

# Annual Report

Office of the Children's Commissioner

**2017 – 2018**



MANAAKITIA Ā TĀTOU TAMARIKI

**Children's  
Commissioner**

# Annual Report

for the year ended 30 June 2018

Presented to the House of Representatives pursuant to  
Section 150(3) of the Crown Entities Act 2004



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# FOREWORD TO THE MINISTER FOR SOCIAL DEVELOPMENT

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Pursuant to the provisions of Section 150 and 151(3) of the Crown Entities Act 2004, I submit my Annual Report, incorporating the Financial Statements. The report covers the period from 1 July 2017 to 30 June 2018. I am satisfied that the Financial Statements fairly reflect the financial position and operations of the Children's Commissioner for the reporting period.



**Judge Andrew Becroft**  
**Children's Commissioner**

31 October 2018

# OVERVIEW FROM THE CHILDREN'S COMMISSIONER

Tēnā koutou katoa,

The Office of the Children's Commissioner (OCC) advocates for the interests and wellbeing of New Zealand's 1.123 million children and young people. Our vision is for New Zealand to become a country where all children thrive, a nation striving for the wellbeing of its young people, a place where their voices are listened to as a respected part of our national discourse.

But for that vision to be realised we have many challenges to overcome. While most of our children do wonderfully well, too many carry burdens of poverty, prejudice, abuse and disadvantage. This should never be the case in Aotearoa.

We can be rightly proud that 70% of our children and young people do well. But 20% are struggling in challenging circumstances and need some extra support, and 10% do as badly, if not worse, than most comparable OECD countries.

To address these challenges, our work this last year has generally had a threefold focus. We have sought ways to enhance wellbeing, to encourage individuals and institutions to listen to children's voices, and to identify and dismantle structures that disadvantage them.

As part of our contribution to fleshing out the meaning of wellbeing, and how it can be achieved for children in New Zealand, we co-hosted *Weaving our Strengths* in May 2018. This was an event that drew together insights from community groups and those living in adverse situations, non-government and government agencies and academics. Our goal was to find a path that would enable us, as a country, to move from disadvantage and poverty to wellbeing for all our children. Perhaps one of the most exciting signals the event received was the value of seeing wellbeing not only as the absence of negatives – poverty, ill health, lack of adequate housing – but also as the presence of positives – play, a secure and loving family, and happiness. We continue to work alongside government to establish New Zealand's first Child Wellbeing Strategy.

Children's voices add value to policy discussions and improve our decision making. I am increasingly convinced that historically we have not taken seriously enough the need to value children's views in their own right. It may reflect the belief that children are merely adults in waiting, people with potential who will have a view, but not now. Or it could be that we are just too busy to take children's voices seriously. Whatever the cause, we need to re-prioritise our commitment to hearing from children.

Our work this year has reflected our Office's commitment to putting children and young people's voices at the centre, and encouraging others to do the same. Our *Mai World* initiative has achieved real success in influencing others to be deliberate in hearing from children and young people, to listen to what they have to say, and to take it into account in decision making. Since the release of our *Education Matters to Me* series of reports we have experienced strong demand for advice from government and non-government organisations, as well as individuals, on best practice in engaging with children and young people.



Photo courtesy of Hawkes Bay Today

*Maiea te reo o  
ngā mokopuna,  
maiea te  
whakaaro o ngā  
tamariki, maiea  
te tūruapō o te  
tamaiti.*

*Fulfill the voices,  
thoughts and  
visions of our  
children and  
young people.*



Much of the disadvantage experienced by children in New Zealand is driven by poverty, especially actual material deprivation. It was with a sense of deep satisfaction that we saw the introduction of the Child Poverty Reduction Bill, a concrete commitment from the government to alleviating the conditions too many of our children face. The Bill itself was modelled on a template developed by this Office during the time of my predecessor, Dr Russell Wills. And, it's worth observing that the proposed Child Poverty Reduction legislation imposes on the government of the day an unprecedented obligation to consult with children on the formation of a nationwide Child Wellbeing Strategy.

Poverty seldom exerts its influence in isolation. Coupled with the continuing legacy of colonisation, it is a destructive combination and affects too many tamariki Māori. Our work monitoring children and young people in care within Oranga Tamariki's residences continues. This work, and the reports shared with me this year by our Development, Monitoring and Investigation team and our Strategy, Rights and Advice team, has underscored for me more clearly than ever the need for our country to deliver much better for Māori children.

The urgency of this demand was reflected in the Oranga Tamariki Act 1989 (Revised) passed in July 2017. The Act contains a new section, s7AA, which creates duties for the Chief Executive of Oranga Tamariki in relation to The Treaty of Waitangi (Te Tiriti o Waitangi). Our Office continues to be intimately involved in helping identify the practical implications of this section. The extent to which s7AA can be given rich and full life will be a signal of the extent to which the Act can contribute to making a genuine difference for tamariki Māori.

Our own work reviewing the effectiveness of state care, and that provided by contracted partners, has been enhanced significantly by a new monitoring approach we have developed, *Mana Mokopuna*. This approach reflects a Te Ao Māori world view and enables us to hear more clearly from all children, young people in care, and their families and whānau, and better understand their experiences.

As part of my statutory duty to report on New Zealand's progress in applying the United Nations Convention on the Rights of the Child (the Children's Convention), the Office and our partners in the Children's Convention Monitoring Group released two public reports this year. These reports are the first in a series called *Getting it Right* and highlight where New Zealand is making progress in fulfilling children's rights and identifies areas where action is needed.

OCC is a surprisingly small operation. Thanks to the unwavering energy, enthusiasm, skill and commitment of our small number of staff, we are able to deliver far more than the extent of our funding might normally procure. I thank each and every member of our team for the passion and focus they bring to their work. I believe that together we are able to make a very significant difference for the children and young people of New Zealand.

Ngā mihi,



**Judge Andrew Becroft**  
**Children's Commissioner**  
***Te Kaikomihana mō ngā Tamariki***



MANAAKITIA Ā TĀTOU TAMARIKI

Children's  
Commissioner





## HIGHLIGHTS 2017 - 2018



### PROTECTION



### PROVISION

The United Nations Convention on the Rights of the Child underpins all of our work.

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**18** monitoring visits to Oranga Tamariki residences completed

**5600** young people engaged through Mai World online surveys and interviews



**2** reports on the government's implementation of child rights

**97%** of our stakeholders surveyed agreed that the Office's advocacy activities contributed to improving the wellbeing of children and young people

**150** non-government community engagements and discussions by the Commissioner



Hosted the Prime Minister at **ONE** forum

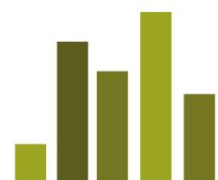
Responded to **338**



callers on the Child Rights Advice Line and hundreds of other emails and enquiries

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**95** presentations given by the Commissioner on a range of children's issues







## PARTICIPATION



## PROMOTION

These four themes represent the essence of the Convention.

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**100%** of our performance measures achieved as set out in our Statement of Performance Expectations

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**206** children and young people were interviewed during monitoring visits; their experiences informed our monitoring findings and recommendations

**100%** of Oranga Tamariki and contracted care providers experiencing our monitoring services were satisfied or very satisfied

**2** thematic reviews conducted across eight Oranga Tamariki service delivery sites, supervised group homes and/or contracted care providers

**10** submissions on child-centred legislative and policy changes



**13** reports on child and young people views and voices

**6** case studies to support good engagement with children and young people



# PART 1: ABOUT THE CHILDREN'S COMMISSIONER

The Children's Commissioner is an Independent Crown entity with a primary role to advocate for the 1.123 million children and young people in Aotearoa New Zealand under the age of 18. This group, without a vote and often a voice, constitutes 23% of our population.

## WHY DO WE HAVE A CHILDREN'S COMMISSIONER?

Children (including young people under the age of 18) are a core part of our society. However, they are not included in our democratic process; they have no vote and often no voice in major decisions that impact them.

It is the role of the Children's Commissioner to be their voice: to encourage organisations to take more child-centred approaches, to advocate for improving their wellbeing, and to raise awareness of issues which directly or indirectly affect children or where children are not getting a fair go.

## OUR VISION

New Zealand is a place where all children thrive.

## FUNCTIONS

Our main functions include:

- > monitoring and assessing the services of Oranga Tamariki and its contracted care services, delivered under the Oranga Tamariki Act 1989 and Children's and Young People's Well-being Act 1989;
- > monitoring the nine Oranga Tamariki residences in our role as a National Preventive Mechanism in respect of the Optional Protocol to the United Nations Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT);
- > investigating the actions of Oranga Tamariki in regard to services provided for individual children and young people under the Oranga Tamariki Act 1989;
- > encouraging the development of Oranga Tamariki policies and services that

promote the welfare of children and young people, their families and whānau;

- > systemic advocacy and investigation of issues compromising the interests, rights and wellbeing of children and young people;
- > investigating any decision or recommendation made, or any act done or omitted, in respect of any child in that child's personal capacity;
- > enquiring generally into, and reporting on any matter, practice or procedure that relates to the welfare of children;
- > raising awareness and understanding of the United Nations Convention on the Rights of the Child (the Children's Convention) and advancing and monitoring the application by the State;
- > developing mechanisms for hearing and sharing children's voices and perspectives.

The services and activities that fulfill our statutory requirements include:

- > ensuring the voices of children and young people and their families and whānau are included in our work and directly inform our monitoring findings and the advice we provide;
- > demonstrating best-practice in listening to children and using their views in decision-making;
- > providing child-centred advice to Select Committees, Ministers, government and non-government organisations;
- > maintaining a 'Child Rights Advisory Service' telephone line;
- > raising awareness of children's interests among New Zealanders.

## WE MONITOR HOW WELL NEW ZEALAND CHILDREN ARE DOING

OCC monitors how well all children are doing. We use the following broad categories based on the Children's Convention as a framework. These are summarised as follows:

- > **Protection** of children from all forms of cruelty, abuse and neglect;
- > **Provision** of all services and supports for the life, survival and development of children;
- > **Participation** of children in decisions that affect them, and ensuring their voices and views are heard;
- > **Promotion** of children's best interests and wellbeing, and ensuring children's rights are upheld.

