

# ANNUAL REPORT

2017-18



## **OUR MISSION**

**ACARA will improve the learning of all young Australians through world-class school curriculum, assessment and reporting.**



# CONTENTS

Letter of transmittal

<b>1.0</b>	<b>Overview</b>	<b>01</b>
1.1	Chair's foreword	02
1.2	CEO's report	04
1.3	About us	06
<b>2.0</b>	<b>Annual performance statements</b>	<b>08</b>
2.1	National curriculum	10
2.2	National assessment	15
2.3	National data and reporting	20
2.4	National collaboration and leadership	23
2.5	Operational capability	28
<b>3.0</b>	<b>Management and accountability</b>	<b>30</b>
3.1	Corporate governance	31
3.2	ACARA Board	36
3.3	Risk management	42
3.4	Financial management	43
3.5	Workforce management	44
3.6	Reporting on other requirements	48
<b>4.0</b>	<b>Financial statements</b>	<b>50</b>
4.1	Statement by the accountable authority	51
4.2	Independent auditor's report	52
4.3	Financial statements	54
4.4	Notes to the financial statements	58
	Acronyms and glossary	70
	Compliance index	72

The Hon Dan Tehan MP  
Minister for Education  
Parliament House  
Canberra ACT 2600

Dear Minister

### **ACARA Annual Report 2017–18**

On behalf of the Board of the Australian Curriculum, Assessment and Reporting Authority (ACARA), I am pleased to present the annual report for the financial year ended 30 June 2018, pursuant to section 46 of the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act).

As ACARA is a corporate Commonwealth entity, this document has been prepared in accordance with the requirements of section 17BE of the *Public Governance, Performance and Accountability Rule 2014* (the PGPA Rule). The ACARA Board is the accountable authority for ACARA under the PGPA Act, and is responsible for preparing and providing the annual report to you as Minister for Education.

ACARA's annual performance statements for 2017–18 are included in this document, in accordance with section 39 of the PGPA Act and Resource Management Guide No. 134 Annual performance statements for Commonwealth entities.

As per the requirements of Section 17BB of the PGPA Rule, this annual report was approved by resolution of the ACARA Board at its meeting of 23 August 2018, held at Level 13, 280 Elizabeth Street, Sydney.

Yours faithfully



**Ms Belinda Robinson FAICD**  
Chair

28 August 2018



## 1.0 OVERVIEW

## 1.1 Chair's foreword

It is with pleasure that on behalf of the ACARA Board, I present our annual report for 2017–18.

ACARA has a unique position in Australia's education landscape. With a mission to improve the learning of all young Australians, ACARA has continued to meet the objectives set for it by the Council of Australian Government's (COAG) Education Council over the course of the 2017–18 financial year.

The National Assessment Program – Literacy and Numeracy (NAPLAN) is the only national assessment that all students in Years 3, 5, 7 and 9 across Australia undertake. NAPLAN provides valuable data for the entire community to see how children are progressing in the fundamental areas of literacy and numeracy.

During this reporting period, ACARA and its partners oversaw the commencement of NAPLAN Online in six states and territories – NSW, Victoria, ACT, SA, WA and Queensland. Over 190,000 students across Australia took part in this first year of online assessment. Next year more students and schools will take the test online, with all schools online by 2020.

The NAPLAN data, along with other information, appear on the *My School* website. This year, in response to stakeholder feedback, the *My School* website was successfully revamped and relaunched. It is easier to navigate, more engaging and able to be used on mobile devices.

Through the *My School* website, parents, educators, policy-makers and the public have access to in-depth information about each and every school. This transparency allows for fair comparisons to be made at the school, area and state/territory level, as well as providing the ability to track trends over time.

Once again, ACARA identified and highlighted schools that had made significant gains in NAPLAN. It is important that successes are celebrated, and that others have the opportunity to learn from them.

The content tested through the National Assessment Program is directly linked to the Australian Curriculum, which sets the expectations for learning for all Australian students, regardless of their location or background. The curriculum not only covers content in various learning areas, but also focuses on the need for students to develop flexible and analytical thinking.

This year, the revamped Australian Curriculum website was launched, making content easier to find with improved functionality and a fresh look and feel. Additional teacher resources, such as the national literacy and numeracy learning progressions and work samples for Civics and Citizenship, were also released.

I would like to acknowledge the leadership provided by the Education Council and thank the ACARA Board, the former Board Chair, the executive, staff and stakeholders for their contributions this year. I look forward to the challenges and opportunities of 2018–19, as ACARA continues its work to improve education outcomes for all young Australians.



**Ms Belinda Robinson FAICD**  
Chair

Appointed 3 August 2018



Ms Belinda Robinson was appointed to ACARA Board Chair in August 2018. She is a highly experienced company director, senior policy advisor and chief executive of national peak bodies. Most recently, she served for almost seven years as chief executive of Universities Australia, the peak body representing Australia's university sector.

Ms Robinson began her career with the then Department of Technical and Further Education. She has worked in a variety of senior and senior executive positions in state, local and the federal government, including eight years with the Department of the Prime Minister & Cabinet.

She has served on a number of not-for-profit boards and advisory committees and is an experienced company director of listed and not-for-profit entities.

Ms Robinson currently chairs the boards of ACARA, the Cooperative Research Centres Association and the Western Sydney University Enterprises. Her professional expertise lies in leading not-for-profit organisations committed to expanding the public interest, public policy development, promoting organisational objectives, strategy development and execution, and stakeholder engagement.

## 1.2 CEO's report

We ended the 2017–18 financial year celebrating a major achievement – the first year of NAPLAN Online in May 2018. Just over 190,000 students (almost 20 per cent of the national student population) in 1,285 schools from six states and territories completed almost 670,000 online assessments.

The successful roll-out of NAPLAN Online followed significant research, planning and readiness activities over a number of years, undertaken by all key stakeholders including ACARA, Education Services Australia, the Australian Government and state or territory education authorities. The participation of schools, teachers and students in readiness and preparation activities was also key to this smooth transition.

For curriculum, the financial year began with the launch of our new-look Australian Curriculum website in July 2017. Following user feedback, we introduced a new filter option to improve the website functionality, gave greater prominence to parent and student diversity information, and refreshed the site with a new look and feel.

The 2017 NAPLAN summary information was released in August 2017, showing evidence of movement of students from lower to higher bands of achievement across most year levels and most domains over the last 10 years. The percentage of students meeting the national minimum standard also remained high, with over 90 per cent nationally and in most states and territories, across all domains and year levels.

The Australian Government-funded Digital Technologies in Focus project continued to progress, supporting 160 disadvantaged Australian schools in urban, rural and remote locations to implement the Australian Curriculum: Digital Technologies. ACARA curriculum specialists ran workshops in all states and territories, with regular webinars and in-school visits providing further support and expertise to primary and secondary teachers in these schools.

The results of the 2016 NAP – Civics and Citizenship assessment were released in December, showing 55 per cent of Year 6 students achieving at or above the proficient standard, compared to 38 per cent of Year 10 students. Voting in elections was seen to be important for a high percentage of students (85 per cent in Year 6 and 84 per cent in Year 10) and approximately 75 per cent of all students reported an interest in global issues.

The NAPLAN national report, also released in December, confirmed the data published in the summary report and showed promising results for Indigenous students who had significant cumulative gains from 2008 in reading (Years 3 and 5), spelling (Years 3 and 5), grammar and punctuation (Years 3 and 7) and numeracy (Years 5 and 9). Students with a language background other than English (LBOTE) also showed gains in reading (Years 3 and 5), grammar and punctuation (Years 3 and 7), spelling (Years 3 and 5) and numeracy (Year 5).

In early 2018, a revised version of the national literacy and numeracy learning progressions was published on the Australian Curriculum website. The progressions are an important tool to assist teachers in implementing the Australian Curriculum: English and the Australian Curriculum: Mathematics. The progressions have been designed to assist teachers to locate where individual students are in terms of their literacy and numeracy development, and see the typical sequence of learning for literacy and numeracy development.

Based on stakeholder feedback, ACARA redeveloped the *My School* website, making it mobile-friendly, easier to use and more engaging for visitors. The new website was launched during the annual data update in March 2018 and was received well.

We continued to work with our partners and stakeholders in education. Throughout 2017–18, ACARA staff presented at more than 15 conferences and sector events, nationally and internationally. We led Australia’s participation in the Organisation for Economic Co-operation and Development’s (OECD) 2030 project, which aims to develop a multidimensional learning framework for use by countries as they revise policy and curriculum in the future.

We look forward to a busy and productive year ahead, with a wide range of education resources for teachers planned for release during the year, a higher percentage of students taking NAPLAN Online and further collaboration with our partners and stakeholders to continue improving education outcomes for all students.



**Robert Randall**  
ACARA CEO



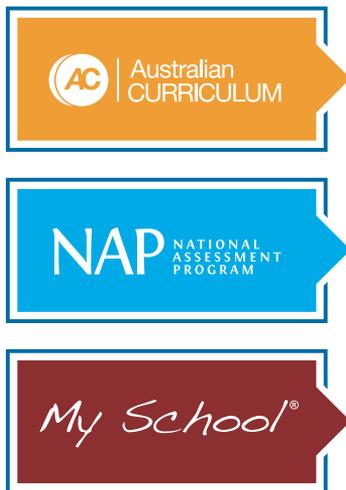
## 1.3 About us

### Our role and function

The Australian Curriculum, Assessment and Reporting Authority (ACARA) is an independent statutory authority and a corporate Commonwealth entity established under Section 5 of the *Australian Curriculum, Assessment and Reporting Authority Act* on 8 December 2008.

ACARA has been operational since 28 May 2009, with a mission to improve the learning of all young Australians through world-class school curriculum, assessment and reporting.

ACARA executes policy directions determined by the Council of Australian Governments' (COAG) Education Council regarding curriculum, assessment, data and reporting at the national level.



### Our work

We take a national approach to education through developing a robust and comprehensive national curriculum.

We run the National Assessment Program (NAP), the national tests students sit in school, aligned to the national curriculum. This includes the National Assessment Program – Literacy and Numeracy (NAPLAN).

We are responsible for collecting and publishing information on the *My School* website about the performance and resources of each Australian school. We publish a range of reports, including the NAPLAN national report and the *National Report on Schooling in Australia*.

## Our organisation

The ACARA Board is ACARA's accountable authority for the purposes of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act).

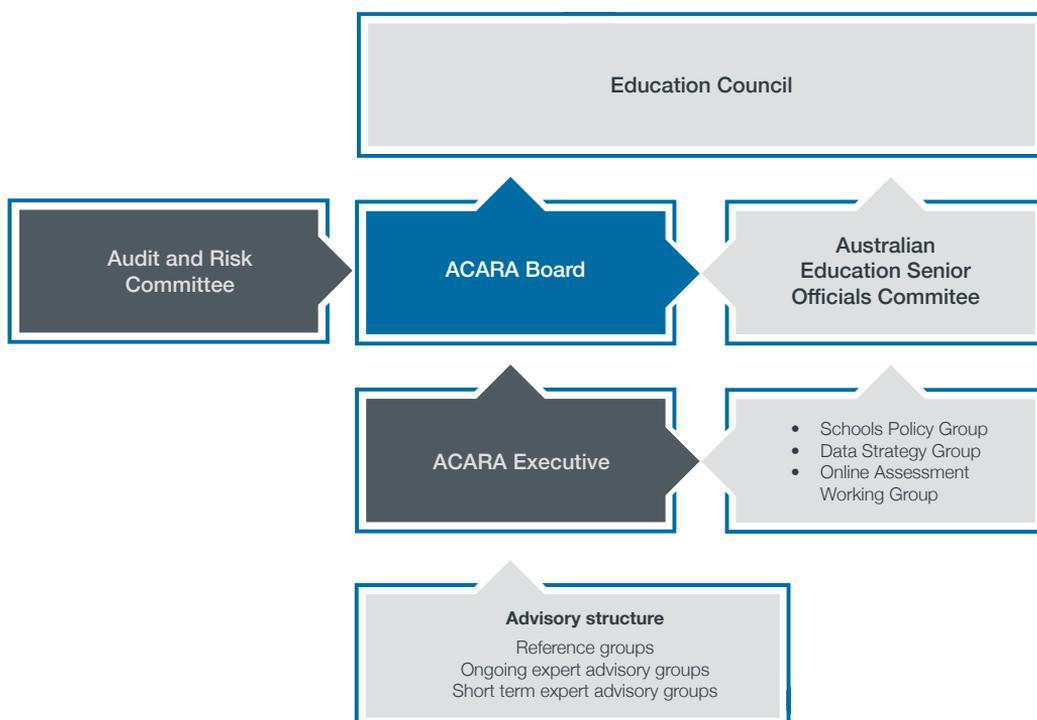
ACARA's operations are led by ACARA's Chief Executive Officer (CEO). The agency comprises five business units: Curriculum, Assessment and Reporting, Communications and Strategic Relations, Business Services, and Office of the Chief Executive.

## Our office locations

ACARA's head office is located at Level 13, Tower B, Centennial Plaza, 280 Elizabeth Street, Sydney.

