New funding requirements

Non-government entities funded by Victorian government departments, Court Services Victoria and Family Safety Victoria to deliver services to children are now required to be incorporated as separate legal entities and appropriately insured against child abuse.

These requirements apply to new funding agreements between the Victorian Government and non-government entities that receive funding to provide services to children from 1 July 2019.

Why was the funding reform introduced?

The funding reform was introduced to implement recommendations made by the 2013 Betrayal of Trust report and the 2017 final report from the Commonwealth Royal Commission into Institutional Responses to Child Sexual Abuse.

The requirements for funded organisations to be incorporated as separate legal entities and to be insured against child abuse improves the ability for child abuse survivors to bring a legal claim for compensation and ensures that there is enough money to pay successful claims.

What are ‘services to children’?

‘Services to children’ means services provided by a non-government entity that is responsible for:

- the supervision of, or
- authority over,
- a child or young person under 18 years old.

This includes the provision of care, education, services or activities for children. It does not include one-off activities, nor incidental or ad hoc contact with children.

How does this apply to the Sporting Club Grants program?

Not all projects or activities funded through the Sporting Club Grants program involve the delivery of services to children.

Category 1 – Uniforms and Equipment – Not in scope

Category 2 – Skills Development – Only in scope if training is being delivered to persons under the age of 18

Category 3 – Club Operational Capacity – Only in scope if there is delivery of services to persons under the age of 18

Category 4 – Aboriginal Participation – only in scope if training is being delivered to persons under the age of 18

Examples

Example 1 – in scope:

- A grant is provided to a sporting club to deliver a program to children to increase their capability to participate in a competitive program.

- A grant is provided to a sporting club to deliver a coaching course to any persons under the age of 18.

In the above instances the funding involves direct supervision and oversight of persons under the age of 18 and is in scope.

Example 2 – out of scope

- A grant is provided to a sporting club to provide equipment and/or facilities to enable children to participate in a competitive program.

In this instance, although the beneficiaries will be children, the funding itself is not directly connected to the children themselves and is therefore out of scope.
Example 3 – discretion

• A grant is provided to a community organisation to provide a range of activities at an event, such as face-painting for children.

In this instance, a determination would need to be made on whether it will be a requirement that a parent or guardian remain with any child having their face painted. In such circumstances the grant would not be subject to these provisions. If it is proposed that the face painting would occur in a venue where the child would be left under the control of the grant recipient, then the requirements of this provision will apply.

A fundamental principle is whether any child is actually under the supervision or a person or persons providing such activity being funded by the grant.

What level of insurance is required?

Child abuse insurance must meet certain minimum standards in order to meet the new insurance requirement. The requirements are:

• insurance is preferably held on an ‘occurrence’ basis, although insurance on a ‘claims made’ basis will be acceptable if it is maintained for a period following the end of the contract;
• minimum insured amount of $5 million per claim (or $10 million in the case of insurance for a monetary aggregated amount) unless the funding department determines a higher level is required;
• exclusions must be agreed by the department

Applying for a grant

Organisations applying for a grant that involves the provision of services to children will be required to:

• be an incorporated separate legal entity that can be sued in child abuse proceedings (auspice arrangements cannot be used in these instances).
• provide written advice from their insurance provider about the premium and excess (or deductible) that covers the organisation against child abuse.

Important to note:

If an organisation is applying for a grant to engage the services of another provider to deliver services to children, the organisation applying for the grant must ensure that the provider delivering services are a separate legal entity that can be sued in child abuse proceedings and have appropriate insurance to cover them against child abuse.

Requirement to comply with the Child Safe Standards

Non-government entities that provide services to children or young people under 18 must also comply with the Child Safe Standards.

Compliance entails having in place appropriate recruitment and screening practices, a Code of Conduct, staff awareness and training delivery and providing a means for children to report concerns, among others.

Where appropriate, consideration should be given to the creation of due diligence checks around compliance with the Child Safe Standards and Code of Conduct for grant programs and one-off grants.

How to find our more information

