



MANAAKITIA A TATOU TAMARIKI
CHILDREN'S
COMMISSIONER

Office of the Children's Commissioner
Annual Report 2009



Report of

Children's Commissioner
Te Kaikomihana mo nga Tamariki
For the year ended 30 June 2009

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

MINISTER FOR SOCIAL DEVELOPMENT AND EMPLOYMENT

Pursuant to the provisions of Section 150(3) of the Crown Entities Act 2004, I submit my Annual Report, incorporating the Financial Statements.

The report covers the period from 1 July 2008 to 30 June 2009.

I am satisfied that the Financial Statements fairly reflect the financial position and operations of the Office of the Children's Commissioner for the reporting period.

A handwritten signature in black ink, appearing to read 'John Angus', written in a cursive style.

Dr John Angus

Children's Commissioner

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VISION

The rights of every child and young person in New Zealand are recognised and each enjoys good health, education, safety and economic wellbeing.

OUTCOMES

Every child is safe and nurtured.

Every child has adequate resources and opportunities to develop.

Society's attitudes and behaviour change to become more child-focused.

LEGAL MANDATE

By statute, my Office's functions are to:

- investigate any decision or recommendation made, or any act done or omitted in respect of any child
- monitor and assess the policies and practices of Child, Youth and Family and other persons, bodies and organisations exercising a function or power conferred by the Children, Young Persons, and Their Families Act 1989
- advise the responsible Minister on any matters relating to the administration of the Children, Young Persons, and Their Families Act 1989
- keep under review the workings of the Children, Young Persons and Their Families Act 1989
- act as a national preventive mechanism in respect of the Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT)
- promote public awareness of children's rights and issues relating to the welfare of children and young people
- advocate for and on behalf of children and young people
- seek children and young people's views on issues and enable their voices to be heard
- promote the development of policies and services designed to protect the interests, rights and welfare of children and young people
- raise awareness and understanding of the United Nations Convention on the Rights of the Child (UNCROC) and advance and monitor its application by departments of State and other instruments of the Crown
- promote the establishment of accessible and effective complaints mechanisms, in key agencies, for children and monitor the nature and level of complaints
- undertake and promote research into matters relating to the welfare of children and young people
- report, with or without request, to the Prime Minister on matters affecting the rights of children.

THE COMMISSIONER'S REPORT



I was appointed Children's Commissioner for a six month term in April 2009, following on from Dr Cindy Kiro who was Commissioner for three-quarters of the year under review in this report.

In the four months between taking up the office and preparing this Annual Report there have been several important changes. My appointment has been extended until December 2010. The decision has been taken to maintain an office in Auckland and a senior appointment made there. The Wellington office has moved to a new location alongside the Families Commission.

The Office did report an expected budget deficit but, due to the Minister's decision to increase funding, as well as savings through administration efficiencies and the office relocation, the Office is now in a more financially sustainable position.

Work priorities have been agreed for the year and set out in the Statement of Intent and Output Agreement. Permanent appointments are being made in the two senior positions filled in April by secondees. The Office is in a stronger position to achieve its outputs and contribute to its outcomes in the 2009–2010 year.

This report sets out the performance of the Office in the 2008–2009 year. In respect of outputs all targets have been met, with two exceptions. Only two of the targeted four inspections of Child, Youth and Family residences were done for their compliance with the Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT). This was a result of changes made during the year to improve the quality of inspections, that took longer than anticipated to implement. These issues are now resolved and the Office is on track to complete its four scheduled visits this year. The second exception is in the timeliness of responses to requests for resources and is a result of demand being at least twice that forecast. Planned work on immigration, noted in last year's Annual Report, was done but not to the point that a formal report or publication was appropriate. Work on mental health services for children did not proceed due to staff changes.

The performance in 2008–2009 is a testimony to the skills and commitment of the staff. In the monitoring and investigating output the major achievements were:

- Implementing a new framework for monitoring Child, Youth and Family under the Children, Young Persons and Their Families Act that has led to improvements in the information available to the Office and to the quality and utility of the reports
- Moving to separate and more focused reporting on Child, Youth and Family residences' compliance with OPCAT protocols to prevent torture and degrading treatment of those in detention.

The quality of the monitoring of Child, Youth and Family is being significantly improved as a result of these changes. There are still some low levels of compliance with reporting required under the Act. These issues are being addressed and the position is improving.

The Office undertook four investigations in the year. They were into:

- child poverty in New Zealand
- the safety of pupils at school from bullying and violence
- the deaths and serious injuries of 0 – 5 year olds from assaults in New Zealand
- the use of child impact assessments as a means of bringing children's interests more to the fore in policy and operational decision-making.

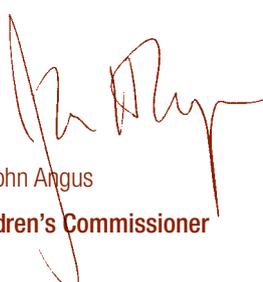
The first three investigations received a great deal of attention from government agencies, interest groups and the media. All have been important evidence bases for ongoing work to promote the interests of children.

Significant achievements under the advocacy output were:

- the public release of work on child poverty, *A Fair Go for All Children: Actions to address child poverty in New Zealand*, that received considerable media attention and has helped inform the Office view on the important issue of the economic position of children in New Zealand
- the preparation of a report sent to the United Nations Committee on the Rights of the Child in November 2008
- a major contribution to work on the prevention of child maltreatment being done under the auspices of the Taskforce for Action on Violence within Families.

During the year the Office has continued to assist children and young people to have their voices heard by the wider community. The eight members of the Young People's Reference Group have been active in their own regions and nationally in giving a voice to young people's interests. The Office carried out a project to obtain and record children and young people's views of poverty and its impact.

The effectiveness of the position of Children's Commissioner depends very much on the influence the Office has with those who make policy and resource decisions that impact on children. That influence depends on the credibility of the Office, the strength of its arguments and its public profile. During 2008–2009 some important steps were taken to consolidate the position of the Office and to enhance its ability to deliver its outputs. That progress puts the Office in a sound position to increase its influence in the interests of children.


Dr John Angus
Children's Commissioner

OUTPUT DELIVERY

In 2008–2009 the Office of the Children’s Commissioner (the Office) was funded through Vote Social Development and Vote Education¹. These monies were allocated within the Office into two output classes, monitoring and investigation and individual and systemic advocacy.

Output: Monitoring and Investigating

The monitoring and investigation output relates to the performance of the Office in conducting its legislative responsibilities, as defined under the Children’s Commissioner Act 2003, to monitor Child, Youth and Family and other persons, bodies and organisations exercising any function or power conferred by the Children, Young Persons and Their Families Act 1989.

Activities under this output contribute to two of the Office’s outcomes: that every child is safe and nurtured and that every child has adequate resources and opportunities to develop.

Monitoring Child, Youth and Family

Approach

This year the Office has continued to meet its obligations to monitor the policies, practices and services provided by Child, Youth and Family under the Children, Young Persons and Their Families Act 1989. The Office worked with Child, Youth and Family to develop and implement a new monitoring framework. Development was completed in September 2008, and the framework launched on 3 November 2008. This included the creation of a shared workspace portal that allows for regular and up-to-date provision of information from Child, Youth and Family. While slow to begin, data is now populating this shared space, allowing much more effective access to the information necessary for the Office to meet its monitoring responsibilities.

As part of this framework, the Office provides a Term Report every four months to the Minister for Social Development and Employment and the Chief Executive of the Ministry of Social Development. The Office completes these reports after reviewing regional performance reports, Executive Committee monthly performance monitoring reports, Grievance Panel quarterly reports, and residence audit reports received from Child, Youth and Family. The Office also draws on information gathered during Child, Youth and Family visits to site offices and residences and considers information received in respect of social work reports (pursuant to section 47), practice reviews in respect of the deaths of children and young people known to Child, Youth and Family and annual reports of the Care and Protection Resource Panels.

To consider how well Child, Youth and Family’s planning processes meet the requirements of legislation and good governance, the Office looked at the Ministry of Social Development’s Statement of Intent and Output Agreements, Child, Youth and Family’s Leading for Outcomes document, and the blueprints for residential services and regional services.

To assess how well Child, Youth and Family’s policy and practice framework serves to protect the interests and wellbeing of children and young people, the Office reviewed the practice framework documents and strategic risk reports provided on the shared workspace portal and reviewed the Standard Operating Procedures for residences. It also considered public documents relating to New Zealand’s compliance with UNCROC.

