

Regulatory Impact Statement

Working with Children Regulations 2016

December 2015

This Regulatory Impact Statement (RIS) has been prepared with the assistance of Rivers Economic Consulting to fulfill the requirements of the *Subordinate Legislation Act 1994* and to facilitate public consultation on the remaking of the Working with Children Regulations 2006.

In accordance with the Victorian Guide to Regulation, the Victorian Government seeks to ensure that proposed regulations are well-targeted, effective and appropriate, and impose the lowest possible burden on Victorian businesses, individuals and the community.

A key function of the RIS process is to provide members of the public with the opportunity to comment on proposed statutory rules before they are finalised. Such public input can provide valuable information and perspectives, and thus improve the overall quality of the regulations. A copy of the proposed regulations is provided as an attachment to this RIS.

Public comments and submissions are invited on the proposed regulations and in response to information provided in this RIS. All submissions will be treated as public documents. Written comments and submissions should be forwarded by no later than 5.00pm, 21 January 2016 to:

Albert Bentincontri

Director, Working with Children Check Unit

Department of Justice & Regulation

GPO Box 1915

MELBOURNE VIC 3001

or emailed to: wwccris@justice.vic.gov.au

Please clearly identify that your comments or submission relates to the RIS by placing '*Working with Children Regulations 2016*' in the email subject line.

All comments and submissions will be considered prior to the regulations being made.

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Commissioner for Better Regulation

Level 37
2 Lonsdale Street
Melbourne Victoria 3000
GPO Box 4379
Melbourne Victoria 3001
Telephone: 03 9092 5800

27 November 2015

Ms Marisa De Cicco
Deputy Secretary
Department of Justice and Regulation
121 Exhibition Street
Melbourne VIC 3000

Dear Ms De Cicco

Marisa,

I would like to thank the staff of the Working with Children Check Unit in the Department of Justice and Regulation for working with my team on the preparation of the Regulatory Impact Statement (RIS) for the proposed *Working with Children Regulations 2016*, which set fees for Working with Children checks for employees and volunteers.

As you know, the Commissioner for Better Regulation is required to provide independent advice on the adequacy of analysis presented in Regulatory Impact Statements in Victoria, under section 10 of the *Subordinate Legislation Act 1994*.

It is important to emphasise that the Commissioner's role is not to provide a view on the merits of any policy or regulatory change as such, but to advise specifically only on the adequacy or otherwise of a RIS. To be adequate, a RIS must be logical, draw on relevant evidence, be transparent about any assumptions made, and be proportionate to the proposal's expected effects. It also needs to be suitable as a basis for public consultation.

I am pleased to advise you that the final version of the RIS received by us on 26 November meets the adequacy requirements of the Act.

In providing this advice, we note that the Department states in the RIS that the policy objectives of these regulations are:

- to set the scheme fees so as not to discourage volunteerism across Victoria; and
- to maintain revenue neutrality in fee revenue raised, of around \$11 million per year.

Therefore, in comparing options for setting fees, the Department explains how it has balanced these objectives with government policy regarding cost recovery. For example, while the Department has considered a full cost recovery option whereby employee and volunteer applicants are charged the cost of the service they use, this option is ruled out based on the objectives. Similarly, alternative options including charging any other fee for volunteers are not analysed.

As you know, it is government policy that this letter be published when the RIS is released for public consultation.



The consultation step is important to enable public participation in the policy development process. New options or information identified through this process may influence your analysis and recommendations. Should you wish to discuss any such changes with us, please do not hesitate to contact me on (03) 9092 5800.

Yours sincerely



Anna Cronin

Commissioner for Better Regulation

Executive Summary

This Regulatory Impact Statement (RIS) assesses proposed regulations contained in the Working with Children Regulations 2016, which will replace the Working with Children Regulations 2006, due to sunset on 28 March 2016. These regulations exist under the *Working with Children Act 2005* (the Act), the purpose of which is to assist in protecting children from harm by ensuring that people who work with, or care for them, are subject to a screening process. This requires volunteers and employees intending to work with children to undergo a national criminal history check and screening process in order to obtain a Working with Children (WWC) Check. Applications for a WWC Check are processed by the WWC Check Unit in the Department of Justice & Regulation.

During its ten years of operation, the WWC Check scheme has demonstrated its value to the community by preventing 2,239 unsuitable individuals from engaging in child-related work.

This RIS provides an overview of the WWC Check scheme and explains the services for which fees are set. The RIS does not examine the effects of alternatives to the WWC Check scheme itself, as that is outside the scope of these regulations. The focus of this RIS is the fee-setting aspect of the regulations.

The fees prescribed in these regulations raise approximately \$11 million each year. The scale of this revenue means that, in remaking these regulations, the department is required to prepare a RIS that considers a range of options for setting these fees. Other minor matters covered in these regulations are noted in the RIS.

This RIS formally assesses the regulatory proposal against the requirements of the *Subordinate Legislation Act 1994* and the Victorian Guide to Regulation by:

- examining the problem to be addressed by the proposed regulations;
- clarifying the desired objectives of the proposed regulations;
- identifying options for achieving the desired regulatory objectives;
- assessing the costs and benefits of the options;
- identifying the preferred option and its expected impacts, and
- detailing planned and completed consultation processes.

Objectives

In remaking these regulations, the government's objectives are:

- to fund the scheme in a way that does not discourage volunteers; and
- to raise around \$11 million per year in fee revenue.

These are the government's objectives because it wants to ensure that:

- no changes are made which might discourage volunteers; and
- the contribution of taxpayers to the total costs of the scheme (\$16 million per year) is maintained at around \$5 million per year.

Importantly, the price sensitivity of volunteers to WWC Check fees remains unknown and a comparison across other relevant jurisdictions, namely NSW, QLD and WA does not provide insight into how fees may affect the ratio of employees to volunteers. With regards to NSW, there are no fees for volunteers. In relation to QLD and WA, notwithstanding different prerequisites or

restrictions on who may be a volunteer in these jurisdictions, data on the ratio of employees to volunteers remains unavailable. Consequently, and for the purpose of analysis in this RIS, an assumption is made that any fee charged to volunteers would discourage at least *some*¹ from working with children.

In identifying the best options for setting new fees, this RIS considers the extent to which each option achieves these objectives, as well as each option's compliance with the principles outlined in the Victorian Government's *Cost Recovery Guidelines* (the Guidelines). The Guidelines highlight that, where possible, regulatory fees should be set to fully recover costs to ensure both efficiency and equity objectives are met, particularly where the fee reflects a service or benefit that is fully captured by the individual paying the fee².

Problem to be addressed

The net present value of the cost of operating the scheme over the 10-year life of these regulations is estimated to be around \$162 million, comprising:

- costs of around \$81 million for providing WWC Checks for employees; and
- costs of around \$81 million for providing WWC Checks for volunteers.

These costs can be funded entirely by fees or by general tax revenue or by a combination of both.

Options considered in this RIS

The options presented in this RIS focus on alternative fee structures for the WWC Check scheme and are limited to different levels of cost recovery of fees including full or partial cost recovery. The options also vary in terms of the incidence of the costs of the scheme (that is, whether the costs fall upon employees, volunteers, or are shared across all taxpayers). Consequently, the options to be considered as part of the cost benefit evaluation in this RIS are:

- **Option 1:** Partial cost recovery (full cost recovery of employee new application/renewal and card replacement costs from employees, with volunteer costs funded from general tax revenue)
- **Option 2:** Recovery of all costs of the scheme from employees
- **Option 3:** Full cost recovery of employee and volunteer application and card replacement costs from employees and volunteers
- **Option 4:** Partial cost recovery of employee and volunteer application costs (full cost recovery of all employee new application and renewal costs from employees and partial recovery of volunteer new application and renewal costs from employees) – **the proposed regulation**

Option 4 is the preferred option as it best addresses the government's objectives while taking into consideration the principles outlined in the Guidelines. Option 4 maintains the current share in the contribution of taxpayer funding with respect to services provided by the WWC Check Unit.

¹ Depending on socioeconomic group or industry volunteers represented

² Department of Treasury and Finance, 2010, *Cost Recovery Guidelines*, Melbourne, p. 7

The prescribed fee for an application under the Act will now include an application for a WWC Check under section 10 of the Act, as well as under section 10, enabled by section 19(2) of the Act, for child-related work that is for profit or gain. This means that there will now be separate fees for new applications and renewal applications under the proposed regulations.

Under this proposal, there will be:

- no fee for new applications, renewals or replacement cards for volunteers
- a fee for new applications for employees of \$116.14 (compared to the current fee of \$108.80)³ and a fee for renewal applications for employees of \$85.95 (compared to the current fee of \$108.80)⁴; and
- a fee for the replacement of a card for employees will be \$7.38 (compared to the current fee of \$13.60)⁵.

Under this proposal, in present value dollars over the 10 year life of these regulations:

- the cost of employee WWC Checks (around \$81 million) will be paid for by fees paid by employee applicants; and
- the cost of volunteer WWC Checks (around \$81 million) will be paid in part by fees paid by employee applicants (who will pay around \$34 million in addition to the cost of their own checks), and in part by funding from general revenue (around \$48 million).

A comparison of current fees and proposed fees is provided in Table E1 as follows:

Table E1: Comparison of current fees and proposed fees

Service	Current fees	Proposed fees	% change in fees
New applications	\$108.80	\$116.14	6.7%
Renewals	\$108.80	\$85.95	-21.0%
Card replacements	\$13.60	\$7.38	-45.7%

As shown in Table E1, there would be a 6.7 per cent increase in the fee for new applications, a 21 per cent reduction in the fee for renewals and a 45.7 per cent reduction in the fee for card replacements. Over a 10-year period there would be a reduction in the combined new application and renewal fee of \$217.60 to \$202.09 – an overall reduction of 7.1%.

Effects on small business and competition

The proposed regulations affect individuals rather than businesses. However, there may be self-employed individuals or business sponsors who pay the WWC Check new application and renewal fees. In these cases, over 10 years the combined amount of \$202.09 (annualized at only \$20.21) is likely to be absorbed by any small businesses and is unlikely to represent a significant proportion of their business costs.

The markets affected by the proposed regulations relate to the occupational areas where individuals are engaging in child-related work. Businesses with paid employees may be disadvantaged by businesses with volunteers who do not pay a fee. However, this effect is mitigated to the extent that fees are paid by individuals rather than businesses and by the fact that the level of the fee over 10

³ An increase from 8.0 fee units to 8.54 fee units

⁴ A decrease from 8.0 fee units to 6.32 fee units

⁵ A decrease from 1 fee unit (\$13.60 in 2015-16) to a set fee of \$7.38

years is only \$202.09 (annualized at \$20.21) and less than the current arrangement of \$217.60. For these reasons, the proposed regulations are not expected to affect the costs of a business (including costs to small businesses) sufficiently to create any significant impact on competition including any barriers to entry.

While the proposed regulations are substantively the same as the current requirements, there are some minor additional changes, including the removal of some redundancy. These are:

- removal from the objectives of the current regulations the need to prescribe a form of application for a WWC Check and identifying information to be included with an application;
- addition to references to the Act of sections 21AA(1)(a) and 21(AD)(1)(a) for prescribed bodies and section 21AD(1)(a) for prescribed findings of bodies under the objectives;
- change in the commencement date of the regulations to 27 March 2016;
- revocation of all previous Working with Children Regulations; and
- updating references to the previous *Police Regulation Act 1958* to the current *Victoria Police Act 2013*.

Table of Contents

EXECUTIVE SUMMARY	5
TABLE OF CONTENTS	9
SECTION 1 BACKGROUND	11
1.1 <i>The context</i>	11
1.2 <i>Working with Children legislative framework</i>	14
1.3 <i>Need to undertake a Regulatory Impact Statement and Scope</i>	17
1.4 <i>Consultation</i>	17
SECTION 2: IDENTIFICATION OF THE PROBLEM	18
2.1 BACKGROUND TO THE PROBLEM.....	18
2.1.1 <i>The need for provision of services that give rise to costs</i>	18
2.1.2 <i>Efficiency measures adopted by the WWC Check Unit in service delivery</i>	23
2.1.3 <i>The base case and its consequences</i>	24
2.1.4 <i>The need for cost recovery and government policy</i>	24
SECTION 3: SPECIFICATION OF THE DESIRED OBJECTIVES	26
SECTION 4: IDENTIFICATION OF OPTIONS TO ACHIEVE OBJECTIVES	26
SECTION 5: COSTS AND BENEFITS OF THE OPTIONS	30
5.1 <i>Assessment of costs and benefits</i>	31
5.2 <i>Efficiency criteria – analysis of options</i>	31
5.3 <i>Equity criteria – analysis of options</i>	32
5.4 <i>Effectiveness criteria – analysis of options</i>	33
5.4 <i>Sensitivity analysis</i>	34
SECTION 7: IMPACT ON SMALL BUSINESS	34
SECTION 8: COMPETITION ASSESSMENT	34
SECTION 9: IDENTIFICATION OF THE PREFERRED OPTION AND DESCRIPTION OF ITS EFFECT	35
Section 9.1 <i>Identification of the preferred option and its effects</i>	35
Section 9.2 <i>Methodology behind fee calculation and basis for cost recovery</i>	36
SECTION 10: IMPLEMENTATION PLAN FOR THE PREFERRED OPTION.....	36
SECTION 11: EVALUATION STRATEGY	36
SECTION 12: CONSULTATION UNDERTAKEN	37
SECTION 13: CONCLUSION AND RECOMMENDATION	37
GLOSSARY OF TERMS.....	39
BIBLIOGRAPHY OF REFERENCES	40
APPENDICES	40
APPENDIX 1 – ACTIVITY BASED COSTING METHODOLOGY AND ESTIMATION OF FEES	41
A1.1 BACKGROUND.....	41
A1.2 ALLOCATION OF DIRECT COSTS	42
A1.3 ALLOCATION OF INDIRECT COSTS	43
A1.4 TOTAL DIRECT AND INDIRECT COST OF PER SERVICE AND UNIT COST	44
APPENDIX 2 – DETERMINATION OF FEES AND REVENUE UNDER OPTIONS 1, 2, 3 AND 4.....	46
A2.1 OPTION 1 – PARTIAL COST RECOVERY EMPLOYEE COSTS ONLY THROUGH EMPLOYEES	46
A2.1.1 – <i>Option 1 fees</i>	46
A2.1.2 – <i>Option 1 fee revenue</i>	46
A2.2 OPTION 2 – FULL COST RECOVERY OF EMPLOYEE AND VOLUNTEER COSTS THROUGH EMPLOYEES ONLY.....	48
A2.2.1 – <i>Option 2 fees</i>	48
A2.2.2 – <i>Option 2 fee revenue</i>	48

A2.3 OPTION 3 – FULL COST RECOVERY OF EMPLOYEE AND VOLUNTEER COSTS THROUGH BOTH EMPLOYEES AND VOLUNTEERS	49
<i>A2.3.1 – Option 3 fees</i>	49
<i>A2.3.2 – Option 3 fee revenue</i>	49
A2.4 OPTION 4 – PROPOSED PARTIAL COST RECOVERY OF EMPLOYEE AND VOLUNTEER COSTS (MAINTAINING REVENUE NEUTRALITY WITH THE CURRENT LEVEL OF FEES) THROUGH EMPLOYEES	51
<i>A2.4.1 – Option 4 fees</i>	51
<i>A2.4.2 – Option 4 fee revenue</i>	52
APPENDIX 3 – CHILD RELATED WORK UNDER THE ACT	53
APPENDIX 4 – COMPARISON OF FEES WITH OTHER JURISDICTIONS	54
A4.1 VOLUNTEER FEES IN OTHER JURISDICTIONS	55
APPENDIX 5 – PROPOSED REGULATIONS.....	56

Section 1 Background

1.1 The context

This section provides background context around the nature of activity with respect to the Working with Children Check (the WWC Check), as well as the legislative framework and impending sunset of the Working with Children Regulations 2006 (the regulations) on 28 March 2016 and, therefore, the need to remake the regulations and the consequential requirement of a Regulatory Impact Statement (RIS).

