

NSW EDUCATION STANDARDS AUTHORITY

ANNUAL REPORT

2019–20



Letter of submission to the Minister

The Hon Sarah Mitchell MLC
Minister for Education and Early Childhood Learning
Parliament House
Macquarie Street
Sydney NSW 2000

Dear Minister

We are pleased to present the annual report of the NSW Education Standards Authority for the year ending 30 June 2020, for your presentation to the NSW Parliament.

The report highlights the activities and achievements of the NSW Education Standards Authority over the reporting year. It has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*.

The report also contains NESAs audited financial statements for the financial year ended 30 June 2020.



Paul Martin
Chief Executive Officer
NSW Education Standards Authority
27 November 2020



Professor Peter Shergold AC
Chairperson
Governing Board of the NSW Education Standards Authority
27 November 2020

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Chairperson's message

I am pleased to present the NSW Education Standards Authority (NESA) 2019-20 Annual Report.

At the beginning of 2020, I began my term as the Chairperson of the NESA Board. To be guiding an organisation that delivers world-class syllabuses, assessment, teaching and learning is an honour and privilege. This year NESA welcomed our new Chief Executive Officer, Paul Martin, who brings a wealth of knowledge and teaching experience to NESA's work during such a significant period of education reform in NSW.

At the start of 2020, the NESA Board also welcomed six new members. These members bring skills, knowledge and hands-on teaching experience, and a strong understanding and vision for education in NSW. The Board has worked collaboratively to tackle some incredibly challenging education issues during the first six months of my leadership.

This reporting year has been filled with immense disruption, from the bushfire season to the COVID-19 pandemic, and these events have affected us all and have impacted the way education has been delivered in 2019-20. The NESA Board and the NESA agency have worked hard to support NSW students through these uncertainties, in partnership with each of the NSW school sectors and other key stakeholders.

At the centre of every decision the NESA Board makes is the health and wellbeing of students and teachers. That is why we established a COVID-19 Response Committee, which I also chair. The Committee includes representatives from all three school sectors, addressing developing and urgent issues related to the COVID-19 pandemic. The Committee met regularly through 2020, and has played a vital role in responding quickly to a range of COVID-19 issues to ensure the continuity of education in NSW. The Committee's work is ongoing as we head into the latter half of 2020 and 2021.

I extend my deepest thanks to NSW teachers, schools and parents and carers for the remarkable effort to teach and learn remotely, and to support students in the face of such disruption and uncertainty. I commend the remarkable effort and resilience of NSW's senior secondary students heading into the 2020 HSC, in particular those students from rural and remote areas and students with a disability.

Finalising the NSW Curriculum Review shaped much of NESA's work during 2019-20, with the NSW Government announcing the Final Report and its response on 23 June 2020. Implementing a once-in-a-generation curriculum reform program will now be NESA's central focus into 2020-21. This is a tremendous opportunity for the NESA Board and agency to reform the NSW curriculum to help students achieve their maximum potential, and prepare for life and work in the 21st century.

On behalf of the NESA Board, I would like to acknowledge Mr Tom Alegounarias as the outgoing Chair of the NESA Board. I thank him for his many years of leadership, expertise and service to NESA and its predecessor organisations. His long serving passion for education and policy making has left NESA well positioned to continue its journey on improving the education outcomes of all NSW students.

Finally, I thank all of my colleagues on the NESA Board and its committees. Your expertise, dedication and steady hands have been invaluable as we navigated the difficulties of 2019-20. I look forward to continuing to work with you to support the brilliant teaching and learning that happens right across NSW into 2020-21.



Professor Peter Shergold AC

Chairperson

NSW Education Standards Authority Board

Chief Executive Officer's message

The 2019–20 reporting year has not been without its challenges for NSW students, teachers, schools, parents and carers. The COVID-19 pandemic has changed the world as we know it, and reshaped education, teaching and learning for many people. The health and wellbeing of every NSW student has always been at the centre of NESA's work. I'm pleased that during the COVID-19 pandemic, NESA has not wavered from this commitment.

In December 2019, the NSW Minister for Education and Early Childhood Learning announced my ongoing appointment as NESA's Chief Executive Officer (CEO). This is a great privilege and responsibility to ensure the continued educational attainment of all NSW students. In my first year as CEO, the agency has focused on supporting the first comprehensive review of the NSW curriculum since 1989, while also responding to the COVID-19 pandemic. At the same time, the Minister also announced new membership of the NESA Board and appointed a new Chair, Professor Peter Shergold.

In March 2020, NESA's new Board met for the first time, and established a COVID-19 Response Committee. The Committee has worked to ensure the delivery of the Higher School Certificate (HSC) in 2020, in particular the conduct of COVID-19 safe examinations. These necessary adjustments to the HSC will enable NSW senior secondary students to continue to pursue their plans for work, study and life after school.

I also acknowledge the dedication that all NSW students showed to their education during a challenging and unprecedented time. I also want to acknowledge our teachers and schools for their resilience in adapting to remote learning at short notice during 2020, and transitioning back to face-to-face learning during the year. Finally, I acknowledge all parents and carers for their invaluable role in supporting remote education of our children during COVID-19.

In the midst of a global pandemic, Premier Berejiklian and Minister Mitchell announced the NSW Government's response to the NSW Curriculum Review reform final report '[Nurturing wonder and igniting passion](#)', by Professor Geoff Masters. NESA's work over the next few years will focus on responding and implementing the recommendations agreed by the NSW Government.

NESA has continued to support its Commitment to Aboriginal Education, established in 2017 with the NSW Aboriginal Education Consultative Group (NSW AECG). This reporting year, NESA collaborated with the Metropolitan Local Aboriginal Land Council to rename the NESA Boardroom to the Ngara room. 'Ngara' is a Gadigal word meaning 'to listen'. This is a significant milestone for NESA and solidifies our acknowledgement of the Gadigal peoples as the traditional owners of the land on which NESA's main office is located. This milestone is also a deliverable in NESA's Innovate Reconciliation Action Plan, which emphasises NESA's role in listening to Aboriginal and Torres Strait Islander peoples, and the broader education community, to drive its work across curriculum, assessment, teacher quality and school standards.

I would like to express my sincere thanks and appreciation to our key stakeholders across the NSW education community. NESA looks towards your goodwill and commitment to education as we pursue common educational goals.

Finally, I want to acknowledge the NESA Board, my executive team and the NESA agency for your continued dedication, collaboration and hard work to improve the education outcomes of all NSW students.



Paul Martin

Chief Executive Officer

NSW Education Standards Authority

1.1 About NESAs

The NSW Education Standards Authority (NESA) was established on 1 January 2017 as an independent statutory authority under the [Education Standards Authority Act 2013](#) (NESA Act). NESA is a portfolio responsibility of the NSW Minister for Education and Early Childhood Learning.

NESA brings together all four educational pillars – teacher quality, curriculum, assessment and school standards – into a single education authority.

Making sure all children and young people in NSW leave school ready to take advantage of life's opportunities, and rise to its inevitable challenges, is at the heart of what we do at NESA. We support the school sectors to deliver the best possible outcomes for students through high quality syllabuses, assessment, teaching standards and school environments.

The NESA Act, the [Education Act 1990](#) and the [Teacher Accreditation Act 2004](#) outline NESA's functions and responsibilities. Collectively, these acts constitute the NSW 'education and teaching legislation'. The education and teaching legislation encompasses NESA's curriculum, teacher accreditation, examinations and assessment and regulatory functions.

A NSW Public Service staff agency supports NESA in achieving its goals across all four educational pillars, established under Schedule 1 Part 3 of the *Government Sector Employment Act 2013*.

Charter

Under the NESA Act, NESA is required to have a Charter, prepared by the NESA Board and approved by the Minister, which outlines NESA's mission and purpose, objectives and functions, values and operating principles, and the role and functions of the Board.

The Board endorsed and the Minister approved the NESA Charter in May 2017. The complete NESA Charter is at [Appendix A](#).

The Charter outlines NESA's key purpose, which is to bring about change to improve student learning and wellbeing through:

- supporting the teaching profession to be the best it can be, through the Australian Professional Standards for Teachers and quality assurance of professional learning and development
- developing world-class curriculum
- deepening the understanding and practice of assessing student knowledge and capabilities
- driving improvement in the quality assurance systems for schools.

NESA provides a forum for collaboration and works in partnership with students, parents, teachers, principals, school sectors and other stakeholders on key educational matters in NSW, identifying issues and producing policies that support the attainment of high education standards in NSW.

As an independent authority acting across school sectors, NESA identifies common and agreed standards and benchmarks for the NSW school system by analysing data, research, and drawing upon the practical experience, wisdom and professional judgement of teachers and schools.

NESA applies Australian and international research to implement policy that generates improvements in the quality of teaching and student learning, and brings together expertise from within the school sectors, universities and other professional groups to promote evidence-based analysis, teacher judgement and policy within and on behalf of the teaching profession.

Key functions

Curriculum and Assessment

- Develop curriculum and curriculum support materials that articulate NSW educational standards at each stage of learning from Kindergarten to Year 12
- Develop high quality resources and provide expert guidance and support for teachers undertaking assessment of the educational standards of NSW students from Kindergarten to Year 12

Examinations and Credentials

- Develop and deliver HSC examinations and award the HSC to eligible students, including the HSC Minimum Standard
- Award the Record of School Achievement (RoSA) to eligible students who leave school before completing the HSC
- Implement and administer the National Assessment Program – Literacy and Numeracy (NAPLAN) tests in NSW

Teaching Quality

- Implement and oversee teacher accreditation processes against whole-of-career Australian Professional Standards for Teachers and accredit NSW teachers against those standards
- Assure the quality of Initial Teacher Education programs offered by providers against the Australian Professional Standards for Teachers
- Assure professional learning for beginning, returning and continuing teachers based on rigorous professional standards

School Registration and Accreditation

- Develop and implement school registration standards
- Register non-government schools seeking to operate in NSW and accredit non-government schools to present candidates for the RoSA and HSC
- Provide advice to the Minister on the compliance by NSW government schools with requirements similar to those required for the registration of non-government schools
- Regulate teacher accreditation authorities for non-government schools and early childhood education centres
- Approve schools to deliver courses to overseas students
- Administer the home schooling program under delegation from the Minister

NSW Aboriginal Education Consultative Group (AECG)

- Provide corporate services support to the NSW Aboriginal Education Consultative Group Inc.

Australian Music Examinations Board NSW

- Provide corporate services support to the Australian Music Examinations Board (NSW).

The NESA Board

NESA includes a 12-member governing [Board](#), which sets the strategic direction for NESA.

In December 2019, the NSW Government announced the appointment of Professor Peter Shergold as the new Chairperson of the NESA Board, as well as five new Board members whose terms began on 1 January 2020. The new Board membership includes members with extensive hands-on teaching experience.

The NESA Board provides guidance about the nature of the activities NESA is expected to undertake, as NESA fulfils its functions and executes the policy directions set by the Board and the Minister.

With the Minister's approval, the NESA Board has established several Committees to perform delegated functions on behalf of the Board. These Committees provide advice and assistance to the Board and the agency.



Professor Peter Shergold AC (Chairperson)

BA, MA, PhD, Hon. Litt.D., UNSW

Peter is an Australian academic, company director, and former public servant. Peter has been the Chancellor of Western Sydney University since 2011.

Between February 2003 and February 2008, he was the Secretary of the Department of the Prime Minister and Cabinet, and as such was the most senior official in the Australian Public Service. He was elected a Fellow of the Academy of Social Sciences (FASSA) in Australia in 2005 and Royal Society of New South Wales (FRSN) in 2016.

In 1996, Peter was appointed a Member of the Order of Australia, and a Companion of the Order in 2007 for service to the community as a significant leader of changes and innovation in the public sector, particularly through the development and implementation of a whole-of-government approach to policy development and program delivery. Peter was a recipient of the Centenary Medal in 2001.

Peter is also the Chair of the NESA Board COVID-19 Response Committee.



Ms Jenny Allum

BSc, GDipEd, MA, DLitt

Jenny Allum is the Head of SCEGGS Darlinghurst, a position she has held since 1996. From 1991–1995 she was Manager of the Curriculum Branch of the Board of Studies NSW, responsible for the development of all school curriculum in the State from Kindergarten to Year 12.

Jenny was Chair of the NSW/ACT Branch of the Association of Heads of Independent Schools from 2004 – 2005, and before that chaired the Academic Committee of that Association. Jenny is currently its co-Chair.

She is a Fellow of the Australian College of Educators. In 2011, she was awarded an honorary Doctor of Letters from the University of NSW.

Jenny served on the NESAs Board Curriculum Committee from 2017 to 2019. She is also the Chair of the AIS Education Research Council and the Chair of the AIS Advisory Committee.

Jenny is Chair of the NESAs Board Assessment Committee and is a member of the NESAs Board COVID-19 Response Committee.



Mr Denis Fitzgerald

BA(Hons), DipEd

Denis Fitzgerald has taught in a range of public schools across NSW as a classroom teacher and in a variety of promotion positions. He was a foundation member of the NSW Board of Secondary Education, a member of the Curriculum Corporation of Australia and a foundation member of the Board of Studies NSW.

Denis has also been the President of the NSW Teachers Federation, the Federal President of the Australian Education Union as well as a writer and speaker on educational and social issues.

Denis was Director of Equity and Aboriginal Education in the NSW Department of Education before returning to teaching. He has researched and been published across a range of education issues. He was also the foundation Director of the Centre for Professional Learning and the editor of the Journal of Professional Learning.

Denis is Chair of NESAs Board Curriculum Committee and is also a member of the NESAs Board COVID-19 Response Committee.



Ms Katherine Grace

BA(Hons), LLB(Hons), MPP

Katherine Grace is the General Counsel, Company Secretary and a member of the Executive Committee for Stockland Group, a top 30 ASX listed entity.

In addition to her business role at Stockland, Ms Grace is also involved in inclusive leadership, education and gender equity programs. Ms Grace is a member of the Australian Institute of Company Directors, Chief Executive Women and the Law Society of NSW.

Katherine is Chair of the NESAs Board Finance Committee.



Ms Jude Hayman

BEd

Jude Hayman was appointed the Principal of Griffith Public School in NSW's Riverina region in January 2010. This follows two years as Principal of Tharbogang Public School, and Assistant and Relieving Principal appointments at a series of rural and regional NSW government primary schools from 2003 to 2009.

In 2013, Jude was named one of two inaugural winners of the Harvard Club of Australia Education Scholarship. This led her to complete a post-graduate professional short course at Harvard University. Jude recently participated in a bespoke course at University College London as a NSW DoE scholarship recipient.

Jude is an active member of the NSW Primary Principals' Association, she has been the State Secretary since November 2018.

Jude is Chair of the NESAs Board Special Education Committee.



Mr Gary Johnson

BA, DipEd

Gary Johnson is the Principal of Cherrybrook High School, a purpose-built technology high school in Sydney's northwest. Under Gary's leadership, Cherrybrook High School has developed a reputation as one of the most innovative and successful comprehensive high schools in the state.

Gary was appointed Principal in 2003. Before this, Gary was Principal of Jamison High School and Deputy Principal, Asquith Boys High School. Gary was an HSC marker and HSC Marking Supervisor from 1992 to 1999.

Gary has served on the Curriculum Committee of the NESAs Board since 2017. From 2010 to 2016, Gary sat on the former Board of Studies, Teaching and Educational Standards as a nominee of the Minister representing secondary principals.

He is a life member of the NSW Secondary Principals' Council.

Gary is Chair of the NESAs Board Initial Teacher Education Committee.



Ms Christine Legg

BEd(EC), DipT(ECE)

Christine Legg was appointed to her role as CEO of KU Children's Services in April 2011. Chris is an experienced early childhood professional who began her teaching career in South Australia, before moving back to Sydney.

During her career, Chris has worked in a variety of services, including long day care and preschool, and has held a number of positions within KU including Teacher, Director, Consultant, Trainer and several management roles.

Chris is currently a member of the NSW Early Childhood Education Advisory Group and the Australian Government Early Childhood Education and Care Reference Group. In addition, Chris is a member of the Macquarie University

Department of Education Studies Advisory Board and the University of Notre Dame School of Education Advisory Board.

Chris has been an active member of Early Childhood Australia (ECA) at both the NSW and National level and is currently the National President of ECA.

Throughout her career, Chris has been actively engaged in promoting the value of early childhood education, the rights of children, and improving the status and standing of early childhood education as a profession.

Christine is a member of the NESAs Board Finance Committee.



Mr Paul Martin

BA(Hons), DipEd

Paul Martin is the Chief Executive Officer of NESAs. Prior to his appointment as CEO in 2019, Paul was the Executive Director, Quality Teaching at NESAs and before that the Manager of Professional Learning and Initial Teacher Education at the former NSW Institute of Teachers (NSWIT).

Paul played a key role in the implementation of the NSW Government's *Great Teaching, Inspired Learning* initiative with both NESAs and the NSWIT, and previously been a policy advisor for NSW and Australian governments.

Paul was previously an English and History Teacher.

Paul is a member of the NESAs Board COVID-19 Response Committee.



Mr Dallas McInerney

BA, LLB, MPP

Dallas McInerney was appointed Chief Executive Officer of Catholic Schools NSW (CSNSW) in August 2017. CSNSW is the representative body of the state's almost 600 Catholic schools and their owners, and is also the system authority for the approximately 550 NSW Catholic diocesan schools, with responsibility for their funding, distribution, compliance and governance.

Previously, Dallas spent two decades in financial regulation and public policy across the government and private sectors.

Dallas holds degrees in Arts and Law and is a Master of Public Policy. He is a graduate of the University of Sydney and the University of New England and completed much of his schooling in southern Sydney and central western NSW.

Dallas is a member of the NESAs Board COVID-19 Response Committee.



Dr Geoffrey Newcombe AM

BSc, DipEd, MEdAdmin, PhD, GAICD

Dr Geoff Newcombe was appointed Chief Executive of the Association of Independent Schools of NSW in 2005. He has had extensive experience in school management and finance having held positions of Head and Business Manager in a number of independent schools.

Dr Newcombe has lectured in the Master of Education program at the University of New South Wales and was appointed Adjunct Associate Professor

in the School of Education at the University.

He is a Director of the Non-Government Schools Superannuation Fund (NGS Super) and serves on the Funds HR Committee and Investment Committee and has recently been appointed Deputy Chair of the Board.

In 2009 he was appointed to the Board of the Australian Institute of Teaching and School Leadership (AITSL) and has served on a number of committees including Governance, Finance and Audit and Risk. He retired from the Board in June 2018.

Dr Newcombe was appointed to the NSW Government's Study NSW International Education Advisory Board in 2014 and to the Board of the NSW Education Standards Authority (NESA) in January 2017.

Dr Newcombe is currently a member of the Board of Dymocks Children's Charities and a member of the Audit and Risk Committee of the Department of Education, Western Australia.

In December 2018 he was appointed to the Board of the Australian Council for Educational Research (ACER) and now chairs the Finance and Audit Committee.

In June 2017, he was appointed a Member of the Order of Australia (AM) for service to education and educational organisations, in particular the Independent School Sector.

In November 2019, he received the NSW Sir Harold Wyndham Medal, the highest award given by the Australian College of Educators NSW.

Geoff is a member of the NESA Board COVID-19 Response Committee and the Finance Committee.



Mr Mark Northam

BA, DipEd, MEdStud

Mark Northam is the Secretary of the NSW/ACT Independent Education Union (IEU).

He began his career in education as an English and History teacher at Coolah Central School. Between 1982 and 2000, he taught at Campbelltown High School, St Anne's High School Adamstown, and held the position of Assistant Principal at St Clare's High School Taree and Acting Assistant Principal at St Francis Xavier's Hamilton.

Mark chaired the Special Education Committee of the NESA Board from 2017 to 2019.



Mr Mark Scott AO

BA, DipEd, MA(Syd), MPubAdmin (Harv)

Mark Scott is Secretary of the NSW Department of Education after a decade as Managing Director of the ABC. Mr Scott was formerly a teacher at St Andrews' Cathedral School before moving to senior roles working for two education ministers.

Following completion of a Masters in Public Administration at Harvard University, Mr Scott joined Fairfax Media as a journalist, rising to senior editorial and executive roles before moving to the ABC.

Mark is a member of the NESAs Board COVID-19 Response Committee.



Mr Nathan Towney

BTeach, BHlthPhyEd

Nathan is a proud Wiradjuri man from Wellington in NSW and an education leader. He holds a Bachelor of Teaching and a Bachelor of Health and Physical Education from The University of Newcastle.

Nathan was appointed as the Pro Vice-Chancellor Indigenous, Strategy and Leadership in 2019, following a four-year tenure as the Principal of Newcastle High School.

Nathan is Chair of the NESAs Board Aboriginal Education Committee.



Dr Anne Wenham

BA, DipEd, MEd, PhD, MTheo

Dr Anne Wenham resigned from her position as Head of College of St Stanislaus' College, Bathurst at the conclusion of 2019. Dr Wenham was appointed in 2012 as the first woman ever to occupy the role.

In 2006, Anne was appointed as Director of Catholic Schools for the Diocese of Lismore (following a one year period as Assistant Director), following periods as the Principal of St Columba's High School, Springwood and Caroline Chisholm College, Glenmore Park.

Before this, she was an Assistant Principal in two schools in the Sydney Archdiocese before taking two Principal appointments with the Diocese of Parramatta.

Dr Wenham currently holds positions on the Board of NESAs and the Board of St Patrick's College Strathfield and has recently been appointed as Special Adviser within Catholic Schools NSW on a casual basis, to assist with responses to COVID-19.

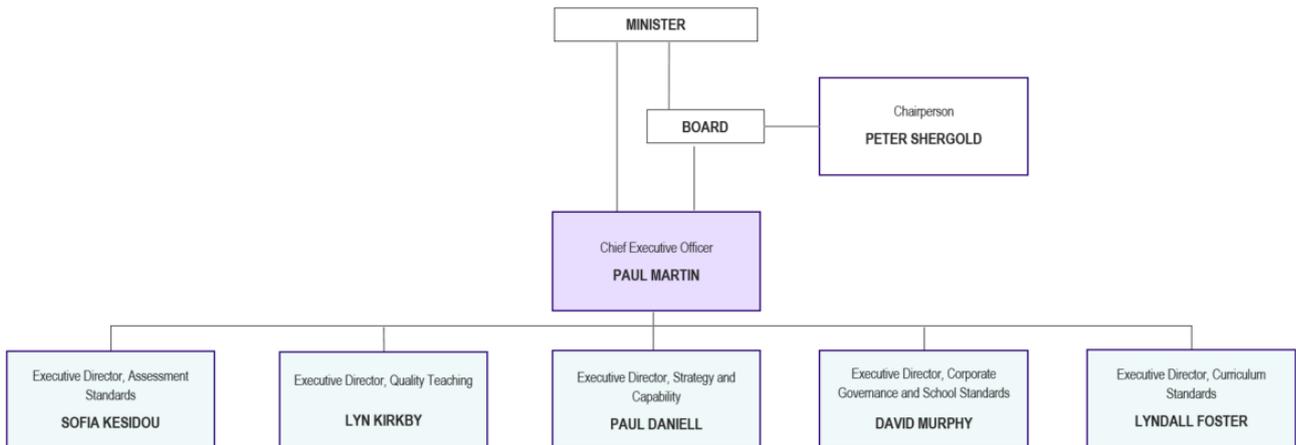
Anne is Chair of the NESAs Board School Registration Committee.

1.2 Organisational structure

NESA is supported by the NESA Staff Agency, which is established under Schedule 1 Part 3 of the *Government Sector Employment Act 2013*.

NESA's Executive structure at 30 June 2020 is at Figure 1.1. A [detailed description of NESA's functions](#) is available on the NESA website.

Figure 1.1 NSW Education Standards Authority organisational structure (at 30 June 2020)



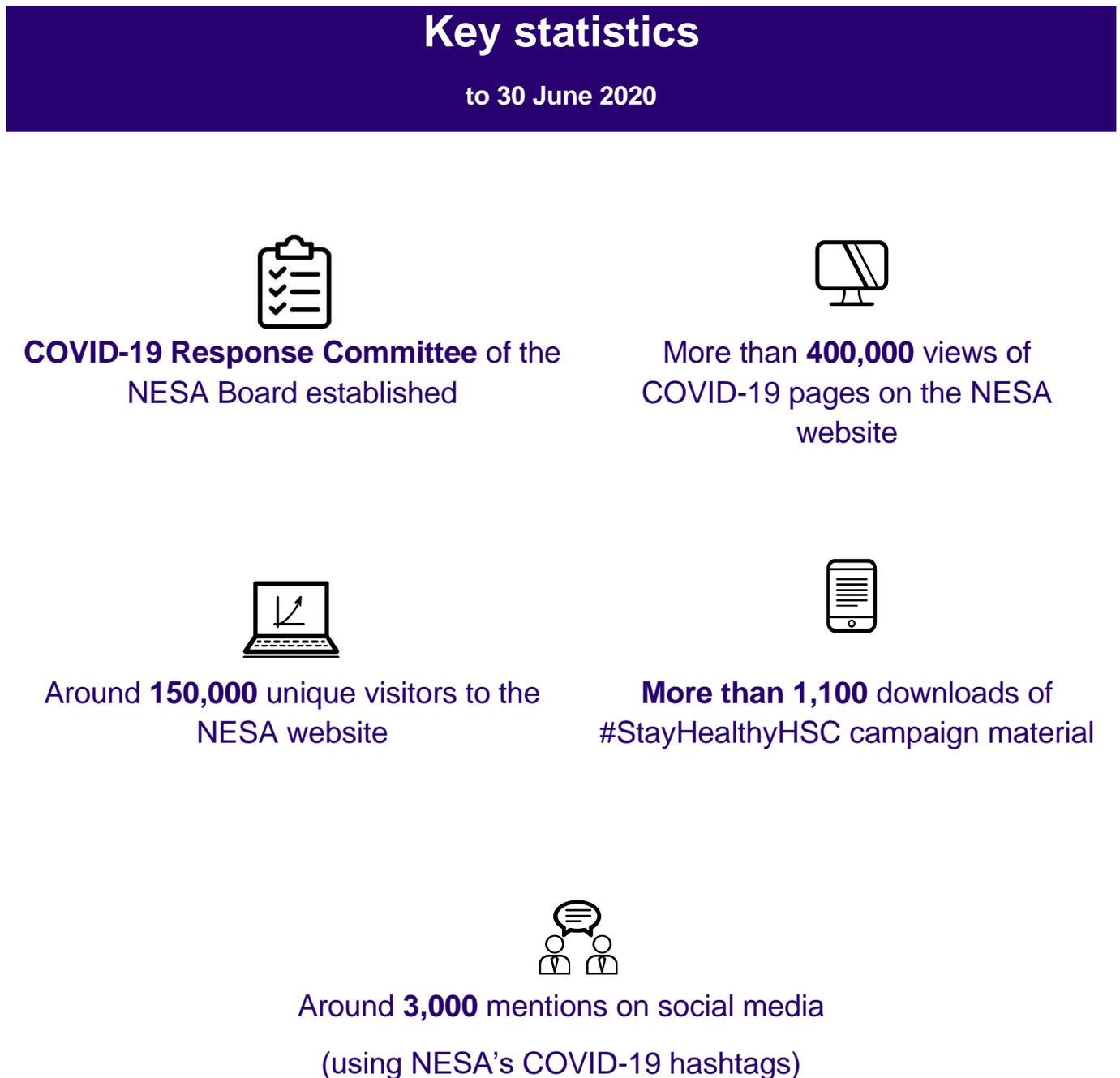
NESA's Executive Leadership Team

Table 1.1 Members of the NSW Education Standards Authority Executive during the 2019–20 reporting year

Name	Position	Qualifications
Mr Paul Martin	Chief Executive Officer (Acting to 10 December 2019)	BA(Hons), DipEd
Mr Paul Daniell	Executive Director, Strategy and Capability	BA, PGDipArts, MSc
Dr Sofia Kesidou	Executive Director, Curriculum and Assessment Standards	BSc(Hons), PhD
Ms Lyn Kirkby	Executive Director, Quality Teaching (Acting to 23 June 2020)	BA, DipEd, MEd(Lead)
Mr David Murphy (to 3 July 2020)	Executive Director, Corporate Governance and School Standards	BBus(Acc/Econ), MALP, FCPA, FGIA
Ms Lyndall Foster (to 3 July 2020)	Executive Director, Curriculum Standards	BEd

1.3 NESAs response to the COVID-19 pandemic

Figure 1.2 Key statistics relating to NESAs response to the COVID-19 pandemic (in 2019–20)



Support for students, parents, teachers and schools

In February 2020, as social distancing requirements related to the COVID-19 pandemic came into effect in NSW, NESA established dedicated COVID-19 phone and email support lines. Throughout the pandemic, NESA staff have managed a strong flow of enquiries from teachers, school leaders, parents and students regarding a range of issues associated with educational continuity in NSW.

