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1. Overview

**1 Chair’s foreword**

Education underpins the development of our society, it enables us to fulfil the aspirations we hold for ourselves and our children. Education is the cornerstone of building a just, democratic society, where every child has an opportunity to excel in his or her chosen field.

My position as the new Chair of ACARA’s Board allows me to guide the Australian Curriculum, Assessment and Reporting Authority through the next chapter of Australia’s education journey – and in doing so, improving the learning for all young Australians.

I would like to thank my predecessor, Professor Barry McGaw AO, for his leadership in the establishment of the Australian Curriculum, the development of *My School* and the successful administration of the National Assessment Program.

As we mature as a nation, it is inevitable that school curricula and teaching methods evolve to fit changed social circumstances. The Australian Curriculum is the latest phase in that evolution. It represents a partnership between federal, state and territory education authorities, as well as the Catholic and independent school systems. ACARA has produced a curriculum that enables all students to discover their strengths, make the most of their talents and become active and informed citizens. The curriculum respects individual and group differences, encourages teamwork and fosters self-confidence, creativity, perseverance and integrity.

ACARA has undertaken substantial work to address the initiatives endorsed by the Education Council. Curricula in eight learning areas have been completed and ACARA has responded to the Australian Government’s Review of the Australian Curriculum report by addressing the initiatives endorsed by the Education Council. These are: uncrowding and rebalancing the curriculum; improving accessibility for students with disability; and parental engagement.

The National Assessment Program (NAP), which includes the National Assessment Program

– Literacy and Numeracy (NAPLAN), continues to be a crucial aspect of ACARA’s work. Commonwealth, state and territory governments have agreed to move NAPLAN testing from a paper-and-pencil test to an online, digital test over a two–three year period. Digitisation will result in better assessment, tailored testing, more precise results and faster turnaround of information for parents and teachers.

Reporting remains a crucial part of ACARA’s portfolio, and *My School* is our main tool. Through *My School*, we can identify which schools are doing well when compared to schools with similarstudents. Education systems can then look to these schools to see what they are doing well and help to spread good practice across Australia. In this way, the Australian Curriculum, the NAP and *My School* working together can lead to improved educational outcomes across Australia.

I would like to thank ACARA’s staff, Board and stakeholders for their contribution to ACARA’s work over the past year, with next year promising to be both exciting and challenging.

**Emeritus Professor Steven Schwartz AM**

Chair, ACARA Board

**1.2 CEO’s report**

2014–15 was ACARA’s sixth full year in operation. Building on our accomplishments there is much to do as we continue to work on our mission to improve the learning of all young Australians through world-class school curriculum, assessment and reporting.

**Curriculum**

This year we released eleven language curricula. With that release ACARA has now published curriculum for all eight learning areas of the Australian

Curriculum – a significant moment in Australian education history.

In October 2014 we released the Australian Curriculum: work studies – a world-class, future-oriented curriculum for students in Years 9–10. Work studies is a stand-alone curriculum developed to assist young people to manage key work-related issues. It provides young people with the essential knowledge, understanding and skills for participation in the rapidly changing world of work, aiming to help them plan and shape their future and make a contribution to the wider community.

**Assessment**

Children in Years 3, 5, 7 and 9 again took NAPLAN tests in May 2015, the eighth cycle for this program. The annual national assessment helps parents and educators to see how Australian students are performing in the fundamental areas of literacy and numeracy, and to track their growth and achievements in these areas over time.

For some students, it may have been the last time they took the tests using pencil and paper, as we work with our partners to move NAPLAN online, on an opt-in basis, from 2017 over a two–three year period. Moving NAPLAN online will mean tests that better meet the needs of all students, as well as more precise results with the use of tailored test design. We have done a lot of research already, but there is a great deal of work to do in this area as we look to make the move online.

In October 2014 around 12 000 Australian students from Years 6 and 10 took the National Assessment Program – Information and Communication Technology Literacy (NAP – ICT Literacy) tests online. The online NAP – ICT Literacy tests built off the successful 2013 online civics and citizenship assessment that demonstrated both the power of online assessment, as well as the readiness of many schools across Australia to participate via this mode of administration.

In November 2014 we released the National Assessment Program – Civics and Citizenship Report 2013, showing that student performance in civics and citizenship at the national level has remained relatively consistent, and that many students across Australia are actively engaged in their communities, with a good understanding of civics and citizenship.

**Reporting**

In December 2014, as a part of a Council of Australian Governments (COAG) initiative to help improve student attendance rates and therefore lead to better learning outcomes, the *My School* website was updated to include student attendance data disaggregated by indigeneity.

The update to *My School* was released on 5 March 2015, which included the results of the 2014 round of NAPLAN tests. *My School* allows for fair comparison to be made between schools with statistically similar students, allowing for comparisons of results from schools with students from similar socio-educational backgrounds, using the index of community socio-educational advantage (ICSEA) scale.

**ACARA’s people**

ACARA has a diverse and talented workforce. I acknowledge the valuable contribution each person has made to ACARA and its work, and I thank everyone for their dedication and professionalism. ACARA’s 2015–16 work plan was approved by the ACARA Board on 29 April and endorsed by the Education Council on 29 May. ACARA is now putting arrangements in place to implement the work plan from 1 July 2015. The 2015–16 work plan gives a priority to the move to NAPLAN online and implementation of changes to the Australian Curriculum, in addition to ACARA’s ongoing curriculum, assessment and reporting activities. Given the two priorities and ACARA’s fixed funding level, a review of programs and staffing profile was undertaken during the year. I am confident ACARA has the appropriate staffing profile to meet the objectives and commitments of our work plan.

I thank all involved for their contribution to our successes. I am proud to lead an organisation that has achieved so much in a relatively short period of time, and look forward to the future as we continue our work to improve the learning of all young Australians.

**Robert Randall**

Chief Executive Officer

**1.3 History and profile**

**Purpose, enabling legislation and functions**

The Australian Curriculum, Assessment and Reporting Authority (ACARA) was established in

December 2008 under the *Australian Curriculum, Assessment and Reporting Authority Act* *2008 (ACARA Act)* and became operational at the end of May 2009. ACARA is an independentstatutory authority with a mission to improve the learning of all young Australians through world-class school curriculum, assessment and reporting.

The ACARA Act outlines the authority’s functions, which are to:

* develop and administer a national school curriculum, including curriculum content and achievement standards, for school subjects specified by the Ministerial Council’s charter for

ACARA

* develop and administer national assessments
* collect, manage and analyse student assessment data and other data relating to schools and comparative school performance
* facilitate information-sharing arrangements between Australian government bodies in relation to the collection, management and analysis of school data
* publish information relating to school education, including information relating to comparative school performance
* provide school curriculum resource services, education research services and other related services
* provide information, resources, support and guidance to the teaching profession, and perform other related functions

**Directions of the Education Council**

Section 7 (3) of the ACARA Act requires ACARA to perform its functions and exercise its powers in line with the charter set by the Education Council.

ACARA reports to the Education Council and to the federal minister for education about requirements under the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

**Responsible minister**

For the 2014–15 financial year, the minister responsible for ACARA was the Hon. Christopher

Pyne MP, Minister for Education and Training.

**Location:** ACARA’s headquarters are at Level 10, 255 Pitt Street, Sydney NSW 2000.

**1.4 ACARA’s Board and committees**

**The ACARA Board**

The ACARA Board is responsible for ensuring proper and efficient performance of the Australian

Curriculum, Assessment and Reporting Authority’s functions.

The Board is comprised of 13 members who are nominated by federal, state and territory education ministers, as well as by the National Catholic Education Commission (NCEC) and the Independent Schools Council of Australia (ISCA).

Changes were made to the membership of the Board during the reporting period in accordance with section 14 of the ACARA Act. Four members retired from the Board in May 2015 and one retired in June 2015, with five new members appointed and three members reappointed in June 2015.

The annual review of the Board was facilitated externally and involved completion of a questionnaire and Board-level discussion.

During the reporting period, the Board was supported by the Audit and Risk Committee. Both bodies comprise non-executive members.

**Audit and Risk Committee**

The ACARA Board established the Audit and Risk Committee at its second meeting on 29 June 2009, in compliance with section 32 of the CAC Act. Following the enactment of the PGPA Act 2013 in July 2014 (replacing the CAC Act), the Committee operates in compliance with section 45 of the PGPA Act and PGRA Rule section 17 – Audit committee for Commonwealth entities.

Ms Liz Banks was appointed as Chair on 16 July 2014, following the retirement of the former Chair, Ms Di Kerr.

The Audit and Risk Committee provides assurance and assistance on ACARA’s financial reporting, systems of risk management and oversight and systems of internal control. From 2015–16, monitoring of performance will also be a Committee responsibility, as required by the PGPA Act, with 2015–16 being a transitional year for this requirement.

**2.0 Performance**

**2.1 Provision of a national curriculum**

**Overview**

ACARA is responsible for the development of a world-class national curriculum from Foundation to Year 12 (F–12) that enables all young Australians to become successful learners, confident and creative individuals, as well as active and informed citizens.

During the reporting year the following key curriculum activities were undertaken by ACARA:

* Responding to the review of the Australian Curriculum
* Curriculum leadership and stakeholder support
* Languages curricula development
* Work studies Years 9-10 curriculum development
* Supporting teachers’ understanding and use of the general capabilities
* Supporting teachers’ understanding and use of the cross curriculum priorities
* Support for diverse needs of students
* Support for primary schools
* Monitoring of the Australian Curriculum
* Work samples development
* Recognition of alternative curriculum frameworks

**Achievements**

***Addressing themes endorsed by the Education Council – The Australian Curriculum review***

In 2015, extensive work has been undertaken to improve the Australian Curriculum by addressing themes endorsed by the Education Council. These themes are:

* resolving the overcrowded curriculum
* rebalancing the curriculum
* improving accessibility for all students
* improving parental access to the Australian Curriculum.

ACARA has undertaken work involving the development of draft changes and options, consulting on these changes and making revisions in response to feedback. Actions include:

* undertaking workshops with a sample of practising primary teachers to identify key issues and areas in the Australian Curriculum for possible reduction
* redesigning humanities and social sciences by incorporating history, geography, civics and citizenship, as well as economics and business into one learning area for the primary years
* reducing the quantity and improving the clarity of content descriptions or achievement standards in the learning areas of mathematics, science, the humanities and social sciences, the arts, health and physical education and technologies
* strengthening phonemic awareness and phonics in the Australian Curriculum: English
* streamlining the identification of general capabilities and cross curriculum priorities in the content of learning areas
* identifying options for improving parent access to the Australian Curriculum
* identifying options to improve accessibility of the Australian Curriculum for students with disability with a particular focus on students with significant intellectual disability
* undertaking targeted consultation on draft changes and options for improvement with key stakeholders (state and territory curriculum and school authorities; peak national bodies including the Australian Primary Principals Association and professional teacher associations) academics, experts and parent peak bodies.

Proposed changes to, and options for improving, the Australian Curriculum were presented at the ACARA Board meeting in late June. Following Board approval, changes arising from the actions taken by ACARA are to be considered by the Education Council later in 2015.

***Curriculum leadership and stakeholder support***

ACARA’s curriculum officers have liaised with education systems and jurisdictions to provide assistance in their respective initiatives and strategies around the implementation of the

Australian Curriculum. These officers have provided expert advice to state and territory agencies, teacher training institutions and professional associations assisting in curriculum implementation initiatives including advice on teacher professional development.

***Languages curricula development***

During the reporting year, significant progress was made on the development of the Australian

Curriculum for languages. The curriculum for Chinese (three pathways1), French, Indonesian and Italian were published on the Australian Curriculum website in July 2014. The curriculum for Arabic, German, Japanese, Korean, Modern Greek, Spanish and Vietnamese were noted by the Education Council and published on the Australian Curriculum website in March 2015. All 11 languages were published as ‘Available for use; awaiting final endorsement’.

ACARA commenced work on revising the Framework for Aboriginal Languages and Torres Strait Islander Languages in response to consultation feedback.

The Australian Government announced in May 2014 that it would fund a further stage of languages development. In August 2014, curriculum development of Hindi, Turkish, Australian Sign Language (Auslan) and classical languages was referred to ACARA.

The draft Australian Curriculum: Languages for both Hindi and Turkish were released for public consultation in May through to July 2015.

ACARA also began scoping the Australian Curriculum: Languages for both Auslan and Classical Languages (Classical Greek and Latin).

***Work Studies Years 9-10 curriculum development***

The Australian Curriculum: Work Studies was noted at the August 2014 Education Council meeting. It has been published on the Australian Curriculum website and is labelled ‘Available for use; awaiting final endorsement’. ACARA has finalised a support guide for work studies which was approved for publication by the ACARA Board on 25 June. ACARA has also worked with a range of schools to collect work samples and illustrations of practice for work studies, including some which explore the relationship between science, technology, engineering and mathematics (STEM), industry engagement and work studies.

***Supporting teachers’ understanding and use of the general capabilities***

In 2014-15, the refined identification of general capabilities within learning areas/subjects and new general capability icons were released on the Australian Curriculum website.

The presentation of general capabilities on the Australian Curriculum website has been streamlined to provide greater clarity regarding the relationship between the learning areas and general capabilities.

***Supporting teachers’ understanding and use of the cross curriculum priorities***

The Authority has also improved the Australian Curriculum by revising the presentation and linking of the three cross curriculum priorities, in line with actions arising from the agreed themes in 2015. As with the general capabilities, website text on the cross curriculum priorities in each learning area has also been revised to avoid undue repetition.

***Support for diverse needs of students***

During the reporting year, ACARA developed and published illustrations of personalised learning for the diversity section of the Australian Curriculum website. These resources, which featured videos of school practice using the Australian Curriculum to support learning for gifted and talented students, provide teachers and schools with examples of how advice provided by ACARA in the diversity section can be used to support students in the classroom.

These videos are available on the Australian Curriculum website and on ACARA’s You Tube channel ACARAeduau.

***Support for primary schools***

In 2015, ACARA published 20 video illustrations of primary curriculum management on the Australian Curriculum website. The video illustrations show how 19 schools and one region are successfully managing the Australian Curriculum. Each illustration is accompanied by details of how the school or region is engaging with the Australian Curriculum. In addition, school-based documents, that may assist other primary schools when planning and engaging with the Australian Curriculum, are also available on the site.

These videos are available on the Australian Curriculum website and on ACARA’s You Tube channel ACARAeduau.

The final Primary Advisory Group meeting was held at ACARA in October 2014 having completed its key tasks in relation to the development of the primary curriculum.

From January to April 2015, ACARA engaged with states and territories, as well as primary teachers, to gather feedback around uncrowding the Australian Curriculum. ACARA hosted two workshops in March and May 2015, with 16 practising primary teachers to gain their feedback on draft changes. This assisted with reducing and rebalancing the primary curriculum, redesigning the four humanities and social sciences (HASS) learning area subjects into a single learning area curriculum and refining the Australian Curriculum website. ACARA has continued

to produce and distribute the quarterly newsletter *Primary Matters* to principals via the Australian Curriculum website, promoted through the *ACARA Update* and via the Australian Primary Principals Association.

***Monitoring of the Australian Curriculum***

ACARA’s charter requires the Authority to advise on the most effective processes for ensuring the continuous improvement of the Australian Curriculum. This improvement must reflect evidence and the experience of the various stakeholders as they engage with the curriculum.

ACARA’s first monitoring report was approved by the ACARA Board at the 9 October 2014 meeting. The report considered the effectiveness of the whole curriculum, the parts of the curriculum including learning areas, general capabilities and cross curriculum priorities and the connections between the parts. The report drew on data from submissions from states and territories, media scans, website analytics, national and international testing, as well as national and international research.

***Work samples development***

The collection of student work samples to assist teachers in making judgements about student performance in relation to the achievement standards for the arts, health and physical education, technologies, geography, civics and citizenship, economics and business and work studies commenced. Further development of this work for publication was delayed whilst ACARA’s curriculum officers undertook key actions arising from the agreed curriculum review themes listed above.

***Provision of curriculum services***

ACARA’s curriculum officers have provided curriculum development support services, such as the provision of services to support development of national curriculum in the Kingdom of Saudi Arabia. Costs for this support have been met by the Kingdom.

***Recognition of alternative curriculum frameworks***

ACARA has undertaken the evaluation of well-established, national curriculum frameworks on an as-required basis. In 2014, Steiner Education Australia’s submission regarding geography was assessed and added to the recognition of the Australian Steiner Curriculum Framework.

***Future directions***

ACARA’s work plan for the year ahead includes completing actions to improve the Australian

Curriculum by addressing themes endorsed by the Education Council; finalising the collection and publication of student work samples and monitoring of the Australian Curriculum.

