



Government of Western Australia
School Curriculum and Standards Authority



ANNUAL REPORT 2012/2013



The common seal of the School Curriculum and Standards Authority was affixed by authority of the Chair of the Board in the presence of:

A handwritten signature in black ink, appearing to read "P. J. Garnett". The signature is fluid and cursive.

**EMERITUS PROFESSOR P. J. GARNETT
CHAIR**

A handwritten signature in black ink, appearing to read "A. Blagaich". The signature is fluid and cursive.

**A. BLAGAICH
CHIEF EXECUTIVE OFFICER**

12 September 2013

Copyright

© School Curriculum and Standards Authority, 2013

This document may be freely copied or communicated for non-commercial purposes provided that it is not changed in any way and that the School Curriculum and Standards Authority is acknowledged as the copyright owner.

ISSN 1440-8740
TRIM: 2013/24712v6

Table of Contents

Executive summary	2
Western Australian Curriculum and Assessment Outline, Kindergarten to Year 10	2
Senior secondary, years 11 and 12.....	2
Australian Curriculum	2
Operational structure	3
Overview of the Authority.....	4
Board membership	4
Senior officers.....	4
Enabling legislation.....	5
Administered legislation.....	5
Other key legislation	5
Significant issues impacting the Authority	6
Western Australian Curriculum and Assessment Outline	6
Australian Curriculum	6
Western Australian Certificate of Education (WACE) 2016	7
Agency performance.....	8
Curriculum, Assessment and Moderation	8
Standards and Certification	11
Examination Services	15
Compliance.....	20
Financial targets	22
Summary of key performance indicators	22
Disclosures and Legal Compliance	23
Financials and Performance.....	24
Statement of Comprehensive Income	26
Statement of Financial Position	27
Statement of Changes in Equity	28
Statement of Cash Flows.....	29
Notes to the Financial Statements	32
Ministerial directives	56
Contracts with senior officers	56

Other financial disclosures	56
Capital works	56
Statement of Compliance with <i>Electoral Act 1907</i> section 175ZE (Advertising)	56
Additional key performance indicator information	57
Detailed Information in Support of Key Performance Indicators	58
Services	59
Service 1: Curriculum development, evaluation and support service description	59
Service 2: Student assessment and certification	59

Tables

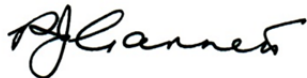
Table 1:	School registrations, 2012	11
Table 2:	Participation of students born in 1995 and 1996 in schooling and in non-school programs, 2012	12
Table 3:	Year 12 Aboriginal/Torres Strait Islander student registrations	13
Table 4:	Year 12 Achievement of VET qualifications, 2005–2012	15
Table 5:	Achievement of a WACE, 2004–2012	15
Table 6:	Examination enrolments, as at October, 2007–2012 (four or more)	17
Table 7:	Year 12 Aboriginal/Torres Strait Islander examination enrolments in 2012	18
Table 8:	Change in numbers sitting WACE examinations (all students), 2005–2012	19
Table 9:	Report of annual performance for 2012–13 against the indicators	21
Table 10:	Outcome: Quality curriculum framework (Kindergarten to Year 12) and assessment (Years 11–12) in Western Australia	58

Statement of Compliance

Hon Peter Collier MLC
MINISTER FOR EDUCATION; ENERGY; INDIGENOUS AFFAIRS

In accordance with Section 63 of the *Financial Management Act 2006*, we hereby submit for your information and presentation to Parliament, the Annual Report of the School Curriculum and Standards Authority for the period 1 July 2012 to 30 June 2013.

The Annual Report has been prepared in accordance with the provisions of the *Financial Management Act (2006)*.



EMERITUS PROFESSOR P. J. GARNETT
CHAIR

21 August 2013

Contact details

27 Walters Drive, Osborne Park, WA 6017

Internet: www.scsa.wa.edu.au

Email: info@scsa.wa.edu.au

Telephone: (08) 9273-6300

Facsimile: (08) 9273-6301



A. BLAGAICH
CHIEF EXECUTIVE OFFICER

Executive summary

The reporting period represents the first full 12-month cycle for the School Curriculum and Standards Authority since replacing the Curriculum Council in March 2012. The Authority has begun implementing its requirements under the amended *School Curriculum and Standards Authority Act 1997*.

The major work this financial year concerned the development of the *Western Australian Curriculum and Assessment Outline*, changes to the structure for years 11 and 12 to the requirements to achieve a WACE from 2016 and the development and implementation of the Australian Curriculum.

Western Australian Curriculum and Assessment Outline, Kindergarten to Year 10

The Authority developed a draft *Western Australian Curriculum and Assessment Outline* for Kindergarten to Year 10. The Outline sets out the knowledge, understanding, skills, values and attitudes that students are expected to acquire and guidelines for the assessment of student achievement'. It includes Phase 1 of the Australian Curriculum, policy advice and guidelines for all Western Australian schools – government, non-government and home education providers.

Stakeholders were provided with an opportunity to comment on the draft



Outline between 8 May and 21 June 2013. This feedback is being carefully considered by the Authority's Board before the Outline is finalised for publication in Semester 2, 2013.

Senior secondary, years 11 and 12

The Board of the Authority worked with a reference group of principals from public, Catholic and independent schools to develop the framework for the adjustments to the Western Australian Certificate of Education (WACE). These adjustments included the recommendations of the Senior School Curriculum and Certification Committee, established by the Minister for Education to review the WACE and make recommendations for change.

The changes build on and are informed by the experiences of the previous three years of WACE examinations and the development of the Australian Curriculum Foundation (Pre-primary) to Year 12.

In addition to current requirements, for 2016 and beyond students will need to:

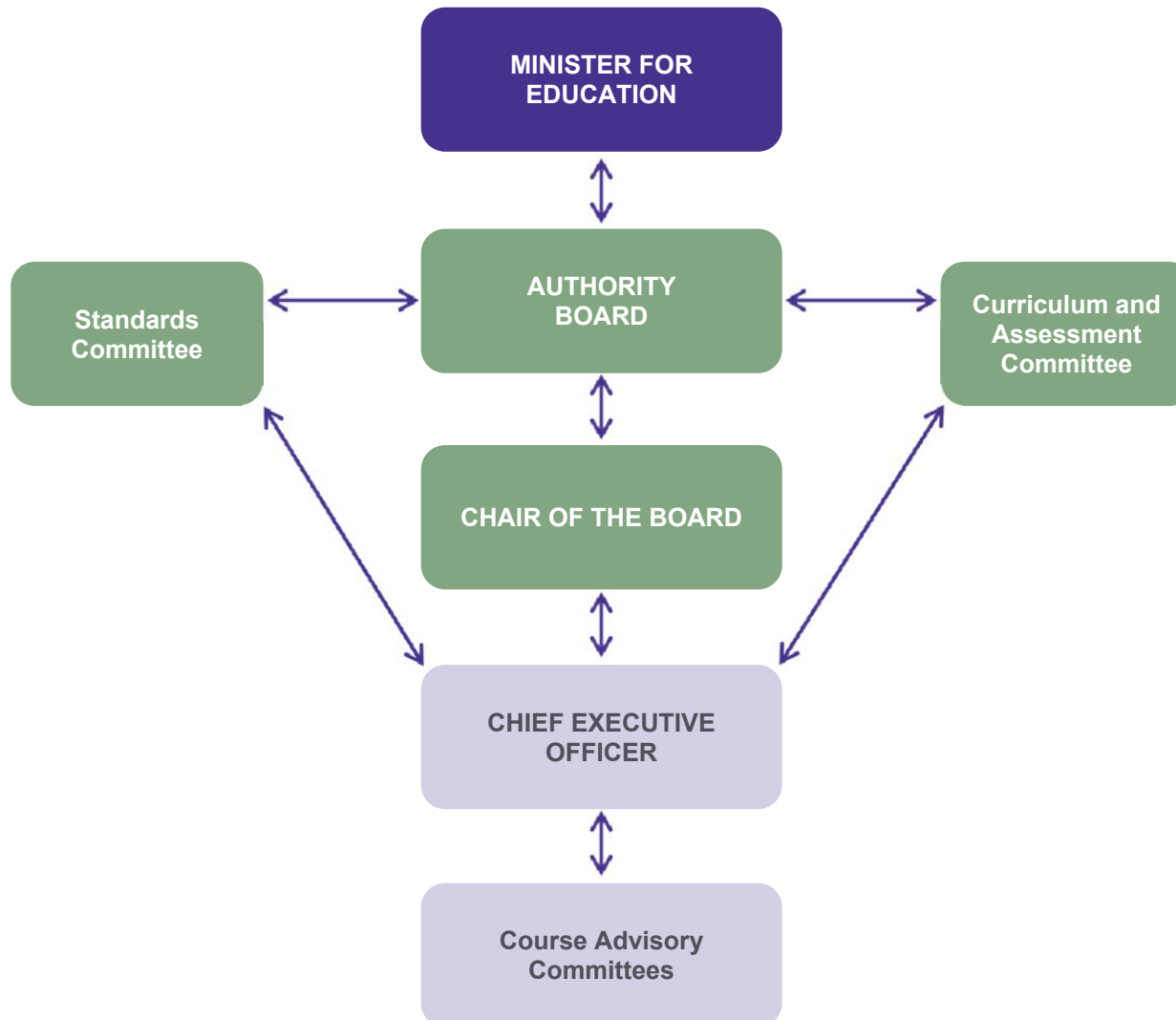
- demonstrate a minimum level of literacy and numeracy based on the skills regarded as essential for individuals to meet the demands of everyday life and work in a knowledge-based economy
- achieve the requirements for an Australian Tertiary Admission Rank (ATAR) or complete a training Certificate II or higher.

Australian Curriculum

Formal implementation of the Australian Curriculum Foundation (Pre-Primary)–10 in English, mathematics, science and history started in July 2012. The Authority has supported public, Catholic and independent schools as they implement the curriculum in their schools largely through the provision of a range of assessment materials that have been published. The Authority coordinated the involvement of consultants and teachers in Western Australia in the development of resources, which support teachers to report against the achievement standards.

The Australian Curriculum for these areas is now incorporated into the draft Western Australian Curriculum and Assessment Outline.

Operational structure



Overview of the Authority

The role of the Authority is to provide for school curriculum and assessment, set standards and report on those standards for all Western Australian students from Pre-primary to Year 12.

The Authority's Board consists of seven members with a balance of expertise in early childhood, primary, secondary and post-school options.

Board membership

Emeritus Professor Patrick Garnett (Chair)

A former Deputy Vice-Chancellor of Edith Cowan University, Emeritus Professor Garnett has extensive teaching experience in chemistry and science, with involvement in the application of new technologies, including online learning.

He also has extensive experience in educational leadership and management.

Chapple Professor David Andrich

Professor Andrich has been Chapple Professor of Education at the University of Western Australia since 2007. He has conducted research at a national and State level on certification and selection into tertiary education.

Ms Lucina Cross

Ms Cross is a Martu and Yamatji woman with more than 20 years' experience in education, particularly in the Mid-West and North-West of Western Australia.

Ms Margaret Herley

Ms Herley completed a two-year contract with Curtin University as Director of Partnerships in the School of Education. She was previously principal of Iona Presentation College.

Dr Ruth Shean

Dr Shean is the Director General of the Department of Training and Workforce Development. She has a great depth of knowledge of the vocational and training sector, as well as experience as a public school teacher.

Professor Christine Ure (resigned September 2012)

Professor Ure was head of the School of Education at Edith Cowan University. She has contributed to research and development in early childhood education, schools and higher education. Professor Ure resigned from the Board after relocating to Victoria.

Dr Lennie Barblett (appointed September 2012)

Dr Barblett is a Senior Lecturer in Early Childhood Studies at the School of Education at Edith Cowan University. Her research encompasses a wide range of topics in early childhood education, including care innovation and workforce best practice; community partnerships; social and emotional development in young children; and an evaluation of the kindergarten and pre-primary profile.

Dr Bruce Matthews

Dr Matthews was the headmaster at Bunbury Cathedral Grammar School from 1998 to 2011. Before that, he was deputy headmaster and head of senior school at Guildford Grammar School.

Senior officers

Mr Allan Blagaich	Chief Executive Officer
Mr Steve Donatti.....	Director, Examination Services
Mr Russell Dyer.....	Director, Standards and Certification
Ms Juanita Healy.....	Director, Policy and Planning
Ms Janine Nairn	Director, Corporate Services
Ms Robyn Smith	Director, Curriculum, Assessment and Moderation

Enabling legislation

The Authority operates under the *School Curriculum and Standards Authority Act 1997*. The School Curriculum and Standards Authority is responsible for

- setting standards of student achievement and for the assessment and certification of student achievement according to those standards
- developing an outline of curriculum and assessment in schools that, taking account of the needs of students, sets out the knowledge, understanding, skills, values and attitudes that students are expected to acquire and guidelines for the assessment of student achievement
- developing and accrediting courses for schools
- maintaining a database of information relating to:
 - the participation by students during their school years in education, training or employment as provided by the *School Education Act 1999*
 - the achievement of students during those years
 - records of assessment in respect to students.

Administered legislation

The Minister for Education also administers the following related legislation:

Education Service Providers (Full-Fee Overseas Students) Registration Act 1991
School Education Act 1999
Vocational Education and Training Act 1996.

Other key legislation

In the performance of its functions, the Authority complies with all relevant written laws, but is particularly responsive to the requirements of the following legislation:

Auditor General Act 2006
Corruption and Crime Commission Act 2003
Copyright Act 1968
Disability Services Act 1993
Electoral Act 1907
Equal Opportunity Act 1984
Financial Management Act 2006
Freedom of Information Act 1992
Industrial Relations Act 1979
Minimum Conditions of Employment Act 1993
Occupational Safety and Health Act 1984
Public Interest Disclosure Act 2003
Public Sector Management Act 1994
Salaries and Allowances Act 1975
State Records Act 2000
State Supply Commission Act 1991
Workers' Compensation and Injury Management Act 1981.

