

Office for Children

Annual Report 2007–2008



About the Office for Children

The Office for Children provides administrative and financial support to the Commission for Children and Young People and the Children's Guardian.

During 2007–2008, the focus was on consolidating the provision of corporate service functions for both the Commission for Children and Young People and the Children's Guardian into a single unit.

Results

- Implemented corporate service efficiencies and service improvements by establishing one corporate services unit.
- Developed a business plan that identifies key projects and activities to achieve the key business results of:
 - meeting statutory reporting requirements
 - business services maximises others capacity and
 - our work is understood by others.

What is planned for the future

Implementation of the projects and activities contained in the 2008–2009 Business Plan.

Establishment, structure and function

Establishment

The Office for Children was established on 3 April 2006. The Director-General of the Office for Children, Robyn Kruk, is responsible to the Hon Graham West MP, Minister for Juvenile Justice, Minister for Volunteering and Minister for Youth.

However, the statutory functions of the Children's Guardian relate to the Community Services portfolio and the Children's Guardian reports to the Hon Linda Burney MP, Minister for Community Services.

Structure

The Office for Children provides administrative and financial support for the Commission for Children and Young People and the Children's Guardian. The organisational structures are set out in the organisational charts opposite.

Performance statements

Robyn Kruk, AM

Director General

SES Level 8

Ms Kruk is not included in the statistics below as the position of Director General is attached to the NSW Department of Premier and Cabinet.

Function

The Commission for Children and Young People and the Children's Guardian roles and functions are set out on page 48 of the Commission for Children and Young People Annual Report and page 88 of the Children's Guardian Annual Report.

Management and activities

The Office for Children has a Results and Services Plan. Key performance indicators have been developed. These are monitored through quarterly and annual reports to management.

Chief and Senior Executive Officers

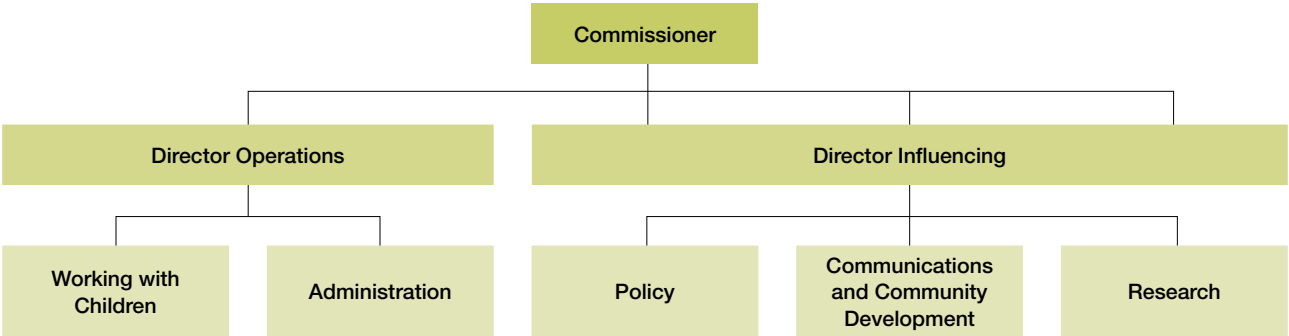
Bands	30 June 2006	30 June 2007	30 June 2008
Level 8	0	0	0
Level 7	0	0	0
Level 6	0	0	0
Level 5	0	0	0
Level 4	2	2	2
Level 3	0	0	0
Level 2	0	0	0
Level 1	0	0	0
Total	2	2	2

Numbers of Female Executive Officers

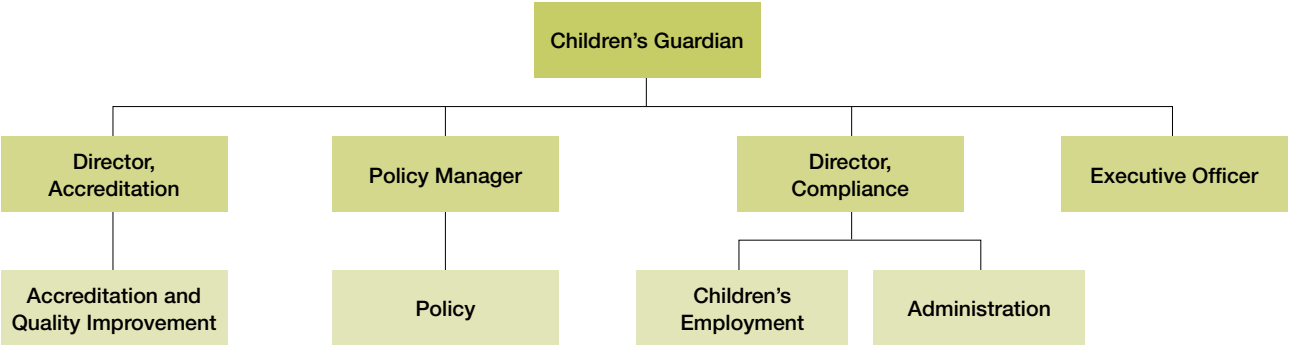
CES/SES staff 30 June 2006		CES/SES staff 30 June 2007		CES/SES staff 30 June 2008	
Total staff	Women	Total staff	Women	Total staff	Women
2	2 (100%)	2	2 (100%)	2	2 (100%)

Organisational structures

Commission for Children and Young People

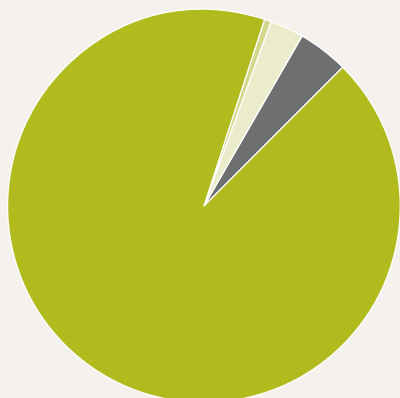


Children's Guardian



Financial summary

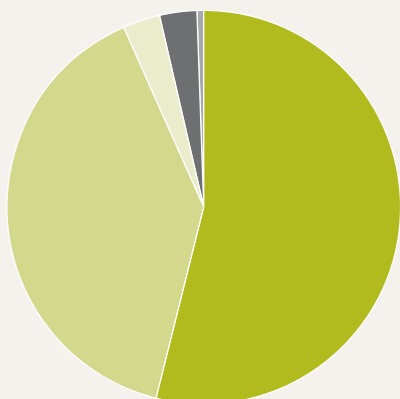
Where the money came from



- Recurrent appropriation \$11,373,000 (92.5%)
- Capital appropriation \$67,000 (0.5%)
- Other Crown funding \$360,000 (3%)
- Retained revenue \$475,000 (4%)

Total Revenue \$12,275,000

How the money was spent



- Employee related \$6,660,000 (54%)
- Maintenance and operating \$4,905,000 (39.5%)
- Grants and subsidies \$375,000 (3%)
- Depreciation \$374,000 (3%)
- Capital \$67,000 (0.5%)

Total Expenditure \$12,381,000

Governance

Committees

Audit Committee

1 July 2007 – 30 June 2008

Ms Gillian Calvert
Commissioner and Chair

Ms Kerryn Boland
Children's Guardian

Ms Virginia Neighbour
Director Operations, Commission for Children and Young People

Ms Liz McGee
Manager, Administration, Commission for Children and Young People

Ms Donna Rygate
Executive Director, Strategy, Communications and Governance, NSW Department of Community Services (Independent)

Mr Stephen Kent
Director, Assurance and Advisory Service, IAB (Observer)

Mr Jack Kheir
Director Financial Audit Services, Audit Office (Observer)

Ms Gordana Trajcevski
Audit Leader, Audit Office (Observer)

Commission for Children and Young People

Managers Group

1 July 2007 – 30 June 2008

Ms Gillian Calvert
Commissioner

Ms Virginia Neighbour
Director, Operations

Mr Stephen Robertson
Director, Influencing

Dr Sharyn Jamieson
Manager, Policy (from November 2007)

Ms Trish Malins
Manager, Research

Ms Louise Coe
Manager, Working With Children

Ms Liz McGee
Manager, Administration

Mr Chris Martin
Acting Manager, Community Education (to January 2008)

Mr Tim Moyes
Manager, Communications and Community Development (from April 2008)

Staff Management Committee

1 July 2007 – 30 June 2008

Ms Virginia Neighbour
Director, Operations

Ms Trish Malins
Manager, Research (2007)

Mr Bruce Williams
Senior Community Education Officer (2007)

Ms Liz Orr
Administration Assistant (2007)

Mr Brent Leary
Trainee, Working With Children (2007)

Ms Charlotte Hellmundt
Trainee, Community Education (2007)

Ms Louise Coe
Manager, Working With Children (2008)

Mr Gary O'Rourke
Enquiries Officer, Working With Children (2008)

Mr Nate Brayne
Trainee, Research (2008)

Children's Guardian

Executive Team

Ms Kerryn Boland
Children's Guardian

Mr Tom Kenny
Director, Compliance

Ms Susan Nicolson
Director, Accreditation (to March 2008)
Acting Policy Manager (from March 2008)

Mr David Hunt
Policy Manager (to March 2008)

Ms Wendy Lawson
Acting Director, Accreditation (from March 2008)

Names and positions of staff as members of significant statutory and interdepartmental bodies

Refer to the Commission for Children and Young People Annual Report, page 66 and the Children's Guardian Annual Report, page 111.

