# Regulatory Impact Statement

## Worker Screening Regulations 2020

### November 2020

### Preamble

Prepared by the Department of Justice and Community Safety

This Regulatory Impact Statement (RIS) has been prepared to fulfil the requirements of the Subordinate Legislation Act 1994 and to facilitate public consultation on the remaking of the Working with Children Regulations 2016.

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 received by the Department of Justice and Community Safety no later than 5.00pm, 8 December 2020.

The Engage Victoria website is the preferred method for receiving submissions. Submissions can also be sent by email at [NDISworkerscreening@justice.vic.gov.au](mailto:NDISworkerscreening@justice.vic.gov.au).

Copies of the RIS and proposed Regulations can be obtained from the Engage Victoria website at https://engage.vic.gov.au/workerscreening.

### Disclaimer

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# Executive Summary

This Regulatory Impact Statement (RIS) assesses regulations contained in the Worker Screening Regulations 2020 (the Regulations, see Appendix 5), which are to be made following passage of the Worker Screening Bill 2020 (the Bill). The purpose of the Bill is to assist in protecting children and vulnerable persons 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 or who provide services under the National Disability Insurance Scheme (NDIS) to undergo a national criminal history check and screening process in order to obtain a Working with Children Check (WWC check) or NDIS check. Applications for WWC checks and NDIS checks are processed by the Department of Justice and Community Safety (the department).

This RIS provides an overview of the existing WWC check scheme and new NDIS check scheme, explaining the services for which fees are set. The RIS does not examine the effects of alternatives to the WWC check or NDIS check schemes, 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 $23 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. The remaining provisions of the proposed regulations are not deemed to have a material impact or burden and, therefore, are only 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,
* detailing planned and completed consultation processes, and
* considering the best way to implement and evaluate the preferred option.

## Objectives

Having regard to the WWC check and NDIS check requirements under the Bill, the Government’s objectives in making these Regulations are:

* to fully fund the scheme without general taxpayer revenue,
* to not discourage volunteer WWC check applicants, and
* to have parity between WWC check and NDIS check fees.

The first objective is a priority because the government wants to ensure that it can fully recover the costs of operating the scheme. The second objective is to achieve the first objective without deterring volunteers. The third objective is a priority because the government wants the fees structure to be relatively simple and fairly applied to different types of workers who may require screening and who would receive a similar benefit from the screening.

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 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 fee.

## 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 $232 million (Net Present Value applying a discount rate of 4 per cent), comprising:

* costs of around $225.8 million for providing WWC check applications, renewals and card replacements, and
* costs of around $6.1 million for providing NDIS check applications.

It is the Government’s intention to fully fund these costs through fees rather than general tax revenue.

## Options considered in this RIS

The options presented in this RIS focus on alternative levels that fees can be set at to fully recover the costs of conducting WWC checks and NDIS checks. The options focus on changing fee levels for renewal and application costs.

The same WWC check card replacement fee has been set for each Option as this fee has a very low impact over the 10 years of the Regulations on overall cost recovery. The proposed WWC check card replacement fee has been aligned with the current card replacement fees but will be tied to a fee unit in the future rather than a fixed number.

Consequently, the options to be considered as part of the cost benefit evaluation in this RIS are:

#### Option 1:

Subsidise volunteer WWC check applications and renewals through the fees charged for employee WWC check and NDIS check applications, which are set at the same level. Slightly reduced fees from current employee WWC check fee levels

#### Option 2:

Retain current fee levels for WWC check. Align NDIS check fees with employee WWC check fees

***Option 3:***

Charge volunteer WWC check applicants a small fee for applications, renewals and card replacements. Employee WWC checks and renewals and NDIS check fees are reduced but aligned

***Option 4:***

Fully subsidise the volunteer WWC check through employee WWC check fees. Charge NDIS fees according to actual transaction costs, not aligned with WWC check fees.

The costs to be recovered under the proposed Regulations are considered by the department to be ‘efficient’. Significant work has been undertaken to streamline processes and reduce costs, including contractor costs. WWCCV has also moved to a highly automated online system which has significantly reduced operating costs since 2014. More information on efficiency measures is discussed in 2.1.2.

Option 1 is the preferred option as it best addresses the Government’s objectives while minimising the fee levels as much as possible.

Under this proposal, noting that all fees are linked to fee units and the estimates below are based on 2018/19 dollars, the fee settings would be:

* no fee for new applications, renewals or replacement cards for volunteer WWC checks,
* a fee for new applications for employee WWC checks of 8.06 fee units, equivalent to $116.50 (compared to the 2018/19 actual fee of $123.40) and a fee for renewal applications for employee WWC checks of 6.1 fee units, equivalent to $88.15 (compared to the actual 2018/19 fee of $91.40),
* a fee for the replacement of a WWC check card for employees will be set at 0.5 fee units, equivalent to $7.22 (compared to the actual 2018/19 fee of $7.38),
* A fee for NDIS check applications of 8.06 fee units, equivalent to $116.50.

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

* the cost of employee WWC checks (around $125.7 million) will be paid for by fees paid by employee WWC check applicants,
* the cost of volunteer WWC checks (around $100 million) will be paid for by fees paid by employee applications for WWC checks and NDIS check applications,
* The cost of NDIS checks (around $6.1 million) will be paid for by fees paid by NDIS employee applicants.

A comparison of actual 2018/19 fees and proposed fees under this option compared to proposed 2020/21 fees is provided in Table 1a and Table 1b as follows:

#### Table 1a: Actual and proposed fees as at 2018/19 compared with proposed 2020/21 fees WWCC

| Service | 2018/19  Actual fees | Comparison 2018/19 Proposed fees | Difference | Proposed 2020/21 fees |
| --- | --- | --- | --- | --- |
| **New applications (employee)** | $123.40 | $116.50 | -5.5% | $119.40 |
| **Renewals (employee)** | $91.32 | $88.15 | -3.5% | $90.40 |
| **Card replacements (employee)** | $7.38 | $7.22 | -2% | $7.40 |
| **New applications (volunteer)** | $0 | $0 | - | $0 |
| **Renewals (volunteer)** | $0 | $0 | - | $0 |
| **Card replacements (volunteer)** | $0 | $0 | - | $0 |

Table 1b: Actual and proposed fees as at 2018/19 compared with proposed 2020/21 fees NDIS Check

| Service | 2018/19  Actual fees | Comparison 2018/19 Proposed fees | Difference | Proposed 2020/21 fees |
| --- | --- | --- | --- | --- |
| New applications | N/A | $116.50 | - | $119.40 |

As shown in Table 1 above, this option results in a 5.5 per cent decrease in the fee for new employee WWC check applications, a 3.5 per cent reduction in the fee for employee WWC check renewals and a 2 per cent reduction in the fee for employee WWC check card replacements. Over a 10‐year period there would be a reduction in the combined new application and renewal fee of $214.72 to $204.65 – an overall reduction of 4.7 per cent.

## Other proposed Regulations

Other prescribed content in the Regulations provides for offences for failing to notify a change in personal particulars, prescribes corresponding NDIS worker screening laws, prescribes certain entities and findings to enable information to be provided about an applicant for a screening check, or the holder of a clearance, and prescribes persons to whom the Secretary may delegate powers.

# Section 1 Background

This section provides background context to the Bill, including the WWC check and the NDIS check, by detailing the relevant legislative framework, the need for this RIS and consultation to date.

The Bill continues the operation of the WWC check for administrative efficiency but does not alter the substantive requirements of the WWC check. Importantly, however, the Bill adjusts WWC check terminology so that consistent terms are used for worker screening, regardless of the nature of work for which a person is being screened. For ease of reference, where appropriate this section uses terminology consistent with the Bill, rather than previous terminology.

## 1.1 Working with Children Check

The WWC check commenced in April 2006, and through its administration of the Working with Children Act 2005 (the WWC Act), Working with Children Check Victoria (WWCCV) within the department conducts checks, issues WWC check cards to successful applicants, and prevents many people who pose a risk to the safety and wellbeing of children from working with, or caring for them. The WWC check has assisted in providing public confidence in the proper regulation of child-related work by ensuring that those who are assessed as posing an unjustifiable risk to the safety of children are prohibited from working with or caring for them. There is an average of around 200,000 new applications processed per year across the occupational groups that are listed in the WWC Act, such as child protection, child care and children’s services, and clubs and associations that provide services for children (see Appendix 3) and around an average of 65,000 renewal applications, as shown in Table 2, with a total of 2.55 million new applications and 535,454 renewals processed since the scheme commenced.

**Table 2: Number of annual applications and renewals processed 2005‐06 to 2018‐19**

| 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 |
| 2015-16 | 194,609 | 38,118 |
| 2016-17 | 259,415 | 60,910 |
| 2017-18 | 349,187 | 108,927 |
| 2018-19 | 324,927 | 86,777 |
| Total | 2,554,814 | 535,454 |

As shown in Table 3, there were 1,638,221 cardholders as at 2 March 2020, with 5,148 negative notices issued. The negative notices issued represent approximately 368 persons per annum deemed to be unsuitable and excluded from engaging in child‐related work. 175 assessment notices have been issued after VCAT has reviewed a negative notice.

**Table 3: Working with Children Check statistics since inception – as at 2 March 2020**

| Category of general statistics | Volume |
| --- | --- |
| Cardholders | 1,638,221 |
| Negative Notices issued | 5,148 |
| Cards issued after VCAT review | 175 |

A WWC check remains in force for a period of five years from the date of issue of the WWC check assessment notice. Around 36.7 per cent of cardholders renew their assessment notice after five years. The WWCCV regularly engages with the community to raise public awareness of the WWC check and its requirements.

### 1.1.1 The purpose of providing the WWC check scheme

The purpose of the WWC check scheme is to screen the criminal history information of people who work with children and to prevent those people who are assessed as posing a risk to the safety of children from working with them, with a focus on the following offences and matters:

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

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.

### 1.1.2 Processes associated with the WWC check scheme

The Bill continues the operation of WWC check processes as they currently operate under the WWC Act.

New and Renewal Applications:

As is the case under the WWC Act, under the Bill, unless a person is otherwise exempt, both paid and volunteer workers who engage in child‐related work must apply for a WWC check. Lodgement of an application is accompanied by a fee, which is currently $126.50 for an employee new application and $93.60 for an employee renewal application which is valid for 5 years unless revoked or suspended by the Secretary to the Department of Justice and Community Safety (the Secretary) or surrendered by the WWC check holder. There are currently no fees for a volunteer WWC check.

Criminal History Check:

Once an application has been lodged, WWCCV initiates a criminal history check of offences across an applicant’s lifetime. When a relevant criminal history is identified, WWCCV commences an assessment that will include the assessment of reports from Corrections Victoria, DHHS’ Child Protection Unit, courts and information provided by organisations, prescribed bodies and other sources such as interstate worker screening agencies, as required.

Assessment notices (renamed to “WWC clearances” under the Bill):

When the applicant successfully passes the WWC check, they are given an assessment notice (WWC card) which legally permits the assessment notice holder to work with, or care for, children. The assessment notice is valid for 5 years. A fee of $7.38 is currently charged for the replacement of a WWC check card.

Negative notices (renamed to “WWC exclusions” under the Bill):

A negative notice prohibits a person from engaging in child‐related work until the negative notice holder applies for and is given an assessment notice. A negative notice holder cannot make a new application for 5 years from the date the negative notice is given, unless they experience a relevant change in circumstances, such as if they are acquitted of the offence on which their negative notice was issued.

Ongoing Monitoring:

Individuals who hold an assessment notice are monitored by Victoria Police through weekly ongoing monitoring for any Victorian criminal offences relevant to the WWC check. When a relevant offence is identified by Victoria Police, WWCV receives a notification and commences an assessment.

### 1.1.3 Identified WWC check stakeholders and economic characteristics

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 the children in Victoria through the exclusion of unsuitable adults and the issuing of negative notices. The issuing of negative notices under the WWC Act has averaged approximately 368 persons per annum over the last 14 years.

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 WWCC also reduces the private costs of screening individuals.

Although there is a monetary cost in submitting a WWC check application or renewal, employees 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 a cost of the Bill and not the Regulations. As is the case under the WWC Act, the application form must be approved by the Secretary under the Bill and made available online.

Volunteers who are engaged in child‐related work for neither profit nor gain benefit 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 a cost of the Bill and not the Regulations.

## 1.2 NDIS Worker Screening

In December 2016, the Council of Australian Governments (COAG) endorsed the National Disability Insurance Scheme (NDIS) Quality and Safeguarding Framework (the Framework), setting out a new nationally consistent approach to regulation under the NDIS. The Framework is designed to support the rights of people with disability by ensuring they have access to quality and safe services under the NDIS.

An Intergovernmental Agreement was subsequently signed by Victoria in July 2018 confirming a nationally consistent approach to worker screening that minimises the risk of harm to people with disability from the people who work closely with them.

While the primary responsibility for recruiting and providing a safe environment for people with disability rests with employers, a worker screening outcome is one source of information that can support employers in fulfilling this responsibility.

Under the national policy for NDIS worker screening, people who provide NDIS supports and services through a registered NDIS provider and have more than incidental contact with a participant are required to undergo worker screening. Employers may require other workers to be screened but such non-mandatory screening is not provided for under the Bill.

### 1.2.1 The purpose of providing the NDIS check

The objective of nationally consistent NDIS worker screening is to protect and prevent people with disability from experiencing harm arising from poor quality or unsafe supports or services under the NDIS by:

* demonstrating that the rights of people with disability to be safe and protected are a high community priority;
* reducing the potential for providers to employ or engage individuals who pose an unacceptable risk of harm to people with disability;
* prohibiting individuals who have a history of harm against people with disability from having more than incidental contact with people with disability when working for a registered NDIS provider; and
* deterring individuals who pose a high risk of harm from seeking work in the NDIS sector.

Worker screening has a preventative effect in deterring individuals who pose a high risk of harm from seeking work in the sector and reducing the potential for providers to employ workers who pose an unacceptable risk of harm to people with disability. Worker screening also has a corrective effect in prohibiting those persons who pose an unacceptable risk or are proven to have harmed vulnerable people from having more than incidental contact with people with disability when working for a registered NDIS provider.

### 1.2.2 Identified NDIS check stakeholders and economic characteristics

Over 470,000 Australians are estimated to be eligible for NDIS support (IbisWorld X0029 National Disability Insurance Scheme Providers in Australia Industry Report August 2019). This is equivalent to 112,800 Victorians (24 per cent), with 90,694 active Victorian participants as of 31 December 2019 (NDIS Quarterly Report – Victoria 31 December 2019 Quality Performance Dashboard). These NDIS recipients will strongly benefit from the assurance that anyone working with them will be thoroughly screened, ensuring the exclusion of unsuitable workers.

As at 31 December 2019 there were 4,531 active Victorian providers registered with the NDIS, though only 2,893 or 64 per cent had made a claim in the last quarter (NDIS Quarterly Report – Victoria 31 December 2019 Quality Performance Dashboard).

NDIS industry employment has increased considerably over the past five years, as new providers have entered the market and existing providers have scaled up their operations. National NDIS employment numbers for 2018-19 was estimated to be 65,289 employees, equivalent to approximately 15,670 Victorian employees, based on Victoria’s population share of 25 per cent. (IbisWorld X0029 National Disability Insurance Scheme Providers in Australia Industry Report August 2019).