Site and residence visits

Site visits continue to be an invaluable part of the monitoring process, providing the Office with a wealth of frontline information. In 2008–2009, the Office visited five Child, Youth and Family sites – Invercargill, Rotorua, Tokoroa, Waikato East and Waikato West. During site visits, Office staff talked to social workers, supervisors, managers, caregiver liaison staff and other specialists; Care and Protection Resource Panel members and stakeholder groups, including police, health and education; non-government organisations and iwi representatives. This wide-ranging consultation and discussion produced a wealth of information as the basis for reports and recommendations provided to Child, Youth and Family for information and follow-up. Staff from the Office also visited four Child, Youth and Family residences – Epuni, Korowai Manaaki, Lower North Youth Justice Residence, and Puketai. The Commissioner continues to receive quarterly Grievance Panel reports and annual audit reports from each residence.

Key findings for 2009

This year has been a period of operationalising the framework, ensuring more data is available on the shared workspace portal and working toward more complete reporting under sections of the legislation that must be reported to this Office. In respect of the sites that have been visited, one finding has been the improvement in the quality of youth justice services. This corroborates feedback from youth justice stakeholders at a national level.

Going forward

In 2009–2010, the Office will visit seven sites and four residences. Visits have been scheduled in a plan agreed with Child, Youth and Family and will cover both urban and rural and North and South Island sites. The Office will integrate information from site and residence visits with data on the shared workspace portal, to give a more complete assessment of the quality of services delivered by Child, Youth and Family. There will be a focus on services to children in care, community liaison and the implementation of changes to residential services.

Monitoring Child, Youth and Family residences for compliance with the Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT)

The Children's Commissioner is a National Preventive Mechanism (NPM) under the Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment (OPCAT) jointly responsible, with the Ombudsman, for monitoring children and young people in residences established under section 364 of the Children, Young Persons and Their Families Act 1989. In effect, the Office carries out residence visits and refers reports and findings to the Ombudsman for input, including recommendations the Ombudsman wishes to make. The Children's Commissioner's role as a NPM has some overlap with his statutory responsibility to monitor the policies and practices of Child, Youth and Family generally.

Child, Youth and Family has established eight residences under section 364 of the Children, Young Persons and Their Families Act – three youth justice residences, four care and protection residences (which includes a specialist unit for young people who have a severe conduct disorder) and a specialist unit for young people who have sexually offended. Within Child, Youth and Family residences, processes are in place to ensure that children and young people are not exposed to torture, brutality or inhuman treatment. Most of these are prescribed by the Children, Young Persons and Their Families (Residential Care) Regulations 1996 (the Regulations). Child, Youth and Family audits its own compliance against these Regulations.

Approach

This year, the Office has met with senior Child, Youth and Family officials responsible for residential care, keeping them abreast of OPCAT processes and standards and the procedure for preventive monitoring.

Before a NPM visit is done, the Office checks:

- Child, Youth and Family's residential audit of compliance with the Regulations
- quarterly grievance panel reports
- documentation around the application of the Regulations as defined in the Standard Operating Procedures.

In the course of residence visits, the Office looks at:

- **Treatment:** identifying any incidents of torture or ill treatment, the use of isolation and/or of force and restraint
- **Protection measures:** registers, provision of information, complaint and inspection procedures, disciplinary procedures
- **Material conditions:** accommodation, lighting and ventilation, personal hygiene, sanitary facilities, clothing and bedding, food
- **Activities and access to others:** contact with family and the outside world, outdoor exercise, education, leisure activities, religion
- **Health services:** access to medical care
- **Staff:** conduct and training.

Visits

During the 2008–09 financial year the Office employed a specialist contractor to undertake inspections. Two Child, Youth and Family facilities were visited – Whakatakopokai, a care and protection residence, in July 2008 and Korowai Manaaki, a youth justice residence, in November 2008 – and a comprehensive report on each residence completed. During the visits, there were discussions with children and young people, staff, management and the grievance panel. Each visit took three days and required extensive verification of the processes that are in place to ensure that children and young people are not exposed to torture or ill treatment.

Key findings for 2009

Both residences visited showed substantial compliance with measures to ensure that children and young people are not exposed to torture, brutality or inhuman treatment. Nevertheless, in the course of visits the Office identified the following areas for improvement nationally:

- A number of key Standard Operating Procedures are not available, including those related to secure care, powers of punishment and discipline, searches and rights of children and young people. We asked that this work be completed.
- The Regulations require that all behaviour intervention models have sign off from the Chief Executive of the Ministry of Social Development. We recommended a national review to ensure this occurs in each case.
- We are concerned that the criteria and processes for responding to critical incidents are applied inconsistently. We asked that Child, Youth and Family consider the processes for categorising incidents and for providing feedback to residences on incidents brought to their attention.
- We are concerned that issues raised in annual audit reports are not always attended to until the next audit is due. We asked Child, Youth and Family to review how concerns brought to its notice during the audit cycle are addressed.

Response from Child, Youth and Family

The Office has received a very positive response from Child, Youth and Family with assurance that each of the areas identified has been addressed.

Going forward

From 2009–10, an Office advisor will undertake four planned visits. Further unannounced visits may be undertaken, should any issues of concern arise.

The Office has asked Child, Youth and Family to consider including information on the Crimes of Torture Act, OPCAT and NPM responsibilities, in the new induction training package being developed for residential staff. The Office has offered to provide that information and training.

Investigations

In the 2008–2009 year several substantial investigations were completed, funded in part from reserves built up in previous years. Due to funding constraints, the Office will have to carefully determine what major investigations can be done in the future.

Child poverty in New Zealand

Work on child poverty in New Zealand, commenced in the previous year, was completed. A report, *A Fair Go for all Children, Actions to address child poverty in New Zealand*, was released in August 2008. The release generated a lot of interest and the high number of requests received for copies of the report suggest it is being well used.

During 2008 the Office also carried out a related project on young people's perceptions of poverty and its impact. This has resulted in a rich store of images, art and creative writing reflecting on the economic position of children. The Office set up an online gallery to present young people's views and experiences of poverty through photography, art and poetry (www.occ.org.nz/childpoverty).

School safety

School safety: An enquiry into the safety of students at school was launched at the Ministry of Education's Behaviour Summit (Taumata Whanonga 2009) in Wellington on 16 March 2009. There was strong media interest in this enquiry, the first involving education from the Office. Schools and education officials have also responded to the enquiry, and there were many requests to speak at education sector meetings. A complementary resource for schools and teachers will be prepared and distributed to all schools later in 2009.

The Office undertook this enquiry because bullying consistently rates as one of the biggest concerns for children and young people in New Zealand. It comes through the engagement with children and young people and through both the Office enquiry lines and advice lines run by other youth-focused organisations. The safety of children at school is essential if they are to learn while attending school. This enquiry's purpose was to find ways to improve students' safety at school by looking at the evidence on how to do this. The report includes an explanation of what bullying, violence and abuse are, and makes suggestions for positive change.

The report recommends a proactive approach on how to address bullying and violence in schools. It focuses on what can be learned from schools that have developed an effective response to bullying, and tries to make this available to everyone. Bullying is an ongoing issue and it is valuable to the Office to have this work to draw on to inform debate about behaviour in schools from an evidence-base.

In the course of the enquiry it was disappointing to find that while many students either were bullied or knew about others who were being bullied, most of them felt that there was no point in speaking out. It is clear that parents and teachers need to encourage and empower children to speak out about bullying. Other children who witness this also play an important role by not condoning the behaviour. Bystanders can and do make a difference.

The challenge ahead is to alter the school environment rather than focusing on the perpetrators and victims alone. Schools that work to improve their whole school environment, culture and ethos are the most effective. There are ripple effects from this approach including improving educational outcomes, self-esteem and conflict resolution skills across the school population.

Child homicide and serious injury

The Office prepared a report on the death and serious injury from assault of babies and infants aged up to five years, looking at New Zealand data and at overseas literature. The resulting report, *Death and serious injury from assault of children under 5 years in Aotearoa New Zealand: A review of international literature*, was released at the beginning of June 2009. The report found that about 45 children under five in New Zealand were seriously injured as a result of assault and on average about five children under five are killed each year.

It resulted in considerable media attention, with a focus on the risk factors that lead to injury and death, and on what might be done about it. The Commissioner highlighted the value of the Shaken Baby Prevention Programme, which was subsequently funded by government for the Auckland District Health Board to pilot.

