



Office of the
**Children's
Commissioner**

Annual Report 2011



Whānau me te huarua, te tahi me te
kōwhiri
**CHILDREN'S
COMMISSIONER**

Report of

Children's Commissioner
Te Kaikomihana mō ngā Tamariki
For the year ended 30 June 2011

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

TO THE 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 2010 to 30 June 2011.

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 'Russell Wills', with a stylized flourish at the end.

Dr Russell Wills

Children's Commissioner

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VISION

Our vision

Our vision for children in New Zealand is that the interests and rights of every child and young person are recognised and each enjoys safety and security, good health and education, economic and sociocultural well-being and opportunities to actively participate in matters that affect them.

OUR OUTCOMES

Child safety, security and nurturing

Contributing outcome: Children in New Zealand are safe, secure and well nurtured in their families and communities. The incidence of child abuse and neglect is reduced. Offending by children and young people is responded to in ways that reduce reoffending.

This outcome concerns children being free of violence, their physical and emotional needs being met, the security of their care, the quality of their nurturing and their socialisation. This outcome will be achieved when the personal safety and security of each child is assured, and all children in New Zealand are well nurtured.

We all contribute to children being safe, secure, well nurtured and well socialised. We do so as individuals, as family, as members of organisations and as taxpayers. The Office will focus attention on children's safety, security and nurturing at individual, family, community, institutional and society levels.

Children's interests, rights and well-being

Contributing outcome: Children in New Zealand live in a society that takes account of their interests, respects their rights, enhances their well-being and supports their active participation in decision-making.

This outcome concerns the economic and social well-being of children, and their optimum development. To reach their potential children need access to resources and opportunities.

PRIORITIES FOR 2010-11

We continued with some of the priorities for 2009-2010:

- monitoring and assessing the quality of services provided under the Children, Young Persons and Their Families Act 1989 (CYPF Act)
- contributing to work on keeping children safe, secure and well nurtured in their families, preventing child abuse and neglect and to preventing violence in the other settings in which children live their lives
- making recommendations about how the interests of children might be taken account of in the restructuring of local government in Auckland
- promoting the interests of young children in the provision of early childhood care and education
- promoting inclusive education
- monitoring the impact of the recession on children's economic position and advocating for policies that mitigate against long term adverse effects
- promoting increased use of mechanisms for children's participation in decision-making and their access to review and grievance processes

We also prioritised work on:

- transition of children out of the care provisions of the CYPF Act
- responses to child neglect
- how the interests of children might be given more weight in policy work
- the sexual health of young people
- child injury prevention.

In respect of the effectiveness and efficiency of our operations, we worked with the Families Commission to identify if further efficiencies could be gained from shared support services.

LEGAL MANDATE

By statute, the Children's Commissioner is required 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 FOREWORD



Ka whakatauhia te iwi e tā raatou awhi i ā rātou tāngata whaka raerae.

A nation can be judged by the service it provides its most vulnerable people.

Tēnā koutou, malo alei, kia orana, talofa lava, bula vinaka, salaam alaykum, greetings.

It is my pleasure to submit this annual report for the Office of the Children's Commissioner for the financial year ending 30 June 2011. As my term began on 1 July 2011 I cannot take any credit for the good work done in this year, which rightly belongs to my predecessor Dr John Angus and the team at the Office.

The Monitoring Team continued its good work this year, visiting nine Child, Youth and Family sites and making twelve visits of residences and six inspections under our National Preventive Mechanism responsibilities. Good progress continues to be made at Child, Youth and Family, particularly with greater use of multi-agency approaches in case discussion and intervention, improvements to the services being delivered to children in care and the positive engagement of youth justice staff with their local community stakeholders. I am encouraged by early signs of progress with practice and quality initiatives in Child, Youth and Family and the closer collaboration between care and clinical teams in residences. My team will be actively supporting these in 2011–12.

The Office released three major reports and one literature review this year. *Children in care: a report into the quality of services provided to children in care*¹ is an examination of current policy and practice for children in care. The report includes 20 recommendations to Child, Youth and Family, the Ministers for Social Development and Employment and Justice and the Ministries of Health, Education and Social Development. Since its release, the Ministry of Social Development has developed a comprehensive response plan, addressing the recommendations made in the report and the Office remains involved in overseeing progress made against that plan.

A literature review on *Transition from Care to Independence* was completed and the Office is working with Child, Youth and Family and the Dingwall Trust to enhance processes and practices in this area.

In December 2010, the Office released the report *Preventing child neglect in New Zealand: a public health assessment of the evidence, current approach and best practice guidance*², which looked at the identification of and responses to neglect and made recommendations to improve those processes. Following the completion of the report, the Office has focussed on ensuring the recommendations made are being followed up.

1. Available on-line at www.occ.org.nz

2. Available on-line at www.occ.org.nz

Through their lens: an inquiry into non-parental education and care of infants and toddlers was the Office's inquiry into the provision of non-parental early childhood education and care for infants under two years of age. The public release of the report generated a great deal of interest. I look forward to working with the Ministry of Education to progress the recommendations of this report.

The Child Rights Line received 1064 calls this year, a ten percent increase from the previous year, of which 166 individual cases required further investigation or follow up. Issues were similar to 2009–10. The Office continued to fund the Wellington Community Law Centre to manage the Parent Legal Information Line (PLINFO), a phone line for access to legal advice on education matters.

Submissions and feedback on policy and Bills were a particularly busy area of work this year, including to the Welfare Working Group review of long term benefit dependency; Supporting Children discussion document on updating the child support scheme; Department of Building and Housing proposals to extend noise control provisions to classrooms and early childhood centres; Justice and Electoral Select Committee Criminal Procedure (Reform and Modernisation) Bill; Ministry of Justice discussion document on alternative pre-trial and retrial processes for child witnesses (February 2011); and the independent panel of the Advertising Standards Authority on the review of the Code for Advertising Liquor.

The Auckland Office has been particularly busy working with Auckland Council officials and elected representatives on the Auckland Plan discussion document. Auckland Council deserve great credit for making children a focus of its planning for the next generation.

In August 2010, the Office's report on New Zealand's progress in meeting its obligations under UNCROC was sent to the United Nations Committee on the Rights of the Child in Geneva.

Several presentations were made to conferences, academic institutions and community groups covering a broad range of topics including early childhood education and care, child neglect, youth justice, alcohol, parenting and young people. Office staff were also involved in providing training in children's rights, preparing and distributing information and resources on children's rights and well-being and issued media statements on children's issues and took up issues relevant to children.

The Office's journal *Children* issued four editions this year. Topics included local government issues in Auckland, the well-being of tamariki Māori, child rights, and media and technology.

The ten young people making up the Office's Young People's Reference Group (YPRG) participated in a variety of activities including strategic planning for the Office and contributing articles to *Children*. YPRG members submitted on the advertising and sale of alcohol and presented their views to the Social Services Select Committee, provided input into the Human Rights Commission's Disability review and presented at the PPTA conference. All but one of the group ended their term in December 2010 and a new reference group was in place by early 2011. This group of talented young people is now well-established as the Office's Young People's Reference Group.

Dr John Angus finished his term and retired on 30 June. John achieved a great deal in his two and a half years, including overseeing changes in how the Office monitors Child, Youth and Family, input into many Bills and policies and several groundbreaking reports. His wisdom, vast experience and dry wit will be greatly missed.

I am looking forward to the next five years, building on the legacy of the Commissioners before me and working with this talented and hard-working team.

Kua tawhiti ke te haerenga mai, kia kore e haere tonu. He tonu nui rawa ou mahi, kia kore e mahi nui tonu.

We have come too far to not go further. We have done too much to not do more.

Mihi nui,



Dr Russell Wills

Children's Commissioner

In 2010–2011 the Office of the Children’s Commissioner was funded through Vote Social Development. Revenue was allocated to two output classes, monitoring and investigation and individual and systemic advocacy.

OUTPUT 1: MONITORING AND INVESTIGATION

Monitoring Child, Youth and Family

The Children’s Commissioner’s Act 2003 requires the Commissioner to monitor, assess and report on the services delivered by agencies exercising any function or power conferred by the Children, Young Persons and Their Families Act 1989. The services are primarily concerned with responding to child abuse, neglect and offending by children and young people. The Office has focused on the policies, services and practices of Child, Youth and Family. While the operationalisation of this monitoring responsibility is not spelt out in the Act, the Office and Child, Youth and Family have agreed on a monitoring framework that details how that monitoring will be carried out, how feedback will be given and suggested improvements made. That monitoring framework, first agreed in 2008, was reviewed and updated in 2010.

Activities under this output contribute to the Office’s outcome that all children in New Zealand are safe, secure and well nurtured.

