



School Curriculum  
and Standards  
Authority

# ANNUAL REPORT

2013-14



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## OVERVIEW OF THE AGENCY

The role of the School Curriculum and Standards Authority (the Authority) is to provide guidelines regarding the Kindergarten curriculum, as well as providing school curriculum and assessment, standards and reporting for all Western Australian students, from Pre-primary to Year 12.

### 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.*

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

**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 in 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 broad experience in education, and comprehensive knowledge of government.

**Dr Lennie Barblett**

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.

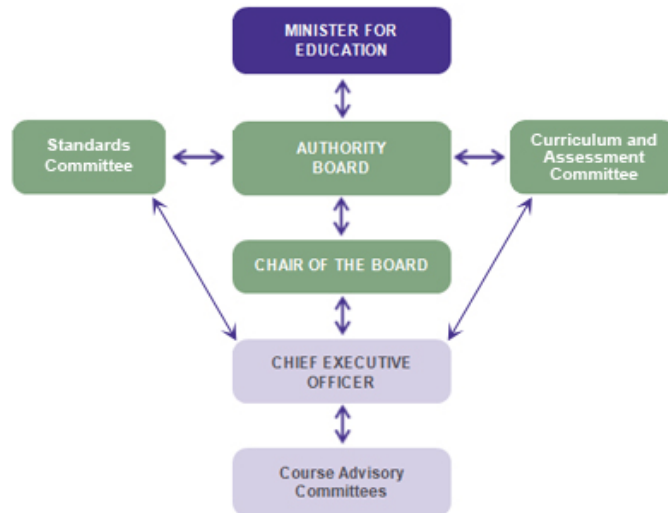
**Dr Bruce Matthews**

Dr Matthews was headmaster at Bunbury Cathedral Grammar School from 1998 to 2011. He was previously deputy headmaster and head of senior school at Guildford Grammar School.

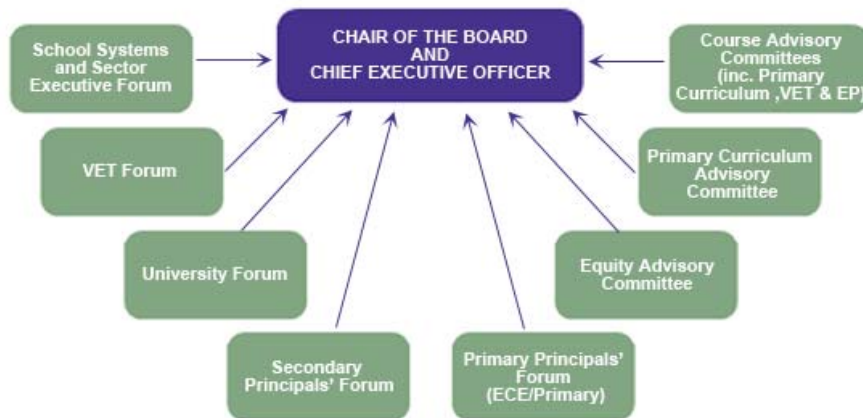
**Senior officers**

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

## Operational structure



## External stakeholder committees



## Program governance

The Authority established a Program Governance Group (Group) comprising the Chief Executive Officer and the five Directors. The Chief Executive Officer reports the decisions of the Program Governance Group to the Authority’s Board, as required.

The purpose of the Group is to ensure:

- a systematic approach is taken to the registration, approval and review of all projects/programs undertaken by directorates or collectively as an agency
- projects/programs are undertaken in accordance with the *School Curriculum and Standards Authority Act 1997*
- relevant legislated functions and processes are adhered to.

To do this, the Group:

- reviews project proposals submitted and either endorses the proposal or provides feedback to the directorate that has submitted the proposal
- reviews and endorses project plans for forwarding to the Chief Executive Officer
- monitors the progress of projects/programs.

Meetings are held monthly and out-of-session consultation and decisions may occur. The Group has met three times since its inception and endorsed the following projects:

- Kindergarten–Year 10 (K–10) Functions and Implementation of the Australian Curriculum Phases 2 and 3
- Towards the P–10 Western Australian Curriculum – Education Support Curriculum
- E-Records Project (Stage 2 ‘Going Electronic’)
- Review the use of technology in Mathematics education and the related use of CAS calculators in external examinations.



## Executive summary

This year, in addition to core functions, such as examination development and implementation, the focus of the Authority has been the continued development of the *Western Australian Curriculum and Assessment Outline*, and ongoing implementation and changes to senior secondary education under the Western Australian Certificate of Education (WACE) reforms which commence for Year 11 students in 2015.

### Western Australian Curriculum and Assessment Outline, Kindergarten to Year 10

The *Western Australian Curriculum and Assessment Outline* is the source of Kindergarten – Year 10 curriculum for Western Australian students. After wide consultation, the Outline was endorsed by the Board and formally launched in Term 4, 2013.

The Outline includes Phase 1 of the Australian Curriculum, policy advice and guidelines for all Western Australian schools. It sets out the knowledge, skills, values and attitudes that students are expected to acquire from Pre-primary to Year 10.

Formal implementation of, and reporting against, Phase 1 of the Australian Curriculum (English, mathematics, science and history/humanities/social sciences) commences for all Western Australian schools in 2015.

In the 2013–14 State budget, the Authority was provided with funding for the re-development and implementation of Phases 2 and 3 of the Australian Curriculum to suit the needs of Western Australian students. The Outline will be extended as this work is finalised.

### Western Australian Certificate of Education

Following the announcement of the WACE reforms in January 2013, curriculum staff at the Authority worked with Course Advisory Committees

to develop the new senior school syllabuses, to be implemented for Year 11 students from 2015 and Year 12 students in 2016.

In addition, the Authority conducted presentations in relation to the policy changes to staff from the public and Catholic education systems and independent school sector, rural and overseas schools (by teleconference/webinar), state training providers, universities, the Department of Training and Workforce Development, home education providers, the Chamber of Commerce, industry and industry councils. Opportunities for engagement through an online forum and dedicated telephone and email services were also provided.

As a result of these discussions, the Authority identified a number of areas that required additional consideration or clarification to ensure that the overall objectives of the reforms are best met. Subsequently, state-wide briefings for principals and deputy principals outlining the final policy position on the WACE reforms took place during February and March 2014.

On 31 March 2014, the 2015-16 WACE materials were published on the Authority's website. This included all course syllabuses, summaries of course changes, sample examinations, externally set tasks and learning area videos for schools to engage with.

Schools and teachers are now familiarising themselves with the new materials in readiness for 2015 having participated in webinars delivered by curriculum consultants at the Authority.

### Online Literacy and Numeracy Assessment

As part of the WACE reforms, from 2016, students will need to demonstrate a minimum level of literacy and numeracy to achieve a WACE. This standard is based on the *Australian Core Skills Framework* and is regarded as the standard required as essential for individuals to meet the demands of everyday life and work in a knowledge-based economy.

The Online Literacy and Numeracy Assessment was administered for the first time for Year 10 students in March 2014. It will be repeated in September 2014 for students who did not achieve the standard in the March assessment.

Students then have additional opportunities throughout Years 11 and 12 to sit the assessment, if required.

Foundation courses have been developed for those students requiring extra support to meet the literacy and numeracy requirements for WACE eligibility. The Foundation courses have been developed by experienced practitioners who have worked extensively with students with literacy and numeracy issues.

## **SIGNIFICANT ISSUES IMPACTING THE AUTHORITY**

### **Australian Curriculum**

The Authority has received State funding to adopt and adapt the remaining Phase 2 and 3 Pre-primary to Year 10 Australian Curriculum subjects for Western Australian schools. Through this work the curriculum will be developed into year-by-year syllabuses and 'core content' will be identified, with flexibility for schools to address additional content.

In addition, a review of the disciplines of History, Geography, Civics and Citizenship and Economics and Business will be undertaken to ensure a complete Humanities and Social Sciences learning area.

The Authority has involved teachers in this work through consultation meetings which include further refinement and adjustment of the curriculum content. Validation of the achievement standards and the development of resources and support materials, have served to support primary and secondary teachers with implementation.

### **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 commitment to 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).

The *Outline* will be expanded as the remaining Phase 2 and 3 Australian Curriculum materials become available and it will be the source of Kindergarten–Year 10 curriculum for all Western Australian students. It will provide comprehensive information that schools can use to plan student learning programs, assess student progress and report to parents.

It was intended that the Authority's Kindergarten Guidelines would be published on the Authority's website in the second half of 2013. The feedback on the draft was very comprehensive and, as a result, further consultation and work on the Guidelines has been undertaken. The Authority will seek endorsement from the Board for publication in the *Outline* in the second half of 2014.

## **AGENCY PERFORMANCE**

### **Curriculum, Assessment and Moderation**

#### **Western Australian Curriculum and Assessment Outline**

The *Western Australian Curriculum and Assessment Outline* is the source of Kindergarten – Year 10 curriculum for Western Australian students.

The *Outline* was made available to schools and the wider community for consultation at the end of the last financial year. The Authority made 19 presentations to more than 840 school leaders across the State and received more than 330 feedback submissions. The Authority's Board noted the consultation feedback, endorsed the proposed amendments and published the revised *Outline* online in Term 4, 2013.

The *Outline* will be extended as Phases 2 and 3 of the Australian Curriculum become available, subject to consideration by the Authority and approval by the Authority Board and the Minister for Education.

### **Teacher seminars and workshops**

Three types of teacher seminars and workshops were delivered in March–April 2014:

- WACE assessment and moderation requirement seminars
- small group moderation procedures seminars
- workshops for courses with a revised syllabus.

In total, about 180 school representatives attended one or more of the seminars/workshops: 107 attended the assessment and moderation requirements seminars, 31 attended the small group moderation seminars and 42 attended the workshop for courses with revised syllabuses. At the beginning of each seminar/workshop, teachers completed an evaluation 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 three forms of seminars/workshops, teachers indicated a significant improvement in their understanding/confidence.

### **School moderation program**

Between July and September 2013, 103 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 assessment and moderation policy 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, 94 document reviews were conducted in March–April 2014. The reviews were conducted for seven 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 assessment and moderation policy.

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 2013, the second round of the 2013 consensus moderation program was conducted for 13 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 for each stage of the course they offered. This round of the program included 82 meetings. A total of 206 meetings were conducted over two rounds of meetings, and more than 2,200 teachers attended a meeting.

