



NSW EDUCATION STANDARDS AUTHORITY

# ANNUAL REPORT

2020–21



# Letter of submission to the Minister

The Hon Sarah Mitchell MLC

Minister for Education and Early Childhood Learning

Parliament House

Macquarie Street

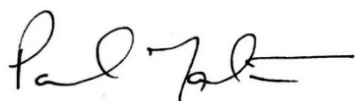
Sydney NSW 2000

Dear Minister

We are pleased to present the annual report of the NSW Education Standards Authority for the year ending 30 June 2021, 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*.


In addition, the report contains NESA's audited financial statements for the financial year ended 30 June 2021.



Chief Executive Officer

NSW Education Standards Authority

29 October 2021



Chairperson

Governing Board of the NSW Education Standards Authority

29 October 2021

# Contents

Letter of submission to the Minister .....	2
Chairperson's message .....	5
Chief Executive Officer's message .....	7
1.1 About NESA .....	8
1.2 Organisational structure .....	17
1.3 NESA's response to the COVID-19 pandemic .....	19
1.4 Delivering on the Minister's 2021 Statement of Expectations .....	22
1.5 NESA's Commitment to Aboriginal Education .....	25
2.1 Teaching standards.....	29
2.2 Key achievements in Teaching Standards .....	30
3.1 School registration and accreditation.....	37
4.1 NSW Curriculum Achievements .....	46
5.1 Student assessment.....	49
5.2 Key achievements in student assessment .....	50
6.1 Stakeholder engagement .....	54
7.1 Managing human resources .....	56
8.1 Audit and Financial statements .....	62
9.1 Financial management.....	65
List of Appendices .....	69
Appendix A – NESA charter.....	70
Appendix B – NESA Board .....	73
Appendix C – Committees of the NESA Board.....	77
Appendix D – Obligations under the Government Information (Public Access) Act 2009 .....	79
Appendix E – Statutory disclosure requirements .....	83
Appendix F – NSW Aboriginal Education Consultative Group Incorporated.....	84
Appendix G – Knowledge management and information security.....	85
Appendix H – Financial statements .....	87

<b>Acronyms and abbreviations .....</b>	<b>89</b>
<b>List of tables and figures .....</b>	<b>122</b>
<b>Compliance checklist.....</b>	<b>124</b>
<b>Index.....</b>	<b>126</b>

## Chairperson's message

I am pleased to present the NSW Education Standards Authority (NESA) 2020-21 Annual Report.

The past 12 months have been extremely challenging as we navigate our way through the evolving COVID-19 pandemic. The education sector and the professionals that uphold it, have overcome incredible challenges. In a real sense, teachers have held their local communities together.

NESA has worked hard to support NSW schools, students and families through these uncertainties. It has not been easy. NESA's close partnership with each of the NSW school sectors and other key stakeholders has helped to make well-informed decisions at the right time.

At the beginning of 2021, the Board farewelled two valued members - Mr Mark Scott, previously the Secretary of the NSW Department of Education and Mr Mark Northam, Secretary of the NSW/ACT Independent Education Union. My sincere thanks goes to them both for their contributions over the years. I have learned from both of them.

The NESA COVID Response Committee, which I also Chair, met frequently over the course of the 2020-21 reporting period as we continued to respond to the evolving COVID situation. The Committee includes representatives from all three school sectors. Together we have addressed developing and urgent issues related to the COVID-19 pandemic and considered the impact of COVID-19 on assessments, curriculum requirements, accreditation and registration.

At the centre of these decisions has been the health and wellbeing of school communities.

NESA announced a number of changes to the HSC in 2020. We believe that that provided a fair, equitable and safe opportunity for students to show what they knew and receive their HSC.

I extend my deepest gratitude to the hard work, dedication and professionalism of all NSW teachers and school staff who delivered these changes and responded to a changing array of restrictions. The teaching community helped their students to learn from home and ensured the delivery and continuity of education in NSW. The multifarious challenges of the pandemic have shown just how flexible and resilient schools can be in responding to crises.

My thanks also go to the parents and carers who have supported their children, some of whom are teachers themselves and many of whom were also working from home.

I am also pleased to note the significant progress made on NSW Curriculum Reform as we work towards implementation from 2022. In 2020-21 we received thoughtful ideas from more than 743 respondents. Meanwhile, the Teacher Expert Network began user testing the content, with some very encouraging feedback. Consultation will continue in the 2021-22 reporting period.

During the second half of 2020 the NESA Board also explored options to revise its own governance structure. This review process was designed to ensure that the Board can deliver on the NSW Government's major reform expectations, and maintain public confidence in NESA. Strong governance practice is critical for the NESA Board, and the committee governance structures should support the Board to oversee the timely delivery of initiatives each year. The changes made will help to ensure that ambition is met.

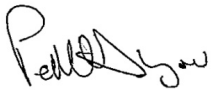
This reform has involved the reconceptualisation of two regulatory decision-making committees which now focus on matters related to the Curriculum and Credentials and School Registration respectively. The new structure also includes an advisory committee and two advisory forums reporting to the NESA Board.

These adjustments to the governance structure come with an unequivocal commitment to substantial, structured, and sustained stakeholder engagement by the NESA agency. A range of committees and

forums have met as required in the 2020-21 reporting year, and further information will be provided in the next Annual Report.

I pay tribute to the professional expertise and commitment of those who work at NESA. Led by CEO, Paul Martin, they have allowed us to undertake business as usual, respond to COVID-19 and drive reform. For them too, it's been a tough 12 months.

Finally, I thank sincerely my colleagues on the NESA Board and its Committees. Their expertise, dedication and steady hand have been invaluable as we navigated the challenges of 2020-2021.

A handwritten signature in black ink, appearing to read 'Peter Shergold'.

Professor Peter Shergold AC

Chairperson

NESA Board

## Chief Executive Officer's message

The 2020-2021 reporting year has been another challenging period for NSW students, teachers, schools, parents and carers. Throughout the evolving COVID situation, the spotlight has been on the education community and how we can continue to support students to ensure continuity of learning and the best education outcomes possible.

My thanks go to teachers and school staff for their flexibility, dedication and resilience, for keeping students learning and supporting their wellbeing during this difficult period.

In 2020, HSC teachers not only ensured their students continued to learn and study, but provided marks for a number of HSC major projects.

Throughout 2020-21 period work has continued on major NSW curriculum reforms. The draft English and mathematics K to 2 syllabuses were released for a first round of public consultation in March 2021. A second round of public consultation, along with workshops, and targeted meetings with education stakeholders will continue through the second half of 2021.

A substantial recruitment effort has begun and is ongoing, to ensure that NESA has access to the expertise required to deliver the curriculum reforms.

Additionally, a review and evaluation of all existing K-12 syllabuses by NESA Curriculum Inspectors has commenced.

A great deal of work has gone into developing new criteria and processes for assuring the quality of teacher professional development following the Minister's announcement of new requirements in November 2020.

The new professional development requirements aim to ensure that teachers have access to the best professional development courses possible to support their ongoing development and learning in areas that are priorities for all teachers across NSW.

In 2020-21 NESA also facilitated the successful delivery of NAPLAN testing in May 2021. These NAPLAN results are the first in two years, following the cancellation of NAPLAN in 2020 as a result of COVID-19. Almost 400,000 students in NSW sat NAPLAN in 2021 and NESA has continued to transition all schools to completing NAPLAN online in 2022. This transition is expected to be complete in 2022 and will be discussed in the 2021-22 Annual Report.

In recognition of all the wonderful work going on behind the scenes, despite the disruptions caused by COVID-19, I would like to express my sincere thanks and appreciation to the NSW education community.

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



Paul Martin

Chief Executive Officer

## 5 Vci hB9 G5

The NSW Education Standards Authority (NESA) was established on 1 January 2017 as an independent statutory authority under the [Education and Teaching Act 2015](#) (NESA Act). NESA is a portfolio responsibility of the NSW Minister for Education and Early Childhood Learning.

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 role of NESA is unique by national and international standards in that NESA brings together all four educational pillars – teacher quality, curriculum, assessment and school standards – under a single umbrella education authority.

The NESA Act, the [Education and Teaching Act 2015](#) and the [Education and Teaching Regulation Act 2015](#) outline NESA's functions and responsibilities. Collectively, these acts constitute the NSW 'education and teaching legislation'. The education and teaching legislation encompasses all of the NESA 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 [Education and Teaching Act 2015](#).

### 7\ UfHyf

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 provides NESA's purpose 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. The policies support student learning, teaching practice and the attainment of high education standards in NSW.

### : cW g'cb'gHbXUfXg'

The foundations of NESA's work are developing standards 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, and 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.

## **? YmZ bWjcbg'**

### **7i ffjW`i a`UbX`5 ggYgga Ybh'**

- 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

### **9I Ua jbUjcbg`UbX`7 fYXYbhjUg'**

- Develop and deliver Higher School Certificate (HSC) examinations and award the HSC to eligible students
- 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

## **HYUW jbl`GhUbXUfXg'**

- Implement and oversee teacher accreditation processes against whole-of-career Australian Professional Standards for Teachers (the Standards) and accredit NSW teachers against the Standards
- Ensure the quality of Initial Teacher Education programs offered by providers in line with the national Standards and Procedures and additional NSW-specific requirements
- Support ongoing professional learning for teachers based on rigorous content criteria and principles of effective professional learning

## **GW cc`FY[ jghUjcb`UbX`5 WYXjUjcb'**

- Develop and implement school registration processes
- 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

## **BGK`5 Vcf][ jbu`9Xi WUjcb`7 cbgi`hUj Y'; fci d`f597; Ǝ'**

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

## 5 i ghU]Ub`Ai gjW9I Ua ]bU]cbg`6 cUfX`BGK`

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

## H Y`B9G5`6 cUfX`

NESA includes a 14-member governing [Board](#), which sets the strategic direction for NESA.

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.

Since the resignation of Mr Mark Northam and Mr Mark Scott AO in January 2021, Ms Veronica Yewdall and Ms Georgina Harrisson have been acting as observers for the NSW/ACT Independent Education Union and NSW Department of Education respectively.



### **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. He has chaired two recent Government reviews into education: *Looking to the Future*, June 2020 and (with David Gonski) *In the Same Sentence*, March 2021.

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. He was awarded 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 NESA Board Curriculum Committee from 2017 to 2019, and Chair of the Assessment Committee in 2020.

Jenny is a member of the NESA 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 promotions 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 NESA Board Curriculum and Credentials Committee and is also a member of the NESA 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.



### **Ms Jude Hayman**

BEd

Jude Hayman is the recently appointed Executive Principal, Connected Communities at Nowra East Public School. Prior to this appointment Jude was Principal of Griffith Public School in NSW's Riverina region for 12 years. This follows a year as Principal at Kalinda School for Specific Purposes, 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 currently undertaking a Masters of Educational Leadership at the University of Wollongong.

Jude is an active member of the NSW Primary Principals' Association, she held the position of State Secretary for two years and is currently a State Vice-President.

Jude is Chair of the NESA Disability Education Forum.





### **Mr Gary Johnson**

BA, Dip Ed

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 NESA Board from 2017 to 2020. 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.



### **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.



### **Mr Paul Martin**

BA(Hons), DipEd

Paul Martin is the Chief Executive Officer (CEO) of NESA. Paul was appointed as NESA CEO in December 2019, after acting in the role since February 2019. He is an ex-officio member of the NESA Board.

Before being appointed as CEO, Paul was the Executive Director, Quality Teaching at NESA 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 NESA and the NSWIT. Paul has also been a policy advisor for NSW and Australian Governments after starting his career as an English and History teacher in NSW.

Paul is a member of the NESA 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 NESA 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 Deputy Chair of the Non-Government Schools Superannuation Fund (NGS Super) and chairs the Fund's HR, Remuneration and Governance Committee, serves on Investment Committee.

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. He also serves on the Finance Committee of NESA.



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.

Dr Newcombe was appointed to the Technical and Further Education Commission (TAFE) Board in July 2021.

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



**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. Mark resigned his position on the Board in January 2021.



**Mr Mark Scott AO**

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

Mark Scott was 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 was a member of the NESA Board COVID-19 Response Committee. Mark resigned his position on the Board in February 2021.



### **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 long career in NSW schools. Nathan held various teaching and leadership positions in NSW including, leading the Aboriginal Education team in South Western Sydney and a four-year tenure as the Principal of Newcastle High School.

Nathan is a member of the Australian Rugby League Indigenous Council and the Deputy Chair of the NSW Vice-Chancellor's Indigenous Committee.

Nathan is Chair of the NESA Aboriginal Education Forum.



### **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 NESA 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 NESA Board Registration and Accreditation Committee.

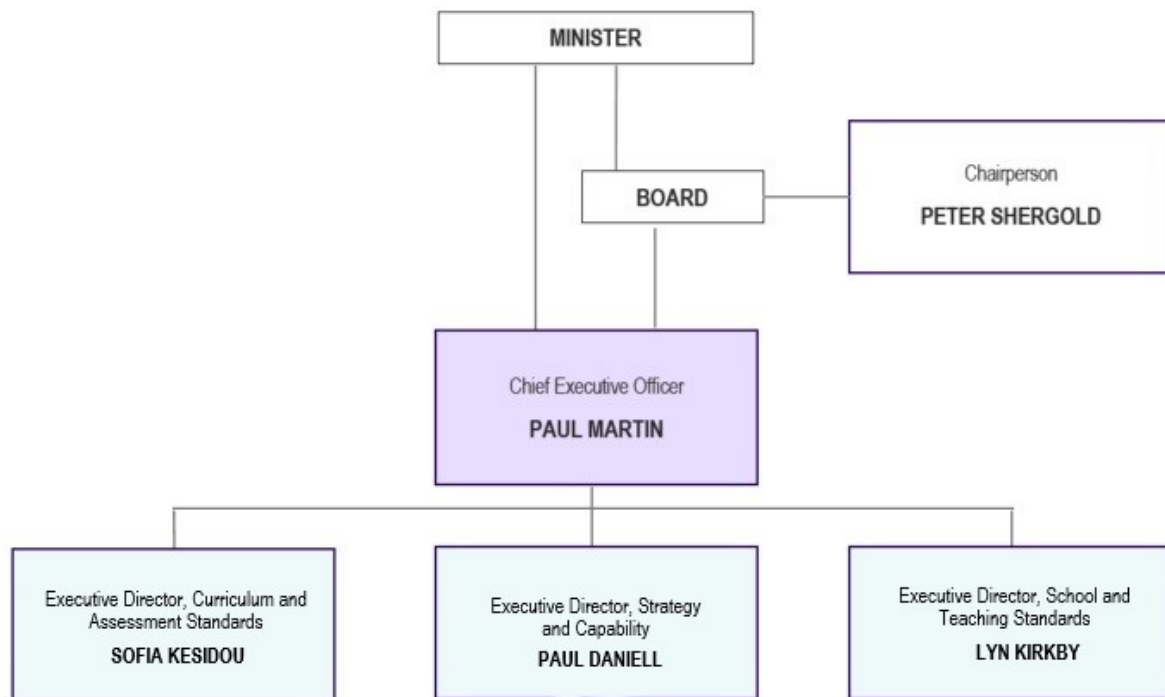


## 1.2 Organisational structure

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 2021)



## NESA's Executive Leadership Team

**Table 1.1**      **Members of the NSW Education Standards Authority Executive during the 2020–21 reporting year**

Name	Position	Qualifications
<b>Mr Paul Martin</b>	Chief Executive Officer	BA(Hons), DipEd
<b>Mr Paul Daniell</b>	Executive Director, Strategy and Capability	BA, PGDipArts, MSc
<b>Dr Sofia Kesidou</b>	Executive Director, Curriculum and Assessment Standards	BSc(Hons), PhD
<b>Ms Lyn Kirkby</b>	Executive Director, School and Teaching Standards	BA, DipEd, MEd(Lead)

## 1.3 NESAs response to the COVID-19 pandemic

Figure 1.2 Key statistics relating to NESAs response to the COVID-19 pandemic (in 2020–21)

### Key statistics to 30 June 2021



7 COVID-19 Response Committee meetings



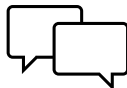
More than **230,000** views of COVID-19 pages on the NESAs website



**2 million+** emails (60+ NESAs NEWS editions) delivering updated information to subscribers



Total reach of #StayHealthyHSC campaign reach across social channels: **10 million+** impressions



**250+** referrals to Reachout from COVID-19 section of NESAs website



Over **1,800** mentions on social media (using NESAs COVID-19 hashtags)

## Support for students, parents, teachers, and schools

Throughout the 2020-21 reporting year, NESA continued its dedicated COVID-19 phone and email support lines. NESA managed enquiries from students, parents, teachers, and schools on a range of issues about educational continuity in NSW during the COVID-19 pandemic.

Students, teachers, schools, and parents will continue to be able to use these support lines for as long as necessary into the 2021–22 reporting year.

## The COVID-19 Response Committee

The NSW Minister for Education and Early Childhood Learning approved the NESA Board's establishment of a [COVID-19 Response Committee](#) in the previous reporting year.

In 2020-21, NESA's COVID-19 Response Committee continued to monitor and address developing and urgent COVID-19 issues as it related to the continuity of education in NSW.

The COVID-19 Response Committee met seven times during the reporting year to address issues related to COVID-19 and its impact on NESA's work. 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 COVID-19.

During the reporting period, the COVID-19 Response Committee comprised of:

- Professor Peter Shergold, Chair, NESA Board
- Mark Scott, Secretary, NSW Department of Education (July 2020-February 2021)
- Georgina Harrison, Secretary, NSW Department of Education (March 2021 onwards)
- Dallas McNerney, CEO, Catholic Schools NSW
- Dr Geoff Newcombe, CEO, Association of Independent Schools NSW
- Jenny Allum, NESA Board member
- Denis Fitzgerald, NESA Board member
- Paul Martin, CEO, NESA

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

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 COVID-19 pandemic. 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

In March 2020, the NSW Education Standards Authority identified a need to develop an awareness campaign to support the health and wellbeing of HSC students, given the emerging impact of COVID-19 across the state. A partnership was formed with ReachOut Australia to provide tips and guidance to help students Keep Active, Stay Connected and Ask for Help. The communications campaign resonated immediately with students as over 400 schools adopted the messaging and the 'call to action'.

The initiative grew further as Catholic Schools NSW and the Association of Independent Schools NSW became involved. Similarly the Department of Education also provided expertise and resources to involve social media channels: Tik Tok, Snapchat, Facebook and Instagram.

By the end of 2020 the **#stayhealthyHSC** campaign had reached over 10million people across NSW and Australia. Music group, The Rubens, dedicated a song and artist, Reg Mombassa, created an artwork for the class of 2020 under the **Stay Healthy HSC** banner. Many well-known celebrities contributed video messages of support for HSC students, lifting the profile of the campaign and its important messaging.

The campaign was relaunched in February 2021 with a centralised support hub to provide assistance to the 65,000 students preparing for their HSC exams.

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

## 1.4 Delivering on the Minister's 2021 Statement of Expectations

### Objective 1: To progress the implementation of priority curriculum reforms.

The Board is to sustain its primary focus on implementing the NSW Government's Curriculum Reform program. The Board should ensure delivery of priority reform initiatives.