Students, teachers, schools, and parents will continue to be able to use these support lines for as long as necessary into the 2020–21 reporting year.

Establishing the COVID-19 Response Committee

In March 2020, the NSW Minister for Education and Early Childhood Learning approved the NESA Board's establishment of a [COVID-19 Response Committee](#).

The COVID-19 Response Committee met five times during the reporting year. The Committee's role is to address promptly any issues related to COVID-19 that relate to NESA's work.

The COVID-19 Response Committee made a series of decisions about the 2020 NSW Higher School Certificate and the Kindergarten to Year 10 (K–10) curriculum during the coronavirus pandemic. All decisions taken by the COVID-19 Response Committee aim to protect the health and safety of students, parents and teachers and ensure the continuity of education through the pandemic.

The COVID-19 Response Committee comprises:

- Professor Peter Shergold, Chair, NESA Board
- Mark Scott, Secretary, NSW Department of Education
- Dallas McLnerney, CEO, Catholic Schools NSW
- Dr Geoff Newcombe, CEO, Association of Independent Schools NSW
- Jenny Allum, Chair, NESA Assessment Committee
- Denis Fitzgerald, Chair, NESA Curriculum Committee
- Paul Martin, CEO, NESA

Some of the key decisions taken by the Committee included:

- HSC exams going ahead in 2020, with a commitment to providing clear and regular advice about the HSC as the COVID-19 pandemic continued
- increasing the number of times Year 12 students yet to meet the HSC minimum standard could sit the minimum standard online tests (up to six times in 2020)
- making K–10 curriculum requirements more flexible, so that principals and school sectors could decide which syllabus outcomes and content they taught and assessed
- ensuring that teacher accreditation would not be put at risk. Extensions were available for teachers whose accreditation was overdue or had upcoming deadlines during the COVID-19 pandemic
- NESA continuing to assess home schooling registration applications
- extending school annual report publication and submission dates and governance (part of the school inspections and monitoring system)
- professional learning dates (part of the school inspections and monitoring system).

The COVID-19 Response Committee made these decisions in line with published advice from the Australian Health Protection Principal Committee (AHPPC), which is supported by NSW Health.

The 2021 HSC program is also within the scope of COVID-19 Response Committee decisions, as adjustments may be required for the 2020 Year 11 cohort (most of whom will sit the HSC in 2021).

Detailed information about the COVID-19 Response Committee and other NESA decisions and actions undertaken in response to the pandemic are available on the [COVID-19 advice](#) section of the NESA website.

#StayHealthyHSC Campaign

NESA is collaborating with mental health organisation ReachOut, to deliver the #StayHealthyHSC campaign.

Any 'normal' HSC year requires dedication, focus, and support of family and friends. The COVID-19 pandemic has increased stress for many students. NESA is committed to ensuring all students' wellbeing through the pandemic.

The #StayHealthyHSC campaign provides support to all HSC students in response to the COVID-19 event. The campaign provides HSC:

- news and updates
- guidance
- social media graphics
- posters
- messages from experts, teachers, parents, students and inspiring spokespeople.

More information about the [#StayHealthyHSC campaign](#) is available on the NESA website.

Changes to NAPLAN in 2020

In March 2020, Education Council decided to cancel NAPLAN testing for 2020. This decision sought to help principals, teachers and school staff focus on student learning during the COVID-19 pandemic. As the NSW NAPLAN test administration authority, NESA was responsible for implementing this decision in NSW.

More information about [NESA's role and responsibilities in relation to NAPLAN](#) is available in section 5 of this report.

1.4 Delivering on the 2020 Statement of Expectations

Under Division 2 Section 10 of the NESAs Act, the “Minister may, in a Statement of Expectations issued annually to the Authority, determine priorities in relation to the exercise by the Authority of its functions.”

In March 2020, the Minister for Education and Early Childhood Learning issued a Statement of Expectations to the NESAs Board for the 2020 calendar year. NESAs made significant progress on a range of key strategic priorities during the reporting year, despite the impact of COVID-19. NESAs will continue delivering on each of the priorities outlined in the 2020 Statement of Expectations into the 2020–21 reporting year.

Objective 1: Finalise and deliver the NSW Curriculum Review

To support Professor Geoff Masters, as Review Lead, to finalise the NSW Curriculum Review and deliver a final report to the NSW Government by mid-2020. As part of this process, NESAs should also provide advice to the NSW Government in relation to implementation of the Review’s recommendations.

Progress update

On 23 June 2020, the NSW Government announced the release of the NSW Curriculum Review final report.

The NSW Government response to the NSW Curriculum Review outlines an ambitious program for streamlining and strengthening what is taught in our schools over the next four years. The reforms include:

- building strong foundations for future learning by 2022 with new English and Mathematics syllabuses for Kindergarten to Year 2
- more time for teaching by 2022 by reducing the hours teachers spend on extra-curricular topics and issues and compliance requirements
- strengthening post school pathways by 2022 with new learning areas for Years 11 and 12 that clearly link learning to future employment and study options
- a new curriculum from 2024 with new syllabuses focused on what is essential to know and do in early and middle years of schooling, and key learning areas in the senior years.

Delivering on the NSW Government’s priorities for curriculum reform will be a key priority for the NESAs Board into 2020–21.

NESAs has established a dedicated website for [curriculum reform](#) and will regularly publish progress updates and advice about opportunities for the NSW community to get involved with the reform journey into the 2020-21 reporting year.

More information about the NSW Curriculum Review and reform program is on page 40.

Objective 2: To develop strategies to support the Premier’s Priority of ‘Government made easy’

These strategies should specifically focus on improving the experience of students, teachers and schools accessing NESAs services.

In doing this, NESAs should:

- streamline NESAs regulatory processes and requirements, aligning with school sector requirements where relevant
- work with other NSW Government agencies to identify opportunities for strategic alignment and

improvements to service delivery

- streamline teacher accreditation application and maintenance processes by maximising the use of digital technologies, focusing on increasing the number of Highly Accomplished and Lead Teachers in NSW.

Progress update

During 2019–20, NESA progressed several initiatives within a significant program of work to support the 'Government made easy' Premier's Priority.

NESA's School Centric Delivery Approach embeds a set of principles that will improve how we work with, and support, NSW schools. It establishes a common framework for delivering projects, allowing NESA to streamline and align processes with the NSW school sectors.

The Approach aims to reduce the administrative burden placed on schools by NESA, so they can focus on their students' teaching and learning. Key principles of NESA's School Centric Delivery Approach include:

- working alongside schools to understand their context and how they implement NESA's regulatory requirements
- streamlining and aligning administrative processes with each of the school sector authorities
- releasing changes and supporting software only when they are ready
- coordinating with sector authorities on changes being rolled out
- reducing the volume of administrative tasks on schools.

Into 2020–21, NESA will continue collaborating with other NSW Government agencies to improve the way teachers, students, parents and other school staff experience NESA programs and services. This includes continuing to investigate possible improvements to teacher accreditation fee payment, Working With Children Check processes, and other data sharing initiatives.

Objective 3: To deliver the Higher School Certificate

To continue to deliver the world-class Higher School Certificate (HSC). In doing so, NESA should consider how the outcomes of the NSW Curriculum Review and other relevant state and national reviews relate to the future delivery of the HSC.

Progress update

NESA has announced several changes to the HSC in 2020, reflecting the impact of COVID-19 on delivering the HSC while ensuring the safety of students, teachers and staff administering the HSC.

HSC exams are scheduled to be held as planned in 2020 (with a short additional study period before the start of the exam period), with necessary adjustments made in response to social distancing requirements to allow the full range of HSC exams to proceed.

Decisions taken by NESA and the COVID-19 Response Committee will ensure that HSC results are released as planned in 2020. This will allow students to plan for their 2021 post-school destinations (such as further study or employment).

[Information about the 2020 HSC program](#), including adjustments made to the delivery of the HSC in response to COVID-19, is available on the NESA website.

NESA will consider how the outcomes of the NSW Curriculum Review relate to the future delivery of the HSC as the curriculum reform program progresses into the 2020-21 reporting year.

1.5 NESAs Commitment to Aboriginal Education

In 2019–20, NESAs continued its reconciliation journey through its [Commitment to Aboriginal Education](#), developed in partnership with the NSW Aboriginal Education Consultative Group (AECG) Inc. NESAs is committed to:

- the continued growth in educational attainment of Aboriginal and Torres Strait Islander children and young people
- increasing the understanding of Aboriginal and Torres Strait Islander knowledge, histories and cultures for all students.

NESAs Commitment to Aboriginal Education upholds that the agency sustains genuine partnerships with:

- Aboriginal communities
- government departments
- sectors
- schools
- teachers

to drive improved educational outcomes for Aboriginal children and young people. NESAs realises its Commitment to Aboriginal Education through a number of initiatives, including:

Innovate Reconciliation Action Plan (RAP)

NESAs recognises that in order to ensure the education outcomes of Aboriginal and Torres Strait Islander children and young people, change needs to start from within.

NESAs Innovate RAP is a practical framework that drives reconciliation within the NESAs agency and across all NESAs work. Its vision is to change the way NESAs conducts its work, to change how NSW supports education and reconciliation.

During the reporting year, NESAs announced that 22 staff members (both Aboriginal and Torres Strait Islander peoples and non-Indigenous Australians) would form NESAs RAP Champion Implementation team. Reconciliation champions play a vital role in supporting positive two-way relationships built on trust and respect between Aboriginal and Torres Strait Islander and non-Indigenous staff. They oversee activities to ensure NESAs meets its RAP deliverables through collaboration with key staff across the agency.

Aboriginal procurement

In 2019–20, NESAs engaged several Aboriginal-owned and Supply Nation certified businesses to support Aboriginal economic participation in NSW and the NSW Government's [Aboriginal Procurement Policy](#).

NESAs commissioned Supply Nation certified business, [Mate Sullivan Business Ventures](#), and Aboriginal artist Danielle Mate Sullivan to visually represent NESAs reconciliation journey through contemporary art. In the artwork, the circles represent the different schools and communities that NESAs engages with on a day-to-day basis. Within each circle there are details that demonstrate the complexities in each relationship, and the varying colours highlight that they are individual and diverse. The two white dots at the centre focus attention on NESAs reconciliation goals:

- continual growth in attainment levels of Aboriginal and Torres Strait Islander students
- greater understanding of Aboriginal and Torres Strait Islander knowledge, histories and cultures for all students.

NESA engaged [Dreamtime Tuka](#) for corporate catering, to enhance reconciliation through the broadening of meal selection to include native Australian ingredients. Dreamtime Tuka is an Australian native foods supplier specialising in bush food to share cultural knowledge with the Australian community.

In combination with NESA's reconciliation journey artwork, NESA engaged [Yamari Ochre Signs](#) to produce business signage.

Cultural inclusion training

NESA recognises that it needs strong cultural capabilities to improve the educational outcomes of Aboriginal and Torres Strait Islander children and young people and to operate amidst cultural diversity.

During 2019–20, NESA engaged PRISMA Cross Cultural Consultants to deliver two cultural inclusion workshops to NESA staff. Each workshop focused on building inclusive, innovative and high-performance staff through recognising bias and developing proactive ways to encourage cultural inclusivity.

NESA Reconciliation project

In celebrating the 2019 NAIDOC week theme '[Voice, Treaty, Truth](#), Let's work together for a shared future', NESA engaged [Mate Sullivan Business Ventures](#) to run a Mates Puzzles workshop. The Mates Puzzles motto is 'Sharing Stories, Connecting People; One puzzle piece at a time'.

Workshop participants illustrated their personal journey on an individual puzzle piece, and connecting the pieces together, enabled staff to share their contribution to reconciliation at NESA.

Cross-agency partnership with the Department of Communities and Justice

NESA developed a new partnership with the [NSW Department of Communities and Justice](#) to support the inclusion of teachers, in particular Aboriginal and Torres Strait Islander teachers, to become witness intermediaries as part of the [Child Sexual Offence Evidence Program](#). This program helps child victims of sexual offences engage with the criminal justice system.

Within the scope of NESA's partnership in the program, two NESA staff members (Aboriginal and non-Indigenous Australian) were nominated to the program's Witness Intermediary Registration Panel (WIRP).

Enhancing Professional Practice through Community Feedback – professional development course

During 2019-20, NESA developed a registered professional development (PD) course entitled 'Enhancing Professional Practice through Community Feedback'.

The course responds to community feedback on NESA's Commitment to Aboriginal Education. It offers practical strategies for teachers and schools to support continual growth in attainment levels, and enhanced relationships between schools and Aboriginal and Torres Strait Islander students, parents, carers and extended Community, and communities.

Support for potential providers of NESA registered professional development

NESA continued to provide tailored support to Aboriginal organisations intending to apply for endorsement as a NESA registered professional development provider. This included end-to-end support in the potential provider application process.

Professional Learning Commissioning Program

NESA collaborated with the NSW AECG in Terms 3 and 4 of the 2019 school year to develop and deliver a

series of NESA-registered PD courses across regional and metropolitan NSW. The courses offered by the NSW AECG as part of the NESA Commissioning Program were:

- Connecting to Country
- Engaging with Local Aboriginal Communities
- Healthy Culture, Healthy Country.

Local Aboriginal Education Consultative Groups delivered these courses on Country. More information about the Commissioning Program courses delivered in partnership with the NSW AECG is at [Appendix H](#). The NSW AECG sought feedback from teachers on their participation in the commissioning program and will report on outcomes in the 2020-21 annual report.

National Reconciliation Week

NESA supported National Reconciliation Week by screening the observational feature documentary *In My Blood It Runs*. Due to the COVID-19 pandemic, NESA staff had the opportunity to register and view the film remotely, which revealed some of the challenges experienced in Aboriginal education and rural and remote Aboriginal communities.

Aboriginal education in the curriculum

NESA develops syllabuses and support material related to:

- Aboriginal Studies
- Aboriginal Languages
- Aboriginal and Torres Strait Islander histories and cultures cross-curriculum content.

Since 2015, NESA has incorporated Aboriginal and Torres Strait Islander histories and cultures in NSW syllabuses as a cross-curriculum priority. The representation of Aboriginal and Torres Strait Islander histories and cultures has been improved in more than 60 new or amended syllabuses. NESA has developed a range of support materials across Kindergarten to Year 12 to support the implementation of this learning across the curriculum area.

NESA syllabuses and curriculum support material acknowledges the importance of prior learning and promotes recognition of the diversity of learners, and the importance of equity and inclusiveness.

Aboriginal Languages

NSW schools can deliver Aboriginal Languages from Kindergarten to Year 12 through the [Aboriginal Languages K–10 Syllabus](#) and the [Aboriginal Languages Stage 6 Content Endorsed Course \(CEC\) Syllabus](#).

During 2019-20, NESA progressed a review of the *Aboriginal Languages K–10 Syllabus* to incorporate aspects of the Australian Curriculum. NESA began public consultation on the draft syllabus outcomes and content in September 2020, which will close in December 2020.

Feedback received through consultation will inform the development of the new syllabus, which will be developed as part of the NSW curriculum reform program. NESA will report on the outcomes of this consultation in the 2020-21 annual report.

Aboriginal Studies

NSW schools can offer Aboriginal Studies from Years 7 to 12 through the *Aboriginal Studies Years 7–10 Syllabus* and the *Aboriginal Studies Stage 6 Syllabus*.

In 2019-20, NESA completed updates to the *Aboriginal Studies Years 7–10 Syllabus*. During 2020, schools continued to deliver the current syllabus, while familiarising themselves with the new syllabus. Implementation of the new syllabus will commence from Term 1, 2021.

Supporting Aboriginal education

NESA works closely with key stakeholder bodies such as the NSW AECG Inc. and other regional and local bodies. For information about the NSW AECG Inc., see [Appendix H](#).

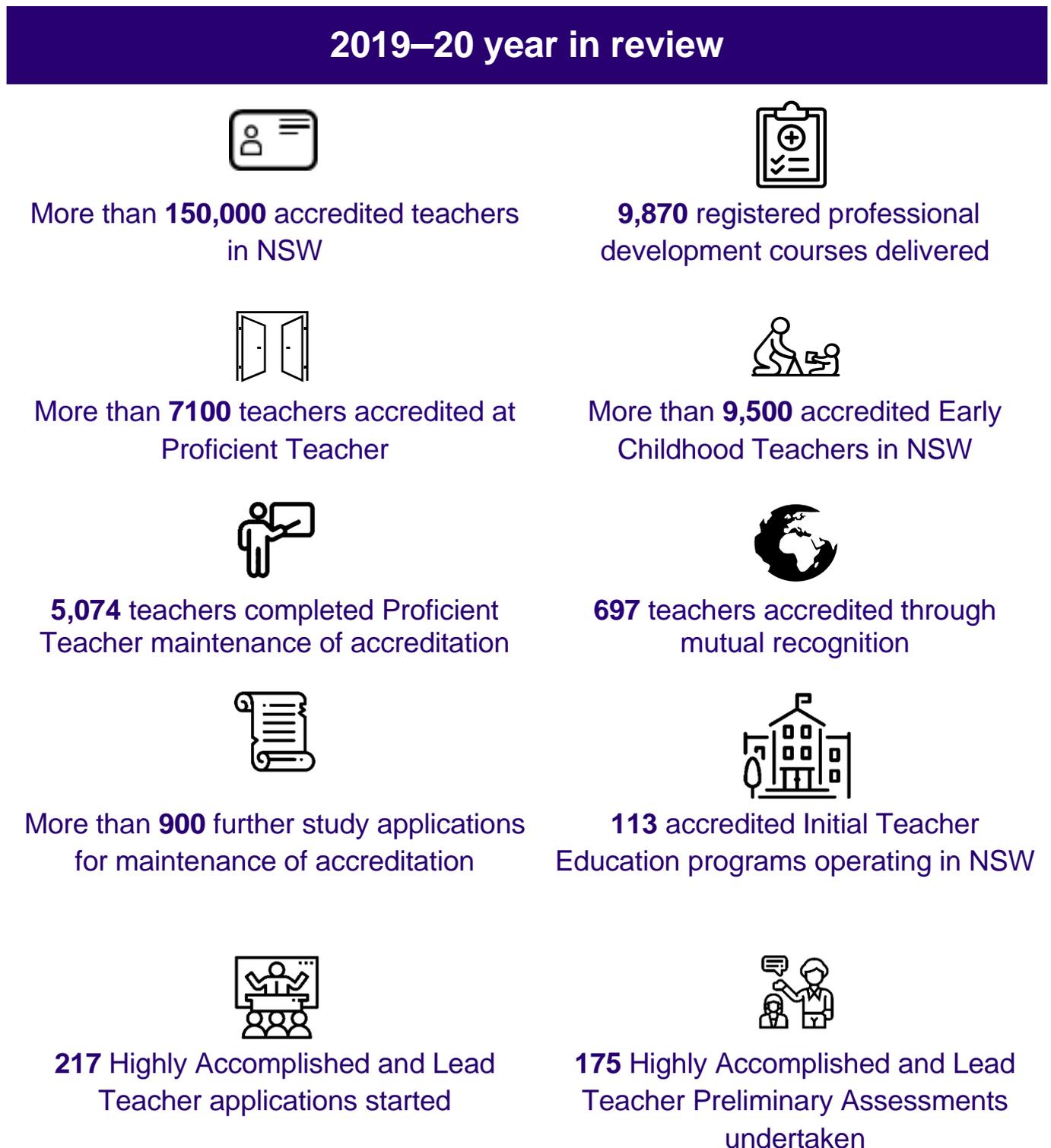
NESA attends, participates in and facilitates meetings and workshops in support of its own projects as well as joint initiatives with other government and regional agencies. NESA has contributed to inter-agency reports such as the *Unfinished Business: Second Progress Report* and the *NSW Government Response to the Opportunity, Choice, Healing, Responsibility and Empowerment (OCHRE) Evaluation: Stage 1 Final Report*.

NESA provides opportunities for employment of Aboriginal teachers, education officers and community members to work on NESA projects.

The NESA Aboriginal Education Committee (AEC) met three times during the reporting period. The AEC advises the NESA Board about Aboriginal education, including issues and content related to teaching, curriculum and assessment.

2.1 Quality teaching

Figure 2.1 NESAs quality teaching activity – key statistics 2019–20



2.2 Key achievements in quality teaching

Dedicated unit in Aboriginal education in all NSW Initial Teacher Education programs

NSW is the first state in Australia to introduce a requirement for all initial teacher education (ITE) programs to include a dedicated unit of study in Aboriginal Education. The Minister announced this requirement in August 2019, following extensive consultation with the NSW Aboriginal Education Consultative Group Inc. (NSW AECG), the NSW Council of Deans of Education, key education and ITE stakeholders, NSW education unions, and each of the NSW schooling sectors.

This dedicated unit of Aboriginal Education requirement acknowledges the crucial role that teachers have in meeting the needs of Aboriginal students, but also ensuring that all NSW students have a sound understanding of Aboriginal culture and histories.

From January 2021, all NSW ITE programs will be required to include a dedicated unit of Aboriginal Education to meet ITE accreditation requirements.

Proposed legislative amendments to the *Teacher Accreditation Act 2004*

The [National Review of Teacher Registration – One Teaching Profession: Teacher Registration in Australia](#) requires NESA to develop policy on suitability to teach, including definitions of ‘fit and proper persons’. This requirement emerges from the [Royal Commission into Institutional Responses to Child Sexual Abuse](#).

The NSW Government accepted all the Royal Commission recommendations related to school education in NSW. During 2019-20, NESA worked in partnership with other NSW Government agencies to scope possible future amendments to the *Teacher Accreditation Act 2004* to give effect to Royal Commission recommendations. This work will continue into the 2020-21 reporting year.

Highly Accomplished and Lead Teacher Policy

During 2019–20, NESA developed a revised Highly Accomplished and Lead Teacher policy in response to the NSW Auditor-General’s Report ‘[Ensuring teaching quality in NSW public schools](#)’ and Dr Bruce Mowbray’s independent review into NESA’s quality assurance processes.

The revised policy aims to streamline the process for teachers to apply for accreditation at the Highly Accomplished and Lead Teacher accreditation levels and provide better support to teachers and application assessors.

NESA consulted with a range of stakeholders across the NSW education community during 2019–20 on the directions for a revised policy. The NESA Board discussed a draft revised policy in June 2020. NESA will implement the revised policy in the 2020-21 reporting year.

The Australian Professional Standards for Teachers

The [Australian Professional Standards for Teachers](#) apply to all NSW teachers, and describe what teachers need to know and do at four career stages. NESA implements the standards across its accreditation processes for all NSW teachers, and each year administers a range of programs supporting teachers to develop their practice against the Standards.

Initial teacher education and accreditation

Under the NSW education and teaching legislation, NESA’s regulatory function ensures all NSW Initial Teacher Education (ITE) programs undergo a [rigorous accreditation process](#).

The Initial Teacher Education Committee (ITEC) of the NESA Board oversees the accreditation of all ITE programs in NSW.

Provisional and conditional accreditation of teachers in NSW

All teachers require accreditation with NESA to work in a NSW school or centre-based early childhood service. [Provisional and Conditional accreditation](#) are the beginning stages of teacher accreditation.

Maintaining accreditation at Proficient, Highly Accomplished and Lead Teacher

Information about maintaining [Proficient Teacher](#), [Highly Accomplished](#) and [Lead Teacher](#) accreditation is available online.

Proficient Teacher accreditation is a mandatory, formative and developmental process. Maintenance of accreditation ensures that all NSW teachers continue to develop their practice and demonstrate that they continue to meet the [Proficient Teacher accreditation](#) requirements.

Voluntary Highly Accomplished and Lead Teacher accreditation

Accreditation at Highly Accomplished and Lead Teacher levels is voluntary and recognises highly effective, innovative and exemplary teaching practice.

Applications are open to all NSW Proficient Teachers who meet the [Highly Accomplished and Lead Teacher accreditation eligibility requirements](#). Application fees apply.

Under the NSW teaching legislation, [non-school/service based](#) teacher accreditation is voluntary for teachers employed in teaching-related roles.

Working with Children Check

A Working with Children Check clearance is a condition of accreditation and requires renewal every five years. NESA and employers must verify all clearances with the NSW Office of the Children's Guardian. NESA ensures teachers can update their clearance as required.