The moderation process was similar to that used for the past seven 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 improving professional knowledge. Teachers responded to three questions on a scale of 1 to 5, providing the following means: usefulness of the meeting 4.2 (4.2 in 2012); relevance of the course to student needs 4.1 (4.1 in 2012); and, anticipated comparability between schools 4.1 (4.1 in 2012).

The analysis of grading judgement information indicated that comparability of grading between schools was strong.

Between 9 June and 26 June 2014, the first round of the 2014 consensus moderation program was conducted for 16 courses for all stages with student enrolments (except for English and Mathematics which, due to large student enrolments, were conducted for selected pairs of units only). About 130 of the planned 232 meetings were completed in this period, with the remainder to be completed next financial year. At the majority of the 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.

#### **2015-16 WACE courses**

As part of the WACE 2015–2016 reform, the Authority has adopted, with varying degrees of adaptation, the Year 11 and 12 senior secondary Australian Curriculum content for Mathematics (four courses), Science (four courses), English (four courses), History (two courses) and Geography. The agreed changes to the WACE will be implemented for Year 11 in 2015 and for Year 12 in 2016.

The Authority has worked with the Course Advisory Committees to adapt the senior secondary Australian Curriculum courses to reflect the WACE 2015–16 requirements. In addition, the Authority has enabled, again via the relevant Course Advisory Committee, the revision of all other, non-

Australian Curriculum courses to reflect the WACE 2015–2016. Discrete Year 11 and Year 12 courses – ATAR, General, VET industry specific, Foundation and Preliminary – have been developed to cater for the broadest possible cohort of secondary students.

All adopted and revised syllabuses and accompanying sample examinations and externally set tasks were published on the Authority's website on 31 March 2014, along with other support materials.

State-wide briefings for principals and deputy principals outlining the WACE reforms were held during February/March 2014.

#### **International Education**

The Authority, under the direction of the *School Curriculum and Standards Authority Act 1997*, delivers the WACE to a range of overseas schools. Twelve overseas schools delivered the WACE program this year. The program enables students from foreign countries to qualify for entry to tertiary institutions in Australia and overseas. Each overseas school signs an annual Agreement with the Authority, that specifies the courses offered, charges and timelines, the services that will be offered by the Authority and the commitments of the school.

The program is managed by a senior officer at the Authority, who visits each school twice a year.

Moderation of school-based assessments and processes are undertaken to ensure that each international 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 fees.

#### **International WACE coordinators' familiarisation Perth Tour**

The Authority collaborated with StudyPerth and Western Australian universities to present the International WACE coordinators' familiarisation Perth Tour. The cost of overseas WACE coordinators' airfares,

accommodation, Perth airport transfers, Perth ground transports, meals and activities were sponsored by StudyPerth, the university sectors and Education and Training International. The purpose of the five-day tour was for a representative from each of the international schools delivering the WACE program to familiarise themselves with what Western Australian universities and colleges of higher education can offer their students. It served to promote Perth as a premium post-school study destination.

## Standards and Certification

### Retention and participation

Registration figures in 2013 (136,608) show another small increase in numbers from 2012 (133,354) with the half-year cohort now in Year 11. The increase of 2.38% (3,254 students) is spread over the year cohorts, and is more difficult to judge based on 2012 statistics due to the Year 11 half-year cohort, although there were 1,500 more students in this cohort than in 2012. Year 12 numbers dropped by about 500. Year 8 and 9 numbers remained steady around the 30,500 mark. The half-year cohort will continue to impact on statistics until these students complete Year 12

in



2014.

In 2013, 4,696 17-year-olds were registered as 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, 2013**

	Year 8	Year 9	Year 10	Year 11	Year 12	Total
Government	17 206	17 640	17 354	11 943	14 211	<b>78 354</b>
Non-government	13 006	12 670	12 451	7 841	10 276	<b>56 244</b>
Other	198	209	190	476	937	<b>2 010</b>
	<b>30 410</b>	<b>30 519</b>	<b>29 995</b>	<b>20 260</b>	<b>25 424</b>	<b>136 608</b>

Table 2 shows the number of students born in 1996 (generally in Year 12, 2013) and from 01/01/1997 to 30/06/1997 (generally in Year 11, 2013) by category.

**Table 2: Participation of students born in 1996 and between 1/1/1997 and 30/6/1997 in schooling and in non-school programs, 2013**

	Year of birth 1996	Year of birth 1/1/1997 – 30/6/1997
<b>A. Participating students</b>		
<b>(i) Schooling</b>		
Government	14 945	8 074
Non-government	10 810	5 893
Home education	54	46
	<b>25 809</b>	<b>14 013</b>
<b>(ii) Non-school program (Notice of Arrangements)</b>		
TAFE/RTO (Form A)	959	442
Apprenticeship/traineeship (Form ATRS)	1 507	325
Employment (Form C)	654	122
Combination of above (Form B)	42	5
Pending (i.e. no learning program supplied)	125	44
	<b>3 287</b>	<b>938</b>
<b>Sub-total: Participating students</b>	<b>29 096</b>	<b>14 951</b>
<b>B. Non-participating students</b>		
<b>(i) Schooling</b>		
Left secondary education/provider (no Notice of Arrangements)	382	227
Not re-registered from previous year	134	62
	516	<b>643</b>
<b>(ii) Non-school program</b>		
Rejected (no learning program supplied)	123	19
Cancelled (withdrawn from learning program)	1 200	168
	<b>1 323</b>	<b>187</b>
<b>Sub-total: Non-participating students</b>	<b>1 839</b>	<b>476</b>
<b>C. Other students</b>		
Whereabouts unknown	415	188
Working with DoE Engagement and Transition Officers	86	22
Graduated from secondary school	106	6
Left Western Australia	68	60
Deceased	3	0
	<b>678</b>	<b>276</b>
<b>Sub-total: Other</b>	<b>678</b>	<b>276</b>
<b>Total all students</b>	<b>31 613</b>	<b>15 703</b>

Note: These figures were taken as a 'snapshot' on 31/10/2013 (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 2012 and 2013, and those undertaking programs other than full-time schooling.

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

	Year of birth 1996			Year of birth 1/1/1997 to 30/6/1997		
	Year 10	Year 11	Year 12	Year 10	Year 11	Year 12
<b>A. Participating students</b>						
<b>(i) Schooling</b>						
Government	7	244	701	40	532	4
Non-Government	15	74	206	20	165	2
Home Education	0	0	0	0	0	0
	<b>22</b>	<b>318</b>	<b>907</b>	<b>60</b>	<b>697</b>	<b>6</b>
<b>(ii) Non-School (Notice of Arrangements)</b>						
TAFE/RTO (Form A)	1	12	41	1	23	1
Apprenticeship/Traineeship (Form ATRS)	0	1	20	0	2	0
Employment (Form C)	0	2	8	0	0	0
Combination of above (Form B)	0	1	0	0	0	0
	<b>0</b>	<b>16</b>	<b>69</b>	<b>1</b>	<b>25</b>	<b>1</b>
<i>Sub-total: participating students</i>	<b>23</b>	<b>334</b>	<b>976</b>	<b>61</b>	<b>722</b>	<b>7</b>
<b>B. Non-participating students</b>						
Includes students who have left secondary education, not re-registered, on cancelled or pending Notices of Arrangements	9	59	147	23	49	4
<b>C. Other</b>	1	16	238	8	103	0
Includes students whose whereabouts are unknown, already graduated, left Western Australia etc.						
<b>Total all Aboriginal and Torres Strait Islander students</b>	<b>33</b>	<b>409</b>	<b>1 361</b>	<b>92</b>	<b>874</b>	<b>11</b>

**Vocational Education and Training (VET) in schools**

Nationally recognised Vocational Education and Training (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.

**VET in schools achievements**

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 2013.

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

**Table 4: Year 12 Achievement of VET qualifications, 2005–2013**

	2005	2006	2007	2008	2009	2010	2011	2012	2013
<b>Number of qualifications</b>	2 726	2 344	3 337	4 633	5 987	7 936	8 257	10 130	12 843
<b>Number of students</b>	2 066	1 782	2 401	3 323	4 317	5 637	5 868	6 929	8 943
<b>Number of qualifications achieved through a traineeship</b>	275	77	55	91	182	175	199	459	537



**WACE examinations**

Examinations in WACE courses, with the exception of Workplace Learning, 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 practical examinations
- extension of the online marking of written scripts to Human Biology Stage 3
- the integrity checking process
- contracts for examination development contract staff
- the use of InDesign and Illustrator software for desktop publishing examination materials
- online procedures for recruiting examiners.

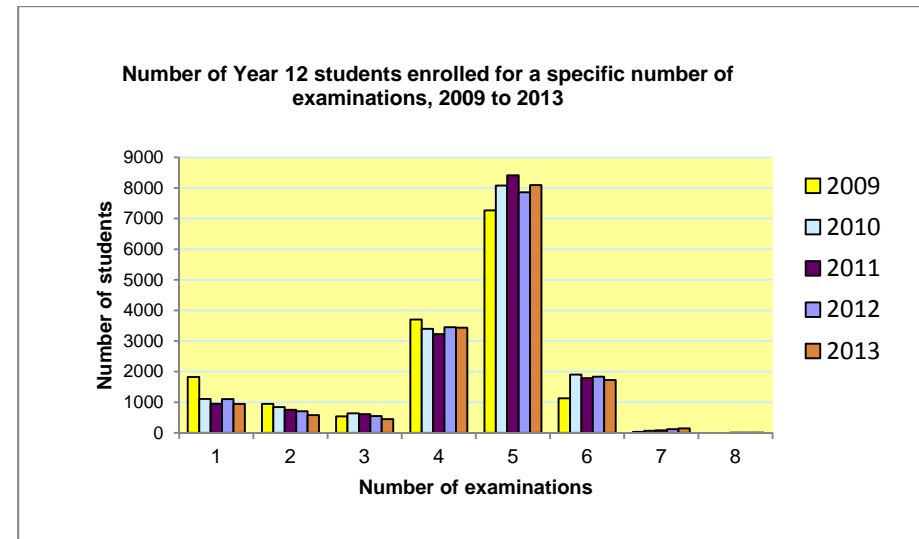
Examination papers were checked to ensure they were valid and fair tests that provided balanced coverage of the various syllabuses, with adequate opportunities for candidates to demonstrate their achievement.

