

# Australian Curriculum, Assessment and Reporting Authority

## Annual Report 2008–2009



ACARA

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ACARA

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The background features a series of overlapping, wavy, semi-transparent blue shapes that create a sense of motion and depth. The colors range from light sky blue to a deeper cerulean blue. The overall effect is clean, modern, and professional.

# **Part 1: Annual Report**



# 1. Letter of transmittal

24 October 2009

The Hon. Julia Gillard MP  
Deputy Prime Minister and Minister for Education  
Parliament House  
CANBERRA ACT 2600

Dear Deputy Prime Minister Gillard

In accordance with Section 9 of the Commonwealth Authorities and Companies Act (1997), I am pleased to submit the annual report on the operations of the Australian Curriculum, Assessment and Reporting Authority for the financial year ended 30 June 2009.

ACARA became operational in late May 2009 but is in the fortunate position of inheriting the legacy of work undertaken by the Interim National Curriculum Board and other organisations and taskforces which have been working to enhance the school experiences that Australian students are collectively able to access. ACARA's brief, set by the Ministerial Council for Education, Early Childhood Development and Youth Affairs, is both exciting and challenging. I am confident, given this underpinning and the challenges and opportunities ACARA is presented with, it will quickly become a key part of Australia's school education landscape.

Yours sincerely



Dr Peter Hill

Chief Executive Officer

Australian Curriculum, Assessment and Reporting Authority





## 2. Review by the Chair

### 2.1 Introduction to ACARA's year

I am pleased to be able to report and reflect on the operations of the Australian Curriculum, Assessment and Reporting Authority (ACARA) at this transitional moment in Australian educational history. It is after a number of endeavours, initiatives and at least two decades of discussions that Australia has reached a point that, as a nation, we can come together to consider what all Australian children should learn, how their learning and progress should be assessed, and how Australian school education should be reported back to the community.

ACARA was established in December 2008 and became operational at the end of May 2009. While only operational for 34 days in the 2008–2009 financial year, ACARA consolidated work on national curriculum development begun by the Interim National Curriculum Board (INCB), initiated the development of a school reporting website that will provide meaningful information about Australian schools in early 2010, and began planning in a range of areas to ensure that it fulfils all its functions in 2009–2010. In so-doing, ACARA will serve the Australian community by improving the coherence and quality of school curriculum, assessment and reporting in Australia.

### 2.2 Significant achievements/highlights

In a very short time ACARA has positioned itself to achieve its objectives. Between 28 May and 30 June 2009, the Board met twice, established two committees of the Board to address the areas of curriculum, and assessment and reporting, appointed a project director for the school reporting website, advertised for a team in this area and commenced the process for constructing the website itself. ACARA also appointed cross-curriculum panels

for 'stages of schooling' and 'equity and diversity' to support the English, mathematics, science and history writing teams and advisory panels appointed by the INCB.

### 2.3 Outlook

#### 2.3.1 Curriculum

ACARA is well placed to deliver a national curriculum for implementation from kindergarten to Year 10 in English, mathematics, science and history from 2011, and in the senior years in 2012. Curriculum writing has commenced in these areas and planning is underway for development of curriculum for the arts, languages and geography.

#### 2.3.2 Assessment

ACARA is transitioning work being undertaken by the Benchmarking and Educational Measurement Unit (BEMU) and Curriculum Corporation on the National Assessment Program (NAP) and will assume responsibility for this in coming months. National assessment will take on greater significance once the national curriculum is in place and individual student progress can be mapped against nationally consistent school curriculum offerings.

#### 2.3.3 Reporting

ACARA is presently developing a national data collection and reporting program that will support analysis, evaluation, research and resource allocation and accountability and reporting on schools and broader national achievement.





## 3. Overview of ACARA

### 3.1 Establishment history and the Interim National Curriculum Board

ACARA Board members were appointed by the Minister for Education, the Hon. Julia Gillard MP, on 28 May 2009, at which point ACARA effectively became operational. The INCB was wound down in May–June 2009, and all responsibilities were transferred to ACARA. INCB funds are awaiting transfer to ACARA accounts.

### 3.2 ACARA's role and objectives

ACARA was established under Section 5 of the *Australian Curriculum, Assessment and Reporting Authority Act 2008* (ACARA Act) of the Parliament of the Commonwealth of Australia on 8 December 2008.

ACARA is a cooperative enterprise between state and federal jurisdictions and its activities are jointly funded by Commonwealth, state and territory governments. The ACARA Board comprises members nominated by Commonwealth, state and territory education ministers, as well as the Catholic Education Commission and Independent Schools Council of Australia.