Key activities under this output during 2010–11 include:

- monitoring and assessing the policies and practises of Child, Youth and Family and other agencies providing services under the Children, Young Persons and Their Families Act 1989
- monitoring residences as a National Preventive Mechanism (NPM) in respect of the Optional Protocol to the United Nations Convention Against Cruel, Inhuman, Or Degrading Treatment Or Punishment (OPCAT)
- completing a report on the quality of services being provided to children who are in the care of the Chief Executive of the Ministry of Social Development and monitoring the response to recommendations made in that report
- completing a report in respect of the quality of responses across Child, Youth and Family, the Police, health and education sectors to children vulnerable to neglect and monitoring the response to recommendations made in that report.

How we did it

We monitored Child, Youth and Family services by:

- considering complaints about services to individual cases from Child, Youth and Family, received by our Child Rights Line advisor
- receiving and analysing Child, Youth and Family policy and procedure documentation
- meeting with key stakeholders at a national and local level
- receiving and analysing reports and information placed on the Office and Child, Youth and Family’s shared workspace
- analysing information obtained as part of site and residence visits, including case samples and management information
- considering social work reports sent to the Commissioner pursuant to section 47 (CYPF Act)
- considering reports into the deaths of children and young people, by homicide or suicide, known to Child, Youth and Family in the 12 months prior to their deaths
- considering reports on young people who have committed a serious crime
- receiving and analysing Care and Protection Resource Panel annual reports and Grievance Panel quarterly reports.

What we did

In 2010–2011 we:

- visited nine sites: Napier, Hastings, Hawke's Bay Youth Justice (YJ), Timaru, South Canterbury YJ, Tauranga, Otara, Otara YJ, and Masterton³
- visited four residences: Lower North Youth Justice, Puketai, Te Poutama Arahi Rangatahi and Te Maioha o Parekarangi.

We have made a total of 12 visits to residences. As well as the four structured monitoring visits to residences, we have made five more visits to residences to conduct Grievance Panel reviews and to interview for grievance panel members, and three visits to assist with the Office's staff induction packages.

What we found

We have seen Child, Youth and Family continue to make improvements and enhancements in several areas, including:

- the application of the enhanced, up-dated Child Protection Protocol
- greater use of multi-agency approaches in case discussion and intervention
- improvements to the services being delivered to children in care
- the introduction of the Youth Justice Learning Centre
- the positive engagement of youth justice staff with their local community stakeholders.

Processes and practices we will continue to have an interest in over the coming year, include:

- how the aspirations of Building Brighter Futures will translate into real benefits for Māori children and young people
- improving and updating the policy and practice framework for the prevention of neglect
- work on policies and practices to ensure an appropriate and correct response to notifiers
- improving responses to children who offend
- reviewing the support structures for Care and Protection Resource Panels, to make sure they work effectively in the interests of children
- completing the development and implementation of the Practice Quality Management Framework.

What changed

We have seen further improvements in the quality of services delivered to children and young people in residential care. In particular, we have been impressed with the improvements to the structured day and the emphasis on developing individualised assessments in conjunction with Multi-Agency Teams.

Monitoring the treatment of children and young people in detention

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). The Office has joint responsibility with the Ombudsmen, to monitor children and young people in residences established under section 364 of the Children, Young Persons and their Families Act 1989.

3. Our visits to Timaru and Masterton included time at the Ashburton and Dannevirke sub-sites, although separate reports were not completed for those visits and they are not counted as separate site visits.

Child, Youth and Family are responsible for nine residences for children and young people: four care and protection residences, four youth justice residences and a specialist residence for young men who have displayed sexually inappropriate behaviour (run by Barnardos).

How we did it

Residences are visited every second year. Generally, all visits are scheduled in advance but, in 2010–2011, we undertook one unscheduled visit. During the inspection we check recent internal audit reports, Grievance Panel reports and the processes and practices in place. We look for:

- **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.

What we did

During the 2010–11 financial year the Office undertook six inspections. We visited Te Oranga (Care and Protection) in August 2010; Epuni (Care and Protection) in November 2010 and a follow up visit later in the year; Korowai Manaaki (Youth Justice) in March 2011; Lower North (Youth Justice) in April 2011 (an unannounced visit) and Whakatakāpokai (Care and Protection) in May 2011.

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 processes to ensure children and young people are not exposed to torture, brutality or inhuman treatment. Following each visit a comprehensive report was completed.

What we found and what has changed

Within s364 residences, processes are in place to ensure that children and young people are not exposed to torture, brutality or inhuman treatment. Most of these processes are prescribed by the Children, Young Persons and their Families (Residential Care) Regulations 1996 (the Regulations). Child, Youth and Family audits compliance against these Regulations annually.

Child, Youth and Family and Barnardos management continue to be helpful in facilitating access to the residential facilities, staff, residents and to written documentation. Our reports have been well received, with recommendations promptly addressed and responded to.

The Office found that most residences have complied with their obligations under OPCAT to ensure children and young people are not exposed to torture, brutality or inhuman treatment. One residence received an initial failure due to the nature of the relationships between staff and residents, including unaddressed bullying, and the quality of the facilities and food. A return visit six months later saw a considerable improvement and we re-evaluated the residence as compliant. During our visits to all of the s364 residences, a number of issues were identified as areas where improvements could be made. These were reported back to Child, Youth and Family and Barnardos who have given an assurance that each is being addressed. We will continue to monitor these during next year's visits.

BMS rewards and consistency

Child, Youth and Family have introduced a national Behaviour Management System (BMS). Many of the young people we met with found it difficult to understand how their 'level' is calculated. Additionally, the young people we spoke with said the rewards on offer do not provide them with an incentive to improve their behaviour. Child, Youth and Family are working on developing a library or suite of incentives that staff can negotiate with young people to individualise their incentives.

The gap between the care and clinical teams in residences

Child, Youth and Family have completed a great deal of work on implementing a stronger therapeutic model within the residences. This has improved the individualised assessments of the children and young people. However we believe that the care and clinical teams within the residences could work more closely together, allowing for a greater focus on transition planning and improving outcomes for children and young people.

Food and facilities

A national upgrade of residences is underway. Those that have undergone the re-fresh are light and welcoming and provide positive child-friendly spaces. Those that have yet to receive a re-fresh do not provide an environment that is as conducive to achieving positive therapeutic change.

Providing a nutritionally balanced meal is challenging and there have been some inconsistencies across all of the residences. Child, Youth and Family are currently working on a national menu that will provide a consistent approach to nutrition.

Recording systems

We have noted several instances where Child, Youth and Family have failed to record the good work that is being undertaken in residences. Likewise, we have seen many examples of poor recording for key decision-making in secure care and following incidents. Reviews of residential recording have been undertaken following the recommendations from our visits.

Review of the detention of young people in Police cells

Work continues on our review of the policies and practices in relation to the care of young people detained in Police cells. This is being carried out in conjunction with staff from the Independent Police Conduct Authority (IPCA) and the Human Rights Commission (HRC).

Children in care

Through the year, a project was undertaken, looking at the quality of care provided to children and young people in the custody and/or guardianship of the Chief Executive of the Ministry of Social Development.

On 9 September 2010 the Office released a major report: *Children in care. A report into the quality of services of provided to children in care*⁴. The report includes an examination of current policy and practice, and interviewed those providing and receiving care. This included talking to 47 children and young people currently in the care of the state about their experiences and how services could be improved. The report includes 20 recommendations to Child, Youth and Family, the Minister for Social Development and Employment, the Minister of Justice and the Ministries of Health, Education and Social Development for changes to the way care is delivered. The report release attracted significant radio and print media interest.

Since its release, the Ministry of Social Development has developed a comprehensive response plan, addressing the recommendations made in the report and the Office remains involved in overseeing progress made against that plan. A literature review on transition from care to independence has been completed and the Office is working with Child, Youth and Family and the Dingwall Trust to enhance processes and practices in this area.

4. Available on-line at www.occ.org.nz

Responses to neglect

In December 2010, the Office released a report into work done through the year to look at child neglect. The report *Preventing child neglect in New Zealand: a public health assessment of the evidence, current approach and best practice guidance*⁵ considers the nature and prevalence of neglect in New Zealand. We looked at the identification of and responses to neglect and made recommendations to improve those processes. Following the completion of the report, the Office has focussed on ensuring the recommendations made are being followed up. Subsequently, an article on neglect has been submitted for Child, Youth and Family's *Social Work Now* journal.

OUTPUT 2: 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.

Activities fall into three groups:

- advocating on behalf of individual children
- working to influence the legislation and policy decisions of government, and
- general advocacy for a more child focused and responsive society.

These activities contribute to both of the Office's outcomes: child safety, security and nurturing and children's interests, rights and well-being.

Advocacy in individual cases

How we did it

The Office staffs a telephone enquiry service, the Child Rights Line, that provides members of the public with information and advice on issues concerning children. Most of the enquiries come from parents or other adults acting on behalf of children.

What we did

In the 2010–11 year, the total number of calls received on the Office's enquiry line for this reporting period was 1064 and 166 individual cases required further investigation or follow up.

Many of the calls received are responded to with advice and referral on to an appropriate agency. 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 2010–11 the Office continued to provide funding to the Wellington Community Law Centre to manage the Parent Legal Information Line (PLINFO), a phone line for access to legal advice on education matters.