Code of conduct

Both the Commission for Children and Young People and the Children's Guardian have Codes of Conduct. Separate Codes of Conduct have been retained to reflect the Commission's independent statutory function. The Codes of Conduct are substantially the same except where the Commission's role requires a level of independence.

Guarantee of service

The Commission for Children and Young People has developed two service guarantees. The first is a Commitment to Service for the Commission's Working With Children background checking, developed in conjunction with the Approved Screening Agencies. The Commission's employer clients have been advised in writing about the Commitment to Service. The second Guarantee of Service applies to all other service standards in the Commission. Both documents are available on the Commission's website at www.kids.nsw.gov.au. The Children's Guardian Guarantee of Service is available on its website at www.kidsguardian.nsw.gov.au.

Consumer response

Commission for Children and Young People

The Commission for Children and Young People received two complaints in 2007–2008. The first complaint related to the Working With Children Check and the designation of a position as being child-related employment. The Commission found

that the Approved Screening Agency had followed the correct procedures in this matter and no further action was taken.

The second complaint was received from a member of parliament on behalf of an ex-employee concerning the late receipt of their Final Monies Advice. The Commission confirmed that the Final Monies Advice was sent later than usual due to the need to verify leave entitlements that had accrued across a number of employers. When the Commission was advised the employee had not received the original advice, arrangements were made with our contracted service provider for a duplicate to be issued.

The Commission's Complaints Handling Policy and Complaints Handling Procedures are on its website at www.kids.nsw.gov.au.

Children's Guardian

The Children's Guardian did not receive any complaints in 2007–2008.

Departures from Subordinate Legislation Act 1989

The Office for Children did not undertake any activity that departed from the requirements of this legislation.

Legal change

Refer to the Commission for Children and Young People's Annual Report on page 65 and the Children's Guardian Annual Report on page 100.

Privacy Management Plan

Both the Commission for Children and Young People and the Children's Guardian have Privacy Management Plans in accordance with Section 33 of the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*.

During 2007–2008, the Commission received one complaint concerning the release of personal information to prospective employers. The Commission found we had provided information to employers in keeping with the statutory requirements of Working With Children Check. The information we provided was not personal information nor had we or acted without consent in obtaining the relevant records.

Research and development

Refer to the Commission for Children and Young People's Annual Report on page 67.

Risk management and insurance

Risk management

Risk Management in the Office for Children extends to all areas of management accountability, including staff performance, project and budget management, fraud control and the statutory operations.

The Office uses a number of tools to identify and manage risks consistent with the Australian Standard AS/NZS 4360:2004 Risk Management. During 2007–2008, the Risk Management Policy and Framework was reviewed and updated.

The key risk areas for the Office for Children are:

- a high level of dependency on key staff and a lack of backup due to the small size of the agency
- a reliance on third parties for key corporate services, information technology and other specialist services.

The Office for Children Risk Control Plan addresses our statutory responsibilities, internal operations, external accountability and stakeholder relations. The Risk Control Plan identifies additional strategies to be implemented to minimise our risk exposure. The Office for Children's Audit Committee monitors the implementation of the strategies contained in the Risk Control Plan.

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

Internal audits

Internal audits help the Office for Children to maximise efficiency and effectiveness in specific programs and processes and to identify, analyse and assess our risk management practices. Internal audits are used to review our operations in high risk areas and to develop additional internal control mechanisms to minimise risk. The Office appoints independent auditors to undertake internal audit reviews.

Commission for Children and Young People

The focus of the Commission for Children and Young People audit program was monitoring the Working With Children Check and maintaining certification to the International Standard ISO/IEC 27001:2005 for Information Security.

In 2007–2008 the Commission conducted two internal audits. One was management compliance to the *State Records Act 1998* and the second was a Health Check Review of Financial and Administrative processes.

The Commission aims to implement 85 per cent of the recommendations arising from internal reviews within 12 months of the receipt of the final reports and 95 per cent within 18 months. As at 30 June 2008, the Commission had exceeded

these targets with 96.5 per cent of recommendations implemented within 12 months and 97.8 per cent within 18 months.

Children's Guardian

In 2007–2008 the Children's Guardian conducted two internal audits. One was management compliance to the *State Records Act 1998* and the second was a Health Check Review of Financial and Administrative processes.

The Children's Guardian has implemented all recommendations arising from these reviews.

External reviews

External reviews provide the Office for Children with an independent assessment of our performance. The Audit Office of NSW is the Office's official external auditor and conducts comprehensive audits of our annual financial accounts and associated financial systems.

There were no specific reviews of the Office's activities in 2007–2008 undertaken by the Audit Office of NSW.

Insurance

Through GIO Australia, the NSW Treasury Managed Fund provides insurance cover for the Office for Children's motor vehicles, public liability, property and miscellaneous items. Workers compensation coverage is provided through Allianz Pty Ltd.

The total premiums paid in 2007–2008 by the Office for Children were \$34,970 (ex GST) compared to: \$37,340 in 2006–2007; \$35,741 in 2005–2006; \$31,175 in 2004–2005; and \$32,549 in 2003–2004.

Disability Action Plan

Summary of 2007–2008 outcomes

- A prerequisite for accreditation of providers of out-of-home care and adoption services is that the Children's Guardian requires applicants to be responsive to the needs of children and young persons with disabilities.
- The Commission continued its joint research project with the social Policy Research Centre, UNSW, to explore the experience of young carers and to look at the impact of their care-giving on their participation in education, employment and friendship and social networks. This three-year project funded by the Australian Research Council is due for completion in 2010.
- The Commission continued to provide accommodation services to the Disability Council for their monthly meetings.

Office for Children's claims history 2003–2004 to 2007–2008

Claim Type	03–04	04–05	05–06	06–07	07–08
Workers' Compensation	0	0	0	1	1
Motor Vehicle	0	0	0	1	3
Public Liability	0	0	0	0	0
Property	0	0	0	0	0
Miscellaneous	0	0	0	0	0
Total	0	0	0	2	4

Office for Children Disability Action Plan Priorities for 2008–2009

- Continue to provide reasonable assistance and adaptations to accommodate the needs of employees and visitors with disabilities.
- Encourage employees to identify as a person with a disability in the Office's HRMIS database.
- Provide targeted support for employers in the disability sector as part of the Commission's Child-safe Child-friendly program.

Ethnic Affairs Priority Statement

The *Community Relations Commission and Principles of Multiculturalism Act 2000* requires all government agencies to report on their key initiatives. Following amendments to the *Annual Reports (Departments) Act and Regulations* and the *Annual Reports (Statutory Bodies) Act and Regulations* agencies with an equivalent full-time staff of less than 200 are now required to report on their EAPS on a triennial basis.

The Office for Children is next required to report in 2009–2010.

Human resources

The Office for Children provides personnel services to the Commission for Children and Young People and the Children's Guardian.

Employees by classification

The numbers reported are equivalent full-time (EFT) employees as 30 June 2008.

Personnel services provided to the Commission for Children and Young People

	EFT 30 June 2006	EFT 30 June 2007	EFT 30 June 2008
Clerk Grade 1/2	1.6	4.2	4.2
Clerk Grade 3/4	6.5	4.5	3
Clerk Grade 5/6	5	4	5
Clerk Grade 7/8	14.2	11.6	7.4
Clerk Grade 9/10	7.8	9.2	10.4
Clerk Grade 11/12	4.6	6.6	5.2
Legal Officer Grade IV	0.6	0.6	0.6
Senior Officer	2	2	2
Senior Executive Service	1	1	1
Sub-total	43.3	43.7	38.8

Personnel services provided to the Children's Guardian

	EFT 30 June 2006	EFT 30 June 2007	EFT 30 June 2008
Clerk Grade 1/2	0	0	0
Clerk Grade 3/4	2	1	1
Clerk Grade 5/6	0	2	1.5
Clerk Grade 7/8	9	9	9
Clerk Grade 9/10	3	7.6	5.7
Clerk Grade 11/12	2	2	1.6
Senior Officer	3	3	3.4
Senior Executive Service	1	1	1
Sub-total	20	25.6	23.2

Office for Children

	EFT 30 June 2006	EFT 30 June 2007	EFT 30 June 2008
Total Office for Children employees	63.3	69.3	62

Executive Officers

The position of Director General is not recorded in these statistics as the position forms part of the NSW Department of Premier and Cabinet.