Figure 2.2 Teacher accreditation key statistics, 2019–20

In the 2019–20 reporting year:

3,727 teachers completed their first maintenance of accreditation period

3,747 teachers completed their second (or more) maintenance of accreditation period

41 Highly Accomplished and Lead Teacher applications were considered by the Moderating and Consistency Committee

19 teachers were newly-accredited at Highly Accomplished Teacher

11 teachers were newly-accredited at Lead Teacher

Professional learning

NESA is responsible for the endorsement and review of [professional development providers](#) who provide high quality registered [professional development](#) (PD) for accredited teachers in NSW.

Figure 2.3 Professional learning key statistics, 2019–20

In the 2019–20 reporting year:

120 newly-endorsed professional development providers

61 endorsed professional development providers that broadened their endorsement (due to COVID-19 restricting face-to-face delivery)

19 endorsed professional development provider audits completed

52 professional development providers renewed (where endorsement was due for renewal)

806 NESA-endorsed professional development providers in total

Revocation, suspension and voluntary cancellation of accreditation

NESA has sole authority to [revoke or suspend](#) a teacher's accreditation. Teachers may have their accreditation revoked or suspended for:

- misconduct
- failing to comply with a condition of their accreditation and/or
- failing to meet the Standards under the TA Act.

A teacher may also voluntarily cancel their accreditation.

During the 2019-20 reporting year, an [Interim Revocation, Suspension and Voluntary Cancellation of Accreditation Policy](#) came into effect. The NESA Board approved the interim policy in June 2019.

Table 2.1 Number of teachers whose accreditation was revoked or suspended for misconduct (under section 24 of the Teacher Accreditation Act 2004) during 2019–20

Accreditation action	Number of teachers
Accreditation revoked	28
Accreditation suspended	64

Table 2.2 Number of teachers whose accreditation was revoked or suspended for not obtaining a Working with Children Check clearance (under section 25A of the Teacher Accreditation Act 2004) during 2019–20

Accreditation action	Number of teachers
Accreditation revoked	17
Accreditation suspended	1,401*

* Of the 1,401 teachers suspended during 2019-20, 462 teachers had their suspension lifted once they provided a Working with Children Check clearance. The remaining teachers were no longer teaching in NSW. They either retired, were teaching interstate or overseas, or were no longer working as a teacher.

Table 2.3 Number of teachers who applied to voluntarily cancel their accreditation (under section 25E of the Teacher Accreditation Act 2004) during 2019–20

Accreditation action	Number of teachers
Voluntary cancellation of accreditation	1,658

Internal reviews to suspend or revoke teacher accreditation

In 2017, NESAs became solely responsible for decisions to suspend or revoke the accreditation of teachers in NSW. If a decision to suspend or revoke a teacher's accreditation is made, the teacher may seek an internal review of the decision. An Inspector from NESAs School Registration and Accreditation directorate conducts this review.

In 2019–20, NESAs inspectors conducted three internal reviews of decisions to suspend a teacher's accreditation. Two decisions were upheld and one decision was overturned.

NSW Civil and Administrative Tribunal

If a teacher appeals the outcome of an internal review decision to suspend or revoke teacher accreditation, the teacher may appeal to the NSW Civil and Administrative Tribunal.

There were zero appeals of this type in 2019-20.

3.1 School registration and accreditation

Responsibilities

The *Education Act 1990*, *Education Standards Authority Act 2013* and *Teacher Accreditation Act 2004* provide for NESA's responsibilities in relation to school and teacher registration and accreditation, teacher accreditation authority (TAA) regulation, school providers delivering courses to overseas students, and home schooling registration.

NESA's school registration functions

The NESA Board's School Registration Committee makes recommendations to the Minister regarding the registration of schools. The Committee also makes decisions about the accreditation of schools, the approval of TAAs and school providers and the recognition of schools from outside NSW.

Recommendations and decisions of the Committee are based on the findings of NESA Inspectors or on the advice of registration systems. The administration of these functions is based on the requirements, and evidence of compliance, described in:

- [Individual non-government schools – Registered and Accredited Individual Non-government Schools \(NSW\) Manual](#)
- [Systemic non-government schools – Registration Systems and Member Non-government Schools \(NSW\) Manual](#)
- [Government schooling system – Registration Process for the NSW Government Schooling System Manual](#)
- [TAAs – Guidelines for the Regulation of Teacher Accreditation Authorities for Non-government Schools and Early Childhood Education Centres](#)
- [School providers – Guidelines for Approved NSW School Providers Delivering Courses to Overseas Students](#)
- [Schools from outside NSW – Manual for the recognition of schools outside NSW to present candidates for the NSW Record of School Achievement and/or Higher School Certificate.](#)

Through NESA's ongoing regulatory function, NESA Inspectors implement the annual inspection program for schools and schooling systems by:

- inspecting schools, TAAs and school providers seeking registration, accreditation and/or approval
- assessing applications for proposed new schools, new Year levels and/or approval as a new TAA or school provider
- monitoring schools, TAAs and school providers where concerns about compliance have been identified
- monitoring internal assurance procedures implemented by the government and non-government schooling systems to monitor compliance of their member schools
- assessing applications for recognition to enter candidates for the award of the Record of School Achievement and/or Higher School Certificate
- assessing applications for home schooling registration
- investigating compliance concerns raised by complainants and other sources.

Impact of COVID-19 on the 2019–20 inspection program

In mid-March 2020, in response to the COVID-19 pandemic, NESA amended its inspection program based on a risk approach. Some inspections were re-scheduled until later in 2020. NESA reviewed applications from some schools by documentation only.

Where relevant, NESA aligned periods of approval for TAAs and school providers to school registration. NESA also cancelled the remaining inspections of schools selected randomly.

Figure 3.1 NESAs school registration 2019–20 inspection program, key statistics

The 2019–20 inspection program included:

180 inspections of individual non-government schools

Monitoring the **12** non-government school registration systems, in relation to internal assurance mechanisms

Inspections of **5** non-government and **12** government schools, selected randomly

111 inspections of Teacher Accreditation Authorities

47 inspections of school providers*

**In this context, a registered school provider refers to the legal entity approved by NESAs and listed on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS). These School Providers have approval to deliver courses to overseas students who enter Australia on a student visa.*

The inspection program includes monitoring the government schooling system. NESAs provides advice to the Minister and the Secretary on government schools' compliance with requirements similar to those that apply to non-government schools.

NESAs also completed two investigations arising from complaints relating to the compliance of non-government schools.

Detailed statistics relating to the 2019–20 inspection program and the Committee's recommendations and decisions are at [Tables 3.1 to 3.7](#).

Documentation to support applications

The breadth and depth of the particular supporting materials required to be uploaded by individual non-government schools to online applications for renewal of registration and accreditation in 2019–20 was based on an assessment of risk.

Schools assessed as lower risk provided supporting materials demonstrating a basic level of assurance while schools with higher risk indicators were required to submit materials providing a higher level of assurance about compliance.

Amendments to manuals and guidelines

During 2018 and 2019, NESAs conducted a review of the risk-based approach to identify where refinements can be made. During 2019–20, following consultation with stakeholders, NESAs amended the registration manuals for non-government schools and the government schooling system in relation to refining the evidence of compliance in the manuals from a risk perspective. This amendment was completed in September 2019.

In March 2020, the manuals were amended as a result of the introduction of the *Children's Guardian Act 2019* effective from 1 March 2020. The *Children's Guardian Act 2019* transferred the reportable conduct scheme from the NSW Ombudsman to the Children's Guardian.

NESAs did not amend the guidelines for school providers and TAAs during this period.

Annual reports

Under the *Education Act 1990*, all non-government schools are required to disclose publicly and submit to NESAs an annual report that includes information about the school's educational and financial performance

measures. Reports referencing the preceding calendar year are to be submitted annually by the end of June.

A 2019 review of a sample of annual reports for the preceding year found that the vast majority of schools satisfactorily addressed the mandatory reporting measures.

In May 2020, NESAs advised schools that due to the COVID-19 pandemic, the timeframe for submission of annual reports for the 2019 school year was extended to 9 October 2020.

NSW Civil and Administrative Tribunal

The NSW Civil and Administrative Tribunal hears applications for review of recommendations by NESAs to the Minister that a non-government school not be registered, and decisions by NESAs that a non-government school not be accredited.

During 2019, one school applied to the NSW Civil and Administrative Tribunal for a review of NESAs recommendation that registration and accreditation be refused.

Following mediation ordered by the NSW Civil and Administrative Tribunal, the school withdrew its application. The school subsequently decided to cease operation in November 2019. The school's registration and accreditation ceased at that time.

2019-20 inspection program statistics

At the end of the 2019–20 reporting period, there were 957 non-government schools comprising 390 individual schools and 567 systemic schools. Tables 3.1 to 3.5 provide information on NESAs school registration and accreditation activities in 2019-20, with comparisons to the previous three reporting years (where applicable).

Table 3.1 NESAs School Registration Committee recommendations on school registrations, during 2016–17 to 2019–20

	2016–17		2017–18		2018–19		2019–20	
	Ind.*	Sys.**	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
Renewal of registration (5 years)^(a)								
Primary education	16	186	18	1	36	249	27	2
Secondary education	12	51	20	0	28	70	26	1
Primary and secondary education	70	15	30	0	53	17	82	5
Education of a kind, or for children of a kind	7	1	4	0	2	0	7	0
Exemption from registration	1	0	0	0	0	0	2	0
Total	106	253	72	1	119	336	144	8
Initial registration for new year levels of schooling (1 year)								
Primary education	4	3	6	0	4	6	7	1
Secondary education	4	3	7	0	13	7	23	1

	2016–17		2017–18		2018–19		2019–20	
	Ind.*	Sys.**	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
Primary and secondary education	13	3	2	0	1	5	0	5
Exemption from registration	0	0	0	0	0	0	0	0
Provisional initial registration	0	0	0	0	0	0	0	0
Total	21	9	15	0	18	18	30	7
Extension of registration (1 year)								
Primary education	1	0	2	0	4	0	3	0
Secondary education	2	0	3	0	6	0	0	0
Primary and secondary education	3	0	2	0	4	0	8	0
Total	6	0	7	0	14	0	11	0
Other recommendations on school registrations								
Reduced period of registration (provisional)	0	0	0	0	0	0	0	0
Cancel registration	0	0	1	0	0	0	1	0
Initial registration of new schools	7	3	8	0	5	7	6	3
Registration of new campuses of existing schools	7	1	0	0	7	1	7	1

* Ind. = individual non-government schools

** Sys. = systemic non-government schools belonging to a registration system

- a. The variation in the number of recommendations for renewal of registration for each reporting year reflects the number of schools with registration expiring in each reporting year.

Table 3.2 NESAC School Registration Committee recommendations on accreditation, recognition for schools outside NSW and other matters during 2016–17 to 2019–20

	2016–17		2017–18		2018–19		2019–20	
	Ind.*	Sys.*	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
Renewal of accreditation (5 years)^(a)								
Courses leading to the award of the Record of School Achievement	63	64	41	0	67	77	98	0

	2016–17		2017–18		2018–19		2019–20	
	Ind.*	Sys.*	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
Courses leading to the award of the Higher School Certificate	60	59	38	0	61	64	87	1
Initial accreditation for registered schools (1 year)								
Courses leading to the award of the Record of School Achievement	4	4	3	0	6	7	2	2
Courses leading to the award of the Higher School Certificate	7	2	4	0	4	4	8	2
Other recommendations on accreditation								
Reduced period of accreditation (provisional)	0	0	0	0	0	0	0	0
Cancel accreditation	1	0	0	0	0	0	1	0
Initial accreditation for new schools for courses leading to the award of the Record of School Achievement	4	3	2	0	1	3	3	3
Initial accreditation for new schools for courses leading to the award of the Higher School Certificate	1	0	1	0	1	1	1	1
Recognition for schools outside NSW								
Courses leading to the award of the Record of School Achievement		1 ^(c)		0		0		2
Courses leading to the award of the Higher School Certificate		5 ^(c)		0		0		2
Other matters								
Recognition as a special school	7	1	5	0	6	1	11	1
Recognition as a special assistance school	5	0	3	0	8	2	5	0
School closed	4	1	1	0	5	2	4	4
Campus closed	10	0	11	0	9	4	3	1
Approval of school providers of courses for students from overseas		26 ^(b)		16 ^(b)		21 ^(b)		47 ^(b)

	2016–17		2017–18		2018–19		2019–20	
	Ind.*	Sys.*	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
Approval of Teacher Accreditation Authorities		91		44		68		109

* Ind. = individual non-government school

** Sys. = systemic non-government schools belonging to a registration system

- (a) The variation in the number of recommendations for renewal of accreditation for each reporting year reflects the number of schools with accreditation expiring in each reporting year.
- (b) Includes recognition of school providers of English Language Intensive Courses for Overseas Students.
- (c) This data corrects the data published in the 2016–17 annual report.

Table 3.3 New schools granted initial registration in 2019 to commence in the 2020 calendar year

School	Location	Year level
Arise Christian College	Metford	Years 3 to 10
Living School	Lismore	Kindergarten to Year 8
Pambula Beach Flexible Learning Centre	Pambula	Years 7 to 10
Sydney Science College	Epping	Years 11 and 12

Table 3.4 Schools closed during 2019–20

School	Location	Year level
Australian Institute of Music	Sydney	Years 11 and 12
Holmes College	Sydney	Years 11 and 12
Oxford College	Sydney	Years 10 to 12
Sydney Science College	Epping	Years 11 and 12
Catherine McAuley Catholic College	Medowie	Years 7 and 8
Gillieston Heights Adventist School	Gillieston Heights	Kindergarten to Year 7
St Mary's Catholic Primary School	North Sydney	Kindergarten to Year 6

Table 3.5 Complaints about non-government schools investigated by NESA officers during 2016–17 to 2019–20

	2016–17	2017–18	2018–19	2019–20
Complaints about individual schools investigated	5	4	1	3

	2016–17	2017–18	2018–19	2019–20
Complaints about systemic schools investigated	0	0	0	0
Complaints about schools with overseas recognition investigated	0	0	0	0
Investigations completed	9	5	3	2
Complaints substantiated	8	5	3	2
Complaints ongoing into the next reporting period	3	2	0	1
Number of complaints investigated per requirement^(a)				
Governance	2	0	0	0
Teaching staff	1	0	0	0
Curriculum	2	1	0	1
Safe and supportive environment	7	4	2	1
Premises and buildings	0	0	0	0
Facilities	0	0	0	0
Discipline	3	2	1	2
Attendance	1	1	0	0
Management and operation of the school	0	0	0	0
Educational and financial reporting	0	0	0	0
Boarding facilities	0	0	0	0

(a) For some schools, the complaint related to more than one issue or requirement.

Home schooling registration

The *Education Act 1990* provides for parents to home school their children. Under the Act, NESAs are responsible for administering the program for home schooling registration – which involves granting approval for a child to be schooled at home and maintaining details of children who are registered for home schooling.

NESA's [Guidelines for Home Schooling Registration in NSW](#) describe the requirements and processes for home schooling registration.

Authorised persons assess applications for approval for home schooling registration and provide recommendations to the Minister or the Minister's delegate.

Children may be registered for home schooling, or approved but exempt from being registered, for a maximum period of two years. Children with exemption from registration on religious grounds must meet the requirements for registration.

In mid-March 2020, in response to the COVID-19 pandemic, NESAs temporarily ceased home schooling visits. NESAs continued to assess applications for home schooling registration using a risk-based approach. Most applications were assessed by documentation review and some automatic renewals were granted a shorter period of registration.

During 2019–20, the number of children registered for home schooling continued to grow ([Tables 3.6 and 3.7](#)), particularly at the time the COVID-19 pandemic began.

NESA collects data about parents' reasons for choosing to seek home schooling registration on an opt-in basis. Since 2010, the most common reasons have been philosophical choice, religious reasons and an individualised approach to addressing the special learning needs of the child.

Consultation and new guidelines for home schooling registration

In 2015, NESA established a Home Schooling Consultative Group (HSCG) to oversee consultation with the home schooling community and consult on issues affecting the community. During 2019–20, the HSCG met four times, mainly focusing on a review of NESA's [Guidelines for Home Schooling Registration in NSW](#).

Professional learning forums

Each year, NESA provides regular professional learning forums for authorised persons who assess applications for home schooling registration. In 2019–20, topics included child protection, curriculum updates including adjustments for students with disability, and case studies involving external guest speakers and home schooling parents.

NSW Civil and Administrative Tribunal

The NSW Civil and Administrative Tribunal hears applications for review of recommendations to refuse home schooling registration. During 2019–20, one parent appealed a recommendation to refuse home schooling registration for their children. The application was dismissed as the applicant failed to appear for proceedings.

Table 3.6 Number of children with home schooling registration at the end of reporting period, during 2016–17 to 2019–20

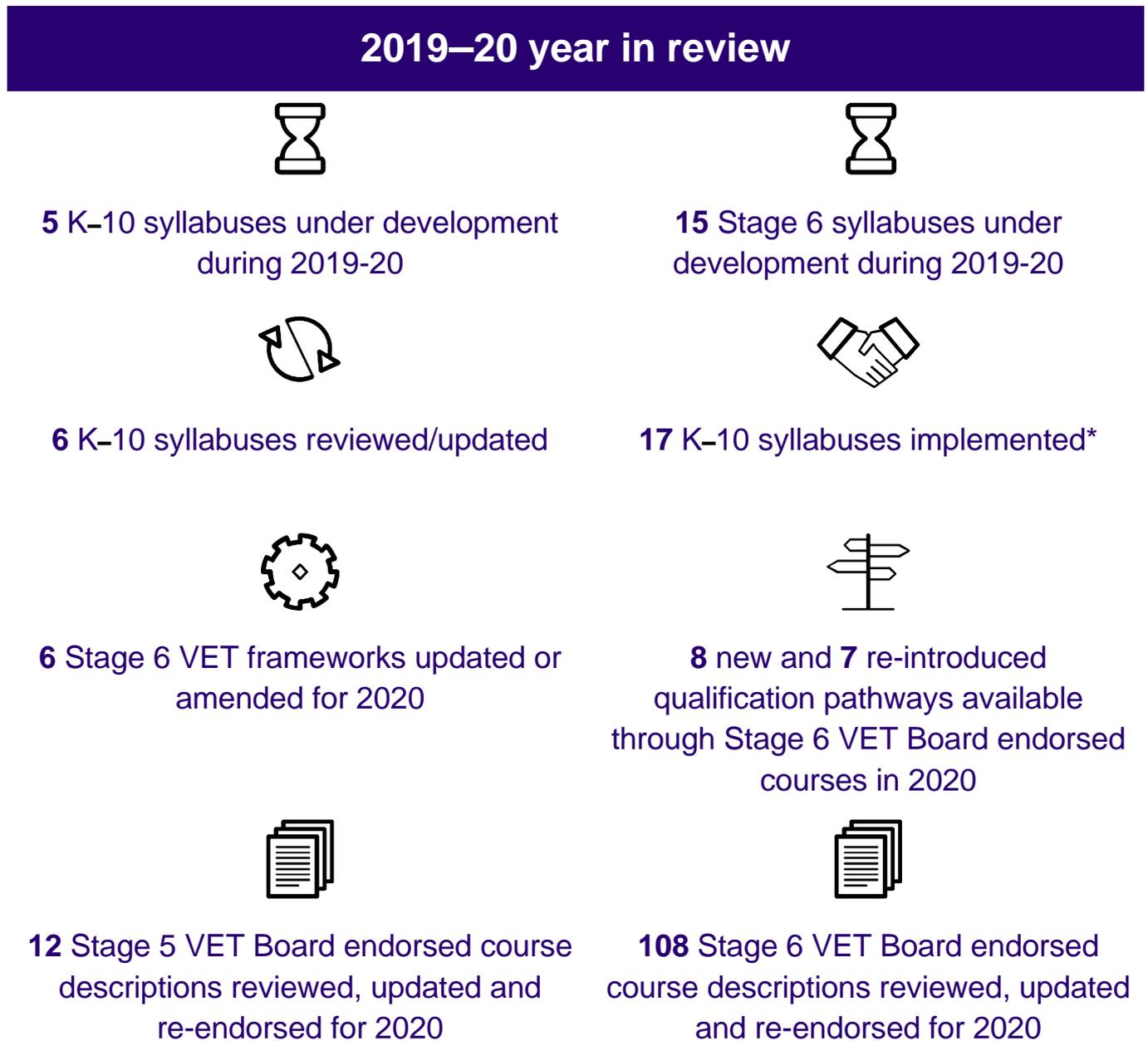
	2016–17	2017–18	2018–19	2019–20
Number of children with registration	4,479	5,066	5,698	6,534
Number of families	2,269	3,027	3,498	3,996

Table 3.7 Number of children with exemption from home schooling registration at the end of reporting period, during 2016–17 to 2019–20

	2016–17	2017–18	2018–19	2019–20
Number of children with exemption from registration	182	183	189	196
Number of families	88	95	83	94

4.1 NSW school curriculum

Figure 4.1 NESAs curriculum development activity, 2019–20 key statistics



*NESA did not implement any Stage 6 syllabuses in 2019–20. In September 2019, the NESA Board decided to defer Stage 6 syllabus implementation until the release of the NSW Curriculum Review.

4.2 Key curriculum achievements

NESA is responsible for developing courses of study for primary and secondary schools (under the *Education Act 1990*). A course of study, or syllabus, describes the aims, objectives, content and outcomes of student learning in NSW schools.

NESA develops NSW syllabuses through extensive consultation with teachers, subject experts, academics and the community. The syllabus development process ensures that government and non-government schools teach common content, regardless of where a student lives or attends school.

More information about the [NSW Kindergarten to Year 12 curriculum](#) is available on the NESA website.

NSW Curriculum Review

The Minister's 2020 Statement of Expectations tasked NESA with finalising the NSW Curriculum Review and delivering a final report to the NSW Government by mid-2020. The Review aims to ensure students are equipped to contribute to Australian society in the 21st century.

On 23 June 2020, the NSW Premier and Minister for Education and Early Childhood Learning announced the release of the [NSW Curriculum Review final report](#) and the NSW Government response.

The NSW Government Response to the NSW Curriculum Review outlines an ambitious program for streamlining and strengthening what is taught in our schools over the next four years.

The reforms include:

- building strong foundations for future learning by 2022 with new English and Mathematics syllabuses for Kindergarten to Year 2
- more time for teaching by 2022 by reducing the hours teachers spend on extra-curricular topics and issues and compliance requirements
- strengthening post school pathways by 2022 with new learning areas for Years 11 and 12 that clearly link learning to future employment and study options
- a new curriculum from 2024 with new syllabuses focused on what is essential to know and do in early and middle years of schooling, and key learning areas in the senior years.

Over the next four years, the NESA Board will oversee the rewriting of the curriculum to meet high community expectations. Reform implementation includes:

- planning and scoping reform activities
- developing new syllabuses
- consultation with teachers and other key education stakeholders
- professional development to support teachers to implement the new curriculum.

NESA is working closely with the education sectors and other key stakeholders to ensure that reform activities:

- involve teachers in all implementation phases of the new curriculum
- develop systems that align curriculum, assessment and reporting, and teacher professional development.

NESA has established a dedicated [website](#) with up-to-date news and information about the curriculum reform program.

School Developed Board Endorsed courses 2019–20

School Developed Board Endorsed courses are designed by an individual school or group of schools to meet the local needs of students. More information on [School Developed Board Endorsed courses](#) is

available on the NESAs website.

Figure 4.2 School Developed Board Endorsed courses key statistics, 2019–20

During the 2019-20 reporting year:

26 Stage 5 School Developed Board Endorsed course proposals received

14 new Stage 5 School Developed Board Endorsed courses endorsed

7 Stage 6 School Developed Board Endorsed course proposals received

1 new Stage 6 School Developed Board Endorsed course endorsed

University Developed Board Endorsed courses 2019–20

University Developed Board Endorsed courses supplement and extend the HSC curriculum for high achieving students in Stage 6. These courses are developed by universities in conjunction with schools. More information about [University Developed Board Endorsed courses](#) is available on the NESAs website.

Figure 4.3 University Developed Board Endorsed courses key statistics, 2019–20

During the 2019-20 reporting year:

16 University Developed Board Endorsed courses were available

8 University Developed Board Endorsed courses were delivered, with **224** students enrolled in a University Developed Board Endorsed course

Supporting the Kindergarten to Year 12 curriculum

During 2019-20, NESAs developed a range of support materials for the Kindergarten to Year 12 curriculum, including:

- guides for teachers and parents
- sample scope and sequences
- sample units of work
- sample assessment tasks
- Life Skills outcomes worksheets
- advice for teaching and assessing students with disability.

NESAs publishes [K-10 support materials](#) on the NESAs website.

Vocational education and training

Vocational education and training (VET) courses allow students to study and achieve nationally recognised vocational qualifications, for which students receive credit for the RoSA and HSC. The VET curriculum supports school-based apprenticeships and traineeships providing students with a pathway to employment and future careers. Most students undertaking a VET course as part of their HSC do so through industry curriculum frameworks developed by NESAs.

There are 13 industry curriculum frameworks operating in NSW. Information on [industry curriculum frameworks](#) are available on the NESA website.

Supporting students with disability to access the curriculum

NESA is committed to supporting students with disability to access quality curriculum. NESA ensures syllabuses and support materials are developed to include the full range of learning needs, including students with disability.

Schools and teachers have obligations under the *Disability Standards for Education 2005* to provide reasonable adjustments for students with disability. During the 2020–21 reporting year, NESA will work with the NSW Department of Education to contribute to the Review of the Disability Standards for Education 2015, which is being led by the Australian Government through COAG Education Council processes.

NESA continues to work closely with key disability stakeholders to inform a range of NESA policy development and program activities, including the NSW Chapter of the Australian Association of Special Education (AASE).

The NESA Special Education Committee met twice during the reporting period to advise the NESA Board on curriculum, assessment and teacher professional development issues relating to disability. COVID-19 affected planned meetings for the Committee during the first half of the 2020 calendar year – the Special Education Committee will resume meeting in the 2020-21 reporting year.

Life Skills

Life Skills outcomes provide course options for students with disability who cannot access the regular course outcomes, particularly students with an intellectual disability.

NESA continues to develop Life Skills outcomes and content for all Years 7–10 syllabuses and separate Life Skills courses for students in Years 11 and 12. More information on Life Skills, including any current [Life Skills curriculum](#) under development, is available on the NESA website.

5.1 Student assessment

Figure 5.1 NESAs activity related to the 2019 Higher School Certificate

2019 Higher School Certificate in review



More than **74,000** HSC candidates, with more than **67,000** credentials awarded



666 students sat the **first ever online HSC examination**, for the new Science Extension course



123 written HSC examinations



14,625,708 pages of examination papers printed



18 days of written examinations



29 HSC courses with speaking examinations



Around 7,500 examination supervisors and presiding officers



Around 5,500 HSC markers



84 supervisors of marking



72% of HSC markers marked online, **83** courses marked all or part online



3 students received First In Course awards for **three courses**



Around 330 students sat HSC exams overseas

5.2 Key achievements in student assessment

Higher School Certificate (HSC)

NESA is responsible for issuing the:

- Higher School Certificate (HSC) at the completion of Year 12
- Record of School Achievement (RoSA) to eligible students who leave school before completing the HSC.