The inquiry found that it is very young babies who are most at risk of abuse. Their vulnerability means that almost all forms of assault can lead to serious injury and death. It only takes a small slap to the head or a short shake of a baby to do real harm. It highlights some risks we need to give more attention to. For instance, there is a particular risk when babies are left in the care of young men who are often totally unprepared for the stresses of a crying baby and may already have problems with anger or alcohol abuse. International research has found that they often lash out in an attempt to 'silence' the child.

The report contributed to the body of knowledge about physical abuse. It has already been used to inform and add weight to the Government's initiatives to reduce the incidence of abuse of vulnerable under two-year-olds.

Child Impact Assessments

This investigation, into the merits of child impact assessments as a way to bring children's interests to the centre of policy and operational decision-making, resulted in a report *Undertaking Child Impact Assessments in Aotearoa New Zealand Local Authorities: evidence, practices, ideas*. The report was released at a forum on child impact assessment and child-friendly cities, in association with UNICEF New Zealand, on 20 March 2009.

Although children and young people are a significant group in New Zealand, their interests are not routinely taken into account in government decision-making processes. Child impact assessment involves assessing a proposed policy, decision or activity to determine its likely impact on children. It can be seen as one way signatories to the United Nations Convention on the Rights of the Child can fulfil their obligation under Article 3(1) to ensure that the best interests of the child become a primary consideration in all actions affecting children, including those undertaken by government agencies.

The Office was interested in testing the feasibility and effectiveness of child impact assessments in New Zealand, specifically at the local government level. The work was contracted to the Auckland University of Technology's Local Government Centre. It undertook a literature review and child impact assessment projects in a sample of local councils. UNICEF provided additional resources.

Monitoring and investigating individual cases through the Child Rights Enquiry Line

The Office staffs a telephone enquiry service that provides information, advice and advocacy services for children. Most of the enquiries come from parents acting on behalf of their children. The total number of calls received on the Office's enquiry line for this reporting period was 899. Of these, 34 percent of calls were in relation to Child, Youth and Family, 24 percent to education and 42 percent to other issues, including health and legal matters. The calls concerning Child, Youth and Family provide another source of information for the Office's monitoring role. Education calls deal with the processes and effects of suspensions, stand-downs, expulsions and bullying.

Many of the calls received are responded to with advice and referral on to an appropriate agency. In the 2008–09 year, 159 individual cases required further investigation or follow up. The Office is unable to respond to calls if the issue is before the Court, or is in relation to a Court decision. In these instances, callers are referred to their nearest Family Court or to their lawyer, Community Law Centre, or lawyer for the children.

In 2008–09 the Office continued to provide funding to the Wellington Community Law Centre to manage the Parent Legal Information Line, a phone line for access to legal advice on education matters.

Note to the text

1. Vote Education funding ended on 30 June 2009.

Output: Individual and systemic advocacy

Activities under this output give effect to the Children's Commissioner's responsibilities to advocate for the interests of children, both in individual cases and for children as a group. It includes activities to increase public awareness of children's interests and of UNCROC as an expression of children's interests and rights.

These activities contribute to two of the Office's outcomes: ensuring every child has adequate resources and opportunities to develop and that society's attitudes and behaviour changes to become more child-focused.

Advocating for legislative and policy change

Submissions on legislation

During this year the Office has made two submissions to Select Committees in relation to the interests, rights and welfare of children and young people. These were:

- a submission to the Social Services Select Committee on the Children, Young Persons and Their Families Act 1989 (Youth Courts Jurisdiction and Orders)
- a submission to the Auckland Governance Legislation Committee on the Local Government (Auckland Council) Bill.

Input into policy advice

Policy advice has been provided to government agencies on a range of issues. In the justice arena, the Office was consulted on the development of the Ministry of Justice's draft Cabinet paper on Domestic Violence legislation and a Victims' Rights discussion document. The Office provided feedback on the report of proceedings from the Drivers of Crime Ministerial Meeting.

In the social services sector the Office has been active in policy on child abuse and neglect and out of school childcare services.

Other policy related activities have included advice to the Australian Institute of Criminology on child trafficking issues in New Zealand. (Other policy related work is reported under specific topics.)

Review of policy and legislative compliance with the United Nations Convention on the Rights of the Child (UNCROC)

The Office completed a report on UNCROC compliance in 2008 and provided it to the United Nations Committee on the Rights of the Child in November 2008. Key stakeholders were consulted on the report prior to its release.

The Office also participated in the Ministry of Youth Development's UNCROC Advisory Group and has provided input and advice into the development of Government's third and fourth periodic report on compliance with UNCROC. Comment on the development of Save the Children New Zealand's child and youth UNCROC report was also made.

Taskforce for Action on Violence within Families

The Children's Commissioner continues to be actively involved in the work of the Taskforce for Action on Violence within Families. During this reporting period, the Commissioner sponsored the Taskforce's Child Maltreatment Programme. The Commissioner was part of an expert advisory group and an interagency working group that developed a work programme that was agreed by the Taskforce.

The work programme takes an integrated, cross-sector approach to preventing child maltreatment. It draws on growing evidence and knowledge about the impacts of child maltreatment. Its focus is on prevention of maltreatment in particular for children under five years.

The priorities are:

- enhancing the contribution of the health, education and social services sectors to prevent child maltreatment
- understanding better and taking actions to reduce the incidence and prevalence of neglect, in particular of 0 – 5 year olds
- enhancing the effectiveness and sustainability of community led initiatives.

Child discipline

In 2007 the Children's Commissioner strongly supported the repeal of section 59, believing repeal to be an important signal of children's rights to safety and physical integrity. The Office argued for children to have the same status in law that adults have in regard to assault.

During the prolonged public debate prior to the law change, it was clear that attitudes of adult New Zealanders about physical punishment of children and law change were mixed and that it would take time for changes in those attitudes to occur. Since the law change there has been a petition and a citizens initiated referendum on the question, *Should a smack as part of good parental correction be a criminal offence in New Zealand?* The Office did not take an adversarial position during the campaigning around the referendum. It was not a contributor to either campaign.

The Commissioner continues to advise Government that the current law is a good law for children and should remain.

Activities to promote good services for children

The Office continued to be involved in a range of activities to promote good services for children. In Auckland the Office worked with a number of groups, including:

- Auckland Regional Governance Group for Strengthening Families
- Auckland Office of Ethnic Affairs (Strengthening Families, data systems and interagency work with children and families)
- Waitakere Mayoral Taskforce on Family Violence
- Auckland District Health Board Child Health Advisory Group
- Counties Manukau District Health (child abuse and family violence)
- Restorative Justice Centre Aotearoa
- Manukau City Council (child impact and health impact assessment).

Child's rights advocacy training and education advocacy training

As part of its advocacy output the Office provides training in children's rights generally, and children's rights in education. The training is mainly provided to people who are connected, through their work in communities or directly with schools, to services for children. This ensures the widest possible contact with potential child and youth advocates. In 2008–2009 training was delivered to more than 250 participants across New Zealand.

The two-day training package used by the Office focuses on child and youth development, societal views of youth and the discourse around this, compliance with UNCROC, the role of the Office and a model for youth participation. In the education specific training, delivered on the second day, one outcome is to extend and maintain a pool of advocates who are available to support children and families in disputes with schools, a database participants are invited to join.

In this reporting year the training has been carried out across New Zealand and included:

- Board of Trustees, Ponsonby
- Maori Wardens, Wellington (run twice in this year)

- Whangarei community representatives
- Social Workers in Schools, Auckland.

Collaboration with key stakeholders

During this year the Office continued to develop strong working relationships with a wide range of organisations both within government and non-government organisation sectors. The Office regularly met with a range of individuals and groups, including Ministers, Members of Parliament, Chief Executives, Commissioners, Police, NGOs and others associated with the health, education and welfare of children.

Communications

The Office responded to a large number of media requests across print, radio and television during this reporting period and the Children's Commissioner undertook many interviews. Major issues picked up by the media included access to education for children with special needs, violence in schools, child abuse, young children left home unsupervised, and child discipline.

Four issues of *Children* magazine were printed and distributed to a wide audience.

During this reporting period the Office received 1503 requests for resources from children, adults, schools, counselors, Child, Youth and Family social workers, District Health Boards, youth workers, positive parenting organisations, government and other community agencies. This is an increase of 20 percent on the 2007–08 demand.

The Office's corporate web site www.occ.org.nz was upgraded to a new technology platform during the year. The upgrade presented an opportunity to review and update content.

Presentations, speeches and public forums

During this reporting period the Office continued to seek opportunities to discuss its work and to raise awareness of issues that concern children and young people. This links most strongly with the outcome that 'society's attitudes and behaviour change to become more child-focused'.