In 2013, slightly more Year 12 students (13,205) sat four or more WACE examinations, than in 2012 (13,001). This represents a 1.6 per cent increase in the number of 2013 Year 12 students who sat four or more WACE course examinations 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
- curriculum specialists – one for each stage of the WACE examination
- Special Examination Arrangement Panel
- Sickness/Misadventure Committee
- Examination Breaches Committee
- Appeal to Breach of Examination Rules Committee
- Appeal to Sickness/Misadventure Committee
- Appeal to Non-Genuine Attempt Committee
- Awards Advisory Group
- Awards and Exhibitions Committee.

As indicated in Figure 1, the most frequent number of WACE examinations in which students enrolled over the last five years was five.



**Figure 1: Number of candidates enrolled for a specific number of examinations, 2009-2013**

**Table 5: Examination enrolments (four or more examinations), as at October, 2007–2013**

October enrolments	2007	2008	2009	2010	2011	2012	2013
<i>Gender</i>							
Male	5 183	5 261	5 590	6 181	6 145	6 092	6 155
Female	6 015	6 179	6 539	7 262	7 369	7 167	7 245
<i>System/sector</i>							
Government	4 824	4 763	4 838	5 506	5 374	5 297	5 303
Non-government	5 952	6 085	6 598	7 175	7 251	7 187	7 232
Overseas	419	586	685	760	885	774	864
Private candidates	3	6	8	2	4	1	1
<i>Location</i>							
Metropolitan	9 313	9 376	9 947	10 955	10 892	10 867	10 891
Country	1 463	1 472	1 489	1 726	1 733	1 617	1 644
Overseas	419	586	685	760	885	774	864
Private candidates	3	6	8	2	4	1	1

The figures above show the following:

- more females were enrolled to sit the examinations than males in all years
- of students enrolled in four or more examinations, 81.3 per cent studied at a school in the metropolitan area, 12.3 per cent studied at a country school and 6.4 per cent studied at an overseas school
- 86.3 per cent (2012: 84%) of the students who enrolled in an examination, enrolled to sit four or more examinations
- not all students enrolled in an examination actually sat the examination.

There were 755 (613 in 2012, 695 in 2011 and 713 in 2010) Year 12 Aboriginal/Torres Strait Islanders enrolled with the Authority in 2013. Of the 755 (613 students in 2012), 157 Year 12 Aboriginal/Torres Strait Islanders were enrolled to sit one or more WACE examination courses (compared with 124 in 2012, 153 in 2011 and 160 in 2010).

**Table 6: Year 12 Aboriginal/Torres Strait Islander enrolments in 2013**

Origin of WACE examination students	Gender		Location		School Type	
	Male	Female	Metro	Country	Govt	Non Govt
Aboriginal	53	96	91	58	91	58
Torres Strait Islander	0	1	0	1	1	0
Both Aboriginal and Torres Strait Islander	3	4	5	2	5	2
<b>Total</b>	<b>56</b>	<b>101</b>	<b>96</b>	<b>61</b>	<b>97</b>	<b>60</b>

**Table 7: 2013 Overseas student enrolments in WACE programs at 28 February 2014**

School	Year 11	Year 12
Australian International School, Dhaka	0	2
Australian International School, Manila	16	3
China-Australia College, Zhengzhou	18	39
KBU International College, Kuala Lumpur	0	20
KDU University College, Kuala Lumpur	0	17
Methodist College, Kuala Lumpur	0	95
National Institute of Technology, Beijing	239	111
Saigon International College, Ho Chi Minh City	60	55
Shanghai Gold Apple School, Shanghai	82	34
St Francis Methodist School, Singapore	20	28
Sunway College, Kuala Lumpur	0	406
Sunway University College, Johor Bahru	0	68
<b>Total</b>	<b>435</b>	<b>878</b>

**WACE examination attendance**

**Table 8: Change in the number of students who sat the WACE examinations, 2007–2013**

	2007	2008	2009	2010	2011	2012	2013
Candidates who sat at least one examination	11 765	11 855	14 613	15 601	15 555	15 777	15 496
Change from previous year	7.4%	0.8%	23.3%	6.1%	-0.3%	1.4%	-1.8%
Candidates who sat at least four examinations	10 757	10 982	11 785	13 266	13 199	13 001	13 386
Change from previous year	7.7%	2.1%	7.3%	12.6%	-0.5%	-7.4%	3.0%
Total candidature for WACE examinations	52 625	53 863	60 711	68 971	69 382	68 060	69 196
<b>Change from previous year</b>	<b>6.8%</b>	<b>2.4%</b>	<b>12.7%</b>	<b>13.6%</b>	<b>-0.6%</b>	<b>2.0%</b>	<b>1.7%</b>

**WACE examinations**

**Access for candidates with disabilities**

A total of 562 applications (512 in 2012) were received for 2013. This represents 3.6 per cent (3.2 per cent in 2012) of the number of candidates who were enrolled to sit at least one WACE examination. The increases can be explained by the growing number of candidates in most disability categories seeking support in sitting the compulsory examinations.

**Exemption from sitting the examinations**

Examinations in WACE courses are compulsory for students who are enrolled in a pair of units of Stage 2 and 3 units. Year 12 students could apply for an exemption if they were enrolled in at least 220 nominal hours of VET and were enrolled in three or fewer examinable pairs of Stage 2 or Stage 3 units. In addition, students studying six or seven courses could apply for an exemption, so they would have to sit a maximum of only five examinations.

**Table 9: Number of students, according to sector, who applied for an exemption from sitting an examination**

Sector	Applied for an exemption	Exemption not approved	Granted an exemption	Granted an exemption and gained at least one AQF certificate*
Anglican School Commission	67	2	65	60
Catholic Education Commission	570	24	546	509
Public Schools	1 600	95	1 505	1 325
Independent	271	8	263	245
	<b>2 508</b>	<b>129</b>	<b>2 379</b>	<b>2 139</b>

\*Includes VET Qualifications achieved in report year only

**Practical examinations**

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

Twenty-nine practical examinations were set and conducted in Western Australia in 16 WACE courses and attended by 9,152 candidates.

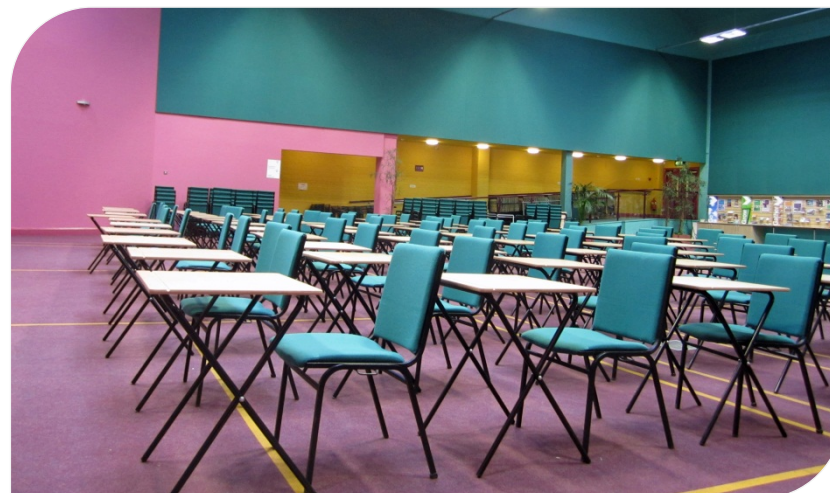
Depending on the course, the practical examinations were worth between 25 per cent and 50 per cent of the total WACE examination, thus constituting a substantial portion of the final combined mark. The Authority also conducted 24 examinations that were set interstate. Of these, 20 examinations had practical components.

**Written examinations**

In 2013, the School Curriculum and Standards Authority conducted 117 separate examinations comprising 93 WACE course examinations and 24 interstate-sourced examinations. At least two examinations were conducted each day during the exam period, the most being eight. The examination timetable was well received by the examination candidates.

**Breach of examination rules**

In 2013, the Breach of Examination Rules Committee found that 56 students breached the examination rules. All but 14 of the breaches were from the practical examinations. The breaches indicated that teachers were not following the practical examination requirements sent to schools in March and that students were not informed of these requirements, nor had they followed the instructions outlined in the *Year 12 Information Handbook*.





### **Marking of the written examinations**

Written marking commenced on 1 November with Modern History, Animal Production Systems and Physics and concluded on 3 December with two courses completing their reconciliation meetings and examination integrity checks. All written examination scripts were independently double-marked.

In nine examinations, including Chemistry Stage 3 and Physics Stage 3 for the first time, the scripts were marked online using the Office of the Board of Studies' (NSW) 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 the 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 and markers established a common understanding of the marking key through sample marking. Following the completion of all initial marking, the chief marker monitored the reconciliation of marks.

### **Non-genuine attempt in an examination**

Students who did not make a genuine attempt in the examination did not receive a course report for that course, and the grades for the units studied for the course did not count towards the C grade average required for the WACE.

Of the 69,010 candidate course examinations, 915 instances of not making a 'genuine attempt' were reported. There were 432 students who

were deemed to have made a non-genuine attempt in one or more examinations and who did not achieve the WACE.

Four students appealed their 'non-genuine attempt' classification. None of the appeals were upheld.

### **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 94 candidates requested a results check, involving 141 written and practical examinations. One change was detected.

Sixteen candidates applied to see a breakdown of their examination marks in 2013.

### **Sickness/misadventure consideration**

Every year, it is usual for some students to take the WACE examinations under adverse circumstances that cannot be anticipated and for which they are not responsible. In these cases, it is reasonable to expect that they may be disadvantaged and their examination marks may not give an accurate indication of their level of achievement. The Authority has procedures for ensuring that such students are not disadvantaged.

In 2013, applications were received from 602 candidates, which represents a decrease (4.5%) on the number of applications received in 2012. Annual fluctuations are usually the result of unpredictable and random events. In 2013 there were no major incidents or events leading to large numbers of applications from individual candidates.

## Certification of student achievement

### WACE achievement

In 2013, there were 22,934 Year 12 students eligible for the WACE. Of these, 22,229 achieved the WACE. Table 10 indicates that since 2010 the percentage of students who achieved a WACE has remained steady.

### Exhibitions and Awards

At total of 1,150 exhibitions and awards were granted to 859 students.

The Minister for Education announced the winners of the Beazley Medals at Kings Park on Friday, 3 January 2014. The full list of award winners was published on the Authority's website that same day and in *The Western Australian* newspaper on Saturday, 4 January 2014.

Awards were presented at a ceremony held at Government House Ballroom on Wednesday, 19 February, 2014. The five Western Australian universities jointly sponsor the Beazley Medal: WACE. The Westscheme division of AustralianSuper sponsored the Beazley Medal: VET.