For children in state care and in the youth justice system, we have an added legislative mandate to monitor these same rights in greater depth.

We use all our monitoring to identify areas of concern, provide advice and recommendations to agencies, and advocate for better outcomes for all children.

We review and advise on the strategies, policies and practices of Oranga Tamariki. We review samples of cases, visit Oranga Tamariki residences and sites and talk to children,

young people, their families and whānau and other stakeholders. This results in feedback to Oranga Tamariki on the experiences of children, young people, their families and whānau, identifying areas of good practice and areas for improvement. We publish annual State of Care reports on these findings.

We provide authoritative, independent advice on the wellbeing of children and young people and provide a voice for their views and best interests. We advocate for improved wellbeing of all children and young people.

## SO HOW ARE NEW ZEALAND CHILDREN DOING?

Generally, we can say that most of our children and young people – about 70% – are doing well, and in fact, some exceptionally. A further 20% of our children and young people face one or more challenges and need some extra support. The remaining 10% of our children and young people face multiple challenges that significantly impair their lives now and will impair them in their future.

This 70-20-10 assessment is very general, but nonetheless, it holds across a range of indicators including poverty, health, education, care and protection, justice, disability as well as indicators of resilience.





## PART 2: THE YEAR IN REVIEW: HOW WE HAVE MADE A DIFFERENCE

This year we have reflected on our commitment to putting children and young people's voices at the centre, and encouraging others to do the same.

### OUR ONGOING FOUNDATIONAL WORK

Our ongoing work programme, determined by our legislation and the Commissioner's priorities, included the following.

### CHILDREN'S RIGHTS AND THE CONVENTION

OCC convenes the Children's Convention Monitoring Group (CMG) to both monitor and advance child rights in New Zealand. The CMG published its first public report on child rights in New Zealand in November 2017.

The Prime Minister and Minister for Child Poverty Reduction, Jacinda Ardern; the Minister for Children, Tracey Martin; and the Minister for Social Development, Carmel Sepuloni, hosted an event at Parliament in April 2018 to celebrate the 25<sup>th</sup> anniversary of the ratification of the UN Convention on the Rights of the Child in New Zealand. The Children's Commissioner launched the CMG's second report, *Getting it Right: Building Blocks* at this event. This report is part of a series of thematic reports that focus on improving the rights of children prior to New Zealand's next review by the UN Committee in 2021.

The CMG signed a Terms of Engagement with a newly established Children's Convention Deputy Chief Executives (DCEs) Group in March 2018. The CMG is looking forward to the DCEs' development of a refreshed cross-agency government programme to further embed the Children's Convention in New Zealand laws, policies and practices.

Children's rights are fundamental to all our work at OCC.

### CHILD CENTRED MONITORING OF THE SERVICES OF ORANGA TAMARIKI AND ITS CONTRACTED CARE PROVIDERS

We have made significant changes over the past year to the way we monitor care and

protection and youth justice services, putting the experiences of children and young people at the centre of our work.

Our previous monitoring framework focused strongly on organisational performance. We assumed that if the organisation was performing well, the needs of children and young people would be met. Over time we realised that this was not necessarily the case.

OCC sees children and young people in the context of their families, whānau, hapū, iwi and family groups. We focus on supporting the provision of better services, not only for children and young people but for their families and support networks as well. The participation of children and young people and their supporters, in decisions that affect them, is an integral part of a child-centred approach.

Over the past 18 months we have developed Mana Mokopuna, a child-centred approach to monitoring, based on kaupapa Māori principles that now forms the basis of our monitoring processes. A full description of the Mana Mokopuna<sup>1</sup> monitoring approach and use of the graphic is provided on our website.

Our interviews with children and young people, and their families and whānau, are focused on what they see happening in relation to each of these desired experiences. As part of our monitoring process we analyse this information by exploring the practices, policies and organisational context that enable or present a barrier to children and



<sup>1</sup> Description:  
<http://www.occ.org.nz/publications/reports/mana-mokopuna-pdf/> and use of graphic is outlined on <http://www.occ.org.nz/our-work/mana-mokopuna/how-you-can-use-mana-mokopuna/>

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young people experiencing high quality services. Our ratings and recommendations are based on this analysis.

Mana Mokopuna has significantly improved our monitoring capability in relation to:

- > our ability to engage children and young people;
- > our understanding of children and young people's experiences;
- > the breadth and depth of information provided by children and young people;
- > the number of children and young people wanting to be interviewed.

Focusing our monitoring practice on a set of desired experiences and the enablers and barriers to those experiences, has improved our ability to identify emerging insights and themes and take action in relation to them.

During this year, additional staff enabled us to increase our residence monitoring visits by 200%. We visited each of the nine Oranga Tamariki residences twice. The majority of these visits were of two or three days' duration. Some were longer.

We also undertook two thematic monitoring reviews. One was a review of four community based homes where a s.396 provider was caring for young people with high and complex needs. The other was a review of Oranga Tamariki practice in enabling young people on remand to live safely and successfully in their communities. A total of 33 young people and 28 whānau members were interviewed as part of those reviews.

Over this period, an increasing proportion of our time was allocated to interviews with children and young people. In early 2017, at a monitoring visit to a 30-bed youth justice residence, we interviewed nine young people. During our next visit to the same residence early this year, we interviewed 23 young people.

While the first 13 of our residence visits took place under our OPCAT mandate, the final five were general monitoring visits. These focused on offering in-depth interviews to every child or young person in every residence.

Over the last year we have developed a set of cards, based on the Mana Mokopuna principles, for use during our interviews with children and young people. The cards, which contain simple words and phrases, act as conversation starters during our interviews. They have been popular with children and young people, resulting in interviews that are longer and more comprehensive. They have also enabled us to work in ways that are purposeful and consistent without being tightly structured.

Changes to the frequency of our monitoring visits and the approach we have adopted have enabled a more robust process for monitoring safety and wellbeing. This has provided the Chief Executive of Oranga Tamariki with a greater level of external assurance in relation to children and young people living in residences and community group homes.

### **ADVISORY COMMITTEE ON ASSISTED REPRODUCTIVE TECHNOLOGY (ACART)**

The Children's Commissioner is required to have a representative on ACART to ensure consideration of the rights and interests of children. The OCC representative is presently Deputy Chair. In addition to regular committee meetings, the representative also engaged with senior school students to ensure ACART's public consultation on reproductive issues includes the views of young people.

### **THE CHILD POVERTY MONITOR**

The Child Poverty Monitor partnership between OCC, JR McKenzie Trust and Otago University, released its 5<sup>th</sup> edition in Auckland on 7 December 2017, and held a follow-up event in Wellington on 13 December 2017.

An independent review of the Monitor was undertaken. This review informed the funding decisions of the JR McKenzie Trust to extend funding for the partnership for a further 5 year period.

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## CHILD POVERTY LEGISLATION AND CHILD WELLBEING STRATEGY

The Child Poverty Legislation was based on a working paper on legislative options to reduce poverty, prepared in 2012 by the previous Children's Commissioner, Dr Russell Wills' Expert Advisory Group on Child Poverty. Legislative change was one of 78 recommendations made by the Expert Advisory Group to mitigate and reduce child poverty. These recommendations were welcomed by a wide audience and we are pleased that more than half have been partially or wholly implemented.

In April 2018 OCC made a submission on the Child Poverty Reduction Bill entitled *Moving from child poverty to child wellbeing*.

In May we co-hosted an event *Weaving our Strengths* to involve government and a wide range of other stakeholders in discussion on how to move from child poverty to child wellbeing. This was opened by Prime Minister Jacinda Ardern and attended by Minister Martin, and was the first opportunity for discussion of the child wellbeing strategy. We continue to work alongside government to establish New Zealand's first Child Wellbeing Strategy.

## NEW RELATIONSHIP AGREEMENT WITH ORANGA TAMARIKI<sup>2</sup>

On 19 June 2018, the Children's Commissioner and the Chief Executive of Oranga Tamariki signed a new relationship agreement. This agreement replaced the 2015 Memorandum of Understanding (MOU) signed by their predecessors.

## CHILDREN'S VOICES

Through our Mai World – Child and Youth Voices initiative, we support children and young people to have a say in matters that

affect them. This year, we engaged with more than 5600 young people through on-line surveys at schools, surveys at events, and face-to-face through focus groups and interviews. We used their views and voices to inform our submissions and advice to agencies. Our work on child voices is being increasingly recognised as leading in this field, and, we believe, has been instrumental in increasing interest in hearing children and young people's perspectives.

Our most significant Mai World engagement this year was with 1665 children and young people in October and November about their experience in education. This resulted in the *Education Matters To Me* series of seven reports. These reports outlined children's views on how to improve education for them.

In addition to our reports on education issues, we also released four documents on other engagements:

1. *Child and Youth Voices: Tama-te-rā Ariki* – a targeted engagement to learn about the lived experience of Rangatahi and Tamariki Māori, conducted with a group of tamariki and rangatahi Māori whose voices are least likely to be heard without focused effort;
2. *What's important to me: Children and young people's views in the lead up to the 2017 General Election*. This report was based on the results of an online, in-school survey about what children and young people considered were the most important issues facing us as a country. The issues raised by children and young people in this survey mirrored some of the election polls and topics. We followed this up with an engagement activity with young people and the Commissioner, co-hosted with RockEnrol;
3. *Children and youth voices on their positive connection to culture in Aotearoa*. We engaged with several hundred young people, including face-to-face at Polyfest 2017 to learn more about how culture supports young people's identity and

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<sup>2</sup> <http://www.occ.org.nz/publications/corporate-documents/relationship-agreement-office-of-the-childrens-commissioner-and-oranga-tamariki/>



resilience. We published our report in September 2017;

4. *Tamariki and Rangatahi Māori talk about Mana Mokopuna.* We wanted to find out how young people related to the six principles used in the Mana Mokopuna monitoring lens, so talked to young people at the Ngā manu Kōrero speech competition about what whakapapa, whānaungatanga, aroha, kaitiakitanga, rangatiratanga and mātauranga meant to them.