ACARA's Perth office is located at Level 17, 140 St Georges Terrace, Perth.

## Our governance structure





## **2.0 ANNUAL PERFORMANCE STATEMENTS**

## Introductory statement

These annual performance statements have been prepared for the 2017–18 reporting period pursuant to section 39(1)(a) of the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act).

ACARA's high-level quadrennial plan (from 2017–18 to 2020–21) was endorsed by the Education Council (the Council) in January 2018. ACARA's Corporate Plan 2017–18 was published at the end of August 2017.

Achievements against performance measures referred to in the corporate plan are outlined in this section.

In the opinion of the ACARA Board as ACARA's accountable authority, these performance statements accurately present ACARA's performance in the reporting period and comply with section (39)(2) of the PGPA Act.

## Entity purpose

The purposes (strategic directions determined by the Education Council) of ACARA are to:

### **National curriculum**

- provide a world-class curriculum from Foundation to Year 12 in specified learning areas agreed to by the Education Council
- assemble the evidence base required to review, develop and refine curriculum

### **National assessment**

- provide a quality, comprehensive and cohesive suite of assessments

### **National data and reporting**

- provide and apply a comprehensive and reliable national measurement framework
- facilitate use and dissemination of data for research and policy development in accordance with agreed protocols
- present detailed, accessible, timely and meaningful school education performance information

### **National collaboration and leadership**

- provide effective national leadership in curriculum development, educational assessment and national reporting
- closely collaborate with jurisdictions, the non-government education sector and relevant stakeholders in pursuing the national education agenda.

These purposes acknowledge the commitment to promoting world-class curriculum and assessment, and to strengthening accountability and transparency, as identified in the *Melbourne Declaration on Educational Goals for Young Australians* (the Melbourne Declaration) and agreed by Australian education ministers in December 2008.

**Purpose:**

*To provide a world-class curriculum from Foundation to Year 12 in specified learning areas agreed to by the Education Council, and to assemble the evidence base required to review, develop and refine the curriculum.*

**Criteria source:**

ACARA Corporate Plan 2017–18 and Budget Portfolio Statements 2017–18: Education and Training – ACARA Budget Statements – Outcome 1 Program 1.1.



### Performance criterion

Monitoring activities around the national curriculum undertaken

### Measure

Reports on national curriculum monitoring, international comparison(s) and research on developments in school curriculum design published by the end of the reporting year

### Result

Not Achieved

Partially achieved

Achieved

### Supporting statement

The ACARA Board approved the *Monitoring the effectiveness of the Foundation – Year 10 Australian Curriculum* report in December 2017. The report was published in January 2018 following final editing.

### Performance criterion

Level of satisfaction with the Australian Curriculum website

### Measure

Strong satisfaction with the Australian Curriculum website recorded by end of June 2018.

### Result

Not Achieved

Partially achieved

Achieved

### Supporting statement

Feedback was sought via a range of sources, with the majority of respondents providing positive commentary related to the improved functionality of the Australian Curriculum website, the clarity and usefulness of the information and resources, and the ability to personalise the view of the website.



1.2 million visitors to Australian Curriculum website between 12/07/17 – 30/06/18

## Analysis of performance

### **An updated Australian Curriculum website**

The Australian Curriculum is a web-based curriculum that can be accessed by teachers, parents, students and educators across Australia and internationally. On 12 July 2017, a new Australian Curriculum website was launched, and access to the previous website and associated earlier versions of the Australian Curriculum was discontinued from 31 December 2017. The new website contains improved search and sorting facilities for users, and a contemporary and enhanced interface to support the needs of, and reflect feedback from, stakeholders.

A resources portal on the website provides access to materials to support the Australian Curriculum, including curriculum connections, national literacy and numeracy learning progressions, work samples in learning areas and publications such as Primary Matters e-newsletter and curriculum activity reports.

From 12 July 2017 to 30 June 2018, the website had over 1.2 million visitors, with over 4 million sessions and 16 million page views. Following the new site's launch, feedback was sought from stakeholders through the feedback function on the website, social media, email, telephone enquiries and ACARA's advisory group networks. The majority of feedback was positive, commenting on the improved functionality, the clarity and usefulness of the information and resources, and the ability to personalise the view of the website.



### **Monitoring and evaluation**

In January 2018, ACARA published the *Monitoring the effectiveness of the Foundation – Year 10 Australian Curriculum 2016–17* report, which focused on the cross-curriculum priorities and support for student diversity. Responses were received from departmental, school and curriculum authorities in most Australian states and territories. Feedback showed broad satisfaction with the Australian Curriculum in each of these areas, with a clear indication that teachers and schools would welcome further support materials in their implementation of these elements of the Australian Curriculum.

ACARA's Aboriginal and Torres Strait Islander Taskforce, made up of curriculum specialists and community leaders, is completing an initiative to expand the elaborations and to develop teacher support material for the F–10 Science curriculum to incorporate non-secret and non-sacred Aboriginal and Torres Strait Islander knowledge and approaches to science.

16 million page views of the new Australian Curriculum website

## ***International expertise***

During the 2017–18 period, ACARA continued to focus on collecting and reviewing evidence to inform the next iteration of the Australian Curriculum. ACARA has drawn on feedback from jurisdictions and stakeholders through its curriculum monitoring program, as well as ongoing surveying of research and international developments in curriculum design. Two international comparison studies – with the Finland National Core Curriculum and the Singapore Curriculum – were completed in December 2017. A Review of international developments and trends, to highlight and synthesise curriculum patterns identified in the research, was submitted to the ACARA Board in March 2018.

To help inform the breadth, depth and currency of its curriculum investigations, ACARA led Australia's participation in aspects of the OECD's Education 2030 project: Curriculum Content Mapping, and Mathematics Curriculum Document Analysis. In May 2018, ACARA participated, presented and led discussions in these areas at the OECD's seventh Interim Working Group meeting in Paris.

## ***Linkage with the National Assessment Program***

The National Assessment Program (NAP) is directly linked to Australian Curriculum content. Specific advice on using the Australian Curriculum: Civics and Citizenship was included in the 2016 NAP Sample Assessment: Civics and Citizenship Report, Years 6 and 10, published in November 2017. The curriculum specialist for Science supported the revision of the assessment framework for NAP: Science Literacy and provided advice on the development and trialling of test items. The curriculum specialist for Humanities and Social Sciences supported the revision of the assessment framework for NAP: Civics and Citizenship, and the curriculum specialists for Technologies and general capabilities commenced an investigation of the assessment framework for NAP: ICT Literacy.

## ***Stakeholder relations***

ACARA works collaboratively with stakeholders, curriculum authorities and government agencies to support the Australian Curriculum. ACARA continues to formally meet with its representative curriculum advisory groups – the F–12 Curriculum Reference Group, the Aboriginal and Torres Strait Islander Advisory Group, the Students with Disability Advisory Group, and with its curriculum information-sharing group – the Curriculum Directors' Group. These relationships underpin the current period of curriculum stability and help inform review and revision research and processes. ACARA also liaises with national parent representative groups and provides resources for parents to increase understanding of the Australian Curriculum among parents and the community.



*In May 2018, ACARA hosted a forum of stakeholders – including curriculum authorities, parents, principals and education agencies – to consider current and future approaches to curriculum design, with leading international thinker Charles Leadbeater presenting on innovation and creativity*

## ***Literacy and numeracy resources***

In January 2018, version 2.0 of the national literacy and numeracy learning progressions, incorporating extensive feedback from trialling, was published. This resource supports teachers to identify and monitor student literacy and numeracy development in all learning areas. Initial feedback via social media was positive, with the states, territories and school sectors drawing upon their contexts to adopt a range of approaches to using this resource.

### **Supporting digital technologies in remote areas**

ACARA continued to manage the National Innovation in Science Agenda, Digital Technologies in Focus project. Approximately 160 disadvantaged schools in urban, rural and remote locations across all states and territories are participating in the project. Curriculum specialist support is provided for each of the schools, with the integration of technology being modelled through the publication of digital newsletters in April and June 2018, regular webinars, as well as periodic in-school visits. ACARA has also developed professional learning modules in the Digital Technologies curriculum and computational thinking.



*The 160 low-ICSEA schools participating in the Digital Technologies in focus project are located in clusters around Australia.*

### **Resources**

Regular publication of work samples, illustrations of practice, explanatory videos, learning area advice documents and fact sheets ensure the currency and coverage of all information and material associated with the Australian Curriculum and its website.

### **Incorporating Aboriginal and Torres Strait Islander Histories and Cultures into Science**

In response to requests from educators, ACARA commenced work on developing 95 elaborations to better support teachers in incorporating the Aboriginal and Torres Strait Islander Histories and Cultures cross-curriculum priority (CCP) into the Australian Curriculum: Science across all year levels. The elaborations have been developed in consultation with science specialists, Aboriginal and Torres Strait Islander education experts, and academics.

The 95 CCP elaborations, which will be released later in 2018, will provide teachers with practical examples illustrating the Science content descriptions within the three main strands of learning: Science Understanding, Science as a Human Endeavour, and Science Inquiry Skills.

### **Other curriculum projects**

During 2017–18, ACARA completed or commenced a number of projects with the Australian Government Department of Education and Training:

- A curriculum connection in the area of respectful interpersonal relationships was developed by June 2018 and is planned for publication on the Australian Curriculum website later in 2018.
- A project to develop a series of illustrations of practice linking the general capabilities to careers education commenced in June 2018.
- Support continued to be given to guide the New Caledonian education department (SIFA section) in relation to embedding Australian literature, culture, perspectives and sources in English, History and Geography.

## 2.2 National assessment

**Purpose:**

*To provide a quality, comprehensive and cohesive suite of national assessments.*

**Criteria source:**

ACARA Corporate Plan 2017–18 and  
Budget Portfolio Statements 2017–18:  
Education and Training – ACARA Budget  
Statements – Outcome 1 Program 1.2.



*Students at Bulahdelah Central School were some of the first to participate in NAPLAN Online in 2018  
Credit: News of the Area*

## Performance criterion

Development and delivery of the National Assessment Program (NAP), including the delivery of NAP Sample and NAPLAN Online in 2018

## Measure

NAP successfully delivered and reported on (including delivery of NAPLAN Online in 2018 and successfully transitioned to fully online in the timeframe agreed by ministers)

## Result

Not Achieved

Partially achieved

Achieved

## Supporting statement

### ***NAPLAN 2018***

In May 2018, NAPLAN tests were administered in both pencil-and-paper and online modes. The first administration of NAPLAN Online saw approximately 192,000 (20 per cent) students in close to 1,300 schools participating in New South Wales, Victoria, Queensland, South Australia, Western Australia and Australian Capital Territory.

NAPLAN Online was implemented following key jurisdictional readiness events such as school readiness testing, platform readiness testing and coordinated practice test. These events contributed to participating jurisdictions' sense of readiness and confidence. For NAPLAN 2019, similar events are planned to take place for schools transitioning to online assessment.

### ***NAPLAN 2017***

From July to August 2017, NAPLAN 2017 individual student reports were distributed by jurisdictions, providing parents and carers with an opportunity to identify their child's strengths and achievements in the areas of literacy and numeracy, and identify any areas where attention is required.

The 2017 NAPLAN summary information (preliminary results) was published on 2 August 2017. The 2017 NAPLAN National Report and test incidents report were both published on 13 December 2017.



### ***NAP – Civics and Citizenship 2016***

The NAP – Civics and Citizenship (NAP–CC) report was approved by the Education Council on 30 November 2017 and published on ACARA’s NAP website on 13 December 2017, together with the NAP–CC 2017 technical report and demonstration tests for Year 6 and 10.

### ***NAP – ICT Literacy 2017***

Between October and November 2017, the fifth assessment cycle of NAP – ICT Literacy was successfully conducted online. Approximately 5,440 Year 6 students (in 330 schools) and 4,890 Year 10 students (in 310 schools), across all states and territories, participated in the sample assessment. NAP – ICT Literacy school summary reports were available to all participating schools in December 2017 via an online reporting tool.

### ***NAP – Science Literacy 2018***

A new assessment framework for NAP – Science Literacy (NAP–SL) was developed in 2017 to extend the sample assessment to Year 10 students, as approved by education ministers. A pilot study was conducted during October and November 2017 in 58 schools nationally. The purpose of the pilot was to provide empirical evidence for the new draft assessment framework about the progression of knowledge and skills, the development of age-appropriate assessments for Year 10 students and the vertical linking of Year 6 and Year 10 assessments. A sample of Year 8 students was included in the study to support the vertical linking of Year 6 and Year 10 tests and to collect more information about the progression of science literacy between these year levels. In addition, the pilot explored options for the practical (inquiry) component of NAP–SL assessments.

The preliminary analysis of the pilot study outcomes provided evidence for the validity and reliability of the Year 10 assessment based on the draft assessment framework. Additionally, the preliminary analysis of the set of common items across Year 6 and Year 10, including the test and student performance of a Year 8 sample, provided strong indicators that the vertical linking of NAP–SL assessments is feasible. The analysis and information about item and test performance have been used to guide the development of trial items and tests.