#### Progress update

NESA commenced implementation of the NSW Curriculum Reform Program following the release of the NSW Curriculum Review Final Report and NSW Government Response in mid-2020. To manage the reform program across the five workstreams and fifteen projects, a program management and governance framework were established. The framework has been designed to respond to the complexity of, and the ambitious timeframes for, the reforms.

NESA has progressed each of the key areas of the reform over the past twelve months, including:

- **Reducing the number of school-developed elective subjects in secondary school.** In November 2020 the NESA Board agreed to withdraw endorsement for Stage 5 School Developed Board Endorsed Courses (SDBECs), and to introduce strengthened endorsement criteria for Stage 6 SDBECs from 2021. The only exceptions in Stage 5 will be for languages, Auslan and Braille. Strengthened criteria have been introduced for Stage 6 SDBEC proposals. Twenty-seven (27) school-developed elective courses have been discontinued.
- **Building strong foundations for future learning by 2022** with a new English and Mathematics curriculum for Kindergarten – Year 2. Draft K–2 English and Mathematics syllabuses were released for public consultation in 2021. Responses were very positive and over 704 respondents provided feedback through an online survey.
- **Strengthening post-school pathways by 2022** with new learning areas for Year 11 and 12 that clearly link learning to future employment and study options. Engagement and consultation about the new learning areas was conducted over 2020-21, and is informing the design of options.
- **More time for teaching by 2022** to reduce the hours teachers spend on compliance requirements. A review is underway to determine what compliance requirements have the greatest impact on teacher time. Consultations have been undertaken with key education stakeholders and analysis will inform future decisions in late 2021.
- **A new curriculum for 2024** with new syllabuses focused on what is essential to know and do in early and middle years of schooling, and in senior years key learning areas. A review and evaluation of all existing syllabuses by NESA Curriculum Inspectors has commenced.
- **Creating conditions for success by establishing Teacher Expert Networks (TENs).** A network of more than 200 teachers, drawn from the three school sectors, has been established by NESA to ensure that the new NSW curriculum is implemented in partnership with teachers. In 2021, TENs have provided feedback on the draft K-2 English and Mathematics syllabuses; compliance impacts on teacher workload; curriculum reform proposals for secondary school; and the new digital curriculum platform. TENs have also acted as 'knowledge brokers' to share information about the reform in their schools and school community.
- **Creating conditions for success by developing a new digital format for the NSW Curriculum.** This includes a new Curriculum Management System to support online delivery and management of new syllabuses, a new website where teachers, parents, students and the community can access the syllabuses quickly and easily.

## CV^Wj Y & 'GfYUa `]bY'h Y'dfcWgg'hc 'Udd`mZf'UWWYX]Hjcb'Uh'h Y<][ \ `mi 5 Wwta d`]g\ YX'UbX' @UX'HYUW Yf`Yj Yg'

The Board is to implement improvements to the Highly Accomplished and Lead Teacher (HALT) policy, streamlining the application process and working with the NSW school sectors and early childhood stakeholders to increase the number of NSW teachers successfully accredited at the higher levels.

### Dfc[ fYgg'i dXUW'

NESA engaged with key stakeholders to revise the process for teachers seeking accreditation at the Highly Accomplished and Lead Teacher levels of the Australian Professional Standards for Teachers (the Standards) during 2020-21.

The revised Highly Accomplished and Lead Teacher Accreditation Policy (the HALT Policy) aims to:

- streamline and improve the HALT application process by clarifying requirements and providing better support and guidance to applicants
- improve the validity and reliability of HALT accreditation decisions; and
- ensure consistency with national certification processes.

Approval and release of the revised HALT Policy has been delayed due to COVID-19 to allow the education community time to focus on wellbeing and continuity of education. The revised HALT Policy will be implemented in the 2021-22 reporting year.

## CV^Wj Y' . 'Gi ddcfhHYUW Yfg'UbX'dfc j ]XYfg'hc 'hfUbg]hcb'hc 'bYk 'HYUW Yf' dfcZYgg]cbU`XYj Ycda YbhfYei ]fYa Ybfg'

The Board is to continue implementing NESA-accredited professional development policy changes. The Board should work closely with key stakeholders to support teachers and professional development providers to transition to the new requirements.

### Dfc[ fYgg'i dXUW'

On 21 July 2020, the Minister announced a review of NESA's processes for assuring the quality of externally run professional development courses for teachers in NSW.

Between August and October 2020, NESA consulted the Department of Education, Catholic Schools NSW and the dioceses, the NSW Teachers Federation, the Independent Education Union and the Professional Teachers' Council on the development of revised requirements.

On 27 October 2020, the NESA Board endorsed the ~~CR&'^ããã } Á -Á/[ ^••ã } aÖ^ç^[[ ] { ^} oÖ[ ^!•^Á~~ ~~Ú/[ã~~~ (the PD Policy) which was approved and announced by the Minister on 29 November 2020.

In December 2020, NESA implemented a process for interim accreditation of courses in two of the four identified priority areas to enable an ongoing supply of courses while work continued on the development of requirements and processes to support full implementation of the PD Policy.

NESA invited all previously endorsed providers to participate in a survey in February 2021 to inform the development of principles of effective professional learning and criteria for assessing the content of individual courses in each priority area. Survey results assisted NESA in refining the principles and confirmed the need for a range of support materials.

Engagement and consultation with key stakeholders continued throughout the first half of 2021. This feedback will be used to support full implementation of the requirements in the 2021-22 reporting year.

## COVID-19 Response: Higher School Certificate

The Board is to continue managing an effective response to the COVID-19 pandemic, making the adjustments necessary to ensure the continuity of education in NSW in 2021. In delivering on this priority, the Board and the COVID-19 Response Committee should focus on ensuring the successful operation of the Higher School Certificate again in 2021.

### Discussion

NESA has announced several changes to the HSC in 2021, reflecting the impact of COVID-19 on delivering the HSC while ensuring the safety of students, teachers and staff administering the HSC. These changes will be discussed in the 2021-22 report.

The NESA COVID Response Committee continues to carefully consider any changes needed to ensure a fair and safe HSC.

## COVID-19 Response: Vocational Education and Training

The Board is to continue to work with Universities to ensure that all ITE courses which receive accreditation are high quality, and adequately prepare graduate teachers for the complex classrooms of the 21<sup>st</sup> century.

### Discussion

NSW ITE programs are assessed and accredited against a set of national accreditation standards and additional NSW-specific requirements.

In August 2019, the Minister announced a new NSW-specific requirement to include a dedicated unit of Aboriginal education study in every ITE program from 2022 onwards. Through 2020-21, NESA liaised with all NSW ITE providers to ensure that programs addressed this requirement, and either accredited programs on this basis or placed conditions on those programs that did not include an Aboriginal education unit.

In December 2019, Australian Education Ministers established a new national accreditation standard relating to the teaching of literacy, preferencing evidence-based early reading strategies including phonics. As many programs required a structural change, NESA established a timeframe of 2022 for providers to ensure that all primary programs address the requirement. In the second half of 2020, NESA started accrediting primary programs in terms of meeting this new standard and established a process for confirming all primary programs meet the requirement before the end of 2021.

In early 2021, NESA also established a stakeholder working group with the NSW Council of Deans of Education and employing authorities to discuss innovation in ITE. The working group will also reflect on the alternative measures applied during 2020 to successfully accommodate the impact of COVID-19 on the conduct of professional experience. In April 2021, this working group also discussed the recommendations of the Federal Minister's Quality in ITE Review.



## 1.5 NESA's Commitment to Aboriginal Education

In 2020–21, NESA continued its [Commitment to Aboriginal Education](#), formally developed in partnership with the NSW Aboriginal Education Consultative Group (AECG) Inc.

The Commitment supports teachers, schools and school sectors to improve educational outcomes for Aboriginal children and young people. It is based on recognition and respect for Aboriginal and Torres Strait Islander Culture, and engagement and collaboration with local communities and stakeholders, including the NSW AECG. It relies on advancing a strengths-based approach for Aboriginal education and is driven by accountability, reciprocity and planning.

NESA realises its Commitment to Aboriginal Education through a number of initiatives.

### Aboriginal Education Forum

In December 2020, the NESA Board determined that the Aboriginal Education Forum be created to replace the previous Aboriginal Education Committee. This was to better support how NESA provides opportunities for Aboriginal education stakeholders and experts to engage with each other on topics of relevance in Aboriginal Education. The Forum considers key community matters and NESA's strategic Aboriginal education priorities.

The inaugural meeting of the Forum was held on 8 June 2021 and will occur periodically throughout each calendar year.

The Forum is chaired by Nathan Towney, NESA Board member, and includes representatives of the NSW AECG, each education sector, unions and government, including the NSW Department of Education, Catholic Schools NSW, the Association of Independent Schools NSW, the National Indigenous Australian Agency, NSW Teachers' Federation and the Independent Education Union NSW/ACT. The Forum also includes selected Aboriginal teachers from each sector, NESA's executives and key NESA staff.

### Aboriginal education in the curriculum

In 2020-21 NESA has continued to develop 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 education will continue to be embedded in NESA's syllabus development process as part of NSW Curriculum Reforms in 2021-22.

## 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 Term 4, 2020, NESA conducted consultation on the *Aboriginal Languages K–10 Draft Outcomes and Content*. Feedback was collected through an online survey, written submissions and consultation meetings. In addition to public meetings, targeted consultations were held with Aboriginal and Torres Strait Islander stakeholders, Aboriginal Language communities and Life Skills educators. All meetings occurred online in accordance with COVID-19 health and safety advice.

## 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 Term 1 2021, NESA commended implementation of the updated *Aboriginal Studies Years 7–10 Syllabus (2020)*.

The Aboriginal Studies HSC Awards are jointly awarded by the NESA Chairperson and the President, NSW Aboriginal Education Consultative Group Inc. (AECG) to recognise the achievements of the highest performing Aboriginal student, and the highest performing non-Aboriginal student in the Aboriginal Studies HSC course each year. The awards are presented at the NSW AECG Inc. Annual General Meeting Awards Presentation and Dinner. The presentation event was unable to be held in 2020 due to COVID-19 restrictions. In March 2021, awards for both 2019 HSC and 2020 HSC were presented.

## Reconciliation Action Plan (RAP)

NESA 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.

NESA's Innovate RAP 2019-2021 is a practical framework that drives reconciliation within the NESA agency and across all of NESA's work. Its vision is to change the way NESA conducts its work, to change how NSW supports education and reconciliation.

During the reporting year, NESA's RAP Champions continued their role in driving reconciliation across the organisation and overseeing activities to ensure NESA meets its RAP deliverables through collaboration with key staff across the agency.

As a deliverable in NESA's RAP, all staff were invited to complete a 'Workplace RAP barometer' evaluation survey about their experiences on the agency's commitment to reconciliation and reconciliation program. This evaluation was completed in the reporting year in collaboration with Reconciliation Australia and Polity Research and Consulting. The results will be used in the next reporting year to help inform NESA's direction and priorities for its commitment to Aboriginal education and its reconciliation journey.

## Teacher professional development in Aboriginal education

In July 2020, the Minister requested that NESA conduct a review of processes for assuring the quality of externally run professional development courses for teachers in NSW. The review aimed to ensure teachers have access to the best professional development courses possible to support their ongoing development and help them to improve the support and education students receive in the classroom. In October 2020, the NESA Board endorsed a new *Accreditation of Professional Development Courses*

*Policy* (the PD Policy), setting out requirements for the assessment and accreditation of PD courses for NSW teachers in identified priority areas.

On advice from the NESA Board, the Minister identified Aboriginal education and supporting Aboriginal students/children as one of four priority areas in which all teachers across NSW need to complete professional development.

Under the new requirements implemented from 2021, teachers in NSW need to complete professional development in each of the four identified priority areas, including Aboriginal education and supporting Aboriginal students/children, to maintain their accreditation.

## Aboriginal procurement

In 2020–21, aligning with NESA’s RAP, NESA engaged several Aboriginal-owned and Supply Nation certified businesses to support Aboriginal economic participation in NSW and the NSW Government’s [Aboriginal Procurement Policy](#).

NESA engaged the following businesses:

- [Cultural Choice](#) for corporate office supplies that visually represent Aboriginal culture and knowledges. Engaging Cultural Choice has been a conscious commitment to procuring office supplies that connect NESA to Cultural Choice’s overall vision of building stronger futures for Aboriginal children.
- [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.
- [First People Recruitment Solutions](#) (FPRS) for staffing support during the 2020 Higher School Certificate and in response to the COVID-19 pandemic. FPRS is a 100% Aboriginal owned and managed recruitment agency that places a diverse talent of Aboriginal and Torres Strait Islander professionals into corporate organisations. NESA’s engagement with FPRS ensures we continue diversifying our workforce.
- [Goanna Solutions](#) for discovery phase service design and workflow automation. Goanna Solutions is an Aboriginal majority owned social enterprise committed to driving opportunities for Aboriginal peoples to participate in the digital economy.

## Renaming of the NESA Boardroom to the ‘Ngara’ room

Following Metropolitan Local Aboriginal Land Council in-principle approval in the previous reporting year, NESA announced the renaming of the NESA Boardroom to the Ngara room in September 2020.

Ngara, pronounced [ng – as in ‘sing’] [ara – as in ‘tara’], means ‘**to listen**’ in Gadigal Language.

Renaming NESA’s Ngara room is a significant milestone and longstanding commitment to NESA’s goal of working with, and listening to, Aboriginal and Torres Strait Islander peoples, communities, and key stakeholders.

The renaming of the Ngara room was supported by NESA’s reconciliation artwork procured and designed in the previous reporting year by Aboriginal artist [Danielle Mate](#).

NESA’s reconciliation artwork visually represents our journey through contemporary art and was also made available in the reporting year for staff use in both email signature blocks and as a virtual meeting background.

## National Sorry Day

NESA supported National Sorry Day (held each year on 26 May) by raising awareness and educating staff on what National Sorry Day is, as a day that recognises the Stolen Generations – the Aboriginal and Torres Strait Islander peoples who were forcibly removed from their families and communities. NESA communicated to its staff the importance and healing power in saying ‘sorry’ and encouraged staff to reflect on how they can play a part in the healing process for people, our nation, and NESA’s work in education.

NESA partnered with the [Kimberley Stolen Generation Aboriginal Corporation](#) (KSGAC) in the previous reporting year to procure five-petal native hibiscus pins for staff. The native pins were picked by KSGAC as it’s found widely across Australia and symbolises the scattering and resilience of the Stolen Generations. The colour signifies compassion and spiritual healing. This reporting year and within COVID-19 restrictions, NESA was able to raise awareness about National Sorry Day by making the KSGAC native pins available to staff.

## National Reconciliation Week

NESA supported National Reconciliation Week (NRW - 27 May to 3 June 2021) by raising awareness about reconciliation and specifically, two significant reconciliation journey milestones, the 1967 referendum and the High Court Mabo decision.

NESA reflected on NRW by learning about Aboriginal and Torres Strait Islander and non-Aboriginal and Torres Strait Islander shared histories, cultures, and achievements.

## NAIDOC week ‘Always Was, Always Will Be’

For the first year, NESA held an activity each workday to celebrate NAIDOC week in November 2020. Each activity aimed at encouraging awareness and engagement with NAIDOC week celebrations based on the theme ‘[Always Was, Always Will Be](#)’.

During NAIDOC week, NESA held: *Read, Reflect, Listen, Taste and Experience* activities, information sharing about *Acknowledgment of Country and Welcome to Country*, *NAIDOC week learning journey trivia* and *Aboriginal procurement awareness* activities.

## Kinchela Boys Home Mobile Education Centre

NESA recognises that its organisational reconciliation journey is an ongoing and learning process. NESA is committed to actively and persistently working together to implement reconciliation in how, what, and why we do what we do for NSW education.

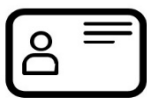
NESA partnered with [Kinchela Boys Home Aboriginal Corporation](#) (KBHAC) to engage staff in a unique truth telling, healing and education experience about Survivors of Kinchela Boys Home through the KBHAC Mobile Education Centre.

As Australia’s first ever Stolen Generations Mobile Education Centre, NESA staff were able to learn about the Stolen Generations survival journey directly from Uncles who were sent to KBH. Staff learnt through oral testimony, archival material, animated film, and visual images.

## 2.1 Teaching standards

Figure 2.1 NESA quality teaching activity – key statistics 2020–21

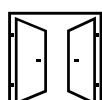
### 2020–21 year in review



More than **165,000** accredited teachers in NSW



**898** professional development courses given interim accreditation



More than **6,400** teachers accredited at Proficient Teacher



More than **9,850** accredited early childhood teachers



**7,064** teachers completed Proficient Teacher maintenance of accreditation



**677** teachers accredited through mutual recognition



More than **900** further study applications for maintenance of accreditation



**115** accredited Initial Teacher Education programs operating in NSW



**149** Highly Accomplished and Lead Teacher applications started



**180** Highly Accomplished and Lead Teacher Preliminary Assessments undertaken

## 2.2 Key achievements in Teaching Standards

### Accreditation of Professional Development Courses Policy

In July 2020, the Minister requested that NESA conduct a review of processes for assuring the quality of externally run professional development (PD) courses for teachers in NSW. The review aimed to ensure teachers have access to the best professional development courses possible to support their ongoing development by:

- ensuring that individual courses demonstrate a genuine focus on improving teaching in the classroom/learning environment through best practice; and
- reducing the number of courses on offer while improving their overall quality.

The review looked at NESA's processes for assessing and endorsing PD providers to ensure that the content of individual courses is specifically examined. In response to the review, NESA developed a new *Accreditation of Professional Development Courses Policy* (the PD Policy) in consultation with key stakeholders. In October 2020, the NESA Board endorsed the PD Policy and recommended that the Minister identify four priority areas for course accreditation:

- delivery and assessment of NSW Curriculum/Early Years Learning Framework (as applicable)
- student/child mental health
- students/children with disability; and
- Aboriginal education and supporting Aboriginal students/children.

In November 2020, the Minister announced the new requirements for accreditation of courses in the four priority areas and the immediate cancellation of all existing provider and course endorsement. NESA established a process to provide interim accreditation for courses in the curriculum and disability priority areas to ensure the ongoing supply of PD for teachers while work on implementing the new requirements continued into 2021.

In early 2021, NESA worked with key stakeholders and providers to develop and refine principles of effective professional learning and criteria for assessment of courses under the new PD Policy. In addition, a survey was sent to over 800 previous providers of PD to capture their views on draft principles of professional learning and the need for resources to support the implementation of the new policy.

Work to implement the PD Policy will continue into the 2021-22 reporting year.

### Internal Audits of Proficient Teacher Accreditation Records

In response to recommendations from the NSW Auditor-General's performance audit, *Ensuring teaching quality in NSW public schools* (September 2019), NESA implemented a program of risk-based reviews to provide confidence that Proficient Teacher accreditation decisions align with the Standards.

[Findings from the September 2020 internal audit](#) were used to refine existing advice for Teacher Accreditation Authorities on how to support valid and reliable judgements about teaching practice at the Proficient Teacher level for all teachers in NSW, regardless of their stage, context, geographical location or setting. Work on this will continue into the 2021-22 reporting year.



