

OVERVIEW OF OUR PERFORMANCE 2004 - 2005

KEY RESULT AREAS	THE BEST INTERESTS AND RIGHTS OF CHILDREN AND YOUNG PERSONS IN OUT-OF-HOME CARE IN NSW, AND THOSE PLACED FOR ADOPTION, ARE PROMOTED AND SAFEGUARDED		THE BEST INTERESTS AND RIGHTS OF CHILDREN EMPLOYED IN NSW ARE PROMOTED AND SAFEGUARDED	
INTERMEDIATE RESULTS	ORGANISATIONS ARE ACCREDITED TO ENSURE THAT LEGISLATIVE RESPONSIBILITIES ARE MET	DEVELOP A CLEAR PICTURE OF CASEWORK PRACTICE AND COMPLIANCE WITH LEGISLATIVE REQUIREMENTS	ALL PRESCRIBED EMPLOYERS APPLY FOR AUTHORITIES TO EMPLOY CHILDREN AND ALL EMPLOYERS ADHERE TO THE CODE OF PRACTICE	DELIVER EFFICIENT AND EFFECTIVE SERVICES TO MEET BUSINESS OBJECTIVES
Highlights/Achievements	<p>Out-of-home care</p> <ul style="list-style-type: none"> 7 agencies accredited for 5 years. <p>Adoption</p> <ul style="list-style-type: none"> Adoption Accreditation Program ready to start on 1 July 2005. 	<ul style="list-style-type: none"> Completed the first audit of the ongoing case file audit program. Successfully trialled the audit tool and methodology. 	<ul style="list-style-type: none"> Implemented the new Children's Employment Regulation. 	<ul style="list-style-type: none"> Maintained ISO:2001 Quality Management System accreditation.
Results	<p>Out-of-home care</p> <ul style="list-style-type: none"> 7 agencies accredited for 5 years. 2 agencies accredited for 1 year. 15 agencies pursuing accreditation certification. 47 agencies taking part in Quality Improvement Program. 	<ul style="list-style-type: none"> Audited 723 children and young persons' files at 56 designated agencies. 	<ul style="list-style-type: none"> Approved 141 applications for authorities. Assessed 440 production notifications. Informed employers about new Regulation that began on 1 April 2005. 	<ul style="list-style-type: none"> Developed a strategic plan for 2005 – 2008.
Challenges	<ul style="list-style-type: none"> Streamlining the accreditation process so that it is more user friendly. 	<ul style="list-style-type: none"> Building a robust audit process. 	<ul style="list-style-type: none"> Managing expected increase in applications. Increasing site visits to monitor employer compliance with the legislation. 	<ul style="list-style-type: none"> Improving planning and reporting systems.
Future direction	<ul style="list-style-type: none"> Review the out-of-home care accreditation process. Revise accreditation guide for out-of-home care agencies. Revise out-of-home care accreditation procedure manual for staff. 	<ul style="list-style-type: none"> Include children and young persons for whom the Minister has shared parental responsibility or who are under interim or short to medium term Court orders. Develop an audit protocol. 	<ul style="list-style-type: none"> Continuing communication and education about the 2005 Regulation. Improve IT support system. 	<ul style="list-style-type: none"> Implement systems for reporting against key performance indicators.
Chapter reference	Chapter 2 - Accrediting out-of-home care and adoption agencies See page 10	Chapter 3 - Case file audits See page 15	Chapter 4 - Regulating Children's Employment See page 23	Chapter 5 - Setting an example See page 28

The Hon Dr Meredith Burgmann MLC
President
Legislative Council
Parliament House
SYDNEY NSW 2000

The Hon John Aquilina MP
Speaker
Legislative Assembly
Parliament House
SYDNEY NSW 2000


Dear Madam President and Mr Speaker

In accordance with section 187, Chapter 10 of the *Children and Young Persons (Care and Protection) Act 1998*, I am pleased to present the Children's Guardian's annual report for the 2004-2005 financial year.

The annual report has been prepared in accordance with the *Annual Reports (Departments) Act 1985* (as modified by the *Children and Young Persons (Care and Protection) Act 1998*) and the *Public Finance and Audit Act 1983*.

As provided by section 190 of the *Children and Young Persons (Care and Protection) Act 1998*, I recommend that the report be made public forthwith.

Yours sincerely

A handwritten signature in black ink, appearing to read 'K Boland', with a period at the end.

Kerryn Boland
Children's Guardian

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CHILDREN'S GUARDIAN'S MESSAGE

I was appointed as the NSW Children's Guardian in October 2005 and wish to express my gratitude to Linda Mallett, the first Children's Guardian, and Gillian Calvert who has acted in the role over the past nine months. I congratulate them and all the staff who worked under their leadership to produce the results in this report and I look forward to continuing the development of the Office of the Children's Guardian.

Accreditation – Out-of-Home Care and Adoptions

It is rewarding to see out-of-home care agencies embracing accreditation and quality improvement. Ten agencies are now accredited with the other agencies actively seeking accreditation or focusing on improving the care they arrange for children and young persons.

Our case file audit program was introduced this year. It is the first of an ongoing audit program which compliments the accreditation program in monitoring whether designated agencies are providing good quality care for children and young persons in out-of-home care. It proved to be a successful trial of our audit tool and methodology, and is helping us to establish a baseline for future audits.

An Adoption Accreditation Program has been developed by the OCG, and began operating on 1 July 2005. The aim of accrediting adoption agencies is to make sure that adoption services primarily meet the needs of children who are to be adopted.

Children's employment

We had a smooth transition to the new Children's Employment Regulation in April 2005, after consulting extensively with employers, peak bodies and unions. We also began developing a more streamlined business process for children's employment. This will benefit both employers and our staff, and ultimately the kids who are employed.

Looking ahead

I am passionate about protecting and improving the welfare of children and young persons, especially those in care, placed for adoption or in employment. I believe the Office of the Children's Guardian is making a unique contribution to the achievement of this goal. I am very positive about the benefits the Office can bring for children and young persons and I look forward to implementing the plans outlined in the following pages.



Kerryn Boland
Children's Guardian

CHAPTER 1 ABOUT THE OFFICE OF THE CHILDREN'S GUARDIAN

An overview of who we are and what we do to help children and young persons who are in care, adopted and employed.

Our vision

The best interests and rights of children and young persons in out-of-home care in NSW and those placed for adoption are promoted and safeguarded.

Children under 15 years employed in NSW work in environments that promote their best interests.

Our purpose

To regulate the provision of out-of-home care, adoption services and the employment of children under 15 in NSW.

Our values

Respect for children and young persons and their diversity

We respect and value children and young persons, and value their diversity.

Participation of children and young persons

We involve children and young persons in our activities and decisions.

Cooperative partnerships

We consult with our partners to achieve shared outcomes.

Staff contribution

We encourage innovation, teamwork, continual improvement and learning.

Strong organisation foundation

We seek the best available information and efficiently undertake thorough analysis on which to base our decisions and provide timely, objective advice.

Partnerships with Aboriginal people

We support and promote the principles of reconciliation and partnership when working with Aboriginal people.

Legislative charter

The Children's Guardian's principal functions under the *Children and Young Persons (Care and Protection) Act 1998* are to:

- promote the best interests of all children and young persons in out-of-home care
- ensure that the rights of all children and young persons in out-of-home care are safeguarded and promoted
- accredit designated agencies and monitor their responsibilities under the legislation, and

- authorise prescribed employers to employ children under 15 years and monitor their compliance with the Code of Practice.

The Children's Guardian is required to make an annual report to Parliament and can make special reports to Parliament and the Minister on matters relating to their function.

Our history

The NSW Office of the Children's Guardian (OCG) is an independent regulatory body set up in December 2000 to promote the best interests and rights of children and young persons in out-of-home care. The Children's Guardian is a statutory position, established by the *Children and Young Persons (Care and Protection) Act 1998*. The Children's Guardian reports to the Minister for Community Services.

A Children's Guardian was proposed in the report of the *Review of the Children (Care and Protection) Act 1987*. This followed on from a similar recommendation by the Wood Royal Commission into the NSW Police Service (1997) that there should be a special guardian for children.

The responsibility for regulating children's employment in NSW was transferred to this office in November 2003. This covers the employment of children under 15 years of age in the entertainment industry, door-to-door sales and still photography.

Our stakeholders

Our stakeholders in NSW are:

- children and young persons in NSW in out-of-home care
- children and young persons who are placed for adoption in NSW
- children and young persons in NSW, under 15 years of age, employed in the entertainment industry, door-to-door sales and still photography
- employers of children
- carers and parents of children and young persons in care and in employment
- people who work in the interests of children and young persons in out-of-home care and those in employment, and
- organisations that provide services to children and young persons in out-of-home care and that employ children under the age of 15.

Our structure and staff

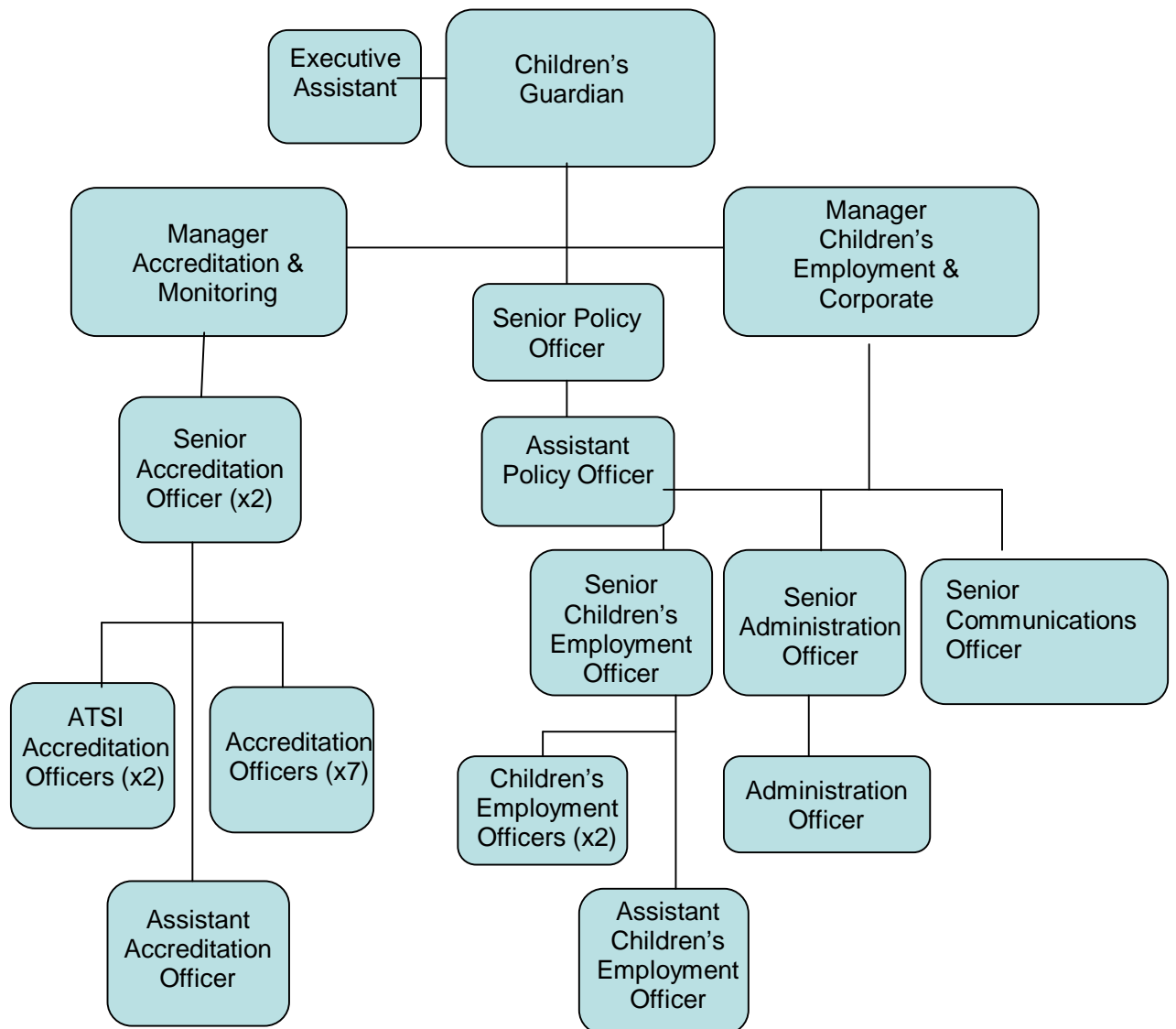


Figure 1

The Executive Team

Kerryn Boland, Children's Guardian (began 2/10/05)

Bachelor of Laws

Graduate Diploma in Legal Practice

Gillian Calvert, Acting Children's Guardian (17/01/05 – 1/10/05)

Bachelor of Arts

Bachelor of Social Work

Master of Business Administration

Linda Mallett, Children's Guardian (until 16/1/05)

Bachelor of Social Work (Hons.)

Master of Social Work

Master of Business Administration

Bruce Valentine, Director (until 27/9/04)

Bachelor of Social Work (Hons)

Susan Nicolson, Manager, Accreditation and Monitoring

Bachelor of Arts (Hons) Dip Ed

Graduate Diploma in Educational Studies

Studying for Doctor of Philosophy Degree

Tom Kenny, Manager, Children's Employment and Corporate (began 25/10/04)

Bachelor of Engineering

Master of Engineering Science

Bachelor of Laws

CHAPTER 2 ACCREDITING OUT-OF-HOME CARE AND ADOPTION AGENCIES

How we improve the quality of out-of-home care and adoption services through our accreditation programs

Children and young persons in care in NSW: a snapshot

- The number of children and young persons in out-of-home care on 30 June 2004 was 10,337.
- More children and young persons in OOHC (out-of-home care) are in family/kinship care than any other type of care (46.8% as at 30 June 2004), an increasing trend since 1997.
- 26.1% of the children and young persons in OOHC in June 2004 were indigenous, mostly in family/kinship care (62.3%).
- The number of children and young persons *entering* care has been decreasing since 1999, while the number *in care* has been increasing.
- A large number of children enter care before the age of one year. Only a small number enter care after the age of 15 years.
- Most children *in care* are between the ages of four and 14 years. The number in care between these ages has shown some increase in recent years.
- The proportion of children in a continuous placement (longer than two years) has increased since 1998, to 57% in 2003.*

*This data is found in the Department of Community Services' (DoCS) paper *Trends in the numbers of children and young persons in out-of-home care in NSW*, which was published in June 2005. It is reprinted courtesy of DoCS, which has the responsibility for collecting data about children and young persons in out-of-home care.

Out-of-home care accreditation

Accreditation and Quality Improvement Program for Court ordered out-of-home care in NSW.