Significant issues impacting the Authority

Western Australian Curriculum and Assessment Outline

To fulfil the Authority's functions under Section 9 of The Act, and to ensure the Western Australian State Government meets its requirements under the *National Education Agreement (2009)* for the implementation of the Australian Curriculum, the Authority has developed the *Western Australian Curriculum and Assessment Outline*. The Outline, which replaces the *Curriculum Framework*, incorporates the Australian Curriculum (Phase 1 subjects).

Kindergarten Guidelines, that will complement the *Early Years Learning Framework* and the Outline, are being developed by the Authority to support seamless transitions within and across the early years settings.



During the consultation period, 8 May to 21 June, the Authority conducted 19 individual information sessions across the State to approximately 840 primary and secondary school leaders, along with briefings and meetings with representatives from professional associations and senior education systems/sector representatives. The Authority received:

- 143 *Western Australian Curriculum and Assessment* Survey Responses
- 177 *Pre-Primary Reporting Policy* Survey Responses
- 15 formal written responses have been received including feedback from the Department of Education, Association of Independent Schools of Western Australian, the Western Australian Council of State School Organisations Inc. (WACSSO) and the West Australian Primary Principals Association (WAPPA).

The Authority will review the feedback and revise the Outline before seeking the endorsement of the Board and publication of the Outline in Semester 2 2013.

Australian Curriculum

The Authority has remained the lead agency for consultation on the remaining Phase 2 and Phase 3 subjects of the F–10 Australian Curriculum, as well as coordinating feedback on wider curriculum issues such as the General Capabilities and materials for students with disability. The Board of the Authority will make further decisions relating to the implementation of Phase 2 and 3 of the Australian Curriculum pending completion by ACARA and endorsement of education ministers.

The Authority has been fully involved in the consultation of the Senior Secondary curriculum in English, science, mathematics and the humanities. With 14 senior secondary curriculum courses published by ACARA at the beginning of 2013, the Authority started the process of adapting the courses into courses for Western Australian students. This is part of the work associated with the introduction of the revised WACE for Year 11 students in 2015. This work has involved extensive consultation with teachers through expanded reference groups. The aim is to have the WACE syllabuses based on the ACARA senior secondary curriculum published by the end of 2013.

Western Australian Certificate of Education (WACE) 2016

On 21 January 2013, the Minister for Education announced changes to the WACE to be implemented in Year 11 (2015) and Year 12 (2016).

Key changes

- Students will need to demonstrate a minimum level of literacy and numeracy based on the skills regarded as essential for individuals to meet the demands of everyday life and work in a knowledge-based economy.
- Students will need to achieve the requirements for an Australian Tertiary Admission Rank (ATAR) or complete an Australian Qualification Framework Certificate II or higher. Achieving an ATAR will require students to complete a minimum of four (4) designated ATAR courses at Year 12.

The WACE will comprise Year 11 courses (units 1 and 2) and Year 12 courses (paired units 3 and 4).

The structure of the WACE will be modified so that students undertake a minimum of 10 courses (20 units) across years 11 and 12 (typically five or more Year 11 courses and a minimum of five Year 12 courses).

Up to a combined maximum of two Year 11 courses and two Year 12 courses may be replaced by VET programs. Endorsed programs may replace up to one Year 11 course and one Year 12 course. A combination of VET and endorsed programs may replace up to a combined maximum of two Year 11 courses and two Year 12 courses.

All courses will remain, though some will be replaced by senior secondary Australian Curriculum courses. Some courses in the General and Foundation pathways will be modified from existing WACE courses.

Ensuring that students who will not achieve an ATAR have access to and achieve a Certificate II will represent a challenge for schools and the training sector. The Authority is consulting with the education and training sectors.

The Authority has consulted broadly and received feedback on the changes. These are being considered by the Board for publication in Semester 2 2013.

The current WACE will continue to operate for three more years – however as an interim measure leading into these reforms, examinations for Stage 2 will become optional for Year 12 students in 2014 and 2015. 2015 will be the last year that Stage 2 examinations will be prepared. This change could not be implemented for 2013 as student selections had occurred and schools would have already completed planning and timetabling.

Agency performance

Curriculum, Assessment and Moderation

Teacher seminars and workshops

Five types of teacher seminars and workshops were delivered in March–April 2013:

- WACE assessment and moderation requirement seminars
- small group moderation procedures seminars
- interpreting student achievement data seminars
- improving student performance workshops
- workshops for courses with a revised syllabus.

About 600 teachers attended one or more of the seminars/workshops. At the beginning each seminar/workshop, teachers completed an evaluation sheet which required them to rate, on a scale of one to five, their level of understanding/confidence on each of the objectives. Teachers gave a second rating at the end of the seminar/workshop. In all five forms of seminars/workshops, teachers indicated a significant improvement in their understanding/confidence.

School moderation program

Between July and September 2012, 122 grading reviews were conducted on particular courses/stages at schools where the difference between the WACE examination mark distribution and the school mark distribution indicated the possibility of assessment issues, or when reviews were requested by schools. For each review, feedback was provided to the school on whether the documentation met the requirements of the syllabus and the WACE Manual and on the grading standards for the course/stage based on the assessment files of students on either side of each grade cut-off.

As part of the support program for new schools, 123 document reviews were conducted in March–April 2013. The reviews were conducted for nine schools in their first or second year of delivering WACE courses for the first time in Year 11 or 12. For each review, feedback was provided to the school on



whether the documentation met the requirements of the syllabus and the WACE Manual.

Where issues were identified at a documentation review or a grading review, required actions were documented and the principal completed a declaration that the action would be completed.

Consensus moderation

In July–August 2012, the second round of the 2012 consensus moderation program was conducted for 17 courses for all stages with student enrolments to help ensure comparability of grading between schools.

It was compulsory for each school offering a course to send a representative to the consensus moderation meeting in that course/stage. This round of the program included about 110 meetings. A total of 217 meetings were conducted in the two rounds with more than 2,300 teachers attending a meeting.

The moderation process was similar to that used for the past six years and required teachers to bring assessed work from three students at three grades

(mid-A, mid-B and mid-C). At the start of each meeting, before the peer review process, a grading exercise was completed based on two or three sample files. Each student assessment file was then independently reviewed by two other teachers who provided a grading judgement and a comment justifying their decision. Each teacher received a summary sheet that collated the two judgements for each of the three files.

In cases where the school was located more than 100km from a meeting venue, the process was implemented by mail. More than 300 consensus moderation events were completed by mail, with the teacher receiving the same form of feedback as those who attended a meeting.

Teachers completed an evaluation sheet at the end of each meeting. The data collated indicated that consensus moderation meetings were important in establishing a common interpretation of the standards and in providing professional development. Teachers responded to three questions on a scale of 1 to 5, providing the following means: usefulness of the meeting 4.2 (3.9 in 2011); relevance of the course to student needs 4.1 (3.9 in 2011); anticipated comparability between schools 4.1 (3.9 in 2011).

The grading judgement information was entered into a database. Analysis of this data indicated that comparability of grading between schools was strong.

Between 10 June and 28 June 2013, the first round of the 2013 consensus moderation program was conducted for 13 courses for all stages with student enrolments. About half of the planned 206 meetings were completed, with the remainder to be completed later in 2013. At most meetings, the comparability of grades between schools was strong, as evidenced by the teachers' expected grade matching the grade of their colleagues during the two independent reviews. Formal teacher evaluation data and comparability data will be collated at the completion of the process.

A further 227 consensus moderation events are planned for completion by mail later in 2013.

Student appeals against school assessment

Students were made aware of their right to appeal against school marks and grades through the Year 12 Student Information Handbook. The number of

these appeals is one indicator of the degree to which students perceive fairness in the school's assessment of their achievement.

In 2012, there were two cases where negotiations did not lead to a resolution satisfactory to a Year 11 or 12 student (or their parents), resulting in an appeal being lodged. Each case was investigated by Authority officers and considered by the Appeals Committee (which includes two school sector/system representatives and two parent representatives). One appeal was upheld.

Vocational Education and Training (VET) in schools

Nationally recognised VET qualifications and/or units of competency from training packages successfully completed by senior secondary students in Years 10, 11 or 12 may contribute towards the achievement of a WACE. Qualifications and units of competency can contribute towards the WACE as WACE course units when completed through VET industry specific courses. VET industry specific courses include a full VET qualification and mandatory workplace learning packaged according to industry specifications.



Alternatively, unit equivalence can be achieved through VET credit transfer. Unit equivalence is allocated credit on the basis of one unit for every 55 nominal hours of VET achieved.

Unit equivalence is not calculated for VET achieved through VET integrated into a WACE course. VET achieved through VET integrated refers to VET that is 'embedded' into a WACE course rather than delivered as a stand-alone qualification and does not contribute to meeting the WACE requirements. School-Based Traineeships (SBT), School-Based Apprenticeships (SBA) and Pre-Apprenticeships in Schools (PAiS) also provide opportunities for students to meet their WACE requirements and commence a full qualification. Further data is provided in Table 4.

Endorsed programs

Endorsed programs provided relevant curriculum options for senior secondary students. The endorsed programs panel met in March 2013 to examine the applications for re-endorsement of community organisation and personal development programs. As a result, 33 programs were not re-endorsed and will be deleted from the list when they expire at the end of 2013. Ninety programs due to expire in December 2013 were re-endorsed for a further 12 months. This timeline takes into account the current review of endorsed programs to meet the requirements for WACE 2016.

International education

The Authority, under the powers of the *School Curriculum and Standards Authority Act 1997*, delivers the WACE to a range of overseas schools. The program enables students from foreign countries to qualify for entry to tertiary institutions in Australia and overseas.

Each overseas school signs an agreement with the Authority that specifies the services that will be offered by the Authority and the commitments of the school. A supplementary agreement is signed each year that specifies the courses offered, as well as charges and timelines.

The program is managed by a senior officer at the Authority and that officer visits each school in March/April, and again later in the year.

Moderation of school-based assessments and processes are undertaken to ensure that each overseas school meets the same requirements for recognition as a school in Western Australia delivering the WACE.

Expenses involved with the management and delivery of the program are funded from income received from overseas schools and student fee.

Standards and Certification

Retention and participation

Registration figures in 2012 (133,354) show another small increase in numbers from 2011 (130,444). The increase of 2.18 per cent (2,910 students) is spread over the year cohorts, with the Year 12 cohort showing an increase compared to 2011 of almost 525 students (2.1 per cent). There was also a significant increase in Year 8 students (1366 or 4.5 per cent). The half-year cohort was in Year 10 in 2012 and this figure will continue to affect statistics until these students complete Year 12 in 2014.

In 2012, 5,245 17-year-olds were registered as being engaged in programs other than full-time school; including employment, training organisation courses and/or apprenticeships/traineeships, or as working with the Engagement and Transition officers at the Department of Education (DoE).

Young people undertaking alternative programs to full-time school are required to apply for a Notice of Arrangements through the DoE. Once the Notice of Arrangements has been approved, the Authority is notified and details placed on the student's record.

Table 1: School registrations, 2012

	Year 8	Year 9	Year 10	Year 11	Year 12	Total
Government	17 205	16 795	10 328	17 930	13 910	76 168
Non-Government	12 846	12 510	8 401	11 397	10 232	55 386
Other	160	179	123	506	832	1 800
Total	30 211	29 484	18 852	29 833	24 974	133 354

Table 2 shows the number of students born in 1995 (generally in Year 12, 2012) and 1996 (generally in Year 11, 2012) by category.

Table 2: Participation of students born in 1995 and 1996 in schooling and in non-school programs, 2012

	Year of birth 1995	Year of birth 1996
A. Participating students		
(i) Schooling		
Government	14 376	16 357
Non-government	10 496	11 617
Home education	55	72
	24 927	28 046
(ii) Non-school program (Notice of Arrangements)		
TAFE/RTO (Form A)	1 107	849
Apprenticeship/traineeship (Form ATRS)	1 880	643
Employment (Form C)	678	268
Combination of above (Form B)	67	14
Pending (i.e. no learning program supplied)	156	67
	3 888	1 841
<i>Sub-total: participating students</i>	28 815	29 887
B. Non-participating students		
(i) Schooling		
Left secondary education/provider (no Notice of Arrangements)	406	444
Not re-registered from previous year	252	199
	658	643
(ii) Non-school program		
Rejected (no learning program supplied)	133	42
Cancelled (withdrawn from learning program)	677	317
	810	232
<i>Sub-total: Non-participating students</i>	1 468	1 002
C. Other students		
Whereabouts unknown	483	263
Working with Participation Directorate	547	40
Graduated from secondary school	98	5
Left Western Australia	62	90
Deceased	4	1
	1 194	399
<i>Sub-total: Other</i>	1 194	399
Total all students	31 477	31 288

Note: These figures were taken as a 'snapshot' on 31/10/2012 (census date) and do not include full-fee paying students or overseas students.

Year 12 Aboriginal/Torres Strait Islander student registrations

Table 3 indicates the number of Year 12 Aboriginal and Torres Strait Islander students registered with the Authority between 2011 and 2012, and those undertaking programs other than full-time schooling.