## Highly Accomplished and Lead Teacher Accreditation 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 to develop a revised policy. The NESA Board endorsed the revised policy in August 2020 for Ministerial approval. NESA will implement the revised policy in the 2021-22 reporting year.

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

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

Having this dedicated unit of Aboriginal Education 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.

NSW ITE providers were required to include a dedicated unit of Aboriginal Education in their programs from 2021 onwards. In the second half of 2020, NESA required each provider to explain how they were addressing the new requirement. This evidence was assessed by a panel and resulted in the accreditation of all ITE programs being confirmed.

## Legislative amendments to the *Teacher Accreditation Act 2004*

The [National Review of Teacher Registration – One Teaching Profession: Teacher Registration in Australia](#) (2019) required NESA to develop policy on suitability to teach, including definitions of 'fit and proper persons'. This requirement emerged from the [Royal Commission into Institutional Responses to Child Sexual Abuse \(2017\)](#).

In June 2018, the NSW Government accepted all the Royal Commission recommendations related to school education. During 2019-20, NESA worked in partnership with other NSW Government agencies to progress work to scope possible future amendments to the *Teacher Accreditation Act 2004* to give effect to Royal Commission recommendations.

Amendments to the *Teacher Accreditation Act 2004* will progress through legislative processes into the 2021-2022 reporting year.

## The Australian Professional Standards for Teachers

The [Australian Professional Standards for Teachers](#) (the Standards) 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 ITE programs undergo a [rigorous accreditation process](#).

NSW ITE programs are assessed against national [Standards and Procedures](#) and additional NSW-specific requirements. NESA liaised with all NSW ITE providers to ensure that all primary ITE programs address new national standards relating to the teaching of literacy preferencing evidence-based early reading strategies including phonics. All providers have been required to submit advice by September 2021 on how they are addressing this new requirement in their primary program from 2022 onwards.

## 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 (service). [Provisional and Conditional accreditation](#) are the beginning stages of teacher accreditation.

## Proficient Teacher accreditation

Information about gaining Proficient Teacher accreditation is available online.

Teachers who are provisionally or conditionally accredited work towards Proficient Teacher accreditation when they start teaching in a NSW school or early childhood service. Proficient Teacher accreditation is a mandatory, formative and developmental process.

## 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.

## Maintaining accreditation at Proficient, Highly Accomplished and Lead Teacher

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

Maintenance of accreditation ensures that all NSW teachers continue to develop their practice and demonstrate that they continue to meet the Standards for their level of accreditation.



## Working With Children Check

A Working With Children Check (WWCC) 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 (OCG). NESA ensures teachers can update their clearance as required.

**Figure 2.2 Teacher accreditation key statistics, 2020-21**

In the 2020-21 reporting year:
<b>4,982</b> teachers completed their first maintenance of accreditation period
<b>2,128</b> teachers completed their second (or more) maintenance of accreditation period
<b>39</b> Highly Accomplished and Lead Teacher applications were considered by the Moderating and Consistency Committee
<b>26</b> teachers were accredited at Highly Accomplished Teacher
<b>6</b> teachers were accredited at Lead Teacher

## Professional learning

NESA is responsible for determining the quality of Accredited [professional development](#) (PD) available to teachers in NSW to support their ongoing professional learning and accreditation.

As a direct result of changes to teaching practice and modes of delivery necessitated by the COVID-19 pandemic, teachers in NSW demonstrated significant professional growth in 2020-21. In recognition of this, all teachers actively maintaining accreditation at any point in 2020 or 2021 automatically have five hours of NESA Accredited PD added to their record in the Electronic Teacher Accreditation Management System (eTAMS).

In July 2020, the Minister requested that NESA complete an internal review of teacher professional development quality assurance processes. In November 2020, the Minister announced a new *Accreditation of Professional Development Courses Policy* (the PD Policy) which aims to ensure that teachers have access to high quality PD that meets community expectations and directly supports teaching practice.

In December 2020, an interim accreditation process was established to enable the ongoing provision of PD for teachers while resources and assessment criteria to support implementation of the new requirements were developed in consultation with key stakeholders. Work on full implementation of the new requirements will continue into the 2021-2022 reporting year.

**Figure 2.3 Professional learning key statistics, 2020-21**

### In the 2020-21 reporting year

**253** provider applications received for interim accreditation of PD courses in the curriculum and disability priority areas

**1,314** courses submitted by providers for interim accreditation reviewed by NESAs staff

**898** courses confirmed for interim accreditation

**154** responses to PD provider survey on new requirements and need for support materials

## 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
- failure to comply with a condition of their accreditation and/or
- failure to meet the Standards under the *Teacher Accreditation Act 2004*.

A teacher may also voluntarily cancel their accreditation.

**Table 2.1 Number of teachers whose accreditation was revoked or suspended for misconduct (under section 24 and/or 25a of the *Teacher Accreditation Act 2004*) during 2020-21**

Accreditation action	Number of teachers
Accreditation revoked	39
Accreditation suspended	29

**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 2020-21. These cases are not misconduct matters.

Accreditation Action	Number of Teachers
Accreditation revoked	0
Accreditation suspended	2,279*
Suspension of accreditation removed and accreditation reactivated	618

\* Of the 2,279 teachers suspended during 2020-21, 618 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 whose accreditation was revoked or suspended for not paying their teacher accreditation fees (under section 25 and Section 24 of the *Teacher Accreditation Act 2004*) during 2020-21

Accreditation Action	Number of Teachers
Accreditation revoked These teachers had been suspended for over 2 years before their accreditation was revoked.	2,001
Accreditation suspended	4,815*
Suspension of accreditation removed and accreditation reactivated	629

\* Of the 4,815 teachers suspended during 2020-21, 629 teachers had their suspension lifted once they paid their teacher accreditation fees. 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 3.4** Number of teachers whose accreditation was revoked or suspended for failure to maintain their accreditation (under section 24 of the *Teacher Accreditation Act 2004*) during 2020-21

Accreditation action	Number of teachers
Accreditation revoked	90
Accreditation suspended	59

**Table 2.5** Number of teachers who applied to voluntarily cancel their accreditation (under section 25E of the *Teacher Accreditation Act 2004*) during 2020-21

Accreditation Action	Number of teachers
Voluntary cancellation of accreditation	3,351

## Internal reviews to suspend or revoke teacher accreditation

NESA is 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 NESA's School Registration and Accreditation directorate conducts this review.

In 2020–21, NESA Inspectors conducted two internal reviews of decisions to revoke a teacher's accreditation and one internal review of a decision to suspend a teacher's accreditation. All decisions were upheld.

## 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 was one appeal of this type in 2020-21, which was pending decision in the reporting period. The outcome of this appeal will be reported in the 2021-22 Annual Report.

## Impact of COVID on teacher accreditation in 2020-21

A range of adjustments were made to teacher accreditation processes in 2020-21 to enable teachers to focus on the delivery of teaching and learning. Processes for ceasing, suspending and revoking the accreditation of teachers who do not complete accreditation requirements by their due date were paused.

For 2020, NESA also obtained the Minister's approval for the interim rescinding of the NSW requirement that final year initial teacher education students have to pass Literacy and Numeracy Test for Initial Teacher Education Students (LANTITE) before their final professional experience placement. Students were still required to pass LANTITE to graduate.

## 3.1 School registration and accreditation

### Responsibilities

The *Education Act 1990*, *Education Standards Authority Act 2013* and *Teacher Accreditation Act 2004* outline 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 Registration and Accreditation Committee (the 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, and evidence of compliance, are outlined 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\*](#).

To support 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
- investigating compliance concerns raised by complainants and other sources.

## Impact of COVID-19 on the 2020–21 inspection program

In response to the COVID-19 pandemic, NESA amended its 2020 inspection program based on a risk approach. This included the cancellation of inspections of schools selected randomly.

NESA's 2021 inspection program was not significantly impacted by the COVID-19 pandemic up until 30 June 2021.

**Figure 3.1** NESA school registration 2020–21 inspection program, key statistics

The 2020–21 inspection program included:	
150	inspections of individual non-government schools
Monitoring the 12 non-government school registration systems, in relation to internal assurance mechanisms	
Inspections of 1 non-government and 8 government schools, selected randomly	
20	inspections of school providers
60	inspections of Teacher Accreditation Authorities

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

NESA also completed one investigation arising from complaints relating to the compliance of non-government schools.

Detailed statistics relating to the 2020–21 inspection program and the Committee's recommendations and decisions are at [Tables 3.1 to 3.2](#).

## Documentation to support applications

In 2020-21, the breadth and depth of the supporting materials individual non-government schools were required to upload for online applications for renewal of registration and accreditation 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.

## Manuals and guidelines

In November 2020, NESA updated the guidelines for TAAs to remove information that related to transitional arrangements in place for TAAs operating before 1 January 2016 that expired at the end of 2020.

NESA did not amend the manuals for non-government schools and the government schooling system, or the guidelines for school providers, during 2020-21.

## Annual reports

Under the *Education Act 1990*, all non-government schools are required to publicly disclose and submit to NESA 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.

Due to the COVID-19 pandemic, the timeframe for submission of annual reports for the 2019 school year was extended to 9 October 2020.

A 2020 review of a sample of annual reports for the preceding year found that the vast majority of schools satisfactorily addressed the mandatory reporting measures.

## NSW Civil and Administrative Tribunal

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

There were no applications to the NSW Civil and Administrative Tribunal for a review of a NESA recommendation relating to registration or accreditation during 2020-21.

## 2020-21 Inspection Program Statistics

At the end of the 2020-21 reporting period, there were 962 non-government schools comprising 395 individual schools and 567 systemic schools.

**Table 3.1 NESA Registration and Accreditation Committee recommendations on school registrations, during 2017-18 to 2020-21**

	2017-18		2018-19		2019-20		2020-21	
	Ind.*	Sys.**	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
Renewal of registration (5 years) <sup>(a)</sup>								
Primary education	18	1	36	249	27	2	28	3
Secondary education	20	0	28	70	26	1	36	5
Primary and secondary education	30	0	53	17	82	5	44	4
Education of a kind, or for children of a kind	4	0	2	0	7	0	4	0
Exemption from registration	0	0	0	0	2	0	0	0
Total	72	1	119	336	119	8	112	12
Initial registration for new year levels of schooling (1 year)								
Primary education	6	0	4	6	7	1	17	1
Secondary education	7	0	13	7	23	1	27	2
Primary and secondary education	2	0	1	5	0	5	2	3
Exemption from registration	0	0	0	0	0	0	0	0
Provisional initial registration	0	0	0	0	0	0	0	0
Total	15	0	18	18	30	7	46	6
Extension of registration (1 year)								

	2017–18		2018–19		2019–20		2020–21	
	Ind.*	Sys.**	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
Primary education	2	0	4	0	3	0	4	0
Secondary education	3	0	6	0	0	0	1	0
Primary and secondary education	2	0	4	0	8	0	6	0
Total	7	0	14	0	11	0	11	0
Other recommendations on school registrations								
Reduced period of registration (provisional)	0	0	0	0	0	0	0	0
Cancel registration	1	0	0	0	1	0	1	0
Initial registration of new schools	8	0	5	7	6	3	8	1
Registration of new campuses of existing schools	0	0	7	1	7	1	8	2

\* Ind. = individual non-government schools

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

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 Registration and Accreditation Committee recommendations on accreditation, recognition for schools outside NSW and other matters during 2017–18 to 2020–21**

	2017–18		2018–19		2019–20		2020–21	
	Ind.*	Sys.*	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
<b>Renewal of accreditation (5 years)<sup>(a)</sup></b>								
Courses leading to the award of the Record of School Achievement	41	0	67	77	98	0	60	4
Courses leading to the award of the Higher School Certificate	38	0	61	64	87	1	51	3
<b>Initial accreditation for registered schools (1 year)</b>								
Courses leading to the award of the Record of School Achievement	3	0	6	7	2	2	8	1
Courses leading to the award of the Higher School Certificate	4	0	4	4	8	2	6	2
<b>Other recommendations on accreditation</b>								
Reduced period of accreditation (provisional)	0	0	0	0	0	0	0	0
Cancel accreditation	0	0	0	0	1	0	0	0
Initial accreditation for new schools	2	0	1	3	3	3	3	0



	2017–18		2018–19		2019–20		2020–21	
	Ind.*	Sys.*	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
for courses leading to the award of the Record of School Achievement								
Initial accreditation for new schools for courses leading to the award of the Higher School Certificate	1	0	1	1	1	1	2	0
Recognition for schools outside NSW								
Courses leading to the award of the Record of School Achievement		0		0		2		1
Courses leading to the award of the Higher School Certificate		0		0		2		2
Other matters								
Recognition as a special school	5	0	6	1	11	1	11	1
Recognition as a special assistance school	3	0	8	2	5	0	9	0
School closed	1	0	5	2	4	4	2	4
Campus closed	11	0	9	4	3	1	8	1
Approval of school providers of courses for students from overseas		16 <sup>(b)</sup>		21 <sup>(b)</sup>		47 <sup>(b)</sup>		15 <sup>(b)</sup>
Approval of Teacher Accreditation Authorities		44		68		109		44

\* Ind. = individual non-government school

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

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.

Includes recognition of school providers of English Language Intensive Courses for Overseas Students.

**Table 3.3 New schools granted initial registration in 2020 to commence in the 2021 calendar year**

School	Location	Year Level
Gateway Community High	Carlingford	Years 9 and 10
Muslim Girls Grammar School	Granville	Years 7 and 8
Richard Gill School	Muswellbrook	Kindergarten to Year 2
St Sava College	Varroville	Kindergarten to Year 2
Sydney Science College	Epping	Years 11 and 12
Westbourne College	Ultimo	Year 11
Wycliffe Hope School	Warrimoo	Kindergarten to Year 12

**Table 3.4 New Teacher Accreditation Authorities granted initial approval to commence in 2020-21**

TAA	Association schools/ECECs
International Chinese School Limited	International Chinese School, Chatswood
Kinma Limited	Kinma School, Terrey Hills Kinma Preschool, Terrey Hills
Trinity Catholic College Lismore Ltd	Trinity Catholic College, Lismore
Yanginanook Limited	Yanginanook School, Belrose

**Table 3.5 Schools closed during 2020–21**

School	Location	Year level
All Saints College (St Peter's Campus)	Maitland	Years 7 to 10
Pete's Place	Blacktown	Years 7 to 10 and Prescribed Kind
St Columba's Primary School	Berrigan	Kindergarten to Year 6
St Francis Xavier Primary School	Urana	Kindergarten to Year 6
St Joseph's Catholic Primary School	Rosebery	Kindergarten to Year 6
Trades Norwest Anglican College	Glenwood	Years 11 and 12

**Table 3.6 Teacher Accreditation Authorities closed during 2020-21**

TAA	Associated schools/ECECs
Deniliquin Christian School Incorporated	Deniliquin Christian School, Deniliquin

**Table 3.7 Complaints about non-government schools investigated by NESA officers during 2017–18 to 2020–21**

	2017–18	2018–19	2019–20	2020–21
Complaints about individual schools investigated	4	1	3	2
Complaints about systemic schools investigated	0	0	0	0
Complaints about schools with overseas recognition investigated	0	0	0	0
Investigations completed	5	3	2	1
Complaints substantiated	5	3	2	1
Complaints ongoing into the next reporting period	2	0	1	1
Number of complaints investigated per requirement <sup>(a)</sup>				
Governance	0	0	0	0
Teaching staff	0	0	0	0
Curriculum	1	0	1	0
Safe and supportive environment	4	2	1	0
Premises and buildings	0	0	0	0
Facilities	0	0	0	0
Discipline	2	1	2	1
Attendance	1	0	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.

## TAA complaints

NESA investigates complaints about a TAA if there are concerns about systemic non-compliance by the TAA with the requirements for approval.

To date, NESA has not received a complaint regarding a TAA.

## Home schooling registration

The *Education Act 1990* provides for parents to home school their children. Under the Act, NESA is 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 at NESA 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 response to the COVID-19 pandemic, NESA temporarily ceased home schooling visits but continued to assess applications for home schooling registration using a risk-based approach. Due to the ongoing impacts of the COVID-19 pandemic, NESA temporarily adjusted its approach in September 2020 to review both documents and video/audio evidence in the home school registration process rather than conducting home visits. This approach to the assessment of applications for home schooling registration has continued into 2021.

During 2020–21, the number of children registered for home schooling continued to grow ([Tables 3.8 and 3.9](#)). The increase observed at the start of the COVID-19 pandemic, continued into the 2020–21 period.

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 and an individualised approach to addressing the special learning needs of the child, with a smaller percentage of respondents indicating that they choose to home school for religious reasons. A number of applicants choose not to answer this question or select the option of 'other'.

## Consultation and new guidelines for home schooling registration

In 2015, NESA established a Home-Schooling Consultative Group (HSCG) to engage with the home schooling community and consult on issues affecting the community. During 2020–21, the HSCG met four times. The discussions focused on progressing a review of NESA's [\*Guidelines for Home Schooling Registration in NSW\*](#), as well as discussion about the home schooling registration process in response to the COVID-19 pandemic.

## Professional learning forums

Each year, NESA provides regular professional learning forums for Authorised Persons who assess applications for home schooling registration. In 2020–21, topics included child protection, updates on the NSW Curriculum Reform, and the home-schooling registration process in response to the COVID-19 pandemic.

## NSW Civil and Administrative Tribunal

The NSW Civil and Administrative Tribunal hears applications for review of recommendations to refuse home schooling registration. During 2020–21, one parent appealed a recommendation to refuse home schooling registration for their child. The applicant later chose to withdraw the appeal.

**Table 3.8**      **Number of children with home schooling registration at the end of reporting period, during 2017–18 to 2020–21**

	2017–18	2018–19	2019–20	2020–21
Number of children with registration	5,066	5,698	6,534	7,808
Number of families	3,027	3,498	3,996	4,897

**Table 3.9**      **Number of children with exemption from home schooling registration at the end of reporting period, during 2017–18 to 2020–21**

	2017–18	2018–19	2019–20	2020–21
Number of children with exemption from registration	183	189	196	235
Number of families	95	83	94	127

## 4.1 NSW 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.

In 2020-21, curriculum development was undertaken in the context of the NSW Curriculum Reforms. In response to the recommendations of the NSW Curriculum Review, the NSW Government identified the following priorities for the early, middle and later years of schooling:

- 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 in key learning areas in the senior years.

In 2020-21, NESA established the program of work required to implement the above priorities. To support the five workstreams and 15 projects that contribute to the reform outcomes, a program management and governance framework has been developed. Substantial recruitment has also begun to ensure that NESA has access to the expertise required to deliver the curriculum reforms. This recruitment is ongoing in 2021-22.

Throughout the reporting period a new syllabus development process was established to guide the review of K-12 syllabuses. The new process supports strengthening the evidence base for syllabus content in line with the curriculum reform recommendations, and increasing the role of expertise, quality assurance, and transparency of decision-making in the syllabus development process.

### Supporting the Kindergarten to Year 12 curriculum

NESA is committed to a syllabus development process that provides opportunities for consultation and ensures quality syllabuses. During 2020-21, NESA developed a range of support materials for the Kindergarten to Year 12 curriculum, including advice for teaching and assessing students with disability, including sample units and case studies.