Following the publication of the seven reports in the *Education Matters To Me* series, we had a sharp increase in demand from a range of organisations for advice on how to undertake good engagement with children and young people.

Our published case studies on engaging with children and young people include:

- > *Case Study: The Education Matters to me series;*
- > *In-depth engagement with tamariki & rangatahi Māori;*
- > *Engaging young people at festivals and fairs;*
- > *Lessons for convening a youth advisory panel based on Te Whānau Aroha.*

In order to strengthen children's understanding of their right to have a say, we piloted an education and engagement tool *Rights: Now!* in Christchurch to support children's participation in decision-making. We will finalise the tool and promote its use in the coming months.

Finally, we released a *Summary of Engagement 2017-2018* to catalogue all our child and youth engagement in the past year.

## SUBMISSIONS

The Office remains absolutely committed to providing quality submissions from a child rights and child focused perspective to Select Committees, Government departments and Ministers.

This year the Office made 10 submissions, which are listed on page 27. Some of these submissions resulted in significant amendments to Bills before the House.

## CHILDREN'S COMMISSIONER'S TOP PRIORITIES

In the context of our ongoing work programme and statutory obligations our top five priorities for this year have been to advocate for:

1. Achieving better outcomes for tamariki Māori;
2. Helping build and monitor Oranga Tamariki;
3. Encouraging government agencies and NGOs to be more child-centred;
4. Improving children's engagement in education;
5. Improving Youth Justice.

We have progressed these priorities through the following areas of work.

### Achieving better outcomes for tamariki Māori

Advocating for services and policies that reduce inequalities and improve outcomes for Māori is a key focus of our work.

Our Mana Mokopuna approach, which has mātauranga Māori at its core, is based on six principles that support children and young people to reach their potential, enabling positive lifelong outcomes:

- > *Whakapapa*; all children have whakapapa – bloodlines as well as a history of people, places and stories – before they are born;
- > *Whānaungatanga*; all children are born into relationships as part of their family, whānau, hapū, iwi and wider family groups;
- > *Aroha*; all children have the need to love and be loved;
- > *Kaitiakitanga*; children's wellbeing is supported by safe and healthy environments;
- > *Rangatiratanga*; all children have the right to have their views listened to, and where

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- appropriate, acted on, and to be supported to be leaders in their own lives;
- > *Mātauranga*; all children need opportunities to learn about the world, their culture and the culture of Tangata Whēnua.

We recognise that mokopuna Māori are born with mana. All six principles need to be supported and set in order for mokopuna Māori to be happy, self-sufficient and to reach their potential.

The Mana Mokopuna approach supports our monitoring practice by:

- > helping us better connect with mokopuna Māori and their whānau;
- > providing us with robust evidence about the experiences of children and young people, in relation to key aspects of their lives;
- > helping us identify enablers and barriers to the provision of quality services;
- > supporting us to address these enablers and barriers, with a particular focus on the inequalities experienced by mokopuna Māori.

Across all our child-centred submissions and advice, improving the lives of tamariki Māori is always a priority, and we have undertaken specific in-depth engagement specifically with tamariki and rangatahi – Tama-te-rā Ariki – to better understand their lived experiences and hear their views.

The Commissioner has personally sought to strengthen relationships with Iwi Leaders Forum and attended Ratana in February.

### Helping build and monitor Oranga Tamariki

#### Increased monitoring of the nine Oranga Tamariki residences

Compared with previous years, our monitoring of Oranga Tamariki residences has tripled. More frequent monitoring has enabled us to maintain a robust, up to date baseline of children and young people's experiences, across both care and protection and youth justice residences.

It also enabled us to monitor more closely actions taken in response to our reports and recommendations, tracking change at an individual residence level as well as nationally, with many of the focused recommendations building on the recommendations included in our State of Care (Residences) report published in May 2017.

#### Thematic monitoring reviews across local sites

We completed two thematic monitoring reviews this year, the first a review of an Oranga Tamariki contracted non-government (NGO) care provider, and the second involving visits to a set of Oranga Tamariki youth justice sites.

The findings from both reviews identified a range of practice and system-level enablers and barriers that were impacting on the service experience of young people with alleged offending or high risk behaviour, their families and whānau.

These findings informed recommendations for both service and system improvement. All our recommendations were accepted and many are already being actioned.

The review involving an Oranga Tamariki contracted non-government (NGO) care provider was the first of its kind carried out by the Office. It gave us an opportunity to test the similarities and differences between our independent child-centred monitoring role and the roles of other government agencies that also have monitoring responsibility for contracted NGO care providers. Our findings showed that our Mana Mokopuna approach brings a unique child-centred, cultural lens to the monitoring process.

#### Increased use of our developmental monitoring mandate

Section 13 (1) (c) of the Children's Commissioner's Act gives the Children's Commissioner the mandate to 'encourage the development, within the department (Oranga Tamariki), of policies and services that are

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designed to promote the welfare of children and young persons’.

In the past, OCC’s use of this mandate focused primarily on the provision of child-centred advice to the Investing in Children’s Team. Since 1 April 2016, we have used our developmental mandate to contribute to Oranga Tamariki’s development of their policy, system and practice design. We also regularly respond to invitations from the Ministry to review papers, offer advice and engage in consultation processes and advisory groups.

Early in 2018, we agreed with Oranga Tamariki that widening the application of this mandate could offer stronger developmental support for their change agenda. In the future, this will include developmental monitoring reviews that support and inform the implementation of transformative change. We expect these developmental reviews will become a regular part of our contribution to improving the systems, services and supports provided by Oranga Tamariki.

#### Encouraging Government and NGOs to be more child-centred

In the last year OCC has continued to provide advice and presentations to government agencies and service providers on child-centred decision making. Our child-centred advice is supported by the promotion of resources developed by OCC and also government tools such as the Child Impact Assessment.

One example of our work to support a range of agencies to be more child-centered is the Law Commission. The Children’s Commissioner was appointed as a member of the Property Relationship Act Advisory Board, providing a child rights perspective to the Law Commission’s redraft of the legislation.

#### Improving children’s engagement in education

Our focus on education is grounded in the aim that all children should have access to

education that supports them to develop to their potential. We have focused on

- > listening to children and taking account of their views at all levels of education;
- > improving education systems, services and supports for mokopuna Māori;
- > protecting every child’s right to attend free full-time education with their peers;
- > reducing suspensions and exclusions from school, and developing an avenue for appeal.

In collaboration with the NZ School Trustees Association, we sought the views and opinions of children and young people on their experience and priorities for improvement. This engagement was done to ensure both our agencies had children at the center of our advice to the Ministry of Education on the development of inaugural National Education Learning Priorities in 2018. We interacted with 1665 children and young people in October and November – 144 face-to-face and 1521 through online school surveys. The *Education Matters To Me* report was released in January 2018.

We have also been collaborating with the NZ School Trustees Association on developing an avenue for appeal when students are excluded from school. This work will continue and be piloted in the next financial year.

We are actively engaged in government work on improving the education system for all children and have been active in providing advice into the many reviews occurring across the education system. This includes working with the Tomorrows Schools Review Taskforce advisory panel, and the NZ School Trustees Association on a voluntary review mechanism for school boards.

The Children’s Commissioner was appointed as the Chair of the Ministerial Advisory Group on Education known as the “Guardians of the Education Conversation”. This group has an ongoing role providing oversight and coherence of the work of the Education Reform process, including the work of the 18



Ministry of Justice taskforce and working groups.

### Improving Youth Justice

We have had a strong focus on supporting Oranga Tamariki to make improvements in youth justice services. To support this focus, we established a cross-office youth justice group addressing youth justice issues from a strategic policy, legal, child centred, monitoring and operational perspective.

We undertook a thematic review across four Oranga Tamariki youth justice sites, looking at how Oranga Tamariki can best enable young people on remand to live safely and successfully in their communities. We met with young people, whānau, Oranga Tamariki staff and external stakeholders including NGOs, Iwi social services and Police.

The purpose of this review was to identify the site practice and wider systems enablers and barriers that influence young people's ability to remain safely within their whānau and communities while on bail. Our findings, including the voices of young people and whānau are being used to inform service and systems change designed to improve outcomes for young people and their whānau.

We also provided Oranga Tamariki with evidence from our previous monitoring reviews, to inform and support the establishment of supervised community group homes for young people remanded into the custody of the Chief Executive of Oranga Tamariki by the Youth Court under s238(1)(d) of the Oranga Tamariki Act 1989. These homes are part of a positive strategy to reduce the number of young people with alleged offending who are placed in secure youth justice residences by supporting them to stay in their communities.

Our staff were invited to join the steering group and participated in the development and testing process for Oranga Tamariki's new Remand Option Investigation Tool (ROIT). This tool supports a multi-agency response to identify the risks and strengths of

young people appearing in youth court. The information collated is used to identify the most appropriate and potentially successful placement option for the young person. These options could include: supported bail while living at home with family or whānau; a remand foster care placement; a community group home for young people on remand; or a secure youth justice residence.

During the past year, our Office has also taken a systemic advocacy role to promote the elimination of s238(1)(e) of the Oranga Tamariki Act 1989, which enables the Youth Court to remand a young person into police cell custody.

### COMMUNICATIONS

Our public profile this year was driven by a combination of publications, engagement with news media, use of social media and the Commissioner's speaking calendar.

Item	2017/18 Actual
Media enquiries	198
OCC Facebook reach	88,718
OCC Twitter reach	106,700

### Key events

Some of our interactions included engagement with the Iwi Justice Chairs meeting in Whanganui, Nga Manu Korero speech competition, Kai and Korero democracy youth event, Scout Scarf Day, Victoria University Democracy Week panel, videos celebrating National Social Workers Day (with Oranga Tamariki) and [Te Wiki o Te Reo Māori](#), [TV3 The Nation](#) (8 July), an [Opinion piece on youth suicide](#) for NZ Herald, [International Stuttering Awareness Day](#), [Restorative Justice on Family Group Conferences](#), [In My Mind](#) programme on men's mental health and [White Ribbon Day](#).