ACARA intended to contribute to the improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection and performance reporting.

### 3.3 The ACARA Act

The ACARA Act prescribes the following functions of the Authority to:

- develop and administer a national school curriculum, including content of the curriculum and achievement standards, for school subjects specified in the Ministerial Council on Education, Employment, Training and Youth Affairs' (MCEETYA; now the Ministerial Council for Education, Early Childhood Development and Youth Affairs) Charter for ACARA
- develop and administer national assessments
- collect, manage and analyse student assessment data and other data relating to schools and comparative school performance
- facilitate information sharing arrangements between Australian government bodies in relation to the collection, management and analysis of school data
- publish information relating to school education, including information relating to comparative school performance
- provide school curriculum resource services, educational research services and other related services
- provide information, resources, support and guidance to the teaching profession
- perform other related functions.

## 3. Overview of ACARA cont.

### 3.4 MCEETYA directions

Section 7 (3) of the ACARA Act sets out that ACARA must also perform its functions and exercise its powers in accordance with the Charter set by the Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA). MCEETYA provided ACARA with a Charter for the period 1 April 2009 to 30 June 2010, which formed the basis for ACARA's activities in the 2008–2009 reporting year.

MCEETYA has since become the Ministerial Council for Education, Early Childhood Development and Youth Affairs (MCEECDYA), a body with which ACARA continues to maintain a close relationship.

In relation to the *Commonwealth Authorities and Companies Act 1997*, the Commonwealth Minister for Education, the Hon. Julia Gillard MP, Deputy Prime Minister is the responsible minister for ACARA.

Under the ACARA Act, MCEETYA sets ACARA's charter. MCEETYA's initial charter for ACARA (to 30 June 2010) outlines ACARA's responsibility for developing and implementing a single national school curriculum, administering national assessment testing, and developing and maintaining a system of reporting on school progress and benchmarking. Some of this work was commenced under the umbrella of its predecessor, the INCB, and various other taskforces and organisations. Specifically, work on English, mathematics, science and history curriculum development commenced and planning was begun for curriculum for languages, geography and the arts.

### 3.5 ACARA Board and committees

#### 3.5.1 Board membership

Chair – Professor Barry McGaw AO, PhD

Deputy Chair – Mr Tony Mackay

Mr Tom Alegounarias, Chief Executive, New South Wales Institute of Teachers

Dr Brian Croke, Executive Director, Catholic Education Commission, New South Wales

Ms Lesley Englert, former Assistant Director General, Curriculum, Queensland Department of Education and Training

Ms Deborah Efthymiades, General Manager, Strategic Executive Services, Northern Territory Department of Education and Training

Mr John Firth, Chief Executive Officer, Victorian Curriculum and Assessment Authority

Mr David Hanlon, former Deputy Secretary, Tasmanian Department of Education

Mr Angus James, consultant

Ms Dianne Kerr, Curriculum Advisor, The Le@ming Federation

Mr Garry Le Duff, Executive Director, Association of Independent Schools of South Australia

Professor Bill Loudon, Senior Deputy Vice Chancellor, University of Western Australia

Ms Helen Wildash, Executive Director, Curriculum, South Australian Department of Education and Children's Services



## 3. Overview of ACARA cont.

### 3.5.2 Curriculum Committee

Mr Tony Mackay (Chair)

Professor Barry McGaw

Mr Tom Alegounarias

Ms Lesley Englert

Mr John Firth

Mr David Hanlon

Ms Dianne Kerr

Professor Bill Loudon

Ms Helen Wildash

(Chief Executive Officer)

(General Manager Curriculum)

### 3.5.3 Assessment and Reporting Committee

Professor Barry McGaw (Chair)

Mr Tony Mackay

Mr Tom Alegounarias

Dr Brian Croke

Ms Deborah Efthymiades

Mr John Firth

Mr Garry Le Duff

Professor Bill Loudon

Ms Helen Wildash

(Chief Executive Officer)

(General Manager Assessment and Reporting)

### 3.5.4 Audit Committee

Ms Dianne Kerr (Chair)

Mr Angus James

Mr Tony Mackay

(Independent member)

## 3. Overview of ACARA cont.

### 3.5.5 About the Chair – Professor Barry McGaw



Professor Barry McGaw is a Professorial Fellow (half-time) at the University of Melbourne where he is Executive Director of the Assessing and Teaching 21st Century Skills Project, a collaborative initiative of Cisco, Intel and Microsoft.