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

There are 12 industry curriculum frameworks operating in NSW. Information on [industry curriculum frameworks](#) is 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 and ensures syllabuses and support materials are developed to include the full range of learning needs.

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 has provided advice in conjunction with the NSW Department of Education on the recommendations in the Australian Government led review of the *Disability Standards for Education 2005*.

NESA continues to work closely with key disability stakeholders to inform a range of policy development and program activities, including the NSW Chapter of the Australian Association of Special Education (AASE). NESA attends, participates in, and facilitates meetings and workshops relating to its own projects, as well as joint initiatives with other agencies, to support students with disability.

In January 2021, NESA established the Disability Education Forum (the Forum) to increase engagement with stakeholders with Disability Education expertise. The Forum currently has 11 members (with one vacant position) and includes representatives from all school sectors and independent external stakeholder groups. The Forum met once during the reporting period to advise the NESA Board on curriculum, assessment and teacher professional development issues relating to disability. The Forum will continue to meet in the 2021–22 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.

Under the NSW Curriculum Reforms, NESA continues to develop Life Skills outcomes and content for Years 7–12 courses. More information on Life Skills is available on the NESA website.

## Australian Curriculum

During 2020–2021, NESA engaged with the Australian Curriculum, Assessment and Reporting Authority's (ACARA) review of the Australian Curriculum. In 2021, NESA coordinated a NSW Government response to the proposed revisions in consultation with the NSW school sectors. Since the Australian Curriculum was first implemented in 2010, NSW has taken an 'adopt and adapt' approach to Australian Curriculum content to meet the needs of students in NSW. This means that NSW syllabuses feature Australian Curriculum content, while also retaining key components and structural elements specific to NSW syllabuses. NSW will continue this approach in 2021–22.

## Priority areas for 2021–22

Initiatives will be progressed in 2021–22 for all Curriculum Reform priorities. NESA will deliver the following in 2021–22:

- New K-2 English and Mathematics syllabuses, intended for release in Term 4, 2021. This follows two public consultation rounds, workshops, and targeted meetings with education stakeholders.
- Professional learning accessible via a new Learning Management System (LMS), for NSW K-2 teachers to support planning, familiarisation and trialling of the English and Mathematics syllabuses in their local school contexts throughout 2022.
- New syllabus support materials that will provide more detailed, accessible advice to teachers regarding how syllabus outcomes and content can be used in flexible ways to support students who are progressing well, who are advanced, or need further assistance.
- Consider options for a major project for secondary school students.

- Rules and requirements for the Higher School Certificate and Record of School Achievement credentials will be updated and clarified as policy decisions are made in other Curriculum Reform projects.
- A new 'digital curriculum' available for teachers and the broader community to access the new curriculum. The new platform will be launched to coincide with the release of the new K-2 English and Mathematics syllabuses.
- Decisions on updates to compliance requirements to reduce the amount of time teachers spend on paperwork and compliance activities.



## 5.1 Student assessment

Figure 5.1 NESA activity related to the 2020 Higher School Certificate

### 2020 Higher School Certificate in review



**75,674** HSC candidates,  
**66,402** credentials awarded



**71** students sat examinations **outside NSW**,  
under individual circumstances



**121** HSC examinations developed



**Over 15,000,000** pages of examination papers  
printed



**17** days of written examinations



**51** HSC courses with speaking examinations



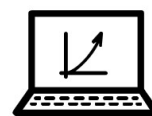
**7,347** examination supervisors



**5,796** HSC markers



**81** supervisors of marking



**88%** of courses marked totally or partially **on screen**



**1** student received First In Course awards for  
**three courses**



**605** students sat an **online HSC examination**,  
for the Science Extension course

## 5.2 Key achievements in student assessment

### Higher School Certificate (HSC)

Under the NESA Act, 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.

### 2020 HSC

#### New HSC Mathematics syllabuses examined

In 2020, the new Mathematics Advanced, Mathematics Extension 1 and Mathematics Extension 2 syllabuses were examined for the first time. This was also the first year that the Mathematics Standard 2 examination had common questions with Mathematics Advanced.

### 2020 HSC results

NESA issued 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, 2020-21

During the 2020-21 reporting year:

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

**1,303** students ordered one or more post-HSC services, with **4,877** total items requested from HSC post-results service

**830** schools accessed the Results Analysis Package, with **13,951** unique users

## 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 2020-21 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. In 2020, an additional category was added in response to the COVID-19 pandemic that catered for students who had no access to teaching and learning for an extended period.

NESA published [comprehensive statistics on illness/misadventure applications](#) for the period including the 2020-21 reporting year on the NESA website.

### Minimum standard literacy and numeracy tests

2021 is the second year students are required to demonstrate a minimum standard of literacy and numeracy to be awarded the HSC. In 2020, one per cent (693) of students, otherwise eligible for the HSC, did not meet the HSC minimum standard. Students have up to five years after starting their first HSC course to demonstrate the HSC minimum standard.

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 [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 5.3** Record of School Achievement key statistics, 2020

**During the 2020-21 reporting year:**

**95,433** students enrolled in at least one Stage 5 course eligible for inclusion towards the RoSA (Term 1, 2020)

## 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.

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 and there were no results for 2020.

### 2021 NAPLAN tests

During the 2020-21 reporting period, NESA supported 3,092 schools in NSW and 129 schools in the ACT to administer 2021 NAPLAN tests.

**Figure 5.4** NAPLAN key statistics, 2021

**During the 2020-21 reporting year:**

**384,259** NSW students sat NAPLAN in 2021

**1,509,140** NAPLAN tests were completed in NSW, of which **1,022,984** were completed online

NESA received **5,065** calls and **1,815** emails during the two-week NAPLAN period

### 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.

Despite the cancellation of NAPLAN in 2020, NESA provided support to NSW schools intending to transition to NAPLAN Online in 2021.

Any NSW school intending to transition to NAPLAN Online in 2021 participated in a school readiness test (conducted in Terms 3 and 4). The information generated from the readiness test helped to determine the most suitable time for NSW schools to transition to NAPLAN Online.

In 2021, 436 NSW schools undertook NAPLAN Online for the first time.

Into the 2021–22 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.

## 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 2020–21

The AMEB (NSW) conducted over 30,000 examinations throughout NSW and the ACT during 2019–20.

**Figure 5.5** AMEB administration statistics, 2020–21

In 2020–21, AMEB administered:	
90	practical music syllabuses
4	practical speech and drama syllabuses
4	written syllabuses

**Figure 5.6** AMEB award statistics, 2020–21

In 2020–21, AMEB awarded:	
136	associate diplomas
38	licentiate diplomas to musicians
3	diplomas to speech and drama candidates

## Overseas marking – 2020 HSC

In response to the COVID-19 pandemic, HSC markers employed by NESA did not travel overseas for the marking of 2020 HSC practical and performance examinations. For Design and Technology, Industrial Technology and Visual Arts, along with all other teachers of these courses, marks were provided by each school for their students' works. For Drama and Music videos of performance exams were sent to NESA where they were marked by HSC markers.

## \* '%GHU\_Y c`XYf`Yb[ U Ya Ybh

### ? YmghU\_Y c`XYfg`UbX`h YWta a i b]mi

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 continues to support school sectors, professional teacher associations, teachers, and community members through the NESA website, direct support through written correspondence and phone enquiries, and professional learning sessions at conferences and staff days across NSW and online.

Besides regular collaboration with the school sectors and key education leaders, NESA 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 2020–21, NESA held consultation meetings with a range of stakeholders and representative bodies including:

- 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
- 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.

### GW cc`fY[ ]ghU]cb`

In August 2020, NESA Inspectors, in collaboration with the Association of Independent Schools NSW (AISNSW), delivered videoconference information sessions for individual non-government schools with registration expiring in 2021. The sessions focused on:

- registration and accreditation requirements
- the online application form
- the materials required to support an application
- the risk-based inspection process.
- The sessions also included advice about the application process for TAA approval.

In February 2021, NESA conducted a videoconference briefing for proposed new schools seeking initial registration to begin in 2022. The sessions provided an overview of the requirements for initial

registration, evidence of compliance, and the process undertaken by NESA in assessing an application. The sessions also included advice about seeking initial approval as a TAA.

Briefings are held for non-government school registration systems to advise systems about updated information, changes to legislation, emerging issues and plans for monitoring systems. Due to the COVID-19 pandemic, the November 2020 briefing was cancelled. A videoconference briefing was held in March 2021.

In August 2020, the AISNSW hosted a school provider videoconference briefing delivered by a NESA Inspector for currently approved school providers and those seeking initial approval. The 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 2020-21, these forums were videoconference briefing sessions due to the COVID-19 pandemic. The topics included:

- child protection including recent legislative amendments regarding mandatory reporting and use of the Mandatory Reporter Guide (MRG)
- updates on the home-schooling registration process in response to COVID-19
- updates on the NSW Curriculum Reform
- the review of the Guidelines for Home Schooling Registration in NSW
- the role of a support person.

## **HSC marking opportunities**

Each year, HSC marking is done via either a pen-and-paper process or onscreen marking. The onscreen marking and metropolitan/regional day marking programs for the 2020 HSC supported teachers from rural and regional schools across NSW to access HSC marking opportunities.

In 2020-21, four marking centres in metropolitan and regional areas conducted day marking in 2020. NESA met the cost of employing casual teachers to replace teachers appointed to attend briefing or marking sessions during school hours.

66 teachers participated in the 2020 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 is a valuable professional development program which gives teachers based in rural and remote areas the opportunity to participate in HSC marking by allowing onscreen marking of some subjects.

In May 2021, NESA also conducted a series of HSC Marking Workshops in collaboration with the NSW Department of Education and Catholic Schools NSW. The workshops were designed to give participants a taste of what it is like to be an HSC marker and included a session on using the Results Analysis Package to better understand their students' results. 200 participants from rural and remote areas across NSW took part in simulated marking sessions for Business Studies, English Advanced Paper 2 and Mathematics Standard 2.



## 7.1 Managing human resources

### People and Culture

NESA promotes an inclusive and collaborative working culture that values diversity, and supports staff and managers to achieve organisational objectives. In 2020-21, the COVID pandemic meant NESA's people strategies focused significantly on support to staff and their managers to manage work effectively while working remotely and flexibly, including investment in additional technology infrastructure and increased internal communications. This effort included additional emphasis and support for staff well-being during the pandemic. NESA established an internal group that met regularly to adjust NESA's approach based on evolving Public Health Orders and in alignment with other agencies across the public sector. Through surveys and other feedback mechanisms NESA's executives had confidence in NESA's people operations while continuing to deliver education services under pandemic conditions

NESA's overall people and culture approach leverages the support of the Public Service Commission and its materials, identification of emerging trends from the annual People Matter Employee Survey (PMES) and consultative mechanisms with NESA staff. NESA has seen broad improvements in its PMES results in recent years.

In 2020-21, NESA launched a simplified Performance Development Planning and Review approach that emphasises the NSW Public Sector Capability Framework and identification of staff development needs and support opportunities. Aligned to this, NESA is committed to improving organisational learning and development opportunities, including leveraging partnerships with the Institute of Public Administration (NSW) and the Australian and New Zealand School of Government.

### Staffing and recruitment

The table below provides the distribution of NESA staff by category, counted by Full-Time Equivalent (FTE), for the periods 2018–19 to 2020–21. Over the course of the year, 286 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 2019 to 30 June 2021**

	2019			2020			2021		
	F*	M*	Total	F	M	Total	F	M	Total
General scale	1.0	1.0	2.0	1.0	1.0	2.0	4.0	1.0	5.0
Grade 1/2	8.0	5.0	13.0	6.6	8.0	14.6	13.0	10.0	23.0
Grade 3/4	48.2	14.3	62.5	49.8	8.3	58.1	53.6	14	67.6
Grade 5/6	34.6	10.8	45.4	32.6	18.8	51.4	40.6	14.8	55.4
Grade 7/8	26.6	16.7	43.3	28.6	18.7	47.3	39.4	21.7	61.1
Grade 9/10	33.8	17.8	35.0	35.4	50.6	50.6	35.4	19	54.4
Grade 11/12	19.3	12.8	32.1	19.4	15.8	35.2	14.4	17	31.4
Senior Education Officer	57.3	17.2	74.5	48.9	15.2	64.1	49.6	17.4	67.0



	2019			2020			2021		
	F*	M*	Total	F	M	Total	F	M	Total
Principal Education Officer	12.0	1.0	13.0	14.6	1.0	15.6	15.0	1.0	16.0
Chief Education Officer	21.4	15.0	36.4	22.0	13.0	35.0	22.0	16.0	38
Executive	9.0	13.0	22.0	7.0	13.0	20.0	8.0	10.0	18
<b>Totals</b>	<b>262.1</b>	<b>119.9</b>	<b>382.0</b>	<b>271.2</b>	<b>124.6</b>	<b>395.8</b>	<b>295.0</b>	<b>141.9</b>	<b>436.9</b>

\*Key: F = Female, M = Male

*Note: NESAs has revised to a FTE methodology for the 2020-21 Annual Report. Staffing distribution data for the 2019 and 2020 financial years (in Table 7.1) may differ from that reported in previous annual reports.*

## Public Service Senior Executive (PSSE) staff

At 30 June 2021, NESAs employed 18 Public Service Senior Executive staff.

In 2020–21, 5.28% of NESAs employee-related expenditure was for senior executives, compared with 7.24% in the 2020-2021 reporting year.

**Table 7.2** Number of NESAs Public Service senior executives, by gender and band level, at 30 June 2020 and 30 June 2021

Band	30 June 2020		30 June 2021	
	Female	Male	Female	Male
Band 4	0	0	0	0
Band 3	0	1	0	1
Band 2	3	2	2	1
Band 1	4	10	6	8
Total	7	13	8	10
Overall total	20		18	

**Table 7.3** Average total remuneration for NESA Public Service senior executives per band at 30 June 2020 and 30 June 2021

Band	Average total remuneration (\$)	
	30 June 2020	30 June 2021
Band 4	Not applicable	Not applicable
Band 3	400,000	400,000
Band 2	313,961	325,550
Band 1	235,616	241,748

## Workforce diversity

NESA is committed to maintaining and progressing a diverse workforce and aims to increase its workforce diversity every reporting year. NESA is committed to the principles of multiculturalism as contained in the *Multicultural NSW Act 2000*.

This section outlines trends in the representation and distribution of workforce diversity groups in NESA over the past three years (Table 7.4), as well as NESA workforce diversity achievements in 2020-2021 and strategies for 2021-2022.

**Table 7.4** Trends in representation of workforce diversity groups in NESA, 2019–20 to 2020–21

Workforce diversity group	Benchmark or target (%)	30 June 2019 (%)	30 June 2020 (%)	30 June 2021(%)
Women	50.0	69.0	67.0	75.0
Aboriginal people and Torres Strait Islander Peoples	2.6	2.0	2.6	2.7
People whose first language as a child was not English	19.0	18.0	18.0	21.0
People with a disability	n.a.	1.0	1.0	1.0
People with a disability requiring work-related adjustment	1.5	1.0	1.4	1.2

**Table 7.5 Trends in distribution of workforce diversity groups in NESA, 2018–19 to 2020–21**

Workforce diversity group	Benchmark or target (%)	30 June 2019 (%)	30 June 2020(%)	30 June 2021 (%)
Women	100	94	90	93
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	87
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 2020–21

NESA's workforce diversity achievements during the 2020–21 reporting year included:

- streamlined communication in all advertised roles to promote NESA's commitment to an inclusive and diverse workplace
- promoting job opportunities in appropriate channels to increase our reach to Aboriginal and Torres Strait Islander communities
- participating in the 2020 Jawun Secondment Program to support Aboriginal community projects
- a new Flexible Working Policy to continue supporting flexible working conditions for all employees, and to create a supportive environment with flexible working options
- supporting staff transition to working from home arrangements in response to the COVID-19 pandemic
- celebrating NAIDOC week in a COVID-19 safe way
- raising awareness about National Sorry Day
- working with the Kimberley Stolen Generation Aboriginal Corporation (KSGAC) to support National Sorry Day
- raising awareness about National Reconciliation Week to promote stronger relationships between Aboriginal and Torres Strait Islander Peoples and communities, and
- continuing to implement our Innovate Reconciliation Action Plan (RAP) and Commitment to Aboriginal Education.

## Workforce diversity strategies for 2021–22

NESA's key workforce diversity strategies for 2020–21 include:

- continuing the review of NESA people management policies, processes, and practices, including recruitment, on boarding and induction, to reduce bias and ensure inclusivity
- promoting diversity and inclusion across NESA through workplace culture training and other resources
- using the information gathered through the NESA workforce profile data to analyse and build channels to promote diversity
- celebrating and participating in key Aboriginal and Torres Strait Islander milestones to provide 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 Acknowledgement of Country
- providing opportunities for Aboriginal and Torres Strait Islander staff to engage with their culture and communities by celebrating NAIDOC Week
- progressing our RAP working group activities to oversee implementation of our reconciliation activities, including in three focus areas – relationships, respect, and opportunities.

## 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 eight Workers Compensation Claims reported in 2020-21, with falls being the most prevalent mechanism of injury across the organisation. There were no SafeWork prosecutions in 2020-21.

## 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 2021) Award*
- *Crown Employees (Board of Studies, Teaching and Educational Standards - Education Officers) Salaries and Conditions Award 2020*
- *Higher School Certificate Marking and Related Casual Employees Rates of Pay and Conditions Award 2019*
- *Crown Employees (Australian Music Examinations Board (New South Wales) Examiners, Assessors and Chief Examiners) Award 2020*

## 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. This commitment is reflected in its [Code of Ethics and Conduct for NESA Employees](#) which 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 2020-21.

## **Recreation leave and extended leave liability**

The monetary value of extended (long service) leave and recreation leave, as of 30 June 2021, for NESA was:

- Extended leave: \$ 16,434,853.
- Recreation leave: \$ 6,493,846.

## 8.1 Audit and Financial statements

### Delivering NESA strategic and operational activities

The NESA Chief Executive Officer (CEO) leads and oversees the implementation of NESA 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

The approach of NESA to audit and risk management complies with the requirements of Treasury Policy Paper 20-08 Internal Audit and Risk Management Policy for the General Government Sector (TPP20-08).

#### 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 NESA 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 NESA 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 NESA's Audit and Risk Committee is included in the Internal Audit and Risk Management Attestation Statement below.

### Legislative requirements

During 2020–21, NESA continued to meet its legislative obligations under various Acts and regulations. NESA 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 NESA during 2020–21. No public interest disclosures were finalised by NESA during 2020–21.

NESA 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 Act or via 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 2020–21 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 seven (7) 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 shall accept ultimate responsibility and accountability for risk management in the agency   | compliant |
| 1.2 | The agency head shall establish and maintain a risk management framework that is appropriate to the agency. The agency head shall ensure the framework is consistent with AS/NZS ISO 31000:2018 | compliant |

#### Internal Audit Function

- |     |  |           |
|-----|--|-----------|
| 2.1 | The agency head shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose                                 | compliant |
| 2.2 | The agency head shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing. | compliant |
| 2.3 | The agency head shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'                               | compliant |

#### Audit and Risk Committee

- |     |   |           |
|-----|---|-----------|
| 3.1 | The agency head shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | compliant |
| 3.2 | The agency head shall ensure 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  
29 October 2021



## 9.1 Financial management

The 2020–21 audited financial statements for the NSW Education Standards Authority and the NESA Staff Agency are provided at [Appendix H](#) of this report. This section provides additional information on financial management, including payment of accounts, contracting, consultancies and major works.