In NSW only designated agencies are permitted to provide out-of-home care for children and young persons who do not live with their families in accordance with orders of the Children's Court. In the *Children and Young Persons (Care and Protection) Act 1998* a designated agency is defined as an accredited organisation.

Organisations that were providing out-of-home care at 15 July 2003 received interim accreditation under the *Children and Young Persons (Savings and Transitional) Regulation 2000*.

Interim accreditation expired on 30 June 2005. Organisations with interim accreditation that wished to retain their status as designated agencies after that date were required to:

- achieve accreditation by certification from the Children's Guardian, or
- apply to the Children's Guardian for accreditation by certification, or
- enrol in the Quality Improvement Program administered by the Children's Guardian.

Other organisations wishing to provide out-of-home care must first be accredited by the Children's Guardian.

Status of agencies

As shown in *Figure 2*, the status of agencies in 2004-05 was as follows:

- 7 agencies with interim accreditation achieved accreditation by certification for 5 years
- 15 agencies with interim accreditation applied for accreditation by certification
- 47 agencies with interim accreditation enrolled in the Quality Improvement Program, and
- 2 new organisations achieved accreditation by certification for one year.

At 30 June 2005 there were 72 designated agencies. The current list of designated agencies can be found at Appendix 1.

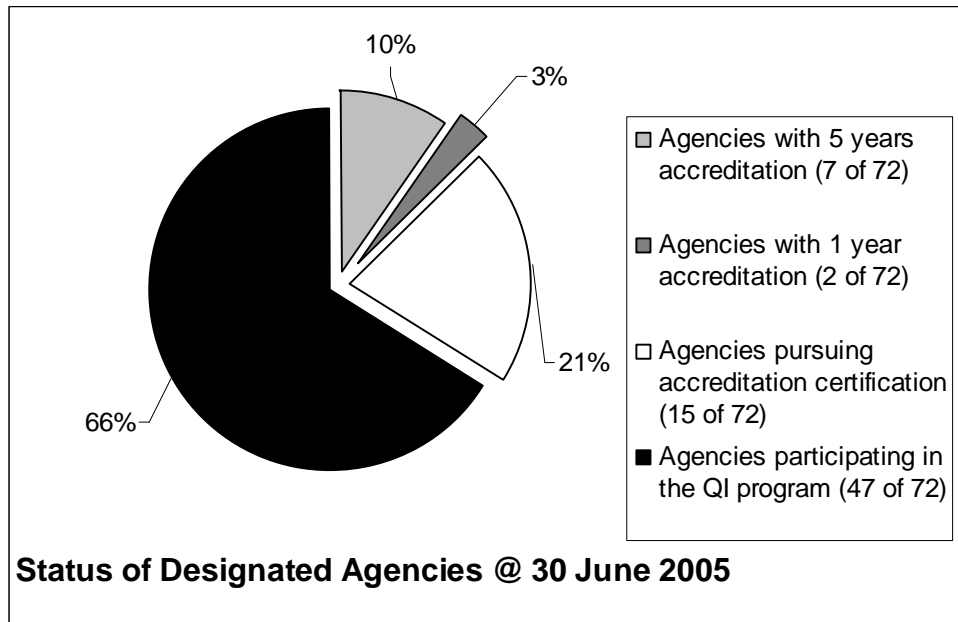


Figure 2

Accreditation

Agencies seeking accreditation by certification must provide:

1. Mandatory evidence which consists of:
 - a map of the organisation's structure
 - a Behaviour Management Policy Statement
 - a Psychotropic Drugs Policy Statement
 - a Statement on Philosophy of Care for each program
 - a Statement of Objectives for each program
 - eligibility criteria for entry into each program
 - criteria for exclusion from each program
 - a policy statement on adapting programs to meet the needs of Aboriginal and Torres Strait Islander children and young persons
 - a policy statement on adapting programs to meet the needs of children and young persons from culturally and linguistically diverse communities, and
 - a policy statement on the provision of specialised services for Aboriginal and Torres Strait Islander children and young persons and those from culturally and linguistically diverse communities.
2. Evidence that demonstrates compliance with the applicable *NSW Out-of-Home Care Standards*, including policies and procedures.

NSW Out-of-Home Care Standards

The *NSW Out-of-Home Care Standards* form the basis of the accreditation criteria and are divided into three categories. There are 31 core, 8 critical and 11 significant standards as follows:

- **core standards** focus on children and young persons, their direct experience of care and the carers that support them
- **critical standards** address interagency cooperation and partnerships, and the importance of casework, and
- **significant standards** deal with organisational management planning and evaluation, and human resources management.

It is necessary to meet all the applicable core standards to achieve accreditation as a designated agency for **one year**. Accreditation for a period of **three years** requires an agency to meet the applicable core and critical standards. Accreditation for the maximum **five years** of accreditation requires proven compliance with all applicable core and critical standards and at least five of the eleven significant standards.

Participating in the Quality Improvement Program

The Quality Improvement Program gives participating agencies the opportunity to improve the quality of their out-of-home care over an extended period of time.

The aim of the Program is to gradually prepare and move agencies to accreditation by certification.

Agencies that want to continue in the Quality Improvement Program must show they are actively participating through their Annual Progress Report.

In each Annual Progress Report the participating agencies must demonstrate continuous improvement in the following areas, listed in order of priority:

1. mandatory requirements and core standards
2. critical standards, and
3. significant standards

In the first year, an agency's priority is to give evidence on how it is meeting the mandatory requirements and applicable core standards.

New organisations

New organisations that wish to provide out-of-home care must be accredited first by the Children's Guardian.

Sixteen organisations expressed interest in seeking accreditation during 2004-2005. Twelve organisations submitted full applications for assessment.

The OCG provided seven preliminary feedback reports, two draft feedback reports and one final report to these applicants.

New organisations can apply for accreditation for one year only. Once the organisation has been accredited for six months it needs to submit evidence of its practice. After being accredited for two consecutive years, an agency may apply for accreditation for three or five years.

Recognising other forms of accreditation

In some circumstances the Children's Guardian may accept accreditation from other certifiers as evidence that an applicant for out-of-home care accreditation complies with some NSW out-of-home care standards. This streamlines the agencies' work.

What alternative accreditation do we recognise?

We currently recognise five organisations and seven associated accreditation systems:

- National Childcare Accreditation Council – Family Day Care Quality Assurance
- National Childcare Accreditation Council – Outside School Hours Care Quality Assurance
- National Childcare Accreditation Council – Long Day Care Quality Improvement & Accreditation System
- Quality Improvement Council/Quality Management Systems – Health & Community Services Core Module
- Aged Care Standards and Accreditation Agency
- International Standards Organisation (ISO 9001-2000), and
- Department of Family and Community Services – Disability Employment Services Quality Assurance System.

The Children's Guardian accepted alternative certified accreditation of nine designated agencies during 2004-05.

What is planned for the future?

We will develop and improve the OOHC Accreditation Program during 2005 – 2007 by:

- reviewing the accreditation process
- revising the *Accreditation and Quality Improvement Guide for Organisations* and the application form, to reflect the end of the interim accreditation period on 30 June 2005, and
- revising the *Accreditation Procedures Manual* for staff.

Adoption accreditation

The new Adoption Accreditation Program

In 2004-2005 the Office established an Adoption Accreditation Program in readiness for the anticipated transfer of functions under the *Adoption Act 2000* by the Director-General of the NSW Department of Community Services on 1 July 2005.

In establishing an accreditation program for adoption service providers, we developed and consulted on the following documents:

- Accreditation Guide for Adoption Service Providers
- Application for Accreditation as an Adoption Service Provider form
- NSW Adoption Service Standards
- Statement of Contemporary Adoption Practice
- Adoption Self-Study Report
- Developing a Code of Conduct: Information for Adoption Service Providers (issues paper)
- Panels of Consultants for Adoption Service Providers (issues paper), and
- Monitoring Adoption Services in New South Wales (issues paper)

They have been finalised and published on the OCG web site and will help organisations that wish to become accredited as adoption service providers.

What is planned for the future?

We will begin assessing applications from new organisations that wish to provide adoption services. We are also designing and implementing a tool for reviewing adoption conditions and conducting site visits.

CHAPTER 3 CASE FILE AUDITS

The way we monitor providers of out-of-home care and adoption services through our accreditation programs

One of the functions of the Children's Guardian is to monitor designated agencies to make sure they are meeting their responsibilities under the *Children and Young Persons (Care and Protection) Act 1998* (the Act)¹ and the *Children and Young Persons (Care and Protection) Regulation 2000* (the Regulation).

The Case File Audit (CFA) program is one way the Office of the Children's Guardian fulfils this monitoring role.

We expect the program to make a difference by:

- giving each agency a report on the results of its case file audit to help improve its casework practice and progress towards accreditation
- providing valuable information about out-of-home care by identifying trends and issues for the whole sector, and
- identifying areas where research is required.

The audit process

The NSW out-of-home care population

The out-of-home care population in NSW includes children and young persons on Children's Court orders.

The Children's Court can allocate parental responsibility for children and young persons in out-of-home care:

- solely to the Minister, or
- to the Minister and another person, who could be a relative, or
- another suitable person, such as the principal officer of a designated agency.

The target group

For our first audit, we reviewed the files of children and young persons in out-of-home care:

- who are on final Children's Court orders
- for whom the Minister has sole parental responsibility, and
- who are in long-term placements until they are 16, 17 or 18 years old.

Our target group for the 2004 - 05 Case File Audit is not representative of the overall out-of-home care population.

We limited our focus for this first case file audit so we could trial the instrument and our methods. This target group was selected because permanency planning² for these children and young persons is a high priority.

¹ See section 181(1)(e) of the *Children and Young Persons (Care and Protection) Act 1998*

² Permanency Planning is defined in section 78(A) of the *Children and Young Persons (Care and Protection) Act 1998*

We will extend the target group over the next two years to capture a wider range of children and young persons in out-of-home care. Our audit should be representative of the NSW out-of-home care population in the 2006-07 audit. This will form the baseline to help us measure improvement in casework practice over time.

The methodology

The 2004 - 2005 audit was the first of an ongoing audit program. It was critical to trial the audit instrument and confirm that it works, and to test our methods were not onerous for the OCG or the designated agencies.

The audit began on 1 July 2004 and was completed on 16 February 2005. During this period, we audited 723 files at 56 designated agencies.

We asked all designated agencies to tell us how many children and young persons in their care were in the audit group.

The number of files we audited for each agency was based on the number of children and young persons in the agency's care that fell within the audit group.³

Category	No. of children and young persons in the audit group per agency	Sample size
A	Less than 20	100% of files
B	Between 20 and 100	20 files
C	More than 100	20% of files

Project officers from the OCG conducted case file audits at the agency's premises. We used a standard audit instrument and sent a copy of the instrument to every agency prior to the day of their audit so they knew what we were looking for in the files.

2004—05 audit sample vs. the general out-of-home care population

The graphs below (*Figures 3,4,5 and 6*) show comparisons between the 2004—05 audit sample and the in *DoCS' Out-of-Home Care Quarterly Data June 2004*.

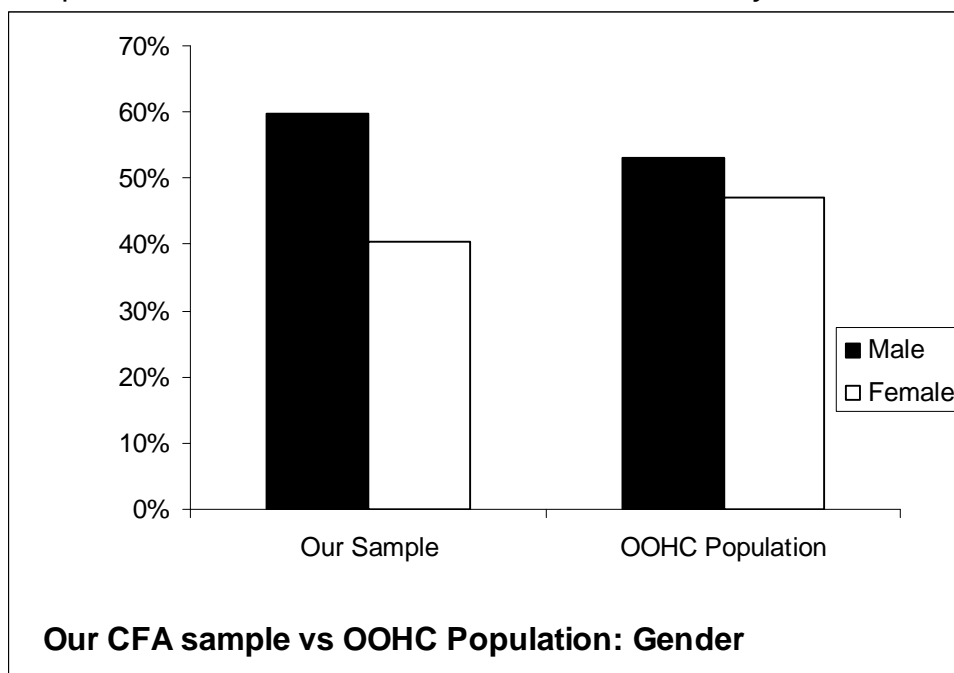


Figure 3

³ This sampling method is based on advice received from the Centre for Research on Social Inclusion at Macquarie University.

