children and Young Persons (Care and Protection) Act 1998* and the *Ombudsman Act 1974*, to the Children's Guardian Regulation, to commence on 1 September 2022. This will be the final step in consolidating the Children's Guardian's functions.

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## 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 2021-22 there were 34 applications for review including:

- 15 by applicants to NCAT seeking review of the Children's Guardian's decision to refuse or cancel a Working with Children Check clearance.
- 17 applications to NCAT seeking an order that the applicant is not to be treated as a disqualified person. For these applicants, who are automatically barred from engaging in child-related work, an enabling order by NCAT must be granted before a Working with Children Check clearance can be issued.
- 2 appeals to the Supreme Court. Both appeals were lodged by the Children's Guardian.

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

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## Policy contributions

We are often invited to contribute to government policy proposals and particularly where there may be impacts relating to child protection. In 2021-22 we provided feedback on key government strategic planning documents in relation to domestic and family violence, sexual violence and mental health.

The Office of the Children's Guardian is a representative on the Child Safe Organisations and Information Sharing Working Groups for the National Strategy to Prevent and Respond to Child Sexual Abuse. The National Strategy is an initiative of the Australian, state and territory governments, and considers child sexual abuse in all settings: within families, organisations and online.



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## 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 2021-22 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.

In November 2021, the members of ANZCCG issued a joint statement on the age of criminal responsibility. It stated that the minimum age of criminal responsibility in all Australian states and territories should be 14 years based on recommendations of the United Nations Committee on the Rights of the Child. They acknowledged that such legislative change cannot occur in isolation and must be accompanied by system-wide reform.

# 3

Child Safe  
Scheme

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## Launch of the Child Safe Scheme

On 1 February 2022, the Child Safe Scheme commenced after years of planning and consultation.

This means that organisations captured under the Scheme **must** implement the Child Safe Standards and be proactive about protecting children from abuse.

This year, the Office of the Children's Guardian continued with the Scheme's first implementation phase through our capability-building program which consists of providing sector support, resource development, training and eLearning.

### Building organisations' understanding of the Child Safe Standards is the foundation of the Child Safe Scheme.

From February 2023, the compliance program monitoring organisations' implementation of the Child Safe Standards will begin.

The second phase of implementation is to measure the broader collective impact of the Scheme. It will measure medium and long-term outcomes and impact of monitoring, investigation and enforcement activities as well as cultural change that the Scheme aims to drive.

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## Child Safe Self-Assessment

Following a pilot early in 2021, we are developing an online self-assessment tool to help organisations assess their level of child safe practice against with the 10 Child Safe Standards. From a series of questions about their practices, the tool will generate a tailored plan for the organisation, including specific action items and links to resources.

Aggregated data from the self-assessments will provide us with valuable information to target our capability building programs and resources. The online self-assessment is expected to launch in 2022-23.

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## Child Safe Action Plans

Under the Child Safe Scheme, some NSW Government agencies are now required to prepare a Child Safe Action Plan (CSAP). The first plan is due in February 2023 and will then be renewed every 4 years. To support these agencies to develop their CSAPs, we produced a handbook 'Child Safe Action Plans: A guide for prescribed NSW government agencies'.

The purpose of CSAPs is to build awareness, capability and encourage implementation of the Child Safe Standards.

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## Evaluation and measurement

To monitor and support continuous improvement of the implementation of the new Child Safe Scheme, we have developed an evaluation framework. The aim of the framework is to measure the impact, outcomes, and outputs of the Child Safe Scheme.

In the first phase we established internal systems to collect data that we hold. The second phase includes a long-term plan to measure the social impact of the Scheme and its implementation. To assist in the planning and development of Phase 2, we plan to engage with the Australian National University's Social Research Centre.

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## Support for organisations

A foundational principle of the Child Safe Scheme is that of continuous improvement. Building organisations' understanding of the Child Safe Standards and embedding a culture of review and continuous improvement is the basis for the Child Safe Scheme.

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## Resource development

The Office of the Children's Guardian produced new resources in 2021-22 to support organisations and educate them further about implementing the Child Safe Standards.

To provide information in a number of formats, we have developed written, video and eLearning content covering topics from general information about the Child Safe Standards, risk management, to specific issues such as grooming. Our child safe resources continue to be well received with 87,850 downloads from our website in the past year.

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## Sector support

We are beginning to work in partnership with peak bodies and other government agencies about the Child Safe Scheme. This year we presented at a Child Safe Forum organised by the Child Safe Council Network, a group of local councils with which we work, and developed sport-focused eLearning in partnership with the Office of Sport.

Engagement with sectors has included sector-tailored training, presenting at conferences and involvement in working groups.

To support sectors, we have sector-specific Child Safe Officers covering health, faith-based, local government, education, early childhood, and recreation and sporting clubs and associations. This approach allows tailored training and resources informed by sectors' specific needs.

We also provide assessments for individual organisations. We assess an organisation's implementation of the Standards in practice. Through the process, organisations are provided with a report on their practices, including strengths, areas for improvements and any areas that need priority attention. This is part of our educational, capability building approach to assist with implementation of the Child Safe Standards.

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## Training and capability building

Most of our training this past year has been delivered online because of the ongoing impact of COVID-19. We have had over 14,000 people who attended training or a webinar or have done an eLearning module, and more than 18,000 have watched a child safe YouTube video or recorded webinar.

We developed short skill builders in child safe practices on areas including developing a code of conduct and risk management plan.

All our resources, training and eLearning sessions are free. They give participants practical knowledge on how to review, create and develop child safe practices and we regularly receive positive feedback about them.

**Table 3.1 Child safe activities undertaken in 2021-22**

	Face-to-face events	Online events	Number of organisations	Total people participating
Child Safe Standards training and webinars	17	62	1,811	4,631
SAFE series	-	79	1,144	2,201
eLearning	-	9,626	NA	9,626
Video views*	-	-	-	18,152
<b>Total</b>	<b>17</b>	<b>9,767</b>	<b>2,955</b>	<b>34,610</b>

*\*includes child-safe videos on YouTube plus webinar recordings.*

# 4

Systems  
supporting child  
safety

# 4a

Working with  
Children Check

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## 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.

**1,814,125 people in NSW hold a cleared Working with Children Check**

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### 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. People who want to continue in child-related work as their Check reaches its expiry date, must apply for a renewal of their Check.

In 2021-22 a total of 381,405 applications were processed.

Of these applications:

- 151,790 (40%) were new applications
- 229,615 (60%) were applications to renew.

**381,405 applications were processed in 2021-22**

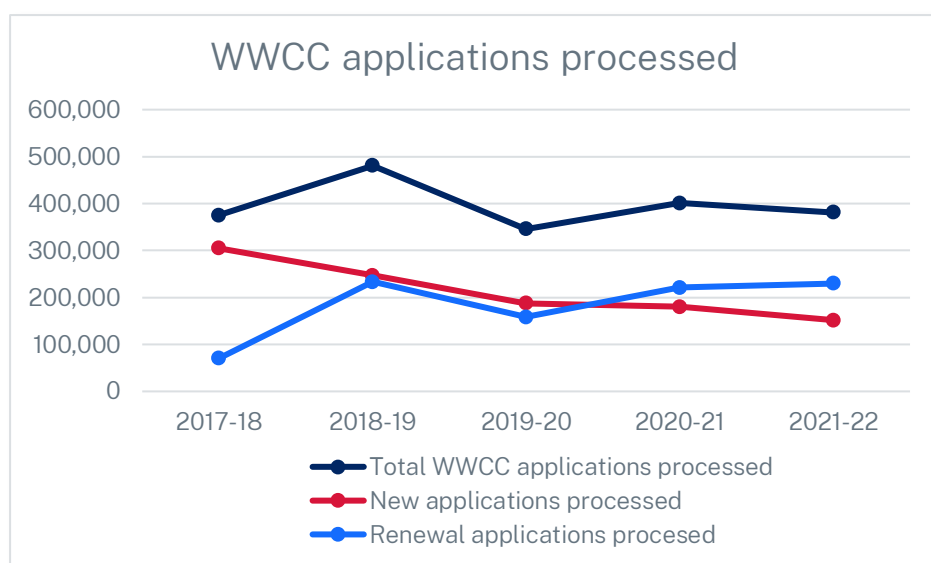
**60% were renewal applications**

**40% were new applications**



**Figure 4.1 New and renewal Working with Children Check applications**

2017-18 marked 5 years of the new Working with Children Check and so renewal applications began then.



## 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. Police information considered 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.

We also receive information about workplace records from our Reportable Conduct Scheme and information shared between prescribed bodies under Chapter 16A of the *Children and Young Persons (Care and Protection) Act 1998*.

In 2021-22, we received 293 notifications relating workplace records or Chapter 16A notifications from prescribed bodies, including the Department of Communities and Justice. The cumulative total on 30 June 2022 was 5913 workplace records and Chapter 16A notifications held in the Working with Children Check system.

## 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 2021-22 through the continuous monitoring process, we were notified of 5231 continuous check events due to new police or workplace records.

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## 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.

**90% of individuals were cleared within 5 days of applying when there were no relevant records.**

---

### Applications requiring records review

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.

45,179 applications in 2021-22 returned police or workplace misconduct records, requiring further consideration.

### Clearance granted after records review

38,541 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 2021-22, there were 408 applicants who were automatically disqualified from working with children due 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. Additionally, section 15(3) of the Act permits the Children's Guardian to refer a matter for risk assessment where no Schedule 1 record is present, if the person has records considered relevant to the safety of children.

In 2021-22, 2203 individuals were referred for risk assessment due to the presence of a Schedule 1 or other record relevant to the safety of children.

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## Risk assessment outcomes

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

Outcomes of risk assessment include termination due to non-response, granting a clearance or refusing/cancelling an application. In 2021-22, we finalised 2600 risk assessments.

### 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 2021-22, we imposed 303 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 2021-22, we granted clearances to 695 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 2021-22, we refused or cancelled 58 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 2021-22, we closed 1847 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 Working with Children Check.

**Table 4.1 Risk assessments processed and outcomes, 2019-20 to 2021-22**

Activity	2019-20	2020-21	2021-22
Total WWCC applications processed	345,541	400,855	381,405
New WWCC applications processed	187,326	179,837	151,790
Risk assessments with outcomes	3,988	3,642	2,600
Individuals automatically barred due to Schedule 2 records	470	434	408
Individuals interim barred during risk assessment	364	552	303
Individuals barred after risk assessment	100	82	58
Individuals cleared following risk assessment	1,138	780	695
Applications terminated after referral to risk assessment	2,280	2,331	1,847

**Table 4.2 Refusals for a Working with Children Check, 2019-20 to 2022**

Year	2019-20	2020-21	2021-22
Working with Children Checks applications processed	345,541	400,855	381,405
Number of barring decisions	570	516	466
% of barring decisions (of the total applications each year)	0.17%	0.13%	0.12%

## Process improvements

### Encouraging engagement with First Nations people

The Office of the Children's Guardian has continued working to improve engagement with First Nations applicants who are at risk of their applications being closed if they do not respond to our request for information. We have made practical changes to our

communication to increase awareness of the process. We have built links in the community, working closely with legal services and have developed targeted resources and referral pathways to encourage more Aboriginal applicants to apply.

The Office of the Children's Guardian developed a policy statement about Aboriginal Applicants and the Working with Children Check in late 2020. This year we introduced a review process to refine and improve our efforts. The policy statement 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. 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 available on our website.

We have amended our communication to be more flexible, streamlined and less intrusive, particularly for the risk assessment process for First Nations applicants. In 2022, we collaborated with Yamurrah ([yamurrah.com.au](http://yamurrah.com.au)) to develop the 'Your Story' Practice Guide for staff engaging with First Nations applicants in the risk assessment process. The guide aims to improve service delivery to First Nations applicants by developing knowledge and providing key information about culturally sensitive engagement and culturally responsive trauma-informed practise principles.

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## National reforms

On 10 December 2021, the National Cabinet endorsed the national workplan to eliminate unnecessary red tape and duplication across different levels of government. This includes agreement to explore avenues to improve and promote consistency for Working with Children Checks. This agreement follows community and industry concern about the current requirements for these checks, which vary across jurisdictions, creating risks for child safety and undue burden on businesses (particularly those that operate nationally or in multiple jurisdictions).

The Office of the Children's Guardian is working closely with the National Office for Child Safety and other working with children check schemes to support the *National Strategy to Prevent and Respond to Child Sexual Abuse 2021-2030*. The Strategy aims to have the recommendations of the Royal Commission into Institutional Responses to Child Sexual Abuse implemented and that further focus areas are developed to enhance national consistency of working with children check frameworks. The focus areas include:

- strengthening framework integrity to enhance child safety outcomes
- demonstrable reduction in the regulatory burden on organisations and individuals
- reducing checking wait times and customer experience (exploring the 'tell us once' approach).

Short term goals of this work include establishing a system for sharing information across Australian jurisdictions that is relevant to the safety of children and implementing mutual recognition across various state working with children check schemes. Longer term goals include developing a mechanism for continuous national monitoring of working with children checks and for gathering information about internal records.

We continue to partner with other states and territories to refine and make operations consistent across jurisdictions. There is also further work on the National Reference System which will provide information about decisions made in other jurisdictions to inform decision-making about NSW Working with Children Check applications.

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## Working with Children Check compliance

The *Child Protection (Working with Children) Act 2012* and the *Child Protection (Working with Children) Regulation 2013* establish legal obligations for employers that offer services to children and engage paid or volunteer workers in child-related work.