### 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 2020–21. Table 9.2 shows details of accounts paid within each quarter.

**Table 9.1** Time for payment of accounts, 2020–21

Quarter (2020–21)	Current, ie 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)
<b>All suppliers</b>					
September	16,816	90	67	6	Nil
December	27,689	206	31	22	Nil
March	20,123	113	113	90	Nil
June	21,591	238	48	39	Nil
<b>Small business suppliers</b>					
September	391	Nil	Nil	Nil	Nil
December	307	Nil	Nil	Nil	Nil
March	345	Nil	Nil	Nil	Nil
June	327	Nil	Nil	Nil	Nil

**Table 9.2** Details of accounts due or paid within each quarter, 2020-21

Measure	Sep-20	Dec-20	Mar-21	Jun-21
<b>All suppliers</b>				
Number of accounts due for payment	1,552	2,191	1,850	2,309
Number of accounts paid on time	1,443	2,148	1,789	2,117
Dollar amount of accounts due for payment	16,978,263.53	27,947,978.48	20,438,830.71	21,915,636.37
Dollar amount of accounts paid on time	16,815,809.54	27,689,156.49	20,122,809.00	21,591,333.91
Number of payments for interest on overdue accounts	Nil	Nil	Nil	Nil
Interest paid on overdue accounts	Nil	Nil	Nil	Nil
<b>Small business suppliers<sup>(a)</sup></b>				
Number of accounts due for payment to small business	60	68	69	86

Measure	Sep-20	Dec-20	Mar-21	Jun-21
Number of accounts due to small business paid on time	60	68	69	86
Dollar amount of accounts due for payment to small business	401,812.00	321,977.00	347,286.00	345,879.00
Dollar amount of accounts due to small business paid on time	401,812.00	321,977.00	347,286.00	345,879.00
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
<b>All suppliers</b>				
Actual percentage of accounts paid on time (based on number of accounts)	93%	98%	97%	92%
Actual percentage of accounts paid on time (based on \$)	99%	99%	98%	99%
<b>Small business suppliers<sup>(a)</sup></b>				
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.

## Consultancies

During 2020–21, NESA engaged the following consultancies:

- Denstat Solutions
- Symplicit
- Ernst and Young

**Table 9.3 Consultants equal to or more than \$50,000**

Name of consultant	Title of project	Actual Cost
Ernst and Young	Assessment and Roadmap for portfolio and program management uplift	\$198,110
Ernst and Young	Operating model and organisation design services to support Curriculum Reform delivery	\$168,300

**Table 9.4 Consultants worth less than \$50,000**

Name of consultant	Title of project	Actual Cost
Symplicit	User research to inform the development of the new digital curriculum platform	\$38,709 (including GST)
Denstat Solutions	Professional learning framework for accredited teachers	\$49,500

## Major works in progress

**Table 9.5** Property, plant and equipment acquisitions, 2020–21

Property, plant and equipment	Cost (\$'000)
IT network computer equipment	215
<b>Total</b>	<b>215</b>

**Table 9.6** Intangible asset acquisitions, 2020–21

Intangibles	Cost (\$'000)
e-TAMS	1,525
Exams System	310
<b>Total</b>	<b>1,835</b>

## NESA Financial Year 2021 Budget

NESA's Financial Year 2021 published budget provided for total Expenditure of \$171.464m, total Revenue of \$162.918m and a Net Cost of Services of \$8.546m

During Financial Year 2021 NESA received additional COVID-19 related funding and supplementary funding from the Department of Education.

FY2021 actual expenditure was within budget and reflects work undertaken on the Curriculum Reform and work undertaken to deal with COVID-19.

# Appendix



# List of Appendices

Appendix A – NESA charter.....	70
Appendix B – NESA Board .....	73
Appendix C – Committees of the NESA Board.....	77
Appendix D – Obligations under the Government Information (Public Access) Act 2009 .....	79
Appendix E – Statutory disclosure requirements .....	83
Appendix F – NSW Aboriginal Education Consultative Group Incorporated.....	84
Appendix G – Knowledge management and information security.....	85
Appendix H – Financial statements .....	87

# Appendix A – NESA charter

## NSW Education Standards Authority Charter

### 1. Mission and purpose

Consistent with the National Declaration on the Educational Goals for Young Australians, the NESA 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 NESA Act sets out the principal objectives of NESA. 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 NESA 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 NESA
- regulatory functions set out in legislation
- financial governance to provide direction on the alignment between resource allocation and functions for NESA
- meeting priorities set out in the Minister's Statement of Expectations.

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



## Appendix B – NESAs Board

**Table B1 Membership of the Board of the NSW Education Standards Authority**

Membership (outlined in NESAs Act)	Appointed Member
An independent person appointed by the Minister as the Chairperson of the Board	Professor Peter Shergold AC
Six persons appointed by the Minister:	
1 from the government school sector	Mr Mark Scott AO, Secretary, NSW Department of Education (appointment end March 2021)  Ms Georgina Harrisson, Secretary, NSW Department of Education (observer since April 2021)
1 from the Catholic school sector	Mr Dallas McInerney, CEO, Catholic Schools NSW
1 from the independent school sector	Dr Geoff Newcombe AM, CEO, Association of Independent Schools NSW
2 from teacher unions	Mr Denis Fitzgerald, NSW Teachers Federation executive  Mr Mark Northam, Secretary, Independent Education Union NSW (resigned January 2021)  Ms Veronica Yewdall, Independent Education Union NSW (observer since February 2021)
1 from Aboriginal education	Mr Nathan Towney, Pro-Vice Chancellor, University of Newcastle
No less than 4 (but not more than 6) other persons appointed by the Minister with regard to: 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  Ms Katherine Grace, General Counsel, Company Secretary, Stockland Group  Ms Jude Hayman, Executive Principal, Connected Communities at Nowra East Public School  Dr Anne Wenham  Mr Gary Johnson, Principal, Cherrybrook Technology High School  Ms Jenny Allum, Head of School, SCEGGS Darlinghurst
The Chief Executive Officer (ex-officio)	Mr Paul Martin, Chief Executive Officer, NESAs

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 2020 and June 2021. Table B2 indicates Board members' attendance at each meeting from 1 July 2020 to 30 June 2021.

**Table B2 NESA Board meetings and attendance of members from 1 July 2020 – 30 June 2021**

Member	2020					2021		
	4 Aug	22 Sept	27 Oct	17 Nov (extraord)	8 Dec	23 Feb	27 April	15 June
Chairperson								
Professor Peter Shergold AC	✓	✓	✓	✓	✓	✓	✓	✓
Member from the government school sector								
Mr Mark Scott AO	✓	✓	A	✓	✓	✓	n/a	n/a
Ms Georgina Harrison (observer)	n/a	n/a	n/a	n/a	n/a	n/a	✓	✓
Member from the catholic school sector								
Mr Dallas McInerney	✓	✓	✓	✓	✓	✓	✓	✓
Member from the independent school sector								
Dr Geoff Newcombe AM	✓	✓	✓	✓	✓	✓	✓	A
Mr Darryl Buchannan (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	✓	✓	✓	✓	✓	n/a	n/a	n/a
Ms Veronica Yewdall (observer)	n/a	n/a	n/a	n/a	n/a	✓	✓	✓
A member from Aboriginal education								
Mr Nathan Towney	✓	✓	✓	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								
Ms Katherine Grace	✓	✓	✓	✓	✓	✓	✓	✓
Ms Jenny Allum	✓	✓	✓	✓	✓	✓	✓	✓
Ms Jude Hayman	✓	✓	✓	✓	✓	✓	✓	✓
Mr Gary Johnson	✓	✓	✓	A	✓	✓	✓	✓
Ms Christine Legg	✓	✓	✓	✓	A	✓	✓	✓
Dr Anne Wenham	✓	✓	✓	✓	✓	✓	✓	✓
The Chief Executive Officer								
Mr Paul Martin	✓	✓	✓	✓	✓	✓	✓	✓

Notes:

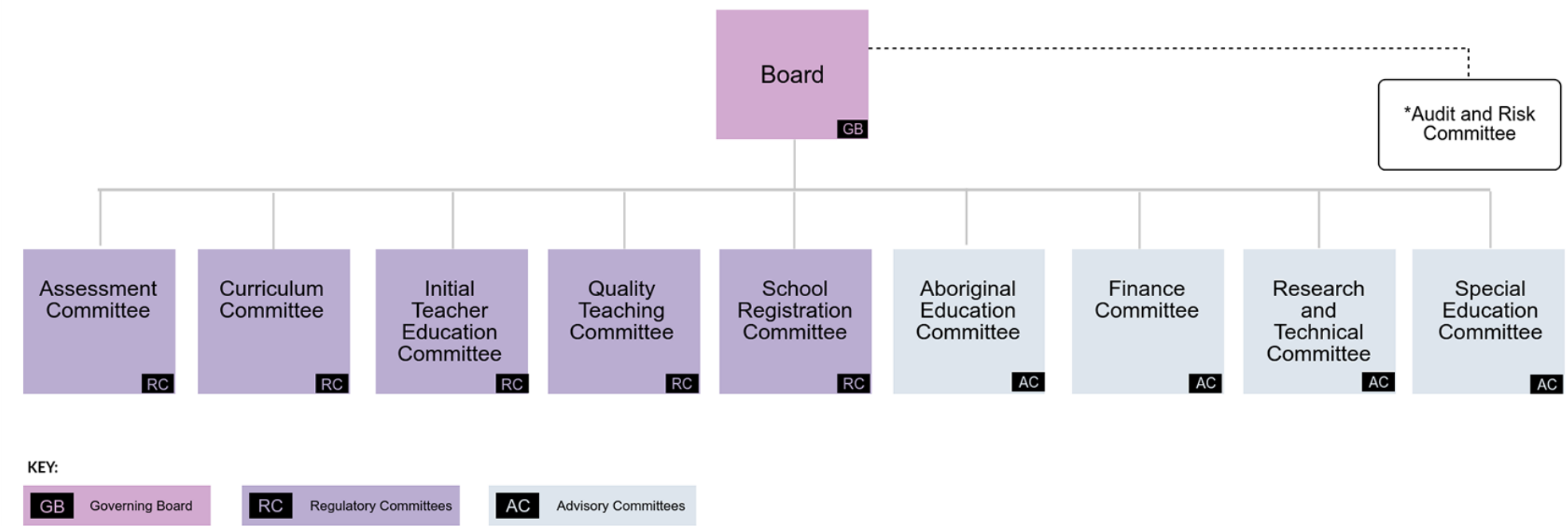
n/a indicates that this member was not a serving member of the NESAs Board at the time of this meeting.

A indicates that this member was not in attendance

# 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 to 31 December 2020

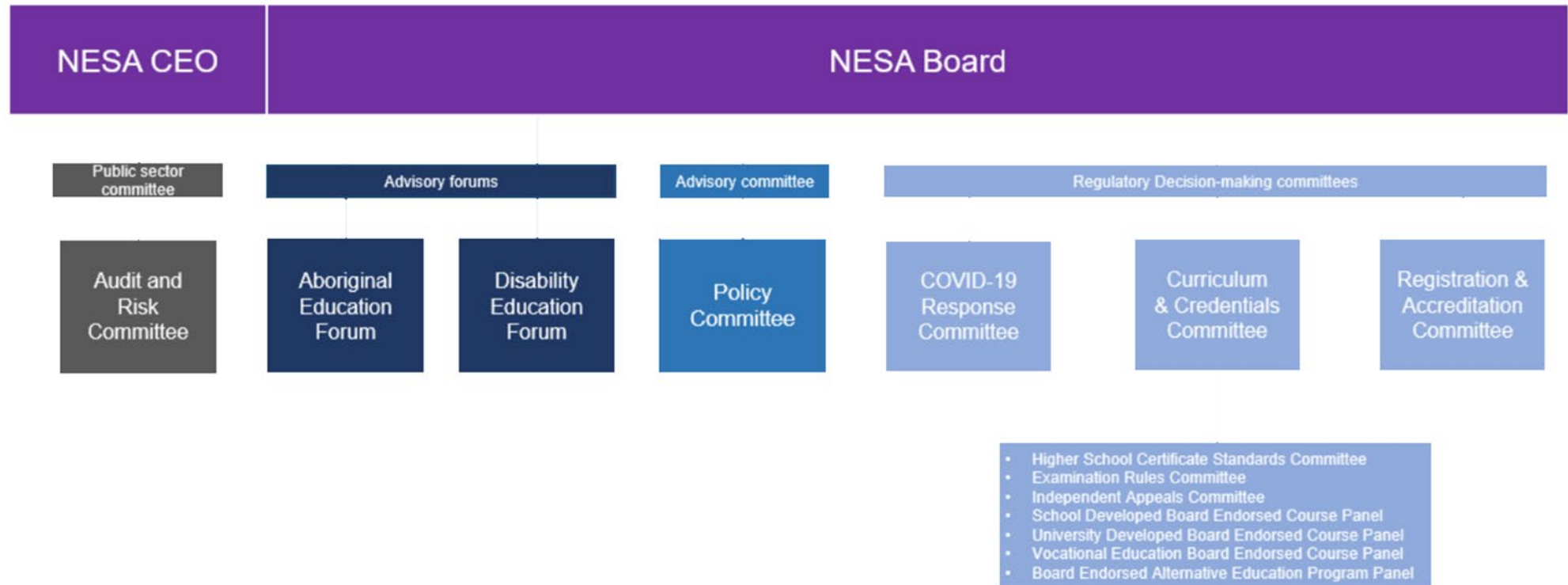


Notes: In December 2020, the Minister approved the discontinuation of all current Committees of the NESA Board, effective 31 December 2020.

Figure B.2

Governing Board of the NSW Education Standards Authority and its Committees as at 1 January 2021

Board Governance



Notes: In December 2020, on the Board's advice, the Minister approved the establishment of three new Committees of the Board

## Appendix C – Committees of the NESA Board

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

The NESA Act provides for:

- the NESA Board to establish committees subject to the Minister’s approval
- the NESA Board, once approved, to appoint members to those committees
- the committees, once established, to in turn establish and appoint members of sub-committees.

The amended *Teacher Accreditation Act 2004* established one of the Board committees, the Quality Teaching Committee (QTC), as a committee of the new Board. Therefore, its establishment did not require Board or Ministerial approval. The QTC was discontinued effective 31 December 2020.

**Table C1.1 Committees of the NESA Board to 31 December 2020**

Regulatory committees	Advisory committees
Assessment Committee Curriculum Committee Initial Teacher Education Committee Quality Teaching Committee School Registration Committee COVID-19 Response Committee	Aboriginal Education Committee Finance Committee Special Education Committee

**Table C1.2 Committees of the NESA Board from 1 January 2021**

Regulatory decision-making committees	Advisory committee	Advisory forums
COVID-19 Response Committee Curriculum and Credentials Committee Registration and Accreditation Committee	Policy Advisory Committee	Aboriginal Education Forum Disability Education Forum

The regulatory committees exercise powers delegated by the Board and provide advice to the Board on policy related to their delegated functions. Advisory committees and forums provide advice only. More information, including each committee’s 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 C2.1 Sub-committees of committees of the NESA Board to 31 December 2020**

Sub-committees of committees of the Board
<u>Assessment Committee</u>
HSC Standards Committee
Examination Rules Committee
Independent Appeals Committee
<u>Curriculum Committee</u>
Vocational Education Board Endorsed Course Panel
School Developed Board Endorsed Course Panel
University Developed Board Endorsed Course Panel
Board Endorsed Alternative Education Program Panel

**Table C2.2 Sub-committees of committees of the NESA Board from 1 January 2021**

Sub-committees of committees of the Board
<u>Curriculum and Credentials Committee</u>
HSC Standards Committee
Examination Rules Committee
Independent Appeals Committee
Vocational Education Board Endorsed Course Panel
School Developed Board Endorsed Course Panel
University Developed Board Endorsed Course Panel
Board Endorsed Alternative Education Program 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

<b>Agency name:</b>	NSW Education Standards Authority
<b>Principal department:</b>	Not applicable
<b>Reporting period:</b>	2020–21

## 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, which 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:

- 2020 HSC facts and figures;
- 2020 HSC merit lists (lists of students who achieved outstanding results in the HSC);
- 2020 Disability provisions statistics;
- 2020 Illness/misadventure statistics;
- 2020 HSC Integrity statistics (including malpractice, non-certification, non-serious attempt); and
- Teacher accreditation data for FY2020-21.

## Number of access applications received – Clause 8(b)

Chapter 1 During the reporting period, NESA received 13 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 refused three access applications, either wholly or partly, 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 2020–21.

**Table D1** Number of information access applications by type of applicant and outcome, 2020–21

	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	2	0	0	0	0	0	0	0
Members of Parliament	1	0	0	0	0	0	0	1
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	1	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	0	0	1	0	0	0	0
Members of the public (other)	1	5	1	1	1	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, 2020–21

	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)	5	4	1	2	0	0	0	1
Access applications that are partly personal information applications and partly other	0	1	0	0	1	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, 2020–21**

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	5
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	5
Invalid applications that subsequently became valid applications	2

**Table D4 Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act, 2020–21**

Public interest consideration	Number of times consideration used
Overriding secrecy laws	1
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	2
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, 2020–21**

Public interest consideration	Number of occasions when application not successful
Responsible and effective government	5
Law enforcement and security	0
Individual rights, judicial processes and natural justice	6
Business interests of agencies and other persons	2
Environment, culture, economy and general matters	0
Secrecy provisions	2
Exempt documents under interstate Freedom of Information legislation	0

**Table D6** Timeliness of decisions on access applications, 2020–21

Timing of decision	Number of applications
Decided within the statutory timeframes (20 days plus any extensions)	10
Decided after 35 days (by agreement with applicant)	2
Not decided within time (deemed refusal)	0
Total	12

**Table D7** Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome), 2020–21

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

\*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), 2020–21

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), 2020–21

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

## **Appendix E – Statutory disclosure requirements**

### **Funds granted to non-government community organisations**

NESA did not grant funds to non-government community organisations during FY2020-21.

### **Legal change**

The three statutes that govern NESA's work are the *Education Standards Authority Act 2013* (NSW), the *Education Act 1990* (NSW) and the *Teacher Accreditation Act 2004* (NSW), including any regulations made under that legislation, as amended from time to time. These are referred to collectively as the education and teaching legislation.

There was no change to the education and teaching legislation in relation to the functions of NESA 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 FY2020-21. 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 FY2020-21.

### **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 had no investments under management during the reporting period.

### **Liability and management performance**

NESA does not have a level of debt at or above the level determined by the Treasurer.

### **Additional matters**

There were no additional matters arising after 30 June 2021 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 – 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.

## Participating in committees and forums of the NESA Board

NESA is committed to working in partnership with the NSW AECG and Aboriginal communities to support teachers, schools and schooling sectors to improve educational outcomes for Aboriginal children and young people.