Table 3: Year 12 Aboriginal/Torres Strait Islander student registrations

	Year of birth 1995			Year of birth 1996		
	Year 10	Year 11	Year 12	Year 10	Year 11	Year 12
A. Participating students						
(i) Schooling						
Government	4	254	656	105	1035	5
Non-Government	26	41	186	72	269	0
Home Education	0	0	1	0	0	0
	30	295	843	177	1 304	5
(ii) Non-School (Notice of Arrangements)						
TAFE/RTO (Form A)	0	13	35	0	39	0
Apprenticeship/Traineeship (Form ATRS)	0	0	26	0	10	0
Employment (Form C)	0	1	15	0	3	0
Combination of above (Form B)	0	1	2	0	0	0
	0	15	78	0	52	0
Sub-total: participating students	30	310	921	177	1 356	5
B. Non-participating students						
Includes students who have left secondary education, not re-registered, on cancelled or pending Notices of Arrangements	15	89	115	69	94	0
C. Other	3	19	264	9	159	0
Includes students whose whereabouts are unknown, already graduated, left Western Australia etc.						
Total all Aboriginal and Torres Strait Islander students	48	418	1 300	255	1 609	5

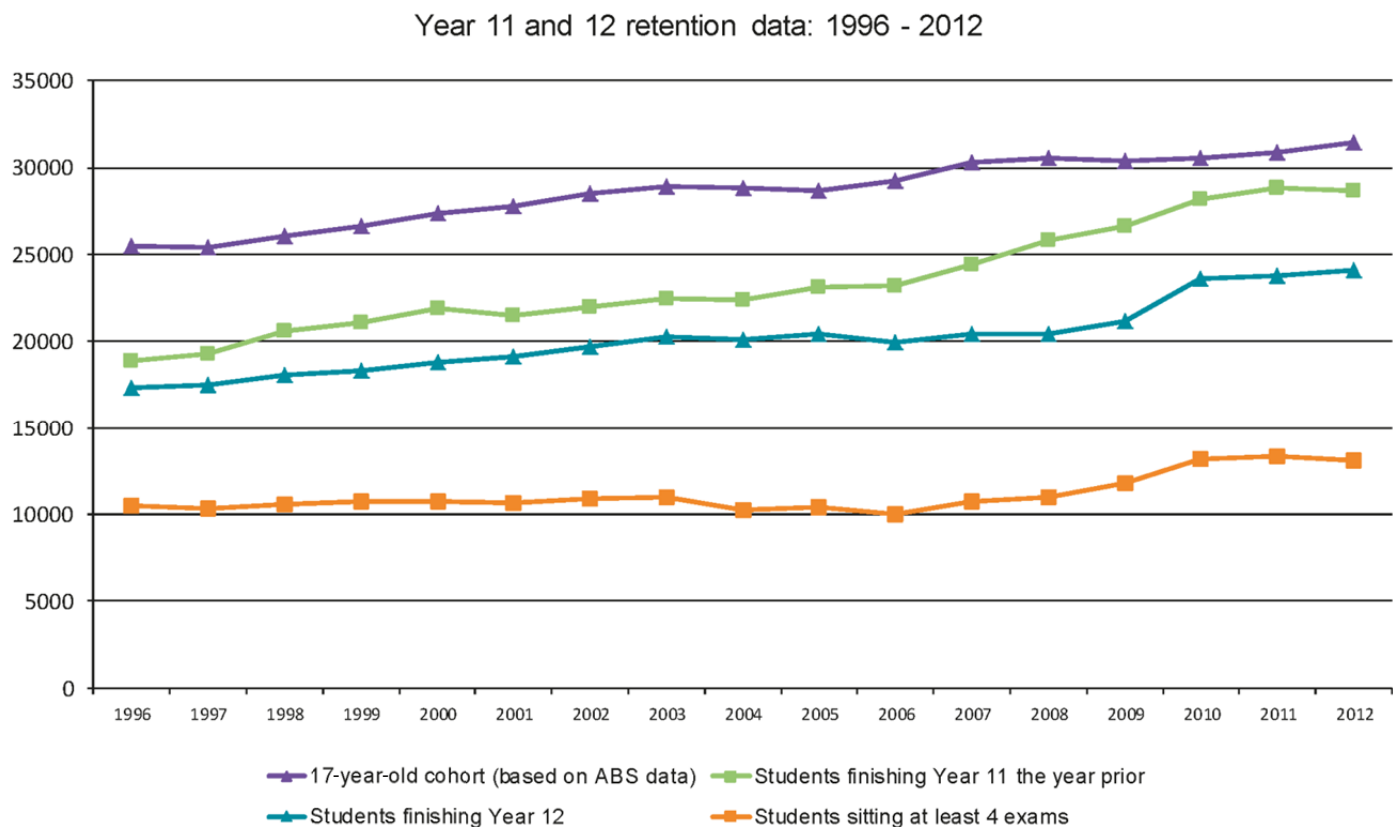
Enrolment and retention trends

Year 11 and 12 school enrolments

Figure 1 contains Year 11 and Year 12 retention data that was generated from the following:

- the number of 17-year-olds in Western Australia based on data provided by the Australian Bureau of Statistics (this data provided the 'base line' to enable calculation of the proportion of the age cohort in Year 11 the previous year and Year 12)
- the numbers of Year 11 and Year 12 students who completed at least one WACE course unit or subject or at least one unit of competency (these numbers were generated by the Authority from data collected from schools at the conclusion of each school year)
- the numbers of students who sat at least four examinations (these numbers were generated by the Authority).

Figure 1: Year 11 and Year 12 student retention data



Vocational education and training (VET) in schools

Vocational education and training (VET) in school programs provided opportunities for students to participate in programs that contribute to full or partial, nationally recognised qualifications. In addition students have the opportunity to gain employability skills and experience in the workplace.

Table 4 shows the numbers of Year 12 students achieving full AQF qualifications in the calendar years from 2005 to 2012.

Completed units of competency and qualifications were recorded on students' statements of results.

Table 4: Year 12 Achievement of VET qualifications, 2005–2012

	2005	2006	2007	2008	2009	2010	2011	2012
Number of qualifications	2 726	2 344	3 337	4 633	5 987	7 936	8 257	10 130
Number of students	2 066	1 782	2 401	3 323	4 317	5 637	5 868	6 929
Number of qualifications achieved through a traineeship	275	77	55	91	182	175	199	459

Certification of student achievement

WACE achievement

In 2012, there were 21,939 Year 12 students who were eligible for the WACE. Of these, 21,284 (97.0 per cent) achieved the WACE. Table 5 indicates that the WACE achievement rate steadily increased between 2004 and 2012 and from 94.5 per cent to 97.3 per cent of eligible Year 12 students.

Table 5: Achievement of a WACE, 2004–2012

	2004	2005	2006	2007	2008	2009	2010	2011	2012
Eligible for a WACE	18 697	19 243	18 817	19 121	18 853	19 845	21 296	21 621	21 939
Achieved a WACE	17 671	18 300	18 041	18 357	18 092	19 096	20 713	21 057	21 284
Percentage of eligible cohort	94.5	95.1	95.9	96.0	96.0	96.2	97.3	97.4	97.0

Examination Services

Kindergarten to Year 10 testing

In December 2012, 12 staff from the Education Measurement Branch were transferred from the Department of Education to the Authority.

The team is responsible for delivery of National Assessment Program – Literacy and Numeracy (NAPLAN) and Western Australian Monitoring Standards in Education (WAMSE) testing.

NAPLAN provides rich, nationally comparable data on the performance of students in Years 3, 5, 7 and 9 across the range of student achievement in reading, writing, language conventions and numeracy. The tests provide an indication of how students are performing across each State and Territory.

WAMSE tests students' knowledge, skills and conceptual understandings in Science and Society and Environment at Years 5, 7 and 9.

NAPLAN

The NAPLAN team distributed pre-test materials in early March, including handbooks for principals, teachers and parents. Between March and May, the team processed exemptions, withdrawals and disability adjustments. Test materials were delivered to schools towards the end of Term 1 and tests were held between 14 and 17 May 2013. More than 113,000 students completed the assessment. Approximately 230 markers completed intensive training for the marking of the writing section, before undertaking three weeks of marking.

WAMSE

The WAMSE team coordinated the development of test items with the test contractor. Trial tests were held in Western Australia and the eastern states. Tests were marked in Perth and the data analysed. From the trial test, the final test items for WAMSE 2013 were selected.

A suite of pre-test publications were developed and distributed to schools. The tests will take place in August 2013.

WACE examinations

Examinations in WACE courses were compulsory for students studying a pair of Stage 2 or Stage 3 units, unless they were exempt. Refinements made to the WACE examination processes were:

- extension of the online recording of marks to most practical examinations
- extension of the online marking of written scripts to Chemistry Stage 3 and Physics Stage 3
- the selection process and contracts used for key contract staff
- the use of InDesign software for data entry of examination materials
- the procedures used for recruiting examiners
- online training for members of examining groups.

The examination papers were checked to ensure they were valid and fair tests that provided balanced coverage of the relevant syllabus, with adequate opportunities for candidates to demonstrate their achievement.

In 2012, slightly fewer Year 12 students (13,259) enrolled to sit four or more WACE examinations than in 2011 (13,514). This represented a 1.9 per cent decrease on the number of 2011 Year 12 students who enrolled to sit four or more WACE course examinations. Of these students, 13,001 sat four or more WACE examinations in 2012 (13,199 in 2011) and were therefore eligible for an Australian Tertiary Admission Rank (ATAR).

The staff managing the examination process were supported by:

- examining panels – one for each WACE examination (between three and nine members each – 93 exams)
- curriculum specialists – one for each WACE examination (30 internal curriculum specialists, 12 external curriculum specialists)
- Special Examination Arrangement Panel (four members)
- Sickness/Misadventure Committee (seven members)
- Breach of Examination Rules Committee (four members)
- Appeal to Breach of Examination Rules Committee (four members)
- Appeal to Sickness/Misadventure Committee (four members)
- Appeal to Non-Genuine Attempt Committee (four members)
- Awards Working Party (13 members)
- Awards and Exhibitions Committee (six members).

As indicated in Figure 2, the most frequent number of WACE examinations in which students enrolled over the last five years was five.

Figure 2: Number of candidates enrolled for a specific number of examinations, 2008–2012

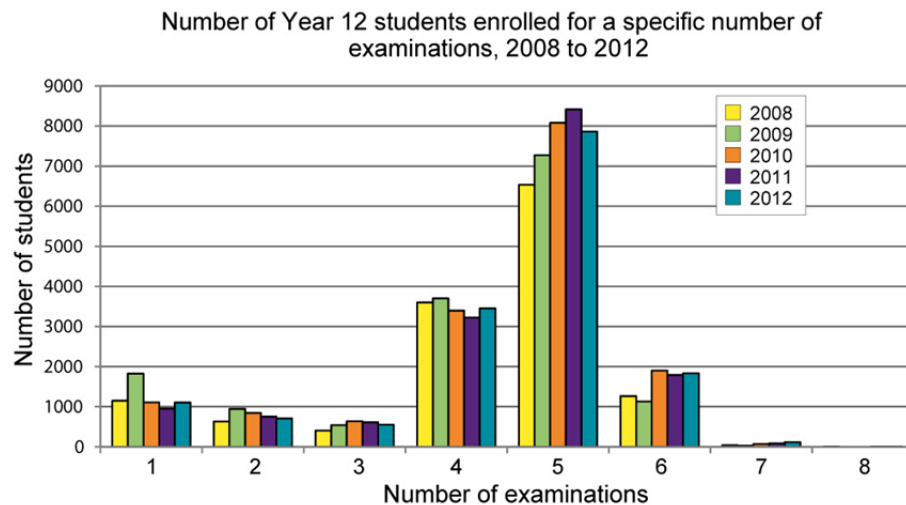


Table 6: Examination enrolments, as at October, 2007–2012 (four or more)

October enrolments	2007	2008	2009	2010	2011	2012
Gender						
Male	5 183	5 261	5 590	6 181	6 145	6 092
Female	6 015	6 179	6 539	7 262	7 369	7 167
System/sector						
Government	4 824	4 763	4 838	5 506	5 374	5 297
Non-government	5 952	6 085	6 598	7 175	7 251	7 187
Overseas	419	586	685	760	885	774
Private candidates	3	6	8	24		1
Location						
Metropolitan	9 313	9 376	9 947	10 955	10 892	10 867
Country	1 463	1 472	1 489	1 726	1 733	1 617
Overseas	419	586	685	760	885	774
Private candidates	3	6	8	24		1

The figures in Table 6 show the following:

- More females than males were enrolled to sit the examinations in all years.
- Of students enrolled in four or more examinations, 82 per cent studied at a school in the Perth metropolitan area. This compares with 12.2 per cent of students who studied at a country school.
- 84 per cent (85 per cent in 2011) of the students who enrolled in an examination, enrolled to sit four or more examinations.
- For the first time since 2007, the number of students attending overseas schools enrolling to sit the WACE examinations decreased (by 12.5 per cent). This was due to a number of factors including aggressive marketing by other international pre-university programs including the Cambridge A level program, the International Baccalaureate and the Monash Pre-University program. Other factors included the high Australian dollar, high living costs and strict visa regulations for overseas students.

In 2012, 607 Year 12 Aboriginal/Torres Strait Islanders enrolled with the Authority (699 in 2011). Of these 607 students, Table 7 shows that 124 Year 12 Aboriginal/Torres Strait Islanders were enrolled to sit one or more WACE examinations (compared with 153 in 2011).

Table 7: Year 12 Aboriginal/Torres Strait Islander examination enrolments in 2012

Indigenous stays of WACE examination students	Gender		Location		School Type	
	<i>Male</i>	<i>Female</i>	<i>Metro</i>	<i>Country</i>	<i>Govt</i>	<i>Non Govt</i>
Aboriginal	42	72	71	43	63	51
Torres Strait Islander	0	1	1	0	1	0
Both Aboriginal and Torres Strait Islander	2	7	6	3	7	2
Total	44	80	78	46	71	53



WACE examination attendance

The 2012 absentee rates were very similar to the 2011 absentee rates. An absence is considered a non-genuine attempt and thereby impacts on the student's achievement of the WACE.