The draft assessment framework was developed with expert advice from, and in consultation with, jurisdictions and authorities. The final draft of the assessment framework was approved by the Board on 22 March 2018 for use in NAP–SL in 2018.

Preparations are also underway for the sixth assessment cycle of NAP Sample – Science Literacy. Items were developed and trialled in a field study involving approximately 70 schools between 18 and 29 June 2018.



### Performance criterion

Completion of research and development activities relating to online assessment

### Measure

All agreed research completed and findings communicated and implemented

### Result

Not Achieved

Partially achieved

Achieved

## Supporting statement

### ***NAPLAN 2018***

Research on the investigation of the cross-prompt automated essay scoring (AES) training and scoring was completed in preparation for 2018 NAPLAN, and high-level findings were communicated to stakeholder groups. Following ministerial direction at the Education Council December 2017 meeting that AES was not to be used for NAPLAN writing scripts for reporting purposes in 2018, ACARA has revised its AES research plan.

The study of the impact of accessibility adjustment options for NAPLAN Online tests was completed in conjunction with jurisdictions. The findings from this study informed advice to jurisdictions and schools for 2018 NAPLAN and will feed into the potential development for future NAPLAN Online tests.

Consultation on the draft proficiency standards for NAPLAN tests for each domain and year level, aligned with the Australian Curriculum and international benchmarks, continued in 2017 and 2018.



## Analysis of performance

Working with Education Services Australia (the agency responsible for the development of the online assessment platform), ACARA provided user-acceptance testing and quality assurance of the platform functionalities. As a result, the platform was locked down from December 2017 onwards for use in May 2018, which provided stability to the platform.

A number of key school and student online readiness activities were conducted, where ACARA provided user-acceptance testing as well as developed tests and supporting material:

- The School Readiness Test (SRT) was conducted in schools on 14 August – 22 September 2017. The test focused solely on assessing school readiness. In total, over 3,700 schools across all states and territories participated in SRT.
- The Platform Readiness Test (PRT) was conducted in a sample of schools on 16–27 October 2017 as a full end-to-end test of the platform and post-test processes, including monitoring, reporting and quality assurance.
- The Coordinated Practice Test (CPT) occurred on 20–22 March 2018 in preparation for the May 2018 NAPLAN Online test event.

In addition, NAPLAN Online administration documents such as the National Protocols for Test Administration and Handbook for Principals were finalised by ACARA and provided to jurisdictions.



*2016 NAPLAN technical report published.*



*2017 NAPLAN individual student reports distributed to students by August 2017.*



*2017 NAPLAN National Report and test incidents report published in December 2017.*



*2016 NAP–CC public report published in December 2017.*



*The fifth cycle of 2017 NAP–ICT successfully conducted, with school summary reports distributed to 640 participating schools in December 2017.*



*New NAP – Science Literacy assessment framework developed and approved by the Board in March 2018.*

## 2.3 National data and reporting *My School*<sup>®</sup>

**Purpose:**

*To provide and apply a comprehensive and reliable national measurement framework; to facilitate the use and dissemination of data for research and policy development in accordance with agreed protocols; and to present detailed, accessible, timely and meaningful school education performance information.*

**Criteria source:**

ACARA Corporate Plan 2017–18 and Budget Portfolio Statements 2017–18: Education and Training – ACARA Budget Statements – Outcome 1 Program 1.3.



### Performance criterion

The National Report on Schooling in Australia is published before the end of the subsequent calendar year

### Measure

2016 National Report on Schooling in Australia published by end of 2017–18

### Result

Not Achieved

Partially achieved

Achieved

### Supporting statement

The 2016 National Report on Schooling in Australia was reviewed by ACARA’s advisory groups, approved by the ACARA Board in March 2018 and by AESOC in April 2018. It was published following the June 2018 endorsement by the Education Council.

Since its inaugural release, the National Report on Schooling data portal (the portal) continues to be updated as scheduled.

The portal provides interactive access to a number of national data sets for schooling. Data sets include general statistics on schooling and the nationally agreed key performances measures (KPMs) for schooling, specified in the Measurement Framework for Schooling in Australia 2015. The portal allows for a more timely release of actual data relating to the National Report on Schooling in Australia in advance of the concise report itself being published.

### Performance criterion

Review and revision of the Measurement Framework for Schooling in Australia, in consultation with stakeholders and advisory groups undertaken

### Measure

Scope of the review of the Measurement Framework for Schooling in Australia agreed to, with review underway in consultation with advisory groups and stakeholders

### Result

Not Achieved

Partially achieved

Achieved

### Supporting statement

At its meeting of 3 May 2018 the ACARA Board noted a proposal to undertake work on the Measurement Framework Review in two phases, with the first phase to be completed in the 2017-18 reporting period. This phase consisted of:

- minor amendments to reflect the National Assessment Program – Science Literacy (NAP-SL) sample assessment undertaken in 2018
- high level consultation with partners through ACARA advisory groups and government working groups to commence.

At its meeting of 1 June 2018, ACARA’s National Assessment, Data, Analysis and Reporting Group considered the phases of work to be undertaken and the need for this work to be informed by outcomes relating to national strategic work being discussed by jurisdictions. Amendments to the Measurement Framework relating to the NAP-SL were published on the ACARA website on 4 July 2018.

## Analysis of performance

The *My School* website was successfully updated and released as scheduled on 7 March 2018.

The 2018 *My School* update contained:

- 2017 NAPLAN results for schools
- 2017 school profile and population data
- 2016 school financial information, including capital expenditure and sources of funding.

The *My School* 2018 website was redesigned with changes including:

- a new look and feel
- mobile device responsive
- improved presentation of data pages
- increased accessibility
- rolled reporting for all multi-campus schools
- new NAPLAN home page
- simplified presentation of NAPLAN results in numbers, results in graphs and results in bands
- integration of the Principals' Portal and *My School* to allow principals to update their school comment on *My School*, with changes taking effect immediately.

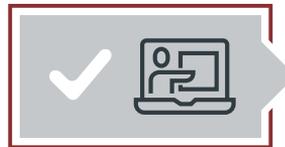
The number of applications under the Data Access Program decreased slightly (from 19 to 16 per month); turnaround time decreased from 13.2 to 12.1 days as a result of the improved availability of data and the efficiency of processing requests.



*The newly redesigned My School website for 2018 successfully published.*



*The Australian Schools List website updated quarterly.*



*National Report on Schooling data portal updated biannually.*



*Seven new data sets added to the National Report on Schooling data portal.*

## 2.4 National collaboration and leadership

**Purpose:**

*To provide effective national leadership in curriculum development, educational assessment and national reporting, and closely collaborate with jurisdictions, the non-government education sector and relevant stakeholders in pursuing the national education agenda.*

**Criteria source:**

Corporate Plan 2017–18 and Budget Portfolio Statements 2017–18: Education and Training – ACARA Budget Statements – Outcome 1 Program 1.4.



**Performance criterion**

An improved advisory structure that is fit for purpose is in place

**Measure**

Advisory structure published (strong level of satisfaction received, as measured through surveys in 2019 and 2021)

**Result**

Not Achieved

Partially achieved

Achieved

**Supporting statement**

ACARA published its advisory structure on the ACARA website and undertook a review of the terms of reference of its key advisory groups.

**Performance criterion**

A transparent and timely reporting process and structure is maintained

**Measure**

Progress reports against the annual work plan submitted to the Education Council and/or AESOC each year and at each meeting of the ACARA Board and all advice provided on time and of high quality

**Result**

Not Achieved

Partially achieved

Achieved

**Supporting statement**

During the reporting period, ACARA provided reports on its progress against its 2017–18 work plan to the March 2018 meeting of the Australian Education Senior Officials Committee (AESOC) and to the April 2018 meeting of the Education Council. Progress reports on the work undertaken during 2017–18 were provided to the ACARA Board at each scheduled meeting of the Board.

### Performance criterion

Collaboration with partners (government and non-government school sectors), national stakeholders and international education bodies clearly maintained

### Measure

Evidence of collaboration through regularly scheduled meetings of ACARA's key advisory groups, ACARA's attendance at key working groups and peak body opportunities, and evidence of communication with international education bodies

### Result

Not Achieved

Partially achieved

Achieved

### Supporting statement

During 2017–18, ACARA convened six meetings with its National Assessment, Data, Analysis and Reporting Reference Group, and four meetings with its Foundation – Year 12 Curriculum Reference Group. Both groups provided high-level advice to the ACARA executive to advance ACARA's strategic priorities.

Meetings were also held with ACARA's following key groups:

- Aboriginal and Torres Strait Islander Advisory Group
- Aboriginal and Torres Strait Islander Taskforce
- Measurement Advisory Group
- National Testing Working Group
- Recognition of Alternative Curriculum
- Students with Disability Advisory Group.

Other ACARA groups met as required during the reporting period, including the Finance Data Working Group, the National Report on Schooling Working Group and the Marking Quality Team.

ACARA attended scheduled meetings of the Data Strategy and Schools Policy groups in its role as an observer and, as a key member, participated in all meetings of the Online Assessment Working Group.

In addition, ACARA attended meetings of AESOC and the Education Council to speak to items relating to ACARA's work.

Throughout 2017–18, ACARA led and managed national communication initiatives for NAPLAN Online, produced communications for jurisdictional use, chaired the NAPLAN Online National Communications Group and held quarterly consultative meetings with peak stakeholders.

In addition, ACARA engaged with the Organisation for Economic Co-operation and Development's (OECD) project OECD 2030 and the French Government (New Caledonia) in relation to the English program for the Australian International Section within the French Baccalaureate.

### Partners and stakeholders

Throughout 2017–18, ACARA staff presented at national and international conferences and sector events, met regularly with peak parent and principal national bodies, and held partner, stakeholder and media briefings for major project releases.

## Analysis of performance

During 2017–18, ACARA sought feedback and advice on its work through its governance structure, advisory groups and peak body associations.

During the reporting period, ACARA reviewed the terms of reference for the National Assessment, Data, Analysis and Reporting (NADAR) Reference Group, for the F–12 Curriculum Reference Group and for key advisory groups.

In addition to progress reports against its work plan to the Education Council, the ACARA Board and AESOC, ACARA provided the Education Council and AESOC with a fortnightly report outlining key activities planned for the forthcoming two-week period.

During the reporting period, ACARA led Australia's participation in the Organisation for Economic Co-operation and Development's (OECD) 2030 project, which is aiming to develop a multidimensional learning framework for use by countries as they revise policy and curriculum in the future.

As part of its work relating to research on international developments in curriculum design, in June 2018 ACARA commenced a joint project with the Center for Curriculum Redesign (CCR) to further pursue the question of contemporary curriculum design, using Mathematics as the curriculum area under investigation.

ACARA also continued to provide support to the French government (New Caledonia) in relation to the English programme for the Australian International Section within the French Baccalaureate and expert assistance to the Ministry for Education.

## **Stakeholder engagement**

ACARA's stakeholders include Commonwealth, state and territory departments of education, national non-government school sectors' peak bodies, teachers, principals, parents and students, as well as the broader community. ACARA has a range of advisory and expert groups that provide advice to support ACARA's work and ensure it takes account of input from stakeholders and relevant experts.

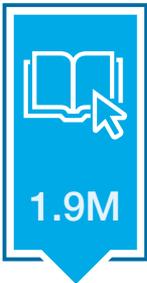
Throughout 2017–18, ACARA staff presented at more than 15 conferences and sector events, nationally and internationally, including EduTECH in Sydney; the Richard Selby Smith Oration by the Australian College of Educators and University of Tasmania; the 2018 National Indigenous Languages Convention in Queensland; the 2017 Australasian Curriculum, Assessment and Certification Authorities Conference, Darwin; the seventh International Conference on Probabilistic Models for Measurement, Perth; OECD 2030, France; the UNESCO Policy Forum, Philippines; the Global Education Leaders Partnership, Russia; the American Educational Research Association Conference in New York; Network on Education Quality Monitoring in the Asia Pacific (NEQMAP) in Thailand; and the Centre for Educational Assessment (Puspendik) in Indonesia.

ACARA hosted a number of foreign delegations including those from the Directorate of Secondary and Higher Education, Ministry of Education, Bangladesh; the Office of the Education Council (OEC), Ministry of Education, Thailand; the Human Resources Development Fund, Malaysia. These meetings provided important opportunities for enhancing ACARA's national and international reputation as a leader in curriculum development and national assessment.



*ACARA's CEO Robert Randall, Curriculum Specialist Danielle Cavanagh and GM Assessment and Reporting Dr Stanley Rabinowitz met with members of the Human Resources Development Fund, Malaysia, in October 2017*

ACARA continued to meet quarterly with peak parent and principal national bodies, and presented to these associations' board meetings, including those of the Catholic Secondary Principals Australia (CASPA), Australian Parents Council (APC), Australian Council of State School Organisations (ACSSO). Additionally, ACARA liaised regularly with a broad range of stakeholders including community and business. Stakeholder and media briefings were held for the NAPLAN National Report release, NAPLAN Summary Report release, and the release of *My School 2018*. ACARA hosted the Charles Leadbeater forum on student agency for curriculum directors and national parent and principal peak bodies in Sydney.



