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## 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* reportand 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, incidental or ad hoc contact with children, activities where children are supervised (for example by a teacher or parent), or goods and services that indirectly benefit children.

## How does this apply to the Community Motorsport Program?

As outlined below, not all projects or activities funded through the Community Motorsport Program involve the delivery of services to children.

**Motorsport Club Assistance Category**

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| --- | --- |
| **Stream 1 – Safety and Operational Equipment** | Not in scope |
| **Stream 2 – Volunteer and Official Training** | Only in scope if training/workshop is being delivered to persons under the age of 18. |
| **Stream 3 – Women and Girls Participation** | Only in scope if training/workshop is being delivered to persons under the age of 18. |
| **Stream 4 – Events and Activities** | Only in scope if funding is provided to directly deliver service to persons under the age of 18. |

**Infrastructure Upgrades and Equipment Category**

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| --- | --- |
| **Stream 1 – Facility Equipment** | Not in scope |
| **Stream 2 – Minor Infrastructure** | Not in scope |
| **Stream 3 – Major Infrastructure** | Not in scope |

## Example Scenarios

Example 1: A grant is provided to a motorsport club to deliver fire marshal training to a group of officials. The group includes at least one person under the age of 18.

*Example 1 scenario is* ***in scope*** *if the training is conducted over multiple planned sessions. This is because the project for which the grant is provided (i.e. fire marshal training session) involves direct supervision and oversight of persons under the age of 18* ***on a regular and planned basis****.*

*Example 1 scenario is* ***not in scope*** *if the training is conducted as a ‘once-off’ or ad hoc basis. In such cases, the club which is receiving the grant is exempt from the insurance against child abuse.*

*Example 1 scenario is also* ***not in scope*** *if training is conducted over multiple planned sessions but the group receiving training comprises different individuals for each planned session. In such cases, the club which is receiving the grant is exempt from the insurance against child abuse.*

Example 2: A grant is provided to a drag racing club to purchase fire extinguishers and first aid equipment for use, if required, during a state championship series regardless of competitors age.

*Example 2 scenario is* ***not in scope*** *because, although the beneficiaries may be children, the funding itself is not directly connected to supervision of children. The requirement for insurance against child abuse does not apply whenever the grant is for purchasing any type of equipment.*

*Example 3: A grant is provided to a karting club to develop and administer an elite junior female driver academy for 10-14 year olds.*

*Example 3 scenario is* ***in scope*** *if the academy runs sessions, workshops, camps or other related activities over multiple planned sessions for the same group of girls. This is because the activity for which the grant is provided involves direct supervision and oversight of persons under the age of 18* ***on a regular and planned basis****.*

*Example scenario 3 is* ***not in scope*** *if the academy runs a ‘once-off’ or ad hoc session, workshop or other related activity. In such cases, the club which is receiving the grant is exempt from the insurance against child abuse.*

*Example scenario 3 is also* ***not in scope*** *if the academy runs multiple planned sessions, workshops or other related activities for a different group of girls each time. In such cases, the club which is receiving the grant is exempt from the insurance against child abuse.*

*Discretion is required in example scenario 3. For example, if each of the girls in the academy is accompanied by a parent or guardian for the duration of the planned activities, there may not be a requirement for the club which is receiving the grant to hold insurance against child abuse. However, it may be difficult to ensure all girls are supervised by their parent or guardian at all times, therefore insurance coverage may be required to fully protect the club which is receiving 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; and
* exclusions must be agreed by the government department which is providing the grant.

## 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

The [Department of Justice and Community Safety website](https://www.justice.vic.gov.au/safer-communities/protecting-children-and-families/organisations-providing-services-to-children-new) <https://www.justice.vic.gov.au/safer-communities/protecting-children-and-families/organisations-providing-services-to-children-new>.

The [Department of Jobs, Precincts and Region’s Commitment to Child Safe Standards and Code of Conduct is publicly available on its external website](https://djpr.vic.gov.au/about-us/overview/policy-framework/child-safety-at-djpr) <https://djpr.vic.gov.au/about-us/overview/policy-framework/child-safety-at-djpr>.

The [Commission for Children and Young People’s website](https://ccyp.vic.gov.au/) < https://ccyp.vic.gov.au/> has further information about Child Safe Standards and the Code of Conduct.