5. Available on-line at www.occ.org.nz

What we found

Forty two percent of calls were in relation to Child, Youth and Family, 17 percent to education and 41 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 most commonly concerned the processes and effects of suspensions, stand-downs and/or expulsions, bullying, and access to education for children with diverse needs.

The table below presents an overview of call activity in comparison with the previous reporting period:

| Reporting period | 2009–2010 | 2010–2011 |
|-------------------------|-----------|-----------|
| Child, Youth and Family | 334 | 445 |
| Education | 239 | 179 |
| Other ⁶ | 388 | 440 |
| Total | 961 | 1064 |

Advocating for children's rights, interests and well-being

People who call the Child Rights Line are concerned with a wide range of issues relating to children, for example the legal age for leaving children alone, child custody and bullying in schools. The cases below are given as examples of the type of call received and the nature of the response from the Office⁷.

Case 1: A Principal from a local school phoned to say that she was concerned about three siblings at her school, all of whom were in the care of the Chief Executive of the Ministry of Social Development. She was particularly concerned for the youngest sibling who was five and had just started school. The child had had three placements and was not settling into school as expected. The Principal had tried to phone Child, Youth and Family, but had no success. This Office contacted Child, Youth and Family asking for a case update including the care plan for the young child. As a result of the Office's intervention, a social worker met with the Principal, discussed the long-term plan for the child and developed a collaborative approach to his care.

Case 2: A mother called the Office distressed that her 17-year-old son, who was living with her, was not following the rules and was abusive and at times aggressive. She did not know who to turn to for help. The Office discussed matters with the mother and helped her develop strategies that would work immediately. The mother was given the names of some agencies in her area that would assist with her concerns and managing her son's behaviour. The Office phoned the mother back some days later and was advised that the mother had booked in with one of the agencies and they were meeting early the following week.

Case 3: A mother phoned the Office saying her son had been suspended from school for six months as a result of a Board of Trustees (BoT) disciplinary meeting – she didn't think that was fair and wanted to know what her son would do for that length of time. The Commissioner wrote to the BoT stating the legal position of a continued suspension with special conditions and asked the Board to reconsider their decision. The Office also contacted the Ministry of Education to advise them of the situation. After advocacy by this Office and the Ministry the student was allowed back to school once he had met the requirements of his special conditions, which happened within two months rather than six months.

6. The 'other' category includes health, media, immigration and legal matters.

7. Some details have been altered to protect the privacy of callers.

Advocating for legislative and policy change

How we did it

The Office has continued to give independent advice and make submissions to Select Committees, Ministers, government and non-government policy makers and operational decision makers, reflecting the interests, rights and well-being of children and young people.

What we did

Submitting ideas

Of note are the following submissions the Office made:

- feedback to the Ministry of Foreign Affairs and Trade on their *Common Core Document of New Zealand* (August 2010)
- feedback to the Human Rights Commission on several chapters of their report, *Human Rights in New Zealand Today* (August 2010)
- to the Welfare Working Group on the review of long term benefit dependency (September 2010 and December 2010)
- on *Supporting Children*: a government discussion document on updating the child support scheme (November 2010)
- on the Manakau City Council (Regulation of Prostitution in Specified Places) Bill (November 2010)
- to NZQA on proposed changes to UE requirements (December 2010)
- to the Department of Building and Housing on extending noise control provisions to classrooms and early childhood centres (November 2010)
- to the Justice and Electoral Select Committee on the Criminal Procedure (Reform and Modernisation) Bill (February 2011) and followed this with an oral submission
- to the Ministry of Justice on their discussion document on alternative pre-trial and retrial processes for child witnesses (February 2011)
- to the independent panel of the Advertising Standards Authority on the review of the Code for Advertising Liquor (February 2011) and followed this with an oral submission
- to the Social Services Select Committee on the Crimes Amendment Bill (no.2) (June 2011) and followed this with an oral submission
- we advocated for child injury prevention where we argued for its priority and ACC leadership
- we made several presentations to conferences, academic institutions and community groups covering a broad range of topics including early child education and care, child neglect, youth justice, alcohol, parenting and young people.

Making Auckland a great place for children

An area of focus has been ensuring the interests of children and young people are given priority in the re-structuring of local government in Auckland.

Prior to the local body elections, we met with all of the main Mayoral candidates and with senior officials working on the plans for a new Auckland governance structure, regional youth councils and council staff.

We made a submission on *Auckland Unleashed*: the Auckland Plan discussion document. We continue to make submissions to the Auckland Plan and to meet with elected representatives and local body officials.

Encouraging Government's compliance with UNCROC

In August 2010, the Office's report on New Zealand's progress in meeting its obligations under UNCROC was sent to the United Nations Committee on the Rights of the Child in Geneva. The report was drafted and submitted in accordance with the Committee guidelines. It covered progress that has been made in implementing the Convention as well as identifying specific areas where New Zealand could do better in meeting children's rights and interests. Copies of the report were provided to relevant government departments and non-government agencies.

Early childhood education and care

The final report *Through their lens: an inquiry into non-parental education and care of infants and toddlers* on the Office's inquiry into the provision of early childhood education and care services for under two-year-olds was released in March 2011. This project focussed on the use of non-parental care – both child-centred and home-based. The public release of the report generated a great deal of interest.

General advocacy for a more child-focused and responsive society

The third area of advocacy concerns the provision of information and public education and awareness training. Over the year, we have:

- provided training in children's rights
- prepared and distributed information/resources on children's rights and well-being
- taken up opportunities to deliver speeches and presentations
- published *Children* magazine
- issued media statements on children's issues and taken up issues relevant to children.

Training in children's rights

The Office provided advocacy training with government agencies and community groups working with children. There was also a demand for workshops on attachment theory, the impact of family violence and advocating for children who experienced trauma. The training and workshops included:

- Advocacy training in Papatoetoe, Timaru, Te Kuiti, Wellington, Greymouth and Reefton and Auckland (for Māori wardens).
- Attachment theory workshops in Palmerston North and workshops on advocating for children who have experienced trauma in Ashburton, Timaru and Dunedin.

Resources and information on issues relating to children's interests, rights and welfare

The Office responded to 268 requests for resources, dispatching over 40,000 individual booklets, pamphlets and posters this year. Some resources were also strategically distributed to stakeholders such as District Health Board National Violence Intervention teams across New Zealand and Police Educators.

Delivering speeches and presentations on issues that concern children's interests, rights and welfare

The Commissioner and staff accepted invitations and took opportunities to speak on issues of concern to children and young people. A full list of all speeches and presentations given in this year is available as an appendix to this report.

Publishing Children newsletter quarterly

Four editions of the Office's quarterly publication *Children* were released.

The spring edition focussed on the restructuring of local government activities in Auckland, arguing for the interests and voices of children and young people to be given weight in the new structure. The summer edition looked at the well-being of Māori tamariki and taiohi from a variety of perspectives, including the health of Māori young people, an examination of the Rangatahi Court system and an article written by a young Māori student about how to develop strong Māori leaders. The autumn edition considered the rights of children in New Zealand, including an explanation of how the UNCROC reporting process works. The winter edition looked at media and technology in the lives of children and young people, covering young people's own views on media and technology, providing vital evidence-based discourse around the effects and influences of TV viewing, the rights of children in the media, levels of exposure to adult-type sexual themes and a recent piece of research into the disparities between reports of child abuse in the New Zealand media domain. It also farewelled Dr John Angus and welcomed Dr Russell Wills into his new role as the Children's Commissioner.

Each publication was distributed to 2,500 stakeholders and organisations connected to children and young people.

Media statements on children's issues and advocacy on children's issues

The Commissioner was approached to publicly comment on a wide variety of topical issues during the reporting period. The Commissioner also issued a number of proactive statements. They related to specific reports produced by the Office or topical issues of the day. The Commissioner's report into the quality of services provided to children in care was of considerable interest to the media.

As well, the Office took action when members of the public reported issues that had the potential to adversely effect the best interests of children.

New Zealand media outlets generally treat and portray children and young people with respect. However, on occasion the Commissioner makes a complaint about a media item that breaches the interests or privacy of a child or young person. In September 2010 the Herald on Sunday published an image of the son of murdered woman Carmen Thomas. He was pictured in his school uniform and was clearly identifiable. Other New Zealand media had respected the privacy rights of this young boy up until this time, with many media using an image provided by the Police in which his face was turned away from the camera. The Children's Commissioner believed the newspaper had seriously breached several principles of the Press Council by publishing an identifiable image of the boy. He was appalled at the lack of sensitivity and respect the paper demonstrated by publishing a photo of a young, and likely traumatised, five-year-old. The editor's response was unsatisfactory, claiming that the public interest in the story outweighed any privacy concerns. A complaint was then made to the Press Council, on the grounds principle 2 (Privacy) and principle 3 (Children and Young People) had been breached by the paper. Several members of the public made similar complaints. The Council considered the complaints and decided to uphold them, on the grounds the photo breached principles 2 and 3, was 'gratuitous' and did not meet the threshold of 'public interest.' The Herald on Sunday was required to publish the Press Council decision in full. The editor of the paper also wrote an editorial, acknowledging the Press Council decision and accepting they "blew it." It is hoped this decision will set a precedent for other media considering publishing photos of children in vulnerable situations.