Table 8: Change in numbers sitting WACE examinations (all students), 2005–2012

	2007	2008	2009	2010	2011	2012
Candidates who sat at least one examination	11 765	11 855	14 613	15 601	15 555	15 777
Change from previous year	7.4%	0.8%	23.3%	6.1%	-0.3%	1.4%
Candidates who sat at least four examinations	10 757	10 982	11 785	13 266	13 199	13 001
Change from previous year	7.7%	2.1%	7.3%	12.6%	-0.5%	-7.4%
Total candidature for WACE examinations	52 625	53 863	60 711	68 971	69 382	68 060
Change from previous year	6.8%	2.4%	12.7%	13.6%	-0.6%	2.0%

Access for candidates with disabilities

A total of 512 applications (490 in 2011) for special examination arrangements were received for 2012. This represents 3.2 per cent (3.1 per cent in 2011) of the number of candidates who were enrolled to sit at least one WACE examination.

Practical examinations

The practical examinations had three formats: interview, performance and portfolio/submission and were conducted under conditions specific to the requirements of each course.

Twenty-nine practical examinations were set and conducted in Western Australia in 16 WACE courses and were attended by 9,683 candidates. The practical examinations were worth between 20 and 50 per cent of the total WACE examination marks, thus constituting a substantial portion of the final combined mark. In addition, 14 examinations set interstate had practical components.

Written examinations

In 2012, the Authority conducted 111 examinations comprising 93 WACE course examinations and 18 interstate-sourced examinations. The WACE written examinations were expected to run from 1 November to 28 November, however it was possible to timetable the examinations over 17 days. This resulted in the final examinations being held on Friday, 23 November. Between two and eight examinations were conducted on each day.



Marking of the written examinations

Written marking began on 1 November with Human Biological Science and Biological Science and concluded on 7 December with eight examinations completing their reconciliation and examination integrity checks. All written examination scripts were double-marked independently.

In nine examinations, including Chemistry Stage 3 and Physics Stage 3 for the first time, the scripts were marked online using the NSW Office of the Board of Studies' MarkManager system. This online marking system allowed for independent marking by two markers and reconciliation by a third marker or team leader. It also allowed for closer monitoring of marking through the provision of a wide range of statistical data and the introduction of reference scripts.

For each course, the marking panel consisted of a chief marker and selected markers. A marking key ratification meeting was conducted for each course. This meeting provided an opportunity for the chief marker, the chief examiner and the curriculum specialist to mark some scripts and identify any anomalies or obscurities in the marking key and modify it appropriately. The pre-marking meeting was held immediately after the marking key ratification meeting – markers were trained in how to mark and were given the opportunity to establish a common understanding of the marking key through sample marking. Following the completion of all initial marking, chief markers monitored the reconciliation of marks.

Checking of marks

After receiving their statement of results, candidates had the opportunity to have their scripts checked to confirm that each question attempted had been awarded a mark and the mark had been recorded correctly. A total of 133 candidates requested a results check involving 205 examination scripts. Three changes were required.

Forty-five candidates submitted applications seeking a breakdown of their examination marks in 2012.

Compliance

Disability Access and Inclusion Plan

The Disability Access and Inclusion committee comprises staff who volunteer their time and expertise and have an interest in ensuring that people with disabilities can access the services and facilities provided by the Authority. Three meetings were held during the year and the committee continues to work towards identifying initiatives to achieve the outcomes of the Disability Access and Inclusion Plan.

The Authority's *Disability Access and Inclusion Plan 2011–2016* was endorsed by Executive Group and lodged with the Disability Services Commission (DSC) in November 2011. It is available on the Authority's website.

Compliance with Public Sector Standards and Ethical Codes

The Authority reviews its *Code of Conduct* annually, in line with the *WA Code of Ethics*. These documents are both on the intranet for access by all staff.

An *Accountable and Ethical Decision Making* training session was conducted by Price Consulting Group in June 2013 for staff who had not previously undertaken this training.

Internal audits were conducted in May/June 2013 in the areas of risk management and payroll. The findings and recommendations of these audits were reported to the Authority's Internal Audit committee and Board.

Occupational Safety, Health and Injury Management

Commitment to Occupational Safety and Health, and Injury Management

The Chief Executive Officer of the Authority is the chair of the Occupational, Safety, Health Injury Management (OSH) committee. Committee members represent a cross-section of staff. Meetings were held quarterly.

The Authority is committed to:

- providing and maintaining a healthy and safe working environment for all staff, contractors and visitors, and
- ensuring that staff, contractors and visitors are not exposed to anything in the work environment which may result in injury or harm to their health.

The Authority had very few reports of accidents in the workplace and strives to continue its good record. During the year, an ergonomic program was installed on all staff computers to prompt users to take periodic rests and stretch breaks.

Consultation with employees on OSH matters

- Signage is located throughout Authority offices, identifying members of the OSH committee.
- The agency has an *Occupational Safety and Health policy manual* and an *Injury Management System* on the intranet for all staff to access
- Staff are encouraged to report any safety and health concerns to committee members.
- Staff are made aware of any temporary safety and health issues in the workplace through email and intranet alerts.
- The Authority has developed a section on the intranet dedicated to safety and health matters, which includes an accident and incident reporting form and procedure.
- Staff are regularly updated via email and/or intranet on broader safety and health matters (e.g. employee assistance program, eyesight screening policy).

Compliance with the injury management requirements of the *Workers' Compensation and Injury Management Act 1981*, including the development of return to work plans

The Authority has an *Injury Management System*, which includes a Return to Work program, on the intranet for all staff to access.

Assessment of the OSH management system

The Authority has a documented WorkSafe plan which provides an audit and assessment function for the OSH management system in the workplace. An external assessor will be engaged to conduct a formal assessment of this plan in early 2014.

Table 9: Report of annual performance for 2012–13 against the indicators

Indicator	Actual 2012–13
Number of fatalities	0
Lost time injury/disease incidence rate	0
Lost time injury severity rate	0
Percentage of injured workers returned to work within (i) 13 weeks, and (ii) 26 weeks	0
Percentage of managers and supervisors trained in occupational safety, health and injury management responsibilities	96%

Complaints Management

The Authority received and registered three complaints, which were all resolved in accordance with our complaints management policy.

A number of concerns were dealt with satisfactorily outside the formal complaints management process.

Financial targets

	1 July 2012 to 30 June 2013 Target ⁽¹⁾ \$000	1 July 2012 to 30 June 2013 Actual \$000	Variation ⁽²⁾ \$000
Total cost of services	29 784	34 213	4 429
Net cost of services	28 997	32 937	3 940
Total equity	4 175	5 890	1 715
Net increase/(decrease) in cash held	797	1 325	528
	Number	Number	Number
Approved full time equivalent (FTE) staff level	134	147	13

- The Target was as specified in the State's 2012-2013 Budget Statements.
- In January 2013, a Section 25 (*Financial Management Act 2006*) transfer of State and National testing function from the Department of Education to the Authority impact on the actual results from 1 July 2012 to 30 June 2013 as follows:
 - additional expenses of \$0.8 million for 'Employee benefits expenses'
 - additional \$2.7 million for 'Supplies and services'
 - increase of \$3.0 million for 'Service appropriations' from the State to fund the testing function
 - 13 additional FTE.

Further explanations are contained in Note 36. 'Explanatory statement for comparison of annual estimates and actual results for the financial period'.

Summary of key performance indicators

Outcome: Quality curriculum framework (Kindergarten to Year 12) and assessment (Years 11–12) in Western Australia

Key effectiveness indicators	2013 Target ⁽¹⁾	2013 Actual ⁽³⁾	2013 Variation ⁽³⁾
Engagement of and acceptance by stakeholders of responsible syllabuses, accreditation and review	3.80	4.18	0.38
Engagement of and acceptance by stakeholders of comprehensive and easily understood assessment policy and support	3.80	4.10	0.30
Engagement of and acceptance by stakeholders of valid and reliable external and school-based assessment	3.80	4.16	0.36

- The Target was as specified in the State's 2012-2013 Budget Statements.
- The scale range is from 1 (low) to 5 (high).
- The variations indicated increased support for syllabuses assessment and examinations conducted by the Authority.

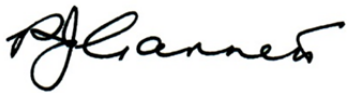
Disclosures and Legal Compliance

Certification of Financial Statements

For the year ended 30 June 2013

The accompanying financial statements of the Authority have been prepared in compliance with the provisions of the *Financial Management Act 2006* from proper accounts and records to present fairly the financial transactions for the financial year ended 30 June 2013 and the financial position as at 30 June 2013.

At the date of signing we are not aware of any circumstances which would render the particulars included in the financial statements misleading or inaccurate.



EMERITUS PROFESSOR P. J. GARNETT
CHAIR



A. BLAGAICH
CHIEF EXECUTIVE OFFICER



Y. H. SEETOH
CHIEF FINANCE OFFICER

Date: 21 August 2013

Financials and Performance



Auditor General

INDEPENDENT AUDITOR'S REPORT

To the Parliament of Western Australia

SCHOOL CURRICULUM AND STANDARDS AUTHORITY

Report on the Financial Statements

I have audited the accounts and financial statements of the School Curriculum and Standards Authority.

The financial statements comprise the Statement of Financial Position as at 30 June 2013, the Statement of Comprehensive Income, Statement of Changes in Equity and Statement of Cash Flows for the year then ended, and Notes comprising a summary of significant accounting policies and other explanatory information.

Board's Responsibility for the Financial Statements

The Board is responsible for keeping proper accounts, and the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards and the Treasurer's Instructions, and for such internal control as the Board determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the financial statements based on my audit. The audit was conducted in accordance with Australian Auditing Standards. Those Standards require compliance with relevant ethical requirements relating to audit engagements and that the audit be planned and performed to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, the financial statements are based on proper accounts and present fairly, in all material respects, the financial position of the School Curriculum and Standards Authority at 30 June 2013 and its financial performance and cash flows for the year then ended. They are in accordance with Australian Accounting Standards and the Treasurer's Instructions.

Report on Controls

I have audited the controls exercised by the School Curriculum and Standards Authority during the year ended 30 June 2013.

Controls exercised by the School Curriculum and Standards Authority are those policies and procedures established by the Board to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions.

Board's Responsibility for Controls

The Board is responsible for maintaining an adequate system of internal control to ensure that the receipt, expenditure and investment of money, the acquisition and disposal of public and other property, and the incurring of liabilities are in accordance with the Financial Management Act 2006 and the Treasurer's Instructions, and other relevant written law.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the controls exercised by the School Curriculum and Standards Authority based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the adequacy of controls to ensure that the Authority complies with the legislative provisions. The procedures selected depend on the auditor's judgement and include an evaluation of the design and implementation of relevant controls.

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

Opinion

In my opinion, the controls exercised by the School Curriculum and Standards Authority are sufficiently adequate to provide reasonable assurance that the receipt, expenditure and investment of money, the acquisition and disposal of property, and the incurring of liabilities have been in accordance with legislative provisions during the year ended 30 June 2013.

Report on the Key Performance Indicators

I have audited the key performance indicators of the School Curriculum and Standards Authority for the year ended 30 June 2013.

The key performance indicators are the key effectiveness indicators and the key efficiency indicators that provide information on outcome achievement and service provision.

Board's Responsibility for the Key Performance Indicators

The Board is responsible for the preparation and fair presentation of the key performance indicators in accordance with the Financial Management Act 2006 and the Treasurer's Instructions and for such controls as the Board determines necessary to ensure that the key performance indicators fairly represent indicated performance.

Auditor's Responsibility

As required by the Auditor General Act 2006, my responsibility is to express an opinion on the key performance indicators based on my audit conducted in accordance with Australian Auditing and Assurance Standards.

An audit involves performing procedures to obtain audit evidence about the key performance indicators. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the key performance indicators. In making these risk assessments the auditor considers internal control relevant to the Board's preparation and fair presentation of the key performance indicators in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the relevance and appropriateness of the key performance indicators for measuring the extent of outcome achievement and service provision.

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

Opinion

In my opinion, the key performance indicators of the School Curriculum and Standards Authority are relevant and appropriate to assist users to assess the Authority's performance and fairly represent indicated performance for the year ended 30 June 2013.

Independence

In conducting this audit, I have complied with the independence requirements of the Auditor General Act 2006 and Australian Auditing and Assurance Standards, and other relevant ethical requirements.

Matters Relating to the Electronic Publication of the Audited Financial Statements and Key Performance Indicators

This auditor's report relates to the financial statements and key performance indicators of the School Curriculum and Standards Authority for the year ended 30 June 2013 included on the Authority's website. The Authority's management is responsible for the integrity of the Authority's website. This audit does not provide assurance on the integrity of the Authority's website. The auditor's report refers only to the financial statements and key performance indicators described above. It does not provide an opinion on any other information which may have been hyperlinked to/from these financial statements or key performance indicators. If users of the financial statements and key performance indicators are concerned with the inherent risks arising from publication on a website, they are advised to refer to the hard copy of the audited financial statements and key performance indicators to confirm the information contained in this website version of the financial statements and key performance indicators.



DON CUNNINGHAME
ASSISTANT AUDITOR GENERAL, ASSURANCE SERVICES
Delegate of the Auditor General for Western Australia
Perth, Western Australia
11 September 2013

Statement of Comprehensive Income

For the year ended 30 June 2013

	Note	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
COST OF SERVICES			
Expenses			
Employee benefits expense	7	17 542	5 047
Supplies and services	8	12 912	887
Accommodation expenses	9	1 622	474
Depreciation and amortisation expense	10	603	199
Grants and awards	11	1 407	90
Other expenses	12	127	60
Total cost of services		34 213	6 757
Income			
Revenue			
Fees	13	810	103
Grants and contributions	14	35	–
Other revenue and recoveries	15	431	115
Total income other than income from State Government		1 276	218
NET COST OF SERVICES		32 937	6 539
INCOME FROM STATE GOVERNMENT	16		
Service appropriation		32 417	4 794
Asset transferred		7	–
Resources received free of charge		130	93
Total income from State Government		32 554	4 887
SURPLUS/(DEFICIT) FOR THE PERIOD		(383)	(1 652)
Other comprehensive income		–	–
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(383)	(1 652)

See also Note 37 'Schedule of income and expenses by service'.