Our vision is that collaboration across all sectors and government departments will deliver continual growth in attainment levels of Aboriginal students and greater understanding of Aboriginal and Torres Strait Islander knowledge, histories and cultures for all students.

The NSW AECG is represented on four committees of the NESA Board: the NESA Curriculum Committee, the Policy Advisory Committee, the Disability Education Forum and Aboriginal Education Forum.

The NSW AECG's representation on these committees and forums in 2020–21 provided invaluable advice on inclusive curriculum and the implementation of Aboriginal perspectives in policy, syllabuses, curriculum, and teaching.

## Contact details

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

Telephone: (02) 9550 5666  
Email: [info@aecg.nsw.edu.au](mailto:info@aecg.nsw.edu.au)  
Website: [www.aecg.nsw.edu.au](http://www.aecg.nsw.edu.au)

# Appendix G – Knowledge management and information security

## 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 2021 (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.

## 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. NESA has delivered business-critical solutions to support a secure enterprise mail capability, enterprise collaboration, unified communications, and mobility services.

NESA continues cloud solutions to facilitate the delivery of online assessments such as HSC Minimum Standards tests and the first online HSC examination, Science Extension.

NESA has transitioned to a hybrid cloud in 2020 to provide flexible, scalable, and innovative solutions to the customer.

## Cyber Security Annual Attestation Statement for the 2020-2021 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 Department.

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

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

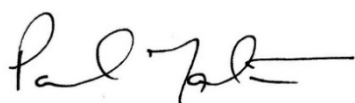
The NSW Education Standards Authority has an Information Security Management System (ISMS) in place and has maintained compliance with the ISO 27001 requirements by an accredited independent third party during the 2020-21 financial year.

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  
1 September 2021

# Appendix H – Financial statements



## INDEPENDENT AUDITOR'S REPORT

### NSW Education Standards Authority

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the NSW Education Standards Authority (the Authority), which comprise the Statement by the Accountable Authority, the Statement of Comprehensive Income for the year ended 30 June 2021, the Statement of Financial Position as at 30 June 2021, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- has been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the Government Sector Finance Act 2018 (GSF Act), the Government Sector Finance Regulation 2018 (GSF Regulation) and the Treasurer's Directions
- presents fairly the Authority's financial position, financial performance and cash flows.

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Authority in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Chief Executive Officer's Responsibilities for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulations and Treasurer's Directions. The Chief Executive Officer's responsibility also includes such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

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

My objectives are to:

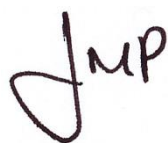
- obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Authority carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Jan-Michael Perez  
Director, Financial Audit Services

Delegate of the Auditor-General for New South Wales

27 October 2021  
SYDNEY



**NSW Education Standards Authority**

**Year ended 30 June 2021**

**Statement by the Chief Executive Officer**

Pursuant to the *Government Sector Finance Act 2018* (GSF Act), I state that:

- (a) the accompanying financial statements have been prepared in accordance with the applicable Australian Accounting Standards, the relevant requirements of the GSF Act, the Government Sector Finance Regulation 2018, 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 2021;
- (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 2021; 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  
14 October 2021

**Financial Statements**  
**30 June 2021**

**CONTENTS**

	<u>Page No.</u>
<b>Statement of Comprehensive Income for the year ended 30 June 2021</b>	<b>2</b>
<b>Statement of Financial Position as at 30 June 2021</b>	<b>3</b>
<b>Statement of Changes in Equity for the year ended 30 June 2021</b>	<b>4</b>
<b>Statement of Cash Flows for the year ended 30 June 2021</b>	<b>5</b>
<b>Notes to the financial statements</b>	
1 Statement of Significant Accounting Policies	6
2 Expenses Excluding Losses	8
3 Revenue	10
4 Other Gains / (Losses)	12
5 Conditions and Restrictions on Income of Not-for-Profit Entities	12
6 Program group statements for the period ended 30 June 2021	13
7 Current Assets - Cash and Cash Equivalents	14
8 Current / Non-Current Assets - Receivables	14
9 Contract Assets and Liabilities	15
10 Current Assets - Inventories	16
11 Property, Plant and Equipment	17
12 Leases	19
13 Intangible Assets	21
14 Restricted Assets	22
15 Current Liabilities - Payables	22
16 Current / Non-Current Liabilities - Borrowings	22
17 Current / Non-Current Liabilities - Provisions	23
18 Equity	24
19 Commitments	24
20 Contingent Liabilities and Contingent Assets	24
21 Budget Review	24
22 Reconciliation of Cash Flows from Operating Activities to Net Result	25
23 Non-cash Financing and Investing Activities	25
24 Trust Funds	25
25 Financial Instruments	26
26 Related Party Disclosures	30
27 Events after the Reporting Period	30

## Statement of Comprehensive Income for the year ended 30 June 2021

		Actual Consolidated Entity 2021 \$'000	Actual Parent Entity 2021 \$'000	Budget Consolidated Entity 2021 \$'000	Actual Consolidated Entity 2020 \$'000	Actual Parent Entity 2020 \$'000
Notes						
<b>Expenses excluding losses</b>						
Operating expenses						
Employee-related expenses	2(a)	119,674	-	135,039	116,590	-
Personnel Services	2(b)	-	120,074	-	-	113,813
Other operating expenses	2(c)	37,328	37,328	28,067	34,573	34,573
Depreciation and amortisation	2(d)	6,765	6,765	7,352	2,480	2,480
Finance costs	2(e)	120	120	1,006	38	38
<b>Total expenses excluding losses</b>		<b>163,887</b>	<b>164,287</b>	<b>171,464</b>	<b>153,681</b>	<b>150,904</b>
<b>Revenue</b>						
Sale of goods and services from contracts with customers	3(a)	21,327	21,327	25,249	21,221	21,221
Investment revenue		-	-	212	-	-
Grants and other contributions	3(b)	159,009	159,009	134,029	130,492	130,492
Acceptance by the Crown Entity of employee benefits and other liabilities	3(c)	(400)	-	2,777	2,777	-
Other income	3(d)	3,210	3,210	651	3,055	3,055
<b>Total revenue</b>		<b>183,146</b>	<b>183,546</b>	<b>162,918</b>	<b>157,545</b>	<b>154,768</b>
<b>Operating result</b>		<b>19,259</b>	<b>19,259</b>	<b>(8,546)</b>	<b>3,864</b>	<b>3,864</b>
Gains / (losses) on disposal		-	-	10	-	-
Other gains / (losses)	4	104	104	-	(113)	(113)
<b>Net result</b>		<b>19,363</b>	<b>19,363</b>	<b>(8,536)</b>	<b>3,751</b>	<b>3,751</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>19,363</b>	<b>19,363</b>	<b>(8,536)</b>	<b>3,751</b>	<b>3,751</b>

The accompanying notes form part of these financial statements.

## Statement of Financial Position as at 30 June 2021

	Notes	Actual Consolidated Entity 2021 \$'000	Actual Parent Entity 2021 \$'000	Budget Consolidated Entity 2021 \$'000	Actual Consolidated Entity 2020 \$'000	Actual Parent Entity 2020 \$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	7	40,609	40,609	8,326	14,211	14,211
Receivables	8	4,167	4,167	5,247	6,164	6,164
Contract assets	9	-	-	-	-	-
Inventories	10	566	566	596	591	591
<b>Total Current Assets</b>		<b>45,342</b>	<b>45,342</b>	<b>14,169</b>	<b>20,966</b>	<b>20,966</b>
<b>Non-Current Assets</b>						
Receivables	8	1	1	-	2	2
Contract assets	9	-	-	-	-	-
Property, plant and equipment						
- Leasehold improvements	11	1,080	1,080	929	997	997
- Plant and equipment	11	252	252	352	355	355
Total property, plant and equipment		<b>1,332</b>	<b>1,332</b>	<b>1,281</b>	<b>1,352</b>	<b>1,352</b>
Right-of-use assets	12	10,549	10,549	42,244	2,137	2,137
Intangible assets	13	9,550	9,550	7,583	9,068	9,068
<b>Total Non-Current Assets</b>		<b>21,432</b>	<b>21,432</b>	<b>51,108</b>	<b>12,559</b>	<b>12,559</b>
<b>Total Assets</b>		<b>66,774</b>	<b>66,774</b>	<b>65,277</b>	<b>33,525</b>	<b>33,525</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	15	5,912	5,912	5,172	4,671	4,671
Payables - Employee related	15	1,389	-	-	834	-
Payables - Personnel services	15	-	1,389	-	-	834
Other	15	840	840	29	632	632
Contract liabilities	9	9,308	9,308	8,249	8,249	8,249
Borrowings	16	5,154	5,154	4,199	641	641
Provisions - Employee related	17	10,385	-	7,691	8,167	-
Provisions - Personnel services	17	-	10,385	-	-	8,167
<b>Total Current Liabilities</b>		<b>32,988</b>	<b>32,988</b>	<b>25,340</b>	<b>23,194</b>	<b>23,194</b>
<b>Non-Current Liabilities</b>						
Contract liabilities	9	-	-	-	-	-
Borrowings	16	5,708	5,708	39,396	1,628	1,628
Provisions - Employee related	17	200	-	187	188	-
Provisions - Personnel services	17	-	200	-	-	188
<b>Total Non-Current Liabilities</b>		<b>5,908</b>	<b>5,908</b>	<b>39,583</b>	<b>1,816</b>	<b>1,816</b>
<b>Total Liabilities</b>		<b>38,896</b>	<b>38,896</b>	<b>64,923</b>	<b>25,010</b>	<b>25,010</b>
<b>Net Assets / (Liabilities)</b>		<b>27,878</b>	<b>27,878</b>	<b>354</b>	<b>8,515</b>	<b>8,515</b>
<b>EQUITY</b>						
Accumulated funds / (Losses)	18	27,878	27,878	354	8,515	8,515
<b>Total Equity</b>		<b>27,878</b>	<b>27,878</b>	<b>354</b>	<b>8,515</b>	<b>8,515</b>

The accompanying notes form part of these financial statements.

## Statement of Changes in Equity for the year ended 30 June 2021

	Consolidated Entity Accumulated Funds \$'000	Total \$'000	Parent Entity Accumulated Funds \$'000	Total \$'000
Balance at 1 July 2020	8,515	8,515	8,515	8,515
Net result for the year	19,363	19,363	19,363	19,363
Other comprehensive income	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income for the year	19,363	19,363	19,363	19,363
Balance at 30 June 2021	27,878	27,878	27,878	27,878

	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

The accompanying notes form part of these financial statements.

## Statement of Cash Flows for the year ended 30 June 2021

	Actual Consolidated Entity 2021 \$'000	Actual Parent Entity 2021 \$'000	Budget Consolidated Entity 2021 \$'000	Actual Consolidated Entity 2020 \$'000	Actual Parent Entity 2020 \$'000
Notes					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Payments</b>					
Employee related	(116,455)	-	(132,262)	(111,319)	-
Personnel Services	-	(116,455)	-	-	(111,319)
Suppliers for goods and services	(39,807)	(39,807)	(28,367)	(35,444)	(35,444)
Finance costs	(120)	(120)	(1,006)	(38)	(38)
<b>Total Payments</b>	<b>(156,382)</b>	<b>(156,382)</b>	<b>(161,636)</b>	<b>(146,801)</b>	<b>(146,801)</b>
<b>Receipts</b>					
Sale of goods and services	22,609	22,609	25,401	22,153	22,153
Interest received	-	-	212	-	-
Grants and other contributions	159,009	159,009	134,029	127,641	127,641
Other	8,104	8,104	672	8,514	8,514
<b>Total Receipts</b>	<b>189,722</b>	<b>189,722</b>	<b>160,313</b>	<b>158,308</b>	<b>158,308</b>
<b>NET CASH FLOWS (USED) / FROM OPERATING ACTIVITIES</b>	<b>33,340</b>	<b>33,340</b>	<b>(1,322)</b>	<b>11,507</b>	<b>11,507</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales of property, plant and equipment	-	-	30	-	-
Purchase of plant and equipment and leasehold improvements	(215)	(215)	-	-	-
Purchase of intangibles assets	(1,835)	(1,835)	-	(2,173)	(2,173)
Other	-	-	(700)	-	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(2,050)</b>	<b>(2,050)</b>	<b>(670)</b>	<b>(2,173)</b>	<b>(2,173)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Payment of principal portion of lease liabilities	(4,892)	(4,892)	(3,893)	(629)	(629)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(4,892)</b>	<b>(4,892)</b>	<b>(3,893)</b>	<b>(629)</b>	<b>(629)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>26,398</b>	<b>26,398</b>	<b>(5,885)</b>	<b>8,705</b>	<b>8,705</b>
Opening cash and cash equivalents	14,211	14,211	14,211	5,506	5,506
<b>CLOSING CASH AND CASH EQUIVALENTS</b>	<b>40,609</b>	<b>40,609</b>	<b>8,326</b>	<b>14,211</b>	<b>14,211</b>

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 2021 have been authorised for issue by the Chief Executive Officer on 14 October 2021.

### (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 *Government Sector Finance Act 2018* (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment and certain financial assets and liabilities are measured using the fair value basis. 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 2021 of \$40.6m.

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.

### (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 period 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 2020-21**

The application of AASB 1059 *Service Concession Arrangements: Grantors* did not impact NESA.

Several other amendments and interpretations apply for the first time in FY2020-21, but do not have an impact on the financial statements of NESA.

**(ii) 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:

AASB 17 Insurance Contracts

AASB 1060 General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not for-Profit Tier 2 Entities

AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current

AASB 2020-3 Amendments to Australian Accounting Standards – Annual Improvements 2018–2020 and Other Amendments

AASB 2020-5 Amendments to Australian Accounting Standards – Insurance Contracts

AASB 2020-6 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or

Non-current – Deferral of Effective Date

AASB 2020-7 Amendments to Australian Accounting Standards – Covid-19-Related Rent Concessions: Tier 2 Disclosures

AASB 2020-8 Amendments to Australian Accounting Standards – Interest Rate Benchmark Reform – Phase 2

AASB 2014-10 Amendments to Australian Accounting Standards: Sale or Contribution of Assets Between an Investor and its Associate or Joint Venture

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

**(i) Impact of COVID-19 on Financial Reporting for 2020-21**

NESA has assessed the potential impact of COVID-19 on its end of year financial statements.

The following areas have been reviewed to assess possible impacts:

- Allowance for expected credit losses
- Financial instruments
- Inventories
- Superannuation and long-term provisions
- Events after the reporting date
- Going concern
- Internal control environment
- Carrying amounts of property, plant and equipment
- Working from home and technology as a solution
- Employee-related systems and processes
- Budgetary impacts

NESA continues to closely monitor the COVID-19 outbreak and has put in place regular communication mechanisms to staff members and stakeholders to manage these impacts. This includes regular interaction with government and public health officials at the highest levels. NESA continues to implement mitigating actions to ensure there is minimal disruption to normal operations.



2 Expenses Excluding Losses

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
(a) Employee related expenses				
Salaries and wages (including annual leave) <sup>1</sup>	106,011	-	99,888	-
Superannuation - defined benefit plans	258	-	441	-
Superannuation - defined contribution plans	8,074	-	7,694	-
Long service leave	(733)	-	2,482	-
Workers' compensation insurance	489	-	333	-
Payroll tax and fringe benefits tax	5,575	-	5,752	-
	<u>119,674</u>	<u>-</u>	<u>116,590</u>	<u>-</u>

<sup>1</sup> An amount of \$1.525m (2019-20: \$1.129m) for employee related expenses was capitalised during the financial year

(b) Personnel services

Personnel services	-	120,074	-	113,813
	<u>-</u>	<u>120,074</u>	<u>-</u>	<u>113,813</u>

(c) Other operating expenses include the following:

Auditor's remuneration				
- audit of the financial statements	72		70	70
Computing expenses	6,309	6,309	5,024	5,024
Couriers	645	645	301	301
Expense relating to short-term leases	406	406	3,978	3,978
Expense relating to leases of low-value assets	834	834	796	796
Fees for services	1,603	1,603	1,131	1,131
Furniture and equipment	326	326	764	764
Insurance	269	269	32	32
Legal fees	223	223	626	626
Maintenance	1,200 *	1,200 *	1,337 *	1,337
Marking centre rental	4,408	4,408	3,617	3,617
Motor vehicles	330	330	419	419
Other contractors <sup>1</sup>	13,579	13,579	5,762	5,762
Other expenses	1,203	1,203	1,717	1,717
Postage	574	574	654	654
Printing and publishing	1,270	1,270	2,236	2,236
Security	1,722	1,722	2,762	2,762
Staff development	432	432	224	224
Stationery and consumables	632	632	261	261
Telephones	365	365	1,084	1,084
Travel and accommodation	926	926	1,778	1,778
	<u>37,328</u>	<u>37,328</u>	<u>34,573</u>	<u>34,573</u>

<sup>1</sup> An amount of \$0.310m (2019-20: \$1.044m) for contractor related expenses was capitalised during the financial year

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
* Reconciliation - Total maintenance expense				
Maintenance expense - contracted labour and other (non-employee related), as above	1,200	1,200	1,337	1,337
Employee related maintenance expense included in Note 2(a)	-	-	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
* Reconciliation - Total maintenance expense	<u>1,200</u>	<u>1,200</u>	<u>1,337</u>	<u>1,337</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

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 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
(d) Depreciation and amortisation expense				
Depreciation				
Leasehold improvements	132	132	538	538
Plant and equipment	103	103	113	113
Right-of-use assets	5,177	5,177	648	648
	<u>5,412</u>	<u>5,412</u>	<u>1,299</u>	<u>1,299</u>
Amortisation				
Software intangibles	1,353	1,353	1,181	1,181
	<u>1,353</u>	<u>1,353</u>	<u>1,181</u>	<u>1,181</u>
Total depreciation and amortisation expense	<u>6,765</u>	<u>6,765</u>	<u>2,480</u>	<u>2,480</u>

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

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
(e) Finance costs				
Interest expense from lease liabilities	120	120	38	38
Total interest expense	<u>120</u>	<u>120</u>	<u>38</u>	<u>38</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

#### Recognition and Measurement

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

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Sale of goods:				
Publication and copyright fees	946	946	761	761
<i>Subtotal of sale of goods</i>	<i>946</i>	<i>946</i>	<i>761</i>	<i>761</i>
Rendering of services:				
Higher School Certificate user charges	957	957	1,424	1,424
NAPLAN user charges	536	536	532	532
Australian Music Examination Board fees	3,007	3,007	3,140	3,140
Exhibition fees	177	177	399	399
Accreditation fees	15,391	15,391	14,623	14,623
Other	313	313	342	342
<i>Subtotal of rendering of services</i>	<i>20,381</i>	<i>20,381</i>	<i>20,460</i>	<i>20,460</i>
	<b>21,327</b>	<b>21,327</b>	<b>21,221</b>	<b>21,221</b>

#### Recognition and Measurement

##### Sale of goods

Revenue from sale of goods is recognised as when NESAs satisfies a performance obligation by transferring the promised goods.