The HSC and RoSA credentials provide students with a comprehensive and meaningful report of what they have accomplished during their schooling. These credentials are important documents for students seeking employment, further education and university entrance.

2019 HSC

New HSC Science Extension online examination

In 2019, NESA introduced an online HSC examination for the new Science Extension HSC course. The new course reflects the directions of the [Stronger HSC Standards reforms](#).

The 666 HSC students who studied this new course in 2019 were the first in NSW to complete their HSC examination online. This is a significant milestone for NESA and the HSC credential, reflecting the collaborative efforts of a range of NESA's key stakeholders in developing the course.

2019 HSC results

In December 2019, NESA issued 2019 HSC students their HSC results via email and SMS. Students' results were also made available via the Students Online website.

NESA provides [a number of HSC results services](#) for students, teachers and principals. More information on these services is available on the NESA website.

Figure 5.2 HSC results services key statistics, 2019–20

During the 2019-20 reporting year:

663 student inquiries to HSC Results Inquiry Centre (excluding PIN requests)

1,218 students ordered one or more post-HSC services, with **4,373** total items requested from HSC post-results service

762 schools accessed the Results Analysis Package, with **13,750** unique users

2020 HSC

During the 2019-20 reporting year, NESA continued to support students, teachers and schools in their preparation for the 2020 HSC.

In response to the COVID-19 pandemic, during the reporting year NESA and the COVID-19 Response Committee approved several changes to the HSC in 2020. This included curriculum and assessment processes supporting the HSC, and administration of the HSC practical, performance and written examinations (detailed in the introduction to this report).

Figure 5.3 2020 HSC key statistics, 2019–20

During the 2019-20 reporting year:

78,837 students enrolled in an HSC course (Term 1, 2020)

70,272 students were eligible for award of HSC (Term 1, 2020)

21% of students eligible for award of HSC were enrolled in or completed at least one Extension course

26% of students eligible for award of HSC were enrolled in or had completed at least one VET course as part of their total pattern of study

Student support for the HSC

Disability provisions

Disability provisions are practical arrangements designed to help students with a disability (verified by functional evidence), so that they can access the questions in the HSC examinations and communicate their responses.

The NESA disability provisions program complies with the *Disability Discrimination Act 1992* (Cth) (DDA) and the *Disability Standards for Education 2005*, issued under the DDA, and requires that a student is neither advantaged nor disadvantaged through the allocation of provisions.

NESA publishes [comprehensive statistics on disability provisions](#) on the NESA website. NESA regularly reviews and updates the disability provisions guidelines to ensure clarity and accessibility.

The 2018 [Review of Disability Provisions in the HSC – Review of implementation](#), conducted by John Firth, found that NESA’s approach to disability provisions were procedurally fair and complied with legislative requirements. This review made several recommendations to strengthen the implementation of disability provisions in NSW schools, which NESA has worked to implement during 2019-20 in consultation with key stakeholders and the Assessment and Special Education Committees of the NESA Board.

Education experts and independent auditors ensure that decisions taken under the Disability Provisions program are fair, appropriate and consistent, by reviewing the disability provisions program regularly. All [reviews and audits conducted on the disability provisions program](#) are listed on the NESA website.

HSC illness/misadventure applications

Students who are prevented from attending an examination (including speaking/listening or practical examinations), or who consider that their performance has been affected by illness and/or misadventure immediately before or during an examination, may submit an illness or misadventure application.

NESA published [comprehensive statistics on illness/misadventure applications](#) for the period including the 2019-20 reporting year on the NESA website.

HSC minimum standard literacy and numeracy tests

From 2020, students will be required to demonstrate a minimum standard of literacy and numeracy to be awarded the HSC. To show that they meet the HSC minimum standard, students need to achieve an Australian Core Skills Framework Level 3 or 4 equivalent in short online reading, writing and numeracy tests of skills for everyday life.

NESA publishes resources for students, parents and teachers, as well as information about the tests, disability provisions and exemptions. These resources, and more detailed information about the [HSC Minimum standard](#), are available on the NESA website.

Record of School Achievement

The Record of School Achievement (RoSA) is a credential provided to eligible students who leave school after Year 10 and before completing the HSC. The credential recognises student achievement in all courses completed in Years 10 and 11.

Figure 5.4 Record of School Achievement key statistics, 2019–20

During the 2019-20 reporting year:

91,787 students enrolled in at least one Stage 5 course eligible for inclusion towards the RoSA (Term 1, 2020)

Piloting a new Stage 6 Numeracy Course

In August 2018, the NSW Government announced the [NSW Government's Mathematics Strategy](#). As part of this strategy, in 2019 NESA began piloting a [new mathematics-based HSC course](#) for students who have not typically chosen to study maths, focusing on numeracy and practical applications for everyday life. The pilot continued in 2020 in an increased number of schools.

A dedicated NESA project team provides extensive support to schools that participate in the pilot, including sample teaching and learning programs, online professional learning sessions, assessment resources and sample teaching guides for each of the four modules in the syllabus. NESA will consider options for wider implementation of the course in the 2020-21 reporting year.

National Assessment Program – Literacy and Numeracy (NAPLAN)

The National Assessment Program – Literacy and Numeracy (NAPLAN) tests identify whether students have the literacy and numeracy skills that provide the critical foundation for their learning. NAPLAN tests also provide information on students' progress and complement the wide range of formal and informal assessments already conducted in schools.

NESA is the test administration authority for all schools in NSW and for international schools registered with NESA. More [information on NAPLAN](#) is available on the NESA website.

Cancellation of 2020 NAPLAN tests

In March 2020, the Council of Australian Governments (COAG) Education Council decided to cancel NAPLAN testing for 2020. This decision aimed to help principals, teachers and school staff focus on student learning during the COVID-19 pandemic. This decision meant that NESA did not administer NAPLAN tests in NSW and ACT schools during the 2019–20 reporting year.

During the 2019-20 reporting period, NESA had supported more than 3000 schools in NSW and the ACT to register for NAPLAN tests in 2020, a significant proportion of which were intending to sit NAPLAN Online for the first time in 2020. The process to register schools for NAPLAN 2020 had occurred before Education Council decided to cancel the tests for 2020.

Supporting the transition to NAPLAN Online

At an Education Council meeting on 12 June 2020, Commonwealth, state and territory ministers agreed that due to the cancellation of NAPLAN 2020, the full transition to NAPLAN Online would be deferred from 2021 to 2022. All states and territories agreed to maximise participation in 2021 before a full transition in 2022.

Before Education Council's decision to cancel NAPLAN in 2020, NESA provided support to NSW and ACT schools intending to transition to NAPLAN Online in 2020. NESA supports all schools transitioning to NAPLAN Online through teacher training in the lead up to the tests, and school and student readiness activities.

Any NSW school that was intending to transition to NAPLAN Online in 2020 participated in a school readiness test (conducted between 2 and 20 September 2019). The information generated from the readiness test helped to determine the most suitable time for NSW schools to transition to NAPLAN Online.

Into the 2020-21 reporting year, NESA will continue to support all NSW schools to complete the full transition to NAPLAN Online by 2022, as agreed by Education Council, considering the insights gained from preparation activity conducted in 2019.

2019 NAPLAN results

NSW schools received their 2019 NAPLAN results report package in mid-September 2019. Trends from the 2019 NAPLAN data indicated that the NSW mean score is above the national average for all five testing domains across all year levels, and that NSW is the highest-ranking jurisdiction nationally in the Spelling domain across all year levels.

Australian Music Examinations Board (NSW)

The Australian Music Examinations Board (NSW) is responsible for administering practical and written examinations in Music and Speech and Drama in accordance with the Australian Music Examinations Board (AMEB) requirements.

These examinations range from preliminary grades through to the Fellowship in Music Australia and Fellowship in Speech and Drama Australia. Detailed information about the [AMEB membership](#) is available on the AMEB NSW website.

Key achievements in 2019–20

The AMEB (NSW) conducted over 35,000 examinations throughout NSW and the ACT during 2019–20.

Figure 5.5 AMEB administration statistics, 2019–20

In 2019–20, AMEB administered:

90 practical music syllabuses

4 practical speech and drama syllabuses

5 written syllabuses, and introduced one new syllabus.

Figure 5.6 AMEB award statistics, 2019–20

In 2019–20, AMEB awarded:

146 associate diplomas

50 licentiate diplomas to musicians

20 diplomas to speech and drama candidates

Overseas marking – 2019 HSC

HSC markers employed by NESAs travelled to Hong Kong, Malaysia, Singapore and Norfolk Island between September and November 2019 for the marking of 2019 HSC practical and performance examinations in Design and Technology, Drama, Music, Industrial Technology and Visual Arts.

NESA recognises the Australian International Schools (AIS) in Hong Kong, Malaysia and Singapore to offer the NSW HSC. Norfolk Island Central School is a NSW Government school.

Each Australian International School met the costs of the marker visits to their schools. NESAs met the costs of the marker visits to Norfolk Island Central School.

Table 5.1 Overview of HSC markers appointed to mark 2019 HSC examinations overseas

Number of markers	Date	School
Design and Technology		
Two markers	21–24 Sept 2019 30 Sept–11 Oct 2019	AIS Singapore AIS Hong Kong AIS Malaysia
One marker	23–25 Sept 2019	Norfolk Island Central School
Drama		
One marker	9–13 Sept 2019	AIS Malaysia AIS Singapore
Industrial Technology		
Two markers	8–11 Sept 2019	AIS Singapore
One marker	6–9 Sept 2019	Norfolk Island Central School
Music		
Two markers	7–13 Oct 2019	AIS Malaysia AIS Hong Kong
One marker	25–27 Sept 2019	AIS Singapore
One marker	23–24 Sept 2019	Norfolk Island Central School
Visual Arts		
Two markers	4–8 Nov 2019	AIS Singapore AIS Malaysia

6.1 Stakeholder engagement

Key stakeholders and the community

NESA works collaboratively with the school sectors, key education stakeholders and the broader community to ensure that future educational reforms build on the high quality of primary and secondary education in NSW. NESA regularly collaborates with the NSW school sectors, key stakeholder groups and leaders in the NSW education system as part of our policy development and implementation work.

NESA also hosts regular formal information-sharing and consultation meetings with key stakeholders. These meetings are an opportunity for stakeholders to provide views and feedback that inform NESA's strategic decision-making. During 2019–20, NESA held consultation meetings with the:

- NSW Aboriginal Education Consultative Group Inc.
- Advocate for Children and Young People
- Association of Catholic School Principals NSW
- Association of Heads of Independent Schools of Australia NSW/ACT
- Association of Independent Schools NSW (AISNSW)
- Catholic Schools NSW
- Catholic Secondary Schools Association NSW/ACT
- Christian Education National
- Christian Schools Australia
- Council of Catholic School Parents NSW/ACT
- English, Mathematics, Science and History teachers' associations
- Federation of Parents and Citizens Associations of NSW
- Independent Education Union NSW/ACT
- Isolated Children's Parents' Association of NSW
- NSW Department of Education
- NSW Parents' Council
- NSW Primary Principals' Association
- NSW Secondary Principals' Council
- NSW Teachers Federation
- Professional Teachers' Council NSW.

Between 25 October and 20 December 2019, Professor Geoff Masters' Interim Report of the NSW Curriculum Review was open for public consultation. NESA undertook a range of engagement activities to support consultation on the Interim Report, including:

- receiving **over 700 submissions** from the community and key stakeholder groups through a dedicated online portal, with a number of representative organisations also submitting written submissions directly to NESA.
- conducting **21 teacher workshops** with over 450 attendees, held with teachers across metropolitan and regional NSW. Key themes and issues arising from facilitated discussion were recorded at each workshop.
- collating **900 student responses** to a targeted student survey constructed to gather feedback from

Year 10, 11 and 12 students on Reform Directions relevant to senior secondary schooling.

HSC student feedback survey

The 13th annual HSC Student Feedback Survey was open to all HSC students from September to December 2019, and more than 4000 NSW students responded to the survey. The survey asked students what motivated their HSC course choices and sought students' impressions of each of their courses.

Most respondents indicated that their non-compulsory HSC courses met their expectations, were challenging, interesting, and would be useful for further education and future work. The survey also sought feedback from students that sat the new Science Extension course, which ran for the first time in 2019. Science Extension students that responded to the survey indicated that the course would be very useful for their future education.

School registration

In 2019, NESA inspectors, in collaboration with the Association of Independent Schools NSW (AISNSW), delivered information sessions for individual non-government schools with registration expiring in 2020. The sessions focused on:

- registration and accreditation requirements
- the online application form
- the materials required to support an application, and
- the risk-based inspection process.

These sessions also provided advice about the application process for TAA approval.

In February 2020, NESA conducted a briefing for proposed new schools seeking initial registration to begin in 2021. The session provided an overview of the requirements for initial registration, evidence of compliance, and the process undertaken by NESA in assessing an application. The session also included advice about seeking initial approval as a TAA.

In November 2019 and March 2020, NESA held briefings for non-government school registration systems to advise systems about updated information, changes to legislation, emerging issues and plans for monitoring systems.

In August 2019, NESA delivered a school provider briefing, hosted by AISNSW, for currently approved school providers and those seeking initial approval. The briefing provided an update on changes to the National Code and the implications for school providers. This briefing helped school providers to understand the requirements for approval, and the application and assessment process.

Professional learning forums

Each year, NESA provides regular professional learning forums for authorised persons who assess applications for home schooling registration. In 2019–20, topics included:

- child protection
- reminders of child protection obligations for mandatory reporting
- curriculum updates
- information about curriculum adjustments for students with special learning needs
- report writing
- information about TAFE pathways

- case studies from the field and external guest speakers, including home schooling parents through the Home Schooling Consultative Group parent group representatives.

During 2019–20, NESA curriculum inspectors presented at a series of teacher professional association gatherings and other workshops.

Supporting rural and remote education

Each year, NESA undertakes a range of activities to support the NSW Government's commitment to improve educational outcomes for students in rural and remote areas.

During the 2019-20 reporting year, NESA conducted a detailed analysis of the relative performance of rural and regional students in NAPLAN 2019 and the 2019 HSC. NESA also examines the patterns of Teacher Accreditation data and course offerings in rural and regional schools, and reports them regularly to the Board and its Committees to determine any relevant policy priorities.

In October 2019, NESA hosted the annual delegation of the Isolated Children's Parents' Association of NSW (ICPA NSW). This meeting provides an opportunity for the NESA Chief Executive Officer (CEO) and key NESA staff to consider the views and concerns of parents of NSW students in rural and remote locations, including those studying by distance education.

The CEO also met with ICPA NSW in Term 2, 2020 to discuss the impact of COVID-19 on rural and remote students and their parents. This discussion focused on the changes and adjustments that the COVID-19 Response Committee had approved in order to ensure the continuity of education for all NSW students.

HSC marking opportunities

Each year, HSC marking uses either a pen-and-paper process or onscreen marking. The onscreen marking and metropolitan/regional day marking programs for the 2019 HSC supported teachers from rural and regional schools across NSW to access HSC marking, an important professional development opportunity.

In 2019-20, four marking centres in metropolitan and regional areas conducted day marking for the 2019 HSC. More than 70 teachers also participated in the 2019 HSC Rural and Remote Marking Program (RRMP). The RRMP is a joint program run each year by NESA, the NSW Department of Education and Catholic Schools NSW.

This valuable professional development program gives teachers based in rural and remote areas the opportunity to participate in HSC marking, which allows onscreen marking of subjects offered under the program. Successful applicants participate in briefing and practice marking sessions in regional centres, which in 2019 included Dubbo, Lismore and Wagga Wagga, before they begin marking.

Teacher professional learning

During 2019–20, NESA conducted a suite of information sessions for professional development providers, including online sessions that cater for regional and remote providers. NESA routinely informs providers of the unique needs of rural and remote teachers.

During the reporting year, several professional development providers hosted flexible and sophisticated courses via purpose-built Learning Management Systems and applied to broaden the mode of their endorsed course/s to offer online courses in response to COVID-19.

Each year, NESA provides targeted and systematic support to rural independent and catholic schools for the endorsement process for School-based Registered Professional Development. School-based Registered Professional Development allows rural schools to develop and run contextually relevant programs at a considerably lower cost than using external professional development providers.

Commissioning program

In mid-2019, NESA selected the NSW AECG to deliver the first phase of the Professional Learning Commissioning Program. During 2019–20, the AECG delivered three different courses across ten sessions, eight of which were conducted in regional NSW. More information about the Commissioning Program is available at [Appendix H](#).

7.1 Managing human resources

People and Culture strategy

During 2019–20, NESA continued the implementation of a comprehensive people and culture strategy introduced in 2017–18. The strategy supports the delivery of the NESA vision and organisational objectives and facilitates building a collaborative culture and workforce practices that benefit staff, managers and the organisation.

The strategy has seven focus areas:

- Culture, value and engagement
- Diversity and inclusion
- HR service delivery and systems
- Leadership and management
- Organisational structure and roles
- Resourcing and recruitment
- Performance and development

Workforce planning information from a range of sources was utilised in determining the current state and recommending actions in the strategy, including interviews with executive and non-executive staff, and the results of the NSW public sector-wide 2019 People Matter Employee Surveys.

Staffing and recruitment

The table below provides the distribution of NESA staff by category, counted by Full-Time Equivalent (FTE), for the periods 2017–18 to 2019–20. Over the course of the year, an additional 502 full-time equivalent casual staff were engaged principally to assist with the peak periods associated with Higher School Certificate programs.

Table 7.1 Distribution of NESA staff by category, 30 June 2018 to 30 June 2020

	2018			2019			2020		
	F*	M*	Total	F	M	Total	F	M	Total
General scale	4.5	2.0	6.5	1.0	1.0	2.0	1.0	1.0	2.0
Grade 1/2	12.4	9.0	21.4	8.0	5.0	13.0	6.6	8.0	14.6
Grade 3/4	47.7	13.3	61.0	48.2	14.3	62.5	49.8	8.3	58.1
Grade 5/6	26.6	11.8	38.4	34.6	10.8	45.4	32.6	18.8	51.4
Grade 7/8	22.0	16.7	38.7	26.6	16.7	43.3	28.6	18.7	47.3
Grade 9/10	31.3	13.8	45.1	33.8	17.8	51.6	35.0	15.6	50.6

	2018			2019			2020		
	F*	M*	Total	F	M	Total	F	M	Total
Grade 11/12	16.4	8.8	25.2	19.3	12.8	32.1	19.4	15.8	35.2
Senior Education Officer	58.4	21.5	79.9	57.3	17.2	74.5	48.9	15.2	64.1
Principal Education Officer	11.0	1.0	12.0	12.0	1.0	13.0	14.6	1.0	15.6
Chief Education Officer	21.8	12.0	33.8	21.4	15.0	36.4	22.0	13.0	35.0
Executive	10.0	10.0	20.0	9.0	13.0	22.0	7.0	13.0	20.0
Totals	262.1	119.9	382.0	271.2	124.6	395.8	265.5	128.4	393.9

*Key: F = Female, M = Male

Note: NESAs has revised to a FTE methodology for the 2019-20 Annual Report. Staffing distribution data for the 2018 and 2019 financial years (in Table 7.1) may differ from that reported in previous annual reports.

Public Service Senior Executive (PSSE) staff

At 30 June 2020, NESAs employed 20 Public Service Senior Executive staff.

In 2019–20, 7.24 percent of NESAs employee-related expenditure was for senior executives, compared with 10 percent in the 2018–19 reporting year.

Table 7.2 Number of NESAs Public Service senior executives, by gender and band level, at 30 June 2019 and 30 June 2020

Band	30 June 2019		30 June 2020	
	Female	Male	Female	Male
Band 4	0	0	0	0
Band 3	0	1	0	1
Band 2	3	2	3	2
Band 1	6	10	4	10
Total	9	13	7	13
Overall total	22		20	

Table 7.3 Average total remuneration for NESA Public Service senior executives per band at 30 June 2019 and 30 June 2020

Average total remuneration (\$)		
Band	30 June 2019	30 June 2020
Band 4	Not applicable	Not applicable
Band 3	351,491	400,000
Band 2	295,884	313,961
Band 1	233,851	235,616

Workforce diversity

This section outlines trends in the representation and distribution of workforce diversity groups in NESA over the past three years (Table 3.5), as well as NESA workforce diversity achievements in 2018–19 and strategies for 2019–20.

Table 7.4 Trends in representation of workforce diversity groups in NESA, 2017–18 to 2019–20

Workforce diversity group	Benchmark or target (%)	30 June 2018 (%)	30 June 2019 (%)	30 June 2020 (%)
Women	50.0	68.0	69.0	67.0
Aboriginal people and Torres Strait Islander Peoples	2.6	2.0	2.0	2.6
People whose first language as a child was not English	19.0	19.0	18.0	18.0
People with a disability	n.a.	1.0	1.0	1.0
People with a disability requiring work-related adjustment	1.5	1.0	1.0	1.4

Table 7.5 Trends in distribution of workforce diversity groups in NESA, 2017–18 to 2019–20

Workforce diversity group	Benchmark or target (%)	30 June 2018 (%)	30 June 2019 (%)	30 June 2020 (%)
Women	100	97	94	90
Aboriginal people and Torres Strait Islander Peoples	100	n.a.	n.a.	n.a.
People whose first language as a child was not English	100	88	88	88
People with a disability	100	n.a.	n.a.	n.a.
People with a disability requiring work-related adjustment	100	n.a.	n.a.	n.a.

Notes: A distribution index of 100 indicates that the centre of the distribution of the workforce diversity group across salary levels is equivalent to that of other staff. Values less than 100 mean that the workforce diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases, the index may be more than 100, indicating that the workforce diversity group is less concentrated at lower salary levels. The distribution index is not calculated where workforce diversity group or non-workforce diversity group numbers are less than 20.

Workforce diversity achievements for 2019–20

NESA's workforce diversity achievements during the 2019–20 reporting year included:

- streamlined communication in all advertised roles, promoting NESA's commitment to an inclusive and diverse workplace
- promoting job opportunities in suitable channels, increasing our reach to Indigenous communities
- participating in the 2019-20 NSW Government Aboriginal Internship Program
- supporting flexible working conditions for all employees, to create a more supportive environment for those requiring flexible work options
- supporting staff to transition to working from home arrangements as a result of the COVID-19 pandemic
- supporting cultural events including Harmony Day and NAIDOC week
- implementing the NESA Innovate Reconciliation Action Plan (RAP) in conjunction with Reconciliation Australia, NSW Aboriginal Education Consultative Group Inc., Metropolitan Local Aboriginal Land Council, NESA Aboriginal Education Committee members, and NESA staff
- staff cultural inclusion training to build cultural awareness and cross-cultural competence, improve inclusivity and increase knowledge of Aboriginal and Torres Strait Islander histories and culture.

Workforce diversity strategies for 2019–20

NESA's key workforce diversity strategies for 2019–20 include:

- continuing the review of NESA people management policies, processes and practices, including recruitment, on boarding and induction, to reduce bias and ensure inclusivity
- gathering and analysing NESA workforce profile data from a diversity groups perspective
- incorporating people and culture goals and actions from the NESA Reconciliation Action Plan
- celebrating and participating in National Reconciliation Week by providing opportunities to build and maintain relationships between Aboriginal and Torres Strait Islander Peoples and other Australians
- engaging employees in cultural learning opportunities to increase understanding and appreciation of Aboriginal and Torres Strait Islander cultures, histories and achievements
- supporting NESA staff to understand the significance of Aboriginal and Torres Strait Islander cultural protocols, such as Welcome to Country and Acknowledgement of Country
- providing opportunities for Aboriginal and Torres Strait Islander staff to engage with their culture and communities by celebrating NAIDOC Week
- workplace cultural inclusion training
- progressing the NESA RAP working group to oversee implementation of the draft initiatives underpinning the RAP. This includes specific deliverables in three focus areas – relationships, respect, and opportunities.

Further information about NESA multicultural policies and services is at [Appendix F](#), and details of the NESA Disability Inclusion Action Plan are at [Appendix G](#).

Work health and safety

NESA complies with the consultative requirements of the *Work Health and Safety Act 2011*. The NESA Health and Safety Committee oversees these requirements.

There were three Workers Compensation Claims reported in 2019-20, with falls being the most prevalent

mechanism of injury across the organisation. There were no SafeWork prosecutions in 2019-20.

Conditions of employment

NESA staff are employed under the *Government Sector Employment Act 2013* with relevant conditions determined by the following Awards:

- *Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009*
- *Crown Employees (Public Sector – Salaries 2018) Award*
- *Crown Employees (Board of Studies, Teaching and Educational Standards – Education Officers) Salaries and Conditions Award 2017*
- *Higher School Certificate Marking and Related Casual Employees Rates of Pay and Conditions Award 2017*
- *Crown Employees (Australian Music Examinations Board (NSW) Examiners, Assessors and Chief Examiners) Award 2017.*

Industrial relations policies and practices

Industrial relations policies and practices at NESA accord with the direction and guidance provided by the Industrial Relations Branch of the NSW Treasury, the NSW Public Service Commission, the Department of Premier and Cabinet and relevant government policies.

Code of Ethics and Conduct

NESA is committed to ethical conduct, which is reflected in its [Code of Ethics and Conduct for NESA Employees](#). The code sets the standards of behaviour expected of employees and provides guidance to all staff in being responsive to the needs of customers and key groups. The code has been distributed to all staff and is provided to new staff as part of the induction process.

Exceptional movements in employee wages, salaries or allowances

There were no exceptional movements in employee wages, salaries or allowances in 2019-20.

Recreation leave and extended leave liability

As at 30 June 2020, the monetary value of extended (long service) leave and recreation leave for NESA was:

- Extended leave: \$15,414,000.
- Recreation leave: \$5,564,565.

8.1 Audit and Financial statements

Delivering NESAs strategic and operational activities

The NESAs Chief Executive Officer (CEO) leads and oversees the implementation of NESAs strategic and operational activities. The following corporate governance committees support the CEO in overseeing these activities:

- Executive Leadership Team
- Senior Leadership Group
- Audit and Risk Committee
- Information and Physical Security Committee
- Information Management and Technology Committee.

Audit and risk management

NESAs audit and risk management protocols and procedures comply with the requirements of NSW Treasury Policy Paper 15-03 Internal Audit and Risk Management Policy for the NSW Public Sector (TPP 15-03).

