ANNUAL REPORT

We will improve the learning of all young Australians through world-class curriculum, assessment and reporting

2018–19

acara AUSTRALIAN CURRICULUM, ASSESSMENT AND REPORTING AUTHORITY

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Australian Curriculum, Assessment and Reporting Authority Annual Report 2018–19.
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Published: October 2019.

Correction to ACARA's annual report 2017–18
A transposing error occurred in the design and production of ACARA's 2017–18 annual report. Incorrect figures were published on page 62. Visit the 'Publications' section of the ACARA website to see the PDF of the correct figures: www.acara.edu.au/news-and-media/publications

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

Dear Minister

ACARA Annual Report 2018–19

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 2019, 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 2018–19 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 2019, held at Level 13, 280 Elizabeth Street, Sydney.

Yours faithfully

Ms Belinda Robinson FAICD
Chair

4 September 2019

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1.0 Overview

1.1 Chair's foreword

On behalf of the ACARA Board, I would like to present our annual report for 2018–19.

A mission statement should succinctly represent the common purpose of an organisation to which all its people are deeply committed. In the 11 months I have had the privilege of chairing the ACARA Board, I am pleased and proud to say that this is indeed the case for ACARA; this is an organisation that lives and breathes its mission to improve the learning of all young Australians through world-class curriculum, assessment and reporting.

It has been 10 years since ACARA commenced operations as the national body responsible for developing and assisting with the implementation of the national curriculum, conducting the national assessment of literacy and numeracy achievement, and public reporting on progress.

Now that the Australian Curriculum is being implemented around the country, ACARA's curriculum focus has shifted to providing support and resources for teachers and schools to assist them in implementation. We have also been researching curricula and emerging curriculum trends from around the world to inform advice to Education Ministers about ongoing and future refinements and improvements to the curriculum to ensure Australia stays at the global forefront for the quality of its Foundation – Year 12 education. In 2018–19, we released key findings from four international comparison studies that examined and compared our curriculum with those of other high-performing countries – Finland, Canada (British Columbia), Singapore and New Zealand.

In responding to key recommendations from Gonski 2.0, we embarked on a joint project with our colleagues at Education Services Australia (ESA) and the Australian Institute of Teaching and School Leadership (AITSL) to explore how learning progressions and formative assessment can support teachers in making evidence-based decisions about student learning. In recognising the profound importance of this work in shaping how we assess and support our children's educational progress, Education Ministers have made this a national priority for education.

The National Assessment Program – Literacy and Numeracy (NAPLAN) has also surpassed the ten-year mark. As the only national assessment taken by all Australian students, NAPLAN serves as a national health check on how our young people are progressing in the fundamental areas of literacy and numeracy. This year was the second year of transition in shifting NAPLAN from pen and paper to online delivery. As with all large technology-related projects, this has not been without its challenges. There is, however, no doubt that moving online will deliver greater precision of performance assessment and the true benefits of online assessment will be more fully realised once all schools are online.

Along with Education Services Australia and our state/territory education stakeholders, we continue to work towards all students moving successfully to NAPLAN Online and in turn, experience a more engaging test and a quicker turnaround of results and information on how students are performing in literacy and numeracy.

I would like to thank and acknowledge the leadership provided to ACARA by Australia's Education Ministers as members of the Education Council, and thank Board members, ACARA's executive, staff and stakeholders for their valuable contribution throughout the financial year.

I look forward to addressing the challenges and opportunities presented over the coming year as we continue to realise our mission to improve the learning of all young Australians.

Ms Belinda Robinson FAICD
Chair, ACARA Board

1.2 CEO's report

2018–19 was a year of change and innovation for us at ACARA. I first joined the organisation as a Board member in 2017 before being appointed CEO in March 2019, and in that time, I have become immensely proud of what we are doing to improve the learning of all young Australians.

We brought our digital technologies expertise to some of the most disadvantaged schools in the country – more than 160 schools, over 2,300 teachers and some 30,000 students have benefitted from this project that sees nine of our curriculum officers supporting primary and secondary school teachers in implementing the Australian Curriculum: Digital Technologies.

We also strengthened our commitment to supporting teachers in implementing the Aboriginal and Torres Strait Islander Histories and Cultures cross-curriculum priority in teaching the Australian Curriculum: Science. We did this through the publication of almost 100 elaborations and accompanying teacher background information for Years 5–10 science students, and the development of illustrations of practice showing two-way science in remote Aboriginal communities.

The release of our second Reconciliation Action Plan – Innovate – reaffirms our commitment towards reconciliation, as we strive to foster equality and equity between Aboriginal and Torres Strait Islander students and non-Indigenous students in learning outcomes.

We aim to achieve this by providing a culturally inclusive curriculum, culturally safe assessments, and by enabling all staff and students to have the opportunity to develop a deep knowledge of, and respect for, Aboriginal and Torres Strait Islander Peoples, histories and cultures.

This was the second year of transition to NAPLAN Online. Research released in February 2019 showed that parents generally support the move to online assessment and saw the move online as a natural progression. Parents also generally believed online testing would improve NAPLAN and result in a more engaging experience for students.

In May, up to 50 per cent of schools around the country took part in NAPLAN Online, compared with 15 per cent in 2018. The connectivity issues experienced on the first day of testing, with substantial numbers of students being adversely affected, was regrettable. We will work to ensure future years of testing deliver on one of the key objectives of NAPLAN Online: namely a simpler, more efficient and more engaging experience for students and schools.

We will continue working closely with state and territory education departments and Education Services Australia to bring the benefits of online assessment to life.

While I have only been in the role of CEO of ACARA for a short time, following the departure of my predecessor Robert Randall in early 2019, I am inspired by the commitment of ACARA's people and am proud to lead an organisation so dedicated and focused on its mission – to improve the learning of all young Australians.

Mr David de Carvalho
CEO, ACARA

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 authority comprises five business units: Curriculum, Assessment and Reporting, Communications and Strategic Relations, Business Services, and Office of the Chief Executive.

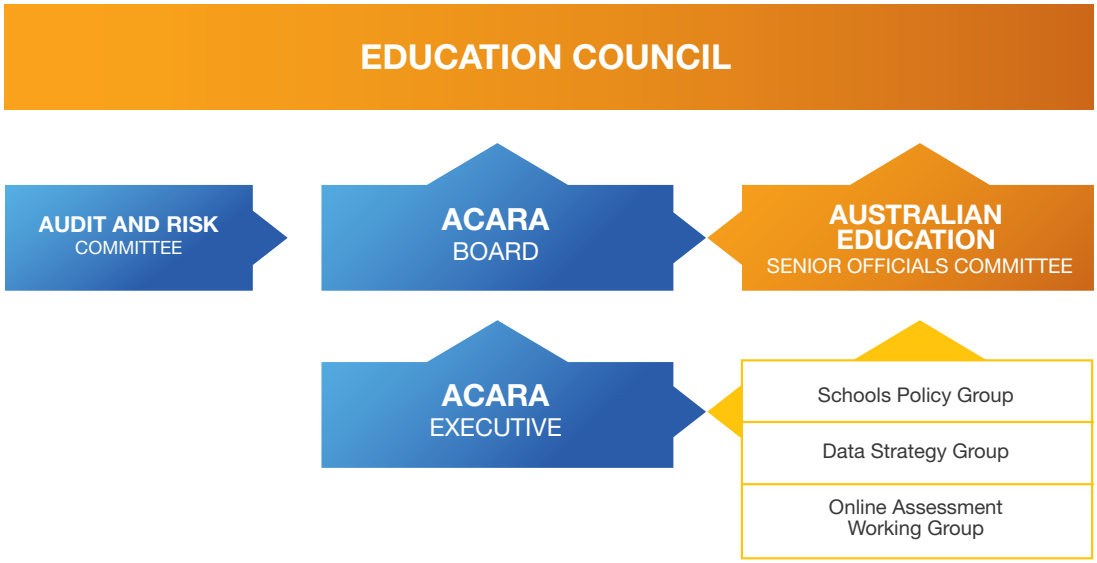
Our offices

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

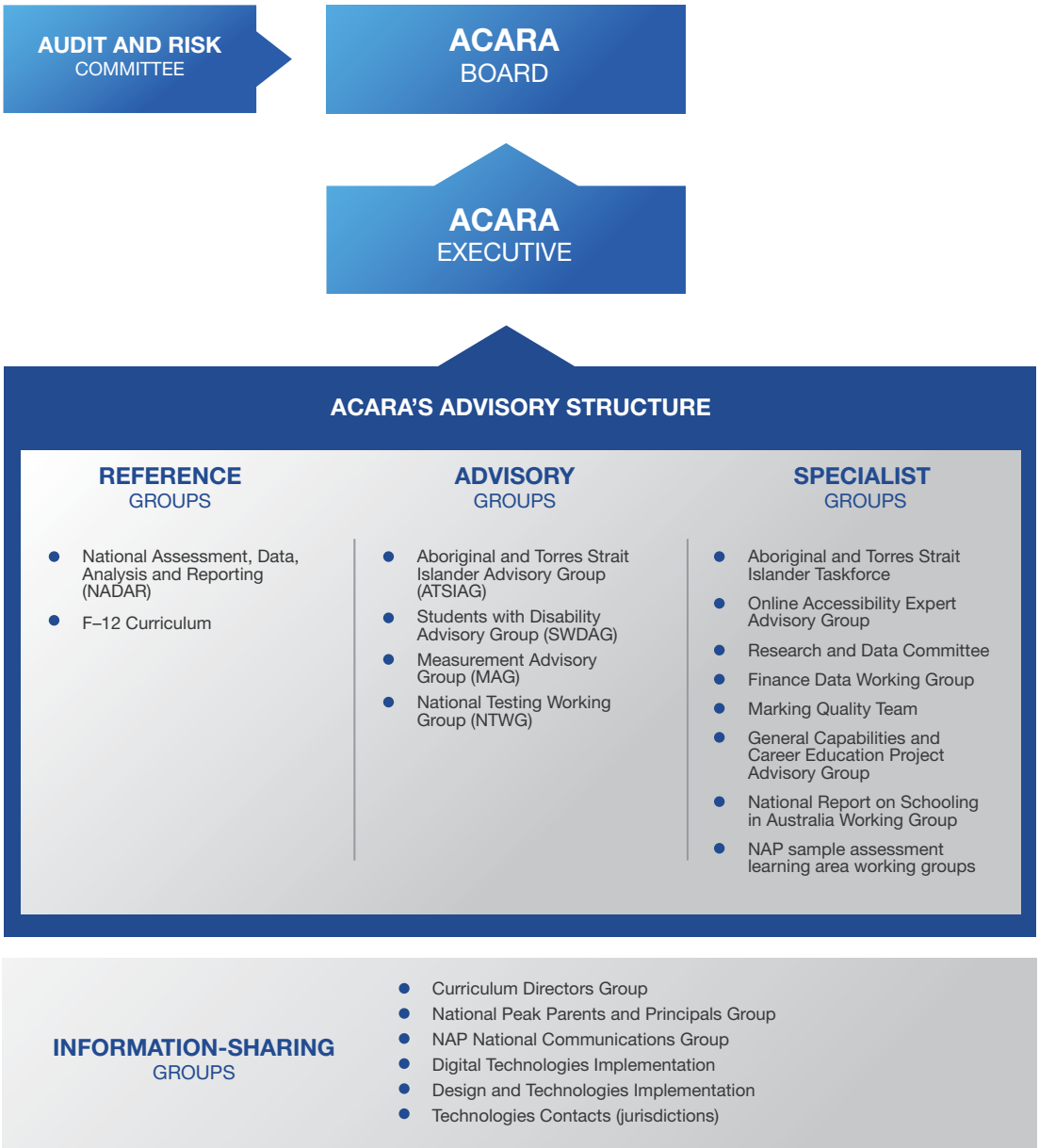
ACARA's Perth office is located at Level 17, 140 St Georges Terrace, Perth.