**Table 10: Achievement of a WACE, 2005–2013**

	2005	2006	2007	2008	2009	2010	2011	2012	2013
Eligible for a WACE	19 243	18 817	19 121	18 853	19 845	21 296	21 621	21 879	22 934
Achieved a WACE	18 300	18 041	18 357	18 092	19 096	20 713	21 057	21 284	22 229
Percentage of eligible cohort	95.1	95.9	96.0	96.0	96.2	97.3	97.4	97.0	96.9

## Compliance

### Disability Access and Inclusion Plan Outcomes

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 publicly available on the Authority's website and on the staff intranet.

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 services and facilities provided by the Authority. Two meetings were held during 2013–14 and the committee continues to work towards identifying and implementing initiatives to achieve the seven outcomes of the Plan.

### Compliance with Public Sector Standards and Ethical Codes

The Authority annually reviews its *Code of Conduct*, in line with the *WA Code of Ethics*. Both of these documents are accessible by staff on the Authority's intranet. All staff are provided with a copy of the *Code of Conduct* at the beginning of each year. This serves as a reminder to staff of their obligations and accountability.

An *Accountable and Ethical Decision Making* training session (conducted by provider *Oars Across the Waters*) took place in April 2014 for Board members who had not previously or recently undertaken this training.

An internal audit was conducted in April 2014 by *Quantum Assurance Management and Consulting* relating to corporate records management. The findings and recommendations of this audit were reported to the Authority's Internal Audit committee and Board with the actions currently being addressed.

### **Occupational Safety Health (OSH) and Injury Management**

#### **Statement of commitment to occupational safety and health and injury management**

The Authority is committed to:

- providing and maintaining a healthy and safe working environment for all staff contractors and visitors
- 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 has had no reports of major accidents in the workplace and continually strives to maintain this good record.

The Authority has a dedicated OSH committee made up of members that represent a cross section of agency staff. Meetings are held quarterly to review any issues arising and implement strategies and initiatives to ensure continuous improvement in this area. This year the following new initiatives were provided as a service to our staff:

- discounted private health insurance through three major health funds
- discounted gym/health club membership in partnership with a local health/fitness centre.

The Authority's *Employee Assistance Program* provides staff with the opportunity to access professional confidential and free counselling services.

Staff are encouraged to claim any out-of-pocket expenses for annual influenza vaccinations.

With the agency relocating premises a one-on-one ergonomic assessment by an external provider was offered to each staff member to ensure their workstation and chair are ergonomically sound. The *ErgoPro* software program introduced in 2013 continues to be used on all staff computers to prompt users to take periodic rest and stretch breaks.

#### **Formal mechanism for consultation with employees on occupational safety and health and injury management matters**

Staff are encouraged to report any safety and health concerns to committee members for resolution. The following mechanisms are in place to ensure that OSH and injury management matters are formally addressed:

- signage is located throughout our offices identifying membership and contact details of the OSH committee members
- the Authority has an *Occupational Safety and Health Policy* and an *Injury Management System* on the intranet; both accessible to all staff
- any temporary safety and/or health issues in the workplace are immediately advised to staff through email and intranet alerts
- the Authority has a dedicated safety and health section on the intranet. This includes an Accident and Incident Reporting form and relevant procedures
- fire warden training is conducted annually and emergency evacuation drills are mandated
- staff are regularly updated via email and/or intranet on broader safety and health matters such as the employee assistance program and the eyesight screening policy.

**Statement of 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 a well-developed Injury Management System which includes a Return to Work program. Information regarding this program is located on the intranet for all staff to access.

A statement confirming that an assessment of the OSH management system has been completed (within the past five years or sooner depending on the risk profile of the agency) using a recognised assessment tool and reporting the percentage of agreed actions completed.

This year a draft WorkSafe plan was developed which once completed will provide an audit and assessment tool for the OSH management system.

**Table 11: Occupational Safety and Health Performance**

Indicator	Target 2013–14
Number of fatalities	0
Lost time injury/disease incidence rate	1
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	87%

**Recordkeeping**

The Authority has fully complied with the agreed joint Recordkeeping Plan for the DoE, the Department of Education Services (DES) the Public

Education Endowment Trust (PEET) and the Country High School Hostels Authority (CHSHA). The plan is scheduled for review in March 2017.

**Efficiency and effectiveness of the organisation's recordkeeping system**

The Authority's Internal Audit Committee identified Records Management as one of the areas to be examined by external auditors this year. Consequently the efficiency and effectiveness of the Authority's recordkeeping systems were examined in April 2014 by Quantum Management Consulting and Assurance.

The Records Management baseline audit examined and evaluated the degree to which the Authority met the requirements of the joint "Education Agencies' Recordkeeping Plan (RKP) No 2013027" and provided comments and recommendations relating to compliance and indications for future implementation plans. The audit assessed 30 elements of 'best practice' recordkeeping activities highlighted in the *Recordkeeping Maturity Model* developed by the State Records Office of Western Australia using a rating scale from Level 1 (Inadequate) to Level 4 (Optimal).

The audit found the Authority met the Level 4 (Optimal) criteria for 22 activities (73%) and the Level 3 (Effective) criteria for seven activities (23%). Overall 96% of recordkeeping activities were rated as either 'Effective' or 'Optimal'.

In his report the Director of Quantum Management and Consulting stated the following:

"From our review of the processes procedures training and other recordkeeping activities of the Authority we consider that the Authority's recordkeeping is one of the most advanced out of at least 50 agencies we have audited in some capacity over the past few years". (Geoff White, April 2014)

The audit noted a small number of improvements for selected recordkeeping activities required in order to reach the 'Optimal' level. Most of these recommendations had already been identified by the Corporate Records Management (CRM) team and in some cases had been implemented prior to the audit.

#### **Key recordkeeping achievements and new initiatives:**

##### **1. 'Going Electronic'**

In May 2013 the electronic recordkeeping project 'Going Electronic' Stage 1 was endorsed by the Executive team. The purpose of the project is to improve effectiveness and efficiency of its corporate information management and support the agency's business processes for recordkeeping compliance. The Authority aims to move from paper-based to electronic records management by July 2015 with only selected records to be kept in paper format if required. Consequently this financial year 57.2 per cent of new files were created in an electronic only format.

The CRM team promoted the electronic recordkeeping project on an ongoing basis through:

- extensive consultation with staff when creating new files and new file volumes
- a proactive approach that involved identification of business areas where the current hard copy filing system could be converted into electronic only files
- development of policies and procedures supporting electronic recordkeeping
- intranet communication

- provision of electronic records management system (i.e. TRIM) training.

A factor impacting on the 'Going Electronic' project was the preparation for the relocation of the Authority from Osborne Park to Cannington which took place on 3 June 2014. From July 2013 until May 2014 inactive hard copy files from all business areas were reviewed and culled. This resulted in 300 boxes being processed to offsite storage and a further 1 000 files being destroyed.

##### **2. Review of Procedures**

The Authority's working procedures and the TRIM retention function reflecting changes to the General Disposal Authority of State Government Information were also updated this year to support compliant disposal of those files.

##### **3. Recordkeeping training program**

The CRM team developed and delivered comprehensive induction and advanced recordkeeping training programs for new and existing staff. As part of the Authority's recordkeeping induction program all new staff were required to attend induction training sessions to familiarise them with TRIM learn how to recognise a corporate record and understand the recordkeeping business process. In addition one-on-one sessions are provided when necessary to assist new staff to use TRIM more effectively in their work and ensure recordkeeping compliance.

The advanced training program containing three one-hour modules was reviewed and further developed this year to feature the electronic recordkeeping concept to support the 'Going Electronic' project. Several

“ ...we consider that the Authority's recordkeeping is one of the most advanced out of at least 50 agencies we have audited in some capacity over the past few years”

– Geoff White



training resources – including shortcut and fact sheets – were developed and published on the intranet.

Induction and advanced training sessions were popular with Authority staff and were often over-subscribed. The feedback received from participants was positive and suggestions for improvements assisted in a further review of the recordkeeping training framework and the provision of support materials.

Table 12 indicates attendance rate at TRIM training sessions provided during the year.

**Table 12: TRIM training data**

Event	Number staff trained
TRIM hands on workshops (3 modules)	126
TRIM induction training	25
TRIM workflow training	23
Other	4
<b>TOTAL</b>	<b>178*</b>

#### **4. TRIM Workflow**

New workflows were developed within TRIM to streamline and automate the Authority's business processes such as handling correspondence and employment of new staff. Extensive training material was developed and 23 training sessions were conducted for all workflow initiators and participants. However due to technical issues experienced with TRIM 7.1 workflows could not be initiated. To support the workflow function the Authority upgraded TRIM to version 7.3 in April 2014.

## Financial targets

	2014 Target <sup>(a)</sup> \$000	2014 Actual \$000	Variation <sup>(b)(c)</sup> \$000
Total cost of services	37 599	36 247	(1 352)
Net cost of services	34 905	32 933	(1 972)
Total equity	4 708	8 920	4 212
Net increase/(decrease) in cash held	(50)	2 484	2 534
	<b>Number</b>	<b>Number</b>	<b>Number</b>
Approved full time equivalent (FTE) staff level	146	147	1

(a) As specified in the State's 2013-2014 Budget Statements.

(b) During 2013–14, the State provided additional funding to the Authority to perform its services. The most significant variation was the provision of funding totalling \$6.9 million from 2013–14 to 2017-18 for the performance of the expanded functions for Kindergarten to Year 10 schooling; this included 2 additional FTE (2013–14 half year impact: 1 FTE).

(c) Further explanations of the variations are contained in Note 37. 'Explanatory statement for comparison of annual estimates and actual results for the financial period'.

## Summary of key performance indicators

The Authority's desired outcome is 'Quality curriculum outline (Kindergarten to Year 12), assessment (Year 3 to Year 12) and certification (Years 11 and 12) in Western Australia'. This outcome statement was revised during 2013–14 to recognise the Authority's responsibility for the State (WAMSE) and National (NAPLAN) test function (assessment) transferred from the Department of Education from 31 January 2013 under Section 25 of the *Financial Management Act 2006*.

The Authority performs the following services to meet the desired outcome:

- Service 1: Curriculum Development, Evaluation and Support
- Service 2: Student Assessment and Certification

The Authority's effectiveness and efficiency in meeting targets specified in the State's 2013–14 Budget Statements are shown in the following tables. More details are provided in the additional key performance section of this annual report.