The number of employees includes permanent, part-time, temporary and casual employees, working proprietors (sole traders), partners, managers and executives within the industry.

Up to 90,000 new full time equivalent jobs in Australia are anticipated to be needed by the NDIS (Growing the NDIS Market and Workforce, Department of Social Services, 2019). This paper estimates Victoria’s portion (24 per cent) of required new jobs to be 21,600.

Based on experience with the WWC check, it is predicted that there will be ‘over-compliance’ with the NDIS check in its early years of operation, meaning that more workers will get the check than needed. However, this will be partially mitigated through requiring workers to nominate the name of their employer, and for the employer to verify the information, in order to be processed for the screening.

It is also the case that not all affected workers will need to apply for an NDIS check in the first year due to the transitional arrangements outlined in the next section.

Workers who apply for an NDIS check and are given an NDIS clearance will benefit from the expansion of their employment opportunities and ability to be employed to deliver NDIS supports and services to NDIS participants.

### 1.2.3 Transitional arrangements

On 1 July 2019, the NDIS ‘full scheme’ arrangements commenced. The transition of most service providers from registration under the *Disability Act 2006* (Vic) to registration as NDIS service providers under the *National Disability Insurance Scheme Act 2013* (Cth) is reflected in Commonwealth regulation of worker screening under the National Disability Insurance Scheme (Practice Standards – Worker Screening) Rules 2018 (Cth) (the Worker Screening Rules).

*The Disability (National Disability Insurance Scheme Transition) Amendment Act 2019* amended the Disability Act 2006 to facilitate a transition of regulatory responsibility of disability services to the Commonwealth from 1 July 2019, while maintaining the role of the Secretary to the Department of Health and Human Services (DHHS) in determining worker suitability until new worker screening arrangements are in place. Prior to the commencement of legislation, ‘special arrangements’ are currently in place under the Worker Screening Rules for the transition period (1 July 2019 until 31 January 2021), requiring NDIS registered providers to comply with the Victorian Safety Screening Policy issued by DHHS.

In addition to proof of identity information and a police check, the Safety Screening Policy requires a WWC check (if applicable) and a Disability Worker Exclusion Scheme (DWES) check. This gives effect, during transition, to the Government’s commitment to Victoria’s disability sector that there would be no diminution of safeguarding for people with a disability.

The Worker Screening Rules preserve the status quo for current checks held by workers, to ensure continuity of service and safeguarding until the new scheme is in place. The DWES check also considers criminal and misconduct information, meaning that people who work with a registered NDIS provider when the Bill comes into effect will have been screened for criminal and misconduct information that is very similar to the NDIS check.

Following these transition arrangements, people who are engaged to work by a registered NDIS provider in a risk assessed role will be required to hold an NDIS clearance in accordance with the Worker Screening Rules. A registered NDIS provider cannot engage workers who are not cleared to work in a risk assessed role. Irrespective of whether a person was cleared to work during the transition period, a person who does not hold an NDIS clearance will not be cleared to work in a risk assessed role.

NDIS workers who are engaged by a registered NDIS provider who do not hold a WWC check will be required to apply for an NDIS check within 6 months of the commencement of the new scheme. Workers with a current WWC check will be able to wait until 3 months before the expiry of their WWC check to apply for an NDIS check. A person who holds an NDIS clearance who is also required to hold a WWC clearance for their employment (if they are engaged in child-related work for “profit or gain”) will not be required to pay a fee for the WWC check.

## 1.3 Worker Screening legislative framework

The legislative framework that underpins the WWC check and the NDIS check is the Worker Screening Bill 2020, which was second read in the Parliament on 18 September 2020. If passed without amendment the Bill will:

* establish a new process to screen applicants who seek to work for a registered NDIS provider (to be known as an NDIS check); and
* maintain the existing process for screening applicants who seek to work with children (to be known as the WWC check).

The Bill establishes a framework to screen the criminal records and prescribed findings of certain disciplinary and regulatory bodies of people who intend to work with or care for children, or who intend to work in a risk assessed role for a registered NDIS provider. The Bill also gives effect to the Intergovernmental Agreement on Nationally Consistent Worker Screening for the National Disability Insurance Scheme in Victoria. Following a check, an applicant may receive a “clearance” or an “exclusion”, meaning that they are either cleared to work in the relevant domain, or prohibited from working. People who are assessed as posing an unjustifiable risk to the safety of children are refused a WWC check and prohibited from working with children. People who pose an unacceptable risk to people with disability are prohibited from working in a risk assessed role in the NDIS.

The main purposes of the Bill are:

“*to provide for screening of persons employed or engaged in risk-assessed roles for the purposes of the National Disability Insurance Scheme*”; and

*“to assist in protecting children from sexual and physical harm by providing for screening of persons who work with, or care for, children”.*

Clauses 10 and 11 of the Bill establish that the paramount consideration for any decision or action under the Bill about screening for working with children is the protection of children from sexual and physical harm, and the paramount consideration for any decision or action under the Bill about screening for working in a risk assessed role for the purposes of the NDIS is the health, safety and well-being of persons with a disability and in particular, the protection of persons with disability from abuse, violence, neglect and exploitation.

The Bill specifies who may apply for an NDIS check or a WWC check and establishes the requirements for an application that the Secretary must approve. These requirements state that an application for an NDIS check or a WWC check must be accompanied by the application fee.

The Bill provides for an application process in a form approved by the Secretary. The Secretary may refuse an application in some circumstances. Once the Secretary accepts an application, the Secretary must conduct a national criminal history check and must assess the person’s suitability to engage in child‐related work or work in a risk assessed role for a registered NDIS provider.

In the case of child-related work, the duty for individuals to hold (and organisations to ensure a worker holds) a WWC clearance is created by the Bill (by imposing offences such as engaging in child‐related work without a WWC clearance or engaging a person in child-related work who does not have a WWC clearance). The Bill defines the kind of work that is regulated as child‐related work and lists the relevant offences every applicant is screened for.

In the case of risk-assessed work for a registered NDIS provider, the responsibilities of workers and employers are established under the *National Disability Insurance Scheme Act 2013* (Cth). The Bill establishes the mechanism to ensure those workers are screened to meet the requirements of the Commonwealth law. In addition, workers may be subject to offences under the Bill if they engage in a risk assessed role without a clearance. The Bill lists the offences every applicant is screened for.

Applications are classified as Category A, B or C, depending on the seriousness of the criminal history.

The Secretary (defined in clause 3 as ‘Secretary to the Department of Justice and Community Safety’) is required to complete all tasks under the Bill, including but not limited to— assessing and re‐assessing a person’s eligibility to have a clearance; reviewing NDIS decisions if requested; notifying certain bodies of the outcome of assessments; and notifying the Chief Commissioner of Police of offending under the Bill. Clause 146 allows for the powers of the Secretary to be delegated.

The department has contractual arrangements with agencies including the Australian Crime Commission known as the Australian Criminal Intelligence Commission (ACIC) (for the provision of national criminal history checks) and Victoria Police (for the receipt of notifications pursuant to clauses 131 and 132 of the Bill).

The Bill 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 clearance for a period of up to 30 days in the same calendar year over several events or occasions if they have a WWC clearance from another Australian jurisdiction; or for a one‐off event.

The Bill also provides that the power to make Regulations providing for the imposition of fees may be exercised by providing for all or any of the following matters –

1. specific fees;
2. maximum or minimum fees;
3. maximum and minimum fees;
4. the payment of fees either generally or under specified conditions or in specified circumstances;
5. the reduction, waiver or refund, in whole or in part, of the fees.

### 1.3.1 Offence categorisation

The Bill maintains the same framework for the categorisation of offences and disciplinary findings for the purposes of the WWC check as provided under the WWC Act, specifically:

* Category A, which includes any person subject to serious offender orders and obligations, the offences of murder and attempted murder, rape and attempted rape, sexual offences against a child, child abuse material offences and bestiality;
* Category B, which includes serious sexual offences not captured by category A, serious violent offences and serious drug offences;
* Category C, which includes any offence that is not a category A or category B offence that represents a risk to the safety of children, prescribed disciplinary or regulatory findings including from the Victorian Institute of Teaching and the out-of-home-care Suitability Panel, findings of reportable conduct referred by the Commission for Children and Young People and determinations by VCAT in respect of health practitioners.

As the purpose of the WWC check is to prevent people who are assessed as posing a risk to the safety of children from working with, or caring for them, the categorisation of offences is therefore targeted at those offence types that represent the greatest risk to this cohort. The WWC check is a mature scheme, and accordingly the offences relevant to the WWC check have been refined over the 14 years of its operation.

The Bill also creates a framework for the categorisation of offences and disciplinary findings for the purposes of the NDIS check that gives effect to the requirements of the IGA, specifically:

* Category A, which includes any person subject to serious offender orders and obligations, the offences of murder and attempted murder, rape and attempted rape, sexual offences against a child or vulnerable person, serious assault against a child or vulnerable person, child abuse material offences, abduction and kidnapping offences against a child or vulnerable person, deceptive recruiting offences against a child or vulnerable person, driving offences with intent to cause death and bestiality;
* Category B, which includes charges for category A offences, manslaughter offences, sexual offences against an adult who is not a vulnerable person, serious assault offences against an adult who is not a vulnerable person, dangerous and negligent acts against a person under care, animal cruelty offences, fraud and deception offences against a child or vulnerable person, drug trafficking and manufacturing offences, deceptive recruiting offences against an adult who is not a vulnerable person and driving offences without intent to cause death;
* Category C, which includes any offence that is not a category A or category B offence that represents a risk to the safety of a person with disability, non-conviction charges for a category A or a category B offence, convictions or findings of guilt from outside Australia for a category A or category B offence, disciplinary or regulatory findings including banning orders from the NDIS Commission and determinations by VCAT in respect of health practitioners.

The categorisation of offences for the purposes of the NDIS check, as required under the IGA, is the result of agreement by the Commonwealth and states and territories as to those offence types that represent the greatest risk to persons with disability. Accordingly, any divergence in categorisation between the WWC check and the NDIS check is reflective of the purpose of each check, noting that the categorisation of offences for the NDIS is also circumscribed by the IGA.

## 1.4 Need to undertake a Regulatory Impact Statement and scope

The need for this Regulatory Impact Statement is to provide for prescribed information in the *Worker Screening Bill 2020*. This is particularly important so that fees can be set for the provision of both WWC checks and NDIS checks as the proposed new legislation will repeal the current legislation governing the WWC check.

The Victorian Government determined that the best way to implement the NDIS check was to establish a single screening framework for people who work, or seek to work, with children and people with disability under the Bill.

The foundations for this new screening framework are established by the WWC check, which has been refined and improved since it commenced in 2006. Under the Bill, the processes established to conduct the WWC check will be adapted to establish a new NDIS check, aligned with the national policy framework.

The Bill identifies common machinery and processes for worker screening, while enabling distinct, but similar, worker checks. Operationally as well as legislatively, the NDIS check will benefit from the existing expertise, technology solutions and processes of the WWC check in the department.

Provisions setting the fees for WWC checks and NDIS checks impose significant costs 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 application and renewal fees, where the expected impact of the proposed fees on the community is approximately $22.71 million and $3.66 million, respectively in 2020/21. The analysis of card replacement fees involves less detail as the impact of proposed fees on the community is expected to be approximately only $0.075 million in 2020/21.

## 1.5 Impact of COVID-19 on modelling

While all modelling in this RIS is based on actual 2018/19 application and cost figures for WWC check Victoria and estimated growth rates based on the past 10 years of available data, COVID-19 will likely result in some of these figures being different to past trends.

WWC check Victoria has indicated that in March and April 2020, they have been receiving approximately half as many WWC check applications as they would normally. This is likely due to the unprecedented shut-down of the Victorian economy significantly reducing the amount of paid and volunteer jobs that involve working with children. It may also reflect the uncertainty that many individuals are experiencing as to when the restrictions will be lifted as well as financial difficulties making them less willing to pay for a WWC check when the opportunity for paid work is reduced.

As a result, the 2020/21 figures presented in this RIS are likely to be an overestimate of demand. However, depending on when restrictions are lifted, there may be a significant bounce back in demand that could counteract the decrease. Given the uncertainty of how long this change will last and what its overall impact on applications will be, it has been excluded from the modelling.

Calculations in the RIS cover the entire 10-year lifetime of the Regulations, so while COVID-19 may result in 2020/21 figures that differ to past trends, it is assumed that over 10 years this impact will be relatively minor.

It should also be noted that the preferred option would not change even if the impacts of COVID-19 were inserted into the modelling as the Multi-Criteria Analysis would remain the same.

# 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 and NDIS 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

To assist in the protection of children and people with disability from harm posed to them by certain individuals, it is appropriate to have and maintain a worker screening scheme. Such a scheme is required to maintain public confidence in the proper regulation of child and disability related work and given the private benefit enjoyed by employees who have been checked and cleared to work with these cohorts, the principle of cost recovery of fees can apply. Volunteers are not dissuaded from engaging in child-related work because no fee is imposed for a volunteer WWC check.

In the context of child-related work, the Royal Commission into Institutional Responses to Child Sexual Abuse released its report on WWC checks in August 2015. Since this time, the WWC Act has been amended to implement several recommendations of the Royal Commission to increase the protections to children afforded by the WWC check scheme. The Victorian Government has endorsed national standards for WWC checks and is committed to work with the other states and territories to support the implementation of the Royal Commission’s recommendations and to further enhance protections afforded by the scheme.

When developing a national framework for conducting NDIS worker screening, the Council of Australian Governments agreed that worker screening has a preventative effect in deterring individuals who pose a high risk of harm from seeking work in the disability sector whilst reducing the potential for providers to employ workers who pose an unacceptable risk of harm to people with disability. Additionally, it was agreed that worker screening also has a corrective effect in prohibiting those persons who pose an unacceptable risk or are proved to have harmed vulnerable people from having more than incidental contact with people with a disability when working for a registered provider.

#### WWC check

The WWC check scheme has been in operation since 2006. It has clearly demonstrated a significant value to the community through the prevention of over 5,000 unsuitable individuals from engaging in child‐related work.

The cost of the scheme is significant. 2018‐19 was a typical year of operation, both in terms of volumes and related revenue. In 2018‐19, the WWC check operating expenditure was approximately $23.11 million, comprised of the following components:

**Table 4 – Annual WWC check transactions and costs (2018/19)**

| WWC check Service | Annual Transactions | Annual total cost of service |
| --- | --- | --- |
| New applications employees | 160,065 | $9,898,732 |
| New applications volunteers | 164,862 | $8,068,363 |
| Renewals employees | 53,041 | $3,089,328 |
| Renewals volunteers | 33,736 | $1,425,149 |
| Card replacements employees | 10,235 | $323,610 |
| Card replacements volunteers | 7,500 | $215,966 |
| Change of details\* | 100,000\*\* | $90,106 |
| Total | 529,449 | $23,111,426 |

\*Change of details relates to any changes where the business unit would have to send out a new letter. This includes changing a name but does not include changing an address which can be done online by the applicant.