The WWC Check commenced in April 2006, and through its administration of the *Working with Children Act 2005* (the Act), the WWC Check Unit within the Department of Justice & Regulation (DJR) has conducted checks, issued assessment notices (WWC Check cards) to successful applicants, and prevented many people who pose a risk to the safety and wellbeing of children from working with, or caring for them. The WWC Check provides public confidence in the proper regulation of child-related work by ensuring that 100 per cent of WWC Checks are issued in accordance with the Act and that 95 per cent of the total number of applications received are resolved in 18 days⁶. There are an average of around 150,000 new applications processed per year across 23 occupational groups (see Appendix 3) and around an average of 50,000 renewal applications, as shown in Table 1, with a total of 1.43 million new applications and 240,722 renewals processed over 10 years.

Table 1: Number of annual applications and renewals processed 2005-06 to 2014-15

Financial year	New applications	Renewal applications
2005-06	1,756	N/A
2006-07	81,760	N/A
2007-08	227,351	N/A
2008-09	175,640	N/A
2009-10	152,150	N/A
2010-11	135,316	607
2011-12	143,081	37,787
2012-13	152,227	101,447
2013-14	169,206	53,862
2014-15	188,279	47,019
Total	1,426,766	240,722

As shown in Table 2, there were 977,951 cardholders as at 30 June 2015, with 2,239 negative notices issued. The negative notices issued represent approximately 224 persons per annum deemed to be unsuitable and excluded from engaging in child-related work.

Table 2: Working with Children Check statistics – as at 30 June 2015⁷

Category of general statistics	Volume
Cardholders	977,951
Negative Notices issued	2,239
Cards issued after review by VCAT ⁸	99

⁶ Data provided by the WWC Check Unit

⁷ <http://www.workingwithchildren.vic.gov.au/home/about+the+check/statistics/> (accessed 22 September 2015)

⁸ Victorian Civil and Administrative Tribunal

A WWC Check remains in force for a period of five years from the date of issue of the WWC Check assessment notice.⁹ Around 35 per cent of cardholders renew their assessment notice after five years. The WWC Check Unit regularly engages with the community to raise public awareness of the WWC Check and its requirements.

The purpose of the providing the WWC Check service

The purpose of delivering the WWC Check scheme is to identify and prevent people who pose a risk to children's safety from working with them, in accordance with the Act; with an aim of revealing the following:

- serious sexual, violent or drug offences;
- any offence that represents an unjustifiable risk to the safety of children;
- certain disciplinary findings by prescribed bodies; and
- offences against the *Working with Children Act 2005*.

The WWC Check does not assess a person's suitability to work with or care for children in a particular role, rather, the WWC Check provides parents, guardians and carers of children with the reassurance that a person who has a valid WWC Check has been screened by a government body.

Processes associated with the WWC Check service

New and Renewal Applications: Under the WWC Check, unless a person is otherwise exempt, both paid and volunteer workers who wish to engage in child-related work must apply for a WWC Check (through a new application or renewal application). Lodgement of an application is accompanied with a fee, which is currently \$108.80 for an employee new application or employee renewal application and valid for 5 years unless revoked or suspended by the Secretary to the DJR or surrendered by the WWC Check holder. There are currently no fees for a volunteer WWC Check.

National Criminal History Check: Once an application has been lodged, the WWC Check Unit initiates a national criminal history check which reveals offences across an individual's lifetime. When a relevant criminal history is identified, the WWC Check Unit commences an investigation that, in some circumstances, will include the assessment of reports from Corrections Victoria, DHHS' Child Protection Unit, courts and information provided by organisations, prescribed bodies and other sources.

Assessment notices: When the applicant successfully passes the WWC Check, they are issued with an assessment notice (the WWC Check card), which legally permits the assessment notice holder to work with, or care for, children. The assessment notice is valid for 5 years. A negative notice, on the other hand, excludes a person from engaging in child-related work for as long as the negative notice is in place. A fee of \$13.60 is currently charged for the replacement of a WWC Check card.

Ongoing Monitoring: Individuals who hold a WWC Check are monitored by Victoria Police through ongoing weekly monitoring for any Victorian criminal offences relevant to the WWC Check. When a relevant offence is identified by Victoria Police, the WWC Check Unit receives a notification and commences an investigation.

Expiring WWC Checks: WWC Check holders are notified prior to the expiry of their WWC Checks and the requirement to renew if they wish to continue to engage in child-related work.

⁹ *Working with Children Act 2005*, section 19(1)

Identified stakeholders and economic characteristics of outcomes arising from WWC Checks

Identified stakeholders affected by the WWC Check include: children and their parents/families; employees and volunteers engaged in child-related work (or their employers/organisations); government and enforcement agencies, and; the community in general. With respect to children, there is an obvious direct benefit in relation to a number of the approximately 733,000 children in Victoria aged between 0 and 19¹⁰ through the exclusion of unsuitable adults and the issuing of negative notices. The issuing of negative notices has averaged approximately 224 persons per annum over the last 10 years (see Table 2).

There is also a benefit to parents, carers or guardians in that the WWC Check provides an assurance that the individuals caring for their children have been subject to a screening process and that persons who pose an unjustifiable risk to the safety of children have been issued with negative notices, thereby excluding them from engaging in child-related work. In this way, the WWC Check also reduces the private costs of screening individuals.

Although there is a monetary cost in submitting a WWC Check application or renewal, employees, including the self-employed and/or employers who pass the WWC Check benefit from this process through being able to engage in child-related work for profit or gain. The time and cost in relation to completing the online application form and lodging the application at the application capture service agency is considered to be a cost of the Act and not the regulations.

In respect of volunteers who are engaged in child-related work for neither profit nor gain, there is a benefit for those who pass the WWC Check through being able to volunteer their time in child-related work. Moreover, volunteer organisations that operate children’s services will benefit from the assurance that volunteers are screened by the WWC Check and therefore the risks associated with working with children are reduced. Notwithstanding that volunteers or volunteer organisations are not subject to an application fee, there is a time cost in completing the online application form and lodging applications at the application capture service agency. However, as is the case with employees, this is considered to be a cost of the Act and not the regulations.

Risk profile of the need for the WWC Check

As part of establishing the need for the WWC Check, the following risk analysis is provided determining both the likelihood and consequence of a problem occurring, as shown in Figure 1. The risk associated with the problem of unsuitable individuals engaging in child-related work is deemed to be high.

Figure 1: Risk Matrix

	<i>High</i>	Medium Risk	High Risk	High Risk
Likelihood	<i>Moderate</i>	Low Risk	Medium Risk	High Risk
	<i>Low</i>	Low Risk	Low Risk	Medium Risk
		<i>Low</i>	<i>Moderate</i>	<i>High</i>
		Consequence		

¹⁰ 733,282 as at 30 June 2014 (see ABS, Australian Demographic Statistics, Mar 2015, catalogue 3101.0)

As at 30 June 2015, 2,239 people had been issued a negative notice, thereby prohibiting them from engaging in child-related work and reducing the risk these people may have posed to children in the community. These were deemed as unsuitable individuals who would have otherwise had access to more than one child in many cases and over a period of time. This number represents approximately 0.16 per cent of the 1.43 million new applications received between 2005-06 and 2014-15.

Given that individuals issued with a negative notice are those people who present particular patterns of offending generally including charges, convictions or findings of guilt for serious offences such as rape, murder and sexual offences, including those committed against a child – the consequences associated with these individuals working with children can be high. Through the issuing of a negative notice, the WWC Check assists in protecting children by minimising the likelihood and consequence that children will be exposed to people who have criminal histories that represent a risk to their safety and wellbeing. The problems that give rise to the need for services provided and associated costs under the WWC Check are deemed to be of **high risk**.

1.2 Working with Children legislative framework

The legislative framework that underpins the WWC Check includes:

- the *Working with Children Act 2005*, last revised 26 October 2014; and
- the *Working with Children Regulations 2006*, last revised 1 January 2013.

1.2.1 Working with Children Act 2005¹¹

The Act commenced in April 2006, and establishes the requirements for the WWC Check. The WWC Check is one of several measures organisations can use to protect children from sexual and physical harm.

Under *Part 4*, the Act creates a duty for organisation and individuals through imposing offences such as engaging in child-related work without an assessment notice, or engaging a person in child-related work who does not have an assessment notice.

Section 9 of the Act defines child-related work and includes an extensive list of categories of this work.

Section 10 of the Act specifies that a person may apply for a WWC Check and establishes the requirements for the application that the Secretary *must* approve. *Section 10(2)(d)* of the Act states that an application for a WWC Check must be accompanied by the application fee.

Section 11 of the Act allows for the Secretary to not accept applications in certain circumstances¹², and the Act should therefore be interpreted as requiring the Secretary to approve an application and subsequently accept an application. Once the Secretary accepts an application, he must conduct a national criminal history check and must assess the person's suitability to engage in child-related work. The Secretary is required to complete all tasks under the Act, including but not limited to— re-assessing a person's eligibility to have an assessment notice; notifying the Chief Commissioner of Police of offending; and, notifying organisations of the outcome of assessments. These legislative obligations result in the contractual arrangements between the DJR and agencies including CrimTrac

¹¹ See: <http://www.workingwithchildren.vic.gov.au/home/about+the+check/purpose/working+with+children+act/> (accessed 22 September 2015)

¹² However, this does not apply to the majority of applicants

(for the provision of national criminal history checks) and Victoria Police (for the receipt of notifications pursuant to *section 41* of the Act).

The Act allows the Secretary to conduct the WWC Check, and to be satisfied that an applicant does not represent an unjustifiable risk to the safety of children. 'Secretary' is defined in *section 3* as 'Secretary to the Department of Justice'. *Section 43* of the Act allows for the powers of the Secretary to be delegated.

The Act, therefore, establishes a framework to screen the criminal records and prescribed findings of certain professional bodies of people who intend to work with or care for children. People who are assessed as posing an unjustifiable risk to the safety of children are not issued a WWC Check and are prohibited from working with children. The purpose of the WWC Check is:

“to screen a person’s criminal history and professional conduct records going back over their lifetime in order to help organisations protect the children in their care from sexual and physical harm.”¹³

Section 1A establishes that the protection of children from sexual and physical harm is to be the paramount consideration for any decision made under the Act. The Act defines the kind of work that is regulated as **child-related work** and lists the offences every applicant is screened for. Under *sections 12, 13 and 14* of the Act, applications are classified as Category A, B or C, depending on the severity of the criminal history.¹⁴

The Act also exempts a range of people from the WWC Check, including teachers registered with the Victorian Institute of Teaching (VIT) (as VIT already undertakes a rigorous check of teachers’ criminal records and professional conduct), police officers and children. Interstate visitors can undertake child-related work in Victoria without a Victorian WWC Check for a period of up to 30 days in the same calendar year over several events or occasions if they have a WWC Check from another Australian jurisdiction; or for a one-off event.

Section 49(4) of the Act also provides that a power conferred by sub-section (1) to make regulations providing for the imposition of fees may be exercised by providing for all or any of the following matters –

- (a) specific fees;
- (b) maximum or minimum fees;
- (c) maximum and minimum fees;
- (d) the payment of fees either generally or under specified conditions or in specified circumstances;
- (e) the reduction, waiver or refund, in whole or in part, of the fees.

The Act was amended on 26 October 2014, principally to implement the following:

- clarification of the definition of child-related work;
- expansion of the requirement for ministers of religion to obtain WWC Checks;
- clarification that the purpose of the WWC Check is to ensure that people who work with children are subject to a screening process;
- removal of the exemption for accredited drivers, revise the interstate worker exemption and clarify that negative notice holders cannot rely on any of the exemptions;

¹³ <http://assets.justice.vic.gov.au/wwcc/resources/67ca6b1f-0433-4180-a0847e9ab1377ffa/changes+to+legislation+guide+2014.pdf> (accessed 05 October 2015)

¹⁴ See: <http://assets.justice.vic.gov.au/wwcc/resources/8617d1af-cdca-4acb-80a3-306de5a26103/list+of+offences+-+jan+2015.pdf> (accessed 22 September 2015)

- introduction of student exchange programs/homestay as a new occupational field;
- simplification of the category-classifications of applications, and the tests applied by decision makers;
- requirement that the protection of children be the paramount consideration for any decision made under the Act;
- ensuring that workers can no longer do child-related work once their WWC Check has expired; and
- improving the administration of the scheme.

1.2.2 Current Working with Children Regulations 2006¹⁵

The prescribed matters under the Working with Children Regulations 2006, as amended on 1 January 2013, and made under Section 49 of the Act, include:

- **(Reg. 3A)** definition of personal particulars, Suitability Panel and Victorian Institute of Teaching;
- **(Reg.7)** prescribed fees for:
 - an application for a WWC Check under section 10 of the Act for child related work that is for profit or gain; and
 - an application for the replacement of an assessment notice document for child related work that is for profit or gain.
- **(Reg.8)** the provision to reduce, waive, or refund payment of application fees;
- **(Reg.9)** prescribed bodies (the Victorian Institute of Teaching¹⁶ and the Suitability Panel¹⁷) for the purposes of sections 10(3)(b), 11(1)(b), 14(1)(a) and 21(1)(b) of the Act;
- **(Reg.10)** findings of a prescribed kind that bodies can make in relation to a WWC Check application assessment for the purposes of section 14(1)(a) of the Act;
- **(Reg.11)** prescribed persons¹⁸ for the purposes of section 43(b) of the Act; and
- **(Reg.12)** provides for offences relating to a failure by an applicant for or a holder of an assessment notice to notify the Secretary of a change in his or her personal particulars.

In August 2010, to reduce regulatory burden and enable the WWC Check Unit to act more dynamically, the Act was amended to streamline the WWC Check application process. This enabled the WWC Check Unit to more flexibly update the application form and approve the types of identifying information rather than prescribe these matters in regulation. Accordingly, the relevant regulations prescribing the form of application and identification became redundant and were revoked in January 2013. Specifically, the amendments to the regulations in January 2013 included the revocation of:

- **(Reg.4)** prescribed form of application for WWC Check (Schedule 1); and
- **(Reg.5)** prescribed identifying information to be included in each application (Schedule 2).

¹⁵ See: <http://www.workingwithchildren.vic.gov.au/home/about+the+check/purpose/working+with+children+act/> (accessed 22 September 2015)

¹⁶ Continued under Part 2.6 of the *Education and Training Reform Act 2006*

¹⁷ Established under Part 3.4 of the *Children, Youth and Families Act 2005*

¹⁸ Established under section 4 of the *Police Regulation Act 1958*

1.3 Need to undertake a Regulatory Impact Statement and scope

The Working with Children Regulations 2006 are due to sunset on 28 March 2016, and the DJR is proposing to replace them. Given that the proposal sets fees that are estimated to raise around \$11 million per year, a RIS must be prepared in accordance with the *Subordinate Legislation Act 1994*.

Provisions setting the fees for WWC Checks (proposed regulation 6) impose a significant cost and so are assessed in detail in this RIS. The remaining provisions of the proposed regulations are not deemed to have a material impact or burden and, therefore, in keeping with a proportionate approach to analysis, the effects of these proposed regulations are not analysed in detail.

The level of analysis in this RIS is commensurate with the level of expected impact. Greater rigor is provided with proposed new application and renewal fees, where the expected impact of annual fees on the community is approximately \$11.14 million and \$2.12 million, respectively in 2016-17. The analysis of card replacement fees involves less detail as the impact of annual fees on the community is expected to be approximately only \$0.14 million in 2016-17. The proposed regulations are therefore likely to have gross cost impacts of greater than \$8 million per annum across Victoria, affecting all individuals who wish to engage in child-related work.

1.4 Consultation

Consultation on the proposed regulations has been undertaken with relevant agencies, including:

- Child Protection, Department of Health & Human Services;
- Employment Information and Compliance, Industrial Relations Victoria, Department of Economic Development, Jobs, Transport and Resources;
- Quality Assessment and Regulation Division, Early Childhood and School Education Group, Department of Education & Training; and
- the Victorian Institute of Teaching.

Limited feedback has been provided primarily in the form of questions from DHHS around the rationale behind the proposed fee structure of different fees for new applications and renewal applications.

Section 2: Identification of the problem

Section 2 provides the basis or intervention logic behind the need for the proposed regulations and the government provision of services or regulatory activity (i.e. the WWC Check) that give rise to the need for cost recovery.

2.1 Background to the problem

2.1.1 The need for provision of services that give rise to costs

There is the need for exclusion of unsuitable individuals from child-related work, including the need to maintain public confidence in the proper regulation of child-related work, which gives rise or the need for cost recovery.