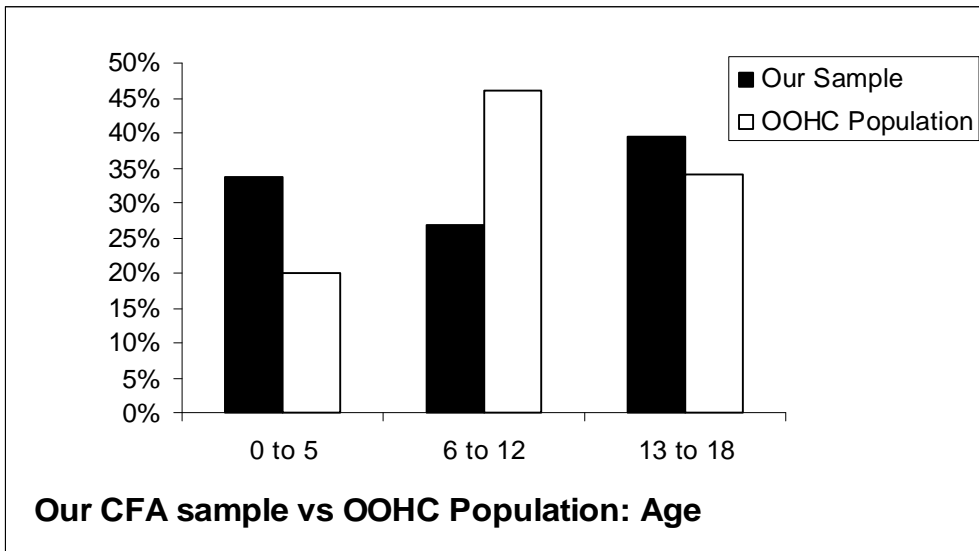


Figure 4

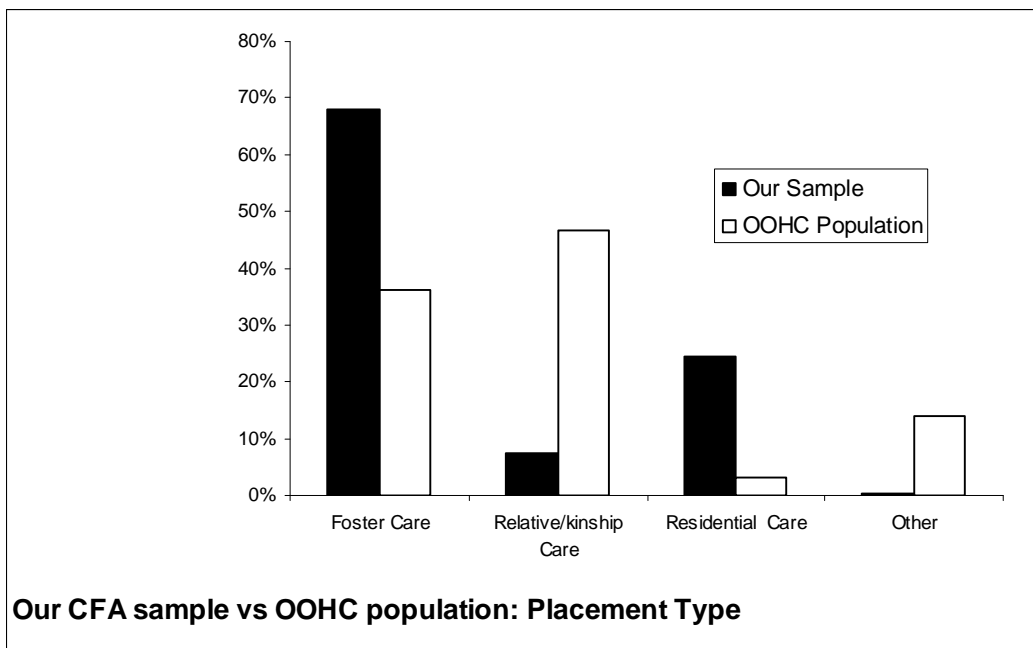


Figure 5

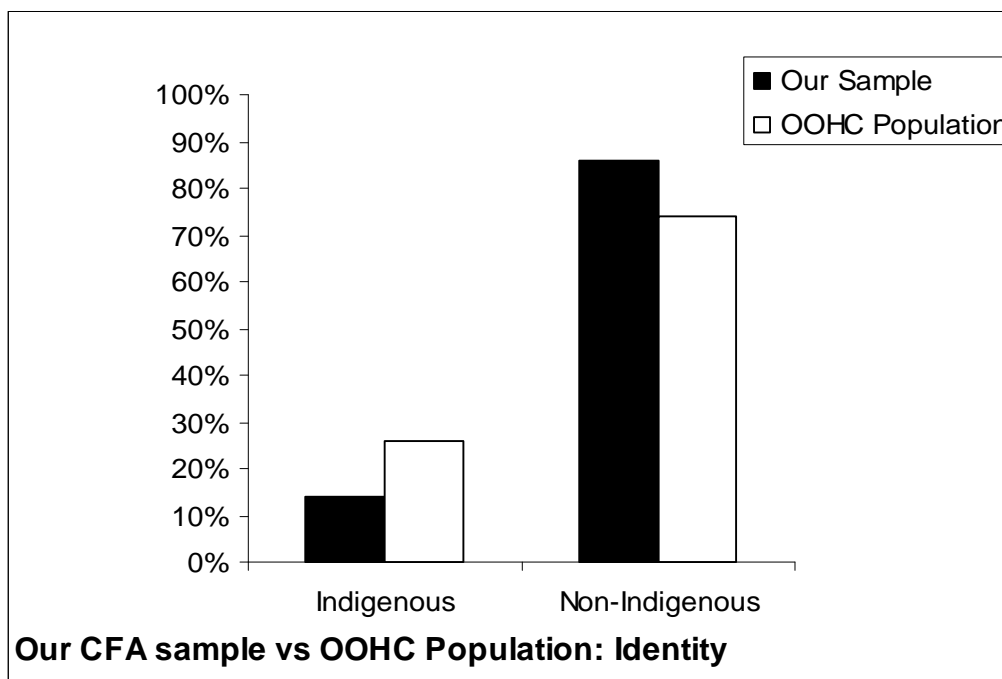


Figure 6

Findings

The four key areas of casework practice

Case file auditors reviewed designated agencies' casework practice in four areas. These areas were selected because they are fundamental elements of good casework practice. They are specified in the legislation and designated agencies must comply with them.

The four areas are:

- file content and structure (section 78 of the Act and clause 12 of the Regulation)
- plan/review content (section 150 of the Act)
- participation in case plans and reviews (section 10 and 12 of the Act and clause 36(5) of the Regulation), and
- Aboriginal and Torres Strait Islander principles (section 13 of the Act).

File content and structure

Designated agencies should have enough information on file about the child or young person to properly plan to meet their needs. This information should be kept up-to-date.

Court orders and care plans are particularly important to help the designated agency:

- identify who has parental responsibility and, therefore, who can make decisions for the child or young person
- review care arrangements, and
- arrange contact with the family and other significant people.

63% of files contained a copy of the court order, or supporting documentation.

Plan/review content

Every child or young person in care should have a case plan which is regularly reviewed. The case plan or review should clearly identify:

- the child or young person's needs, including health & education
- contact with family and significant others
- issues of cultural/religious significance
- behaviour management issues
- who is responsible for activities in the case plan or review
- time frames for when responsibilities have to be carried out
- who has overall supervisory responsibility, and
- when progress of the case plan or review will be assessed.

The 2004-05 case file audits began three months after the commencement of legislation requiring designated agencies to conduct reviews of children and young persons in Court ordered care⁴.

77% of files in the sample group contained a current review or case plan.

Participation in case plans and reviews

All case plans and reviews should be developed through formal case conferences. When developing case plans and reviews, the designated agency should encourage and assist the participation of:

- children aged 7 years and over
- young persons
- parents, where appropriate
- carers, and
- significant others, where appropriate.

71% of files with current reviews contained a review that was developed from a formal case conference.

Most of the larger agencies had a compliance rate of more than 80% for:

- carers attending case conferences, and
- authorised decision makers attending case conferences.

Most agencies had a low compliance rate (less than 50%) in these areas:

- children aged 7 years and over participating in case conferences

⁴ Section 150(1)-(4) of the *Children and Young Persons (Care and Protection) Act 1998* was proclaimed 31 March 2004.

- documenting why the child/young person, their parents and significant others were not invited, or did not attend, case conferences
- recording the views of people not attending case conferences
- providing opportunities for participants to sign or assess case plans/reviews
- if participants did not sign the case plan/review, documenting the reason, and
- providing an opportunity for participants to record dissenting views on the case plan/review.

Aboriginal and Torres Strait Islander principles

Parental responsibility for Aboriginal or Torres Strait Islander children and young persons (14% of the children and young persons in our audit group) is not usually allocated solely to the Minister. This is why the number in our audit group was lower than in the general out-of-home care population.

Designated agencies are required to:

- make sure that the placement of Aboriginal or Torres Strait Islander children and young persons follows the placement principles
- make sure that Aboriginal or Torres Strait Islander people are involved in the decision-making process, and
- properly document placement decisions.

41% of Aboriginal or Torres Strait Islander children and young persons within our target group were in an Indigenous placement (see *Figure 7*).

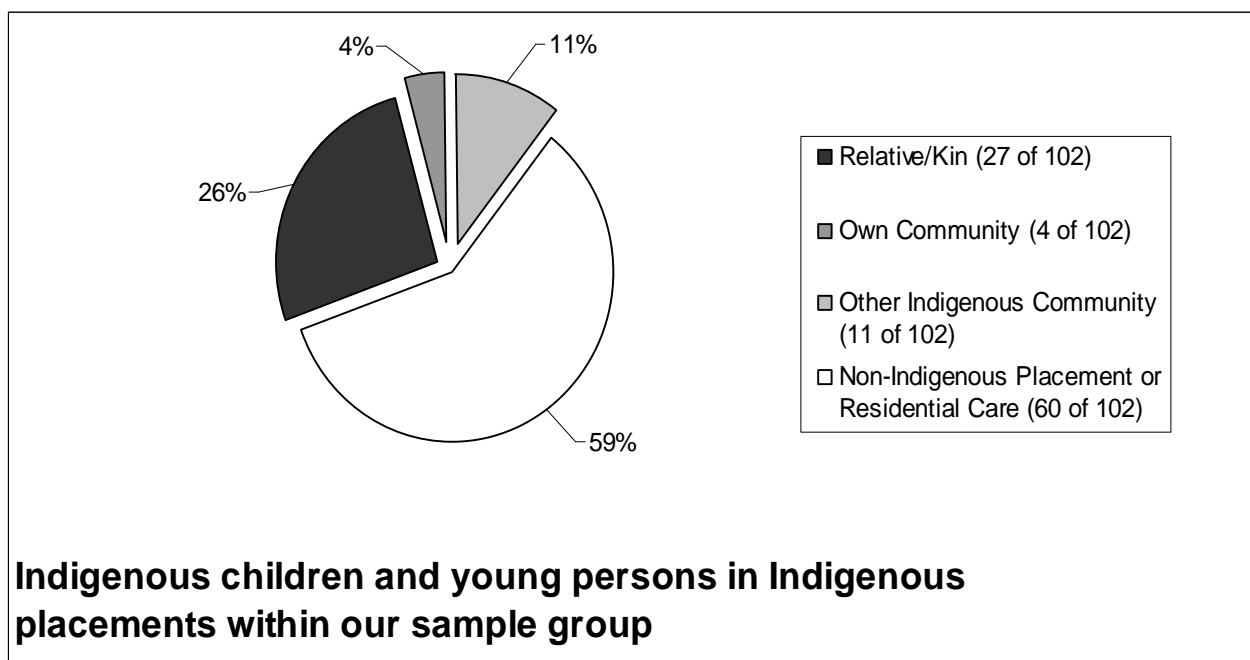


Figure 7

Where Aboriginal children or young persons were in a non-Indigenous placement, agencies helped them maintain a good level of contact with their culture and community. Most of the time, this consisted of regular contact arrangements with parents or extended families.

The relationship between funding type and quality of casework

Within our sample group, we found a relationship between the type of funding designated agencies receive and the quality of their casework. There are two types of funding, namely:

- program funding⁵ only, and
- funding under Header Agreements⁶ only.

Some agencies receive both types of funding (dual funding).

Within our sample group, agencies who only received funding under Header Agreements generally performed less well in every one of the four key areas.

Generally, if an agency had a compliance rate of less than 65% in a particular area, we made a recommendation for improvement. The number of recommendations made to individual agencies ranged from one to eight.

Overall, more recommendations for improvement were made to agencies funded only by Header Agreements than either of the other two funding types. This is shown in *Figure 8*.

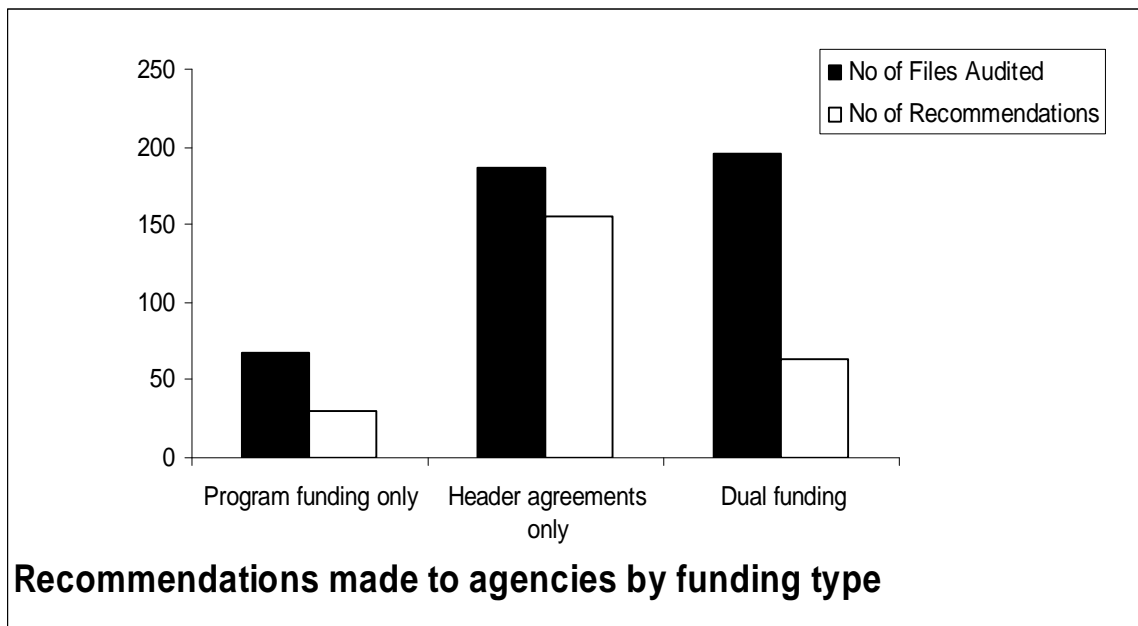


Figure 8

⁵ “**Program funding** is provided by DoCS to service providers to deliver an identified service on an annual, recurrent basis”. See *Indexation Payment Policy 2004/05 Information Sheet* from the Department of Community Services.

⁶ “The **Header Agreement** is a contractual document between an agency and DoCS which assists with the purchase of services for children and young persons in out-of-home care”. See *Changes to the Header Agreement Process*, an Information Package from the Department of Community Services.

Highlights of the first case file audit

We tested the audit instrument and our methodology and found they worked for this target group.

Generally, designated agencies were positive about their participation in the audit program. Also, because we distributed the audit tool in advance of the on-site audits, we observed that some designated agencies implemented changes to improve their practices before the audit.

Where agencies responded to their draft audit reports, most accepted our recommendations for enhancement and stated they would revise their practices. We will monitor implementation of our recommendations through the Accreditation Program and the Quality Improvement Program and future case file audits.

When we observed issues of concern during the audits we raised them with the relevant agency. For instance we:

- negotiated with the Department of Community Services to establish procedures for all designated agencies to get copies of final Court orders for the children and young persons for whom they have supervisory responsibility, and
- clarified that the Department of Education and Training has policies for sharing information, such as school progress reports, with designated agencies and authorised carers.