Audit and Risk Committee

Treasury Guidelines prescribe the establishment, composition and functions of an Audit and Risk Committee. The objective of the Audit and Risk Committee is to provide independent assistance to the Chief Executive Officer by overseeing, reviewing and providing advice about NESAs governance processes, risk management and control frameworks, and its external accountability obligations. The Committee has no executive powers.

The Committee is directly responsible and accountable to the Chief Executive Officer for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must always recognise that primary responsibility for management of NESAs rests with the Chief Executive Officer.

The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, the Chief Executive Officer from time to time. Membership of NESAs Audit and Risk Committee is included in the Internal Audit and Risk Management Attestation Statement below.

Legislative requirements

During 2019–20, NESAs continued to meet its legislative obligations under various Acts and regulations. NESAs reporting under the *Government Information (Public Access) Act 2009* is at [Appendix D](#). A range of statutory disclosures are provided at [Appendix E](#).

Public interest disclosures

No public officials made a public interest disclosure to NESAs during 2019–20. No public interest disclosures were finalised by NESAs during 2019–20.

NESAs has established public interest disclosure policy and procedures that are available to all staff on its intranet site. The Chief Executive Officer has ensured that all staff are aware of the policy and procedures by undertaking internal briefings, training new staff, and sending email messages and circulars to staff.

Complaints management

NESA devolves complaint resolution to line managers and staff at the point of delivery of services. NESA is generally able to directly remedy or resolve problems at the source as they arise. NESA applies the NSW Government customer service delivery standards as a reference point for clients and staff in this process.

NESA addressed complaints arising from these matters in accordance with the standards, and through structured appeal mechanisms. The [NESA Complaints handling policy and process](#) can be viewed on the NESA website.

Internal Audit and Risk Management Attestation Statement for the 2019–20 Financial Year for the NSW Education Standards Authority

I, Paul Martin, am of the opinion that the NSW Education Standards Authority has internal audit and risk management processes in operation that are compliant with the eight (8) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

Core Requirements

Risk Management Framework

- | | | |
|-----|--|-----------|
| 1.1 | The agency head is ultimately responsible and accountable for risk management in the agency | compliant |
| 1.2 | A risk management framework that is appropriate to the agency has been established and maintained and the framework is consistent with AS/NZS ISO 31000:2009 | compliant |

Internal Audit Function

- | | | |
|-----|--|-----------|
| 2.1 | An internal audit function has been established and maintained | compliant |
| 2.2 | The operation of the internal audit function is consistent with the International Standards for the Professional Practice of Internal Auditing | compliant |
| 2.3 | The agency has an Internal Audit Charter that is consistent with the content of the 'model charter' | compliant |

Audit and Risk Committee

- | | | |
|-----|---|-----------|
| 3.1 | An independent Audit and Risk Committee with appropriate expertise has been established | compliant |
| 3.2 | The Audit and Risk Committee is an advisory committee providing assistance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations | compliant |
| 3.3 | The Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter' | compliant |

Membership

The chair and members of the Audit and Risk Committee are:

Independent Chair, **Mr John Gordon** (appointed 1 March 2019 to 28 February 2022)

Independent member, **Dr Gul Izmir** (appointed 1 March 2014 to 28 February 2022)

Independent member, **Ms Joan Wilcox** (appointed 17 September 2015 to 28 February 2022).

These processes demonstrate that the NSW Education Standards Authority has established and maintained frameworks, including systems, processes and procedures for appropriately managing audit and risk within the NSW Education Standards Authority.



Paul Martin
Chief Executive Officer
27 November 2020

9.1 Financial management

The 2019–20 audited financial statements for the NSW Education Standards Authority and the NESA Staff Agency are provided at [Appendix J](#) of this report. This section provides additional information on financial management, including payment of accounts and consultancies engaged.

Payment of accounts

NESA carries out accounts payable procedures in accordance with the NSW Government's payment of accounts policy, as required by the Treasurer's Directions and the *Public Finance and Audit Regulation 2010*.

Table 9.1 shows the time taken for payment of accounts in 2019–20. Table 9.2 shows details of accounts paid within each quarter.

Table 9.1 Time for payment of accounts, 2019–20

Quarter (2019–20)	Current, i.e. within due date (\$'000)	Less than 30 days overdue (\$'000)	Between 30 and 60 days overdue (\$'000)	Between 60 and 90 days overdue (\$'000)	More than 90 days overdue (\$'000)
All suppliers					
September	18,681	803	197	216	190
December	25,891	1,423	569	365	205
March	19,079	402	297	186	120
June	13,024	274	196	137	78
Small business suppliers					
September	375	Nil	Nil	Nil	Nil
December	291	Nil	Nil	Nil	Nil
March	308	Nil	Nil	Nil	Nil
June	297	Nil	Nil	Nil	Nil

Table 9.2 Details of accounts due or paid within each quarter, 2019-20

Measure	Sep 2019	Dec 2019	Mar 2020	Jun 2020
All suppliers				
Number of accounts due for payment	1,722	2,610	2,406	1,335
Number of accounts paid on time	1,550	2,336	2,225	1,195
Dollar amount of accounts due for payment	\$20,087,385	\$28,451,339	\$20,803,189	\$13,709,912
Dollar amount of accounts paid on time	\$18,681,318	\$25,891,725	\$19,079,111	\$13,024,972
Number of payments for interest on overdue accounts	Nil	Nil	Nil	Nil
Interest paid on overdue accounts	Nil	Nil	Nil	Nil

Small business suppliers^(a)				
Measure	Sep 2019	Dec 2019	Mar 2020	Jun 2020
Number of accounts due for payment to small business	55	63	71	66
Number of accounts due to small business paid on time	55	63	71	66
Dollar amount of accounts due for payment to small business	\$375,187	\$291,812	\$308,127	\$297,218
Dollar amount of accounts due to small business paid on time	\$375,187	\$291,812	\$308,127	\$297,218
Number of payments to small business for interest on overdue accounts	Nil	Nil	Nil	Nil
Interest paid to small business on overdue accounts	Nil	Nil	Nil	Nil
All suppliers				
Actual percentage of accounts paid on time (based on number of accounts)	90%	90%	92%	90%
Actual percentage of accounts paid on time (based on \$)	93%	91%	95%	95%
Small business suppliers^(a)				
Actual percentage of small business accounts paid on time (based on number of accounts)	100%	100%	100%	100%
Actual percentage of small business accounts paid on time (based on \$)	100%	100%	100%	100%

a) The identification of small business suppliers is an ongoing process. Suppliers have been advised of the new policy via purchase orders and selected identification from vendor and payment records.

Major works in progress

Table 9.3 Property, plant and equipment acquisitions, 2019–20

Property, plant and equipment	Cost (\$'000)
IT network computer equipment	Nil
Total	Nil

Table 9.4 Intangible asset acquisitions, 2019–20

Intangibles	Cost (\$'000)
Examination system applications	816
Customer Relationship Management system development	1,357
Total	2,173



Appendices

Appendices

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Appendix A – NESAs charter

NSW Education Standards Authority Charter

1. Mission and purpose

Consistent with the National Declaration on the Educational Goals for Young Australians, the NESAs mission is to support teachers, schools and sectors to offer all children and young people a high quality education that enables them to fulfil their potential through schooling that:

- is characterised by equity and excellence
- equips young Australians to become successful learners, confident and creative individuals, and active and informed citizens
- nurtures the development of the whole person, preparing students not only for undertaking meaningful work, but for living the lives they have reason to value.

NESA provides a forum for collaboration on key educational matters in NSW. NESA works in partnership with:

- students
- parents
- teachers
- principals
- school sectors
- other stakeholders

to identify issues and produce policy that supports teaching practice, student learning and the attainment of high education standards in NSW.

2. Objectives and functions

The NESAs Act sets out the principal objectives of NESAs. These are to:

- provide strategic leadership in improving standards of school education
- promote an evidence-based approach in improving standards of school education
- ensure that the quality of:
 - teaching
 - school curriculum
 - forms of assessment
 - regulatory standards under the NSW education and teaching legislation

are developed, applied and monitored in a way that improves student learning, while maintaining flexibility across the entire school education and teaching sector.

NESA has functions under the education and teaching legislation relating to the:

- accreditation of teachers and the monitoring of the accreditation process across all schools and early childhood education centres
- approval of initial and continuing teacher education courses that are relevant to the accreditation of teachers
- development, content and application of professional teaching standards

- school curriculum for primary and secondary school students
- granting of Records of School Achievement and Higher School Certificates
- registration and accreditation of schools
- approval of providers of courses at schools to overseas students, and reporting and advising on matters relating to NESA functions and basic skills testing.

3. Standards informed by evidence

The foundations of NESA work are standards developed through the analysis of data, research and the practical experience, wisdom and professional judgement of teachers and schools across the four domains of:

- teaching quality
- curriculum
- assessment
- school regulation.

As an independent authority acting across school sectors, NESA identifies common and agreed standards and benchmarks for the jurisdiction as a whole.

NESA draws on evidence nationally and internationally to implement policy that generates improvements in the quality of teaching and student learning.

NESA draws together expertise from within the school sectors, universities and other professional groups and promotes evidence-based analysis, teacher judgement and policy within and on behalf of the teaching profession.

4. Values and operating principles

NESA work is underpinned by the following values and operating principles:

- Supporting the profession: help to maintain and build the status of the NSW teaching profession
- Educational expertise and leadership: exercise a leading role in ongoing monitoring, research and development in teaching quality, school curriculum, assessment, and school regulation
- Quality and effectiveness: implement best practice to provide high quality, efficient services that are relevant to the interests of and respond to the needs of the New South Wales community
- Accountability and transparency: actively promote community confidence in NSW education through activities in the public interest that are ethical, sustainable and transparent
- Focus on stakeholders: provide exemplary representation and service with professionalism and commitment to our stakeholders
- Productive relationships and partnerships: foster collaborative, constructive and valuable relationships and partnerships with the school sectors and the community
- Equity and inclusiveness: policies and programs are underpinned by the principles of equity and inclusiveness and will be designed and delivered with fairness, transparency and consistency
- Research, evaluation and innovation: encourage and promote innovation and creativity to develop new strategies, ideas, products and processes
- Continuous improvement: secure continuous improvement through active self-evaluation and independent external evaluation of our work and services.

5. The Board

The Board of the NSW Education Standards Authority (the Board) is established by the NES Act. The Board:

- provides strategic leadership in improving standards of school education
- promotes an evidence-based approach to improving standards of education
- ensures that each of the following matters is developed, applied and monitored in a way that improves student learning, while maintaining flexibility across the entire school education and teaching sector:
 - teaching quality and professional standards
 - school curriculum
 - forms of assessment, and
 - regulatory standards for schools.

The Board oversees:

- high level strategic governance of NES
- regulatory functions set out in legislation
- financial governance to provide direction on the alignment between resource allocation and functions for NES
- meeting priorities set out in the Minister's Statement of Expectations.

Board members exercise their functions in a manner that promotes the objectives of NES.

Appendix B – NESA Board

Table B1 Membership of the Board of the NSW Education Standards Authority (as at 30 June 2020)

Membership (outlined in NESA Act)	Appointed member
An independent person appointed by the Minister as the Chairperson of the Board	Professor Peter Shergold AC (appointed from 1 January 2020)
Six persons appointed by the Minister	
1 from the government school sector	Mr Mark Scott AO, Secretary, NSW Department of Education (appointed to 2nd term beginning 1 January 2020)
1 from the Catholic school sector	Mr Dallas McInerney, CEO, Catholic Schools NSW (appointed to 2nd term beginning 1 January 2020)
1 from the independent school sector	Dr Geoff Newcombe AM, CEO, Association of Independent Schools NSW (appointed to 2nd term beginning 1 January 2020)
2 from teacher unions	Mr Denis Fitzgerald, NSW Teachers Federation executive (appointed to 2nd term beginning 1 January 2020) Mr Mark Northam, Secretary, Independent Education Union NSW (appointed to 2nd term beginning 1 January 2020)
1 from Aboriginal education	Mr Nathan Towney, Pro-Vice Chancellor, University of Newcastle (appointed from 1 January 2020)
No less than 4 (but not more than 6) other persons appointed by the Minister with regard to: <ul style="list-style-type: none"> ▪ teachers and school leaders ▪ universities ▪ vocational education and training ▪ parents of school children ▪ early childhood education ▪ special education ▪ business acumen ▪ strategic advisory skills 	Ms Christine Legg, Chief Executive Officer, KU Children's Services (appointed from 1 January 2020) Ms Katherine Grace, General Counsel, Company Secretary, Stockland Group (appointed to 2nd term beginning 1 January 2020) Ms Jude Hayman, Principal, Griffith Public School (appointed from 1 January 2020) Dr Anne Wenham, Head of College, St Stanislaus' College (appointed from 1 January 2020) Mr Gary Johnson, Principal, Cherrybrook Technology High School (appointed from 1 January 2020) Ms Jenny Allum, Head of School, SCEGGS Darlinghurst (appointed from 1 January 2020)
The Chief Executive Officer (ex-officio)	Mr Paul Martin, Chief Executive Officer, NESA
Members of the Board whose terms expired during the reporting year	
In December 2019, the NSW Government announced the appointment of five new members of the NESA Board, and a new independent chairperson.	Mr Tom Alegounaris (Chair) Professor Paul Chandler

Membership (outlined in NESAs Act)	Appointed member
<p>The terms of the inaugural Chair of the NESAs Board and five inaugural Board members expired on 31 December 2019. These members are no longer serving on the NESAs Board.</p> <p>NESAs thanks these members for their service to the inaugural NESAs Board.</p>	<p>Emertius Professor Susan Dockett</p> <p>Ms Robyn McKerihan PSM</p> <p>Ms Iris Nastasi</p> <p>Ms Carol Taylor</p>

The appointed members are typically appointed to serve three-year terms and they are eligible (if otherwise qualified) for re-appointment. Appointed members may not be appointed to consecutive terms totalling more than 6 years unless the Minister determines otherwise.

The Board met on eight occasions between July 2019 and June 2020. Table B2 indicates Board members' attendance at each meeting from 1 July 2019 to 30 June 2020.

Table B2 NESAs Board meetings and attendance of members from 1 July 2019 – 30 June 2020

Member	2019					2020		
	2 Jul	13 Aug	24 Sep	5 Nov	10 Dec	24 Mar	19 May	23 Jun
Chairperson								
Mr Tom Alegounarias	✓	✓	✓	✓	✓	n/a	n/a	n/a
Professor Peter Shergold	n/a	n/a	n/a	n/a	n/a	✓	✓	✓
Member from the government school sector								
Mr Mark Scott AO	✓	✓	✓	✓	✓	✓	✓	✓
Member from the catholic school sector								
Mr Dallas McLnerney	✓	✓	✓	✓	✓	✓	✓	✓
Member from the independent school sector								
Dr Geoff Newcombe AM	✓	LOA	✓	✓	✓	✓	✓	✓
Ms R Yates (observer)	n/a	✓	n/a	n/a	n/a	n/a	n/a	n/a
Two members from teacher unions								
Mr Denis Fitzgerald	✓	✓	✓	✓	✓	✓	✓	✓
Mr Mark Northam	✓	✓	✓	✓	✓	✓	✓	✓
A member from Aboriginal education								
Professor Paul Chandler	✓	✓	✓	✓	✓	n/a	n/a	n/a
Mr Nathan Towney	n/a	n/a	n/a	n/a	n/a	✓	✓	✓

Persons appointed with regard to teachers, school leaders, universities, vocational education and training parents of school children, early childhood education, special education business acumen and strategic advisory skills								
Emeritus Professor Susan Dockett	✓	✓	✓	✓	✓	n/a	n/a	n/a
Ms Robyn McKerihan PSM	✓	LOA	✓	✓	LOA	n/a	n/a	n/a
Ms Iris Nastasi	✓	✓	✓	✓	✓	n/a	n/a	n/a
Mr Craig Petersen	✓	✓	✓	✓	✓	n/a	n/a	n/a
Ms Carol Taylor	✓	✓	✓	✓	✓	n/a	n/a	n/a
Ms Katherine Grace	✓	✓	✓	✓	✓	LOA	✓	✓
Ms Jenny Allum	n/a	n/a	n/a	n/a	n/a	✓	✓	✓
Ms Jude Hayman	n/a	n/a	n/a	n/a	n/a	✓	✓	✓
Mr Gary Johnson	n/a	n/a	n/a	n/a	n/a	✓	✓	✓
Ms Christine Legg	n/a	n/a	n/a	n/a	n/a	✓	✓	✓
Dr Anne Wenham	n/a	n/a	n/a	n/a	n/a	✓	✓	✓
The Chief Executive Officer								
Mr Paul Martin	✓	✓	✓	✓	✓	✓	✓	✓

Notes:

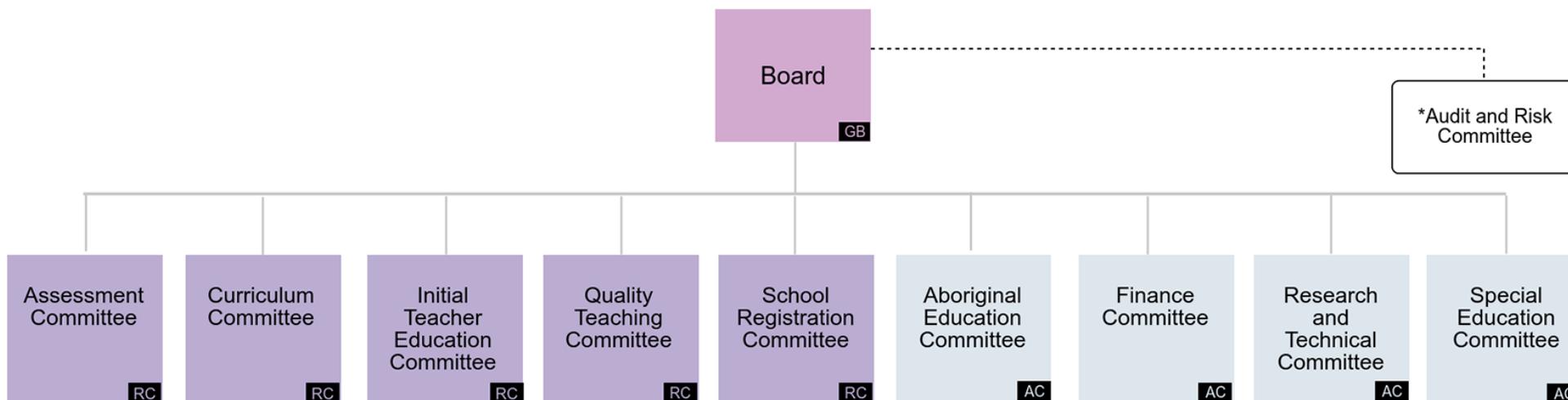
n/a indicates that this member was not a serving member of the NESAs Board at the time of this meeting.

LOA indicates that this member had an approved leave of absence for this meeting.

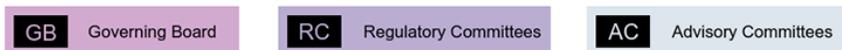
Governing Board of the NSW Education Standards Authority and its Committees

[Appendix B](#) provides an overview of the membership compositions of the NESA Board.

Figure B.1 Governing Board of the NSW Education Standards Authority and its Committees



KEY:



Notes:

- *The Audit and Risk Committee is an independent committee of NESA, reporting through the NESA CEO to the NESA Board.
- The NESA Board disestablished the Research and Technical Committee in January 2020.

Appendix C – Committees of the NESAs Board

NESA and its governing Board were established on 1 January 2017 under the *Education Standards Authority Act 2013* (the NESAs Act). The Board sets the strategic direction for NESAs and provides guidance about the nature of the activities NESAs is expected to undertake in fulfilling its functions and executing the policy directions set by the Board and the Minister.

The NESAs Act provides for:

- the NESAs Board to establish committees subject to the Ministers approval
- the NESAs Board, once approved, to appoint members to those committees
- the committees, once established, to in turn establish and appoint members of sub-committees.

Table C1 Committees of the NESAs Board

Regulatory committees	Advisory committees
Assessment Committee	Aboriginal Education Committee
Curriculum Committee	Finance Committee
Initial Teacher Education Committee	Research and Technical Committee*
Quality Teaching Committee	Special Education Committee
School Registration Committee	
COVID-19 Response Committee (established in March 2020)	*Disestablished during the reporting year.

The regulatory committees exercise powers delegated by the Board and provide advice to the Board on policy related to their delegated functions. Advisory committees provide advice only. More information, including each committees membership and attendance register, is available on request.

The Committees of the Board may establish relevant sub-committees, time-limited working groups or other consultative mechanisms necessary to support the committees in fulfilling their delegated functions and appointing members to these sub-committees.

Table C2 Sub-committees of committees of the NESAs Board and other NESAs committees and panels

Sub-committees of committees of the Board	Other NESAs committees and panels
<u>Assessment Committee</u>	HSC examination committees
HSC Standards Committee	Technical Advisory Group
Examination Rules Committee	Board curriculum committees
Independent Appeals Committee	Industry curriculum committees
<u>Curriculum Committee</u>	Moderating and Consistency Committee
Vocational Education Board Endorsed Course Panel	
School Developed Board Endorsed Course Panel	
University Developed Board Endorsed Course Panel	
Board Endorsed Alternative Education Program	

Sub-committees of committees of the Board	Other NESA committees and panels
Panel	

More information about each of the sub-committees of the committees of the NESA Board and other committees and panels established by NESA to inform its policy development work is available on request from NESA.

Appendix D – Obligations under the Government Information (Public Access) Act 2009

Agency name:	NSW Education Standards Authority
Principal department:	Not applicable
Reporting period:	2019–20

GIPA Annual Report

Section 125 of the *Government Information (Public Access) Act 2009* (GIPA Act) requires agencies to report annually on their obligations under the GIPA Act to the Minister responsible for the agency. A copy of the GIPA data must also be sent to the Information Commissioner.

NESA has an Agency Information Guide as required under the GIPA Act. The Agency Information Guide includes helpful information about:

- the structure and functions of NESA and how these functions affect the community
- how members of the community may participate in the formulation of policy and the exercise of NESA's functions
- various kinds of government information held by NESA, the kinds of information made publicly available and how members of the public may access information held by NESA.

[The Agency Information Guide](#) is available on the NESA website.

Review of proactive release program – Clause 8(a)

Under section 7(3) of the GIPA Act, agencies review their programs for the release of government information annually to identify the kinds of information that may be made publicly available. The NESA program for proactive release of information involves the review and identification of information and data by key stakeholders.

NESA proactively released the following information relating to identified key activities and developments that occurred during the reporting period:

- 2019 HSC facts and figures
- 2019 HSC merit lists: lists of students who achieved outstanding results in the HSC
- 2019 disability provisions statistics
- *Nurturing Wonder And Igniting Passion – Designs For A New School Curriculum* (final report of the NSW Curriculum Review).

Number of access applications received – Clause 8(b)

During the reporting period, NESA received five formal access applications (including withdrawn applications but excluding invalid applications).

Number of refused applications for Schedule 1 information – Clause 8(c)

During the reporting period, NESA partly refused one access application because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure).

Statistical information about access applications – Clause 8(d) and Schedule 2

Tables D1 to D9 provide details of information access applications to NESAs during 2019–20.

Table D1 Number of information access applications by type of applicant and outcome, 2019–20

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	1	1	0	0	0	0	0	1
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	1
Members of the public (application by legal representative)	0	0	0	0	0	0	0	0
Members of the public (other)	1	0	0	0	0	0	0	0

Note: More than one decision can be made regarding a particular access application. If so, a recording must be made regarding each such decision. This also applies to Table D2.

Table D2 Number of information access applications by type of application and outcome, 2019–20

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	0	0	0	0	0	0	0	0
Access applications (other than personal information applications)	2	1	0	0	0	0	0	2
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

*Note: A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

Table D3 Invalid access applications, 2019–20

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	0
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	0
Invalid applications that subsequently became valid applications	0

Table D4 Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act, 2019–20

Public interest consideration	Number of times consideration used
Overriding secrecy laws	2
Cabinet information	0
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0

Note: More than one public interest consideration may apply regarding a particular access application. If so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table D5.

Table D5 Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act, 2019–20

Public interest consideration	Number of occasions when application not successful
Responsible and effective government	1
Law enforcement and security	0
Individual rights, judicial processes and natural justice	1
Business interests of agencies and other persons	1
Environment, culture, economy and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

Table D6 Timeliness of decisions on access applications, 2019–20

Timing of decision	Number of applications
Decided within the statutory timeframes (20 days plus any extensions)	3
Decided after 35 days (by agreement with applicant)	0
Not decided within time (deemed refusal)	0
Total	3

Table D7 Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome), 2019–20

Type of review	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	1	0	1
Internal review following recommendation under section 93 of the Act	0	1	1
Review by NSW Civil and Administrative Tribunal (NCAT)	0	0	0
Total	1	1	2

*Note: The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

Table D8 Applications for review under Part 5 of the GIPA Act (by type of applicant), 2019–20

Applications for review	Number of applications
Applications by access applicants	1
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

Table D9 Applications transferred to other agencies (by type of transfer), 2019–20

Transfers to other agencies	Number of applications
Agency-initiated transfers	0
Applicant-initiated transfers	0

Protection of personal information

NESA maintains a Privacy Management Plan to explain how NESA manages personal and health information in compliance with the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*. The Privacy Management Plan:

- provides information on the types of personal and health information collected by NESA
- identifies the policies and strategies that NESA uses to ensure compliance with privacy legislation
- provides a mechanism to allow for periodic review of NESA's practices regarding the handling, maintenance and security of personal and health information.

During the reporting period, NESA has implemented and promoted awareness of its privacy risk assessment procedure among NESA employees to encourage:

- greater education and awareness of the need for privacy compliance
- more effective management of privacy risk.

NESA also promoted compliance with NSW privacy legislation by:

- providing staff with information briefings regarding privacy obligations in the course of their employment
- participating in Privacy Awareness Week 2020 (coordinated by the Information and Privacy Commission NSW).

During the reporting period, there was no review conducted by or on behalf of NESA under Part 5 of the *Privacy and Personal Information Protection Act 1998*. A copy of the [Privacy Management Plan](#) is available on the NESA website.

Appendix E – Statutory disclosure requirements

Funds granted to non-government community organisations

NESA did not grant funds to non-government community organisations during 2019-20.

Legal change

The three statutes that NESA's work are the *Education Standards Authority Act 2013*, the *Education Act 1990* and the *Teacher Accreditation Act 2004*, collectively referred to as the education and teaching legislation, and the associated regulations made under that legislation, and the associated regulations made under that legislation.

There were no changes to the education and teaching legislation in relation to NESA's functions during the reporting period.