Problem statement:

The WWC Check scheme has been in operation for nearly a decade. It has clearly demonstrated a significant value to the community through the prevention of hundreds of unsuitable individuals from engaging in child-related work.

The cost of the scheme is significant. 2014-15 was a typical year of operation, both in terms of volumes and related revenue. Fee revenue in 2014-15 covered only 68.59 per cent of the WWC Check Unit's operating expenses. 2014-15 operating expenditure was approximately \$16.26 million, comprised of the following components:

WWC Check Service	Annual Transactions	Annual total cost of service
New applications employees	79,580	\$6,511,727
New applications volunteers	108,699	\$7,155,239
Renewals employees	25,658	\$1,581,922
Renewals volunteers	21,361	\$975,216
Card replacements employees	5,871	\$30,803
Card replacements volunteers	4,121	\$8,928
Change of details	220,288	\$519
Total	465,578	\$16,264,356

2014-15 'fee revenue' for new and renewal applications for WWC Checks obtained from employees was \$11,139,303, which was appropriated indirectly by the WWC Check Unit. The State Government ultimately provides the funds to cover the true operating deficit of \$5,101,937. The government would continue to 'fill the gap' under future arrangements, however fees would need to be designed and prescribed by regulation to match current (and projected) levels of revenue to prevent an increase in the operating deficit. An increase in the operating deficit would jeopardise the ability of the WWC Check Unit to effectively screen unsuitable individuals in a timely manner and prevent them from engaging in child-related work and so would need to be funded either by restructuring fees charged for WWC Checks or by increasing funding via general tax revenue.

Volunteer WWC Checks in Victoria are provided free of charge. The WWC Check scheme was designed to ensure it created no disincentive to volunteerism due to the public benefits this activity provides. A fee would serve as a financial disincentive/burden and discouragement in varying

degrees as income levels of volunteer cardholders and their motivation levels for volunteering are highly varied. The introduction of a fee for volunteers is likely to be strongly resisted by the community as contrary to the government’s commitment to supporting volunteers. The introduction of a volunteer fee may discourage volunteers from applying for a WWC Check.

Costs arising from the need for services

Services provided by the WWC Check Unit include new and renewal applications for employees and volunteers, card replacements, and change of details. In 2014-15, there were 188,279 ‘new application’ transactions and 47,019 ‘renewal application’ transactions¹⁹, as shown in Table 3. There were also a total of 9,992 ‘card replacement’ transactions and 220,288 ‘change of details’ transactions.

Table 3: Transaction type and volume – 2014-15 actual²⁰

Service	Annual number of Transactions	Average processing days/transaction	Total average annual processing days/service	Weighted average allocation of indirect costs
New applications (employees)	79,580	3.3	262,598	33.01%
New applications (volunteers)	108,699	3.3	358,685	45.09%
Renewal applications (employees)	25,658	3.7	94,989	11.94%
Renewal applications (volunteers)	21,361	3.7	79,081	9.94%
Card replacement (employees)	5,871	0.010	57	0.007%
Card replacement (volunteers)	4,121	0.008	34	0.004%
Change of details	220,288	0.00026	57	0.007%
Total annual processing days for all services			795,500	100%

Approximately 94.06 per cent of total new applications and 93.41 per cent of total renewal applications are processed in a highly automated fashion with around 2.1 processing days²¹ required, as shown in Tables 4 and 5. On the other hand, the remaining 5.94 per cent of new applications and 6.59 per cent of renewal applications²² draw on most of the resources of the WWC Check Unit, with an average of 22.3 and 26.4 processing days²³ required, respectively. In these cases, the applicant has either a criminal history of interest to the WWC Check Unit or poses an unjustifiable risk to the safety of children according to the Act. It takes a weighted average of 3.3 processing days for new applications and 3.7 processing days for renewals, as shown in Table 3.

A detailed description of the processes involved in new and renewal applications is provided as follows:

Process and classification of new applications – online

- Applicant goes to WWC Check website “Apply For A Check” page.
- Applicant indicates whether Employee or Volunteer application.
- Applicant enters required data – personal details, employment details etc.
- Applicant reads and digitally signs consent and declaration on website.
- Applicant prints completed application form.
- Applicant takes printed copy of form, with passport size photo and proof of identification, to Australia Post.

¹⁹ Renewals are valid for 5 years

²⁰ See Table A1.5 for source of estimates

²¹ Estimates provided by WWC Check Unit

²² The WWC Check Unit prioritizes new applications over renewal applications resulting in longer average processing days

²³ Estimates provided by WWC Check Unit

- Australia Post staff verify identification, photo quality, take payment (if application is for an employee WWC Check) and retain application form.
- Form is sent by Australia Post to a contractor for scanning.
- Scanned data is sent to WWC Check Unit and loaded into the WWC Check Unit’s database.
- Applicant details are sent to CrimTrac.
- CrimTrac returns:
 - *No disclosable court outcomes* – this group is referred to as ‘Applications clear immediately’ (see Table 4). From here the application proceeds to the issuing of a card through ABNote. This is followed by ongoing weekly checks undertaken by Victoria Police to identify relevant offences; or
 - *Disclosable court outcomes* – will create an investigation of the following type:
 - **‘CrimTrac clear - Incorrect person’**: the applicant is not the person who committed the offences i.e. the investigation has effectively been created in error. The investigation is closed and the application proceeds as though the investigation had not existed (see Table 4). The applicant is issued with a card and is effectively treated as having a ‘No disclosable court outcomes’ return; or
 - **‘Irrelevant offences’**: the applicant’s criminal history contains offences other than specified category offences (see Table 4).
 - **‘Relevant offences’²⁴**: the applicant’s criminal history presents a category offence - Category A, B or C (see Table 4) which triggers an investigation. A significant part of the WWC Check costs are attributed to this activity.
- Subject to the investigation outcome, the applicant will be issued with an assessment notice or a negative notice.

Process and classification of renewal applications – Online²⁵

- A cardholder can renew up to 6 months prior, to 3 months following the expiration of their WWC Check but cannot engage in child-related work after the expiry.
- 28 days before expiry, the cardholder is sent a reminder (by email, SMS or hard copy letter).
- The cardholder goes to the “Renew My Check” page on the WWC Check website.
- The cardholder confirms accuracy of pre-populated personal details and proceeds to pay the required fee by credit card, if applicable.
- Relevant cardholder information is forwarded to CrimTrac.
- The pathway that the renewal application will take is to be determined by the CrimTrac return and is similar to the new application pathway.

²⁴ Under recent changes to legislation, all relevant and irrelevant offences have been re-categorised as either Category A, B and C and references to irrelevant or relevant offences are no longer applicable

²⁵ Almost all renewals are submitted online

Tables 4 and 5 show the distribution of new and renewal applications, respectively, according to their classification of difficulty (i.e. applications clear immediately, CrimTrac Clear incorrect person, irrelevant offences and relevant offences).

Table 4: Classification of new applications – 2014-15 actual

Classification of new applications	Employees		Volunteers		Total	
	Annual volume of transactions	% of annual volume	Annual volume of transactions	% of annual volume	Annual volume of transactions	% of annual volume
Applications clear immediately	74,450	93.55%	102,420	94.22%	176,870	93.94%
CrimTrac Clear, Incorrect Person	91	0.11%	135	0.12%	226	0.12%
Irrelevant offences	4,177	5.25%	4,982	4.58%	9,159	4.86%
Relevant offences	862	1.08%	1,162	1.07%	2,024	1.08%
Total	79,580	100.00%	108,699	100.00%	188,279	100.00%

Table 5: Classification of renewal applications – 2014-15 actual

Classification of renewal applications	Employees		Volunteers		Total	
	Annual volume of transactions	% of annual volume	Annual volume of transactions	% of annual volume	Annual volume of transactions	% of annual volume
Applications clear immediately	24,025	93.64%	19,871	93.02%	43,896	93.36%
CrimTrac Clear, Incorrect Person	12	0.05%	11	0.05%	23	0.05%
Irrelevant offences	1,589	6.19%	1,446	6.77%	3,035	6.45%
Relevant offences	32	0.12%	33	0.15%	65	0.14%
Total	25,658	100.00%	21,361	100.00%	47,019	100.00%

Tables 6 and 7 show the distribution of classification type for card replacements and change of details, respectively. Straightforward card replacements (around 8,741 in 2014-15) take around 3 minutes to process whereas those involving change of name details (around 1,251 in 2014-15) take around 12 minutes to process. It takes an average of 0.010 weighted days to process replacement cards across both types for employees and an average of 0.008 weighted days to process replacement cards for volunteers (see Table 3).

Table 6: Classification of card replacements – 2014-15 actual

Classification of card replacements	Total	
	Annual volume of transactions	% of annual volume
Card replacement	8,741	87.48%
Card replacement involving change of name details	1,251	12.52%
Total	9,992	100.00%

With regard to change of details, online, mail and call centre processing requires 0, 7 and 4 minutes, respectively. The majority of processing was online with around 97.19% of all changes made in 2014-15. It takes an average of 0.0003 weighted days to process change of details across all types (see Table 3).

Table 7: Classification of change of details – 2014-15 actual

Classification of change of details	Total	
	Annual volume of transactions	% of annual volume
Change of detail online	214,089	97.19%
Change of detail by mail	383	0.17%

Classification of change of details	Total	
	Annual volume of transactions	% of annual volume
Change of detail through call centre	5,816	2.64%
Total	220,288	100.00%

The costs associated with Australia Post, ABNote, CrimTrac, Victoria Police and Message Media are shown in Table 8 and were approximately \$9 million for 2014-15.

Table 8: Annual contractor expenditure – 2014-15 actual

Contractor	Contractor Activity	Annual expenditure	Percentage of total annual expenditure
Australia Post	Application capture service	\$4,834,993	52.23%
ABNote	Card & letter production	\$693,700	5.89%
CrimTrac	Criminal history checks	\$3,354,428	37.31%
Victoria Police	Criminal checks & ongoing monitoring	\$105,544	4.40%
Message Media	SMS service	\$15,887	0.17%
Total		\$9,004,551	100.00%

Finally, Table 9 shows the total direct and indirect cost of providing services for the WWC Check scheme by the WWC Check Unit for 2014-15 and is approximately \$16.24 million. A total of 11,183 new applications (5.94 per cent²⁶ of new application transactions involving irrelevant or relevant offences) with an average 22.3 processing days make up \$2.28 million²⁷ of the \$7.26 million in indirect costs indicated in Table 9. Furthermore, a total of 3,100 renewal applications (6.59 per cent²⁸ of renewal transactions involving irrelevant or relevant offences) with an average 26.4 processing days make up \$0.75 million²⁹ of the \$7.26 million in indirect costs (see Table 9). Of the balance of \$7.26 million of indirect costs, \$4.24 million reflects 94.06 per cent³⁰ of new applications, 93.41 per cent³¹ of renewals and 100 per cent of card replacements.

Table 9: Summary of direct and indirect costs incurred by the WWC Check Unit by service and employment status – 2014-15 actual³²

Service	Direct cost per service	Indirect cost per service	Total cost per service	Total annual number of transactions	Cost per transaction	Fee in 2014-15
New applications (employees)	\$4,115,234	\$2,396,550	\$6,511,785	79,580	81.83	\$105.92
New applications (volunteers)	\$3,881,850	\$3,273,469	\$7,155,318	108,699	65.83	NA
Sub-total new applications	\$7,997,084	\$5,670,019	\$13,667,103	188,279	72.59	NA
Renewal (employees)	\$715,044	\$866,899	\$1,581,943	25,658	61.65	\$105.92
Renewals (volunteers)	\$253,516	\$721,717	\$975,234	21,361	45.65	NA
Sub-total renewals	\$968,561	\$1,588,616	\$2,557,177	47,019	54.39	NA
Card replacements (employees)	\$30,285	\$519	\$30,803	5,871	5.25	\$13.24
Card replacements (volunteers)	\$8,622	\$306	\$8,928	4,121	2.17	\$13.24
Sub-total card replacements	\$38,907	\$825	\$39,732	9,992	3.98	NA
Change of details	\$0	\$519	\$519	220,288	0.00	NA
Total cost	\$9,004,551	\$7,259,805	\$16,264,356	465,578		

²⁶ See Table 4 for source of estimate

²⁷ Calculated as the product of 31.35 per cent and \$7.26 million indirect costs

²⁸ See Table 5 for source of estimate

²⁹ Calculated as the product of 10.29 per cent and \$7.26 million indirect costs

³⁰ See Table 4 for source of estimate

³¹ See Table 5 for source of estimate

³² See Table A1.7 for source of estimates

The difference in cost per transaction between employee and volunteer applications is driven by price differences in contracted external services for each of these groups.

2.1.2 Efficiency measures adopted by the WWC Check Unit in service delivery

The costs and aforementioned processes in 2.1.1 reflect resources necessary and required to deliver the WWC Check scheme. That is to say, the WWC Check Unit has adopted several specific and more general efficiency measures over time associated with the delivery of new/renewal applications and card replacements as discussed in the following sections.

Online services

The WWC Check Unit launched its WWC Check online services for new applications on 9 July 2013. This allowed the WWC Check Unit to significantly lower expenditure related to *Application Capture Service*. On 23 March 2014, the WWC Check Unit expanded its online services to include renewal applications, which resulted in further savings, as renewal applicants are now able to fully apply online without the need to access third party services. The combined savings associated with the WWC Check Unit's online initiatives exceeded \$5 million at October 2015.

Re-engineering of processing of applications

Significant changes in application processing has resulted in efficiencies without adversely affecting the quality of the assessments. A range of initiatives were introduced to modify review and assessment processes. Combined, these initiatives have reduced the volume of cases requiring extensive investigation and have streamlined processes to enable a more timely assessment. Overall, this has significantly increased the number of investigations completed within the prescribed timeframe.

General efficiency measures

The WWC Check Unit has explored a number of measures to reduce the costs of administering the scheme through more efficient processes. Efficiency measures to date, in addition to those outlined above, have included the introduction of streamlined case management to eliminate any double handling and decrease unnecessary interruptions of workflow. These measures, along with increased use of 'immediate' communication methods like telephone and email, have significantly improved processing times. As a result, there has been an associated reduction in resources and a reduction in operating costs of \$1.5 million per annum.

Due to the increased use of online services, external printing costs have reduced significantly from a peak of \$720,038 in 2009, to \$6,093 in 2015. Equally, general advertising costs have decreased from \$782,737 in 2007, to \$117,957 in 2015.

The costs to be recovered under the proposed regulations are considered by the DJR to be 'efficient'. Significant work has been undertaken to streamline processes and reduce costs, including contractor costs. Approximately 61 per cent of the costs associated with processing WWC Check applications reflect the market price of the provision of external application screening and card production services. Due to the nature of the services and information required, these are sourced through a combination of external commercial providers (currently Australia Post for application capture services and ABNote for card production services) and state and commonwealth government providers (CrimTrac and Victoria Police) for initial and ongoing criminal history advisory services. Cost efficiency and value for money from the commercial providers is maintained through competitive tendering processes and rigorous contract management. Initial and ongoing criminal history advisory services can only be obtained through the appropriate state and commonwealth agencies, so there is no competitive market. However these costs are generally activity based and subject to their own organisation's internal government guidelines for cost recovery.

2.1.3 The base case and its consequences

The base case is defined as the situation that exists in the absence of the proposed regulations. As the current regulations are due to sunset on 28 March 2016, the base case will be the situation of “no Working with Children regulations”, however this will include the continuation of ‘the Act’ and other related legislation including:

- the *Children’s Services Act 1996* (which, under Part 1, specifies the definition of children’s services as education and care services within the meaning of the Education and Care Services National Law (Victoria), and includes kindergartens and preschools);
- the *Child Employment Act 2003* (section 19, which details the requirements of supervision of a child in employment, where the child is under 15 years of age and extends the application of the *Working with Children Act 2005*);
- the *Education and Training Reform Act 2006* (which establishes the Victorian Institute of Teaching under Part 2.6 and provides the framework for the rigorous check of teachers’ criminal records and professional conduct);
- the *Children, Youth and Families Act 2005* (which establishes a Suitability Panel under Part 3.4 to assess allegations of physical or sexual abuse against a child and disqualify an individual from being registered to care for children if proven and found to pose an unacceptable risk of harm to children³³);
- the *Victoria Police Act 2013* (which appoints a Chief Commissioner of Police and defines the meaning of police officer); and
- the *Health Services Act 1988* (which defines paediatric wards of public, private or denominational hospitals).