What is planned for the future

We will conduct compliance audits in the next two years as follows:

- in 2005/2006 we will expand the target group to include children and young persons for whom the Minister shares parental responsibility with another person, and also for whom parental responsibility is assigned to the Principal Officer of a designated agency, and
- in 2006/2007 we will expand the target group to include children and young persons on interim or short to medium-term final Court orders. This audit will aim to be representative of the NSW Out-of-Home Care population and will provide the baseline for measuring improvement in casework practice over time.

From 2007-08 baseline compliance audits will alternate with targeted audits. Targeted audits will complement our understanding of out-of-home care by focusing on particular groups or issues that emerge from the compliance audits.

CHAPTER 4 REGULATING CHILDREN'S EMPLOYMENT

How we authorise the employment of children under 15 years of age in the entertainment industry, still photography activities and door-to-door sales

Children and young persons in employment in NSW: a snapshot

In a recent study, the Commission for Children and Young People surveyed 10,999 high school students in years 7 to 10 at 22 schools across NSW about their experiences of work. The study shows that only a very small number of children work in the entertainment and door-to-door sales industries.

Entertainment industry

- § 70 jobs (0.7%) were in the entertainment industry and, of these, 56.9% were undertaken by males.
- § 89% of entertainment work is done for a formal employer.
- § Entertainment and performance work is, compared with most other jobs, likely to be paid and also receive some of the highest rates of pay.
- § Compared to babysitting (the reference job used in the Commission's study), entertainment and performance is almost three times as likely to involve 11-15 hours per week.

Door-to-door sales

- § 113 jobs (1.1%) involved door-to-door sales and, of these, 66.4% were undertaken by females.
- § Approximately 93% of the work is done for a formal employer or community group.
- § 41% of these jobs are one-off, 39 % are done on a casual basis (as needed) and 19 % involve regular jobs.
- § The majority of these jobs involve short hours. 86.1% involve 0-5 hours per week.
- § Few of these jobs are paid. 47.7% are rewarded in-kind and 42.3% are neither paid nor rewarded.⁷

*The information in this snapshot was provided by the Commission for Children and young persons. The Commission's *Children at Work* report was published in June 2005.

How we monitor Children's Employment

The Office of the Children's Guardian operates under the authority of Chapter 13 and Schedule 2 of the *Children and Young Persons (Care and Protection) Act 1998*, and the *Children and Young Persons (Care and Protection – Child Employment) Regulation 2005*.

The legislation states that children under 15 years of age cannot be employed in the entertainment industry, for door-to-door selling and for still photography purposes, unless we authorise the employer or the employer is exempt from the requirement to hold an authority. Authorised and exempt employers must comply with the Code of Practice, which is Schedule 1 of the Regulation.

⁷ It should be noted that the legislation in force at the time of this study allowed the employment of children in door-to-door sales who were at least 13 years old. On 1 April 2005 this was restricted to at least 14 years and 9 months old. Also, OCG authorisation is not required if a child is not paid or receives no other material benefit, or if the employer is exempt.

Our licensing role

We have a licensing and educative role. It is our job to:

- promote the welfare of children employed in the entertainment industry, exhibitions, still photography and door-to-door sales
- consult with employers if specific safety and welfare issues are identified
- investigate complaints and alleged breaches of the statutory provisions, and
- help educate employers about children's employment.

Employing young people

We issue authorities to employers for 12 months or, in certain circumstances, one month. We charge an application fee, which varies depending on the employment type and duration of the authority. We may provide a 10% discount if the employer demonstrates a history of commitment to the Code of Practice.

Our staff check that employers are complying with the legislation by:

- assessing pre-employment information
- assessing post production advice on call and release times, and
- going on site visits.

What we did for children in employment in 2004/2005

Authorities

Employers submitted 147 applications for authorities to employ children:

- 2 were withdrawn
- 4 were entitled under the legislation to an exemption from the requirement to hold an authority, and
- 141 authorities were approved.

The majority of the approved authorities were for 1 year, the maximum period allowed under the legislation before another application is required (see *Figure 9*).

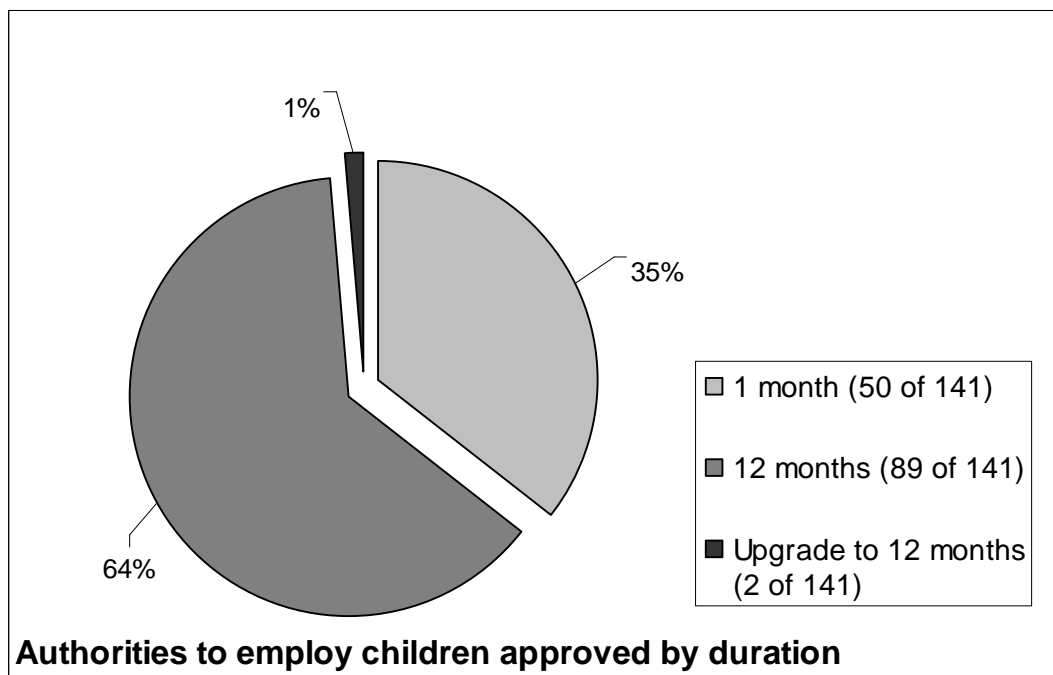


Figure 9

We collected \$108,000 in fees for authorities from employers. We approved discounts for 38% of the authorities, the majority for 1 year (see *Figures 9 and 10*).

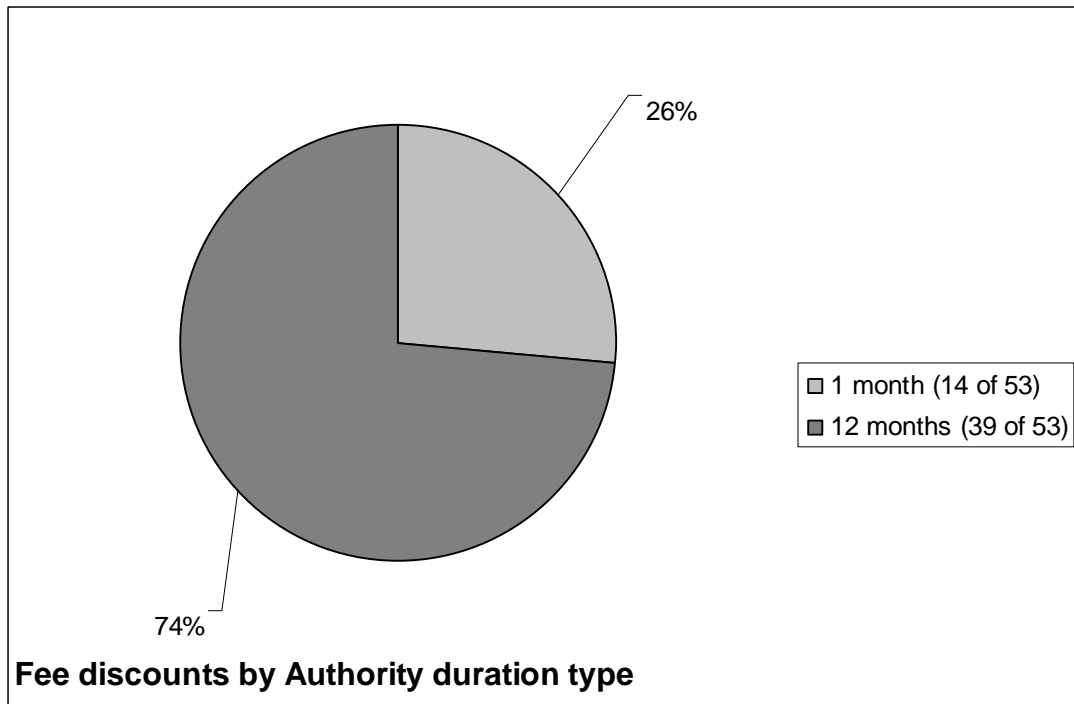


Figure 10

Monitoring employer compliance

Authorised employers advised the OCG of 440 productions where children were employed. The majority were in the film and television industries, which includes commercials (see *Figure 11*).

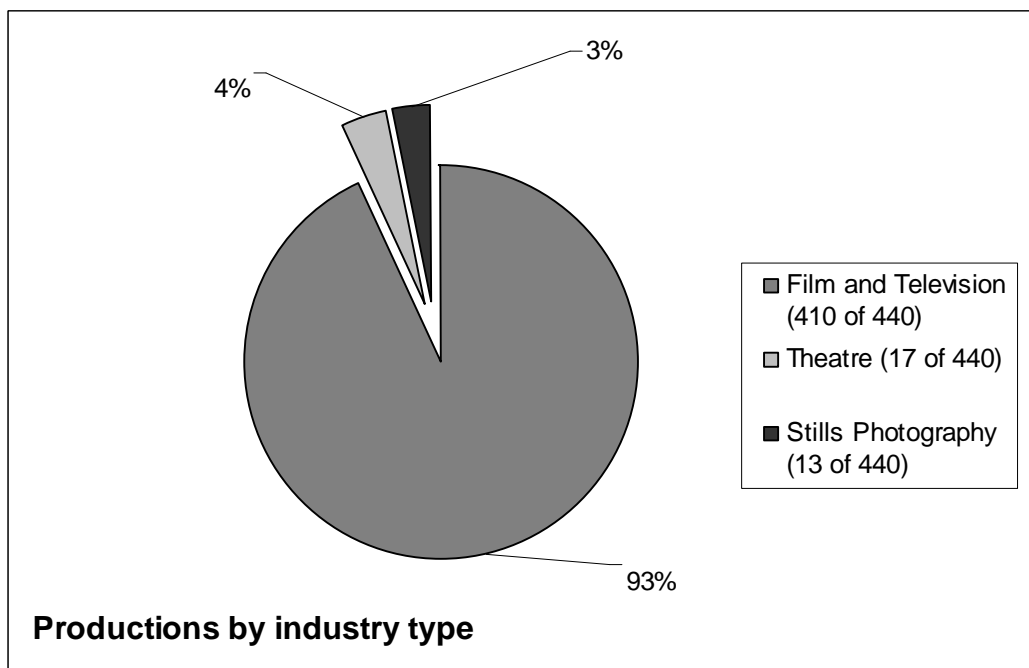


Figure 11

Employers must comply with the Code of Practice because it is a condition of their Authority. The OCG may approve variations to the requirements of the Code in certain circumstances. Variations were given for 43% of productions during the year. Variations are only given where it can be shown that a child's welfare will not be compromised.

Our staff made one or more site visits to 18 productions. We make site visits where an unusual risk is identified, either by the employer or by our staff. We also visit productions where the employer has limited experience in children's employment to help them understand their legislative responsibilities.

New regulation introduced

Between November 2004 and January 2005 the Office of the Children's Guardian consulted with employers and the community on a draft replacement for the *Children (Care and Protection—Child Employment) Regulation 2001*. The statutory review of the Regulation was an opportunity to streamline the requirements of employers, without compromising the welfare of child employees.

The draft Regulation was on public exhibition between 1 November 2004 and 17 January 2005, along with the Regulatory Impact Statement (RIS). During the public consultation we:

- advertised publicly
- sent a consultation package to 85 key stakeholders and placed it on our website
- conducted 2 public meetings on 25 November 2005, which were attended by 13 representatives
- participated in seven meetings with key stakeholders to brief them and answer questions on the proposed changes, and
- received 22 written submissions.

The 2001 Regulation was automatically repealed on 1 April 2005, in accordance with the *Subordinate Legislation Act 1989*, and was replaced by the *Children and Young Persons (Care and Protection – Child Employment) Regulation 2005*. The new Regulation provides a better balance between the needs of employers and protecting the welfare of child employees.

Changes to the Regulation

The main differences between the previous Regulation and the new Regulation are:

- a 10% increase in fees for employer's authorities. Fees had not been increased since 1993
- a ban on door-to-door sales by children less than 14 years and 9 months old, as the risks to children are too great
- extension of the requirement for a nurse to be present when children up to 3 years of age are employed to take part in live or recorded entertainment, exhibitions or a photographic session, as early childhood research shows these early years are very important for children's development
- relaxation of the requirement for employers to have an authority where they employ children over 10 years of age for less than 10 hours a week outside school hours
- amending the hours children may work in the film, television and entertainment industries to reduce the need for employers to seek minor variations from the OCG to complete work

- reducing the baby birth weight requirement for infants less than 12 weeks of age, from 3.5 to 3.0 kilograms, and
- a weekly limit of 40 hours on the combined time that a child may be engaged in work and education.

Administrative improvements

To implement the new Regulation and improve our services generally we:

- streamlined the way we process applications and payments for authorities, to reduce processing time
- revised *A Guide to Child Employment in NSW* and the children's employment content of our web site to align with the new Regulation
- wrote to employers about implementation of new Regulation, and
- started a project to remodel our business processes, to make them more efficient.

What is planned for the future?

The priorities for Children's Employment in 2005/2006 include:

- continuing communication and education about the 2005 Regulation, particularly the new schooling requirements (Clause 5 of the Code of Practice) and coverage of still photography, and
- developing improved IT systems to support our remodelled business processes.

These initiatives will make us more efficient and improve services to employers, while protecting the interests of employed children.

CHAPTER 5 SETTING AN EXAMPLE

We are committed to promoting the welfare of children and young persons in care, adoption placements and employment

Communication and education activities

ISPCAN 15th International Congress on Child Abuse and Neglect

The ISPCAN (International Society for the Prevention of Child Abuse and Neglect) 15th International Congress on Child Abuse and Neglect was held on 19-22 September 2004 in Brisbane, Australia. The theme was 'Working Together for a Child Safe World'.

The then Children's Guardian, Linda Mallett, was a member of the Organising Committee and Co-chair of the Youth Participation Committee. Gillian Calvert, Acting Children's Guardian, was Co-chair of the Organising Committee.