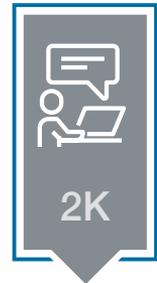
*1.9 million page views on ACARA website*



*24,000 subscribers to our newsletter*



*40,000 social media followers*



*2,000 emails from public responded to by ACARA*

## 2.5 Operational capability

**Purpose:**

*ACARA will recruit, develop and retain high-performing staff, and will foster positive and agile work culture. Its people will reflect the diversity and dynamism of the education community and have the skills and values needed to support ACARA's ongoing responsibilities as well as advance the authority's strategic proposals.*

**Criteria source:**

ACARA Corporate Plan 2017–18



### Performance criterion

Staff turnover rate

### Measure

Staff turnover rate consistent with turnover and retention benchmarks

#### Result

Not Achieved

Partially achieved

Achieved

### Supporting statement

At 30 June 2018, ACARA's staff turnover rate was 14.58 per cent for ongoing employees, with a higher level of natural attrition in early 2018. ACARA maintains a stable employment base across the organisation. Benchmarking for ACARA's staff turnover is against the overall Australian Public Service (APS) rate. At 31 December 2017\*, the APS separation rate for ongoing staff was 9.1 per cent. ACARA continues with the benchmark target aligned to the APS for future years.

The majority of ACARA's workforce comprises ongoing employees. The exit rate is calculated as the number of ongoing employee separations from the agency divided by the average number of employees at the beginning and the end of the reporting period. The balance of ACARA's workforce comprises employees engaged on fixed-term contracts to undertake project-based work. Employees on fixed-term contracts are not included in the above calculations.

*\* 2017–18 APS metrics were unpublished at the time of preparing this report.*

### Performance criterion

Level of staff satisfaction and/or engagement

### Measure

Strong level of staff satisfaction and/or engagement

#### Result

Not Achieved

Partially achieved

Achieved

### Supporting statement

ACARA's climate survey for staff was conducted in April 2018, 18 months after a baseline survey conducted in October 2016. The survey identifies the two main drivers of ACARA's organisational performance: employee engagement and organisational progress (measured as staff perceptions about organisational performance).

The employee engagement result, referring to positive attitudes and emotions that contribute to employee retention and productivity, was 76 per cent (11 per cent above the comparative Government – Administration benchmark, and 4 per cent above the 2016 climate survey result).

The progress result, as a measure of staff perceptions about organisational performance, was 62 per cent (11 per cent above the comparative Government – Administration benchmark; and on par with the 2016 climate survey result).

Climate survey results were presented to the leadership on 5 June, and a high-level summary provided to all staff on 6 June. ACARA is engaging an employee representative group to independently review the 2018 results and present their findings to senior management in 2018–19.



## **3.0 MANAGEMENT AND ACCOUNTABILITY**

## 3.1 Corporate governance

### Enabling legislation and functions

ACARA is an independent statutory authority and a corporate Commonwealth entity established under Section 5 of the *Australian Curriculum, Assessment and Reporting Authority Act* (the ACARA Act) on 8 December 2008.

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 Education 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 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.

There were no changes to ACARA's enabling legislation in 2017–18.

### Directions and reporting

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 Council of Australian Governments' (COAG) Education Council. ACARA's strategic directions are set by its Charter and any other written instructions from the Education Council.

ACARA reports to the Education Council on progress against its Charter each year. ACARA reports to the federal minister for finance and the federal minister for education about requirements under the *Public Governance, Performance and Accountability Act 2013* (the PGPA Act).

### Responsible minister

The Australian Government Minister for Education and Training (the Minister) is the responsible minister for ACARA. For the 2017–18 financial year, the Minister for Education and Training was Senator the Hon Simon Birmingham.

### Governance framework

ACARA's governance framework provides the structure for informed decision-making, risk management and accountability. The framework has its foundation in the ACARA Act, which establishes a 13-member governing body. The ACARA Board includes a chair, a deputy chair and other members representing states, territories, Catholic schools and independent schools. Each member is appointed by the Minister by written instrument, with the agreement of the Ministerial Council.

The Board is accountable to the Parliament of Australia through the Minister. The Board is responsible for ensuring the proper and efficient performance of ACARA, and is the accountable authority under the PGPA Act.

Among other responsibilities, ACARA Board members are required to disclose to their fellow directors any material personal interest they may have in matters relating to the affairs of the authority. Information about procurement undertaken by ACARA is tabled at each meeting so that Board members can disclose potential or actual conflicts. A record of all disclosures is maintained by ACARA.

Further information about the Board, including membership, can be seen at 3.2 The Board.

ACARA's governance and advisory structure allows for input and advice from key stakeholder groups and experts. This advice assists the executive in making recommendations to the ACARA Board and to the Education Council. It also supports ACARA in achieving the objectives of its Charter in a consultative and collaborative way. An overview of ACARA's advisory groups in 2017–18 can be seen on the following pages.

## The Chief Executive Officer

The Chief Executive Officer (CEO) acts on behalf of ACARA and is accountable to the ACARA Board. The CEO consults the Board on all matters relating to the performance of ACARA functions and provides information necessary for Board members to fulfil their governance responsibilities. In December 2015, Mr Robert Randall was reappointed as ACARA's CEO for a period of three years, with effect from 10 February 2016.

## The Executive Committee

The Executive Committee is a standing committee that supports the CEO in managing the day-to-day administration of ACARA. Responsibilities include, but are not limited to, the performance of ACARA in achieving the outcomes of the Portfolio Budget Statements; in fulfilling the mission, purposes and objectives outlined in ACARA's Corporate Plan 2017–18; in allocating resources; and in managing enterprise-wide risks, legislative compliance, stakeholder relations and corporate governance. In 2017–18, the Executive Committee met monthly as a group and twice each month as a part of the Senior Management Group.

## Advisory groups

ACARA is supported by advisory groups that assist in the performance of its functions and provide input and expertise across ACARA's work priorities.

ACARA's reference groups ensure that jurisdictions and a range of stakeholder organisations have regular and meaningful opportunities to provide advice and other input to ACARA. Members are expected to represent high-level views of their jurisdiction or organisation on matters discussed by the reference groups and to ensure, as far as practicable, that information relating to the work of the reference groups is communicated back to the relevant members of their jurisdiction or organisation.

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

### ***Aboriginal and Torres Strait Islander Advisory Group***

The Aboriginal and Torres Strait Islander Advisory Group provides ACARA with expert guidance and advice about the representation of Aboriginal and Torres Strait Islander histories and cultures in the Australian Curriculum. It also advises ACARA on the protocols and cultural sensitivities that need to be considered by ACARA business units as ACARA proceeds with its curriculum, assessment and reporting programs. The group comprises individuals with demonstrated expertise in Aboriginal and Torres Strait Islander education and community engagement.

### ***Aboriginal and Torres Strait Islander Education Taskforce***

The Aboriginal and Torres Strait Islander Education Taskforce was established in the reporting period to oversee a project to review and renew the place of the Aboriginal and Torres Strait Islander Histories and Cultures cross-curriculum priority in the Australian Curriculum.

The group consists of three ACARA Board members and four members of the Aboriginal and Torres Strait Islander Advisory Group. Members bring expertise in curriculum development and implementation, which supports both Indigenous and non-Indigenous students in their learning about Australia's first nations.

### ***ACARA Research and Data Committee***

The ACARA Research and Data Committee considers data requests for research from third parties (other than requests from education ministers) for unpublished or sensitive data. The committee uses the framework set by the Data Access Protocols, 2012, and the Principles and protocols for reporting on schooling in Australia, 2009, to make its decisions.

### ***Curriculum Directors Group***

The Curriculum Directors Group has been established to facilitate information-sharing, collaboration and support for the Australian Curriculum between ACARA and representatives of state and territory curriculum and school authorities. Members are drawn from government, Catholic and independent school sectors across all jurisdictions and bring to the group high-level curriculum implementation expertise.

### ***F–12 Curriculum Reference Group***

The F–12 Curriculum Reference Group gives high-level expert advice to the ACARA executive in support of strategic initiatives that enhance the development, implementation and improvement of the Australian Curriculum. Members of this group bring a range of jurisdictional perspectives that reflect national, state and territory priorities.

The group has representatives from each state and territory and federal government, nominated by the relevant member of the Australian Education Senior Officials Committee (AESOC) member, and one nominee from the National Catholic Education Commission (NCEC) and the Independent Schools Council of Australia (ISCA).

### ***Finance Data Working Group***

The Finance Data Working Group gives advice and assistance to ACARA's executive on ACARA's national responsibilities associated with financial reporting on schooling and Australia's schools. This helps ACARA in the collection and reporting of school finance data for *My School*.

### ***Marking Quality Team***

The Marking Quality Team participates in the development and review of NAPLAN writing prompts. Members develop consensus scores for the training and control materials used to ensure national consistency of marking for the NAPLAN writing tests. The group also advises on required changes to marking guide exemplars. Members attend training on delivering a common marker training package to the state and territory markers in their jurisdiction. 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 provides ACARA's executive with high-level expert and independent educational measurement and assessment advice and input for the National Assessment Program (NAP) and 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.

### ***NAP Communications Group***

The NAP Communications Group was established to help facilitate implementation of the NAPLAN Online communications and engagement strategy and to allow group members to remain informed about ACARA's NAP communications activities. The group comprises representatives from each jurisdiction and sector, through nomination by the relevant organisation. The group acts as a conduit for coordinating communications and engagement activities concerning NAPLAN Online within their organisation or jurisdiction.

### ***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, opportunities and potential risks associated with the work proposed and undertaken by ACARA within the scope of its remit. The group ensures that jurisdictions or organisations have regular and meaningful opportunities to provide advice and feedback to ACARA on its assessment and reporting work program.

The group has representatives from all departments of education, test administration authorities (where these are separate from the 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 develop the planning framework/format for the annual National Report on Schooling in Australia and contributes to review of the draft report.

### ***National Testing Working Group***

The National Testing Working Group is a forum for information-sharing and collaboration among 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.

### ***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 contribute towards the goals of the Melbourne Declaration on Educational Goals for Young Australians (the Melbourne Declaration) with respect to students with disability.

### **Accountability and reporting**

ACARA has a range of mechanisms to ensure transparency and accountability in its operations. Key documents for 2017–18 included:

- ACARA Charter – endorsed by the Education Council in November 2016, providing the Council’s strategic directions for ACARA
- ACARA Corporate Plan 2017–18 – a requirement of section 35 of the PGPA Act
- Portfolio Budget Statements (PBS) – annual statements informing members of the Australian parliament on proposed allocation of resources to government outcomes and programs
- ACARA Quadrennial Work Plan 2017–18 to 2020–21 – endorsed by the Education Council in January 2018
- ACARA Annual Work Plan 2017–18 – a detailed work plan, endorsed by the Education Council in October 2017, which sets out agreed activities to guide the work of the ACARA Board, CEO, executive and staff for the year, and against which progress is monitored and reported on
- ACARA Annual Report 2016–17 – provided to the Minister for Education and Training for presentation to the Australian parliament, required by section 46 of the PGPA Act.

## 3.2 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 comprises 13 non-executive members who are nominated by federal, state and territory education ministers, as well as by the National Catholic Education Commission and the Independent Schools Council of Australia.

During the reporting period, three members retired, in accordance with section 18 of the ACARA Act. In line with sections 13 and 14 of the ACARA Act, the three-year appointments of four members ended and two reappointments to the Board were made in addition to four new appointments.

Note: Ms Belinda Robinson was appointed ACARA Board Chair in August 2018.

### Board membership

Membership of the ACARA Board is established under section 13 of the ACARA Act. It comprises nominees of education ministers and national peak non-government school bodies, agreed to by the Education Council. The ACARA Board held seven meetings during the 2017–18 reporting period, two of which were informal for quorum reasons.



#### ***Chair – Emeritus Professor Steven Schwartz AM***

Emeritus Professor Steven Schwartz AM has served as vice-chancellor and president of three universities (Macquarie and Murdoch Universities in Australia and Brunel University in England). He is a Director of Teach for Australia and the Australian Scholarship Foundation. Professor Schwartz is also the former national chairman of the Fulbright Commission. He is a Fellow of the Academy of Social Sciences, a Royal Society Exchange Fellow and a NATO Fellow. Professor Schwartz is a prize-winning researcher, teacher and author of 13 books.

Qualifications held: BA, MS, PhD.

*Appointment to the Board ended on 7 May 2018.*



### ***Deputy Chair – Norm Hart***

Mr Hart is the former president of the Australian Primary Principals Association (APPA), appointed to APPA in January 2011. He began his teaching career on Palm Island, Queensland, in 1975 and was appointed as a primary school principal in 1978. Over a thirty-year period, he led small one-teacher schools through to large schools with over 700 students. He has also held the positions of president of the Queensland Association of State School Principals and the Australian Government Primary Principals Association. Until his retirement on 31 December 2014 as APPA president, Mr Hart represented principals in government, Catholic and independent primary schools across Australia.