Under the base case, and in the absence of the proposed regulations – the requirements of the Act (discussed in 1.2.1 of this RIS) would continue, including—allowing the ‘Secretary’ to conduct the WWC Check, and to be satisfied that an applicant does not pose an unjustifiable risk to the safety of children. Section 43 of the Act allows for the powers of the Secretary to be delegated. The Secretary would still be required to undertake all requirements set out in the Act.

However, the WWC Check Unit would not be able to charge fees and recover the cost of these activities including direct and indirect costs associated with new applications, renewals and card replacements, at an estimated cost of \$16.24 million in 2014-15 (see Table 9). Under the base case, the activities of the WWC Check Unit would continue, however funding arrangements would be such that *all* the legislated activities of the WWC Check Unit would be funded via general tax revenue, resulting in cross-subsidisation, with the costs associated with employee and volunteer applications being paid for by all taxpayers.

2.1.4 The need for cost recovery and government policy

A prescribed fee for services is governed by the Act and enables regulations to be made to set fees for any and all transactions involving child-related work both for, and not for, profit or gain.

³³ <http://www.dhs.vic.gov.au/for-individuals/children,-families-and-young-people/kinship-foster-and-other-care/suitability-panel> (accessed 20 October 2015)

The need for cost recovery is about the recuperation of costs of services provided under the WWC Check scheme that, to some extent, provide “private benefits to individuals, entities or groups, or reflect the costs their actions impose.”³⁴ As discussed in sections 2.1.1, there is a need to recover costs in order to achieve efficiency and equity objectives for processing WWC Check applications by the WWC Check Unit.

The default position with regards to government policy is *full cost recovery* to ensure that both efficiency and equity objectives are met and to reduce fiscal pressure. Reducing the reliance on general tax revenue means that such revenue can be diverted to more appropriate uses in the economy.³⁵

Efficiency objective³⁶

Appropriate fees will ensure that scarce resources are not wasted through frivolous activity and put to their best uses in the economy. The requirement for the *efficient pricing* or appropriate ‘price signal’ of regulatory services (i.e. *allocative efficiency*) involves fees which reflect the costs of providing application and renewal, as well as card replacement services – along with any consideration of additional costs and benefits (negative or positive third party effects or *externalities*) the WWC Check provides. This will ensure that only those who value the WWC Check at or above the ‘efficient’ price will wish to undertake the WWC Check and there is not an overutilisation of resources committed to this regulatory activity.

There is a case for charging at less than full cost recovery for those services displaying positive externalities (third party benefits) where such services generate both private and public benefits. A departure from the full cost principle in the consideration of an efficient price may be justified given that the WWC Check services generate benefits to unrelated third parties (i.e. positive externalities). Particularly, with respect to children, there is a direct benefit to the community through the exclusion of unsuitable people. Moreover, with respect to parents, carers or guardians of children, the WWC Check reduces the private costs of screening (as discussed in 1.1). Charging full cost recovery fees in the case of positive externalities means that less than an efficient amount of resources will be dedicated, as too few potential applicants will pursue a WWC Check. Moreover, it can be argued that volunteerism provides a benefit to children, encouraging some to engage in market activities, for example, camping or coaching who would otherwise not have an opportunity to do so without volunteers who have been provided with a WWC Check.

Equity objective³⁷

The costs of processing new applications and renewals, as well as card replacements, as discussed in section 2.1.1, need to be recovered “either from users or others who benefit from the good, service or activity; those whose actions give rise to it; or from taxpayers more generally.”³⁸ In other words, fees would need to be *horizontally equitable* with “those who benefit from government activities, or those that contribute to the need for government regulation, having to pay the associated costs”.³⁹ This avoids the situation where taxpayers have to pay all the associated costs regardless of whether or not they benefit from – or give rise to the need for – the WWC Check.

³⁴ Government of Victoria, January 2013, *Cost Recovery Guidelines*, Department of Treasury and Finance, Melbourne

³⁵ Government of Victoria, January 2013, *Cost Recovery Guidelines*, Department of Treasury and Finance, Melbourne

³⁶ Government of Victoria, January 2013, *Cost Recovery Guidelines*, Department of Treasury and Finance, Melbourne

³⁷ Government of Victoria, January 2013, *Cost Recovery Guidelines*, Department of Treasury and Finance, Melbourne

³⁸ Government of Victoria, January 2013, *Cost Recovery Guidelines*, Department of Treasury and Finance, Melbourne

³⁹ Government of Victoria, January 2013, *Cost Recovery Guidelines*, Department of Treasury and Finance, Melbourne

Effectiveness of fees in not deterring people from volunteering

Notwithstanding the need for efficient pricing, there may be a discouraging effect that paying the efficient price of receiving a WWC Check can have on volunteers participating in markets that involve working with children. Moreover, as discussed in the problem statement at the beginning of section 2.1.1, both the previous governments and current government in Victoria have remained committed to supporting volunteers who work with children, as this work represents public benefits to the community at large. Notwithstanding that volunteers do not receive private monetary gain from obtaining a WWC Check, they do provide a valuable service to the community for free and charging them to engage in this activity might discourage volunteers from continuing to provide this valuable service. The case for not charging volunteers for WWC Checks in Victoria is strengthened by the fact that the WWC Check scheme was designed so as not to deter people from volunteering in child-related work and the introduction of a fee would likely serve as a financial disincentive or burden to volunteers. Charging volunteers for WWC Checks is likely to be strongly resisted by the community and is contrary to the government's commitment to ensure a viable volunteer sector. Any volunteer fee is likely to see rates of participation in volunteering drop.

Section 3: Specification of the desired objectives

Having regard to the WWC Check screening requirements under the Act and the need to solve the problems identified in Section 2.1, the government's objectives in remaking these regulations are:

- to fund the scheme in a way that does not discourage volunteers; and
- to raise around \$11 million per year in fee revenue.

The first objective is a priority because the government wants to ensure that no changes are made that might deter volunteerism in Victoria. The second objective is a priority because the government wants to ensure that the cost to all taxpayers of covering the total costs of the scheme (\$16 million per year) is maintained at around \$5 million per year.

Section 4: Identification of options to achieve objectives

The following options are assessed in terms of their ability to achieve the objectives of the regulations and adhere to the principles of the Guidelines. As required by the *Victorian Guide to Regulation*, they are assessed in comparison to the 'base case' in which no fees are prescribed (and in which it is assumed that all costs would be funded via general tax revenue), and in which:

- the costs of the scheme for all WWC Check applicants would be cross-subsidised by all taxpayers;
- no applicants would pay anything for getting a WWC Check, so the price would not be the efficient price of the WWC Check;
- there would be no cost to volunteers; and
- the scheme would cost taxpayers around \$16 million per year.

One option that was considered was the recovery of fees based on the amount of weighted days required for processing a new application or renewal. Indeed, at first glance, there seems to be an opportunity for efficiency gains by introducing an option with variable fees depending on the processing days required, which would provide more appropriate price signals in the market and reduce resource requirements. However, the high degree of variability and complexity of each particular case would not allow for the setting of a practical or administratively efficient fee level structure.

The viable options for this RIS are therefore limited to different levels of cost recovery of fees including full or partial cost recovery, and the recovery of those fees from different parties (employees, volunteers, or all taxpayers via general tax revenue). Consequently, the options to be considered as part of the cost benefit evaluation in this are:

- **Option 1:** Partial cost recovery (full cost recovery of employee new application/renewal and card replacement costs from employees, with volunteer costs funded from general tax revenue).

Option 1 involves cost recovery of new application and renewal costs and card replacement costs (including replacements involving change of name) for employees only. The fees in Table 10 are calculated by dividing the total annual cost per service being recovered by the total annual number of transactions in a year. Over a 10-year period, the combined fee for a new application and a renewal would be \$143.48, which would be less than the current cost of \$217.60 (i.e. \$108.80 for the new application and \$108.80 for the renewal).

As shown in Table 10, Option 1 recovers approximately 50 per cent of all costs by:

- charging employees 100 per cent of the cost of processing employee applications and renewals;
- charging employees 100 per cent of the cost of replacing a card;
- not charging volunteers for the cost of processing volunteer applications and renewals; and
- not charging volunteers for the cost of replacing a card.

The remaining 50.05 per cent of costs associated with volunteer WWC Checks would need to be funded via general tax revenue. Under Option 1, WWC Checks for volunteers would be fully cross-subsidised by all Victorian taxpayers (i.e. an annual operating deficit of around \$8.14 million would occur under Option 1 – greater than \$5.1 million as discussed under the problem statement in 2.1.1).

Table 10: Summary of partial cost recovery fees under Option 1 and annual revenue

Service	Total annual cost per service ⁴⁰	Total annual number of transactions ⁴¹	Fee ⁴²	Annual revenue	Percentage of costs recovered
New applications (employees)	\$6,511,727	79,580	\$81.83	\$6,511,727	100.00%
New applications (volunteers)	\$7,155,239	108,699	N/A	\$0	0.00%
Renewals (employees)	\$1,581,922	25,658	\$61.65	\$1,581,922	100.00%
Renewals (volunteers)	\$975,216	21,361	N/A	\$0	0.00%
Card replacements (employees)	\$30,803	5,871	\$5.25	\$30,803	100.00%
Card replacements (volunteers)	\$8,928	4,121	N/A	\$0	0.00%
Total	\$16,263,837			\$8,124,453	49.95%

- **Option 2:** Recovery of all costs of the scheme from employees.

Option 2 involves full cost recovery of all new application and renewal costs as well as the costs of card replacement (including replacements involving change of name) from employees only. The fees in Table 11 are determined by dividing the total cost of providing for *all* new applications or renewals or card replacements by the annual volume of transactions for

⁴⁰ See Column 3 of Table 9 for source of estimates

⁴¹ See Column 4 of Table 9 for source of estimates

⁴² See Table A2.1 of Appendix 2 for source of fees

employees only. Over a 10-year period, the combined fee for a new application and a renewal would be \$271.40 – greater than the current 10-year fee of \$217.60.

Option 2 recovers 100 per cent of all costs by:

- charging employees 100 per cent of the cost of processing employee applications and renewals, as well as 100 per cent of the cost of processing volunteer applications and renewals;
- charging employees 100 per cent of the cost of replacing a card for both employees and volunteers;
- not charging volunteers for the cost of processing volunteer applications and renewals; and
- not charging volunteers for the cost of replacing a card.

In this option, the costs associated with volunteer WWC Checks would be funded by fees charged to employees, meaning that WWC Checks for volunteers would be fully cross-subsidised by employees who apply for WWC Checks. There would be no operating deficit under Option 2.

Table 11: Summary of full cost recovery fees under Option 2⁴³ and annual revenue

Service	Total annual cost per service ⁴⁴	Total annual number of transactions ⁴⁵	Fee ⁴⁶	Annual revenue	Percentage of costs recovered
New applications (employees)	\$6,511,727	79,580	\$171.74	\$13,666,966	100% of employee & volunteer costs
New applications (volunteers)	\$7,155,239	108,699	N/A	\$0	0.00%
Renewals (employees)	\$1,581,922	25,658	\$99.66	\$2,557,139	100% of employee & volunteer costs
Renewals (volunteers)	\$975,216	21,361	N/A	\$0	0.00%
Card replacements (employees)	\$30,803	5,871	\$6.77	\$39,732	100% of employee & volunteer costs
Card replacements (volunteers)	\$8,928	4,121	N/A	\$0	0.00%
Total	\$16,263,837			\$16,263,837	100.00%

- **Option 3:** Full cost recovery of employee and volunteer application and card replacement costs from employees and volunteers.

Option 3 involves full cost recovery of all new application and renewal costs as well as the costs of card replacement (including replacements involving change of name) from both employees and volunteers. The fees in Table 12 are determined by dividing the total cost of providing for new applications or renewals or card replacements by the annual volume of transactions for employees and volunteers. Over a 10-year period, the combined fee for a new application and a renewal would be \$271.40 – greater than the current 10-year fee of \$217.60.

Option 3 recovers 100 per cent of all costs by:

- charging employees 100 per cent of the cost of processing employee applications and renewals;
- charging employees 100 per cent of the cost of replacing a card;
- charging volunteers 100 per cent for the cost of processing volunteer applications and renewals; and

⁴³ See Table A2.3 of Appendix 2 for source fees

⁴⁴ See Column 3 of Table 9 for source of estimates

⁴⁵ See Column 4 of Table 9 for source of estimates

⁴⁶ See Table A2.3 of Appendix 2 for source of fees

- charging volunteers 100 per cent for the cost of replacing a card.

Under Option 3, the costs associated with volunteer WWC Checks would be funded by fees charged to volunteers, meaning that WWC Checks for volunteers would no longer be cross-subsidised. There would be no operating deficit under Option 3.

Table 12: Summary of full cost recovery fees under Option 3⁴⁷ and annual revenue

Service	Total annual cost per service ⁴⁸	Total annual number of transactions ⁴⁹	Fee ⁵⁰	Annual revenue	Percentage of costs recovered
New applications (employees)	\$6,511,727	79,580	\$81.83	\$6,511,727	100.00%
New applications (volunteers)	\$7,155,239	108,699	\$65.83	\$7,155,239	100.00%
Renewals (employees)	\$1,581,922	25,658	\$61.65	\$1,581,922	100.00%
Renewals (volunteers)	\$975,216	21,361	\$45.65	\$975,216	100.00%
Card replacements (employees)	\$30,803	5,871	\$5.25	\$30,803	100.00%
Card replacements (volunteers)	\$8,928	4,121	\$2.17	\$8,928	100.00%
Total	\$16,263,837			\$16,263,837	100.00%

- **Option 4:** Partial cost recovery of employee and volunteer application costs (full cost recovery of all employee new application and renewal costs from employees and partial recovery of volunteer new application and renewal costs from employees) – **the proposed regulation.**

Under Option 4, the following fees are proposed as illustrated in Table 13, which are set to fully recover the cost of employee services provided by the WWC Check Unit and partially recover volunteer services – from employees. This option has been proposed as a way of considering both the need to recover costs at current levels, as well as the need to consider third party benefits that the WWC Check confers on the community as a whole. Over a 10-year period the combined fee for a new application and a renewal would be \$202.09, which would be close to the current cost of \$217.60.

Option 4 would recover approximately 71 per cent of all costs by:

- charging employees 100 per cent of the cost of processing employee applications plus 38.2 per cent⁵¹ of the cost of processing volunteer applications;
- charging employees 100 per cent of the cost of processing employee renewals plus 64.1 per cent⁵² of the cost of processing volunteer renewals;
- charging employees 100 per cent of the ‘current’ cost of replacing an employee card plus 140.5 per cent⁵³ of the ‘current’ cost of replacing a volunteer card;
- not charging volunteers for the cost of processing their applications and renewals; and
- not charging volunteers for the cost of replacing a card.

⁴⁷ See Table A2.5 of Appendix 2 for source fees

⁴⁸ See Column 3 of Table 9 for source of estimates

⁴⁹ See Column 4 of Table 9 for source of estimates

⁵⁰ See Table A2.5 of Appendix 2 for source of fees

⁵¹ This percentage represents the *balance* of the annual amount generated by fees from employees (\$9,243,217) and the total cost of processing new applications for employees (\$6,511,727) or, in other words, \$2,731,490 as a percentage of the total cost of processing new applications for volunteers (\$7,155,239)

⁵² This percentage represents the *balance* of the annual amount generated by fees from employees (\$2,206,588) and the total cost of processing renewals for employees (\$1,581,922) or, in other words, \$624,666 as a percentage of the total cost of processing renewals for volunteers (\$975,216)

⁵³ This percentage represents the *balance* of the annual amount generated by fees from employees (\$43,346) and the total cost of processing card replacements for employees (\$30,803) or, in other words, \$12,542 as a percentage of the total cost of processing card replacements for volunteers (\$8,928)

Under this option, volunteer WWC Checks are cross-subsidised in part by fees charged to employees, and in part by general revenue. Fee revenue under Option 4 would be approximately close to the \$11,139,303 in fee revenue received by the government in 2014-15 as discussed in the problem statement in section 2.1.1 of this RIS – with an annual operating deficit of around \$4.8 million.