Key effectiveness indicators <sup>(b)</sup>	2014 Target <sup>(a)</sup>	2014 Actual	Variation
Engagement of and acceptance by stakeholders of responsible syllabuses, accreditation and review	4.1	4.2	0.1 <sup>(c)</sup>
Engagement of and acceptance by stakeholders of comprehensive and easily understood assessment policy and support	4.1	4.1	–
Engagement of and acceptance by stakeholders of valid and reliable external and school-based assessment	4.1	4.1	–

(a) As specified in the State's 2013-2014 Budget Statements.

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

(c) The variations indicated increased support for syllabuses assessment and examinations conducted by the Authority.

Key efficiency indicators	2014 Target <sup>(a)</sup>	2014 Actual	Variation
<b>Service 1: Curriculum development, evaluation and support</b>			
Key efficiency indicator:			
1. Average cost per registered school for syllabus development and review (Pre-primary – Year 12) <sup>(b)</sup>	\$36 108	\$7 435	(\$28 673) <sup>(b)</sup>
<b>Service 2: Student assessment and certification</b>			
Key efficiency indicators:			
2. Average cost per enrolled student for moderation (Years 3 – 12) <sup>(c)</sup>	\$124	\$104	(\$20) <sup>(c)</sup>
3. Average cost per enrolled student for external assessment (Years 11 – 12) <sup>(d)</sup>	\$281	\$235	(\$46) <sup>(d)</sup>
4. Average cost per enrolled student for National Assessment Program – Literacy and Numeracy (NAPLAN) <sup>(e)</sup>	– <sup>(e)</sup>	\$39	\$39 <sup>(e)</sup>
5. Average cost per enrolled Year 12 student for certification	\$1 162	\$1 042	(\$120) <sup>(f)</sup>

(a) As specified in the State's 2013-2014 Budget Statements.

(b) The key efficiency indicator 1 was revised after the 2013–14 Mid-Year Review when the State government provided funding to the Authority to perform the expanded functions for Kindergarten to Year 10 schooling. The number of schools used for the 2014 Target was 269, being schools with Years 11 and 12 students. The 2014 Actual involved the distribution of the service cost over a total of 1,102 schools from pre-primary to Year 12, resulting the lower average cost.

(c) The school years (Years 3 – 12) were added to the key efficiency indicator 2 to reflect the Authority's expanded function mentioned above. For 2013-14, moderation cost was incurred only for schools with Years 11 and 12 students. The 2014 Actual cost was lower than the 2014 Target due to the distribution of Service 2 cost to 4 efficiency measurements (indicators 2 to 5) rather than 3 (indicators 2,3 and 5) in the 2014 Target.

(d) The 2014 Actual cost was lower than the 2014 Target due to the distribution of Service 2 cost to 4 efficiency measurements (indicators 2 to 5) rather than 3 (indicators 2,3 and 5) in the 2014 Target.

(e) There was no 2014 Target for key efficiency indicator 4 in the State's 2013-14 Budget Statements as the Department of Treasury approved its implementation from the 2014-15 State Budget. The 2014 Actual reflected the full year impact of the conduct of NAPLAN testing after it was transferred from the Department of Education in January 2013 under Section 25 of the *Financial and Management Act 2006*.

(f) The 2014 Actual cost was lower than the 2014 Target due to the distribution of Service 2 cost to 4 efficiency measurements (indicators 2 to 5) rather than 3 (indicators 2,3 and 5) in the 2014 Target.

## Disclosures and Legal Compliance

### Certification of Financial Statements

For the year ended 30 June 2014

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 2014 and the financial position as at 30 June 2014.

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:** 10 September 2014

## 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 2014, 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 2014 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 2014.

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 2014.

##### **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 2014.

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 2014.

**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 2014 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 FINANCIAL AUDIT  
Delegate of the Auditor General for Western Australia  
Perth, Western Australia  
15 September 2014



## Statement of Comprehensive Income

For the year ended 30 June 2014

	Note	2014 \$000	2013 \$000
<b>COST OF SERVICES</b>			
<b>Expenses</b>			
Employee benefits expense	6	17 931	17 542
Supplies and services	7	15 574	12 912
Accommodation expenses	8	1 778	1 622
Depreciation and amortisation expense	9	579	603
Grants and awards	10	137	1 407
Other expenses	11	248	127
<b>Total cost of services</b>		<b>36 247</b>	<b>34 213</b>
<b>Income</b>			
<b>Revenue</b>			
Fees	12	928	810
Grants and contributions	13	47	35
Recoveries for State and National testings	14	2 216	–
Other revenue and recoveries	15	117	431
<b>Total revenue</b>		<b>3 308</b>	<b>1 276</b>
Gains			
Gain from sale of non-current assets	16	6	–
<b>Total income other than income from State Government</b>		<b>3 314</b>	<b>1 276</b>
<b>NET COST OF SERVICES</b>		<b>32 933</b>	<b>32 937</b>
<b>INCOME FROM STATE GOVERNMENT</b>	17		
Service appropriation		35 759	32 417
Asset transferred		–	7
Resources received free of charge		204	130
<b>Total income from State Government</b>		<b>35 963</b>	<b>32 554</b>
<b>SURPLUS/(DEFICIT) FOR THE PERIOD</b>		<b>3 030</b>	<b>(383)</b>
Other comprehensive income		–	–
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD</b>		<b>3 030</b>	<b>(383)</b>

The Statement of Comprehensive Income should be read in conjunction with the accompanying notes.  
See also Note 39 'Schedule of income and expenses by service'.

## Statement of Financial Position

As at 30 June 2014

	Note	2014 \$000	2013 \$000
<b>ASSETS</b>			
Current Assets			
Cash and cash equivalents	18	6 132	4 251
Receivables	19	271	452
Amount receivable for services	20	820	170
Prepayments		69	38
<b>Total current assets</b>		<b>7 292</b>	<b>4 911</b>
Non-Current Assets			
Restricted cash and cash equivalents	21	1 200	597
Amount receivable for services	20	2 349	5 331
Plant and equipment	22	33	72
Renovations in progress	23	2 226	–
Intangible assets	24	1 576	2 102
<b>Total non-current assets</b>		<b>7 384</b>	<b>8 102</b>
<b>Total assets</b>		<b>14 676</b>	<b>13 013</b>
<b>LIABILITIES</b>			
Current Liabilities			
Payables	25	682	1 368
Provisions	26	4 510	5 124
Other liabilities	27	65	41
<b>Total current liabilities</b>		<b>5 257</b>	<b>6 533</b>
Non-Current Liabilities			
Provisions	26	499	590
<b>Total non-current liabilities</b>		<b>499</b>	<b>590</b>
<b>Total liabilities</b>		<b>5 756</b>	<b>7 123</b>
<b>NET ASSETS</b>		<b>8 920</b>	<b>5 890</b>
<b>EQUITY</b>			
Contributed equity	28	7 925	7 925
Accumulated surplus/(deficit)		995	(2 035)
<b>TOTAL EQUITY</b>		<b>8 920</b>	<b>5 890</b>

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 2014

	Note	Contributed Equity \$000	Accumulated surplus/(deficit) \$000	Total Equity \$000
<b>Balance at 1 July 2013</b>	28	7 925	(2 035)	5 890
Total comprehensive income for the year		–	3 030	3 030
Transactions with owners in their capacity as owners		–	–	–
<b>Balance at 30 June 2014</b>		<b>7 925</b>	<b>995</b>	<b>8 920</b>
<b>Balance at 1 July 2012</b>	28	7 925	(1 652)	6 273
Total comprehensive income for the year		–	(383)	(383)
Transactions with owners in their capacity as owners		–	–	–
<b>Balance at 30 June 2013</b>		<b>7 925</b>	<b>(2 035)</b>	<b>5 890</b>

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 2014

	Note	2014 \$000	2013 \$000
<b>CASH FLOWS FROM STATE GOVERNMENT</b>			
Service appropriation		35 484	31 349
Holding account drawdowns		2 920	170
<b>Net cash provided by State Government</b>		<b>38 404</b>	<b>31 519</b>
Utilised as follows:			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
<b>Payments</b>			
Employee benefits		(18 138)	(16 125)
Supplies and services		(16 523)	(12 190)
Accommodation		(1 778)	(1 622)
Grants and awards		(137)	(1 407)
GST payments on purchases		(1 349)	(859)
GST payments to taxation authority		(177)	–
<b>Receipts</b>			
Fees		613	803
Grants from state agencies		34	23
Grants from non-government sources		13	12
Recoveries for State and National testings		2 216	–
Other receipts		117	430
GST receipts on sales		294	106
GST receipts from taxation authority		1 130	667
<b>Net cash used in operating activities</b>	29	<b>(33 685)</b>	<b>(30 162)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds from sale of non-current assets		31	–
<b>Payments</b>			
Purchase of non-current physical assets		(2 266)	(32)
<b>Net cash used in investing activities</b>		<b>(2 235)</b>	<b>(32)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>2 484</b>	<b>1 325</b>
Cash and cash equivalents at the beginning of period		4 848	3 523
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>	29	<b>7 332</b>	<b>4 848</b>

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

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## Notes to the Financial Statements

### 1. Australian Accounting Standards

#### General

The Authority's financial statements for the year ended 30 June 2014 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 2014.

### 2. 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 2006* 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 <sup>(i)</sup> .....	3 years
Student Information and Records System.....	7–10 years

(i) 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 25 '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 21 '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) 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.

**(p) Provisions**

Provisions are liabilities of uncertain timing or amount and are recognised where there is a present legal 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 is not expected to be settled wholly within 12 months after the end of the reporting period and is therefore considered to be 'other long-term employee benefits'. The annual leave liability is recognised and 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 end of 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 wholly 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 end of 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 end of 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'.

### **(q) 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.

### **(r) Assets and Services Received Free of Charge or for nominal cost**

Assets or services received free of charge or for nominal cost that the Authority would otherwise purchase if not donated, are recognised as income at fair value of the assets or services where they can be reliably measured. 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.

### **(s) Comparative Figures**

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

### **3. 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.

### **4. 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.

### **5. Disclosure of changes in accounting policy and estimates**

#### **(a) Initial application of an Australian Accounting Standard**

The Authority has applied the following Australian Accounting Standards effective for annual reporting periods beginning on or after 1 July 2013 that impacted on the Authority:

#### **AASB 13 Fair Value Measurement**

This Standard defines fair value, sets out a framework for measuring fair value and requires additional disclosures for assets and liabilities measured at fair value. There is no financial impact.