SES Level	EFT 30 June 2006	EFT 30 June 2007	EFT 30 June 2008
8	0	0	0
7	0	0	0
6	0	0	0
5	0	0	0
4	2	2	2
3	0	0	0
2	0	0	0
1	0	0	0
Total	2	2	2

During 2007–2008, the Office for Children recruited 14 staff and 23 staff left. Of the staff that left nine (39 per cent) completed their period of contract employment, nine (39 per cent) resigned and five (22 per cent) transferred to other government agencies.

There were no exceptional movements in salaries during the year. Consistent with the provisions of the *Crown Employees (Public Sector Conditions of Employment) Award 2002* staff were paid a four per cent salary increase from July 2007. Senior Executive Service Officers were paid a 2.5 per cent increase in accordance with the determination of the Statutory and Other Officers Remuneration Tribunal.

There were no industrial disputes within the Office for Children during 2007–2008.

During 2007–2008, average sick leave taken by Office for Children staff was 5.67 days compared with 5.49 days in 2006–2007.

Employee assistance scheme

The Office for Children continues to provide a free confidential counselling service to employees, committee members and their immediate family using Davidson Trahaire. The Commission for Children and Young People also provides specialist counselling for research staff working with the Child Death Review Team.

Policies and procedures

The following policies and procedures were either reviewed or implemented during 2007–2008:

- Risk Management Policy and Framework.

Industrial relations policies and practices

The Commission for Children and Young People has a Staff Management Committee which maintains strong consultative workplace practices.

The Committee held three meetings during 2007–2008.

Performance development policy

All staff of the Office for Children, including temporary employees and trainees, are supported by the Performance Development Policy. During 2007–2008, 95 per cent of the Commission's required reviews took place.

During 2007–2008 the performance development agreements for all Children's Guardian staff were reviewed in accordance with the revised Performance Management Policy and Guidelines that were approved in 2006–2007.

Action plan for women

Women comprised 78 per cent of the Office for Children staff as at 30 June 2008 compared with the government benchmark of 50 per cent.

Women participate at all levels of our agency. Women from rural New South Wales and from a range of ethnic backgrounds are represented on the Commission for Children and Young People's advisory groups and committees.

Equal Employment Opportunity (EEO)

Summary of 2007–2008 outcomes

- Equal Employment Opportunity strategies are included in SES performance agreements and all role statements.
- One female was successful in being accepted into the NSW Premier's Department Executive Development program and one female staff member graduated

with a Graduate Diploma in Public Administration.

- There was an increase in part-time working arrangements and staff working from home. At 30 June 2008, there were 18 staff working part-time (16 females and 2 males).
- The Children's Guardian implemented an enhanced flexible working arrangement.

During 2007–2008, the Office for Children employed trainees through a training company. Their details are not included in the tables below.

Occupational health and safety

The Office for Children is committed to maintaining the best possible standards for occupational health and safety for everyone working and visiting our workplaces. The Office places a strong emphasis on the prevention of accidents, the early notification of injuries and the supportive management of claims to facilitate a speedy return to work.

There was one reported incident in 2007–2008 that related to a repetitive strain injury. During 2007–2008, the Office for Children provided staff with free influenza vaccinations. Twenty-six staff (40 per cent) were vaccinated.

The Office for Children was not prosecuted, fined or served an improvement notice under the *Occupational Health and Safety Act 2000* during the reporting period.

Overseas visits

In September 2007, the Commissioner for Children and Young People travelled to Spain to attend the 2007 European Network of Ombudspersons for Children (ENOC) meeting as the representative of the Asia Pacific Association of Children's Commissioners (APACC). The Commissioner also visited the Children's Commissions of Northern Ireland and England and met with their staff. Total cost incurred by the Commission was \$12,463.

In April 2008, the Commissioner for Children and Young People travelled to Ireland as the keynote speaker at the Youth Participation Project, Catalyst for Change Conference. The Commissioner was also a keynote speaker at a Republic of Ireland meeting on mechanisms for reviewing child deaths. All travel and accommodation costs were met by the Youth Participation Board of Ireland and the Irish Ombudsman for Children.

A. Trend in the representation of EEO groups (note 1)

EEO Group	Benchmark or Target	% of Total Staff (note 2)			
		2005	2006	2007	2008
Women	50%	79%	78%	77%	78%
Aboriginal people and Torres Strait Islanders	2%	3%	1.3%	0%	0%
People whose first language was not English	20%	8%	27%	10%	11%
People with a disability	12%	6%	8%	6%	5%
People with a disability requiring work-related adjustment	7%	0%	1.3%	1.4%	2.3%

B. Trend in the distribution of EEO groups (note 1)

EEO Group	Benchmark or Target	% of Total Staff (note 3)			
		2005	2006	2007	2008
Women	100	n/a	n/a	n/a	n/a
Aboriginal people and Torres Strait Islanders	100	n/a	n/a	n/a	n/a
People whose first language was not English	100	n/a	97	n/a	n/a
People with a disability	100	n/a	n/a	n/a	n/a
People with a disability requiring work-related adjustment	100	n/a	n/a	n/a	n/a

Notes:

1. Staff numbers are at 30 June 2008.
2. Excludes casual staff.
3. A distribution of 100 indicates the centre of the distribution of the EEO group across salary levels is equivalent to that of other staff. Values less than 100 mean that the EEO group tends to be more concentrated at lower salary levels compared to other staff. The more pronounced this tendency is the lower the index will be. In some cases the index may be more than 100, indicating the EEO group is less concentrated at lower salary levels. The Distribution Index is automatically calculated by the software provided by ODEOPE. The Distribution Index is not calculated where EEO group or non-EEO group numbers are less than 20. This is indicated by 'n/a'.

Financial information

After balance date events

There were no after balance date events having a significant effect in 2007–2008.

Consultants

During 2007–2008, the Office for Children did not engage any consultants whose cost was either equal to or more than \$30,000 (excluding GST). Three consultants were engaged during the year to provide expert management advice at a total cost of \$20,000 (ex GST).

Controlled entities

The Office for Children does not have any controlling interests in other entities.

Cost of annual report

The total cost of producing the Annual Report 2007–2008 was \$19,752.70, excluding GST. Annual reports are also available for download on the Office for Children's websites at www.kids.nsw.gov.au and

www.kidsguardian.nsw.gov.au.

A web page Executive Summary of the report is also available on these sites.

Credit card usage

The Commissioner for Children and Young People and the Children's Guardian certify that credit card usage in the Office for Children has met the best practice guidelines in accordance with Premier's Memoranda and Treasury Guidelines.

Economic and other factors affecting achievement of operational objectives

There were no significant economic or other factors affecting the achievement of the Office for Children's operational objectives.

Funds granted to non-government community organisations

The Catholic Commission for Employment Relations received funds totalling \$374,767.30 (ex GST)

towards their costs in undertaking Working With Children Check activities as an Approved Screening Agency.

Major assets

The major assets held by the Office for Children are leased motor vehicles, office equipment, computers, furniture and fittings.

The Office had no major works in progress at 30 June 2008.

Payment of accounts

The payment of accounts is closely monitored to ensure accounts are paid in accordance with Section 18 of the *Public Finance and Audit (General) Regulation 1995* and Treasurer's Direction TD219.01. The Office for Children did not incur any penalty interest for the late payment of accounts.

There were no significant events that affected payment performance during the reporting period.

Price determination

There were no pricing determinations made by the Office for Children during the reporting period.

Aged analysis at the end of each quarter:

Quarter	Current (ie 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	180,495	0	0	0	0
December	20,113	0	0	0	0
March	7,860	0	0	0	0
June	206	0	0	0	0

Accounts paid on time within each quarter:

Quarter	Total Accounts Paid on Time			Total Amount Paid \$
	Target %	Actual %	\$	
September	95	93	853,173	1,038,132
December	95	95	1,529,039	1,533,136
March	95	91	1,397,132	1,458,183
June	95	95	2,346,336	2,440,962

Utilities

Electronic service delivery

The Commission for Children and Young People and the Children's Guardian met their commitment to the NSW Government to make all appropriate transactional services available online by 31 December 2001.

In meeting the targets, all publications are available on the respective websites, tender information is also available on the websites and a number of transactional-based processes are available through the websites. The Office has also implemented e-procurement through the introduction of NetExpress and Smart-Buy.

Energy management

The Office for Children has continued to meet its requirements to manage its energy use.

Commission for Children and Young People

A self assessment of the Commission for Children and Young People's premises at 407 Elizabeth Street in Surry Hills has been undertaken using the Australian Building Greenhouse Rating self assessment tool giving a tenancy rating of three stars which meets the industry best practices of three stars or better.