ACARA staff members are also located in other major capital cities, including Melbourne, Brisbane and Adelaide.

Our governance structure



Our advisory structure



2.0 Annual performance statements

These annual performance statements have been prepared for the 2018–19 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 in January 2018.

ACARA's Corporate Plan 2018–19 was published in August 2018. 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.

2.1 National curriculum

Purpose

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

Criteria source

ACARA Corporate Plan 2018–19 and Portfolio Budget Statements 2018–19: Education and Training – ACARA Budget Statements – Outcome 1 Program 1.1, pages 81–82.

Performance criterion	Measure
Activities relating to monitoring the national curriculum, international comparisons and research on developments in school curriculum design undertaken	Reports on national curriculum monitoring, international comparison(s) and research on developments in school curriculum design, published by the end of the third quarter 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 2018. The report was published in January 2019. The ACARA Board approved the International Comparative Study: the Australian Curriculum and the New Zealand Curriculum in December 2018. The comparative study was published in February 2019.

The ACARA Board approved a report in December 2018, highlighting the findings of the four international comparative studies (Finland, Singapore, British Columbia, New Zealand) conducted by ACARA. The report was published in February 2019. ACARA officers participated in, and contributed to, the first phase of the OECD Education 2030 project.

Performance criterion	Measure
Portfolios of work samples for all published curriculum available	Portfolios of work samples that exemplify the curriculum finalised and published by end 2018–19

Result

Not achieved ☐ Partially achieved ☒ Achieved ☐

Supporting statement

Work samples have been published to support the published curriculum across all learning areas, with samples for some of the languages yet to be done. Work samples for four languages F–10 (French, Japanese, Chinese, Italian) were published in November 2018. Work samples for F–10 German and F–4 Humanities and Social Sciences (HASS) were published in March 2019. Work samples for F–10 Spanish and Y5–6/7 HASS were published in June 2019.

Analysis of performance

Monitoring, evaluation and research

In January 2019, ACARA published the Monitoring the effectiveness of the Foundation – Year 10 Australian Curriculum 2017–18 report, which focused on technology demands in the curriculum, and literacy and numeracy demands across the curriculum. Responses were received from departmental, school and curriculum authorities in most states and territories. Feedback showed broad satisfaction with the Australian Curriculum, including the Digital Technologies curriculum and the ICT capability, and the place of, and emphasis on, literacy and numeracy. There was a clear indication that further clarification, advice and support materials in each of these areas would be welcomed by teachers and schools.

During the 2018–19 period, ACARA continued to collect and review evidence to inform advice to Education Council on refinements to the Australian Curriculum. An international comparative study with the New Zealand Curriculum was published in February 2019. This, along with the three completed international comparative studies – Finland, Singapore and British Columbia – informed a report of key findings published in February 2019. These key findings examined the purpose of the curriculum, role and function of competencies and values, flexibility of student progress, nature of content, presentation of content and achievement standards, student agency, strategies to address diversity, and strategies to address indigenous perspectives.

ACARA continued to lead Australia's participation in aspects of the OECD Education 2030 project, contributing to the preparation of an international curriculum analysis report. ACARA's involvement included the completion of a policy questionnaire, curriculum content mapping and the Mathematics Curriculum Document Analysis (MCDA) project. To gain further insights into emerging curriculum models, ACARA also collaborated with the Center for Curriculum Redesign to explore the implications of applying a conceptual framework to identifying essential content and skills in Mathematics.

Support and resources for implementation

ACARA produces work samples to demonstrate student knowledge, skills and understandings in relation to the achievement standards of the Australian Curriculum. To facilitate the collection of work samples, ACARA conducted a series of workshops across the states and territories in English, Mathematics, Science, History and Languages. These workshops included professional learning in task design.

In the reporting period, work samples were published in the Humanities and Social Sciences (HASS) and Languages learning areas. The publication of these work samples ensured that teachers and schools now have access to these types of resources in all learning areas in the Australian Curriculum. Work samples for F–4 HASS were published in March 2019 and Years 5–6/7 HASS in June 2019. Work samples in F–10 French, Chinese, Japanese and Italian were published in November 2018; F–10 German, in March 2019; and F–10 Spanish, in June 2019.

Work continues on the expansion of the work sample portfolios, including the provision of samples in the other languages subjects as well as the revision and replacement of the existing portfolios in English, Mathematics, History and Science.

Four new illustrations of practice were published on the Australian Curriculum website in March 2019. These were filmed in remote and very remote schools in Western Australia and the Northern Territory, exemplifying ways of incorporating the Aboriginal and Torres Strait Islander Histories and Cultures cross-curriculum priority using the newly published (October 2018) Science elaborations.

ACARA was funded by the Australian Government Department of Education to develop illustrations of practice that present exemplary practice in using the Australian Curriculum, in particular, the general capabilities, to implement rigorous career education programs. This project supports the National Career Education Strategy. Nine illustrations of practice were published in June 2019.

Supporting the implementation of the Digital Technologies curriculum

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 this project. Curriculum specialist support is provided for each of the schools, with the integration of technology being showcased through the publication of school stories, resources and professional learning modules on the Digital Technologies in Focus section of the Australian Curriculum website.

Incorporating the Aboriginal and Torres Strait Islander Histories and Cultures cross-curriculum priority

In October 2018, ACARA published an additional 95 elaborations to the F–10 Australian Curriculum: Science content and related teacher background information for Years 7–10 to better support teachers to incorporate Aboriginal and Torres Strait Islander Histories and Cultures into their teaching of science. In May 2019, teacher background information was published for Years 5–6, with F–4 teacher background information to be published by the end of 2019. Illustrations of practice modelling the use of these elaborations were published in March 2019.

Planning commenced to develop content elaborations for addressing Aboriginal and Torres Strait Islander Histories and Cultures in the F–10 Australian Curriculum: Mathematics.

Learning progressions and online formative assessment initiative

In 2018, education ministers agreed that learning progressions and online formative assessment should be national priorities for education. In May 2019, ACARA, along with ESA and AITSL, commenced work on a six-month discovery phase to explore how learning progressions and formative assessment can enhance the capacity of teachers to make evidence-based decisions about their students' learning. The discovery phase is focusing on three main areas: the development of learning progressions and aligned assessments; engagement with teachers to understand what they need and how they want to be able to work; and research into effective practices. A report on the findings from the discovery phase is due to be considered by education ministers at the end of 2019.

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: Digital Technologies and the ICT capability was included in the 2017 NAP Sample Assessment: ICT Literacy report, published in November 2018. The curriculum specialist for HASS supported revision of the assessment framework for Civics and Citizenship to incorporate History and provided advice on the development and trialling of test items. The curriculum specialist for Science commenced an analysis of student results in the 2018 NAP: Science Literacy.

Rachael Whitney-Smith, ACARA Curriculum Specialist, Mathematics, and Hugo Labate, Curriculum Director from the Argentinian Ministry of Education, working together at the regional workshop of the OECD's MCDA project hosted by ACARA in March 2019

2.2 National assessment

Purpose

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

Criteria source

ACARA Corporate Plan 2018–19 and Portfolio Budget Statements 2018–19: Education and Training – ACARA Budget Statements – Outcome 1 Program 1.2, pages 82–83.

Performance criterion	Measure
National Assessment Program (NAP) – NAPLAN and NAP sample assessments – delivered	NAP successfully delivered, reported on (including delivery of NAPLAN Online in 2019 to schools, as determined by state and territory authorities)

Result

Not achieved ☐ Partially achieved ☐ Achieved ☒

Supporting statement

NAPLAN 2019

In May 2019, NAPLAN tests were administered in both paper and online modes, with approximately 670,000 (50 per cent) students in over 5,200 schools in all states and territories participating online. This was a significant increase on the 15 per cent of students who completed NAPLAN Online in 2018, with Northern Territory and Tasmania participating in NAPLAN Online for the first time.

Prior to the tests in May, NAPLAN Online schools participated in school readiness testing and platform readiness testing. Students familiarised themselves with the item types during the practice test.

On the first day of testing on 14 May, technical disruptions prevented some schools and students from finalising the online writing test. AESOC agreed to conduct a resit on 28 May for students affected by the disruptions. AESOC commissioned a wide-ranging investigation into the cause(s) of the technical disruptions to address the issues for future assessments.

NAPLAN 2018

From August to September 2018, NAPLAN 2018 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 to identify any areas where attention is required. This included information on the mode of testing; that is, paper or online.

The 2018 NAPLAN summary information (preliminary results) was published on 28 August 2018. The 2018 NAPLAN National Report and test incident report were both published on 8 April 2019. The NAPLAN 2018 Technical Report was published on 28 June 2019.

NAP – ICT Literacy 2017

The 2017 NAP – ICT Literacy public report was approved by the Education Council and published on ACARA's NAP website on 13 December 2018, together with the 2017 NAP – ICT Literacy technical report and school release materials for Years 6 and 10.