**2.2 Provision of a national assessment program**

**Purpose**

The National Assessment Program (NAP) is the means by which governments, education authorities and schools can determine whether young Australians are reaching important educational goals for literacy and numeracy. The NAP monitors progress towards the outcomes and targets of the Melbourne Declaration and those of the Council of Australian Governments (COAG).

ACARA manages the National Assessment Program – Literacy and Numeracy (NAPLAN) and the national sample assessments in science literacy, civics and citizenship, as well as information and communication technology literacy (ICTL).

NAP tests are constructed to assess knowledge, skills and understandings appropriate for students in particular year levels, to be interesting and engaging for students throughout Australia and to challenge students at all levels of ability.

**NAPLAN**

The National Assessment Program – Literacy and Numeracy (NAPLAN) is an annual national assessment for all students in Years 3, 5, 7 and 9. All students in these year levels are expected to participate in tests in reading, writing, language conventions (spelling, grammar and punctuation) and numeracy.

ACARA is responsible for management of the test development process, including creation of test items for review and trial, and selection of test items for inclusion in the final tests.

The test administration authority (TAA) in each state or territory is responsible for administering NAPLAN tests. In February 2015, ACARA and all TAAs signed a memorandum of understanding (MoU) for the administration of NAPLAN. The MoU formalised and strengthened existing processes and procedures for the efficient administration of NAPLAN.

NAPLAN helps parents, carers and educators to see if children are meeting important numeracy and literacy standards. It is used to support school improvement processes by enabling teachers to monitor their students’ progress over time and to identify areas of strength and development.

NAPLAN provides parents and carers with an individual report, showing their child’s results and a national comparison of their child’s performance against other Australian students in their year level.

**Achievements**

***NAPLAN 2015 test development process***

The test development process is necessarily rigorous and comprehensive. Each new cycle takes about 18 months to produce high-quality tests. The development of items for the 2015 NAPLAN tests began in November 2013, with review and feedback by states and territories continuing through to July 2014. This was followed by item trialling in August 2014. The results of the trial were then used to construct the NAPLAN 2015 tests, according to detailed specifications. The resulting tests also underwent rigorous and comprehensive review by states and territories, as well as educational measurement experts.

In 2015, for the first time, the NAPLAN writing test consisted of two writing prompts – one for Year 3 and Year 5 students; and a different one for Year 7 and Year 9 students. Both writing tasks were of the persuasive genre. Previously, there was one prompt with one task for students of all year levels tested.

The move to a two-prompt model has allowed for more age-appropriate accessible topics, without changing the demands on individual students. The change was made following extensive consultation with TAAs, content and psychometric experts, as well as other educators and researchers.

The move to two prompts in 2015 is a part of the transition towards improvements to testing that will continue in 2016, and as the tests are moved online, with various enhancements including the use of the tailored test (adaptive) design.

***NAPLAN equating and analysis***

To ensure valid comparisons can be made between student performances across time, an equating study is routinely carried out immediately prior to the test period. This equating study allows the current year’s tests to be reported on the existing NAPLAN assessment scales, which were established in 2008. This process allows tests to be compared across test cycles and students’ progress to be tracked across year levels.

The equating studies for the 2015 NAPLAN tests were carried out from late April to early May 2015, with students in approximately 240 schools (who then participated in the 2015 NAPLAN tests).

***NAPLAN 2015 administration***

Between 12 and 14 May 2015, TAAs administered NAPLAN tests to over one million students across Australia. These tests were administered in accordance with the agreed framework of ACARA’s *National Protocols for Test Administration.*

ACARA maintains the protocols in consultation with TAAs. The protocols provide detailed guidance to help ensure uniform and equitable testing conditions for students to provide nationally comparable data. The protocols also address areas such as test material security, as well as guidelines for providing adjustments in test sessions for students with disability. ACARA also makes available key information, including FAQs, on its NAP website to help improve understanding of NAPLAN by parents and schools.

***NAPLAN 2014 performance***

In August 2014 ACARA provided the scaled test results of over one million students to states and territories for use in schools and for distribution to parents. ACARA also published the *NAPLAN Summary (Preliminary) Information* in August 2014, four weeks earlier than 2013,which provided an initial overview of NAPLAN results across Australia.

The earlier publication meant NAPLAN individual student reports (ISRs) and school level data could be released earlier than in previous years, with actual dates varying by state and territory. Some states released ISRs at the end of August.

In December 2014 ACARA released the comprehensive *2014 NAPLAN National Report*, which provided a more detailed analysis of the 2014 test results. The report provided a detailed breakdown according to a number of characteristics such as sex, language background other than English, location and indigenous status. The report indicated that performance generally remained steady across year levels and domains.

For the first time, the report included data for a cohort of students who had sat NAPLAN tests in Years 3, 5, 7 and 9. Year 3 students, who participated in the first ever NAPLAN tests in 2008, completed their final NAPLAN tests as Year 9 students in 2014.

**NAP sample assessments**

***NAP – civics and citizenship 2013***

In August 2014 ACARA published public and technical reports and finalised school release materials for the NAP – civics and citizenship 2013 sample assessment.

***NAP – ICT literacy 2014***

The fourth cycle of the NAP–ICTL sample assessment was administered between October and November 2014. Approximately 11,000 students in Year 6 and Year 10 from 649 government and non-government schools participated in the online assessment. Students were from all states and territories including metropolitan, regional and remote areas. The national public report is due to be released in the second half of 2015.

***NAP – science literacy 2015***

A trial for this sample assessment was held in March 2015 and for the first time was delivered online. The data collected from the trial are being used to inform planning and preparation for the NAP science literacy test to be conducted in October and November 2015 with a sample of students. A review of the science literacy assessment framework was also undertaken to begin the process of aligning the existing framework with the new F–10 Australian Curriculum: Science.

***NAP – civics and citizenship 2016***

Work has begun on the test development process for the fifth cycle of the NAP–CC sample assessment. The main study will be administered in October and November 2016.

***NAPLAN test integrity***

In December 2014 ACARA published on the ACARA website the fourth annual report on 2014 NAPLAN test incidents. Test incidents are breaches of the National Protocols for Test Administration.

The number of reported test incidents was very small and did not affect overall NAPLAN results.

There were substantiated breaches in less than 0.5 per cent of all schools conducting the tests in 2014. Most of the test incidents reported in 2014 were self-reported by schools. This is a testimony to the professionalism of teachers, educators and school administrators.

ACARA continued to work with stakeholders during 2014–15 to bring greater consistency to the presentation of the test incidents report and develop a broader understanding of the nature of test incidents.

**Future directions**

ACARA regularly reviews its testing program to ensure it is of the highest standard with regard to quality, accessibility, test content and structure.

***Online assessment from 2017***

In October 2014, federal, state and territory education ministers agreed that NAPLAN will move online from 2017, over a two-to-three year period. NAPLAN online will provide better assessment, more precise results and faster turnaround of information.

An online assessment platform is being built by Education Services Australia, with funds from the Australian Government. It will be used to trial online assessment through the NAP sample program in 2016.

ACARA is working to develop national protocols and the associated operational policy for NAPLAN online. This work, along with the development and implementation of a national communications strategy, will continue until the start of NAPLAN online in 2017.

***Online assessment research***

ACARA is responsible for developing the NAPLAN tests and for research to support the move online. Significant planning, development, research and trialling are going on behind the scenes to make sure everyone will be ready to move NAPLAN online.

A key element in ACARA’s work is a comprehensive research and development program that will assist the preparation for delivery of NAPLAN online tests from 2017.

In September 2014 ACARA released the results of its National Assessment and Surveys Online Program: tailored test design 2013 study.

Key findings from the research, completed by ACARA and funded by the Australian Government

Department of Education and Training, have revealed that the tailored test design – a key concept in the move to online assessment – is sound, feasible and more engaging for students. The research also found that as many as 50 per cent of students will have an enhanced assessment experience, particularly high- and low-achieving students.

As students concluded the trials of online tailored test design, they reported feeling more positive and accomplished, regardless of their abilities and educational background. The trials also provided an opportunity for students to be assessed by tests catering to their needs and provided more accurate and timely diagnostic information about student learning needs.

In August and September 2014 ACARA conducted the second trial of the multistage adaptive test (‘the tailored test design’) in numeracy and reading. A pilot study of spelling, grammar and punctuation was also conducted. Spelling items were delivered to students via audio files. More than 39,000 tests were delivered in 260 schools during the trial period.

In some schools, researchers conducted cognitive interviews with students, designed to investigate the impact of the test design on students’ test-taking behaviour. This also involved gathering information about students’ interactions with technically enhanced item types and more difficult questions. The results of this research will be published in 2015.

***Alignment of assessments with Australian Curriculum – NAPLAN Assessment Framework***

As a part of its 2014–15 work plan, ACARA began developing a NAPLAN Assessment Framework to align national assessments with the Australian Curriculum from 2016. The framework, which will be published in 2015, supports the construction of both paper-based and online-delivered NAPLAN tests.

The framework will specify principles underpinning NAPLAN test development. It will also describe the way in which knowledge, skills and understandings, described in the Australian Curriculum: English and Australian Curriculum: Mathematics, are assessed in NAPLAN.

**2.3 Provision of a national data collection and reporting program**

**Overview**

ACARA is committed to working with all school sectors to provide a rich array of information on Australian schools and schooling, as well as on student achievement, progress and participation.

ACARA collects and publishes school level data through the [*My School* website](http://www.myschool.edu.au) and national and state and territory data through the *National Report on Schooling in Australia.* ACARA also publishes NAPLAN and NAP sample national reports as part of its provision of a national assessment program.

**Achievements**

***My School 2015***

The sixth version of *My School* was released on 5 March 2015, attracting a 50 per cent increase in visits compared to figures for the 2014 release date.

The 2015 *My School* release contained:

* the latest (2014) profile and population data on each school
* outcomes from the 2014 round of NAPLAN testing
* seven years of NAPLAN performance data for comparison
* the latest financial figures on each school, including capital expenditure and sources of funding
* additional data on student attendance, disaggregated, for the first time, by Indigenous status1
* a refreshed look and feel.

The publication of attendance data by Indigenous status was in response to decisions by the Council of Australian Governments (COAG) and the Education Council on improving school attendance by Indigenous students. From the 2015 reporting year, these data will be reported for Semester 1 and Term 3.

In mid-2014 ACARA commissioned Colmar Brunton to conduct qualitative research with parents, principals, partners and stakeholder groups to evaluate the *My School* website. This research ran in parallel to the Australian Government initiated *My School* Review, conducted by Grahame Cook Consulting and released in March 2015.

The report found that, generally, parents appreciate having a range of information about schools available in the central online location. The report also found *My School* is used by parents as a part of a suite of information sources to make informed decisions about their child’s education.

The report concluded that, overall, *My School* provides information in one accessible place, in a format that is relatively easy to navigate and understand. It also noted there was some scope for ACARA to make improvements to the site.

ACARA has used this valuable information to make immediate changes to *My School*. Examples are the introduction video for the *My School* homepage – tailored to highlight the purpose of

*My School* and the creation of a new infographic that explains ICSEA in plain English.

In response to reviews of the *My School* website, ACARA will collaborate with stakeholders to explore further possible improvements to school level reporting via the website. ACARA will continue to monitor how NAPLAN results are used, provide guidance on proper use and improve ways of enabling schools to benchmark their performance against other schools.

***National Report on Schooling in Australia***

ACARA is responsible for compiling the annual *National Report on Schooling in Australia* on behalf of the Education Council. Reports are prepared in consultation with jurisdictions and school sectors.

The report addresses key strategies and joint commitments for schooling and details the nationally agreed key performance measures (KPMs) for schooling defined in the *Measurement* *Framework for Schooling in Australia.*

During 2014–15, the *National Report on Schooling in Australia 2013*, the fifth annual national report on schooling produced by ACARA, was prepared. ACARA also published the main body of the *National Report on Schooling in Australia 2012.*

ACARA also began the collection of data for the *National Report on Schooling in Australia 2014* and the development of an alternative format for its presentation. If approved, the revised format will allow readers to access national data on schooling in a more interactive form and will enable the more timely publication of future reports, starting with the *National Report on Schooling in* *Australia 2014.*



***Student attendance data reporting***

From the 2014 reporting year, all states and territories2 and the non-government school sectors have implemented the *National Standards for Student Attendance Data Reporting.* In line with ministers’ request, these standards were developed by ACARA in collaboration with jurisdictions and sectors.

This will allow the nationally comparable reporting of the national key performance measures (KPMs)3 for the rate of student attendance in Years 1–10 in the *National Report on Schooling in* *Australia* and other reports from 2014.

During 2014–15, at the direction of COAG and the Education Council, ACARA developed new national and school level measures of the proportion of Years 1–10 students, whose attendance rate is 90 per cent or more, disaggregated by Indigenous status. This will be reported at the school level on the *My School* website from the 2015 reporting year.

The new national KPM has been incorporated in the *Measurement Framework for Schooling in* *Australia 2015* and will be collected and reported by all jurisdictions, except NSW, from the 2015reporting year. The non-government school sectors will advise when their systems are able to report this measure using the agreed methodology.

ACARA has revised the *National Standards for Student Attendance Data Reporting* to incorporate the new attendance measures. If approved, the revised standards will be published on the ACARA website in the second half of 2015.

***Measurement Framework for Schooling in Australia***

*The Measurement Framework for Schooling in Australia* provides the basis for national reportingon the performance of schooling in Australia, as agreed by education ministers; defines the national KPMs for schooling; specifies the data sources for the KPMs; and outlines the reporting cycle for the following period.

ACARA is responsible for revisions to the framework in consultation with jurisdictions and sectors and, on behalf of Education Council, undertakes a full review of the framework at least every three years.

During 2014–15, ACARA undertook a review of the *Measurement Framework for Schooling in* *Australia 2012*. The review included an addition of a new KPM for student attendance in line withCOAG and Education Council decisions on improving school attendance by Indigenous students.

A new KPM for Year 4 students undertaking Progress in International Reading Literacy Study (PIRLS) assessment was added after ministerial approval. The measurement framework preamble was updated and the reporting schedule extended for existing KPMs, including the NAP sample, to cover the 2018 reporting year.

The *Measurement Framework for Schooling in Australia 2015* was approved by the Education Council in May 2015. It was published on the ACARA website in July 2015. This edition of the measurement framework will apply to national reporting on schooling from the 2015 reporting year. ACARA will continue to monitor and update the framework where necessary.

***Senior secondary or equivalent outcomes***

At the direction of COAG and the Education Council, ACARA undertook work to develop measures, using administrative data, to supplement existing measures of progress towards

COAG targets for the completion of Year 12 or equivalent, or Australian Qualifications Framework VET Certificate II or III. This work has not been finalised and work on a more comprehensive set of indicators will continue in 2015–16.

***Australian Schools List***

In 2014–15 ACARA, in conjunction with the National Schools Interoperability Program (NSIP) Steering Group, began work to establish and maintain a current Australian Schools List (ASL). This work will support national assessment and reporting activities.

ACARA and NSIP held consultations with organisations responsible for the authoritative lists of government/non-government schools in each state and territory. The consultation sought to understand how the ASL would integrate with existing processes and systems.

In January 2015 ACARA launched the initial ASL (beta) site. The ASL site is available to government agencies, departments, education services, system developers, vendors and the public. The ASL site sourced its data from the 2014 ACARA *My School* schools list.

During 2015, school registration authorities will be encouraged to move towards providing their current lists of schools to ACARA. This will allow ACARA to update the ASL through the Systems Interoperability Framework (SIF).

***Third party data provision***

The Data Access Protocols regulate third party access to ACARA data. Data available includes data arising from the National Assessment Program (NAP) and other ACARA data collections, some of which are published and some of which are not in the public domain. They also specify the conditions under which the full datasets on school performance will be accessible to third parties.

In July 2014 ACARA began a review of its *Data Access Protocols 2012*, with the aim of streamlining ACARA’s data access processes to facilitate timely provision of data to school authorities and researchers.

The ACARA Board endorsed a draft, revised version of the protocols in April 2015. They were then provided to AEEYSOC for approval in May 2015.

The revised data access protocols help to achieve better access to *My School* information for researchers, as suggested in the 2014 Grahame Cook review of *My School*, while still

maintaining important privacy and data quality protections. The updated *Data Access Protocols* *2015* have been published on the ACARA website.

1. Management and accountability

**3.1 Governance and management framework**

**Overview**

ACARA maintains a strong commitment to transparent and ethical governance.

Amongst other responsibilities, ACARA Board members are required to disclose to their fellow directors any material personal interest they may have in a matter relating to the affairs of the Authority. So that Board members can disclose potential or actual conflicts they might otherwise be unaware of, a list is provided at each Board meeting of any major procurement undertaken since the previous meeting. A record of all disclosures is maintained by ACARA.

ACARA’s Code of Conduct articulates standards of behaviour expected from staff. These standards reflect ACARA’s values, which staff must adhere to in the performance of their duties.