To be compliant, employers have a legal responsibility to:

- register as an employer in the Working with Children Check system administered by the Office of the Children's Guardian
- verify the Working with Children Check clearances of workers in child-related roles
- remove any barred or unauthorised persons from child-related work
- maintain records.

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

Proactive compliance 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.

Reactive work includes matters that come to us from the Working with Children Check system through processing check applications, risk assessments and organisations registering as employers. We also receive referrals and reports of concern from organisations, government agencies, members of the public and other areas within the Office of the Children's Guardian.

Additionally, one of the key strengths of the Working with Children Check is the integrated continuous checking system. This system enables continuous monitoring of police and workplace records for all Working with Children Check clearance holders. If we are notified of new records, we review them. This can lead to a person having their Check cancelled. If this happens, we notify their employer and require that the person be removed from any child-related work.

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## Work sector audits

In 2021-22, we contacted 1545 employers as 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
- ad hoc compliance matters and initiated enquiries.

### **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 2021-22, there were 2634 new employer registrations created. Of these, 1184 did not immediately verify any workers, and were contacted by the Office of the Children's Guardian:

- 831 were informed of their legal obligations to verify
- 114 were organisations that had a duplicate registration
- 239 were not in child-related work and were made inactive in the system
- 173 required further follow up to reach compliance.

**On 30 June 2022 there were 31,621 active employer registrations in the Working with Children Check system.**

### Targeted audits

In our compliance audit program, we targeted sectors with low Working with Children Check verification rates and environments that create a heightened risk for children. These were religious services, overnight camps and sporting organisations in rugby league, gymnastics, calisthenics, and football. The organisations audited were assessed on their compliance with the *Child Protection (Working with Children) Act 2012*.

In 2021-22, we contacted 240 employers, of which 68 were audited. The remainder were contacted for compliance reasons or identified as either no longer operating or not providing services to children. Of the 68 audited, 46 were found to be in breach of the legislation with a collective total of 272 breaches identified. Through the audits we issued 46 warning letters. All identified breaches are required to be rectified before we finalise an audit.

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### 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, in 2021-22 we:

- dealt with 801 barred applicant decisions
- notified 250 employers about their employee's change in status and that they could no longer work with children
- contacted 562 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 and had their authorisation cancelled. If a barred person had not been verified, we use all data available to try to identify any possible employer that may not have verified the person. No employer was identifiable for 352 applicants whose Check clearance was revoked.



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## Closed applications

Closed Working with Children Check applications are assessed through our compliance 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 3 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.

In 2021-22:

- we notified employers for 1303 verified applications that were closed because the applicant did not participate in their risk assessment
- 20 of the 1303 closed applications were found to be still working in child-related roles but were removed after employers were notified
- 982 other applications were closed for administrative reasons, such as the applicant providing incorrect information or not disclosing an alias name
- 14 people whose applications were closed due to administrative reasons were removed from child-related work when the employer was notified.

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## 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.

In 2021-22, we received 495 instances of alleged non-compliance or misconduct towards children. The majority of these matters were resolved following contact. 35 of 495 (7%) were referred for further investigation internally or to the appropriate agency.

We completed 59 investigations into alleged breaches of the *Child Protection (Working with Children) Act 2012*. As a result of our investigations, we issued 28 warnings and 18 penalty infringement notices to employers who engaged child-related workers without first verifying their worker's clearance status. The remainder were found to be compliant or out of jurisdiction.



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## Building understanding

To build awareness and better compliance from employers, we held the second Working with Children Week in June 2022. This year the campaign gained significantly more engagement with organisations participating in the week.

We focused on celebrating frontline workers keeping children safe and linked child safe messaging and resources and requirements around the Working with Children Check into the campaign.

This year the campaign included:

- our own content and promotion: webinar, newsletters, social media posts, ads and video, event promotion
- media kit with graphics and copy for other organisations to use.

# 4b

## Reportable Conduct Scheme

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## Reportable Conduct Scheme

The Reportable Conduct Scheme has been administered by the Office of the Children's Guardian since March 2020, on the commencement of the *Children's Guardian Act 2019*. 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.

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. About 15,000 organisations across NSW have this reporting obligation.

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

After the initial notification of a reportable allegation or conviction, which must be made within 7 business days, relevant entities have additional reporting obligations at 30 days and on completion of their reportable conduct investigation. The Children's Guardian may require further information from the entity; can exercise own motion inquiries powers; and has a complaint-handling function in relation to the way in which relevant entities respond to reportable allegations or convictions.

During 2021-22, 3243 matters were reported to the Reportable Conduct Scheme:

- 1531 notifications
- 1666 enquiries
- 46 complaints.

In addition, we initiated 474 inquiries under our general oversight, monitoring, complaint-handling and systems inquiry powers. Most of these inquiries were responded to satisfactorily and resolved, however we escalated 2 matters to investigation. These investigations are ongoing.

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## Notifications and trends

Overall notification rates were 20% lower over 2021-22 compared to the previous year, attributable largely to 2 factors:

- improvements in relevant entities' assessment of the threshold for notification, resulting in fewer not-in-jurisdiction notifications, and
- atypical schooling conditions resulting in significantly reduced notifications from the education sector.

We closed 1604 notification cases over the reporting period, however we did not have capacity to assess 15% of the investigations.

**Table 4.3** Number of notifications received by relevant entity type

Type of relevant entity	2020-21*	2021-22
Agency providing substitute residential care	47	34
Approved education and care service	263	210
Department of Communities and Justice	341	298
Department of Education	424	228
Health organisations **	32	34
Non-government school	126	103
Non-government designated agency	596	515
Other public authorities	17	56
Religious body	56	47
TAFE	3	6
Agency not in jurisdiction	3	0
<b>Total</b>	<b>1,908</b>	<b>1,531</b>

\*Figures for 2020-21 have been updated.

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

## Reduction in not-in-jurisdiction notifications

In 2021-22, we assessed 19% (356) of notifications as 'not in jurisdiction'. This reflected an adjustment period for relevant entities following the changes to reportable conduct definitions and notification thresholds introduced in the *Children's Guardian Act*. Over the reporting period, we undertook a range of education and awareness initiatives to build capability in entities to apply the new legislative thresholds.

As a positive outcome of these efforts, we received half as many notifications (195) that were not in jurisdiction last financial year than the previous year.

Excluding notifications that were not in jurisdiction, the 2021-22 notification rate was 12% lower than the previous year, largely reflecting pandemic conditions in the education sector.

## Reduction in notifications from the education sector

Notifications from the early education and care and non-government school sector were lower than the previous year by approximately 20%, while notifications from the Department of Education were close to half the rate from the previous year.

Putting aside the notifications outside of jurisdiction, the notable reductions were from the Department of Education in the categories of

- neglect (74% reduction)
- sexual offences (40.5% lower)
- sexual misconduct (38% lower) and
- assault (21% lower).

This is primarily attributed to reduced opportunity for employees in this sector to engage in reportable conduct, with most NSW school students remote learning for 14 weeks of the school year and with social distancing practices introduced on return to school.

The reduced notifications from early education and care services largely involved a 50% reduction in notifications that were not in jurisdiction as well as decreases in allegations of ill-treatment (20% lower) and assault (7% lower). However, there was an increase in notifications of alleged sexual offences from this sector over the reporting period from 17 to 24.

### **Notable reporting rates in other sectors**

Notifications from the Department of Communities and Justice were lower by 13%. There were 28% fewer notifications involving allegations of a sexual nature and 32% fewer notifications that were not in jurisdiction.

Notifications from non-government designated agencies were 14% lower than the previous year. There were 24% fewer notifications that were not in jurisdiction and 26% fewer assault allegations. While allegations involving sexual offences decreased in the government out-of-home care sector, they rose in the non-government out-of-home care sector by 19% (from 47 to 56).

Notifications from public authorities increased by 250% (from 16 to 56), with the most notable increases in allegations of assault from 2 to 30 and allegations of a sexual nature from 2 to 16. However, these increases were the result of a single entity improving its compliance with reporting obligations.

Across the public authorities sector there appears to be ongoing underreporting, given its size and the expanded coverage of employees since 2020 (to include the outside-of-work alleged conduct of employees who hold a Working with Children Check for their role with the public authority, and to third party contractors).

Although notifications from religious bodies were expected to increase over the year, they remained very low, which also appears to reflect ongoing underreporting across this sector. The bulk of notifications from religious bodies (79%, 37 of 47) were sexual in nature, and largely historical. A higher than average proportion of notifications from religious bodies involve allegations of outside-of-work conduct (19% compared with 8% average).

We continue our work in educating and building capacity in underreporting sectors, as outlined below (Advice and education). However, more than 2 years into the administration of the Scheme under the *Children's Guardian Act*, evidence of non-compliance without a reasonable excuse will increasingly be the subject of our inquiries.

## Reportable allegation types

Consistent with the trend last financial year:

- of all notifications within jurisdiction, the majority involved either allegations of assault (38%) or allegations of a sexual nature (33%)
- the majority (65%) of assault allegations were notified by designated out-of-home care agencies, as were the majority of neglect allegations (69%)
- the majority of allegations of a sexual nature (53%) were notified by education services, however this majority was slim as a result of the reduction in overall notifications from this sector
- ill-treatment allegations were notified most by non-government out-of-home care agencies (42%) followed by Department of Education (20%) and early education and care services (16%).

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

Primary allegation	2019-20	2020-21*	2021-22
Assault	630	585	512
Behaviour that causes significant emotional or psychological harm	42	29	26
Ill treatment	169	148	146
Neglect	381	241	207
Offence under section 43B or 316A of the Crimes Act**	-	6	9
Reportable conviction	3	3	1
Sexual misconduct	242	180	143
Sexual offence	256	329	292
Not in jurisdiction	253	387	195
<b>Total</b>	<b>1,976</b>	<b>1,908</b>	<b>1,531</b>

\*Figures for 2020-21 have been updated.

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

## Employees the subject of reportable allegations

Male and female employees were the subject of reportable allegations in roughly even numbers, though female employees were notified at higher rates than males for allegations of neglect (66% higher), ill-treatment (51%) and assault (26%). Males were the subject of allegations of a sexual nature 3.5 times the rate of females (332 compared with 95). Noting that 8 notifications of a sexual nature involve employees whose gender has not been recorded.

Just over half of the notifications (53%) in which employment status is known involved allegations against employees who were casual, agency staff, contractors or volunteers (including authorised carers).

The vast majority (92%) of notifications relate to alleged conduct occurring in or connected to the employee's workplace.

## **Alleged victims**

Positively, 31% of notifications arose from direct disclosures and reports by the alleged victim, usually to the relevant entity or to police:

- 21% were brought to the relevant entity's attention by an external body, including police and Department of Communities and Justice
- 18% arose from complaints made by the alleged victim's family, carer or advocate
- 16% were the result of an employee report.

Notifications received over the reporting period involved 2036 alleged victims (noting that a number of notifications involved more than one alleged victim).

Approximately a third (639) of the alleged victims were reported to be Aboriginal or Torres Strait Islander children. The majority of these were notified by out-of-home care agencies, with 279 involving allegations of assault (44%) and 163 of neglect (26%).

344 (about a fifth) of the alleged victims were reported to have disability. Of those, 46% (159) were the alleged victims in notifications of assault.

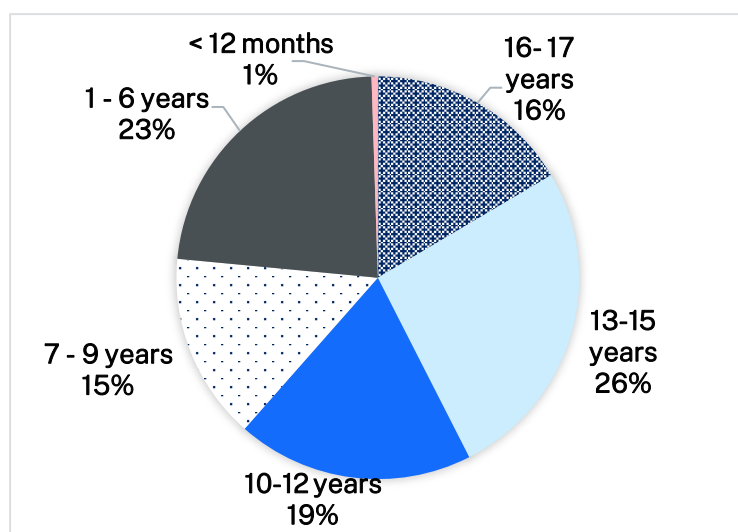
In 3% (67) of matters, the gender of the alleged victim is unknown at the time of reporting. Many of these are matters involving offences relating to child abuse material, in which the victim gender may not be identified to the entity.

Of the 1969 alleged victims where the gender is known, 53% (1041) are female and 47% (926) male, with 2 alleged victims identified as non-binary. Females were almost twice as likely to be notified as the alleged victim in allegations of a sexual nature than males. Males were notified as alleged victims of assault in 13% more matters than females.