Prior to returning to Australia at the end of 2005, he was Director for Education at the Organisation for Economic Co-operation and Development (OECD). He had earlier been Executive Director of the Australian Council for Educational Research (ACER) and Professor of Education at Murdoch University. He was originally a science teacher in Queensland secondary schools. He holds BSc, DipEd and BEd (Hons) degrees from the University of Queensland and EdM and PhD from the University of Illinois. Professor McGaw is a Fellow of the Academy of the Social Sciences in Australia, the Australian Psychological Society, the Australian College of Educators and the International Academy of Education. He received an Australian Centenary Medal in 2000 and was appointed an Officer in the Order of Australia in 2004. He was the 2005–2006 recipient of University of Illinois Alumni Award for Exceptional Achievement.

### 3.5.6 About the Deputy Chair – Mr Tony Mackay



Tony Mackay is Director of the Centre for Strategic Education, Melbourne, Australia; President of the Australian Curriculum Studies Association; Board Director of the Australian Council for Educational Research; Board Member of the University of Melbourne, Faculty of Education; and Australian College of Educators 2006 medallist.

Internationally, Tony Mackay is President of the International Council for School Effectiveness and Improvement (ICSEI); founding member of the Governing Council of the National College for School Leadership in England; Chair of the Board of Directors of the Innovation Unit Ltd, England; OECD Senior Consultant for Projects on Schooling For Tomorrow, Leadership and New Models of Learning; and a DEMOS International Associate.

He is currently working on 'Next Practice Projects' on public sector reform with an emphasis on education in Australia/New Zealand, UK, Europe, US/Canada, and Asia.

Tony's work focuses on strategic thinking and facilitation for government bodies, education agencies and think tanks.

## 4. Communications and stakeholders

### 4.1 Overview

ACARA is committed to engaging stakeholders and the general public in collaborative partnerships across all of its work.

ACARA's strategic operating environment comprises many groups which influence and direct the way it carries out its functions in accordance with the ACARA Act. MCEETYA and AESOC were ACARA's key authorising stakeholders in 2008–2009, and the Commonwealth Minister for Education has a number of specific responsibilities under the ACARA Act. ACARA also developed key working relationships with the Commonwealth and state and territory departments of Education; Australasian Curriculum, Assessment and Certification Authorities (ACACA); and the non-government school sector. Other groups and individuals in the Australian community have a strong interest in ACARA and its work.

A collaborative communication and relationship management plan focused on ACARA's national work will be developed and will help set the relationship management protocols for ACARA's strategic directions for the next three years.

Determining the way that ACARA will continue to work with jurisdictions on a more formal basis will be determined in conjunction with, and consideration of, ACARA's key stakeholders.

These stakeholders include:

- COAG Reform Council
- MCEECDYA
- Australian Education, Early Childhood Development and Youth Affairs Senior Officials Committee (AEEYSOC)
- National Catholic Education Commission (NCEC)
- Independent Schools Council of Australia (ISCA)
- Australasian Curriculum, Assessment and Certification Authorities (ACACA)
- primary and secondary principals' associations
- teacher professional associations
- teacher registration authorities
- Teaching Australia
- universities, especially those offering teacher education
- business and industry
- parents and parent associations
- teachers, and
- teacher unions.



# 5. Report on Output 1: Provision of a national curriculum

## 5.1 Overview

ACARA is responsible for the development of Australia's national curriculum from kindergarten to Year 12, starting with the learning areas of English, mathematics, science and history (first phase), for implementation from 2011.

As a second phase of work, national curriculum will be developed in languages, geography and the arts. In developing national curriculum ACARA is working collaboratively with a wide range of stakeholders including teachers, principals, government, state and territory education authorities, professional education associations, business/industry, community groups and the public.

Work on national curriculum development began with scoping of curriculum development for English, mathematics, science and history in April 2008 by the then National Curriculum Board (NCB). In 2009, ACARA's work progressed to drafting curriculums in each of these learning areas and initial scoping work for geography, languages and the arts.

ACARA's work in developing national curriculum is guided by the *2008 Melbourne Declaration on Educational Goals for Young Australians*. The Declaration commits 'to supporting all young Australians to become successful learners, confident and creative individuals, and active and informed citizens,' and to promoting equity and excellence in education.

The national curriculum will 'equip all young Australians with the essential skills, knowledge and capabilities to thrive and compete in a globalised world and information rich workplaces of the current century.' The national curriculum will be accessible to all young Australians, regardless of their social or economic background or the school they attend.