The Youth Participation Committee integrated the Youth Participation Program into the main Congress Program. This allowed young delegates to attend sessions at the Congress and also to present at concurrent sessions. There were 31 children and young persons aged between 11 and 17 years, 27 from Australia and 4 from overseas. 16 children had a care background.

Young delegates had a hands-on role at the Congress presenting sessions such as:

- *Life in Foster Care: Two young people share their stories*
- *Living in out of home care*
- *Helping young people take charge*
- *Fair dinkum education for marginalised young people*
- *What about me? Which piece of the puzzle am I?*

They also designed and put together their own workshop during the first two days of the Congress. Their presentation *Working together for a child abuse free world – Young Delegates Speak Out* included commentary on:

- domestic violence and child abuse
- what makes a family, and
- the value of mentors.

Comments from sponsors:

Jade Santa Maria, Office for Children and Youth, WA

"Thank you for organising this exceptional Congress especially the inclusion of youth participation. Our two WA delegates really had a good time at the Congress and found it very informative and an invaluable experience. They met so many people and were in awe.....both the girls have made new friends from all over the world....."

Comments from Ms Margeaux Brochtrup, Wildomar California US

"I wanted to thank you again for making the youth conference such a wonderful event. I know that a lot of time and effort went into all of the organising and planning. Chris (son) really enjoyed participating in the conference. I think it was so good for him to be part of a group of kids, who shared some common experiences with him. The story about his presentation and causing everyone to become teary-eyed has been told to all our friends and family."

Comments from Pippa Collin, Inspire Foundation Inc and Youth Participation facilitator.

Congratulations on the success of the ISPCAN Congress overall, and especially for ensuring that young people were there and involved. I had a wonderful time and felt really proud of all the young people who participated, and all the adults who made their participation possible.

Comment from young delegate attending Congress

Alex - WA

“Thank you so much for everything you did for us at the ISPCAN Congress. I had a great time and I learnt so much. After taking part in the Congress, I was invited to join a new WA project providing information for victims and friends of victims of domestic and dating violence between the ages of 13 and 25. We are producing brochures which will be ready soon as well as a website, all of which is directly produced and run by our youth group.”

Information for agencies, interstate and overseas visitors

The Office provided information about its role and functions directly to a number of interstate and overseas visitors and addressed a range of seminars and conferences.

Staff met or presented information to representatives from:

- Aboriginal Child, Family and Community Care Secretariat
- Ausfilm
- Berry Street, Melbourne
- Chinese Ministry of Civil Affairs' study group
- DoCS Help Line staff
- Media Entertainment and Arts Alliance
- NSW Film and Television Office
- NSW Ministry for the Arts
- NSW Ombudsman's Office
- Office of the Advocate for Children in Care, Melbourne
- Queensland Commission for Children and Young Persons
- Screen Producers Association of Australia
- Victorian Department of Innovation, Industry and Regional Development, and
- Youth Accommodation Association of NSW.

Staff participated in:

- Children's Week Awards
- DoCS Indigenous Staff Conference
- Foster Care Picnic
- Foster Carers' Conference, Ballina
- ISPCAN 15th Annual Congress on Child Abuse and Neglect
- NSW Education Partnership Project meeting – convened by CREATE
- NSW Foster Care Awards, and
- NSW Meeting on Education for Children and young persons in Care.

Kids' art

We co-sponsored 'Operation Art' for the fourth year in a row, featuring the artistic talents of children and young persons in the Office. 'Operation Art' is an initiative of the NSW Department of Education and Training and the Children's Hospital at Westmead.

Forty-eight young artists had their work on display in our office. We also used some of these artworks on the covers of our last three annual reports, our *Caring for Kids in Care* brochure, postcards and promotional items.

Annual Report Awards

The Office received national recognition winning its third Bronze Award at the 2005 Australasian Reporting Awards for excellence in annual reporting.

Using our resources to help others

Agencies providing out-of-home care for Aboriginal and Torres Strait Islander kids

Many agencies providing care for Aboriginal or Torres Strait Islander children and young persons are small and operate in isolated areas with limited resources. The Office of the Children's Guardian developed a resource that helps them write policies and procedures. The resource is a manual called *Caring for Aboriginal and Torres Strait Islander Kids*. It was sent to all Aboriginal agencies in April 2005.

The Office acknowledges its use of *Step by Step - a competency based resource for assessing potential foster carers* which was developed by ACWA/CCWT, in the development of this resource.

Organisations that work with or support children and young persons

The Office has two meeting rooms which are made available to organisations that work with or support children and young persons. During 2004 – 2005 the Participation and Best Interest rooms were used on 51 occasions, which is 22% of working days during the year. The rooms are also used extensively by our staff for meetings and other work-related activities.

Our students

In 2004-05 two students from the University of Technology Sydney completed professional placements with us at different times. This experience enabled them to use their professional skills and fulfil some of their course requirements.

We employed two TAFE students as trainees, each for a different part of the year. During their time with us they did full time administrative work.

CHAPTER 6 ADDITIONAL STATUTORY REQUIREMENTS

1. Principal acts administered
2. Aims and objectives
3. Access
4. Ministerial advisory committees and statutory bodies
5. Office staff as members of significant statutory and interagency bodies
6. Funds granted to non-government community organisations
7. Legislative changes
8. Economic or other factors
9. Management and activities
10. Major assets
11. Research and development
12. Human resources
13. Use of consultants
14. Equal Employment Opportunity (EEO)
15. Disability Action Plan
16. Property and land disposals
17. Promotions and overseas visits
18. Consumer response
19. Guarantee of Service
20. Payment of accounts
21. Risk management and insurance activities
22. Disclosure of controlled entities
23. Ethnic Affairs Priorities Statement
24. Occupational Health and Safety
25. Waste
26. Cost of production of Annual Report
27. Performance of executive officers
28. Freedom of Information requirements
29. Privacy and Personal Information Protection Act 1998
30. Recycling and energy management
31. Electronic service delivery
32. Credit card certification
33. Annual Report 2003/2004
34. Intellectual Property

Children and Young persons (Care and Protection) Act 1998

Section 187(2) (b) requires the annual report of the Children's Guardian to Parliament to include

An evaluation of the response of relevant authorities to the recommendations of the Children's Guardian.

Following an audit of a sample of case files the Children's Guardian made five recommendations to the Director-General of the Department of Community Services, concerning practice improvement for children in out-of-home care under orders of the Children's Court.

The Director-General fully accepted all of the recommendations.

Following an audit of a sample of case files the Children's Guardian made two recommendations to the Director-General of the Department of Ageing, Disability and Home Care, concerning practice improvement for children in out-of-home care under orders of the Children's Court.

The Director-General fully accepted both recommendations.

Section 187(2) (c) requires the annual report of the Children's Guardian to Parliament to include

Any recommendations for changes in the laws of the State, or for administrative action, that the Children's Guardian considers should be made as a result of the exercise of the functions of the Children's Guardian.

The Children's Guardian has no recommendations.

1. PRINCIPAL ACTS ADMINISTERED

The Office of the Children's Guardian does not administer any Acts of Parliament.

2. AIMS AND OBJECTIVES

Under the *Children and Young Persons (Care and Protection) Act 1998*, the Children's Guardian is responsible for:

- promoting the best interests of all children and young persons in out-of-home care and ensuring their rights are safeguarded and promoted
- accrediting designated agencies and monitoring their responsibilities under the Act and the Regulations, and
- authorising prescribed employers to employ children under 15 years.

3. ACCESS

NSW Office of the Children's Guardian

Level 6, 10 Smith Street, Parramatta NSW 2150

Phone: 9025 4200 Fax: 9025 4299

Email: kids@kidsguardian.nsw.gov.au

Website: www.kidsguardian.nsw.gov.au

Service hours: Monday to Friday - 9am to 5pm

4. MINISTERIAL ADVISORY COMMITTEES AND STATUTORY BODIES

The Office of the Children's Guardian provided key policy advice to the Ministerial Advisory Committee. This committee was established to progress the proclamation of the out-of-home care sections of the legislation as its first priority in the Community Services portfolio.

5. OFFICE STAFF AS MEMBERS OF SIGNIFICANT STATUTORY AND INTERAGENCY BODIES

Joint Initiatives Group, Office of NSW Ombudsman

Susan Nicolson, Manager Accreditation

Children's Court Advisory Committee

Linda Mallett, Children's Guardian

CCSU Client Advisory Board, Department of Commerce

Sharon Cannard, Administration Manager

15th International Congress on Child Abuse and Neglect 2004, Organising Committee

Linda Mallett, Children's Guardian

15th International Congress on Child Abuse and Neglect 2004, Youth Participation Committee

Linda Mallett, Children's Guardian (Co-chairperson)

Christine Reynolds, Project Officer

6. FUNDS GRANTED TO NON-GOVERNMENT COMMUNITY ORGANISATIONS

Nil.

7. LEGISLATIVE CHANGES

Amendment to clause 35 of the *Children & Young Persons (Care and Protection) Regulation 2000* (from 1 February 2005):

- A designated agency with interim accreditation is required to submit any necessary information regarding its application to the Office of the Children's Guardian within 12 months of the application being made, unless the Children's Guardian approves a longer period.

New clause 22A of the *Children and Young Persons (Savings and Transitional) Regulation 2000* (from 1 February 2005):

- Organisations with interim accreditation that were either licensed, or authorised or funded to provide out-of-home-care prior to 15 July 2003 may only provide the kind of out-of-home care that they were providing immediately before 15 July 2003. For example, an organisation licensed prior to 15 July 2003 as a residential care service cannot expand into providing a foster care service or vice versa. If an organisation wishes to expand or change its service type, it is required to apply to the OCG for accreditation.

The new *Children and Young Persons (Care and Protection – Child Employment) Regulation 2005* came into effect on 1 April 2005.

8. ECONOMIC OR OTHER FACTORS

There were no economic or other factors that affected the Office of the Children's Guardian in achieving operational objectives during 2004 – 2005.

9. MANAGEMENT AND ACTIVITIES

The Office of the Children's Guardian did not conduct any program evaluations during 2004-05.

10. MAJOR ASSETS

The major assets held by the Office include office equipment, computer hardware, office furniture and fittings.

11. RESEARCH AND DEVELOPMENT

The OCG did not undertake any research and development in 2004 - 2005.

12. HUMAN RESOURCES

The Office of the Children's Guardian recruited three permanent and three temporary staff members during 2004-05. Three other staff worked in the Office on secondment from other government departments.

Five staff members accepted secondments to other government departments and one transferred permanently. Two resigned and one retired.

At 30 June 2005 the Office had 23 staff (20.9 full time equivalent).

Number of senior executive officers

Number of senior executive positions at each level

Bands	30/6/04	30/6/05
Level 3 or higher	0	1 (G Calvert, began 17/1/05)
Level 2	1	1 (L Mallet, left 16/1/05)
Level 1	0	0
Total	1	1

Number of female executives

CES/SES staff 30/6/04		CES/SES staff 30/6/05	
Total staff	Women	Total Staff	Women
1	100%	1	100%

Personnel policies and practices

The Office of the Children's Guardian introduced no new policies in 2004 - 2005.

Industrial relations policies and practices

The Office of the Children's Guardian introduced no new industrial relations policies or practices in 2004 - 2005.

Training and staff development

Expenditure on training and development activities during the reporting period was \$30,750.

In 2004/2005 office staff undertook 586.5 hours of internal and external training and participation in conferences and seminars. This is an average of 29 hours of training for each staff member.

Study leave

The Office of the Children's Guardian encourages staff to undertake further study. Forty per cent of the staff used study leave provisions in 2004 - 2005.

13. USE OF CONSULTANTS

The following consultants were funded from operating expenses in 2004 -2005.

1. Watson Wyatt Australia Pty Ltd

§ Development of key performance indicators

§ Cost: \$37,108

§ Purpose of the project was to identify key performance indicators for strategic management of OCG activities to enable us to report to government and the community.

2. TeKnowledge IT Consulting

- § Children's Employment Business Process Remodelling/IT Support system specifications project.
- § Cost was \$16,500 in 2004-05 (\$6,500 remaining to be paid at 30 June 2005)
- § Purpose of the project was to streamline Children's Employment processes.

3. Performance Improvement Pty Ltd

- § Review of the strategy for administration of the Accreditation and Quality Improvement Program within OCG
- § Cost was \$14,300
- § The project established a review and improvement process for the accreditation program.

14. EQUAL EMPLOYMENT OPPORTUNITY (EEO)

EEO Action Plan achievements

- access for all staff to training and development opportunities to ensure a skilled workforce and productivity
- three staff on secondment to other government departments in equal or higher graded positions to expand their knowledge and skills
- six staff performed higher duties with OCG
- creation of part-time and flexible working arrangements for staff
- first trainee completed at OCG, second trainee appointed, and
- children and young persons included in recruitment selection panels.

Summary of EEO Action Plan priorities for 2005 - 2006

- review our EEO Action Plan and explore new initiatives, and
- maintain flexible working arrangements

Representation of EEO groups employed at the Children's Guardian

	Benchmark or Govt. target	2002	2003	2004	2005
Women	50%	84%	93%	90%	88%
Aboriginal people and Torres Strait Islanders	2%	6.6%	5%	5%	8.3%
People whose first language was not English	20%	0%	15%	5%	17%
People with a disability	12%	20%	25%	15%	13%
People with a disability requiring work related adjustment	7%	0%	5%	5%	0%

Trends in the distribution of EEO groups.
(The Distribution Index is not calculated where EEO Groups or non-EEO group numbers are less than 20)

15. DISABILITY ACTION PLAN

In 2004-2005 we had three permanent full time employees with disabilities not requiring work-related adjustment. We will review our Disability Action Plan priority in 2005-2006 and explore new initiatives.

16. PROPERTY AND LAND DISPOSALS

The Office of the Children's Guardian does not own any properties or land.

17. PROMOTIONS AND OVERSEAS VISITS

The following publications are available from www.kidsguardian.nsw.gov.au or the Office of the Children's Guardian.

- Annual reports
- Apology and message of commitment
- Code of conduct and ethics
- Guarantee of service

Accreditation and quality improvement

- NSW Out-of-Home Care Standards
- Benchmark policies
- Mandatory policies
- Accreditation and Quality Improvement Guide for Organisations
- Accreditation Application Form
- Application for Alternative Means of Accreditation
- Self Study Record Book
- Stakeholder Feedback Resource
- Case File Audit Tool

Adoption accreditation

- Adoption benchmark policies (2004/05)
- Accreditation Guide for Adoption Service Providers (2004/05)
- Statement of Contemporary Adoption Practice (2004/05)
- Developing a Code of Conduct (2004/05)
- Adoption Accreditation Application Form
- Adoption Self Study Report
- NSW Adoption Standards

Book reviews

- Staff book reviews of books and articles relevant to current practice in out-of-care for children and young people.