Table 13: Summary of partial cost recovery fees under Option 4⁵⁴ and annual revenue

Service	Total annual cost per service ⁵⁵	Total annual number of transactions ⁵⁶	Fee ⁵⁷	Annual revenue	Percentage of costs recovered
New applications (employees)	\$6,511,727	79,580	\$116.14	\$9,242,421	100% of employee costs & 38.2% of volunteer costs
New applications (volunteers)	\$7,155,239	108,699	N/A	\$0	0.00%
Renewals (employees)	\$1,581,922	25,658	\$85.95	\$2,205,305	100% of employee costs & 64.1% of volunteer costs
Renewals (volunteers)	\$975,216	21,361	N/A	\$0	0.00%
Card replacements (employees)	\$30,803	5,871	\$7.38	\$43,346	100% of employee costs & 140.5% of volunteer costs
Card replacements (volunteers)	\$8,928	4,121	N/A	\$0	0.00%
Total	\$16,263,837			\$11,493,151	70.67%

Table 14 summarises the individual fees and estimated 10-year fee revenue for all the options including a comparison with current fees.

Table 14: Summary of fees and estimated 10-year fee revenue in 2015-16 present value dollars⁵⁸

Fees	New applications (employees)	New applications (volunteers)	Renewal applications (employees)	Renewal applications (volunteers)	Card replacements (employees)	Card replacements (volunteers)	Total Revenue
Current fees	\$108.80	N/A	\$108.80	N/A	\$13.60	N/A	
Current revenue	\$87,261,716	N/A	\$26,429,910	N/A	\$780,148	N/A	\$114,471,773
Option 1 fees	\$81.83	N/A	\$61.65	N/A	\$5.25	N/A	
Option 1 revenue	\$65,627,686	N/A	\$14,977,149	N/A	\$300,971	N/A	\$80,905,807
Option 2 fees	\$171.74	N/A	\$99.66	N/A	\$6.77	N/A	
Option 2 revenue	\$137,740,938	N/A	\$24,210,195	N/A	\$388,207	N/A	\$162,339,340
Option 3 fees	\$81.83	\$65.83	\$61.65	\$45.65	\$5.25	\$2.17	
Option 3 revenue	\$65,627,686	\$72,113,252	\$14,977,149	\$9,233,046	\$300,971	\$87,236	\$162,339,340
Option 4 fees	\$116.14	N/A	\$85.95	N/A	\$7.38	N/A	
Option 4 revenue	\$93,156,694	N/A	\$20,891,289	N/A	\$423,520	N/A	\$114,471,502

Section 5: Costs and benefits of the options

The costs and benefits of the proposed options are considered relative to the ‘base case’ of no regulations and the continued operation of other related legislation, as identified in Section 2.1.3 of this RIS. Discounted⁵⁹ quantitative estimates of costs have been made over the life of the proposed regulations or other options in conjunction with qualitative criteria regarding the achievement of the policy objective. Qualitative efficiency, equity and effectiveness criteria are applied to a *Multi-Criteria Analysis (MCA)*.

⁵⁴ See Table A2.8 of Appendix 2 for source fees

⁵⁵ See Column 3 of Table 9 for source of estimates

⁵⁶ See Column 4 of Table 9 for source of estimates

⁵⁷ See Table A2.8 of Appendix 2 for source of fees

⁵⁸ See Tables A2.2, A2.4, A2.6, A2.7 and A2.9 of Appendix 2 for source of revenue estimates

⁵⁹ A discount factor of 4% is used for present value calculations in this RIS, as recommended by the Commissioner for Better Regulation

5.1 Assessment of costs and benefits

This section undertakes an assessment of the costs and benefits of the proposed regulations and options by discussing each option in terms of its expected incidence and distribution of costs and benefits, relative to the 'base case' (defined in Section 2.1.3 of the RIS). A comparison of fees amongst each of the Options (1 to 4) is provided in this section. The evaluation of the relative benefits and costs of each option has been conducted in relation to how well the policy objectives identified in Section 3 of this RIS are likely to be achieved and how well the option adheres to the principles of the Guidelines. The following criteria and weightings in Table 15 have been used to assess the ability of options to meet the policy objective and are applied to the MCA:

Table 15: Criteria used by MCA

Criterion	Description	Weighting
Efficiency	Price of the WWC Check reflects the true value of the WWC Check in terms of the costs of producing the WWC Check and the benefits it provides. Options with more efficient prices (compared to the base case) receive a higher score.	10%
Equity	Measures the scale and nature of any cross-subsidisation from one group to another. Options with smaller or more equitable cross-subsidies between groups (compared to the base case) receive a higher score.	10%
Effectiveness	Fees do not discourage the participation of volunteers in child-related work. Options that discourage volunteer participation receive a lower score.	80%

The assigned weights of 10 per cent for efficiency, 10 per cent for equity and 80 per cent for effectiveness (around volunteers) reflects the high level of priority the government places on its stated policy objective of not discouraging volunteers.

Each option is scored against each of the aforementioned criteria on a scale of -10 to +10 with the base case reflecting a score of '0' as it reflects the situation that will occur in the absence of regulations (when they sunset on 28 March 2016). Each option is scored relative to the base case score of '0'. The critical issue is that under the base case, the Act would continue to require people to hold a WWC Check to lawfully engage in child-related work and would require the Secretary to conduct the WWC Check.

5.2 Efficiency criteria – analysis of options

The efficiency criteria not only reflects the cost of production, but also the public benefits associated with the WWC Check scheme as discussed in section 2.1.4 under the efficiency criterion heading. As discussed in section 2.1.4, a departure from the full cost principle may be justified given that the WWC Check generates benefits to unrelated third parties (positive third party affects or positive externalities) particularly with respect to children and their parents/families as it reduces private costs of screening (as discussed in 1.1). The assumption made for this analysis is that whilst there is some public benefit of the WWC Check there is still a majority private benefit for private individuals, particularly employees who wish to engage in child-related work for profit or gain.

The base case does not provide any price signals to volunteers or employees regarding the WWC Check and is therefore awarded a score of +0.

Option 3, which represents full cost recovery and does not capture public benefits, is therefore awarded a score of +7. That is to say the full cost recovery price is not deemed to represent an

efficient price as it only reflects private benefits to employees and volunteers and does not consider the impact of volunteers on the community or the impact of the WWC Check on reducing screening costs for parents, carers or guardians in relation to the determination of unsuitable individuals seeking to engage in child-related work. Hence, full cost recovery prices under Option 3 understate the true value of the WWC Check to society. Nonetheless, it is a favourable option in relation to efficiency as compared to the base case.

Option 1 does not price volunteer services efficiently as such services would be provided for free. However, Option 1 does send a price signal to employees seeking the WWC Check, albeit not an efficient one, as it fails to consider the public benefit. Therefore, Option 1 is awarded a score of +4 as compared to the base case.

Option 2 is equally as inefficient as compared to the base case in relation to WWC Check services consumed by volunteers as it does not provide any price signal to this group. However, in relation to employees, it provides a price signal which is in fact greater than the private cost of providing services to this group, notwithstanding a complete disregard to public benefits. For this reason Option 2 is more inefficient than the base case and is awarded a score of +3.

Finally in relation to the proposed option, Option 4 is equally as inefficient as the base case in relation to volunteers as, again, it fails to provide any price signal to this group. In relation to employees, again the price signal is greater than the private cost for this group (i.e. revenue of around \$11 million is greater than the cost of around \$8 million) and it does not take into account the public benefits. Whilst not as inefficient as Option 2, Option 4 is less efficient as compared to the base case and is awarded a score of +3.5.

5.3 Equity criteria – analysis of options

The discussion of equity in this RIS deals with the consideration of cross subsidization. Under the base case the general taxpaying community of around 4 million Victorians would pay for the WWC Check scheme to an amount of approximately \$16.26 million per annum, or about \$4 per person. The base case is awarded a score of +0.

Option 1, which raises around \$7.98 million from taxpayers and \$8.12 million from employees, is an improvement on equity grounds, as compared to the base case, as employees would pay for services received with respect to the WWC Check. As the amount recovered through fees is roughly half the cost of the scheme, Option 1 is awarded a score of +5 for equity.

Option 2, which involves no appropriation and raises \$16.26 million from employees, is arguably more inequitable than the base case, as it would require a smaller group in society, namely the 79,580 employees (identified in Table 3), to fund the component of the scheme that would have otherwise been subsidized by taxpayer funds (i.e. \$7.98 million). Option 2 is therefore awarded a score of -5.

Option 3, which involves recovering full costs of providing services from those that receive the actual services, is favourable in terms of equity as it eliminates cross-subsidisation of volunteers by employees or taxpayers. With respect to the proportionality of the cost of the scheme, of around \$16.26 million per annum, Option 3 is awarded a score of +10.

Option 4 appropriates \$7.98 million from taxpayers and raises \$11.49 million from employees. In terms of the appropriation of general revenue, Option 4 is no more inequitable than the base case. However, Option 4 is worse than the base case in relation to requiring a smaller group, employees, to subsidise a portion of volunteer costs to the amount of around \$2.86 million per annum. Option 4

is therefore still deemed to be inequitable as compared to the base case, although not as inequitable as Option 2, and is therefore awarded a score of -2. The score represents the additional revenue to be generated from employees (around \$3 million) as a proportion of the costs of volunteer WWC Check services (around \$8 million).

5.4 Effectiveness criteria – analysis of options

With regards to each of the options and preventing any discouragement of volunteerism, each option is given a score of +0 as compared to the base case. That is to say none of the options except for Option 3 are likely to discourage volunteers, as no fees would be charged for this group. On the other hand Option 3 is given a negative score of -1 compared to the base case as a fee would be charged. The conservative negative score reflects the uncertain impact a fee would have on volunteers (e.g. what extent it would discourage participation in volunteer child-related work) (see Section 4.1 of Appendix 4 for further discussion on the limitations of data around the relationship between volunteer demand for WWC Check services and fees). A summary of the analysis of options according to the aforementioned criteria is provided in Table 17.

Table 17: Summary and comparison of options against criteria of efficiency, equity and effectiveness

Base Case/ Option	Employee Costs covered by	Volunteer Costs covered by	Efficiency		Equity	Effectiveness
			Employee services	Volunteer services	Cross subsidisation	Cost to volunteers
Base Case	General revenue	General revenue	Underpriced - overconsumed	Underpriced - overconsumed	All employees and volunteers cross subsidised by taxpayers	No
Option 1	Employee fees	General revenue	Priced – understates true value	Underpriced - overconsumed	Volunteers cross subsidised by taxpayers	No
Option 2	Employee fees	Employee fees	Priced – understates true value	Underpriced - overconsumed	Volunteers cross subsidised by employees	No
Option 3	Employee fees	Volunteer fees	Priced – understates true value	Priced – understates true value	No cross subsidisation	Yes
Option 4	Employee fees	Mix of employee fees and general revenue	Priced – overstates true value	Underpriced - overconsumed	Volunteers cross subsidised \$3m from employees and \$5m from taxpayers	No

The overall scores and comparison of options against the base case using the MCA is summarised in Table 18, below.

Table 18: MCA

	Efficiency	Weighting 10%	Equity	Weighting 10%	Effectiveness	Weighting 80%	Total weighted score
Option	Score	Weighted score	Score	Weighted score	Score	Weighted score	
Base Case	+0	+0	+0	+0	+0	+0	+0
Option 1	+4	+0.4	+5	+0.5	+0	+0	+0.9
Option 2	+3	+0.3	-5	-0.5	+0	+0	-0.2
Option 3	+7	+0.7	+10	+1	-1	-0.8	+0.9
Option 4	+3.5	+0.35	-2	-0.2	+0	+0	+0.2

As shown in Table 18, Options 1 and 3 provide the highest and *identical* weighted score of *+0.9*. Option 4 provides the second highest score of *+0.2*. Option 2 provides the lowest weighted score of

-0.2. However, only Option 4 meets the government objective of maintaining the current contribution of taxpayers of \$5 million per year to the total costs of the scheme (\$16 million per year). That is to say, Option 4 meets the objective of maintaining the current level of commitment by government to support the scheme from general revenue. On the other hand, Option 1 recovers a higher level of funding from taxpayers of around \$8 million per annum towards the scheme and Option 3, full cost recovery, represents a \$0 contribution by taxpayers towards the scheme. On this basis, **Option 4, the proposed regulation, is selected as the preferred option.**

5.4 Sensitivity analysis

A sensitivity analysis is conducted on the weightings for efficiency and equity to examine the impact on relative scores. The sensitivity scores are summarised in Table 19.

Table 19: Summary of sensitivity scores for Options 1 to 4

Option	Efficiency 20% Equity 20% Effectiveness 60%	Efficiency 25% Equity 25% Effectiveness 50%
1	+1.8	+2.3
2	-0.4	-0.5
3	+2.8	+3.8
4	+0.3	+0.4

As shown in Table 19, changing the weights above 10 per cent for efficiency and equity results in Option 3 providing the highest weighted score. However, despite a change in weightings, Option 3 does not meet the government objective of maintaining the current contribution of taxpayer funding towards the cost of the scheme and, therefore, Option 4 remains preferred.

Section 7: Impact on small business

The proposed regulations affect individuals rather than businesses. However, there may be self-employed individuals or business sponsors who pay the WWC Check application and renewal fees. However, over 10 years the combined amount of \$202.09 (annualized at only \$20.21) is likely to be absorbed by any small businesses and is unlikely to represent a significant proportion of their business costs.

Section 8: Competition assessment

According to Victorian guidelines it is necessary as part of the assessment in this RIS to:

- Identify the market/s affected by the proposed regulations; and
- Identify whether the proposed regulations contain a restriction on competition.

The markets affected by the proposed regulations relate to the occupational areas where child-related work occurs (see Appendix 3). Businesses with employees may be disadvantaged by businesses with volunteers who do not pay a fee. However, this effect is mitigated to the extent that fees are paid by individuals rather than businesses and by the fact that the level of the fee over 10 years is only \$202.09 (annualized at \$20.21) and less than the current arrangement of \$217.60. For these reasons, the proposed regulations are not expected to affect the costs of a business (even small business) sufficiently to create any significant impact on competition including any barriers to entry.

Section 9: Identification of the preferred option and description of its effect

Section 9.1 Identification of the preferred option and its effects

The preferred option, Option 4, involves replacing the existing sunseting fees with the proposed fees, as shown in Table 20⁶⁰. Specifically, under regulation 7 (proposed regulation 6), the prescribed fee for an application under the Act will now include an application for a WWC Check under section 10 of the Act, as well as under section 10, enabled by section 19(2) of the Act, for child-related work that is for profit or gain. As shown in Table 20, this means that there will now be a separate new application fee and renewal application fee under the proposed regulations. There are no significant impacts on small business or competition under the preferred option, as outlined in sections 7 and 8 of this RIS. The impact on current revenue of \$114.47 million over 10-years in present value dollars is expected to be neutral over 10 years (see Table 20).

Table 20: comparison of current fees and proposed fees

Service	Current fees	Current revenue ⁶¹	Option 4 fees	Option 4 revenue ⁶²
New applications	\$108.80	\$87,261,716	\$116.14	\$93,156,694
Renewals	\$108.80	\$26,429,910	\$85.95	\$20,891,289
Card replacements	\$13.60	\$780,148	\$7.38	\$423,520
Total revenue		\$114,471,773		\$114,471,502

Other changes to the regulations include:

- the removal from the objectives of two redundant provisions:
 - a) prescribe a form of application for a WWC Check; and
 - b) prescribe identifying information to be included with an application (proposed regulation 1) (these provisions are now provided for under section 10 of the Act);
- the addition of references to the Act of sections 21AA(1)(a) and 21(AD)(1)(a) for prescribed bodies and section 21AD(1)(a) for prescribed findings of bodies under the objectives (proposed regulations 8 and 9);
- revocation of all previous Working with Children Regulations (proposed regulation 4);
- updating of references from the previous *Police Regulation Act 1958* to the current *Victoria Police Act 2013*.