ACARA’s governance and advisory structure allows for input and advice from key stakeholder groups and experts. This advice helps:

* the executive in making recommendations to the ACARA Board and to the Education Council
* ACARA in achieving the objectives and outcomes set out in its charter in a collaborative way.

**Insurance and indemnities**

During 2014–15, ACARA held insurance protecting directors and officers from liability for the consequences of managerial misconduct or negligence, to the extent that the provision of the indemnity is not prevented by applicable legislation.

**Audit and Risk Committee**

The ACARA Board established an Audit and Risk Committee at its second meeting on 29 June 2009 in compliance with section 32 of the Commonwealth Authorities and Companies Act 1997 (CAC Act). Following the enactment of the PGPA Act 2013 in July 2014 (replacing the CAC Act), the Committee operates in compliance with section 45 of the PGPA Act and PGPA Rule section 17 – Audit committee for Commonwealth entities. The Committee Terms of Reference were amended accordingly in August 2014.

The Committee is chaired by Ms Liz Banks. In June 2015 the Committee comprised five members, including two members who are independent of the Board. Two Board members, Emeritus Professor Brian Caldwell and Mr Michael Hewitson, were appointed to the Committee in July 2014 following the retirement of Mr Angus James, Ms Di Kerr and Mr Tony Mackay. The

Audit and Risk Committee provides assurance and assistance on ACARA’s financial reporting, systems of risk management and oversight and systems of internal control. From 2015–16, monitoring of performance reporting will also be a Committee responsibility, as required by the PGPA Act, with 2015–16 being a transitional year for this requirement.

**3.2 Risk management**

**Overview**

ACARA has in place a risk management policy and a risk management framework. These set policies and guidelines for risk management at all levels of the organisation. The aims are to:

* enable ACARA to proactively identify and manage its risks in a systematic and structured way
* integrate the risk management process into strategic and business planning
* promote risk awareness and attention to the ongoing review, treatment, monitoring and reporting of risks throughout the organisation.

The structure of ACARA’s documents and the corresponding implementation process – including terminology, assessment and evaluation criteria – are based on the *Australian standard* *risk management – principles and guidelines* (AS/NZS ISO 31000:2009).

ACARA’s Project and Risk Gateway Group was replaced by a Project Management Implementation Group in October to provide consistent oversight and strengthening of project and project level risk management, as well as identification of risks for inclusion in the corporate risk register.

**Fraud control**

Under Australian Government policy, there is a requirement for all agencies to have a fraud control plan in place. The core objectives of the fraud control plan and policy are to identify potential fraud risk categories to which ACARA is exposed and to outline responsibilities for fraud control. The relevant standards are *Risk management – principles and guidelines* (AS/NZS ISO 31000:2009) and *Australian Standard fraud and corruption control* (AS 8001–2008).

**3.3 Financial management**

ACARA’s fiinancial accountability and reporting responsibilities are set out in the Public Governance, Performance and Accountability Act 2013 and are based on the effiicient, effective and ethical use of allocated resources. ACARA works within a fiinancial control framework which ensures it administers its responsibilities appropriately and effectively.

**Analysis of fiinancial performance**

ACARA reported a deficit of $653k for 2014-15. This deficit reflects staff redundancies and a prior year accounting adjustment relating to the timing of the recognition of expenses. ACARA’s reserves are sufficient to accommodate this deficit.

The percentage breakdown of expenditure for 2014-15 across the fiive business units was as follows:

* Curriculum including NTC (24.7%)
* Assessment and Reporting including NAPLAN online (36.3%)
* Communications and Strategic Relations (3.9%)
* Offiice of the CEO including the ACARA Board (8.2%)
* Corporate Services, representing HR, ICT, finance and facilities (27%)

ACARA is a collaborative initiative funded 50 per cent by the Australian Government and 50 per cent by the states and territories of Australia. The Education Council, which comprises all the funding parties, approved $109.2M of funding to meet ACARA’s operational requirements for the quadrennium of 1 July 2012 to 30 June 2016.

**Factors that have affected or may affect operations**

No major fiinancial factors have impacted ACARA’s operations to date. ACARA’s operations are dependent on funding from state, territory and Commonwealth governments.

**Reportable decisions or issues**

Under paragraphs 19(1)(c), (d) or (e) of the PGPA Act, ACARA must notify the federal Minister for Education of any significant decisions or issues. There were no significant decisions or issues reportable under these provisions in 2014–15.

**3.4 Communications and Strategic Relations**

**Overview**

The Communications and Strategic Relations team is responsible for informing and engaging partners and stakeholders about what we do, how we do it, and the end result of ACARA’s work.

Interest in ACARA’s work continued to grow in 2014–15, with the team responding to over 500 media queries covering all areas of curriculum, assessment and reporting. Key areas of interest included the release of the Australian Curriculum: work studies; the Australian Curriculum: languages; NAPLAN online; the release of the NAPLAN summary information and national report; and *My School*.

During 2014–15, ACARA released 35 new videos. The most viewed videos were about the updated Australian Curriculum website, *My School* 2015, and the NAP sample assessment – information and communications technology (ICT) literacy.

**Communications support**

A great deal of communications support, from social media posts and newsletter articles to hosting media and stakeholder briefings, was provided throughout the year for major ACARA releases, projects, publications and events. These included:

* Australian Curriculum: languages releases
* NAPLAN 2014 summary information
* online assessment trials
* National Assessment and Surveys Online Program
* Tailored Test Design Study 2013 (a part of the research program funded by the Australian Government Department of Education and Training)
* NAPLAN 2014 individual student reports
* Australian Curriculum: work studies
* National Assessment Program – ICT literacy sample assessments
* release of the Australian Curriculum Review Report
* National Assessment Program – Civics and Citizenship Report
* NAPLAN 2014 National Report
* NAPLAN 2014 Test Incidents Report
* update of *My School* with school attendance data
* Education Council endorsement of the implementation target for NAPLAN online
* *My School* 2015 release
* independent evaluation on the effectiveness of *My School*
* The Australian Government release of its *My School* review report
* departure of ACARA’s inaugural Chairman, Professor Barry McGaw AO
* update of Australian Curriculum website – six language curricula and primary illustrations videos released
* NAPLAN 2015
* new ACARA Chair, Emeritus Professor Steven Schwartz AM.

ACARA continues to work to ensure engagement and understanding by all stakeholders.

**National engagement focus**

ACARA’s focus is on collaboration and engagement with national partners and stakeholders. During the year, ACARA’s executive team attended and presented at over 200 stakeholder engagement opportunities.

**Informing the public**

There were 823,815 user sessions of the ACARA website in 2014–15. The Australian Curriculum website had 4.4 million user sessions, and the NAP website had 998,106 user sessions. The *My School* website saw 1,481,126 user sessions this year, with a 50 per cent greater number ofuser sessions on the day the website was updated for 2015, than the same day in 2014.

The Communications and Strategic Relations team responded to 1,692 queries received through info@acara.edu.au.

There were 24 issues of *ACARA Update* and *ACARA Update Extra* sent to 30,000 subscribers in 2014–15. The newsletter was redesigned in February 2015 to provide readers with a more aesthetic, user-friendly experience.

**Social media**

Our social media community has developed over the course of 12 months. In July 2014 we had 3,765 followers. By the end of the year, we had grown our followers by 437 per cent to more than 22,000 followers across Facebook, Twitter and LinkedIn.

**NAPLAN online**

In early 2015, ACARA was asked to lead the national communications initiatives for NAPLAN online, in consultation with and following advice received from the NAP Communications

Group. This group consists of communications representatives from all state/territory education authorities, and independent and Catholic schools.

A communications strategy has been developed to provide high-level strategic advice and direction for managing communications through the milestones of transitioning NAPLAN from a paper-based assessment to an online format.

The communications objectives are to:

* help grow support for NAPLAN online / build trust, confidence, understanding and a more positive perception of NAPLAN online
* provide a blueprint for the timely release of consistent and reliable key messages to specific stakeholder groups
* increase engagement that supports change management and aids transition from NAPLAN pen-and-paper to NAPLAN online.

We aim to ensure that stakeholders:

* are aware NAPLAN will transition from a paper-based test to a computer-based test from 2017, on an opt-in basis over a two-to-three year period.
* understand how this will impact them and be clear about the benefits
* know what role and/or responsibility they will have in the change.

ACARA will continue working with partners and stakeholders to ensure students, parents and teachers are kept informed through the transition period.

|  |  |
| --- | --- |
|  |  |



**3.5 Workforce management**

**Overview**

ACARA’s diverse workforce brings a valuable range of skills and expertise to the organisation and helps foster productive relationships within the education sector. Many staff members are considered leaders in their fields; they bring to their roles important local and international experience. They have been recruited or seconded from positions within state and territory education departments, curriculum, assessment and certification authorities, the non-government school sector, federal and state government agencies, as well as the private

sector. This means that ACARA’s workforce reflects the complexity and dynamism of Australia’s education community.

**Highlights**

In 2014–15 ACARA continued to focus on maintaining a supportive and productive workplace environment that balances the need for a healthy work–life mix, with the challenges of delivering core projects within short timeframes.

Key areas of work include:

* revision of the capability framework linked to role design (position descriptions) and talent acquisition
* implementation of employee leave applications (employee self-service and manager self-service) and time management system for hours of work
* implementation of recruitment and performance cloud-based systems
* development of performance-based workshops for objective setting aligned to ACARA’s strategic directions and supporting the employee lifecycle
* implementation of the learning and professional development plan for 2014–2016.

**Organisational structure**

ACARA is made up of five business units: Curriculum, Assessment and Reporting, Communications and Strategic Relations, Office of the CEO and Corporate Services.

The Assessment and Reporting business unit is responsible for the National Assessment Program (NAP), development of the *My School* website, and the *National Report on Schooling.*

Within the Curriculum business unit, responsibilities are assigned for each of the learning areas.

In addition, staff work across teams with defined responsibilities for other key elements of the curriculum, such as general capabilities and cross curriculum priorities.

The Office of the CEO is responsible for statutory reporting, governance (corporate risk management, secretariat support for the Board and the Audit and Risk Committee), legal advice, planning and policy coordination.

The Communications and Strategic Relations team supports ACARA’s key areas of work and publications through communications planning and stakeholder engagement. The team is also responsible for the internal communications framework, managing correspondence and ensuring consistency and compliance across ACARA and its sub-brands in terms of ACARA’s brand governance requirements.

Corporate Services is responsible for finance, information and communication technology, human resources, contracts and procurement, and business services. ACARA engages specialist outsourcing partners as a cost-effective means of accessing high-quality finance and

IT services to complement in-house capability.

**Staff profile**

As of 30 June 2015, ACARA’s workforce comprised 92 direct hires, as well as one staff member on secondment from a state/territory agency.

A key aspect of ACARA’s work involves collaboration with a broad network of advisory and reference groups from states and territories. Although members of these groups are not represented in ACARA’s staff profile, they make a significant national contribution to ACARA’s work and achievements.

**Executive team**

The executive team is responsible for ACARA’s day-to-day operations and contributing to ACARA’s strategic direction. The team has evolved with ACARA and comprised the following staff over the course of the financial year:

* Chief Executive Officer, Mr Robert Randall (from November 2012)
* General Manager, Curriculum, Dr Phil Lambert (from April 2013)
* Chief Operating Officer, Ms Deborrah Lambourne (from September 2010)
* General Manager, Assessment and Reporting, Dr Stanley Rabinowitz (from July 2014)
* Director, Strategic Relations and Communications, Ms Robyn Ziino (from July 2013).

**Chief Executive Officer, Mr Robert Randall**

Robert Randall was appointed as chief executive officer of the Australian

Curriculum, Assessment and Reporting Authority (ACARA) in November 2012. He has worked at ACARA since 2009 and was previously deputy CEO and general manager, curriculum, ACARA. He was previously general manager of the Interim National Curriculum Board.

Robert has significant experience and success in curriculum, assessment and reporting projects, from design through to implementation, at both state and national levels.

Robert began his career as a teacher of mathematics in Perth, before holding a range of positions within and beyond schools in Western Australia, including project leader, monitoring standards in education; manager, assessment and reporting, with the education department; and principal consultant, Interim Curriculum Council of Western Australia. In 1996 Robert was appointed director, curriculum, with the NSW Board of Studies, and in 2001 took up the position of director of curriculum K–12, with the NSW Department of Education and Training.

**General Manager, Curriculum, Dr Phil Lambert PSM FACE FACEL**

***Adjunct Associate Professor, University of Sydney***

***Adjunct Professor, Nanjing Normal University, China***

Dr Phil Lambert has extensive experience in education as a principal, inspector, policy director, assistant director-general, regional director and general manager. He has authored and co-authored books and presented a number of papers and keynote speeches at state, national and international conferences, covering a range of topics.

Phil has a MEd in Educational Administration and Management, and in 2001 he completed his doctorate at the University of Sydney. In 2006 he was conferred Adjunct Associate Professor at the University of Sydney; and in 2011, Adjunct Professor at Nanjing Normal University, China. He is also a Fellow of both the Australian College of Educators and the Australian Council for Educational Leaders. In May 2013, he was visiting professor at Taiwan Southern University.

**Chief Operating Officer, Ms Deborrah Lambourne**

Deborrah Lambourne is a senior executive with experience as chief operating officer, chief financial officer, worked as director, financial strategy and planning, and general manager, project management office at the University of Sydney.

Deborrah has a strong track record in strategic planning, implementing change management initiatives to achieve greater organisational effectiveness and return on investment.

She has worked in the higher education, financial services and consumer finance sectors.

**General Manager, Assessment and Reporting, Dr Stanley Rabinowitz**

Dr Stanley Rabinowitz commenced his role as General Manager for Assessment and Reporting at the Australian Curriculum, Assessment and Reporting Authority (ACARA) in July 2014. Some of his key responsibilities involve managing the national assessment programs (NAPLAN and NAP sample), national data reporting, including the *My School* website, and using his experience to launch NAPLAN online in Australia in 2017.

Stanley has joined ACARA after serving as senior program director of WestEd’s Assessment & Standards Development Services (ASDS), a program of national scope with more than 100 staff throughout the USA. In that role, he served as director of the national Center for Standards and Assessments Implementation (CSAI) and the Smarter Balanced Assessment Consortium Project Management Partner (PMP).

Stanley received his PhD in Educational Psychology and Statistics from the State University of New York at Albany, New York, USA.

**Director, Communications and Strategic Relations, Ms Robyn Ziino**

Robyn Ziino is responsible for ACARA’s ongoing positive collaboration with its partners and stakeholders, so they are informed and updated regularly on ACARA’s work via appropriate communications and stakeholder relationship initiatives.

Robyn is ACARA’s media spokesperson. She manages all external and internal communications, including monitoring of media, newsletters, publications and social media. Robyn is also ACARA’s Freedom of Information Officer, as well as an authorised officer for the purposes of the *Public Interest Disclosure Act* 2013.

Robyn has a strong track record covering the fields of stakeholder relations, communication, law, compliance, government relations and regulation, having worked across these fields in both commercial and non-commercial industries for over 20 years.

Robyn holds a Master’s of Arts in Professional Communication (major in journalism and public relations), as well as degrees in law (honours), English literature and criminology. She is a qualified lawyer and a certified compliance professional by the Australasian Institute of Compliance.

**4.0 Financial performance**

**4.1 Statement by the accountable authorities**

**4.2 Independent auditor’s report**

**4.3 Financial statements**

Australian Curriculum, Assessment and Reporting Authority, ABN 54 735 928 084.

Financial statements for the financial year ended 30 June 2015

**Statement of comprehensive income for the year ended 30 June 2015**



|  |  |  |  |
| --- | --- | --- | --- |
|  | **Note** | **2015** | **2014** |
|  |  | **$’000** | **$’000** |
|  |  |  |  |
| **NET COST OF SERVICES** |  |  |  |
| **Expenses** |  |  |  |
| Employee benefits | 3(a) | 13,048 | 14,761 |
| Supplier expenses | 3(b) | 14,708 | 22,318 |
| Depreciation and amortisation | 3(c) | 722 | 756 |
| Loss on disposal of assets | 6(c) | 13 | - |
| ***Total expenses*** |  | **28,491** | **37,835** |
|  |  |  |  |
| **Own source income** |  |  |  |
| ***Revenue*** |  |  |  |
| Revenue from Jurisdictions | 4(a) | 12,502 | 14,500 |
| Interest | 4(c) | 227 | 172 |
| Other revenue | 4(d) | 554 | 2 |
| ***Total own source revenue*** |  | **13,283** | **14,674** |
|  |  |  |  |
| **Net cost of (contribution by) services** |  | (15,208) | (23,161) |
| Revenue from government | 4(b) | 14,478 | 23,755 |
| **Surplus / (deficit) attributable to the Australian Government** |  | **(730)** | **594** |
|  |  |  |  |
| **Other comprehensive income** |  |  |  |
| Items not subject to subsequent reclassification |  |  |  |
| Changes in asset revaluation | 6(c) | 77 | – |
| **Total other comprehensive income** |  | **77** | **–** |
|  |  |  |  |
| **Total comprehensive income / (deficit) attributable to the** |  | **(653)** | **594** |
| **Australian Government** |  |  |  |
|  |  |  |  |

The above statement should be read in conjunction with the accompanying notes.