\*\* This is an estimate based on past year figures as this data is no longer collected

The 2018‐19 ‘fee revenue’ for new and renewal applications for WWC checks and card replacements obtained from employees was $24,671,951 which exceeded the operating expenses. It is intended to avoid an operating deficit, which would need to be funded either by restructuring fees charged for WWC checks or by increasing funding via general tax revenue. Such a deficit would jeopardise the ability of WWCCV to effectively screen unsuitable individuals in a timely manner and prevent them from engaging in child‐related work.

There have been significant cost reductions in providing the WWC check service since its inception, and more are planned, including integrating the application process with Service Victoria. Given that the most recent data that can be used for this analysis is from 2018/19, these future savings have not been captured. However, if business costs do decrease significantly then fees can also be reduced without the need for another RIS. This is discussed further in Section 2.1.2.

Volunteer WWC checks in Victoria are free of charge. The WWC check scheme was designed to ensure it created no disincentive to volunteering due to the public benefits this activity provides.

#### NDIS check

The cost of conducting an NDIS check is expected to be similar to that of conducting a WWC check as discussed in 1.3.1. This is largely because the NDIS check will utilise the same systems and external contracts for such things as criminal history checks as currently used for the WWC check and will be delivered by the same business unit in DJCS. There will be a small cost saving for an NDIS check as opposed to a WWC check as there will be no card given when a person is given a NDIS clearance, but internal costs will be slightly higher as more entities will need to be checked.

As there will be no cards produced for the NDIS check, there will not be any costs or associated fees for a card replacement. Revenue from fees and costs associated with renewal applications for NDIS checks will begin to apply in 2025/26 when the first NDIS checks will begin to expire after five years.

Another key difference with the NDIS check is that there will be no volunteer checks. NDIS checks are all employee checks and so will incur the full cost recovery fee. Volunteers may apply if the NDIS provider that has engaged them requires them to be checked – but a fee will be paid in the same way as for a paid worker.

It is estimated that the total number of individuals requiring NDIS checks in the first year of operation will be approximately 37,300 based on the current estimate amount of NDIS workers in Victoria plus shortfall for the full scheme operation (IbisWorld X0029 National Disability Insurance Scheme Providers in Australia Industry Report August 2019). This estimate is a balance between a lower actual number of checks being required due to many of these workers not working in a ‘risk assessed role’ and likely over-compliance where employers expect employees to get the check even where it is not strictly required.

Based on the discussion above, the estimated costs of running the scheme in 2020/21 are outlined in table 5 below.

**Table 5: Predicted NDIS check application numbers and costs for 2020/21**

| NDIS check | Annual Transactions | Annual total cost of service |
| --- | --- | --- |
| New applications | 37,269 | $2,003,660\* |

\* This equates to a $53.76 cost per transaction for each application. A detailed breakdown of the calculations is provided in Appendix 1.

The cost of the NDIS check is expected to be higher in the first year than subsequent years as a greater number of people working in risk assessed roles will need to apply. In subsequent years, new applications will be the result of worker replacement, growth in the NDIS workforce and people needing to apply after their WWC check runs out through the transitional arrangements.

More detail on these estimates is provided in **Appendix 1**.

#### Costs arising from the need for services

Services provided by WWC check Victoria include new and renewal WWC check applications for employees and volunteers, WWC check card replacements, and change of WWC check details. In 2018‐19, there were 324,927 ‘new application’ transactions and 86,777 ‘renewal application’ transactions. There was also a total of 17,741 ‘card replacement’ transactions. The number of change of detail transactions for 2018/19 has been estimated to be 100,000. This figure is based on previous years as the data is no longer collected by WWC check Victoria.

**Table 6: Transaction business costs – 2018‐19 actual**

| Service | Annual number of transactions | Internal costs per transaction | External costs per transaction | Total business cost per transaction |
| --- | --- | --- | --- | --- |
| New applications (employees) | 160,065 | $20.51 | $44.43 | $64.94\* |
| New applications (volunteers) | 164,862 | $20.51 | $28.43 | $48.94 |
| Renewal applications (employees) | 53,041 | $30.84 | $27.40 | $58.24 |
| Renewal applications (volunteers) | 33,736 | $30.84 | $11.40 | $42.24 |
| Card replacement (employees)\*\* | 10,235 | $25.70 | $5.92 | $28.25 |
| Card replacement (volunteers) | 7,500 | $25.59 | $3.20 | $28.25 |
| Change of details | 100,000 | $0.90 | $0 | $0.90 |

\* Costs are lower when the transaction involves a change of status from a volunteer to an employee, unless the transaction comes through Australia Post, which leads to a slightly higher cost.

\*\* The costs for simple versus complex card replacements differ for both employees and volunteers. The costs in this table are averaged out between the two based on transaction numbers.

Since 2016, WWC check Victoria in the department has moved to a highly automated digital process which has significantly reduced internal costs per transaction. The internal costs per transaction cover staff salary and on-costs, overhead costs and other general operating costs that have been spread across the different transaction types according to time spent on each one.

The external costs per transaction cover business costs from Australia Post, the Australian Criminal Intelligence Commission (ACIC), the printing and distribution of WWC check cards and notices and the ongoing monitoring and management of information requests by Victoria Police. Expenditure has been directly tied to relevant transactions where possible. Where this was not possible, the expenditure was spread across the relevant transaction types.

Processes and costs stem from a combination of activities provided by staff and external contracted service providers. These are outlined in table 7 below.

**Table 7: WWC check activity processes**

| Activity | Service provided by | Process |
| --- | --- | --- |
| Customer Support | Internal | As part of the pre-application process, support is provided to applicants over the phone including assistance with the questions in the form as well as assistance with accessibility, technical problems, language comprehension and other issues. |
| Application Capture Service | Australia Post | For new applicants only (both employee and volunteer types) Australia Post checks applications for proof of identity and completeness. Renewal and volunteer to employee applications do not incur a fee as these are processed entirely online. |
| Application Support | Internal | Provides support towards applications with special circumstances (e.g. non-compliant applications, duplicate applications, etc). Includes support to interstate applicants. |
| Criminal History Check | Australian Criminal Intelligence Commission (ACIC) | A national Criminal History Check conducted by ACIC for all WWC check applicants. The results can be either ‘No Disclosable Court Outcome’ (NDCO) or ‘Disclosable Court Outcome’ (DCO). |
| Initial Assessment | Internal | Categorisation of applicants with a ‘Disclosable Court Outcome’ or as a result of ongoing monitoring. This process identifies applications to be recommended to proceed to exclusion or clearance or to be progressed to the Assessment team for further investigation. |
| Assessment | Internal | Investigation of applicant’s criminal history, including confirmation of initial assessment categorisation, external liaison (e.g. courts, police, Department of Health and Human Services etc) and subsequent issue/recommendation for either a clearance or an exclusion. |
| Card manufacture and assessment notice | ABNote | This service involves the sending out of cards and assessment notices to applicants who have successfully passed the WWC check assessment process, those who have successfully renewed their WWC check and those who have changed from volunteer to employee status. |
| Ongoing monitoring and requests for further information | Victoria Police | A weekly criminal history check (Victoria only) for all WWC check cardholders. Also includes requests for further information. |
| Other staff costs | Internal | Costs associated with back office staff (e.g. IT support, contract management, legal, administration). |

Most new applications (60 per cent) now follow a highly automated online process outlined below:

#### Process and classification of new applications – online

1. Applicant goes to WWC check website “Apply for a Check” page.
2. Applicant indicates whether Employee or Volunteer application.
3. Applicant enters required data – personal details, employment details etc.
4. Applicant reads and digitally signs consent and declaration on website.
5. Applicant receives barcode to present at Australia Post.
6. Applicant takes barcode (hard or soft copy) and one form of photo identification to Australia Post.
7. Australia Post staff verify identification, take digital photo and take payment (if application is for an employee WWC Check).
8. Application and payment information is sent electronically to WWCCV and loaded into ChildCheck for regulatory assessment commencement.
9. National criminal history check undertaken by ACIC.
10. Further assessment on application done by WWC check staff if necessary.
11. Positive/negative assessment notice sent out.
12. Victoria police conducts weekly (Victorian) criminal history checks for card holders.

The costs associated with Australia Post, ABNote, ACIC, and Victoria Police are shown in Table 8 below and were approximately $13 million for 2018‐19.

**Table 8: Annual contractor expenditure – 2018‐19 actual**

| Contractor | Contractor Activity | Annual expenditure | Percentage of total annual expenditure |
| --- | --- | --- | --- |
| Australia Post | Application capture service | $4,969,456 | 37.77% |
| ABNote | Card & letter production | $1,180,973 | 8.98% |
| ACIC | National criminal history checks | $6,327,435 | 48.09% |
| Victoria Police | Information requests & ongoing monitoring | $679,311 | 5.16% |
| Total |  | $13,157,176 | 100.00% |

Table 9 below shows the cost of providing services for the WWC check scheme by WWCCV for 2018‐19 and is approximately $23.11 million. A total of 324,927 new applications make up $17.96 million of the $23.11 million (77 per cent) in operating costs. Further, a total of 86,777 renewal applications make up $4.51 million of the $23.11 million (20 per cent) in operating costs. Card replacements and change of details make up the remainder of the costs, $447,748 (2 per cent) and $90,106 (less than 1 per cent) respectively.

**Table 9: Summary of internal and external costs incurred by WWCCV by type of application – 2018‐19 actual**

| Service | Internal cost per service | External cost per service | Total cost per service | Total annual  number of transactions | Cost per transaction\* | Fee in 2018‐19 |
| --- | --- | --- | --- | --- | --- | --- |
| New applications (employees) | $3,351,095 | $6,547,637 | $9,898,732 | 160,065 | $64.94 | $123.40 |
| New applications (volunteers) | $3,381,336 | $4,687,026 | $8,068,363 | 164,862 | $48.94 | Free |
| Sub‐total new applications | **$6,732,432** | **$11,234,663** | **$17,967,096** | **324,927** | **NA** | **NA** |
| Renewal (employees) | $1,636,005 | $1,453,323 | $3,089,328 | 53,041 | $58.24 | $91.32 |
| Renewals (volunteers) | $1,040,558 | $384,590 | $1,425,149 | 33,736 | $42.24 | Free |
| Sub‐total renewals | **$2,676,563** | **$1,837,913** | **$4,514,477** | **86,777** | **NA** | **NA** |
| Card replacements (employees) | $263,034 | $60,576 | $323,610 | 10,235 | $28.25 | $7.38 |
| Card replacements (volunteers) | $191,960 | $24,006 | $215,966 | 7,500 | $28.25 | Free |
| Sub-total card replacements | **$454,994** | **$43,582** | **$447,748** | **17,741** | **NA** | **NA** |
| Change of details | $90,106 | $0 | $90,106 | 100,000 | 0.00 | NA |
| Total cost | **$9,954,249** | **$13,157,176** | **$23,111,426** | **529,449** | **NA** | **NA** |

\* Note that the cost per transaction differs from these numbers in certain circumstances, such as when a card replacement requires a further ACIC check.

The difference in cost per transaction between employee and volunteer applications and renewals is driven by price differences charged by ACIC for criminal history checks of employees versus volunteers.

As the NDIS check is a new scheme there is limited data upon which to predict costs. In general, it has been assumed that the costs of conducting the NDIS check will be slightly higher due to needing to check individuals against a more comprehensive set of offences as discussed above at 1.3.1. This is partially offset because there will be no cost for the provision of cards and notices.

Table 10 below estimates costs for NDIS checks for 2020/21 based on estimated application and change of details numbers. While there will be no renewals in the first 5 years of the NDIS check’s operation, each renewal is estimated to cost the department $61.66 (More information on how this has been calculated in provided in Appendix 1.).

**Table 10: Summary of predicted internal and external costs for NDIS check in 2020/21**

| Service | Internal cost per service | External cost per service | Total cost per service | Total annual  number of transactions | Cost per transaction\* | Fee in 2018‐19 |
| --- | --- | --- | --- | --- | --- | --- |
| New applications | $917,269 | $1,086,391 | $2,003,660 | 37,269 | $53.76 | NA |

\* Note that the cost per transaction differs from these numbers in certain circumstances, such as when a card replacement requires a further ACIC check.

After the first year of operation it is predicted that application numbers for the NDIS check will decrease for a few years before later stabilising as a greater number of people will need a check in the first year of the scheme. This means that the operating costs of the NDIS check will be lower in future years.

### 2.1.2 Efficiency measures adopted by the Department of Justice and Community Safety in service delivery

The costs and processes in 2.1.1 reflect resources necessary and required to deliver the WWC check and NDIS check schemes. The department has adopted several specific and more general efficiency measures over time associated with the delivery of new/renewal applications and card replacements and is constantly developing new efficiencies.

The costs to be recovered under the proposed Regulations are considered by the department to be ‘efficient’. Significant work has been undertaken to streamline processes and reduce costs, including contractor costs. 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.

#### Online services

From 2014, cardholders could complete their Volunteer to Employee or renewal transactions completely online, without the need to attend a physical location. This initiative saved the department $230,000 per month in fees to Australia Post (also reduced “red tape” significantly by saving time and cost to cardholders). From 2016, new applicants could have the identification partly checked online (through electronic verification of identity documents back to source e.g. Passport Office, VicRoads etc). This led to substantial time saving for applicants, and a significant reduction in fees to Australia Post (approximately $250,000 per month).

Approximately 94 per cent of new applications and 93 per cent of renewal applications are processed in a highly automated fashion within around 2.1 processing days.

Around 6 per cent of new applications and 6.6 per cent of renewal applications draw on considerable resources with an average of 22.3 and 26.4 processing days required, respectively. In these cases, the applicant has either a relevant criminal history and/or poses an unjustifiable risk to the safety of children under the Bill.

These same services will be used for NDIS checks, though it is estimated that the time to process them will take around 20 per cent longer than the WWC check because each NDIS check will need to be checked against more offences, as discussed above. By utilising the same business unit and systems set up for the WWC check to manage NDIS checks, the department will be able to utilise existing efficiencies to keep operational costs low.

#### Future proposed cost savings\*

The department is currently developing New Application transaction capability with Service Victoria for the WWC check\*\*. This includes a fully end-to-end digital transaction process, where the applicant can apply, and be fully identified, online. This will essentially mean that, for those applicants able to transact through Service Victoria, the department will not have to pay Australia Post for a physical application capture service (there will remain a requirement to retain a physical service for those applicants unable to meet Service Victoria requirements, however this will be the exception).

By reducing the costs of providing the WWC check and NDIS check, fees can subsequently be reduced, providing a significant benefit to the Victorian public.

\* As these cost savings are currently proposed and it is not clear if or when they will be implemented, they have not been built into the fee modelling.

\*\*If the Service Victoria cost reductions were modelled, then the cost of transactions for WWCC employee and volunteer applications would be reduced by $17.03 each. Fees would be able to be subsequently reduced as a result.

### 2.1.3 The need for cost recovery and government policy

A prescribed fee for services is governed by the Bill 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 as well as work with NDIS participants in a risk assessed role.

The need for cost recovery is about the recuperation of costs of services provided under the WWC check and NDIS check schemes that, to some extent, provide “private benefits to individuals, entities or groups, or reflect the costs their actions impose.” There is a need to recover costs in order to achieve efficiency and equity objectives for processing WWC check and NDIS check applications, renewals and card replacements.