Alleged victims of different age groups were represented in notifications as follows:

- 16 and 17 years: 16.5% of notifications  
51% of these involving allegations of a sexual nature
- 13 to 15 years: 26% of notifications  
most involving allegations of assault (36.5%) and of a sexual nature (34%)
- 10 to 12 years: 19% of notifications  
comprising allegations of assault (41%), sexual in nature (21%), neglect (20%) and ill-treatment (16%)
- 7 to 9 years: 15% of notifications  
the majority involving allegations of assault (41%) and neglect (30%)
- 1 to 6 years: 23% of notifications  
primarily involving allegations of assault (43.5%), followed by neglect (26%)
- younger than 12 months: 0.5% of notifications  
involving allegations of assault, neglect and ill-treatment.

**Figure 4.2: Percentage of notifications by age of alleged victim**



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## Time taken to investigate

Under the Act, we are required to report on the number of investigations or determinations in relation to reportable allegations or reportable convictions that have not been completed by a relevant entity or the Children's Guardian within 6 months after the commencement of the investigation or determination.

Of the 2148 entity investigations that were finalised over 2021-22, 49.6% (1066) took more than 6 months to investigate. More than half of those were matters notified under the *Ombudsman Act* before the Reportable Conduct Scheme transitioned to the Office of the Children's Guardian. Of matters notified and completed under the *Children's Guardian Act*, 37% (474) took more than 6 months to finalise, while the average investigation completion time was just under 5.5 months (165 days).

At 30 June 2022, we had 1388 open notification cases with entity investigation reports pending, 65% (908) of which have been active for more than 6 months. Most of these matters have been the subject of a deferral or suspension of investigation, which is the primary reason a reportable conduct investigation will take much longer than 6 months. 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. About 35% of the reportable allegations notified over the reporting period were also reported to police.

There are other legitimate reasons for suspending an investigation, including health concerns for the alleged victim or the employee about whom the allegation was made. The average period of deferral for matters finalised during the reporting period was 199 days (just over 6.5 months).

Other factors, other than a deferral or suspension, can impact the investigation time. Of matters closed during the reporting period which took more than 6 months to investigate, the following factors were most typically present (as a percentage of matters recorded): complexity (23%), resourcing (12%), difficulty/delay obtaining third party information (10%), difficulty locating witnesses (4%), victim or employee wellbeing (3%), inexperience (3%).



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## Complaints

Under the *Children's Guardian Act 2019*, any person can make a complaint about the way relevant entities respond to reportable allegations. We received 46 complaints over the reporting period, most of which were from employees or alleged victims, or persons acting on their behalf.

Consistent with previous years, complaints tended to relate to:

- 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.

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## Advice and education

We fulfil our function of providing education and advice through:

- our enquiries line, which this year received 1666 calls mostly from relevant entities seeking advice on whether an allegation required notification or how to progress an initial response to a child protection allegation
- case-by-case tailored advice as reportable conduct investigations are underway
- an eLearning series: 480 people completed all 7 of the available modules, and 2355 completed at least one unit
- sector specific webinars attended by 2194 people.

### eLearning

In the last financial year, 2835 individuals have accessed our eLearning course, *Responding to Reportable Allegations*, completing a total of 11,135 modules. 96% of the survey respondents stated that they would recommend the course to others. Since the launch of the first module of the course in November 2020, 17,647 modules have been completed.

### Webinars

In September and October 2021, we ran a sector-specific webinar series providing tailored reportable conduct guidance, data and operational insights for schools, statutory out-of-home care, early education and care, voluntary out-of-home care, health, local government and religious entities.

We had a total of 2194 participants attend their sector's session and received a tailored information package following the webinar.

We have since facilitated question and answer style webinars for the religious and statutory out-of-home care sectors, attracting a breadth of participation including organisational leaders, investigators, child safe staff, professional standards and human relations staff.

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## 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: 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.

**Table 4.5**      **Key statistics NDIS Worker Check, 2020-21**

	2020-21	2021-22
Applications received	37,567	93,267
Decisions made:		
Clearances	32,984	91,219
Exclusions	2	70

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## 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 previously accredited counsellors working with adults who sexually offend against children and children and young people with harmful sexual behaviours.

Following a review in 2019, the Scheme was suspended in March 2020 to develop and implement the improvements. Work continues in partnership with NSW Health and the Department of Communities and Justice.

The Scheme is set to relaunch later in 2022, under its new name Harmful Sexual Behaviours Counsellor Accreditation Scheme and will support the NSW Government's Framework for Responding to Problematic and Harmful Sexual Behaviours.

The Scheme will accredit counsellors working with children and young people over 10 years of age with harmful sexual behaviours as these children and young people require a different response from adults who perpetrate child sexual abuse. Due to their developmental stage, the children have a particular capacity for rehabilitation and, when provided with the appropriate therapy, are unlikely to continue with the behaviours.

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## Official Community Visitors Scheme

Official Community Visitors are independent statutory appointees of the Minister for Families and Communities and Minister for Disability Services.

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*. However, as the Official Visitors Scheme covers both child and non-child related functions, it 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. It also enables information to be exchanged for the purposes of informing monitoring visits and planning accreditation renewal assessments and whenever serious concerns are raised.

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 will be available on the Ageing and Disability Commission website and our website.

# 5

Sectors we  
regulate

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## 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.

Our two main functions are to accredit agencies and monitor that standards of care are met.

For out-of-home care providers, we assess designated agencies seeking accreditation for the first time and assess agencies seeking to renew their accreditation. We also monitor agencies to ensure they meet their responsibilities throughout their period of accreditation.

We also regulate agencies that provide adoption services.

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## Out-of-home care agencies

Two new statutory out-of-home care providers were accredited in the last year, one of those was an Aboriginal agency.

**There are now 18 Aboriginal out-of-home care agencies accredited to provide foster care and one Aboriginal out-of-home care agency accredited to provide residential 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.

Agencies applying for accreditation may be granted provisional accreditation or full accreditation. Provisional accreditation is granted where an agency has not provided statutory out-of-home care or adoption services in the 12 months prior to making an application for accreditation. Most agencies with provisional accreditation are agencies that are providing services for the first time. When a new provider first commences providing services the agency must notify the Children's Guardian and assessors visit the agency every 4 months over the course of the agency's accreditation period to monitor practice and compliance with accreditation criteria.

Agencies that are granted full accreditation are agencies that provided statutory out-of-home care or adoption services during the 12 months before applying for full accreditation.

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 shorten, suspend or cancel an agency's accreditation if it fails to comply with any of the conditions or fails to meet the standards over time. Information about agencies' accreditation periods and conditions of accreditation are published on our website.

This year, COVID-19 continued to impact on the way we monitor and assess agencies' practices. While we have returned to conducting onsite monitoring, we have continued to undertake remote assessments where necessary, to ensure the health of agency and our staff and to comply with health directives.

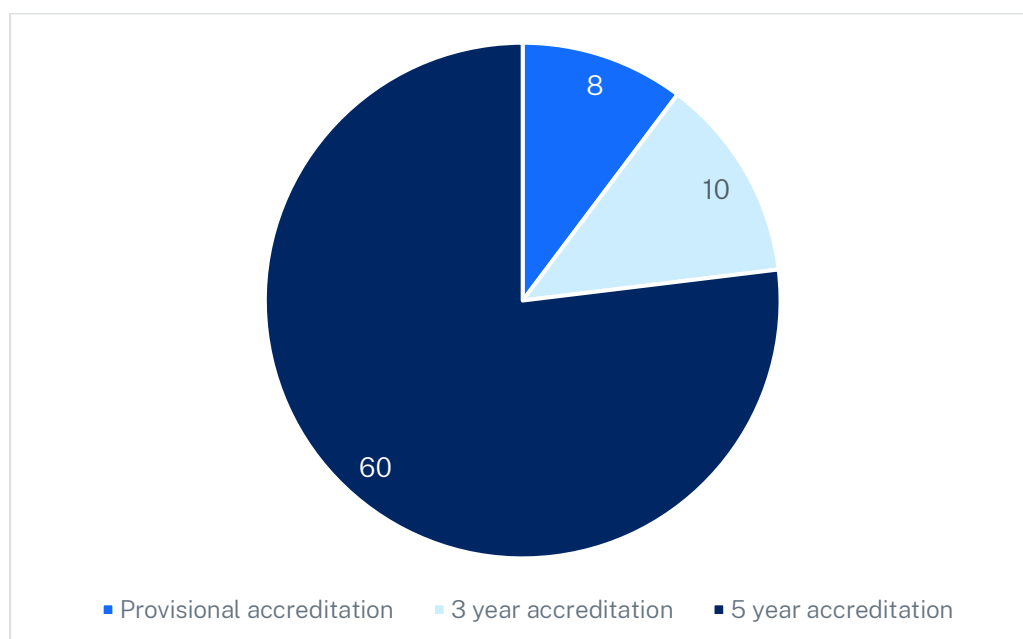
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## Designated agencies

On 30 June 2022, there were 78 designated agencies accredited to provide statutory out-of-home care in NSW. They include non-government providers and the Department of Communities and Justice.

The Children's Guardian deferred a decision on 5 applications for accreditation during 2021-22. Agencies are required to address any 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.

**Figure 5.1** Designated agencies in NSW on 30 June 2022



During 2021-22 one non-government adoption service provider was accredited to provide domestic adoption services in NSW. There are now 6 non-government adoption service providers accredited to provide domestic adoption services in NSW. The Department of Communities and Justice also provides domestic and intercountry adoption services.

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## 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 to decide whether to accredit an agency. We also visit 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 visits to 28 non-government agencies this year. These visits were to agencies that were new providers, were working on practice improvements, or agencies applying to renew accreditation. Our assessors may spend several days or weeks monitoring an agency and some agencies are visited several times over a 12-month period to monitor practice improvements.

## Review of accreditation and monitoring functions

In 2021-22 we undertook sector consultation to review the Children's Guardian's accreditation and monitoring functions. The accreditation scheme has been in place since 2003 and this was the first comprehensive review of the scheme.

The consultation sought feedback on key legislative provisions issues including:

- the types of organisations that may apply for accreditation to provide statutory out-of-home care or adoption
- how applications for accreditation are assessed and how accreditation decisions are made
- regulatory responses to agencies that fail to comply with accreditation requirements and other obligations.

The Children's Guardian Amendment Bill 2022 was passed in June 2022. Informed by sector feedback, the Bill consolidates the Children's Guardian's accreditation and monitoring functions into the *Children's Guardian Act 2019*. These accreditation provisions commence in the *Children's Guardian Act 2019* on 1 September 2022 and the sector will be informed prior to the changes starting.

We sought sector feedback on important policy and operational issues impacting the sector, including how different types of statutory out-of-home care are accredited and options to accredit agencies that provide short-term emergency care arrangements.

The consultation paper included a range of proposals to bring the statutory out-of-home care and adoption sector into the Child Safe Scheme. There was strong support for this and in the second half of 2022 we will be undertaking further consultation with the out-of-home care and adoption sector on building the 10 Child Safe Standards into accreditation criteria. The consultation summary is available on our website.

## Family is Culture

The Office of the Children's Guardian's Family is Culture report was finalised and provided to the Minister in March 2022.

The purpose of the report was to provide the Minister for Families and Communities, and Minister for Disability Services with:

- an update on the impact of recent reforms to the child protection system, and
- identify what further action needs to be taken for these reforms to be realised.

To inform the report, the project team implemented an Aboriginal engagement strategy that reached community led organisations from across NSW to ensure that Aboriginal people had a strong voice. The report is stronger because of the knowledge and wisdom that those stakeholders generously shared.

Overall, the report found that the government's progress in relation to key reforms arising from the Davis Review are not meeting expectations of many stakeholders.

To continue to drive improvement, we have developed a business plan which focuses on four key areas:

- execute our program of work to keep Aboriginal children safe
- build sustainable partnerships with Aboriginal communities and stakeholders
- support embedding the Aboriginal Case Management Policy and Aboriginal and Torres Strait Islander Child and Young Person Placement Principles into our Child Safe and accreditation practices
- support our partners, stakeholders and communities to implement critical Family is Culture reforms.

The Strategic Review of the Children's Guardian's Act being undertaken by the Office of the Children's Guardian from March 2022 to March 2023 includes consultation about proposed functions for the Deputy Children's Guardian.

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## Children and young people in alternative care arrangements

An alternative care arrangement is the immediate placement of children and young people into a motel, hotel, serviced apartment, rented accommodation 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 2 stages of every emergency placement:

- within 24 hours of the child or young person entering the non-home-based emergency 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 support 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 2021-22, there were 542 occasions of alternative care provided to 372 children and young people. Of these 372 children and young people, 236 were managed by the Department of Communities and Justice and 136 by non-government agencies.

During the same period, there were 529 exits from alternative care arrangements. Most alternative care arrangements were for less than 30 days, and two-thirds were for less than 90 days.



Placement breakdown was the most commonly reported reason for placement in an alternative care arrangement, followed by entry into statutory out-of-home care.

## 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. Agencies are also required to notify reportable allegations to the Office of the Children's Guardian under the Reportable Conduct Scheme. 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.

**Table 5.1 Information reported relating to out-of-home care in 2020-21**

Information reported	NGOs	Dept Communities and Justice	Total
Allegations of sexual misconduct, sexual offences and assault by staff, carers and volunteers	244	128	372
Death of a child or young person in statutory out-of-home care	4	2	6
Number of children under 12 years old placed in residential care	29	-	29

## Department of Communities and Justice

In 2021-22 we undertook an assessment of compliance with the standards in 14 Department of Communities and Justice districts. Accreditation was renewed for 11 districts in 2021-22 and each of these districts was granted 5-year accreditation. The remaining 3 districts' accreditation expires in December 2022 and we have commenced the renewal assessment of these districts.