The 2017 NAP – ICT Literacy public report expands on its previous iterations by including a 'Curriculum connections' chapter. This chapter explores the results of the 2017 National Assessment Program – ICT Literacy with a view to providing information to teachers and curriculum specialists on how the Australian Curriculum: ICT capability and the Australian Curriculum: Digital Technologies can be used to support the teaching and learning of ICT literacy.

NAP – Science Literacy 2018

Between October and November 2018, the sixth assessment cycle of NAP Sample – Science Literacy (NAP–SL) was successfully conducted online.

Approximately 5,600 Year 6 students (in 350 schools), and for the first time, 3,000 Year 10 students (in 205 schools), across all states and territories, participated in the sample assessment. All schools received a summary report showing student responses compared to the national percentage of correct answers for each item and showing links to the Australian Curriculum: Science.

Performance criterion	Measure
Evaluation of NAPLAN Online processes undertaken and potential enhancements identified, including the potential addition of gain scores to individual student reports (ISRs)	NAPLAN Online processes reviewed with enhancements prioritised for future implementation

Result

Not achieved ☐ Partially achieved ☒ Achieved ☐

Supporting statement

Following the NAPLAN 2018 online administration, ACARA implemented the following activities to improve the processes for NAPLAN 2019:

- strengthen the equating methodology by including both online and paper students in the information used for linking results back to the historical NAPLAN scale
- enhance the involvement of jurisdictions in planning and implementing post-test analytics.

In 2018, ACARA worked with accessibility experts nationally to improve access for students with disability to the NAPLAN online tests. All questions in NAPLAN Online can now be accessed by keyboard. For students with an audio and/or visual disability, who cannot access some questions, the platform automatically substitutes these questions with alternatives.

Analysis of performance

During the reporting period, ACARA worked with Education Services Australia (ESA, the agency responsible for the online assessment platform) to assure that the NAP tests were delivered to users as expected. ACARA undertook quality assurance and certification of items, targeted test design and related platform functionalities, including the functionality delivered via the low-no bandwidth (LNB) solution.

A number of key school and student online readiness activities were conducted. ACARA developed items, constructed tests, provided supporting materials and undertook quality assurance testing for each event:

- The School Readiness Test (SRT) was conducted in schools on 20 August – 12 October 2018. ACARA provided omnibus tests for each year level, as well as a writing test. Over 3,800 schools across all states and territories participated in SRT.
- The Platform Readiness Test (PRT) was conducted in a sample of schools on 8 October – 29 November 2018 and on 4–15 February 2019 as a full end-to-end test of the platform and post-test processes, including monitoring, reporting and quality assurance. ACARA provided branching tests for all domains for all year levels. In 2019, ACARA was also responsible for conducting testing of the LNB solution.
- School Practice Testing occurred from 25 March to 26 April 2019 in preparation for the May 2019 NAPLAN Online test event. ACARA provided omnibus tests for this event, which were tailored to reflect the item types present in the upcoming NAPLAN tests.
- A full set of more than 140 demonstration tests was constructed to showcase the range of accessibility improvements that were available for NAPLAN 2019. These demonstration tests are available publicly on the NAP website, providing a valuable resource throughout the year.

In addition, NAPLAN administration documents (for online and paper modes), such as the National Protocols for Test Administration and Handbook for Principals, were updated by ACARA and provided to jurisdictions.

2017 and 2018 NAPLAN technical reports published.

2018 NAPLAN individual student reports distributed to students in August–September 2018.

2018 NAPLAN National Report and test incidents report published in April 2019.

2017 NAP – ICT Literacy report published in December 2018.

2.3 National data and reporting

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 2018–19 and Portfolio Budget Statements 2018–19: Education and Training – ACARA Budget Statements – Outcome 1 Program 1.3, pages 84–85.

Performance criterion	Measure
The National Report on Schooling in Australia is approved by the ACARA Board before the end of the subsequent calendar year	The National Report on Schooling drafted and approved by the ACARA Board by the end of December of the following year; the data portal updated in December and March with the most up-to-date available data, allowing public access to the various agreed national data sets for schooling

Result

Not achieved ☐ Partially achieved ☐ Achieved ☒

Supporting statement

The National Report on Schooling in Australia 2017 was reviewed by ACARA's advisory groups, approved by the ACARA Board in December 2018 and endorsed by Education Council in February 2019. The report was published in February 2019, following endorsement by the Education Council.

The National Report on Schooling data portal was updated in December 2018 and April 2019 with the second release two weeks behind schedule due to delays with the source data.

The data portal provides interactive access to a number of national data sets for schooling, covering general statistics on schooling, and the nationally agreed key performances measures (KPMs) for sch ooling specified in the Measurement Framework for Schooling in Australia 2015.

The portal allows for a timely release of statistical data relating to the National Report on Schooling in Australia in advance of the annual report itself being published.

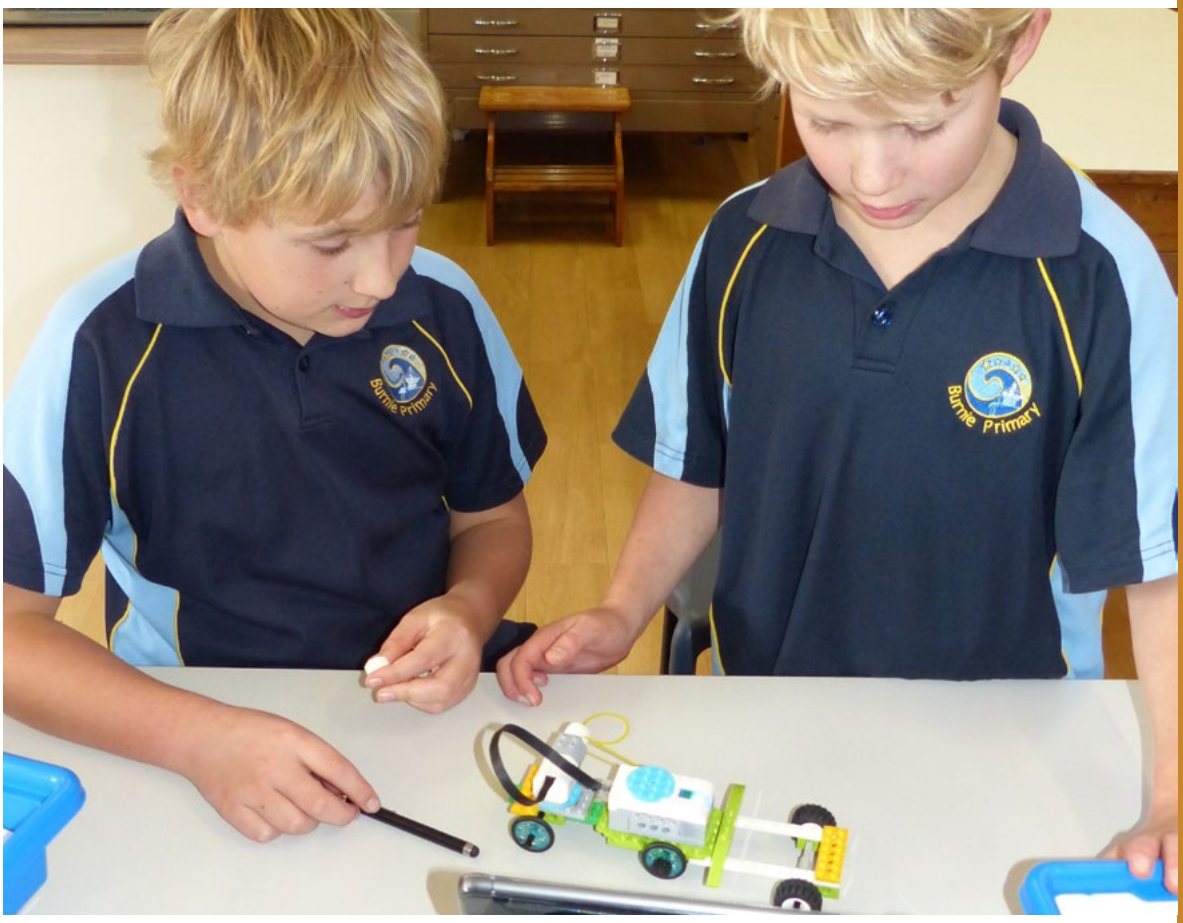
Performance criterion	Measure
Revisions to the Measurement Framework for Schooling in Australia scoped	The scope of revisions required to be made to the Measurement Framework for Schooling in Australia drafted in accordance with agreed national measures

Result

Not achieved ☐ Partially achieved ☒ Achieved ☐

Supporting statement

ACARA undertook a review of the Measurement Framework for Schooling in Australia in consultation with jurisdictions and school sectors through ACARA and AESOC advisory groups. The revised draft Measurement Framework (2019) was endorsed by the ACARA Board in May 2019 and submitted to AESOC. In June 2019, AESOC deferred submitting the draft framework to Education Council, pending decisions on related matters.



Analysis of performance

The *My School* website was updated on 10 April 2019. It was released in accordance with Education Council directions relating to the content and form of the 2018 NAPLAN results to be published on the *My School* website, agreed to by the Education Council at its meeting in February 2019. ACARA worked with states and territories to finalise the presentation of 2018 NAPLAN data on the website.

As with previous releases, the *My School* 2019 release included an additional year's data for existing fields. In summary, the key data collections released included:

- NAPLAN data: 2008–2018
- school profile data: 2008–2018
- finance data: 2009–2017
- VET in schools data: 2010–2017
- post-school destination data: 2010–2017.

In 2018 the Education Council commissioned a review relating to NAPLAN data presentation on *My School*. The findings from that review documented strong public support of reporting of NAPLAN information via the *My School* website. However, recommendations included reviewing the quantity and focus of NAPLAN data displayed on *My School.*

The data portal was updated in April 2019 with the latest data on schools and schooling, including: updates to the 2018 school key performance measures

- counts of schools, students and staff for 2018 and other results from the Australian Bureau of Statistics Schools Australia 2018 publication
- school enrolment and retention rates
- school finance data.

During the reporting year, ACARA continued to provide access to the data collected by ACARA for third parties under the Data Access Protocols 2015.

The Australian Schools List website was updated quarterly.

Reporting of senior secondary outcomes progressed to initial data collection.

19,361,158 page views on the *My School* website

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 sectors and relevant stakeholders in pursuing the national education agenda.

Criteria source

ACARA Corporate Plan 2018–19 and Portfolio Budget Statements 2018–19: Education and Training – ACARA Budget Statements – Outcome 1 Program 1.4, pages 85–86.