### Publications with associated media coverage

These included the [Child Poverty Monitor 2017](#) launch events in Auckland and

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Wellington, State of Care Report on Fulfilling the Vision: Improving Family Group Conference preparation and participation, Getting It Right, The Children's Convention in Aotearoa, Education Matters to Me, Getting it Right - Building Blocks, and a chapter on "Is New Zealand the best place in the world to be a child? Andrew Becroft" in the book The Big Questions – What is New Zealand's Future?

### **Presentations/Engagements by the Commissioner**

The Commissioner has given 95 mostly public presentations and attended 150 community engagements/discussions this year.

Topics included education, alternative education, child protection and investigation, being child-centred, improving care of children, importance of the early years, child-centred policy, child poverty, restorative justice and neurodevelopmental disorders.

### **Significant speaking engagements included:**

- > Alternative Education National Conference – key note on being child-centred;
- > Australian Children's Commissioner's Conference;
- > Annual Community Law Centres Aotearoa – keynote on Improving care of children;
- > Talking Matters – Importance of;
- > Community Law Centres Conference keynote;
- > High and Complex Disability conference with Capital Coast District Health Board;
- > Iwi Justice Chairs Forum, Whanganui;
- > Leadership Symposium for the Youth Sector at Government House, initiated by Scouts NZ – keynote;
- > Ministry of Justice Policy Division Conference – Being child-centered;
- > National Paediatric Nurses Conference with Dr R Wills on child-centred practice;
- > New Zealand Police College address to senior sergeants and child abuse training (x2);
- > New Zealand Annual Family Law Conference – Is NZ delivering for our children?;

- > New Zealand Association of Intermediate and Middle Schools Conference– opening address;
- > New Zealand Māori Lawyers Society Annual Conference – keynote address;
- > New Zealand Principals' Federation – address;
- > New Zealand Society of Local Government Managers Annual Conference – keynote address;
- > Ngai Tahu – presentation;
- > Oranga Tamariki staff forum on care standards;
- > PechaKucha Yoots event;
- > Puawaitahi: Auckland Starship Hospital engagement;
- > Social Service Providers Aotearoa;
- > South Seas Healthcare;
- > NZ Law Society Conference for Lawyers for the Child;
- > Hutt Valley Youth Workers Forum;
- > Venn Foundation – main speaker on Leadership;
- > Victim Support workers Wellington;
- > Well Child/Tamariki Ora symposium;
- > Whanganui Regional Health Network.

### **Attendance of the Australian Children's Commissioners meetings**

In November 2017, the Commissioner attended the first bi-annual meeting with the Australian Children's Commissioners.

In May 2018 the Commissioner attended the Australian Children's Commissioners and Guardians meeting in Perth. He made a keynote presentation to the state-wide conference on youth vulnerability and a round-table presentation to the Chief Executives and a presentation to the Joint Standing Committee at Parliament House.

At this conference it was agreed to form an Australia/New Zealand Children's Commissioners & Guardians Association (ANZCCG). In due course we look forward to hosting the forthcoming ANZCCG meeting in New Zealand.

# What our Stakeholders told us

## Our work is achieving impact to improve the wellbeing of children

We asked a range of stakeholders for their views on how our Office was contributing to better outcomes for New Zealand children. This year, 426 stakeholders responded to this general survey<sup>3</sup>.

We also asked our specified stakeholders more specific questions to get detailed feedback on our monitoring activities and 24 stakeholders responded.

Both surveys took place in June 2018.

Some comments from stakeholders about the impact of our work included:



<sup>3</sup> SurveyMonkey



## PART 3: ORGANISATIONAL HEALTH AND CAPABILITY

The Office is in Wellington with 23 employees (20.1 FTEs) and the Children's Commissioner

### BEING A GOOD EMPLOYER

Staff are our most valuable asset and we work to ensure a positive and supportive organisational culture.

#### Leadership, accountability and culture

All our work is guided by our tikanga framework: Aroha, Pono, Tika and Matauranga.



Through regular communication, we ensure staff are engaged and well informed, and we have office-wide planning sessions to support a multidisciplinary approach to our work.

Te Ao Māori cultural practice of the Office has continued and as part of our Te Tiriti journey, we were hosted by Putiki Marae, Whanganui, in October 2017 for a noho, with the value of the event continuing through this reporting period. Te Rōpū has continued to grow and further support their vision of an inclusive office environment, where all staff members feel comfortable participating in Māori practices that adhere to Te Ati Awa tikanga and OCC kawa. Te Rōpū meets regularly to provide advice and support to the office. OCC aspires to lead by example, and demonstrate to other organisations how they can shape their practice to better respect Tangata

Whēnua, and support staff to learn Te Ao Māori practice.

#### Equal employment opportunities

We are committed to providing equal opportunities and the Office is a member of the EEO Trust.

#### Recruitment, selection and induction

When a vacancy exists, we focus on ensuring we find the best skilled candidate for the position. We have an induction process to help staff become familiar with our strategies, structure, people, systems, policies and procedures, and to ensure they understand and can meet the requirements of their role.

#### Employee development, promotion and exit

We have formal annual performance and personal development agreements with all staff, and support staff development. We have a very effective management structure to ensure our planning and coaching support to our staff is effective and integrated with our competency framework.

We have weekly Te Reo classes and all staff participates in them.

#### Remuneration, recognition and conditions

We have a capability and performance system to recognise and support performance and development, and remuneration that is measured against market data.

#### Flexibility and work design

We offer flexible work arrangements that balance personal obligations with the needs of the Office, and a child friendly work environment. We also support staff who need school holiday care for their children by providing a care subsidy.

#### Harassment and bullying prevention

We support and promote the Public Sector Code of Conduct and have our own Code of Conduct which rejects discrimination, harassment, bullying or intimidation based on

religious or ethical beliefs. We also have a policy that addresses these issues and sets out how unacceptable behaviour will be dealt with. We have had no reported instances of harassment or bullying during 2017/18.

#### Ongoing review/renewal of programmes /policies

Our policies and procedures are reviewed on a yearly basis and policies are adjusted on an ongoing basis in line with revised legislation.

#### Safe and healthy environment

We provide a safe working environment that supports staff health and wellbeing and have a joint health and safety committee with SuPERU and we maintain a hazard register. We have staff trained in first aid, a business continuity plan, emergency food and water, first aid and civil defence supplies, and are located in a building that is code-compliant under section 95 of the Building Act 2004.

#### Our staff

As at 30 June 2018, we had 23 employees (12 permanent, 6 fixed-term, 2 secondees and 3 part-time contractors) totaling 20.1 FTEs, not including the Commissioner.

Gender	2018	%	2017
Female	18	78%	15
Male	5	22%	4
Ethnicity			
Māori	4	17.4%	4
Pacific Island	1	4.3%	1
Asian	0	-	0
Pakeha/European	18	78.3%	14
Age profile	Average age is 42 years		
Disability profile	There are no employees with a disability.		

#### EFFECTIVE GOVERNANCE

We have continued to ensure an efficient and effective operation that delivers value for money by maintaining a small core staff and

contracting out specialist functions when required.

Our *Statement of Intent 2017-2021* further refines our strategic outcomes framework focusing on our priorities, and a work plan to support its implementation.

The *Statement of Performance Expectations 2017/18* was completed and published on our website on 30 June, and tabled in Parliament on 1 August 2017.

#### COMMITMENT TO TE TIRITI O WAITANGI

Te Tiriti o Waitangi continues to be central to the work of the Office and within our tikanga framework. One way this is demonstrated is through our tikanga values which set out how we do our work.

Our commitment has also been demonstrated through the practice of holding powhiri or mihi whakatau to welcome new staff and poroaki to farewell staff.

Our monitoring team has focused on continuously developing and extending their cultural capability, to ensure effective engagement and interaction with mokopuna Māori and whānau, Māori staff within Oranga Tamariki sites and residences, and Iwi and Māori service providers across the communities we visit. A key aspect has been the monitoring team's participation in cultural supervision so we can continuously strengthen our influence for mokopuna, who make up over 65% of Oranga Tamariki's client group.

#### RISKS

We monitored the risks identified in our Statement of Intent.

#### CONSULTATION AND REPORTING TO THE RESPONSIBLE MINISTER

The Memorandum of Understanding with the responsible Minister was signed in July 2017. We met regularly with the Minister and provided briefings on issues relating to children, provided quarterly reports, and worked on a 'no surprises' basis.

## PART 4: STATEMENT OF PERFORMANCE

### The Estimates of Appropriations

The Children's Commissioner is funded through Vote Social Development – Non Departmental Appropriations – non-Departmental Output Expense – Children's Commissioner (M63).

This appropriation is intended to achieve an improvement in the wellbeing of children through the provision of independent advocacy for the interests of children, and independent monitoring, advice and assurance to the Ministers about the services delivered to children under the Oranga Tamariki Act 1989 and Children's and Young People's Well-being Act 1989.

In Budget 2017 we received an additional \$0.5m one-off funding, which enabled us to appoint 6.4 FTEs and we also spent an additional \$0.286m from reserves to appoint 3.5FTEs and spend more on our projects to provide additional monitoring coverage and statutory advice. In Budget 2018 our Crown Revenue will be \$3,157m. This will enable us to continue with the same staffing levels and ensure the monitoring coverage and statutory advice services continue.