With regards to what constitutes a person's personal particulars (under proposed regulation 5, currently regulation 3A), a person's full name, aliases and date of birth are necessary in order to conduct the initial criminal check as well as weekly checks. The person's residential address is required for postage of card (initial card) as well as other notices (e.g. negative notice). Finally, the telephone number is used to send a reminder (via SMS) of the impending expiration of a WWC Check, however this form of communication is used less when the applicant/holder provides an email address. The telephone number is also used to contact a WWC Check holder when undertaking an investigation.

Under proposed regulation 7 (currently regulation 8), there appears to be no instances (apart from 1 or 2 anecdotal instances) over the past 10 years where the Secretary has reduced or waived fees.

⁶⁰ In the proposed regulations, new applications and renewal applications will be converted to 8.54 and 6.32 fee units, respectively

⁶¹ See Table A2.8 of Appendix 2 for source of estimates

⁶² See Table A2.9 of Appendix 2 for source of estimates

There is currently no specific 'flag' to identify such records. A lesser fee has been accepted if payment occurred on or around the time of a 'new' fee introduction - as long as the difference was less than \$5 (as process costs will be greater than the difference). A few refunds (less than 100 per year) do occur and the Director of the WWC Check Unit (as per Secretary's power delegation) approves these.

Under proposed regulation 9(a) (currently regulation 10(a)), the number of times in the last 10 years the WWC Check Unit has received notice of a determination by a panel appointed under section 2.6.42 of the *Education and Training Reform Act 2006*, where the panel has imposed conditions, limitations or restrictions on the registration of a teacher; suspended the registration of a teacher; or cancelled the registration of a teacher – has been 167, 17 and 69, respectively.

Under proposed regulation 9(b) (currently regulation 10(b)) the number of times in the last 10 years the WWC Check Unit has received notice of a finding by the Suitability Panel under section 106 of the *Children, Youth and Families Act 2005* to disqualify a person from registration – has been 24.

Under proposed regulation 11(1) (currently regulation 12(1)), over the past 3 years, a total of 2,096 applicants notified the Secretary of a change of personal particulars while they had an application pending. This means they changed their details before being issued a WWC Check or before being denied a WWC Check. For those that received a WWC Check and subsequently changed their details, there is no way of determining whether the change of personal particulars occurred within or after the 21-day requirement.

With regards to proposed regulation 11(2) (current regulation 12(2)), there is no data item that will enable the WWC Check Unit to determine when a 'change of personal particulars' has occurred with respect to a current assessment notice holder. In other words, any 'change of personal particulars' is initiated by a cardholder and the WWC Check Unit accepts the change. There may have been 2 or 3 cases over the past 3 years where cases have been referred to the WWC Check Unit when Victoria Police have become aware of a failure to update personal particulars outside the 21-day requirement.

Section 9.2 Methodology behind fee calculation and basis for cost recovery

An Activity Based Costing approach was used to distribute organizational cost of WWC Check services across employee 'new applications and renewals' including the absorption of cost of delivering those services to volunteer 'new applications and renewals'. For a detailed discussion of this methodology see Appendix 1.

Section 10: Implementation plan for the preferred option

Given that sunseting regulations are being remade, and the proposed regulations are substantively the same as the current requirements, an implementation plan is not required.

Section 11: Evaluation strategy

In order to enhance the efficiency and effectiveness of meeting the specified objective and ensuring that there is robust evidence base for future decision-making, the proposed evaluation strategy will seek to identify key performance indicators and any unintended consequences including:

- ongoing cost base identification and review;
- collection of data on time to process applications;

- collection of data on time taken to communicate to applicant around their eligibility to work with children;
- collection of data on the number of type of applications received;
- collection of data on fee revenue recovered;
- collection of data on the number of times the Secretary has reduced or waived fees;
- develop a metric/facility, if possible, to capture a failure to update personal particulars for assessment notices outside the 21-day requirement.

Section 12: Consultation undertaken

Consultation on the proposed regulations has been undertaken with the following key stakeholder agencies including:

- Child Protection, Department of Health & Human Services;
- Employment Information and Compliance, Industrial Relations Victoria, Department of Economic Development, Jobs, Transport and Resources;
- Quality Assessment and Regulation Division, Early Childhood and School Education Group, Department of Education & Training; and
- the Victorian Institute of Teaching.

Limited feedback has been provided primarily in the form of questions from DHHS around the rationale behind the proposed fee structure of different fees for new applications and renewal applications.

Section 13: Conclusion and recommendation

With regards to the proposed regulations, four options were considered. These options included:

- *Option 1:* recovering costs of employee services from employee fees;
- *Option 2:* recovering all costs from employee fees;
- *Option 3:* recovering employee costs from employee fees and volunteer costs from volunteer fees; and
- *Option 4:* (the proposed option) recovering all employee costs from employee fees and volunteer costs through employee fees and taxpayer funding.

The overall objectives to be met in setting fees includes the government's cost recovery principles of efficiency and equity, as well as the additional government objectives of effectiveness (i.e. not discouraging volunteers from engaging in child-related work), whilst maintaining the current level of government commitment/funding to the scheme by way of general revenue. Whilst Options 1 and 3 are equally ranked in terms of the combined weighted scores on efficiency, equity and effectiveness, only Option 4 meets the objective of maintaining the current commitment of government to funding the WWC Check scheme. On this basis, ***Option 4 has been recommended as the preferred option*** with the following fees to be set in the proposed regulations, as shown in Table 21, below.

Table 21: Comparison of current fees and proposed fees

Service	Current fees	Proposed fees	% change in fees
New applications	\$108.80	\$116.14	6.7%
Renewals	\$108.80	\$85.95	-21.0%
Card replacements	\$13.60	\$7.38	-45.7%

As shown in Table 21, under Option 4 there would be a 6.7 per cent increase in the fee for new employee applications⁶³, a 21 per cent reduction in the fee for employee renewal applications⁶⁴ and a 45.7 per cent reduction in fees for employee card replacements⁶⁵. Over a 10-year period there would be a reduction in the combined new application and renewal employee fee of \$217.60 to \$202.09 – an overall reduction of 7.1 per cent.

⁶³ An increase from 8.0 fee units to 8.54 fee units

⁶⁴ A decrease from 8.0 fee units to 6.32 fee units

⁶⁵ A decrease from 1 fee unit (\$13.60 in 2015-16) to a set fee of \$7.38

Glossary of terms

Act:	<i>Working with Children Act 2005</i>
ABC:	Activity Based Costing
Base case:	The situation that would exist if the proposed regulations were not remade
Cross-subsidisation:	The act of imposing higher fees to one group of stakeholders in order to subsidise lower fees for another group of stakeholders.
DJR:	Department of Justice & Regulation
Economic efficiency:	When an output of goods and services is produced making the most efficient use of scarce resources and when that output best meets the needs and wants and consumers and is priced at a price that fairly reflects the value of resources used up in production
Employee:	Anyone who works, or intends to work with children for profit or gain.
Externality:	Means the cost or benefit related to a good or service that accrues to persons other than the buyer or the seller of that good or service.
Fee:	A charge levied in order to recover some or all of the cost of providing a specific government service.
Horizontal equity:	Treating people in similar situations in similar ways. In the case of cost recovery, horizontal equity refers to those who benefit from government activities, or those that contribute to the need for government regulation, having to pay the associated costs.
MCA:	Multi Criteria Analysis
Market:	An organization in which the co-ordination of specialized economic units interacting as buyers and sellers for the purpose of facilitating exchange.
Negative externality:	The situation that occurs when production and/or consumption impose external costs on third parties outside of the market for which no appropriate compensation is paid.
Operating deficit:	A situation where expenditures exceed revenue.
Positive externality:	Benefits relating to a good or service that fall on others besides buyers and sellers of that particular good or service.
Public good:	A good or service that is non-excludable and non-rival.
RIS:	Regulatory Impact Statement
Stakeholder:	Anyone who has a vested interest in, or is affected by WWC Check activities.
Unsuitable:	Unsuitable to engage in child-related work.
VCAT:	Victorian Civil and Administrative Tribunal
Volunteer:	Anyone who freely offers to engage in child-related work without profit or gain.
WWC Check:	Working with Children Check

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Appendices

1. *Activity Based Costing methodology and determination of unit costs*
2. *Determination of fees and revenue under Options 1, 2, 3 and 4*
3. *Child Related work under the Act*
4. *Comparison of fees with other jurisdictions*
5. *Proposed Regulations*

Appendix 1 – Activity based costing methodology and estimation of fees

A1.1 Background

Appendix 1 outlines the Activity Based Costing (ABC) methodology applied to the determination and distribution of costs amongst the main activities of the WWC Check Unit in its administration of the WWC Check scheme. All costs presented in Appendix 1 are presented as whole numbers and therefore subject to rounding errors. These costs reflect an efficient cost base and capture the minimum amount of work necessary and required for services provided by the WWC Check Unit, including:

- New Applications (including changing from a volunteer WWC Check to an employee WWC Check);
- Renewals;
- Card Replacements (including card replacements involving change of name); and
- Change of Details.

The volume of actual applications and change of details for 2014-15 are summarised in Table A1.1.

Table A1.1: Volume of applications and changes of details for 2014-15 actual

Activity	Volume
New Application – Immediate Clear (Employees)	74,450
New Application – Incorrect Person (Employees)	91
New Application – Irrelevant offences (Employees)	4,177
New Application – Relevant offences (Employees)	862
Subtotal new application employees	79,580
New Application – Immediate Clear (Volunteers)	102,420
New Application – Incorrect Person (Volunteers)	135
New Application – Irrelevant offences (Volunteers)	4,982
New Application – Relevant offences (Volunteers)	1,162
Subtotal new application volunteers	108,699
Renewals – Immediate Clear (Employees)	24,025
Renewals – Incorrect Person (Employees)	12
Renewals – Irrelevant offences (Employees)	1,589
Renewals – Relevant offences (Employees)	32
Subtotal renewals employees	25,658
Renewals – Immediate Clear (Volunteers)	19,871
Renewals – Incorrect Person (Volunteers)	11
Renewals – Irrelevant offences (Volunteers)	1,446
Renewals – Relevant offences (Volunteers)	33
Subtotal renewals volunteers	21,361
Card Replacement (Employee)	4,947
Card Replacement (Volunteer)	3,795
Card Replacement – Change of name (Employee)	924
Card Replacement – Change of name (Volunteer)	326
Subtotal card replacement employees and volunteers	9,992
Change of Details – Online	214,089
Change of Details – Mail	383
Change of Details – Call Centre	5,816
Subtotal new application employees and volunteers	220,288

The projected number of transactions over the next 10 years is summarised in Table A1.2 and is based on values provided by the WWC Check Unit for 2015-16 and indexed by 3 per cent⁶⁶ with an exception to projected new applications in 2017-18 which are anticipated to have a one-off large increase due to occupation phase-in during the respective period.

Table A1.2: Projected volume of transactions – 2016-17 to 2025-26

Year	Projected number of new applications (employees)	Projected number of new applications (volunteers)	Projected number of renewals (employees)	Projected number of renewals (volunteers)	Projected number of card replacements (employees)	Projected number of card replacements (volunteers)
2016-17	83,225	113,678	24,282	20,216	6229	4372
2017-18	96,739	132,136	26,074	21,708	6415	4503
2018-19	91,982	125,638	28,422	23,663	6608	4638
2019-20	94,741	129,408	29,275	24,372	6806	4777
2020-21	97,583	133,290	30,153	25,104	7010	4921
2021-22	100,511	137,288	31,058	25,857	7221	5068
2022-23	103,526	141,407	31,990	26,632	7437	5220
2023-24	106,632	145,649	32,949	27,431	7660	5377
2024-25	109,831	150,019	33,938	28,254	7890	5538
2025-26	113,126	154,519	34,956	29,102	8127	5704

The ABC methodology fully recovers the associated costs of delivering total aforementioned services (i.e. WWC Check Unit's full annual expenditure). The methodology uses the most recent complete data available for financial results and service transaction volumes for 2014-15.

A1.2 Allocation of direct costs

The allocation of *direct costs* associated with the delivery of components of a service represent expenditure by the WWC Check Unit on contractors including:

- Application capture service provided by *Australia Post*;
- Card & letter production provided by *ABNote*;
- National criminal history checks provided by *CrimTrac*;
- Criminal checks and ongoing monitoring provide by *Victoria Police*; and
- SMS service provided by *Message Media*.

Direct costs do not include WWC Check Unit labour resources, as business units within the WWC Check Unit and associated staff are not exclusively involved with the delivery of a particular service. A summary of direct expenditure by WWC Check Unit on external contractors is provided in Table A1.3, which was approximately \$9 million in 2014-15.

Table A1.3: Summary of direct annual expenditure by WWC Check Unit on external contractors – 2014-15 actual

Contractor	New applications (Employees)	New applications (Volunteers)	Renewals (Employees)	Renewals (Volunteers)	Card Replacements (Employees)	Card Replacements (Volunteers)	All services
Australia Post	\$2,043,609	\$2,791,384	\$0	\$0	\$0	\$0	\$4,834,993
Abnote	\$198,974	\$271,780	\$113,271	\$94,302	\$9,033	\$6,340	\$693,700
CrimTrac	\$1,830,340	\$760,893	\$590,134	\$149,527	\$21,252	\$2,282	\$3,354,428
Victoria Police	\$42,260	\$57,723	\$3,035	\$2,527	\$0	\$0	\$105,544
Message Media	\$51	\$70	\$8,604	\$7,161	\$0	\$0	\$15,887
Total cost	\$4,115,234	\$3,881,850	\$715,044	\$253,516	\$30,285	\$8,622	\$9,004,551

⁶⁶ This index has been extrapolated using historical data of demand for WWC Check services and forecast modeling

There were no direct costs identified with *change of details* service provided by the WWC Check Unit.

A1.3 Allocation of indirect costs

Total indirect costs for the WWC Check Unit for 2014-15 is given in Table A1.4 and was approximately \$7.52 million.

Table A1.4: Summary of total indirect costs associated with the WWCCU – 2014-15 actual

Cost category	Cost
Salaries + salary related on-costs (e.g. annual leave, work cover, payroll tax, superannuation)	\$5,624,008
Non-salary related overheads (e.g. office equipment, stationary, utilities, vehicle expenses etc.)	\$1,635,797
Total indirect costs	\$7,259,805

As shown in the last column of Table A1.5, the weighted average allocation of *indirect costs* associated with a service is estimated on a pro rata basis using the percentage of *average annual processing days*⁶⁷ of each service to *total annual processing days for all services*:

$$\frac{\text{Total average annual processing days/service}}{\text{Total annual processing days for all services}}$$

As shown in Table A1.5, the total average annual processing days of each service is taken as the product of the *annual number of transactions* associated with each service by the *average processing days per transaction*.

$$\text{Total average annual processing days per service} = \text{Annual number of transactions} \times \text{average processing days/transaction}$$

Table A1.5: Total average annual processing days/service and weighted average allocation of *indirect costs* – 2014-15

Service	Annual number of Transactions	Average processing days/transaction	Total average annual processing days/service	Weighted average allocation of <i>indirect costs</i>
New applications (employees)	79,580	3.3 ⁶⁸	262,598	33.01%
New applications (volunteers)	108,699	3.3	358,685	45.09%
Renewals (employees)	25,658	3.7 ⁶⁹	94,989	11.94%
Renewals (volunteers)	21,361	3.7	79,081	9.94%
Card replacement (employees)	5,871	0.010 ⁷⁰	57	0.007%
Card replacement (volunteers)	4,121	0.008 ⁷¹	34	0.004%

⁶⁷ A processing day is taken to be 7.6 hours with 251 working days per year

⁶⁸ Calculated as a weighted average for *easy* new applications (which require 2.1 processing days) and more *difficult* new applications (which require 22.3 processing days), and reflect 94.06% and 5.94% of annual number of transactions, respectively (see Table 4 in this RIS). The formula for this estimate is $(2.1 \times 94.06\%) + (22.3 \times 5.94\%) = 3.3$ days

⁶⁹ Calculated as a weighted average for *easy* renewals (which require 2.1 processing days) and more *difficult* renewals (which require 26.4 processing days), and reflect 93.41% and 6.59% of annual number of transactions, respectively (see Table 5 in this RIS). The formula for this estimate is $(2.1 \times 93.41\%) + 26.4 \times 6.59\% = 3.7$ days

⁷⁰ Calculated as a weighted average of for straight replacements (which require 3 minutes processing) and replacements involving a change of name (which require 12 minutes processing) and reflect 84.26% and 15.74% of annual number of transactions, respectively (see Table A1.1 in this RIS). The formula for this estimate is $(3/60/7.6) \times 84.26\% + (12/60/7.6) \times 15.74\% = 0.01$ days

⁷¹ Calculated as a weighted average of for straight replacements (which require 3 minutes processing) and replacements involving a change of name (which require 12 minutes of processing), and reflect 92.09% and 7.91% of annual number of

Service	Annual number of Transactions	Average processing days/transaction	Total average annual processing days/service	Weighted average allocation of indirect costs
Change of details	220,288	0.00026 ⁷²	57	0.007%
Total annual processing days for all services			795,500	100%

The allocation of indirect cost of the WWC Check Unit against each service provided is summarised in Table A1.5 using the product of total annual *indirect* costs of \$7,259,805 and the weighted average allocation of *indirect* costs in the last column of Table A1.6.