Performance criterion	Measure
An advisory structure that is fit for purpose is in place	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. It also reviewed the terms of reference for all reference, advisory and short-term expert groups and confirmed the status of delegates with each nominating organisation.

Development of a stakeholder perception survey began at the end of the reporting period in preparation for delivery to stakeholders in 2019–20.

Performance criterion	Measure
A transparent and timely reporting process and structure are maintained	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. All advice provided on time and of high quality

Result

Not achieved ☐ Partially achieved ☐ Achieved ☒

Supporting statement

In accordance with ACARA's Charter, ACARA submitted a progress report against its workplan to the Australian Education Senior Officials Committee (AESOC) in November 2018 and to the Education Council in December 2018.

Progress reports on all work undertaken during the 2018–19 period were provided to the ACARA Board at each scheduled meeting of the Board. In addition, ACARA provided the Education Council and AESOC with fortnightly reports throughout the year on key planned work to be undertaken.

Performance criterion	Measure
Collaboration with partners (government and non-government school sectors), national stakeholders and international education bodies is clearly maintained	Evidence of collaboration through 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 2018–19, ACARA convened four meetings with its Foundation – Year 12 Curriculum Reference Group and four meetings with its National Assessment, Data, Analysis and Reporting Reference Group. These groups provided high-level advice on issues, options and solutions to ACARA's executive in support of ACARA's strategic objectives.

Regular meetings were held with ACARA's four main advisory groups: the National Test Working Group, the Measurement Advisory Group, the Aboriginal and Torres Strait Islander Advisory Group and the Students With Disability Advisory Group, while other shorter-term engagement occurred with the Finance Data Working Group, the Marking Quality Team, the NAP Sample groups, and others, on an 'as-needs' basis.

ACARA worked throughout the year with its consultative bodies: the Curriculum Directors Group, the NAP National Communications Group and the Peak Parent and Principals Group.

It also held a series of partner and stakeholder briefings in advance of major releases for those not formally participating in ACARA-run groups and supported them with a raft of high-level one-on-one meetings led by ACARA's Chair, Deputy Chair and CEO.

ACARA attended all relevant Education Council and AESOC meetings and participated as a speaker as required. It also attended meetings of the government-run Schools Policy Group and Data Strategy Group as an observer and participated in the government-run Online Accessibility Working Group as a member.

Throughout 2018–19, ACARA led and managed national communication initiatives for NAPLAN Online and produced communication resources for use by jurisdictions, the non-government schooling sectors and a range of peak bodies.

In addition, ACARA continued to undertake research and consultation with experts from around the world to ensure ACARA's work is informed by best practice and maintains world-class status.

Analysis of performance

ACARA attended all scheduled meetings of the Education Council, AESOC and related working groups – the Data Strategy Group, the Schools Policy Group and the Online Assessment Working Group – with feedback received shaping ACARA's work across the areas of curriculum, assessment and reporting. Advice was also provided through its advisory groups and key associations during the reporting period.

The review of the terms of reference of key groups and membership improved the focus on the purpose of each group.

ACARA began active involvement in progressing an important national initiative relating to learning progressions and formative assessment. In this work, ACARA collaborated with Education Services Australia, the Australian Institute for Teaching and School Leadership, and key government partners, on a discovery phase.

Collaboration with the Center for Curriculum Redesign (CCR) continued into 2019–20, as well as ACARA's participation in the Organization for Economic Co-operation and Development's (OECD) 2030 project.

Stakeholder engagement

ACARA contributed to a range of reviews and inquiries throughout 2018–19, including the 2018 NAPLAN Technical Review (September–November 2018), the Review of the Melbourne Declaration (via an exploratory forum held in February 2019), and the Review of NAPLAN Data Presentation (October 2018 – June 2019).

In keeping with the goal of enhancing its national and international reputation as a leader in curriculum development and national assessment, ACARA hosted, and shared insights with, a number of visiting delegations. These included Hong Kong, Georgia, Myanmar, New Zealand, China, Vanuatu and Bangladesh.

It also participated as a speaker or panelist in over 18 conferences and seminars nationally and internationally including:

- International Test Commission Conference, Montreal, July 2018
- Aboriginal and Torres Strait Islander Mathematics Alliance Conference, Melbourne, July 2018
- Queensland Society for Information Technology Education (QSITE) Conference, Indooroopilly, July 2018
- Australian Curriculum Studies Association (ACSA) Curriculum Symposium, Brisbane, August 2018
- Australian Primary Principals Association Conference, Perth, September 2018
- New Zealand Qualifications Authority, New Zealand, October 2018
- Early Learning STEM Australia Symposium, Canberra, October 2018
- Australian Council for Computers in Education Conference, Sydney, October 2018
- Home Economics Institute of Australia NSW Conference, Sydney, October 2018
- Australian Alliance of Associations of Education (AAAE) Forum, Sydney, November 2018
- Catholic Schools NSW Transition to NAPLAN Online Forum, November 2018
- Tasmanian Information Technology Educators (TasITE) Conference, Launceston and Hobart, November and December 2018
- National Visual Arts Education Conference, Canberra, January 2019
- Australian Councils for Health, Physical Education and Recreation (ACHPER) International Conference, Canberra, January 2019
- Future of Schooling Policy WA Event, University of Western Australia, March 2019
- ICT Educators NSW (ICTENSW) Conference, Sydney, March 2019
- ACHPER South Australia Conference, Adelaide, April 2019
- Drama Australia National Symposium, Hobart, June 2019.

Throughout 2018–19, ACARA increased the number of communication channels it uses to inform and engage stakeholders and the broader community. It launched a new online newsletter specifically for parents, relaunched the ACARA blog, introduced a new CEO's vlog and brokered opportunities for regular news feeds through the existing communication channels of the national parent and principal peak bodies.

2,838,845

Page views on the ACARA website

23,059

Subscribers to the ACARA Update newsletter

18,788

Followers on Facebook

21,456

Followers on Twitter

3,001

Responses to email enquiries from the public

ACARA's Director, Curriculum, Janet Davy, addresses the annual forum of the Australian Alliance of Associations in Education in March 2019

ACARA hosts guests from the National Institute of School Reform and Development at East China Normal University on 3 May 2019

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 will 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 2018–19.

Performance criterion	Measure
Staff turnover rate	Staff turnover rate consistent with turnover and retention benchmarks

Result

Not achieved ☒ Partially achieved ☐ Achieved ☐

Supporting statement

ACARA experienced a high level of turnover with ongoing staff in 2018–19, with 20.83 per cent (total of 10 ongoing staff) having departed the organisation. This was not due to any particular event, nor was it a cause for concern based on exit surveys. It should be noted that a high number of senior leadership personnel departed over the 12-month period (including the CEO, Director Business Services, and General Manager Assessment & Reporting, whose contracts were concluding). This had a cascading effect within the respective units of the organisation.

Benchmarking for ACARA's staff turnover is against the overall Australian Public Service (APS) rate. As at 31 December 2018*, the APS separation rate for ongoing staff was 9.5 per cent.

** 2018–19 APS metrics were unpublished at the time of preparing this report.*

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 2018–19.

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 (the Minister) is the responsible minister for ACARA.

From 1 July 2018 to 28 August 2018, the Minister for Education and Training was Senator the Hon Simon Birmingham.

From 28 August 2018 to 30 June 2019, the Minister for Education was the Hon Dan Tehan MP.

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 2018–19 can be seen on the following pages.

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.

Between 1 July 2018 and 9 February 2019, ACARA's CEO was Mr Robert Randall.

From 4 March 2019 to 30 June 2019, ACARA's CEO was Mr David de Carvalho.

Executive Leadership Team

The Executive Leadership Team 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 2018–19; in allocating resources; and in managing enterprise-wide risks, legislative compliance, stakeholder relations and corporate governance. In 2018–19, the Executive Leadership Team met fortnightly from 25 March 2019. Prior to that date, the executive 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 to oversee a project to strengthen the representation of the Aboriginal and Torres Strait Islander Histories and Cultures cross-curriculum priority in the Australian Curriculum, commencing with Science. The group consists of three ACARA Board members and four members of the Aboriginal and Torres Strait Islander Advisory Group.

Research and Data Committee

The 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. The group comprises the Chair of ACARA's Measurement Advisory Group, between one and three members of the ACARA Board, the CEO or his delegate, a nominee of the Australian Education Senior Officials' Committee, an independent expert in research and school data, and ACARA's General Manager, Assessment and Reporting.

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, bringing 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), 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.* The group has representatives from all departments of education, the Catholic and independent school sectors and other relevant stakeholders.

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. The group has representatives from all departments of education, the Catholic and independent school sectors.

Measurement Advisory Group

The Measurement Advisory Group provides ACARA's executive with 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). It also provides input into all other assessment and educational measurement activities defined by ACARA's Charter, work plan and priorities. The group comprises of nationally and/or internationally recognised independent experts in the field of educational measurement.

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 helps facilitate implementation of the NAPLAN Online communications and engagement strategy, and allows 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 and 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. The group has representatives from all departments of education, the Catholic and independent school sectors and other relevant stakeholders.

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 provides advice on operational processes and products of NAPLAN, test development and national operational policy; and administration and reporting activities, and provides quality assurance to achieve high-quality tests in a nationally consistent framework. The group has representatives from all test administration authorities, and the Catholic and independent school sectors.

Online Accessibility Expert Advisory Group

The Online Accessibility Expert Advisory Group provides ACARA with advice and expertise on accessibility improvements on the online assessment platform. The group provides expert advice on options to facilitate more open access to NAPLAN tests, and advice and feedback on the development and implementation of the accessibility provisions on the platform. The group has representatives from all test administration authorities, and the Catholic and independent school sectors.

Students with Disability Advisory Group

The Students with Disability Advisory Group provides ACARA with high-level advice and expertise regarding the needs of students with disability in relation to ACARA's curriculum, assessment and reporting programs. The group has representatives from each state and territory and federal government education department or curriculum authority, the National Catholic Education Commission (NCEC), the Independent Schools Council of Australia (ISCA), the Australian Association of Special Education, Children and Young People with Disability Australia, and peak national principals' association. It also includes two individuals with relevant research expertise in the area of students with disability.