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 group of ten young people met four times during the year. They participated in a variety of activities including the strategic planning of the Office and contributing articles to Children newsletter. They had a particular interest in suggested changes to legislation covering the advertising and sale of alcohol and presented their views to the Social Services Select Committee.

During the year the group also:

- provided input into the Human Rights Commission's Disability review
- presented at the PPTA conference.

All but one of the group ended their term in December 2010. The Office ran a recruitment process and a new reference group was in place by early 2011. This group of talented young people is now well-established as the Office's Young Persons Reference Group.

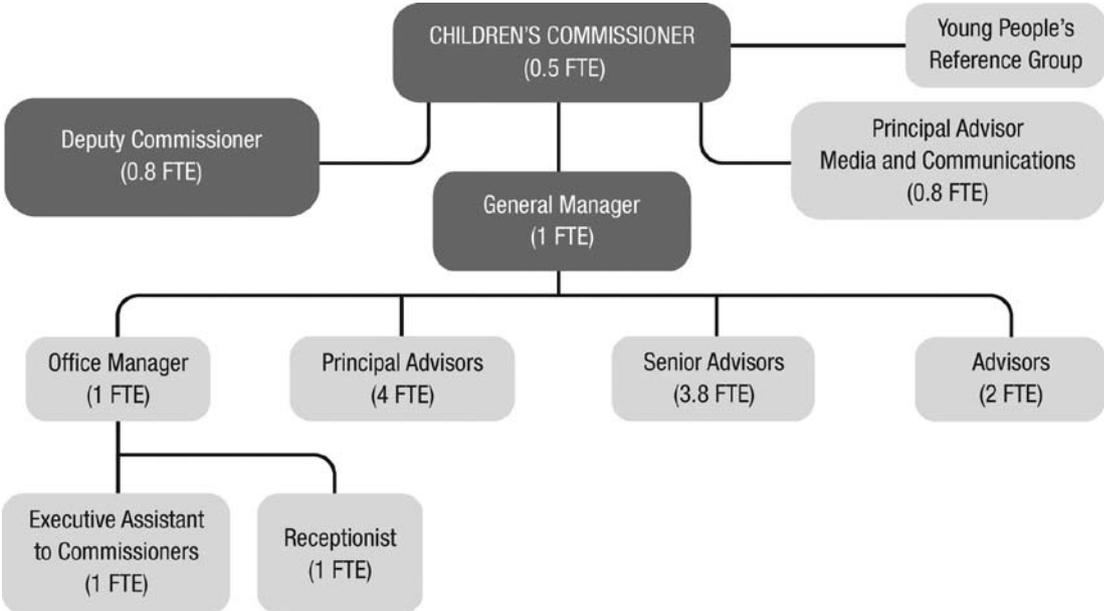
Organisational capability

CAPACITY AND CAPABILITY

Dr John Angus was appointed as Children's Commissioner, commencing on 2 May 2009. He was originally appointed for a six-month term. In August 2009 his term was extended and ended on 30 June 2011.

Dr Russell Wills was appointed as Children's Commissioner, commencing on 1 July 2011.

The Office's organisational structure as at 1 July 2011 is shown below.



The staff establishment of the Office, excluding the Commissioner, increased from 13.6 full time equivalent positions (FTEs) on 1 July 2010 to 15.4 FTEs (including three vacancies) on 30 June 2011. This increase is due to a decision taken by the management

team to increase the capacity of the team that monitors Child, Youth and Family, by adding another senior advisor position.

Management Team

Since the appointment of the Deputy Commissioner, in September 2011, the management team now comprises the Commissioner, the Deputy Commissioner, the General Manager and the Office Manager.

STRATEGIC PLANNING

Statement of Intent

At the start of the 2010–11 year the Office's strategic priorities were reviewed and new priorities set. The Office followed a process that included consultation with external stakeholders, the Young People's Reference Group and all staff. These are set out in detail in the *Statement of Intent 2011–14*, which was tabled in Parliament in 20 May 2011.

Office work programme

A work programme for the Office has been developed to support the aims of the Statement of Intent 2011–14 and Output Agreement with the responsible Minister.

Good employer

The Office is committed to creating a positive organisational culture by ensuring the fair and proper treatment of staff in all aspects of their employment. 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 Office is committed to the principles of being a good employer and is a member of the EEO Trust. The Office values equity and fairness and has policies and practices that promote values under seven identified key elements plus the engagement of staff through employee consultation.

As a good employer, the Office makes maximum use of all staff but has regard wherever practicable for those groups often overlooked or marginalised – including women, Māori, other ethnic communities, people with disabilities and other minority groups.

In order to clearly identify and best understand individual/group needs of all staff the Office of the Children's Commissioner has completed a Gender and Ethnic Workplace Profile. Figures include the Commissioner.

| Gender | 2009–2010 | 2010–2011 ⁸ |
|--------------------|-----------|------------------------|
| Female | 13 | 10 |
| Male | 2 | 3 |
| Ethnicity | 2009–2010 | 2010–2011 |
| Māori | 2 | 1 |
| Pacific Island | - | - |
| Asian | - | - |
| Pakeha/European | 13 | 12 |
| Other ethnic group | - | - |

8. Does not include three vacancies (as at 30 June 2011)

The Children's Commissioner's activities against the seven key elements of being a 'good employer' are summarised below.

| Element | Activity |
|--|--|
| Leadership, accountability and culture | <p>The Office operates by the following values:</p> <p>Diversity – the Office values diversity and respects the dignity of every person that we engage with. We acknowledge and celebrate diversity, difference and open-mindedness, and recognise the multitude of views and perspectives held by New Zealanders.</p> <p>Respecting Tāngata Whenua – the Office values and respects the place of Tāngata Whenua in New Zealand.</p> <p>Honouring the Treaty of Waitangi – the Office values and respects the Treaty of Waitangi as the founding document of the nation.</p> <p>Working with others – the Office works in partnership with Government, iwi, community organisations and individuals to achieve shared outcomes.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>Integrity – We act in a way that protects the integrity of the Office. We act to build trust through our behaviour.</p> <p>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.</p> <p>Regular monthly staff meetings that are chaired by the Commissioner support staff engagement and communication.</p> |
| Recruitment, induction and selection | <p>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.</p> <p>Key objectives of the induction process are:</p> <ul style="list-style-type: none"> • 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. |

| Element | Activity |
|--|--|
| Employee development, promotion and exit | <p>The objectives of the Office's capability and performance system are to:</p> <ul style="list-style-type: none"> • ensure organisational success • build employees' capability and contribution to the organisation • promote open communication • encourage the personal development of employees. <p>These objectives are achieved through a combination of performance planning, learning and personal development.</p> <p>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.</p> <p>The Office takes an equitable approach to developing all employees through internal and external training, coaching, mentoring and secondment opportunities.</p> <p>Internal presentations, sharing of skills and knowledge are actively encouraged to enhance the knowledge culture of the organisation.</p> |
| Flexibility and work design | <p>The Office is committed to providing staff with flexible work arrangements. Some examples include:</p> <ul style="list-style-type: none"> • part-time flexible hours • working from home • career breaks/gap, leave without pay (LWOP). <p>In addition to flexible work arrangements, the Office has the following policies in place to support staff:</p> <ul style="list-style-type: none"> • employee assistance programme • child friendly, acceptable to bring children into the workplace • facilities for nursing mothers to breastfeed their babies at work. |
| Remuneration, recognition and conditions | <p>Staff performance is managed through scheduled individual catch-ups during the year and performance feedback recognised in real time on an 'as and when' basis. Staff meet with their manager at the end of the performance year to review performance for the year. At the beginning of the performance year, two office-wide objectives are set as well as three individual objectives. Professional development objectives are also discussed and established.</p> |
| Harassment and bullying prevention | <p>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 2010–2011 year.</p> <p>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:</p> <ul style="list-style-type: none"> • 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. <p>The Office has not received any complaints of harassment, bullying or intimidation in the 2010–2011 year.</p> |
| Safe and healthy environment | <p>The Office is committed to:</p> <ul style="list-style-type: none"> • 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. |

Statement of responsibility for the year ended 30 June 2011

In terms of the Crown Entities Act 2004, Section 155, I Russell Peter Wills, 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 2011.