The default position with regards to government policy is full cost recovery to ensure that both efficiency and equity objectives are met and achieve the objectives of these Regulations. Reducing the reliance on general tax revenue means that such revenue can be diverted to more appropriate uses.

#### Efficiency objective

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 and NDIS check provides. This will ensure that only those who value the WWC check or NDIS check at or above the ‘efficient’ price will wish to undertake them and there is not an overutilisation of resources committed to this 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 for volunteers applying for a WWC check given that the related 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, it can be argued that a main benefit of volunteerism, and no associated fee for a WWC check required for volunteering, is that people who volunteer to take children into out-of-home care or as part of a kinship care arrangement can provide these services at far less cost to the state than if children at risk had to be accommodated in state-managed and/or funded facilities. Volunteering also provides a benefit to children, encouraging some to engage in activities such as camping or coaching who would otherwise not have an opportunity to do so without volunteers who have been provided with a WWC check. Similar benefits will be experienced by people with disability as a result of the NDIS check.

#### Equity objective

The costs of processing new applications and renewals, as well as card replacements, 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.” 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”. This avoids the situation where taxpayers must pay all the associated costs regardless of whether they benefit from – or give rise to the need for – the WWC check or NDIS check.

#### Effectiveness of meeting the objectives

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. Volunteers provide a valuable service to the community for free and charging them a fee is likely to be strongly resisted by the community.

Aligning the employee WWC check fees and NDIS check fees is important for equity and practicality reasons. The two checks serve broadly the same purpose and are conducted by the same business unit, so having vastly different fees for each one may confuse the public

It is also unlikely that the benefits provided by a WWC check would be much different from an NDIS check for an employee in the relevant industry, which would imply that the efficient cost should be similar.

The only substantive difference between the two checks is how they deal with volunteers, as there is a volunteer WWC check but no volunteer NDIS check. This is due to the NDIS check being tied directly to NDIS funding, which does not contemplate volunteers. While a registered NDIS provider can engage volunteers, they would be doing so as an adjunct to a funded service, making a free NDIS check for volunteers inappropriate.

### 2.1.3 Other prescribed matters in the Regulations

As the proposal sets fees that are estimated to raise around $25 million per year, a RIS must be prepared in accordance with the *Subordinate Legislation Act 1994*. Provisions setting the fees for WWC Checks and NDIS checks impose a significant cost and so are assessed in detail in this RIS.

The remaining provisions of the proposed Regulations identify bodies and findings prescribed for the purposes of sharing information in respect of either or both of the WWC or NDIS checks. The bodies engaged in sharing information are public sector bodies that are excluded from these considerations in accordance with the Subordinate Legislation Guidelines. Therefore, these provisions do not impose a significant economic or social impact or burden on a sector of the public. In keeping with a proportionate approach to analysis, the effects of these proposed regulations are not analysed in detail.

The other matters prescribed in the Regulations are as follows:

* providing for an offence of one penalty unit relating to a failure by an applicant for a screening check or a holder of a clearance to notify the Secretary of a change in personal particulars;
* prescribing a law of another State or a Territory that provides for screening of persons who are to be employed or engaged in risk assessed roles. This is a requirement under the Bill in relation to interstate NDIS worker screening;
* prescribing certain entities and findings to enable information to be provided about an applicant for a screening check, or the holder of a clearance and
* prescribing persons to whom the Secretary may delegate powers.

### 2.1.4 The base case and its consequences

The base case is defined as the situation that exists in the absence of the proposed Regulations. As there are currently no Regulations for the Bill, the base case will be the situation of “no Worker Screening Regulations.”

Under the base case, and in the absence of the proposed regulations – the requirements of the Bill (discussed in 1.2.1 of this RIS) would continue, including—allowing the ‘Secretary’ to conduct the WWC check and NDIS check, and to be satisfied that an applicant does not pose an unjustifiable risk to the safety of children and people with disability. Clause 146 of the Bill allows for the powers of the Secretary to be delegated. The Secretary would still be required to undertake all requirements set out in the Bill.

However, the Government would not be able to charge fees and recover the cost of these activities including costs associated with new applications for both the WWC check and NDIS check and renewals and card replacements for the WWC check, at an estimated cost of $25.12 million (see Tables 9 and 10). Under the base case, the activities of the WWC check and NDIS checks would continue to be conducted, however funding arrangements would be such that all the legislated activities of the checks 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.

# Section 3: Specification of the desired objectives

Having regard to the WWC check and NDIS check requirements under the Bill and the need to solve the problems identified in Section 2.1, the Government’s objectives in making these Regulations are, to the extent possible:

* to fully fund the schemes without general taxpayer revenue,
* to not discourage volunteer WWC check applicants, and
* to have parity between WWC check and NDIS check fees.

The first objective is a priority because the government wants to ensure that it can fully recover the costs of operating the scheme and the second objective is to do this without deterring volunteers. The third objective is a priority because the government wants the fees structure to be relatively simple and fairly applied to different types of workers who may require screening and who would receive a similar benefit from the screening.

# 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 Cost Recovery 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 schemes for all WWC check and NDIS check applicants would be cross‐subsidised by all taxpayers;
* no applicants would pay anything for getting a WWC check or NDIS check, so the price would not be the efficient price for either; and
* the schemes would cost taxpayers around $23 million per year\*.

\*NPV with a 4 per cent discount rate spread averaged across the life of the Regulations

The options presented in this RIS, which focus on alternative fee structures for the WWC check and NDIS check all aim for full cost recovery of the scheme. The options vary in terms of the incidence of the costs of the scheme (that is, whether the costs fall upon employees, volunteers) and the fee level set for the NDIS check. The focus has been on application and renewal fees, with the replacement card fee being set at the same level in all options given its relatively small impact.

Note that all numbers discussed regarding costs and fees use 2018/19 dollars, 2018/19 fee levels and 2018/19 application numbers. This is to ensure consistency across all options discussed. From 2020/21 onwards, when calculating Net Present Value (NPV), a 4 per cent discount rate has been applied.

Even though there were no NDIS check applications in 2018/19, estimated numbers of applications for 2020/21 have been inserted into the tables to show how the fees will function.

Note that the numbers shown in the tables below recover more than 100 per cent of the costs of running the scheme. This is because fees have been set at a level to recover costs over the 10 years of these Regulations, while the tables only show the first year. Fees need to be set higher in the first year to account for increasing volunteer renewals and applications and a decrease in NDIS check applications after the first year.

This is because it is modelled that the first year of applications for the NDIS check will have nearly the entirety of the affected NDIS workforce applying for an NDIS check, which is estimated to be approximately 37,200. In subsequent years, given that almost all the NDIS workforce would have an NDIS clearance for the next five years, the number of applicants is modelled as the growth in the sector plus 5,000 to account for general staff turnover.

This means that the first year of NDIS checks will be substantially higher than future years, which will stabilise over time. This affects the modelling because the NDIS check in three out of the four options have fees set above cost levels to cross-subsidise volunteer WWC check applications and renewals. In this way, the fee levels set will over recover costs in the first year but break even in Net Present Value over the lifetime of these Regulations.

Further discussion of fee levels and a year by year breakdown is provided in **Appendix 2**.

A detailed breakdown of the total annual cost per service, including discussion of the modelling used, can be found in **Appendix 1**.

The options to be considered as part of the cost benefit evaluation are:

#### Option 1:

*Subsidise volunteer WWC check applications and renewals through the fees charged for employee WWC check and NDIS check applications and renewals, which are set at the same level. Slightly reduced fees from current levels.*

Option 1 involves cost recovery of new application and renewal costs and card replacement costs (including replacements involving change of name) for employee WWC check applicants and NDIS applicants only. The volunteer WWC check will remain free.

Since volunteer WWC check applications and renewals remain free, these checks are cross subsidised by WWC check employee and NDIS check applications and renewals. For this reason, more than 100 per cent of the cost of completing these checks has been charged.

WWC check card replacements will remain at a similar cost but will be tied to a fee level rather than a static number to allow for the cost to increase in line with inflation. Based on 2018/19 dollars, the fee would be $7.22.

As shown in Table 11, Option 1 recovers costs by:

* charging employee WWC check applicants 188 per cent of the cost of processing applications and 151 per cent of the cost of renewals,
* charging employee WWC check applicants 23 per cent of the cost of replacing a card,
* not charging volunteer WWC check applicants for the cost of processing volunteer applications, renewals or replacing a card,
* charging NDIS employees 217 per cent of the cost of processing applications.

**Table 11a: Summary of Option 1 cost recovery - WWCC**

| Service | Total annual cost per service | Total annual number of transactions | Fee | Annual revenue | Percentage of costs recovered |
| --- | --- | --- | --- | --- | --- |
| New applications (employees) | $9,898,733 | 160,065 | **$116.50** | $18,647,523 | 188% |
| New applications (volunteers) | $8,068,364 | 164,862 | **N/A** | $0 | 0% |
| Renewals (employees) | $3,089,329 | 53,041 | **$88.15** | $4,675,299 | 151% |
| Renewals (volunteers) | $1,425,149 | 33,736 | **N/A** | $0 | 0% |
| Card replacements (employees) | $323,610 | 10,235 | **$7.22** | $73,948 | 23% |
| Card replacements (volunteers) | $215,966 | 7,500 | **N/A** | $0 | 0% |
| Change of details | $90,106 | 100,000 | **N/A** | $0 | 0% |
| Total WWC and NDIS | $25,114,917 | 566,708 |  | $27,732,146 | 110% |

**Table 11b: Summary of Option 1 cost recovery – NDIS Check**

| Service | Total annual cost per service | Total annual number of transactions | Fee | Annual revenue | Percentage of costs recovered |
| --- | --- | --- | --- | --- | --- |
| New applications | $2,003,660 | 37,269 | **116.50** | $4,341,839 | 217% |
| Total WWC and NDIS | $25,114,917 | 566,708 |  | $27,732,146 | 110% |

#### Option 2

*Retain current fee levels for WWC check. Align NDIS check fees with employee WWC check fees.*

Option 2 involves leaving the current fee levels for WWC check as is, meaning that the fees for employees will continue to subsidise the costs of volunteer checks. The NDIS check fees for applications and renewals will be aligned to the WWC check costs for simplicity.

WWC check card replacements will remain at a similar cost but will be tied to a fee level rather than a static number to allow for the cost to increase in line with inflation. Based on 2018/19 dollars, the fee would be $7.22.

Option 2 fully recovers costs by:

* charging employee WWC check applicants 200 per cent of the cost of processing applications and 157 per cent of the cost of renewals,
* volunteer WWC check applications, renewals and card replacements remain free,
* charging employee WWC check applicants 23 per cent of the cost of replacing a card;
* charging NDIS employees 230 per cent of the cost of processing applications.

This is the simplest ‘business as usual’ option which retains the current fee structure as is, while building in the NDIS check. As a result of cost saving measures since fee levels were last set however, these fees will raise excess of cost recovery over the life of the Regulations.

**Table 12a: Summary of Option 2 cost recovery – WWCC**

| Service | Total annual cost per service | Total annual number of transactions | Fee | Annual revenue | Percentage of costs recovered |
| --- | --- | --- | --- | --- | --- |
| New applications (employees) | $9,898,733 | 160,065 | **$123.40** | $19,752,501 | 200% |
| New applications (volunteers) | $8,068,364 | 164,862 | **N/A** | $0 | 0.% |
| Renewals (employees) | $3,089,329 | 53,041 | **$91.32** | $4,843,916 | 157% |
| Renewals (volunteers) | $1,425,149 | 33,736 | **N/A** | $0 | 0% |
| Card replacements (employees) | $323,610 | 10,235 | **$7.22** | $73,948 | 23% |
| Card replacements (volunteers) | $215,966 | 7,500 | **N/A** | $0 | 0% |
| Change of details | $90,106 | 100,000 | **N/A** | $0 | 0% |
| Total WWCC and NDIS Check | $25,114,917 | 566,708 |  | $29,543,426 | 118% |

**Table 12b: Summary of Option 2 cost recovery – NDIS Check**

| Service | Total annual cost per service | Total annual number of transactions | Fee | Annual revenue | Percentage of costs recovered |
| --- | --- | --- | --- | --- | --- |
| New applications | $2,003,660 | 37,269 | **123.40** | $4,599,106 | 230% |
| Total WWCC and NDIS Check | $25,114,917 | 566,708 |  | $29,543,426 | 118% |

#### Option 3:

*Charge volunteer WWC check applicants a small fee for applications, renewals and card replacements. Employee WWC checks and renewals and NDIS check fees are reduced but aligned.*

Option 3 involves charging volunteer WWC check applicants around $20 for applications and renewals. This is still below the cost of providing a check but requires far less cross subsidisation from other fees. As a result, the fees for employee WWC check applicants and NDIS check applicants can be significantly reduced but will still be set at the same level.

WWC check card replacements will remain at a similar cost but will be tied to a fee level rather than a static number to allow for the cost to increase in line with inflation. Based on 2018/19 dollars, the fee would be $7.22 for both employees and volunteers.

Option 3 fully recovers costs by:

* charging employee WWC check applicants 155 per cent of the cost of processing applications and 119 per cent of the cost of renewals,
* charging volunteer WWC check applicants 41 per cent of the cost of processing applications and 48 per cent of the cost of renewals
* charging employee WWC check applicants and volunteers 23 per cent of the cost of replacing a card;
* charging NDIS employees 178 per cent of the cost of processing applications.

This option demonstrates how much employee WWC check fees and NDIS fees are affected by the need to fully subsidise volunteer WWC check fees. By charging volunteers a small amount for transactions, all other fees are reduced as a result.

**Table 13a: Summary of Option 3 cost recovery – WWCC**

| Service | Total annual cost per service | Total annual number of transactions | Fee | Annual revenue | Percentage of costs recovered |
| --- | --- | --- | --- | --- | --- |
| New applications (employees) | $9,898,733 | 160,065 | **$95.95** | $15,358,237 | 155% |
| New applications (volunteers) | $8,068,364 | 164,862 | **$20.23** | $3,335,158 | 41% |
| Renewals (employees) | $3,089,329 | 53,041 | **$69.50** | $3,686,350 | 119% |
| Renewals (volunteers) | $1,425,149 | 33,736 | **$20.23** | $682,479 | 48% |
| Card replacements (employees) | $323,610 | 10,235 | **$7.22** | $73,948 | 23% |
| Card replacements (volunteers) | $215,966 | 7,500 | **$7.22** | $54,187 | 23% |
| Change of details | $90,106 | 100,000 | **N/A** | $0 | 0% |
| Total WWCC and NDIS Check | $25,114,917 | 566,708 |  | $26,766,164 | 107% |

**Table 13b: Summary of Option 3 cost recovery – NDIS Check**

| Service | Total annual cost per service | Total annual number of transactions | Fee | Annual revenue | Percentage of costs recovered |
| --- | --- | --- | --- | --- | --- |
| New applications | $2,003,660 | 37,269 | **95.95** | $3,575,961 | 178% |
| Total WWCC and NDIS Check | $25,114,917 | 566,708 |  | $26,766,164 | 107% |

#### Option 4:

*Fully subsidise the volunteer WWC check through employee WWC check fees. Charge NDIS fees according to actual transaction costs, not aligned with WWC check fees.*

Under Option 4, fees for employee WWC check applications and renewals have been set at a level to fully subsidise the volunteer WWC checks. As a result, the NDIS check fee can be reduced to its actual cost. This results in employee WWC check application and renewal fees costing significantly more than NDIS check fees.