Brochures

- Caring for Kids in Care Brochure (also available in Arabic and Vietnamese)

Children's employment

- A Guide to Child Employment in NSW - Regulations and Code of Practice

Fact sheets

- NSW Office of the Children's Guardian Fact Sheet (also available in Arabic and Vietnamese)

Guidelines

- Guidelines on the exercise of care responsibility by authorised carers
- Guidelines on religious instruction for children and young persons in out-of-home care by authorised carers
- Guidelines for the review of a child or young person in out-of-home care pursuant to a court order

- Guidelines for designated agencies for developing a behaviour management policy
- Draft guidelines for designated agencies for the provision of placement information to parents and people who are significant to a child or young person

Issues papers

- Developing a Critical Event Management Policy (Dec 2004)
- A Proposed Scheme for Voluntary Care (Aug 2004)
- Panels of Consultants for Adoption Service Providers (June 2005)
- Monitoring the Provision of Adoption Services in NSW (June 2005)
- An Outline of the Differences between Parental Responsibility and Care Responsibility under the *Children and Young Persons (Care and Protection) Act 1998*
- Information about Conducting Research involving Children and Young People in Out-of-Home Care
- Permanency Planning

Other publications

- Caring for Aboriginal and Torres Strait Islander Kids – a resource for Aboriginal and Torres Strait Islander Out-of-Home Care Agencies (2004/2005)
- Aboriginal Policy Statement

Overseas visits

There were no overseas visits undertaken by the Office of the Children's Guardian in 2004 – 2005.

18. CONSUMER RESPONSE

In 2004 – 2005 the Office of the Children's Guardian received one complaint and one comment about its services through its formal system. Our Complaints Management System now records positive comments about our services and staff.

19. GUARANTEE OF SERVICE

The OCG Guarantee of Service was updated to include our additional function of regulating children's employment and in preparation for the start of our Adoption Accreditation Program on 1 July 2005.

Timely responses to written communications

The Office aims to respond to 85% of correspondence within two weeks of receiving it. During 2004 – 2005 the Office received 4,802 matters requiring a reply and of these 1,836 were completed by or on the due date. The Office achieved an 89% response rate.

20. PAYMENT OF ACCOUNTS

Aged analysis at the end of each quarter

Quarter	Current (i.e. within due date)	Less than 30 days overdue	Between 30 and 60 days overdue	Between 60 and 90 days overdue	More than 90 days overdue
	\$	\$	\$	\$	\$
September	8,460	0	0	0	0
December	22,651	0	0	0	0
March	12,576	0	0	0	0
June	114,370	0	0	0	0

Accounts paid on time within each quarter

Quarter	Total accounts paid on time			Total amount paid (\$)
	Target	Actual	\$	
September	95%	99%	240,338	240,516
December	95%	100%	349,122	349,022
March	95%	99%	254,251	254,568
June	95%	97%	937,854	954,304

During 2004 - 2005 there were no instances where penalty interest was paid. There were no significant events that affected payment performance during the reporting period.

Paying our accounts on time

The Office produced a consistent performance for the payment of its accounts during 2004 – 2005. On average, the Office paid 98.75% of its accounts by the due date compared with 99% in 2003 - 2004.

There were no instances leading to payment of interest on overdue accounts under clause 18 of the *Public Finance and Audit Regulation 2000* and Treasurer's Direction TD 219.01.

21. RISK MANAGEMENT AND INSURANCE ACTIVITIES

There has been no report of any fraud or corrupt conduct in the Office of the Children's Guardian made under the *Protected Disclosures Act 1994*.

The Office of the Children's Guardian uses the services of the NSW Treasury Managed Fund to effect its insurance requirements. There were no claims on insurance during 2004 – 2005.

The Office is working towards compliance with the Australian standard for Information Security Management, AS/NZS 7799.

22. DISCLOSURE OF CONTROLLED ENTITIES

The Office of the Children's Guardian has no controlled entities.

23. ETHNIC AFFAIRS PRIORITIES STATEMENT

It is mandatory for organisations applying for accreditation to provide out-of-home care to submit their CALD policy to the Office of the Children's Guardian for evaluation. The same requirement applies to designated agencies enrolled in the Quality Improvement program.

OCG monitors agencies' compliance with their CALD policies through case file audits.

In 2005-06 we will assess the need for more OCG publications to be made available in languages other than English.

24. OCCUPATIONAL HEALTH AND SAFETY

The Office of the Children's Guardian was not prosecuted, fined or served an improvement notice under the *Occupational Health and Safety Act 1983* during 2004 – 2005.

In response to our duty of care, Rehabilitation Services provided an information session on work area adjustment on 14 September 2004. To achieve a higher injury prevention level we purchased new ergonomic chairs and computers.

25. WASTE

The Office of the Children's Guardian has a Waste Reduction and Purchasing Policy (WRAPP) in accordance with Government requirements. The Office:

- uses its web site as its main means of publication
- encourages double sided paper printing
- prints Office publications on recycled paper, where possible
- uses copy paper with recycled content where possible
- shreds and recycles all waste paper, and
- recycles used laser toner cartridges through a stationery supplier.

26. COST OF PRODUCTION OF ANNUAL REPORT

Still to be determined

27. PERFORMANCE OF CHIEF EXECUTIVE OFFICERS

The Minister for Community Services expressed satisfaction with the performance of the Children's Guardian and the A/Children's Guardian throughout 2004 - 2005. Highlights were:

- the new Children's Employment Regulation
- a new three year strategic plan for the Office
- preparation for the new role of adoption accreditation, and
- the first case file audit.

28. FREEDOM OF INFORMATION (FOI)

Under section 14 of the Freedom of Information Act 1989, the OCG is required to publish an annual Statement of Affairs as follows.

Formal requests made under the Freedom of Information Act 1989 for access to documents held by the Office of the Children's Guardian should be accompanied by a \$30 application fee and directed to:

The FOI Coordinator
NSW Office of the Children's Guardian
Level 6, 10 Smith Street
PARRAMATTA NSW 2150

FOI application forms are available on the Office's website www.kidsguardian.nsw.gov.au. A 50% reduction in fees and charges is available in some circumstances. Children and young persons (under 18) are granted FOI access free of charge. The telephone number for all FOI inquiries is (02) 9025 4200. Documents are available for public inspection during office hours.

The OCG publishes a number of publications that are available free of charge from our office or website, www.kidsguardian.nsw.gov.au. The list of publications can be found in the Promotions section of this chapter.

During 2004/05 the OCG dealt with 3 FOI applications compared with none in 2003/04. The 3 applications were granted in full.

Compliance with the provisions of the Freedom of Information Act 1989 had no significant impact on the administration of the Office. There were no requests for amendments or notations to personal records. Total fees collected from applications was \$90.00 (incl. GST).

29. PRIVACY AND PERSONAL INFORMATION PROTECTION ACT 1998

The original OCG Privacy Management Plan was prepared in accordance with the *Privacy and Personal Information Protection Act 1998*. There have been no complaints or reviews under the Act in relation to the Office of the Children's Guardian.

On 27 August 2004 the Children's Guardian approved a revised Privacy Management Policy & Plan which incorporates the obligations of the OCG under the *Health Records and Information Privacy Act 2002* that commenced on 1 September 2004.

30. RECYCLING AND ENERGY MANAGEMENT

To achieve a reduced greenhouse emissions target the Office:

- made power savings through the use of power stand-by on computer monitors, photocopiers, facsimiles and overhead projectors
- achieved the government target for improved environmental performance until 2008 by replacing our Ford Focus with a Holden Astra, and
- continued to use Cabcharge and public transport as fuel, time and cost efficient alternatives.

During 2004 -2005, the Office of the Children's Guardian used:

- 54,505 kilowatt hours of electricity, and
- 2,203 litres of petrol

31. ELECTRONIC SERVICE DELIVERY

E-business

The Office received 2,455 emails through the Office's email address kids@kidsguardian.nsw.gov.au.

Website – www.kidsguardian.nsw.gov.au

A total of 32,617 page hits were received on the Office's website during 2004 – 2005. This compares favourably to 2003 – 2004 when there were 24,519 page hits.

The website homepage had 12,120 visits during the past year. There was a peak in visits in April which coincided with the introduction of the new *Children and Young Persons (Care and Protection – Child Employment) Regulation 2005*.

The website is our main way of publishing information and resources.

32. CREDIT CARD CERTIFICATION

Credit card usage in the Office of the Children's Guardian has been in accordance with Premier's Memoranda and Treasurer's Directions.

33. ANNUAL REPORT STANDARDS

The Office's 2003 – 2004 Annual Report was tabled on 30 October 2004.

34. INTELLECTUAL PROPERTY

Under the IP management framework we have reviewed and identified our IP assets. We are currently reviewing and evaluating existing practices and procedures to develop an appropriate IP policy.

CHAPTER 7 OUR FINANCES

Financial summary

Revenue

The principal source of revenue for the Office is from the Consolidated Fund of Treasury (\$2.692 million). A further \$132,000 in revenue was received, of which \$108,000 was generated by issuing authorities to children's employers.

Expenditure

Expenses totalled \$3.334 million, which is an increase of \$570,000 over the previous year. Employee related expenses accounted for \$2.065 million (62%), an increase of (28%) on the previous year.

Assets

Cash balances decreased by \$30,000 over the previous year while non-current assets decreased by \$156,000 (47%).

Liabilities

The 4% increase in liabilities over the previous year.



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDIT REPORT

Office of the Children's Guardian

To Members of the New South Wales Parliament

Audit Opinion

In my opinion, the financial report of the Office of the Children's Guardian:

- presents fairly the Office's financial position as at 30 June 2005 and its financial performance and cash flows for the year ended on that date, in accordance with applicable Accounting Standards and other mandatory professional reporting requirements in Australia, and
- complies with section 45E of the *Public Finance and Audit Act 1983* (the Act).

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

The Children's Guardian Role

The financial report is the responsibility of the Children's Guardian. It consists of the statement of financial position, the statement of financial performance, the statement of cash flows, the summary of compliance with financial directives and the accompanying notes.

The Auditor's Role and the Audit Scope

As required by the Act, I carried out an independent audit to enable me to express an opinion on the financial report. My audit provides *reasonable assurance* to members of the New South Wales Parliament that the financial report is free of *material* misstatement.

My audit accorded with Australian Auditing and Assurance Standards and statutory requirements, and I:

- evaluated the accounting policies and significant accounting estimates used by the Children's Guardian in preparing the financial report, and
- examined a sample of the evidence that supports the amounts and other disclosures in the financial report.

An audit does *not* guarantee that every amount and disclosure in the financial report is error free. The terms 'reasonable assurance' and 'material' recognise that an audit does not examine all evidence and transactions. However, the audit procedures used should identify errors or omissions significant enough to adversely affect decisions made by users of the financial report or indicate that the Children's Guardian had not fulfilled her reporting obligations.

My opinion does *not* provide assurance:

- about the future viability of the Office of the Children's Guardian,
- that the Office of the Children's Guardian has carried out its activities effectively, efficiently and economically,
- about the effectiveness of its internal controls, or
- on the assumptions used in formulating the budget figures disclosed in the financial report.

Audit Independence

The Audit Office complies with all applicable independence requirements of Australian professional ethical pronouncements. The Act further promotes independence by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General, and
- mandating the Auditor-General as auditor of public sector agencies but precluding the provision of non-audit services, thus ensuring the Auditor-General and the Audit Office are not compromised in their role by the possibility of losing clients or income.



J Kheir BEd, FCPA
Director, Financial Audit Services

SYDNEY
20 October 2005

OFFICE OF THE CHILDREN'S GUARDIAN
STATEMENT BY THE CHILDREN'S GUARDIAN

Pursuant to Section 45F of the Public Finance and Audit Act 1983, I state that to the best of my knowledge and belief:

- (a) The financial statements, read in conjunction with the accompanying notes, exhibit a true and fair view of the financial position of the Office of the Children's Guardian as at 30 June 2005, and for operations for the year then ended;**
- (b) the statements have been prepared in accordance with the provisions of the Public Finance and Audit Act, 1983, the applicable clauses of the Public Finance and Audit (Departments) Regulation 1986, the Treasurer's Direction and the Financial Reporting Code under Accrual Accounting for Inner Budget Sector Entities;**
- (c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.**



Kerryn Boland
Children's Guardian

19 October 2005

	Notes	Actual 2005 \$'000	Budget 2005 \$'000	Actual 2004 \$'000
Expenses				
Operating expenses:				
Employee related expenses	2(a)	2,065	1,801	1,614
Other operating expenses	2(b)	1,042	1,409	917
Maintenance		33	34	34
Depreciation	2(c)	194	190	199
Total Expenses		3,334	3,434	2,764
Less:				
Retained revenue				
Sale of goods and services	3(a)	108	100	46
Investment income	3(b)	24	21	18
Total Retained Revenue		132	121	64
Gain / (loss) on disposal of non-current assets	4	(19)	-	(11)
Net Cost of Services	19	3,221	3,313	2,711
Government Contributions:				
Recurrent appropriation	5	2,692	2,943	2,320
Capital appropriation	5	40	40	34
Acceptance by the Crown Entity of employee benefits and other liabilities	6	276	188	220
Total Government Contributions		3,008	3,171	2,574
SURPLUS / (DEFICIT) FOR THE YEAR FROM ORDINARY ACTIVITIES		(213)	(142)	(137)
TOTAL REVENUES, EXPENSES AND VALUATION ADJUSTMENTS RECOGNISED DIRECTLY IN EQUITY		-	-	-
TOTAL CHANGES IN EQUITY OTHER THAN THOSE RESULTING FROM TRANSACTIONS WITH OWNERS AS OWNERS	15	(213)	(142)	(137)

[The accompanying notes form part of these statements]

Office of the Children's Guardian
Statement of Financial Position as at 30 June 2005

	Notes	Actual 2005 \$'000	Budget 2005 \$'000	Actual 2004 \$'000
ASSETS				
Current Assets				
Cash	8	342	380	372
Receivables	9	45	56	37
Other	10	19	40	40
Total Current Assets		406	476	449
Non-Current Assets				
Plant and Equipment	11	174	180	330
Total Non-Current Assets		174	180	330
Total Assets		580	656	779
LIABILITIES				
Current Liabilities				
Payables	12	169	118	118
Provisions	13	198	138	135
Other	14	-	100	100
Total Current Liabilities		367	356	353
Non-Current Liabilities				
Provisions	13	30	46	30
Total Non-Current Liabilities		30	46	30
Total Liabilities		397	402	383
Net Assets		183	254	396
EQUITY				
Accumulated funds	15	183	254	396
Total Equity		183	254	396

[The accompanying notes form part of these statements]

Office of the Children's Guardian
Statement of Cash Flows for the year ended 30 June 2005