The Children's Commissioner and Office staff have made a significant number of public presentations during the year.

Major speeches and presentations made by Dr Cindy Kiro included:

- Speech to Children's Issues Centre National Seminar "Children, Parenting Policy and the Law" entitled *Moving on from the repeal of Section 59*
- Speech to the Academy for Maori Research and Scholarship, Massey University, entitled *Challenges for the future: Opportunities for Maori*
- Speech to the 17th International Congress on Child Abuse and Neglect (ISPCAN), Hong Kong, entitled *Children's Voices: The role of Children's Commissioners in advocating for children*
- Keynote speech at World Congress III Against Sexual Exploitation of Children and Adolescents, Rio de Janeiro, Brazil entitled *Working together to make a difference to child sexual exploitation*
- Keynote speech at the International Conference on Violence Against the Girl Child, The Hague, The Netherlands entitled *Making Recommendations Work*

Presentations and speeches made by Dr John Angus included:

- Speech to the Third New Zealand Paediatric Trauma Conference, Auckland City Hospital

Principal advisors have also been active in promoting the interests of children through speeches and presentations in their individual areas of expertise. This has included presentations at the following conferences:

- Combined Kindergarten Teachers conference on *Policy to Practice; walking the talk and early intervention* in Napier
- Presentation at Lexis Nexis conference on early intervention in Auckland
- Keynote presentation plus workshop to New Zealand Family Foster Care Federation, *Building attachment and resilience for children in care*, Napier
- Presentation on *Advocacy in the Early Years* to early childhood student teachers at Victoria University, Wellington
- Presentation to Hawke's Bay Principals, *Safer Learning Environments*, Napier
- Presentation to Wellington and Wairarapa Guidance Counselors, *Findings of the Inquiry into the Safety of Students at School*, Wellington.

Community forums

In 2008–09 the Office hosted six community forums to discuss relevant issues pertaining to children and young people. These forums had diverse sector attendance ranging from Child, Youth and Family social workers, police, youth workers, public health nurses, iwi social services, resource teachers: learning and behaviour (RTLBs) and representatives from the disability sector. These forums provide for a transfer of information, networking and connection to communities.

During this reporting period forums were hosted in Gisborne, Auckland, Kaikoura, Christchurch, New Plymouth and Invercargill. Those attending were asked to identify key issues in their communities. Feedback included issues such as support for special needs children, family violence, poverty, transport in rural areas, young people's participation in the community and support for caregivers.

Young People's Reference Group

The Children's Commissioner has an obligation to seek the views of children and young people in their work. One vehicle for doing that is the Young People's Reference Group. This year saw the end of the existing reference group members' two year terms, as well as the recruitment of a new group of members.

It was a busy year for the group, who continued to strengthen their networks in their individual regions.

The group met four times during the year and participated in a variety of activities including:

- Attendance at the INVOLVE Conference, the leading health and development conference in the youth sector
- Developing member's understanding of tikanga Maori
- Providing feedback on the Office's work programme, including:
 - the Children's Commissioner's briefing to the incoming Minister
 - school safety project work
 - the Office's Child Rights training package
 - the Ministry of Health's sexual and reproductive health public campaign.

Contact between the group and the Office was also maintained via email, telephone and mobile text messages.

ORGANISATIONAL CAPABILITY

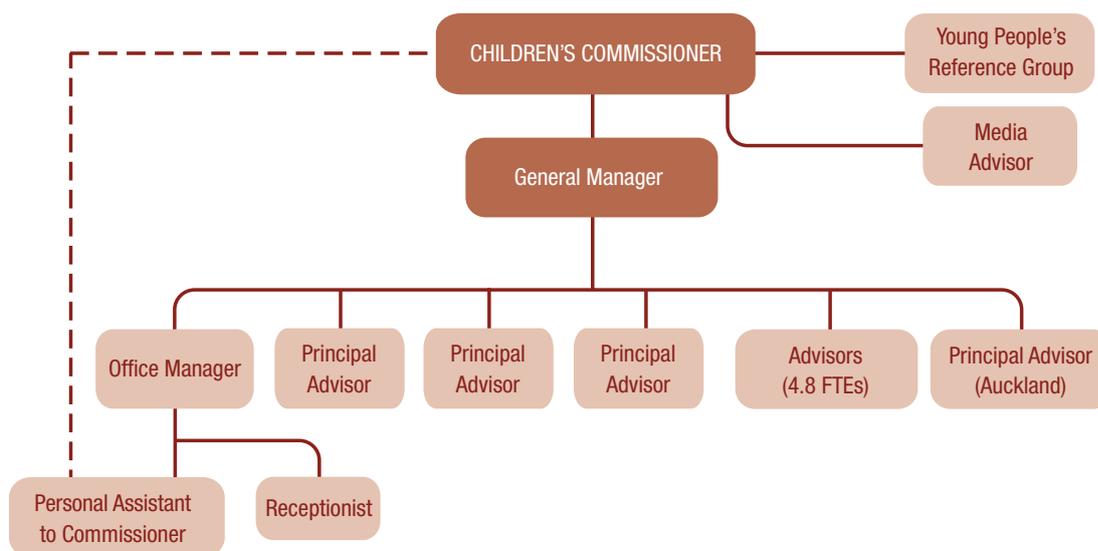
Capacity and capability

During the year there were four staff resignations. One permanent appointment was made. Dr Cindy Kiro ended her term as Children's Commissioner on 1 May 2009.

Dr John Angus was appointed as Children's Commissioner commencing on 2 May 2009. He was originally appointed for a six-month term, but in August 2009 his term was extended until 2 December 2010.

Soon after his appointment the Commissioner undertook a review of the organisational structure of the Office. He confirmed that there would continue to be an office in Auckland, but with a smaller establishment of two advisors. In Wellington the changes were to a flatter organisational structure and clearer accountabilities. The restructure resulted in most positions reporting directly to the General Manager. The new structure took effect in July 2009 and resulted in the PA/Administrator position, based in Auckland, becoming surplus (one position had already been shed through attrition).

The new organisational structure is shown below.



As a result of the changes the staff establishment of the Office, excluding the Commissioner, fell from 16.4 full time equivalent positions (FTEs) on 1 July 2008 to 14.8 FTEs on 30 June 2009.

Management team

The management team comprises the Commissioner, the General Manager and the Office Manager.

Strategic planning

Statement of Intent

Following the appointment of the new Children's Commissioner in May 2009, the Office's strategic priorities were reviewed and new priorities set. These are set out in the Statement of Intent 2009–12, which was tabled in Parliament in July 2009.

Office work programme

A work programme for the Office has been developed to support the aims of the Statement of Intent 2009–12 and Output Agreement with the responsible Minister.

Good employer

The Office is committed to employment equity in all employment practices. The Office's aim is to maintain and enhance practices which eliminate all forms of discrimination in employment matters, and which ensure the organisation meets "good employer" and "equal employment opportunity" requirements.

The following tables detail workplace composition of the Office by gender and ethnicity and compare these figures with the previous financial year.

Gender	2007–08	2008–09
Female	12	13
Male	4	2

Ethnicity	2007–08	2008–09
Maori	3	2
Pacific Island	–	–
Asian	–	–
Pakeha/European	13	13
Other ethnic group	–	–

Leadership, accountability and culture

The Office has a set of values that are espoused by every staff member. These are:

- Willing spirit – We work with a willing spirit. We are positive, responding easily to new challenges and opportunities, taking responsibility for our work. We go the extra mile.
- Sincerity – We work to fulfill our purpose. We work with a sincere desire for better outcomes. We assume the best of intentions in others. We are straightforward, direct and engaging.
- Strategically focused – We know the big picture. We think about how best to make an impact. We work with others focused on improving outcomes for children in New Zealand.
- Integrity – We act in a way that protects the integrity of the Office. We act to build trust through our behaviour.

The Office has its own Code of Conduct, which sets out standards of behaviour for all staff as a formal direction and point of reference.

The Office is a member of the Equal Employment Opportunities Trust.

Recruitment, selection and induction

It is the Office's policy not to discriminate in employment practices and, when a vacancy exists, the focus is on ensuring the Office finds the best candidate for a position. The Office is committed to providing all new staff with a friendly and informative introduction to the organisation.

Key objectives of the induction process are:

- to make new employees familiar with the Office's structure, people, systems, policies, strategies and procedures
- to make new employees familiar with the systems and practises of their work area, and the people they will be working with on a day-to-day basis
- to explain what the job entails and assist employees in meeting job requirements
- to ensure the new employee's first experience of the Office's culture is positive and reinforces their decision to join the team.