**Statement of financial position as at 30 June 2015**



|  |  |  |  |
| --- | --- | --- | --- |
|  | **Note** | **2015** | **2014** |
|  |  | **$’000** | **$’000** |
|  |  |  |  |
| **Assets** |  |  |  |
| ***Financial assets*** |  |  |  |
| Cash and cash equivalents | 5(a) | 11,512 | 12,647 |
| Trade and other receivables | 5(b) | 2,751 | 5,778 |
| ***Total financial assets*** |  | 14,263 | 18,425 |
| ***Non-financial assets*** |  |  |  |
| Leasehold incentives | 6(a) | 599 | 1,110 |
| Plant and equipment | 6(b.c) | 238 | 293 |
| Intangibles | 6(d.e) | 2 | 15 |
| Other non-financial assets | 6(f) | 243 | 90 |
| ***Total non-financial assets*** |  | 1,082 | 1,508 |
| ***Total assets*** |  | 15,345 | 19,933 |
|  |  |  |  |
| **Liabilities** |  |  |  |
| ***Payables*** |  |  |  |
| Suppliers | 7(a) | 3,739 | 6,462 |
| Grants In advance (deferred revenue) | 7(b) | 7,322 | 7,471 |
| Other payables | 7(c) | 536 | 1,493 |
| ***Total payables*** |  | 11,597 | 15,426 |
| ***Provisions*** |  |  |  |
| Employee provisions | 8 | 1,571 | 1,677 |
| ***Total provisions*** |  | 1,571 | 1,677 |
| ***Total liabilities*** |  | 13,168 | 17,103 |
|  |  |  |  |
| **Net assets** |  | 2,177 | 2,830 |
|  |  |  |  |
| ***Equity*** |  |  |  |
| Retained surplus (accumulated deficit) |  | 2,100 | 2,830 |
| Reserves |  | 77 | - |
|  |  |  |  |
|  |  |  |  |
| **Total equity** |  | 2,177 | 2,830 |
|  |  |  |  |

The above statement should be read in conjunction with the accompanying notes.

**Statement of changes in equity for the year ended 30 June 2015**



|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Retained** | **Retained** | **Asset** | **Asset** | **Total** | **Total** |
|  | **earnings** | **earnings** | **revaluation** | **revaluation** | **equity** | **equity** |
|  | **2015** | **2014** | **reserve** | **reserve** | **2015** | **2014** |
|  | **$’000** | **$’000** | **2015** | **2014** | **$’000** | **$’000** |
|  |  |  | **$’000** | **$’000** |  |  |
| ***Opening balance*** |  |  |  |  |  |  |
| Balance carried forward from | 2,830 | 2,236 | - | - | 2,830 | 2,236 |
| previous period |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| ***Adjusted opening balance*** | 2,830 | 2,236 | - | - | 2,830 | 2,236 |
|  |  |  |  |  |  |  |
| **Comprehensive income** |  |  |  |  |  |  |
| Surplus / (deficit) for the | (730) | 191 | - | - | (730) | 191 |
| periods |  |  |  |  |  |  |
| Adjustment for correction |  | 403 |  |  |  | 403 |
| of error – Note 1.16 |  |  |  |  |  |  |
| Other comprehensive | - | - | 77 | - | 77 | - |
| income |  |  |  |  |  |  |
|  |  |  |  |  |  |  |
| ***Total comprehensive*** | (730) | 594 | 77 | - | (653) | 594 |
| ***income*** |  |  |  |  |  |  |
| ***Closing balance*** | 2,100 | 2,830 | 77 | - | 2,177 | 2,830 |
| ***as at 30 June*** |  |  |  |  |  |  |
|  |  |  |  |  |  |  |

The above statement should be read in conjunction with the accompanying notes.

**Cash flow statement for the year ended 30 June 2015**



|  |  |  |  |
| --- | --- | --- | --- |
|  | **Note** | **2015** | **2014** |
|  |  | **$’000** | **$’000** |
|  |  |  |  |
| ***OPERATING ACTIVITIES*** |  |  |  |
| **Cash received** |  |  |  |
| Receipts from Commonwealth, State and Territories |  | 30,028 | 40,373 |
| Interest | 4(c) | 227 | 172 |
| Net GST received |  | 1,756 | 1,525 |
| Other cash received |  | 410 | 2 |
| **Total cash received** |  | 32,421 | 42,072 |
| **Cash used** |  |  |  |
| Employees |  | (13,747) | (14,486) |
| Suppliers |  | (19,523) | (22,856) |
| GST paid |  | (207) | (1,537) |
| **Total cash used** |  | (33,477) | (38,879) |
| **Net cash used by operating activities** | 9(b) | (1,056) | 3,193 |
|  |  |  |  |
| ***INVESTING ACTIVITIES*** |  |  |  |
| **Cash used** |  |  |  |
| Purchase of property, plant and equipment |  | (79) | (184) |
| **Total cash used** |  | (79) | (184) |
| ***Net cash used by investing activities*** |  | (79) | (184) |
| ***Net decrease in cash held*** |  | (1,135) | 3,009 |
| *Cash and cash equivalents at the beginning of the reporting period* |  | 12,647 | 9,638 |
| ***Cash and cash equivalents at the end of the reporting period*** | 5(a) | 11,512 | 12,647 |
|  |  |  |  |

The above statement should be read in conjunction with the accompanying notes.

**Schedule of commitments as at 30 June 2015**



|  |  |  |
| --- | --- | --- |
|  | **2015** | **2014** |
|  | **$’000** | **$’000** |
|  |  |  |
| ***By type*** |  |  |
| **Commitments receivable** |  |  |
| Net GST recoverable on commitments | (569) | (898) |
|  |  |  |
| **Total commitments receivable** | (569) | (898) |
| **Commitments payable** |  |  |
| **Other commitments** |  |  |
| Operating leases1 | 1,663 | 3,162 |
| Project commitments2 | 4,612 | 6,716 |
| **Total commitments payable** | 6,275 | 9,878 |
| **Net commitments by type** | 5,706 | 8,980 |
|  |  |  |
| ***By maturity*** |  |  |
| **Commitments receivable** |  |  |
| **Other commitments receivable** |  |  |
| Within 1 year | (527) | (578) |
| Within 1 to 5 years | (42) | (320) |
|  |  |  |
| **Total other commitments receivable** | (569) | (898) |
| **Total commitments receivable** | (569) | (898) |
| **Commitments payable** |  |  |
| **Operating lease commitments** |  |  |
| Within 1 year | 1,542 | 1,499 |
| Within 1 to 5 years | 121 | 1,663 |
|  |  |  |
| **Total operating lease commitments**1 | 1,663 | 3,162 |
| **Project commitments** |  |  |
| Within 1 year | 4,275 | 4,858 |
| Within 1 to 5 years | 337 | 1,858 |
|  |  |  |
| **Total project commitments** | 4,612 | 6,716 |
| **Total commitments payable** | 6,275 | 9,878 |
| **Net commitments by maturity** | 5,706 | 8,980 |
|  |  |  |

The above statement should be read in conjunction with the accompanying notes.

**4.4 Notes to the financial statements**

**Index to the notes to the financial statements for the year ended 30 June 2015**

1. **Summary of significant accounting policies**
2. **Events after the reporting period**
3. **Expenses**
4. **Own-source income**
5. **Financial assets**
* **Non-financial assets**
1. **Payables**
2. **Provisions**
* **Cash flow reconciliation**
1. **Contingent assets and liabilities**
2. **Directors remuneration**
3. **Related party disclosures**
4. **Senior management personnel remuneration**
5. **Financial instruments**
6. **Financial assets and liabilities reconciliation**
7. **Fair value measurement**
8. **Reporting of outcomes**
9. **Budgetary reports and explanations of major variances**

**1. Summary of significant accounting policies**

**1.1 Objectives of the entity**

The entity is a corporate Commonwealth entity.

The entity is structured to meet the following outcomes:

**Outcome 1:** to improve the quality and consistency of school education in Australia through the development of anational curriculum.

**Outcome 2:** development of a national assessment program. **Outcome 3:** data collection and school performance reporting system

The continued existence of the entity in its present form and current programs is dependent on Education Council policy, and on continued funding by Commonwealth, State and Territory governments.

**1.2 Basis of preparation of the financial report**

The financial statements are general purpose financial statements and are required by section 42 of the Public

Governance, Performance and Accountability Act 2013.

The financial statements and notes have been prepared in accordance with:

* Financial Reporting Rule (FRR) for reporting periods ending on or after 1 July 2014; and
* Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial statements have been prepared on an accrual basis and is in accordance with the historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results or the financial position.

The financial statements are presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specifically required by an accounting standard or the FRR, assets and liabilities are recognised in the statement of financial position when and only when it is probable that future economic benefits will flow to the entity or a future sacrifice of economic benefits will be required and the amounts of the assets and liabilities can be reliably measured. However, assets and liabilities arising under executory contracts are not recognised unless required by an accounting standard. Liabilities and assets that are unrecognised are reported in the schedule of commitments or the contingencies note.

Unless alterative treatment is specifically required by an accounting standard, income and expenses are recognised in the Statement of Comprehensive Income when and only when the flow, consumption or loss of economic benefits has occurred and can be reliably measured.

**1.3 Significant accounting judgements and estimates**

No significant accounting assumptions and estimates have been made that would have a significant impact on the amounts recorded in the financial statements, with the exception of fair value of plant and equipment which is detailed in note 16.

**1.4 New Australian accounting standards**

***Adoption of new Australian accounting standard requirements***

No accounting standard has been adopted earlier than the application date as stated in the standard.



|  |  |
| --- | --- |
| **Standard/interpretation** | **Summary** |
|  |  |
| AASB 1055 Budgetary Reporting | AASB 1055 is a new disclosure requirement as provided |
|  | in note 18 |
|  |  |

***Future Australian accounting standard requirements***

New standards, amendments to standards, and interpretations issued by the AASB are applicable to future reporting periods and are not expected to have a material financial impact on ACARA.



|  |  |  |
| --- | --- | --- |
| **Standard/interpretation** | **Applicable** | **Summary** |
|  | **for annual** |  |
|  | **reporting** |  |
|  | **periods** |  |
|  | **beginning or** |  |
|  | **ending on** |  |
| AASB 9 Financial Instruments | 1 July 2015 | Expected to have no significant impact. |
|  |  |  |
| AASB 2010-7 Amendments to Australian Accounting | 1 July 2015 | Expected to have no significant impact. |
| Standards arising from AASB 9 (December 2010) |  |  |
|  |  |  |
| AASB 2013-9 Amendments to Australian Accounting | 1 July 2015 | Expected to have no significant impact. |
| Standards – Conceptual Framework, Materiality and |  |  |
| Financial Instruments |  |  |
|  |  |  |
| AASB 2014-8 Amendments to Australian Accounting | 1 July 2015 | Expected to have no significant impact. |
| Standards arising from AASB 9 (December 2014) – |  |  |
| Application of AASB 9 (December 2009) and AASB 9 |  |  |
| (December 2010) |  |  |
|  |  |  |
| AASB 2015-3 Amendments to Australian Accounting | 1 July 2015 | Expected to have no significant impact. |
| Standards arising from the Withdrawal of AASB 1031 |  |  |
| Materiality |  |  |
|  |  |  |
| AASB 2014-4 Amendments to Australian Accounting | 1 July 2016 | Expected to have no significant impact. |
| Standards – Clarification of Acceptable Methods of |  |  |
| Depreciation and Amortisation |  |  |
|  |  |  |
| AASB 2015-2 Amendments to Australian Accounting | 1 July 2016 | Expected to have no significant impact. |
| Standards – Disclosure Initiative: Amendments to AASB |  |  |
| 101 |  |  |
|  |  |  |
| AASB 2014-5 Amendments to Australian Accounting | 1 July 2017 | Expected to have no significant impact. |
| Standards arising from AASB 15 |  |  |
|  |  |  |
| AASB 15 Revenue from Contracts with Customers | 1 July 2017 | Expected to have no significant impact. |
|  |  |  |
| AASB 9 Financial Instruments (December 2014) | 1 July 2018 | Expected to have no significant impact. |
|  |  |  |
| AASB 2014-7 Amendments to Australian Accounting | 1 July 2018 | Expected to have no significant impact. |
| Standards arising from AASB 9 (December 2014) |  |  |
|  |  |  |

**1.5 Revenue**

The revenues described in this note are revenues relating to the core activities of ACARA.

***Revenue from jurisdictions and Government***

Revenue from jurisdictions is recognised when:

* ACARA has obtained control of the revenue or the right to receive the revenue;
* The revenue can be reliably measured; and
* It is probable that the economic benefits associated with the transaction will flow to the entity.

The distribution of government grant income for the initial four years of ACARA was determined by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) following its April 2009 meeting. Funding for ACARA for the next four years was determined by the Ministerial Council for Education, Early Childhood Development and Youth

Affairs (MCEECDYA) at its October 2011 meeting. As at 30 June 2015, the relevant body was the Education Council.

***Grants received in advance***

Where ACARA receives grants in advance of the period to which the funds, or for specific projects for which work is yet to be completed, the grant is recognised in the Statement of Financial Position as a liability, Grants In Advance, unless ACARA has obtained control of the revenue, in which case it is recorded as revenue. At 30 June 2015 the amount recognised was $7,322,440 (2014: $7,471,245) and represents 2015-16 annual contributions from State and Territory jurisdictions, for expenditure to be incurred in the 2015-16 financial year in the delivery of the 2015-16 Work Plan, approved on 29 May 2015 by the Education Council.

***Interest revenue***

Interest revenue is recognised using the effective interest rate method as set out in AASB 139 Financial Instruments:

Recognition and Measurement.

***Resources received free of charge***

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of the resources is recognised as an expense.

**1.6 Infrastructure, plant and equipment**

***Asset recognition threshold***

Purchases of property, plant and equipment are recognised initially at cost in the statement of financial position, except for purchases costing less than $1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

***Revaluations***

Fair values for each class of asset are determined as shown below:

|  |  |
| --- | --- |
| **Asset class** | **Fair value measurement** |
|  |  |
| Leasehold incentives | Depreciated replacement cost |
| Infrastructure, plant and equipment | Market selling price and depreciated replacement cost |
|  |  |

Following initial recognition at cost, property, plant and equipment were carried at fair value less subsequent accumulated depreciation and accumulated impairment losses. Valuations were conducted with sufficient frequency to ensure that the carrying amounts of assets did not differ materially from the assets’ fair values as at the reporting date.

The regularity of independent valuations depended upon the volatility of movements in market values for the relevant assets.

Revaluation adjustments were made on a class basis. Any revaluation increment was credited to equity under the heading of asset revaluation reserve except to the extent that it reversed a previous revaluation decrement of the same asset class that was previously recognised directly in the surplus/deficit. Revaluation decrements for a class of assets were recognised directly in the surplus / (deficit) except to the extent that they reversed a previous revaluation increment for that class.

Any accumulated depreciation as at the revaluation date is eliminated against the gross carrying amount of the asset and the asset restated to the revalued amount.

***Depreciation***

Depreciable property, plant and equipment assets are written-off to their estimated residual values over their estimated useful lives to ACARA using, in all cases, the straight-line method of depreciation.

Depreciation rates, residual values and methods are reviewed at each reporting date and necessary adjustments are recognised in the current, or current and future reporting periods, as appropriate.

Depreciation rates applying to each class of depreciable assets are based on the following useful lives:

|  |  |  |
| --- | --- | --- |
|  | **2015** | **2014** |
|  |  |  |
| Furniture & fittings | 6.75 years | 6.75 years |
|  |  |  |
| Leasehold incentives | 6.75 years | 6.75 years |
|  |  |  |
| Equipment | 3 to 6.75 years | 3 to 6.75 years |
|  |  |  |

***Impairment***

All assets were assessed for impairment at 30 June 2015. Where indications of impairment exist, the asset’s recoverable amount is estimated and an impairment adjustment made if the asset’s recoverable amount is less than its carrying value.

The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use. Value in use is the present value of the future cash flows expected to be derived from the asset. Where the future economic benefit of an asset is not primarily dependent on the asset’s ability to generate future cash flows, and the asset would be replaced if the entity were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

***Derecognition***

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

**1.7 Intangibles**

ACARA’s intangibles comprise of software and are carried at cost less accumulated amortisation and accumulated impairment losses.

Software is amortised on a straight line method over the anticipated useful life. The useful life of ACARA’s software is 3 years.