WWC check card replacements will remain at a similar cost but will be tied to a fee unit level rather than a static number to allow for the cost to increase in line with inflation. Based on 2018/19 dollars, the fee would be $7.22.

Option 4 would fully recover costs by:

* charging employee WWC check applicants 197 per cent of the cost of processing applications and 149 per cent of the cost of renewals,
* volunteer WWC check applications, renewals and card replacements remain free,
* charging employee WWC check applicants 23 per cent of the cost of replacing a card;
* charging NDIS employees 100 per cent of the cost of processing applications.

**Table 14a: Summary of Option 4 cost recovery - WWCC**

| Service | Total annual cost per service | Total annual number of transactions | Fee | Annual revenue | Percentage of costs recovered |
| --- | --- | --- | --- | --- | --- |
| New applications (employees) | $9,898,733 | 160,065 | **$122.10** | $19,543,937 | 197% |
| New applications (volunteers) | $8,068,364 | 164,862 | **N/A** | $0 | 0% |
| Renewals (employees) | $3,089,329 | 53,041 | **$86.70** | $4,598,655 | 149% |
| Renewals (volunteers) | $1,425,149 | 33,736 | **N/A** | $0 | 0% |
| Card replacements (employees) | $323,610 | 10,235 | **$7.22** | $73,948 | 23% |
| Card replacements (volunteers) | $215,966 | 7,500 | **N/A** | $0 | 0% |
| Change of details | $90,106 | 100,000 | **N/A** | $0 | 0% |
| Total WWCC and NDIS Check | $25,114,917 | 566,708 |  | $26,220,297 | 104% |

**Table 14b: Summary of Option 4 cost recovery – NDIS Check**

| Service | Total annual cost per service | Total annual number of transactions | Fee | Annual revenue | Percentage of costs recovered |
| --- | --- | --- | --- | --- | --- |
| New applications | $2,003,660 | 37,269 | **$53.75** | $2,003,209 | 100% |
| Total WWCC and NDIS Check | $25,114,917 | 566,708 |  | $26,220,297 | 104% |

Table 15 summarises the individual fees and estimated 10‐year fee revenue for all the options including a comparison with current fees.

**Table 15: Summary of fees and estimated 10‐year fee revenue in 2018‐19 NPV dollars**

| Fees | New  applications  (employees) | New  applications  (volunteers) | Renewal applications  (employees) | Renewal applications  (volunteers) | Card replacements  (employees) | Card replacements  (volunteers) | NDIS applications | Total revenue |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| Option 1 fees | $116.50 | N/A | $88.15 | N/A | $7.22 | N/A | $116.50 |  |
| Option 1 revenue | $167,800,065 | N/A | $50,036,389 | N/A | $823,774 | N/A | $13,255,824 | $231,916,052 |
| Option 2 fees | $123.40 | N/A | $91.32 | N/A | $7.22 | N/A | $123.40 |  |
| Option 2 revenue | $177,793,121 | N/A | $51,840,980 | N/A | $823,774 | N/A | $14,045,253 | $244,503,128 |
| Option 3 fees | $95.95 | $20.23 | $69.50 | $20.23 | $7.22 | $7.22 | $95.95 |  |
| Option 3 revenue | $138,237,275 | $30,019,904 | $39,454,922 | $11,945,185 | $823,774 | $611,373 | $10,920,431 | $232,012,865 |
| Option 4 fees | $122.10 | N/A | $86.70 | N/A | $7.22 | N/A | $53.75 |  |
| Option 4 revenue | $175,919,423 | N/A | $49,216,120 | N/A | $823,774 | N/A | $6,118,073 | $232,077,390 |

Note that the cost of running the scheme is the same in all Options. This has been calculated to be $231,887,787 in 2018/19 NPV dollars over the 10 years of the Regulations.

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# 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. Discounted 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).

## 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 16 have been used to assess the ability of options to meet the policy objective and are applied to the MCA:

**Table 16: Criteria used by MCA**

| Criterion | Description | Weighting |
| --- | --- | --- |
| Efficiency | Fee levels set reflect the true value of the WWC check and NDIS check in terms of the costs and benefits they provide. Fee levels set fully recover costs of conducting the checks. | 30% |
| Equity | Measures the scale to which people who are better off, or have more to financially gain from the check, pay more than people who have less to gain from the checks. | 30% |
| Effectiveness | The extent to which fees meet the objectives of the Regulations other than full cost recovery – alignment between WWC check and NDIS application fees and not discouraging volunteer WWC check participation. | 40% |

The assigned weights of 30 per cent for efficiency, 30 per cent for equity and 40 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 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. The critical issue is that under the base case, the Bill would continue to require people to hold a WWC check or NDIS check to lawfully engage in relevant work and would still require the Secretary to conduct these checks, failing all three of the criteria listed above.

## 5.2 Efficiency criteria – analysis of options

### Option 1: *Subsidise volunteer WWC check applications and renewals through the fees charged for employee WWC check and NDIS check applications and renewals, which are set at the same level. Slightly reduced fees from current employee fee levels*

Option 1 has fees that do not accurately represent the cost of transactions. Notably, the employee fees for WWC check and NDIS checks and renewals are significantly higher than the cost of transacting them (150 – 220 per cent). The cost of WWC volunteer checks and renewals is also free, which does not properly represent the high business cost of providing them. Compared to other Options, Option 2 has fees set further from costs, whereas Options 3 and 4 have fees more closely aligned to costs.

The fee levels set fully recover the costs of conducting the checks within 0.01 per cent over the 10 years of the Regulations. This is much better than the base case where there is no recovery of costs via fees.

Therefore, Option 1 is rated as a 4 for efficiency, which is weighted as a 1.2.

### Option 2: *Retain current fee levels for WWC check. Align NDIS check fees with employee WWC check fees*

Option 2 has fees that do not accurately represent the cost of transactions. Notably, the employee fees for WWC check and NDIS check applications and renewals are significantly higher than the cost of transacting them (120 – 200 per cent). The cost of volunteer checks and renewals is also free, which does not properly represent the high business cost of providing them. Option 2’s fees deviate the most from costs out of all the Options analysed, so it is the least efficient in this respect.

The fee levels set recover far more than the level of costs, recovering an extra 5 per cent over the 10 years of the Regulations. This over recovery is still considered more efficient than not recovering any costs, as in the base case.

Therefore, Option 2 is rated as a 1 for efficiency, which is weighted as a 0.3.

### Option 3: *Charge volunteer WWC check applicants a small fee for applications, renewals and card replacements. Employee WWC check checks and renewals and NDIS check fees are reduced but aligned*

Option 3 has fees more closely aligned to actual cost of transactions than other options but are still not perfectly aligned. The employee fees for WWC check and NDIS checks and renewals are higher than the cost of transacting them (120 – 180 per cent). Conversely, the cost of WWC volunteer checks and renewals are set around 40 – 50 per cent of business costs of providing them. This Option has fee levels most in line with costs compared to all other Options analysed, though they still deviate from actual costs somewhat.

The fee levels set fully recover the costs of conducting the checks within 0.05 per cent over the 10 years of the Regulations.

Therefore, Option 3 is rated as a 7 for efficiency, which is weighted as a 2.1.

### Option 4: *Fully subsidise the volunteer WWC check through employee WWC check fees. Charge NDIS fees according to actual transaction costs, not aligned with WWC check fees*

Option 4 has fees for the NDIS check aligned with the cost of performing it, but the employee WWC check applications and renewals are set higher than their transaction costs (150 – 200 per cent) and volunteer applications and renewals are free. This Option best aligns fees for the NDIS check with its costs, however as a result it means that employee WWC check applications and renewals need to be set at a level even higher than their costs to fully subsidise volunteer WWC check applications and renewals.

The fee levels set fully recover the costs of conducting the checks within 0.08 per cent over the 10 years of the Regulations.

Therefore, Option 4 is rated as a 5 for efficiency, which is weighted as a 1.5.

## 5.3 Equity criteria – analysis of options

### Option 1: *Subsidise volunteer WWC check applications and renewals through the fees charged for employee WWC check and NDIS check applications and renewals, which are set at the same level. Slightly reduced fees from current levels*

Option 1 has individuals who are gaining a financial advantage (employees) for the WWC check and NDIS check paying while individuals who are not (volunteer WWC check applicants) can apply and renew for free. This is seen as a reasonably equitable distribution for cost recovery, as employees will likely earn more from having the check than not.

Therefore, Option 1 has been rated a 5 for equity, which is weighted as a 1.5.

### Option 2: *Retain current fee levels for WWC check. Align NDIS check fees with employee WWC check fees*

Option 2 has individuals who are gaining a financial advantage (employees) for the WWC check and NDIS check paying while individuals who are not (volunteer WWC check applicants) can apply and renew for free. This is seen as a reasonably equitable distribution for cost recovery, as employees will likely earn more from having the check than not.

Therefore, Option 2 has been rated a 5 for equity, which is weighted as a 1.5.

### Option 3: *Charge volunteer WWC check applicants a small fee for applications, renewals and card replacements. Employee WWC checks and renewals and NDIS check fees are reduced but aligned*

Option 3 reduces the costs of applications and renewals for WWC check and NDIS check employees, but adds a cost for volunteer WWC checks. This is not seen as equitable as volunteer WWC check applicants do not gain any financial advantage from having a WWC check, while employee WWC check applicants and NDIS check applicants do.

Compared to the base case where all checks are free, charging volunteers for checks and applications is not considered as equitable. However, the base case also does not charge employees who gain financial advantage any fee, so Option 3 is still considered more equitable than the base case.

Therefore, Option 3 has been rated a 2 for equity, which is a weighted 0.6.

### Option 4: *Fully subsidise the volunteer WWC check through employee WWC check fees. Charge NDIS fees according to actual transaction costs, not aligned with WWC check fees*

Option 4 sets fees for NDIS checks at their efficient cost level, while leaving volunteer WWC check applications and renewals free by fully subsidising them with employee WWC check applications and renewals. This is seen as less equitable than Options 1 and 2 as employee WWC check applicants and NDIS check applicants gain a similar level of financial advantage from having a relevant check, but NDIS employees will face much lower costs.

Therefore, Option 4 has been rated a 3 for equity, which is a weighted 0.9.

## 5.4 Effectiveness criteria – analysis of options

### Option 1: *Subsidise volunteer WWC check applications and renewals through the fees charged for employee WWC check and NDIS check applications and renewals, which are set at the same level. Slightly reduced fees from current levels*

Option 1 meets the criteria of aligning WWC check and NDIS fees by setting them at the same level, reducing confusion from the public. By setting no fee for volunteer WWC check applications and renewals, volunteers will be less discouraged from applying for WWC checks than if there were a fee.

The base case however also meets the effectiveness criteria by charging no fees for any checks. This results in the same fee levels set for WWC check and NDIS employee checks (free) and not discouraging volunteers from getting WWC checks.

Therefore, Option 1 has been rated a 0 for efficiency, which is a weighted 0 in line with the base case.

### Option 2: *Retain current fee levels for WWC check. Align NDIS check fees with employee WWC check fees*

Option 2 meets the criteria of aligning WWC check and NDIS check fees by setting them at the same level, reducing confusion from the public. By setting no fee for volunteer WWC check applications and renewals, volunteers will be less discouraged from applying for WWC checks than if there were a fee.

The base case however also meets the effectiveness criteria by charging no fees for any checks. This results in the same fee levels set for WWC check and NDIS employee checks (free) and not discouraging volunteers from getting WWC checks.

Therefore, Option 2 has been rated a 0 for efficiency, which is a weighted 0 in line with the base case.

### Option 3: *Charge volunteer WWC check applicants a small fee for applications, renewals and card replacements. Employee WWC checks and renewals and NDIS check fees are reduced but aligned*

Option 3 achieves the criteria of aligning WWC check and NDIS check fees but sets fees for volunteer WWC checks which may discourage some. It is assumed that there will be a reduction in volunteer applications and renewals, but as the fees set for volunteers is relatively low compared to those set by employees, and some other States have set fees for volunteers, the reduction may be low.

Compared to the base case, Option 3 does just as well aligning WWC check and NDIS check fees, but does a worse job in not discouraging volunteers from getting and renewing WWC checks. As both criteria are valued equally, this Option is scored the same as Option 4.

Therefore, Option 3 has been rated a -2 for effectiveness, which is a weighted -0.8.

### Option 4: *Fully subsidise the volunteer WWC check through employee WWC check fees. Charge NDIS fees according to actual transaction costs, not aligned with WWC check fees*

Option 4 achieves the objective of not discouraging volunteer WWC check applicants by leaving them exempt from fees but does not align WWC check and NDIS check fees. NDIS check fees are set much lower than WWC check fees for employees, which goes against the objective of aligning them.

Compared to the base case, Option 4 does poorly aligning NDIS check and employee WWC check fees, setting them at vastly different levels. It does well in not discouraging volunteers from getting and renewing WWC checks however. As both criteria are valued equally, this Option is scored the same as Option 3.

Therefore, Option 4 has been rated a -2 for effectiveness, which is a weighted -0.8.

## 5.5 Weighted scores and comparison of options

The overall scores and comparison of options against the base case using the MCA is summarised in Table 17, below.

**Table 17: Multi-Criteria Analysis summary of scores and totals**

| Option | Efficiency  Score | Weighting 30%  Weighted score | Equity  Score | Weighting 30%  Weighted score | Effectiveness  Score | Weighting 40%  Weighted score | Total weighted score |
| --- | --- | --- | --- | --- | --- | --- | --- |
| Base Case | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| Option 1 | 4 | 1.2 | **5** | **1.5** | **0** | **0** | **2.7** |
| Option 2 | 1 | 0.3 | **5** | **1.5** | **0** | **0** | 1.8 |
| Option 3 | **7** | **2.1** | 2 | 0.6 | -2 | -0.8 | 1.9 |
| Option 4 | 5 | 1.5 | 3 | 0.9 | -2 | -0.8 | 1.6 |

Option 1 provides the highest weighted score of 7.9 against the criteria provided. It has also received the tied highest score for effectiveness, as it meets each of the objectives of these Regulations.

For this reason, Option 1 is the preferred option and is the basis for the fees detailed in the proposed Regulation.

## 5.6 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 18.

**Table 18: Summary of sensitivity scores for Options 1 to 4**

| Option | Efficiency 60%  Equity 20%  Effectiveness 20% | Efficiency 33%  Equity 33%  Effectiveness 33% |
| --- | --- | --- |
| 1 | 3.4 | **3.0** |
| 2 | 1.6 | 2.0 |
| 3 | **4.2** | 2.3 |
| 4 | 3.2 | 2.0 |

As shown in Table 18, the only way for another Option to receive a higher weighted score is to increase the weighting of the efficiency criteria to 60 per cent and above. In this scenario Option 3 would have the highest weighted score, but it would not be a reasonable distribution of the criteria weighting.

Where a totally equal weighting of 33 per cent is applied to each criteria, Option 1 remains the best scoring Option.