#### **AASB 119 Employee Benefits**

This Standard supersedes AASB 119 (October 2010), making changes to the recognition, presentation and disclosure requirements. The Authority assessed employee leave patterns to determine whether annual leave is a short-term or other long-term employee benefit. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

**AASB 2011-8** Amendments to Australian Accounting Standards arising from AASB 13 [AASB 1, 2, 3, 4, 5, 7, 9, 2009-11, 2010-7, 101, 102, 108, 110, 116, 117, 118, 119, 120, 121, 128, 131, 132, 133, 134, 136, 138, 139, 140, 141, 1004, 1023 & 1038 and Int 2, 4, 12, 13, 14, 17, 19, 131 & 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.

**AASB 2011-10** Amendments to Australian Accounting Standards arising from AASB 119 (September 2011) [AASB 1, 8, 101, 124, 134, 1049 & 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. The resultant discounting of annual leave liabilities that were previously measured at the undiscounted amounts is not material.

**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 & 2011-8]

This Standard amends the mandatory effective date of AASB 9 Financial Instruments to 1 January 2015 (instead of 1 January 2013). Further amendments are also made to numerous consequential amendments arising from AASB 9 that will now apply from 1 January 2015. There is no financial impact.

**AASB 2013-9** Amendments to Australian Accounting Standards – Conceptual Framework, Materiality and Financial Instruments.

Part A of this omnibus Standard makes amendments to other Standards arising from revisions to the Australian Accounting Conceptual Framework for periods ending on or after 20 December 2013. Other Parts of this Standard become operative in later periods. There is no financial impact for Part A of the Standard.

**(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:

<b>Title and Operative for reporting periods beginning on/after:</b>	
<p><b>AASB 9</b>                      This Standard supersedes AASB 139 Financial Instruments: Recognition and Measurement, introducing a number of changes to accounting treatments. The mandatory application date of this Standard was amended to 1 January 2018 by AASB 2014-1 Amendments to Australian Accounting Standards. The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 January 2018
<p><b>AASB 1031</b>                      This Standard supersedes AASB 1031 (February 2010), removing Australian guidance on materiality not available in IFRSs and refers to guidance on materiality in other Australian pronouncements. There is no financial impact.</p>	1 January 2014
<p><b>AASB 1005</b>                      This Standard requires specific budgetary disclosures in the general purpose financial statements of not-for-profit entities within the General Government Sector. The Authority will be required to disclose additional budgetary information and explanations of major variances between actual and budgeted amounts, though there is no financial impact.</p>	–
<p><b>AASB 2009-11</b>                      Amendments to Australian Accounting Standards arising from AASB 9 [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 121, 127, 128, 131, 132, 136, 139, 1023 &amp; 1038 and Int 10 &amp; 12] [modified by AASB 2010-7].</p>	1 January 2015
<p><b>AASB 2010-7</b>                      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 &amp; 1038 and Int 2, 5, 10, 12, 19 &amp; 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
<p><b>AASB 2013-9</b>                      Amendments to Australian Accounting Standards Conceptual Framework, Materiality and Financial Instruments. This omnibus Standard makes amendments to other Standards arising from the deletion of references to AASB 1031 in other Standards for periods beginning on or after 1 January 2014 (Part B), and, defers the application of AASB 9 to 1 January 2017 (Part C). The application date of AASB 9 was subsequently deferred to 1 January 2018 by AASB 2014-1. The Authority has not yet determined the application or the potential impact of AASB 9, otherwise there is no financial impact for Part B.</p>	1 January 2014 1 January 2017
<p><b>AASB 2014-1</b>                      Amendments to Australian Accounting Standards The Authority has not yet determined the application or the potential impact of the Standard.</p>	1 July 2014 1 January 2015 1 January 2016 1 January 2018

**6. Employee benefits expense**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Wages and salaries <sup>(a)</sup>	15 559	15 555
Superannuation – defined contribution plans <sup>(b)</sup>	2 372	1 987
	<u>17 931</u>	<u>17 542</u>

(a) Includes the value of fringe benefits to employees plus the fringe benefits tax component, leave entitlements including superannuation contribution component.

(b) Defined contribution plans include West State, Gold State and GESB and other eligible funds.

Employment on-costs such as workers' compensation insurance are included at Note 11 'Other expenses'. The employment on-costs liability is included at Note 26 'Provisions'.

**7. Supplies and services**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Consultants and contractors	14 810	12 165
Communications	210	209
Consumable supplies	554	539
	<u>15 574</u>	<u>12 912</u>

**8. Accommodation expenses**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Lease rentals	1 711	1 306
Repairs, maintenance and fit-outs	2	244
Cleaning	65	72
	<u>1 778</u>	<u>1 622</u>

**9. Depreciation and amortisation expense**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Plant and equipment	53	74
Intangible assets	526	529
	<u>579</u>	<u>603</u>

**10. Grants and awards**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Grants for implementation of the Australian Curriculum <sup>(a)</sup>	–	1 396
Grants to universities for research on senior school education under the Australian Research Council linkage projects <sup>(a)</sup>	90	–
Grant to a university for research on the 2013 Literacy and Numeracy Assessment Trial <sup>(a)</sup>	35	–
Grants for Year 12 Perspective (Art Exhibition) and Performing Arts Perspective <sup>(a)</sup>	3	2
Awards for educational excellence	9	9
	<u>137</u>	<u>1 407</u>

(a) The grants were provided for ordinary activities.

**11. Other expenses**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Employment on-costs <sup>(a)</sup>	89	(15)
Repairs and maintenance	124	128
Audit fees <sup>(b)</sup>	35	14
	<u>248</u>	<u>127</u>

(a) These relate to workers' compensation insurance associated with the recognition of annual and long service leave liabilities shown in Note 26 'Provisions'.

(b) See also Note 36 'Remuneration of Auditor'.

**12. Fees**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Fees from examination related services	255	247
Fees from overseas full fee paying students	673	563
	<u>928</u>	<u>810</u>

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

**13. Grants and contributions**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
From state agencies and non-government sources for the Authority's awards ceremony for educational excellence	47	35

**14. Recoveries for State and National testings**

The State (WAMSE) and National (NAPLAN) testings were transferred from the Department of Education (DoE) to the Authority in January 2013. 2013–14 was the first year that the Authority incurred the full costs for these testings and recovered the portions incurred for the Western Australian's non-government system and sector from these organisations. There was also a minor recovery of National testing cost from the Northern Territory government; 2013-14 was the last year for this arrangement made by the DoE.

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Recovery for State testing from non-government Western Australian system and sector	730	–
Recovery for National testing from:		
▪ Non- government Western Australian system and sector	1 476	–
▪ Northern Territory government	10	–
	<u>2 216</u>	<u>–</u>

**15. Other revenues and recoveries**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Government Vehicle Scheme contributions	29	29
Sundry revenues and recoupment of expenses <sup>(a)</sup>	88	402
	<u>117</u>	<u>431</u>

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

**16. Net gain from sale of non-current assets**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Proceeds from disposal of office equipment	31	–
Costs of disposal of office equipment	25	–
Net gain	<u>6</u>	<u>–</u>

**17. Income from State Government**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Appropriation revenue received during the period – Service appropriations <sup>(a)(b)</sup>	<u>35 759</u>	<u>32 417</u>
Asset transferred <sup>(c)</sup>	<u>–</u>	<u>7</u>
Resources received free of charge:		
▪ Determined on the basis of the following estimates provided by agencies:		
▪ Department of Education – system support	154	110
▪ Department of Finance – office accommodation services	31	12
▪ State Solicitor’s Office – legal services	19	8
	<u>204</u>	<u>130</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 in January 2013.

**18. Cash and cash equivalents**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Cash at bank	<u>6 131</u>	<u>4 250</u>
Petty cash and till floats	1	1
	<u>6 132</u>	<u>4 251</u>

**19. Receivables**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Receivables <sup>(a) (b)</sup>	<u>59</u>	<u>342</u>
GST receivable	<u>212</u>	<u>110</u>
	<u>271</u>	<u>452</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.

**20. Amount receivable for services (Holding Account)**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Current	820	170
Non-current	2 349	5 331
	<u>3 169</u>	<u>5 501</u>

Represents the non-cash component of service appropriations. It is restricted in that it can only be used in asset replacement or payment of leave liability.

**21. Restricted cash and cash equivalents**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Accrued salaries suspense account <sup>(a)</sup>	1 200	597

(a) Funds held in the Department of Treasury's suspense account used only for the purpose of meeting the 27<sup>th</sup> pay in a financial year that occurs every 11 years. The 2014 balance comprised of 2015–16 year and also 2026–2027 year.

**22. Plant and equipment**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
At cost	386	525
Accumulated depreciation	(353)	(453)
	<u>33</u>	<u>72</u>

Reconciliation of carrying amount at the beginning and end of the financial period is set out below.

Carrying amount at start of the period	72	113
Equipment sold during the period	(114)	–
Impaired equipment retired during the period	(65)	(134)
Accumulated depreciation on equipment sold	88	–
Accumulated depreciation on equipment retired	65	134
Additions	40	26
Asset transferred <sup>(a)</sup>	–	7
Depreciation for the period	(53)	(74)
Carrying amount at end of period	<u>33</u>	<u>72</u>

There were no indications of impairment to plant and equipment. As at 30 June 2014 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 in January 2013.



**23. Renovations in progress**

The Authority moved to new premises in early June 2014 upon the completion of major renovations. As at 30 June 2014, the contractors have not completed some minor works. All works are expected to be completed in the first half of 2014–15 and the components of this asset analysed to determine either capitalisation or expensed direct to the Statement of Comprehensive Income in accordance with the accounting policy mentioned in Note 1(f) 'Plant and equipment'.

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Reconciliation of carrying amount at the beginning and end of the financial period is set out below.		
Carrying amount at start of the period	–	–
Additions	2 226	–
Carrying amount at end of period	<u>2 226</u>	<u>–</u>

**24. Intangible assets**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Computer software:		
At cost	4 670	4 687
Accumulated amortisation	(3 094)	(2 585)
	<u>1 576</u>	<u>2 102</u>

Reconciliation of carrying amount at the beginning and end of the financial period is set out below.