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

As at 30 June 2013

	Note	As at 30 June 2013 \$000	As at 30 June 2012 \$000
ASSETS			
Current Assets			
Cash and cash equivalents	17	4 251	3 150
Receivables	18	452	89
Amount receivable for services	19	170	2 470
Prepayments		38	42
Total current assets		4 911	5 751
Non-Current Assets			
Restricted cash and cash equivalents	20	597	373
Amount receivable for services	19	5 331	2 133
Plant and equipment	21	72	113
Intangible assets	22	2 102	2 625
Total non-current assets		8 102	5 244
Total assets		13 013	10 995
LIABILITIES			
Current Liabilities			
Payables	23	1 368	360
Provisions	24	5 124	3 599
Other liabilities	25	41	48
Total current liabilities		6 533	4 007
Non-Current Liabilities			
Provisions	24	590	715
Total non-current liabilities		590	715
Total liabilities		7 123	4,722
NET ASSETS		5 890	6 273
EQUITY	26		
Contributed equity		7 925	7 925
Accumulated surplus/(deficit)		(2 035)	(1 652)
TOTAL EQUITY		5 890	6 273

The Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes in Equity

For the year ended 30 June 2013

	Note	Contributed Equity \$000	Accumulated surplus/(deficit) \$000	Total Equity \$000
1 July 2012 to 30 June 2013				
Balance at 1 July 2012	26	7 925	(1 652)	6 273
Total comprehensive income for the year		–	(383)	(383)
Transactions with owners in their capacity as owners		–	–	–
Balance at 30 June 2013		7 925	(2 035)	5 890
1 March 2012 to 30 June 2012				
Balance at 1 March 2012		7 925	–	7 925
Total comprehensive income for the period		–	(1 652)	(1 652)
Transactions with owners in their capacity as owners		–	–	–
Balance at 30 June 2012		7 925	(1 652)	6 273

The Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

For the year ended 30 June 2013

	Note	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
CASH FLOWS FROM STATE GOVERNMENT			
Service appropriation		31 349	4 812
Holding account drawdowns		170	–
Net cash provided by State Government		31 519	4 812
Utilised as follows:			
CASH FLOWS FROM OPERATING ACTIVITIES			
Employee benefits		(16 125)	(4 922)
Supplies and services		(12 190)	(709)
Accommodation		(1 622)	(473)
Grants and awards		(1 407)	(90)
GST payments on purchases		(859)	(133)
Receipts			
Fees		803	152
Grants from state agencies		23	–
Grants from non-government sources		12	–
Other receipts		430	115
GST receipts on sales		106	32
GST receipts from taxation authority		667	125
Net cash used in operating activities		(30 162)	(5 903)
CASH FLOWS FROM INVESTING ACTIVITIES			
Purchase of non-current physical assets		(32)	(30)
Net cash used in investing activities		(32)	(30)
Net increase/(decrease) in cash and cash equivalents		1 325	(1 121)
Cash and cash equivalents at the beginning of period		3 523	4 644
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	27	4 848	3 523

The Statement of Cash Flows should be read in conjunction with the accompanying notes.

Index of Notes to the Financial Statements

1.	Financial Periods	32
2.	Australian Accounting Standards	32
3.	Summary of significant accounting policies	32
4.	Judgements made by management in applying accounting policies	38
5.	Key sources of estimation uncertainty	38
6.	Disclosure of changes in accounting policy and estimates	38
7.	Employee benefits expense	42
8.	Supplies and services	42
9.	Accommodation expenses	42
10.	Depreciation and amortisation expense	42
11.	Grants and awards	42
12.	Other expenses	43
13.	Fees	43
14.	Grants and contributions	43
15.	Other revenues and recoveries	43
16.	Income from State Government	44
17.	Cash and cash equivalents	44
18.	Receivables	44
19.	Amount receivable for services	44
20.	Restricted cash and cash equivalents	44
21.	Plant and equipment	45
22.	Intangible assets	45
23.	Payables	46
24.	Provisions	46
25.	Other liabilities	46
26.	Equity	47
27.	Notes to the Statement of Cash Flows	47

28.	Lease commitments.....	48
29.	Capital commitments	48
30.	Contingent liabilities and contingent assets.....	48
31.	Events occurring after the end of the reporting period	48
32.	Financial instruments.....	48
33.	Remuneration of Board members and senior officers.....	51
34.	Remuneration of Auditor.....	52
35.	Explanatory Statement for comparison of actual results with those of the preceding period.....	53
36.	Explanatory statement for comparison of annual estimates and actual results for the financial period.....	54
37.	Schedule of income and expenses by service	55

Notes to the Financial Statements

1. Financial Periods

The School Curriculum and Standards Authority (the Authority) was established on 1 March 2012 under the *School Curriculum and Standards Authority Act 1997* to replace the Curriculum Council that was abolished on 29 February 2012. The Authority's first set of financial statements were for four months, from 1 March 2012 to 30 June 2012 which make up the comparative figures. The period for this report covers 12 months, from 1 July 2012 to 30 June 2013.

2. Australian Accounting Standards

General

The Authority's financial statements for the year ended 30 June 2013 have been prepared in accordance with Australian Accounting Standards. The term 'Australian Accounting Standards' refers to Standards and Interpretations issued by the Australian Accounting Standard Board (AASB).

The Authority has adopted any applicable, new and revised Australian Accounting Standards from their operative dates.

Early adoption of standards

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 'Application of Australian Accounting Standards and Other Pronouncements'. There has been no early adoption of Australian Accounting Standards that have been issued or amended (but not operative) by the Authority for the reporting period ended 30 June 2013.

3. Summary of significant accounting policies

(a) General Statement

The Authority is a not-for-profit reporting entity that prepares general purpose financial statements that have been prepared in accordance with *Australian Accounting Standards, the Framework, Statements of Accounting Concepts* and other authoritative pronouncements of the AASB as applied by the

Treasurer's instructions. Several of these are modified by the Treasurer's instructions to vary application, disclosure, format and wording.

The *Financial Management Act* and the Treasurer's instructions impose legislative provisions that govern the preparation of financial statements and take precedence over *Australian Accounting Standards, the Framework, Statements of Accounting Concepts* and other authoritative pronouncements of the AASB.

Where modification is required and has had a material or significant financial effect upon the reported results, details of that modification and the resulting financial effect are disclosed in the notes to the financial statements.

(b) Basis of Preparation

The financial statements have been prepared on the accrual basis of accounting using the historical cost convention.

The accounting policies adopted in the preparation of the financial statements have been consistently applied throughout all periods presented unless otherwise stated.

The financial statements are presented in Australian dollars rounded to the nearest thousand dollars (\$'000).

Note 4 'Judgements made by management in applying accounting policies' discloses judgements that have been made in the process of applying the Authority's accounting policies resulting in the most significant effect on amounts recognised in the financial statements.

Note 5 'Key sources of estimation uncertainty' discloses key assumptions made concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(c) Reporting Entity

The reporting entity is the Authority and has no related bodies.

(d) Contributed Equity

AASB Interpretation 1038 'Contributions by Owners Made to Wholly-Owned Public Sector Entities' requires transfers, other than as a result of a restructure of administrative arrangements, in the nature of equity contributions to be designated by the Government (the owner) as contributions by owners (at the time of, or prior to transfer) before such transfers can be recognised as equity contributions. Capital appropriations have been designated as contributions by owners by Treasurer's Instruction (TI) 955 'Contributions by Owners made to Wholly Owned Public Sector Entities' and have been credited directly to contributed equity.

The transfer of net assets to/from other agencies, other than as a result of a restructure of administrative arrangements, are designated as contributions by owners where the transfers are non-discretionary and non-reciprocal.

(e) Income

Revenue recognition

Revenue is recognised and measured at the fair value of consideration received or receivable. Specific recognition criteria must also be met before revenue is recognised for the following major business activities:

Sale of goods

Revenue is recognised from the sale of goods and disposal of other assets when the significant risks and rewards of ownership control transfer to the purchaser and can be measured reliably.

Provision of services

Revenue is recognised on delivery of the service to the client or by reference to the stage of completion of the transaction.

Service Appropriations

Service appropriations are recognised as revenues at fair value in the period in which the Authority gains control of the appropriated funds. The Authority gains control of appropriated funds at the time those funds are deposited to the bank account or credited to the 'Amounts receivable for services' (holding account) held at Treasury.

Grants, donations, gifts and other non-reciprocal contributions

Revenue is recognised at fair value when the Authority obtains control over the assets comprising the contributions, usually when cash is received.

Other non-reciprocal contributions that are not contributions by owners are recognised at their fair value. Contributions of services are only recognised when a fair value can be reliably determined and the services would be purchased if not donated.

Gains

Realised and unrealised gains are usually recognised on a net basis. These include gains arising on the disposal of non-current assets and some revaluations of non-current assets.

(f) Plant and Equipment

Capitalisation/Expensing of assets

Items of plant and equipment costing \$5,000 or more are recognised as assets and the cost of utilising assets is expensed (depreciated) over their useful lives. Items of plant and equipment costing less than \$5,000 and fit-outs for office premises on short-term leases are immediately expensed direct to the Statement of Comprehensive Income (other than where they form part of a group of similar items which are significant in total).

Initial recognition and measurement

All items of plant and equipment are initially recognised at cost.

For items of plant and equipment acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

Subsequent measurement

All items of plant and equipment are stated at historical cost less accumulated depreciation and accumulated impairment losses.

Depreciation

All non-current assets having a limited useful life are systematically depreciated over their estimated useful lives in a manner that reflects the consumption of their future economic benefits.

Depreciation is calculated using the straight line method, using rates which are reviewed annually. Estimated useful lives for each class of depreciable asset are:

Computer hardware	3 years
Communication and audiovisual equipment.....	3 years
Other equipment and fittings	5–10 years

(g) Intangible Assets

Capitalisation/Expensing of assets

Acquisitions of intangible assets and internally generated intangible assets costing \$5,000 or more are capitalised. The cost of utilising the assets is expensed (amortised) over their useful lives. Costs incurred below these thresholds are immediately expensed directly to the Statement of Comprehensive Income.

All acquired and internally developed intangible assets are initially recognised at cost. For assets acquired at no cost or for nominal cost, the cost is their fair value at the date of acquisition.

The cost model is applied for subsequent measurement requiring the asset to be carried at cost less any accumulated amortisation and accumulated impairment losses.

Projects-in-progress are not amortised until it is fully completed.

Amortisation for intangible assets with finite useful lives is calculated for the period of the expected benefit (estimated useful life which is reviewed annually) on the straight line basis using rates which are reviewed annually. All intangible assets controlled by the Authority have a finite useful life and zero residual value. The expected useful lives for each class of intangible asset are:

Software(a)	3 years
Student Information and Records System.....	7–10 years

(a) Software that is not integral to the operation of any related hardware.

Computer software

Software that is an integral part of the related hardware is recognised as property, plant and equipment. Software that is not an integral part of the related hardware is treated as an intangible asset. Software costing less than \$5,000 is expensed in the year of acquisition.

Website costs

Website costs are charged as expenses when they are incurred unless they relate to the acquisition or development of an asset when they may be capitalised and amortised. Generally, costs in relation to feasibility studies during the planning phase of a website, and ongoing costs of maintenance during the operating phase are expensed.

(h) Impairment of Assets

Plant and equipment and intangible assets are tested for any indication of impairment at the end of each reporting period. Where there is an indication of impairment, the recoverable amount is estimated. Where the recoverable amount is less than the carrying amount, the asset is considered impaired and is written down to the recoverable amount and an impairment loss is recognised. As the Authority is a not-for-profit entity, unless an asset has been identified as a surplus asset, the recoverable amount is the higher of an asset's fair value less costs to sell and depreciated replacement cost.

The risk of impairment is generally limited to circumstances where an asset's depreciation is materially understated, where the replacement cost is falling or where there is a significant change in useful life. Each relevant class of assets is reviewed annually to verify that the accumulated depreciation/amortisation reflects the level of consumption or expiration of asset's future economic benefits and to evaluate any impairment risk from falling replacement costs.

Intangible assets with an indefinite useful life and intangible assets not yet available for use are tested for impairment at the end of each reporting period irrespective of whether there is any indication of impairment.

The recoverable amount of assets identified as surplus assets is the higher of fair value less costs to sell and the present value of future cash flows expected to be derived from the asset. Surplus assets carried at fair value

have no risk of material impairment where fair value is determined by reference to market-based evidence. Where fair value is determined by reference to depreciated replacement cost, surplus assets are at risk of impairment and the recoverable amount is measured. Surplus assets at cost are tested for indications of impairment at the end of each reporting period.

(i) Leases

The Authority holds operating leases for its office premises and vehicles. Lease payments are expensed on a straight line basis over the lease term as this represents the pattern of benefits derived from the leased properties.

(j) Financial Instruments

In addition to cash, the Authority has two categories of financial instrument:

- Receivables, and
- Financial liabilities measured at amortised cost.

Financial instruments have been disaggregated into the following classes:

Financial Assets

- Cash and cash equivalents
- Restricted cash and cash equivalents
- Receivables
- Amounts receivable for services.

Financial Liabilities

- Payables
- Other liabilities.

Initial recognition and measurement of financial instruments is at fair value which normally equates to the transaction cost or the face value. Subsequent measurement is at amortised cost using the effective interest method.

The fair value of short-term receivables and payables is the transaction cost or the face value because there is no interest rate applicable and subsequent measurement is not required as the effect of discounting is not material.