Accountability and reporting

ACARA has a range of mechanisms to ensure transparency and accountability of its operations. Key documents for 2018–19 include:

- ACARA Charter – endorsed by the Education Council in November 2016, providing the Council's strategic directions for ACARA
- ACARA Corporate Plan 2018–19 – 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 2018–19 – a detailed work plan endorsed by the Education Council and against which progress is monitored and reported on
- ACARA Annual Report 2017–18 – provided to the Minister for Education for presentation to the Australian Parliament, required by section 46 of the PGPA Act.

3.2 The 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, four members retired, in accordance with section 18 of the *Australian Curriculum, Assessment and Reporting Authority Act 2008* (ACARA Act). In line with sections 13 and 14 of the ACARA Act, the maximum of a six-year appointment of one member ended and one reappointment to the Board was made, in addition to four new appointments.

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 eight meetings during the 2018–19 reporting period, one of which was inquorate.

Chair

Ms Belinda Robinson FAICD

Ms Robinson has extensive experience as a company director and is a Fellow of the Australian Institute of Company Directors. She has served on a number of not-for-profit boards and advisory committees and has familiarity with being a company director of both listed and not-for-profit entities.

Ms Robinson is a non-executive director of four boards – three of which she chairs – and serves as Vice President, University Relations and Strategy, at the University of Canberra. Prior to this, she served for seven years as chief executive of Universities Australia, the peak body representing Australia's university sector. She has worked in a variety of senior and senior executive positions in state, local and federal governments, including eight years with the Department of the Prime Minister & Cabinet.

Qualifications held:
BA (UNE), MEnvLaw (ANU).
Appointed to the Board on 3 August 2018.

Deputy Chair

Mr 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 30-year period, Mr Hart 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:
B Ed St, Dip Teach., M Ed, MAICD.

Mr Allan Blagaich

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

Qualifications held:
BA, Dip Ed.

Ms Susan Bowden

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

Qualifications held:
BEd, MEDL.
Appointment to the Board ended on 22 May 2019.

Mr Tim Bullard

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

Qualifications held:
BA/LLB (Hons) Grad Dip (Legal Practice).
Appointment to the Board ended 14 September 2018.

Ms Susan Cameron

Ms Susan Cameron is Executive Director, Learning Improvement, Department for Education South Australia, and nominee of the SA education minister.

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

Mr David de Carvalho

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

Qualifications held:
BA(Hons), DipEd, BTheol, MPublaw, EMPA.
Appointment to the Board ended 31 January 2019.

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.

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.

Mayor Michael Hewitson AM

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

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

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, EMPA, PhD.
Reappointed to the Board 3 August 2018.

Mr Peter Kelly

Mr Peter Kelly is Deputy Director-General, State Schools, at the Department of Education, Queensland, and nominee of the Queensland education minister.

Qualifications held:
B Ed, Dip Teach.
Appointed to the Board on 10 April 2019.

Mr Tony Luttrell

Mr Tony Luttrell is Director, Strategic Data Management, Department of Education, Tasmania, and nominee of the Tasmanian education minister.

Qualifications held:
B Com., FCPA.
Appointed to the Board 31 March 2019.

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.

Ms Leanne Nixon

Ms Leanne Nixon was Assistant Director-General, State Schools – Performance, at the Department of Education, Queensland, and nominee of the Queensland education minister.

Qualifications held:
BA, GradDipEd, MEdStudies.
Appointed to the Board on 29 November 2018.
Appointment to the Board ended 21 December 2018.

Board member appointments

Members 2018–19	Initial appointment start	Appointment ending
Ms Belinda Robinson, FAICD, Chair	3 August 2018	3 August 2021
Mr Norm Hart, Deputy Chair	24 May 2018	24 May 2021
Mr Allan Blagaich	22 May 2018	22 May 2021
Mr Tim Bullard	22 November 2016	14 September 2018
Ms Susan Bowden	14 July 2013	22 May 2019
Ms Susan Cameron	18 June 2017	18 June 2020
Mr David de Carvalho	30 November 2017	31 January 2019
Ms Deb Efthymiades	22 November 2016	7 November 2019
Ms Valerie Gould	7 July 2014	18 June 2020
Mayor Michael Hewitson AM	7 July 2014	30 November 2020
Dr David Howes	16 June 2015	3 August 2021
Mr Peter Kelly	10 April 2019	10 April 2022
Mr Tony Luttrell	31 March 2019	31 March 2022
Dr Neil McGoran	22 May 2018	22 May 2021
Ms Leanne Nixon	29 November 2018	21 December 2018

Meetings of the Board

Date	Meeting	Apologies	Location
23 August 2018	78	NIL	Level 13, Tower B, 280 Elizabeth Street, Sydney 2000
16 October 2018	79	Neil McGoran	Level 13, Tower B, 280 Elizabeth Street, Sydney 2000
6 December 2018	80	NIL	Level 13, Tower B, 280 Elizabeth Street, Sydney 2000
1 March 2019 (inquorate meeting)	81	Allan Blagaich, Deb Efthymiades, Neil McGoran	Level 13, Tower B, 280 Elizabeth Street, Sydney 2000
2–3 May 2019	82	NIL	Level 13, Tower B, 280 Elizabeth Street, Sydney 2000
26 July 2018	Board tele/ videoconference	Neil McGoran	Tele/videoconference
9 August 2018	Board tele/ videoconference	Tim Bullard	Tele/videoconference
1 April 2019	Board tele/ videoconference	Allan Blagaich	Tele/videoconference

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 2018–19, the Audit and Risk Committee met four times.

The Audit and Risk Committee comprises:

- Mayor Michael Hewitson AM (Committee Chair)
- Associate Professor Lisa Barnes (Deputy Chair and independent member. Appointed to the committee 16 October 2018)
- Mr Norm Hart (appointed to the committee 31 July 2018)
- Mr Gilbert Smith (independent member)
- Mr Dennis Clark (independent member. Appointed to the committee 1 January 2019)
- Mr Paul Crombie (independent member. Appointment to the committee ended 10 December 2018)
- Ms Susan Bowden (appointment to the committee ended 22 May 2019).

Audit and Risk Committee meetings

Date	Meeting	Apologies	Location
14 August 2018	Meeting 42	NIL	Level 13, Tower B, 280 Elizabeth Street, Sydney 2000
13 November 2018	Meeting 43	NIL	Level 13, Tower B, 280 Elizabeth Street, Sydney 2000
19 February 2019	Meeting 44	NIL	Level 13, Tower B, 280 Elizabeth Street, Sydney 2000
28 May 2019	Meeting 45	Dennis Clark	Level 13, Tower B, 280 Elizabeth Street, Sydney 2000

3.3 Risk management

ACARA has a risk management framework in place, which sets guidelines for risk management at all levels of the organisation, including stipulating ACARA's risk appetite in various domains.

The aims of ACARA's management 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 standard for risk management, ISO 31000, and align with guidance material issued by the Australian Government Department of Finance.

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 2018–19.

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 and dealing with fraud. In the 2018–19 period, ACARA took all reasonable measures to prevent fraud and have systems in place to appropriately deal with any detected instances of fraud relating to the entity.

3.4 Financial management

ACARA is an independent statutory authority and a corporate Commonwealth entity that manages funding in accordance with its Charter. Its funding is approved 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.

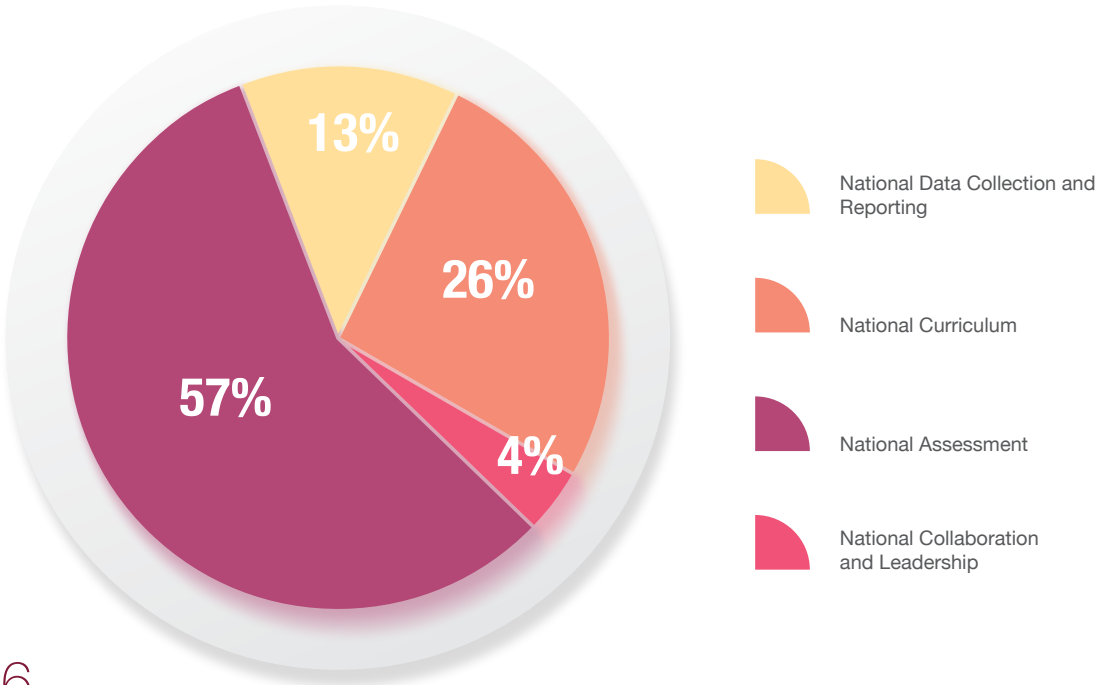
Analysis of financial performance

ACARA reported a deficit of $0.61M for the year ended 30 June 2019. This deficit reflects additional costs associated with the NAPLAN 2019 paper test development, due to Education Council agreeing to extend the implementation of the transition to NAPLAN Online. The savings generated from the unused NAPLAN Online writing marking funds in 2017–18, which were held in ACARA's reserves, accommodate this deficit.

At 30 June 2019, the cash and cash-equivalent balance of ACARA was $7.95 million. Where cash and cash-equivalents exceeded ACARA's at call requirements, they were transferred to investments in accordance with ACARA's investment strategy.

The following pie graph provides a breakdown of ACARA Program Expenditure for the year ended 30 June 2019.

ACARA EXPENDITURE BY WORK PLAN



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 of any significant decisions or issues. There were no significant decisions or issues reportable under these provisions for the year ended 30 June 2019.