It should be noted that if there were a change in Government policy and there was no aversion to charging a volunteer a fee for a WWC check, then it is likely that Option 3 would score better than Option 1 and would be the proposed Regulation.

# Section 6: Identification of the preferred option and description of its effect

## Section 6.1 Identification of the preferred option and its effects

The preferred option, Option 1, involves keeping fee levels for the WWC check relatively similar to how they are currently set and aligning NDIS check fees with the employee WWC check application and renewal fees.

The fees are slightly reduced from the levels set in 2016 as the operating costs of conducting the WWC check has been reduced by moving to a highly automated online system. The fees would be more substantially reduced, but they have been set to fully recover costs, whereas in 2016 they were set to only recover around 70 per cent of costs. The proposed fees are set out in Table 19 which compares actual and proposed fees in 2018/19 along with the equivalent proposed fees for 2020/21).

**Table 19a: Actual and proposed fees as at 2018/19 compared with proposed 2020/21 fees - WWCC**

| Service | 2018/19  Actual fees | Comparison 2018/19 Proposed fees | Difference | Proposed 2020/21 fees |
| --- | --- | --- | --- | --- |
| New applications (employee) | $123.40 | $116.50 | -5.5% | $119.40 |
| Renewals (employee) | $91.32 | $88.15 | -3.5% | $90.40 |
| Card replacements (employee) | $7.38 | $7.22 | -2% | $7.40 |
| New applications (volunteer) | $0 | $0 | - | $0 |
| Renewals (volunteer) | $0 | $0 | - | $0 |
| Card replacements (volunteer) | $0 | $0 | - | $0 |

**Table 19b: Actual and proposed fees as at 2018/19 compared with proposed 2020/21 fees – NDIS Check**

| Service | 2018/19  Actual fees | Comparison 2018/19 Proposed fees | Difference | Proposed 2020/21 fees |
| --- | --- | --- | --- | --- |
| New applications | N/A | $116.50 | - | $119.40 |

These fees are being set as ‘fee units’ meaning that they will increase each year alongside fee unit indexation. Each fee unit in 2018/19 was equivalent to $14.45. In 2020/21 each fee unit is equivalent to $14.81.

The relevant proposed fee units are as follows:

* New applications – **8.06**
* Renewals (WWC check only) – **6.1**
* Card replacements (WWC check only) – **0.5**

Only provisions of the proposed regulations that impose regulatory burden are assessed in detail in this RIS and relate to regulation 6 – fee for NDIS check applications, WWC Check applications for child-related work that is for profit or gain (employee WWC checks), fee for employee WWC check renewal applications and fee for replacement of an employee WWC check card. The remaining provisions of the proposed regulations are not deemed to have a material impact or burden and, therefore, in considering the proportionate approach to analysis, it is not necessary to analyse them. These include offences for failing to notify a change in personal particulars (regulation 12), prescribing corresponding NDIS worker screening laws (regulation 10), prescribing certain entities and findings to enable information to be provided about an applicant for a screening check, or the holder of a clearance (regulations 8 and 9), and to prescribe persons to whom the Secretary may delegate powers (regulation 11).

# Section 7: Impact on small business

The proposed fees affect individuals rather than businesses. However, there may be self-employed individuals or business sponsors who pay the WWC check or NDIS check application and renewal fees. In some instances, the fee may prohibit low income workers from applying and reduce the overall supply of labour. However, over 10 years the combined amount of $204.65 (annualized at only $20.46 in 2018/19 dollars) is likely to be absorbed by any small businesses and is unlikely to represent a significant proportion of their business costs.

The WWC check is a well-established scheme that has been operating since 2005, so any affected small business would already be factoring in the costs of a WWC check into their operating costs. As the costs of getting a check are not increasing, it is unlikely that any small business requiring WWC checks would be adversely affected.

As the NDIS check is a new scheme there may be a larger initial impact on those businesses. As discussed above however, the costs will fall on employees rather than businesses and will be a relatively low $20.46 per year.

# 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 and disability related work occurs (see Appendix 3). Within these markets there are a lot of separate, small operators, resulting in a high level of competition.

Child-related 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 proposed level of the fee over 10 years is only $204.65 (annualised at only $20.46 in 2018/19 dollars) and less than the current arrangement of $214.72.

As the WWC check is a well-established scheme, the continuation of fees for employee applications and renewals is not considered the introduction of a new barrier to entry.

The introduction of an NDIS check will pose a new barrier to entry for certain NDIS market participants, but this is primarily a result of the legislation rather than the fee levels set in these Regulations. It is also intentional to exclude certain participants from the NDIS market. Given the high number of operators in the NDIS market however, this will likely have a negligible impact on market competition.

# Section 9: Implementation plan for the preferred option

The Worker Screening Regulations are being made to provide for the two worker screens provided for under the Worker Screening Bill 2020, which is proposed to replace the *Working with Children Act 2005*. As the changes to fees are proposed to be minor, an implementation plan is not considered necessary for this aspect of the Regulations.

An implementation project has been established for the introduction of the new NDIS check and associated fees.

# Section 10: Evaluation strategy

In order to enhance the efficiency and effectiveness of meeting the specified objective and ensuring that there is robust evidence 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 the outcome of their application (either as eligibility to work with children or updating the national clearance database;
* collection of data on the number of type of applications received;
* collection of data on fee revenue recovered for the purpose of a mid term review, to be undertaken 5 years after the commencement of the Regulations, and
* collection of data on the number of times the Secretary has reduced or waived fees.

# Section 11: Consultation

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

* Department of Health and Human Services
* Victorian Institute of Teaching
* Commission for Children and Young People

A Worker Screening Regulations RIS communications campaign to promote awareness of the RIS will commence as soon as the RIS is published on the relevant websites. The aim of the campaign will be to ensure impacted community members and the broader community are aware of the RIS.

A key component of the campaign is the use of electronic direct mail to key stakeholders, peak bodies, unions, advocacy groups, large service providers and advocacy groups. The campaign will leverage off existing communication channels through WWCCV and DHHS. With 130,000 visits per month, another important element of the campaign will be the promote of the RIS on the WWCCV website.

The objective of the campaign is to ensure that members of the public and stakeholder groups affected by the implementation of the proposed regulations have input and feel they have had a say; that NDIS workers and people engaged in child-related work, providers and participants are an active part of the engagement process and to ensure that potential unintended impacts on the public are identified.

# Appendix 1 – General costing and modelling calculations

## A1.1 Transactions

Appendix 1 outlines the methodology applied to the determination and distribution of costs amongst the main activities of the Worker Screening Unit in its administration of the WWC check and NDIS check scheme. These costs reflect an efficient cost base and capture the minimum amount of work necessary and required for services provided by WWCCV, including:

* New Applications (including changing from a volunteer WWC check to an employee WWC check);
* Renewals;
* Card Replacements (for WWC check only); and
* Change of Details.

The projected number of WWC check transactions over the next 10 years is summarised in Table A1.1.

While WWC check transactions have grown by an average of over 8 per cent per annum in the last 10 years, applications and renewals for 2018/19 were lower than 2017/18. Based on this, it is predicted that a soft ‘cap’ has been hit regarding WWC check applications and renewals, under the assumption that everyone who currently needs a check now has one. Therefore the 2018/19 application numbers have been used, with a modest growth rate of 2 per cent per annum to account for population growth.

Replacement cards have been modelled as 1.25 per cent of total card holders for employees and 0.9 per cent for volunteers. These percentages as based on the average of the actual number of card replacements compared to total card holders for 2015/16 – 2018/19.

**Table A1.1: Projected volume of WWC check transactions – 2020‐21 to 2029‐30**

| 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) |
| --- | --- | --- | --- | --- | --- | --- |
| 2020‐21 | 163,266 | 168,159 | 43,177 | 43,177 | 10,932 | 8,237 |
| 2021‐22 | 166,532 | 171,522 | 38,867 | 46,544 | 12,175 | 9,058 |
| 2022‐23 | 169,862 | 174,953 | 53,878 | 63,681 | 13,137 | 9,644 |
| 2023‐24 | 173,260 | 178,452 | 83,573 | 84,555 | 13,501 | 9,938 |
| 2024‐25 | 176,725 | 182,021 | 78,210 | 72,885 | 14,024 | 10,445 |
| 2025‐26 | 180,259 | 185,661 | 75,765 | 77,560 | 14,644 | 10,912 |
| 2026‐27 | 183,864 | 189,375 | 75,381 | 80,030 | 15,317 | 11,374 |
| 2027‐28 | 187,542 | 193,162 | 82,113 | 87,579 | 15,891 | 11,753 |
| 2028‐29 | 191,292 | 197,025 | 94,257 | 96,524 | 16,250 | 12,027 |
| 2029‐30 | 195,118 | 200,966 | 93,561 | 93,551 | 16,671 | 12,384 |

\* New applications growth for employees and volunteers is modelled at 2 per cent per annum to account for population growth.

\*\* Renewals are assumed to be 36.7 per cent of new applications and renewals from 5 years previous, which cent was the average renewal rate between 2010-11 and 2018-19. Note that the renewal rate is highly volatile, with the highest being 46 per cent and the lowest being 28 per cent.

The projected number of NDIS check transactions over the next 10 years in summarised in Table A1.2.

It is estimated that there will be 37,269 NDIS check applications in 2020/21. This is based on national NDIS employment numbers for 2018-19 of 65,289 employees (IbisWorld X0029 National Disability Insurance Scheme Providers in Australia Industry Report August 2019), equivalent to 15,669 Victorian employees (assuming 24 per cent of these jobs are in Victoria, which is roughly in-line with Victoria’s share of Australia’s total population) plus the anticipated need for up to 90,000 new full-time equivalent jobs in Australia (Growing the NDIS Market and Workforce, Department of Social Services, 2019), equivalent to 21,600 Victorian jobs.

The estimate of 37,300 NDIS check applications may be an overestimate because a percentage of NDIS workers will be able to continue to rely on their WWC check to work for an NDIS provider until their WWC check expires after 5 years (The *Disability (National Disability Insurance Scheme Transition) Amendment Act 2019* facilitates arrangements for determining worker suitability until the national scheme is in place.). Additionally, a certain proportion of these NDIS workers may not be in ‘risk assessed roles’ and so not required to apply for an NDIS check.

While over compliance is not expected to be as significant a factor as it was with the growth of WWC check applications, it is possible that registered NDIS providers will require all their employees to have a check even if they are not working in risk assessed roles. These conflicting factors make it difficult to estimate the actual number of applications.

In this sense, given the lack of data, there is no exact estimate of how many individuals will be getting the NDIS check. IBISWorld data has been used as the most reliable data source available.

It is predicted that most new applications will occur in the first year of operation as workers in a risk-assessed role will not be allowed to work if they have not been cleared to work. After the first year, new applications are expected to drop off because people who need a NDIS check for their employment will likely have one and those people who are relying on their WWC check to work in a risk assessed role will apply for an NDIS check as their WWC check is due to expire.

Application numbers after the first year therefore assume a 4.3 per cent growth rate in the NDIS workforce, with new employees having to get an NDIS check, plus 3,000 to account for general staff turnover in the sector. The higher growth rate than the WWC check is due to the new and expanding nature of the scheme.

The amount of reapplications has been estimated as 45 per cent of applications from 5 years previous, which is slightly higher than for the WWC check. This is because the amount of renewals in the early years of the WWC check was higher than they are now. Note that while Table A1.2 differentiates between new applications and reapplications, they are treated the same and incur the same fee, unlike renewals for a WWC check.

**Table A1.2: Projected volume of NDIS check transactions – 2020-21 to 2029-30**

| Year | Projected number of new applications\* | Projected number of reapplications\*\* | Total approved/active workers |
| --- | --- | --- | --- |
| 2020‐21 | 37,269 | 0 | 37,269 |
| 2021‐22 | 6,607 | 0 | 43,876 |
| 2022‐23 | 6,892 | 0 | 50,769 |
| 2023‐24 | 7,190 | 0 | 57,959 |
| 2024‐25 | 7,500 | 0 | 65,458 |
| 2025‐26 | 7,823 | 16,771 | 52,784 |
| 2026‐27 | 8,161 | 2,973 | 57,310 |
| 2027‐28 | 8,513 | 3,102 | 62,032 |
| 2028‐29 | 8,880 | 3,235 | 66,958 |
| 2029‐30 | 9,263 | 3,375 | 72,096 |

\* The first year has the highest number of applications as all workers will need a check. From the second year on, projected number of new applications is based on a 4.3 per cent compounding growth rate of the NDIS check applicable workforce, plus an extra 5,000 applicants per year to account for general workforce turnover.

\*\* Checks last for 5 years so there are no reapplications until 2025/26. Beyond this point a reapplication rate of 45 per cent has been assumed, which is in line with the renewal rate in the early years of the WWCC operation. It is likely to decrease over time as worker numbers stabilise, but this has not been modelled.

## A1.2 Cost per transaction

The cost per transaction for the WWC check in 2018/19 and estimated cost per transaction for the NDIS check are provided below in tables A1.3 and A1.4. The tables track the cost of each application against each service provider that adds cost to an application:

* Internal worker screening unit staff costs,
* ACIC costs (national criminal history checks),
* Australia Post / Service Victoria costs (initial application identity verification)
* ABNote costs (provision of cards and notices), and
* VicPol costs (ongoing monitoring and supporting information requests).

The internal costs were the most difficult to model, as they not only cover the cost of staff time spent working on each application, but also staff on-costs, support staff costs, finance charges and professional services costs.

Rather than spread the total internal cost across all application types simply by application numbers, a model has been developed which looks at each step in a transaction process and assigns a time value to completing the task and the VPS level of staff member completing it. This has been used to determine the exact staff time cost of completing a transaction from end to end.

To capture all other internal costs, an ‘on-cost modifier’ has been applied to the time spent on transactions. A 3.31 multiplier was applied to all mid-range VPS salary levels, which leads to the model predicting the actual 2018/19 operating expenses of the unit with a less than $10,000 discrepancy.

For the external costs, where possible the actual fee they charge the Department has been included, for example ACIC charges $23.00 for a national criminal history check on an employee and $7.00 for a volunteer. Where this was not possible, the total cost from that contractor in 2018/19 has been applied to relevant transactions and divided by the total number that occurred throughout the year.

A total ‘cost of transaction’ has been calculated simply by adding up each individual cost item.