(k) Cash and Cash Equivalents

For the purpose of the Statement of Cash Flows, cash and cash equivalent (and restricted cash and cash equivalent) assets comprise cash on hand and short-term deposits with original maturities of three months or less that are readily convertible to a known amount of cash and which are subject to insignificant risk of changes in value.

(l) Accrued Salaries

Accrued salaries (Note 23 'Payables') represent the amount due to staff but unpaid at the end of the financial year. Accrued salaries are settled within a fortnight of the financial year end. The Authority considers the carrying amount of accrued salaries to be equivalent to its fair value.

The accrued salaries suspense account (Note 20 'Restricted cash and cash equivalents') consists of amounts paid into the Department of Treasury's suspense account over a period of 10 financial years to largely meet the additional cash outflow in each eleventh year when 27 pay days occur instead of the normal 26. No interest is received on this account.

(m) Receivables

Receivables are recognised and carried at original invoice amount less an allowance for any uncollectible amounts (that is, impairment). The collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written-off against the allowance account. The allowance for uncollectible amounts (doubtful debts) is raised when there is objective evidence that the Authority will not be able to collect the debts. The carrying amount is equivalent to fair value as it is due for settlement within 30 days.

(n) Amounts Receivable for Services (Holding Account)

The Authority receives income from the State Government partly in cash and partly as an asset (holding account receivable). The accrued amount appropriated is accessible on the emergence of the cash funding requirement to cover leave entitlements and asset replacement.

(o) Inventories

Inventories are measured at the lower of cost or net realisable value. Costs are assigned by the method most appropriate for each particular class of inventory, with the majority being valued on a first in first out basis.

(p) Payables

Payables are recognised when the Authority becomes obliged to make future payments as a result of a purchase of assets or services at fair value, as they are generally settled within 30 days.

(q) Provisions

Provisions are liabilities of uncertain timing and amount and are recognised where there is a present legal, equitable or constructive obligation as a result of a past event and when the outflow of resources embodying economic benefits is probable and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at the end of each reporting period.

(i) Provisions – Employee Benefits

All annual and long service leave provisions are in respect of employees' services up to the end of the reporting period.

Annual Leave

The liability for annual leave expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Annual leave not expected to be settled within 12 months after the end of the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments, consideration is given to expected future wage and salary levels, including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The

expected future payments are discounted using market yields at the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

The provision for annual leave is classified as a current liability as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

Long Service Leave

The liability for long service leave expected to be settled within 12 months after the end of the reporting period is recognised and measured at the undiscounted amounts expected to be paid when the liability is settled.

Long service leave not expected to be settled within 12 months after the end of the reporting period is measured at the present value of amounts expected to be paid when the liabilities are settled using the remuneration rate expected to apply at the time of settlement.

When assessing expected future payments, consideration is given to expected future wage and salary levels including non-salary components such as employer superannuation contributions, as well as the experience of employee departures and periods of service. The expected future payments are discounted using market yields at the reporting period on national government bonds with terms to maturity that match, as closely as possible, the estimated future cash outflows.

Unconditional long service leave provisions are classified as current liabilities as the Authority does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Pre-conditional and conditional long service leave provisions are classified as non-current liabilities because the Authority has an unconditional right to defer the settlement of the liability until the employee has completed the requisite years of service.

Deferred Leave

The provision for deferred leave relates to Public Service employees who have entered into an agreement to self-fund an additional

12 months leave in the fifth year of the agreement. The provision recognises the value of salary set aside for employees to be used in the fifth year. This liability is measured on the same basis as annual leave. Deferred leave is reported as a current provision as employees can leave the scheme at their discretion at any time.

Superannuation

The Government Employees Superannuation Board (GESB) administers public sector superannuation arrangements in Western Australia in accordance with legislative requirements.

Eligible employees contribute to the Pension Scheme, a defined benefit pension scheme closed to new members since 1987, or the Gold State Superannuation Scheme (GSS), a defined benefit lump sum scheme closed to new members since 1995.

Employees commencing employment prior to 16 April 2007 who were not members of either the Pension Scheme or the GSS became non-contributory members of the West State Superannuation Scheme (WSS). Employees commencing employment on or after 16 April 2007 became members of the GESB Super Scheme (GESBS). From 30 March 2012, existing members of the WSS or GESBS and new employees have been able to choose their preferred superannuation fund provider. The Authority makes contributions to GESB or other fund providers on behalf of employees in compliance with the *Commonwealth Government's Superannuation Guarantee (Administration) Act 1992*. Contributions to these accumulation schemes extinguish the Authority's liability for superannuation charges in respect of employees who are not members of the Pension Scheme or GSS.

The GSS is a defined benefit scheme for the purposes of employees and whole-of-government reporting. However, it is a defined contribution plan for agency purposes because the concurrent contributions (defined contributions) made by the Authority to GESB extinguishes the agency's obligations to the related superannuation liability.

The Authority has no liabilities under the Pension Scheme or the GSS. The liabilities for the unfunded Pension Scheme and the unfunded GSS Scheme transfer benefits attributable to members who transferred from the Pension Scheme, are assumed by the Treasurer. All other GSS Scheme obligations are funded by concurrent contributions made by the Authority to the GESB.

The GESB makes all benefit payments in respect of the Pension and GSS, and is recouped from the Treasurer for the employer's share.

(ii) Provisions – Other

Employment On-Costs

Employment on-costs, including workers' compensation insurance, are not employee benefits and are recognised separately as liabilities and expenses when the employment to which they relate has occurred. Employment on-costs are included as part of 'Other expenses' and are not included as part of the Authority's 'Employee benefits expense'. The related liability is included in 'Employment on-costs provision'.

(r) Superannuation Expense

The superannuation expense in the Statement of Comprehensive Income comprises employer contributions paid to the GSS (concurrent contributions), the WSS and the GESBS.

(s) Assets and Services Received Free of Charge or for nominal cost

Assets and services received free of charge or for nominal cost are recognised as income at fair value of the assets and/or the fair value of those services that can be reliably measured and the Authority would otherwise pay for. A corresponding expense is recognised for services received. Receipts of assets are recognised in the Statement of Financial Position.

Assets or services received from other State Government agencies are separately disclosed under Income from State Government in the Statement of Comprehensive Income.

(t) Comparative Figures

Comparative figures are, where appropriate, reclassified to be comparable with the figures in the current financial year.

4. Judgements made by management in applying accounting policies

The preparation of financial statements requires management to make judgements about the application of accounting policies that have a significant effect on the amounts recognised in the financial statements. The Authority evaluates these judgements regularly.

5. Key sources of estimation uncertainty

Key estimates and assumptions concerning the future are based on historical experience and various other factors that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year.

Long Service Leave

Several estimations and assumptions used in calculating the Authority's long service leave provision include expected future salary rates, salary inflation, discount rates, employee retention rates and expected future payments. Changes in these estimations and assumptions may impact on the carrying amount of the long service leave provision.

6. Disclosure of changes in accounting policy and estimates**(a) Initial application of an Australian Accounting Standard**

The Authority has applied the following Australian Accounting Standard effective for annual reporting periods beginning on or after 1 July 2012 that impacted on the Authority:

AASB 2011-9

Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 and 1049]

This Standard requires to group items presented in other comprehensive income on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments). There is no financial impact.

(b) Future impact of Australian Accounting Standards not yet operative

The Authority cannot early adopt an Australian Accounting Standard unless specifically permitted by TI 1101 *Application of Australian Accounting Standards and Other Pronouncements*. Consequently, the Authority has not applied early any following Australian Accounting Standards that have been issued that may impact the Authority. Where applicable, the Authority plans to apply these Australian Accounting Standards from their application date.

Title and Operative for reporting periods beginning on/after:	
<p>AASB 9 This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures amended the mandatory application date of this Standard to 1 January 2015. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 January 2015
<p>AASB 13 Fair Value Measurement This Standard defines fair value, sets out a framework for measuring fair value and requires disclosures about fair value measurements. There is no financial impact.</p>	1 January 2013
<p>AASB 119 Employee Benefits This Standard supersedes AASB 119 (October 2010). As the Authority does not operate a defined benefit plan, the impact of the change is limited to measuring annual leave as a long-term employee benefit. The resultant discounting of the annual leave benefit has an immaterial impact.</p>	1 January 2013
<p>AASB 1053 Application of Tiers of Australian Accounting Standards This Standard establishes a differential financial reporting framework consisting of two tiers of reporting requirements for preparing general purpose financial statements. There is no financial impact.</p>	1 July 2013
<p>AASB 2010-2 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 1, 2, 3, 5, 7, 8, 101, 102, 107, 108, 110, 111, 112, 116, 117, 119, 121, 123, 124, 127, 128, 131, 133, 134, 136, 137, 138, 140, 141, 1050 and 1052 and Int 2, 4, 5, 15, 17, 127, 129 and 1052] This Standard makes amendments to Australian Accounting Standards and Interpretations to introduce reduced disclosure requirements for certain types of entities. There is no financial impact.</p>	1 July 2013
<p>AASB 2010-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2010) [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 and 1038 and Int 2, 5, 10, 12, 19 and 127] This Standard makes consequential amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 9 in December 2010. AASB 2012-6 amended the mandatory application date of this Standard to 1 January 2015. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 January 2015

Title and Operative for reporting periods beginning on/after:	
<p>AASB 2011-8 Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 and 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 and 132] This Standard replaces the existing definition and fair value guidance in other Australian Accounting Standards and Interpretations as the result of issuing AASB 13 in September 2011. There is no financial impact.</p>	1 January 2013
<p>AASB 2011-10 Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 and 2011-8 and Int 14] This Standard makes amendments to other Australian Accounting Standards and Interpretations as a result of issuing AASB 119 in September 2011. There is no financial impact.</p>	1 January 2013
<p>AASB 2011-11 Amendments to AASB 119 (September 2011) arising from Reduced Disclosure Requirements This Standard gives effect to Australian Accounting Standards – Reduced Disclosure Requirements for AASB 119 (September 2011). There is no financial impact.</p>	1 July 2013
<p>AASB 2012-1 Amendments to Australian Accounting Standards - Fair Value Measurement - Reduced Disclosure Requirements [AASB 3, 7, 13, 140 and 141] This Standard establishes and amends reduced disclosure requirements for additional and amended disclosures arising from AASB 13 and the consequential amendments implemented through AASB 2011-8. There is no financial impact.</p>	1 July 2013
<p>AASB 2012-2 Amendments to Australian Accounting Standards – Disclosures – Offsetting Financial Assets and Financial Liabilities [AASB 7 and 132] This Standard amends the required disclosures in AASB 7 to include information that will enable users of an entity’s financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity’s recognised financial assets and recognised financial liabilities, on the entity’s financial position. There is no financial impact.</p>	1 January 2013
<p>AASB 2012-3 Amendments to Australian Accounting Standards – Offsetting Financial Assets and Financial Liabilities [AASB 132] This Standard adds application guidance to AASB 132 to address inconsistencies identified in applying some of the offsetting criteria, including clarifying the meaning of “currently has a legally enforceable right of set-off” and that some gross settlement systems may be considered equivalent to net settlement. There is no financial impact.</p>	1 January 2014

Title and Operative for reporting periods beginning on/after:	
<p>AASB 2012-5 Amendments to Australian Accounting Standards arising from Annual Improvements 2009-11 Cycle [AASB 1, 101, 116, 132 and 134 and Int 2] This Standard makes amendments to the Australian Accounting Standards and Interpretations as a consequence of the annual improvements process. There is no financial impact.1.</p>	1 January 2013
<p>AASB 2012-6 Amendments to Australian Accounting Standards – Mandatory Effective Date of AASB 9 and Transition Disclosures [AASB 9, 2009-11, 2010-7, 2011-7 and 2011-8] This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015. Further amendments are also made to consequential amendments arising from AASB 9 that will now apply from 1 January 2015 and to consequential amendments arising out of the Standards that will still apply from 1 January 2013. There is no financial impact.</p>	1 January 2013
<p>AASB 2012-7 Amendments to Australian Accounting Standards arising from Reduced Disclosure Requirements [AASB 7, 12, 101 and 127] This Standard adds to or amends the Australian Accounting Standards to provide further information regarding the differential reporting framework and the two tiers of reporting requirements for preparing general financial statement. There is no financial impact.</p>	1 July 2013
<p>AASB 2012-10 Amendments to Australian Accounting Standards – Transition Guidance and Other Amendments [AASB 1, 5, 7, 8, 10, 11, 12, 13, 101, 102, 108, 112, 118, 119, 127, 128, 132, 133, 134, 137, 1023, 1038, 1039, 1049 and 2011-7 and Int 12] This Standard makes amendments to AASB 10 and related Standards to revise the transition guidance relevant to the initial application of those Standards, and to clarify the circumstances in which adjustments to an entity’s previous accounting for its involvement with other entities are required and the timing of such adjustments. The Standard was issued in December 2012. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 January 2013
<p>AASB 2012-11 Amendments to Australian Accounting Standards – Reduced Disclosure Requirements and Other Amendments [AASB 1, 2, 8, 10, 107, 128, 133, 134 and 2011-4] This Standard makes various editorial corrections to Australian Accounting Standards – Reduced Disclosure Requirements (Tier 2). These corrections ensure that the Standards reflect decisions of the AASB regarding the Tier 2 requirements. This Standard also extends the relief from consolidation and the equity method (in the new Consolidation and Joint Arrangements Standards) to entities complying with Australian Accounting Standards – Reduced Disclosure Requirements. There is no financial impact.</p>	1 July 2013

7. Employee benefits expense

	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
Wages and salaries ^(a)	14 516	4 319
Superannuation – defined contribution plans ^(b)	1 987	466
Long service leave ^(c)	892	274
Annual leave ^(c)	147	(12)
	17 542	5 047

(a) Includes the value of fringe benefits to employees plus the fringe benefits tax component.