Carrying amount at start of the period	2 102	2 625
Software no longer in use retired during the period	(17)	(34)
Accumulated depreciation on software retired	17	34
Additions	–	6
Amortisation for the period	(526)	(529)
Carrying amount at end of period	<u>1 576</u>	<u>2 102</u>

**25. Payables**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Trade payables	284	1 014
Accrued salaries	398	354
	<u>682</u>	<u>1 368</u>

**26. Provisions**

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Current:		
<b>Employee benefits provision</b>		
Annual leave <sup>(a)</sup>	938	1 170
Long service leave <sup>(b)</sup>	3 417	3 922
Deferred salary scheme <sup>(c)</sup>	65	31
	<u>4 420</u>	<u>5 123</u>
Other provision		
Employment on-costs <sup>(d)</sup>	90	1
	<u>4 510</u>	<u>5 124</u>
Non-Current:		
<b>Employee benefits provision</b>		
Long service leave <sup>(b)</sup>	499	590
	<u>499</u>	<u>590</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 is expected to occur as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Within 12 months of the end of the period	473	502
More than 12 months after the end of the period	465	668
	<u>938</u>	<u>1 170</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 is expected to occur as follows:

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Within 12 months of the end of the period	1 462	1 299
More than 12 months after the end of the period	2 454	3 213
	<u>3 916</u>	<u>4 512</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	65	31
	<u>65</u>	<u>31</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 11 'Other expenses'.

Movement in employment on-cost provision:		
Carrying amount at start of period	1	16
Additional/(reduction) in provision recognised	89	(15)
Carrying amount at end of period	<u>90</u>	<u>1</u>

## 27. Other liabilities

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Income in advance: examination enrolment fees from overseas full fee paying students <sup>(a)</sup>	<u>65</u>	<u>41</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.

## 28. 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.

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
<b>Contributed equity:</b>		
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>
<b>Accumulated surplus/(deficit):</b>		
Balance at start of period	(2 035)	(1 652)
Surplus/(deficit) for the period	3 030	(383)
Balance at end of period	<u>995</u>	<u>(2 035)</u>
Total equity at end of period	<u>8 920</u>	<u>5 890</u>

## 29. Notes to the Statement of Cash Flows

### Reconciliation of cash

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Cash and cash equivalents (Note 18)	6 132	4 251
Restricted cash and cash equivalents (Note 21)	1 200	597
	<u>7 332</u>	<u>4 848</u>

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

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Net cost of services	(32 933)	(32 937)
Non-cash items:		
Gain on disposal of non-current assets	(6)	–
Resources received free of charge	204	130
Depreciation and amortisation expense	579	603
(Increase)/decrease in assets:		
Current receivables <sup>(a)</sup>	(187)	(363)
Current prepayments	31	4
Increase/(decrease) in liabilities:		
Current payables	(686)	1 008
Current provisions	(614)	1 525
Other current liabilities	24	(7)
Non-current provisions	(91)	(125)
Net GST receipts/(payments) <sup>(b)</sup>	(102)	(86)
Change in GST in receivables/payables <sup>(c)</sup>	96	86
Net cash used in operating activities	<u>(33 685)</u>	<u>(30 162)</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.

**30. Lease commitments**

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

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Within 1 year	1 820	1 557
Later than 1 year and not later than 5 years	3 245	273
	<u>5 065</u>	<u>1 830</u>

**31. Capital commitments**

Capital expenditure commitments, being contracted capital expenditure additional to the amounts reported in the financial statements, are payable as follows for renovation works at the current office premises.

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Within 1 year	524	–

### **32. Contingent liabilities and contingent assets**

There were no contingent liabilities and contingent assets as at 30 June 2014.

### **33. Events occurring after the end of the reporting period**

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

### **34. 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 34 (b) 'Financial instruments disclosures' and Note 19 '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	
<b>Financial assets:</b>								
<b>2014</b>								
Cash and cash equivalents	6 132	6 132	–	–	–	–	–	–
Restricted cash and cash equivalents	1 200	1 200	–	–	–	–	–	–
Receivables <sup>(a)</sup>	59	12	39	1	6	2	–	–
Amount receivable for services	3 169	3 169	–	–	–	–	–	–
	<b>10 560</b>	<b>10 512</b>	<b>39</b>	<b>1</b>	<b>6</b>	<b>2</b>	–	–
<b>Financial assets:</b>								
<b>2013</b>								
Cash and cash equivalents	4 251	4 251	–	–	–	–	–	–
Restricted cash and cash equivalents	597	597	–	–	–	–	–	–
Receivables <sup>(a)</sup>	342	53	62	226	1	–	–	–
Amount receivable for services	5 501	5 501	–	–	–	–	–	–
	<b>10 691</b>	<b>10 402</b>	<b>62</b>	<b>226</b>	<b>1</b>	–	–	–

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

**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		Maturity dates					
	Carrying Amount \$000	Non-Interest Bearing \$000	Nominal Amount <sup>(c)</sup> \$000	Up to 1 month \$000	1–3 months \$000	3 months–1 year \$000	1–5 years \$000	More than 5 years \$000
<b>2014</b>								
Financial assets:								
Cash and cash equivalents	6 132	6 132	6 132	1 800	4 332	–	–	–
Restricted cash and cash equivalents	1 200	1 200	1 200	–	–	–	660	540
Receivables <sup>(a)</sup>	59	59	59	9	50	–	–	–
Amount receivable for services	3 169	3 169	3 169	–	80	740	2 349	–
	<b>10 560</b>	<b>10 560</b>	<b>10 560</b>	<b>1 809</b>	<b>4 462</b>	<b>740</b>	<b>3 009</b>	<b>540</b>
Financial liabilities <sup>(b)</sup> :								
Payables	284	284	284	284	–	–	–	–
Other liabilities	65	65	65	–	–	65	–	–
	<b>349</b>	<b>349</b>	<b>349</b>	<b>284</b>	<b>–</b>	<b>65</b>	<b>–</b>	<b>–</b>
<b>2013</b>								
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 <sup>(a)</sup>	342	342	342	279	63	–	–	–
Amount receivable for services	5 501	5 501	5 501	–	50	3 120	2 331	–
	<b>10 691</b>	<b>10 691</b>	<b>10 691</b>	<b>2 429</b>	<b>2 214</b>	<b>3 120</b>	<b>2 928</b>	<b>–</b>
Financial liabilities <sup>(b)</sup> :								
Payables	1 014	1 014	1 014	1 014	–	–	–	–
Other liabilities	41	41	41	–	–	41	–	–
	<b>1 055</b>	<b>1 055</b>	<b>1 055</b>	<b>1 014</b>	<b>–</b>	<b>41</b>	<b>–</b>	<b>–</b>

(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.

**Fair values**

All financial assets and liabilities recognised in the Statement of Financial Position, whether they are carried at cost or fair value, are recognised at amounts that represent a reasonable approximation of fair value unless otherwise stated in the applicable notes.

### 35. 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:

	<b>2014</b>	<b>2013</b>
\$0 – \$ 10 000	1	1
\$ 10 001 – \$ 20 000	–	1
\$ 20 001 – \$ 30 000	5	4
\$ 40 000 – \$ 50 000	1	1
	<b>\$000</b>	<b>\$000</b>
Base remuneration and superannuation <sup>(a)</sup>	176	163
Annual and long service leave accruals	–	–
Other benefits	–	–
<b>Total remuneration of Board members</b>	<b>176</b>	<b>163</b>

(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:

	<b>2014</b>	<b>2013</b>
\$110 000 – \$120 000	–	1
\$150 000 – \$160 000	–	1
\$210 001 – \$220 000	–	1
\$240 000 – \$250 000	3	1
\$350 000 – \$360 000	1	–
\$390 000 – \$400 000	–	1
\$450 000 – \$460 000	1	1
\$530 000 – \$540 000	1	–
	<b>\$000</b>	<b>\$000</b>
Base remuneration and superannuation <sup>(a)</sup>	1 116	894
Annual and long service leave accruals	700	622
Other benefits	12	40
<b>Total remuneration of senior officers</b>	<b>1 828</b>	<b>1 556</b>

(a) 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.

### 36. Remuneration of Auditor

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

	<b>2014</b>	<b>2013</b>
	<b>\$000</b>	<b>\$000</b>
Auditing the accounts, financial statements and key performance indicators	34	34 <sup>(a)</sup>

(a) The remuneration to the Auditor General was in respect of the audit of the Authority's report for the period from 1 July 2012 to 30 June 2013.



### 37. 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	2014 Actual \$000	2013 Actual \$000	Variance \$000
<b>Expenses</b>				
Employee benefits expense	(a)	17 931	17 542	389
Supplies and services	(b)	15 574	12 912	2 662
Accommodation expenses	(c)	1 778	1 622	156
Grants and awards	(d)	137	1 407	(1 270)
Other expenses	(e)	248	127	121
<b>Income</b>				
Fees	(f)	928	810	118
Recoveries for State and National testings	(g)	2 216	–	2 216
Other revenue and recoveries	(h)	117	431	(314)
Service appropriations	(i)	35 759	32 417	3 342

#### Explanatory notes

- (a) The higher expense for 2013–14 was mainly due to the full year impact of the payroll of 12 FTE transferred from the Department of Education to the Authority in January 2013 to perform the State and National test under Section 25 of the *Financial Management Act 2006*.
- (b) The increase was largely caused by costs associated with the implementation of the Literacy and Numeracy tests, the full year impact of the above test function and the development of syllabuses for the new WACE 2015–16.
- (c) From May to June 2014, the Authority has to pay double rent for the new office premises and premises it still occupied. Under leasing arrangements, the rent for the new premises was payable at the commencement of renovations and that occurred in May 2013. Due to lock down for examination developments, the Authority had to move to the new premises by early June 2014 and therefore, the double rent for two premises was unavoidable.
- (d) The variation was caused by non-recurrent grant payments of \$1.4 million to the systems and sector for the implementation of the Australian Curriculum. 2012–13 was the final year for these grant payments.
- (e) The adjustment of employment on-costs to meet actuarial estimations of provisions for Annual leave and Long Service leave accounted for this variation.
- (f) Higher enrolment of full fee overseas students was the main reason for the rise in this income.
- (g) The explanation is provided in Note 14 'Recoveries for State and National testings' of the Notes to the Statement of Comprehensive Income.
- (h) The drop was mainly due to non-recurring income related to the recovery of payroll and other expenses for officers seconded to other State and federal agencies.
- (i) The increase of State funding was due to the full year transfer mentioned in (a) above and the provision of funding for the performance of the expanded Kindergarten to Year 10 functions

**38. 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	2014 Estimate \$000	2014 Actual \$000	Variance \$000
<b>Expenses</b>				
Employee benefits expense	(a)	17 586	17 931	345
Supplies and services	(b)	17 029	15 574	(1 455)
Accommodation expenses	(c)	2 099	1 778	(321)
Grants and awards	(d)	15	137	122
<b>Income</b>				
Fees	(e)	799	928	129
Recoveries for State and National testings	(f)	1 895	2 216	321
Other revenue and recoveries	(g)	–	117	117
Service appropriations	(h)	34 740	35 759	1 019