Type of Good	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Publication and copyright fees	<p>The performance obligation of transferring these products is typically satisfied at the point in time when the products are delivered to the customer. Delivery in accordance with the contract denotes acceptance by the customer, and therefore deemed as the point in time when the control is transferred to the customer.</p> <p>The payments are typically due 30 days from the sale date.</p>	<p>Revenue from these sales is recognised based on the price specific in the contract and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.</p> <p>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</p>

##### Rendering of services

Revenue from rendering of services is recognised when NESAs satisfies the performance obligation by delivering the promised services.

Type of Service	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Higher School Certificate, NAPLAN, and AMEB user charges	<p>The performance obligation in relation to HSC, NAPLAN or AMEB examinations are typically satisfied as the services are delivered to the customer. i.e. in the year when the student sits the exam.</p> <p>The payments are typically due 30 days from the sale date.</p>	<p>Revenue is recognised when the services are provided and measured at the published prices based upon the examination being provided.</p> <p>No significant element of financing is deemed present as the sales are made with a short credit term.</p>

Accreditation fees	<p>The performance obligations in relation to teacher accreditation are typically satisfied as the services are delivered to the customer i.e. over the calendar year.</p> <p>The payments are typically due 30 days from the sale date.</p>	<p>Revenue is recognised when the services are provided and measured by the percentage of time lapsed by the reporting period end.</p> <p>No element of financing is deemed present as the sales are made with a short credit term.</p>
--------------------	--	---

Refer to 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 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
(b) Grants and Other contributions				
Vocational education and training	347	347	347	347
Crown Entity Redundancy Grant	-	-	485	485
Department of Education	155,662	155,662	127,156	127,156
Eligibility of Accreditation Grant	973	973	978	978
Other	2,027	2,027	1,526	1,526
	<u>159,009</u>	<u>159,009</u>	<u>130,492</u>	<u>130,492</u>

#### Recognition and Measurement

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 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
(c) Acceptance by the Crown in the right of New South Wales benefits and other liabilities				
The following liabilities and / or expenses have been assumed by the Crown Entity:				
Superannuation - defined benefit	258	-	441	-
Long service leave	(672)	-	2,312	-
Payroll tax on superannuation	14	-	24	-
	<u>(400)</u>	<u>-</u>	<u>2,777</u>	<u>-</u>
(d) Other income				
Project Services	54	54	91	91
Insurance	-	-	81	81
Mark Manager	3,135	3,135	2,868	2,868
Miscellaneous	21	21	15	15
	<u>3,210</u>	<u>3,210</u>	<u>3,055</u>	<u>3,055</u>

4. Other Gains / (Losses)

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Impairment gains/(losses) on right-of-use assets under leases	104	104	(113)	(113)
	104	104	(113)	(113)

**Recognition and Measurement**

*Impairment losses on non-financial assets*

Impairment losses may arise on non-financial assets held by NESA 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

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

The *Education 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 all fees and charges, any appropriations and any other money payable to NESA under the *Teacher Accreditation Act 2004*.

The NESA fund has a separate operating bank account. The fund had a balance of \$0.127m at 30 June 2021 (2019-20: \$2.144m).

The NESA 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.

6. Program group statements for the year ended 30 June 2021

	Program Group 1*		Program Group 2*		Program Group 3*		Program Group 4*		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>EXPENSES &amp; INCOME</b>										
<b>Expenses excluding losses</b>										
Operating expenses										
• Employee related	12,481	9,488	11,543	9,235	83,035	86,151	12,615	11,716	119,674	116,590
• Other operating expenses	4,323	2,085	1,792	1,378	28,006	28,436	3,207	2,674	37,328	34,573
Depreciation and amortisation	1,827	190	1,218	174	2,029	1,880	1,691	236	6,765	2,480
Finance Costs	32	3	22	3	36	28	30	4	120	38
<b>Total expenses excluding losses</b>	<b>18,663</b>	<b>11,766</b>	<b>14,575</b>	<b>10,790</b>	<b>113,106</b>	<b>116,495</b>	<b>17,543</b>	<b>14,630</b>	<b>163,887</b>	<b>153,681</b>
<b>Revenue</b>										
Sale of goods and services										
from contracts with customers	473	381	786	316	4,677	5,901	15,391	14,623	21,327	21,221
Grants and other contributions	18,210	12,046	15,522	8,901	100,892	95,852	24,385	13,693	159,009	130,492
Acceptance by the Crown Entity of employee benefits and other liabilities	(46)	226	(39)	220	(254)	2,052	(61)	279	(400)	2,777
Other income	-	-	-	-	3,210	3,055	-	-	3,210	3,055
<b>Total revenue</b>	<b>18,637</b>	<b>12,653</b>	<b>16,269</b>	<b>9,437</b>	<b>108,525</b>	<b>106,860</b>	<b>39,715</b>	<b>28,595</b>	<b>183,146</b>	<b>157,545</b>
Gains / (Losses) on disposal	-	-	-	-	-	-	-	-	-	-
Other Gains / (Losses)	28	(7)	19	(4)	31	(93)	26	(9)	104	(113)
<b>Net result</b>	<b>2</b>	<b>880</b>	<b>1,713</b>	<b>(1,357)</b>	<b>(4,550)</b>	<b>(9,728)</b>	<b>22,198</b>	<b>13,956</b>	<b>19,363</b>	<b>3,751</b>
<b>Other comprehensive income</b>										
Increase / (decrease) in revaluation surplus	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>2</b>	<b>880</b>	<b>1,713</b>	<b>(1,357)</b>	<b>(4,550)</b>	<b>(9,728)</b>	<b>22,198</b>	<b>13,956</b>	<b>19,363</b>	<b>3,751</b>
<b>ENTITY'S ASSETS &amp; LIABILITIES</b>										
<b>Current Assets</b>										
Cash and cash equivalents	4,351	1,088	3,452	998	28,708	10,758	4,097	1,367	40,609	14,211
Receivables	23	1,403	-	156	713	344	3,431	4,261	4,167	6,164
Contract assets	-	-	-	-	-	-	-	-	-	-
Inventories	283	295	-	-	283	296	-	-	566	591
<b>Total current assets</b>	<b>4,657</b>	<b>2,786</b>	<b>3,452</b>	<b>1,154</b>	<b>29,705</b>	<b>11,398</b>	<b>7,528</b>	<b>5,628</b>	<b>45,342</b>	<b>20,966</b>
<b>Non-current Assets</b>										
Receivables	-	-	-	1	1	1	-	-	1	2
Contract assets	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	139	110	129	107	924	999	140	136	1,332	1,352
Right-of-use assets	1,100	174	1,018	169	7,319	1,579	1,112	215	10,549	2,137
Intangible assets	996	469	921	469	6,626	3,286	1,007	4,844	9,550	9,068
<b>Total non-current assets</b>	<b>2,235</b>	<b>753</b>	<b>2,068</b>	<b>746</b>	<b>14,870</b>	<b>5,865</b>	<b>2,259</b>	<b>5,195</b>	<b>21,432</b>	<b>12,559</b>
<b>TOTAL ASSETS</b>	<b>6,892</b>	<b>3,539</b>	<b>5,520</b>	<b>1,900</b>	<b>44,575</b>	<b>17,263</b>	<b>9,787</b>	<b>10,823</b>	<b>66,774</b>	<b>33,525</b>
<b>Current liabilities</b>										
Payables	947	117	947	117	4,293	2,425	1,114	2,846	7,301	5,505
Other	96	48	75	44	580	479	89	61	840	632
Contract liabilities	111	293	113	-	724	218	8,360	7,738	9,308	8,249
Borrowings	537	52	497	51	3,576	474	544	64	5,154	641
Provisions	1,083	665	1,002	647	7,205	6,035	1,095	820	10,385	8,167
<b>Total current liabilities</b>	<b>2,774</b>	<b>1,175</b>	<b>2,634</b>	<b>859</b>	<b>16,378</b>	<b>9,631</b>	<b>11,202</b>	<b>11,529</b>	<b>32,988</b>	<b>23,194</b>
<b>Non-current liabilities</b>										
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	595	132	551	129	3,960	1,203	602	164	5,708	1,628
Provisions	21	15	19	15	138	139	22	19	200	188
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>616</b>	<b>147</b>	<b>570</b>	<b>144</b>	<b>4,098</b>	<b>1,342</b>	<b>624</b>	<b>183</b>	<b>5,908</b>	<b>1,816</b>
<b>TOTAL LIABILITIES</b>	<b>3,390</b>	<b>1,322</b>	<b>3,204</b>	<b>1,003</b>	<b>20,476</b>	<b>10,973</b>	<b>11,826</b>	<b>11,712</b>	<b>38,896</b>	<b>25,010</b>
<b>NET ASSETS</b>	<b>3,502</b>	<b>2,217</b>	<b>2,316</b>	<b>897</b>	<b>24,099</b>	<b>6,290</b>	<b>(2,039)</b>	<b>(889)</b>	<b>27,878</b>	<b>8,515</b>

Expenses and income 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, monitoring the compliance of the government schooling system, 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 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Cash at bank and on hand	40,609	40,609	14,211	14,211
	<u>40,609</u>	<u>40,609</u>	<u>14,211</u>	<u>14,211</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 equivalents (per Statement of Financial Position)	40,609	40,609	14,211	14,211
Cash and cash equivalents (per Statement of Cash Flows)	<u>40,609</u>	<u>40,609</u>	<u>14,211</u>	<u>14,211</u>

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

\$0.127m (2019-20: \$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 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Trade receivables from contracts with customers	708	708	1,274	1,274
Accreditation Fees receivable	5,740	5,740	5,567	5,567
	<u>6,448</u>	<u>6,448</u>	<u>6,841</u>	<u>6,841</u>
Less Allowance for expected credit losses *				
- Accreditation Fees receivable	(2,308)	(2,308)	(1,459)	(1,459)
Total expected credit losses	<u>(2,308)</u>	<u>(2,308)</u>	<u>(1,459)</u>	<u>(1,459)</u>
Sundry government debtors	-	-	136	136
Crown Entity Redundancy Grant	-	-	623	623
Prepayments - Current	27	27	23	23
Prepayments - Non-Current	1	1	2	2
	<u>4,168</u>	<u>4,168</u>	<u>6,166</u>	<u>6,166</u>

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
<b>*Movement in the allowance for expected credit losses</b>				
Balance at the beginning of the year	1,459	1,459	500	500
Amounts written off during the year	(145)	(145)	(180)	(180)
Amounts recovered during the year	-	-	-	-
Increase / (decrease) in allowance recognised in net result	994	994	1,139	1,139
Balance at the end of the year	<u>2,308</u>	<u>2,308</u>	<u>1,459</u>	<u>1,459</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 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Contract assets - current	-	-	-	-
Contract assets - non-current	-	-	-	-
Less: impairment allowance	-	-	-	-
	-	-	-	-
Contract liabilities - current	9,308	9,308	8,249	8,249
Contract liabilities - non-current	-	-	-	-
	9,308	9,308	8,249	8,249
Contract receivables (included in note 8)	-	-	-	-

#### Recognition and Measurement

Contract assets relate to NESA's 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 2021 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, copyright fees and supplementary funding.

The balance of contract liabilities at 30 June 2021 has increased due to the increase of accreditation fees billed during the year.

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	8,249	8,249	9,329	9,329
	-	-	-	-
Revenue recognised from performance obligations satisfied in previous periods	-	-	-	-
Transaction price allocated to the remaining performance obligations from contracts with customers	9,308	9,308	8,249	8,249

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 2021-22 financial year.



10. Current Assets - Inventories

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
<b>Held-for-distribution</b>				
Publications stock - at cost	20	20	19	19
	20	20	19	19
<b>Held-for-resale</b>				
Publications stock - at cost	546	546	572	572
	546	546	572	572
	566	566	591	591

A provision for obsolescence of \$0.221m (2019-20: \$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
<b>At 1 July 2019 - fair value</b>			
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
<b>Year ended 30 June 2020</b>			
Net carrying amount at the beginning of the year	1,535	468	2,003
Purchases of assets	-	-	-
Disposals	-	-	-
Depreciation expense	(538)	(113)	(651)
Net carrying amount at end of year	997	355	1,352
<b>At 1 July 2020 - fair value</b>			
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
<b>Year ended 30 June 2021</b>			
Net carrying amount at the beginning of the year	997	355	1,352
Purchases of assets	215	-	215
Disposals	-	-	-
Depreciation expense	(132)	(103)	(235)
Net carrying amount at end of year	1,080	252	1,332
<b>At 30 June 2021 - fair value</b>			
Gross carrying amount	9,898	11,454	21,352
Accumulated depreciation and impairment	(8,818)	(11,202)	(20,020)
Net carrying amount	1,080	252	1,332

## 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.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

### Capitalisation thresholds

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

### Major inspection costs

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

### Restoration costs

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.

#### **Depreciation of property, plant and equipment**

Except for certain non-depreciable assets, depreciation is provided for on a straight line basis so as to write off the depreciable amount of each asset as it is consumed over its useful life to NESA.

All material identifiable components of assets are depreciated separately over their useful lives.

Useful lives of each major category of depreciable assets are:

Plant and Equipment	
Computer hardware	3 - 4 years
Office furniture	10-15 years
Office equipment	3 - 5 years
Motor vehicles	7 years
Plant and machinery	10 years
Right-of-use assets	3 - 5 years

Leasehold Improvements	Unexpired period of the lease
------------------------	-------------------------------

#### **Right-of-Use Assets acquired by lessees**

From 1 July 2019, AASB 16 *Leases* (AASB 16) requires a lessee to recognise a right-of-use asset for most leases. NESA has elected to present right-of-use assets separately on the Statement of Financial Position.

Further information on leases is contained at Note 12.

#### **Revaluation of property, plant and equipment**

Physical non-current assets are valued in accordance with the 'Valuation of Physical Non-Current Assets at Fair Value' Policy and Guidelines Paper (TPP14-01). This policy adopts fair value in accordance with AASB 13, AASB 116 and AASB 140 *Investment Property*.

Property, plant and equipment is measured at the highest and best use by market participants that is physically possible, legally permissible and financially feasible. The highest and best use must be available at a period that is not remote and take into account the characteristics of the asset being measured, including any socio-political restrictions imposed by government. In most cases, after taking into account these considerations, the highest and best use is the existing use. In limited circumstances, the highest and best use may be a feasible alternative use, where there are no restrictions on use or where there is a feasible higher restricted alternative use.

Non-specialised assets with short useful lives are measured at depreciated historical cost, which for these assets approximates fair value. NESA has assessed that any difference between fair value and depreciated historical cost is unlikely to be material.

#### **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 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. Leases

### 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.

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 2020	2,137	2,137
Additions	13,485	13,485
Depreciation expense	(5,177)	(5,177)
Other movements - impairment	104	104
Balance at 30 June 2021	10,549	10,549
Balance at 1 July 2019	2,898	2,898
Additions	-	-
Depreciation expense	(648)	(648)
Other movements - impairment	(113)	(113)
Balance at 30 June 2020	2,137	2,137

### Lease liabilities

The following table presents liabilities under leases.

	2021 \$'000	2020 \$'000
Balance at 1 July	2,269	2,898
Additions	13,589	38
Interest expense	120	38
Payments	(5,116)	(705)
Balance at 30 June	10,862	2,269

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where NESA is the lessee:

	2021 \$'000	2020 \$'000
Depreciation expense of right-of-use assets	5,177	648
Interest expense on lease liabilities	120	38
Expense relating to short-term leases	406	3,978
Expense relating to leases of low-value assets	834	796
Total amount recognised in the statement of comprehensive income	6,537	5,460

NESA had total cash outflows for leases of \$4.9m in FY2020-21 (FY2019-20: \$5.4m).

#### Recognition and measurement

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.

### 13. Intangible Assets

	Software \$'000	Total \$'000
<b>At 1 July 2019</b>		
Cost (gross carrying amount)	20,113	20,113
Accumulated amortisation and impairment	(12,037)	(12,037)
Net carrying amount	8,076	8,076
<b>Year ended 30 June 2020</b>		
Net carrying amount at beginning of year	8,076	8,076
Additions - internal development	2,173	2,173
Amortisation (recognised in 'depreciation and amortisation')	(1,181)	(1,181)
Net carrying amount at end of year	9,068	9,068
<b>At 1 July 2020</b>		
Cost (gross carrying amount)	22,286	22,286
Accumulated amortisation and impairment	(13,218)	(13,218)
Net carrying amount	9,068	9,068
<b>Year ended 30 June 2021</b>		
Net carrying amount at beginning of year	9,068	9,068
Additions - internal development	1,835	1,835
Amortisation (recognised in 'depreciation and amortisation')	(1,353)	(1,353)
Net carrying amount at end of year	9,550	9,550
<b>At 30 June 2021</b>		
Cost (gross carrying amount)	24,121	24,121
Accumulated amortisation and impairment	(14,571)	(14,571)
Net carrying amount	9,550	9,550

#### 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 useful 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 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
The NESA Fund	127	127	2,144	2,144
	<u>127</u>	<u>127</u>	<u>2,144</u>	<u>2,144</u>

The *Education 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 *Government Sector Finance Act 2018* (GSF Act) or in accordance with the Trustee Act 1925 (Trustee Act), or as approved by the Minister in concurrence with the Treasurer.

15. Current Liabilities - Payables

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Accrued salaries, wages and on-costs	1,389	-	834	-
Creditors	5,824	5,824	4,192	4,192
Sundry Government creditors	88	88	479	479
Relief staff costs	108	108	43	43
Personnel Services	-	1,389	-	834
Other	732	732	589	589
	<u>8,141</u>	<u>8,141</u>	<u>6,137</u>	<u>6,137</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.

16. Current / Non-Current Liabilities - Borrowings

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Lease liabilities - current (see Note 12)	5,154	5,154	641	641
Lease liabilities - non-current (see Note 12)	5,708	5,708	1,628	1,628
	<u>10,862</u>	<u>10,862</u>	<u>2,269</u>	<u>2,269</u>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 25.

**Recognition and measurement**

Borrowing represents lease liabilities.

*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.

17. Current / Non-Current Liabilities - Provisions

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
<b>Current</b>				
<b>Current provisions expected to be settled within 12 months</b>				
<b>Employee benefits and related on-costs</b>				
Annual leave	3,639	-	1,499	-
Long service leave on-costs	2,018	-	2,156	-
Redundancies	1,873	-	446	-
	<u>7,530</u>	<u>-</u>	<u>4,101</u>	<u>-</u>
Personnel Services	-	7,530	-	4,101
	<u>-</u>	<u>7,530</u>	<u>-</u>	<u>4,101</u>
<b>Current provisions expected to be settled beyond 12 months</b>				
Annual leave	2,855	-	4,066	-
	<u>2,855</u>	<u>-</u>	<u>4,066</u>	<u>-</u>
Personnel Services	-	2,855	-	4,066
	<u>-</u>	<u>2,855</u>	<u>-</u>	<u>4,066</u>
<b>Total provisions - current</b>	<u>10,385</u>	<u>10,385</u>	<u>8,167</u>	<u>8,167</u>
<b>Non-current</b>				
<b>Employee benefits and related on-costs</b>				
Long service leave on-costs	200	-	188	-
	<u>200</u>	<u>-</u>	<u>188</u>	<u>-</u>
Personnel Services	-	200	-	188
	<u>-</u>	<u>200</u>	<u>-</u>	<u>188</u>
<b>Total provisions - non-current</b>	<u>200</u>	<u>200</u>	<u>188</u>	<u>188</u>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions - current	10,385	-	8,167	-
Provisions - non current	200	-	188	-
Accrued salaries, wages and on-costs (Note 15)	1,389	-	834	-
	<u>11,974</u>	<u>-</u>	<u>9,189</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 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. NESA has assessed the actuarial advice based on NESA'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 NESA does not expect to settle the liability within 12 months as NESA 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**

NESA's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. NESA 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 2021 (2019-20: Nil).