Table A1.6: Allocation of total annual indirect costs by service – 2014-15

Service	Total indirect cost to be allocated	Weighted average allocation of indirect costs	Total indirect cost per service
New applications (employees)	\$7,259,805	33.01%	\$2,396,550
New applications (volunteers)	\$7,259,805	45.09%	\$3,273,469
Sub-total new applications		78.10%	\$5,670,019
Renewals (employees)	\$7,259,805	11.94%	\$866,899
Renewals (volunteers)	\$7,259,805	9.94%	\$721,717
Sub-total renewals		21.88%	\$1,588,616
Card replacement (employees)	\$7,259,805	0.007%	\$519
Card replacement (volunteers)	\$7,259,805	0.004%	\$306
Sum-total card replacements		0.011%	\$825
Change of details	\$7,259,805	0.007%	\$519

A1.4 Total direct and indirect cost of per service and unit cost

The total annual direct and indirect costs of providing services by the WWC Check Unit of \$16.24 million are shown in Table A1.7. Unit costs are estimated by dividing the combined employee and volunteer costs per service by the total number of transactions per annum.

Table A1.7: Summary of direct and indirect costs incurred by the WWC Check Unit by service- 2014-15 actual

Service	Direct cost per service ⁷³	Indirect cost per service ⁷⁴	Total cost per service	Total annual number of transactions ⁷⁵	Unit costs
New applications (employees)	\$4,115,234	\$2,396,550	\$6,511,785	79,580	\$81.83
New applications (volunteers)	\$3,881,850	\$3,273,469	\$7,155,318	108,699	\$65.83
Sub-total new applications	\$7,997,084	\$5,670,019	\$13,667,103	188,279	
Renewal (employees)	\$715,044	\$866,899	\$1,581,943	25,658	\$61.65
Renewals (volunteers)	\$253,516	\$721,717	\$975,234	21,361	\$45.65
Sub-total renewals	\$968,561	\$1,588,616	\$2,557,177	47,019	
Card replacements (employees)	\$30,285	\$519	\$30,803	5,871	\$5.25
Card replacements (volunteers)	\$8,622	\$306	\$8,928	4,121	\$2.17
Sub-total card replacements	\$38,907	\$825	\$39,732	9,992	
Change of details	\$0	\$519	\$519	220,288	\$0.00
Total cost	\$9,004,551	\$7,259,805	\$16,240,822	465,578	

transactions, respectively (see Table A1.1 in this RIS). The formula for this estimate is $(3/60/7.6) \times 92.09\% + (12/60/7.6) \times 7.91\% = 0.028$ days

⁷² Calculated as a weighted average of change of details online (no processing required); by mail (which require 7 minutes of processing); and by phone (which requires 4 minutes of processing) and reflect 97.19%, 0.17% and 2.64% of annual number of transactions, respectively (see Table 7 in this RIS). The formula for this estimate is $(0/60/7.6 \times 97.19\%) + (7/60/7.6 \times 0.17\%) + (4/60/7.6 \times 2.64\%) = 0.00026$ days

⁷³ See Table A1.3 for source of estimates

⁷⁴ See Table A1.6 for source of estimates

⁷⁵ See Table A1.1 for source of estimates

As presented in Table A1.7, the unit cost of a new application employee/volunteer is \$81.83/\$65.83, respectively, with the lower unit cost for volunteer applications reflecting a reduced fee charged by CrimTrac for volunteers. With respect to renewals, the unit cost per employee and volunteer renewal is \$61.65 and \$45.65, respectively. Reduced fees for volunteers are also applicable to renewals. Card replacements have a unit cost of \$5.25 for employees and \$2.17 for volunteers. The reduced fee for volunteers reflects the lower proportion of card replacements requiring CrimTrac charges as a result of change of name. Finally, 'change of details' have an effective cost of \$0, as shown in Table A1.7.

Appendix 2 – Determination of fees and revenue under Options 1, 2, 3 and 4

Appendix 2 sets out the fee options (1 to 4) to be considered for evaluation in this RIS, including their determination and consequential revenues.

A2.1 Option 1 – Partial cost recovery employee costs only through employees

A2.1.1 – Option 1 fees

Option 1 involves cost recovery of new application and renewal costs for employees only, as well as the costs of card replacement (including replacements involving change of name). The fees in Table A2.1 are calculated by dividing the total cost per service for employees being recovered by the total annual number of transactions for employees.

Table A2.1: Summary of partial cost recovery fees under Option 1

Service	Total cost per service for employees 2014-15 ⁷⁶	Total annual number of transactions for employees 2014-15 ⁷⁷	Fee
New applications	\$6,511,785	79,580	\$81.83
Renewals	\$1,581,943	25,658	\$61.65
Card replacements	\$30,803	5,871	\$5.25

A2.1.2 – Option 1 fee revenue

Given the fees under Option 1 (i.e. \$81.83 for new applications, \$61.65 for renewals and \$5.25 for card replacements) and the projected number of transactions (see Table A1.2), the present value of fee revenue over 10 years is estimated to be \$80.91 million, as shown in Table A2.2.

Table A2.2: Projected revenue from partial cost recovery fees under Option 1.

Year	Projected revenue from new applications (recovered from employees) ⁷⁸	Projected revenue from renewals (recovered from employees) ⁷⁹	Projected revenue from card replacements (recovered from employees) ⁸⁰	Total projected revenue	Present value of projected revenue 2015-16 dollars ⁸¹
2016-17	\$6,809,992	\$1,497,105	\$32,679	\$8,339,777	\$8,019,016
2017-18	\$7,915,761	\$1,607,593	\$33,660	\$9,557,013	\$8,835,996
2018-19	\$7,526,501	\$1,752,364	\$34,670	\$9,313,535	\$8,279,698
2019-20	\$7,752,296	\$1,804,935	\$35,710	\$9,592,941	\$8,200,086

⁷⁶ See Column 4 of Table A1.7 for source of estimates

⁷⁷ See Column 5 of Table A1.7 for source of estimates

⁷⁸ The product of \$81.82 and estimates for projected number of new application transactions for employees, as shown in Table A1.2

⁷⁹ The product of \$61.65 and estimates for projected number of renewal transactions for employees, as shown in Table A1.2

⁸⁰ The product of \$5.25 and estimates for projected number of card replacements for employees, as shown in Table A1.2

⁸¹ Based on a real discount rate of 4%

Year	Projected revenue from new applications (recovered from employees) ⁷⁸	Projected revenue from renewals (recovered from employees) ⁷⁹	Projected revenue from card replacements (recovered from employees) ⁸⁰	Total projected revenue	Present value of projected revenue 2015-16 dollars ⁸¹
2020-21	\$7,984,864	\$1,859,083	\$36,781	\$9,880,729	\$8,121,239
2021-22	\$8,224,410	\$1,914,856	\$37,884	\$10,177,151	\$8,043,150
2022-23	\$8,471,143	\$1,972,302	\$39,021	\$10,482,465	\$7,965,812
2023-24	\$8,725,277	\$2,031,471	\$40,192	\$10,796,939	\$7,889,218
2024-25	\$8,987,035	\$2,092,415	\$41,397	\$11,120,847	\$7,813,360
2025-26	\$9,256,646	\$2,155,187	\$42,639	\$11,454,473	\$7,738,231
Total	\$81,653,925	\$18,687,312	\$374,633	\$100,715,870	\$80,905,807

A2.2 Option 2 – Full cost recovery of employee and volunteer costs through employees only

A2.2.1 – Option 2 fees

Option 2 involves full cost recovery of all new application and renewal costs, as well as, the costs of card replacement (including replacements involving change of name). The fees in Table A2.3 are determined by dividing the total cost of providing for new applications or renewals for employees and volunteers by the annual volume of transactions for employees only.

Table A2.3: Summary of full cost recovery fees under Option 2

Service	Total annual cost per service for employees and volunteers ⁸²	Total annual number of transactions for employees ⁸³	Fee
New applications	\$13,667,103	79,580	\$171.74
Renewals	\$2,557,177	25,658	\$99.66
Card replacements	\$39,732	5,871	\$6.77

A2.2.2 – Option 2 fee revenue

Given the fees under Option 2 (i.e. \$171.74 for new applications, \$99.66 for renewals and \$6.77 for card replacements) and the projected number of transactions for employees (see Table A1.2), the present value of fee revenue over 10 years is estimated to be \$162.34 million, as shown in Table A2.4.

Table A2.4: Projected revenue from full cost recovery fees under Option 2

Year	Projected revenue from new applications (recovered from employees) ⁸⁴	Projected revenue from renewals (recovered from employees) ⁸⁵	Projected revenue from card replacements (recovered from employees) ⁸⁶	Total projected revenue	Present value of projected revenue 2015-16 dollars ⁸⁷
2016-17	\$14,292,973	\$2,420,034	\$42,151	\$16,755,158	\$16,110,729
2017-18	\$16,613,785	\$2,598,635	\$43,416	\$19,255,836	\$17,803,103
2018-19	\$15,796,797	\$2,832,654	\$44,718	\$18,674,170	\$16,601,269
2019-20	\$16,270,701	\$2,917,634	\$46,060	\$19,234,395	\$16,441,642
2020-21	\$16,758,822	\$3,005,163	\$47,442	\$19,811,427	\$16,283,549
2021-22	\$17,261,587	\$3,095,318	\$48,865	\$20,405,770	\$16,126,976
2022-23	\$17,779,434	\$3,188,177	\$50,331	\$21,017,943	\$15,971,909
2023-24	\$18,312,817	\$3,283,823	\$51,841	\$21,648,481	\$15,818,333
2024-25	\$18,862,202	\$3,382,337	\$53,396	\$22,297,936	\$15,666,234
2025-26	\$19,428,068	\$3,483,808	\$54,998	\$22,966,874	\$15,515,597
Total	\$171,377,188	\$30,207,582	\$483,219	\$202,067,989	\$162,339,340

⁸² See Column 4 of Table A1.7 for source of estimates

⁸³ See Column 5 of Table A1.7 for source of estimates

⁸⁴ The product of \$171.74 and estimates for projected number of new application transactions for employees, as shown in Table A1.2

⁸⁵ The product of \$99.66 and estimates for projected number of renewal transactions for employees, as shown in Table A1.2

⁸⁶ The product of \$6.77 and estimates for projected number of card replacements for employees, as shown in Table A1.2

⁸⁷ Based on a real discount rate of 4%

A2.3 Option 3 – Full cost recovery of employee and volunteer costs through both employees and volunteers

A2.3.1 – Option 3 fees

Option 3 involves full cost recovery of all new application and renewal costs, as well as, the costs of card replacement (including replacements involving change of name). The fees in Table A2.5 are determined by dividing the total cost of providing for new applications or renewals for employees/volunteers by the annual volume of transactions for employees/volunteers.

Table A2.5: Summary of full cost recovery fees under Option 3

Service	Total annual cost per service for employees and volunteers ⁸⁸	Total annual number of transactions for employees and volunteers ⁸⁹	Fee
New applications (employees)	\$6,511,785	79,580	\$81.83
New applications (volunteers)	\$7,155,318	108,699	\$65.83
Renewals (employees)	\$1,581,943	25,658	\$61.65
Renewals (volunteers)	\$975,234	21,361	\$45.65
Card replacements (employees)	\$30,803	5,871	\$5.25
Card replacements (volunteers)	\$8,928	4,121	\$2.17

A2.3.2 – Option 3 fee revenue

Given the fees under Option 3 (as shown in Table A2.5) and the projected number of transactions for employees (see Table A1.2), the present value of fee revenue over 10 years is estimated to be \$185.6 million, as shown in Table A2.6.

Table A2.6: Projected revenue from full cost recovery fees under Option 3

Year	Projected revenue from new applications (recovered from employees) ⁹⁰	Projected revenue from new applications (recovered from volunteers) ⁹¹	Projected revenue from renewals (recovered from employees) ⁹²	Projected revenue from renewals (recovered from volunteers) ⁹³	Projected revenue from card replacements (recovered from employees) ⁹⁴	Projected revenue from card replacements (recovered from volunteers) ⁹⁵	Total projected revenue	Present value of projected revenue 2015-16 dollars ⁹⁶
2016-17	\$6,809,992	\$7,482,981	\$1,497,105	\$922,929	\$32,679	\$9,472	\$16,755,158	\$16,110,729
2017-18	\$7,915,761	\$8,698,025	\$1,607,593	\$991,042	\$33,660	\$9,756	\$19,255,836	\$17,803,103
2018-19	\$7,526,501	\$8,270,297	\$1,752,364	\$1,080,290	\$34,670	\$10,049	\$18,674,170	\$16,601,269
2019-20	\$7,752,296	\$8,518,406	\$1,804,935	\$1,112,699	\$35,710	\$10,350	\$19,234,395	\$16,441,642

⁸⁸ See Column 4 of Table A1.7 for source of estimates

⁸⁹ See Column 5 of Table A1.7 for source of estimates

⁹⁰ The product of \$81.83 and estimates for projected number of new application transactions for employees, as shown in Table A1.2

⁹¹ The product of \$65.83 and estimates for projected number of new application transactions for volunteers, as shown in Table A1.2

⁹² The product of \$61.65 and estimates for projected number of renewal transactions for employees, as shown in Table A1.2

⁹³ The product of \$45.65 and estimates for projected number of renewal transactions for volunteers, as shown in Table A1.2

⁹⁴ The product of \$13.60 and estimates for projected number of card replacements for employees, as shown in Table A1.2

⁹⁵ The product of \$13.60 and estimates for projected number of card replacements for volunteers, as shown in Table A1.2

⁹⁶ Based on a real discount rate of 4%

Year	Projected revenue from new applications (recovered from employees) ⁹⁰	Projected revenue from new applications (recovered from volunteers) ⁹¹	Projected revenue from renewals (recovered from employees) ⁹²	Projected revenue from renewals (recovered from volunteers) ⁹³	Projected revenue from card replacements (recovered from employees) ⁹⁴	Projected revenue from card replacements (recovered from volunteers) ⁹⁵	Total projected revenue	Present value of projected revenue 2015-16 dollars ⁹⁶
2020-21	\$7,984,864	\$8,773,958	\$1,859,083	\$1,146,079	\$36,781	\$10,661	\$19,811,427	\$16,283,549
2021-22	\$8,224,410	\$9,037,176	\$1,914,856	\$1,180,462	\$37,884	\$10,981	\$20,405,770	\$16,126,976
2022-23	\$8,471,143	\$9,308,292	\$1,972,302	\$1,215,876	\$39,021	\$11,310	\$21,017,943	\$15,971,909
2023-24	\$8,725,277	\$9,587,540	\$2,031,471	\$1,252,352	\$40,192	\$11,649	\$21,648,481	\$15,818,333
2024-25	\$8,987,035	\$9,875,167	\$2,092,415	\$1,289,923	\$41,397	\$11,999	\$22,297,936	\$15,666,234
2025-26	\$9,256,646	\$10,171,422	\$2,155,187	\$1,328,620	\$42,639	\$12,359	\$22,966,874	\$15,515,597
Total	\$81,653,925	\$89,723,262	\$18,687,312	\$11,520,270	\$374,633	\$108,586	\$202,067,989	\$162,339,340

A2.4 Option 4 – Proposed partial cost recovery of employee and volunteer costs (maintaining revenue neutrality with the current level of fees) through employees

A2.4.1 – Option 4 fees

Option 4 is the proposed option, which seeks to fully recover costs of employee new applications and renewals, as well as part of the cost of volunteer new applications and renewals. The level of fees is set to partially cross subsidise volunteers and prevent any increase in the operating expenditure deficit of the scheme. Under the current level of fees for 2015-16 (\$108.80 for both new applications and renewals from employees and \$13.60 card replacements for employee) and the projected number of transactions, the present value of fee revenue over 10 years is estimated to be \$114.47 million, as shown in Table A2.7.