Employee development, promotion and exit

The objectives of the Office's capability and performance system are to:

- ensure organisational success
- build employees' capability and contribution to the organisation
- promote open communication
- encourage the personal development of employees.

These objectives are achieved through a combination of performance planning, learning and personal development.

The management team is committed to the continued professional development of staff and aims to support and encourage learning and development programmes that will ensure the highest quality outputs and outcomes through employee excellence in performance.

The Office takes an equitable approach to developing all employees through internal and external training, coaching and mentoring.

Internal presentations, sharing of skills and knowledge are actively encouraged to enhance the knowledge culture of the organisation.

Remuneration, recognition and conditions

Work has continued in 2008–09 to develop a new performance management framework for the Office. This work will be completed in 2009–10.

The Collective Employment Agreement with staff was due to expire in May 2009. The Commissioner and the PSA reached agreement to rollover the existing agreement a further six months to November 2009 to allow for transition between Commissioners to take place.

Harassment and bullying prevention

Sexual harassment is illegal and is unacceptable behaviour in the Office. Should it be necessary, the Office will provide any employee subjected to sexual harassment with a supportive environment. No incidents of sexual harassment have been reported in the 2008–09 year.

Our Code of Conduct, which all employees are required to sign, articulates the requirement for all staff to respect the rights of others, and rejects:

- the discrimination against any person because of their sex, marital status, colour, race, ethnic or national origins, age, political opinion, employment status, family status, sexual orientation, ethnicity, disability or religious or ethical beliefs
- the harassment, bullying, or intimidation of colleagues and clients.

The Office has not received any complaints of harassment, bullying or intimidation in the 2008–09 year.

Safe and healthy environment

The Office is committed to:

- ensuring continuous improvement and high standards of health and safety in the workplace for all staff, contractors and visitors
- creating a healthy and safe environment for all staff, visitors and contractors
- complying with all relevant legislation, regulations, codes of practice and safe operating procedures and ensuring all our staff are safe at work.

Administrative efficiencies/value for money

During this reporting period an administrative efficiency review of the Children’s Commissioner and the Families Commission was undertaken. This was done in response to the undertaking in the Confidence and Supply Agreement between the Government and United Future that the Government will ‘maintain the policy, research and advocacy role of the Families Commission while seeking to achieve administrative efficiencies between the operations of the Families Commission and the Children’s Commissioner’.

The review is also part of the ongoing process of encouraging better value for money in public sector activities as required by the new Government from its inception in November 2008.

During the course of the review, a number of opportunities for immediate savings were identified and actioned. The review identified four areas where administrative efficiencies could be achieved in the short to medium term. These efficiencies were:

- shared office accommodation in Auckland
- shared office accommodation in Wellington
- shared IT services and telecommunications
- shared administrative/corporate services.

In April 2009 the Auckland staff of the Children’s Commissioner moved into the Families Commission’s office space, producing savings in rent and amenities.

At the same time planning was undertaken to share office space in Wellington, using space available at the Families Commission office. The work included the design of working space to accommodate office staff and combining IT and telecommunication infrastructures. The Commissioner’s Office moved into office space rented from the Families Commission on 28 September 2009.

STATEMENT OF RESPONSIBILITY FOR THE YEAR ENDED 30 JUNE 2009

In terms of the Crown Entities Act 2004, Section 155, I John Hall Angus, the Children's Commissioner:

- accept responsibility for the preparation of these financial statements and statement of service performance, and the judgements made in them;
- accept responsibility for the establishment and maintenance of internal controls, designed to provide reasonable assurances as to the integrity and reliability of financial reporting; and
- submit that these financial statements and statement of service performance fairly reflect the Office's financial position, operations and cash flows for the year ended 30 June 2009.

A handwritten signature in black ink, appearing to read 'John Angus', with a stylized, cursive script.

Dr John Angus

Children's Commissioner

STATEMENT OF SERVICE PERFORMANCE

Summary of output costs

2008/09 Output category	Total expenditure Forecast	Total expenditure Actual
Monitoring and Investigating	\$673,942	\$909, 872
Individual and Systemic Advocacy	\$1,371,334	\$1,318,884
Total	\$2,045,276	\$2,283,347

Output: Monitoring and investigating

As part of its monitoring responsibilities, under the Children, Young Persons and Their Families Act 1989, the Office carried out the programme of visits to Child, Youth and Family sites and residences scheduled for the year. It also liaised regularly with key stakeholders, including the Principal Family Court and Youth Court Judges.

To achieve this output, the Office:

- monitored the policies, practices and services of Child, Youth and Family. During the year a new monitoring framework was completed to redevelop and streamline this monitoring activity. Four-monthly reports to the Minister and Chief Executive of the Ministry of Social Development were produced
- undertook investigations into a number of systemic matters and followed up on many individual enquiries that required further investigation
- implemented the requirements of a National Preventive Mechanism to monitor Child, Youth and Family residences for compliance with the Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment.

Quantity

Measure	Target	Actual
Monitoring and assessing the policies and practices of Child, Youth and Family.	10 meetings with Ministry of Social Development's Chief Executive and Deputy Chief Executive, Child, Youth and Family. Eight site and residence visits per year.	Achieved. 10. Achieved. Nine.
Undertake visits and complete reports as a National Preventive Mechanism under the Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment.	Four.	Not achieved. Two ² .
Undertake further enquiry into matters raised by the public with the Office of the Children's Commissioner.	As required.	Achieved. Four systemic investigations completed. 159 cases were followed up.

Quality and timeliness

Measure	Target	Actual
Monitoring and assessing the policies and practices of Child, Youth and Family.	Activity undertaken meets the legislative requirements of the Children's Commissioner Act 2003, in particular sections 13 and 23. Feedback provided to Child, Youth and Family meets standards set by the Memorandum of Understanding between the Children's Commissioner and the Deputy Chief Executive responsible for Child, Youth and Family. Activity undertaken in line with Memorandum of Understanding with Child, Youth and Family. A joint annual review of the effectiveness of the MOU will be implemented.	Achieved. Activity undertaken was in line with Memorandum of Understanding with Child, Youth and Family and within the requirements of the Children's Commissioner Act. Activity also undertaken in line with the new monitoring framework developed during the year.
Undertake visits and complete reports as a National Preventive Mechanism under the Optional Protocol to the Convention against Torture and other Cruel, Inhuman or Degrading Treatment or Punishment.	Meeting obligations of National Preventive Mechanism as defined by statute. Four reports completed.	Achieved. Annual report detailing OPCAT work programme and Office's responsibilities as a National Preventive Mechanism completed. Process agreed by key stakeholders. Not achieved. Two reports completed ³ .
Undertake further enquiry into matters raised by the public with the Office of the Children's Commissioner.	Enquiries produce evidence-based recommendations that address the cause of the issue. Enquiries meet the requirements of the Children's Commissioner Act 2003. Enquiries are completed within defined timeframes.	Achieved. Four systemic investigations were completed within time frames. All investigations were undertaken within legislative requirements.

Notes to the text

2. Refer to Commissioner's report (page 7) for explanation of variance.
3. Refer to Commissioner's report (page 7) for explanation of variance.

Output: Individual and systemic advocacy

This output reflects the role of the Children's Commissioner in increasing public awareness of children's interests, rights and wellbeing and in generating public interest and debate on the issues affecting children.

To achieve these objectives this year the following activities have been undertaken:

- Promoting children's interests and rights through the implementation of the United Nations Convention on the Rights of the Child and through the promotion of child advocacy. A report on New Zealand's compliance with UNCROC was provided to the United Nations Committee on the Rights of the Child in November 2008.
- Managing an enquiries service for the public and responding to more than 800 telephone calls, letters, emails and web enquiries.
- Providing policy advice to Government agencies and Ministers and making submissions where appropriate to Parliamentary Select Committees examining Parliamentary Bills and/or undertaking inquiries.
- Distributing resources for children, schools, Government and non government organisations, iwi and other relevant organisations to support the key messages of the Office.
- Continuing to participate in the Taskforce for Action on Violence within Families. Sponsored a project for the Taskforce to deliver an integrated, cross government approach to work on child abuse.
- Ensuring that children and young people were effectively engaged in the work of the Office and that their views were well represented in key Office initiatives and in the advice that it provided.