All assets were assessed for indications of impairment as at 30 June 2015.

**1.8 Employee benefits**

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for short-term employee benefits (as defined in AASB 119, Employee Benefits) and termination benefits expected within twelve months of the balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

***Leave***

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave entitlements are non-vesting and the average sick leave taken in future years by employees of ACARA is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of the employees’ remuneration at the estimated salary rates that will be applied at the time the leave is taken, including ACARA’s employer superannuation contribution rates to the extent that the leave is likely to be taken during the service rather than paid out on termination.

The liability for long service leave has been determined by reference to the Australian Government shorthand method. In applying this method, the accrued long service leave for each employee as at reporting date is probability weighted, based on the Australian Government probability profile. The amount obtained for each employee is then discounted using the ten year Treasury bond rate. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

***Separation and redundancy***

ACARA recognises a provision for termination when it has developed a detailed formal plan for terminations and has informed those employees affected that it will carry out terminations.

***Superannuation***

Upon commencing employment with ACARA, employees nominate an approved superannuation scheme of their choice.

ACARA contributes a minimum of 10.25% of superannuable salaries on behalf of its employees. The liability for superannuation recognised as at 30 June represents outstanding contributions for the final month of the year.

**1.9 Leases**

A distinction is made between finance leases and operating leases. Finance leases effectively transfer from the lessor to the lessee substantially all the risks and rewards incidental to ownership of leased assets. An operating lease is a lease that is not a finance lease. In operating leases, the lessor effectively retains substantially all such risks and benefits.

Operating lease payments are expensed on a straight-line basis which is representative of the pattern of benefits derived from the leased assets.

**1.10 Cash**

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

**1.11 Financial assets**

ACARA classifies its financial assets as receivables.

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon ‘trade date’.

***Effective interest rate method***

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate basis except for financial assets at fair value through profit or loss.

***Receivables***

Trade receivables and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as receivables. They are included in current assets, except for maturities greater than 12 months after the balance date. These are classified as non-current assets. Receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

***Impairment of financial assets***

Financial assets are assessed for impairment at each balance date.

Financial assets held at amortised cost—if there is objective evidence that an impairment loss has been incurred for receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset’s carrying amount and the present value of estimated future cash flows discounted at the asset’s original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Statement of Comprehensive Income.

Financial assets held at cost—if there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and the present value of estimated future cash flows discounted at the current market rate for similar assets.

**1.12 Financial liabilities**

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are recognised and derecognised upon ‘trade date’.

***Financial liabilities at fair value through profit or loss***

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

***Other financial liabilities***

Other financial liabilities are initially measured at fair value, net of transaction costs. These liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, where appropriate, a shorter period.

***Supplier and other payables***

Supplier and other payables are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

**1.13 Contingent liabilities and contingent assets**

Contingent liabilities and contingent assets are not recognised in the Statement of Financial Position. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent assets are disclosed when settlement is probable but not virtually certain and contingent liabilities are recognised when the probability of settlement is greater than remote.

**1.14 Taxation**

ACARA is exempt from income tax. All other forms of taxation are applicable.

Revenues, expenses and assets are recognised net of GST except:

1. where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
2. for receivables and payables.

**1.15 Insurance**

1. ACARA has insured for risks through the Government’s insurable risk managed fund, ComCover. In addition ACARA holds a Workers Compensation policy with the Government’s insurer ComCare.
2. **1.16 Comparative changes due to prior year error**

Where required by Accounting Standards comparative figures have been adjusted to conform with changes to presentation for the current financial year. Comparative figures represent financial transactions for the period 1 July 2013 to 30 June 2014. A change was made to suppliers and accruals for the prior year, reducing the accrual by $403,000.

The corresponding entry was an increase to the surplus, as reported in the Statement of Comprehensive Income, of $403,000.

**2. Events after the reporting period**

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of ACARA, the results of those operations, or the state of affairs of ACARA in future financial years.

**3. Expenses**



|  |  |  |  |
| --- | --- | --- | --- |
|  | **Note** | **2015** | **2014** |
|  |  | **$’000** | **$’000** |
|  |  |  |  |
| ***3 (a) Employee benefits*** |  |  |  |
| Wages and salaries |  | 10,269 | 11,889 |
| Superannuation – defined contribution plans |  | 1,262 | 1,265 |
| Leave and other entitlements |  | 870 | 1,137 |
| Separation and redundancies |  | 647 | 470 |
| **Total employee benefits** |  | 13,048 | 14,761 |
|  |  |  |  |
| ***3 (b) Suppliers*** |  |  |  |
| **Goods and services** |  |  |  |
| Secondments, casual staff, contractors and consultants |  | 3,392 | 5,481 |
| NAPLAN item development and testing |  | 5,269 | 9,488 |
| Website development and maintenance |  | 925 | 977 |
| Travel and accommodation |  | 900 | 1,060 |
| Staff related expenses – payroll tax and recruitment |  | 908 | 1,073 |
| Consultants – Curriculum Development |  | 238 | 1,183 |
| Office infrastructure |  | 364 | 427 |
| IT expenses |  | 591 | 565 |
| Audit fees payable to the Australian National Audit Office |  | 48 | 48 |
| Legal Expenses |  | 279 | 253 |
| Other operational expenditure |  | 1,095 | 1,133 |
|  |  | 14,009 | 21,688 |
| **Goods supplied in connection with** |  |  |  |
| External parties |  | 429 | 550 |
| **Total goods supplied** |  | 429 | 550 |
| **Services supplied in connection with** |  |  |  |
| Related parties | 12 | 585 | 6,497 |
| External parties |  | 12,995 | 14,641 |
| **Total services rendered** |  | 13,580 | 21,138 |
| **Total goods and services supplied or rendered** |  | 14,009 | 21,688 |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| ***3. Expenses (continued)*** |  |  |  |  |
| **Note** | **2015** | **2014** |  |
|  |  | **$’000** | **$’000** |  |
|  |  |  |  |  |
| **Other suppliers** |  |  |  |  |
| Operating lease rentals in connection with |  |  |  |  |
| External parties |  |  |  |  |
| Minimum lease payments |  | 541 | 499 |  |
| Workers compensation expense |  | 158 | 131 |  |
| **Total other suppliers** |  | 699 | 630 |  |
| **Total Suppliers** |  | 14,708 | 22,318 |  |
|  |  |  |  |  |
| ***3 (c) Depreciation and amortisation*** |  |  |  |  |
| Property, plant and equipment |  | 709 | 712 |  |
| Intangibles |  | 13 | 44 |  |
| **Total depreciation and amortisation** |  | 722 | 756 |  |
|  |  |  |  |  |



**4. Own-source income**



|  |  |  |
| --- | --- | --- |
|  | **2015** | **2014** |
|  | **$’000** | **$’000** |
|  |  |  |
| **Own source** |  |  |
| ***4 (a) Revenue from jurisdictions*** |  |  |
| State and Territory Governments | 12,502 | 14,500 |
|  |  |  |
| **Total revenue from jurisdictions** | 12,502 | 14,500 |
|  |  |  |
| **Government** |  |  |
| ***4 (b) Revenues from Government*** |  |  |
| Australian Government – Department of Education and Training | 14,478 | 23,755 |
|  |  |  |
| **Total revenue from government** | 14,478 | 23,755 |
|  |  |  |
| ***4 (c) Interest*** |  |  |
| Bank deposits | 227 | 172 |
|  |  |  |
| **Total interest** | 227 | 172 |
|  |  |  |
| ***4 (d) Other revenue*** |  |  |
| Rendering of services in connection with external parties | 554 | 2 |
|  |  |  |
| **Total other revenue** | 554 | 2 |
|  |  |  |

**5. Financial assets**



|  |  |  |
| --- | --- | --- |
|  | **2015** | **2014** |
|  | **$’000** | **$’000** |
|  |  |  |
| ***5 (a) Cash and cash equivalents*** |  |  |
| Cash on hand or on deposit | 11,512 | 12,647 |
|  |  |  |
| **Total cash and cash equivalents** | 11,512 | 12,647 |
|  |  |  |
| ***5 (b) Trade and other receivables*** |  |  |
| Goods and services receivables in connection with |  |  |
| Related parties | 513 | 735 |
| External Parties | 2,121 | 4,804 |
|  |  |  |
| **Total goods and services receivables** | 2, 634 | 5,539 |
|  |  |  |
| **Other receivables** |  |  |
| GST | 117 | 239 |
|  |  |  |
| **Total trade and other receivables** | 2,751 | 5,778 |
|  |  |  |
| **Trade and other receivables expected to be recovered** |  |  |
| No more than 12 months | 2,751 | 5,778 |
| More than 12 Months | - | - |
|  |  |  |
| **Total trade and other receivables** | 2,751 | 5,778 |
|  |  |  |
| **Trade and other receivables are aged as follows** |  |  |
| Not overdue | 627 | 887 |
| Overdue by: |  |  |
| 0 to 30 days | - | - |
| 31 to 60 days | 2,124 | 2,778 |
| 61 to 90 days | - | - |
| More than 90 days | - | 2,113 |
|  |  |  |
| **Total trade and other receivables** | 2,751 | 5,778 |
|  |  |  |

There are no trade and other receivable impairments for this year or last year. Credit terms for goods and services receivable are 30 days from the due date.

**6. Non-financial assets**



|  |  |  |
| --- | --- | --- |
|  | **2015** | **2014** |
|  | **$’000** | **$’000** |
|  |  |  |
| ***6 (a) Leasehold incentives*** |  |  |
| **Leasehold incentives** |  |  |
| Fair value | 599 | 3,554 |
| Accumulated depreciation | - | (2,444) |
|  |  |  |
| **Total leasehold incentives** | 599 | 1,110 |
|  |  |  |
| ***6 (b) Plant and equipment*** |  |  |
| Fair value | 238 | 976 |
| Accumulated depreciation | - | (683) |
|  |  |  |
| **Total plant and equipment** | 238 | 293 |
| **Total non-financial assets** | 837 | 1,403 |
|  |  |  |

No indications of impairment were found for plant and equipment.

Revaluations are conducted in accordance with the revaluation policy stated at note 16.

All revaluations of non-financial assets were conducted by an independent valuer (Australian Valuation Solutions) as at

30 June 2015. All increments were transferred to the asset revaluation surplus by asset class and included in the equity section of the statement of financial position.



|  |  |  |  |
| --- | --- | --- | --- |
| ***6 (c) Reconciliation of opening and closing*** | **Leasehold** | **Plant and** | **Total** |
| ***balances plant and equipment 2015*** | **incentives** | **equipment** | **$`000** |
|  | **$`000** | **$`000** |  |
| **Total as at 1 July 2014** | 1,110 | 293 | 1,403 |
| Additions- by purchase | - | 79 | 79 |
| Reclassified asset | 9 | (9) | - |
| Revaluations | 13 | 64 | 77 |
| Loss on disposal of assets | - | (13) | (13) |
| Depreciation / amortisation expense | (533) | (176) | (709) |
|  |  |  |  |
| **Total as at 30 June 2015** | 599 | 238 | 837 |
|  |  |  |  |

|  |  |  |  |
| --- | --- | --- | --- |
| ***Reconciliation of opening and closing balances*** | **Leasehold** | **Plant and** | **Total** |
| ***plant and equipment 2014*** | **incentives** | **equipment** | **$`000** |
|  | **$`000** | **$`000** |  |
| **Total as at 1 July 2013** | 1,643 | 288 | 1,931 |
| Additions – by purchase |  | 184 | 184 |
| Disposals | - | - | - |
| Depreciation / amortisation expense | (533) | (179) | (712) |
|  |  |  |  |
| **Total as at 30 June 2014** | 1,110 | 293 | 1,403 |
|  |  |  |  |



|  |  |  |
| --- | --- | --- |
| ***6 (d) Intangibles*** | **2015** | **2014** |
|  | **$’000** | **$’000** |
|  |  |  |
| **Computer software** |  |  |
| Software at cost | 8 | 599 |
| Accumulated amortisation | (6) | (584) |
|  |  |  |
| **Total computer software** | 2 | 15 |
| **Total Intangibles** | 2 | 15 |

No indications of impairment were found for intangibles. No intangibles are expected to be sold or disposed of within the next 12 months. Software with a cost of $590,811 and accumulated amortisation of $590,811, were written off during the year.



|  |  |  |
| --- | --- | --- |
| ***6 (e) Reconciliation of opening and closing balances*** | **2015** | **2014** |
| ***intangibles (software)*** | **$’000** | **$’000** |
|  |  |  |
| **Total as at 1 July 2014** | 15 | 59 |
| Additions –external purchases | - | - |
| Disposals | - | - |
| Amortisation expense | (13) | (44) |
|  |  |  |
| **Total as at 30 June 2015** | 2 | 15 |



|  |  |  |
| --- | --- | --- |
| ***6 (f) Other non-financial assets*** | **2015** | **2014** |
|  | **$’000** | **$’000** |
|  |  |  |
| Prepayments – no more than 12 months | 243 | 90 |
|  |  |  |
| **Total other non-financial assets** | 243 | 90 |
|  |  |  |

No indicators of impairment were found for other non-financial assets.

**7. Payables**



|  |  |  |
| --- | --- | --- |
|  | **2015** | **2014** |
|  | **$’000** | **$’000** |
|  |  |  |
| ***7 (a) Suppliers*** |  |  |
| Trade creditors and accruals | 3,739 | 6,462 |
|  |  |  |
| **Total suppliers** | 3,739 | 6,462 |
|  |  |  |
|  |  |  |
| **Suppliers expected to be settled** |  |  |
| No more than 12 months | 3,739 | 6,462 |
|  |  |  |
| **Total suppliers** | 3,739 | 6,462 |
|  |  |  |
| **Suppliers in connection with** |  |  |
| Related parties | 535 | 1,355 |
| External parties | 3,204 | 5,107 |
|  |  |  |
| **Total suppliers** | 3,739 | 6,462 |
|  |  |  |
| Settlement was usually made net 30 days |  |  |
|  |  |  |
| ***7 (b) Grants in advance*** |  |  |
| States & Territories Grant 2015/16 Contribution | 7,322 | 7,471 |
| Commonwealth Project Funds | - | - |
|  |  |  |
| **Total grants in advance** | 7,322 | 7,471 |
|  |  |  |
| ***7 (c) Other payables*** |  |  |
| Wages and salaries | - | 327 |
| Superannuation | - | 32 |
| Provision for redundancies | - | 148 |
| Rent Subsidy – 255 Pitt St Sydney | 536 | 986 |
|  |  |  |
| **Total other payables** | 536 | 1,493 |
|  |  |  |
| **Other payables are expected to be settled** |  |  |
| No more than 12 months | 494 | 957 |
| More than 12 months | 42 | 536 |
|  |  |  |
| **Total other payables** | 536 | 1,493 |
|  |  |  |

**8. Provisions**



|  |  |  |
| --- | --- | --- |
|  | **2015** | **2014** |
|  | **$’000** | **$’000** |
|  |  |  |
| **Employee provisions** |  |  |
| Leave | 1,571 | 1,677 |
|  |  |  |
| **Total employee provisions** | 1,571 | 1,677 |
|  |  |  |
|  |  |  |
| **Employee provisions expected to be settled** |  |  |
| Not more than 12 months | 912 | 1,030 |
| More than 12 months | 659 | 647 |
|  |  |  |
| **Total employee provisions** | 1,571 | 1,677 |
|  |  |  |

**9. Cash flow reconciliation**

Reconciliation of cash and cash equivalents as per statement of financial position to Cash Flow Statement



|  |  |  |  |
| --- | --- | --- | --- |
|  | **Note** | **2015** | **2014** |
|  |  | **$’000** | **$’000** |
|  |  |  |  |
| ***9 (a) Cash and cash equivalents as per*** |  |  |  |
| Cash Flow Statement |  | 11,512 | 12,647 |
| Statement of financial position | 5(a) | 11,512 | 12,647 |
| **Discrepancy** |  | - | - |
|  |  |  |  |
| ***9 (b) Reconciliation of net cost of services to net cash from /*** |  |  |  |
| ***(used by) operating activities*** |  |  |  |
| Total comprehensive income / (deficit) |  | (730) | 594 |
| ***Adjustments for non-cash items*** |  |  |  |
| Depreciation / amortisation |  | 722 | 756 |
| Loss on disposal of plant and equipment |  | 13 | - |
| ***Changes in assets/liabilities*** |  |  |  |
| (Increase) / Decrease in net receivables |  | 3,027 | (3,946) |
| (Increase) / Decrease in other non-financial assets |  | (153) | 145 |
| Increase / (Decrease) in suppliers payables |  | (2,777) | (247) |
| Increase / (Decrease) in grants in advance |  | (149) | 6,046 |
| Increase / (Decrease) in other payables |  | (957) | (208) |
| Increase / (Decrease) in employee provisions |  | (52) | 53 |
| **Net cash from operating activities** |  | (1,056) | 3,193 |
|  |  |  |  |

**10. Contingent assets and liabilities**

There are no contingent assets or liabilities at 30 June 2015.