3.5 Workforce management

Staff profile

As at 30 June 2019, ACARA's employees comprised 96.8 full-time equivalent (FTE) staff, in addition to three staff members engaged as secondees from state/territory agencies. For the previous reporting period (1 July 2017 – 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.

Total number of staff as at 30 June 2019	**96.8 FTE**
Full time	39.8
Part time	3.3
Fixed-term full time	48.9
Fixed-term part time	1.8
Secondees from state/territory agencies	**3**
Gender	
Number (male)	40
Number (female)	58
Location	
Sydney	67
Perth	13
Melbourne	4
Adelaide	4
Remote	10

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.

Key management personnel remuneration

The framework for determining the remuneration of key management personnel (KMP) is set out below:

Position	Instrument to set remuneration determination by ACARA
ACARA Board Chair; Deputy Chair; Board members	*Remuneration Tribunal (Remuneration and Allowances for Holders of Part-time Public Office) Determination 2019.* There are no variations to the determinations applicable to ACARA's Board.
ACARA CEO	Remuneration as determined by the *Remuneration Tribunal (Remuneration and Allowances for Holders of Full-time Public Office) Determination 2019.*
ACARA executive	ACARA executives are appointed on independent contracts. ACARA has detailed position descriptions for all positions, including ACARA's executive. These positions are evaluated using the Mercer CED job evaluation methodology, determining the appropriate classification before advertising. Evaluations reflect expertise, complexity, overall impact and the level of authority the position is required by ACARA. Executive appointments are further assisted by third party executive search agencies, assessing market competitiveness within the approved range and budget restraints. The CEO signs off all remuneration offers for executive appointments.
Highly paid ACARA employees	ACARA Enterprise Agreement 2017, Schedule A, Classification Levels and Salaries. ACARA has detailed position descriptions for all positions, including ACARA's highly paid employees. These positions are evaluated using the Mercer CED job evaluation methodology, determining the appropriate classification before advertising. Evaluations reflect expertise, complexity, overall impact and the level of authority the position is required by ACARA. For our most senior appointments, ACARA will consider the merits of further assistance by third party executive search agencies, assessing market competitiveness within the approved classification range and budget restraints. The CEO or the relevant executive signs off all remuneration offers for appointments.

Key management personnel remuneration disclosure

During the reporting period ended 30 June 2019, ACARA had 10 executives or Board members who met the definition of key management personnel and were remunerated. Their names and the length of terms as KMP are summarised below:

Name	Position	Term as KMP
Board members		
Belinda Robinson	Board Chair	Part year – appointed 3 August 2018
Norman Hart	Deputy Chair	Full year
Michael Hewitson	Board Member & Chair of Audit and Risk Committee	Full year
ACARA CEO		
David de Carvalho	CEO	Part year – appointed 4 March 2019
Robert Randall	CEO	Part year – term ended 9 February 2019
ACARA executive		
Peter Titmanis	General Manager, Assessment and Reporting	Part year – appointed 29 January 2019
Stanley Rabinowitz	General Manager, Assessment and Reporting	Part year – term ended 11 January 2019
Janet Davy	Director, Curriculum	Full year
Ann-Maree Ashburn	Director, Communications and Strategic Relations	Full year
Ainslee Scott	Chief Financial Officer/Director, Business Services	Part year – term ended 21 June 2019

In the notes to the financial statements for the period ending 30 June 2019, ACARA disclosed the KMP expenses. In accordance with the PGPA Rule, this information now needs to be further disaggregated in the annual report. The disaggregated information reconciles to the financial statement disclosure as follows:

	2019 $'000
Total key management personnel remuneration expenses per statements	2,008
Adjustment for leave paid on termination and previously accrued	(115)
Total key management personnel remuneration expenses per below	1,893

Key management personnel remuneration for 2018–19

		Short-term benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Total
Name	**Position title**	**Base salary**	**Superannuation contributions**	**Long service leave**		
Board members						
Belinda Robinson*	Board Chair	98,648	9,372	0	0	**108,020**
Norman Hart	Deputy Chair	82,560	7,773	0	0	**90,333**
Michael Hewitson	Board Member	11,968	351	0	0	**12,319**
ACARA CEO						
David de Carvalho*	CEO	138,581	15,551	7,234	0	**161,367**
Robert Randall*	CEO	261,507	23,208	6,949	0	**291,664**
ACARA executive						
Peter Titmanis*	General Manager, Assessment and Reporting	138,151	13,470	2,193	0	**153,815**
Stanley Rabinowitz*	General Manager, Assessment and Reporting	193,083	18,949	-27,283	0	**184,749**
Janet Davy	Director, Curriculum	330,197	32,199	10,111	0	**372,507**
Ann-Maree Ashburn	Director, Communications & Strategic Relations	236,617	23,060	6,311	0	**265,989**
Ainslee Scott*	Chief Financial Officer/Director, Business Services.	227,090	22,141	3,391	0	**252,622**
		1,718,403	**166,074**	**8,907**	**0**	**1,893,384**

*Part year employment

1. The above table does not include Board fees paid to other Board members during FY 18–19 as reimbursement of time to their employers.

2. The above table does not include any annual leave and long service leave paid out on termination, which are included in the Financial Statements disclosure.

3. ACARA did not pay any bonuses, or other benefits and allowances, during the 2018–19 year.

Other highly paid staff table for 2018–19 in accordance with the PGPA Rule

		Short-term benefits	Post-employment benefits	Other long-term benefits	Termination benefits	Total remuneration
Remuneration band	**Number of other highly paid staff**	**Average base salary ($)**	**Average superannuation contributions ($)**	**Average long service leave ($)**	**Average termination benefits ($)**	**Average total remuneration ($)**
$220,001 – $245,000	3	204,309	19,908	3,121		**227,338**

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 leadership capability through a leadership program. The program uses a blended learning approach in its delivery and impact.

In 2018–19, all managers and executives participated in training, coaching and forums each quarter. 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.

Improvements in leadership at ACARA are evident with the Leadership Program, in conjunction with conversation-based performance reviews, changing both perception and demonstrated leadership amongst managers. The Leadership Forum content and delivery are owned and driven by the CEO and executive, engaging all leaders at ACARA across at all locations on a range of topics from strategic to operational leadership.

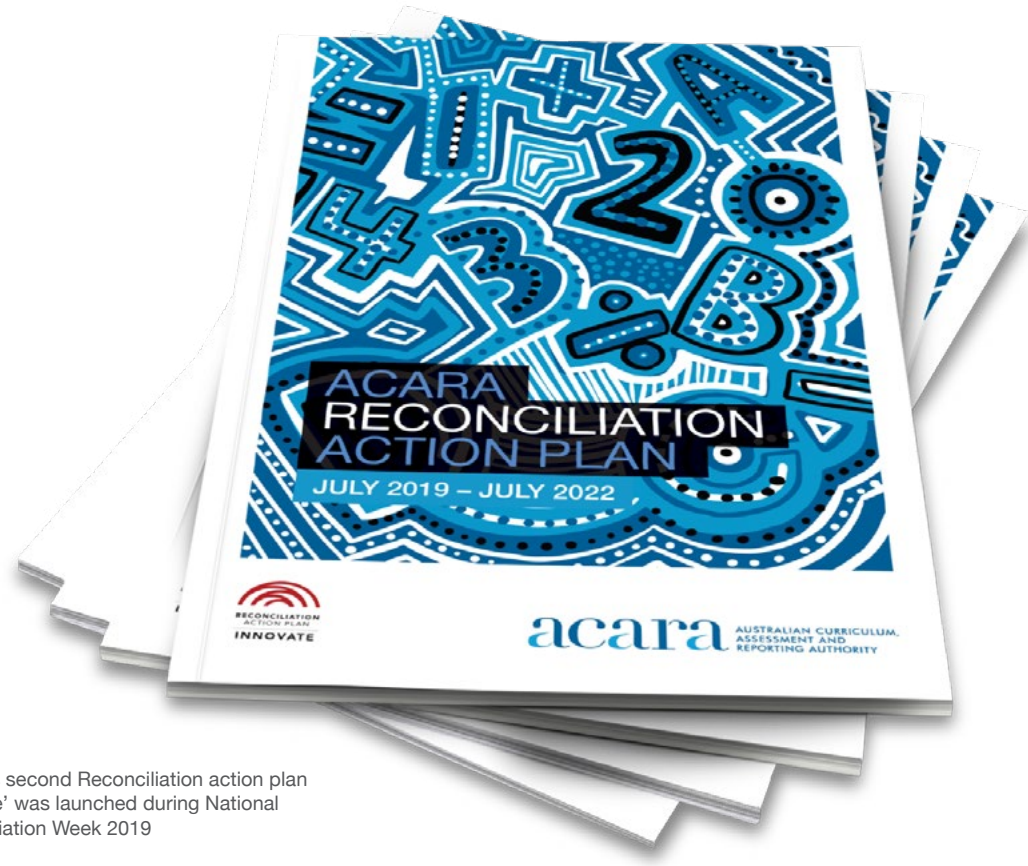
Reconciliation action plans

ACARA committed to its first 'Reflect' Reconciliation Action Plan (RAP) in 2017 to support staff in learning about Aboriginal and Torres Strait Islander histories and cultures, and to contribute to the journey towards reconciliation.

Over the course of 2018–19, ACARA continued to be guided by this RAP, including:

- marking dates of cultural significance for Aboriginal and Torres Strait Islander people, including the anniversary of the Apology to the Stolen Generations, National Reconciliation Week, NAIDOC week, Indigenous Literacy Day and the anniversary of Paul Keating's 1992 Redfern Park Speech
- presenting Acknowledgment of Country at the beginning of all-staff meetings
- in collaboration with ACARA's Aboriginal and Torres Strait Islander Advisory Group and Reconciliation Australia, developing an 'Innovate' RAP based on learnings, challenges and achievements of the 'Reflect' RAP.

Building on lessons learnt through the Reflect RAP process, on 31 May ACARA proudly launched its second RAP – 'Innovate' – during the National Reconciliation Week. Commitments within the new RAP will help ACARA gain a deeper understanding of its sphere of influence and establish the best approach to advance reconciliation.