NESA is unaware of any contingent assets existing as at 30 June 2021 (2019-20: Nil).

**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**

The actual net result was \$27.9m favourable to budget for the financial year. The variance includes higher revenues of \$20.3m as well as lower expenses of \$7.6m.

The \$7.6m budget variance in expenses is primarily attributable to the following:

- employee-related expenses are \$15.4m lower than budget primarily due to pauses in recruitment following a restructure and the timing of project commencement
- operating expenses are \$9.3m higher than budget primarily due to the use of contingent labour and COVID-19 related expenditure
- depreciation and amortisation expenses are \$0.6m lower than budget primarily due to the timing in the renewal of leases relating to right-of-use assets.
- finance costs are \$0.9m lower than budget primarily due to the timing of lease renewals

The \$20.3m budget variance in revenue is primarily attributable to the following:

- additional funding received from the NSW Department of Education in order to enable ongoing core activities.
- the impact of actuarial adjustments on staff entitlements

**Assets and liabilities**

Total assets have increased by \$1.5m 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 and budgetary considerations.
- less than budgeted expenditure on right of use assets associated with lease of premises
- 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 \$26m against budget, primarily due to the following:

- lower than budgeted expenditure associated with Right of Use Asset borrowings

**Cash flows**

Closing cash and cash equivalents are \$32m higher than budget primarily due to the timing of additional funding received from the Department of Education and decreased expenditure associated with recruitment.

**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 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Net cash flows (used) / from operating activities	33,340	33,340	11,507	11,507
Depreciation and amortisation expense	(6,765)	(6,765)	(2,480)	(2,480)
Allowance for impairment	(744)	(744)	(1,071)	(1,071)
Decrease / (increase) in provisions	(2,231)	(2,231)	(1,528)	(1,528)
Increase / (decrease) in prepayments and other assets	(1,174)	(1,174)	(3,927)	(3,927)
Decrease / (increase) in payables	(2,004)	(2,004)	9,499	9,499
Decrease / (increase) in contract liabilities	(1,059)	(1,059)	(8,249)	(8,249)
<b>Net result</b>	<b>19,363</b>	<b>19,363</b>	<b>3,751</b>	<b>3,751</b>

**23. Non-cash Financing and Investing Activities**

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Liabilities and expenses assumed by the Crown in the right of New South Wales	(400)	-	2,777	-
	(400)	-	2,777	-

**24. Trust Funds**

NESA holds monies donated for the Brother John Taylor Memorial Trust (\$35,452) and for the Mary Besley Biology Teachers award (\$674). 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 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Cash balance at the beginning of the financial year	37	37	36	36
Add: Receipts	4	4	4	4
Less: Expenditure	5	5	3	3
Cash balance at the end of the financial year	36	36	37	37

## 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 2021 \$'000	Carrying Amount Parent Entity 2021 \$'000	Carrying Amount Consolidated Entity 2020 \$'000	Carrying Amount Parent Entity 2020 \$'000
<b>Financial Assets</b>						
Cash and cash equivalents	7	Amortised cost	40,609	40,609	14,211	14,211
Receivables *	8	Amortised cost	4,140	4,140	5,381	5,381
Contract assets **	9		-	-	-	-
<b>Financial Liabilities</b>						
Payables ***	15	Financial liabilities measured at amortised cost	7,321	7,321	5,070	5,070
Borrowings - lease liabilities	16	Financial liabilities measured at amortised cost	10,862	10,862	2,269	2,269

#### Notes

\* 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 or 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 NESA. 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 NESA, including cash and receivables. No collateral is held by NESA. NESA has not granted any financial guarantees.

Credit risk associated with NESA's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

NESA considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, NESA may also consider a financial asset to be in default when internal or external information indicates that NESA is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by NESA.

**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. NESA develops a schedule for fee collections each year. A series of reminders are sent using different methods of communication after the due date. The reminders are followed by accreditation suspension.

NESA 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. 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.

NESA is exposed to a concentration of credit risk as all debtors in this category are teachers working in NSW. This exposure is deemed to be material (\$5.368m).

The debtors of NESA represent a large number of individual teachers whose particular credit ratings will vary and are unknown to NESA.

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 NESA 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 2021 and 2020 was determined as follows:

30 June 2021 \$000						Total
Current	<30 days	30-60 days	61-90 days	>91 days		
Expected credit loss rate	0%	0%	0%	0%	43%	
Estimated total gross carrying amount at default	36	-	24	2	5,305	5,368
Expected credit loss	-	-	-	-	2,308	2,308
30 June 2020 \$000						Total
Current	<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

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 receivables

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 reviews trade receivables on a quarterly basis. A series of reminders and letters of demand are sent. Non-payment results in write-backs as per debt collection policy.

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 2021 and 2020 was determined as follows:

30 June 2021 \$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	329	69	87	66	158	709
Expected credit loss	-	-	-	-	-	-
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	-	-	-	-	-	-

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.

NESA is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2021 and 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 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 NESA's 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 bearing \$'000	< 1 year \$'000	1-5 years \$'000
<b>2021</b>							
Payables *	-	7,321	-	-	6,983	-	-
Borrowings - Lease Liabilities	1.41	10,862				5,154	5,708
<b>2020</b>							
Payables **	-	5,070	-	-	5,070	-	-
Borrowings - Lease Liabilities	1.41	2,269				641	1,628

Notes:

\*. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which NESA can be required to pay. These amounts include both interest and principal cash flows and therefore will not reconcile to the amounts in the Statement of Financial position.

\*\*. The amounts disclosed here exclude statutory payables and unearned revenue (not within scope of AASB7).

### 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. NESA's exposures to market risk are primarily through interest rate risk on NESA's borrowings. NESA 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 NESA 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 2020. 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.

NESA has minimal exposure to interest rate risk from its holdings in interest bearing financial assets.

NESA does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned. 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:

	2021 \$'000		2020 \$'000	
	-1%	+1%	-1%	+1%
Net Result	(194)	194	(38)	38
Equity	(279)	279	(85)	85

### (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 paid and payable are as follows:

	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000	Consolidated Entity 2020 \$'000	Parent Entity 2020 \$'000
Salaries	5,139	5,139	5,525	5,525
Other monetary allowances	147	147	263	263
Non-monetary benefits	-	-	-	-
Other long-term employee benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Termination benefits	1,447	1,447	648	648
Total remuneration	6,733	6,733	5,979	5,979

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)  
The Crown in the right of New South Wales (Long service leave, defined benefit superannuation and payroll tax assumed)  
Revenue NSW (Payroll Tax)  
NSW Self Insurance Corporation (SiCorp) (Insurance)  
Property and Development NSW (Property rentals)  
The Crown Solicitor (Legal fees)  
The Audit Office of NSW (Financial audit)

## 27. Events after the Reporting Period

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 2021.

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 2021-22

End of audited financial statements

# Acronyms and abbreviations

AASE	Australian Association of Special Education
AM	Member of the Order of Australia
ACER	Australian Council for Educational Research
AECG	Aboriginal Education Consultative Group
AHPPC	Australian Health Protection Principal Committee
AINSW	Association of Independent Schools of New South Wales
AITSL	Australian Institute of Teaching and School Leadership
AMEB	Australian Music Examinations Board
CEO	Chief Executive Officer
CEC	Content Endorsed Course
CSNSW	Catholic Schools NSW
COAG	Council of Australian Governments
DDA	Disability Discrimination Act 1992
ECA	Early Childhood Australia
ECEC	Early Childhood Education and Care
eTAMS	Electronic Teacher Accreditation Management System
FASSA	Fellow of the Academy of Social Sciences
FRSN	Fellow of Royal Society of NSW
FTE	Full-Time Equivalent
GIPA Act	Government Information (Public Access) Act 2009
HALT	Highly Accomplished and Lead Teacher
HALT Policy	Highly Accomplished and Lead Teacher Accreditation Policy
HSC	Higher School Certificate
HSCG	Home Schooling Consultative Group
IEU	Independent Education Union
ISMS	Information Security Management System
ISO	International Organization for Standardisation
ITE	Initial Teacher Education
LANTITE	Literacy and Numeracy Test for Initial Teacher Education Students
LMS	Learning Management System
MRG	Mandatory Reporter Guide
NAPLAN	National Assessment Program – Literacy and Numeracy
NCAT	NSW Civil and Administrative Tribunal
NESA	NSW Education Standards Authority
NESA Act	Education Standards Authority Act 2013
NGS Super	Non-Government Schools Superannuation Fund
NSW	New South Wales
OCG	NSW Office of the Children’s Guardian
PD	Professional Development
PD Policy	Accreditation of Professional Development Courses Policy
PFA Act	Public Finance and Audit Act 1983
PMES	People Matter Employee Survey
PSSE	Public Service Senior Executive
QTC	Quality Teaching Committee
RAP	Reconciliation Action Plan
RoSA	Record of School Achievement
RRMP	Rural and Remote Marking Program (HSC)
SDBEC	School Developed Board Endorsed Course
TA Act	Teacher Accreditation Act 2004



TAA	Teacher Accreditation Authority
TAFE	Technical and Further Education
TENs	Teacher Expert Networks
The Act	Education Act 1990
VET	Vocational Education and Training
WWCC	Working With Children Check

# List of tables and figures

## Tables

Table 1.1	Members of the NSW Education Standards Authority Executive during the 2020–21 reporting year.....	18
Table 2.1	Number of teachers whose accreditation was revoked or suspended for misconduct (under section 24 and/or 25a of the <i>Teacher Accreditation Act 2004</i> ) during 2020–21.....	34
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 <i>Teacher Accreditation Act 2004</i> ) during 2020–21. These cases are not misconduct matters.....	35
Table 2.3	Number of teachers whose accreditation was revoked or suspended for not paying their teacher accreditation fees (under section 25 and Section 24 of the <i>Teacher Accreditation Act 2004</i> ) during 2020–21.....	35
Table 2.4	Number of teachers whose accreditation was revoked or suspended for failure to maintain their accreditation (under section 24 of the <i>Teacher Accreditation Act 2004</i> ) during 2020–21.....	35
Table 2.5	Number of teachers who applied to voluntarily cancel their accreditation (under section 25E of the <i>Teacher Accreditation Act 2004</i> ) during 2020–21.....	36
Table 3.1	NESA Registration and Accreditation Committee recommendations on school registrations, during 2017–18 to 2020–21.....	39
Table 3.2	NESA Registration and Accreditation Committee recommendations on accreditation, recognition for schools outside NSW and other matters during 2017–18 to 2020–21.....	40
Table 3.3	New schools granted initial registration in 2020 to commence in the 2021 calendar year.....	42
Table 3.4	New Teacher Accreditation Authorities granted initial approval to commence in 2020–21.....	42
Table 3.5	Schools closed during 2020–21.....	42
Table 3.6	Teacher Accreditation Authorities closed during 2020–21.....	43
Table 3.7	Complaints about non-government schools investigated by NESA officers during 2017–18 to 2020–21.....	43
Table 3.8	Number of children with home schooling registration at the end of reporting period, during 2017–18 to 2020–21.....	45
Table 3.9	Number of children with exemption from home schooling registration at the end of reporting period, during 2017–18 to 2020–21.....	45
Table 7.1	Distribution of NESA staff by category, 30 June 2019 to 30 June 2021.....	56
Table 7.2	Number of NESA Public Service senior executives, by gender and band level, at 30 June 2020 and 30 June 2021.....	57
Table 7.3	Average total remuneration for NESA Public Service senior executives per band at 30 June 2020 and 30 June 2021.....	58
Table 7.4	Trends in representation of workforce diversity groups in NESA, 2019–20 to 2020–21.....	58
Table 7.5	Trends in distribution of workforce diversity groups in NESA, 2018–19 to 2020–21.....	59
Table 9.1	Time for payment of accounts, 2020–21.....	65
Table 9.2	Details of accounts due or paid within each quarter, 2020–21.....	65
Table 9.3	Consultants equal to or more than \$50,000.....	66
Table 9.4	Consultants worth less than \$50,000.....	66

Table 9.5	Property, plant and equipment acquisitions, 2020-21 .....	67
Table 9.6	Intangible asset acquisitions, 2020-21 .....	67
Table B1	Membership of the Board of the NSW Education Standards Authority.....	73
Table B2	NESA Board meetings and attendance of members from 1 July 2020 – 30 June 2021.....	74
Table C1.1	Committees of the NESA Board to 31 December 2020.....	77
Table C1.2	Committees of the NESA Board from 1 January 2021.....	77
Table C2.1	Sub-committees of committees of the NESA Board and other NESA committees and panels to 31 December 2020.....	78
Table C2.2	Sub-committees of committees of the NESA Board and other NESA committees and panels from 1 January 2021.....	78
Table D1	Number of information access applications by type of applicant and outcome, 2020–21.....	80
Table D2	Number of information access applications by type of application and outcome, 2020–21.....	80
Table D3	Invalid access applications, 2020–21.....	81
Table D4	Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act, 2020–21.....	81
Table D5	Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act, 2020–21.....	81
Table D6	Timeliness of decisions on access applications, 2020–21.....	82
Table D7	Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome), 2020–21.....	82
Table D8	Applications for review under Part 5 of the GIPA Act (by type of applicant), 2020–21.....	82
Table D9	Applications transferred to other agencies (by type of transfer), 2020–21.....	82
<b>Figures</b>		
Figure 1.1	NSW Education Standards Authority organisational structure (at 30 June 2021).....	17
Figure 1.2	Key statistics relating to NESA's response to the COVID-19 pandemic (in 2020–21).....	19
Figure 2.1	NESA quality teaching activity – key statistics 2020–21.....	29
Figure 2.2	Teacher accreditation key statistics, 2020-21.....	33
Figure 2.3	Professional learning key statistics, 2020-21.....	34
Figure 3.1	NESA school registration 2020–21 inspection program, key statistics.....	38
Figure 5.1	NESA activity related to the 2020 Higher School Certificate.....	49
Figure 5.2	HSC results services key statistics, 2020-21.....	50
Figure 5.3	Record of School Achievement key statistics, 2020.....	52
Figure 5.4	NAPLAN key statistics, 2021.....	52
Figure 5.5	AMEB administration statistics, 2020–21.....	53
Figure 5.6	AMEB award statistics, 2020–21.....	53
Figure B.1	Governing Board of the NSW Education Standards Authority and its Committees to 31 December 2020.....	75
Figure B.2	Governing Board of the NSW Education Standards Authority and its Committees as at 1 January 2021.....	76

# Compliance checklist

Requirement	Page
Access	127
Aims and objectives	8-10
Additional matters	83
Budgets	67
Charter	70-72
Consultants	66
Consumer response	54-55
Cyber Security Policy (CSP) attestation	86
Disclosure of controlled entities	83
Economic/other factors affecting the achievement of operational objectives	83
Financial statements	87-119
Funds granted to non-government community organisations	83
Government Information (Public Access) Act 2009	80-82
Human resources	56-61
Identification of audited financial statements	87
Internal audit and risk management policy attestation	64
Investment performance	83
Land disposal	83
Legal change	83
Letter of submission	2
Liability and management performance	83
Management and activities	19-61
Management and structure	10-18

Requirement	Page
Major works in progress	67
Multicultural policies and services program	58
Numbers and remuneration of senior executives	59-60
Payment of accounts	65-66
Privacy and Personal Information Protection Act	85-86
Production costs	127
Promotion	54
Public interest disclosures	79-82
Research and development	19-66
Recreation leave and extended leave liability	61
Risk management and insurance activities	62-64
Summary review of operations	8-71
Website address	127
Work health and safety	60
Workforce diversity	59-60

# Index

- Aboriginal education, 25
- Acronyms and abbreviations, 120
- Audit and risk management, 62
- Australian Music Examinations Board (NSW), 53
- Board, 10, 73
- Charter, 8, 70
- Code of Ethics and Conduct, 61
- Committees of the NESA Board, 77
- Compliance checklist, 124
- Consultancies, 66
- COVID-19, 19
- Digital information security annual attestation statement, 86
- Financial management, 65
- Financial statements, 87
- Government Information (Public Access) Act 2009, 79
- Higher School Certificate, 50
- Home schooling, 44
- Human resources, 56
- Information security management, 85
- Initial teacher education, 24
- Multicultural policies and services, 59
- National Assessment Program – Literacy and Numeracy (NAPLAN), 52
- Organisational structure, 17
- Overseas travel, 53
- Payment of accounts, 65
- Professional learning, 30, 33
- Protection of personal information, 85
- Public Service Senior Executive (PSSE), 57
- Record of School Achievement, 52
- Recreation leave and extended leave liability, 61
- School Curriculum, 22, 46
- School registration and accreditation, 37, 54
- Staffing and recruitment, 56
- Stakeholder engagement, 54
- Statement of Expectations, 22
- Statutory disclosure requirements, 83
- Student assessment, 49
- Sub-committees of committees of the NESA Board, 78
- Teacher Accreditation, 30
- Vocational education and training, 46
- Work health and safety, 60

© 2021 NSW Education Standards Authority for and on behalf of the Crown in right of the State of New South Wales.

This document contains Material prepared by the NSW Education Standards Authority (NESA) for and on behalf of the Crown in right of the State of New South Wales. The Material is protected by Crown copyright.

All rights reserved. No part of the Material may be reproduced in Australia or in any other country by any process, electronic or otherwise, in any material form, or transmitted to any other person or stored electronically in any form without the prior written permission of NESA, except as permitted by the *Copyright Act 1968*.

When you access the Material, you agree:

- to use the Material for information purposes only
- to reproduce a single copy for personal bona fide study use only and not to reproduce any major extract or the entire Material without the prior permission of NESA
- to acknowledge that the Material is provided by NESA
- to include this copyright notice in any copy made
- not to modify the Material or any part of the Material without the express prior written permission of NESA.

The Material may contain third-party copyright materials such as photos, diagrams, quotations, cartoons and artworks. These materials are protected by Australian and international copyright laws and may not be reproduced or transmitted in any format without the copyright owner's specific permission. Unauthorised reproduction, transmission or commercial use of such copyright materials may result in prosecution.

NESA has made all reasonable attempts to locate owners of third-party copyright material and invites anyone from whom permission has not been sought to contact the Copyright Officer.

Phone: (02) 9367 8289

Fax: (02) 9279 1482

Email: [copyright@nesa.nsw.edu.au](mailto:copyright@nesa.nsw.edu.au)

Published by

NSW Education Standards Authority

GPO Box 5300

Sydney NSW 2001

Australia

[educationstandards.nsw.edu.au](http://educationstandards.nsw.edu.au)

NESA did not incur any external costs in the production of the 2020-21 Annual Report.