(b) Defined contribution plans include West State, Gold State and GESB Super Scheme (contributions paid).

(c) Includes a superannuation contribution component.

Employment on-costs such as workers' compensation insurance are included at Note 12 'Other expenses'. The employment on-costs liability is included at 24 'Provisions'.

8. Supplies and services

	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
Consultants and contractors	12 165	661
Communications	209	93
Consumable supplies	539	133
	12 912	887

9. Accommodation expenses

	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
Lease rentals	1 306	439
Repairs, maintenance and fit-outs	244	13
Cleaning	72	22
	1 622	474

10. Depreciation and amortisation expense

	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
Plant and equipment	74	22
Intangible assets	529	177
	603	199

11. Grants and awards

	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
Grants for implementation of the Australian Curriculum ^(a)	1 396	–
Grants to universities for research on senior school education under the Australian Research Council linkage projects ^(a)	–	90
Grants for Year 12 Art Exhibition ^(a)	2	–
Awards for educational excellence	9	–
	1 407	90

(a) The grants were provided for ordinary activities.

12. Other expenses

	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
Employment on-costs ^(a)	(15)	–
Repairs and maintenance	128	36
Audit fees ^(b)	14	24
	<u>127</u>	<u>60</u>

(a) These relate to workers' compensation insurance associated with the recognition of annual and long service leave liabilities shown in Note 24 'Provisions'. The amount incurred for the period from 1 March 2012 to 30 June 2012 was \$300.

(b) See also Note 34 "Remuneration of Auditor."

13. Fees

	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
Fees from examination related services	247	25
Fees from overseas full fee paying students ^(a)	563	78
	<u>810</u>	<u>103</u>

(a) These fees are based on cost recovery for the services provided.

14. Grants and contributions

	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
From state agencies and non-government sources for the Authority's awards ceremony for educational excellence	35	–

15. Other revenues and recoveries

	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
Fee for information system services performed for a State Government department	–	70
Government Vehicle Scheme contributions	29	10
Sundry revenues and recoupment of expenses ^(a)	402	35
	<u>431</u>	<u>115</u>

(a) Includes on-costs on payroll for Authority's officers seconded to other State and Federal government agencies.

16. Income from State Government

	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
Appropriation revenue received during the period – Service appropriations ^{(a)(b)}	32 417	4 794
Asset transferred ^(c)	7	–
Resources received free of charge: Determined on the basis of the following estimates provided by agencies:		
Department of Education – system support	110	6
Department of Education Services – legal ^(d) and financial services	–	80
Department of Finance – office accommodation services	12	5
State Solicitor’s Office – legal services	8	2
	<u>130</u>	<u>93</u>

- (a) Service appropriations are accrual amounts reflecting the net cost of services delivered. The appropriation revenue comprises a cash component and a receivable (asset). The receivable (holding account) comprises depreciation expense and any agreed increase in leave liability.
- (b) Where assets or services have been received free of charge or for nominal cost, the Authority recognises revenue equivalent to the fair value of the assets and/or the fair value of those services that can be reliably measured and which would have been purchased if they were not donated, and those fair values shall be recognised as assets or expenses, as applicable. Where the contributions of assets or services are in the nature of contributions by owners, the Authority makes an adjustment direct to equity.
- (c) A photocopier was transferred to the Authority from the Department of Education in connection with the transfer of the State and National testing function mentioned in Note 36 ‘Explanatory statement for comparison of annual estimates and actual results for the financial period’.
- (d) For the Ministerial directed review of the *Curriculum Council Act 1997*.

17. Cash and cash equivalents

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Cash at bank	4 250	3 149
Petty cash and till floats	1	1
	<u>4 251</u>	<u>3 150</u>

18. Receivables

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Receivables ^{(a) (b)}	342	65
GST receivable	110	24
	<u>452</u>	<u>89</u>

- (a) No provision for impairment is required for the receivables.
- (b) The Authority does not hold any collateral or other credit enhancements as security for receivables.

19. Amount receivable for services

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Current ^(a)	170	2 470
Non-current	5 331	2 133
	<u>5 501</u>	<u>4 603</u>

- (a) Represents the non-cash component of service appropriations restricted for use in asset replacement or payment of leave liability.

20. Restricted cash and cash equivalents

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Accrued salaries suspense account ^(a)	597	373

- (a) Funds held in the Department of Treasury’s suspense account used only for the purpose of meeting the 27th pay in a financial year that occurs every 11 years.

21. Plant and equipment

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
At cost	525	627
Accumulated depreciation	(453)	(514)
	72	113
Reconciliation of carrying amount at the beginning and end of the financial period is set out below.		
Carrying amount at start of the period	113	105
Impaired equipment retired during the period	(134)	–
Accumulated depreciation on equipment retired	134	–
Additions	26	30
Asset transferred ^(a)	7	–
Depreciation for the period	(74)	(22)
Carrying amount at end of period	72	113

There were no indications of impairment to plant and equipment. As at 30 June 2013 there were no assets identified as surplus.

- (a) A photocopier was transferred to the Authority from the Department of Education in connection with the transfer of the State and National testing function mentioned in Note 36 'Explanatory statement for comparison of annual estimates and actual results for the financial period'.

22. Intangible assets

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Computer software:		
At cost	4 687	4 715
Accumulated amortisation	(2 585)	(2 090)
	2 102	2 625
Reconciliation of carrying amount at the beginning and end of the financial period is set out below.		
Carrying amount at start of the period	2 625	2 802
Software no longer in use retired during the period	(34)	–
Accumulated depreciation on software retired	34	–
Additions – acquisitions	6	–
Amortisation for the period	(529)	(177)
Carrying amount at end of period	2 102	2 625

There were no indications of impairment to intangible assets. As at 30 June 2013 there were no intangible assets identified as surplus.

23. Payables

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Trade payables	1 014	57
Accrued salaries : amount owing for six working days (2012 : 6 working days) ^(a)	354	303
	<u>1 368</u>	<u>360</u>

24. Provisions

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Current:		
Employee benefits provision	1 170	951
Annual leave ^(a)		
Long service leave ^(b)	3 922	2 622
Deferred salary scheme ^(c)	31	10
	<u>5 123</u>	<u>3 583</u>
Other provision		
Employment on-costs ^(d)	1	16
	<u>5 124</u>	<u>3 599</u>
Non-Current:		
Employee benefits provision		
Long service leave ^(b)	590	715
	<u>590</u>	<u>715</u>

- (a) Annual leave liabilities have been classified as current as there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Within 12 months of the end of the period	502	408
More than 12 months after the end of the period	668	543
	<u>1 170</u>	<u>951</u>

- (b) Long service leave liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Assessments indicate that actual settlement of the liabilities will occur as follows:

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Within 12 months of the end of the period	1 299	1 063
More than 12 months after the end of the period	3 213	2 274
	<u>4 512</u>	<u>3 337</u>

- (c) Deferred salary liabilities have been classified as current where there is no unconditional right to defer settlement for at least 12 months after the reporting period. Actual settlement of the liabilities is expected to occur as follows:

	–	–
Within 12 months of the end of the period	–	–
More than 12 months after the end of the period	31	10
	<u>31</u>	<u>10</u>

- (d) The settlement of annual and long service leave liabilities gives rise to the payment of employment on-costs for workers' compensation insurance. The provision is the present value of expected future payments. The associated expense is disclosed in Note 12 'Other expenses'.

Movement in employment on-cost provision:

Carrying amount at start of period	16	16
Additional/(reduction) in provision recognised	(15)	–
Carrying amount at end of period	<u>1</u>	<u>16</u>

25. Other liabilities

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Income in advance: examination enrolment fees from overseas full fee paying students ^(a)	41	48
	<u>41</u>	<u>48</u>

- (a) The fees are payable prior to the end of the financial period while the examinations are conducted during the first half of the following financial period.

26. Equity

Equity represents the residual interest in the net assets of the Authority. The Government holds the equity interest in the Authority on behalf of the community.

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Contributed equity:		
Balance at start of period	7 925	7 925
Contributions by owners – capital appropriation	–	–
Balance at end of period	<u>7 925</u>	<u>7 925</u>
Accumulated surplus/(deficit):		
Balance at start of period	(1 652)	–
Surplus/(deficit) for the period	(383)	(1 652)
Balance at end of period	<u>(2 035)</u>	<u>(1 652)</u>
Total equity at end of period	<u>5 890</u>	<u>6 273</u>

27. Notes to the Statement of Cash Flows

Reconciliation of cash

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Balance at start of period		
Cash and cash equivalents (Note 17)	4 251	3 150
Restricted cash and cash equivalents (Note 19)	597	373
Balance at end of period	<u>4 848</u>	<u>3 523</u>

Reconciliation of net cost of services to net cash flows provided by/(used in) operating activities

	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
Net cost of services	(32 937)	(6 539)
Non-cash items:		
Resources received free of charge	130	93
Depreciation and amortisation expense	603	199
(Increase)/decrease in assets:		
Current receivables ^(a)	(363)	140
Current prepayments	4	(19)
Increase/(decrease) in liabilities:		
Current payables	1 008	(120)
Current provisions	1 525	142
Other current liabilities	(7)	48
Non-current provisions	(125)	153
Net GST receipts/(payments) ^(b)	(86)	24
Change in GST in receivables/payables ^(c)	86	(24)
Net cash used in operating activities	<u>(30 162)</u>	<u>(5 903)</u>

(a) Note that the Australian Taxation Office (ATO) receivable/payable in respect of GST and the receivable/payable in respect of the sale/purchase of non-current assets are not included in these items as they do not form part of the reconciling items.

(b) This is the net GST paid/received; that is, cash transactions.

(c) This reverses out the GST in receivables and payables.

28. Lease commitments

Non-cancellable operating lease commitments for office premises and vehicles, inclusive of GST where relevant, are as follows:

	As at 30 June 2013 \$000	As at 30 June 2012 \$000
Within 1 year	1 557	1 516
Later than 1 year and not later than 5 years	273	1 373
	1 830	2 889

29. Capital commitments

There were no capital expenditure commitments as at 30 June 2013.

30. Contingent liabilities and contingent assets

There were no contingent liabilities and contingent assets as at 30 June 2013.

31. Events occurring after the end of the reporting period

No events have occurred after reporting date which would materially impact on the financial statements.

32. Financial instruments**(a) Financial Risk Management Objectives and Policies**

Financial instruments held by the Authority are cash and cash equivalents, restricted cash and cash equivalents, receivables, payables and other liabilities. The Authority has limited exposure to financial risks. The Authority's overall risk management program focuses on managing the risks identified below.

Credit risk

Credit risk arises when there is the possibility of the Authority's receivables defaulting on their contractual obligations resulting in financial loss to the Authority.

The maximum exposure to credit risk at the end of the reporting period in relation to each class of recognised financial assets is the gross carrying amount of those assets inclusive of any allowance for impairment as shown in the table at Note 32(b) 'Financial instruments disclosures' and Note 18 'Receivables'.

Credit risk associated with the Authority's financial assets is minimal because the main receivable is the amounts receivable for services (holding account). For receivables other than government, the Authority trades only with recognised, creditworthy third parties. The Authority has policies in place to ensure that sales of services are made to customers with an appropriate credit history. In addition, receivable balances are monitored on an ongoing basis with the result that the Authority's exposure to bad debts is minimal. At the end of the reporting period there were no significant concentrations of credit risk.

Liquidity risk

The Authority is exposed to liquidity risk through its trading in the normal course of business. Liquidity risk arises when the Authority is unable to meet its financial obligations as they fall due.

The Authority has appropriate procedures to manage cash flows including drawdowns of appropriations by monitoring forecast cash flows to ensure that sufficient funds are available to meet its commitments.

Market risk

The Authority does not trade in foreign currency and is not exposed to other price risks and changes in interest rates.

(b) Financial instrument disclosures

The two tables below disclose the Authority's categories of financial instruments, credit risk, liquidity risk and interest rate exposure.

Credit risk

The following table discloses the Authority's maximum exposure to credit risk and the ageing analysis of financial assets. The Authority's maximum exposure to credit risk at the end of the reporting period is the carrying amount of financial assets as shown below. The table discloses the ageing of financial assets that are past due but not impaired and impaired financial assets. The table is based on information provided to senior management of the Authority.

Ageing analysis of financial assets

	Carrying Amount \$000	Not past due and not impaired \$000	Past due but not impaired					Impaired Financial assets \$000
			Up to 1 month \$000	1-3 months \$000	3-12 Months \$000	1-5 Years \$000	More than 5 years \$000	
Financial assets: As at 30 June 2013								
Cash and cash equivalents	4 251	4 251	–	–	–	–	–	–
Restricted cash and cash equivalents	597	597	–	–	–	–	–	–
Receivables ^(a)	342	53	62	226	1	–	–	–
Amount receivable for services	5 501	5 501	–	–	–	–	–	–
	10 691	10 402	62	226	1	–	–	–
Financial assets: As at 30 June 2012								
Cash and cash equivalents	3 150	3 150	–	–	–	–	–	–
Restricted cash and cash equivalents	373	373	–	–	–	–	–	–
Receivables ^(a)	65	58	–	–	–	7 ^(b)	–	–
Amount receivable for services	4 603	4 603	–	–	–	–	–	–
	8 191	8 184	–	–	–	7	–	–

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

(b) Default judgement for the full amount of this debt was awarded by the Court to the Authority in early June 2012.

Liquidity risk and interest rate exposure

The following table discloses the contractual maturity analysis for the Authority's financial assets and liabilities and also their interest rate exposures.