Economic/other factors affecting the achievement of operational objectives

There were no specific economic factors affecting the achievement of objectives during 2019-20. The body of this report covers other factors.

Land disposal

NESA does not hold title to any land or buildings and was not involved in the disposal of land by other agencies in 2019-20.

Subsidiaries, partnerships, joint ventures and other associations

NESA joint ventures with other organisations are described on the inside front cover and in Sections 1-8 of this report.

Investment management performance

NESA is an authority listed in Schedule 2 to the *Public Finance and Audit Act 1983* (PFA Act) and, as such, has authority to invest as set out in Schedule 4, Part 2 of the PFA Act. Part 1 of Schedule 4 of the PFA Act authorises, among other investments, deposits with a bank or the NSW Treasury Corporation.

Liability and management performance

NESA does not have a level of debt at or above the level determined by the Treasurer. Accordingly, the relevant sections of the annual report Acts and regulations do not apply.

Additional matters

There were no additional matters arising after 30 June 2020 and prior to the submission of the annual report that were expected to have a significant effect on the operations or clientele of NESA.

Appendix F – Multicultural policies and services

NESA is committed to the principles of multiculturalism as contained in and required by the *Multicultural NSW Act 2000*. During 2019–20, NESA promoted these multicultural principles through the initiatives and programs outlined below, with reference to the two 2019-20 priority multicultural reporting themes (as determined by Multicultural NSW).

Key achievements in 2019–20

Reporting Theme 1

Improving outcomes for women leadership to support the NSW Government’s commitment to increasing the proportion of women from culturally and linguistically diverse (CALD) backgrounds in leadership positions in the public service sector.

NESA is committed to improving the outcomes for women in leadership, and is exceeding public sector targets for the proportion of women in senior and leadership positions throughout the organisation.

NESA is exceeding the NSW Government performance target for the proportion of women employed by the agency (67% compared to the 50% target). A majority of NESA’s senior, non-executive staff are also women, at the Senior Education Officer, Principal Policy Officer, Principal Education Officer and Chief Education Officer Grades. NESA has more to do in the coming years to increase the proportion of women at the Senior Executive level to meet the NSW Government’s 50% target. NESA is well positioned to progressively increase the proportion of women from culturally and linguistically diverse backgrounds in future reporting years.

Reporting Theme 2

Initiatives implemented to ensure the CALD community is assisted and included in the agency’s response to the COVID-19 pandemic.

The NESA Board established a COVID-19 Response Committee to address developing and urgent issues relating to COVID-19. The Committee comprises representatives across the education sectors. It met five times in the reporting year.

The Committee provided clear and regular advice to teachers, schools and parents regarding the 2020 HSC and the K–10 curriculum, on [NESA's dedicated COVID-19 webpage](#). Public communication activity included videos with captioning and plain English downloadable PDFs for students.

In responding to the impact of COVID-19 on students, the Committee considered a range of key equity issues including particular impact on diverse learners and marginalised student populations. Decisions made ensured every student could equitably access teaching, learning and assessment opportunities. Key decisions included:

- delay in the start date for the HSC written and oral examinations, with language oral examinations beginning seven days later
- greater flexibility for schools to determine the number, type and weighting of assessment tasks in Years 11 and 12
- increased opportunities for students to sit for the HSC minimum standard online tests
- greater flexibility for schools to determine which syllabus outcomes and content are taught and assessed across K–10.

Appendix G – Disability Inclusion Action Plan

NESA demonstrates continued commitment to the objectives of the NSW Government’s Disability Policy Framework, through:

- **NESA’s response to COVID-19:** All resources made available to students, schools, parents and the wider community and all decisions taken by NESA and the COVID-19 Response Committee considered the needs of all students, including those with a disability
- **Progressing and finalising the NSW Curriculum Review:** NESA ensured that engagement activity and resources were accessible, and that the Review’s consultation phases comprehensively considered the views of people with a disability. NESA conducted the Review with regard to its obligations under the *Disability Discrimination Act 1992* and the *Disability Standards for Education 2015*
- **Reviewing and updating curriculum and assessment support materials** to help teachers to personalise learning for students with disability
- **Supporting the Special Education Committee of the NESA Board**, which continued to provide expert advice to NESA and the NESA Board on a range of school education issues relating to students with disability during 2019-20
- **Responding to the needs of students with disability**, their parents and their teachers on a case-by-case basis, through NESA’s School Liaison Unit and through making relevant information available and accessible online
- **Reviewing and updating advice in line with current disability legislation**, in relation to meeting the needs of students with disability within the curriculum
- **Assessing the impact of the *Disability Discrimination Act 1992*** on school registration requirements and making necessary amendments to school manuals.

NESA works to ensure that it complies with the NSW Department of Premier and Cabinet’s circular C2012-08 NSW Government Website Management, which requires all NSW government websites to comply with Web Content Accessibility Guidelines (WCAG) 2.0.

NESA is achieving compliance with WCAG 2.0 guidelines through a staged approach, prioritising areas of the NESA website according to the nature of the material and its level of traffic. All resources published online related to NESA’s response to the COVID-19 pandemic have been made accessible in accordance with WCAG 2.0 guidelines.

In 2019–20, NESA is working with the NSW Department of Education to engage with the National Review of the Disability Standards 2015 led by the Australian Government through COAG Education Council processes. This work will progress into the 2020–21 reporting year.

Appendix H – NSW Aboriginal Education Consultative Group Incorporated

Mission and goals

The NSW Aboriginal Education Consultative Group Inc. (AECG) is recognised as the principal advisory body to the NSW Government on all matters relating to Aboriginal people from preschool to higher education.

The vision of the AECG is to:

- be the political voice of Aboriginal people regarding quality education
- provide advice on all matters relevant to education and training with the mandate that this advice represents the Aboriginal community viewpoint
- promote respect, empowerment and self-determination – the AECG believes the process of collaborative consultation is integral to equal partnership and is fundamental to the achievement of equality
- advocate cultural affirmation, integrity and the pursuit of equality to ensure that the unique and diverse identity of Aboriginal people is recognised and valued.

The NSW AECG aims to provide opportunities for Aboriginal people to be actively involved in all decision-making that is relevant to education and training, through a collaborative and consultative process. This is central to developing the highest level of informed decision-making to ensure:

- culturally appropriate delivery of education and training programs for Aboriginal learners and
- that all Australians are better informed on Aboriginal history, culture and relevant current issues.

In 2019–20, the NSW AECG continued developing and delivering a range of educational services and resources to support:

- the attendance, engagement and educational outcomes of young Aboriginal people in early childhood education, schools and tertiary education and employment
- capacity building, resilience and the wellbeing of Aboriginal communities across NSW.

Participating in committees of the NESA Board, and Curriculum committees

The NSW AECG is represented on three committees of the NESA Board: the NESA Curriculum Committee, Special Education Committee and Aboriginal Education Committee. The NSW AECG also participates on committees convened as part of the curriculum development process. By participating on NESA curriculum committees, the AECG NSW works to:

- ensure that curriculum effectively meets the needs of Aboriginal students
- promote awareness and understanding of Aboriginal Australia by all students.

The NSW AECG's representation on these committees in 2019–20 provided advice to NESA on inclusive curriculum and the implementation of Aboriginal perspectives in syllabuses, curriculum and teaching.

Professional development

NESA Commissioning Program

The NSW AECG continued to deliver a range of professional development programs across the state during the 2019–20 reporting year.

During 2019, the NSW AECG worked with NESA on the NESA Commissioning Program to support the delivery of three Connecting to Country, four Healthy Culture Healthy Country and four Engaging with

Aboriginal Communities professional development programs across regional and urban NSW. From June to December 2019, the AECG delivered courses on Country across NSW, including in metropolitan Sydney, the NSW North Coast, the NSW South Coast, and NSW Riverina regions.

Under the NESA Commissioning Program, more than 300 teachers, principals and executive NSW Department of Education staff were subsidised to participate in these three professional development programs. Each of the programs contribute to Registered Professional Development. Early feedback from teachers indicates a high level of satisfaction with the courses.

Connecting to Country is a three-day immersion program designed, developed and implemented by the local NSW AECG. Courses are run on Country and by local Aboriginal community members. The knowledge and understanding gained by teachers from the localised cultural immersion may then be integrated into teaching and learning practices and activities linked to the school's curriculum.

The **Healthy Culture, Healthy Country** program advances the importance of maintaining local Aboriginal languages and cultures through education. The program emphasises the synthesis between the health of culture, the health of Country, and the health and wellbeing of Aboriginal Australians. Some of the areas explored are Designing Local Aboriginal Cultural Curricula, Exploring Aboriginal Teaching Methods, and Culturally Apposite Assessment.

The **Engaging with Local Aboriginal Communities** course aims to help teachers develop their understanding of culture so they can liaise effectively with Aboriginal families and communities. Teachers learn about Aboriginal cultures of NSW, cultural issues that Aboriginal families and communities face, and verbal and non-verbal intricacies of Aboriginal English as the language of community.

AECG projects and priorities during 2019-20

The NSW AECG continues to support the recovering, re-voicing and re-practising of Aboriginal languages and culture throughout NSW. In 2019-20, key projects delivered by the NSW AECG included:

- **Aboriginal Culture and Literacy Program** – a two-day program for AECG K-10 school students to enhance their literacy and writing skills in an Aboriginal cultural context
- **Connected Communities** – a strategic program to improve outcomes for children and young people in their schools and communities
- A range of **professional development programs** for early childhood educators, on Aboriginal perspectives in an early childhood setting
- **Language and Culture Camps** – a two-day camp to contribute to informing, strengthening and connecting students to language and culture through sharing knowledge and resources
- A range of programs to celebrate **National Aboriginal and Islander Day Observance Committee (NAIDOC) Week** across NSW
- **SHOW Camps** to encourage students to lead healthier and active lifestyles
- **STEM Camps** to foster students' interest in STEM subjects, and an opportunity for students to engage with industry to see practical STEM applications.

Contact details

NSW Aboriginal Education Consultative Group Inc.
37 Cavendish Street, Stanmore NSW 2048

Telephone: (02) 9550 5666

Fax: (02) 9550 3361

Email: info@aecg.nsw.edu.au

Website: www.aecg.nsw.edu.au

Appendix I – Knowledge management and information security

Protection of personal information

NESA manages personal and health information in compliance with the *Privacy and Personal Information Protection Act 1998* (PPIP Act) and *Health Records Information Privacy Act 2002* (HRIP Act).

NESA manages Privacy Management Plan:

- maintains a current list of personal and health information collected by NESA
- identifies the policies and strategies that NESA uses to ensure compliance with the PPIP Act
- provides a mechanism for periodic review of NESA practices regarding the handling, maintenance and security of personal and health information.

NESA amended the Plan relating to information about VET data collection, Disability provisions data collection and adopted procedures for:

- applications to access personal or health information
- applications to request alteration of personal or health information.

NESA also promoted awareness of and compliance with NSW privacy legislation by briefing staff regarding their privacy obligations.

NESA conducted two internal reviews under Part 5 of the PPIP Act.

A copy of the [Privacy Management Plan](#) is available on the NESA website.

Cloud computing

NESA continues to take a cloud first approach in line with the NSW Government Cloud Policy guidance, to move to procuring IT as a service where possible. To this end, NESA has delivered business-critical solutions to support a secure enterprise mail capability. NESA is currently delivering services to support enterprise collaboration, unified communications and mobility services.

NESA has also implemented cloud solutions to facilitate the delivery of online assessments such as HSC Minimum Standard tests and the first online HSC examination, Science Extension, which ran for the first time during the 2019-20 reporting year.

NESA first moved to the private cloud in GovDC in 2015 and is transitioning to a hybrid cloud to provide flexible, scalable and innovative solutions to the customer.

Electronic Teacher Accreditation Management System (eTAMS)

The electronic Teacher Accreditation Management System (eTAMS) supports all aspects of teacher accreditation, including the:

- storage of data relating to recording and maintaining teacher's personal details, their qualifications and professional development
- initial and ongoing accreditation data of teachers and their employment.

The system also stores all communications to and from stakeholders related to teacher accreditation and financial data creation, which links to teacher records and online payments of teacher accreditation fees. All teachers in NSW use eTAMS to maintain their accreditation.

NESA continues to make ongoing improvements to the system to support all stakeholders with teacher accreditation activities.

Information security management

An ISO 27001 based Information Security Management System (ISMS) is a set of integrated processes that enables organisations to align with global standards of best practice management of information security programs, policies and procedures. ISO 27001 is globally recognised as the standard against which organisations can be certified.

The-then Board of Studies NSW obtained whole-of-organisation certification in 2011. NESA has maintained its certification through annual audits.

Digital information security annual attestation statement for the 2019–20 financial year for the NSW Education Standards Authority

I, Paul Martin, Chief Executive Officer, am of the opinion that the NSW Education Standards Authority have continued working towards maturity in the management of cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cyber security maturity and initiatives of the NSW Education Standards Authority, within the resource capacity of the Authority.

Risks to the information and systems of the NSW Education Standards Authority have been assessed and are managed.

The NSW Education Standards Authority has an Information Security Management system (ISMS) in place and has maintained compliance with the ISO 27001 requirements by an accredited third party during the 2019-20 financial year.

There exists a current cyber incident response plan for the NSW Education Standards Authority which has been reviewed during the reporting period.

The NSW Education Standards Authority has undertaken the following to continuously improve the management of cyber security governance and resilience:

- The information and Physical Security Committee representatives contributes to, and oversees, the program of cyber maturity and uplift
- Annual identification of crown jewels across the agency.

The attestation covers the following agencies:

NSW Education Standards Authority



Paul Martin

Chief Executive Officer

NSW Education Standards Authority

27 November 2020

Appendix J – Financial statements

NSW Education Standards Authority

Year ended 30 June 2020

Statement by Chief Executive Officer

Pursuant to section 41C(1B) of the *Public Finance and Audit Act 1983*, I state that:

- a) the accompanying financial statements have been prepared in accordance with the applicable Australian Accounting Standards, the requirements of the Public Finance and Audit Act 1983, the Public Finance and Audit Regulation 2015, the financial reporting directions mandated by the Treasurer, the Treasurer's Directions and other authoritative pronouncements of the Australian Accounting Standards Board (AASB);
- b) the Statement of comprehensive income presents a true and fair view of the results of the NSW Education Standards Authority for the year ended 30 June 2020;
- c) the Statement of financial position gives a true and fair view of the state of affairs of the NSW Education Standards Authority as at 30 June 2020; and
- d) there are no circumstances which would render any particulars included in the financial statements to be misleading or inaccurate.



Paul Martin

Chief Executive Officer

NSW Education Standards Authority

27 November 2020

Statutory Audit Report



The Hon. Sarah Mitchell MLC
Minister for Education and Early Childhood Learning
GPO Box 5341
SYDNEY NSW 2001

Contact: Jan-Michael Perez
Phone no: 02 9275 7115
Our ref: D2022790/1647

16 October 2020

Dear Minister

STATUTORY AUDIT REPORT for the year ended 30 June 2020 NSW Education Standards Authority

I have audited the financial statements of the NSW Education Standards Authority (the Authority) as required by the *Public Finance and Audit Act 1983* (PF&A Act). This Statutory Audit Report outlines the results of my audit for the year ended 30 June 2020, and details matters I found during my audit that are relevant to you in your role as one of those charged with the governance of the Authority. The PF&A Act requires me to send this report to the Authority, the Minister and the Treasurer.

This report is not the Independent Auditor's Report, which expresses my opinion on the Authority's financial statements.

My audit is designed to obtain reasonable assurance the financial statements are free from material misstatement. It is not designed to identify and report all the matters you may find of governance interest. Therefore, other governance matters may exist that I have not reported to you.

My audit is continuous. If I identify new significant matters, I will report these to you immediately.

Audit result

I expressed an unmodified opinion on the Authority's financial statements and I have not identified any significant matters since my previous Statutory Audit Report.

Misstatements in the financial statements

Misstatements (both monetary and disclosure deficiencies) are differences between what has been reported in the financial statements and what is required in accordance with the Authority's financial reporting framework. Misstatements can arise from error or fraud.

I have certain obligations for reporting misstatements:

- the PF&A Act requires agencies to obtain the Auditor-General's approval for all changes to the financial statements originally submitted for audit. The more significant/material changes are reported in a Statutory Audit Report
- the Auditing Standards require matters of governance interest and significant misstatements identified during the audit to be communicated to those charged with governance
- statutory obligations require the Auditor-General to report misstatements resulting from or not detected because of failures in internal controls and/or systemic deficiencies which pose a significant risk to the Authority.

The Appendix lists and explains the nature and impact of the misstatements contained in the financial statements.

- Table one reports uncorrected misstatements and disclosure deficiencies
- Table two reports corrected misstatements and disclosure deficiencies.

Based on my evaluation, none of the misstatements reported are due to fraud.

Compliance with legislative requirements

My audit procedures are targeted specifically towards forming an opinion on the Authority's financial statements. This includes testing whether the Authority complied with key legislative requirements relevant to the preparation and presentation of the financial statements. The results of the audit are reported in this context.

Deemed appropriations

The deemed appropriations provisions in the *Government Sector Finance Act 2018* commenced on 1 July 2019. However, the Authority's current delegations from the responsible Minister, being the Minister for Education and Early Childhood Learning, did not include a specific delegation to incur expenditure out of the Authority's deemed appropriations.

My testing did not identify any other reportable instances of non-compliance with legislative requirements.

Auditor-General's Report to Parliament

The 2020 Auditor-General's Report to Parliament will incorporate the results of the audit.

Management Letter

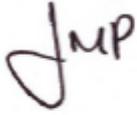
In October 2020 I expect to send a Management Letter from the final phase of my audit to the Chief Executive Officer which includes observations from my audit. This letter will also include management's responses to the matters raised.

I believe the observations in the letter are not significant and have therefore not mentioned them in this report. Please contact the Chief Executive Officer for a copy of the letter.

Acknowledgment

I thank the Authority's staff for their courtesy and assistance.

Yours sincerely

A handwritten signature in black ink, appearing to read 'JMP', written in a cursive style.

Jan-Michael Perez
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

NSW EDUCATION STANDARDS AUTHORITY

Financial Statements
30 June 2020

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N&W EDUCATION STANDARDS AUTHORITY

Statement of Comprehensive Income for the year ended 30 June 2020

	Notes	Actual Consolidated Entity 2020 \$'000	Actual Parent Entity 2020 \$'000	Budget Consolidated Entity 2020 \$'000	Actual Consolidated Entity 2019 \$'000	Actual Parent Entity 2019 \$'000
Expenses excluding losses						
Operating expenses						
Employee-related expenses	2(a)	116,590	-	113,367	121,784	-
Personnel Services	2(b)	-	113,813	-	-	116,918
Other operating expenses	2(c)	34,573	34,573	25,876	46,451	46,451
Depreciation and amortisation	2(d)	2,480	2,480	6,865	1,776	1,776
Finance costs	2(e)	38	38	113	-	-
Total expenses excluding losses		153,681	150,904	146,221	170,011	165,145
Revenue						
Sale of goods and services	3(a)	-	-	-	29,445	29,445
Sale of goods and services from contracts with customers	3(a)	21,221	21,221	104,326	-	-
Investment revenue		-	-	212	-	-
Grants and other contributions	3(b)	130,492	130,492	36,160	139,784	139,784
Acceptance by the Crown Entity of employee benefits and other liabilities	3(c)	2,777	-	2,747	4,866	-
Other income	3(d)	3,055	3,055	805	2,958	2,958
Total revenue		157,545	154,768	144,250	177,053	172,187
Operating result		3,864	3,864	(1,971)	7,042	7,042
Gains / (losses) on disposal		-	-	10	-	-
Other Gains / (Losses)	5	113	113	-	-	-
Net result		3,751	3,751	(1,961)	7,042	7,042
Other comprehensive Income		-	-	-	-	-
Total other comprehensive Income		-	-	-	-	-
TOTAL COMPREHENSIVE INCOME		3,751	3,751	(1,961)	7,042	7,042

The accompanying notes form part of these financial statements.

NSW EDUCATION STANDARDS AUTHORITY
Statement of Financial Position as at 30 June 2020

	Notes	Actual Consolidated Entity 2020 \$'000	Actual Parent Entity 2020 \$'000	Budget Consolidated Entity 2020 \$'000	Actual Consolidated Entity 2019 \$'000	Actual Parent Entity 2019 \$'000
ASSETS						
Current Assets						
Cash and cash equivalents	7	14,211	14,211	3,947	5,506	5,506
Receivables	8	6,164	6,164	4,629	10,460	10,460
Contract assets	9	-	-	-	-	-
Inventories	10	591	591	1,712	1,180	1,180
Total Current Assets		20,966	20,966	10,288	17,146	17,146
Non-Current Assets						
Receivables	8	2	2	-	3	3
Contract assets	9	-	-	-	-	-
Property, plant and equipment						
- Leasehold improvements	11	997	997	-	1,535	1,535
- Plant and equipment	11	355	355	463	468	468
Total property, plant and equipment		1,352	1,352	463	2,003	2,003
Right-of-use assets	12	2,137	2,137	3,511	-	-
Intangible assets	13	5,068	5,068	7,940	8,076	8,076
Total Non-Current Assets		12,559	12,559	11,914	10,082	10,082
Total Assets		33,525	33,525	22,202	27,228	27,228
LIABILITIES						
Current Liabilities						
Payables	15	4,671	4,671	10,210	5,904	5,904
Payables - Employee related	15	834	-	-	207	-
Payables - Personnel services	15	-	834	-	-	207
Other	15	632	632	8,294	9,526	9,526
Contract liabilities	9	8,249	8,249	-	-	-
Borrowings	16	641	641	591	-	-
Provisions - Employee related	17	8,167	-	4,532	6,661	-
Provisions - Personnel services	17	-	8,167	-	-	6,661
Total Current Liabilities		23,194	23,194	23,627	22,298	22,298
Non-Current Liabilities						
Contract liabilities	9	-	-	-	-	-
Borrowings	16	1,628	1,628	1,483	-	-
Provisions - Employee related	17	188	-	122	166	-
Provisions - Personnel services	17	-	188	-	-	166
Total Non-Current Liabilities		1,816	1,816	1,605	166	166
Total Liabilities		25,010	25,010	25,232	22,464	22,464
Net Assets / (Liabilities)		8,515	8,515	(3,030)	4,764	4,764
EQUITY						
Accumulated funds / (Losses)	18	8,515	8,515	(3,030)	4,764	4,764
Total Equity		8,515	8,515	(3,030)	4,764	4,764

The accompanying notes form part of these financial statements.

NSW EDUCATION STANDARDS AUTHORITY

Statement of Changes in Equity for the year ended 30 June 2020

	Consolidated Entity Accumulated Funds \$'000	Total \$'000	Parent Entity Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2019	4,764	4,764	4,764	4,764
Net result for the year	3,751	3,751	3,751	3,751
Other comprehensive Income	-	-	-	-
Total other comprehensive Income	-	-	-	-
Total comprehensive Income for the year	3,751	3,751	3,751	3,751
Balance at 30 June 2020	8,515	8,515	8,515	8,515

	Consolidated Entity Accumulated Funds \$'000	Total \$'000	Parent Entity Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2018	(2,278)	(2,278)	(2,278)	(2,278)
Net result for the year	7,042	7,042	7,042	7,042
Other comprehensive Income	-	-	-	-
Total other comprehensive Income	-	-	-	-
Total comprehensive Income for the year	7,042	7,042	7,042	7,042
Balance at 30 June 2018	4,764	4,764	4,764	4,764

The accompanying notes form part of these financial statements.

NSW EDUCATION STANDARDS AUTHORITY
Statement of Cash Flows for the year ended 30 June 2020

Notes	Actual Consolidated Entity 2020 \$'000	Actual Parent Entity 2020 \$'000	Budget Consolidated Entity 2020 \$'000	Actual Consolidated Entity 2019 \$'000	Actual Parent Entity 2019 \$'000
CASH FLOWS FROM OPERATING ACTIVITIES					
Payments					
Employee related Personnel Services	(111,319)	-	(110,620)	(116,916)	-
Suppliers for goods and services	(35,444)	(35,444)	(29,076)	(55,658)	(55,658)
Finance costs	(38)	(38)	(113)	-	-
Total Payments	(146,801)	(146,801)	(139,808)	(172,574)	(172,574)
Receipts					
Sale of goods and services	22,153	22,153	104,326	31,804	31,804
Interest received	-	-	212	-	-
Grants and other contributions	127,641	127,641	36,160	139,256	139,256
Other	8,514	8,514	4,005	6,946	6,946
Total Receipts	158,308	158,308	144,702	178,006	178,006
NET CASH FLOWS (USED) / FROM OPERATING ACTIVITIES	11,507	11,507	4,894	5,432	5,432
CASH FLOWS FROM INVESTING ACTIVITIES					
Proceeds from sales of property, plant and equipment	-	-	30	-	-
Purchase of plant and equipment and leasehold improvements	-	-	-	(308)	(308)
Purchase of intangibles assets	(2,173)	(2,173)	-	(1,434)	(1,434)
Other	-	-	(2,200)	-	-
NET CASH FLOWS FROM INVESTING ACTIVITIES	(2,173)	(2,173)	(2,170)	(1,742)	(1,742)
CASH FLOWS FROM FINANCING ACTIVITIES					
Repayment of borrowings and advances	-	-	(4,656)	-	-
Payment of principal portion of lease liabilities	(629)	(629)	-	-	-
NET CASH FLOWS FROM FINANCING ACTIVITIES	(629)	(629)	(4,656)	-	-
NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS	8,705	8,705	(1,932)	3,690	3,690
Opening cash and cash equivalents	5,506	5,506	5,879	1,816	1,816
CLOSING CASH AND CASH EQUIVALENTS	14,211	14,211	3,947	5,506	5,506

The accompanying notes form part of these financial statements.

1 Statement of Significant Accounting Policies

(a) Reporting entity

The NSW Education Standards Authority ('NESA') is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent.
NESA is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.
The reporting entity ('NESA') is consolidated as part of the NSW Total Sector Accounts.

NESA as a reporting entity comprises all the entities under its control, namely the NSW Education Standards Authority Staff Agency ('NESA Staff Agency').

All the operating activities of NESA are under the control of NESA which includes supporting the services required by the Australian Music Examinations Board and the Aboriginal Education Consultative Group.

The NESA Staff Agency provides personnel services to NESA.

In the process of preparing the consolidated financial statements for NESA, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

These consolidated financial statements for the year ended 30 June 2020 have been authorised for issue by the Chief Executive Officer on 13 October 2020.

(b) Basis of preparation

NESA's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the Public Finance and Audit Act 1903 (the Act) and Public Finance and Audit Regulation 2016 and
- Treasurer's Directions issued under the Act.