	Notes	Actual 2005 \$'000	Budget 2005 \$'000	Actual 2004 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(1,802)	(1,636)	(1,419)
Other		(1,131)	(1,466)	(1,055)
Total Payments		<u>(2,933)</u>	<u>(3,102)</u>	<u>(2,474)</u>
Receipts				
Interest received		24	21	16
Other		231	104	167
Total Receipts		<u>255</u>	<u>125</u>	<u>183</u>
Cash Flows From Government				
Recurrent appropriation	5	2,692	2,943	2,420
Capital appropriation	5	40	40	34
Cash reimbursements from the Crown Entity		73	42	49
Cash transfers to the Consolidated Fund		(100)	-	-
Net Cash Flows From Government		<u>2,705</u>	<u>3,025</u>	<u>2,503</u>
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	<u>27</u>	48	212
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of Plant and Equipment		<u>(57)</u>	(40)	(34)
NET CASH FLOWS FROM INVESTING ACTIVITIES		<u>(57)</u>	(40)	(34)
NET INCREASE (DECREASE) IN CASH				
Opening cash and cash equivalents		<u>372</u>	372	194
CLOSING CASH AND CASH EQUIVALENTS	8	<u>342</u>	380	372

[The accompanying notes form part of these statements]

Office of the Children's Guardian
Summary of Compliance with Financial Directives for the year ended 30 June 2005

SUMMARY OF COMPLIANCE WITH FINANCIAL DIRECTIVES

	2005				2004			
	Recurrent Appropriation	Expenditure / Net Claim on Consolidate d Fund	Capital Appropriation	Expenditure / Net Claim on Consolidate d Fund	Recurrent Appropriation	Expenditure / Net Claim on Consolidate d Fund	Capital Appropriation	Expenditure / Net Claim on Consolidate d Fund
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE								
• Appropriation Act	2,927	2,676	40	40	2,667	2,165	40	34
• s24 PF&AA - transfers of functions between departments	-	-	-	-	155	155	-	-
	2,927	2,676	40	40	2,822	2,320	40	34
OTHER APPROPRIATIONS / EXPENDITURE								
• S27 Funding adjustment - 1% pay increase	16	16	-	-	-	-	-	-
	16	16	-	-	-	-	-	-
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	2,943	2,692	40	40	2,822	2,320	40	34
Amount draw down against Appropriation		2,692		40		2,420		34
Liability to Consolidated Fund**		-		-		(100)		-

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed). Liability to Consolidated Fund represents the difference between the "Amount drawn against Appropriation" and the "Total Expenditure / Net Claim" on Consolidated Fund for the year.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Office of the Children's Guardian (the Office) is a separate reporting entity. There are no other entities under its control.

As the Office is a single program entity, the financial operations disclosed in the Statement of Financial Performance and Statement of Financial Position are those of the Office's Program. Accordingly, a separate supplementary program statement has not been prepared.

The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

(b) Basis of Accounting

The Office's financial statements are a general purpose financial report which has been prepared on an accruals basis and in accordance with:

- applicable Australian Accounting Standards;
- other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- Urgent Issues Group (UIG) Consensus Views;
- the requirements of the Public Finance and Audit Act 1983 and Regulations; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer under section 9(2)(n) of the Act.

Where there are inconsistencies between the above requirements, the legislative provisions have prevailed.

In the absence of a specific Accounting Standard, other authoritative pronouncements of the AASB or UIG Consensus View, the hierarchy of other pronouncements as outlined in AAS 6 "Accounting Policies" is considered.

The financial statements are prepared in accordance with the historical cost convention.

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

The accounting policies adopted are consistent with those of the previous year.

(c) Administered Activities

The Office does not administer any activities on behalf of the Crown Entity

(d) Revenue Recognition

Revenue is recognised when the Office has control of the good or right to receive, it is probable that the economic benefits will flow to the Office and the amount of revenue can be measured reliably. Additional comments regarding the accounting policies for the recognition of revenue are discussed below.

(i) Parliamentary Appropriations and Contributions from Other Bodies

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as revenues when the Office obtains control over the assets comprising the appropriations / contributions. Control over appropriations and contributions is normally obtained upon the receipt of cash.

An exception to the above is when appropriations are unspent at year end. In this case, the authority to spend the money lapses and generally the unspent amount must be repaid to the Consolidated Fund in the following financial year. As a result, unspent appropriations are accounted for as liabilities rather than revenue.

In the case of the Office, there is no liability for Recurrent Appropriation in 2004/05 (\$100,000 in 2003/2004), and no liability for Capital Appropriation (\$Nil 2003/04).

(ii) Sale of Goods and Services

Revenue from the sale of goods and services comprises revenue from the provision of products or services ie user charges. User charges are recognised as revenue when the Office obtains control of the assets that result from them.

(iii) Investment income

Interest income is recognised as it accrues.

(e) **Employee Benefits and other provisions**

(i) Salaries and Wages, Annual Leave, Sick Leave and On-Costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and vesting sick leave are recognised and measured in respect of employees' services up to the reporting date at nominal amounts based on the amounts expected to be paid when the liabilities are settled.

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.

The outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax, which are consequential to employment, are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised.

(ii) Long Service Leave and Superannuation

The Office's liabilities for long service leave and superannuation are assumed by the Crown Entity. The Office accounts for the liabilities 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 Entity of employee benefits and other liabilities".

Long service leave is measured on a present value basis. The liabilities that are expected to be settled more than twelve months after the reporting date are measured as the present value of the estimated future cash flows to be made by employers in respect of services provided by employees up to the reporting date. The present value method is based on remuneration rates on what the entity expects to pay at each reporting date for all employees with five or more years of service. This means that where it is expected that employees will receive a pay rise after the reporting date, the increased pay rate is used in determining the employee benefit liabilities

The simple factors provided by NSW Treasury to increase the long service leave liability and related on-costs to approximate present value calculations have been used in determining the liabilities.

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 (ie Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (ie State Authorities Superannuation Fund and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

(iii) Other Provisions

Other provisions exist when the entity has a present legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events. These provisions are recognised when it is probable that a future sacrifice of economic benefits will be required and the amount can be measured reliably.

(f) **Insurance**

The Office's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government agencies. The expense (premium) is determined by the Fund Manager based on past experience.

(g) Accounting for the Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where:

- 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 the cost of acquisition of an asset or as part of an item of expense.
- receivables and payables are stated with the amount of GST included.

(h) Acquisitions of Assets

The cost method of accounting is used for the initial recording of all acquisitions of assets controlled by the Office. Cost is determined as the fair value of the assets given as consideration plus the costs incidental to the acquisition.

Assets acquired at no cost, or for nominal consideration, are initially recognised as assets and revenues at their fair value at the date of acquisition. Any resulting increase in value is treated as revenue.

Fair value means the amount for which an asset could be exchanged between a knowledgeable, willing buyer and a knowledgeable, willing seller in an arm's length transaction.

(i) Plant and Equipment

Plant and equipment costing \$5,000 and above individually are capitalised.

(j) Revaluation of Physical Non-Current Assets

Physical non-current assets are valued in accordance with the "Guidelines for the Valuation of Physical Non-Current Assets at Fair Value" (TPP 03-02). This policy adopts fair value in accordance with AASB 1041 from financial years beginning on or after 1 July 2002.

Non-specialised assets with short useful lives are measured at depreciated historical cost, as a surrogate for fair value.

(k) Depreciation of Non-Current Physical Assets

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.

Computer equipment is depreciated at 25.00%. General plant and equipment is depreciated at 14.28%. Leasehold improvements are depreciated over the lesser of the period of the lease or the useful life of the improvement.

(l) Maintenance and Repairs

The costs of 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.

(m) Leased Assets

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to ownership of the leased assets, and operating leases under which the lessor effectively retains all such risks and benefits.

Office accommodation and motor vehicles are leased under operating leases. Operating lease payments are charged to the Statement of Financial Performance in the periods in which they are incurred.

(n) Receivables

Receivables are recognised and carried at cost, based on the original invoice amount less (where necessary) a provision for any uncollectable debts. An estimate for doubtful debts is made when collection of the full amount is no longer probable. Bad debts are written off as incurred.

(o) Other Assets

Other assets include prepayments that are recognised on a cost basis.

(p) **Payables**

These amounts represent liabilities for goods and services provided to the Office and other amounts, including interest. Interest is accrued over the period it becomes due.

(q) **Budgeted Amounts**

The budgeted amounts are drawn from the budgets as formulated at the beginning of the financial year and with any adjustments for the effects of additional appropriations, s 21A, s 24 and / or s 26 of the *Public Finance and Audit Act 1983*.

The budgeted amounts in the Statement of Financial Performance and the Statement of Cash Flows are generally based on the amounts disclosed in the NSW Budget Papers (as adjusted above). However, in the Statement of Financial Position, the amounts vary from the Budget Papers, as the opening balances of the budgeted amounts are based on carried forward actual amounts as per the audited financial statements (rather than carried forward estimates).

2 EXPENSES

	2005	2004
	\$'000	\$'000
(a) Employee related expenses		
Salaries and wages (including recreation leave)	1,680	1,298
Superannuation	174	140
Long service leave	92	71
Workers compensation insurance	7	8
Payroll tax and fringe benefits tax	112	97
	<u>2,065</u>	<u>1,614</u>

The Crown Entity generally assumes the long service leave and superannuation liabilities for the budget dependent General Government Sector agency. This means on initial incurrence, the Office recognises a liability and an expense and on assumption of the liability, a revenue equivalent to the liability assumed (see also Note 1 (e) and Note 6) is recognised. On-costs are not assumed by the Crown Entity and are the responsibility of the Office.

(b) Other operating expenses

Auditor's remuneration (audit or review of the financial reports)	22	24
Operating lease rental expense - minimum lease payments	243	235
Insurance	8	7
Administration Expenses	154	141
Corporate services	231	197
Consultancies	68	26
Contractors	198	149
Training and development	31	28
Printing and publications	19	34
Travel expenses	23	26
EDP expenses	45	50
	<u>1,042</u>	<u>917</u>
	2005	2004
	\$'000	\$'000

(c) Depreciation expense

Office furniture and equipment	140	133
Computer hardware	54	66
	<u>194</u>	<u>199</u>

3 REVENUES

	2005 \$'000	2004 \$'000
(a) Sale of goods and services		
Rendering of services	108	46
	<u>108</u>	<u>46</u>
(b) Investment income		
Interest	24	18
	<u>24</u>	<u>18</u>

4 GAIN / (LOSS) ON DISPOSAL OF NON-CURRENT ASSETS

	2005 \$'000	2004 \$'000
Proceeds from disposal	-	-
Written down value of assets disposed	(19)	11
	<u>(19)</u>	<u>11</u>

5 APPROPRIATIONS

	2005 \$'000	2004 \$'000
Recurrent appropriations		
Total recurrent drawdowns from Treasury (per Summary of Compliance)	2,692	2,420
Less: Liability to Consolidated Fund (per Summary of Compliance)	-	100
	<u>2,692</u>	<u>2,320</u>
Comprising:		
Recurrent appropriations (per Statement of Financial Performance)	<u>2,692</u>	<u>2,320</u>
	<u>2,692</u>	<u>2,320</u>

Capital appropriations

Total capital drawdowns from Treasury (per Summary of Compliance)	40	34
	<u>40</u>	<u>34</u>
Comprising:		
Capital appropriations (per Statement of Financial Performance)	<u>40</u>	<u>34</u>
	<u>40</u>	<u>34</u>

6 ACCEPTANCE BY THE CROWN ENTITY OF EMPLOYEE BENEFITS AND OTHER LIABILITIES

The following liabilities and / or expenses have been assumed by the Crown Entity :

	2005 \$'000	2004 \$'000
Superannuation	174	140
Long service leave	92	71
Payroll tax (on superannuation)	10	9
	<u>276</u>	<u>220</u>

14 CURRENT LIABILITIES - OTHER (cont'd)

7 PROGRAMS / ACTIVITIES OF THE CHILDREN'S GUARDIAN

Program 1 - Office of the Children's Guardian

Objective: To promote the best interests of all children and young people in out-of-home care. To promote the welfare of children employed in the entertainment industry, exhibitions, still photography and door-to-door sales.

8 CURRENT ASSETS - CASH

	2005 \$'000	2004 \$'000
Cash at bank and on hand	342	372
	<u>342</u>	<u>372</u>

For the purposes of the Statement of Cash Flows, cash includes cash on hand, cash at bank and bank overdraft.

Cash assets recognised in the Statement of Financial Position are reconciled to cash at the end of the financial year as shown in the Statement of Cash Flows as follows:

Cash (per Statement of Financial Position)	342	372
Closing cash and cash equivalents (per Statement of Cash Flows)	<u>342</u>	<u>372</u>

9 CURRENT ASSETS - RECEIVABLES

	2005 \$'000	2004 \$'000
Current Receivables		
Other debtors	20	25
Goods and Services Tax recoverable from the ATO	<u>25</u>	<u>12</u>
	<u>45</u>	<u>37</u>

No provision has been made for doubtful debts as all amounts are considered to be collectable.

10 CURRENT ASSETS - OTHER

	2005 \$'000	2004 \$'000
Prepayments	19	40
	<u>19</u>	<u>40</u>

11 NON-CURRENT ASSETS - PLANT AND EQUIPMENT

	2005 \$'000	2004 \$'000
Plant and Equipment		
At Cost	856	888
Less: Accumulated Depreciation	<u>682</u>	<u>558</u>
	<u>174</u>	<u>330</u>

14 CURRENT LIABILITIES - OTHER (cont'd)

Reconciliation

Reconciliation of the carrying amount at the beginning and end of the current financial year is set out below.

	2005
	\$'000
Carrying amount at start of period	330
Additions	57
Disposals	(89)
Depreciation expense	(194)
Writeback on disposal	70
Carrying amount at end of year	<u>174</u>

12 CURRENT LIABILITIES - PAYABLES

	2005	2004
	\$'000	\$'000
Accrued salary and wages on-costs	5	2
Creditors	149	99
Others	15	17
	<u>169</u>	<u>118</u>

13 CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

	2005	2004
	\$'000	\$'000
Employee benefits and related on-costs		
Current		
Recreation Leave	184	114
Long Service Leave	14	21
	<u>198</u>	<u>135</u>
Non-current		
Long Service Leave	30	30
	<u>30</u>	<u>30</u>
Total Provisions	<u>228</u>	<u>165</u>
	2005	2004
	\$'000	\$'000
Aggregate employee benefits and related on-costs		
Provisions - current	198	135
Provisions - non-current	30	30
Accrued salary and wages on-costs (Note 12)	5	2
	<u>233</u>	<u>167</u>

14 CURRENT LIABILITIES - OTHER (cont'd)

14 CURRENT LIABILITIES - OTHER

	2005 \$'000	2004 \$'000
Current		
Liability to consolidated fund	-	100
	<u>-</u>	<u>100</u>

Liability to Consolidated Fund results from under expenditure against amounts drawn down against appropriation.