During 2007–2008 the Office for Children continued to purchase six per cent of its energy from renewable energy sources.

Land disposal

The Office for Children does not own any properties. The Office did not dispose of any properties during 2007–2008.

Waste Reduction Policy and Purchasing Plan

The Office for Children has continued its commitment to the NSW Government's Waste Reduction and Purchasing Policy. The Waste Reduction and Purchasing Policy Plan is designed to help staff reduce the generation of waste, treat waste as a potential resource and increase the use of recycled materials.

The outcomes for 2007–2008 included:

- where appropriate, documents are forwarded and filed electronically to reduce paper use
- used our website as the main means of publication
- used laser and photocopy paper – 100 per cent of paper purchased was manufactured from 50 per cent recycled de-inked pulp and 50 per cent virgin fibre plantation timber pulp (Commission for Children and Young People)
- paper used for draft documents is recycled for notebooks
- returned 100 per cent of empty printer toner cartridges for reuse
- recycled all waste paper
- reused package wrapping
- purchased printer toner cartridges with a recycled component.

Freedom of Information

Documents held by the Office for Children and how to obtain them

The Office for Children holds documents for both the Commission for Children and Young People and the Children's Guardian. While many documents are available for inspection or purchase, the production of some documents may require an application under the *Freedom of Information Act 1989*, the *Privacy and Personal Information Act 1998* or the *Health Records and Information Privacy Act 2002*.

Freedom of Information requests

Under the *Freedom of Information Act 1989*, members of the public have the right to access personal, policy and administrative documents held by the Office for Children except for certain types of information for which the *Freedom of Information Act 1989* allows an exemption. The Act also allows for applications to be lodged for amendments of records where they are "incorrect, misleading or out of date".

Section 43 of the *Commission for Children and Young People Act 1998* extends Freedom of Information to cover all non-government organisations involved in child-related employment. Any person for whom relevant employment proceedings have been undertaken is entitled, under the *Freedom of Information Act 1989*, to access any documents of an organisation which contain relevant employment proceedings information in relation to them. The right exists irrespective of whether the employer is a public or private sector employment.

There are no costs charged for any person seeking information in relation to these arrangements.

Formal requests made under the *Freedom of Information Act 1989* for access to documents held by the Office for Children should be accompanied by a \$30.00 application fee and directed to the FOI/Privacy Officer by phoning 9286 7267 or in writing to Level 2, 407 Elizabeth Street, Surry Hills, NSW 2010.

Application forms are available at www.kids.nsw.gov.au or www.kidsguardian.nsw.gov.au. A 50 per cent reduction in fees and charges is available in some circumstances. Children and young people aged under 18 years are granted Freedom of Information access free of charge.

Privacy applications

The *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002* regulate the way the Office for Children deals with personal and health information and gives people a legally enforceable right of access to their information. Applications can be made for personal information that may be held by the Office for Children. Applications may also be made to amend personal information that may be incomplete, incorrect, misleading or out of date. People who believe that the Office for Children has breached their privacy can ask the Commission for Children and Young People or the Children's Guardian to investigate what occurred.

Inquiries can be made in person, in writing or by telephone. Contact the FOI/Privacy Officer by phoning 9286 7276 or writing to Level 2, 407 Elizabeth Street, Surry Hills, NSW 2010.

Policy documents and publications

A list of policy documents called the Summary of Affairs is published each June and December in the *Government Gazette* and on our websites. Publications issued by the Commission for Children and Young

People and the Children's Guardian may be obtained from their offices. The websites of the Commission for Children and Young People and the Children's Guardian contain lists of publications for sale or for downloading.

Freedom of Information statistics

Commission for Children and Young People

During 2007–2008, there were nine Freedom of Information requests relating to the operations of the Commission for Children and Young People compared with nine in 2006–2007 and seven in 2005–2006.

Five of these requests were granted in full within the required timeframe and one was granted in full outside of the 21 day timeframe. Three requests were granted in part and completed within the required timeframe. No requests were refused. There were no outstanding requests at 30 June 2008.

The Commission for Children and Young People provided three requests free of charge, as required by Section 43 of the *Commission for Children and Young People Act 1998*.

Total fees collected for Freedom of Information requests not made under section 43 of the *Commission for Children and Young People Act 1998* were \$90.00.

Children's Guardian

During 2007–2008 the Children's Guardian received one Freedom of Information request that was determined within the statutory timeframe. Some of the information requested was not released as it was considered exempt under Schedule 1 of the *Freedom of Information Act 1989*. The original determination was affirmed when the applicant sought a review. The total amount of fees collected was \$30.00.

Publications

Commission for Children and Young People

A list of publications published in 2007–2008 is included in the Commission for Children and Young People's Annual Report.

The following existing publications are available from www.kids.nsw.gov.au or from the Commission for Children and Young People:

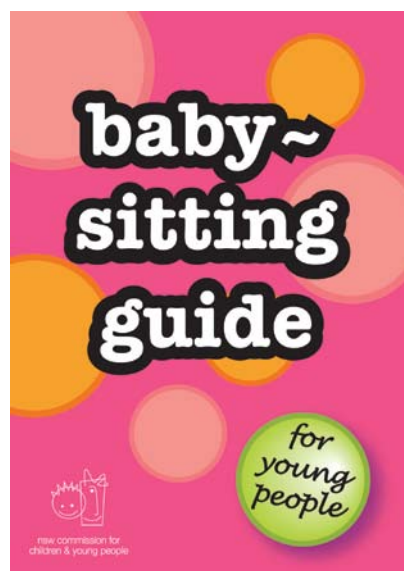
- *Annual Reports*
- *Feedback 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007*
- *Child Death Review Team Annual Report and Summary Reports 1998–1999, 1999–2000, 2001–2002, July–December 2002, January–December 2003, January–December 2004, January–December 2005*
- *Sudden Unexpected Deaths in Infancy: the New South Wales Experience*
- *Summary Report: Sudden Unexpected Deaths in Infancy: the New South Wales Experience*
- *Children at Work Recommendations*
- *Children at Work*
- *Your Voice – information brochure for primary school children*
- *Your Voice Activity Book*
- *Being Child-safe and Child Friendly – workshop workbook*
- *Fatal Assault and Neglect of Children and Young People*
- *Suicide and Risk-taking Deaths of Children and Young People*
- *Fatal Assault of Children and Young People*
- *The Working With Children Check Employer Guidelines*
- *A Head Start for Australia – An Early Years Framework (full and summary reports)*
- *What about the kids?: Policy Directions for Improving the experiences of infants and young children in a changing world (full and summary discussion paper)*
- *Exchange (Quarterly newsletter)*
- *A Voice For Kids – promotional brochure*
- *Participation: Checking the Scoreboard*
- *Participation: Sharing the Stage*
- *Participation: All aBoard!*
- *Participation: Count me in!*
- *Participation: Meeting together – deciding together*
- *Participation: Sharing Our Journey*
- *Participation: Conferences and Events*

Fact sheets

- *Key trends from Child Death Review Team reports*
- *Key trends in child fatalities from drowning*
- *Key trends in child fatalities from transport incidents*

Information sheets

- *Including children and young people*
- *Listening to children*
- *Raising children*
- *Child protection is everyone's business*
- *Reporting abuse and neglect*
- *Child sexual assault*
- *Involving kids in staff selection*
- *Child-safe Child-friendly*



Ask the Children resources

- *Children and young people talk about health*
- *Overview of children's understandings of well-being*
- *Children and young people speak about education*
- *Young people talk about driving*
- *Young people talk about their experiences at work*
- *Young people talk alcohol*
- *Children and young people speak about the issues important to them*
- *Kids speak out about immigration detention experiences*
- *Prescription and Over-the-Counter Drugs – General Practitioners*
- *Prescription and Over-the-Counter Drugs – Pharmacists*
- *Prescription and Over-the-Counter Drugs – Sports Coaches*
- *Prescription and Over-the-Counter Drugs – Teachers and School Staff*

Children's Guardian

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

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

Out-of-home care accreditation and quality improvement:

- *Accreditation for New Organisations*
- *Appointment of Authorised Carers*
- *NSW Out-of-Home Care Standards*
- *Benchmark Policies*
- *Accreditation and Quality Improvement Guide for Organisations*
- *Accreditation Application Form*
- *Application for variation of accreditation condition which precludes the provision of residential care to children under the age of 12 years*

- *Self Study Record Book*

- *Stakeholder Feedback Resource*
- *Case File Audit Tool*
- *Out-of-Home Care (OOHC) Accreditation and the DoCS Expression of Interest (EoI) Process*

Adoption accreditation:

- *Adoption benchmark policies*
- *Accreditation Manual for Organisations*
- *Statement of Contemporary Adoption Practice*
- *Developing a Code of Conduct*
- *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:

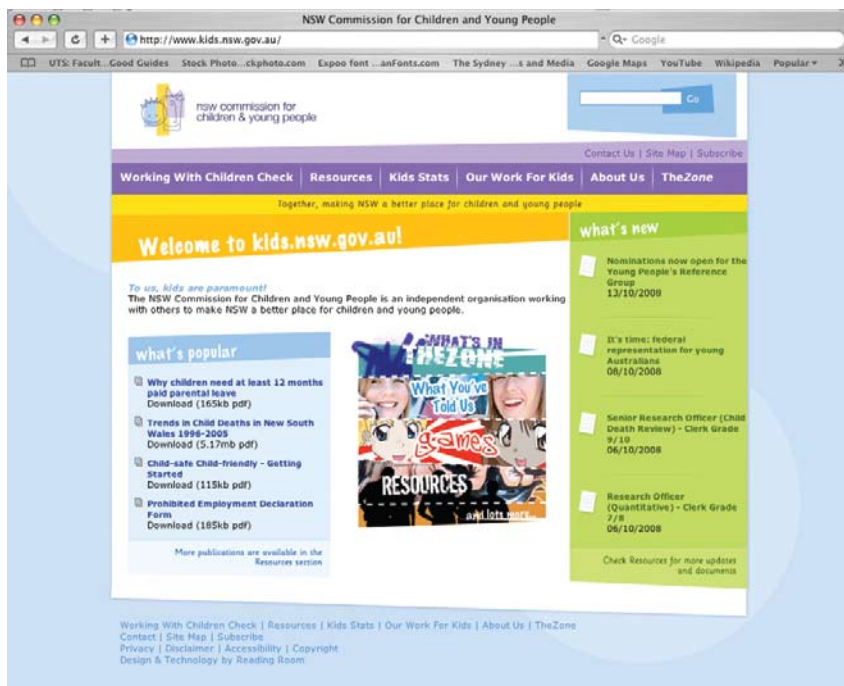
- *Caring for Kids in Care Brochure (also available in Arabic and Vietnamese)*

Children's employment:

- *Child Employment Requirements in NSW*

Fact sheets:

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



www.kids.nsw.gov.au



www.kidsguardian.nsw.gov.au



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
- Statutory guidelines for designated agencies on disclosing out-of-home-care placement information to parents and other significant people

Issues papers:

- Developing a Critical Event Management Policy
- Panels of Consultants for Adoption Service Providers
- Monitoring the Provision of Adoption Services in NSW
- 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

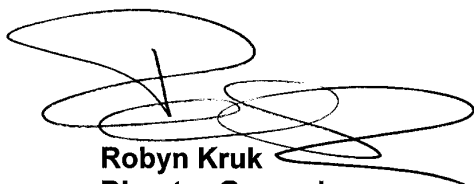
Other publications:

- Caring for Aboriginal and Torres Strait Islander Kids
- Aboriginal Policy Statement
- Submission to the Special Commission of Inquiry into Child Protection Services in New South Wales

OFFICE FOR CHILDREN**Statement by the Director General, Office for Children**

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 accompanying financial statements have been prepared in accordance with applicable Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Urgent Issues Group Consensus Views, the requirements of the *Public Finance and Audit Act 1983* and the *Public Finance and Audit Regulation 2000*, the Financial Reporting Code for Budget Dependant General Government Sector Agencies and Treasurer's Directions.
- (b) the financial statements exhibit a true and fair view of the financial position of the Office for Children as at 30 June 2008 and for the operations for the year then ended;
- (c) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Robyn Kruk
Director General

18/6/08
Dated:



GPO BOX 12
Sydney NSW 2001

INDEPENDENT AUDITOR'S REPORT

OFFICE FOR CHILDREN

To Members of the New South Wales Parliament

I have audited the accompanying financial report of the Office for Children (the Office), which comprises the balance sheet as at 30 June 2008, and the operating statement, statement of recognised income and expense, cash flow statement, program statement - expenses and revenues, and summary of compliance with financial directives for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Auditor's Opinion

In my opinion, the financial report:

- presents fairly, in all material respects, the financial position of the Office as at 30 June 2008, and its financial performance and cash flows for the year then ended in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations)
- is in accordance with section 45E of the *Public Finance and Audit Act 1983* (the PF&A Act) and the Public Finance and Audit Regulation 2005.

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

Director-General's Responsibility for the Financial Report

The Director-General of the Office for Children is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the PF&A Act. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on my audit. I conducted my audit in accordance with Australian Auditing Standards. These Auditing Standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the Office's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Office's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Director-General, as well as evaluating the overall presentation of the financial report.

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

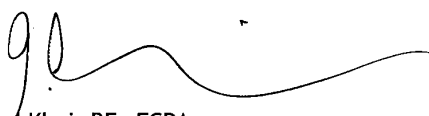
My opinion does *not* provide assurance:

- about the future viability of the Office,
- that it 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.

Independence

In conducting this audit, the Audit Office of New South Wales has complied with the independence requirements of the Australian Auditing Standards and other relevant ethical requirements. The PF&A 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 of New South Wales are not compromised in their role by the possibility of losing clients or income.



J Kheir BEc FCPA
Director, Financial Audit Services

20 October 2008
SYDNEY

**Office for Children
Operating Statement
for the year ended 30 June 2008**

	Notes	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
Expenses excluding losses				
Operating expenses				
Employee related expenses	2(a)	6,660	6,744	6,329
Other operating expenses	2(b)	4,905	4,830	4,903
Depreciation and amortisation expenses	2(c)	374	359	402
Grants and subsidies	2(d)	375	385	331
Total Expenses excluding losses		12,314	12,318	11,965
Revenue				
Sale of goods and services	3(a)	144	-	98
Investment revenue	3(b)	104	69	66
Grants and contributions		180	-	-
Other revenue	3(d)	47	117	53
Total Revenue		475	186	217
Gain / (loss) on disposal	4	-	-	(2)
Net Cost of Services	19	(11,839)	(12,132)	(11,750)
Government Contributions				
Recurrent appropriations	5	11,373	11,532	11,322
Capital appropriations	5	67	99	145
Acceptance by the Crown Entity of employee benefits and other liabilities	6	360	-	322
Total Government Contributions		11,800	11,631	11,789
SURPLUS / (DEFICIT) FOR THE YEAR		(39)	(501)	39

The accompanying notes form part of these financial statements.

**Office for Children
Statement of Recognised Income and Expense
for the year ended 30 June 2008**

		Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
Surplus / (Deficit) for the year		<u>(39)</u>	<u>(501)</u>	<u>39</u>
TOTAL INCOME AND EXPENSE RECOGNISED FOR THE YEAR	Notes 15	<u>(39)</u>	<u>(501)</u>	<u>39</u>

The accompanying notes form part of these financial statements.

**Office for Children
Balance Sheet
as at 30 June 2008**

	Notes	Actual 2008 \$'000	Budget 2008 \$'000	Actual 2007 \$'000
ASSETS				
Current Assets				
Cash and cash equivalents	8	1,280	904	758
Receivables	9	428	398	398
Total Current Assets		1,708	1,302	1,156
Non-Current Assets				
Property, plant and equipment	10			
- Leasehold Improvements	10	507	499	700
- Plant and Equipment	10	167	248	248
Total Property, plant and equipment	10	674	747	948
Intangible assets	11	250	224	283
Total Non-Current Assets		924	971	1,231
Total Assets		2,632	2,273	2,387
LIABILITIES				
Current Liabilities				
Payables	12	398	367	367
Provisions	13	705	635	635
Other	14	191	-	-
Total Current Liabilities		1,294	1,002	1,002
Non-Current Liabilities				
Provisions	13	196	204	204
Total Non-Current Liabilities		196	204	204
Total Liabilities		1,490	1,206	1,206
Net Assets		1,142	1,067	1,181
EQUITY				
Accumulated funds	15	1,142	1,067	1,181
Total Equity		1,142	1,067	1,181

The accompanying notes form part of these financial statements.