Quantity

Measure	Target	Actual
Participating in the work of the Taskforce for Action on Violence within Families by leading a project to deliver an integrated, cross government approach to work on child abuse.	As determined by Taskforce programme.	Achieved. 14 meetings convened by the Taskforce, all attended by the Office.
The Commissioner will have regular meetings with the Ministers for Social Development and Employment, Health, Education, Justice and Police to brief them on children's issues in relation to their portfolios.	10 meetings with Ministers will take place.	Achieved. 10 meetings with Ministers held.
Advocating for legislative change where children and young people's interests, rights and welfare are compromised.	Ongoing during 2008–09.	Achieved. Legislative change advocated on two occasions.
Respond to resource requests including UNCROC resources.	650.	Achieved. 1503.
Completing an alternative report to the Committee on the Rights of the Child on New Zealand's compliance with UNCROC.	One report completed.	Achieved. Report completed.
Hearing children's voices.	Four YPRG meetings are convened.	Achieved. Four meetings convened.

Quality and timeliness

Measure	Target	Actual
Participating in the work of the Taskforce for Action on Violence within Families by leading a project to deliver an integrated, cross government approach to work on child abuse.	Participation in the work of the Taskforce is effective in helping to reduce family violence and to raise public awareness about the impact of family violence. Ongoing during 2008–09.	Achieved. Project sponsorship, advocacy and attendance at 14 meetings ensured that child abuse was given more attention in the work of the taskforce during 2008–09.
The Commissioner will have regular meetings with the Ministers for Social Development and Employment, Health, Education, Justice and Police to brief them on children's issues in relation to their portfolios.	Ministers are satisfied with the quantity and content of their briefings with the Commissioner. Ongoing through 2008–09.	Achieved. No issues were raised during the year.
Advocating for legislative change where children and young people's interests, rights and welfare are compromised.	Submissions, advocacy and influence contribute to changes of identified legislation. Ongoing.	Achieved. Two written submissions were made which contributed to changes in policy. Submissions were made within the identified timeframes for each submission.
Respond to resource requests including UNCROC resources.	Resource requests responded to within five working days. Ongoing.	Not achieved. The target of five working days was not met due to increased demand (1503 requests versus a target of 650). 769 requests were within target; 949 within 10 working days.
Completing an alternative report to the Committee on the Rights of the Child on New Zealand's compliance with UNCROC.	Awareness of report findings are promoted widely. Demand for publication of the report is strong. February 2009.	Achieved. The report has been promoted widely among organisations in the child's rights sector. An article was written in the quarterly <i>Children</i> magazine to promote the report.
Hearing children's voices.	Children's voices are represented in all Office activities and submissions. Ongoing.	Achieved. Children and young people's voices were represented in several Office activities and all submissions presented.

Statement of Financial Performance for the year ended 30 June 2009

	Notes	Actual 2009 \$	Budget 2009 \$	Actual 2008 \$
REVENUE				
Crown	(2)	1,948,112	1,948,112	2,448,112
Other		16,917	37,164	92,900
Interest		39,284	60,000	95,765
Total revenue		2,004,313	2,045,276	2,636,777
EXPENDITURE				
Personnel costs	(3)	1,333,312	1,478,460	1,422,237
Operating costs	(5)	662,987	656,513	788,729
Depreciation and amortisation	(6) (7)	87,401	105,708	81,241
Project expenses	(13)	199,646	167,013	313,745
Total expenses		2,283,346	2,407,694	2,605,952
Net operating surplus/(deficit)		(279,033)	(362,419)	30,825

The attached notes and the *Statement of accounting policies* should be read in conjunction with these financial statements.

Statement of Movements in Equity for the year ended 30 June 2009

	Actual 30/6/2009 \$	Budget 30/6/2009 \$	Actual 30/6/2008 \$
Taxpayers' equity brought forward as at 1 July	705,909	628,359	675,084
Net operating surplus/(deficit)	(279,033)	(362,419)	30,825
Total recognised revenues and expenses for the year	(279,033)	(362,419)	30,825
Taxpayers' equity as at 30 June	426,876	265,940	705,909

The attached notes and the *Statement of accounting policies* should be read in conjunction with these financial statements.

Statement of Financial Position as at 30 June 2009

	Notes	Actual 30/6/2009 \$	Budget 30/6/2009 \$	Actual 30/6/2008 \$
ASSETS				
Current assets				
Cash and cash equivalents	(11)	206,872	173,747	153,878
Child abuse account	(8)	302	0	302
Prepayments		0	0	1,450
Short-term investments	(12)	226,517	150,000	547,071
Debtors and other receivables	(9)	7,307	20,000	33,449
Total current assets		440,998	343,747	736,150
Non-current assets				
Property, plant and equipment	(6)	151,232	158,158	237,991
Intangible assets	(7)	1,497	0	2,139
Total non-current assets		152,729	158,158	240,130
TOTAL ASSETS		593,727	501,905	976,280
LIABILITIES				
Current liabilities				
Accounts payable	(10)	98,060	165,965	189,193
Annual leave entitlement		43,709	50,000	64,160
GST payable		25,082	20,000	17,018
TOTAL CURRENT LIABILITIES		166,851	235,965	270,371
Taxpayers' equity		426,876	265,940	705,909
TOTAL FUNDS EMPLOYED		593,727	501,905	976,279

The attached notes and the *Statement of accounting policies* should be read in conjunction with these financial statements.

Statement of Cash Flows for the year ended 30 June 2009

	Actual 30/6/2009 \$	Budget 30/6/2009 \$	Actual 30/6/2008 \$
Cash flows from operating activities:			
Cash was provided from Crown	1,948,112	1,948,111	2,448,112
Other income	41,619	37,164	69,464
Interest income	39,284	60,000	92,261
Goods & services tax (net)	9,193	0	(4,229)
	<u>2,038,208</u>	<u>2,045,275</u>	<u>2,605,608</u>
Cash was disbursed for supply of outputs			
Payments to suppliers	993,551	913,824	1,039,922
Payments to employees	1,313,650	1,388,163	1,422,236
	<u>2,307,201</u>	<u>2,301,987</u>	<u>2,462,158</u>
Net cash flows from operating activities	(268,993)	(256,711)	143,450
Cash flows from investing activities:			
Cash was provided from			
Maturity of investments	320,549	0	300,000
Property, plant & equipment sales	1,438	0	3,998
Cash was distributed to			
Property, plant and equipment purchases	0	0	77,503
Acquisition of investments	0	20,000	547,069
	<u>321,987</u>	<u>(20,000)</u>	<u>(320,574)</u>
Net increase (decrease) in cash held	52,994	(276,711)	(177,124)
Add: Cash and cash equivalents at the beginning of the year	154,180	620,458	331,304
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	207,174	343,747	154,180

The GST (net) component of operating activities reflects the net GST paid and received with the Inland Revenue Department. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

The attached notes and the *Statement of accounting policies* should be read in conjunction with these financial statements.

Reconciliation of the Net Surplus/(Deficit) to Net Operating Cash Flow for the year ended 30 June 2009

	Actual 30/6/2009 \$	Actual 30/6/2008 \$
Net operating surplus/(deficit) for year	(279,033)	30,825
Gain/(loss) on sale of assets	(1,440)	(4,000)
Add/(less) depreciation	87,401	81,241
Movements in working capital		
(Increase) decrease in accounts receivable	26,142	(22,940)
(Increase) decrease in prepayments	1,450	69
(Decrease) Increase in GST	9,193	(4,229)
(Decrease) Increase in accounts payable	(92,255)	34,029
Increase (Decrease) in annual leave payable	(20,451)	28,455
Net working capital movements	(75,921)	35,384
Net cash flow from operating activities	(268,993)	143,450

The attached notes and the *Statement of accounting policies* should be read in conjunction with these financial statements.

Notes to the financial statements for the year ended 30 June 2009

(1) Statement of accounting policies

Reporting entity

The Children's Commissioner is a Crown Entity as defined by the Crown Entities Act 2004. It was established under the Children, Young Persons and Their Families Act 1989 and is continued by the Children's Commissioner Act 2003.

The Children's Commissioner is domiciled in New Zealand. As such, the Commissioner's ultimate parent is the New Zealand Crown.

The Children's Commissioner's primary objective is to ensure that children's and young people's rights and interests are recognised and widely supported and that children and young people are treated with respect, dignity and fairness.

The financial statements report on the activities of the Children's Commissioner for the year ended 30 June 2009. The financial statements for the Children's Commissioner were approved by the Commissioner on 31 October 2009.

Statement of compliance and basis of preparation

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 New Zealand Generally Accepted Accounting Practice (NZ GAAP). The financial statements comply with the Framework for Differential Reporting for Entities adopting the New Zealand equivalents to International Financial Reporting Standards (NZ IFRS) and its interpretations as appropriate to public benefit entities that qualify for and apply differential reporting concessions.