#### SUMMARY OF EXPENDITURE AGAINST THE APPROPRIATION

	2017/18 Actual \$000	2017/18 Budget \$000	2016/17 Actual \$000
Total appropriation	2,657	2,657	2,157
Children's Commissioner portion of appropriation (Crown Revenue)	2,657	2,657	2,157
Children's Commissioner expenditure against appropriation	2,985	2,997	2,215
<b>Net surplus/(deficit)</b>	<b>(328)</b>	<b>(340)</b>	<b>(58)</b>



#### PERFORMANCE AGAINST THE APPROPRIATION

Performance measures and standards	Budget standard	2017/18 Actual	2016/17 Actual	Achieve ment
Percentage of key deliverables agreed with the Minister for Social Development in the Children's Commissioner's Statement of Performance Expectations completed to agreed standards will be no less than	85%	100%	100%	<b>Achieved</b>
Percentage of monitoring report recommendations accepted by Oranga Tamariki and/or contracted care providers as evidenced and in line with the provisions of the CYP&F Act and Oranga Tamariki policies and practices will be no less than	90%	100%	100%	<b>Achieved</b>
The percentage of specified stakeholders that agree that the Office's advocacy activities contribute to improving the wellbeing of children and young people will be no less than <sup>4</sup>	80%	97%	96%	<b>Achieved</b>

<sup>4</sup> Specified stakeholders are listed in the MOU with the Minister for Social Development. The result is based on SurveyMonkey result.

# Performance Measurement Framework

Our main priorities, the longer-term outcomes we are seeking, and the impacts we aim to make (set within the context of the Government's broader objective to deliver Better Public Services), are outlined in the diagram below.

<b>Our Vision</b>	<b>New Zealand is a place where all children and young people thrive</b>	
<b>Outcomes</b>	Children and young people in the care of Oranga Tamariki and those vulnerable to poor outcomes get the services, supports and resources they need to be kept safe and thrive	
		
	<b>WIDE RANGE OF GOVERNMENT ACTIVITIES</b> <b>(including cross Government and Non-government activity on the Better Public Service targets for vulnerable children and the Children's Action Plan)</b>	
		
	<b>Monitoring &amp; Investigations</b>	<b>Strategy, Rights &amp; Advice</b>
<b>Our Impacts</b>	Our recommendations for improving Oranga Tamariki systems and other Oranga Tamariki contracted agencies providing care services are agreed and implemented	Advice is valued and sought by stakeholders and is used to shape policy and legislation for children and young people
<b>Our Outputs</b>	Oranga Tamariki sites and residences and a sample of non-government care provider services are visited and assessed and quality reports with robust findings and recommendations are provided to Oranga Tamariki and non-government providers for action	Provision of child-focused policy advice or submissions to Select Committees, Government departments and Ministers Children's views and voice shared Child Poverty Monitor produced
<b>What we do</b>	<b>Monitor and investigate</b> the quality of services provided to children and young people under the Oranga Tamariki Act 1989	<b>Advocate</b> for and <b>advise</b> on the rights and wellbeing of children and young people
<b>How we work</b>	<b><i>We provide evidence-based, independent advice on the wellbeing of children and young people</i></b>	



# Monitoring and Investigations

## WHAT WE ACHIEVED

Through our monitoring activities we supported Oranga Tamariki to deliver on its vision for a child-centred, high quality statutory social work service.

Our monitoring framework takes a broad and systemic approach, and has a strong focus on capturing the voices of children and young people. Over this year our framework and monitoring activity supported the transformation process and identified best practice and issues that needed to be addressed in order for the changes arising from the establishment of Oranga Tamariki to be implemented effectively. We did this by:

- > undertaking performance reviews of all nine Oranga Tamariki residences to assess how well they are positioned to implement the changes and improve the outcomes for children and young people in care;
- > undertaking two thematic reviews across a range of Oranga Tamariki sites and/or contracted care provider services. The first was a review of an Oranga Tamariki contracted non-government (NGO) care provider and the second involved visits to a set of Oranga Tamariki youth justice sites;
- > reviewing Oranga Tamariki residences under OPCAT;
- > investigating the quality of Oranga Tamariki's case management of individual cases brought to the notice of the Children's Commissioner;
- > reviewing a total of 14 s47 reports<sup>5</sup>;
- > helping to build capability within Oranga Tamariki and/or contracted care providers to deliver excellent services for children and young people in care by highlighting areas that their services could improve;
- > robustly and systematically obtaining the views of 206 children and young people in care or custody or involved with other Oranga Tamariki services;
- > increased transparency of the monitoring work through publishing an aggregated public report on our monitoring activity about *Fulfilling the Vision: Improving Family Group Conference preparation and participation*<sup>6</sup>;
- > providing professional advice and assistance to the policy and legislative work to transform Oranga Tamariki.

## FINANCIAL PERFORMANCE OF MONITORING AND INVESTIGATIONS

2016/17 Actual \$000	2017/18 Actual \$000	2017/18 Budget \$000
1,215 Revenue	1,458	1,600
160 Other Revenue	17	12
1,335 Expense	1,644	1,820
<b>40 Net surplus/(deficit)</b>	<b>(169)</b>	<b>(208)</b>

<sup>5</sup> Under section 47 of the Oranga Tamariki Act 1989, reports must be provided to the Commissioner when a child or young person is released from custody under section 39, 40, 42 and 45(a) before being required to be brought before the court.

<sup>6</sup> <http://www.occ.org.nz/publications/reports/state-of-care-2017-family-group-conferences/>

## PERFORMANCE MEASURES

Performance measures and standards	Budget standard	2017/18 Actual	2016/17 Actual	Achievement/ Comments
The number of monitoring visits to Oranga Tamariki residences	18	18 <sup>7</sup>	6	<b>Achieved</b>
Findings from all monitoring visits will be reported to Oranga Tamariki within 3 months	100%	100%	100%	<b>Achieved</b>
The number of thematic reviews across a minimum of four Oranga Tamariki service delivery sites, supervised group homes and/or contracted care providers services will be at least	2	2	2	<b>Achieved</b>
The percentage of the OCC monitoring of Oranga Tamariki and subsequent reporting that complies with agreed standards and processes established by the Memorandum of Understanding between OCC and Oranga Tamariki will be no less than	100%	100%	100%	<b>Achieved</b>
Produce a thematic aggregate public report	1	1	1	<b>Achieved</b>
Percentage of monitoring report recommendations to Oranga Tamariki and/or contracted care providers that are followed by actions will be no less than	100%	100%	100%	<b>Achieved</b>
Oranga Tamariki and contracted care providers experiencing our monitoring services who rate their overall satisfaction with OCC's approach as 'satisfied' or 'very satisfied' will be no less than <sup>8</sup>	80%	100%	88%	<b>Achieved</b>

## OTHER DELIVERABLES ACHIEVED

Deliverable	2017/18 Actual
S47 Reports reviewed and responded to	14
Monitoring of Corrections Mother & Babies Units	1

<sup>7</sup> The increased funding ensured we were able to increase our residence monitoring visits from 6 to 18 (visiting each residence twice a year) to assess how well Oranga Tamariki is positioned to implement the changes and improve the outcomes for children and young people in care.

<sup>8</sup> The result is based on SurveyMonkey result.

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## OUTCOMES

In addition to measuring our own outputs and impacts, we also monitor children's progress toward achieving good outcomes. Our monitoring activity identifies required improvements in the care being provided by Oranga Tamariki and other approved care providers to children and young people in the care and protection and youth justice systems. Our reports assist Oranga Tamariki and other contracted care providers to improve so that they are more effective at supporting these children and break the cycle of abuse and neglect and youth offending.

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Refer to our Mana Mokopuna general monitoring approach – strongly evidenced results from prioritisation of children and young people's voices in Part 1

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Our report on the unique contribution of OCC's monitoring of non-government care providers approved under section 396 of the Oranga Tamariki Act 1989

In late 2017, when we carried out our thematic monitoring review with Barnardos NZ, we were embarking on this Office's first ever monitoring review of a s396 approved community based care provider. During the course of that review we sought to learn as much as possible about the impact of our monitoring process for Barnardos and invited their feedback on each stage of the monitoring process.

The Children's Commissioner's report to the Chief Executives of Oranga Tamariki and the Ministry of Social Development (MSD), showed how our monitoring of s396 providers fits alongside that of other monitoring groups, such as MSD's Social Services Accreditation. It demonstrated what we had learned about the added contribution of OCC's child-centred monitoring function. The report was copied to Ministers Martin and Sepuloni.

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Fieldwork completed for thematic monitoring review on enabling young people who appear before the youth court to remain in their communities

In March 2018, Oranga Tamariki's national youth justice team requested that we conduct a thematic monitoring review focused on the quality of Oranga Tamariki's site based practice with young people appearing in the Youth Court. Specifically, the review was focused on the extent to which Oranga Tamariki's practice with young people and their whānau was enabling young people to remain safely in their communities rather than being remanded into a youth justice residence.

The review was co-scoped with Oranga Tamariki, to ensure the focus of our inquiry would position our findings to directly inform new service design and practice development across the youth justice workstream. The fieldwork was carried out during two day visits to each of four Oranga Tamariki sites. We met with 15 young people, 20 whānau members and a range of Oranga Tamariki staff and external government and non-government stakeholders.

Our overall findings have already been analysed and presented to Oranga Tamariki while the final report is currently being drafted. We used a tailored version of our Mana Mokopuna cards to guide interviews with young people and whānau for this review. The result is a powerful set of stories and findings about what could be improved to enable more young people to stay in their communities, supported by their whānau. Our recommendations will reflect these findings. We look forward to sharing this report with the Chief Executive of Oranga Tamariki and the Minister for Children once it is finalised.

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# Strategy, Rights and Advice

## WHAT WE ACHIEVED

We improved child wellbeing and outcomes of children by influencing others. The impact was achieved through our advice which was seen as credible and valued by our stakeholders.

Activities we undertook included:

- > providing advice to agencies on child-centred policy, legislation and services for children;
- > influencing others to take action or to advocate for children and young people based on our advice;
- > gathering and sharing the voices, views and opinions of children and young people;
- > raising awareness of issues and needs of vulnerable children;
- > producing an annual Child Poverty Monitor;
- > providing advice and support to callers on our Child Rights Line (CRL);
- > promoting progressive implementation by the State of the United Nations Convention on the Rights of the Child obligations.