**11. Directors remuneration**



|  |  |  |  |
| --- | --- | --- | --- |
|  |  | **2015** | **2014** |
|  |  |  |
| $Nil – $29,999 | 16 | 11 |
| $30,000 | – $59,999 | - | 1 |
| $60,000 | – $89,000 | 2 | - |
| $90,000 | – $119,999 | - | 1 |
| **Total number of non-executive directors** | 18 | 13 |
|  |  |  |  |
| The total remuneration received or due and receivable by non-executive | $199,755 | $206,194 |
| directors of ACARA, represents sitting fees as prescribed. |  |  |
|  |  |  |
|  |  |  |  |
| The directors of ACARA are appointed by the Minister for Education |  |  |

**12. Related party disclosures**

The following persons were Directors of ACARA during the year:

Emeritus Professor Steven Schwartz, Professor Barry McGaw, Emeritus Professor Brian Caldwell, Mr Michael Hewitson, Mr Stephen Gniel, Ms Valerie Gould, Dr Paul Sharkey, Ms Patrea Walton, Mr Tom Alegounarias, Mr John Firth, Ms Helen Wildash, Emeritus Professor Patrick Garnett, Ms Liz Banks, Dr David Howes, Mr Paul Hewitt, Dr Tim McDonald, Ms Jayne Johnston and Ms Susan Bowden.

The following directors retired at 7th of May 2015: Professor Barry McGaw, Mr Tom Alegounarias, Mr John Firth and Ms Helen Wildash. A further director, Paul Sharkey, retired on 15 June 2015.

Several directors of ACARA held directorships or senior roles with other companies or government agencies. All transactions between ACARA and companies with a director or key management personnel common to ACARA are conducted using commercial and arm-length principles.

|  |  |  |
| --- | --- | --- |
| ***Related party disclosures (continued)*** | **2015** | **2014** |
|  | **$** | **$** |
|  |  |  |
| Transactions with directors or director related entities | 585,391 | 6,497,185 |
|  |  |  |
|  |  |  |
| Details of companies and government agencies which ACARA has  |  |  |
| engaged for services and in which ACARA Directors are associated. |  |  |
|  |  |  |
| Australian Council for Educational Research | - | 5,194,135 |
| Education Services Australia | - | 997,785 |
| Victorian Curriculum Assessment Authority | 4,000 | 46,821 |
| SA Dept. of Education and Child Development | - | 33,374 |
| University of Melbourne | 26,218 | 36,966 |
| Queensland Dept. of Education, Training and Employment | 650 | 11,835 |
| WA School Curriculum and Standards Authority | 97,367 | 14,852 |
| Office of Board of Studies, Teaching and Educational Standards NSW | 457,155 | 148,657 |
| Department of Education Tasmania | - | 12,760 |
|  |  |  |
|  | 585,391 | 6,497,185 |
|  |  |  |
|  |  |  |

**13. Senior management personnel remuneration**



|  |  |  |
| --- | --- | --- |
| ***13 (a) Senior management personnel remuneration*** | **2015** | **2014** |
| ***expense for the reporting period*** | **$** | **$** |
|  |  |  |
| **Short-term employee benefits:** |  |  |
| Salary | 1,338,177 | 1,279,765 |
| Allowances | - | - |
|  |  |  |
| **Total short-term employee benefits** | 1,338,177 | 1,279,765 |
| **Post-employment benefits:** |  |  |
| Superannuation | 147,191 | 120,091 |
|  |  |  |
| **Total post-employment benefits** | 147,191 | 120,091 |
| **Other long-term benefits:** |  |  |
| Annual leave accrued | 112,111 | 106,632 |
| Long-service leave | 33,633 | 31,990 |
|  |  |  |
| **Total other long-term benefits** | 145,744 | 138,622 |
| **Termination benefits** | - | - |
| **Total senior executive remuneration expenses** | 1,631,112 | 1,538,478 |

The total number of senior management personnel that are included in the above table are 5 individuals (2014: 5 individuals)

**14. Financial instruments**



|  |  |  |  |
| --- | --- | --- | --- |
| ***14 (a) Categories of financial instruments*** | **Note** | **2015** | **2014** |
|  |  | **$’000** | **$’000** |
|  |  |  |  |
| **Financial assets** |  |  |  |
| **Receivables** |  |  |  |
| Cash on hand or cash equivalents | 5(a) | 11,512 | 12,647 |
| Trade and other receivables | 5(b) | 2,634 | 5,539 |
| **Total receivables** |  | 14,146 | 18,186 |
|  |  |  |  |
| **Total financial assets** |  | 14,146 | 18,186 |
|  |  |  |  |
| **Financial liabilities** |  |  |  |
| **Financial liabilities measured at amortised cost** |  |  |  |
| Trade creditors | 7(a) | 3,739 | 6,462 |
| Other payables | 7(c) | 536 | 1,493 |
| **Total financial liabilities measured at amortised cost** |  | 4,275 | 7,955 |
| **Total financial liabilities** |  | 4,275 | 7,955 |
|  |  |  |  |

Note GST is not a financial instrument and not been included.

**Fair value of financial instruments**

The fair value of each class of ACARA’s financial assets and liabilities equal the carrying amount for the current reporting period.



|  |  |  |  |
| --- | --- | --- | --- |
| ***14 (b) Net gains or lossess on financial assets*** | **Note** | **2015** | **2014** |
|  |  | **$’000** | **$’000** |
|  |  |  |  |
| **Receivables** |  |  |  |
| Interest revenue from bank deposits | 4(c) | 227 | 172 |
| **Net gain on receivables** |  | 227 | 172 |
|  |  |  |  |
| **Net gain on financial assets** |  | 227 | 172 |
|  |  |  |  |

***14 (c) Credit risk***

ACARA is exposed to minimal credit risk as financial assets consist of cash held with NAB and trade receivables. The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables $2,634,492 (2014: $5,539,962).

For debtors other than government, it is ACARA’s policy to only deal with entities with high credit ratings.

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following tables disclose the ageing of financial assets that are past due:

**The following table illustrates ACARA’s exposure to credit risk, excluding any collateral or credit enhancements.**



|  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- |
|  |  |  | **Note** | **2015** | **2014** |
|  |  |  |  | **$’000** | **$’000** |
|  |  |  |  |  |  |
| **Financial assets** |  |  |  |  |  |
| Trade and other receivables: |  |  |  |  |  |
| Debtors |  |  | 5(b) | 2,634 | 5,539 |
|  |  |  |  |  |  |
| **Total** |  |  |  | **2,634** | **5,539** |
| **Credit quality of financial assets not past due or individually determined as impaired** |  |
|  |  |  |  |  |
|  | **Not past due** | **Not past due** | **Past due** | **Past due** |
|  | **nor impaired** | **nor impaired** | **or impaired** | **or impaired** |
|  | **2015** | **2014** | **2015** | **2014** |
|  | **$’000** |  | **$’000** | **$’000** | **$’000** |
| Debtors | 510 | 648 | 2,124 | 4,891 |
|  |  |  |  |  |
| **Total** | **510** | **648** | **2,124** | **4,891** |
|  |  |  |  |  |  |



***14 (d) Liquidity risk***

ACARA financial liabilities are payables. The exposure to liquidity risk is based on the notion that ACARA will encounter difficulty in meeting obligations associated with its financial liabilities. This is unlikely as ACARA manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due.

**Maturities for non-derivative financial liabilities in 2015**

The maturities for non-derivative financial liabilities is within 1 year for the trade creditors of $3,738,796 (2014: 6,459,895). ACARA had no derivative financial liabilities in either 2015 or 2014

***14 (e) Market risk***

ACARA holds basic financial instruments that did not expose ACARA to certain market risks, such as ‘Currency risk’ and

‘Other price risk’.

***14 (f) Interest rate risk***

ACARA exposure to interest rate risk is limited to interest bearing deposits held with banks. ACARA does not hold any interest-bearing liabilities.

**15. Financial assets and liabilities reconciliation**



|  |  |  |  |
| --- | --- | --- | --- |
| ***15 (a) Financial asset reconciliation*** | **Note** | **2015** | **2014** |
|  |  | **$’000** | **$’000** |
|  |  |  |  |
| **Total financial assets as per statement of financial position** |  | 14,263 | 18,425 |
| **Less: non-financial instrument components** |  |  |  |
| Other receivables | 5(b) | 117 | 239 |
| **Total non-financial instrument components** |  | 117 | 239 |
| **Total financial assets per financial instruments note** |  | 14,146 | 18,186 |
|  |  |  |  |
| ***15 (b) Financial liabilities reconciliation*** |  |  |  |
|  |  |  |  |
| **Total financial liabilities as per statement of financial position** |  | 11,597 | 15,426 |
| **Less: non-financial instrument components** |  |  |  |
| Grants In Advance 7(b) |  | 7,322 | 7,471 |
| **Total non-financial instrument components** |  | 7,322 | 7,471 |
| **Total financial liabilities per financial instruments note** |  | 4,275 | 7,955 |
|  |  |  |  |

**16. Fair value measurement**

***16 (a) Fair value measurements***

The following table provides an analysis of assets and liabilities that are measured at fair value.

The different levels of hierarchy are defined below.

**Level 1:** Quoted prices (adjusted) in active markets for identical assets or liabilities that the entity can access atmeasurement date.

**Level 2:** Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, eitherdirectly or indirectly.

**Level 3:** Unobservable inputs for the asset or liability.

**Fair value measurements, valuation techniques and inputs used**



|  |  |  |  |
| --- | --- | --- | --- |
|  | **Fair value measurements at the end of the** | **For Levels 2 and 3 fair value measurements** |  |
|  |  | **reporting period using** |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  | **Sensitivity of** |  |
|  |  |  |  |  |  |  |  | **the fair value** |  |
|  |  |  |  |  |  |  | **Range** | **measurement** |  |
|  | **2015** |  | **2014** | **Category** | **Valuation** |  | **to changes in** |  |
|  |  | **Inputs used** | **(Weighted** | **unobservable** |  |
|  | **$’000** |  | **$’000** | **(Level 1,2 or 3)** | **techniques(s)** | **average)** | **inputs** |  |
|  |  |  |  |  |  |  |  |  |  |
| **Non-financial** |  |  |  |  |  |  |  |  |  |
| **assets** |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Leasehold** | 599 |  | 1,110 | Level 3 | Depreciated | Replacement |  |  |  |
| **improvements** |  |  |  |  | Replacement | Cost New (price |  |  |  |
|  |  |  |  |  | Cost (DRC) | per square |  |  |  |
|  |  |  |  |  |  | metre) |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  | Consumed | 14.8% per |  |  |
|  |  |  |  |  |  | economic | annum |  |  |
|  |  |  |  |  |  | benefit / |  |  |  |
|  |  |  |  |  |  | Obsolescence of |  |  |  |
|  |  |  |  |  |  | asset |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
| **Infrastructure,** | 154 |  | – | Level 2 | Market | Adjusted market |  |  |  |
| **plant and** |  |  |  |  | Approach | transactions |  |  |  |
| **equipment** |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  | 84 |  | 293 | Level 3 | Depreciated | Replacement |  |  |  |
|  |  |  |  |  | Replacement | Cost New (price |  |  |  |
|  |  |  |  |  | Cost (DRC) | per square |  |  |  |
|  |  |  |  |  |  | metre) |  |  |  |
|  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  | Consumed | 20% – 14.8% | A significant |  |
|  |  |  |  |  |  | economic | (20%) per | increase |  |
|  |  |  |  |  |  | benefit / | annum | (decrease) in |  |
|  |  |  |  |  |  | Obsolescence of |  | this consumed |  |
|  |  |  |  |  |  | asset |  | economic |  |
|  |  |  |  |  |  |  |  | benefit / |  |
|  |  |  |  |  |  |  |  | obsolescence |  |
|  |  |  |  |  |  |  |  | of the asset |  |
|  |  |  |  |  |  |  |  | would result in |  |
|  |  |  |  |  |  |  |  | a significantly |  |
|  |  |  |  |  |  |  |  | lower (higher) |  |
|  |  |  |  |  |  |  |  | fair value |  |
|  |  |  |  |  |  |  |  | measurement. |  |
|  |  |  |  |  |  |  |  |  |  |
| **Total** | 837 |  | 1,403 |  |  |  |  |  |  |
| **non-financial** |  |  |  |  |  |  |  |  |  |
| **assets** |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |

1. The entity did not measure any non-financial assets at fair value on a non-recurring basis as at 30 June 2015.
2. There have been changes to the valuation techniques for assets in the infrastructure, plant and equipment class. In instances where sufficient observable inputs, such as market transactions of similar assets, were identified in this financial year, the valuation technique was changed from a Depreciated Replacement Cost (DRC) approach to a

Market approach. There were no other changes in valuation technique from the previous reporting period.

1. Fair value measurements

ACARA’s assets are held for operational purposes and not held for the purposes of deriving a profit. The current use of all non-financial assets are considered their highest and best use.

1. Recurring and non-recurring Level 3 fair value measurements – valuation processes

A review is undertaken by management at least yearly. ACARA engaged Australian Valuation Solutions (AVS) to undertake a full valuation at 30 June 2015.

There have been no transfers between level 1 and level 2 of the hierarchy during the year.

Significant Level 3 inputs utilised by the entity are derived and evaluated as follows:

**Recurring level 3 fair value measurements – reconciliation for assets**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
|  |  |  |  | **Non-financial assets** |  |  |  |
|  | **Leasehold** |  | **Infrastructure, plant** | **Total** |  |
|  | **incentives** |  | **and equipment** |  |  |  |  |
|  | **2015** |  | 2014 | **2015** |  | 2014 | **2015** |  | 2014 |
|  | **$’000** |  | $’000 | **$’000** |  | $’000 | **$’000** |  | $’000 |
| **As at 1 July** | 1,110 |  | 1,643 | 293 |  | 288 | 1,403 |  | 1,931 |
| Depreciation | (533) |  | (533) | (176) |  | (179) | (709) |  | (712) |
|  |  |  |  |  |  |  |  |  |  |
| Reclassified asset | 9 |  | - | (9) |  | - | - |  | - |
|  |  |  |  |  |  |  |  |  |  |
| Purchases | - |  | - | 79 |  | 184 | 79 |  | 184 |
|  |  |  |  |  |  |  |  |  |  |
| Revaluation | 13 |  | - | 64 |  | - | 77 |  | - |
|  |  |  |  |  |  |  |  |  |  |
| Transfers out of Level 3 | - |  | - | (154) |  | - | (154) |  | - |
|  |  |  |  |  |  |  |  |  |  |
| Loss on disposal | - |  | - | (13) |  | - | (13) |  | - |
|  |  |  |  |  |  |  |  |  |  |
| **Total as at 30 June** | 599 |  | 1,110 | 84 |  | 293 | 683 |  | 1,403 |



**17. Reporting of outcomes**

ACARAs work contributes towards the one Outcome of improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection and performance reporting system, as described in Note 1.

Major classes of revenue and expenses by outcome are shown in the Statement of Comprehensive Income. Major classes of assets and liability by outcome are shown in the Statement of Financial Position.

**18. Budgetary reports and explanations of major variances**

***18 (a) Departmental budgetary reports***

The following tables provide a comparison of the original budget as presented in the 2014-15 Portfolio Budget

Statements (PBS) to the 2014-15 final outcome as presented in accordance with Australian Accounting Standards for the entity. The Budget is not audited.