15 CHANGES IN EQUITY

	Accumulated Funds	
	2005 \$'000	2004 \$'000
Balance at the beginning of the year	396	533
Changes in equity - other than transactions with owners as owners		
Surplus / (deficit) for the year	(213)	(137)
Balance at the end of the financial year	<u>183</u>	<u>396</u>

16 COMMITMENTS FOR EXPENDITURE

	2005 \$'000	2004 \$'000
(a) Other Expenditure Commitments		
Aggregate other expenditure contracted for at balance date and not provided for:		
Not later than one year	7	-
Total (including GST)	<u>7</u>	<u>-</u>

Commitments include GST of \$650 (Nil in 2003-2004) which is expected to be recovered from the Australian Taxation Office (ATO).

(b) Operating Lease Commitments

Future non-cancellable operating lease rentals not provided for and payable		
Not later than one year	190	208
Later than one year and not later than five years	4	156
Total (including GST)	<u>194</u>	<u>364</u>

Commitments include GST of \$19,465 (\$33,109 in 2003-2004) which is expected to be recovered from the Australian Taxation Office (ATO).

17 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

18 BUDGET REVIEW

Net cost of services

The actual net cost of services was lower than budget by \$92,000. Employee related expenses were above budget by \$264,000 as the Office operated at full establishment, where the budget was calculated with an allowance for vacant positions throughout the year. Operating expenses were below budget by \$367,000 largely due to the deferral of a number of projects to which a budget was allocated.

Assets and liabilities

Current assets were below budget by \$70,000. Decrease in cash is a result of ceasing drawdowns mid year in anticipation of achieving savings in some operational areas. Non current assets are lower than budget by \$6,000 due to the disposal of obsolete computer hardware. Liabilities are lower than budget by \$5,000 due mainly to higher levels of payables and employee provisions, which is partly offset by the extinguishing of the liability to Consolidated Fund of \$100,000.

Cash flows

Cash flows from operating activities were lower than budget by \$21,000. This represents a combination of payments being lower than budget by \$169,000 as a result of lower levels of operating expenses, and receipts being higher than budget by \$130,000 due to increased levels of payments for authority fees.

Cash flows from Government were lower than budget by \$320,000 due to the Office ceasing drawdown of recurrent allocation mid year.

19 RECONCILIATION OF NET CASH FLOWS FROM OPERATING ACTIVITIES TO NET COST OF SERVICES

Reconciliation of cash flows from operating activities to the net cost of services as reported in the Statement of Financial Performance.

	2005 \$'000	2004 \$'000
Net cash used on operating activities	27	212
Cash flows from Government / Appropriations	(2,705)	(2,503)
Acceptance by the Crown Entity of employee benefits and other liabilities	(203)	(171)
Depreciation	(194)	(199)
Provision for doubtful debts	-	-
Decrease / (increase) in provisions	(63)	(24)
Increase / (decrease) in prepayments and other assets	(13)	5
Decrease / (increase) in creditors	(51)	(20)
Net (loss) / gain on sale of plant and equipment	(19)	(11)
Net cost of services	<u>(3,221)</u>	<u>(2,711)</u>

20 FINANCIAL INSTRUMENTS

Cash

Cash comprises cash on hand and bank balances within the Treasury Banking System. Interest is earned on daily bank balances at the monthly average NSW Treasury Corporation (TCorp) 11 am unofficial cash rate adjusted for a management fee to Treasury. The average rate over the period was 4.33% (4.06% in 2004) and the final rate was 4.50% (4.25% in 2004).

Receivables

All trade debtors are recognised as amounts receivable at balance date. Collectability of trade debtors is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off. A provision for doubtful debt is raised when some doubt as to collection exists. The credit risk is the carrying amount (net of any provision for doubtful debts). No interest is earned on trade debtors. The carrying amount approximates net fair value. Sales are made on 30 day terms.

Bank Overdraft

The Office does not have any bank overdraft facility.

Trade Creditors and Accruals

The liabilities are recognised for amounts due to be paid in the future for goods and services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in Treasurer's Direction 219.01. 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. Treasurer's Direction 219.01 allows the Minister to award interest for late payments. No interest was paid during the period (\$ Nil 2004).

21 IMPACT OF ADOPTING AUSTRALIAN EQUIVALENTS TO IFRS

The Office will apply the Australian equivalents to International Financial Reporting Standards (AEIFRS) from 2005-06.

The Office is managing the transition to the new standards by allocating internal resources and engaging Central Corporate Services Unit (CCSU) to analyse the pending standards and Urgent Issues Group Abstracts to identify key areas regarding policies, procedures, systems and financial impacts affected by the transition. To date, all the phases identified and reported in the Financial Statements for the year ended 30 June 2004 have been completed. In particular, a draft Balance Sheet as at 1 July 2004 was prepared under AIFRS (in parallel with existing AGAAP financial information and financial statement) and submitted to the NSW Treasury and Audit Office.

The Office determined the key areas where changes in accounting policies are likely to impact the financial report. Some of these impacts arise because AEIFRS requirements are different from existing AASB requirements (AGAAP). Other impacts are likely to arise from options in AEIFRS. To ensure consistency at the whole of government level, NSW Treasury has advised agencies of options it is likely to mandate for the NSW Public Sector. The impacts disclosed below reflect Treasury's likely mandates (referred to as "indicative mandates")

Shown below are management's best estimates as at the date of preparing the 30 June, 2005 financial report of the estimated financial impacts of AEIFRS on the Group's equity and profit/loss. The Office does not anticipate any material impacts on its cash flows. The actual effects of the transition may differ from the estimated figures below because of pending changes to the AEIFRS, including the UIG interpretations and / or emerging accepted practice in their interpretation and application. The Office's accounting policies may also be affected by a proposed standard to harmonise accounting standards with Government Finance Statistics (GFS). However, the impact is uncertain because it depends on when this standard is finalised and whether it can be adopted in 2005-06

Reconciliation of equity under existing standards (AGAAP) to equity under AEIFRS

	30 June 2005 Notes	1 July 2004
	\$'000	\$'000
Total Equity under AGAAP	183	396
Total equity under AEIFRS	<u>183</u>	<u>396</u>

Reconciliation of surplus / (deficit) under AGAAP to surplus / (deficit) under AEIFRS:

	30 June 2005 Notes
	\$'000
Surplus / (deficit) under AGAAP	<u>(213)</u>
Surplus / (deficit) under AEIFRS	<u>(213)</u>

Based on the above, if AEIFRS were applied in 2004/05 there would be no change to the Net Cost of Services.

Notes to tables above

(a) Financial Instruments

In accordance with NSW Treasury's indicative mandates, The Office will apply the exemption provided in AASB 1 *First-time Adoption of Australian Equivalents to International Financial Reporting Standards* not to apply the requirements of AASB 132 *Financial Instruments: Presentation and Disclosures* and AASB 139 *Financial Instruments: Recognition and Measurement* for the comparative figures in the financial year to 30 June 2006. These Standards will apply from 1 July 2005. None of the information provided above includes any impacts for financial instruments. However, when these Standards are applied, they are likely to impact on retained earnings (on first adoption) and the amount and volatility of profit / loss. Further, the impact of these Standards will in part depend on whether the fair value option can or will be mandated consistent with Government Finance Statistics.

22 AFTER BALANCE DATE EVENTS

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

End of audited financial statements

APPENDICES

APPENDIX 1 DESIGNATED AGENCIES @ 31 October 2005

Agencies accredited for 5 years

Barnardos Australia
The Burdekin Association Inc
UCA Burnside (Uniting Care Burnside)
Southern Youth and Family Services Association Inc
Stretch-A-Family Inc
The Uniting Church in Australia Property Trust (NSW) (Wesley Dalmar Child and Family Care)
Sydney Anglican Home Mission Society Council (Anglicare Diocese of Sydney)
Phoenix Rising for Children Pty Ltd

Agencies accredited for 1 Year

Youth First Pty Ltd
Cavort Consulting Pty Ltd - The Small Steps Program

Other designated agencies

Aboriginal Children's Service Ltd
Albury Wodonga Youth Emergency Services Ltd
Allambi Youth Services Inc
Armidale Youth Refuge Inc
Bankstown Handicapped Children's Centre Association Inc
Baptist Community Services NSW & ACT
Biripi Aboriginal Corporation Medical Centre
Boys Town Engadine NSW
Burrun Dalai Aboriginal Corporation Inc
Careforce Support Services Pty Ltd
Caretakers Cottage Inc
Caringa Enterprises Inc
Catholic Family Welfare Services (Centacare Wollongong)
Centacare (Centacare Newcastle)
Centacare Catholic Community Services Archdiocese of Sydney
Centacare Catholic Family Services Diocese of Broken Bay
Church of Christ Greenacre (Nick Kearns House)
Clarence Valley Community Programs Inc
Community Connections North Coast Inc
Community Work Pty Ltd (Meeting Ever Changing Needs)
Disability Enterprises Leura
For The Children Ltd
Great Mates Ltd
Havenwax Pty Ltd (SOS Visiting Nursing Service, Home Help and Cleaning Agency)
Hunter Aboriginal Children's Services Inc
Hunter Support Services Pty Ltd
Impact Youth Services Pty Ltd
Kari Aboriginal Resources Inc
Life Without Barriers Inc
Links Youth and Disabilities Services Pty Ltd
Lutanda Children's Services
Macleay Kalipso Inc
Maitland Youth Crisis Service Inc
Mallee Family Care Inc
Marist Youth Care Ltd
Neville Bush Holdings Pty Ltd (Complete Care Team)
Ngunya Jarjum Aboriginal Corporation

North Coast Children's Home Inc
NSW Department of Ageing, Disability and Home Care
NSW Department of Community Services
Premier Youthworks Pty Ltd
Rainbow Home & Respite Service Pty Ltd
Samaritans Foundation Diocese of Newcastle
Sheach Consultancy Pty Ltd
Shire Community Initiatives Inc
Shoalcare
South Coast Medical Service Aboriginal Corporation
St Josephs Cowper Inc
St Saviours Neighbourhood Centre (Anglicare Youth and Family Services)
Sydney Stepping Stone Inc
Trustees of the Christian Brothers (Edmund Rice Community Services)
Trustees of the Missionary Sisters of the Blessed Virgin Mary Queen of the World (Missionary Sisters of Mary Queen)
United Protestant Association of NSW Ltd
Wendy's Home Service Pty Ltd
William Campbell College
Wundarra Services Pty Ltd
Youth Off The Streets Inc
Y-Young Youth Services Inc

GLOSSARY

ABSEC – Aboriginal Child, Family and Community Care State Secretariat
ACCAN – Australasian Conference on Child Abuse and Neglect
ACCYP – NSW Commission for Children and young persons
ACWA – Association for Childrens Welfare Agencies
ADT – Administrative Decisions Tribunal
AQIP – Accreditation and Quality Improvement Program
CALD – Culturally and Linguistically Diverse
CCSU – Central Corporate Services Unit at the Department of Commerce
CREATE Foundation – an organisation which represents the interests of children and young persons in care.
DADHC – NSW Department of Ageing, Disability and Home Care
Designated agency – an organisation which is accredited by the NSW Office of the Children’s Guardian to place or arrange the placement of a child or young person in out-of-home care.
DoCS – NSW Department of Community Services
EEO – Equal Employment Opportunity
FOI – Freedom of Information
ISPCAN – International Congress on Child Abuse and Neglect
MAC – Ministerial Advisory Committee
NCOSS – NSW Council on Social Services
OCG – NSW Office of the Children’s Guardian
OOHC – out-of-home care
RSP – Results and Services Plan
SES – Senior Executive Service
SRC – Student Representative
TAFE – Tertiary and Further Education
WRAPP - Waste Reduction and Purchasing Policy

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Acknowledgements

Most of the children who feature in this annual report are family, relatives and friends of staff who work at the Office of the Children's Guardian. Thank you to everyone who gave us permission to use these photos that reflect the everyday lives of children and young persons.

Special thanks to Jamie aged 15 for allowing us to use her artwork titled 'The Art of Friendship' on the cover of this report. Jaime's artwork was selected from Operation Art and is displayed in our Office.

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OCG Results and Services Plan

Government Priority
PROTECTING AND SUPPORTING CHILDREN AND YOUNG PEOPLE

OCG Activities

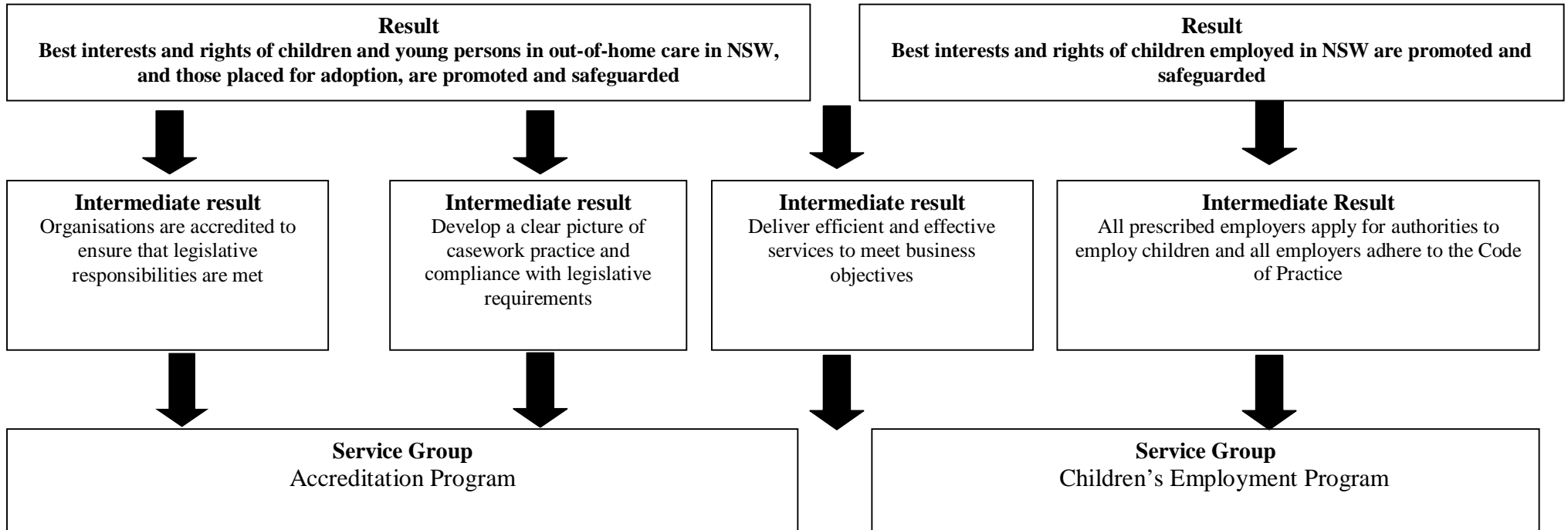


Figure 12