## FINANCIAL PERFORMANCE OF STRATEGY, RIGHTS AND ADVICE

2016/17 Actual \$000	2017/18 Actual \$000	2017/18 Budget \$000
942 Revenue	1,199	1,057
180 Other Revenue	110	76
1,177 Expense	1,426	1,244
<b>(55) Net surplus/(deficit)</b>	<b>(117)</b>	<b>(111)</b>



## PERFORMANCE MEASURES

Performance measures and standards	Budget standard	2017/18 Actual	2016/17 Actual	Achievement/ Comments
Child-focused policy advice or submissions to Select Committees, Government departments and Ministers will be at least	6	10	8	<b>Achieved</b>
Child Poverty Monitor released	Achieved	Achieved	Achieved	<b>Achieved</b>
Submissions, reports and advice produced within required timeframes will be no less than	100%	100%	100%	<b>Achieved</b>
Examples of impact achieved by advocacy activities will be at least	2	2	2	<b>Achieved</b> See examples below.

### List of the 10 Child-focused policy advice or submissions:

- > Submission to the Justice and Electoral Committee on Marriage (Court Consent to Marriage of Minors) Amendment Bill;
- > Briefing to Hon Tracy Martin on a pilot to enable reviews of school board decisions to exclude students;
- > Submission on the Law Commission's review of the Property (Relationships) Act 1976;
- > Submission on the Annual Plan of Te Aho o Te Kura Pounamu, The Correspondence School (Te Kura);
- > Submission on the Repeal of the Families Commission Act 2003;
- > Submission to Inland Revenue on Making Tax Simpler: Better Administration of Social Policy;
- > Submission on the Child Poverty Reduction Bill and supplementary on the Bill's SOPs;
- > Submission on the Education (National Education and Learning Priorities) Amendment Bill;
- > Submission to the Government Inquiry into Mental Health and Addiction;
- > Submission on the proposed Terms of Reference for the Royal Commission of Enquiry into Historical Abuse in State Care.

### Example 1: Child Poverty

Often our work requires a longer timeframe to see impact. In 2012, the Commissioner's Expert Advisory Group undertook significant work on child poverty, making 78 recommendations to mitigate and reduce child poverty. These recommendations have been welcomed by a wide audience, and more than half have been partially or wholly implemented. The previous and current Commissioner has both encouraged a continuing conversation around establishing targets and a plan for reducing child poverty. In the 2017 election campaign, both major parties made policy commitments to establish targets for reducing child poverty. In January 2018 the Prime Minister introduced the Child Poverty Reduction Bill, modelled largely from our 2012 Expert Advisory Group working paper on legislation to reduce child poverty.

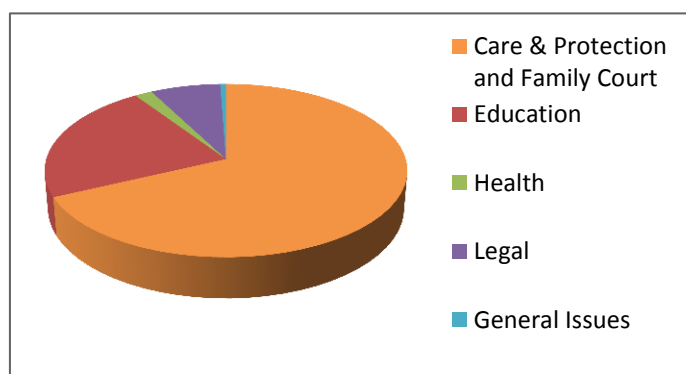
### Example 2: Hearing children's voices in education

Our work has had a highly visible impact this quarter through our *Education Matters to Me* series of seven reports (which followed engagement in the second quarter). Reporting on the voices and views of children and young people about their experience in education was heavily covered in the media. It has influenced the Ministry of Education and many other government and non-government agencies to initiate more engagement with children and young people and take the process more seriously. The Ministry of Education has used the children's voices from our reports extensively in building evidence briefs for setting sector-wide priorities. OCC advice is being sought on engaging with children and young people, the challenge now is to support agencies to use engagement processes that are safe and effective for young people.

## CHILD RIGHTS ADVISORY SERVICE

We offer a free, independent advice service for individuals with queries or concerns about children's rights in particular situations. Through our *Child's Rights Advisory Service*, we responded to 338 of these enquiries last year. Most of the time people simply need help to understand what process they need to follow or information about their child's rights or entitlements. Our Child Rights Advisor typically responds by explaining the relevant complaints process, advising people to report their concerns to the relevant authority, or referring them to other agencies that can provide support. Sometimes the Advisor monitors the response to a complaint by following up with the relevant authority. Some cases require active advocacy with other agencies to help people get their issues addressed.

The majority of the enquiries we received in 2017/18 related to Care & Protection and Family Court (68%). Common themes of these calls included concerns about the suitability of a child's placement, access to family members, level of care provided and support for a child to remain in the care of their wider family/whānau. The next largest area of concern was Education, with 22% of enquiries. A strong theme of these calls was concern with how Boards of Trustees deal with complaints, including the lack of recourse if children or parents disagree with a Board's decision. Concerns about adequate special education support, misuse of stand-downs and exclusions, and dissatisfaction with the way bullying incidents were dealt with in schools were also common.



Enquiries related to legal matters accounted for 7% of calls. This included questions on when a child can legally leave home, be left unsupervised, and make their own decision about where to live and who with, as well as questions about access, custody, and family court advice or immigration concerns. We answer simple factual queries of this nature, but we do not offer formal legal advice. When this is required we refer callers to other services. In addition to the enquiries about individual children, we also respond to hundreds of enquires about issues impacting children more generally or issues the public want the Commissioner to work on as part of our systemic advocacy.

Below is detailed information on our *Child Rights Advisory Service*.

Nature of enquiry	2017/18	2016/17	2015/16	2014/15
Care & Protection and Family Court	230	317	270	231
Education	76	102	105	114
Health	6	7	14	30
Legal	24	79	91	145
General Issues	2	6	34	106
Total	338	511	514	626

## PART 5: STATEMENT OF RESPONSIBILITY

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### STATEMENT OF RESPONSIBILITY

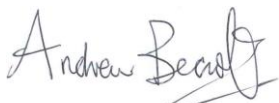
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I am responsible for the preparation of the Children's Commissioner financial statements and statement of performance, and the judgments made in them.

I am responsible for any end-of-year performance information provided by the Children's Commissioner under section 19A of the Public Finance Act 1989.

I have the responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In my opinion, these financial statements and statement of performance fairly reflect the financial position and operations of the Children's Commissioner for the year ended 30 June 2018.



**Judge Andrew Becroft**  
**Children's Commissioner**

31 October 2018

## PART 6: FINANCIAL STATEMENTS

### STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSE FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000
<b>REVENUE</b>				
Revenue from the Crown		2,657	2,657	2,157
Other revenue	2	127	88	340
<b>Total revenue</b>		<b>2,784</b>	<b>2,745</b>	<b>2,497</b>
<b>EXPENSES</b>				
Personnel	3	2,487	2,505	1,935
Operating	4	456	468	398
Projects	5	121	83	171
Depreciation	9	6	8	8
<b>Total expenses</b>		<b>3,070</b>	<b>3,064</b>	<b>2,512</b>
<b>Surplus/(deficit)</b>		<b>(286)</b>	<b>(319)</b>	<b>(15)</b>
Other comprehensive revenue and expense		0	0	0
<b>Total comprehensive revenue and expense</b>		<b>(286)</b>	<b>(319)</b>	<b>(15)</b>

Explanations of major variances against budget are provided in note 16.

The accompanying notes form part of these financial statements.



## STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2018

	Notes	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	6	489	157	518
Receivables	7	2	3	8
Investments	8	250	500	500
Prepayments		7	21	20
GST receivable		26	12	18
<i>Total current assets</i>		774	693	1,064
<b>Non-current assets</b>				
Property, plant, and equipment	9	10	8	16
<i>Total non-current assets</i>		10	8	16
<b>Total assets</b>		<b>784</b>	<b>701</b>	<b>1,080</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Payables	10	102	52	93
Employee entitlements	11	120	128	110
Revenue received in advance		10	40	39
Accruals		51	30	48
Lease inducement		14	16	17
<i>Total current liabilities</i>		297	266	307
<b>Non-current liabilities</b>				
Employee entitlements	11	10	0	10
<i>Total non-current liabilities</i>		10	0	10
<b>Total liabilities</b>		<b>307</b>	<b>266</b>	<b>317</b>
<b>Net Assets</b>		<b>477</b>	<b>435</b>	<b>763</b>

Explanations of major variances against budget are provided in note 16.

The accompanying notes form part of these financial statements.

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000
Balance as at 1 July	763	754	778
Surplus/(deficit)	(286)	(319)	(15)
<b>Balance as at 30 June</b>	<b>477</b>	<b>435</b>	<b>763</b>

Explanations of major variances against budget are provided in note 16.

The accompanying notes form part of these financial statements.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Notes	Actual 2018 \$000	Budget 2018 \$000	Actual 2017 \$000
<b>Cash flows from operating activities</b>				
Receipts from the Crown		2,657	2,657	2,157
Other income received		73	68	113
Interest received		31	20	30
Goods and services tax (net)		(8)	2	13
Payments to suppliers		(664)	(606)	(631)
Payments to employees		(2,367)	(2,505)	(1,769)
<i>Net cash flow from operating activities</i>		(278)	(364)	(87)
<b>Cash flows from investing activities</b>				
Receipts from maturity of investments		250	0	450
Acquisition of investments		(1)	0	(250)
<i>Net cash flow from investing activities</i>		249	0	200
<b>Net increase/(decrease) in cash &amp; cash equivalents</b>		<b>(29)</b>	<b>(364)</b>	<b>113</b>
Cash & cash equivalents at the beginning of the year		518	521	405
<b>Cash &amp; cash equivalents at the end of the year</b>	6	<b>489</b>	<b>157</b>	<b>518</b>

Explanations of major variances against budget are provided in note 16.

The accompanying notes form part of these financial statements.