Property, plant and equipment and certain financial assets and liabilities are measured at fair value. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgments, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency which is NESA's presentation and functional currency.

(c) Going Concern

NESA's financial statements have been prepared on a going concern basis, which contemplates the continuity of normal operating activity and the realisation of assets and the settlement of liabilities in the normal course of operations.

NESA maintains careful management of cash flows with positive cash flows for the year and cash on hand and at bank as at 30 June of \$14.2m.

NESA receives a grant from the Department of Education which is sufficient to fund its ongoing operations.

The Department of Education receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriations Act for that year. Due to COVID-19, the State Budget and related 2020-21 Appropriation Bill has been delayed and is anticipated to be tabled in Parliament in November/December 2020. However, pursuant to section 4.10 of the GSF Act, the Treasurer has authorised Ministers to spend specific amounts from Consolidated Fund. This authorisation is current from 1 July 2020 until the earlier of 31 December 2020 (or another day prescribed by regulations) or enactment of the 2020-21 annual Appropriations Act.

(d) Statement of compliance

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

(e) Accounting for the Goods and Services Tax

Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:

- amount of GST incurred by NESA as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense and
- receivables and payables are stated with the amount of GST included.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(f) Foreign currency translation

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the end of the reporting date.

Differences arising on settlement or translation of monetary items are recognised in net result.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e. translation differences on items whose fair value gain or loss is recognised in other comprehensive income or net results are also recognised in other comprehensive income or net results, respectively).

(g) Comparative information

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous financial year for all amounts reported in the financial statements.

(h) Changes in accounting policies, including new or revised AAS

(i) Effective for the first time in 2019-20

NESA applied AASB 15 Revenue from Contracts with Customers, AASB 1058 Income of Not-for-Profit Entities, and AASB 16 Leases for the first time. The nature and effect of the changes as a result of adoption of these new accounting standards are described below.

Several other amendments and interpretations apply for the first time in FY2019-20, but do not have an impact on the financial statements of NESA.

AASB 15 Revenue from Contracts with Customers

AASB 15 supersedes AASB 111 Construction Contracts, AASB 118 Revenue and related Interpretations and it applies, with limited exceptions, to all revenue arising from contracts with customers. AASB 15 establishes a five-step model to account for revenue arising from contracts with customers and requires that revenue be recognised at an amount that reflects the consideration to which NESA expects to be entitled in exchange for transferring goods or services to a customer.

AASB 15 requires entities to exercise judgement, taking into consideration all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract. In addition, the standard requires relevant disclosures.

In accordance with the transition provisions in AASB 15, NESA has adopted AASB 15 retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application, i.e. 1 July 2019. NESA has used the transitional practical expedient permitted by the standard to reflect the aggregate effect of all of the modifications that occur before 1 July 2018 when:

- identifying the satisfied and unsatisfied performance obligations
- determining the transaction price
- allocating the transaction price to the satisfied and unsatisfied performance obligations.

The impact of applying the above practical expedients is not expected to significantly affect the financial statements.

The adoption of AASB 15 did not have an impact for the financial year.

AASB 1058 Income of Not-for-Profit Entities

AASB 1058 replaces most of the existing requirements in AASB 1004 Contributions. The scope of AASB 1004 is now limited mainly to contributions by owners (including parliamentary appropriations that satisfy the definition of a contribution by owners), administrative arrangements and liabilities of government departments assumed by other entities.

AASB 1058 applies to income with a donation component, i.e. transactions where the consideration to acquire an asset is significantly less than fair value principally to enable a not-for-profit entity to further its objectives; and volunteer services. AASB 1058 adopts a residual approach, meaning that entities first apply other applicable Australian Accounting Standards (e.g. AASB 1004, AASB 15, AASB 16, AASB 9, AASB 137) to a transaction before recognising income.

Not-for-profit entities need to determine whether a transaction is/contains a donation (accounted for under AASB 1058) or a contract with a customer (accounted for under AASB 15).

AASB 1058 requires recognition of receipt of an asset, after the recognition of any related amounts in accordance with other Australian Accounting Standards, as income:

- when the obligations under the transfer is satisfied, for transfers to enable an entity to acquire or construct a recognisable non-financial asset that will be controlled by NESA
- immediately, for all other income within the scope of AASB 1058.

In accordance with the transition provisions in AASB 1058, NESA has adopted AASB 1058 retrospectively with the cumulative effect of initially applying the standard at the date of initial application, i.e. 1 July 2019. NESA has adopted the practical expedient in AASB 1058 whereby existing assets acquired for consideration significantly less than fair value principally to enable NESA to further its objectives, are not restated to their fair value.

The adoption of AASB 1058 did not have an impact for the financial year.

AASB 16 Leases

AASB 16 supersedes AASB 117 *Leases*, Interpretation 4 *Determining whether an Arrangement contains a Lease*, Interpretation 115 *Operating Leases – Incentives* and Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*. The standard sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to recognise most leases on the balance sheet.

Lessee accounting

AASB 16 requires NESA to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under AASB 117. As the lessee, NESA recognises a lease liability and right-of-use asset at the inception of the lease. The lease liability is measured at the present value of the future lease payments, discounted using the interest rate implicit in the lease, or the lessee's incremental borrowing rate if the interest rate implicit in the lease cannot be readily determined. The corresponding right-of-use asset is measured at the value of the lease liability adjusted for lease payments before inception, lease incentives, initial direct costs and estimates of costs for dismantling and removing the asset or restoring the site on which it is located.

NESA has adopted the partial retrospective option in AASB 16, where the cumulative effect of initially applying AASB 16 is recognised on 1 July 2019 and the comparatives for the year ended 30 June 2019 are not restated.

In relation to leases that had previously been classified as 'operating leases' under AASB 117, a lease liability is recognised at 1 July 2019 at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate at the date of initial application. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 July 2019 was 1.41%.

The corresponding right-of-use asset is initially recorded on transition at an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position as at 30 June 2019. The exception is right-of-use assets that are subject to accelerated depreciation. These assets are measured at their fair value at 1 July 2019.

For leases previously classified as finance leases NESA recognised the carrying amount of the lease asset and lease liability immediately before transition as the carrying amount of the right of use asset and the lease liability at the date of initial application. The measurement principles of AASB 16 are only applied after that date.

NESA elected to use the practical expedient to expense lease payments for lease contracts that, at their commencement date, have a lease term of 12 months or less and do not contain a purchase option (short-term leases), and lease contracts for which the underlying asset is valued at \$10,000 or under when new (low-value assets).

In applying AASB 16 for the first time, NESA has used the following practical expedients permitted by the standard:

- * not reassess whether a contract is, or contains, a lease at 1 July 2019, for those contracts previously assessed under AASB 117 and Interpretation 4.
- * not recognise a lease liability and right-of-use-asset for short-term leases that end within 12 months of the date of initial application.
- * excluding the initial direct costs from the measurement of the right-of-use asset at the date of initial application.

The effect of adoption AASB 16 as at 1 July 2019 (increase/ (decrease) is, as follows:

	\$'000
Assets	
Right-of-use assets	2,898
Total assets	2,898
Liabilities	
Borrowings	2,898
Total liabilities	2,898
Equity	
Accumulated funds	-

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Operating lease commitments as at 30 June 2019 (GST included)	7,312
(Less): GST included in operating lease commitments	665
Operating lease commitments as at 30 June 2019 (GST excluded)	6,647
Weighted average incremental borrowing rate as at 1 July 2019	1.41
Discounted operating lease commitments as at 1 July 2019	6,212
Add: commitments relating to leases previously classified as finance leases (GST excluded)	-
(Less): commitments relating to short-term leases	(3,219)
(Less): commitments relating to leases of low-value assets	(95)
Add/(less): contracts re-assessed as lease contracts	-
Add: Lease payments relating to renewal periods not included in operating lease commitments as at 30 June 2019	-
Add/(less): adjustments relating to changes in the index or rate affecting variable payments	-
Lease liabilities as at 1 July 2019	2,898

(i) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS unless Treasury determines otherwise.

The following new AAS have not been applied and are not yet effective. Management has reviewed the actual impact of these Standards in NESA's financial statements in the year of their initial application.

AASB 17 Insurance Contracts

AASB 1059 Service Concession Arrangements: Grantors

AASB 2018-5 Amendments to Australian Accounting Standards – Deferral of AASB 1059

AASB 2018-6 Amendments to Australian Accounting Standards – Definition of a Business

AASB 2018-7 Amendments to Australian Accounting Standards – Definition of Material

AASB 2019-1 Amendments to Australian Accounting Standards – References to the Conceptual Framework

AASB 2019-2 Amendments to Australian Accounting Standards – Implementation of AASB 1059

AASB 2019-3 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform

AASB 2019-7 Amendments to Australian Accounting Standards – Disclosure of GFS Measures of Key Fiscal Aggregates and GAAP/GFS Reconciliations.

NESA has assessed that there will be no material impact in the year of initial application of these standards.

2 Expenses Excluding Losses	Consolidated	Parent	Consolidated	Parent
	Entity	Entity	Entity	Entity
	2020	2020	2019	2019
	\$'000	\$'000	\$'000	\$'000
(a) Employee related expenses				
Salaries and wages (including annual leave) ¹	99,888	-	102,472	-
Superannuation - defined benefit plans	441	-	603	-
Superannuation - defined contribution plans	7,694	-	7,834	-
Long service leave	2,482	-	4,629	-
Workers' compensation insurance	333	-	255	-
Payroll tax and fringe benefits tax	5,752	-	5,991	-
	<u>116,590</u>	<u>-</u>	<u>121,784</u>	<u>-</u>

¹ An amount of \$1.129m (2019-19: \$0.679m) for employee related expenses was capitalised during the financial year

(b) Personnel services				
Personnel services	-	113,813	-	116,318
	<u>-</u>	<u>113,813</u>	<u>-</u>	<u>116,318</u>

(c) Other operating expenses include the following:

Auditor's remuneration - audit of the financial statements	70	70	68	68
Computing expenses	5,024	5,024	3,190	3,190
Couriers	301	301	284	284
Expense relating to short-term leases	3,978	3,978		
Expense relating to leases of low-value assets	796	796		
Variable lease payments, not included in lease liabilities	-	-		
Fees for services	1,131	1,131	1,977	1,977
Furniture and equipment	764	764	1,196	1,196
Insurance	32	32	48	48
Legal fees	626	626	331	331
Maintenance	1,337 [*]	1,337 [*]	1,299 [*]	1,299
Marketing centre rental	3,617	3,617	3,538	3,538
Motor vehicles	419	419	473	473
Operating lease rental expense - minimum lease payments			4,319	4,319
Other contractors ¹	5,762	5,762	17,654	17,654
Other expenses	1,717	1,717	2,960	2,960
Postage	654	654	1,411	1,411
Printing and publishing	2,236	2,236	2,554	2,554
Security	2,762	2,762	1,683	1,683
Staff development	234	234	251	251
Stationery and consumables	251	251	277	277
Telephones	1,084	1,084	836	836
Travel and accommodation	1,778	1,778	2,102	2,102
	<u>34,573</u>	<u>34,573</u>	<u>46,451</u>	<u>46,451</u>

¹ An amount of \$1.044m (2019-19: \$0.625m) for contractor related expenses was capitalised during the financial year

	Consolidated	Parent	Consolidated	Parent
	Entity	Entity	Entity	Entity
	2020	2020	2019	2019
	\$'000	\$'000	\$'000	\$'000
[*] Reconciliation - Total maintenance expense				
Maintenance expense - contracted labour and other (non-employee related), as above	1,337	1,337	1,299	1,299
Employee related maintenance expense included in Note 2(a)	-	-	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	-	-	-	-
[*] Reconciliation - Total maintenance expense	<u>1,337</u>	<u>1,337</u>	<u>1,299</u>	<u>1,299</u>

Recognition and Measurement

Maintenance Expense

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

Insurance

NESA's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claim experience.

Lease expense (up to 30 June 2019)

Operating Leases

Up to 30 June 2019, operating lease payments are recognised as an operating expense in the Statement of Comprehensive Income on a straight-line basis over the lease term. An operating lease is a lease other than a finance lease.

Lease expense (from 1 July 2019)

From 1 July 2019, NESA recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term (i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option).
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date). These payments are recognised in the period in which the event or condition that triggers those payments occurs.

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
(d) Depreciation and amortisation expense				
Depreciation				
Leasehold improvements	538	538	646	646
Plant and equipment	113	113	76	76
Right-of-use assets	648	648	-	-
	<u>1,299</u>	<u>1,299</u>	<u>722</u>	<u>722</u>
Amortisation				
Software intangibles	1,181	1,181	1,054	1,054
	<u>1,181</u>	<u>1,181</u>	<u>1,054</u>	<u>1,054</u>
Total depreciation and amortisation expense	<u>2,480</u>	<u>2,480</u>	<u>1,776</u>	<u>1,776</u>

Refer to Note 11, 12 and 13 for recognition and measurement policies on depreciation and amortisation.

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
(e) Finance costs				
Interest expense from lease liabilities	38	38	-	-
Total interest expense	<u>38</u>	<u>38</u>	<u>-</u>	<u>-</u>

Recognition and Measurement

Finance costs consist of interest and other costs incurred in connection with leasing. Finance costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

3. Revenue

Until 30 June 2019, income is recognised in accordance with AASB 111 Construction Contracts, AASB 118 Revenue and AASB 1004 Contributions.

From 1 July 2019, income is recognised in accordance with the requirements of AASB 15 Revenue from Contracts with Customers or AASB 1058 Income of Not-for-Profit Entities, dependent on whether there is a contract with a customer defined by AASB 15 Revenue from Contracts with Customers. Comments regarding the accounting policies for the recognition of income are discussed below.

(a) Sale of goods and services from contracts with customers / Sale of goods and services

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
Sale of goods and services:				
Publication and copyright fees			874	874
Higher School Certificate user charges			1,329	1,329
NAPLAN user charges			6,164	6,164
Australian Music Examination Board fees			3,966	3,966
Exhibition fees			669	669
Accreditation fees			16,093	16,093
Other			350	350
Sale of goods and services from contracts with customers:				
Sale of goods:				
Publication and copyright fees	761	761		
Subtotal of sale of goods	761	761		
Rendering of services:				
Higher School Certificate user charges	1,424	1,424		
NAPLAN user charges	532	532		
Australian Music Examination Board fees	3,140	3,140		
Exhibition fees	399	399		
Accreditation fees	14,623	14,623		
Other	342	342		
Subtotal of rendering of services	20,460	20,460		
	21,221	21,221	29,445	29,445

Recognition and Measurement

Until 30 June 2019

Sale of goods

Revenue from sale of goods is recognised as revenue when NESA transfers the significant risks and rewards of ownership of the goods, usually on delivery of the goods.

Rendering of services

Revenue from rendering of services is recognised when the service is provided or by reference to the stage of completion (based on labour hours incurred to date).

From 1 July 2019

Sale of goods

Revenue from sale of goods is recognised when NESA satisfies a performance obligation by transferring the promised goods such as publications or access to copyright material. NESA typically satisfies its performance obligations when the sale is made.

The payments are typically due 30 days from the sale date.

Revenue from these sales is recognised based on the price specified in the contract, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

Rendering of services

Revenue from rendering of services is recognised when NESA satisfies the performance obligation by transferring the promised services. Services include access to participate in HSC, NAPLAN or AMEB examinations.

NESA typically satisfies its performance obligations when an invoice for the service is raised.

Control of the goods or access to the service is transferred to the customer upon sale of the goods or services.

The payments are typically due 30 days from the sale date.

The revenue is measured at the transaction price agreed under the contract. The cost charged for each service is reviewed on an annual basis taking into consideration CPI increases. The price charged is not negotiable.

The performance obligation is deemed to have occurred upon sale.

No element of financing is deemed present as payments are due when service is provided.

Refer Note 9 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when NESA expects to recognise the unsatisfied portion as revenue.

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
(b) Grants and other contributions				
Vocational education and training	347	347	347	347
Crown Entity Redundancy Grant	485	485	528	528
Department of Education	127,156	127,156	137,150	137,150
Eligibility of Accreditation Grant	978	978	1,696	1,696
Other	1,526	1,526	63	63
	<u>130,492</u>	<u>130,492</u>	<u>139,784</u>	<u>139,784</u>

Recognition and Measurement

Until 30 June 2019

Income from grants (other than contribution by owners) is recognised when NESA obtains control over the contribution. NESA is deemed to have assumed control when the grant is received or receivable.

Contributions are recognised at their fair value. Contributions of services are recognised when and only when a fair value of those services can be reliably determined and the services would be purchased if not donated.

From 1 July 2019

Revenue from grants with sufficiently specific performance obligations is recognised as when NESA satisfies a performance obligation by completing the promised service, such as the development of a specific curriculum module.

The payments are typically due 30 days from the sale date.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The grant amount is determined in advance of any work commencing. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Refer Note 9 for transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

Income from grants without sufficiently specific performance obligations is recognised when NESA obtains control over the granted assets (e.g. cash).

NESA receives its funding via grants from the Department of Education.

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
(c) Acceptance by the Crown Entity of employee benefits and other liabilities				
Superannuation - defined benefit	441	-	603	-
Long service leave	2,312	-	4,230	-
Payroll tax	24	-	33	-
	<u>2,777</u>	<u>-</u>	<u>4,866</u>	<u>-</u>
(d) Other income				
Project Services	91	91	43	43
Insurance	81	81	59	59
Mark Manager	2,868	2,868	2,779	2,779
Overseas fees	-	-	32	32
Miscellaneous	15	15	45	45
	<u>3,055</u>	<u>3,055</u>	<u>2,958</u>	<u>2,958</u>

4. Conditions and Restrictions on Income of Not-for-Profit Entities

The Educational Standards Authority Act 2013 (the NESAA Act) at Section 15 established the Education Standards Authority Fund (the NESAA Fund) into which is to be paid all fees and charges, any appropriations and any other money payable to NESAA under the Teacher Accreditation Act 2004.

The NESAA fund has a separate operating bank account. The fund had a balance of \$2.144m at 30 June 2020.

The NESAA Act stipulates that money held in the Fund is to be applied only for the purposes of meeting costs incurred in connection with the accreditation of teachers under the Act and in monitoring, maintaining and developing teacher quality.

5. Other Gains / (Losses)

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
Impairment losses on right-of-use assets under leases	113	113	-	-
	<u>113</u>	<u>113</u>	<u>-</u>	<u>-</u>

Recognition and Measurement

Impairment losses on non-financial assets

Impairment losses may arise on non-financial assets held by NESAA from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

Trade receivables and contract assets - Note 8

Property, plant and equipment - Note 11

Leases - Note 12

Intangible assets - Note 13

6. Program group statements for the year ended 30 June 2020

	Program Group 1*		Program Group 2*		Program Group 3*		Program Group 4*		Total	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
EXPENSES & INCOME										
Expenses excluding losses										
Operating expenses										
- Employee related	9,488	15,832	9,235	12,178	86,151	77,942	11,716	15,832	116,590	121,784
- Other operating expenses	2,085	7,010	1,378	3,163	28,436	29,478	2,674	6,800	34,573	46,451
Depreciation and amortisation	190	231	174	213	1,880	870	236	462	2,480	1,776
Finance Costs	3	-	3	-	28	-	4	-	38	-
Total expenses excluding losses	11,766	23,073	10,790	15,554	116,495	108,290	14,630	23,094	153,681	170,011
Revenue										
Sale of goods and services		883		589		11,778		16,195		29,445
Sale of goods and services from contracts with customers	381	-	316	-	5,901	-	14,623	-	21,221	-
Investment revenue	-	-	-	-	-	-	-	-	-	-
Grants and other contributions	12,046	20,968	8,901	16,774	95,852	90,660	13,693	11,182	130,492	139,784
Acceptance by the Crown Entity of employee benefits and other liabilities	226	924	220	487	2,052	2,822	279	633	2,777	4,866
Other income	-	30	-	-	3,055	2,899	-	29	3,055	2,958
Total revenue	12,653	22,805	9,437	17,850	106,860	108,359	28,595	28,039	157,545	177,053
Gains / (Losses) on disposal	-	-	-	-	-	-	-	-	-	-
Other Gains / (Losses)	(7)	-	(4)	-	(93)	-	(9)	-	(113)	-
Net result	880	(268)	(1,357)	2,296	(9,728)	69	13,956	4,945	3,751	7,042
Other comprehensive Income										
Increase / (decrease) in revaluation surplus	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
Total other comprehensive Income	-	-	-	-	-	-	-	-	-	-
TOTAL COMPREHENSIVE INCOME	880	(268)	(1,357)	2,296	(9,728)	69	13,956	4,945	3,751	7,042
ENTITY'S ASSETS & LIABILITIES										
Current Assets										
Cash and cash equivalents	1,088	275	998	110	10,758	3,029	1,367	2,092	14,211	5,506
Receivables	1,403	523	156	209	344	5,753	4,261	3,975	6,164	10,460
Contract assets	-	-	-	-	-	-	-	-	-	-
Inventories	295	708	-	-	296	472	-	-	591	1,180
Total current assets	2,786	1,506	1,154	319	11,398	9,254	5,628	6,067	20,966	17,146
Non-current Assets										
Receivables	-	1	1	1	1	1	-	-	2	3
Contract assets	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	110	200	107	160	999	1,382	136	261	1,362	2,003
Right-of-use assets	174	-	169	-	1,579	-	215	-	2,137	-
Intangible assets	469	565	469	646	3,286	3,634	4,844	3,231	9,068	8,076
Total non-current assets	753	766	746	807	5,865	5,017	5,195	3,492	12,559	10,082
TOTAL ASSETS	3,539	2,272	1,900	1,126	17,263	14,271	10,823	9,559	33,525	27,228
Current liabilities										
Payables	117	313	117	313	2,425	6,880	2,846	8,131	5,505	6,111
Other	48	-	44	-	479	-	61	-	632	9,526
Contract liabilities	293	-	-	-	218	-	7,738	-	8,249	-
Borrowings	52	-	51	-	474	-	64	-	641	-
Provisions	665	1,399	647	1,332	6,035	2,331	820	1,599	8,167	6,661
Total current liabilities	1,175	1,712	859	1,645	9,631	9,211	11,529	9,730	23,194	22,298
Non-current liabilities										
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	132	-	129	-	1,203	-	164	-	1,628	-
Provisions	15	35	15	33	139	58	19	40	188	166
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-
Total non-current liabilities	147	35	144	33	1,342	58	183	40	1,816	166
TOTAL LIABILITIES	1,322	1,747	1,003	1,678	10,973	9,269	11,712	9,770	25,010	22,464
NET ASSETS	2,217	525	897	(552)	6,290	5,002	(889)	(211)	8,515	4,764

Expenses and Income, except for Investment revenue have been allocated on an actual basis. Assets and liabilities have been allocated on an actual basis or by staffing numbers except for cash which is not attributable.

* The names and purposes of each program group are summarised below.

Program Group Descriptions

Program Group 1: Curriculum Standards.

Objectives: This program covers providing relevant high quality syllabuses, courses and support materials that promote high standards of primary (K-6) and secondary (Years 7-12) education for a full range of students.

Program Group 2: School Standards

Objectives: This program covers registering and accrediting non-government schools, registering home schooling, approving course providers for students from overseas and the regulation of teacher accreditation authorities.

Program Group 3: Assessment Standards

Objectives: This program covers conducting School Certificate (SC) tests to 2011, Higher School Certificate (HSC) examinations, Australian Music Examinations Board (AMEB) examinations, administering the Record of School Achievement (RoSA) and being the test administration authority for the National Assessment Program for Literacy and Numeracy (NAPLAN) from 2013.

Program Group 4: Teaching Standards

Objectives: This program covers assessing the qualifications of teachers to meet the requirements for provisional or conditional accreditation. Administration of the accreditation requirements for all teachers in NSW schools including early childhood teachers is also a part of this program.

7. Current Assets - Cash and Cash Equivalents	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
Cash at bank and on hand	14,211	14,211	5,506	5,506
	<u>14,211</u>	<u>14,211</u>	<u>5,506</u>	<u>5,506</u>

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank and cash on hand.

Cash and cash equivalent assets recognised in the Statement of Financial Position are reconciled at the end of the financial year to the statement of cash flows as follows:

Cash and cash equivalents (per Statement of Financial Position)	14,211	14,211	5,506	5,506
Cash and cash equivalents (per Statement of Cash Flows)	<u>14,211</u>	<u>14,211</u>	<u>5,506</u>	<u>5,506</u>

Refer to Note 25 for details regarding credit risk and market risk arising from financial instruments.

\$2.144m of these balances form part of the NESA Fund and restrictions apply. See Note 14 for details.

8. Current / Non-Current Assets - Receivables	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
Trade receivables from contracts with customers	1,274	1,274		
Sale of goods and services			618	618
Accreditation Fees receivable	5,567	5,567	4,545	4,545
	<u>6,841</u>	<u>6,841</u>	<u>5,163</u>	<u>5,163</u>
Less Allowance for expected credit losses *				
- Trade receivables from contracts with customers	1,459	1,459		
- Trade receivables from sale of goods and services			500	500
Total expected credit losses	<u>1,459</u>	<u>1,459</u>	<u>500</u>	<u>500</u>
Sundry government debtors	136	136	-	-
Crown Entity Redundancy Grant	623	623	630	630
Accrued fees	-	-	4,996	4,996
Prepayments - Current	23	23	171	171
Prepayments - Non-Current	2	2	3	3
	<u>6,166</u>	<u>6,166</u>	<u>10,463</u>	<u>10,463</u>

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
*Movement in the allowance for expected credit losses				
Balance at the beginning of the year	500	500	934	934
Amounts written off during the year	(180)	(180)	(752)	(752)
Amounts recovered during the year	-	-	-	-
Increase / (decrease) in allowance recognised in net result	1,139	1,139	318	318
Balance at the end of the year	<u>1,459</u>	<u>1,459</u>	<u>500</u>	<u>500</u>

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 25.

Recognition and Measurement

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Trade receivables that do not contain a significant financing component are measured at the transaction price.

Subsequent measurement

NESA holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

Impairment

NESA recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that NESA expects to receive, discounted at the original effective interest rate.

For trade receivables, NESA applies a simplified approach in calculating ECLs. NESA recognises a loss allowance based on lifetime ECLs at each reporting date. NESA has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable.