The Children's Commissioner qualifies for Differential Reporting exemptions as it has no public accountability and it does not qualify as large under the criteria set out in the Framework for Differential Reporting.

Differential reporting exemptions as available under the Framework for Differential Reporting has been applied in relation to:

- NZ IAS 1 Presentation of financial statements
- NZ IAS 8 Accounting policies, changes in accounting estimates and errors
- NZ IAS 16 Property, plant and equipment
- NZ IAS 17 Leases
- NZ IAS 18 Revenue
- NZ IAS 19 Employee benefits
- NZ IAS 24 Related party disclosures
- NZ IAS 36 Impairment of assets
- NZ IAS 37 Provisions, contingent liabilities and contingent assets
- NZ IAS 38 Intangible assets
- NZ IFRS 7 Financial instruments: disclosures

The accounting policies have been consistently applied to all periods presented in these financial statements.

Standards, amendments and interpretations issued that are not yet effective and have not been early adopted.

Standards, amendments and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Children's Commissioner include:

NZ IAS 1 Presentation of Financial Statements (revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (issued 2004) and is effective for reporting periods beginning on or after 1 January 2009. The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with the Crown in its capacity as "owner". The revised standard gives the Children's Commissioner the option of presenting items of income and expense and components of other comprehensive income either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate income statement followed by a statement of comprehensive income). The Children's Commissioner intends to adopt this standard for the year ending 30 June 2010, and is yet to decide whether it will prepare a single statement of comprehensive income or a separate income statement followed by a statement of comprehensive income.

Measurement base

The financial statements have been prepared on a historical cost basis, except for the measurement of derivative financial instruments which is at fair value.

Functional and presentation currency

The financial statements are presented in New Zealand dollars. The functional currency of the Children's Commissioner is New Zealand dollars.

Going concern

The going concern concept is assumed when preparing these financial statements.

Significant accounting policies

Revenue

Revenue is measured at the fair value of consideration received or receivable.

The Children's Commissioner is primarily funded by the Crown for the purposes and objectives set out in the Statement of Intent.

Revenue for services (Crown and other parties) is recognised when it is earned and is reported in the statement of financial performance in the period to which it relates.

Interest

Interest income is recognised using the effective interest method.

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to the Children's Commissioner are classified as "operating leases". Lease payments under an operating lease expensed as incurred in the Statement of Financial Performance. The Children's Commissioner leases Office premises and photocopiers only.

Cash and cash equivalents

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, and bank overdrafts.

Debtors and other receivables

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

Impairment of a receivable is established when there is objective evidence that the Children’s Commissioner will not be able to collect amounts due according to the original terms of the receivable. Impairment losses are recognised in the statement of financial performance.

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.

Property, plant and equipment

Property, plant and equipment asset classes consist of leasehold improvements, furniture, office equipment, motor vehicles and computer equipment. Property, plant and equipment are shown at cost or valuation, less any accumulated depreciation and 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.

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 included in the statement of financial performance.

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 so as to write off the cost of the fixed assets over their expected economic lives. The depreciation rates of major classes of assets used in the preparation of these statements are:

Office furniture and equipment	5 years (20%)
Leasehold improvements	5 years (20%)
Computer equipment	3–5 years (20 – 33%)
Motor vehicles	4 years (30%)

The residual value and useful life of an asset is reviewed and adjusted if applicable at each financial year end.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by the Children's Commissioner are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Staff training costs are recognised as an expense when incurred. Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the maintenance of the Children's Commissioner website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is de-recognised. The amortisation charge for each period is recognised in the Statement of Financial Performance. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- acquired computer software: 5 years, 20%

Impairment of non-financial assets

Property, plant and equipment and intangible assets 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 amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Creditors and other payables

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

Employee entitlements

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 earned, but not yet taken at balance date, and sick leave where these are material.

Defined contribution schemes

Obligations for contributions to Kiwisaver, less the Crown employer subsidy, and the State Sector Retirement Savings Scheme are accounted for as defined contribution superannuation schemes and are recognised as an expense in the Statement of Financial Performance as incurred.

Provisions

The Children's Commissioner recognises a provision for future expenditure of uncertain amount or timing when there is a present obligation (either legal or constructive) as a result of a past event and it is probable that expenditures will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as a finance cost.

Good and service tax (GST)

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.

Children's Commissioner 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 Intent as approved by the Minister at the beginning of the financial year. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by the Children's Commissioner for the preparation of the 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.

Statement of cash flows

Cash means cash on hand, deposits held at call with domestic banks, other short-term, highly liquid investments with maturities of three months or less and bank overdrafts. Operating activities include cash received from all income sources of the Children's Commissioner and cash payments made for the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Comparative figures

To ensure consistency with the current period, comparative figures have been reviewed relative to current NZ IFRS, where appropriate, for presentation purposes. There have been no such changes in these financial statements resulting from this review.

Changes in accounting policies

There have been no changes in accounting policies. All accounting policies have been applied consistently with the previous year.

(2) Revenue from the Crown

The Children's Commissioner has been provided with funding from the Crown for specific purposes as set out in the Children's Commissioner Act 2003 and the government appropriations.

(3) Remuneration and Fees

In accordance with s28 of the Children's Commissioner Act, including (3) (a) (b) (c) and (d), the following is reported:

	2009	2008
Dr Cindy Kiro	\$193,532	\$195,000
Dr John Angus	\$ 32,885	0

Dr Kiro ended her term as Children's Commissioner on 1 May 2009. Dr John Angus was appointed as Children's Commissioner commencing on 2 May 2009.

The number of employees whose remuneration was within the specified band is set out in the following table:

Remuneration band	Number of Employees	
	2009	2008
\$100,000 – 109,999	0	1

Committees established that received fees are paid for:

Young Peoples Reference Group with 8–10 members from 1 July 2008 to 30 June 2009 paid by the Children's Commissioner: \$7,000

(4) Compensation payments

During the year ended 30 June, 2009 no employees received compensation in relation to cessation (2008: \$10,696)

(5) Operating Costs

	30/6/2009 \$	30/6/2008 \$
Accountancy Fees	38,792	35,000
Auditors Remuneration		
– Final	18,483	18,300
– NZIFRS	0	5,000
Consumables	55,463	54,853
Contractor Fees	10,925	50,159
Entertainment	4,480	5,328
Information Systems	39,615	86,064
Insurance	4,994	3,284
Motor Vehicle Expenses	3,522	4,576
Power & Heating	8,482	9,041
Printing and Stationery	11,401	16,484
Publication Expenses	130,316	162,937
Rent and Rates	155,434	162,238
Repairs & Maintenance	7,997	3,527
Telephone, Tolls and Facsimile	40,604	43,834
Travel and Accommodation	132,479	128,104
Total Operating Costs	662,987	788,729

(6) Property, plant and equipment schedule

Movements for each class of property, plant and equipment are as follows:

	Motor Vehicles	Office furniture, equipment and leasehold improvements	Computer equipment	Total
	\$	\$	\$	\$
Cost or Valuation				
Balance at 1 July 2007	22,529	348,970	116,098	487,597
Additions	20,436	4,668	52,401	77,505
Disposals	(22,529)	0	0	(22,529)
Balance at 30 June 2008	20,436	353,638	168,499	542,573
	Motor Vehicles	Office furniture, equipment and leasehold improvements	Computer equipment	Total
	\$	\$	\$	\$
Balance at 1 July 2008	20,436	353,638	168,499	542,573
Additions	0	0	0	0
Disposals	0	(23,740)	(68,473)	(92,213)
Balance at 30 June 2009	20,436	329,898	100,026	450,360
	Motor Vehicles	Office furniture, equipment and leasehold improvements	Computer equipment	Total
	\$	\$	\$	\$
Accumulated Depreciation and Impairment Losses				
Balance at 1 July 2007	22,529	150,856	73,601	246,986
Depreciation Expense	6,131	58,230	15,764	80,125
Eliminate on Disposal	(22,529)	0	0	(22,529)
Balance at 30 June 2008	6,131	209,086	89,365	304,582
	Motor Vehicles	Office furniture, equipment and leasehold improvements	Computer equipment	Total
	\$	\$	\$	\$
Balance at 1 July 2008	6,131	209,086	89,365	304,582
Depreciation Expense	6,131	57,783	22,845	86,759
Eliminate on Disposal	0	(23,740)	(68,473)	(92,213)
Balance at 30 June 2009	12,262	243,129	43,737	299,128