## Reconciliation of net surplus/(deficit) to net cash flow from operating activities

	Notes	Actual 2018 \$000	Actual 2017 \$000
Net surplus/(deficit)		(286)	(15)
Add/(less) non-cash items			
Depreciation and amortisation expense		6	8
<i>Net non-cash items</i>		(280)	(7)
Add/(less) movements in statement of financial position items			
(Increase)/Decrease in receivables		18	2
(Increase)/Decrease in revenue received in advance		(29)	(54)
(Increase)/Decrease in payables		15	(63)
(Increase)/Decrease in employee entitlements		11	23
(Increase)/Decrease in GST payables		(8)	14
(Increase)/Decrease in accruals		(5)	(2)
<i>Net movements in working capital items</i>		2	(80)
<b>Net cash flow from operating activities</b>		<b>(278)</b>	<b>(87)</b>



# Notes to the Financial Statements

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## **1 STATEMENT OF ACCOUNTING POLICIES**

### **REPORTING ENTITY**

The Children's Commissioner is an Independent Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand. The relevant legislation governing the Children's Commissioners' operations includes the Crown Entities Act 2004 and the Children's Commissioner Act 2003. The Children's Commissioners' ultimate parent is the New Zealand Crown.

The Children's Commissioner was first established on 1 November 1989 under the Children, Young Persons and Their Families Act 1989, but whose functions were then mandated by the Children's Commissioner Act 2003. Its primary objective is to ensure that the interests and rights of every child and young person are recognised and each enjoys safety, good health and education, economic and socio-cultural wellbeing and opportunities to actively participate in matters that affect them.

The Children's Commissioner has designated itself as a public benefit entity (PBE) for the purposes of International Public Sector Accounting Standards (IPSAS).

The financial statements for the Children's Commissioner are for the year ended 30 June 2018 and were approved by the Children's Commissioner on 31 October 2018.

### **BASIS OF PREPARATION**

#### **Purpose**

The financial statements have been prepared to promote public accountability by providing a base against which its actual performance can later be assessed.

#### **Statement of compliance**

The financial statements of the Children's Commissioner have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the

requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The financial statements have been prepared in accordance with Tier 2 PBE Standards.

These financial statements comply with PBE Standards.

#### **Functional and presentation currency**

The financial statements are presented in New Zealand dollars and all values rounded to the nearest thousand dollars (\$000). The functional currency of the Children's Commissioner is New Zealand dollars.

### **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Significant accounting policies are included in the notes to which they relate.

Significant accounting policies that do not relate to a specific note are outlined below.

#### **Goods and services tax**

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the statement of financial position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

#### **Income tax**

The Children's Commissioner is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

### Budget figures

The budget figures are derived from the statement of performance expectations as approved by the Children's Commissioner at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Children's Commissioner in preparing these financial statements.

### Cost allocation

The Children's Commissioner has determined the cost of outputs using the cost allocation system outlined below.

Direct costs are those costs directly attributed to an output. Indirect costs are those costs that cannot be attributed to a specific output in an economically feasible manner.

Direct costs are charged directly to outputs. Indirect costs are charged to outputs based on cost drivers and related activity or usage information. Depreciation is charged on the basis of asset utilisation. Personnel costs are charged on the basis of actual time incurred. Other indirect costs are assigned to outputs based on the proportion of direct staff costs for each output.

There have been no changes to the cost allocation methodology since the date of the last audited financial statements.

### Critical accounting estimates and assumptions

In preparing these financial statements, the Children's Commissioner has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are:

- > Useful lives and residual values of property, plant, and equipment – refer to Note 9;
- > Retirement and long service leave – refer to Note 11.

### Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

- > Other grants received – refer to Note 2;
- > Grant expenditure – refer to Note 5;
- > Lease classification – refer to Note 4.

## 2 REVENUE

### Accounting policy

The specific accounting policies for significant revenue items are explained below.

### Funding from the crown

The Children's Commissioner is primarily funded from the Crown. This funding is restricted in its use for the purpose of the Children's Commissioner meeting the objectives specified in its founding legislation and the scope of the relevant appropriation of the funder.

The Children's Commissioner considers that there are no conditions attached to the funding and it is recognised as revenue at the point of entitlement. This is considered to be the start of the appropriation period to which the funding relates.

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

### Other grants received

Grants are recognised as revenue when they become receivable unless there is an obligation to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when conditions of the grant are satisfied.

### Donated assets

Where a physical asset is gifted to or acquired by the Children's Commissioner for nil consideration or at a subsidised cost, the asset is recognised at fair value. The difference between the consideration provided and fair value of the asset is recognised as revenue. The fair value of donated assets is determined as follows:

- > For new assets, fair value is usually determined by reference to the retail price of the same or similar assets at the time the asset was received;
- > For used assets, fair value is usually determined by reference to market information for assets of a similar type, condition, and age.

### Interest revenue

Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

### Provision of services

Services provided to third parties on commercial terms are recognised as revenue in proportion to the stage of completion at balance date.

### Breakdown of other revenue and further information

	Actual 2018 \$000	Actual 2017 \$000
Interest revenue	31	30
JR McKenzie Trust*	42	24
Te Whānau Aroha**	39	140
Other donations	-	143
Other revenue***	10	-
Salary recovered****	5	3
<b>Total other revenue</b>	<b>127</b>	<b>340</b>

\* Grant Agreement between the Children's Commissioner and the JR McKenzie Trust to produce and disseminate a snapshot with key facts and messages around child poverty in New Zealand.

\*\* Further management of the Te Whānau Aroha Advisory Group, established by the Minister for Social Development to provide feedback and advice into the care system transformations.

\*\*\*Revenue from Superu to support the Weaving Strengths Workshop.

\*\*\*\*Salary recovered from the Ministry of Health for the attendance of a staff member on the ACART Advisory Group.

## 3 PERSONNEL COSTS

### Accounting policy

### Superannuation schemes

### Defined contribution schemes

Employer contributions to KiwiSaver, the Government Superannuation Fund, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

### Breakdown of personnel costs and further information

	Actual 2018 \$000	Actual 2017 \$000
Salaries and wages	2,374	1,843
Other personnel costs	45	32
Defined contribution plan employer contributions	57	37
Increase/(decrease) in employee entitlements	11	23
<b>Total personnel costs</b>	<b>2,487</b>	<b>1,935</b>

#### Employee remuneration

	Actual 2018	Actual 2017
\$100,000 – 109,999	3	1
\$120,000 – 129,999	-	1
\$130,000 – 139,999	1	-
\$140,000 – 149,999	2	2
\$150,000 – 159,999	1	1
<b>Total employees</b>	<b>7</b>	<b>5</b>

During the year ended 30 June 2018, no (2017 Nil) employees received compensation and other benefits in relation to cessation (2017 Nil).

#### Commissioner's total remuneration

	Actual 2018	Actual 2017
Children's Commissioner	262,920	262,920

Judge Becroft is on secondment from the Ministry of Justice (MoJ) and the total remuneration disclosed for 2018 is invoiced by MoJ in terms of the remuneration determination for the Children's Commissioner.

Since the Children's Commissioner is a corporation sole member, there are no other Board or committee members.

No indemnity has been provided to the Children's Commissioner or any employee.

The Office of the Children's Commissioner has Management Liability and Public Indemnity Insurance.

## 4 OPERATING COSTS

#### Accounting policy

#### Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in the

surplus or deficit as a reduction of rental expense over the lease term.

#### Breakdown of operating costs and further information

	Actual 2018 \$000	Actual 2017 \$000
Accountancy fees	22	22
Accounting software fees	1	1
Fees to auditor		
> fees to Audit NZ for audit of financial statements	25	23
Consumables & other expenses	48	50
Consultant fees	20	13
Information Systems	71	51
Power & Heating	4	3
Printing & Stationery	5	4
Publication expenses	12	16
Rent, rates and insurance	119	88
Telecommunication	12	10
Travel and accommodation	100	95
Website expenses	17	22
<b>Total operating costs</b>	<b>456</b>	<b>398</b>

#### Breakdown of operating lease commitments and further information

	Actual 2018 \$000	Actual 2017 \$000
Not later than one year	111	77
Later than one year and not later than five years	381	306
Later than five years	-	31
<b>Total</b>	<b>492</b>	<b>414</b>

There are no other operating leases and no restrictions are placed on the Children's Commissioner by any of its leasing arrangements.



## 5 PROJECT COSTS

	Actual 2018 \$000	Actual 2017 \$000
Giving2Kids	7	-
Monitoring & Investigations	2	-
Poverty Measures Partnership	42	24
Voices Project	27	16
Weaving Strengths	10	-
Te Whānau Aroha (YACS)	33	131
<b>Total project costs</b>	<b>121</b>	<b>171</b>

## 6 CASH AND CASH EQUIVALENTS

### Accounting policy

Cash and cash equivalents include cash on hand, deposits held at call with domestic banks, other short-term, highly liquid investments with original maturities of three months or less.

### Breakdown of cash and cash equivalents and further information

	Actual 2018 \$000	Actual 2017 \$000
Cash at bank and on hand	489	518
<b>Total cash and cash equivalents</b>	<b>489</b>	<b>518</b>

## 7 RECEIVABLES

### Accounting policy

Short-term receivables are recorded at face value, less any provision for uncollectability.

A receivable is considered uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

### Breakdown of receivables and further information

	Actual 2018 \$000	Actual 2017 \$000
Receivables	1	1
Accruals	1	7
<b>Total receivables</b>	<b>2</b>	<b>8</b>

## 8 INVESTMENTS

### Accounting policy

At each balance sheet date the Children's Commissioner assesses whether there is objective evidence that an investment is impaired.

### Bank deposits

Investments in bank deposits are initially measured at fair value plus transaction costs. After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method.

### Breakdown of investments and further information

	Actual 2018 \$000	Actual 2017 \$000
<b>Current portion</b>		
Term deposits	250	500
<i>Total current portion</i>	250	500
<b>Total investments</b>	<b>250</b>	<b>500</b>

## 9 PROPERTY, PLANT, AND EQUIPMENT

### Accounting policy

Property, plant and equipment asset classes consist of furniture, office equipment and computer equipment. Property, plant and equipment are shown at historical cost or valuation, less accumulated depreciation and any accumulated impairment losses.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the Children's Commissioner and the cost of the item can be measured reliably. Individual assets or groups of assets are capitalised if their costs are greater than \$1,000 (excluding GST).