9. Contract Assets and Liabilities

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 1 July 2019 \$'000 adjusted for AASB 15	Parent Entity 1 July 2019 \$'000 adjusted for AASB 15
Contract liabilities - current	8,249	8,249	9,329	9,329
Contract liabilities - non-current	-	-	-	-
	<u>8,249</u>	<u>8,249</u>	<u>9,329</u>	<u>9,329</u>
Contract receivables (Included in note 8)	-	-	-	-

Recognition and Measurement

Contract assets relate to NESAs right to consideration in exchange for goods transferred to customers/works completed, but not billed at the reporting date in respect of goods and services.
The balance of contract assets at 30 June 2020 is nil.
The contract asset balance has not changed during the year.

Contract liabilities relate to consideration received in advance from customers in respect of teacher annual accreditation fees and AMEB exams and copyright fees.
The balance of contract liabilities at 30 June 2020 was impacted by business disruptions caused by COVID-19.
The contract liability balance has decreased during the year due reduced invoicing and fee cancellations.

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Revenue recognised that was included in the contract liability balance (adjusted for AASB 15) at the beginning of the year	9,329	9,329
Revenue recognised from performance obligations satisfied in previous periods	-	-
The Transaction price allocated to the remaining performance obligations from contracts with customers	<u>8,249</u>	<u>8,249</u>

The Transaction price allocated to the remaining performance obligations relates to annual accreditation fees, exam fees and copyright fees.
100% is expected to be recognised as revenue in the 2020-21 financial year.

10. Current Assets - Inventories	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
<i>Held-for-distribution</i>				
Publications stock - at cost	19	19	234	234
	19	19	234	234
<i>Held-for-resale</i>				
Publications stock - at cost	572	572	946	946
	572	572	946	946
	591	591	1,180	1,180

A provision for obsolescence of \$0.238m is included in the above amounts.

Recognition and Measurement

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the "first in first out" method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost NESA would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

11. Property, Plant and Equipment

Total property, plant and equipment

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
At 1 July 2019 - fair value			
Gross carrying amount	9,683	11,454	21,137
Accumulated depreciation and Impairment	(8,148)	(10,986)	(19,134)
Net carrying amount	1,535	468	2,003

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
At 30 June 2020 - fair value			
Gross carrying amount	9,683	11,454	21,137
Accumulated depreciation and Impairment	(8,686)	(11,099)	(19,785)
Net carrying amount	997	355	1,352

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below:

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
Year ended 30 June 2020			
Net carrying amount at beginning of year	1,535	468	2,003
beginning of year.			
Depreciation expense	(538)	(113)	(651)
Net carrying amount at end of year	997	355	1,352

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
At 1 July 2018 - fair value			
Gross carrying amount	9,683	11,174	20,857
Accumulated depreciation and Impairment	(7,502)	(10,910)	(18,412)
Net carrying amount	2,181	264	2,445

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
At 30 June 2019 - fair value			
Gross carrying amount	9,683	11,454	21,137
Accumulated depreciation and Impairment	(8,148)	(10,986)	(19,134)
Net carrying amount	1,535	468	2,003

Reconciliation

A reconciliation of the carrying amount of each class of property, plant and equipment at the beginning and end of the reporting period is set out below:

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
Year ended 30 June 2019			
Net carrying amount at beginning of year	2,181	264	2,445
Additions	-	280	280
Depreciation expense	(646)	(76)	(722)
Net carrying amount at end of year	1,535	468	2,003

Recognition and Measurement

Acquisition of property, plant and equipment

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Impairment of property, plant and equipment

As a not-for-profit entity with no cash generating units, impairment under AASB 136 *Impairment of Assets* is unlikely to arise. Since property, plant and equipment is carried at fair value or an amount that approximates fair value, impairment can only arise in the rare circumstances such as where the costs of disposal are material.

NESA assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, NESA estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Specialised assets held for continuing use of their service capacity are rarely sold and their cost of disposal is typically negligible. Their recoverable amount is expected to be materially the same as fair value, where they are regularly revalued under AASB 13.

As a not-for-profit entity, an impairment loss is recognised in the net result to the extent the impairment loss exceeds the amount in the revaluation surplus for the class of asset.

After an impairment loss is recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in net result and is treated as a revaluation increase. However, to the extent that an impairment loss on the same class of asset was previously recognised in net result, a reversal of that impairment loss is also recognised in net result.

12. Lessees

NESA as a lessee

NESA leases various properties, equipment and motor vehicles. Lease contracts are typically made for fixed periods of one to three years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. NESA does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by NESA and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash flows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, no extension or termination options were exercised.

From 1 July 2019, AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

NESA has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new and comprise mainly plant and equipment.

Right-of-use assets under leases

The following table presents right-of-use assets that do not meet the definition of investment property.

	Land and Buildings \$'000	Total \$'000
Balance at 1 July 2019	2,898	2,898
Additions	-	-
Depreciation expense	(648)	(648)
Other movements - Impairment	(113)	(113)
Balance at 30 June 2020	<u>2,137</u>	<u>2,137</u>

Lease liabilities

The following table presents liabilities under leases.

	Lease liabilities
Balance at 1 July 2019	(2,898)
Remeasurement	38
Interest expense	(38)
Payments	629
Balance at 30 June 2020	<u>(2,269)</u>

The following amounts were recognised in the statement of comprehensive income for the year ending 30 June 2020 in respect of leases where NESA is the lessee:

Depreciation expense of right-of-use assets	648
Interest expense on lease liabilities	38
Expense relating to short-term leases	3,978
Expense relating to leases of low-value assets	796
Total amount recognised in the statement of comprehensive income	<u>5,460</u>

NESA had total cash outflows for leases of \$5.4m in FY2019-20.

Future minimum lease payments under non-cancellable leases as at 30 June 2019 are, as follows:

	Operating Lease
Within one year	5,019
Later than one year and not later than five years	2,293
Later than five years	-
Total (including GST)	<u>7,312</u>
Less: GST recoverable from Australian Tax Office	665
Total (excluding GST)	<u>6,647</u>

Recognition and measurement (under AASB 16 from 1 July 2019)

NESA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NESA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

I. Right-of-use assets

NESA recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer II below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and buildings 3 to 5 years

If ownership of the leased asset transfers to NESA at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. NESA assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, NESA estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

II. Lease liabilities

At the commencement date of the lease, NESA recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- * fixed payments (including in substance fixed payments) less any lease incentives receivable;
- * variable lease payments that depend on an index or a rate;
- * amounts expected to be paid under residual value guarantees;
- * exercise price of a purchase option reasonably certain to be exercised by NESA; and
- * payments of penalties for terminating the lease, if the lease term reflects NESA exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for NESA's leases, the lessee's incremental borrowing rate is used, being the rate that NESA would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

NESA's lease liabilities are included in borrowings.

III. Short-term leases and leases of low-value assets

NESA applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

IV. Leases that have significantly below-market terms and conditions principally to enable NESA to further its objectives

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable NESA to further its objectives is the same as normal right-of-use assets. They are measured at cost, subject to impairment.

Recognition and measurement (under AASB 117 until 30 June 2019)

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset (or assets), even if that asset (or those assets) is not explicitly specified in the arrangement.

Until 30 June 2019, a lease was classified at the inception date as a finance lease or an operating lease. A lease that transferred substantially all the risks and rewards incidental to ownership to NESA was classified as a finance lease.

Where a non-current asset was acquired by means of a finance lease, at the commencement of the lease, the asset was recognised at its fair value, or, if lower, at the present value of the minimum lease payments. The corresponding liability was established at the same amount. Lease payments were apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges were recognised in finance costs in the statement of comprehensive income.

Property, plant and equipment acquired under finance leases was depreciated over the useful life of the asset. However, if there is no reasonable certainty that NESAs will obtain ownership by the end of the lease term, the asset was depreciated over the shorter of the estimated useful life of the asset and the lease term.

An operating lease is a lease other than a finance lease. Operating lease payments were recognised as an operating expense in the statement of comprehensive income on a straight-line basis over the lease term.

13. Intangible Assets

	Software \$'000	Total \$'000
At 1 July 2019		
Cost (gross carrying amount)	20,113	20,113
Accumulated amortisation and Impairment	(12,037)	(12,037)
Net carrying amount	<u>8,076</u>	<u>8,076</u>
At 30 June 2020		
Cost (gross carrying amount)	22,286	22,286
Accumulated amortisation and Impairment	(13,218)	(13,218)
Net carrying amount	<u>9,068</u>	<u>9,068</u>
Year ended 30 June 2020		
Net carrying amount at beginning of year	8,076	8,076
Additions from Internal development	2,173	2,173
Amortisation (recognised in 'depreciation and amortisation')	(1,181)	(1,181)
Net carrying amount at end of year	<u>9,068</u>	<u>9,068</u>
At 1 July 2018		
Cost (gross carrying amount)	18,809	18,809
Accumulated amortisation and Impairment	(10,983)	(10,983)
Net carrying amount	<u>7,826</u>	<u>7,826</u>
At 30 June 2019		
Cost (gross carrying amount)	20,113	20,113
Accumulated amortisation and Impairment	(12,037)	(12,037)
Net carrying amount	<u>8,076</u>	<u>8,076</u>
Year ended 30 June 2019		
Net carrying amount at beginning of year	7,826	7,826
Additions from Internal development	1,304	1,304
Amortisation (recognised in 'depreciation and amortisation')	(1,054)	(1,054)
Net carrying amount at end of year	<u>8,076</u>	<u>8,076</u>

Recognition and Measurement

NESA recognises intangible assets only if it is probable that future economic benefits will flow to NESA and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for NESA's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment loss.

Each year, NESA capitalises the development costs related to any new functionality added to or replaced in the two electronic systems used by NESA. These systems are utilised in the operation of the HSC and the administration of Teacher Accreditation. The costs are usually recognised at year end for the new functionality completed in that year. The systems infrastructure of both systems was created in prior years. The additional modules or replacement of functionality reflect the changing and evolving responsibilities of NESA.

The useful lives of intangible assets are assessed to be finite.

NESA's intangible assets are amortised using the straight line method over a period of 3-10 years for software intangibles.

The amortisation period and the amortisation method for an intangible asset with a finite life are reviewed at least at the end of each reporting period.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

14. Restricted Assets

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
The NESA Fund	2,144	2,144	1,780	1,780
	<u>2,144</u>	<u>2,144</u>	<u>1,780</u>	<u>1,780</u>

The Educational Standards Authority Act 2013 (the NESA Act) at Section 15 established the Education Standards Authority Fund (the NESA Fund) into which is to be paid teacher accreditation fees.

Section 15(3) of the NESA Act stipulates that only costs incurred by NESA for the accreditation of teachers and the oversight, maintenance and development of teacher quality are to be paid from the NESA Fund. Such costs include employee related expenses, operating expenses and other expenditure incurred by NESA in relation to those functions under that Act.

All teacher fees and charges are deposited into the NESA fund for which a separate operating bank account is held. Interest earned from the investment of money in the NESA Fund is reinvested in the NESA Fund.

Section 15 (4) provides that NESA may invest the money held in the Fund, as applicable, either as authorised by the Public Authorities (Financial Arrangements) Act 1987 (PAFA Act) or in accordance with the Trustee Act 1925 (Trustee Act), or as approved by the Minister in concurrence with the Treasurer.

NESA is an authority listed in Schedule 2 to the Public Finance and Audit Act 1983 (PFA Act) and as such, has authority to invest as set out in Schedule 4 Part 2 of the PAFA Act. Part 1 of Schedule 4 of the PAFA Act authorises among other investments, deposits with a bank or the Treasury Corporation.

15. Current Liabilities - Payables

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
Accrued salaries, wages and on-costs	834	-	207	-
Creditors	4,192	4,192	5,700	5,700
Sundry Government creditors	479	479	204	204
Relief staff costs	43	43	97	97
Unearned revenue	-	-	9,329	9,329
Personnel Services	-	834	-	207
Other	589	589	100	100
	<u>6,137</u>	<u>6,137</u>	<u>15,637</u>	<u>15,637</u>

Details regarding liquidity risk including a maturity analysis of the above payables are disclosed in Note 25.

Recognition and measurement

Payables represent liabilities for goods and services provided to NESA and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

From 2019-20, the transactions that previously made up unearned revenue are contract liabilities under AASB 15 Revenue from Contracts with Customers (refer to Note 9).

16. Current / Non-Current Liabilities - Borrowings

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
Lease liability - current (see Note 12)	641	641	-	-
Lease liability - non-current (see Note 12)	1,628	1,628	-	-
	<u>2,269</u>	<u>2,269</u>	<u>-</u>	<u>-</u>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 25.

Recognition and measurement

Financial liabilities at amortised cost

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

From 1 July 2019, lease liabilities are determined in accordance with AASB 16.

17. Current / Non-Current Liabilities - Provisions

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
Current				
Current provisions expected to be settled within 12 months				
Employee benefits and related on-costs				
Annual leave	1,499	-	2,656	-
Redundancies	446	-	-	-
Long service leave on-costs	1,390	-	1,234	-
Payroll tax on LSL payable	766	-	679	-
	<u>4,101</u>	<u>-</u>	<u>4,569</u>	<u>-</u>
Personnel Services	-	4,101	-	4,569
	<u>-</u>	<u>4,101</u>	<u>-</u>	<u>4,569</u>
Current provisions expected to be settled beyond 12 months				
Annual leave	4,066	-	2,092	-
Long service leave on-costs	-	-	-	-
Payroll tax on LSL payable	-	-	-	-
	<u>4,066</u>	<u>-</u>	<u>2,092</u>	<u>-</u>
Personnel Services	-	4,066	-	2,092
	<u>-</u>	<u>4,066</u>	<u>-</u>	<u>2,092</u>
Total Provisions - Current	<u>8,167</u>	<u>8,167</u>	<u>6,661</u>	<u>6,661</u>
Non-Current				
Employee benefits and related on-costs				
Long service leave on-costs	121	-	107	-
Payroll tax on LSL payable	67	-	59	-
	<u>188</u>	<u>-</u>	<u>166</u>	<u>-</u>
Personnel Services	-	188	-	6,827
	<u>-</u>	<u>188</u>	<u>-</u>	<u>6,827</u>
Total Provisions - Non-current	<u>188</u>	<u>188</u>	<u>6,827</u>	<u>6,827</u>
Aggregate employee benefits and related on-costs				
Provisions - current	8,167	-	6,661	-
Provisions - non current	188	-	166	-
Accrued salaries, wages and on-costs (Note 15)	834	-	207	-
	<u>9,189</u>	<u>-</u>	<u>7,034</u>	<u>-</u>

Recognition and Measurement

Employee benefits and related on-costs

Salaries and wages, annual leave and sick leave

Salaries and wages (including non-monetary benefits), and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefit.

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 7.9% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. NESAs has assessed the actuarial advice based on NESAs's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where NESAs does not expect to settle the liability within 12 months as NESAs does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

Long service leave and superannuation

NESAs's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. NESAs accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

Consequential on-costs

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

18. Equity

Recognition and Measurement

Accumulated Funds

The category 'Accumulated Funds' includes all current and prior period retained funds.

19. Commitments

At balance date there was no capital expenditure for the acquisition of goods and services contracted for and not provided.

20. Contingent Liabilities and Contingent Assets

NESA is unaware of any contingent liabilities existing as at 30 June 2020.

NESA is unaware of any contingent assets existing as at 30 June 2020.

21. Budget Review

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

Net result

NESA's net result was \$5m favourable to budget for the financial year. The variance includes higher revenues of \$13m offset by higher expenses of \$8m.

The \$8m budget variance in expenses is primarily attributable to the following:

- employee-related expenses are \$3.2m higher primarily due to "business as usual" activities.
- operating expenses are \$8.7m higher primarily due to "business as usual" activities offset by COVID-19 related delays in expenditure.
- depreciation and amortisation expenses are \$4.4m lower than budget primarily due to the timing in the renewal of leases relating to right-of-use assets.

The \$13m budget variance in revenue is primarily attributable to the following:

- additional funding of \$15m received from the NSW Department of Education in order to enable ongoing core activities.
- reduced revenues resulting from the impact of COVID-19.

Assets and liabilities

Total assets have increased by \$14.8m against budget for the financial year, primarily due to the following:

- increased cash balances resulting from additional funding received
- delays in the timing of expenditure arising from the impact of COVID-19.
- increases in intangible assets arising from the capitalisation of work undertaken on the electronic Teacher Accreditation Management System (e-TAMS) and the Examination system.

Total liabilities have decreased by \$0.2m against budget, primarily due to a decrease in payables.

Cash flows

Closing cash and cash equivalents are \$10.3m higher than budget primarily due to additional funding received from the Department of Education and decreased expenditure associated with the cancellation of activities due to COVID-19.

22. Reconciliation of Cash Flows from Operating Activities to Net Result

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
Net cash flows (used) / from operating activities	11,507	11,507	5,432	5,432
Depreciation and amortisation expense	(2,480)	(2,480)	(1,776)	(1,776)
Impairment of right-of-use assets	(113)	(113)	-	-
Allowance for impairment	(959)	(959)	-	-
Decrease / (Increase) in provisions	(1,528)	(1,528)	(888)	(888)
Increase / (decrease) in prepayments and other assets	(3,926)	(3,926)	(1,049)	(1,049)
Increase / (decrease) in contract assets	-	-	-	-
Decrease / (Increase) in payables	9,499	9,499	5,323	5,323
Decrease / (Increase) in contract liabilities	(8,249)	(8,249)	-	-
Net result	3,751	3,751	7,042	7,042

23. Non-cash Financing and Investing Activities

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
Liabilities and expenses assumed by the Crown Entity	2,777	-	4,866	-
	2,777	-	4,866	-

24. Trust Funds

NESA holds monies donated for the Brother John Taylor Memorial Trust (\$37,255) and for the Mary Besley Biology Teachers award (\$673). The Brother John Taylor Memorial Trust recognises a HSC student who has overcome significant disadvantage to achieve academic excellence. The Mary Besley Biology Teachers award recognises outstanding achievement in Biology. Interest earned from the investment of these assets is used to provide cash awards to the recipients.

As NESA performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of NESA's own objectives, these funds are not recognised in the financial statements. The following is a summary of the transactions in the trust accounts:

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
Cash balance at the beginning of the financial year	36	36	36	36
Add: Receipts	4	4	5	5
Less: Expenditure	3	3	5	5
Cash balance at the end of the financial year	37	37	36	36

25. Financial Instruments

NESA's principal financial instruments are outlined below. These financial instruments arise directly from NESA's operations or are required to finance NESA's operations. NESA does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

NESA's main risks arising from financial instruments are outlined below, together with NESA's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Chief Executive Officer has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by NESA, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by NESA on a continuous basis.

(a) Financial instrument categories

Class	Note	Category	Carrying Amount Consolidated Entity 2020 \$'000	Carrying Amount Parent Entity 2020 \$'000	Carrying Amount Consolidated Entity 2019 \$'000	Carrying Amount Parent Entity 2019 \$'000
Financial Assets						
Cash and cash equivalents	7	N/A	14,211	14,211	5,506	5,506
Receivables *	8	Amortised cost	5,381	5,381	9,658	9,658
Contract assets **	9	Amortised cost	-	-	-	-
Financial Liabilities						
Payables ***	15	Financial liabilities measured at amortised cost	5,070	5,070	6,004	6,004
Borrowings - lease liabilities	16	Financial liabilities measured at amortised cost	2,269	2,269	0	0

* Excludes statutory receivables and prepayments (i.e. not within the scope of AASB 7)

** While contract assets are also not financial assets, they are explicitly included in the scope of AASB7 for the purpose of the credit risk disclosures.

*** Excludes statutory payables and unearned revenue (i.e. not within the scope of AASB 7)

NESA determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if NESA transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- NESA has transferred substantially all the risks and rewards of the asset; or
- NESA has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When NESA has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where NESA has neither transferred nor retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of NESA's continuing involvement in the asset. In that case, NESA also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that NESA has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that NESA could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

(d) Financial risks

I Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to NESAs. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of NESAs, including cash and receivables. No collateral is held by NESAs. NESAs has not granted any financial guarantees.

Credit risk associated with NESAs's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

NESAs considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, NESAs may also consider a financial asset to be in default when internal or external information indicates that NESAs is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by NESAs.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System.

Accounting policy for impairment of trade receivables and other financial assets

Receivables - fees receivable

Accreditation fees receivable are recognised as amounts receivable at balance date.

Collectability of fees is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

NESAs applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss for all fee receivables.

To measure the expected credit losses, fee receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. NESAs has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

NESAs is exposed to a concentration of credit risk to a major group of debtors due to the legislative restrictions limiting NESAs to billing fees from all teachers in New South Wales. This exposure is deemed to be material (\$3.740m).

The debtors of NESAs represent a large number of individual teachers whose particular credit ratings will vary and are unknown to NESAs.

Fee receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

An allowance for loss is raised when there is objective evidence that NESAs will not be able to collect amounts due. This evidence includes past experience and current expected changes to the accreditation process that generates the collection of fees. No interest is charged. Accreditation fees are usually billed on 30 day terms.

The loss allowance for fees receivables as at 30 June 2020 and 2019 was determined as follows:

	Current	30 June 2020 \$'000				Total
		<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0%	0%	0%	0%	28%	
Estimated total gross carrying amount at default	4	8	2	1	5,185	5,200
Expected credit loss	-	-	-	-	1,459	1,459
30 June 2019 \$'000						
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	1%	1%	1%	1%	13%	
Estimated total gross carrying amount at default	2	174	10	5	4,002	4,193
Expected credit loss	-	1	-	-	499	500

Notes: the analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 8 and the contract assets total in Note 9.

Receivables - trade debtors

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand.

NESA applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. NESA has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade receivables as at 30 June 2020 and 2019 was determined as follows:

	30 June 2020 \$'000					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount	1,266	65	6	1	55	1,393
Expected credit loss	-	-	-	-	-	-

	30 June 2019 \$'000					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount	398	101	4	-	68	571
Expected credit loss	-	-	-	-	-	-

Notes: the analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 8. Therefore, the 'total' will not reconcile to the receivables total in Note 8 and the contract assets total in Note 9.

NESA is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2020.

II Liquidity risk

Liquidity risk is the risk that NESA will be unable to meet its payment obligations when they fall due. NESA continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances. Liquidity risk is assessed as low.

During the current year and prior year there were no defaults on payment obligations. No assets have been pledged as collateral. NESA's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made not later than the end of the month following the month in which an invoice or a statement is received. During the COVID-19 pandemic NESA has adopted NSW Treasury's Faster Payment scheme, paying suppliers and contractors as quickly as possible.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Chief Executive Officer (or a person appointed by the Chief Executive Officer) may automatically pay the supplier simple interest. During the year no penalty interest payments were made.

The table below summarises the maturity profile of NESAs financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

	Weighted Average Effective Int. Rate %	Nominal Amount 1 \$'000	Interest rate exposure		Maturity dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-Interest Rate \$'000	< 1 year \$'000	1-5 years \$'000
2020							
Payables	-	5,070	-	-	5,070	-	-
Borrowings - Lease Liabilities	1.41	2,269	-	-	-	641	1,628
2019							
Payables	-	6,004	-	-	6,004	-	-

Notes:

1. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which NESAs can be required to pay. The tables include both interest and principal cash flows and therefore will not reconcile to the amounts in the Statement of Financial position.

III Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. NESAs exposures to market risk are primarily through interest rate risk on NESAs borrowings. NESAs has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which NESAs operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date. The analysis is performed on the same basis as for 2019. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

NESAs has minimal exposure to interest rate risk from its holdings in interest bearing financial assets.

NESAs does not account for any fixed rate financial instruments at fair value through profit or loss or as at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect profit or loss or equity.

A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

	2020 \$'000		2019 \$'000	
	-1%	+1%	-1%	+1%
Net result	(38)	38	(70)	70
Equity	(85)	85	(48)	48

(e) Fair value measurement

I. Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

26. Related Party Disclosures

NESA's key management personnel compensation are as follows:

Short-term employee benefits:

	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000	Consolidated Entity 2019 \$'000	Parent Entity 2019 \$'000
Salaries	5,525	5,525	6,096	6,096
Other monetary allowances	263	263	139	139
Non-monetary benefits	-	-	-	-
Other long-term employee benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Termination benefits	648	648	262	262
Total remuneration	<u>6,436</u>	<u>6,436</u>	<u>6,497</u>	<u>6,497</u>

NESA entered into no transactions with key management personnel, their close family members or their controlled entities or jointly controlled entities.

NESA entered into transactions with other entities that are controlled by NSW Government. These transactions in aggregate are a significant portion of NESA's revenue.

During the year NESA transacted with the following NSW government agencies:

Department of Education (Recurrent and capital grant funding and fees for services)
Crown Entity (Long service leave, defined benefit superannuation and payroll tax assumed)
Office of State Revenue (Payroll Tax)
SiCorp (Insurance)
Property NSW (Property rentals)
The Crown Solicitor (Legal fees)
The Audit Office of NSW (Financial audit)

27. Events after the Reporting Period

NESA continues to closely monitor, in consultation with NSW Treasury and the Department of Education, the developing COVID-19 situation and the impact it will have upon NESA's operations in 2020-21.

NESA is not aware of any events after the financial year that have material impacts on the financial statements for the year ended 30 June 2020.

End of audited financial statements

Acronyms and abbreviations

AASE	Australian Association of Special Education
ACT	Australian Capital Territory
AECG	Aboriginal Education Consultative Group
AEC	NESA Aboriginal Education Committee
AHPPC	Australian Health Protection Principal Committee
AISNSW	Association of Independent Schools of New South Wales
AMEB	Australian Music Examinations Board
BOSTES	Board of Studies, Teaching and Educational Standards NSW
COAG	Council of Australian Governments
DD Act	Disability Discrimination Act 1992
eTAMS	Electronic Teacher Accreditation Management System
FTE	Full-Time Equivalent
GIPA Act	Government Information (Public Access) Act 2009
HSC	Higher School Certificate
HSCG	Home Schooling Consultative Group
ICPA	Isolated Children's Parents' Association
ISMS	Information Security Management System
ISO	International Organization for Standardisation
ITE	Initial teacher education
ITEC	Initial Teacher Education Committee
NAPLAN	National Assessment Program – Literacy and Numeracy
NESA	NSW Education Standards Authority
NSW	New South Wales
PD	Professional development
PFA Act	<i>Public Finance and Audit Act 1983</i>
PPIP Act	<i>Privacy and Personal Information Protection Act 1998</i>
PSSE	Public Service senior executive
QTC	Quality Teaching Committee
RAP	Results Analysis Package
RoSA	Record of School Achievement
RRMP	Rural and Remote Marking Program (HSC)

TA Act	<i>Teacher Accreditation Act 2004</i>
TAA	Teacher Accreditation Authority
TAFE	Technical and Further Education
VET	Vocational education and training
WCAG	Web Content Accessibility Guidelines
WWCC	Working With Children Check
WIRP	Witness Intermediary Registration Panel

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