**Statement of comprehensive income for the year ended 30 June 2015**



|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Actual** | **Budget estimate** | **Variance2** |  |
|  | **original1** |  |
|  | **2015** | **2015** | **2015** |  |
|  | **$’000** | **$’000** | **$’000** |  |
| **NET COST OF SERVICES** |  |  |  |  |
| **Expenses** |  |  |  |  |
| Employee benefits | 13,048 | 12,991 | 57 |  |
| Supplier expenses | 14,708 | 13,779 | 929 |  |
| Depreciation and amortisation | 722 | 750 | (28) |  |
| Loss on disposal of assets | 13 | - | 13 |  |
|  |  |  |  |  |
| ***Total expenses*** | 28,491 | 27,520 | 971 |  |
| **Own source income** |  |  |  |  |
| ***Revenue*** |  |  |  |  |
| Revenue from jurisdictions | 12,502 | 12,450 | 52 |  |
| Interest | 227 | 220 | 7 |  |
| Other revenue | 554 | - | 554 |  |
|  |  |  |  |  |
| ***Total own source revenue*** | 13,283 | 12,670 | 613 |  |
|  |  |  |  |  |
| **Net cost of (contribution by) services** | (15,208) | (14,850) | (358) |  |
| Revenue from Government | 14,478 | 14,850 | (372) |  |
|  |  |  |  |  |
| **Surplus / (deficit) attributable to the Australian** | (730) | - | (730) |  |
| **Government** |  |  |  |  |
| Other comprehensive income | - | - |  |  |
|  |  |  |  |  |
| Changes is asset revaluation | 77 | - | 77 |  |
|  |  |  |  |  |
|  |  |  |  |  |
| **Total comprehensive income / (deficit)** | (653) | - | (653) |  |
| **attributable to the Australian Government** |  |  |  |  |
|  |  |  |  |  |

1. *The entity’s original budgeted financial statement that was first presented to parliament in respect of the reporting period.*
2. *Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided below.*
3. *The entity’s original budgeted financial statement that was first presented to parliament in respect of the reporting period.*
4. *Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided below.*

**Statement of changes in equity for the year ended 30 June 2015**



|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
|  | **Retained earnings** | **Asset revaluation reserve** |  | **Total equity** |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  | **Budget** |  |  | **Budget** |  |  |  | **Budget** |  |  |  |
|  | **Actual** | **estimate** | **Variance2** | **Actual** | **estimate** | **Variance2** | **Actual** |  | **estimate** |  | **Variance2** |  |
|  | **original1** | **original1** |  | **original1** |  |  |
|  | **2015** | **2015** | **2015** | **2015** | **2015** | **2015** | **2015** |  | **2015** |  | **2015** |  |
|  | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** | **$’000** |  | **$’000** |  | **$’000** |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Opening balance*** |  |  |  |  |  |  |  |  |  |  |  |  |
| Balance carried | 2,830 | 2,237 | 593 | - | - | - | 2,830 |  | 2,237 |  | 593 |  |
| forward from |  |  |  |  |  |  |  |  |  |  |  |  |
| previous period |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |
| **Adjusted opening** | 2,830 | 2,237 | 593 | - | - | - | 2,830 |  | 2,237 |  | 593 |  |
| **balance** |  |  |  |  |  |  |  |  |  |  |  |  |
| **Comprehensive** |  |  |  |  |  |  |  |  |  |  |  |  |
| **income** |  |  |  |  |  |  |  |  |  |  |  |  |
| Surplus / (deficit) for | (730) | - | (730) | - | - | - | (730) |  | - |  | (730) |  |
| the period(s) |  |  |  |  |  |  |  |  |  |  |  |  |
| Other comprehensive | - | - | - | 77 | - | 77 | 77 |  | - |  | 77 |  |
| income |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Total*** | (730) | - | (730) | 77 | - | 77 | (653) |  | - |  | (653) |  |
| ***comprehensive*** |  |  |  |  |  |  |  |  |  |  |  |  |
| ***income*** |  |  |  |  |  |  |  |  |  |  |  |  |
| ***Closing balance*** | 2,100 | 2,237 | (137) | 77 | - | 77 | 2,177 |  | 2,237 |  | (60) |  |
| ***as at 30 June*** |  |  |  |  |  |  |  |  |  |  |  |  |
|  |  |  |  |  |  |  |  |  |  |  |  |  |

*1* *The entity’s original budgeted financial statement that was first presented to parliament in respect of the reporting period.*

*2* *Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided below.*

**Cash flow statement for the year ended 30 June 2015**



|  |  |  |  |  |
| --- | --- | --- | --- | --- |
|  | **Actual** | **Budget estimate** | **Variance2** |  |
|  | **original1** |  |
|  | **2015** | **2015** | **2015** |  |
|  | **$’000** | **$’000** | **$’000** |  |
| **OPERATING ACTIVITIES** |  |  |  |  |
| ***Cash received*** |  |  |  |  |
| Receipts from jurisdictions | 30,028 | 27,300 | 2.728 |  |
| Interest | 227 | 220 | 7 |  |
| GST received | 1,756 | - | 1,756 |  |
| Other cash received | 410 | - | 410 |  |
|  |  |  |  |  |
| **Total cash received** | 32,421 | 27,520 | 4,901 |  |
| **Cash used** |  |  |  |  |
| Employees | (13,747) | (12,991) | (756) |  |
| Suppliers | (19,523) | (16,650) | (2,963) |  |
| GST paid | (207) | - | (207) |  |
|  |  |  |  |  |
| **Total cash used** | (33,477) | (29,557) | (3,926) |  |
| **Net cash from operating activities** | (1,056) | (2,031) | 975 |  |
| **INVESTING ACTIVITIES** |  |  |  |  |
| ***Cash received*** |  |  |  |  |
| Investments | - | - | - |  |
|  |  |  |  |  |
| **Total cash received** | - | - | - |  |
| **Cash used** |  |  |  |  |
| Purchase of property, plant and equipment | (79) | (250) | 171 |  |
|  |  |  |  |  |
| **Total cash used** | (79) | (250) | 171 |  |
| ***Net cash used by investing activities*** | (79) | (250) | 171 |  |
| **FINANCING ACTIVITIES** |  |  |  |  |
| ***Net cash used by financing activities*** | - | - | - |  |
| ***Net decrease in cash held*** | (1,135) | (2,281) | 1,146 |  |
| Cash and cash equivalents at the beginning of the | 12,647 | 6,559 | 6,093 |  |
| reporting period |  |  |  |  |
|  |  |  |  |  |
| ***Cash and cash equivalents at the end of the*** | 11,512 | 4,273 | 7,239 |  |
| ***reporting period*** |  |  |  |  |
|  |  |  |  |  |

1. *The entity’s original budgeted financial statement that was first presented to parliament in respect of the reporting period.*
2. *Between the actual and original budgeted amounts for 2015. Explanations of major variances are provided below.*

***18 (b) Departmental major budgetary variances for 2014-15***

Variances are considered to be ‘major’ based on the following criteria:

* the variance between budget and actual is greater than 10%; and
* an item below this threshold but is considered important for the reader’s understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of ACARA.

ACARA’s activities and work plan are reviewed by the Education Council during the course of the year, at which time

ACARA can be requested to alter the focus of its work plan deliverables which is reflected in the actual results.

***Statement of comprehensive income***

1. Supplier Expenses – Higher than expected expenditure on NAPLAN project expenses was the reason for this variance.
2. Other Revenue – An international project with the Kingdom of Saudi Arabia was the reason for the variance.
3. Revenue from Government – A change in the project agreements with the Commonwealth Department of Education and Training resulted in less project revenue directed to ACARA.
4. Changes in asset revaluation – ACARA engaged an independent review of assets at 30 June 2015, which resulted in an increment to the fair value of assets.

***Statement of financial position***

1. Cash and cash equivalents – Cash received from the early payment of 2015/16 State and Territory contributions and the timing difference associated with Suppliers payments represent the variance.
2. Trade and other receivables – This represents the value of outstanding contributions invoiced to States and Territories for

2015/16. Invoicing to the States and Territories was not anticipated at the time of preparing the budget.

1. Plant and equipment – The under spend of capital equipment is a result of ACARA moving some IT services to the Cloud and a review of organisational requirements.
2. Suppliers – The increase in outstanding Suppliers was a result of further engagement of suppliers for work associated with the NAPLAN online development.
3. Grants In Advance – At the time of setting the budget ACARA had no anticipation of the States and Territories paying in advance.
4. Employee provisions – At the time of setting the budget ACARA did not anticipate recognition of employee long service leave continuity from previous government agencies.

***Statement of changes in equity***

Surplus / (deficit) for the period – The net effect of redundancies and two grants received for which costs have not been incurred, explains the net variance.

***Cash flow statement***

1. Receipts from Jurisdictions – Payment of State and Territory contributions for 2015/16 paid in advance, the timing of which is at the discretion of the respective State and Territory.
2. Net GST received – Net outcome from the recovery of GST on Supplier payments and GST collected on invoices raised.
3. Other cash received – A new international project with the Kingdom of Saudi Arabia was the reason for the variance.
4. Suppliers – Payments to Supplier were greater than anticipated due to the additional work associated with the NAPLAN project.
5. Purchase of property, plant and equipment – The under spend of capital equipment is a result of ACARA moving some IT services to the Cloud and a review of organisational requirements.

**5.0** Additional information

**5.1 Board and committee membership**

**Board membership**

Membership of the ACARA Board is established under section 13 of the ACARA Act, and comprises nominees of education ministers and national peak non-government school bodies, agreed to by the Education Council. The ACARA Board held eight meetings and two teleconference meetings during the 2014–15 reporting period.

***Chair – Professor Barry McGaw AO***

Professor Barry McGaw holds the position of Vice-Chancellor’s Fellow,

University of Melbourne. He was previously Director for Education,

Organisation for Economic Co-operation and Development (OECD) and

Executive Director, Australian Council for Educational Research (ACER).

Qualifications held: BSc, DipEd, BEd (Hons), EdM, PhD.

*Retired from the Board on 7 May 2015.*

***Chair – Emeritus Professor Steven Schwartz***

Emeritus Professor Steven Schwartz AM is Executive Director, Council for the Humanities, Arts and Social Sciences. He was previously Vice-Chancellor of Macquarie University, Monash University and Brunel

University (UK). Qualifications held: BA, MS, PhD.

*Appointed to the Board on 16 June 2015.*

***Deputy Chair – Emeritus Professor Brian Caldwell***

Emeritus Professor Brian Caldwell is Managing Director and Principal Consultant at Educational Transformations and Emeritus Professor and Honorary Professorial Fellow at the University of Melbourne, where he served as Dean of Education from 1998 to 2004. He served as Dean of Education at the University of Tasmania from 1989 to 1990. Previously he served as a teacher of mathematics and science in Victoria and Alberta, Canada, and held academic posts at the University of Alberta.

Emeritus Professor Caldwell is a fellow and life member of both the Australian College of Educators (ACE) and the Australian Council for Educational Leaders (ACEL). He is a recipient of the College Medal of ACE and the Gold Medal of ACEL, and has served as President of ACEL and Deputy Chair of the Australian Council for Educational Research. He is Patron of ACEL (Victoria). Qualifications held: BSci, BEd, MEd, PhD,

EdD (honoris causa).

***Mr Tom Alegounarias***

Tom Alegounarias is President of the Board of Studies, Teaching and Educational Standards NSW, and nominee of the NSW education minister. Qualifications held: BEc, DipEd.

*Retired from the Board on 7 May 2015.*

***Ms Liz Banks***

Liz Banks is Deputy Secretary of the Early Years and Schools Division in the Tasmanian Department of Education and Training, and nominee of the Tasmanian education and training minister. Qualifications held: BEd,

TTC, DipT.

***Ms Susan Bowden***

Susan Bowden is the Deputy Chief Executive, Northern Territory Department of Education, and nominee of the NT education minister.

Qualifications held: BEd, MEDL.

***Mr John Firth***

John Firth is Chief Executive Officer of the Victorian Curriculum and

Assessment Authority, and nominee of the Victorian education minister.

Qualifications held: BComm, DipEd.

*Retired from the Board on 7 May 2015.*

***Emeritus Professor Patrick Garnett***

Emeritus Professor Patrick Garnett is Chair of the School Curriculum and Standards Authority, Western Australia, and nominee of the WA education minister. Qualifications held: BSc (Hons), PhD, BEd, MA,

HonDEd, FRACI, CChem, CompIEAust, MACE.

***Mr Stephen Gniel***

Stephen Gniel is the Deputy Director-General, Education Strategy, Australian Capital Territory Directorate of Education and Training, and nominee of the ACT education minister. Qualifications held: BEd, MBA.

***Ms Valerie Gould***

Valerie Gould is Executive Director of the Association of Independent Schools, Western Australia, and nominee of the Independent Schools Council of Australia. She is also a Fellow of the Australian Council for Education Leadership (ACEL) and the Australian College of Educators

(FACE). Qualifications held: BEc, DipEd.

***Mr Paul Hewitt***

Mr Paul Hewitt is Executive Director of Curriculum, Teaching and Assessment, New South Wales Board of Studies, Teaching and Educational Standards and nominee of the NSW education minister.

Qualifications held: MA, Grad DipEd, DipT.

*Appointed to the Board on 16 June 2015.*

***Mr Michael Hewitson AM***

Michael Hewitson AM is the retired foundation principal of Trinity College, Gawler, now Councillor for Unley (South Australia), Fellow of the Australian College of Education (FACE), and nominee of the federal education minister. Qualifications held: BSc(Hons) Dip Ed B.Ed.

***Dr David Howes***

Dr David Howes is Executive Director of the Curriculum Division, Victorian Curriculum and Assessment Authority, and nominee of the Victorian education minister. Qualifications held: BA (Hons), Dip Ed, MEd, PhD.

*Appointed to the Board on 16 June 2015.*

***Ms Jayne Johnston***

Ms Jayne Johnston is Chief Education Officer, South Australian

Department for Education and Child Development, and nominee of the

SA education minister. Qualifications held: Master of Science Education, WA Teachers’ Higher Certificate, Bachelor of Education, Bachelor of

Science (Commerce and Economics).

*Appointed to the Board on 16 June 2015.*

***Dr Tim McDonald***

Dr Tim McDonald is Executive Director of Catholic Education WA and nominee of the National Catholic Education Commission. Qualifications held: Education Doctorate, Master of Education, Bachelor of Education (Hons), Diploma of Teaching.

*Appointed to the Board on 16 June 2015.*

***Dr Paul Sharkey***

Dr Paul Sharkey is Director of Catholic Identity and Educational Services at the Catholic Education Office, Melbourne, and nominee of the National Catholic Education Commission. Qualifications held: Doctor of

Philosophy, Master of Theology, Master of Education (Leadership and Management), Master of Assessment and Evaluation, Grad Dip Ed; Bachelor of Theology.

*Retired from the Board on 16 June 2015.*

***Ms Patrea Walton***

Patrea Walton is Deputy Director-General, Queensland Department of Education and Training and nominee of the Queensland education minister. Qualifications held: BEd, DipT.

***Ms Helen Wildash***

Helen Wildash is Executive Director, Teaching and Learning Services, South Australian Department for Education and Child Development and nominee of the SA education minister. Qualifications held: MEd (Hons),

Grad DipT, BEd.

*Retired from the Board on 7 May 2015.*

**Board tenures**



|  |  |  |
| --- | --- | --- |
| **Members** | **Initial appointment** | **Appointment ending** |
|  |  |  |
| Prof. Barry McGaw AO | May 2009 | May 2015 |
| Emeritus Prof. Steven Schwartz | June 2015 | May 2018 |
| Emeritus Prof. Brian Caldwell | July 2014 | May 2017 |
| Mr Tom Alegounarias | May 2009 | May 2015 |
| Ms Susan Bowden | July 2013 | May 2018 |
| Ms Liz Banks | May 2012 | May 2018 |
| Mr John Firth | May 2009 | May 2015 |
| Emeritus Prof. Patrick Garnett | May 2012 | May 2018 |
| Mr Stephen Gniel | July 2014 | May 2017 |
| Ms Valerie Gould | July 2014 | May 2017 |
| Mr Paul Hewitt | June 2015 | May 2018 |
| Mr Michael Hewitson | July 2014 | May 2017 |
| Dr David Howes | June 2015 | May 2018 |
| Ms Jayne Johnson | June 2015 | May 2018 |
| Dr Tim McDonald | June 2015 | May 2018 |
| Dr Paul Sharkey | July 2014 | June 2015 |
| Ms Patrea Walton | July 2014 | May 2017 |
| Ms Helen Wildash | May 2009 | May 2015 |

*Board members may be reappointed. Maximum period of appointment cannot exceed six years.*

**Audit and Risk Committee membership**

The Audit and Risk Committee comprises members of the ACARA Board and two independent members.

***Ms Liz Banks*** *(Chair, appointed as Chair 16 July 2014)*

***Emeritus Prof. Brian Caldwell*** *(appointed to the Committee 16 July 2014)* ***Mr Paul Crombie*** *(independent member)*

***Mr Michael Hewitson*** *(appointed to the Committee 16 July 2014)* ***Mr Gilbert Smith*** *(independent member)*

**5.2 Board and committee meetings**

**Board meetings**



|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Meeting** | **Apologies** | **Location** |
|  |  |  |  |
| 3 July 2014 | Meeting 51 | Tom Alegounarias | 255 Pitt Street, Sydney |
| 14 | August 2014 | Board teleconference | Susan Bowden, Helen Wildash | Teleconference |
| 21 | August 2014 | Meeting 52 | Liz Banks, Susan Bowden | 255 Pitt Street, Sydney |
| 9 October 2014 | Meeting 53 | Helen Wildash, Paul Sharkey | 255 Pitt Street, Sydney |
| 13 | November 2014 | Board teleconference | Susan Bowden | Teleconference |
| 27 | November 2014 | Meeting 54 | Nil | 255 Pitt Street, Sydney |
| 12 | February 2015 | Meeting 55 | Susan Bowden, Tom Alegounarias | Video/Teleconference |
| 27 | February 2015 | Meeting 56 | Patrea Walton | 255 Pitt Street, Sydney |
| 20 | April 2015 | Meeting 57 | Patrea Walton | 255 Pitt Street, Sydney |
| 25 | June 2015 | Meeting 58 | Susan Bowden, Jayne Johnston | 255 Pitt Street, Sydney |
|  |  |  |  |  |

**Committees of the Board**

***Audit and Risk Committee***



|  |  |  |  |
| --- | --- | --- | --- |
| **Date** | **Meeting** | **Apologies** | **Location** |
|  |  |  |  |  |
| 12 | August 2014 | Meeting 25 | Brian Caldwell | 255 Pitt Street, Sydney |
| 18 November 2014 | Meeting 26 | Nil | 255 Pitt Street, Sydney |
| 10 | February 2015 | Meeting 27 | Nil | 255 Pitt Street, Sydney |
| 4 May 2015 | Meeting 28 | Liz Banks | 255 Pitt Street, Sydney |
|  |  |  |  |  |

**5.3 Advisory groups and membership**

ACARA is supported by a number of advisory groups that provide input and expertise across all ACARA’s work priorities.