Qualifications held: M Ed, B Ed St, Dip Teach.

*Appointed to the Board on 24 May 2018.*



### ***Ms Susan Bowden***

Ms Susan Bowden is Executive Director, Education Policy and Programs, Department of Education, Northern Territory Government, and nominee of the NT education minister.

Qualifications held: BEd, MEDL.

*Appointment to the Board ended on 7 May 2018.*

*Reappointed to the Board on 22 May 2018.*



### ***Mr Allan Blagaich***

Mr Allan Blagaich is Executive Director, School Curriculum and Standards Authority, Western Australia Department of Education and Training, and nominee of the WA education minister.

Qualifications held: BA, Dip Ed.

*Appointed to the Board on 22 May 2018.*



### ***Mr Tim Bullard***

Mr Tim Bullard is Secretary, Department of Education, Tasmania, and nominee of the Tasmanian education minister.

Qualifications held: BA/LLB (Hons) Grad Dip (Legal Practice).



### ***Ms Susan Cameron***

Ms Susan Cameron is Executive Director, Learning Improvement Department of Education and Child Development (DECD), South Australia, and nominee of the SA education minister.

Qualifications held: Dip.T., B.Ed.



**Mr David de Carvalho**

Mr David de Carvalho is Chief Executive Officer, NSW Education Standards Authority, and nominee of the NSW education minister.

Qualifications held: BA(Hons), DipEd, BTheol, MPublaw, EMPA.

*Appointed to the Board on 30 November 2017.*



**Ms Deb Efthymiades**

Ms Deb Efthymiades is Deputy Director-General, ACT Education Directorate, and nominee of the ACT education minister.

Qualifications held: BEd, MEd, MIM.



***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.

*Appointment to the Board ended on 7 May 2018.*



**Ms Valerie Gould**

Ms 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 Michael Hewitson AM**

Mr Michael Hewitson AM is an author and the retired foundation principal of Trinity College, Gawler, now Deputy Mayor of Unley (South Australia), and nominee of the federal education minister.

Qualifications held: BSc (Hons) Dip Ed B.Ed, FACE.

*Reappointed to the Board on 30 November 2017.*



**Mr Paul Hewitt**

Mr Paul Hewitt was Executive Director, Learning Standards, at the NSW Education Standards Authority, and nominee of the NSW education minister.

Qualifications held: MA, Grad DipEd, DipT.

*Appointment to the Board ended on 17 November 2017.*



**Dr David Howes**

Dr David Howes is Chief Executive Officer of the Victorian Curriculum and Assessment Authority and nominee of the Victorian education minister.

Qualifications held: BA (Hons), Dip Ed, MEd, PhD.

*Appointment to the Board ended on 7 May 2018.*



**Dr Tim McDonald**

Dr Tim McDonald was Executive Director of Catholic Education, the Catholic Education Office, Western Australia, and nominee of the National Catholic Education Commission.

Qualifications held: EdD, MEd, BEd (Hons), DipT.

*Appointment to the Board ended on 13 October 2017.*



**Dr Neil McGoran**

Dr Neil McGoran is Director of Catholic Education, South Australia, and nominee of the National Catholic Education Commission.

Qualifications held: BA, GradDipEd, GradCertRE, MEd(Curric), EdD, MBA.

*Appointed to the Board on 22 May 2018.*



**Ms Patrea Walton**

Ms Patrea Walton is Deputy Director-General, Queensland Department of Education and Training, and nominee of the Queensland education minister.

Qualifications held: BEd, DipT.

*Appointment to the Board ended on 31 May 2018.*

## Board member appointments

Members	Initial appointment	Appointment ending
Emeritus Prof. Steven Schwartz	June 2015	May 2018
Mr Norm Hart	May 2018	May 2021
Mr Allan Blagaich	May 2018	May 2021
Ms Susan Bowden	July 2013	May 2019
Mr Tim Bullard	November 2016	November 2019
Ms Susan Cameron	June 2017	June 2020
Mr David de Carvalho	November 2017	November 2020
Ms Deb Efthymiades	November 2016	November 2019
Emeritus Prof. Patrick Garnett	May 2012	May 2018
Ms Valerie Gould	July 2014	June 2020
Mr Paul Hewitt	June 2015	November 2017
Mr Michael Hewitson	July 2014	November 2020
Dr David Howes	June 2015	May 2018
Dr Tim McDonald	June 2015	October 2017
Dr Neil McGoran	May 2018	May 2021
Ms Patrea Walton	June 2014	May 2018

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

## Meetings of the Board

Date	Meeting	Apologies	Location
24 August 2017	72	Patrea Walton	Level 13, 280 Elizabeth Street, Sydney 2000
19 October 2017	73	Paul Hewitt	Level 13, 280 Elizabeth Street, Sydney 2000
7 December 2017	74	Valerie Gould	Level 13, 280 Elizabeth Street, Sydney 2000
28 February 2018	Board teleconference meeting	Susan Bowden, David de Carvalho	Video/teleconference
22 March 2018	75	Patrea Walton	Level 13, 280 Elizabeth Street, Sydney 2000
3 May 2018	76 (informal)		Level 13, 280 Elizabeth Street, Sydney 2000
21 June 2018	77 (informal)		Education Development Centre, 4 Milner St, Hindmarsh, Adelaide 5007

## Committees of the Board

### Audit and Risk Committee

The Audit and Risk Committee provides assurance and assistance to the ACARA Board on governance arrangements, financial reporting, systems of risk management, oversight of systems of internal control and performance monitoring.

### Audit and Risk Committee membership

ACARA's Audit and Risk Committee comprises five–six members (including the Chair), with a minimum of two members of the ACARA Board. During the reporting period, the committee provided independent assurance and advice to the Board on ACARA's governance, risk control and compliance framework, and financial statement responsibilities. In 2017–18, the Audit and Risk Committee met four times.

The Audit and Risk Committee comprises:

- Mr Michael Hewitson (Chair)
- Ms Susan Bowden (appointment to the committee ended 7 May 2018. Reappointed to the committee on 22 May 2018).
- Mr Paul Crombie (independent member)
- Dr Tim McDonald (appointment to the committee ended 13 October 2017)
- Mr Gilbert Smith (independent member)

### Audit and Risk Committee meetings

Date	Meeting	Apologies	Location
15 August 2017	Meeting 38	Gil Smith	Level 13, 280 Elizabeth Street, Sydney 2000
15 November 2017	Meeting 39	Gil Smith	Level 13, 280 Elizabeth Street, Sydney 2000
27 February 2018	Meeting 40	Susan Bowden	Level 13, 280 Elizabeth Street, Sydney 2000
29 May 2018	Meeting 41	Nil	Level 13, 280 Elizabeth Street, Sydney 2000

## 3.3 Risk management

ACARA has a risk management policy and a risk management framework in place. These set policies and guidelines for risk management at all levels of the organisation, including stipulating ACARA's risk appetite in various domains. The aims of ACARA's risk policy and framework are to:

- enable ACARA to proactively identify and manage its risks in a systematic and structured way
- integrate 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).

### Fraud control

Under the Australian Government legislation, there is a requirement for all agencies to have a fraud control plan. ACARA has a fraud control policy and plan in place to satisfy this requirement, which were reviewed and endorsed during 2017–18. The core objectives of ACARA's fraud control policy are to identify potential fraud risk categories, to which ACARA is exposed, and to outline responsibilities for fraud control. ACARA has also undertaken fraud risk assessments and has in place appropriate mechanisms that meet the specific needs of ACARA for preventing, detecting, investigating or otherwise dealing with, and recording or reporting fraud. In the 2017–18 period, ACARA took all reasonable measures to prevent and deal appropriately with fraud relating to the entity.

## 3.4 Financial management

ACARA is a separate legislative statutory authority that manages funding in accordance with its Charter. Its funding is approved annually by the Education Council, which has endorsed a 50 per cent contribution by the Commonwealth and 50 per cent contributions by state and territory governments.

ACARA also delivers priority projects on behalf of the Commonwealth government, which provides a separate revenue source above its Charter funding.

ACARA manages all funding in compliance with government policy, guidelines and legislative requirements, where applicable. ACARA's financial accountability and reporting responsibilities are set out in section 46 of the Public Governance, Performance and Accountability Act 2013 (PGPA Act) and are based on efficient, effective and ethical use of allocated resources. ACARA works within a financial control framework, which ensures that ACARA administers its responsibilities appropriately and effectively.

### Analysis of financial performance

ACARA delivered an annual surplus of \$228,000 for the year ended 30 June 2018. This has been achieved through clear performance goals and strong financial management. Separately funded projects increased the percentage of expenditure against its approved charter funding.

At 30 June 2018, the cash and cash-equivalent balance of ACARA was \$7.35 million. Where cash and cash-equivalents exceeded ACARA's at call requirements, they were transferred to investments in accordance with ACARA's investment strategy.

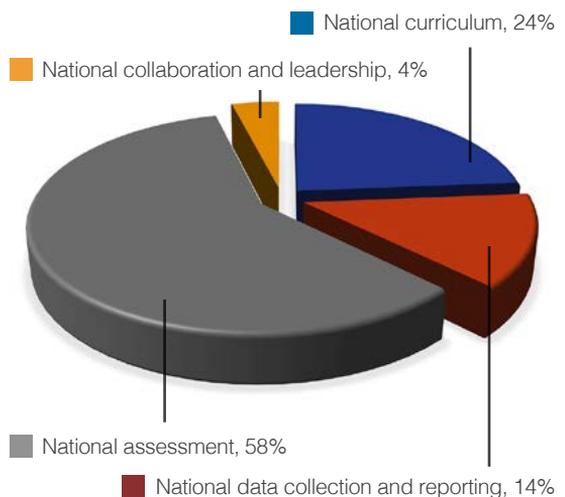
### Factors that have affected or may affect operations

No major financial factors have impacted ACARA's operations to date. ACARA's operations are dependent on funding from state, territory and Australian governments.

### Reportable decisions or issues

Under paragraph 19(1)(c), (d) or (e) of the PGPA Act, ACARA must notify the federal Minister for Education and Training of any significant decisions or issues. There were no significant decisions or issues reportable under these provisions for the year ended 30 June 2018.

### ACARA expenditure by workplan



## 3.5 Workforce management

### Staff profile

As at 30 June 2018, ACARA's employees comprised 88.8 full-time equivalent (FTE) staff, in addition to two staff members engaged as secondees from state/territory agencies.

ACARA's diverse workforce brings to the organisation a valuable range of skills and expertise, helping foster productive relationships within the education sector. Many staff members are considered experts in their fields, bringing to their roles important local and international experience. They have been recruited or seconded from positions within state or territory education departments, curriculum, assessment and certification authorities, non-government school sector, federal and state government agencies, and private sector. This means that ACARA's workforce reflects the complexity and dynamism of Australia's education community.

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 achievement.

### Leadership

As part of the HR strategy, greater emphasis has been placed on talent management, development and engagement at ACARA. Leadership remains a key capability for our managers, and ACARA has actively supported a specific focus on developing the leadership capability through a leadership program. The program uses a blended learning approach in its delivery and impact.

From March 2018, all managers and executives participate in training, coaching and forums each quarter over two years.

The Senior Management Group (SMG) was invited to participate in a 360-feedback process in March 2018. This feedback, while anonymous, is highly valuable for our SMG members to further build their leadership capability.

### ACARA Enterprise Agreement 2017

ACARA's Enterprise Agreement (EA) 2012–2016 nominally expired on 1 July 2016. ACARA management negotiated ACARA's proposed 2017 agreement within the framework set by the Australian Public Service Commission (APSC) workplace bargaining policy 2015. ACARA's Enterprise Agreement 2017 was approved by the Fair Work Commissioner on 10 October, meaning that conditions of the new EA came into effect on Tuesday 17 October 2017. In November 2017, ACARA formed an EA implementation working group, with the purpose to review the implementation of clauses and any related policy and procedures.

### Reconciliation Action Plans

In 2016–17, ACARA launched its first Reconciliation Action Plan (Reflect RAP 2017) to support staff learning about Aboriginal and Torres Strait Islander histories and cultures, and to contribute to the journey towards reconciliation. In 2018, ACARA commenced working on the Innovate phase of its Reconciliation Action Plan (Innovate RAP 2018–2020).

RAP activities undertaken to June 2018 include:

- More than one-third of ACARA's staff voluntarily undertook to complete an online, nationally accredited Aboriginal and Torres Strait Islander cultural competency course through the Centre for Cultural Competence Australia, and cultural awareness was integrated into ACARA's new starter induction program.
- ACARA's staff observed key dates significant to Aboriginal and Torres Strait Islander peoples, including the Redfern Park Speech, NAIDOC Week, National Sorry Day and National Reconciliation Week.
- The chairperson of ACARA's Aboriginal and Torres Strait Islander Advisory Group became an observer at ACARA Board meetings.

## 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, Assessment and Reporting: Dr Stanley Rabinowitz (from July 2014)
- Director, Curriculum: Ms Janet Davy (from April 2018); Dr Fiona Mueller (from February 2016 to October 2017)
- Chief Financial Officer / Director, Business Services: Ms Ainslee Scott (from January 2017)
- Director, Communications and Strategic Relations: Ms Ann-Maree Ashburn (from July 2016).