**Office for Children
Cash Flow Statement
for the year ended 30 June 2008**

	Notes	Actual 2008 \$'000	Budget 30 June 2008 \$'000	Actual 2007 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES				
Payments				
Employee related		(6,155)	(6,357)	(6,185)
Grants and subsidies		(375)	(385)	(331)
Other		(5,347)	(5,417)	(5,011)
Total Payments		(11,877)	(12,159)	(11,527)
Receipts				
Sale of goods and services		66	-	129
Interest received		75	69	70
Other		694	704	-
Total Receipts		835	773	199
Cash Flows From Government				
Recurrent appropriation	5	11,532	11,532	11,322
Capital appropriation (excluding equity appropriations)	5	99	99	145
Cash transfers to the Consolidated Fund		-	-	(357)
Net Cash Flows From Government		11,631	11,631	11,110
NET CASH FLOWS FROM OPERATING ACTIVITIES	19	589	245	(218)
CASH FLOWS FROM INVESTING ACTIVITIES				
Proceeds from sale of plant and equipment and infrastructure systems		-	-	2
Purchases of plant and equipment and infrastructure systems		(67)	(99)	(173)
NET CASH FLOWS FROM INVESTING ACTIVITIES		(67)	(99)	(171)
NET INCREASE (DECREASE) IN CASH		522	146	(389)
Opening cash and cash equivalents		758	758	1,147
CLOSING CASH AND CASH EQUIVALENTS	8	1,280	904	758

The accompanying notes form part of these financial statements.

Office for Children
Program Statement - Expenses and Revenues
for the year ended 30 June 2008

AGENCY'S EXPENSES AND REVENUES	Commission for Children and Young People *		Office for Children Guardian *		Not Attributable		Total	
	2008	2007	2008	2007	2008	2007	2008	2007
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Expenses excluding losses								
Operating expenses								
• Employee related expenses	4,230	3,853	2,430	2,476	-	-	6,660	6,329
• Other operating expenses	4,085	3,905	820	998	-	-	4,905	4,903
Depreciation and amortisation expenses	278	304	96	98	-	-	374	402
Grants and subsidies	375	331	-	-	-	-	375	331
Total expenses excluding losses	8,968	8,393	3,346	3,572	-	-	12,314	11,965
Revenue								
Investment revenue	91	45	13	21	-	-	104	66
Sales of goods and services	-	-	144	98	-	-	144	98
Grants and contributions	180	-	-	-	-	-	180	-
Other revenue	47	43	-	10	-	-	47	53
Total Revenue	318	88	157	129	-	-	475	217
Gain / (loss) on disposal	-	-	-	(2)	-	-	-	(2)
Net Cost of Services	8,650	8,305	3,189	3,445	-	-	11,839	11,750
Government contributions **					11,800	11,789	11,800	11,789
NET EXPENDITURE / (REVENUE) FOR THE YEAR	8,650	8,305	3,189	3,445	(11,800)	(11,789)	39	(39)

* The name and purpose of each program is summarised in Note 7.

** Appropriations are made on an agency basis and not to individual programs. Consequently, government contributions must be included in the 'Not Attributable' column.

Office for Children
Summary of Compliance with Financial Directives
for the year ended 30 June 2008

	2008				2007			
	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Recurrent Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000	Capital Appropriation \$'000	Expenditure / Net Claim on Consolidated Fund \$'000
ORIGINAL BUDGET APPROPRIATION / EXPENDITURE								
• Appropriation Act	11,532	11,373	99	67	11,325	11,322	145	145
• s24 PF&AA - transfers of functions between departments	-	-	-	-	-	-	-	-
	11,532	11,373	99	67	11,325	11,322	145	145
	-	-	-	-	-	-	-	-
Total Appropriations / Expenditure / Net Claim on Consolidated Fund (includes transfer payments)	11,532	11,373	99	67	11,325	11,322	145	145
Amount drawn down against Appropriation		11,532		99		11,322		145
Liability to Consolidated Fund*		(159)		(32)		-		-

The Summary of Compliance is based on the assumption that Consolidated Fund monies are spent first (except where otherwise identified or prescribed).

The "Liability to Consolidated Fund" represents the difference between the "Amount drawn against Appropriation" and the "Total Expenditure / Net Claim" on Consolidated Fund.

1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Reporting entity

The Office for Children (the Office), was established on 3 April 2006 to combine the activities of the former agencies of Commission for Children and Young People (CCYP), and Office of the Children's Guardian (OCG) under the Public Sector Employment and Management (Children and other matters) Order 2006.

The Office, as a reporting entity, comprises the activities of the the Commission for Children and Young People. The Commission is a reporting entity under Commission for Children and Young People Act 1998, and is listed in Schedule 2 of the Public Finance and Audit Act 1983. Activities of the Commission are shown in Note 7.

The Office's financial report includes the value of services provided free of charge to the Commission.

The Office is a NSW government department. The Office is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units. The reporting entity is consolidated as part of the NSW Total State Sector Accounts.

The financial statements for the year ended 30 June 2008 have been authorised for issue by the Director General on 18th October 2008.

(b) Basis of preparation

The Office's financial statements are a general purpose financial report which has been prepared in accordance with:

- applicable Australian Accounting Standards (which include Australian Accounting Interpretations)
- the requirements of the *Public Finance and Audit Act* and Regulation; and
- the Financial Reporting Directions published in the Financial Reporting Code for Budget Dependent General Government Sector Agencies or issued by the Treasurer.

Property, plant and equipment, investment property, assets (or disposal groups) held for sale and financial assets at 'fair value through profit or loss' and available for sale are measured at fair value. Other financial report items are prepared in accordance with the historical cost convention.

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

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

(c) Statement of compliance

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

(d) Income recognition

Income is measured at the fair value of the consideration or contribution received or receivable. Additional comments regarding the accounting policies for the recognition of income are discussed below.

(i) Parliamentary appropriations and contributions

Parliamentary appropriations and contributions from other bodies (including grants and donations) are generally recognised as income 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.

- Unspent appropriations are recognised as liabilities rather than revenue, as the authority to spend the money lapses and the unspent amount must be repaid to the Consolidated Fund.
The liability is disclosed in Note 14 as part of 'Current liabilities - Other'. The amount will be repaid and the liability will be extinguished next financial year.

**Office for Children
Notes to the Financial Statements
for the year ended 30 June 2008**

(ii) Sale of goods and services

Revenue from the sale of goods is recognised as revenue when the agency transfers the significant risks and rewards of ownership of the assets.

(iii) Rendering of services

Revenue is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

(iv) Investment revenue

Interest revenue is recognised using the effective interest method as set out in AASB 139 *Financial Instruments: Recognition and Measurement*.

(e) *Employee benefits and other provisions*

(a) Salaries and wages, annual leave, sick leave and on-costs

Liabilities for salaries and wages (including non-monetary benefits), annual leave and paid sick leave that fall due wholly within 12 months of the reporting date are recognised and measured in respect of employees' services up to the reporting date at undiscounted amounts based on the amounts expected to be paid when the liabilities are settled.

Long-term annual leave that is not expected to be taken within twelve months is measured at present value in accordance with AASB 119 *Employee Benefits*.

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.

(b) 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 liability as having been extinguished resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at present value in accordance with AASB 119 *Employee Benefits*. This is based on the application of certain factors (specified in NSWTC 07/04) to employees with five or more years of service, using current rates of pay. These factors were determined based on an actuarial review to approximate present value.

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

(c) Other provisions

Other provisions exist when: the Office has a present legal or constructive obligation as a result of a past event; it is probable that an outflow of resources will be required to settle the obligation; and a reliable estimate can be made of the amount of the obligation.

(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 that:

- the amount of GST incurred by the Office as a purchaser that is not recoverable from the Australian Taxation Office is recognised as part of 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.

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

(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 the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other Australian Accounting Standards.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition (see also assets transferred as a result of an equity transfer - Note 1(r)).

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

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent, i.e. deferred payment amount is effectively discounted at an asset-specific rate.

(i) Capitalisation thresholds

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

(j) Revaluation of property, plant and equipment

Physical non-current assets are valued in accordance with the "Valuation of Physical Non-Current Assets at Fair Value" Policy and Guidelines Paper (TPP 07-1). This policy adopts fair value in accordance with AASB 116 Property, Plant and Equipment and AASB 140 Investment Property. *Property, Plant and Equipment* 1.

Plant and equipment is measured on an existing use basis, where there are no feasible alternative uses in the existing natural, legal, financial and socio-political environment. However, in the limited circumstances where there are feasible alternative uses, assets are valued at their highest and best use.

Fair value of plant and equipment is determined based on the best available market evidence, including current market selling prices for the same or similar assets. Where there is no available market evidence, the asset's fair value is measured at its market buying price, the best indicator of which is depreciated replacement cost.

(k) Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, the Office is effectively exempted from AASB 136 Impairment of Assets and impairment testing. This is because AASB 136 modifies the recoverable amount test to the higher of fair value less costs to sell and depreciated replacement cost. This means that, for an asset already measured at fair value, impairment can only arise if selling costs are material. Selling costs are regarded as immaterial.

**Office for Children
Notes to the Financial Statements
for the year ended 30 June 2008**

(l) *Depreciation of property, plant and equipment*

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

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

Depreciation Rates

% Rate

Plant & Equipment	
Office furniture and fittings	10
Computer equipment and software	25

(m) *Restoration cost*

The estimated cost of dismantling and removing an asset and restoring the site is included in the cost of an asset, to the extent it is recognised as a liability.