ACARA's second Reconciliation action plan 'Innovate' was launched during National Reconciliation Week 2019

Executive leadership 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 David de Carvalho (from 4 March 2019)
- Mr Robert Randall (from November 2012 to 9 February 2019)

General Manager, Assessment and Reporting:

- Mr Peter Titmanis (from 29 January 2019)
- Dr Stanley Rabinowitz (from July 2014 to 11 January 2019)

Director, Curriculum: Ms Janet Davy

Chief Financial Officer / Director, Business Services: Ms Ainslee Scott (from January 2017 to 14 June 2019)

Director, Communications and Strategic Relations: Ms Ann-Maree Ashburn

Chief Executive Officer

Mr David de Carvalho

Mr David de Carvalho joined ACARA in March 2019, bringing to ACARA a wealth of leadership experience from the education sector and from the public sector at both the Commonwealth and state government level.

Mr de Carvalho was Chief Executive Officer of NESA from January 2017 until February 2019. Prior to that, he was Deputy Secretary at the NSW Department of Family and Community Services.

Mr de Carvalho has also led the National Catholic Education Commission and was Head of the Higher Education Division in the federal government Department of Education. He started his career as a secondary school teacher and has served on the boards of the Australian Council for Educational Research and the Curriculum Corporation (now Education Services Australia).

General Manager, Assessment and Reporting

Mr Peter Titmanis

Mr Peter Titmanis joined ACARA in January 2019. His most recent position has been Executive Director, Strategic Initiatives and Performance, at the Western Australian Department of Education.

Mr Titmanis began his career as a secondary science teacher, then a university lecturer in education. He has extensive experience on national initiatives, including NAPLAN and NAPLAN Online, and has wide-ranging experience in school accountability and reporting.

Mr Titmanis holds a Postgraduate Diploma in Science Education from Curtin University, a Diploma of Education from the University of WA, and a Bachelor of Science from the University of WA.

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. Ms Davy 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.

Ms Janet Davy

Director, Communications and Strategic Relations

Ms Ann-Maree Ashburn

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.

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 was responsible for ACARA's financial management, external reporting, project management and corporate services. She provided strategic advice to the Chief Executive Officer and ACARA Board on business process improvement, including governance and risk management practices.

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. Ms Scott left ACARA in June 2019.

Ms Ainslee Scott

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 (25 October 2018)
- Additional Estimates (21 February 2019).

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 2018–19, 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; workstation 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 2018–19, 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 2018–19, 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
- conducting regular workplace inspections and encourage reporting of any incidents or hazards.

Insurance and indemnities

During 2018–19, 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 2018–19, ACARA continued to embed the use of new technologies and improve flexible workplace practices. This was enabled by means of initiatives:

- ACARA's Sydney office commenced collecting plastic bottle caps for Envision, an Australian organisation that recycles plastic bottle tops to make prosthetics for hands and arms, and mobility aids, for people in need.
- Video-conferencing facilities are used in Sydney and Perth offices as a preference to travel, wherever possible.
- ACARA continued its recycling program through its Sydney office tenancy. Items that are recycled include glass, paper, metal, plastics and printer cartridges.

4.0 Financial statements

Statement by the Accountable Authority, Chief Executive Officer and Acting Chief Financial Officer

In our opinion, the attached financial statements for the year ended 30 June 2019 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
Chair, Accountable Authority
Dated this 23rd day of August 2019

Mr. David de Carvalho
Chief Executive Officer
Dated this 23rd day of August 2019

Mr. Simon To
Acting Chief Financial Officer
Dated this 23rd day of August 2019

Australian National Audit Office

INDEPENDENT AUDITOR'S REPORT

To the Minister for Education

Opinion

In my opinion, the financial statements of the Australian Curriculum, Assessment and Reporting Authority ('the Entity') for the year ended 30 June 2019:

(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 Entity as at 30 June 2019 and its financial performance and cash flows for the year then ended.

The financial statements of the Entity, which I have audited, comprise the following statements as at 30 June 2019 and for the year then ended:

- Statement by the Accountable Authority, Chief Executive Officer and Acting Chief Financial Officer;
- 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 Entity 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 Entity, the Board of Directors is responsible under the *Public Governance, Performance and Accountability Act 2013* (the Act) for the preparation and fair presentation of annual financial statements that comply with Australian Accounting Standards – Reduced Disclosure Requirements and the rules made under the Act. The Board is also responsible for such internal control as the Board determines is necessary to enable the preparation 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 ability of the Entity 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.

GPO Box 707 CANBERRA ACT 2601
19 National Circuit BARTON ACT
Phone (02) 6203 7300 Fax (02) 6203 7777

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 the Accountable Authority 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

23 August 2019

Statement of Comprehensive Income for the Year Ended 30 June 2019

	Note	2019 $'000	2018 $'000	Original Budget $'000
NET COST OF SERVICES				
Expenses				
Employee benefits	2.1(a)	14,500	12,250	15,517
Supplier expenses	2.1(b)	15,914	15,642	12,253
Depreciation and amortisation		708	722	708
Loss on disposal of assets		-	12	-
Total expenses		31,122	28,626	28,478
Own Source Income				
Revenue				
Revenue from Jurisdictions – States and Territories	2.2	13,082	12,966	13,082
Interest – Bank deposits	2.2	260	206	180
Other revenue – Projects	2.2	4,192	2,569	2,234
Total own source revenue		17,534	15,741	15,496
Net cost of / (contribution by) services		13,588	12,885	12,982
Revenue from Government – Australian Government	2.2	12,982	13,036	12,982
(Deficit) / surplus attributable to the Australian Government		(606)	151	-
Other Comprehensive Income				
Changes in asset revaluation		-	77	-
Total comprehensive (deficit) / income attributable to the Australian Government		(606)	228	-

Budget Variances

1. Employee benefits – The organisation experienced a higher staff vacancy rate including several executive positions. The organisation's 2018-19 workplan involved a number of additional projects over the prior year, resulting in higher employee expenses.
2. Supplier expenses – The use of secondees, casual staff and contractors to service short term project engagements and specialised work.
3. Interest – Maximising term deposit revenue opportunities, following timely receipt of grant contributions.
4. Other revenue – Funding from the Australian Government, States & Territories and industry bodies for project work in Curriculum, Assessment and Reporting.

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 Financial Position as at 30 June 2019

	Note	2019 $'000	2018 $'000	Original Budget $'000
Assets				
Financial Assets				
Cash and cash equivalent deposits		7,953	7,352	4,940
Trade and other receivables	3.1	15,449	8,819	6,740
Accrued revenue		18	36	-
Total financial assets		23,420	16,207	11,680
Non-financial assets				
Fixtures and Fittings	3.2	538	1,028	576
Plant and equipment	3.2	100	308	120
Other non-financial assets		130	280	61
Total non-financial assets		768	1,616	757
Total Assets		24,188	17,823	12,437
Liabilities				
Payables				
Suppliers	3.3(a)	2,377	2,407	850
Grants in Advance (deferred revenue)	3.3(b)	17,884	10,868	7,525
Total payables		20,261	13,275	8,375
Provisions				
Make-good provision		375	364	355
Employee provisions	4.1	2,223	2,249	2,000
Total provisions		2,598	2,613	2,355
Total Liabilities		22,859	15,888	10,730
Net Assets		1,329	1,935	1,707
Equity				
Retained surplus		1,329	1,935	1,707
Total Equity		1,329	1,935	1,707

Budget Variances

1. Cash and cash equivalent deposits – Grant funds received in advance and anticipated cash outflows lower than expected for some project work.
2. Trade and other receivables – Raised the 2019-20 funding contributions in advance to ensure on-going operations.
3. Other non-financial assets – Increase reflects prepayment of rent, software subscription and licenses.
4. Suppliers – Increase reflects end of year creditors accrual for business as usual activities.
5. Grants in advance – Raised the 2019-20 funding contributions in advance to ensure on-going operations.
6. Employee provisions – Portability of employee entitlements from qualifying institutions has increased entitlements.
7. Retained surplus – Decrease reflects the deficit as shown in 2018-19 Statement of Comprehensive Income.

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 2019

	Retained earnings			Asset Revaluation Reserve			Total equity		
	2019 $'000	2018 $'000	Original Budget $'000	2019 $'000	2018 $'000	Original Budget $'000	2019 $'000	2018 $'000	Original Budget $'000
Opening Balance	1,935	1,707	1,784	-	77	(77)	1,935	1,784	1,707
Comprehensive Income									
(Deficit) / surplus for the period	(606)	228	-	-	-	-	(606)	228	-
Other comprehensive income	-	-	-	-	(77)	-	-	(77)	-
Total comprehensive income	(606)	228	1,784	-	(77)	(77)	(606)	151	1,707
Closing balance as at 30 June	1,329	1,935	1,784	-	-	(77)	1,329	1,935	1,707

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

Cash Flow Statement
for the Year Ended 30 June 2019

	2019 $'000	2018 $'000	Original Budget $'000
OPERATING ACTIVITIES			
Cash Received			
Receipts from Government – Australian Government	17,389	15,106	15,439
Receipts from Jurisdictions – States and Territories	13,426	14,193	12,359
Interest	297	174	180
Net GST received	1,121	1,204	-
Other cash received	123	17	-
Total cash received	32,356	30,694	27,978
Cash Used			
Employees	(14,314)	(12,293)	(14,998)
Suppliers	(17,431)	(17,707)	(12,702)
Net GST paid	-	-	-
Total cash used	(31,745)	(30,000)	(27,700)
Net cash received from operating activities	611	694	278
INVESTING ACTIVITIES			
Cash used			
Purchase of property, plant and equipment	(10)	(121)	(250)
Total cash used	(10)	(121)	(250)
Net cash used by investing activities	(10)	(121)	(250)
Net increase in cash held	601	573	28
Cash and cash equivalents at the beginning of the reporting period	7,352	6,779	4,912
Cash and cash equivalents at the end of the reporting period	7,953	7,352	4,940

Budget Variances

1. Receipts from Government – Australian Government - Funding from the Australian Government and industry bodies for project work in Curriculum, Assessment and Reporting.
2. Interest –Invested operating funds in short term deposits to maximise funding outcomes.
3. GST – The net outcome from the recovery of GST on supplier payments and GST collected on invoices raised was anticipated to be higher.
4. Other cash received – Receipt of royalties and sale of data to government agencies and schools
5. Employees – The organisation experienced a higher staff vacancy including several executive positions. The organisation's 2018-19 workplan involved a number of additional projects over the prior year, resulting in higher employee expenses.
6. Suppliers – The use of secondees, casual staff and contractors to service short term project engagements and specialised work.
7. Purchase of property, plant and equipment – Anticipated purchases of new computer equipment were not required.