**Explanatory notes**

- (a) This was mainly due to the reversal of a salary cap of \$338,000 imposed on the Authority during the 2013–14 State Budget process. The reversal was to recognise the payroll of 12 FTE transferred from the Department of Education to the Authority in January 2013 to perform the State and National test under Section 25 of the *Financial Management Act 2006*.
- (b) To meet timelines for the development of syllabuses and materials for the new WACE 2015-16, internal staff were deployed when the Authority was unable to hire external consultants; the cost of the latter was in the 2014 Estimate. The problem was similar for the Kindergarten to Year 10 expanded functions until close to the end of 2013–14.
- (c) The 2014 Estimate provided for double rent for the Authority's premises at the new and its then occupied premises from February 2014. The Authority was unable to secure the new premises for renovation works until May 2014, resulting in the variation.
- (d) The grants to the universities for research into senior school reform and the 2013 Literacy and Numeracy were not factored into the 2014 Estimate as they were under negotiation during the budget process.
- (e) Higher enrolment of full fee overseas students was the main reason for the variation in this income.
- (f) The 2014 Estimate was based on estimates in the transfer papers (Section 25 *Financial Management Act 2006*) provided by the Department of Education to the Authority. The variation in the recoveries was due to higher contractual costs incurred by the Authority for the conduct of the testings.
- (g) No budget provision was made as most of the revenues in this stream of income were non-recurrent and unpredictable.
- (h) During 2013–14, the State provided \$6.9 million from 2013–14 to 2017-18 to perform the legislated K to 10 functions; \$326,000 was for 2013–14. The reversal of the salary cap mentioned in (a) above also accounted for the variation.

**39. Schedule of income and expenses by service**

	Service 1 <sup>(a)</sup>		Service 2 <sup>(b)</sup>		Total	
	2014 \$000	2013 \$000	2014 \$000	2013 \$000	2014 \$000	2013 \$000
<b>COST OF SERVICES</b>						
<b>Expenses</b>						
Employee benefits expense	6 138	7 051	11 793	10 491	17 931	17 542
Supplies and services	927	1 163	14 647	11 749	15 574	12 912
Accommodation expenses	890	811	888	811	1 778	1 622
Depreciation and amortisation expenses	151	300	428	303	579	603
Grants and awards	2	1 397	135	10	137	1 407
Other expenses	86	49	162	78	248	127
<b>Total cost of services</b>	<b>8 194</b>	<b>10 771</b>	<b>28 053</b>	<b>23 442</b>	<b>36 247</b>	<b>34 213</b>
<b>Income</b>						
<i>Revenue</i>						
Fees	–	–	928	810	928	810
Grants and contributions	2	–	45	35	47	35
Recoveries for State and National testings	–	–	2 216	–	2 216	–
Other revenue and recoveries	58	169	59	262	117	431
<b>Total revenue</b>	<b>60</b>	<b>169</b>	<b>3 248</b>	<b>1 107</b>	<b>3 308</b>	<b>1 276</b>
<i>Gains</i>						
Gain on disposal of non-current assets	3	–	3	–	6	–
<b>Total income other than income from State Government</b>	<b>63</b>	<b>169</b>	<b>3 251</b>	<b>1 107</b>	<b>3 314</b>	<b>1 276</b>
<b>Net cost of services</b>	<b>8 131</b>	<b>10 602</b>	<b>24 802</b>	<b>22 335</b>	<b>32 933</b>	<b>32 937</b>
Income from State Government						
Service appropriations	9 297	11 480	26 462	20 937	35 759	32 417
Asset transferred	–	–	–	7	–	7
Resources received free of charge	102	40	102	90	204	130
<b>Total income from State Government</b>	<b>9 399</b>	<b>11 520</b>	<b>26 564</b>	<b>21 034</b>	<b>35 963</b>	<b>32 554</b>
<b>Surplus/(deficit) for the period</b>	<b>1 268</b>	<b>918</b>	<b>1 762</b>	<b>(1 301)</b>	<b>3 030</b>	<b>(383)</b>

(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**

During the period from 1 July 2013 to 30 June 2014, major renovation works estimated at \$2.750 million were carried out at the current new office premises. The Authority incurred \$2.226 million with the remaining estimated cost of \$0.524 shown as capital commitments in Note 31 of the Notes to the Financial Statements.

**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
<b>Advertising agency:</b>		<b>\$2,040</b>
Adcorp Australia Limited	\$1 637	
State Law Publisher	\$403	
<b>Direct email organisations:</b>		<b>\$2 310</b>
Campaign Monitor	\$1 580	
Surveygizmo	\$730	
<b>Online social networking website:</b>		<b>\$83</b>
Facebook	\$83	
<b>Total Expenditure for period from 1 July 2013 to 30 June 2014</b>		<b>\$4 433</b>

## **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 2014.



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

**Date:**



**A. BLAGAICH  
CHIEF EXECUTIVE OFFICER**

## Detailed Information in Support of Key Performance Indicators

### Agency Level Government Desired Outcome:

Quality curriculum outline (Kindergarten to Year 12), assessment (Year 3 to Year 12) and certification (Years 11 and 12) in Western Australia. This outcome is consistent with the State government's goal of 'Results-Based Service Delivery - Greater focus on achieving results in key service delivery areas for the benefit of all Western Australians'.

### Key Effectiveness Performance Indicators:

The extent that the Authority is effective in meeting the above desired outcome is measured by the scale of actual achievement against the targets as shown in the table below.

Key effectiveness indicators (KEI) <sup>(b)</sup>	2012 Actual	2013 Actual	2014 Target <sup>(a)</sup>	2014 Actual <sup>(c)</sup>	2014 Variation
Engagement of and acceptance by stakeholders of responsible syllabuses, accreditation and review	4.1	4.2	4.1	4.2	0.1 <sup>(d)</sup>
Engagement of and acceptance by stakeholders of comprehensive and easily understood assessment policy and support	4.1	4.1	4.1	4.1	–
Engagement of and acceptance by stakeholders of valid and reliable external and school-based assessment	4.8	4.2	4.1	4.1	–

(a) As specified in the State's 2013–2014 Budget Statements.

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

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

KEI 1: Number of surveys received from Course Advisory Committees: 612 (63% response rate; total number of members: 387)

KEI 2: Number of surveys received from Course Advisory Committees: 612 (60% response rate; total number of members: 358)

KEI 3: Number of surveys received from Course Advisory Committees: 599 (61% response rate; total number of members: 367)

(d) The 2014 Targets were set before the 2013 Actual effectiveness results were known. The variation between the 2014 Target and the 2014 Actual indicated increased support for syllabuses assessment and examinations conducted by the Authority.

## Services

### Service 1: Curriculum development, evaluation and support

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; and
- formal course review based on stakeholder feedback and consultation.

### Service 2: Student assessment and certification

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	2012 Actual	2013 Actual	2014 Target <sup>(a)</sup>	2014 Actual	Variation
<b>Service 1: Curriculum development, evaluation and support</b>					
Key efficiency indicator:					
1. Average cost per registered school for syllabus development and review (Pre-primary – Year 12) <sup>(b)</sup>	\$29 349 <sup>(b)</sup>	\$30 746 <sup>(b)</sup>	\$36 108 <sup>(b)</sup>	\$7 435 <sup>(b)</sup>	(\$28 673) <sup>(b)</sup>
<b>Service 2: Student assessment and certification</b>					
Key efficiency indicators:					
2. Average cost per enrolled student for moderation (Years 3 – 12) <sup>(c)</sup>	\$82	\$105	\$124 <sup>(c)</sup>	\$104 <sup>(c)</sup>	(\$20) <sup>(c)</sup>
3. Average cost per enrolled student for external assessment (Years 11 – 12) <sup>(d)</sup>	\$185	\$237	\$281 <sup>(d)</sup>	\$235 <sup>(d)</sup>	(\$46) <sup>(d)</sup>
4. Average cost per enrolled student for National Assessment Program – Literacy and Numeracy (NAPLAN) <sup>(e)</sup>	–	–	– <sup>(e)</sup>	\$39 <sup>(e)</sup>	\$39 <sup>(e)</sup>
5. Average cost per enrolled Year 12 student for certification	\$789	\$987 <sup>(f)</sup>	\$1 162 <sup>(g)</sup>	\$1 042 <sup>(f) (g)</sup>	(\$120) <sup>(g)</sup>

(a) As specified in the State's 2013–2014 Budget Statements.

(b) The key efficiency indicator 1 was revised after the 2013–14 Mid-Year Review when the State government provided funding to the Authority to perform the expanded functions for Kindergarten to Year 10 schooling. The 2012 Actual and 2013 Actual and the 2014 Target were based on the distribution of cost over the number of schools with Years 11 and 12 students. The number of schools used for the 2014 Target was 269 (schools with Years 11 and 12 students) whereas the 2014 Actual involved distributing the service cost over a total of 1,102 schools from pre-primary to Year 12, resulting the lower average cost.

(c) The school years (Years 3–12) were added to the key efficiency indicator 2 to reflect the Authority's expanded function mentioned above. For 2013–14, moderation cost was incurred only for schools with Years 11 and 12 students. The 2014 Actual cost was lower than the 2014 Target due to the distribution of Service 2 cost to 4 efficiency measurements (indicators 2 to 5) rather than 3 (indicators 2,3 and 5) in the 2014 Target.

(d) The 2014 Actual cost was lower than the 2014 Target due to the distribution of Service 2 cost to 4 efficiency measurements (indicators 2 to 5) rather than 3 (indicators 2,3 and 5) in the 2014 Target.

(e) There was no 2014 Target for key efficiency indicator 4 in the State's 2013–14 Budget Statements as the Department of Treasury approved its implementation from the 2014–15 State Budget. The 2014 Actual reflected the full year impact of the conduct of NAPLAN testing after it was transferred from the Department of Education in January 2013 under Section 25 of the *Financial and Management Act 2006*.

(f) Higher cost for postal and other services incurred in 2013–14 resulted in the increase of \$55 (6%) between the 2014 Actual and the 2013 Actual.

(g) The 2014 Actual cost was lower than the 2014 Target due to the distribution of Service 2 cost to 4 efficiency measurements (indicators 2 to 5) rather than 3 (indicators 2,3 and 5) in the 2014 Target.