(n) *Maintenance*

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

(o) *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.

Operating lease payments are charged to the Operating Statement in the periods in which they are incurred.

(p) *Intangible assets*

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

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

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

The Office's intangible assets are amortised using the straight line method over a period of 4 years.

In general, intangible assets are tested for impairment where an indicator of impairment exists. However, as a not-for-profit entity with no cash generating units, the Office is effectively exempted from impairment testing.

(q) *Receivables*

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. These financial assets are recognised initially at fair value, usually based on the transaction cost or face value. Subsequent measurement is at amortised cost using the effective interest method, less an allowance for any impairment of receivables. Any changes are accounted for in the operating statement when impaired, derecognised or through the amortisation process.

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

(r) *Equity transfers*

The transfer of net assets between agencies as a result of an administrative restructure, transfers of programs / functions and parts thereof between NSW public sector agencies are designated as a contribution by owners are recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Interpretation 1038 1(d)(i) are designated as contributions by owners and recognised as an adjustment to "Accumulated Funds". This treatment is consistent with Australian Interpretation 1038 *Contributions by Owners Made to Wholly Owned Public Sector Entities*.

Transfers arising from an administrative restructure between government departments are recognised at the amount at which the asset was recognised by the transferor government department immediately prior to the restructure. Subject to below, in most instances this will approximate fair value.

(s) *Payables*

These amounts represent liabilities for goods and services provided to the agency and other amounts. Payables are recognised initially at fair value, usually based on the transaction cost or face value. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

(t) *Comparative information*

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

(u) *New Australian Accounting Standards issued but not effective*

At reporting date, the following Standards and Interpretations have been issued but are not yet effective. NSW Treasury mandate (TC08/04) precludes early adoption of these accounting standards.

<u>Australian Accounting Standard/Interpretations</u>	<u>Effective for annual reporting periods beginning on or after</u>
AASB 101 (September 2007) and AASB 2007-8 regarding presentation of financial statements	1 January 2009
AASB 1004 (December 2007) regarding contributions	1 July 2008
ASB 1049 (October 2007) regarding the whole of government and general government sector financial reporting	1 July 2008
AASB 2007-9 regarding amendments arising from review of AASs 27, 29 and 31	1 July 2008
Interpretation 4 (February 2007) regarding determining whether an arrangement contains a lease	1 January 2008
Interpretation 12 and AASB 2007-2 regarding service concession arrangements	1 January 2009
Interpretation 129 (February 2007) regarding service concession disclosures	1 January 2008
Interpretation 1038 (December 2007) regarding contributions by owners	1 July 2008

The Office anticipates that the adoption of these Standards and Interpretations in future periods will not have a material financial impact on the financial statements.

These Standards and Interpretations will be first applied in the financial report of the Office that relates to the annual reporting period beginning after the effective date of each pronouncement.

Office for Children
Notes to the Financial Statements
for the year ended 30 June 2008

2 EXPENSES EXCLUDING LOSSES

	2008 \$'000	2007 \$'000
(a) Employee related expenses		
Salaries and wages (including recreation leave)	5,610	5,382
Superannuation	560	494
Long service leave	127	118
Workers compensation insurance	23	16
Payroll tax and fringe benefit tax	340	319
	<u>6,660</u>	<u>6,329</u>

	2008 \$'000	2007 \$'000
(b) Other operating expenses include the following:		
Auditor's remuneration - audit or review of the financial reports	44	40
Insurance	10	6
Corporate services fees to CCSU	754	722
Consultancy costs	20	61
Contractors	731	736
Travel related	73	81
Data Processing	75	87
Events Management	42	56
Motor vehicle expenses	25	25
Operating lease rental expense - minimum lease payments	629	629
Postage	34	30
Conference and seminars	24	28
Media monitoring	4	-
Stores & stationery	86	77
Storage	19	22
Board	3	31
Printing	77	83
Publication and advertising	70	77
Employment screening	1,720	1,631
Data services	106	95
Telephone	69	90
Other	209	242
Maintenance expenses	81	54
	<u>4,905</u>	<u>4,903</u>
<i>* Reconciliation - Total maintenance</i>		
Maintenance expense - contracted labour and other (non-employee related), as above	81	54
Total maintenance expenses included in Note 2(a) + 2(b)	<u>81</u>	<u>54</u>

(c) Depreciation and amortisation expense

Depreciation		
Plant and Equipment	96	110
Total Depreciation	<u>96</u>	<u>110</u>
Amortisation		
Leasehold improvements	193	188
Software	85	104
	<u>374</u>	<u>402</u>

(d) Grants and subsidies

Grants to Catholic Commission	375	331
	<u>375</u>	<u>331</u>

Office for Children
Notes to the Financial Statements
for the year ended 30 June 2008

3 REVENUES

	2008 \$'000	2007 \$'000
(a) Sale of goods and services		
Sale of Goods and Services	<u>144</u>	<u>98</u>
	<u>144</u>	<u>98</u>
(b) Investment revenue		
Interest	<u>104</u>	<u>66</u>
	<u>104</u>	<u>66</u>
(c) Grants and contributions		
Other Grant	<u>180</u>	<u>-</u>
	<u>180</u>	<u>-</u>
(d) Other revenue		
Sundry income	<u>47</u>	<u>53</u>
	<u>47</u>	<u>53</u>

4 GAIN / (LOSS) ON DISPOSAL

Gain / (loss) on disposal of plant and equipment		
Proceeds from disposal	-	2
Written down value of assets disposed	<u>-</u>	<u>(4)</u>
Net gain / (loss) on disposal of plant and equipment	<u>-</u>	<u>(2)</u>

Office for Children
Notes to the Financial Statements
for the year ended 30 June 2008

5 APPROPRIATIONS

	2008 \$'000	2007 \$'000
Recurrent appropriations		
Total recurrent drawdowns from NSW Treasury (per Summary of Compliance)	11,532	11,322
Less: Liability to Consolidated Fund (per Summary of Compliance)	<u>159</u>	<u>-</u>
	<u>11,373</u>	<u>11,322</u>
Comprising:		
Recurrent appropriations (per Operating Statement)	<u>11,373</u>	<u>11,322</u>
	<u>11,373</u>	<u>11,322</u>
Capital appropriations		
Total capital drawdowns from NSW Treasury (per Summary of Compliance)	99	145
Less: Liability to Consolidated Fund (per Summary of Compliance)	<u>32</u>	<u>-</u>
	<u>67</u>	<u>145</u>
Comprising:		
Capital appropriations (per Operating Statement)	<u>67</u>	<u>145</u>
	<u>67</u>	<u>145</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 or other government agencies:

Superannuation	221	194
Long Service Leave	127	118
Payroll tax	<u>12</u>	<u>10</u>
	<u>360</u>	<u>322</u>

7 PROGRAMS / ACTIVITIES OF THE AGENCY

The Office for Children combines the activities of:-

(a) Commission for Children and Young People

To promote and enhance the safety, welfare, and wellbeing of children and young people in the community, and encourage their participation in decisions that affect their lives.

(b) Office for Children Guardian

To promote the best interests and rights 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.

**Office for Children
Notes to the Financial Statements
for the year ended 30 June 2008**

8 CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2008 \$'000	2007 \$'000
Cash at bank and on hand	1,280	758

For the purposes of the Cash Flow Statement, cash and cash equivalents include cash at bank, cash on hand, short term deposits and bank overdraft [specify others where applicable].

Cash and cash equivalent assets recognised in the balance sheet are reconciled at the end of the financial year to the Cash Flow Statement as follows:

Closing cash and cash equivalents (per Cash Flow Statement)	<u>1,280</u>	<u>758</u>
---	--------------	------------

Refer Note 20 for details regarding credit risk, liquidity risk, and market risk arising from financial instruments.

9 CURRENT / NON-CURRENT ASSETS - RECEIVABLES

Current Receivables

Sale of goods and services	158	41
Goods and Services Tax recoverable from ATO	87	99
Interest	61	32
Other	30	52
Prepayments	<u>92</u>	<u>174</u>
	<u>428</u>	<u>398</u>

10 NON-CURRENT ASSETS - PROPERTY, PLANT AND EQUIPMENT

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
At 1 July 2007 - Fair Value			
Gross carrying amount	1,535	991	2,526
Accumulated depreciation	(835)	(743)	(1,578)
Net carrying amount	<u>700</u>	<u>248</u>	<u>948</u>
At 30 June 2008 - Fair Value			
Gross carrying amount	1,536	1,005	2,541
Accumulated depreciation	(1,029)	(838)	(1,867)
Net carrying amount	<u>507</u>	<u>167</u>	<u>674</u>

Office for Children
Notes to the Financial Statements
for the year ended 30 June 2008

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the current reporting period is set out below.