## Chief Executive Officer



**Mr Robert Randall** has been Chief Executive Officer of ACARA since November 2012. He is responsible for the day-to-day administration of ACARA and is accountable to the ACARA Board. Mr Randall has more than 20 years' experience working across curriculum, assessment and reporting in Australia at both state and national level.

Prior to his appointment as CEO, Mr Randall held the positions of Deputy CEO and General Manager, Curriculum, at ACARA, establishing policy and process frameworks for the development and implementation of the Australian Curriculum. In the lead-up to the establishment of ACARA, Robert was General Manager of the Interim National Curriculum Board.

Mr Randall began his career as a teacher of mathematics in Perth before occupying a range of positions within and beyond schools in 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.

Mr Randall holds a Master of Educational Management from the University of Western Australia, a Graduate Diploma in Education from the Western Australian Secondary Teachers College and a Bachelor of Applied Science (Mathematics) from the Western Australian Institute of Technology.

**General Manager,  
Assessment and Reporting**



**Dr Stanley Rabinowitz** commenced his role as General Manager, Assessment and Reporting, at ACARA in July 2014. He was previously Senior Program Director of WestEd's Assessment & Standards Development Services in the United States (US), where he was Director of the National Center for Standards and Assessments Implementation (CSAI) and the Smarter Balanced Assessment Consortium Project Management Partner.

Prior to joining WestEd, Dr Rabinowitz worked as State Assessment Director for the New Jersey Department of Education. Dr Rabinowitz has consulted extensively on standards, assessment and school/educator accountability issues with researchers, policymakers and assessment staff at national, state and district levels in the US. He was involved with more than a dozen state and national technical advisory committees, including the Common Core State Standards National Validation Committee, and has experience in supporting the design and implementation of new standards, assessment and accountability systems.

Stanley received a bachelor degree from Brooklyn College, and his MS and PhD in Educational Psychology and Statistics from the State University of New York at Albany, New York, USA.

**Director,  
Curriculum**



**Ms Janet Davy** joined ACARA in April 2018. She was previously Deputy Secretary within the NSW Department of Education, which followed her role as Group Manager for Curriculum, Assessment and Teaching in the Australian Government Department of Education, Employment and Workplace Relations and prior to that, Secretary of the ACT Department of Education.

As with many of ACARA's staff, Ms Davy began her career as a teacher, teaching Personal Development, Health and Physical Education (PDHPE) to Sydney secondary students.

Janet held various senior curriculum roles in the Department and the NSW Board of Studies. She also worked with AusAID (Papua New Guinea and the Solomon Islands), undertaking high-level change management roles, including a position of Program Manager for the Papua New Guinea Education Capacity Building Program.

**Chief Finance Officer /  
Director, Business Services**



**Ms Ainslee Scott** joined the Executive team of ACARA in January 2017 as Director of Business Services. Ms Scott is responsible for ACARA's financial management, external reporting, project management and corporate services. She provides strategic advice to the Chief Executive Officer and ACARA Board on business process improvement, including governance and risk management practices.

Prior to joining ACARA, Ms Scott held a number of senior positions across the public and private sectors, including NSW Treasury, TransGrid and Colonial First State. She has a strong and diverse background in accounting, strategic and corporate planning, project management, implementation and change leadership.

Ms Scott holds an Executive Master's Degree in Business Administration (MBA) from the Australian Graduate School of Management, is a certified practicing accountant (CPA) and a member of Women on Boards.

**Director, Communications  
and Strategic Relations**



**Ms Ann-Maree Ashburn** joined ACARA in July 2016 with over 20 years' experience in government, communications and stakeholder relations.

Ms Ashburn has worked at a senior level in government, including as a ministerial adviser, and has held senior corporate affairs and communications roles in the corporate and not-for-profit sectors, including at Oil States International, Insurance Australia Group, the American Chamber of Commerce in Singapore, and Hill and Knowlton.

## 3.6 Reporting on other requirements

### Evidence to parliamentary committees

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

- Supplementary Budget Estimates (26 October 2017)
- Additional Estimates (1 March 2018)
- Budget Estimates (5 June 2018).

### Judicial decisions and reviews by outside bodies

There was no decision by the Administrative Appeals Tribunal (AAT) in relation to ACARA's operations during this reporting period.

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

### Compliance with the PGPA Act

During 2017–18, ACARA maintained appropriate internal controls and processes to review its compliance with the finance law, including to ensure that instances of significant non-compliance were notified to the responsible minister in accordance with section 19 of the PGPA Act. ACARA identified no instances of significant non-compliance and did not report any non-compliance to the minister for education in the reporting period.

### Work health and safety

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 the form of inductions and online refresher courses, where 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.

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 and from work. Emphasis is placed on mitigating work-related 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 three months to discuss health and safety issues identified by staff, or hazards that have been identified during workplace inspections. ACARA's Perth office has 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 2017–18, no new claims were 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 in 'conducting a business or undertaking', in accordance with the Act.

ACARA's Audit and Risk Committee is advised of any issues arising and the actions carried out to mitigate WHS risks.

In 2017–18, consistent with the legislative requirements of the Work Health and Safety Act 2011, ACARA aimed to provide and promote a safe and healthy workplace by:

- eliminating or reducing the risk of hazards
- encouraging health initiatives; for example, by providing fruit to all staff and installing sit-to-stand desks in the Sydney office.
- arranging for influenza vaccinations to be available for all staff at no charge
- providing access to the Employee Assistance Program
- introducing a functional first aid room with amenities to support staff, including those returning from parental leave
- conducting a training program to cover laws and regulations around workplace bullying and harassment, as well as educate staff on their responsibilities.
- conduct regular workplace inspections and encourage reporting of any incidents or hazards.

## Insurance and indemnities

During 2017–18, 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.

## Ministerial directions

No policy orders have been issued by the Australian Government under the PGPA Act.

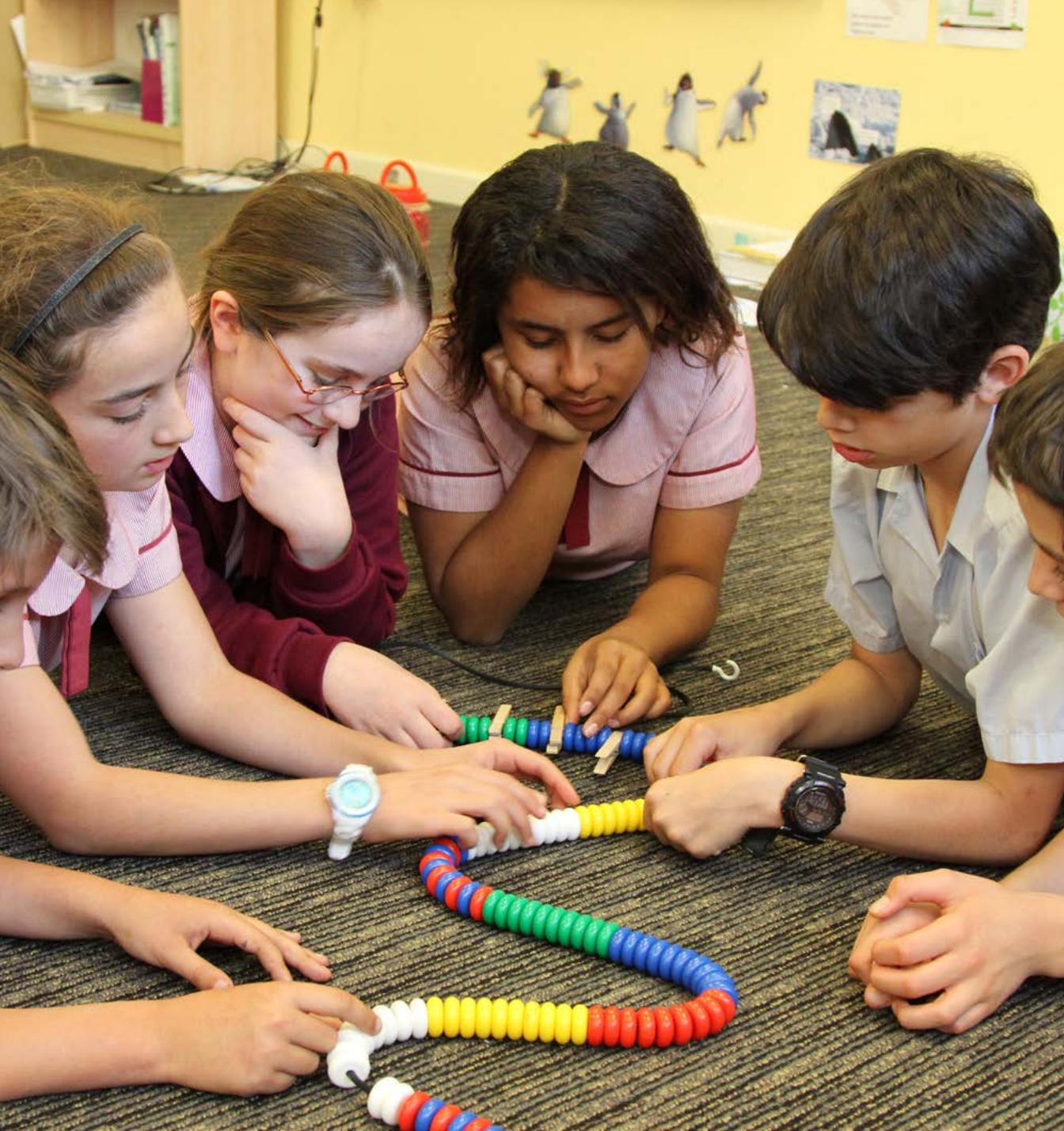
## Ecologically sustainable development and environmental performance

ACARA continues its commitment to ecological sustainability across its operations.

During 2017–18, ACARA continued to embed the use of new technologies and improving flexible workplace practices. This was enabled by means of initiatives, undertaken in 2016–17, where:

- Laptop computers were assigned to all staff, reducing the reliance on written and printed materials.
- Video-conferencing facilities were installed in Sydney and Perth offices, and are utilised as a preference to travel, wherever possible.
- Electronic cloud storage was introduced, enabling staff to more effectively work remotely, reducing travel.

ACARA has continued its recycling program through its Sydney office tenancy. Items that can be recycled include glass, paper, metal, plastics and printer cartridges.



## 4.0 FINANCIAL STATEMENTS

## 4.1 Statement by the Accountable Authority, Chief Executive Officer and Chief Financial Officer / Director, Business Services

In our opinion, the attached financial statements for the year ended 30 June 2018 comply with subsection 42(2) of the *Public Governance, Performance and Accountability Act 2013* (PGPA Act), and are based on properly maintained financial records as per subsection 41 (2) of the PGPA Act.

In our opinion, at the date of this statement, there were reasonable grounds to believe that ACARA, the Australian Curriculum, Assessment and Reporting Authority, has sufficient funds to meet its debts and will be able to pay its debts as and when they fall due.

This Statement is made in accordance with a resolution of the directors.



**Ms. Belinda Robinson FAICD**  
Chair

Dated this 24th day of August 2018



**Mr. Robert Randall**  
Chief Executive Officer

Dated this 24th day of August 2018



**Ms Ainslee Scott**  
Chief Financial Officer/ Director,  
Business Services

Dated this 24th day of August 2018

## 4.2 Independent auditor's report



### INDEPENDENT AUDITOR'S REPORT

#### To the Minister for Education and Training

#### Opinion

In my opinion, the financial statements of the Australian Curriculum, Assessment and Reporting Authority for the year ended 30 June 2018:

- (a) comply with Australian Accounting Standards – Reduced Disclosure Requirements and the *Public Governance, Performance and Accountability (Financial Reporting) Rule 2015*; and
- (b) present fairly the financial position of the Australian Curriculum, Assessment and Reporting Authority as at 30 June 2018 and its financial performance and cash flows for the year then ended.

The financial statements of the Australian Curriculum, Assessment and Reporting Authority, which I have audited, comprise the following statements as at 30 June 2018 and for the year then ended:

- Statement by the Accountable Authority, Chief Executive Officer and Chief Financial Officer Director, Business Services;
- Statement of Comprehensive Income;
- Statement of Financial Position;
- Statement of Changes in Equity;
- Cash Flow Statement; and
- Notes to and forming part of the financial statements, comprising a Summary of Significant Accounting Policies and other explanatory information.