Table A2.7: Projected revenue from current fees

Year	Projected revenue from new applications (recovered from employees) ⁹⁷	Projected revenue from renewals (recovered from employees) ⁹⁸	Projected revenue from card replacements (recovered from employees) ⁹⁹	Total projected revenue	Present value of projected revenue 2015-16 dollars ¹⁰⁰
2016-17	\$9,054,892	\$2,641,915	\$84,708	\$11,781,515	\$11,328,380
2017-18	\$10,525,174	\$2,836,891	\$87,249	\$13,449,315	\$12,434,648
2018-19	\$10,007,596	\$3,092,367	\$89,867	\$13,189,829	\$11,725,710
2019-20	\$10,307,824	\$3,185,138	\$92,563	\$13,585,524	\$11,612,963
2020-21	\$10,617,058	\$3,280,692	\$95,340	\$13,993,090	\$11,501,300
2021-22	\$10,935,570	\$3,379,112	\$98,200	\$14,412,883	\$11,390,710
2022-23	\$11,263,637	\$3,480,486	\$101,146	\$14,845,269	\$11,281,184
2023-24	\$11,601,546	\$3,584,900	\$104,180	\$15,290,627	\$11,172,711
2024-25	\$11,949,593	\$3,692,447	\$107,306	\$15,749,346	\$11,065,282
2025-26	\$12,308,080	\$3,803,221	\$110,525	\$16,221,826	\$10,958,885
Total	\$108,570,971	\$32,977,169	\$971,085	\$142,519,224	\$114,471,773

Under Option 4, the following fees are proposed as illustrated in Table A2.8, and are based on full cost per unit of providing employee services for new applications, renewals and card replacements¹⁰¹ plus an adjustment of around an additional 40 per cent of such costs for each of the fees.

Table A2.8: Summary of partial cost recovery fees under Option 4

Service	Fee
New applications	\$116.14
Renewals	\$85.95
Card replacements	\$7.38

⁹⁷ The product of \$108.80 estimates for projected number of new application transactions, as shown in Table A1.2

⁹⁸ The product of \$108.80 and estimates for projected number of renewal transactions, as shown in Table A1.2

⁹⁹ The product of \$13.60 and estimates for projected number of card replacements, as shown in Table A1.2

¹⁰⁰ Based on a real discount rate of 4%

¹⁰¹ \$81.83, \$61.65 and \$5.25, for recovery of full cost of employee applications, renewals and card replacements (See Table A1.7)

A2.4.2 – Option 4 fee revenue

Under Option 4, the 10-year revenue would be an estimated \$114.47 million, as shown in Table A2.7, and an amount roughly identical to revenue (i.e. only \$271 difference over 10 years in present value dollars) received with the current fees in Table A2.9.

Table A2.9: Projected revenue from proposed partial cost recovery fees under Option 4

Year	Projected revenue from new applications (recovered from employees) ¹⁰²	Projected revenue from renewals (recovered from employees) ¹⁰³	Projected revenue from card replacements (recovered from employees) ¹⁰⁴	Total projected revenue	Present value of projected revenue 2015-16 dollars ¹⁰⁵
2016-17	\$9,666,597	\$2,088,278	\$45,986	\$11,800,861	\$11,346,981
2017-18	\$11,236,204	\$2,242,395	\$47,365	\$13,525,965	\$12,505,515
2018-19	\$10,683,660	\$2,444,334	\$48,786	\$13,176,780	\$11,714,110
2019-20	\$11,004,170	\$2,517,664	\$50,250	\$13,572,084	\$11,601,474
2020-21	\$11,334,295	\$2,593,194	\$51,757	\$13,979,246	\$11,489,921
2021-22	\$11,674,324	\$2,670,990	\$53,310	\$14,398,624	\$11,379,441
2022-23	\$12,024,554	\$2,751,119	\$54,909	\$14,830,582	\$11,270,024
2023-24	\$12,385,290	\$2,833,653	\$56,557	\$15,275,500	\$11,161,658
2024-25	\$12,756,849	\$2,918,663	\$58,253	\$15,733,765	\$11,054,335
2025-26	\$13,139,555	\$3,006,222	\$60,001	\$16,205,778	\$10,948,043
Total	\$115,905,499	\$26,066,512	\$527,174	\$142,499,184	\$114,471,502

¹⁰² The product of \$116.14 and estimates for projected number of new application transactions, as shown in Table A1.2

¹⁰³ The product of \$85.95 and estimates for projected number of renewal transactions, as shown in Table A1.2

¹⁰⁴ The product of \$7.38 and estimates for projected number of card replacements, as shown in Table A1.2

¹⁰⁵ Based on a real discount rate of 4%

Appendix 3 – Child related work under the Act

Table A3.1: Child-related work under the *Working with Children Act 2005* – Occupational Fields

Service or place of work	Details	Code
Camps	All overnight camps for children	10
Child Care Services	Child care services including:	
	- centre based long day care	14
	- occasional care	16
	- family day care	18
	- in home care	20
	- outside school hours care	22
Child Employment - Supervisors	Supervision of a child in employment (where the child is under 15 years of age) pursuant to the <i>Child Employment Act 2003</i>	76
Childminding	Babysitting or childminding services arranged by a commercial agency	12
Child Protection Services	Child Protection Services	24
Children's Services	Children's services under the <i>Children's Services Act 1996</i> and education and care services within the meaning of the Education and Care Services National Law (Victoria) including kindergartens or preschools	26
Clubs & Associations	Clubs, associations or movements of a cultural, recreational or sporting nature	42
Coaching & Tuition	Coaching or tuition services of any kind specifically for children	28
Counselling Services	Counselling or other support services for children	40
Educational Institutions	Educational institutions for children, specifically:	
	- State Schools (including all primary, secondary, technical and special State schools)	44
	- Non-Government schools (including all primary, secondary and special non-Government schools)	46
	- TAFE colleges and TAFE Divisions of universities providing VCE and/or Victorian Certificate of Applied Learning (VCAL) subjects	48
	- Some adult education providers providing VCE and/or VCAL subjects	50
	- Other institutions providing children's study or training programs	52
Entertainment & Party Services	Commercial entertainment or party services for children unless they are merely incidental to or in support of other business activities	30
Foster Care	Fostering children	54
Gym or Play Facilities	Commercial gym or play facilities for children unless they are merely incidental to or in support of other business activities	32
Out of Home Care Services	Out of Home Care Services (that are established or approved under the <i>Children, Youth and Families Act 2005</i>)	38
Paediatric Wards	Paediatric wards of public, private or denominational hospitals as defined in the <i>Health Services Act 1988</i>	58
Photography Services	Commercial photography services for children unless they are merely incidental to or in support of other business activities	34
Refuges	Refuges or other residential facilities used by children	62
Religion	Religious organisations	64
School Crossings	School crossing services	66
Student exchange programs /Homestay	Accommodation services specifically provided for students as part of a student exchange program under Part 4.5A of the <i>Education and Training Reform Act 2006</i> , including accommodation in a person's home such as a homestay arrangement	78
Talent & Beauty Competitions	Commercial talent or beauty competitions for children unless they are merely incidental to or in support of other business activities	36
Transport	Publicly funded or commercial transport services specifically for children	60
Youth Justice	Youth remand, residential, or justice centres, supervision units and probation services within the meaning of the <i>Children Youth and Families Act 2005</i> .	56

Source: <http://www.workingwithchildren.vic.gov.au/home/about+the+check/who+needs+a+check/occupational+fields/> (accessed 22 September 2015)

Appendix 4 – Comparison of fees with other Jurisdictions

Table A4.1: Working with Children Check Fee Comparison - as at 1 July 2014

Jurisdiction	Fees
VICTORIA The Working With Children Check <i>Working with Children Act 2005 (Vic)</i>	\$105.90 for 5 years (equates to \$21.18 per annum) No charge for volunteers
NEW SOUTH WALES The (new) Working with Children Check <i>Child Protection (Working with Children) Act 2012 (NSW)</i>	\$80.00 for 5 years (equates to \$16.00 per annum) No charge for volunteers
QUEENSLAND The Blue Card System “Blue Card” <i>Working with Children (Risk Management and Screening) Act 2000</i>	\$78.65 for 3 years (equates to \$26.22 per annum) No charge for volunteers
NORTHERN TERRITORY Working with Children Clearance “The Ochre Card” <i>Care and Protection of Children Act 2007 (NT)</i>	\$53.00 for 2 years (equates to \$26.50 per annum) \$5.00 for 2 years for volunteers
WESTERN AUSTRALIA Working with Children Check <i>Working with Children (Criminal Record Checking) Act 2004 (WA)</i>	\$80.00 for 3 years (equates to \$26.66 per annum) \$10.80 for 3 years for volunteers
AUSTRALIAN CAPITAL TERRITORY Working with Vulnerable People Registration <i>Working with Vulnerable People (Background Checking) Act 2011 (ACT)</i>	\$71.00 for 3 years (equates to \$23.70 per annum) No charge for volunteers
TASMANIA Working with Child Check, to later become the Working with Vulnerable People Registration <i>Registration to Work with Vulnerable People Act 2013</i>	\$103.60 for 3 years (equates to 34.53 per annum) \$17.76 for 3 years for volunteers
SOUTH AUSTRALIA Child Safe Environments <i>Children's Protection Act 1993 (SA)</i>	NB These fees are for a national police check, as SA does not maintain a WWC Check or like scheme \$58.00 for employees \$41.40 for volunteers without a volunteer organisation authorisation number No charge for volunteers with a volunteer organisation authorisation number

A4.1 Volunteer fees in other jurisdictions

Volunteer WWC Checks in Victoria are provided free of charge. Other Australian jurisdictions charge volunteers a small fee (i.e. a fee below the full cost recovered amount) to receive a WWC Check equivalent (see Table A4.1).

However in Victoria, the WWC Check scheme was designed around not deterring volunteerism due to the public benefits this activity provides. The department considers that a fee would serve as a financial disincentive in varying degrees as income levels of volunteer cardholders and their motivation levels for volunteering are highly varied.

It should be noted that the WWC Check scheme in Victoria is most similar to schemes in WA, QLD and NSW. However in terms of comparing the proportion of employees and volunteers (ratios are not publicly available), this can only be done with NSW, as WA does not process applications from exempt persons, and in QLD volunteering parents, while captured by the scheme, do not have to apply for a Blue Card. In Victoria there is no current restriction on volunteer applicants.

With respect to Victoria and NSW where no volunteer fees are charged, the proportion of employees and volunteers is as follows:

- Volunteers (NSW) = 56.75%
- Volunteers (VIC) = 57.73%
- Employees (NSW) = 43.25%
- Employees (VIC) = 42.27%

Differences in employee and volunteer numbers across jurisdictions remains unknown, however, a comparison between Victoria and NSW is only relevant for the aforementioned reasons. There is no way of determining whether the almost identical proportions in both jurisdictions are necessarily the sole product of the absence of a volunteer fee.

The department also considers that the introduction of a fee for volunteers is likely to be strongly resisted by the community as it is contrary to the government's commitment not to discourage volunteerism in Victoria.

Appendix 5 – Proposed Regulations

Working with Children Regulations 2016

S.R. No.

1 Objectives

The objectives of these Regulations are to—

- (a) prescribe application fees for a working with children check and to make provision for the waiver, reduction or refund of those fees; and
- (b) provide for offences relating to a failure by an applicant for or a holder of an assessment notice to notify the Secretary of a change in the applicant's or holder's personal particulars; and
- (c) prescribe a body for the purposes of sections 10(3)(b), 11(1)(b), 14(1)(a), 21(1)(b), 21AA(1)(a) and 21AD(1)(a) of the **Working with Children Act 2005**; and
- (d) prescribe findings of a prescribed body for the purposes of sections 14(1)(a) and 21AD(1)(a) of the **Working with Children Act 2005**; and
- (e) prescribe persons for the purposes of section 43(b) of the **Working with Children Act 2005**.

2 Authorising provision

These Regulations are made under section 49 of the **Working with Children Act 2005**.

3 Commencement

These Regulations come into operation on 27 March 2016.

4 Revocation

The following Regulations are **revoked**—

- (a) the Working with Children Regulations 2006¹;
- (b) Working with Children (Amendment) Regulations 2007²;
- (c) Working with Children Amendment Regulations 2008³;

- (d) Working with Children Amendment Regulations 2010⁴;
- (e) Working with Children Amendment Regulations 2012⁵;
- (f) Working with Children Amendment (Fees) Regulations 2012⁶.

5 Definitions

In these Regulations—

personal particulars means—

- (a) a person's full name and any other name by which the person has been known; and
- (b) a person's date of birth; and
- (c) a person's residential address; and
- (d) any telephone number provided as a person's telephone number in relation to the person's application for an assessment notice or current assessment notice;

Suitability Panel means the Suitability Panel established under Division 5 of Part 3.4 of the **Children, Youth and Families Act 2005**;

the Act means the **Working with Children Act 2005**;

Victorian Institute of Teaching means the Victorian Institute of Teaching continued in operation under Part 2.6 of the **Education and Training Reform Act 2006**.

6 Application fees

The prescribed fee for an application under the Act referred to in column 2 of the Table is the

fee opposite the application in column 3 of the Table.

TABLE

<i>No.</i>	<i>Type of application</i>	<i>Fee</i>
1	An application for a working with children check under section 10 of the Act for child-related work that is for profit or gain	8.54 fee units
2	An application for a working with children check under section 10 of the Act, enabled by section 19(2) of that Act, for child-related work that is for profit or gain	6.32 fee units
3	An application for the replacement of an assessment notice document for child-related work that is for profit or gain	\$7.38

7 Secretary may reduce, waive or refund payment of fees

The Secretary may, before or after an application referred to in column 2 of the Table in regulation 6, reduce, waive or refund (in whole or in part) the fee required under regulation 6 for that application.

8 Prescribed bodies

For the purposes of sections 10(3)(b), 11(1)(b), 14(1)(a), 21(1)(b), 21AA(1)(a) and 21AD(1)(a) of the Act, the following bodies are prescribed—

- (a) the Victorian Institute of Teaching;
- (b) the Suitability Panel.

9 Findings of a prescribed kind

For the purposes of sections 14(1)(a) and 21AD(1)(a) of the Act, the following are findings of a prescribed kind—

- (a) a determination by a panel appointed under section 2.6.42(c) of the **Education and Training Reform Act 2006** to do one or more of the following—
 - (i) impose conditions, limitations or restrictions on the registration of a teacher; or
 - (ii) suspend the registration of a teacher; or
 - (iii) cancel the registration of a teacher;
- (b) a finding by the Suitability Panel under section 106 of the **Children, Youth and Families Act 2005** that a person should be disqualified from registration under Part 3.4 of that Act.

10 Prescribed persons

For the purposes of section 43(b) of the Act, a prescribed person is a person who is a police officer within the meaning of the **Victoria Police Act 2013** and who has taken and subscribed the oath or affirmation of office referred to in section 50(1) of that Act (other than a member who is suspended from duty under that Act).

11 Notification of change to personal particulars

- (1) A person who has made an application for an assessment notice that is still pending must notify the Secretary of any change to the applicant's personal particulars within 21 days of becoming aware of the change.

Penalty: 1 penalty unit.

- (2) A person who holds a current assessment notice must notify the Secretary of any change to the holder's personal particulars within 21 days of becoming aware of the change.

Penalty: 1 penalty unit.

S.R. No.

ENDNOTES

¹ Reg. 4; S.R. No. 29/2006. Reprint No. 1 as at 21 August 2008. Reprinted to S.R. No. 53/2008. Subsequently amended by S.R. Nos 119/2010, 98/2012 and 143/2012.

² Reg. 4; S.R. No. 59/2007.

³ Reg. 4; S.R. No. 53/2008.

⁴ Reg. 4; S.R. No. 119/2010.

⁵ Reg. 4; S.R. No. 98/2012.

⁶ Reg. 4; S.R. No. 143/2012.