### 5.1.1 Curriculum Development Process

In June 2009, ACARA published the Curriculum Development Process document on its website [www.acara.edu.au](http://www.acara.edu.au).

The document describes the four stages of development that will be used to develop the national curriculum: shaping, writing, implementation and evaluation. It also describes the structure of writing teams and consultation groups that will be involved in the national curriculum development.

### 5.1.2 Curriculum Design

ACARA published the Curriculum Design paper in June 2009 to provide guidelines for the writing of the Australian national curriculum. There will be three key elements of the national curriculum, which are:

- Curriculum content, which will describe what teachers are expected to teach and students are to learn, and will include general capabilities that are to be specific to the learning area.
- Achievement standards, which will describe the quality of learning (depth of understanding, extent of knowledge and sophistication of skill) expected of students.
- A reporting framework, which will provide brief descriptors for each level of the A to E to support reporting of students' achievements.

### 5.1.3 National Curriculum Development – Phase One

#### 5.1.3.1 Work progress and achievements

ACARA has taken up the work of the Interim National Curriculum Board (INCB) in developing the national curriculum for English, mathematics, science and history.





## 5. Report on Output 1 cont.

In 2008–2009 the INCB appointed lead writers for English, mathematics, science and history, and expert reference groups were established to support the lead writers. Preliminary advice papers were developed and open to consultation at specific national forums and teacher professional associations also met with lead writers to shape the framing papers.

Widespread consultation was sought between November 2008 and February 2009 on the publicly available Framing Papers, following which panels of writers were established to draft the curriculum documents in each of the four learning areas. Advisory panels were also established to provide advice on draft materials at key stages in the development process. The names of the advisory panel members are available on the ACARA website. The suite of *The Shape of the Australian Curriculum* documents, also available on the ACARA website, was published in May 2009 and represents the next evolution of the Framing Papers.

Under the auspices of ACARA, rather than the INCB, drafting of the curriculum documents themselves began in May–June 2009, and will continue until January 2010.

### 5.1.4 Broad outline of the national curriculum

#### 5.1.4.1 *The Shape of the Australian Curriculum – English*

The national English curriculum is built around three interrelated strands that together support students' growing understanding and use of the English language.

- Language: Knowing about the English language
- Literature: Understanding, appreciating, responding to and creating literature
- Literacy: Growing a repertoire of English usage.

The English curriculum aims to develop students' knowledge of language and literature and to consolidate and expand their literacy skills.

#### 5.1.4.2 *The Shape of the Australian Curriculum – History*

The national history curriculum aims to support students to develop knowledge and understanding of the past in order to appreciate their own and other's culture, to understand better the present and to contribute to debate about planning for the future.

#### 5.1.4.3 *The Shape of the Australian Curriculum – Mathematics*

A fundamental goal of the mathematics curriculum is to educate students to be active, thinking citizens, interpreting the world mathematically, and using mathematics to make predictions and decisions about personal and financial priorities.

#### 5.1.4.4 *The Shape of the Australian Curriculum – Science*

The aim of the Australian science curriculum is to provide students with a solid foundation in science knowledge, understanding, skills and values on which further learning beyond school can be built.



## 5. Report on Output 1 cont.

### 5.2 Next steps in national curriculum development

#### 5.2.1 Phase One – English, mathematics, science and history

Throughout the rest of 2009, drafting of the national curriculum documents for English, mathematics, science and history will continue.

The full draft curriculum documents for the first four learning areas are anticipated to be available for widespread public consultation in early 2010.

ACARA plans to publish the kindergarten to Year 10 (K–10) curriculum for these learning areas in July 2010, with implementation scheduled from 2011. Senior years courses will be available in September 2010, and it is envisaged that implementation will commence from 2012.

#### 5.2.2 Phase Two – geography, languages and the arts

The second phase of national curriculum development involves geography, languages and the arts. In general terms curriculum development in these three learning areas will follow Phase One areas with a gap of approximately 12 months, with individual timelines currently under consideration.

#### 5.2.3 Phase Three – health and physical education, ICT, design and technology, economics, business, and civics and citizenship

At its meeting on 17 April 2009, the Ministerial Council on Education, Early Childhood Development and Youth Affairs (MCEECDYA) requested that ACARA provide advice on the approach that will be taken to national curriculum development in health and physical education, ICT, design and technology,

economics, business and civics and citizenship.

This advice will be presented by ACARA to MCEECDYA at its meeting in late 2009.