ACARA’s reference groups ensure that jurisdictions/organisations have regular and meaningful opportunities to provide advice to ACARA. Members are required to represent high-level views of their jurisdiction/organisation on matters discussed by the reference groups and ensure, as far as practicable, that information relating to the work of the reference groups is communicated to all relevant parts of their jurisdiction/organisation. The member organisations are listed under their respective reference group.

All other groups provide expert advice and development input. Membership is granted through a nomination process by jurisdictions and organisations and/or due to expertise in a given field.

Learning area / subject advisory groups provide guidance and advice to writing teams at prescribed points throughout projects, provide advice on groups or individuals to be consulted and review documentation prepared during the curriculum development process. Advisory groups comprise education professionals, teachers and education authority representatives with particular expertise in the relevant learning area / subject.

**Marking Quality Team**

The Marking Quality Team develops consensus scores for training and control materials used to ensure national consistency of marking for the NAPLAN writing test. Members attend training in how to receive and then deliver a common marker training package in their jurisdiction to their state and territory markers. The group also advises on required changes to marking guide exemplars. The Marking Quality Team works closely with the National Testing Working Group.

**Measurement Advisory Group**

The Measurement Advisory Group gives ACARA’s executive technical and quality assurance advice for the National Assessment Program (NAP), and in particular, the National Assessment Program – Literacy and Numeracy (NAPLAN).

**NAP sample assessment learning area working groups**

NAP sample assessment learning area working groups give ACARA advice about proposed assessment materials from curriculum, psychometric and equity perspectives for their learning area. They examine draft assessment instruments to make sure these instruments are of appropriate difficulty and are valid, free of bias and accessible to all participating students.

**NAPLAN Reporting Working Group**

The NAPLAN Reporting Working Group advises on the reporting of NAPLAN national results. The working group considers the intersection of national reporting and the needs of jurisdictions for their own reporting, advises on reporting options that best represent an increasing number of years of data, and identifiies enhancements to established modes of reporting, including the faster turnaround of NAPLAN results. The working group considers the NAPLAN summary information (preliminary results) and the fiinal NAPLAN national report, and the dynamic presentation of NAPLAN results on the National Assessment Program website (www.nap.edu.au). Recommendations from the group are provided to the National Assessment, Data, Analysis and Reporting Reference Group for review and endorsement.

**National Assessment Program Communications Group**

The NAP Communications Group has representatives from all departments of education, test administration authorities (where these are separate from a department), the Catholic and independent school sectors. It provides opportunities for senior level communications experts to provide advice to ACARA on its planned assessment and reporting communications activities, as well as collaborate and share information on assessment and reporting communications activities.

In the context of online assessment, members of the NAP Communications Group are responsible for supporting ACARA’s efforts in producing national communications; providing information to state and territory and school sector representatives and to jurisdiction online assessment working groups

**Primary Perspectives Advisory Group**

The Primary Perspectives Advisory Group provides ACARA with guidance and expert advice relating to issues that have been raised and actions that could be facilitated by ACARA regarding the implementation of the Australian Curriculum in primary schools.

**National Assessment, Data, Analysis and Reporting Reference Group**

The National Assessment, Data, Analysis and Reporting Reference Group (NADAR) provides ACARA’s executive with high-level advice on the appropriateness and suitability of, and opportunities and potential risks associated with, the work proposed and undertaken by ACARA’s assessment and reporting teams. The group ensures that jurisdictions/organisations have regular and meaningful opportunities to provide advice to ACARA on its assessment and reporting work program. Members are expected to represent high-level views of their jurisdiction/organisation on matters of national assessment, data collection and analysis, and reporting on schools, and to communicate about the work of the group to relevant parts of their jurisdiction/organisation.

It has representatives from all departments of education, test administration authorities (where these are separate from a department), the Catholic and independent school sectors and other relevant stakeholders.

**National Report on Schooling Working Group**

The National Report on Schooling Working Group helps to develop the planning framework for the annual National Report on Schooling in Australia and reviews and comments on the draft report.

**National Testing Working Group**

The National Testing Working Group is a forum for information-sharing and collaboration between ACARA, testing authorities and stakeholders about NAPLAN. The group gives feedback on items and test forms during item and test development, advises on administration and reporting activities and provides quality assurance to achieve high-quality tests in a nationally consistent framework.

**Recognition Committee**

The Recognition Committee oversees the process of assessing curriculum frameworks for recognition as an alternative means of delivering the Australian Curriculum, as well as the work of recognition review panels. The committee also provides advice to ACARA’s CEO and the

ACARA Board on refiinements to the assessment process.

**Recognition review panels**

Recognition review panels conduct assessment of curriculum frameworks submitted for recognition as an alternative means of delivering the Australian Curriculum. The panels record and certify recommendations to the Recognition Committee, as well as provide explanatory comments. The panels also contribute advice to regular reviews of the assessment process.

**Students with Disability Advisory Group**

The Students with Disability Advisory Group provides ACARA with high-level advice in relation to students with disability. This advice helps ACARA to contribute towards the goals of the Melbourne Declaration for students with disability.

**5.4 Evidence to parliamentary committees**

ACARA attended the following hearings of the Senate Education and Employment Legislation Committee to give evidence:

* Supplementary Budget Estimates (23 October 2014)
* Additional Estimates (26 February 2015)
* Budget Estimates (4 June 2015)

**5.5 Judicial decisions and reviews by outside bodies**

***For the fiinancial year ending 30 June 2015:***

There was one (1) decision of Administrative Appeals Tribunal (AAT) in relation to ACARA’s operations. On 29 September 2014 the AAT handed down its decision in the matter of

*Diamond and Chief Executive Officer of the Australian Curriculum, Assessment and Reporting*

*Authority* [2014] AATA 707 at (www.austlii.edu.au/au/cases/cth/aat/2014/707.html) (DiamondDecision). In the Diamond Decision, the AAT affirmed the decision of the Freedom of Information

Commissioner to refuse to grant access to the document sought by the applicant in his request (the *My School* database), except for the list of schools. This decision enables ACARA to continue its work in supporting the position taken by the Education Council that publication of league tables arising from *My School* NAPLAN data is ‘counterproductive and harmful to the educational purpose of schooling’.

There were no reports made about ACARA’s performance or ACARA’s offiicers or employees by the Auditor-General, parliamentary committees, the Commonwealth Ombudsman or the Offiice of the Australian Information Commissioner.

**5.6 Work health and safety**

**Overview**

Work health and safety (WHS) at ACARA covers a broad range of elements that bring together a common goal to provide a workplace where people feel safe and are not at risk of physical or mental injury.

ACARA’s training program is a key area of how the organisation ensures staff understand their obligations and ACARA’s role in providing and maintaining a safe workplace. This training takes forms of inductions, refresher courses and monthly presentations to business units. Workers learn about ACARA’s WHS policy; their legal WHS responsibilities; emergency evacuation instructions; how to report hazards, incidents and injury; work station ergonomics; and manual handling. Where practicable, demonstrations are provided to reinforce key concepts.

WHS information is provided to staff on the importance of maintaining an understanding of work-related risks. Presentation themes include mental health, being active at work and

travelling to work. Workers are exposed to risks when travelling to and from work and at work itself. Emphasis is placed on mitigating these risks to avoid physical or mental injury.

ACARA’s commitment to providing a safe workplace is implemented through its WHS Committee. The committee promotes awareness of WHS in the workplace and meets every two months to discuss health and safety issues identified by staff, or during workplace inspections. ACARA’s two satellite offices in Perth and Melbourne each have a WHS representative on the committee to provide training to new workers, identify any hazards and report WHS issues. Regular WHS audits ensure continued improvement.

**WHS performance**

During 2014–15, one claim was submitted to Comcare. No provisional improvement notices (section 90, *Work Health and Safety Act 2011*), prohibition notices (section 195) or improvement notices (section 191) were issued. There were no investigations undertaken by Comcare arising out of ACARA’s responsibility as a ‘person conducting a business or undertaking’ in accordance with the Act.

WHS has become a regular agenda item at all team meetings to provide and maintain a continuous improvement framework. Issues raised are referred to the WHS Committee for resolution. ACARA’s Audit and Risk Committee is advised of any issues arising and the actions carried out to mitigate WHS risks.

**5.7 Legislative reporting requirements**

ACARA is required, under section 46 of the Public Governance, Performance and Accountability

(PGPA) Act 2014 for the first reporting period that commences on or after 1 July 2014, to provide particulars of any directions issued by the responsible minister, or other minister, under ACARA’s enabling legislation or other legislation. During 2014–15, ACARA was not subject to any Commonwealth ministerial directions or a general policy order under section 22 of the PGPA Act.

**5.8 Providing access for people with disabilities**

**Access to premises and facilities**

ACARA’s main office is accessible to people with disability through the use of ramps, braille signage to bathrooms and specially designed toilet and shower facilities.

Where staff have specific requirements due to a disability, their work space is modified to accommodate their needs.

**Website**

In 2014–15 ACARA updated three of our four websites to manage our obligations to meet accessibility requirements. Our immediate focus was to ensure the branding and colour choice of our websites met accessibility obligations with changes made to the NAP, *My School* and ACARA websites.

**5.9 Sustainable practices**

**Office environment**

ACARA has maintained its commitment to reduce the consumption of raw materials by implementing and maintaining the following strategies:

* Recycled paper is used in all printers.
* Drafts are reviewed electronically, where possible.
* Data projectors, plasma screens and e-tablets are used to display information to groups, which replaces printed handouts.
* Internet, emails and e-newsletters are used as the main modes for communication.

Video-conferencing facilities are also available as an alternative to travel.

ACARA continues to maintain a recycling program together with other tenants in its main office building. Items that can be recycled

include all glass, paper, metal, coffee cups and take-away containers.

Organic waste management is also an important aspect to the program. Organic matter is converted to compost and used in farming to replenish the soil.

Finally, printer cartridges are recycled, which helps to reduce greenhouse gases.

**5.10 Acronyms and glossary**

|  |  |  |  |
| --- | --- | --- | --- |
| Acronym |  | Title |  |
|  |  |
|  |  |  |  |
| ACACA | Australasian Curriculum, Assessment and Certification Authorities |  |
| ACARA | Australian Curriculum, Assessment and Reporting Authority |  |
| ACARA Act | Australian Curriculum, Assessment and Reporting Authority Act 2008 |  |
| ACER | Australian Council for Educational Research |  |
| AEEYSOC | Australian Education, Early Childhood Development and Youth Affairs Senior Officials |  |
|  | Committee |  |
| AG | Australian Government |  |
| AITSL | Australian Institute for Teaching and School Leadership |  |
| AusVELS | AusVELS incorporates the Australian Curriculum F–10 for English, mathematics, history |  |
|  | and science within the curriculum framework first developed for the Victorian Essential |  |
|  | Learning Standards (VELS) |  |
| CAC Act | Commonwealth Authorities and Companies Act 1997 |  |
| CEO | Chief Executive Officer |  |
| COAG | Council of Australian Governments |  |
| Domain | Relating predominantly to NAP tests, this refers to particular learning areas (for example, |  |
|  | reading, writing, language conventions, numeracy) |  |
| EAL/D | English as an additional language/dialect |  |
| EA | Enterprise agreement |  |
| ESA | Education Services Australia |  |
| F | Foundation. This term has been used in ACARA’s curriculum work to denote the year prior |  |
|  | to Year 1, which is known variously as ‘kindergarten’, ‘preparatory’ (‘prep’), ‘reception’, |  |
|  | ‘transition’, or ‘pre-primary’ in different states and territories. This terminology was adopted |  |
|  | with the publication of the Australian Curriculum |  |
| F–10 | School years from Foundation to Year 10 |  |
| F–12 | School years from Foundation to Year 12 |  |
| FMO | Finance minister’s orders |  |
| ICT | Information and communication technology |  |
| INCB | Interim National Curriculum Board |  |
| Learning continua | A sequence that describes the knowledge, skills and behaviours that students can |  |
|  | reasonably be expected to have developed by the end of particular years of schooling, |  |
|  | with respect to general capabilities as defined in the Australian Curriculum |  |
| LBOTE | Language background other than English (see EAL/D) |  |

Melbourne Declaration Melbourne Declaration on Educational Goals for Young Australian 2008, which sets the

direction of Australian schooling for the next 10 years

*My School* The website that has been developed so that parents and the community have access to

information about their child’s school and other schools in Australia

NTC National Trade Cadetships

NAP National Assessment Program

NAPLAN National Assessment Program – Literacy and Numeracy

PGPA Public Governance, Performance and Accountability Act 2013

Senior secondary Final two years of secondary schooling, generally Year 11 and 12

Statements of learning Statements agreed by ministers for education on essential skills, knowledge, understand-

ings and capacities that all young Australians should have the opportunity to learn in

particular learning areas

SWD Students with disability

VETiS Vocational education and training in schools

WHS Work health and safety (formerly known as occupational health and safety)

**5.11 Compliance index**

|  |  |  |
| --- | --- | --- |
| **Requirement** | **Reference** | **Annual report section** |
|  |  |
| *Public Governance, Performance and Accountability Act 2013* |  |
|  |  |  |
| Financial statements | Schedule 1, subclause 1(b) and | Section 4 |
|  | subclause 2(1) |  |
| Financial statements certification: a | Schedule 1, subclause 2(3) | Section 4 |
| statement, signed by directors |  |  |
| Financial statements certification: | Schedule 1, subclause 1(c) | Section 4 |
| Auditor-General’s Report |  |  |

*Commonwealth Authorities and Companies (Annual Reporting) Orders 2011 as modified by the*

*Public Governance, Performance and Accountability (Consequential and Transitional Provisions) Rule 2014*

Approval of the report by directors Audit committee

Ecologically sustainable develop-ment and environmental perfor-mance

Clause 6 Letter of transmittal

Clause 14 Sections 1.4, 3.1, 5.1

Clause 12, with reference to the En- Section 5.9

vironment Protection and Biodiver-

sity Conservation Act 1999, section

516A.

|  |  |  |
| --- | --- | --- |
| Effects of ministerial directions and | Clause 12 | Sections 1.3, 5.7 |
| notification of general policies of |  |  |
| government |  |  |
| Enabling legislation, functions and | Clause 10 | Section 1.3 |
| objectives |  |  |
| Indemnities and insurance premiums | Clause 19 | Section 3.1 |
| for officers |  |  |
| Information about directors | Clause 13 and 14 | Sections 1.4, 5.1, 5.2 |
| Judicial decisions and reviews by | Clause 17(a) | Section 5.5 |
| outside bodies |  |  |
| Key activities and changes affecting | Clause 16 | Section 3.1, 3.5 |
| the authority |  |  |
| Location of major activities and | Clause 14 | Section 1.3 |
| facilities |  |  |
| Organisational structure | Clause 14 | Section 3.5 |
| Related entity transactions | Clause 15 | Notes to the financial statements – |
|  |  | note 12 |
|  |  |  |

|  |  |  |
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| **Requirement** | **Reference** | **Annual report section** |
|  |  |  |
| Reports on the operations of the | Clause 17(b) | Section 5.5 |
| authority by the Auditor-General, |  |  |
| a parliamentary committee, the |  |  |
| Commonwealth Ombudsman or the |  |  |
| Office of the Australian Information |  |  |
| Commissioner |  |  |

Responsible minister(s)

A significant decision or issue referred to in paragraph 19(1)(c),

(d) or (e) of the PGPA Act. Statement on governance Work health and safety

Clause 11

Clause 16

Clause 14

Clause 12, with reference to the Work Health and Safety Act 2011, Schedule 2, Part 4

Section 1.3

Notes to the financial statements – note 2

Section 1.4, 3.1

Section 5.6