## 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 6 non-government designated agencies that have been accredited to provide adoption services on 30 June 2022. The Department of Communities and Justice also provides domestic and intercountry adoption services and in 2021-22 we undertook monitoring of their adoption programs.

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## 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.

On 30 June 2022, 17,960 carers were authorised to provide out-of-home care to children and young people in NSW. Of these, 2549 identified as Aboriginal and/or Torres Strait Islander.

There were 53 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.

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

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

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## Capability building

Capability building activities to support designated agencies to meet the requirements of the Carers Register included training and online, phone and email support. Additionally, we produce business intelligence reports to support designated agencies' data management and quality assurance.

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## Monitoring agencies

The Carers Register reviewed all Department of Communities and Justice Districts, from January 2021 to April 2022.

12 non-government organisations have participated in a Carers Register Review this year. 10 were held onsite while 2 were completed remotely.

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## 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 takes action to comply. Non-compliance can include expired or no Working with Children Check being recorded or where a provisional authorisation has extended beyond 3 months.

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## Overview of carer households

In 2021-22 there were 17,960 authorised carers. The total number of authorisations has decreased slightly compared to last year's figure which is likely to be a reflection of COVID-19 impacts on agencies.

- 14% of authorised carers identify as Aboriginal and Torres Strait Islander, this number remains consistent with last year's figure
- 62% of authorised carers are female, 38% are male and 0.02% identify as gender X
- 48% of household members are female, 51% are male and 0.06% identify as gender X
- 51% of household members are over 18 years and require a Working with Children Check, this number has increased slightly over the past year.

46% of households are being managed by the Department of Communities and Justice with an increase in non-government organisations, to 54%.

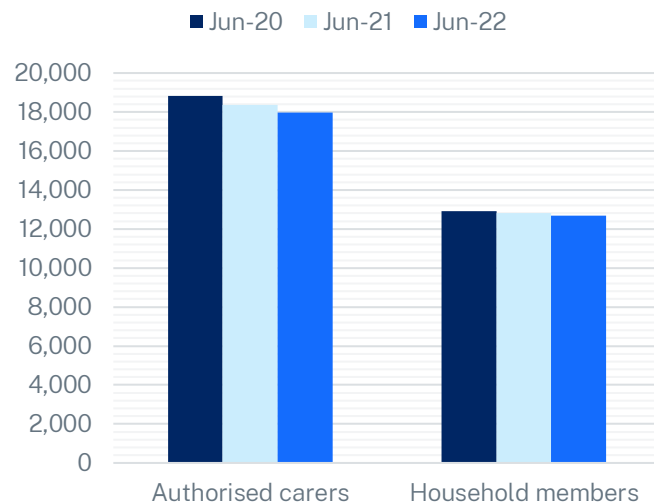
## Carers Register key statistics

### Overview of carer households

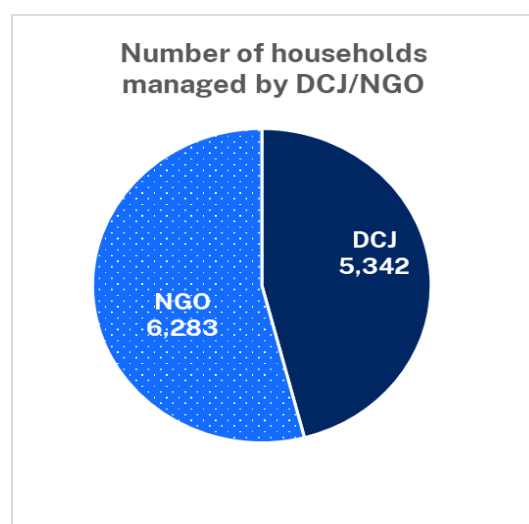
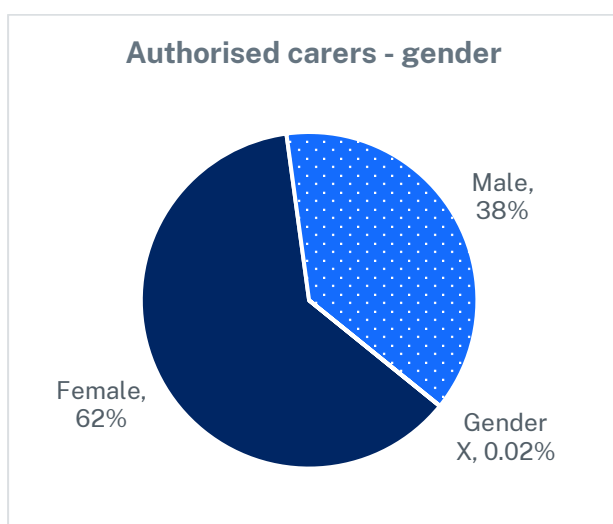
In 2021-22 there were 17,960 authorised carers. This total number of authorisations has decreased slightly compared to last year's figure and likely to be a reflection of COVID-19 impacts on agencies.

- 14% of authorised carers identify as Aboriginal and Torres Strait Islander, this number remains consistent with last year's figure
- 62% of authorised carers are female, 38% are male and 0.02% identify as gender X
- 48% of household members are female, 51% are male and 0.06% identify as gender X
- 51% of household members are over 18 years and require a Working with Children Check, this number has increased slightly over the past year
- 46% of households are being managed by the Department of Communities and Justice and 54% by non-government organisations, an increase of 1.5% from last year.

Authorised carer and household member numbers



	Authorised carers	Household members
June 2020	18,832	12,898
June 2021	18,369	12,800
June 2022	17,960	12,682



51% of household members are 18 or older and require a Working with Children Check



14% of carers identify as Aboriginal or Torres Strait Islander



62% of authorised carers are female, 38% are male and 0.02% selected gender X

### Carer application outcomes

During 2021-22, 425 carer applications have either been refused or withdrawn due to concerns. This number has decreased compared with last year.



1921 current household applications



2971 current carer applications

### Carer applications – refused or withdrawn

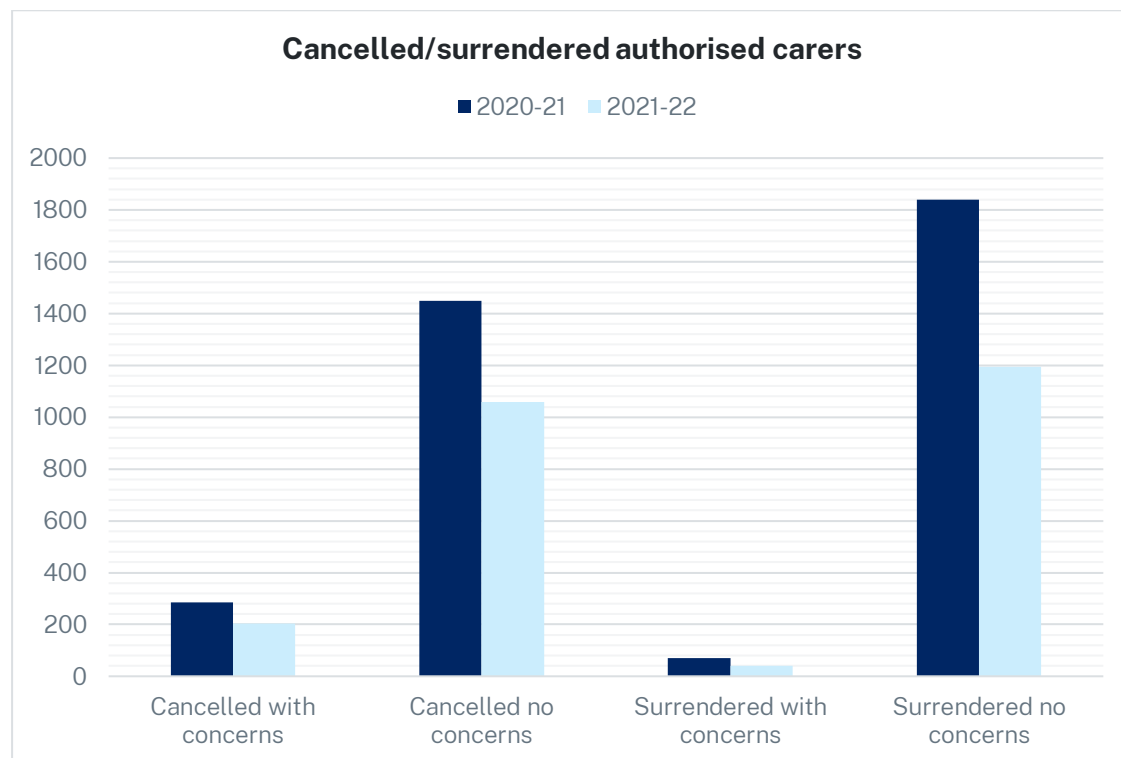
Status	2019-20	2020-21	2021-22
Refused	314	293	247
Withdrawn no concerns	1417	1528	1385
Withdrawn with concerns	193	217	178

## Carer authorisation outcomes

During 2021-22, 425 carer applications have either been refused or withdrawn due to concerns.

In addition, 203 carer authorisations were cancelled due to concerns and 41 were surrendered with concerns.

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



	Cancelled with concerns	Cancelled no concerns	Surrendered with concerns	Surrendered no concerns
2020-21	286	1450	71	1839
2021-22	203	1059	41	1195

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

A total of 474 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 5.2 Working with Children Check bars (cumulative)**

	At 30 June 2020	At 30 June 2021	At 30 June 2022
<b>WWCC bars</b>			
<b>Authorised carers</b>	168	176	<b>193</b>
<b>Household members</b>	91	99	<b>105</b>
<b>Interim bars</b>			
<b>Authorised carers</b>	84	90	<b>98</b>
<b>Household members</b>	69	72	<b>78</b>

### Notes:

*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.*

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## 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 to improve the safety of children and young people in out-of-home care. The *Children's Guardian Act 2019* provides the legislative power to the Office of the Children's Guardian to establish a register of residential care workers.

Following formal consultation on the draft Children's Guardian Regulation with the out-of-home care sector and key stakeholders, the Regulation was approved on 1 April 2022. The provisions relating to the register commence on 18 July 2022 and will support the register's operation.

This has followed significant consultation with out-of-home care agencies and stakeholders, who have supported us in designing a register which will provide a mechanism for agencies to exchange information relevant to the safety, welfare and wellbeing of children and young people.

The register 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.

Training has been delivered to all agencies and guidance materials distributed to assist them to manage this as part of their work.

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## Voluntary out-of-home care

On 1 February 2022 voluntary out-of-home care providers became subject to the Child Safe Scheme as substitute residential care services, as well as the existing voluntary out-of-home care scheme. This was in addition to Commonwealth requirements under the NDIS which have a broad focus on safety but are not specific to child safety.

2021-22 has been a transition year for the sector. There have been 2 consultations with the sector: the first on moving the sector to be regulated under the Child Safe Scheme and then a second on requiring a Code of Conduct to address the particular issues this sector faces keeping children in their care safe from harm.

Through these consultations we found that stakeholders supported:

- regulating voluntary out-of-home care providers under the Child Safe Scheme. The sector considered this approach could strengthen the focus of regulation on children's safety and placement needs
- mandatory prescriptive requirements, that will be delivered through a Code of Practice, due to the heightened vulnerability of children who access voluntary out-of-home care and the nature of service delivery, which involves overnight care that can sometimes be for extended periods of time.

Until these changes come into effect in 2022-23, all voluntary out-of-home care in NSW must still be provided or arranged by either a designated or registered agency that is registered with the Office of the Children's Guardian.

The total number of voluntary out-of-home care agencies was 130 at the end of June 2022. This has increased by 13 since this time last year.

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

In 2021-22, 649 children accessed voluntary out-of-home care, compared to 830 in 2020-21, representing a 22% decrease. The notable decrease may have resulted from continued COVID-19 restrictions. Of the 830 children and young people, 606 (73%) have a disability.

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## Care episodes

As a child may use more than one agency for care, the Office of the Children's Guardian monitors 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.

Under the Child Safe Scheme from next year, requirements will change. Agencies will need to record when a child accesses care for 3 or more nights in a 7-day period rather than every night.

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 2021-22, 50 children and young people's placements required supervision by a designated agency, a slight decrease on the previous year of 55 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 2021-22 there were 49 children and young people on the voluntary out-of-home care register for cumulative care lasting over 180 days in the year, similar to the 52 from the previous year.

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## 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.

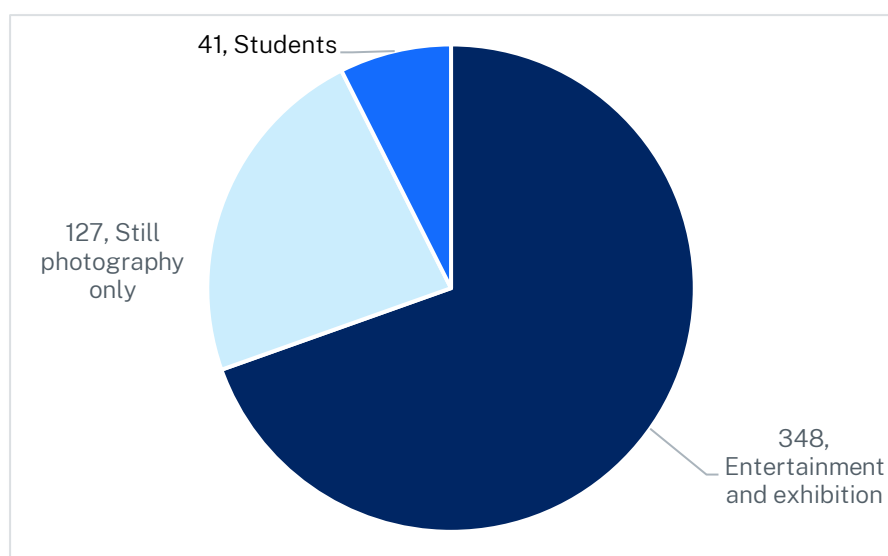
In 2021-22, we received 552 applications for an authority to employ children within NSW, a decrease of 19% compared to the previous year. Applications for authorities significantly declined during the first half of 2021-22 because of COVID-19. Short term authority applications (of 1 week duration) declined by 23% (from 501 in 2020-21 to 388 in 2021-22).