Dr Russell Wills

Children's Commissioner

Statement of Service Performance

OUTPUT 1: MONITORING AND INVESTIGATING

Key performance standards

The quality of services provided to children and young people under the Children, Young Persons and their Families Act 1989 continues to improve.

| Quantity, quality and timeliness | Target | Actual 2011 |
|--|------------------|---------------------------|
| Six visits to Child, Youth and Family sites undertaken | 6 | 9 |
| Six performance reports on Child, Youth and Family sites completed and delivered to the Deputy Chief Executive of the Ministry of Social Development responsible for Child, Youth and Family | 6 | 7 |
| Eight Child, Youth and Family residence visits undertaken | 8 ⁹ | 4 |
| Eight performance reports on Child, Youth and Family residences completed and delivered to the Deputy Chief Executive of the Ministry of Social Development responsible for Child, Youth and Family | 8 ¹⁰ | 4 |
| A review of the effectiveness of the monitoring framework undertaken | 1 | 1 |
| Two project reports finalised | 2 | 2 |
| All activity undertaken in line with agreed standards and timeframes in line with the monitoring framework and schedule of visits agreed with Child, Youth and Family | 100 percent | 100 percent ¹¹ |
| Review of monitoring framework completed | 31 December 2010 | Completed 31 March 2011 |
| Report on children in care with focus on transition out of care completed | 30 June 2011 | Completed 30 June 2011 |
| Report on child neglect completed | 30 June 2011 | Completed 30 June 2011 |
| Monitoring of Child, Youth and Family complies with agreed standards and processes established by the memorandum of understanding between the Office and Child, Youth and Family, reported against in the site and residence reports | 100 percent | 100 percent |
| The number of recommendations made to Child, Youth and Family that are implemented or responded to within agreed timeframes. | 75 percent | 100 percent ¹² |
| Recommendations resulting from the review of the effectiveness of the monitoring framework addressing any areas identified as needing improvement are implemented. | 100 percent | 100 percent |

9. The total number of residence visits for 2010/11 was stated as eight in the Children's Commissioner's Information Supporting the Estimates. This target was overstated in the Statement of Intent and should be four as the total number of target visits are spread across the Office's residences monitored under the CYPFA Act and as National Preventive Mechanism.

10. The total number of residence reports for 2010/11 was stated as eight in the Children's Commissioner's Information Supporting the Estimates. This target was overstated in the Statement of Intent and should be four as the total number of target reports are spread across the Office's residences monitored under the CYPFA Act and as National Preventive Mechanism.

11. Result is based on agreed standards and processes between the Office of the Children's Commissioner and Child, Youth and Family

12. Result is higher against target due to the target being a new measure.

Children and young people in places of detention are protected from torture and other cruel and inhuman or degrading treatment or punishment.

| Quantity, quality and timeliness | Target | Actual 2011 |
|--|--------------|---------------------------|
| Five Child, Youth and Family residence National Preventive Mechanism visits undertaken | 5 | 6 |
| Five performance reports on Child, Youth and Family residences in compliance with OPCAT completed and delivered to the Deputy Chief Executive of the Ministry of Social Development responsible for Child, Youth and Family. | 5 | 5 |
| One annual report of activities under the Crimes of Torture Act 1989 is presented to the Minister | Presented | Presented |
| A summary compliance report is drafted for inclusion in the Human Rights Commission's annual report | 30 June 2010 | 30 June 2010 |
| Recommendations made to Child, Youth and Family that are implemented or responded to within agreed timeframes. | 75 percent | 100 percent ¹³ |

Resources (Monitoring and investigating)

| | Actual 2010/11 \$000 | Budget 2010/11 \$000 |
|-----------------------|----------------------------|----------------------------|
| Revenue | \$826,483 | \$789,077 |
| Expenses | \$720,346 | \$756,274 |
| Net surplus/(deficit) | \$106,137 | \$32,803 |

OUTPUT 2: INDIVIDUAL AND SYSTEMIC ADVOCACY

Individual cases where we intervene have outcomes that improve the interests, rights or well-being of the child.

Key performance standards

| Quantity, quality and timeliness | Target | Actual 2011 |
|---|--|--|
| Toll free child rights line offered to members of the public seeking advice and information on issues concerning children | Service offered during the business hours of 250 working days during the 2010–11 year. | Service available during the business hours of 250 working days during the 2010–11 year. |
| Respondents' satisfaction with the response time rated as satisfactory or better | 80 percent | 86 percent |
| Respondents' satisfaction with the advice and information provided via the Child Rights Line is rated as satisfactory or better | 80 percent | 100 percent |

Children's rights are incorporated in New Zealand's law, upheld in policy and delivered in practice.

| Quantity, quality and timeliness | Target | Actual 2011 |
|--|--------------|------------------------------|
| 10 submissions provided to select committees examining Parliamentary Bills and/or undertaking enquiries and reports/advice provided to government agencies and Ministers | 10 | 14 |
| Three projects/scoping exercises undertaken | 3 | 3 |
| Submissions, reports and advice produced within required timeframe | 100 percent | 100 percent |
| Reports on projects/scoping exercises undertaken by 30 June 2011 | 30 June 2011 | 30 June 2011 |
| All published reports are peer reviewed by at least one external expert in the field and comments incorporated into the final report | 100 percent | Not applicable ¹⁴ |

13. Result is higher against target due to the target being a new measure.

14. No reports were published externally during this reporting period.

Attitudes and behaviours change towards better understanding children's interests, rights and well-being and there is a greater recognition of children as members of society in their own right and increased participation in decisions that affect them.

| Quantity, quality and timeliness | Target | Actual 2011 |
|---|------------------|--------------------------|
| Six advocacy training workshops delivered | 6 | 11 |
| 20 speeches and presentations delivered | 20 | 47 |
| Four editions of <i>Children</i> magazine published | 4 | 4 |
| Four meetings of the Young People's Reference Group convened | 4 | 4 |
| Recruitment process for new Young People's Reference Group completed | 31 December 2010 | 31 December 2010 |
| The percentage of speaking event organisers with a level of satisfaction that the information provided and delivery of speech or presentation were of benefit to them and their audience. | 75 percent | 90 percent ¹⁵ |
| The percentage of participants with a level of satisfaction that the workshops and information provided through advocacy training workshops were of benefit to them. | 75 percent | 97 percent ¹⁶ |
| The percentage of the Young People's Reference Group that provide feedback that their views were sought and considered in the work of the Office | 100 percent | 100 percent |

Resources (Advocacy)

| | Actual 2010/11 \$000 | Budget 2010/11 \$000 |
|-----------------------|-------------------------|-------------------------|
| Revenue | \$1,396,100 | \$1,393,923 |
| Expenses | \$1,267,873 | \$1,376,482 |
| Net surplus/(deficit) | \$128,227 | \$17,441 |

15. Result is higher against target due to the target being a new measure.

16. Result is higher against target due to the target being a new measure.

Statement of Comprehensive Income for the year ended 30 June 2011

| | Notes | Actual 2011 \$000 | Budget 2011 \$000 | Actual 2010 \$000 |
|---|--------|-------------------------|-------------------------|-------------------------|
| REVENUE | | | | |
| Crown | (2) | 2,157 | 2,157 | 2,157 |
| Other | | 22 | 1 | 20 |
| Interest | | 44 | 25 | 32 |
| Total revenue | | 2,223 | 2,183 | 2,209 |
| EXPENDITURE | | | | |
| Personnel costs | (3) | 1,396 | 1,473 | 1,343 |
| Operating costs | (4) | 443 | 503 | 566 |
| Depreciation and amortisation | (8)(9) | 24 | 34 | 48 |
| Project expenses | (5) | 126 | 123 | 117 |
| Total expenses | | 1,989 | 2,133 | 2,074 |
| Net surplus/(deficit) | | 234 | 50 | 135 |
| Other comprehensive income | | 0 | 0 | 0 |
| Total comprehensive income/(deficit) | | 234 | 50 | 135 |

Explanations of significant variances against budget are detailed in note 21.

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 2011

| | Notes | Actual 2011 \$000 | Budget 2011 \$000 | Actual 2010 \$000 |
|--------------------------------------|-------|-------------------------|-------------------------|-------------------------|
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | (6) | 460 | 585 | 494 |
| Prepayments | | 6 | 8 | 7 |
| Short-term investments | (18) | 523 | 237 | 200 |
| Debtors and other receivables | (7) | 17 | 18 | 15 |
| TOTAL CURRENT ASSETS | | 1,006 | 848 | 716 |
| Non-current assets | | | | |
| Property, plant and equipment | (8) | 29 | 24 | 51 |
| Intangible assets | (9) | 2 | 2 | 4 |
| TOTAL NON-CURRENT ASSETS | | 31 | 26 | 55 |
| TOTAL ASSETS | | 1,037 | 874 | 771 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Creditors and other payables | (10) | 155 | 129 | 119 |
| Employee Entitlements | (11) | 45 | 45 | 42 |
| GST payable | | 38 | 45 | 41 |
| TOTAL CURRENT LIABILITIES | | 238 | 219 | 202 |
| Non-current liabilities | | | | |
| Employee entitlements | (11) | 3 | 0 | 7 |
| TOTAL NON-CURRENT LIABILITIES | | 3 | 0 | 7 |
| TOTAL LIABILITIES | | 241 | 219 | 209 |
| Tax Payers Equity | | 796 | 655 | 562 |
| TOTAL FUNDS EMPLOYED | | 1,037 | 874 | 771 |

Explanations of significant variances against budget are detailed in note 21.