#### Basis for Opinion

I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Australian Curriculum, Assessment and Reporting Authority in accordance with the relevant ethical requirements for financial statement audits conducted by the Auditor-General and his delegates. These include the relevant independence requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) to the extent that they are not in conflict with the *Auditor-General Act 1997*. I have also fulfilled my other responsibilities in accordance with the Code. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

#### Accountable Authority's Responsibility for the Financial Statements

As the Accountable Authority of the Australian Curriculum, Assessment and Reporting Authority, the Board of Directors is responsible under the *Public Governance, Performance and Accountability Act 2013* for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under that Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board is responsible for assessing the Australian Curriculum, Assessment and Reporting Authority's ability to continue as a going concern, taking into account whether the entity's operations will cease as a result of an administrative restructure or for any other reason. The Board is also responsible for disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the assessment indicates that it is not appropriate.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian National Audit Office Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with the Australian National Audit Office Auditing Standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Accountable Authority;
- conclude on the appropriateness of the Accountable Authority's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the entity to cease to continue as a going concern; and
- evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

Australian National Audit Office



Peter Kerr

Executive Director

Delegate of the Auditor-General

Canberra

24 August 2018

## 4.3 Financial statements

### Statement of comprehensive income for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000	Original budget \$'000
<b>NET COST OF SERVICES</b>				
<b>Expenses</b>				
Employee benefits	2.1(a)	12,250	11,634	14,274
Supplier expenses	2.1(b)	15,642	15,902	13,589
Depreciation and amortisation		722	698	700
Loss on disposal of assets		12	-	-
<b>Total expenses</b>		<b>28,626</b>	<b>28,234</b>	<b>28,563</b>
<b>Own source income</b>				
<b>Revenue</b>				
Revenue from jurisdictions – states and territories	2.2	12,966	13,000	13,212
Interest – bank deposits		206	86	60
Other revenue – projects and recoveries	2.2	2,569	3,021	2,503
<b>Total own source revenue</b>		<b>15,741</b>	<b>16,107</b>	<b>15,775</b>
<b>Net cost of / (contribution by) services</b>		12,885	12,127	12,788
Revenue from Government – Australian Government	2.2	13,036	12,996	12,788
<b>Surplus / (deficit) attributable to the Australian Government</b>		<b>151</b>	<b>869</b>	<b>-</b>
<b>Other comprehensive Income</b>				
Changes in asset revaluation		77	-	-
<b>Total comprehensive income / (deficit) attributable to the Australian Government</b>		<b>228</b>	<b>869</b>	<b>-</b>

#### Budget variances

1. Employee benefits – The organisation experienced a shortage of specialist expertise in the labour market.
2. Supplier expenses – The use of casual staff and contractors to service short term project engagements. Website development to bring control in-house at ACARA.
3. Interest – Maximising term deposit revenue opportunities, following timely receipt of grant contributions.
4. Other revenue –Funding from the Australian Government, Education Council, industry and international sources for project work in Curriculum and Assessment.
5. Revenue from Government – Additional funding for the NAP Sample Science Year 10 test.

*Variances are considered to be "major" based on the following:*

- The variance between budget and actual is greater than 2% or \$50K; and
- An item below this threshold but which is considered important for the readers understanding or is relevant to an assessment of the discharge of accountability and to an analysis of performance of ACARA.

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

**Statement of financial position**  
**as at 30 June 2018**

	Note	2018 \$'000	2017 \$'000	Original budget \$'000
<b>Assets</b>				
<b>Financial assets</b>				
Cash and cash equivalent deposits		7,352	6,779	5,453
Trade and other receivables	3.1	8,819	6,822	5,353
Accrued revenue		36	5	-
<b>Total financial assets</b>		<b>16,207</b>	<b>13,606</b>	<b>10,806</b>
<b>Non-financial assets</b>				
Fixture & fittings	3.2	1,028	1,524	1,100
Plant and equipment	3.2	308	425	407
Intangibles		-	-	-
Other non-financial assets		280	61	85
<b>Total non-financial assets</b>		<b>1,616</b>	<b>2,010</b>	<b>1,592</b>
<b>Total assets</b>		<b>17,823</b>	<b>15,616</b>	<b>12,398</b>
<b>Liabilities</b>				
<b>Payables</b>				
Suppliers	3.3(a)	2,407	3,010	1,700
Grants in advance (deferred revenue)	3.3(b)	10,868	8,233	7,803
<b>Total payables</b>		<b>13,275</b>	<b>11,243</b>	<b>9,503</b>
<b>Provisions</b>				
Make-good provision		364	353	380
Employee provisions	4.1	2,249	2,236	1,600
<b>Total provisions</b>		<b>2,613</b>	<b>2,589</b>	<b>1,980</b>
<b>Total liabilities</b>		<b>15,888</b>	<b>13,832</b>	<b>11,483</b>
<b>Net assets</b>		<b>1,935</b>	<b>1,784</b>	<b>915</b>
<b>Equity</b>				
Retained surplus		1,935	1,707	915
Reserves		-	77	-
<b>Total equity</b>		<b>1,935</b>	<b>1,784</b>	<b>915</b>

Budget variances

1. Cash and cash equivalent deposits – Grant funds received in advance of 2018-19 and anticipated cash outflows lower than expected for some project work.
2. Trade and other receivables – Raised the 2018-19 funding contributions for all States and Territories in advance and for part of the 2018-19 Commonwealth contributions in advance to ensure on-going operations.
3. Plant and equipment – Asset replacement not required in 2017-18 as equipment current, move to Cloud services reduced further investment in IT infrastructure.
4. Other non-financial assets – Increase reflects prepayment of rent and IT maintenance following the implementation of a new financial system.
5. Suppliers – Increase in the invoices held, due to project related expenses.
6. Grants in advance – Raised the 2018-19 funding contributions for all States and Territories in advance and for part of the 2018-19 Commonwealth contributions in advance to ensure on-going operations.
7. Employee provisions – Portability of employee entitlements from qualifying institutions has increased employee entitlements.

*Variances are considered to be “major” based on the following:*

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

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

**Statement of changes in equity  
for the year ended 30 June 2018**

	Retained earnings			Asset Revaluation Reserve			Total equity		
	2018 \$'000	2017 \$'000	Original budget \$'000	2018 \$'000	2017 \$'000	Original budget \$'000	2018 \$'000	2017 \$'000	Original budget \$'000
<b>Opening balance</b>	1,707	838	915	77	77	-	1,784	915	915
<b>Comprehensive income</b>									
Surplus / (deficit) for the period(s)	228	869	-	-	-	-	228	869	-
Other comprehensive income	-	-	-	(77)	-	-	(77)	-	-
<b>Total comprehensive income</b>	<b>228</b>	<b>869</b>	<b>915</b>	<b>(77)</b>	<b>-</b>	<b>-</b>	<b>151</b>	<b>869</b>	<b>-</b>
<b>Closing balance as at 30 June</b>	<b>1,935</b>	<b>1,707</b>	<b>915</b>	<b>-</b>	<b>77</b>	<b>-</b>	<b>1935</b>	<b>1,784</b>	<b>915</b>

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

## Cash flow statement

for the year ended 30 June 2018

	Note	2018 \$'000	2017 \$'000	Original budget \$'000
<b>OPERATING ACTIVITIES</b>				
<b>Cash received</b>				
Receipts from Government and jurisdictions		29,299	30,149	27,702
Interest		174	82	60
Net GST received		-	94	145
Other cash received		17	593	-
<b>Total cash received</b>		<b>29,490</b>	<b>30,918</b>	<b>27,907</b>
<b>Cash used</b>				
Employees		(12,293)	(10,931)	14,500
Suppliers		(16,452)	(17,502)	13,708
Net GST paid		(51)	-	-
<b>Total cash used</b>		<b>(28,796)</b>	<b>(28,433)</b>	<b>28,208</b>
<b>Net cash received from / (used by) operating activities</b>		<b>694</b>	<b>2,485</b>	<b>(301)</b>
<b>INVESTING ACTIVITIES</b>				
<b>Cash used</b>				
Purchase of property, plant and equipment		(121)	(1,260)	(285)
<b>Total cash used</b>		<b>(121)</b>	<b>(1,260)</b>	<b>(285)</b>
<b>Net cash used by investing activities</b>		<b>(121)</b>	<b>(1,260)</b>	<b>(285)</b>
<b>Net increase / (decrease) in cash held</b>		<b>573</b>	<b>1,225</b>	<b>(586)</b>
<i>Cash and cash equivalents at the beginning of the reporting period</i>		6,779	5,554	6,039
<b><i>Cash and cash equivalents at the end of the reporting period</i></b>		<b>7,352</b>	<b>6,779</b>	<b>5,453</b>

### Budget variances

- Interest – Invested operating funds in short term deposits to maximise funding outcomes.
- GST – The net outcome from the recovery of GST on supplier payments and GST collected on invoices raised was anticipated to be higher.
- Other cash received – Receipt of royalties and sale of data to government agencies and schools
- Employees – The organisation experienced a shortage of specialist expertise in the labour market
- Suppliers – The use of casual staff and to service short term project engagements. Website development to bring control in-house at ACARA.
- Purchase of property, plant and equipment – Anticipated purchase for equipment were not required due to transition of some applications to Cloud services

*Variances are considered to be "major" based on the following:*

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

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

## 4.4 Notes to the financial statements



### Index to the notes to and forming part of the financial statements for the year ended 30 June 2018

<b>Note</b>	<b>Contents</b>
<b>1</b>	<b>Overview</b>
<b>2</b>	<b>Financial performance</b>
2.1	Expenses
2.2	Revenue
<b>3</b>	<b>Financial position</b>
3.1	Financial assets
3.2	Non-financial assets
3.3	Payables
<b>4</b>	<b>People and relationships</b>
4.1	Employee provisions
4.2	Key management personnel remuneration
4.3	Related party disclosures
<b>5</b>	<b>Managing uncertainties</b>
5.1	Contingent assets and liabilities

## 1. Overview

### 1.1 Objectives of the entity

The entity is a corporate not for profit Commonwealth entity. The entity is structured to meet the following outcome:  
Outcome 1: Improved quality and consistency of school education in Australia through national curriculum, national assessment, data collection and 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 2015 (FRR) for reporting periods ending on or after 1 July 2015; and
- Australian Accounting Standards and Interpretations – Reduced Disclosure Requirements 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 are in accordance with the historical cost convention. 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 and are rounded to the nearest thousand dollars unless otherwise specified.

### 1.3 New Australian Accounting Standards

All new accounting standards that were issued prior to the sign-off date are applicable to the current reporting period did not have a material effect on the entity's financial statements.

#### ***Adoption of new Australian Accounting Standard requirements***

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

#### ***Future Australian Accounting Standard requirements***

New standards, amendments to standards, and interpretations issued by the AASB are applicable to future reporting periods with ACARA still to determine the financial impact on the ACARA financial statements.

Standard/interpretation	Applicable for annual reporting periods beginning or ending on	Summary
AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-For-Profit Entities	1 January 2018  1 January 2019	AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. It replaces existing revenue recognition guidance, including AASB 118 Revenue, AASB 111 Construction Contracts and IFRIC 13 Customer Loyalty Programmes. Under AASB 1058 the timing of income recognition will depend on whether a transaction gives rise to a performance obligation, liability or contribution by owners. ACARA sought independent expert advice on the application of these standards. The report has confirmed there will be no change to the recognition of contribution revenue. The recognition of project revenue is expected to change from percentage of work complete to performance obligations, where these are detailed in the contract. ACARA has assessed revenue recognition from current projects and the change is not expected to have a material impact on the revenue.
AASB 9 Financial Instruments	1 January 2018	AASB 9 introduces new requirements for the classification and measurement of financial assets availabilities. Expected to have no impact.
AASB 16 Leases	1 January 2019	AASB 16 Leases removes the classification of leases as either operating or finance leases for the lease, effectively treating all leases as finance leases. This will effectively move all off-balance sheet operating leases onto the balance sheet that is similar to current finance lease accounting. This change is expected to result in the full disclosure of the ACARA's lease exposures for the Sydney and Perth office with asset and liabilities being reflected in the ACARA Statement of financial position increasing liabilities by \$1.633m and recognition the asset Right to Occupy by \$1.633m.

## 1.4 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.

In June 2016 ACARA entered into a four year lease for office accommodation at 280 Elizabeth St Sydney, this lease is effective from 1 August 2016. In December 2016 ACARA entered into a six year lease for office accommodation at 140 St Georges Terrace Perth, this lease effective from 1 December 2016. The Perth lease has a break point option which ACARA can exercise to exit the premises on 31 August 2020. Operating lease commitments shown in the table below include the office accommodation at 280 Elizabeth Street Sydney (25 months remaining) and 140 St Georges Terrace Perth (53 months remaining).

	2018 \$'000	2017 \$'000
<b>COMMITMENTS PAYABLE</b>		
<i>Operating lease commitments</i>		
Within 1 year	643	611
Within 1 to 5 years	990	1,586
Within 5 to 10 years	-	47
<b>Total operating lease commitments</b>	<b>1,633</b>	<b>2,244</b>

## 1.5 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.

## 1.6 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.

## 1.7 Taxation

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

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

- a) where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- b) for receivables and payables.

## 1.8 Insurance

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.

## 1.9 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.

## 1.10 Events after reporting period

No matter or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the results of the financial statements as at 30 June 2018.