Interest rate exposure and maturity analysis of financial assets and financial liabilities

	Interest rate exposure		Nominal Amount ^(c) \$000	Maturity dates				
	Carrying Amount \$000	Non-Interest Bearing \$000		Up to 1 month \$000	1–3 months \$000	3 months– 1 year \$000	1–5 years \$000	More than 5 years \$000
As at 30 June 2013								
Financial assets:								
Cash and cash equivalents	4 251	4 251	4 251	2 150	2 101	–	–	–
Restricted cash and cash equivalents	597	597	597	–	–	–	597	–
Receivables ^(a)	342	342	342	279	63	–	–	–
Amount receivable for services	5 501	5 501	5 501	–	50	3 120	2 331	–
	10 691	10 691	10 691	2 429	2 214	3 120	2 928	–
Financial liabilities ^(b) :								
Payables	1 014	1 014	1 014	1 014	–	–	–	–
Other liabilities	41	41	41	–	–	41	–	–
	1 055	1 055	1 055	1 014	–	41	–	–
As at 30 June 2012								
Financial assets:								
Cash and cash equivalents	3 150	3 150	3 150	1 200	1 900	50	–	–
Restricted cash and cash equivalents	373	373	373	–	–	–	373	–
Receivables ^(a)	65	65	65	58	–	–	7	–
Amount receivable for services	4 603	4 603	4 603	–	–	2 470	2 133	–
	8 191	8 191	8 191	1 258	1 900	2 520	2 513	–
Financial liabilities ^(b) :								
Payables	360	360	360	360	–	–	–	–
Other liabilities	48	48	48	–	–	48	–	–
	408	408	408	360	–	48	–	–

(a) The amount of receivables excludes GST recoverable from the ATO (statutory receivable).

(b) The carrying amounts are the contractual undiscounted cash flows of each class of liabilities.

(c) The nominal is the carrying amount as the Authority does not receive nor pay interest on any of the financial instruments.

33. Remuneration of Board members and senior officers

Remuneration of Board members

The number of Board members whose total of fees, salaries, superannuation, non-monetary benefits and other benefits for the financial period, fall within the following bands are:

	1 July 2012 to 30 June 2013	1 March 2012 to 30 June 2012
\$0 – \$ 10 000	1	6
\$ 10 001 – \$ 20 000	1	1
\$ 10 001 – \$ 30 000	4	–
\$ 40 000 – \$ 50 000	1	–
	\$000	\$000
Base remuneration and superannuation ^(a)	163	48
Annual and long service leave accruals	–	–
Other benefits	–	–
Total remuneration of Board members	163	48

(a) The total remuneration includes the superannuation expense incurred by the Authority in respect of the members of the Authority.

Remuneration of senior officers

The number of senior officers whose total fees, salaries, superannuation, non-monetary benefits and other benefits for the financial period fall within the following bands are:

	1 July 2012 to 30 June 2013 ^(a)	1 March 2012 to 30 June 2012
\$ 70 000 – \$ 80 000	–	1
\$110 000 – \$120 000	1	1
\$150 000 – \$160 000	1	–
\$210 000 – \$220 000	1	–
\$240 000 – \$250 000	1	1
\$390 000 – \$400 000	1	–
\$450 000 – \$460 000	1	–
	\$000	\$000
Base remuneration and superannuation ^(b)	894	174
Annual and long service leave accruals	622	257
Other benefits	40	9
Total remuneration of senior officers	1 556	440

(a) Structural changes to the Authority in September 2012 resulted in five directorates, each headed by a director (senior officer). The Chief Executive Officer is included in this note.

(b) The total remuneration includes the superannuation expense incurred by the Authority in respect of the senior officers of the Authority. None of the senior officers are members of the Board of the Authority.

34. Remuneration of Auditor

Remuneration paid or payable to the Auditor General in respect of the audit for the current financial year is as follows:

	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
Auditing the accounts, financial statements and key performance indicators	34	14 ^(a)

- (a) As mentioned in Note 1 'Reporting periods', the Authority was established on 1 March 2012 to replace the Curriculum Council. The remuneration to the Auditor General was in respect of the audit of the Authority's report for the period from 1 March 2012 to 30 June 2012.

35. Explanatory Statement for comparison of actual results with those of the preceding period

Details and reasons for significant variations between actual expenses and revenues and the corresponding items of the immediate preceding period are detailed below. Significant variations are considered to be those greater than 10% and/or \$100,000.

	Note	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000	Variance \$000
Expenses				
Employee benefits expense	(a)	17 542	5 047	12 495
Supplies and services	(a)	12 912	887	12 025
Accommodation expenses		1 622	474	1 148
Depreciation and amortisation expense		603	199	404
Grants and awards	(b)	1 407	90	1 317
Other expenses		127	60	67
Income				
Fees		810	103	707
Other revenue and recoveries		431	115	316
Service appropriations	(a)	32 417	4 794	27 623

Explanatory notes

The period of reporting of 4 months and one year for the financial periods ended 30 June 2012 and 30 June 2013 respectively was the main reason for the variations. Other factors are as follows:

- (a) In January 2013, a Section 25 (*Financial Management Act 2006*) transfer of State and National testing function from the DoE to the Authority impact on the results for the period from 1 July 2012 to 30 June 2013 as follows:
- additional expenses of \$0.8 million for 'Employee benefits expense' and \$2.7 million for 'Supplies and services'
 - Increase of \$3.0 million for 'Service appropriations' from the State to fund the testing function.
- (b) Grants and awards for period from 1 July 2012 to 30 June 2013 include \$1.4 million of grant payments to the systems and sector for the implementation of the Australian Curriculum (Note 11 'Grants and awards'). Similar grants were paid by the Curriculum Council (the Authority's predecessor) in October 2012 (\$4.1 million) and therefore not in the Authority's grant expenses for the period ended 30 June 2013.

36. Explanatory statement for comparison of annual estimates and actual results for the financial period

Treasurer's Instruction 945 requires an explanation of the significant variations between the actual income and expenses for the financial period and the estimate for each class of income and expense identified in the annual estimates published in the State Government's budget papers. Significant variations are considered to be those greater than 10% and/or \$100,000.

	Note	1 July 2012 to 30 June 2013 Estimate \$000	1 July 2012 to 30 June 2013 Actual \$000	Variance \$000
Expenses				
Employee benefits expense	(a),(b)	14 706	17 542	2 836
Supplies and services	(a)	11 029	12 912	1 883
Grants and awards	(c)	2 046	1 407	(639)
Other expenses	(d)	308	127	(181)
Income				
Fees	(e)	350	810	460
Other revenue and recoveries	(f)	–	431	431
Service appropriations	(a)	28 851	32 417	3 566

Explanatory notes

- (a) The additional expenses and higher 'Service appropriations' were caused by:
- In January 2013, a Section 25 (*Financial Management Act 2006*) transfer of State and National testing function from the Department of Education (DoE) to the Authority impact on the actual results for the period from 1 July 2012 to 30 June 2013 as follows:
 - additional expenses of \$0.8 million for 'Employee benefits expenses'
 - additional \$2.7 million for 'Supplies and services'
 - Increase of \$3.0 million for 'Service appropriations' from the State to fund the testing function.
- (b) The steep rise in the 'Employee benefits expense' was also caused by an increase of \$1.1 million for annual leave and long service leave reflecting a more stable and longer serving workforce at the Authority.
- (c) The systems and sectors agreed to reduce their grant funding for the implementation of the Australian Curriculum by \$0.6 million to enable the Authority to carry out cross-sectoral programs.
- (d) Maintenance and repair expenses for equipment and plant resulted in the expenditure savings.
- (e) There was an under-estimation of fees from examination-related services.
- (f) No budget provision was made as most of the revenues in this stream of income was non-recurrent and unpredictable.

37. Schedule of income and expenses by service

	Service 1 ^(a)		Service 2 ^(b)		Total	
	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000	1 July 2012 to 30 June 2013 \$000	1 March 2012 to 30 June 2012 \$000
COST OF SERVICES						
Expenses						
Employee benefits expense	7 051	2 296	10 491	2 751	17 542	5 047
Supplies and services	1 163	383	11 749	504	12 912	887
Accommodation expenses	811	237	811	237	1 622	474
Depreciation and amortisation expenses	300	99	303	100	603	199
Grants and awards	1 397	–	10	90	1 407	90
Other expenses	49	22	78	38	127	60
Total cost of services	10 771	3 037	23 442	3 720	34 213	6 757
Income						
Fees	–	–	810	103	810	103
Grants and contributions	–	–	35	–	35	–
Other revenue and recoveries	169	57	262	58	431	115
Total income other than income from State Government	169	57	1 107	161	1 276	218
Net cost of services	10 602	2 980	22 335	3 559	32 937	6 539
Income from State Government						
Service appropriations	11 480	2 140	20 937	2 654	32 417	4 794
Asset transferred	–	–	7	–	7	–
Resources received free of charge	40	46	90	47	130	93
Total income from State Government	11 520	2 186	21 034	2 701	32 554	4 887
Surplus/(deficit) for the period	918	(794)	(1 301)	(858)	(383)	(1 652)

(a) Service 1: Curriculum development, evaluation and support.

(b) Service 2: Student assessment and certification.

Ministerial directives

No ministerial directives were received during the financial period.

Contracts with senior officers

At the date of reporting, no senior officers had any beneficial interests in existing or proposed contracts between Authority and senior officers, other than usual contracts of employment.

Other financial disclosures

The Authority charges for services rendered on a full or partial cost recovery basis. These fees were determined in accordance with the *Costing and Pricing Government Services: Guidelines for Use by Agencies in the Western Australian Public Sector* published by the Department of Treasury.

Capital works

No capital projects were completed during the period 1 July 2012 to 30 June 2013.

Statement of Compliance with *Electoral Act 1907* section 175ZE (Advertising)**Advertising**

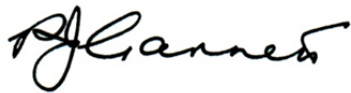
In compliance with section 175ZE of the *Electoral Act 1907*, the Authority is required to report on expenditure incurred during the financial period in relation to advertising agencies, market research organisations, polling organisations, direct mail organisations and media advertising organisations.

Expenditure category and organisations	Amount	Total by category
Advertising agency:		\$1 813
Adcorp Australia Limited	\$1 813	
Direct email organisations:		\$1 754
Campaign Monitor	\$968	
Surveygizmo	\$661	
SurveyMonkey	\$125	
Market research organisation:		\$34 000
Bang the Table	\$34 000	
Total Expenditure for period from 1 July 2012 to 30 June 2013		\$37 567

Additional key performance indicator information

Certification of Key Performance Indicators

We hereby certify that the key performance indicators are based on proper records, are relevant and appropriate for assisting users to assess the Authority's performance, and fairly represent the performance of the Authority for the financial year ended 30 June 2013.



**EMERITUS PROFESSOR P. J. GARNETT
CHAIR**

21 August 2013



**A. BLAGAICH
CHIEF EXECUTIVE OFFICER**

Detailed Information in Support of Key Performance Indicators

Agency level government desired outcome: Quality curriculum framework (Kindergarten to Year 12) and assessment (Years 11–12) in Western Australia.

Table 10: Outcome: Quality curriculum framework (Kindergarten to Year 12) and assessment (Years 11–12) in Western Australia

Key effectiveness indicators (KEI)	2013 Target	2013 Actual ^(c)	2012 Actual ^(d)
Engagement of and acceptance by stakeholders of responsible syllabuses, accreditation and review	3.80	4.18	4.14
Engagement of and acceptance by stakeholders of comprehensive and easily understood assessment policy and support	3.80	4.10	4.08
Engagement of and acceptance by stakeholders of valid and reliable external and school-based assessment	3.80	4.16	4.76

(a) The scale range is from 1 (low) to 5 (high).

(b) Measurements were based on feedback from the groups stated below.

KEI 1: Number of surveys received from Course Advisory Committees: 334 (61% response rate; total number of members: 546)

KEI 2: Number of surveys received from Course Advisory Committees: 333 (61% response rate; total number of members: 546)

KEI 3: Number of surveys received from Course Advisory Committees: 315 (58% response rate; total number of members: 546)

(c) The 2013 Targets were set before the 2012 Actual effectiveness results were known. The 2013 Actual effectiveness reflected the same level of broad based support for syllabuses assessment and examinations as for the 2012 Actual effectiveness.

(d) 2012 Actual covered four months of operation of the Authority and eight months of operation of the Curriculum Council. The latter was abolished on 29 February 2012 and replaced by the Authority on 1 March 2012 (Note 1 of the Notes to the financial statements). As the survey on effectiveness was compiled in March 2012, the Curriculum Council was unable to report on the key performance information in its final report for the period from 1 July 2011 to 29 February 2012. The reporting responsibility devolved on the Authority.

Services

Service 1: Curriculum development, evaluation and support service description

This service involves:

- curriculum development to address the needs of all students entering senior secondary education
- accreditation for all courses to ensure high quality and standards of contemporary curriculum provision
- formal course review based on stakeholder feedback and consultation.

Service 2: Student assessment and certification

Service description

This service involves:

- the provision of clear assessment policy and guidelines
- the provision of high quality external assessments and rigorous processes for standards setting and certification.

Key efficiency indicators	Note	2013 Target	2013 Actual	2012 Actual
Service 1: Curriculum development, evaluation and support				
Key efficiency indicator:				
• Average cost per registered school for each course of development and review.	(a)	\$23 424	\$30 746	\$29 349
Service 2: Student assessment and certification				
Key efficiency indicators:				
• Average cost per enrolled student for moderation	(b)	\$95	\$105	\$82
• Average cost per enrolled student for external assessment	(b)	\$212	\$237	\$185
• Average cost per enrolled Year 12 student for certification.	(b)	\$931	\$987	\$789

(a) The 2013 actual average cost was 31% higher than the 2013 target due to reallocation of overhead costs to this service, following structural changes to the Authority in September 2012.

(b) On the average, the 2013 actual results were 21% higher than the 2012 actual. Additional expenses incurred for this service were mainly caused by a Section 25 (*Financial Management Act 2006*) transfer of State and National testing function from the DoE to the Authority in January 2013.