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

Statement of Changes in Equity for the year ended 30 June 2011

| | Actual 2011 \$000 | Budget 2011 \$000 | Actual 2010 \$000 |
|--------------------------------------|-------------------------|-------------------------|-------------------------|
| Balance as at 1 July | 562 | 605 | 427 |
| Total comprehensive income/(deficit) | 234 | 50 | 135 |
| Balance as at 30 June | 796 | 655 | 562 |

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 2011

| | Actual 2011 \$000 | Budget 2011 \$000 | Actual 2010 \$000 |
|---|----------------------------------|----------------------------------|----------------------------------|
| Cash flows from operating activities: | | | |
| Receipts from Crown | 2,157 | 2,157 | 2,157 |
| Other income received | 10 | 1 | 12 |
| Interest income received | 44 | 25 | 32 |
| Goods & Services Tax (net) | (3) | 0 | (6) |
| Payments to suppliers | (533) | (699) | (589) |
| Payments to employees | (1,396) | (1,400) | (1,333) |
| <i>Net cash flows from operating activities</i> | (12) | 84 | 273 |
| Cash flows from investing activities: | | | |
| Receipts from maturity of investments | 200 | 0 | 227 |
| Receipts from property, plant & equipment sales | 10 | 0 | 5 |
| Purchase of property, plant and equipment purchases | | 0 | (18) |
| Acquisition of investments | (523) | 0 | (200) |
| <i>Net cash flows from investing activities</i> | (313) | 0 | 14 |
| Net increase (decrease) in cash held | (34) | 84 | 287 |
| Cash and cash equivalents at the beginning of the year | 494 | 449 | 207 |
| CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR | 460 | 533 | 494 |

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 and to be consistent with the presentation basis of the other primary financial statements.

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 2011

(1) Statement of accounting policies

Reporting entity

The Children's Commissioner is a Crown Entity as defined by the Crown Entities Act 2004 and is domiciled in New Zealand. As such, the Commissioner's ultimate parent is the New Zealand Crown.

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

Accordingly the Children's Commissioner has designated itself as a public benefit entity for the purposes of New Zealand Equivalents to the International Reporting Standards (NZIFRS).

The financial statements report on the activities of the Children's Commissioner for the year ended 30 June 2011. The financial statements for the Children's Commissioner were approved by the Children's Commissioner on 31 October 2011.

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 Public Benefit Entities adopting the NZ 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 meets the criteria set out in the Framework for Differential Reporting.

Differential reporting exemptions as available under the Framework for Differential Reporting have been applied where applicable and have been consistently applied to all periods presented in these financial statements.

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 and all values rounded to the nearest thousand dollars (\$000), except where otherwise stated. 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 comprehensive income 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 are expensed as incurred in the Statement of Comprehensive Income. The Children's Commissioner leases Office premises and photocopiers only.

Finance leases

The Children's Commissioner does not enter into finance leases.

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.

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, less any provision for impairment.

Property, plant and equipment

Property, plant and equipment asset classes consist of office furniture equipment and leasehold improvements, computer equipment and motor vehicles. 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. Individual assets or groups of assets are capitalised if their costs are greater than \$1,000 (excluding GST)

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the statement of comprehensive income.

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 comprehensive income as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis so as to write off the cost of the fixed assets over their useful lives. The depreciation rates of major classes of assets used in the preparation of these statements are:

Office furniture, equipment and leasehold improvements 5 years (20 percent)

Computer equipment 3-5 years (20-33 percent)

Motor vehicles 4 years (30 percent)

Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is shorter.

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

Individual assets, or groups of assets, are capitalised if their costs are greater than \$1,000 (excluding GST). The value of an individual asset that is less than \$1,000 (excluding GST) and is not part of a group of similar assets is expensed. All are recorded at historical cost.

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 Comprehensive Income. The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- acquired computer software: 5 years, 20 percent

Impairment of property, plant and equipment and intangible 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 and long-service leave earned, but not yet taken at balance date.

Long-term employee entitlements

Employee benefits that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave have been calculated on an actuarial basis using Treasury guidelines.

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 Comprehensive Income 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.

Goods and services 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 comprehensive income. 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 provision for income tax has been provided for.

Budget figures

The budget figures are derived from the Statement of Intent as approved by the Children's Commissioner at the beginning of the financial year. The budget figures have been prepared in accordance with NZ GAAP, using accounting policies that are consistent with those adopted by the Children's Commissioner 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. There are no known significant risks within these estimates and assumptions that would cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

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.

Changes in accounting policies

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

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, are:

- NZ IAS 24 Related Party Disclosures (Revised 2009) replaces NZ IAS 24 Related Party Disclosures (Issued 2004) and is effective for reporting periods commencing on or after 1 January 2011. The revised standard simplifies the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition. The Children's Commissioner has not yet assessed the effect of the new standard and it will not be early adopted.
- NZ IFRS 9 Financial Instruments will eventually replace NZ IAS 39 Financial Instruments: Recognition and Measurement. NZ IAS 39 is being replaced through the following 3 main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The new standard also requires a single impairment method to be used, replacing the many different impairment methods in NZ IAS 39. The new standard is required to be adopted for the year ended 30 June 2014. The Children's Commissioner has not yet assessed the effect of the new standard and expects it will not be early adopted.

(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. Apart from these general restrictions, in 2011 there were no unfulfilled conditions or contingencies attached to government funding (2010: \$nil).

(3) Personnel costs

| | Actual 2011 \$000 | Actual 2010 \$000 |
|---|----------------------------------|----------------------------------|
| Salaries and wages | 1,377 | 1,320 |
| Defined contribution plan employer contribution | 20 | 17 |
| Increase/(decrease) in employee entitlements | (1) | 6 |
| Total personnel costs | 1,396 | 1,343 |

Employer contributions to defined contribution plans include contributions to KiwiSaver.

(4) Operating Costs

| | Actual 2011 \$000 | Actual 2010 \$000 |
|--|----------------------------------|----------------------------------|
| Accountancy fees | 39 | 39 |
| Fees paid to principal auditor – audit fees for financial statements | 19 | 18 |
| Contractor fees | 4 | 0 |
| Entertainment | 4 | 3 |
| Information systems | 26 | 29 |
| Motor vehicle expenses | 2 | 2 |
| Occupancy costs | 8 | 11 |
| Office relocation | 0 | 72 |
| Printing and stationery | 7 | 11 |
| Publication expenses | 99 | 122 |
| Rent and rates | 113 | 127 |
| Telephone, tolls and facsimile | 22 | 27 |
| Travel and accommodation | 42 | 53 |
| Consumables and other operating expenditure | 58 | 52 |
| Total operating costs | 443 | 566 |

(5) Project Costs

| | Actual 2011 \$000 | Actual 2010 \$000 |
|----------------------------|----------------------------------|----------------------------------|
| Investigation & Monitoring | 24 | 19 |
| Education & Training | 8 | 11 |
| PLINFO | 20 | 20 |
| YPRG & Consultation | 42 | 21 |
| Advocacy | 32 | 46 |
| Total Project Costs | 126 | 117 |

(6) Cash and Cash Equivalents

| Cash on hand and at bank: | Actual 2011 \$000 | Actual 2010 \$000 |
|----------------------------------|----------------------------------|----------------------------------|
| Westpac | | |
| • Current account | 180 | 156 |
| • Ready access account | 280 | 99 |
| • Short term investments | 0 | 239 |
| | 460 | 494 |

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 Children's Commissioner's equity but are held in a separate bank account.

The account was closed in September 2010 with remaining funds transferred to the main cheque account.

| | Actual 2011 \$ | Actual 2010 \$ |
|---------------------------------|-------------------------------|-------------------------------|
| Opening balance | 302 | 302 |
| Transfer to main account | (302) | 0 |
| Funds held as at 30 June | 0 | 302 |

(7) Debtors and Other Receivables

Debtors and other receivables are as follows:

| | Actual 2011 \$000 | Actual 2010 \$000 |
|--|----------------------------------|----------------------------------|
| Sundry debtors | 17 | 15 |
| Total debtors and other receivables | 17 | 15 |

The carrying amount of receivables reflects their fair value. No impairment was expensed in the reporting period (2010: nil). All receivables are due within 30 days.