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

Index to the Notes to and forming part of the Financial Statements for the year ended 30 June 2019

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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); 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

The new accounting standards that were issued prior to the sign-off date and are applicable to the current reporting period have no material effect on the entity's financial statements.

Adoption of New Australian Accounting Standard Requirements

Standard/Interpretation	Summary
AASB 9 Financial Instruments	ACARA has adopted AASB 9 from 1 July 2018. ACARA has receivables at year end and under the standard there are new impairment requirements which use an 'expected credit loss' ('ECL') model to recognise an allowance. Impairment is measured using a 12-month ECL method unless the credit risk on a financial asset has increased significantly since initial recognition in which case the lifetime ECL method is adopted. For receivables, a simplified approach to measuring expected credit losses using a lifetime expected loss allowance is available. The adoption of new Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of ACARA as at 30 June 2019 or on opening retained earnings as at 1 July 2018.

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

Notes to and forming part of the financial statements

1. Overview (Cont'd)

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 on or after	Summary
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, in a similar form as the 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.
AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-For-Profit Entities	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.

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.

1. Overview (Cont'd)

In June 2016 ACARA entered into a four year lease for office accommodation at 280 Elizabeth St Sydney; this lease was effective from 1 August 2016. In December 2016 ACARA entered a six-year lease for office accommodation at 140 St Georges Terrace Perth; this lease was 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. In February 2019, ACARA entered into a one year lease with Melbourne Business Centre effective from April 2019. Operating lease commitments shown in the table below include the office accommodation at 280 Elizabeth Street Sydney (13 months remaining), 140 St Georges Terrace Perth (41 months remaining) and Melbourne Business Centre (9 months remaining).

	2019 $'000	2018 $'000
Commitments payable		
Operating lease commitments		
Within 1 year	803	643
Within 1 to 5 years	344	990
Within 5 to 10 years	-	-
Total operating lease commitments	1,147	1,633

1.5 Cash

Cash and cash equivalents include 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 an 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:

- where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- 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. Overview (Cont'd)

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.

A change has been made to the comparative figures in the Cash Flow Statement to reclassify an amount of $1,204,653 from payments to Suppliers and Net GST Paid to Net GST Received. This change was made to conform with changes to presentation in the Cash Flow Statement for the current financial year. The impact of this change was limited to a reclassification adjustment within the net cash received from operating activities in the comparative period.

1.10 Events after Reporting Period

Other than noted below, 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 2019.

On 8 July 2019, ACARA has accepted a proposal to extend the lease on the current Level 13, 280 Elizabeth Street, Sydney office, by 6 years to 31 July 2026. Under the proposal, the operating lease commitments will increase by:

	$'000
Within 1 year	-
Within 1 to 5 years	3,599
Within 5 to 10 years	2,186
Total additional operating lease commitments	5,785

2. *Financial Performance*

2.1 Expenses

	2019 $'000	2018 $'000
2.1(a): Employee benefits		
Wages and salaries	11,989	10,200
Superannuation – defined contribution plans	1,299	1,148
Leave and other entitlements	1,118	845
Separation and redundancies	95	57
Total employee benefits	14,501	12,250

Employee benefits are recognised as an expense in the period the service is rendered.

2.1(b): Supplier expenses		
Goods and services supplied or rendered		
Secondments, casual staff, contractors and consultants	3,562	2,930
NAPLAN item development and testing	5,296	5,172
Website development and maintenance	208	1,258
Travel and accommodation	1,239	956
Staff related expenses – payroll tax and recruitment	1,152	825
Consultants – Curriculum Development	651	1,202
Office infrastructure	86	178
IT expenses	1,259	961
Audit fees payable to the Australian National Audit Office	47	47
Legal Expenses	196	220
Other operational expenditure	1,047	830
Total Goods and services supplied or rendered	14,743	14,579
Goods supplied	910	678
Services supplied	13,833	13,901
Total goods and services supplied or rendered	14,743	14,579

2. Financial Performance (Cont'd)

	2019 $'000	2018 $'000
Other suppliers		
Operating lease rentals		
Minimum lease payments	958	881
Workers compensation expense	213	182
Total other suppliers	1,171	1,063
Total Suppliers	15,914	15,642

Operating expenses are recognised upon utilisation of the services.

2.2 Revenue

	2019 $'000	2018 $'000
Revenue sources:		
Commonwealth grants – contributions	12,982	13,036
State and Territory grants - contributions	13,082	12,966
Other Revenue – Projects	4,192	2,569
Interest revenue	260	206
Total revenue	30,516	28,777

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 9 *Financial Instruments.*

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 Trade and other receivables

	2019 $'000	2018 $'000
Receivables for goods and services	15,266	8,570
GST	183	249
Total trade and other receivables	15,449	8,819

All trade and other receivables are expected to be recovered in less than 12 months, (2018 Recovery expected less than 12 months).

There are no trade and other receivables that are impaired at 30 June 2019 and 30 June 2018. A total of $25,926 (2018: $0) was past due and not impaired in the range of 31 – 60 days.

3.2 Non-Financial Assets

Reconciliation of Opening and Closing Balances Plant and Equipment 2019

	Fixtures and Fittings $`000	Plant and equipment $`000	Total $`000
Total as at 1 July 2018	1,029	307	1,336
Additions – by purchase	1	9	10
Disposals	-	-	-
Depreciation / amortisation expense	(492)	(216)	(708)
Total as at 30 June 2019	538	100	638

Reconciliation of Opening and Closing Balances Plant and Equipment 2018

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

No indications of impairment were found for plant and equipment.

3. Financial Position (Cont'd)

3.2 Non-Financial Assets continued

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 $2,000, 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:

	2019	2018
Office Fitout	Life of Lease	Life of Lease
Other Furniture and fittings	4 years	4 years
Equipment	3 years	3 years

Impairment

All assets were assessed for impairment at 30 June 2019. 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 the 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. Financial Position (Cont'd)

3.3 Payables

	2019 $'000	2018 $'000
(a): Suppliers		
Trade creditors and accruals – no more than 12 months	2,377	2,407
Total suppliers	2,377	2,407

Settlement was usually made net 30 days

Payables are recognised to the extent that the goods or services have been received and not paid or where payments for services have been received in advance.

(b): Grants in advance (deferred revenue)	2019 $'000	2018 $'000
Commonwealth grants - contributions	8,015	1,350
States & Territories grants – contributions	8,193	7,851
Commonwealth project funds	1,676	1,667
Total Grants in advance	17,884	10,868

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 2019 the amount of deferred revenue was $17,884,040 (2018: $10,868,199) and primarily represents future annual contributions from the Commonwealth along with State and Territory jurisdictions and project work funding, for expenditure to be incurred in future financial years for the delivery of ACARA's Work Plan and project contracts.

4. People and relationships

4.1 Employee Provisions

	2019 $'000	2018 $'000
Employee provisions		
Not more than 12 months	1,154	1,215
More than 12 months	1,069	1,034
Total employee provisions	2,223	2,249

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 regards 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 comprises 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 reflects the 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 2019 represents outstanding contributions for the final month of the year.

4. People and relationships (Cont'd)

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:

	2019 $'000	2018 $'000
Short-term employee benefits:		
Director fees / salary	1,615	1,452
Total short-term employee benefits	1,615	1,452
Post-employment benefits:		
Superannuation	167	138
Total post-employment benefits	167	138
Other long-term benefits:		
Annual leave accrued	109	99
Long-service leave	(92)	36
Total other long-term benefits	17	135
Termination benefits	209	13
Total senior executive remuneration expenses[1]	2,008	1,738

Key management personnel remuneration expense for the reporting period

The total number of key management personnel that are included in the above table are 22 individuals (15 Directors and 7 ACARA Executive staff) in 2018: 23 individuals (16 Directors and 7 ACARA Executive staff).

1. 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. People and relationships (Cont'd)

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 entities with directors 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.

	2019 $'000	2018 $'000
Transactions with directors, key management personnel or their related entities	49	75

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

	2019 $'000	2018 $'000
Western Australia School Curriculum and Standards Authority	4	-
NSW Education Standards Authority	11	66
Australian Capital Territory Education Directorate	2	-
Victorian Curriculum and Assessment Authority	12	-
Northern Territory Department of Education	1	1
Tasmanian Department of Education	2	2
South Australian Department of Education and Child Development	17	6
	49	75

5. Managing uncertainties

5.1. Contingent Assets and Liabilities

There are no contingent assets or liabilities at 30 June 2019 (30 June 2018: nil).

Compliance index

Under the *Public Governance, Performance and Accountability Rule 2014* (PGPA Rule), ACARA is required to provide an index of the mandatory annual report requirements from section 28E. Below is an index that provides the location of these mandatory requirements within this annual report.

Subject	Rule	Location	Page
i. Approval by the accountable authority of the entity 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	17BB	Letter of transmittal	3
Enabling legislation	17BE(a)	1.3, 3.1	9, 32
Functions and objectives in enabling legislation	17BE(b)(i)	2.0, 3.1	13, 32
Purposes of the entity as included in the entity's corporate plan for the period	17BE(b)ii	2.0	13
Names and titles of responsible minister(s)	17BE(c)	3.1	32
Ministerial directions	17BE(d)	3.6	59
Government policy orders	17BE(e)	3.6	59
Compliance with direction or order	17BE(f)	3.6	59

Subject	Rule	Location	Page
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: iv. accurately present the entity's performance in the reporting period, and v. comply with subsection 39(2) of the PGPA Act	17BE(g)	2.0	13
Reporting of non-compliance with the finance law	17BE(h)-(i)	3.6	58
Information on members of the accountable authority: name, qualifications, experience, meetings attended and whether the member is an executive member or non-executive member	17BE(j)	3.2	37
Organisational structure	17BE(k)	1.3	10
Statistics on the number of employees (including ongoing and non-ongoing employees) at the end of that and the previous reporting period, in relation to full-time employees; part-time employees; gender; location	17BE(ka)	3.5	48
Locations of major activities or facilities	17BE(l)	1.3	10
Corporate governance	17BE(m)	3.1	32
Decision-making process to approve the entity paying for a good or service from another Commonwealth entity		n/a	

Subject	Rule	Location	Page
Significant activities and changes that affected operations or structure of the entity during the period		n/a	
Judicial decisions or administrative tribunals	17BE(q)	3.6	58
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	17BE(r)	3.6	58
Information from subsidiary		n/a	
Indemnity applied to accountable authority or officer of entity	17BE(t)	3.6	59
Information about executive remuneration in accordance with Subdivision C	17BE(ta)	3.5	52

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