**Table 5.3 Authority to employ children**

Authority length	Number of applications
1 week	388
3 months	18
6 months	11
12 months	135
<b>Total</b>	<b>552</b>

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**Figure 5.2 Employer authority applications by type, 2021-22**



## 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 2021-22, we received 1056 notifications of productions employing children, a decrease of 24% from the previous year.

During the first half of 2021-22, many businesses could not operate due to the COVID-19 pandemic. There were significant decreases in notifications for children employed in:

- Film production (38% decrease from 167 in 2020-21 to 103 in 2021-22)
- Television series (37% decrease from 95 in 2020-21 to 60 in 2021-22)
- Fashion modelling (32% decrease from 396 in 2020-21 to 270 in 2021-22).

During the second half of 2021-22 there was a slight increase in employment of children for live performances in:

- choir and orchestra performances (from one in 2020-21 to 9 in 2021-22)
- musicals (from 2 in 2020-21 to 7 in 2021-22).

## Compliance

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

We completed 119 desk-based compliance checks by contacting employers after work was completed. This is a 7% increase from 2020-21. Desk-based compliance checks continued as pandemic restrictions prevented officers from making unannounced visits to locations. During the second half of 2021-22 we conducted 4 onsite visits.

Of the employers checked, 72 were compliant and 47 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 2 penalty infringement notices, a decrease from the 5 penalties issued in the previous year.

Of the 2 penalty infringement notices:

- one was issued to an employer who failed to obtain an authority before employing a child
- one was issued to a performer representative who sent a number of children to work for unauthorised employers.

In addition, 15 formal warnings were issued to employers and 3 participated in education sessions to improve their compliance.

### **Capability building**

In addition to our compliance program, we met with 34 organisations as part of our ongoing educational campaign to raise awareness about the requirements for employing children and to build understanding around why the safeguards exist.

This included visits to 9 productions that were deemed high risk and 25 employer and stakeholder meetings to encourage upfront compliance with the children's employment legislation, a decrease of 42% on the previous year. During most of the year, pandemic restrictions prevented officers from conducting on-site visits.

## Sport and recreation

**Table 5.4 Sport and recreation key statistics**

	Measure
Training and education provided specific to sector	12
Attendees from that sector	969
Total WWCC registrations	136,896 employees 217,902 volunteers Number of current WWCCs = 354,798
WWCC applications made in 2021-22	New = 30,223 Renewal = 26,185 TOTAL = 56,408
Number of employers registered in the WWCC system	9903
Number of employers that have verified workers	9885
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 5.5 Education key statistics**

	Measure
Training and education provided specific to sector	11
Attendees from that sector	2158
Total WWCC applications	500,812 employees 119,331 volunteers Number of current WWCCs = 620,143
WWCC applications made in 2021-22	New = 39,518 Renewals = 71,329 Total = 110,847
Number of employers registered in the WWCC system	5753
Number of employers that have verified workers	5743
Notifications to the Reportable Conduct Scheme	331

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 5.6** Early childhood education key statistics

	Measure
Training and education provided specific to sector	83
Attendees from that sector	5888
Total WWCC registrations	Employees = 169,002 Volunteers = 39,513 Number of current WWCC registrations = 208,515
WWCC applications made in 2021-22	New = 13,821 Renewals = 20,421 Total = 34,242
Number of employers registered in the WWCC system	4881
Number of employers that have verified workers	4879
Notifications to the Reportable Conduct Scheme	210

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 continued targeted focus on this sector building on last 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).

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## Faith-based organisations

**Table 5.7** Religious sector key statistics

	Measure
Training and education provided specific to sector	15
Attendees from that sector	1004
Total WWCC registrations	Employees = 25,443 Volunteers = 110,880 Total = 136,323
WWCC applications made in 2021-22	New = 6326 Renewals = 10,097 Total = 16,422
Number of employers registered in the WWCC system	3383
Number of employers who have verified workers	3375
Notifications to the Reportable Conduct Scheme	47

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

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.

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## Local government

**Table 5.8** 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	56

\*While our data does not provide WWCC data, we know that there are 128 local councils employing over 48,000 staff from the Office of Local Government website.

## Health services for children

**Table 5.9**      **Health sector key statistics**

	Measure
Training and education provided specific to sector	0
Attendees from that sector	186
Total WWCC registrations	Employees = 272,624 Volunteers = 41,204 Total = 313,828
WWCC applications made in 2021-22	New = 18,747 Renewals = 37,697 Total = 56,444
Total employers registered in the WWCC system	2176
Number of employers that have verified an employee	2175
Notifications to the Reportable Conduct Scheme*	34

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

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 the Scheme commenced in February. Given the timing in the financial year, we were not provided specific sector training. However, some health sector employees attended sessions targeted at other sectors.



# 6

Looking forward

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## Looking forward

### Child Safe Scheme

We will continue to focus on capability building across all sectors with particular focus on the specialised substitute residential care (currently voluntary out-of-home care) as it transitions to the Child Safe Scheme. We will also continue to work with prescribed agencies to develop and approve Child Safe Action Plans the first of which is due in February 2023.

There will be further work and consultation with the out-of-home care sector to also align the current Standards for Permanent Care with the Child Safe Scheme bringing all child related organisations under the one set of child safe standards.

A new range of monitoring, investigation and enforcement tools will be introduced from February 2023, under the Child safe Scheme. These will focus on capability building, with a proportionate response to concerns about child safety.

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

Since March 2022, we have been undertaking a review of the Children's Guardian Act 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.

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### 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 several 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 begins in July 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.

# 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](#)

[Consultancy expenditure](#)

## **Appendix C Governance and Risk**

[Legislative framework](#)

[Public information and access](#)

[Risk management and insurance](#)

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## Appendix A: Our people

In response to the COVID-19 pandemic, staff continued to work mostly from home throughout the 2021-22 financial year. Employees continue to show great resilience and flexibility in adapting to the new hybrid working environment which we expect to continue.

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### Human resources

At 30 June 2022, the Office of the Children's Guardian employed 242 people (executive, award employees and contractors) on either a full-time or part-time basis.

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**

	30 June 2020	30 June 2021	30 June 2022
Ongoing	169	181	205
Temporary	32	26	11
Casual	2	3	3
Senior Executive	8	9	10
<b>TOTAL</b>	<b>211</b>	<b>219</b>	<b>229</b>

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### 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 such as enhancing diversity in senior leadership.

We continue to review and update all internal policies and procedures against best practice and to incorporate current legislative requirements.

#### Industrial relations

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

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## Exceptional movement in wages, salaries and allowances

There were no exceptional movements in wages, salaries or allowances during 2021-22.

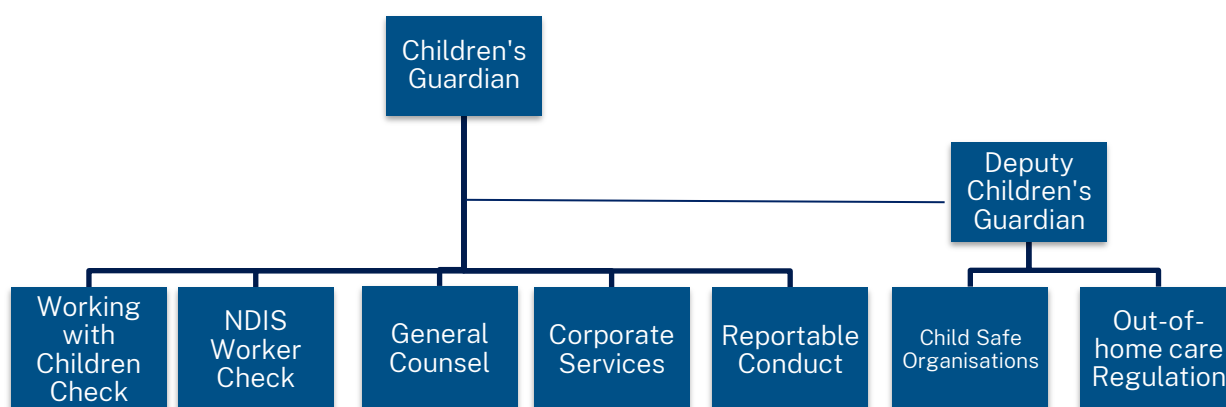
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## Overseas visits

There were no overseas visits during 2021-22.

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## Management and structure



In 2021-22, 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

**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

**Mr Peter Eaton**, Director, Corporate Services (Commenced March 2022)

Bachelor of Commerce, Certified Practicing Accountant

**Ms Liz McGee**, Director Corporate Services (On leave from March 2022, retiring July 2022)

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 2021-22 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	2021-22
Band 3		1 female	1 female
Band 2	1 female	1 male	1 male
Band 1	5 female 2 male	5 female 2 male	5 female 3 male

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

Remuneration level	Average remuneration 2020-21	Range 2021-22	Average remuneration 2021-22
Band 3*	\$345,551	\$354,201 - \$499,250	\$372,859
Band 2**	\$300,000	\$281,551 - \$354,200	\$313,050
Band 1	\$241,184	\$197,400 - \$281,550	\$213,402

### 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.

\*\* 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.

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

Year	Percentage
2020-21	8.10
2021-22	8.48

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## 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. The next steps in our reconciliation journey are being considered.

Specific achievements in 2021-22 were:

- Produced 'Your Story Guide: supporting culturally responsive and trauma informed practice' to support our staff working with Aboriginal Working with Children Check applicants through the risk assessment process.
- Celebrations of Aboriginal and Torres Strait Islander people were recognised particularly NAIDOC Week, Reconciliation Week and a commemoration of National Sorry Day.
- The implementation of the Deputy Children's Guardian role and Family is Culture team. Through their work delivering the Family is Culture report to the Minister, we increased stakeholder engagement, the outcomes of which have already been feeding into other areas across the organisation.

### 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 2021-22 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	2019-20	2020-21	2021-22
Women	50.0	67.5	74.5	67.6
Aboriginal people and Torres Strait Islander people	3.3	3.3	8.0	6.4
People whose first language spoken as a child was not English	23.2	11.5	20.0	22.3
People with a disability	5.6	1.4	1.8	1.7
People with a disability requiring work-related adjustment	NA	0.5	0.6	0.6

\* 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 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.

In December 2017 the NSW Government announced the target of doubling the representation of people with disability in the NSW public sector from an estimated 2.7% to 5.6% by 2027. The benchmark for 'People with disability requiring workplace adjustment' was not updated.

**Table A6 Distribution index for workforce diversity groups\***

Workforce diversity group	Benchmark	2019-2020	2020-21	2021-22
Women	100	103	106	101
Aboriginal people and Torres Strait Islander people	100	NA	NA	NA
People whose first language spoken as a child was not English	100	96	93	92
People with a disability	100	NA	NA	NA
People with a disability requiring work-related adjustment	100	NA	NA	NA

\* Data provided by the Public Service Commission.

NOTES: 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.

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## 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:

- Developing a new website with improved accessibility in how it is structured as well as in language and design.
- Practical information for employees on how to meet 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.

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## 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.

Our new website makes finding translated resources much easier. We added translated material about the risk assessment process for the Working with Children Check and ran multilingual social media promotions on the child safe translated material available and encouraging employers to register with us to verify their workers who need a Check.

Multicultural events continue to be widely recognised across the agency with employees encouraged to share their own significant cultural and religious events to build our acceptance and understanding.

We will continue to implement the actions in our Multicultural Plan next year.

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## Workplace health and safety performance

There were no notifiable incidents reported in 2021-22.

There were no workers compensation claims commenced in 2021-22.

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## 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 2022, the Statement of Financial Position as at 30 June 2022, 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.

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## 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 Regulation 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.

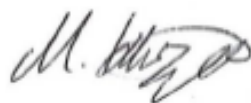
Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements.