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the Children's Commissioner and the cost of the item can be measured reliably. The costs of day-to-day servicing of property, plant and equipment are recognised in the statement of financial performance as they are incurred.

### Depreciation

Depreciation is charged on a straight-line basis on all property, plant, and equipment, at rates that will write-off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of property, plant, and equipment have been estimated as follows:

Office furniture and equipment	5 years	20%
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Computer equipment	3-5 years	20-33%
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The residual value and useful life of an asset is reviewed and adjusted if applicable at each financial year end. It is important to note that the Office leases all of its computer equipment from the Ministry of Social Development.

### Impairment of non-financial assets

The Children's Commissioner does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

### Non-cash-generating assets

Property, plant, and equipment assets held at cost that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

## Breakdown of property, plant and equipment and further information

	Total 2018 \$000
<b>Cost or valuation</b>	
Balance at 1 July 2016	56
Additions	0
Disposals	0
Balance at 30 June 2017	56
Balance at 1 July 2017	56
Additions	0
Disposals	0
<b>Balance at 30 June 2018</b>	<b>56</b>
<b>Accumulated depreciation and impairment losses</b>	
Balance at 1 July 2016	32
Depreciation expense	8
Eliminate on disposal	0
Balance at 30 June 2017	40
Balance at 1 July 2017	40
Depreciation expense	6
Eliminate on disposal	0
<b>Balance at 30 June 2018</b>	<b>46</b>
Carrying amounts	
At 1 July 2016	24
At 1 July 2017	15
<b>Balance at 30 June 2018</b>	<b>10</b>

## 10 PAYABLES

### Accounting policy

Short-term payables are recorded at their face value.

### Breakdown of payables and further information

	Actual 2018 \$000	Actual 2017 \$000
Creditors	100	85
Credit Card	2	8
<b>Total payables</b>	<b>102</b>	<b>93</b>

## 11 EMPLOYEE ENTITLEMENTS

### Accounting policy

#### Short-term employee entitlements

Employee entitlements that the Children's Commissioner expects to be settled within 12 months of balance date are measured at undiscounted nominal values based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave and long-service leave earned, but not yet taken at balance date. Long service leave is calculated using Treasury actuarial guidelines.

#### Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of year in which the employee provides the related service, such as long service leave and retirement gratuities, have been calculated on an actuarial basis. The calculations are based on:

- > likely future entitlements accruing to employees, based on years of service, years to entitlement, the likelihood that employees will reach the point of entitlement, and contractual entitlement information; and
- > the present value of the estimated future cash flows.

### Presentation of employee entitlements

Sick leave, annual leave, and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of balance date are classified as a current liability. All other employee entitlements are classified as a non-current liability.

### Breakdown of employee entitlements and further information

	Actual 2018 \$000	Actual 2017 \$000
<b>Current portion</b>		
Accrued salaries and wages	37	30
Annual leave	83	80
Long service leave	0	0
<i>Total current portion</i>	120	110
<b>Non-current portion</b>		
Long service leave	10	10
<i>Total non-current portion</i>	10	10
<b>Total employee entitlements</b>	<b>130</b>	<b>120</b>

## 12 CONTINGENCIES

There were no contingent liabilities or assets as at 30 June 2018 (2017 Nil).

## 13 RELATED PARTY TRANSACTIONS

### Accounting policy

The Children's Commissioner is controlled by the Crown.

Related party disclosures have not been made for transactions with related parties that are:

- > within a normal supplier or client/recipient relationship; and
- > on terms and condition no more or less favourable than those that it is reasonable to expect the Children's Commissioner would have adopted in dealing with the party at arm's length in the same circumstances.

Further, transactions with other government agencies (for example, government departments and Crown entities) are not disclosed as related party transactions when they are consistent with the normal operating arrangements between government agencies.

### Related party transactions required to be disclosed

The Children's Commissioner didn't enter into transactions with other Crown related entities on non-commercial terms.

### Key management personnel compensation

	Actual 2018	Actual 2017
Remuneration	\$848,539	\$822,607
Full-time equivalent members	4.95	4.83
<b>Total key management personnel remuneration</b>	<b>\$848,539</b>	<b>\$822,607</b>
<b>Total full-time equivalent personnel</b>	<b>4.95</b>	<b>4.83</b>

Actual and reasonable costs related to travel, hospitality and other expenses of \$27,876 have been paid and is not part of the Commissioner's remuneration (2017 \$25,215).

## 14 FINANCIAL INSTRUMENTS

	Actual 2018 \$000	Actual 2017 \$000
<b>Loans and receivables</b>		
Cash and cash equivalents	489	518
Receivables	2	8
Investments - term deposits	250	500
<b>Total loans and receivables</b>	<b>741</b>	<b>1,026</b>
<b>Financial liabilities measured at amortised cost</b>		
Payables (excluding income in advance)	153	141
<b>Total financial liabilities measured at amortised cost</b>	<b>153</b>	<b>141</b>

## 15 EVENTS AFTER THE BALANCE DATE

There were no significant events after the balance date (2017 Nil).

## 16 EXPLANATION OF MAJOR VARIANCES AGAINST BUDGET

Explanations for major variances from the Children's Commissioner's budgeted figures in the statement of performance expectations are as follows:

### Statement of comprehensive revenue and expense

#### Other revenue

Other revenue was more than budgeted by \$39k due to receiving an additional \$13k from JR McKenzie Trust to do a review of the Child Poverty Monitor (CPM) to date, \$10k from Superu to co-host the *Weaving our Strengths* event and \$5k from salary recovered for a staff member attending ACART. All of this revenue was unbudgeted for. We also received \$11k more interest this year compared to our budget.

### Operating Expenditure

Operating expenditure was less than budgeted by \$12k due to less travel & accommodation costs, and timing of publication printing that is now being completed in the next financial year.

### Personnel expenditure

Personnel expenditure was less than budgeted by \$18k due to timing of the appointment of 8 new staff mid-August 2017. The initial budget expected these FTEs to be appointed from 1 July 2017.

### Statement of financial position

#### Net Assets

The increase in net assets compared to the budget is mainly due to a better than budgeted operational deficit, resulting in an improved cash and cash equivalent position when compared to budget.



## **Independent Auditor's Report**

### **To the readers of the Office of the Children's Commissioner's financial statements and performance information for the year ended 30 June 2018**

The Auditor-General is the auditor of the Office of the Children's Commissioner (the Office). The Auditor-General has appointed me, Jacques Coetzee, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and the performance information, including the performance information for an appropriation, of the Office on his behalf.

### **Opinion**

We have audited:

- the financial statements of the Office on pages 30 to 44, that comprise the statement of financial position as at 30 June 2018, the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended on that date and the notes to the financial statements including a summary of significant accounting policies and other explanatory information; and
- the performance information of the Office on pages 21 to 28.

In our opinion:

- the financial statements of the Office on pages 30 to 44:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2018; and
    - its financial performance and cash flows for the year then ended; and
  - comply with generally accepted accounting practice in New Zealand in accordance with the Public Benefit Entity Standards Reduced Disclosure Regime; and
- the performance information on pages 21 to 28:
  - presents fairly, in all material respects, the Office's performance for the year ended 30 June 2018, including:
    - for each class of reportable outputs:

- its standards of delivery performance achieved as compared with forecasts included in the statement of performance expectations for the financial year; and
  - its actual revenue and output expenses as compared with the forecasts included in the statement of performance expectations for the financial year; and
- what has been achieved with the appropriation; and
- the actual expenses or capital expenditure incurred compared with the appropriated or forecast expenses or capital expenditure.
- complies with generally accepted accounting practice in New Zealand.

Our audit was completed on 31 October 2018. This is the date at which our opinion is expressed.

The basis for our opinion is explained below. In addition, we outline the responsibilities of the Commissioner and our responsibilities relating to the financial statements and the performance information, we comment on other information, and we explain our independence.

## **Basis for our opinion**

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Responsibilities of the Commissioner for the financial statements and the performance information**

The Commissioner is responsible on behalf of the Office for preparing financial statements and performance information that are fairly presented and comply with generally accepted accounting practice in New Zealand. The Commissioner is responsible for such internal control as he determines is necessary to enable him to prepare financial statements and performance information that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements and the performance information, the Commissioner is responsible on behalf of the Office for assessing the Office's ability to continue as a going concern. The Commissioner is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting, unless there is an intention to merge or to terminate the activities of the Office, or there is no realistic alternative but to do so.

The Commissioner's responsibilities arise from the Crown Entities Act 2004 and the Public Finance Act 1989.

## **Responsibilities of the auditor for the audit of the financial statements and the performance information**

Our objectives are to obtain reasonable assurance about whether the financial statements and the performance information, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit carried out in accordance with the Auditor-General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures, and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers, taken on the basis of these financial statements and the performance information.

For the budget information reported in the financial statements and the performance information, our procedures were limited to checking that the information agreed to the Office's statement of performance expectations.

We did not evaluate the security and controls over the electronic publication of the financial statements and the performance information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the financial statements and the performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit 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 control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Commissioner.
- We evaluate the appropriateness of the reported performance information within the Office's framework for reporting its performance.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Commissioner and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Office's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements and the performance information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Office to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the financial statements and the performance information, including the disclosures, and whether the financial

statements and the performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the Commissioner regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

## **Other information**

The Commissioner is responsible for the other information. The other information comprises the information included on pages 2 to 44, but does not include the financial statements and the performance information, and our auditor's report thereon.

Our opinion on the financial statements and the performance information does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements and the performance information, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the financial statements and the performance information or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Independence**

We are independent of the Office in accordance with the independence requirements of the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1 (Revised): Code of Ethics for Assurance Practitioners issued by the New Zealand Auditing and Assurance Standards Board.

Other than in our capacity as auditor, we have no relationship with, or interests, in the Office.



Jacques Coetzee

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand





MANAAKITIA Ā TĀTOU TAMARIKI

**Children's  
Commissioner**



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