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
Year ended 30 June 2008			
Net carrying amount at start of year	700	248	948
Additions	-	14	14
Depreciation expense	(193)	(95)	(288)
Net carrying amount at end of year	<u>507</u>	<u>167</u>	<u>674</u>
At 1 July 2006 – Fair Value			
Gross carrying amount	1,430	1,570	3,000
Accumulated depreciation	(647)	(1,258)	(1,905)
Net carrying amount	<u>783</u>	<u>312</u>	<u>1,095</u>
At 30 June 2007 – Fair Value			
Gross carrying amount	1,535	991	2,526
Accumulated depreciation and impairment	(835)	(743)	(1,578)
Net carrying amount	<u>700</u>	<u>248</u>	<u>948</u>

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the previous reporting period is set out below.

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
Year ended 30 June 2007			
Net carrying amount at start of period	783	312	1,095
Additions	105	50	155
Disposals	-	(630)	(630)
Depreciation expense	(188)	(110)	(298)
Accumulated depreciation written back on disposal	-	626	626
Net carrying amount at end of period	<u>700</u>	<u>248</u>	<u>948</u>

11 INTANGIBLE ASSETS

	Software \$'000	Total \$'000
At 1 July 2007 – Fair Value		
Gross carrying amount	670	670
Accumulated amortisation and impairment	(387)	(387)
Net carrying amount	<u>283</u>	<u>283</u>
At 30 June 2008 – Fair value		
Gross carrying amount	722	722
Accumulated amortisation and impairment	(472)	(472)
Net carrying amount	<u>250</u>	<u>250</u>
Year ended 30 June 2008		
Net carrying amount at start of period	283	283
Additions	52	52
Amortisation	(85)	(85)
Net carrying amount at end of period	<u>250</u>	<u>250</u>

Office for Children
Notes to the Financial Statements
for the year ended 30 June 2008

	Software \$'000	Total \$'000
At 1 July 2006 – Fair Value		
Gross carrying amount	609	609
Accumulated amortisation and impairment	(283)	(283)
Net carrying amount	<u>326</u>	<u>326</u>
At 30 June 2007 – Fair Value		
Gross carrying amount	670	670
Accumulated amortisation and impairment	(387)	(387)
Net carrying amount	<u>283</u>	<u>283</u>
Year ended 30 June 2007		
Net carrying amount at start of period	326	326
Additions	61	61
Amortisation	(104)	(104)
Net carrying amount at end of period	<u>283</u>	<u>283</u>

12 CURRENT LIABILITIES - PAYABLES

	2008 \$'000	2007 \$'000
Accrued salaries, wages and on-costs	124	69
Creditors	<u>274</u>	<u>298</u>
	<u>398</u>	<u>367</u>

13 CURRENT / NON-CURRENT LIABILITIES - PROVISIONS

Current

Employee benefits and related on-costs

Recreation leave	579	479
Long service leave	55	55
Payroll tax	<u>67</u>	<u>99</u>
	<u>701</u>	<u>633</u>

Current

Other provisions

Lease incentive	<u>4</u>	<u>2</u>
	<u>4</u>	<u>2</u>
	<u>705</u>	<u>635</u>

Non-current

Employee benefits and related on-costs

Payroll tax	<u>6</u>	<u>6</u>
	<u>6</u>	<u>6</u>

Non-current

Other provisions

Restoration costs	156	156
Lease Incentive	<u>34</u>	<u>42</u>
	<u>190</u>	<u>198</u>
	<u>196</u>	<u>204</u>

**Office for Children
Notes to the Financial Statements
for the year ended 30 June 2008**

14 OTHER LIABILITIES

	2008 \$'000	2007 \$'000
Other current liabilities		
Liability to consolidated fund	<u>191</u>	-
	<u>191</u>	-

15 CHANGES IN EQUITY

	Accumulated Funds		Total Equity	
	2008 \$'000	2007 \$'000	2008 \$'000	2007 \$'000
Balance at the beginning of the year	1,181	1,142	1,181	1,142
Changes in equity – other than transactions with owners as owners				
Surplus / (deficit) for the year / period	(39)	39	(39)	39
Total	<u>(39)</u>	<u>39</u>	<u>(39)</u>	<u>39</u>
Balance at the end of the financial year	1,142	1,181	1,142	1,181

16 COMMITMENTS FOR EXPENDITURE

	2008 \$'000	2007 \$'000
(a) Operating Lease Commitments		
Future non-cancellable operating lease rentals not provided for and payable		
Not later than one year	602	403
Later than one year and not later than five years	<u>1,233</u>	<u>854</u>
Total (including GST)	<u>1,835</u>	<u>1,257</u>

Operating Lease commitments include \$125,690 of GST (\$149K for 2006) recoverable from the Australian Tax Office.

17 CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There are no known contingent assets and contingent liabilities as at 30 June 2008 (Nil at 30 June 2007)

18 BUDGET REVIEW

Net cost of services

Net cost of services was below budget by \$293,000. This was largely due to underexpenditure in employee related expenses of \$84,000 and an increase in income of \$289,000 above budget largely attributed to receipts from sales of goods and services and grants contributions.

Assets and liabilities

Current assets were above budget by \$406,000. This was largely due to an increase in cash of \$376,000 and an increase in receivables of \$30,000.

Non-current assets were below budget by \$47,000. This was due to the acquisition of intangible assets not having been finalised.

**Office for Children
Notes to the Financial Statements
for the year ended 30 June 2008**

Current liabilities were above budget by \$292,000. This is primarily due to a liability to consolidated fund of \$191,000, and an increase in employee related provisions of \$70,000

Cash flows

Cash flows from operating activities differed from budget by \$344,000. Total payments were below budget by \$282,000, while total receipts were above budget by \$62,000 and capital expenditure decreased by \$32,000.

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

	2008 \$'000	2007 \$'000
Net cash used on operating activities	589	(218)
Cash flows from Government / Appropriations	(11,631)	(11,110)
Acceptance by the Crown Entity of employee benefits and other liabilities	(360)	(322)
Depreciation	(374)	(402)
Decrease / (increase) in provisions	(62)	81
Increase / (decrease) in prepayments and other assets	30	179
Decrease / (increase) in payables	(31)	44
Net gain / (loss) on disposal of plant and equipment	-	(2)
Net cost of services	<u>(11,839)</u>	<u>(11,750)</u>

20 FINANCIAL INSTRUMENTS

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

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

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

(a) Financial instrument categories

Financial Assets	Note	Category	Carrying Amount 2008 \$'000	Carrying Amount 2007 \$'000
Class:				
Consolidated				
Cash and cash equivalents	8	N/A	1,280	758
Receivables	9	Loans and receivables (at amortised cost)	428	428
Financial Liabilities	Note	Category	Carrying Amount 2008 \$'000	Carrying Amount 2008 \$'000
Class:				
Payables	12	Financial liabilities measured at amortised cost	528	367

**Office for Children
Notes to the Financial Statements
for the year ended 30 June 2008**

(b) Credit Risk

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

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

Credit risk associated with the Office's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards. Authority deposits held with NSW TCorp are guaranteed by the State.

Cash

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

Receivables - trade debtors

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

The Office is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors. There are no debtors which are currently not past due or impaired whose terms have been renegotiated.

The only financial assets that are past due or impaired are 'sales of goods and services' in the 'receivables' category of the balance sheet.

	Total	\$'000 Past due but not impaired	Considered impaired
2008			
< 3 months overdue	188	188	-
	Total	\$'000 Past due but not impaired	Considered impaired
2007			
< 3 months overdue	63	63	-

(c) Liquidity risk

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

The liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in 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 payment. There was no penalty interest paid in 2008 (2007 - Nil).

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

Maturity Analysis and interest rate exposure of financial liabilities

Nominal Amount	\$'000		Maturity Dates
	Interest Rate Exposure		
	Non-interest bearing		< 1 yr
	124	124	124
	274	274	274
	398	398	398

2008

Payables:

Accrued salaries, wages and on-costs

Creditors

d) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Office's exposures to market risk are primarily through interest rate risk on the Office's borrowings and other price risks associated with the movement in the unit price of the Hour Glass Investment facilities. The Office has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, or interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which the Office operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the balance sheet date. The analysis is performed on the same basis for 2008. The analysis assumes that all other variables remain constant.

	\$'000		+1%	
	Carrying Amount		Profit	Equity
		-1%		
	1,280	(13)	(13)	13
	1,280	(13)	(13)	13

Consolidated

2008

Financial assets

Cash and cash equivalents

(e) Fair Value

The amortised cost of financial instruments recognised in the balance sheet approximates the fair value, because of the short-term nature of many of the financial instruments.

21 AFTER BALANCE DATE EVENTS

There are no events after the balance date that affect these financial statements.

End of audited financial statements.