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

Delegate of the Auditor-General for New South Wales

21 October 2022  
SYDNEY

## Statement by the Children's Guardian

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

- a) the accompanying financial statements in respect of the period ended 30 June 2022 have been prepared in accordance with applicable Australian Accounting Standards (which include Australian Accounting Interpretations), the GSF Act, Government Sector Finance Regulation 2018 and mandatory NSW Treasury accounting publications.
- b) the financial statements exhibit a true and fair view of the financial position, financial performance and cash flows of the Office.
- c) 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**  
20 October 2022

# Office of the Children's Guardian

## Financial Statements for the year ended 30 June 2022

### Office of the Children's Guardian Statement of Comprehensive Income for the year ended 30 June 2022

	Notes	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
<b>Expenses excluding losses</b>				
Employee related expenses	2(a)	29,915	<b>28,211</b>	27,035
Other operating expenses	2(b)	23,131	<b>22,372</b>	19,155
Depreciation and amortisation expenses	2(c)	3,691	<b>3,153</b>	2,866
Grants and subsidies	2(d)	961	<b>987</b>	1,454
Finance costs	2(e)	15	<b>12</b>	30
<b>Total expenses excluding losses</b>		<b>57,713</b>	<b>54,735</b>	50,540
<b>Revenue</b>				
Appropriation	3(a)	26,335	<b>25,130</b>	20,035
Sale of goods and services from contracts with customers	3(b)	25,891	<b>29,893</b>	24,865
Grants and contributions	3(c)	301	<b>77</b>	315
Acceptance by the Crown of employee benefits and other liabilities	3(d)	933	<b>239</b>	1,394
<b>Total revenue</b>		<b>53,460</b>	<b>55,339</b>	46,609
<b>Gains/(Losses) on disposal</b>	4	-	<b>(4)</b>	-
<b>Net Gain/(loss) from derecognition of lease arrangements</b>	5	-	<b>40</b>	-
<b>Other gains/(losses)</b>	5	119	-	(85)
<b>Net Result</b>		<b>(4,134)</b>	<b>640</b>	(4,016)
<b>Other comprehensive income</b>				
<b>Total other comprehensive income</b>		-	-	-
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>(4,134)</b>	<b>640</b>	(4,016)

The accompanying notes form part of these financial statements.

**Office of the Children's Guardian**  
**Statement of Financial Position**  
**As at 30 June 2022**

	Notes	Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	6	794	5,683	3,580
Receivables	7	1,259	2,519	2,293
<b>Total current assets</b>		<u>2,053</u>	<u>8,202</u>	<u>5,873</u>
<b>Non-current assets</b>				
Property, plant and equipment				
- Plant and equipment	8	1,228	355	343
- Leasehold improvements	8	-	-	829
Total property, plant and equipment		<u>1,228</u>	<u>355</u>	<u>1,172</u>
Right-of-use assets	9	951	-	1,285
Intangible assets	10	4,290	5,209	5,727
<b>Total non-current assets</b>		<u>6,469</u>	<u>5,564</u>	<u>8,184</u>
<b>Total assets</b>		<u>8,522</u>	<u>13,766</u>	<u>14,057</u>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	11	4,386	2,925	2,733
Borrowings	12	863	-	1,400
Provisions	13	2,894	3,940	3,453
<b>Total current liabilities</b>		<u>8,143</u>	<u>6,865</u>	<u>7,586</u>
<b>Non-current liabilities</b>				
Borrowings	12	101	-	228
Provisions	13	493	526	508
<b>Total non-current liabilities</b>		<u>594</u>	<u>526</u>	<u>736</u>
<b>Total liabilities</b>		<u>8,737</u>	<u>7,391</u>	<u>8,322</u>
<b>Net assets</b>		<u>(215)</u>	<u>6,375</u>	<u>5,735</u>
<b>EQUITY</b>				
Accumulated funds		(215)	6,375	5,735
<b>Total Equity</b>		<u>(215)</u>	<u>6,375</u>	<u>5,735</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 2022**

	Notes	Accumulated Funds \$'000	Total \$'000
<b>Balance at 1 July 2021</b>		5,735	5,735
<b>Net result for the year</b>		640	640
<b>Other comprehensive income</b>			
<b>Total other comprehensive income</b>		-	-
<b>Total Comprehensive income for the year</b>		640	640
<b>Transaction with owners in their capacity as owners</b>			
Increase/ (decrease) in net assets from equity transfers		-	-
<b>Balance at 30 June 2022</b>		6,375	6,375
 <b>Balance at 1 July 2020</b>		 9,751	 9,751
<b>Net result for the year</b>		(4,016)	(4,016)
<b>Other comprehensive income</b>		-	-
<b>Total other comprehensive income</b>		-	-
<b>Total comprehensive income for the year</b>		(4,016)	(4,016)
<b>Transaction with owners in their capacity as owners</b>		-	-
<b>Balance at 30 June 2021</b>		5,735	5,735

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 2022**

		Budget 2022 \$'000	Actual 2022 \$'000	Actual 2021 \$'000
	Notes			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
<b>Payments</b>				
Employee related		(28,981)	(27,320)	(25,079)
Other operating expenses		(23,131)	(24,001)	(20,677)
Grants and subsidies		(961)	(987)	(1,454)
Finance costs		(15)	(12)	(29)
<b>Total payments</b>		<b>(53,088)</b>	<b>(52,320)</b>	<b>(47,239)</b>
<b>Receipts</b>				
Appropriation		26,335	25,130	20,035
Sale of goods and services		25,891	29,867	24,806
Grants and contributions		301	77	315
Other		-	1,474	461
<b>Total receipts</b>		<b>52,527</b>	<b>56,548</b>	<b>45,617</b>
<b>NET CASH FLOWS FROM OPERATING ACTIVITIES</b>	15	<b>(561)</b>	<b>4,228</b>	<b>(1,622)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchases of plant and equipment		(310)	(156)	(154)
Purchases of leasehold improvements		-	-	-
Purchase of intangibles		(579)	(497)	(1,590)
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>		<b>(889)</b>	<b>(653)</b>	<b>(1,744)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Payment of principal portion of lease liabilities		(1,781)	(1,472)	(1,492)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>		<b>(1,781)</b>	<b>(1,472)</b>	<b>(1,492)</b>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<b>(3,231)</b>	<b>2,103</b>	<b>(4,858)</b>
Opening cash and cash equivalents		4,025	3,580	8,438
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	6	<b>794</b>	<b>5,683</b>	<b>3,580</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.

Schedule 1 of the *Government Sector Employment Act 2013* (GSE Act) establishes the Office as a Separate agency. The Office is responsible to the Minister for Families and Communities, and Minister for Disability Services, and the Joint Parliamentary Committee on Children and Young People.

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 2022 have been authorised for issue by the Children's Guardian on 20 October 2022.

### *(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, which is the entity's presentation and functional currency.

### *(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 16.

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

#### (i) Effective for the first time in 2021-22

The accounting policies applied in 2021-22 are consistent with those of the previous financial year except for the below changes in Accounting Standards applicable for the first time in year ending 30 June 2022.

During the financial year 2021-22, Property and Development NSW (PDNSW) introduced changes to its Occupancy Agreement, referred to as the Client Acceptance Letter (CAL). The Standard CAL introduced "substitution right" clauses that allow PDNSW to have the ultimate right to relocate an agency to another location with due consultation process. The "substitution right" clauses effectively remove the ability of the agency to control the use of an identified office accommodation area for a specified period. These agreements should not be accounted for as a lease under AASB 16.

The change is effective from 30 June 2022. The Office has opted for PDNSW's Standard CAL with "substitute right" clauses and has derecognised the Right-of-use assets and Lease liabilities arising from the CAL prior to changes being effective on 30 June 2022.

In addition, several other amendments and interpretations apply for the first time in 2021-22. They do not have an impact on the financial statements of the Office.

- AASB 2020-5 Amendments to Australian Accounting Standards - Insurance Contracts
- AASB 2020-7 Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions: Tier 2 Disclosures
- AASB 2020-8 Amendments to Australian Accounting Standards - Interest Rate Benchmark Reform - Phase 2
- AASB 2020-9 Amendments to Australian Accounting Standards - Tier 2 Disclosures: Interest Rate Benchmark Reform (Phase 2) and Other Amendments
- AASB 2021-1 Amendments to Australian Accounting Standards - Transition to Tier 2: Simplified Disclosures for Not-for-Profit Entities
- AASB 2021-3 Amendments to Australian Accounting Standards - Covid-19-Related Rent Concessions beyond 30 June 2021
- AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities

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

### (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 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current
- AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments
- AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current – Deferral of Effective Date
- AASB 2021-2 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates
- AASB 2021-5 Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
- AASB 2021-6 Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards
- AASB 2021-7a Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2021-7b Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections
- AASB 2021-7c Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB 10 and AASB 128 and Editorial Corrections

### (iii) Impact of COVID-19 on Financial Reporting for 2021-22

COVID-19 has impacted on the timing of own source revenue. In consideration to restrictions affecting WWCC clearance holders in completing their renewals in person at the Service NSW centres, extensions were granted to these clearances with expiry from 27 September 2021 to 28 February 2022 for three months. This has delayed the timing of renewal volumes and related monitoring on existing WWCC clearances.

## 2. EXPENSES EXCLUDING LOSSES

	2022	2021
(a) Employee related expenses	\$'000	\$'000
Salaries and wages (including annual leave)	24,325	22,139
Superannuation - defined benefits plans	51	46
Superannuation - defined contributions plans	2,137	1,890
Long service leave	201	1,473
Workers' compensation insurance	97	86
Payroll tax and fringe benefits tax	1,319	1,220
Redundancy payments	81	181
	<b>28,211</b>	<b>27,035</b>

Employee related costs of \$51k have been capitalised as an asset, and therefore excluded from the above (2021: \$121k). Refer to Note 13 for further details on recognition and measurement of employee related expenses.

### (b) Other operating expenses

Employment Screening	16,175	13,465
Expense relating to short-term leases	12	51
Variable lease payments, not included in lease liabilities	281	383
Corporate services	1,337	911
Contractors	921	597
Events Management	22	4
Stores and Stationery	238	117
Consultancy Costs	-	266
Telephone	72	77
Printing	41	28
Data processing	1,669	1,585
Travel	123	104
Auditor's remuneration - audit or review of the financial statements	61	68
Community education	72	50
Boards, Tribunals and Meetings	21	21
Motor vehicle	10	12
Conference and seminars	228	265
Electricity and cleaning	69	71
Fees	848	899
Maintenance expenses	6	15
Other	166	166
	<b>22,372</b>	<b>19,155</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.
- Leases of assets that are value at \$10,000 or under when new.

Variable lease payments are not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

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

### Maintenance expense

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

	2022 \$'000	2021 \$'000
<b>(c) Depreciation and amortisation expense</b>		
<b>Depreciation</b>		
Office equipment	11	51
Computer hardware	129	150
Leasehold improvement	829	979
Right-of-use assets	1,169	1,181
	<b>2,138</b>	<b>2,361</b>
<b>Amortisation</b>		
Intangibles	1,015	505
<b>Total depreciation and amortisation</b>	<b>3,153</b>	<b>2,866</b>

Refer to Note 8 Property, plant and equipment, Note 9 Leases and Note 10 Intangible assets for recognition and measurement policies on depreciation and amortisation.

### (d) Grants and subsidies

#### Grants

Australian Crime Intelligence Commission	108	108
NSW Police Force	172	-
Service NSW	50	539
Department of Communities and Justice	657	592
Department of Social Services	-	215
	<b>987</b>	<b>1,454</b>

Refer to Note 3(c) for further details on recognition and measurement of Grant and Subsidies.

### (e) Finance costs

Interest expense from lease liabilities	12	29
Unwinding of discount and effect of changes in discount rate on provisions	-	1
	<b>12</b>	<b>30</b>

### Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with borrowings (lease borrowings - finance lease liabilities determined in accordance with AASB16).

Borrowing costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

### 3 REVENUE

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

	2022	2021
	\$'000	\$'000
<b>Summary of compliance</b>		
Amount Appropriated per <i>Appropriation Act</i>	26,335	26,109
Variations made to the appropriations during the financial year		
- COVID-19 pandemic and inflation (per Section 34 of the Appropriation Act)	284	-
- Adjustment- Payroll tax rate reduction		(122)
Other cluster grants	77	100
<b>Total spending authority from parliamentary appropriations, other than deemed appropriations</b>	<b>26,696</b>	<b>26,087</b>
<b>Add:</b>		
The spending authority from deemed appropriations during the current year	31,342	25,482
The unutilised spending authority from deemed appropriations in prior years	2,225	-
<b>Total</b>	<b>60,263</b>	<b>51,569</b>
<b>Less: total expenditure out of ConFund</b>	<b>(53,566)</b>	<b>(49,344)</b>
<b>Variance</b>	<b>6,697</b>	<b>2,225</b>
Less:		
The spending authority from appropriations lapsed at 30 June	-	-
<b>Deemed appropriations balance carried forward to following years*</b>	<b>6,697</b>	<b>2,225</b>

The *Appropriation Act 2021* (Appropriations Act) appropriates the sum of \$26m to the Minister for Families and Communities, and Disability Services out of the Consolidated Fund for the services of the Office for the year 2021–22.

The responsible Minister for the Office is taken to have been given an appropriation out of the Consolidated Fund under the authority s4.7 of the *Government Sector Finance Act 2018*, at the time the Office receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the Office.

The spending authority of the Minister from the Appropriations Act and that of the responsible Minister from deemed appropriation money has been delegated/sub-delegated to officers of the Office.

The summary of compliance has been prepared on the basis of aggregating the spending authorities of both the Minister for Families and Communities, and Disability Services for the services of the Office. It reflects the status at the point in time this disclosure statement is being made.

#### 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.

### 3 REVENUE (Cont'd)

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

##### Deemed appropriations

The movement of section 4.7 GSF Act - deemed appropriations is a cash (not an accrual) statement. Expenditure charged against deemed appropriation refers to cash payments and additions of deemed appropriation 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

	2022 \$'000	2021 \$'000
<b>Rendering of Services</b>		
- Working With Children Check fee	22,591	21,616
- NDIS Worker Check fee	6,935	2,841
- Children's employment authority fee	341	348
- Recoveries	26	60
	<b>29,893</b>	<b>24,865</b>

#### Recognition and Measurement

##### Rendering of services

Revenue from the Rendering of services 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, the Office 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 services 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.