**Table A1.3: Costs per transaction – WWC check (2018/19)**

| Transaction type | Transaction volumes\* | Internal costs | ACIC costs | Australia Post costs | AB Corp card provision | AB Corp notice provision | VicPol ongoing monitoring\*\* | VicPol information requests | Total cost per transaction | Total cost |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| New application – employee | 114,611 | $20.51 | $23.00 | $17.03 | $1.51 | $1.24 | $1.16 | $0.49 | $64.94 | $7,442,850 |
| New application – volunteer | 164,862 | $20.51 | $7.00 | $17.03 | $1.51 | $1.24 | $1.16 | $0.49 | $48.94 | $8,068,364 |
| Volunteer to employee change of status | 33,121 | $22.01 | $23.00 | $0.00 | $1.51 | $1.24 | $1.16 | $0.49 | $49.41 | $1,636,486 |
| Volunteer to employee change of status (Australia post) | 12,333 | $22.01 | $23.00 | $17.03 | $1.51 | $1.24 | $1.16 | $0.49 | $66.44 | $819,396 |
| Renewal – employee | 53,041 | $30.84 | $23.00 | $0.00 | $1.51 | $1.24 | $1.16 | $0.49 | $58.24 | $3,089,329 |
| Renewal - volunteer | 33,736 | $30.84 | $7.00 | $0.00 | $1.51 | $1.24 | $1.16 | $0.49 | $42.24 | $1,425,149 |
| Replacement card (simple) – employee | 8,825 | $25.50 | $0.00 | $0.00 | $1.51 | $1.24 | $0.00 | $0.00 | $28.25 | $249,329 |
| Replacement card (simple) - volunteer | 7,017 | $25.50 | $0.00 | $0.00 | $1.51 | $1.24 | $0.00 | $0.00 | $28.25 | $198,248 |
| Replacement card (complex) – employee | 1,410 | $26.93 | $23.00 | $0.00 | $1.51 | $1.24 | $0.00 | $0.00 | $52.68 | $74,281 |
| Replacement card (complex) - volunteer | 483 | $26.93 | $7.00 | $0.00 | $1.51 | $1.24 | $0.00 | $0.00 | $36.68 | $17,717 |
| Change of details | 100,000 | $0.90 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.00 | $0.90 | $90,106 |

**\*** These are mostly actual 2018/19 transaction volumes. Some estimations have been made around the volunteer to employee change of status applications and whether a replacement card transaction is simple or complex based on past year volumes. The amount of change of details transactions is a rough estimate as this data is no longer collected.

**\*\*** Note that VicPol ongoing monitoring covers all active card holders rather than just new and renewal applications in a year. The costs in this table are therefore inflated as they are just spread across new and renewal applications, rather than all card holders. This was done so that these operating costs would not be lost in the overall cost model.

**Table A1.4: Costs per transaction – NDIS (estimated 2020/21)**

| Transaction type | Transaction volumes\* | Internal costs | ACIC costs | Service Vic costs\*\* | AB Corp card provision | AB Corp notice provision | VicPol ongoing monitoring | VicPol information requests | Total cost per transaction | Total cost |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| New application | 37,269 | $24.61 | $23.00 | $4.50 | $0.00 | $0.00 | $1.16 | $0.49 | $53.76 | $2,003,660 |

\* Transaction volumes are all estimated. New application numbers are based on current NDIS workforce numbers plus the estimated shortfall of NDIS employees for Victorian based on IBISWorld analysis as discussed earlier. Renewal numbers are zero in the first year, but the row has been included to detail the estimated costs that will arise when renewals begin. The amount of change of details is a very rough estimate, but there are unlikely to be many in the first year of operation.

\*\* Approximately 80 per cent of applications will incur no costs from Service Vic, but where an application is unable to be fully made online and an alternate pathway must be utilised, Service Vic will charge the business unit $15. This equates to approximately $4.50 per application.

## 

# 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.

All options are discussed in terms of 2018/19 fees, costs and application numbers for consistency. All revenue is in terms of NPV with a 4 per cent discount rate applied.

## A2.1 Option 1 – Slightly reduced employee WWC check fees

### A2.1.1 – Option 1 fees

Option 1 involves cost recovery of new application and renewal costs and card replacement costs (including replacements involving change of name) for WWC check employees only and NDIS checks. Volunteers will remain free.

**Table A2.1a: Summary of costs and fees under Option 1 - WWCC**

| Service | Total cost per service 2018/19 | Total annual number of transactions 2018/19\* | Fee |
| --- | --- | --- | --- |
| New applications (employee) | $9,898,733 | 160,065 | $116.50 |
| Renewals (employee) | $3,089,329 | 53,041 | $88.15 |
| Card replacements (employee) | $73,948 | 10,235 | $7.22 |
| New applications (volunteer) | $8,068,364 | 164,862 | $0 |
| Renewals (volunteer) | $1,425,149 | 33,736 | $0 |
| Card replacements (volunteer) | $215,966 | 7,500 | $0 |

**Table A2.1b: Summary of costs and fees under Option 1 - NDIS**

| Service | Total cost per service 2018/19 | Total annual number of transactions 2018/19\*\* | Fee |
| --- | --- | --- | --- |
| New applications | $1,947,757 | 37,269 | $116.50 |

\* There were no NDIS transactions in 2018/19 as this scheme will only commence in 2020/21 but numbers have been provided in the table to demonstrate the extent of the fees.

\*\*There were no NDIS transactions in 2018/19 as this scheme will only commence in 2020/21 but numbers have been provided in the table to demonstrate the extent of the fees.

### A2.1.2 – Option 1 fee revenue

The present value of fee revenue over 10 years is estimated to be $233.37 million, as shown in Table A2.2. Compared to total NPV costs of $231.88 million, there is a roughly $28,265 (0.01%) excess in the fees over 10 years.

**Table A2.2: Projected revenue under Option 1.**

| Year | Employee WWC check applications | Employee WWC check renewals | Employee WWC check card replacements | NDIS application | Present value of projected revenue  2018/19 dollars |
| --- | --- | --- | --- | --- | --- |
| 2020/21 | $18,283,784 | $3,659,473 | $75,943 | $4,173,662 | $26,192,864 |
| 2021/22 | $17,932,173 | $3,167,447 | $81,330 | $711,491 | $21,892,442 |
| 2022/23 | $17,587,324 | $4,221,896 | $84,379 | $713,632 | $22,607,232 |
| 2023/24 | $17,249,106 | $6,296,913 | $83,381 | $715,781 | $24,345,182 |
| 2024/25 | $16,917,392 | $5,666,210 | $83,279 | $717,935 | $23,384,819 |
| 2025/26 | $16,592,058 | $5,277,945 | $83,615 | $2,263,797 | $24,217,416 |
| 2026/27 | $16,272,980 | $5,049,256 | $84,094 | $985,422 | $22,391,753 |
| 2027/28 | $15,960,038 | $5,288,600 | $83,890 | $988,388 | $22,320,917 |
| 2028/29 | $15,653,114 | $5,837,311 | $82,486 | $991,363 | $22,564,275 |
| 2029/30 | $15,352,093 | $5,571,333 | $81,372 | $994,348 | $21,999,146 |
| Total | $167,800,065 | $50,036,388 | $823,774 | $13,255,824 | $231,916,052 |

## A2.2 Option 2 – Retain current fee levels

### A2.2.1 – Option 2 fees

Option 2 involves leaving the current fee levels for WWC check as is, meaning that the fees for employees will continue to subsidise the costs of volunteer checks. The NDIS check fees for applications and renewals will be aligned to the WWC check costs for simplicity.

**Table A2.3a: Summary of costs and fees under Option 2 - WWCC**

| Service | Total cost per service 2018/19 | Total annual number of transactions 2018/19 | Fee |
| --- | --- | --- | --- |
| New applications (employee) | $9,898,733 | 160,065 | $123.40 |
| Renewals (employee) | $3,089,329 | 53,041 | $91.32 |
| Card replacements (employee) | $73,948 | 10,235 | $7.22 |
| New applications (volunteer) | $8,068,364 | 164,862 | $0 |
| Renewals (volunteer) | $1,425,149 | 33,736 | $0 |
| Card replacements (volunteer) | $215,966 | 7,500 | $0 |

**Table A2.3b: Summary of costs and fees under Option 2 - NDIS**

| Service | Total cost per service 2018/19 | Total annual number of transactions 2018/19 | Fee |
| --- | --- | --- | --- |
| New applications | $1,947,757 | 37,269 | $123.40 |

### A2.2.2 – Option 2 fee revenue

The present value of fee revenue over 10 years is estimated to be $244.5 million, as shown in Table A2.4. Compared to total NPV costs of $231.88 million, there is a roughly $12.6 million (5.2%) excess in the fees over 10 years.

**Table A2.4: Projected revenue under Option 2**

| Year | Employee WWC check applications | Employee WWC check renewals | Employee WWC check card replacements | NDIS application | Present value of projected revenue  2018/19 dollars |
| --- | --- | --- | --- | --- | --- |
| 2020/21 | $19,372,645 | $3,791,454 | $75,943 | $4,422,217 | $27,662,261 |
| 2021/22 | $19,000,094 | $3,281,683 | $81,330 | $753,862 | $23,116,971 |
| 2022/23 | $18,634,708 | $4,374,161 | $84,379 | $756,132 | $23,849,380 |
| 2023/24 | $18,276,348 | $6,524,015 | $83,381 | $758,408 | $25,642,153 |
| 2024/25 | $17,924,880 | $5,870,565 | $83,279 | $760,691 | $24,639,417 |
| 2025/26 | $17,580,170 | $5,468,297 | $83,615 | $2,398,614 | $25,530,698 |
| 2026/27 | $17,242,090 | $5,231,360 | $84,094 | $1,044,107 | $23,601,653 |
| 2027/28 | $16,910,511 | $5,479,337 | $83,890 | $1,047,250 | $23,520,989 |
| 2028/29 | $16,585,309 | $6,047,837 | $82,486 | $1,050,403 | $23,766,036 |
| 2029/30 | $16,266,361 | $5,772,266 | $81,372 | $1,053,565 | $23,173,565 |
| Total | $177,793,121 | $51,840,979 | $823,774 | $14,045,252 | $244,503,128 |

## A2.3 Option 3 – Small fee charged to volunteer WWC check applicants

### A2.3.1 – Option 3 fees

Option 3 involves charging volunteer WWC check applicants around $20 for applications and renewals. This is still below the cost of providing a check but requires far less cross subsidisation from other fees. As a result, the fees for WWC check employees and NDIS checks can be significantly reduced but will still be set at the same level.

**Table A2.5a: Summary of costs and fees under Option 3 - WWCC**

| Service | Total cost per service 2018/19 | Total annual number of transactions 2018/19 | Fee |
| --- | --- | --- | --- |
| New applications (employee) | $9,898,733 | 160,065 | $95.95 |
| Renewals (employee) | $3,089,329 | 53,041 | $69.50 |
| Card replacements (employee) | $73,948 | 10,235 | $7.22 |
| New applications (volunteer) | $8,068,364 | 164,862 | $20.23 |
| Renewals (volunteer) | $1,425,149 | 33,736 | $20.23 |
| Card replacements (volunteer) | $215,966 | 7,500 | $7.22 |

**Table A2.5b: Summary of costs and fees under Option 3**

| Service | Total cost per service 2018/19 | Total annual number of transactions 2018/19 | Fee |
| --- | --- | --- | --- |
| New applications | $1,947,757 | 37,269 | $95.95 |

### 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 $232.01 million, as shown in Table A2.6. Compared to total NPV costs of $231.88 million, there is a roughly $125,078 (0.05%) excess in the fees over 10 years.

**Table A2.6: Projected revenue under Option 3**

| Year | WWC check  applications  (employees) | WWC check  applications  (volunteers) | WWC check renewals  (employees) | WWC check renewals  (volunteers) | Card  replacements  (employees) | Card  replacements  (volunteers) | NDIS Application | Present value of projected revenue 2018/19  dollars |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| 2020/21 | $15,062,572 | $3,271,020 | $2,885,585 | $839,879 | $75,943 | $57,224 | $3,438,351 | $25,630,576 |
| 2021/22 | $14,772,907 | $3,208,116 | $2,497,610 | $870,549 | $81,330 | $60,508 | $586,141 | $22,077,163 |
| 2022/23 | $14,488,812 | $3,146,421 | $3,329,068 | $1,145,272 | $84,379 | $61,945 | $587,906 | $22,843,807 |
| 2023/24 | $14,210,181 | $3,085,913 | $4,965,271 | $1,462,189 | $83,381 | $61,375 | $589,675 | $24,457,989 |
| 2024/25 | $13,936,909 | $3,026,569 | $4,467,946 | $1,211,909 | $83,279 | $62,024 | $591,450 | $23,380,089 |
| 2025/26 | $13,668,891 | $2,968,365 | $4,161,789 | $1,240,041 | $83,615 | $62,305 | $1,864,965 | $24,049,974 |
| 2026/27 | $13,406,028 | $2,911,281 | $3,981,462 | $1,230,318 | $84,094 | $62,445 | $811,811 | $22,487,443 |
| 2027/28 | $13,148,220 | $2,855,295 | $4,170,191 | $1,294,577 | $83,890 | $62,044 | $814,255 | $22,428,476 |
| 2028/29 | $12,895,369 | $2,800,386 | $4,602,863 | $1,371,922 | $82,486 | $61,053 | $816,706 | $22,630,788 |
| 2029/30 | $12,647,381 | $2,746,532 | $4,393,133 | $1,278,525 | $81,372 | $60,445 | $819,165 | $22,026,556 |
| Total | $138,237,274 | $30,019,904 | $39,454,922 | $11,945,185 | $823,774 | $611,372 | $10,920,430 | $232,012,865 |

## 

## A2.4 Option 4 – Volunteer WWC check applicants fully subsidised by employee WWC check applicants; NDIS check charged at cost

### A2.4.1 – Option 4 fees

Under Option 4, fees for employee WWC check applications and renewals have been set at a level to fully subsidise the volunteer WWC check applicants. As a result, the NDIS check fee can be reduced to its actual cost. This results in employee WWC check application and renewal fees costing significantly more than NDIS check fees.

**Table A2.7a: Summary of costs and fees under Option 4 – WWCC**

| Service | Total cost per service 2018/19 | Total annual number of transactions 2018/19 | Fee |
| --- | --- | --- | --- |
| New applications (employee) | $9,898,733 | 160,065 | $122.10 |
| Renewals (employee) | $3,089,329 | 53,041 | $86.70 |
| Card replacements (employee) | $73,948 | 10,235 | $7.22 |
| New applications (volunteer) | $8,068,364 | 164,862 | $0 |
| Renewals (volunteer) | $1,425,149 | 33,736 | $0 |
| Card replacements (volunteer) | $215,966 | 7,500 | $0 |

**Table A2.7b: Summary of costs and fees under Option 4 – NDIS check**

| Service | Total cost per service 2018/19 | Total annual number of transactions 2018/19 | Fee |
| --- | --- | --- | --- |
| New applications | $1,947,757 | 37,269 | $53.75 |

### A2.4.2 – Option 4 fee revenue

Under Option 4, the 10‐year revenue would be an estimated $232.07 million, as shown in Table A2.8. Compared to total NPV costs of $231.88 million, there is a roughly $189,603 (0.08%) excess in the fees over 10 years.