## 2. Financial performance

### 2.1 Expenses

	2018 \$'000	2017 \$'000
<b>2.1(a): Employee benefits</b>		
Wages and salaries	10,200	9,023
Superannuation – defined contribution plans	1,148	1,038
Leave and other entitlements	845	1,498
Separation and redundancies	57	75
<b>Total employee benefits</b>	<b>12,250</b>	<b>11,634</b>
<b>2.1(b): Supplier expenses</b>		
<b>Goods and services supplied or rendered</b>		
Secondments, casual staff, contractors and consultants	2,930	2,619
NAPLAN item development and testing	5,172	6,565
Website development and maintenance	1,258	783
Travel and accommodation	956	733
Staff related expenses – payroll tax and recruitment	825	804
Consultants – curriculum development	1,202	978
Office infrastructure	178	243
IT expenses	961	731
Audit fees payable to the Australian National Audit Office	47	49
Legal expenses	220	63
Other operational expenditure	830	1,084
<b>Total goods and services supplied or rendered</b>	<b>14,579</b>	<b>14,652</b>
Goods supplied	678	432
Services supplied	13,901	14,220
<b>Total goods and services supplied or rendered</b>	<b>14,579</b>	<b>14,652</b>
<b>Other suppliers</b>		
Operating lease rentals		
Minimum lease payments	881	828
Workers compensation expense	182	180
<b>Total other suppliers</b>	<b>1,063</b>	<b>1,008</b>
<b>Total suppliers</b>	<b>15,642</b>	<b>15,902</b>

## 2.2 Revenue

	Note	2018 \$'000	2017 \$'000
<b>Revenue sources:</b>			
Commonwealth grants – contributions		13,036	12,996
State and territory grants – contributions		12,966	13,000
Other revenue – projects		2,569	3,021
Interest revenue		206	86
<b>Total revenue</b>		<b>28,777</b>	<b>29,103</b>

### **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;
- It is probable that the economic benefits associated with the transaction will flow to the entity;
- The stage of completion of the transaction at the end of the reporting period can be measured reliably;
- The costs incurred for the transaction and cost to complete the transaction can be measured reliably.

When the outcome of the transaction involving the rendering of services cannot be estimated reliably, revenue shall be recognised only to the extent of the expenses recognised that are recoverable.

### **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.

## 3. Financial position

### 3.1 Financial assets

	2018 \$'000	2017 \$'000
<b>3.1 Trade and other receivables</b>		
Receivables for goods and services	8,570	6,637
GST	249	185
<b>Total trade and other receivables</b>	<b>8,819</b>	<b>6,822</b>

All trade and other receivables are expected to be recovered in less than 12 months, (2017 Recovery expected less than 12 months).

There are no trade and other receivables that are impaired at 30 June 2018 and 30 June 2017. There were no receivables (2017: \$1,153) past due beyond 30 days.

### 3.2. Non-financial assets

#### Reconciliation of opening and closing balances plant and equipment 2018

	Leasehold incentives \$'000	Fixtures & Fittings \$'000	Plant and equipment \$'000	Total \$'000
<b>Total as at 1 July 2017</b>	-	1,524	425	1,949
Additions – by purchase	-	-	121	121
Disposals	-	-	(12)	(12)
Depreciation / amortisation expense	-	(495)	(227)	(722)
<b>Total as at 30 June 2018</b>	-	<b>1,029</b>	<b>307</b>	<b>1,336</b>

#### Reconciliation of opening and closing balances plant and equipment 2017

	Leasehold incentives \$'000	Fixtures & Fittings (under construction) \$'000	Plant and equipment \$'000	Total \$'000
<b>Total as at 1 July 2016</b>	46	1,214	538	1,798
Additions – by purchase	-	398	108	506
Recognition of make good – 280 Elizabeth St	-	343	-	343
Depreciation / amortisation expense	(46)	(431)	(221)	(698)
<b>Total as at 30 June 2017</b>	-	<b>1,524</b>	<b>425</b>	<b>1,949</b>

No indications of impairment were found for plant and equipment.

During 2017-18 ACARA disposed of all plant and equipment which had been revalued in June 2015 and classified as assets At Valuation. The disposal of these assets resulted in a book loss of \$10,607. The asset revaluation reserve, which was originally recognised when the valuation was conducted in June 2015, was reversed in 2017-18, being recognised directly in the surplus / (deficit) of the Statement of Comprehensive Income.

## 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.

### **Depreciation**

Depreciable 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:

	<b>2018</b>	<b>2017</b>
Furniture and fittings	4 years	4 years
Equipment	3 years	3 years

### **Impairment**

All assets were assessed for impairment at 30 June 2018. 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 plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

### 3.3. Payables

	2018 \$'000	2017 \$'000
<b>(a): Suppliers</b>		
Trade creditors and accruals – no more than 12 months	2,407	3,010
<b>Total suppliers</b>	<b>2,407</b>	<b>3,010</b>

Settlement was usually made net 30 days

	2018 \$'000	2017 \$'000
<b>(b): Grants in advance (deferred revenue)</b>		
Commonwealths grants – contributions	1,350	-
States & territories grants – contributions	7,851	6,483
Commonwealth project funds	1,667	1,750
<b>Total grants in advance</b>	<b>10,868</b>	<b>8,233</b>

#### **Grants received in advance**

Where ACARA receives grants in advance of the period for which work is yet to be completed, the grant is recognised in the Statement of Financial Position as a liability. At 30 June 2018 the amount of deferred revenue was \$10,868,199 (2017: \$8,232,641) and primarily represents future annual contributions from the Commonwealth and State and Territory jurisdictions and project work, for expenditure to be incurred in the future financial years in the delivery of ACARA's Work Plan and project contracts.

## 4. People and relationships

### 4.1 Employee provisions

	2018 \$'000	2017 \$'000
<b><i>Employee provisions</i></b>		
Not more than 12 months	1,215	1,388
More than 12 months	1,034	848
<b>Total employee provisions</b>	<b>2,249</b>	<b>2,236</b>

#### ***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.

#### ***Superannuation***

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

ACARA contributes a minimum of 10.5% of superannuable salaries on behalf of its employees. The liability for superannuation recognised as at 30 June 2018 represents outstanding contributions for the final month of the year.

## 4.2 Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of ACARA, directly or indirectly. ACARA has determined the key management personnel to be the Directors, Chief Executive Officer and the Executive staff reporting to the Chief Executive Officer. Key management personnel remuneration is reported in the table below:

### *Key management personnel remuneration expense for the reporting period*

	2018 \$	2017 \$
<b>Short-term employee benefits:</b>		
Allowances	1,451,934	1,381,914
<b>Total short-term employee benefits</b>	<b>1,451,934</b>	<b>1,381,914</b>
<b>Post-employment benefits:</b>		
Superannuation	138,351	119,742
<b>Total post-employment benefits</b>	<b>138,351</b>	<b>119,742</b>
<b>Other long-term benefits:</b>		
Annual leave accrued	98,872	91,103
Long-service leave	36,405	46,631
<b>Total other long-term benefits</b>	<b>135,277</b>	<b>137,734</b>
<b>Termination benefits</b>	<b>13,277</b>	<b>-</b>
<b>Total senior executive remuneration expenses<sup>1</sup></b>	<b>1,738,839</b>	<b>1,639,390</b>

The total number of key management personnel that are included in the above table are 23 individuals (16 Directors and 7 ACARA Executive staff) in 2017: 20 individuals (15 Directors and 5 ACARA Executive staff).

<sup>1</sup> The above key management personnel remuneration excludes remuneration and other benefits of the Education Minister. The directors of ACARA are appointed by the Minister for Education. The remuneration of the Minister of Education and other benefits are set by the Remuneration Tribunal and are not paid by ACARA.

### 4.3. Related party disclosures

ACARA is an Australian Government controlled entity. Related parties to this entity are directors and key management personnel. 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. Members are excluded from discussions on matters in which they may have a conflict of interest.

	2018 \$	2017 \$
Transactions with directors, key management personnel or their related entities	75,049	547,200

#### *Details of companies and government agencies which ACARA has engaged for services and with which ACARA Directors are associated.*

	2018 \$	2017 \$
Western Australia School Curriculum and Standards Authority	-	1,600
NSW Education Standards Authority (formerly Board of Studies Teaching and Educational Standards NSW)	65,963	532,806
Association of Independent Schools, Western Australia	-	1,500
Victorian Curriculum and Assessment Authority	-	11,294
Northern Territory Department of Education	855	-
Tasmanian Department of Education	2,587	-
South Australian Department of Education and Child Development	5,644	-
<b>Total</b>	<b>75,049</b>	<b>547,200</b>

## 5. Managing uncertainties

### 5.1. Contingent assets and liabilities

There are no contingent assets or liabilities at 30 June 2018 (30 June 2017: nil).

# Acronyms and glossary

Acronym	Title
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACARA Act	<i>Australian Curriculum, Assessment and Reporting Authority Act 2008</i>
Accountable Authority	The person or group of persons responsible for, and control over, the operations of a Commonwealth entity under the PGPA Act.
ACER	Australian Council for Educational Research
AESOC	Australian Education Senior Officials Committee (previously AEEYSOC)
AITSL	Australian Institute for Teaching and School Leadership
AM	Member of the Order of Australia
ANAO	Australian National Audit Office
Band	The NAP assessment scale is divided into ten bands, used to report student progress through Years 3, 5, 7 and 9. Band 1 is the lowest band and band 10 is the highest band. A band contains a range of scores and is not a specific point.
CC	Civics and citizenship
CEO	Chief Executive Officer
COAG	Council of Australian Governments
Cohort	A group of students
Council, The	Education Council
Domain	Relating predominantly to NAP tests, this refers to particular learning areas (for example, reading, writing, language conventions, numeracy)
ESA	Education Services Australia
F–10	School years from Foundation to Year 10
F–12	School years from Foundation to Year 12
FOI Act	<i>Freedom of Information Act 1982</i>
Foundation (F)	Denotes 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.
GST	Goods and services tax
ICT	Information and communication technology
ICSEA	Index of community socio-educational advantage

Acronym	Title
ISCA	Independent Schools Council of Australia
Jurisdictions	The Australian Government and state and territory governments of Australia
Melbourne Declaration	The Melbourne Declaration on Educational Goals for Young Australian 2008, which sets the direction of Australian schooling for the next 10 years.
<i>My School</i>	An interactive website presenting information about each of Australia's just over 10,000 schools and campuses.
NAP	National Assessment Program
NAPLAN	National Assessment Program – Literacy and Numeracy; a series of common literacy and numeracy tests conducted annually across Australia for all students in Years 3, 5, 7 and 9.
NAP sample	The NAP sample tests students' skills and understanding in science literacy, civics and citizenship and information and communication technology (ICT) Literacy. Only selected groups of students in Years 6 and 10 participate in these sample assessments, which are held on a rolling three-yearly basis.
NCEC	National Catholic Education Commission
PBS	Portfolio Budget Statements
PGPA Act	<i>Public Governance, Performance and Accountability Act 2013</i>
PGPA Rule	Public Governance, Performance and Accountability Rule 2014
Proficiency level	The sample assessment scales are divided into a number of levels, depending on the domain. These levels are like bands for NAPLAN in that they encompass a range of scores.
SMG	Senior management group
STEM	Science, technology, engineering and mathematics
WHS	Work health and safety (formerly known as occupational health and safety)

# Compliance Index

Requirement	Section
<i>Public Governance, Performance and Accountability Act 2013</i>	
Annual performance statements	2
Financial statements	4
Auditor-General's report	4
<i>Public Governance, Performance and Accountability Rule 2014</i>	
i. Approval by the accountable authority of the entity	Letter of transmittal
ii. Signed by the accountable authority	
iii. Detail how and when approval of the annual report was given	
iv. State that the accountable authority of the entity is responsible for preparing and giving the annual report to the entity's responsible minister	
Enabling legislation	1.3, 3.1
Functions and objectives in enabling legislation	2.0, 3.1
Purposes of the entity as included in the entity's corporate plan for the period	2.0
Names and titles of responsible minister(s)	3.1
Ministerial directions	3.6
Government policy orders	3.6
Compliance with direction or order	3.6
Annual performance statements, including:	2.0
i. a statement that the performance statements are prepared for paragraph 39(1)(a) of the PGPA Act	
ii. a statement specifying the reporting period for which the performance statements are prepared	
iii. a statement that, in the opinion of the accountable authority of the entity, the performance statements:	
(i) accurately present the entity's performance in the reporting period, and	
(ii) comply with subsection 39(2) of the PGPA Act.	
Reporting of non-compliance with the finance law	3.6
Information on members of the accountable authority: name, qualifications, experience, meetings attended and whether the member is an executive member or non-executive member	3.2
Organisational structure	1.3
Locations of major activities or facilities	1.3
Corporate governance	3.1

Requirement	Section
Decision-making process to approve the entity paying for a good or service from another Commonwealth entity	n/a
Significant activities and changes that affected operations or structure of the entity during the period	n/a
Judicial decisions or administrative tribunals	3.6
Reports by the Auditor General, a Committee of either House, or of both Houses, of the Parliament; the Commonwealth Ombudsman; or the Office of the Australian Information Commissioner	3.6
Information from subsidiary	n/a
Indemnity applied to accountable authority or officer of entity	3.6





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acara AUSTRALIAN CURRICULUM,  
ASSESSMENT AND  
REPORTING AUTHORITY