#### (c) Grants and contributions

	2022 \$'000	2021 \$'000
Grants without sufficiently specific performance obligations - Crown	-	215
Grants without sufficiently specific performance obligations - Office of Sport	77	100
	<b>77</b>	<b>315</b>

#### Recognition and measurement

Income is recognised in accordance with the requirements of AASB 1058 Income of Not-for-Profit Entities.

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



### 3 REVENUE (Cont'd)

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

	2022	2021
	\$'000	\$'000
The following liabilities and/or expenses have been assumed by the Crown:		
Superannuation - defined benefit plans	51	46
Long service leave	185	1,345
Payroll tax	3	3
	<u>239</u>	<u>1,394</u>

### 4 GAINS / (LOSSES) ON DISPOSAL

	2022	2021
	\$'000	\$'000
Net gain /(loss) on disposal of property, plant and equipment	(4)	-
	<u>(4)</u>	<u>-</u>

### 5 OTHER GAINS / (LOSSES)

	2022	2021
	\$'000	\$'000
Derecognition of right-of-use assets and lease liabilities with Property and Development NSW	40	-
Impairment loss on right-of-use-assets	-	(85)
	<u>40</u>	<u>(85)</u>

#### Recognition and Measurement

#### Gain/ (loss) from the derecognition of right-of-use assets and lease liabilities with Property and Development NSW

The net gain/(losses) are recognised from the derecognition of the right-of-use asset and lease liability with Property and Development NSW as at 30 June 2022. Please refer to Note 9 for further details on the derecognition.

The net gain/(loss) from the derecognition of right-of-use asset and lease liability as at 30 June 2022 is reconciled as below:

	2022
	\$'000
<b>Right-of-use asset</b>	
Gross carrying value	4,102
Remeasurement	79
Less: Accumulated depreciation and	(3,986)
Accumulated impairment provision	-
Net book value	<u>195</u>
 <b>Amortised balance of incentives received</b>	 -
<b>Lease liability</b>	<u>(235)</u>
<b>Net Gains/(Losses)</b>	<u>40</u>

## 5. OTHER GAINS / (LOSSES) (Cont'd)

### Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by the entity from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes. Refer to Note 9 for further details on recognition and measurement of Impairment loss.

## 6 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2022	2021
	\$'000	\$'000
Cash at bank and on hand	5,683	3,580
	<b>5,683</b>	<b>3,580</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)	5,683	3,580
<b>Closing cash and cash equivalent (per statement of cash flows)</b>	<b>5,683</b>	<b>3,580</b>

Refer Note 17 for details regarding credit risk and market risk arising from financial instruments.

## 7 CURRENT ASSETS - RECEIVABLES

	2022	2021
	\$'000	\$'000
<b>Current Receivables</b>		
GST Receivable	255	265
Trade receivables from contracts with customers	2,074	2,028
Prepayments	185	-
Other receivables	5	-
	<b>2,519</b>	<b>2,293</b>

### Recognition and Measurement

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Receivables that do not contain a significant financing component are measured at the transaction price.

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

### Impairment

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 17(b).

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

	Plant and Equipment \$'000	Lease Improvement \$'000	Total \$'000
<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
Additions	154	-	154
Reclassification to intangibles	82	(99)	(17)
Disposals	(48)	-	(48)
Other movement (retirements)	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>
<b>Year ended 30 June 2022</b>			
Net carrying amount at start of year	343	829	1,172
Addition	156	-	156
Reclassification to intangibles	-	-	-
Disposals	(179)	-	(179)
Other movement (retirements)	175	-	175
Depreciation expense	(140)	(829)	(969)
<b>Net carrying amount at end of year</b>	<b>355</b>	<b>-</b>	<b>355</b>
<b>At 1 July 2022 - fair value</b>			
At Cost	795	2,710	3,505
Less: Accumulated depreciation and impairment	(440)	(2,710)	(3,150)
<b>Net carrying amount</b>	<b>355</b>	<b>-</b>	<b>355</b>

### Recognition and Measurement

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

Property, plant and equipment acquired are initially recognised at cost and subsequently revalued at fair value less accumulated depreciation and impairment. 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, recognised where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

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

### Recognition and Measurement (Cont'd)

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.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, that is the deferred payment amount, is effectively discounted over the period of credit.

#### (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) and Treasurer's Direction, 'Valuation of Physical Non-Current Assets at Fair Value' (TD21-05). TD21-05 and TPP21-09 adopts fair value in accordance with AASB 116 Property, Plant and Equipment.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

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

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

### (v) Depreciation of property, plant and equipment (Cont'd)

Depreciation rates of the various categories of non-current assets is as follows:

Depreciation Rates	% Rate 2022	% Rate 2021
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	Over the period of the lease
Leasehold improvements	Over the period of the lease	Over the period of the lease

### (vi) Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective 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

Upon assessment of the existing contracts the Office had 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 finished 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.

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases. The entity has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new.

During the financial year 2021-22, Property and Development NSW (PDNSW) introduced changes to its Occupancy Agreement, referred to as Client Acceptance Letter (CAL). The standard CAL introduced "substitution right" clauses that allow PDNSW to have the ultimate right to relocate an agency to another location with due consultation process. The "substitution right" clauses effectively remove the ability of the agency to control the use of an identified office accommodation area for a specified period. These agreements should not be accounted for as a lease under AASB 16.

The Office has accepted the changes in the office accommodation arrangements with PDNSW. The main change is the introduction of the "substitution right" clause for PDNSW to relocate the entity during the term of the agreement. The clause provides PDNSW with a substantive substitution right. Therefore, these agreements are no longer accounted for as a lease within the scope of AASB 16. The corresponding right of use assets and lease liabilities have been derecognised on 30 June 2022, the effective date of the new clause. The net impact of the derecognition is recognised in "Other Gains/(Losses)" (refer to Note 5). From 1 July 2022, the accommodation charges will be recognised as expenses when incurred over the agreement duration.

The Office continues to carry the responsibility to make good, and to control the fit-out during the remaining occupancy period as the entity receives the economic benefits via using the fit-out or expected compensation from PDNSW upon relocation). The incentives received prior to the 30 June 2022 apply to the remaining occupancy period. Therefore, the Office's accounting treatment for make-good provision and fit-out costs in relation to the relevant accommodation remains unchanged. A liability in relation to the amortised balance of incentives received has been recognised as a liability as at 30 June 2022 and will be amortised during the remaining occupancy period.

## 9 LEASES (Cont'd)

### 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>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July	1,285	2,808
Remeasurement	79	(257)
Derecognition of right-of-use-asset	(195)	-
Impairment Loss	-	(85)
Depreciation expense	(1,169)	(1,181)
<b>Balance at 30 June 2022</b>	<b>-</b>	<b>1,285</b>

### Lease liabilities

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

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at 1 July	1,628	3,377
Remeasurement	79	(257)
Derecognition of lease liabilities	(235)	-
Interest expenses	12	29
Payments	(1,484)	(1,521)
<b>Balance at 30 June 2022</b>	<b>-</b>	<b>1,628</b>

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2022 in respected leases where the entity is the lessee

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation expense of right-of-use assets	1,169	1,181
Interest expense on lease liabilities	12	29
Variable lease payments, not included in the measurement of lease liabilities	281	383
Gains or losses arising from derecognising the right-of-use assets and lease liabilities with Property NSW	(40)	-
<b>Total amount recognised in the statement of comprehensive income</b>	<b>1,422</b>	<b>1,593</b>

The Office had total cash outflows for leases of \$ 1,765,656 in 2021-22 (2020-21: \$1,903,887).

### 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.

## 9 LEASES (Cont'd)

### Recognition and measurement (Cont'd)

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

The Office recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). 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. 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. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

#### (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.

The net present value of the remaining lease payments is often an appropriate proxy for the fair value of relevant right-of-use assets at the time of initial recognition except for the leases that have significantly below-market terms 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>At 1 July 2020</b>	<b>Software \$'000</b>
Cost (gross carrying amount)	5,774
Accumulated amortisation and impairment	<u>(1,150)</u>
<b>Net carrying amount</b>	<b><u>4,624</u></b>
<b>Year ended 30 June 2021</b>	
Net carrying amount at start of year	4,624
Additions	1,590
Disposals	(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>	<b><u>5,727</u></b>
<b>At 1 July 2021</b>	
Cost (gross carrying amount)	7,355
Accumulated amortisation and impairment	<u>(1,628)</u>
<b>Net carrying amount</b>	<b><u>5,727</u></b>
<b>Year ended 30 June 2022</b>	
Net carrying amount at start of year	5,727
Additions	497
Disposal	-
Other movements - retirements	-
Reclassification from lease improvements	-
Amortisation (recognised in 'depreciation and amortisation')	<u>(1,015)</u>
<b>Net carrying amount at end of year</b>	<b><u>5,209</u></b>
<b>At 30 June 2022</b>	
Cost (gross carrying amount)	7,852
Accumulated amortisation and impairment	<u>(2,643)</u>
<b>Net carrying amount</b>	<b><u>5,209</u></b>

### 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 an 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

	2022 \$'000	2021 \$'000
<b>Payables</b>		
Accrued salaries, wages and on costs	472	309
Creditors	2,453	2,424
	<u>2,925</u>	<u>2,733</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 17.

## 12 CURRENT/NON-CURRENT LIABILITIES - BORROWINGS

	<b>2022</b>	2021
	<b>\$'000</b>	\$'000
Lease liability - current	-	1,400
Lease liability - non-current	-	228
<b>Total Lease Liability (Note 9)</b>	<b>-</b>	<b>1,628</b>

### Changes in liabilities arising from financing activities

<b>As 1 July 2020</b>	3,377
Cash flows	(1,492)
Other – Remeasurement	(257)
New Leases	-
Derecognition of leases	-
Balance at 30 June 2021	<u>1,628</u>

<b>As 1 July 2021</b>	1,628
Cash flows	(1,472)
Other – Remeasurement	79
New Leases	-
Derecognition of leases	(235)
Balance at 30 June 2022	<u>-</u>

### Recognition and measurement

Lease liabilities are determined in accordance with AASB 16 and disclosed as borrowings.

Refer Note 9 for further details on lease liabilities derecognised as a result of changes in the office accommodation arrangements with Property and Development NSW.

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

	2022 \$'000	2021 \$'000
<b>Current Employee benefits and related on-costs</b>		
Employee benefits and related on-costs		
Recreation leave	2,921	2,485
Long service leave	511	497
Payroll tax	505	470
Fringe benefits tax	3	1
<b>Total</b>	<b>3,940</b>	<b>3,453</b>
<b>Non-current Employee benefits and related on-costs</b>		
Long service leave	50	49
Payroll tax	27	26
	<b>77</b>	<b>75</b>
<b>Other provisions</b>		
Restoration costs	449	433
<b>Total</b>	<b>526</b>	<b>508</b>
<b>Aggregate employee benefits and related on costs</b>		
Provisions - current	3,940	3,453
Provisions - non-current	77	75
Accrued salaries, wages and on-costs (Note 11)	472	309
	<b>4,489</b>	<b>3,837</b>

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

Movements in restoration provision are set out below:

Opening Balance at 1 July 2021	433
Adjustment to make good asset	-
Amount used	-
Unused amount reversed	-
Unwinding / change in the discount rate	16
Decrease: transfer previous provision to current payable	-
Closing Balance at 30 June 2022	<b>449</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 12 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.

All annual leave is classified as a current liability even where the Office does not expect to settle the liability within 12 months as the entity does not have an unconditional right to defer settlement.

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 (in accordance with AASB 119 Employee Benefits) 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 (i.e. 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'.

#### (c) Superannuation annual leaving loading

The Office determined that it is not probable a liability arises to pay superannuation on annual leave loading. This position has been formed based on current inquiries, other information currently available to management, and after considering the facts from a decision in the Federal Court of Australia: *Finance Sector Union of Australia v Commonwealth Bank of Australia [2022] FedCFamC2G 409*. That decision confirmed that, in relation to the industrial agreement considered in that case, annual leave loading did not form part of ordinary time earnings and therefore, did not require superannuation contributions to be made under superannuation guarantee legislation because the obligation to pay annual leave loading was not referable to ordinary hours of work or to ordinary rates of pay. Rather, it was paid by reference to the period of annual leave, and for the purpose of compensating employees for their loss of opportunity to work additional hours at higher rates during this period.

This position will be re-assessed in future reporting periods as new information comes to light on this matter.

#### 14 CONTINGENT ASSETS & CONTINGENT LIABILITIES

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

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

	2022	2021
	\$'000	\$'000
Net cash used on operating activities	4,228	(1,622)
Depreciation and amortisation	(3,153)	(2,866)
Allowance for impairment	-	(85)
Decrease / (increase) in provisions	(505)	(471)
Increase / (decrease) in receivables and other assets	226	1035
Decrease / (increase) in payables	(192)	(7)
Decrease / (increase) in make good revaluation	-	-
Decrease / (increase) in equity transferred in	-	-
Other Gains / (Losses)	36	-
<b>Net Result</b>	<b>640</b>	<b>(4,016)</b>

## 16 BUDGET REVIEW

### Net Result

The net result was a surplus of \$640k compared to a budgeted deficit of \$4,134k. This is a favourable variance of \$4,774k arising from the following items:

#### *Expenses*

Total expenses excluding losses were \$54,735k compared to a budget of \$57,713k. This was \$2,978k under budget due to underspends in employee related expenses of \$1,704k due to vacancies, other operating expenses of \$759k and depreciation expenses of \$538k. Underspends in employee related expenditure were offset by agency contractor spend of \$921k. Underspends in operating expenses related to the timing of projects affected by COVID-19 and associated IT and corporate costs. Depreciation for Right-of-use lease assets was underspent by \$476k.