**Table A2.8: Projected revenue from proposed partial cost recovery fees under Option 4**

| Year | Employee WWC check applications | Employee WWC check renewals | Employee WWC check card replacements | NDIS application | Present value of projected revenue  2018/19 dollars |
| --- | --- | --- | --- | --- | --- |
| 2020/21 | $19,168,484 | $3,599,482 | $75,943 | $1,926,305 | $24,770,216 |
| 2021/22 | $18,799,859 | $3,115,522 | $81,330 | $328,380 | $22,325,092 |
| 2022/23 | $18,438,323 | $4,152,684 | $84,379 | $329,369 | $23,004,756 |
| 2023/24 | $18,083,740 | $6,193,685 | $83,381 | $330,360 | $24,691,168 |
| 2024/25 | $17,735,976 | $5,573,322 | $83,279 | $331,355 | $23,723,932 |
| 2025/26 | $17,394,899 | $5,191,421 | $83,615 | $1,044,829 | $23,714,766 |
| 2026/27 | $17,060,382 | $4,966,481 | $84,094 | $454,810 | $22,565,769 |
| 2027/28 | $16,732,298 | $5,201,902 | $83,890 | $456,179 | $22,474,270 |
| 2028/29 | $16,410,523 | $5,741,617 | $82,486 | $457,552 | $22,692,179 |
| 2029/30 | $16,094,936 | $5,479,999 | $81,372 | $458,929 | $22,115,238 |
| Total | $175,919,423 | $49,216,120 | $823,774 | $6,118,072 | $232,077,390 |

# Appendix 3 – Child related work under the Bill

#### Table A3.1: Child‐related work under the Worker Screening **Bill 2020 – Occupational Fields**

#### Service or places of work

1. Camps:
   1. All overnight camps for children – code 10
2. Child Care Services:
   1. Centre based long day care – code 14
   2. Occasional care – code 16
   3. Family day care – code 18
   4. In home care – code 20
   5. Outside school hours care – code 22
3. Child Employment Supervisors:
   1. Supervision of a child in employment (where the child is under 15 years of age) pursuant to the Child Employment Act 2003 – code 76
4. Childminding:
   1. Babysitting or childminding services arranged by a commercial agency – code 12
5. Child protection services:
   1. Child protection services – code 24
6. Children’s services:
   1. Children's services under the *Children's Services Act 1996* and education and care services within the meaning of the Education and Care Services National Law (Victoria) including kindergartens or preschools – code 26
7. Clubs & Associations:
   1. Clubs, associations or movements of a cultural recreational or sporting nature – code 42
8. Coaching and tuition
   1. Coaching and tuition services of any kind specifically for children
9. Counselling Services
   1. Counselling or other support services for children – code 40
10. Educational Institutions
    1. State Schools (including all primary, secondary, technical and special State schools) – code 44
    2. Non‐Government schools (including all primary, secondary and special non-Government schools) – code 46
    3. TAFE colleges and TAFE Divisions of universities providing VCE and/or Victorian Certificate of Applied Learning (VCAL) subjects – code 48
    4. Some adult education providers providing VCE and/or VCAL subjects – code 50
    5. Other institutions providing children's study or training programs – code 52
11. Entertainment & Party Services
    1. Commercial entertainment or party services for children unless they are merely incidental to or in support of other business activities – code 30
12. Foster Care
    1. Fostering children
13. Gym or Play Facilities
    1. Commercial gym or play facilities for children unless they are merely incidental to or in support of other business activities – code 32
14. Kinship care
    1. Caring for a child placed by Child protection under the Children, Youth and Families Act 2005 – code 80
15. Out of Home Care Services
    1. Out of Home Care Services (that are established or approved under the Children, Youth and Families Act 2005) – code 38
16. Paediatric Wards
    1. Paediatric wards of public, private or denominational hospitals as defined in the Health Services Act 1988 – code 58
17. Photography Services
    1. Commercial photography services for children unless they are merely incidental to or in support of other business activities – code 34
18. Refuges
    1. Refuges or other residential facilities used by children - code 62
19. Religion
    1. Religious organisations – code 62
20. School Crossings
    1. School crossing services – code 66
21. Student exchange programs /Homestay
    1. Accommodation services specifically provided for students as part of a student exchange program under Part 4.5A of the Education and Training Reform Act 2006, including accommodation in a person’s home such as a homestay arrangement – code 78
22. Talent & Beauty Competitions
    1. Commercial talent or beauty competitions for children unless they are merely incidental to or in support of other business activities – code 36
23. Transport
    1. Publicly funded or commercial transport services specifically for children – code 60
24. Youth Justice
    1. Youth remand, residential, or justice centres, supervision units and probation services within the meaning of the Children Youth and Families Act 2005. – code 56

# Appendix 4 – Comparison of fees with other Jurisdictions

**Table A4.1: Working with Children Check Fee Comparison ‐ as at 1 March 2020**

| Jurisdiction | Relevant Schemes | Fees |
| --- | --- | --- |
| VICTORIA | The Working with Children Check  *Working with Children Act 2005 (Vic)* | Employees – $126.50 for 5 years (new application)  (equates to $25.30 per annum); Employees – $93.60 for 5 years (renewal application) (equates to $18.72 per annum); Volunteers – free |
| NEW SOUTH WALES | The Working with Children Check  *Child Protection (Working with Children) Act 2012 (NSW)* | Employees – $80.00 for 5 years (equates to $16.00 per annum); Volunteers - free |
| QUEENSLAND | The Blue Card System “Blue Card”  *Working with Children (Risk Management and Screening) Act 2000* | Employees – $92.30 for 3 years (equates to $26.22 per annum); Volunteers – free |
| NORTHERN TERRITORY | Working with Children Clearance  “The Ochre Card”  *Care and Protection of Children Act 2007 (NT)* | Employees – $72.00 for 2 years (equates to $26.50 per annum); Volunteers – $7.00 for 2 years |
| WESTERN AUSTRALIA | Working with Children Check  *Working with Children (Criminal Record Checking) Act 2004 (WA)* | Employees – $87.00 for 3 years (equates to $26.66 per annum); Volunteers – $11.00 for 3 years |
| AUSTRALIAN CAPITAL TERRITORY | Working with Vulnerable People Registration  *Working with Vulnerable People (Background Checking) Act 2011 (ACT)* | Employees – $79.00 for 3 years (equates to $26.33 per annum); Volunteers – free |
| TASMANIA | Working with Vulnerable People Registration  *Registration to Work with Vulnerable People Act 2013* | Employees – $113.40 for 3 years (equates to 34.53 per annum); Volunteers – $19.44 for 3 years |
| SOUTH AUSTRALIA | Working with Children Check  *Child Safety (Prohibited Persons) Act 2016(SA)* | Employees – $113.30; Volunteers – free |

**Table A4.2: NDIS check Fee Comparison ‐ as at 1 March 2020**

| Jurisdiction | Employees Application Fee | Volunteers Application Fee | Employees Renewal Fee |
| --- | --- | --- | --- |
| VICTORIA  *Worker Screening Bill 2020* | (Proposed; 2018/19 fees) $116.50 |  | $88.15 |
| NEW SOUTH WALES | No fee set to date | No fee set to date |  |
| QUEENSLAND | $92.30 | $92.30 |  |
| NORTHERN TERRITORY | No fee set to date | No fee set to date |  |
| WESTERN AUSTRALIA | No fee set to date | No fee set to date |  |
| AUSTRALIAN CAPITAL TERRITORY | $135.00 | $135.00 |  |
| TASMANIA | $113.40 | $19.44 |  |
| SOUTH AUSTRALIA | $113.30 | 62.15 |  |

# Appendix 5 – Proposed Worker Screening Regulations 2020

**Worker Screening Regulations 2020**

**S.R. No.**

1 Objective

The objectives of these Regulations are to—

(a) prescribe fees for applications under the **Worker Screening Act 2020** and make provision for their waiver, reduction or refund; and

(b) provide for offences relating to a failure by an applicant for a screening check or a holder of a clearance to notify the Secretary of a change in the applicant’s or holder’s personal particulars; and

(c) prescribe laws of another State or a Territory that provide for screening of persons who are to be employed or engaged in risk assessed roles for the purposes of the **Worker Screening Act 2020**; and

(e) prescribe disciplinary or regulatory entities for the purposes of certain sections of the **Worker Screening Act 2020**;and

(f) prescribe relevant disciplinary or regulatory findings for the purposes of certain sections of the **Worker Screening Act 2020**; and

(g) prescribe persons for the purposes of section 146(b) of the **Worker Screening Act 2020**.

2 Authorising provision

These Regulations are made under section 150 of the **Worker Screening Act 2020**.

3 Commencement

These Regulations come into operation on 1 February 2021.

4 Revocation

The following Regulations are **revoked**—

(a) the Working with Children Regulations 20161;

(b) the Working with Children Amendment (Reportable Conduct) Regulations 20172.

5 Definitions

In these Regulations—

***Commission for Children and Young People*** means the Commission for Children and Young People established under section 6 of the **Commission for Children and Young People Act 2012**;

***personal particulars*** means—

(a) a person's full name and any other name by which the person is or has been known; and

(b) a person's date of birth; and

(c) a person's residential address; and

(d) a person's electronic address; and

(e) any telephone number provided as a person's telephone number in relation to that person’s application for a screening check or that person’s clearance;

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

***the Act*** means the **Worker Screening Act 2020**;

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

6 Application fees

The prescribed fee for an application referred to in column 2 of the Table is the corresponding fee set out in column 3 of the Table.

**TABLE**

|  |  |  |
| --- | --- | --- |
| *No.* | *Type of application* | *Fee* |
| 1 | An application for an NDIS check under section 15 of the Act | 8.06 fee units |
| 2 | An application for a WWC check under section 54 of the Act for child-related work that is for profit or gain (other than an application described in item 3) | 8.06 fee units |
| 3 | An application for a WWC check under section 54 of the Act for child-related work that is for profit or gain applied for in accordance with section 74 of the Act | 6.1 fee units |
| 4 | An application for the replacement of a WWC clearance document for child-related work that is for profit or gain | 0.5 fee unit |

7 Secretary may reduce, waive or refund payment of fees

The Secretary may, before or after any application referred to in the Table in regulation 6 is made—

(a) reduce or waive the corresponding fee set out in that Table; or

(b) refund payment of the corresponding fee set out in that Table either in whole or in part.

8 Disciplinary or regulatory entities

(1) The following are prescribed to be disciplinary or regulatory entities for the purposes of sections 15(2)(b) and (c), 18(2)(a), 21(3)(f), 40(1)(a), 97(2)(b)(ii), and 104(b) of the Act—

(a) the Commission for Children and Young People;

(b) the Suitability Panel;

(c) the Victorian Institute of Teaching;

(d) the NDIS Commissioner.

(2) The following are prescribed to be disciplinary or regulatory entities for the purposes of sections 54(2)(b) and (c), 58(2)(a), and 81(1)(a) and 109(b) of the Act—

(a) the Commission for Children and Young People;

(b) the Suitability Panel;

(c) the Victorian Institute of Teaching.

9 Relevant disciplinary or regulatory findings

(1) The following are prescribed to be relevant disciplinary or regulatory findings for the purposes of sections 27(1)(e), 34(2)(e), 37(2)(e), 38(1)(b) and 45(1)(e) of theAct—

(a) a determination by a panel under section 2.6.46(2) 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 the teacher;

(ii) suspend the registration of the teacher for the period and subject to the conditions, limitations and restrictions, if any, specified in the determination;

(iii) cancel the registration of the teacher;

(b) a decision by the Victorian Institute of Teaching made under Division 8A of Part 2.6 of the **Education and Training Reform Act 2006** to suspend any or all registrations held by a person under that Part;

(c) 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;

(d) a finding that a person has committed reportable conduct that is the subject of a notification by the Commission for Children and Young People under section 16ZD(1) of the **Child Wellbeing and Safety Act 2005**;

(e) an order made by the NDIS Commissioner under section 73ZN of the NDIS Act prohibiting or restricting specified activities by an NDIS provider or a person who is employed or otherwise engaged by an NDIS provider.

(2) The following are prescribed to be relevant disciplinary or regulatory findings for the purposes of sections 64(1)(a), 72(2)(e), 77(2)(f), 78(1)(b) and 86(1)(a) of the Act—

(a) a determination by a panel under section 2.6.46(2) 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 the teacher;

(ii) suspend the registration of the teacher for the period and subject to the conditions, limitations and restrictions, if any, specified in the determination;

(iii) cancel the registration of the teacher;

(b) a decision by the Victorian Institute of Teaching made under Division 8A of Part 2.6 of the **Education and Training Reform Act 2006** to suspend any or all registrations held by a person under that Part;

(c) 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;

(d) a finding that a person has committed reportable conduct that is the subject of a notification by the Commission for Children and Young People under section 16ZD(1) of the **Child Wellbeing and Safety Act 2005**.

10 NDIS worker screening laws

(1) For the purposes of the Act, the following are prescribed to be corresponding NDIS worker screening laws—

(a) the National Disability Insurance Scheme (Worker Checks) Act 2018 of New South Wales;

(b) the Disability Inclusion Act 2018 of South Australia;

(c) the Registration to Work with Vulnerable People Act 2013 of Tasmania;

(d) the Working with Vulnerable People (Background Checking) Act 2011 of the Australian Capital Territory;

(e) the National Disability Insurance Scheme (Worker Clearance) Act 2020 of the Northern Territory.

11 Prescribed persons

For the purposes of section 146(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 or made and subscribed the oath or affirmation of office referred to in section 50(1) of that Act (other than a police officer who is suspended from duty under that Act).

12 Notification of change to personal particulars

(1) A person who has made an application for a screening check and the application 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.

1. 1 penalty unit.

(2) A person who holds a clearance must notify the Secretary of any change to the person’s personal particulars within 21 days of becoming aware of the change.

1. 1 penalty unit.

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ENDNOTES

1 Reg. 4(a): S.R. No. 9/2016 as amended by S.R. No. 59/2017.

2 Reg. 4(b): S.R. No. 59/2017.

1. General Information

See [www.legislation.vic.gov.au](http://www.legislation.vic.gov.au) for Victorian Bills, Acts and current authorised versions of legislation and up-to-date legislative information.

The Worker Screening Regulations 2020, S.R. No. x/x were made on day/month/year by the Governor in Council under section 150 of the **Worker Screening Act 2020**, No. xx/xx and came into operation on 1 February 2021: regulation 3.

The Worker Screening Regulations 2020 will sunset 10 years after the day of making on 1 February 2031 (see section 5 of the **Subordinate Legislation Act 1994**).

1. Table of Amendments

There are no amendments made to the Worker Screening Regulations 2020 by statutory rules, subordinate instruments and Acts.

1. Explanatory Details

**Penalty Units**

These Regulations provide for penalties by reference to penalty units within the meaning of section 110 of the **Sentencing Act 1991**. The amount of the penalty is to be calculated, in accordance with section 7 of the **Monetary Units Act 2004**, by multiplying the number of penalty units applicable by the value of a penalty unit.

In accordance with section 11 of the **Monetary Units Act 2004**, the value of a penalty unit for the financial year commencing 1 July 2012 is $140.84.

The amount of the calculated penalty may be rounded to the nearest dollar.

The value of a penalty unit for future financial years is to be fixed by the Treasurer under section 5 of the **Monetary Units Act 2004**. The value of a penalty unit for a financial year must be published in the Government Gazette and a Victorian newspaper before 1 June in the preceding financial year.

**Fee Units**

These Regulations provide for fees by reference to fee units within the meaning of the **Monetary Units Act 2004**.

The amount of the fee is to be calculated, in accordance with section 7 of that Act, by multiplying the number of fee units applicable by the value of a fee unit.

The value of a fee unit for the financial year commencing 1 July 2012 is $12.53. The amount of the calculated fee may be rounded to the nearest 10 cents.

The value of a fee unit for future financial years is to be fixed by the Treasurer under section 5 of the **Monetary Units Act 2004**. The value of a fee unit for a financial year must be published in the Government Gazette and a Victorian newspaper before 1 June in the preceding financial year.