(8) Property, Plant and Equipment Schedule

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

| | Motor Vehicles \$000 | Office furniture, equipment and leasehold improvements \$000 | Computer equipment \$000 | Total \$000 |
|------------------------------------|-------------------------|--|--------------------------------|----------------|
| Cost or Valuation | | | | |
| Balance at 1 July 2009 | 20 | 330 | 100 | 450 |
| Additions | 0 | 3 | 11 | 14 |
| Disposals | 0 | (305) | (7) | (312) |
| Balance at 30 June 2010 | 20 | 28 | 104 | 152 |

| | Motor Vehicles \$000 | Office furniture, equipment and leasehold improvements \$000 | Computer equipment \$000 | Total \$000 |
|--------------------------------|-------------------------|--|--------------------------------|----------------|
| Cost or valuation | | | | |
| Balance at 1 July 2010 | 20 | 28 | 104 | 152 |
| Additions | 0 | 0 | 0 | 0 |
| Disposals | (20) | 0 | 0 | (20) |
| Balance at 30 June 2011 | 0 | 28 | 104 | 132 |

| | Motor Vehicles \$000 | Office furniture, equipment and leasehold improvements \$000 | Computer equipment \$000 | Total \$000 |
|---|-------------------------|--|--------------------------------|----------------|
| Accumulated Depreciation and Impairment Losses | | | | |
| Balance at 1 July 2009 | 12 | 243 | 44 | 299 |
| Depreciation Expense | 6 | 16 | 24 | 46 |
| Eliminate on Disposal | 0 | (237) | (7) | (244) |
| Balance at 30 June 2010 | 18 | 22 | 61 | 101 |

| | Motor Vehicles \$000 | Office furniture, equipment and leasehold improvements \$000 | Computer equipment \$000 | Total \$000 |
|---|-------------------------|--|--------------------------------|----------------|
| Accumulated Depreciation and Impairment Losses | | | | |
| Balance at 1 July 2010 | 18 | 22 | 61 | 101 |
| Depreciation Expense | 2 | 2 | 18 | 22 |
| Eliminate on Disposal | (20) | 0 | 0 | (20) |
| Balance at 30 June 2011 | 0 | 24 | 79 | 103 |

| | Motor Vehicles \$000 | Office furniture, equipment and leasehold improvements \$000 | Computer equipment \$000 | Total \$000 |
|----------------------------|-------------------------|--|--------------------------------|----------------|
| Carrying Amounts | | | | |
| At 1 July 2009 | 8 | 87 | 56 | 151 |
| At 30 June and 1 July 2010 | 2 | 6 | 43 | 51 |
| At 30 June 2011 | 0 | 4 | 25 | 29 |

(9) Intangible Assets Schedule

Movements for intangible assets are as follows:

| | Acquired Software \$000 | Total \$000 |
|--------------------------------|-------------------------------|----------------|
| Cost or Valuation | | |
| Balance at 1 July 2009 | 4 | 4 |
| Additions | 4 | 4 |
| Disposals | 0 | 0 |
| Balance at 30 June 2010 | 8 | 8 |

| | Acquired Software \$000 | Total \$000 |
|--------------------------------|-------------------------------|----------------|
| Cost or Valuation | | |
| Balance at 1 July 2010 | 8 | 8 |
| Additions | 0 | 0 |
| Disposals | 0 | 0 |
| Balance at 30 June 2011 | 8 | 8 |

| | Acquired Software \$000 | Total \$000 |
|---|----------------------------|----------------|
| Accumulated Amortisation and Impairment Losses | | |
| Balance at 1 July 2009 | 2 | 2 |
| Amortisation Expense | 2 | 2 |
| Eliminate on Disposal | 0 | 0 |
| Balance at 30 June 2010 | 4 | 4 |

| | Acquired Software \$000 | Total \$000 |
|---|----------------------------|----------------|
| Accumulated Amortisation and Impairment Losses | | |
| Balance at 1 July 2010 | 4 | 4 |
| Amortisation Expense | 2 | 2 |
| Eliminate on Disposal | 0 | 0 |
| Balance at 30 June 2011 | 6 | 6 |

| | Acquired Software \$000 | Total \$000 |
|----------------------------|----------------------------|----------------|
| Carrying amounts | | |
| At 1 July 2009 | 2 | 2 |
| At 30 June and 1 July 2010 | 4 | 4 |
| At 30 June 2011 | 2 | 2 |

(10) Creditors and other payables

| | Actual 2011 \$000 | Actual 2010 \$000 |
|---|-------------------------|-------------------------|
| Accounts payable – trade | 110 | 97 |
| Accruals | 45 | 22 |
| Total creditors and other payables | 155 | 119 |

Creditors and other payables are non-interest bearing and are normally settled on 30-day terms. Therefore, the carrying value of creditors and other payables approximates fair value.

(11) Employee entitlements

| | Actual 2011 \$000 | Actual 2010 \$000 |
|------------------------------------|-------------------------|-------------------------|
| <hr/> | | |
| Current portion | | |
| Annual leave | 42 | 32 |
| Long service leave | 3 | 10 |
| | <hr/> | <hr/> |
| | 45 | 42 |
| Non-current portion | | |
| Long service leave | 3 | 7 |
| <hr/> | | |
| Total employee entitlements | 48 | 49 |
| <hr/> | | |

(12) Reconciliation of the Net Surplus/(Deficit) to Net Operating Cash Flow

| | Actual 2011 \$000 | Actual 2010 \$000 |
|--|-------------------------|-------------------------|
| Net surplus/(deficit) | 234 | 135 |
| Add/(less) non-cash items | | |
| Depreciation and amortisation expense | 24 | 48 |
| Add/(less) items classified as investing or financing activities | | |
| (Gains)/losses on disposal of property, plant and equipment | (10) | (5) |
| Add/(less) movements in statement of financial position items | | |
| Gain/(loss) on relocation | 0 | 67 |
| Debtors and other receivables | (2) | (7) |
| Prepayments | 1 | (6) |
| GST | (3) | 15 |
| Employee entitlements – long service leave | (4) | 16 |
| Employee entitlements – annual leave | 3 | (12) |
| Creditors and other payables | 36 | 22 |
| <hr/> | | |
| Net movements in working capital | 31 | 28 |
| <hr/> | | |
| Net cash flow from operating activities | 279 | 273 |
| <hr/> | | |

(13) Statement of Contingent Liabilities and Assets as at 30 June 2011

There were no contingent liabilities and assets as at 30 June 2011. (2010: Nil)

(14) Statement of Operating Commitments

| | Actual 2011 \$000 | Actual 2010 \$000 |
|------------------------------------|-------------------------|-------------------------|
| Operating lease commitments | | |
| Less than one year | 120 | 93 |
| One to two years | 90 | 91 |
| Two to five years | 127 | 218 |
| More than five years | 0 | 0 |
| Total | 337 | 402 |

The significant portion of the total non-cancellable operating lease expense relates to the lease of half a floor in Wellington sublet from the Families Commission. The lease will expire on 30 November 2014.

The Office also leases Auckland office and car parking space sublet from the Families Commission. The lease expires on 30 June 2012.

The Children's Commissioner lease two photocopiers. One lease has expired, the other photocopier expires in:

Leasing Solutions Limited: 15 months

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

Capital commitments

Estimated capital expenditure contracted for at balance date but not provided for as at 30 June 2011 was nil. (2010: nil)

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

(15) Related party transactions

The Children's Commissioner is a wholly owned entity of the Crown. The Government significantly influences the role of the Children's Commissioner as well as being its major source of revenue.

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.

There were no related party transactions for the year ended 30 June 2011 (2010)

In accordance with Section 152(1)(a)(c) of the Crown Entities Act 2004, the following is reported:

(16) Key management personnel compensation

| | Actual 2011 \$000 | Actual 2010 \$000 |
|--|-------------------------|-------------------------|
| Salaries and other short-term benefits | 210 | 187 |
| Post employment benefits | 4 | 4 |
| Total | 214 | 191 |

Key management personnel includes the Children's Commissioner.

Employees' remuneration

The Children's Commissioner is a Crown Entity, and is required to disclose certain remuneration information in their annual reports. The information reported is the number of employees receiving total remuneration and other benefits in their capacity as employees of \$100,000 or more per annum.

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

| Remuneration band | Number of employees | |
|---------------------|---------------------|------|
| | 2011 | 2010 |
| \$100,000 – 109,999 | 1 | 0 |
| \$190,000 – 199,999 | 0 | 1 |
| \$210,000 – 219,999 | 1 | 0 |

Reference group fees

Reference groups established that received fees:

Young Peoples Reference Group.

The Group comprised 8–10 members from 1 July 2010 to 30 June 2011.

\$6,000 was paid in fees by the Children's Commissioner (2010: \$5,000)

Compensation payments

In accordance with Section 152 (1)(d) of the Crown Entities Act 2004, the following is reported:

During the year ended 30 June 2011 one employee received \$18,750 compensation in relation to cessation (2010: \$5,000).

(17) Events after balance sheet date

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

(18) Financial instruments

The carrying amount of financial assets and liabilities in each of the NZ IAS 39 categories are as follows:

| | Actual 2011 \$000 | Actual 2010 \$000 |
|--|----------------------------------|----------------------------------|
| Loans and receivables | | |
| Cash and cash equivalents | 460 | 494 |
| Debtors and other receivables | 17 | 15 |
| Short term investments – term deposits | 523 | 200 |
| Total loans and receivables | 1,000 | 709 |

(19) 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 comprehensive income. 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.