#### *Revenue*

Sale of goods and services including recoveries was \$29,893k against a budget of \$25,891k. This was over budget by \$4,002k primarily driven by NDIS Worker Checks which went live in February 2021 with application volumes in the first full year of service exceeding estimates.

Grants and contributions were \$77k compared to a budget of \$301k, a decrease of \$224k as the budgeted grant from Crown of \$301k was not received.

Recurrent appropriation received was \$25,130k compared to a budget of \$26,335k. This is due primarily to Treasury approved carry forwards of \$1,500k from recurrent and capital expenditure and an increase of \$284k for changes in wages awards and conditions adjustment.

### Assets and Liabilities

Net assets were \$6,375k compared to a budget of (\$215k). The major variances arising on the statement of financial position are noted below:

#### *Assets*

Total Assets were \$13,766k which is higher than budget by \$5,244k. Cash and cash equivalents were \$5,683k compared to a budget of \$794k. This is \$4,889k higher than budget. Receivables were \$2,519k compared to budget of \$1,259k. This is \$1,260k 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. Right of Use Assets were nil compared to a budget of \$951k. This is lower than budget due to derecognition of leases under AASB16.

#### *Liabilities*

Total Liabilities were \$7,391k which is lower than budget by \$1,346k. Payables were \$2,925k compared to a budget of \$4,386k. This is \$1,461k under budget which is due to a lower level of accruals from timely invoicing and payment to suppliers for the reporting period. Current Provisions were \$3,940k compared to budget of \$2,894k. This is higher than budget by \$1,046k. due to higher recreation leave provisions. Borrowings were nil compared to budget of \$863k current and \$101k non-current. This is lower than the budgeted Borrowing due to the derecognition of leases under AASB16.

## 17 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 is reviewed by the internal auditors on a continuous basis.

### (a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount	Carrying Amount
Class:			2022	2021
			\$'000	\$'000
Cash and cash equivalents	6	Amortised cost	5,683	3,580
Receivables <sup>1</sup>	7	Amortised cost	2,079	2,028
Financial Liabilities	Note	Category	Carrying Amount	Carrying Amount
Class:			2022	2021
			\$'000	\$'000
Payables <sup>2</sup>	11	Financial liabilities measured at amortised cost	2,453	2,424
Borrowings	12	Financial liabilities measured at amortised cost	-	1,628

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) Financial Risks

#### (i) 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.



## 17 FINANCIAL INSTRUMENTS (Cont'd)

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.

### 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.

There were no aged debtors at the end of the financial year.

### (ii) 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 2021-22 (2020-21: nil).

## 17 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	\$'000		
					< 1 year	1-5 years	>5 years
<b>2022</b>							
<i>Payables:</i>							
Creditors <sup>1</sup>		2,453	-	2,453	2,453	-	-
<i>Borrowings</i>							
Lease liabilities <sup>2</sup>	1.42	-	-	-	-	-	-
		<b>2,453</b>	<b>-</b>	<b>2,453</b>	<b>2,453</b>	<b>-</b>	<b>-</b>
<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>-</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.

### (iii) 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 as the prior year. The analysis assumes that all other variables remain constant.

## 17 FINANCIAL INSTRUMENTS (Cont'd)

### (iv) 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>2022</b>					
<b>Financial assets</b>					
Cash and cash equivalents	5,683	(57)	(57)	57	57
Receivables	2,079	(21)	(21)	21	21
<b>Financial liabilities</b>					
Payables	2,453	-	-	-	-
<b>2021</b>					
<b>Financial assets</b>					
Cash and cash equivalents	3,580	(36)	(36)	36	36
Receivables	2,028	(20)	(20)	20	20
<b>Financial liabilities</b>					
Payables	2,424	-	-	-	-

### a. 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.

## 18 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:

	2022 \$'000	2021 \$'000
<b>Short-term employee benefits:</b>		
Salaries	353	328
Other monetary allowances	-	-
Non-monetary benefits	-	2
Other long-term employee benefits	20	14
Post-employment benefits	-	-
Termination benefits	-	-
<b>Total Remuneration</b>	<b>373</b>	<b>344</b>

## **18 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 with other entities that are controlled/ jointly controlled / significantly influenced by the NSW government.

These transactions include:

- Insurance under Treasury Managed Fund Scheme
- Long Service Leave and Defined Benefit Superannuation assumed by the Crown
- Appropriations (and subsequent adjustments to appropriations)
- Agreement with Service NSW for Working with Children Check services (\$6,885k)
- Corporate shared services with Department of Customer Service (\$1,037k)
- Service agreement with the Department of Communities and Justice (\$657k)
- Payment for the audit of our financial statements
- Leasing of properties from Property NSW
- Legal services received from Crown Solicitors Office
- Grant funding from the Office of Sport (refer Note 3(c))

## **19 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.

## **20 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	\$4,763,171	\$214,447	\$30,136	\$2,118	\$809
December	\$5,460,100	\$164,250	\$60,147	\$54,303	\$60,608
March	\$5,926,368	\$119,134	\$23,344	\$17,266	\$7,179
June	\$7,968,801	\$383,210	\$8,192	\$25,867	\$4,827

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

Measure – all suppliers	Sep-21	Dec-21	Mar-22	Jun-22
No. of accounts due for payment	321	332	279	327
No. of accounts paid on time	284	293	250	318
Actual percentage of accounts paid on time (based on number of accounts)	88%	88%	90%	97%
Dollar amount of accounts due for payment	\$5,288,192	\$6,144,661	\$6,393,435	\$4,879,297
Dollar amounts of accounts paid on time	\$4,995,666	\$5,784,850	\$6,227,124	\$4,801,339
Actual percentage of accounts paid on time (based on \$)	94%	94%	97%	98%
No. of payments for interest on overdue accounts	-	-	-	-
Interest paid on overdue accounts	\$-	\$-	\$-	\$-
Small business suppliers	6	7	8	28

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## **Consultancy expenditure**

The Office of the Children's Guardian did not engage any consultancies in 2021-22.

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## **Research and development**

The Office of the Children's Guardian did not undertake any external research projects in 2021-22.

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## **Major works in progress**

The Office of the Children's Guardian did not undertake any major works in 2021-22.

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## 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 and Communities, Minister for Disability Services.

The principal functions of the Children's Guardian are at section 128 of the *Children's Guardian Act 2019*.

During 2020-21 we also administered the *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 and Communities, Minister for Disability Services.

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### 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.

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### 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.

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## Internal audit

In 2021-22 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:

- Penetration testing of the Working with Children Check system and OCG website
- OCG's compliance with NSW Cyber Security policies
- Working with Children Check customer experience.

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

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## 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.

Gul Izmir completed her term during the financial year, having spent 8 years on the committee.

Four Audit and Risk Committee meetings were held in 2021-22, with the number of meetings each independent member attended as follows:

Jan McClelland AM (Independent Chair):	4
Wayne Evans (Independent Member):	4
Gul Izmir (Independent Member):	3

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## 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.



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# Internal Audit and Risk Management Attestation Statement for the 2021-2022 Financial Year for the Office of the Children's Guardian

I, Janet Schorer PSM, 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 seven (7) 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

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### Risk Management Framework

1.1	The Accountable Authority shall accept ultimate responsibility and accountability for risk management in the agency.	Compliant
1.2	The Accountable Authority shall establish and maintain a risk management framework that is appropriate for the agency. The Accountable Authority shall ensure the framework is consistent with AS ISO 31000:2018.	Compliant

### Internal Audit Function

2.1	The Accountable Authority shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose.	Compliant
2.2	The Accountable Authority shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing.	Compliant
2.3	The Accountable Authority shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'.	Compliant

### Audit and Risk Committee

3.1	The Accountable Authority shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the Accountable Authority on the agency's governance processes, risk management and control frameworks, and its external accountability obligations.	Compliant
3.2	The Accountable Authority shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'.	Compliant

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## Membership

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

- Independent Chair, Jan McClelland AM, 1 May 2021 to 30 April 2025
- Independent Member, Wayne Evans, 1 September 2021 to 31 August 2025
- Independent Member, Gul Izmir, 1 April 2014 to 31 March 2022



Janet Schorer PSM, Children's Guardian  
28 September 2022



Peter Eaton, Director Corporate Services  
[peter.eaton@ocg.nsw.gov.au](mailto:peter.eaton@ocg.nsw.gov.au)

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## 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*.

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### 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 younger than 18 years are granted open-access information free of charge.

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### 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 2021-22.

**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	-	1	-	-	-	-	-	-
Members of Parliament	-	-	-	-	-	-	-	-
Private sector business	-	-	-	-	-	-	-	-
Not-for-profit organisations or community groups	-	-	-	-	-	-	-	-
Members of the public (application by legal representative)	-	1	5	3	1	-	-	-
Members of the public (other)	-	6	-	1	4	-	-	-

**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.*

*Access relating to ‘about a finding’ has been included in ‘access granted in part’.*

**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*	-	6	3	5	4	-	-	-
Access applications (other than personal information applications)	-	1	1	1	-	-	-	-
Access applications that are partly personal information applications and partly other	-	1	1	-	1	1	-	-

*\*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: Access relating to 'about a finding' has been included in 'access granted in part'.*

**Table C3 GIPA invalid applications**

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	-
Application is for excluded information of the agency (section 43 of the Act)	10
Application contravenes restraint order (section 110 of the Act)	-
Total number of invalid applications received	-
Invalid applications that subsequently became valid applications	-

*NOTE: GIPA access applications relating to reportable conduct matters under Part 4 of the Children's Guardian Act 2019 are excluded information, pursuant to Schedule 2, clause 2 of the GIPA Act. According to section 43(2) of the GIPA Act, where an application is made for excluded information, the application is not a valid access application. These applications have not been included in the total number of invalid applications.*

**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	-
Cabinet information	1
Executive Council information	1
Contempt	-
Legal professional privilege	-
Excluded information	4
Documents affecting law enforcement and public safety	-
Transport safety	-
Adoption	-
Care and protection of children	-
Ministerial code of conduct	-
Aboriginal and environment heritage	-

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

**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	32
Law enforcement and security	-
Individual rights, judicial processes and natural justice	9
Business interests of agencies and other persons	-
Environment, culture, economy and general matters	-
Security provisions	-
Exempt documents under interstate Freedom of Information legislation	-

*\*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)	13
Decided after 35 days (by agreements with applicant)	-
Not decided within time (deemed refusal)	-
<b>Total</b>	<b>13</b>

*NOTE: One application was received at the end of 2021-22 but will be responded to in 2022-23 and has therefore been excluded from the above table.*

*Timeliness of GIPA decisions does not include internal reviews whereby the period required for determination of internal review differs from a GIPA Access Application Decision.*

**Table C7 GIPA applications reviewed under Part 5 of the Act**

Type of review	Decision varied	Decision upheld	Total
Internal review	-	2	2
Review by Information Commissioner	-	1	1
Internal review following recommendation under section 93 of Act	-	-	-
Review by the NSW Civil and Administrative Tribunal	-	-	-
<b>Total</b>	<b>-</b>	<b>3</b>	<b>3</b>

*NOTE: One application for review by the NSW Civil and Administrative Tribunal was made and is awaiting an outcome by the NSW Civil and Administrative Tribunal. This application has not been included in the table as a decision has not been made. The application has been included in Table C8 GIPA applications for review under Part 5 of the Act.*

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

Type of application	Number of applications for review
Applications by access applicants	4
Applications by person to whom information the subject of access application relates (s. 54 of the Act)	-

## Public interest disclosures

There were no public interest disclosures during the 2021-22 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.

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## Consumer response

There were no 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 2 years to ensure continuous improvement.

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## Cyber security Annual Attestation Statement for the 2021-22 Financial Year for the Office of the Children's Guardian

I, Janet Schorer PSM, am of the opinion that the cyber security controls in place in the Office of the Children's Guardian (OCG) have improved during the 2021-22 financial year and will continue to be enhanced.

Independent audits of cyber security controls in place during the 2021-22 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 the 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 demonstrate that technology, governance and service management process improvements have had a positive impact on the OCG's cyber security resilience goals. In addition, improvements by our shared service provider, GovConnect, have also shown an uplift in the Essential 8 maturity ratings for the OCG.

The OCG will continue to review its practices in conjunction with GovConnect departmental 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

10 October 2022



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## 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.

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## 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)**

Compliance requirement	Comment or page reference
<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

Compliance requirement	Comment or page reference
<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
<i>Legal change</i>	Section 2
<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

DCJ	Department of Communities and Justice
GIPA	Government Information Public Access
NCAT	NSW Civil and Administrative Tribunal
NDIS	National Disability Insurance Scheme
WWCC	Working with Children Check

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Key achievements, facts and figures  
about the Office of the Children's  
Guardian's work for 2021-22.

This report is available on our website:  
[ocg.nsw.gov.au](http://ocg.nsw.gov.au)

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