	Motor Vehicles \$	Office furniture, equipment and leasehold improvements \$	Computer equipment \$	Total \$
Carrying Amounts				
At 1 July 2007	0	198,114	42,491	314,212
At 30 June and 1 July 2008	14,305	144,552	79,134	237,991
At 30 June 2009	8,174	86,769	56,289	151,232

(7) Intangible assets schedule

Movements for intangible assets are as follows:

	Acquired Software \$	Total \$
Cost or Valuation		
Balance at 1 July 2007	3,720	3,720
Additions	0	0
Disposals	0	0
Balance at 30 June 2008	3,720	3,720

	Acquired Software \$	Total \$
Balance at 1 July 2008	3,720	3,720
Additions	0	0
Disposals	0	0
Balance at 30 June 2009	3,720	3,720

	Acquired Software \$	Total \$
Accumulated Depreciation and Impairment Losses		
Balance at 1 July 2007	465	465
Depreciation Expense	1,116	1,116
Eliminate on Disposal	0	0
Balance at 30 June 2008	1,581	1,581

	Acquired Software \$	Total \$
Balance at 1 July 2008	1,581	1,581
Depreciation Expense	642	642
Eliminate on Disposal	0	0
Balance at 30 June 2009	2,223	2,223

Intangible Assets

	Acquired Software \$	Total \$
Carrying amounts		
At 1 July 2007	3,255	3,255
At 30 June and 1 July 2008	2,139	2,139
At 30 June 2009	1,497	1,497

(8) Child abuse account

The child abuse account was established to assist organisations operating to reduce the incidence and effects of child abuse in New Zealand. The funds form part of the commissioner's equity but are held in a separate bank account.

	30/6/2009 \$	30/6/2008 \$
Opening balance	302	10,281
Interest received	0	21
Donations made	0	(10,000)
Funds held as at 30 June	302	302

(9) Debtors and other receivables

Debtors and other receivables are as follows:

	30/6/2009 \$	30/6/2008 \$
Sundry debtors	7,307	33,449
Total accounts receivable	7,307	33,449

The carrying amount of receivables reflects their fair value. No impairment was expensed in the reporting period (2008: nil). All receivables are due within 30-days.

(10) Accounts payable

	30/6/2009 \$	30/6/2008 \$
Accounts payable – trade	42,165	135,347
Accruals	55,895	53,846
Total accounts payable	98,060	189,193

(11) Cash and cash equivalents

Cash on hand and at bank:	30/6/2009 \$	30/6/2008 \$
Westpac		
• Current account	105,587	52,838
• Ready access account	101,285	101,040
	206,872	153,878

(12) Investments

A short term deposit is invested at 4.6%. As this is at a fixed interest rate, an increase or decrease in interest rates during the period would not impact the measurement of the investment, and hence there would be no impact on the surplus/(deficit) or equity.

(13) Project Costs

	30/6/2009 \$	30/6/2008 \$
Auckland Projects	20,011	56,552
Education & Training	0	10,148
UNCROC	0	2,667
YPRG & Consultation	34,580	45,664
Wellington Projects	86,025	148,986
Poverty Project	59,030	49,728
Total Project Costs	199,646	313,745

(14) Statement of contingent liabilities as at 30 June 2009

There were no contingent liabilities as at 30 June 2009. (2008: Nil)

(15) Statement of total commitments

	Actual 2009 \$	Actual 2008 \$
Operating lease commitments		
Less than one year	39,678	127,321
One to two years	2,636	42,742
Two to five years	1,447	1,295
More than five years		
Total	0	171,358

The Children's Commissioner has a lease on its premises in Wellington, which expired on 15 October 2009.

The Children's Commissioner leases photocopiers. These leases expire in:

Fuji Xerox: 23 months

Leasing Solutions Limited: 36 months

There are no other operating leases.

Capital commitments

Estimated capital expenditure contracted for at balance date but not provided for as at 30 June 2009 was nil. (2008: nil)

There are no other material agreements, contracts or other understandings, which commit the Children's Commissioner to any new and future expenditure.

(16) Financial instrument risks

The Children's Commissioner is a party to financial instruments as part of its normal operations. These financial instruments include bank accounts, bank, deposits, receivables and payables. Revenues and expenses are recognised in the statement of financial performance. The Children's Commissioner's exposure to off-balance sheet financial instruments is limited to operating commitments (refer to the statement of commitments).

The particular recognition methods adopted are disclosed in the individual policy statements associated with each item.

Credit risk

The financial instruments that expose the Children's Commissioner to credit risk are principally bank balances, deposits and accounts receivable. Bank balances are held with New Zealand registered banks in accordance with Children's Commissioner policy. No collateral is held by the Children's Commissioner in respect of accounts receivable or bank balance. The Children's Commissioner holds cash with Westpac. Westpac is part of the Crown Retail Deposit Guarantee Scheme and so all deposits up to \$1 million held with Westpac are guaranteed by the Crown. The Children's Commissioner does not have any significant concentrations of credit risk.

Interest rate risk

The Children's Commissioner does not have any significant exposure to interest rate risk. Any risk is managed by spreading deposits across New Zealand registered banks and holding funds at call, or on short-term deposit.

Currency risk

The Children's Commissioner does not have any significant exposure to currency risk.

Fair value

The fair value of financial instruments is equivalent to the carrying amount disclosed in the statement of financial position.

(17) Capital management

The Children's Commissioner's capital is its equity, which comprises accumulated funds and other reserves. Equity is represented by net assets.

The Children's Commissioner is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which impose restrictions in relation to borrowings acquisition of securities, issuing guarantees and indemnities and the use of derivatives.

The Children's Commissioner manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities and general financial dealings to ensure the Children's Commissioner effectively achieves its objectives and purpose while remaining a going concern.

(18) Significant variances

The Children's Commissioner did not receive additional funding, as in the previous financial year and budgeted a loss of \$362,418 to maintain capacity and the delivery of outputs using accumulated reserves to cover this deficit. During this period it was expected that a review of cost structures or additional funding would occur. The deficit was managed down during the year through retrenchment and downsizing. An actual net deficit of \$279,033 was achieved.

Taxpayers' funds were decreased by this deficit.

(19) Related party

The Commissioner is a wholly owned entity of the Crown. The Commissioner has entered into a number of transactions with Government Departments and Crown Agencies on an arm's length basis and where those parties are acting in the course of the normal dealings with the Commissioner.

During this reporting period, there were close family members of key management personnel employed by the Office. The terms and conditions of those arrangements were no more favourable than the Office would have adopted if there were no relationship to key management personnel.

There were no other related party transactions.

(20) Events after balance sheet date

There have been no significant events after the Balance Sheet date.

Audit report to the readers of the Children's Commissioner's financial statements and statement of service performance for the year ended 30 June 2009

The Auditor-General is the auditor of the Office of the Children's Commissioner (the Office). The Auditor-General has appointed me, Leon Pieterse, using the staff and resources of Audit New Zealand, to carry out the audit. The audit covers the financial statements and statement of service performance included in the annual report of the Office for the year ended 30 June 2009.

Unqualified Opinion

In our opinion:

- The financial statements of the Office on pages 28 to 44:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the Office's financial position as at 30 June 2009; and
 - the results of its operations and cash flows for the year ended on that date.
- The statement of service performance of the Office on pages 24 to 27:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects for each class of outputs:
 - its standards of delivery performance achieved, as compared with the forecast standards outlined in the statement of forecast service performance adopted at the start of the financial year; and
 - its actual revenue earned and output expenses incurred, as compared with the forecast revenues and output expenses outlined in the statement of forecast service performance adopted at the start of the financial year.

The audit was completed on 28 October 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Commissioner and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements and statement of service performance did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements and statement of service performance. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Office;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance.

We evaluated the overall adequacy of the presentation of information in the financial statements and statement of service performance. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Commissioner and the Auditor

The Commissioner is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Office as at 30 June 2009 and the results of its operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Office's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses adopted at the start of the financial year. The Commissioner's responsibilities arise from the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Office.



Leon Pieterse

Audit New Zealand

On behalf of the Auditor-General

Wellington, New Zealand

Matters Relating to the Electronic Presentation of the Audited Financial Statements and Statement of Service Performance

This audit report relates to the financial statements and statement of service performance of the Office of the Children's Commissioner (the Office) for the year ended 30 June 2009 included on the Office's website. The Children's Commissioner is responsible for the maintenance and integrity of the Office's website. We have not been engaged to report on the integrity of the Office's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 28 September 2009 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

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