The Children's Commissioner has a credit card facility of \$15,000 as at 30 June 2011 (2010: \$15,000).

Interest rate risk

The Children's Commissioner does not have any significant exposure to interest rate risk. Any risk is managed by only investing with 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.

(20) 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.

(21) Significant variances

Statement of comprehensive income

Revenue (Budget)

Revenue other was higher than budgeted due to the sale of the Office's car and other income for services provided by the Office that was not anticipated.

Revenue interest was higher than budgeted due to interest rates being more favourable than expected.

Personnel expenditure

Personnel expenses were lower than budget due to the Office carrying four vacancies at various times during the reporting period.

Operating expenditure

Operating expenses were lower than budget due to reduced requirements for travel and accommodation, sharing costs for resource production and planned work on the Office's web site not proceeding.

Statement of financial position

A significant difference between cash and short term investments budget and actual arose because a larger than forecasted net surplus of \$0.135m was carried forward from the 2009/2010 financial year. Term deposits have matured, been consolidated and reinvested into a longer-term investment period to maximise interest earned. Creditors and other payables are higher at year-end, due to a salary accrual for a full complement of staff and more days accrued. In addition, there was a slight increase in GST payable and ACC levies. The Fixed asset variance results from a small but inflated allowance for depreciation.

Statement of cashflows

Please refer to revenue and expenditure variance explanations above.

Independent Auditor's Report

To the readers of Office of the Children's Commissioner's financial statements and statement of service performance for the year ended 30 June 2011

The Auditor-General is the auditor of Office of the Children's Commissioner (the Office). The Auditor-General has appointed me, J.R Small, using the staff and resources of Audit New Zealand, to carry out the audit of the financial statements and statement of service performance of the Office on her behalf.

We have audited:

the financial statements of the Office on pages 25 to 43, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and

the statement of service performance of the Office on pages 22 to 24.

Opinion

In our opinion:

- the financial statements of the Office on pages 25 to 43:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Office's:
 - financial position as at 30 June 2011; and
 - financial performance and cash flows for the year ended on that date.
- the statement of service performance of the Office on pages 22 to 24:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects, for each class of outputs for the year ended 30 June 2011, the Office's:
- service performance compared with the forecasts in the statement of forecast service performance for the financial year; and
- actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 31 October 2011. This 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 our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

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.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Office's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Office's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Commissioner;
- the adequacy of all disclosures in the financial statements and statement of service performance; and
- the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Responsibilities of the Commissioner

The Commissioner is responsible for preparing financial statements and a statement of service performance that:

- comply with generally accepted accounting practice in New Zealand;
- fairly reflect the Office's financial position, financial performance and cash flows; and
- fairly reflect its service performance.

The Commissioner is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Commissioner's responsibilities arise from the Crown Entities Act 2004 and Children's Commissioner Act 2003.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our 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 New Zealand Institute of Chartered Accountants.

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



J.R Smail

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 2011 included on the Office's website. The Commissioner is responsible for the maintenance and integrity of Office's website. We have not been engaged to report on the integrity of 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 as well as the related audit report dated 31 October 2011 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.

Appendix 1: Speeches

Major speeches made by Dr John Angus included:

- Speech to the Kolisko Conference, Cambridge entitled *Dance with me in the heart. Private and public perceptions of children in contemporary New Zealand.*
- Speech to the Launch of the Children and Young People's Family Violence Needs Assessment Findings, Lower Hutt entitled *Family Violence, Children and Advocacy.*
- Speech to residential college students, Arana College, Dunedin entitled *On going to the cricket and becoming Children's Commissioner: is it madness?*
- Speech to the New Zealand Diversity Forum.
- Speech to participants in the Buddy Programme, Central Otago entitled *Some comments on the neglect of children.*
- Speech to the Upper Clutha Women's Lions Club, Albert Town entitled *Alcohol, parenting and young people.*
- Speech to the Youth Court Judges Triennial Conference entitled *Violence, victims, retribution and restoration: challenges to youth justice.*
- Speech to the Rotary Club of Eastern Hutt entitled *Poverty, benefits and work as the road to salvation.*
- Speech to the New Zealand Home-Based ECE Association Conference, Auckland entitled *Changes and challenges: the care of under two-year olds in contemporary New Zealand.*
- Speech to the Public Health Association Conference entitled *Wooing an octopus: On being a collaborative partner to the health sector.*
- Speech to the Dingwall Trust's launch of Care Café web site, Auckland
- Speech to the seminar Violence as a Community Issue, Social Policy Evaluation and Research Workshop (SPEaR), Otago House, Auckland entitled *Starters for ten: reducing violence against children.*
- Speech to Parent Help Inc. AGM, Wellington
- Speech to Child, Youth and Family Management Group, Auckland.
- Speech to Child, Youth and Family residences' grievance panels, Wellington.
- Speech to the Women's Hospitals Australasia and Children's Hospital Australasia Annual Conference entitled *Work in progress: children's rights in New Zealand.*
- Speech to the Council of Social Services Dunedin, AGM entitled *The social and political environment in the last 30 years and the next 30 years: What will our children be facing?*
- Speech to the Police Child Protection Managers, Royal New Zealand Police College, Porirua entitled *Child abuse and neglect: some ways forward.*

- Speech to the NZ College of Early Childhood Education Graduation Ceremony, Christchurch entitled *Empowered, holistic and relationship based: on becoming an early childhood teacher.*
- Speech to the New Zealand College of Early Childhood Education Graduation Ceremony, Christchurch, entitled *Empowered, holistic and relationship based: on becoming an early childhood teacher.*
- Speech to the ADHB Workers, Auckland Clinical Education Centre, White Ribbon Day, Auckland entitled *Some ways ahead: keeping vulnerable children safe, secure and well nurtured.*
- Speech to the Southern Rural Team of Child, Youth and Family, Dunedin.
- Speech to the Wayne Francis Charitable Trust, Christchurch entitled *Whither the children... for they should inherit the earth. The healthy development of young children, issues and responses.*
- Speech to the KidsCan School Conference entitled *Poverty, benefits and welfare reform. The position of children.*
- Speech to the Future for Children National Forum, Wellington entitled *Through their Lens. An inquiry into non-parental education and care of infants and toddlers.*
- Speech to the Rotary Club of Wellington Central entitled *Poverty, benefits and Work as the Road to Salvation: The position of children.*
- Speech to the Health Promotion and Policy Research Unit, Medical School, University of Otago entitled *Seen but not heard, children's interests, children's health and public policy.*
- Speech to the Paeroa's Art House Mothers Day Celebration, Paeroa
- Speech to Early Childhood Forums, Waitakere ECE Group, Strategic Leaders of the ECE network meeting, Manukau ECE Group entitled *Through their lens: an inquiry into non-parental education and care of infants and toddlers.*
- Speech to the Launch of the Charter of the Rights of Tamariki Children and Rangatahi Young People in Healthcare Services in Aotearoa.
- Speech to the Early Education Federation Forum, Wellington entitled *Citizen Children. A vision for 21st century New Zealand.*
- Speech to Child, Youth and Family Community Information Day, Paeroa entitled *Preventing child abuse and neglect: keeping vulnerable children safe, secure and well nurtured.*

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

- Speech to early childhood teachers at Rainbow in my Head Day entitled *Looking Through A Rights-Based Lens: Quality Early Childhood Education and Care for Infants and Toddlers.*
- Speech to OMEP early childhood teachers entitled *Under-2s in Formal Early Childhood Education and Care.*
- Speech to the Australian College for Child and Family Protection Practitioners Conference, Melbourne entitled *Preventing Child Maltreatment: The Journey from Blame to Shared Responsibility.*
- Speech to Brain Injury New Zealand, Wellington entitled *Child Advocacy and the Role of the Liaison Officer.*
- *Children in Care Seminars.*
- Keynote speech to IHC Start Strong seminar, Duxton Hotel, Wellington entitled *Start Strong: A Children's Rights Perspective.*
- Speech to the Jigsaw National Conference entitled *Making a Difference for Children in Care.*
- Speech to Every Child Counts Cross Party Forum on *Children in Care.*
- Speech to the NZ Law Society Wellington Family Law Section on *Children in Care.*
- Speech to KidsCan Schools Conference entitled *Poverty, Benefits and Welfare Reform. The position of children.*
- Speech to Year 10 Students, Rosehill College, Auckland entitled *Child Labour Laws in NZ and the international human rights framework regarding child labour under UNCROC and the ILO.*
- Speech to Care Services Forum, Auckland entitled *Transition from Care to Adulthood in New Zealand.*
- Speech to the OSCAR Conference, Rotorua entitled *Making a Difference for Children in Care.*
- Speech to social work students from Nelson Marlborough Institute of Technology on the *OCC, UNCROC and the CRC reporting process.*
- Speech to Cambodian Government Delegation on *New Zealand's Youth Justice System.*