#### 5.2.4 National recognition process for alternative curriculum

The charter for the Australian Curriculum, Assessment and Reporting Authority (ACARA) includes the requirement to develop 'nationally agreed criteria for determining how well-established alternative curriculum frameworks meet the requirements of the national curriculum'.

ACARA has established a working group (comprising representatives from ACARA Board and Secretariat, Victorian Registration and Qualifications Authority and the Tasmanian Schools Registration Board).

The working group developed a draft of a nationally recognised curriculum frameworks document for consultation with relevant state and territory education authorities and regulation bodies, representatives of NCEC and ISCA and groups representing the International Baccalaureate, Montessori, Steiner and University of Cambridge International Examinations.

Following analysis of the feedback received, ACARA will present a recognition process to MCEECDYA for approval.

Evaluation of the alternative curriculum frameworks will not take place until the approved national curriculum is available, commencing mid-2010 for English, mathematics, science and history.

## 6. Report on Output 2: Provision of a National Assessment Program

### 6.1 Performance summary

In 2008–09 the National Assessment Program for Literacy and Numeracy (NAPLAN) remained under the management of Curriculum Corporation (2008 and 2009 tests) and the Benchmarking and Educational Measurement Unit (2010 test development, and trial tests).

NAPLAN is an annual assessment where all students in Years 3, 5, 7 and 9 in Australia complete a series of tests in reading, writing, language conventions (spelling, punctuation and grammar) and numeracy (working effectively with numbers, space and measurement). All students in those year levels are expected to participate.

The first of the NAPLAN assessments, where students in all states and territories sat the same tests, was held in 2008. Further information about NAPLAN, including information for parents and schools, test samples and testing timetables, is available on the NAPLAN website.

Prior to 2008, national assessment in literacy and numeracy occurred through students undertaking different tests in each state and territory that were then equated to national literacy and numeracy benchmarks.

In 2008–09 the National Assessment Program sample assessments in science literacy, civics and citizenship and information and communication technology (ICT) literacy also remained under the management of the Benchmarking and Educational Measurement Unit.

The national sample assessments test students' skills and understanding in science literacy, civics and citizenship and information and communication technology (ICT) literacy. Only selected groups of students in Years 6 and 10 participate in these sample assessments, which are held on a rolling three-yearly basis.

Sample assessments began in 2003 with Science Literacy, followed by Civics and Citizenship in 2004 and ICT Literacy in 2005 when the cycle began again. ACARA commenced work on a transition plan to take up the National Assessment Program including the delivery of the 2010 NAPLAN tests. The scope of this work and ACARA's responsibilities are under consideration, and will be informed by the ACARA Charter.

### 6.2 Future priorities

Arrangements are currently underway to transfer ownership of all NAPLAN materials to ACARA.



## 7. Report on Output 3: Provision of a national data collection and reporting program

### 7.1 Background

The 17 April 2009 meeting of the then Ministerial Council on Education, Employment, Training and Youth Affairs (MCEETYA) determined that upon its establishment the Australian Curriculum, Assessment and Reporting Authority (ACARA) would undertake to publish relevant, nationally comparable information on all Australian schools, including publication of the 2008 NAPLAN data and associated contextual information. MCEETYA's plan for school level data collection and reporting stipulates that information will enable comparison of schools serving similar student populations around Australia.

On 1 May MCEETYA wrote to Professor Barry McGaw, then Chair of the INCB and current Chair of ACARA, requesting advice on how ACARA would implement, as a priority, the school reporting framework with a view to reporting information on schools in 2009. MCEETYA requested that advice be provided for its June meeting. Due to the delay in the appointment of ACARA's Board, this advice was provided for MCEECDYA (formerly MCEETYA) out of session on 9 September 2009.

Consideration was given to this issue at ACARA's first Board meeting on 29 May and initial directions to progress this project were determined. In early June, ACARA appointed a project director and a project team to undertake this work and requested a proposal for an IT solution that will provide a national schools data collection store and a public interface web-based portal that supports school-level performance reporting. Appropriate information from this data repository will be published on a national website, with each school in Australia having its own school profile page.

In 2008–09 responsibility for a range of functions in this area rested with the Performance Measurement and Reporting Taskforce (PMRT). These responsibilities included the annual update of the Measurement Framework for National Key Performance Measures and the National Report on Schooling in Australia.

### 7.2 Future priorities

From 2010 onwards ACARA will administer the central national data compilation immediately following marking, data capture and validation of jurisdiction results by Test Administration Authorities.

While focusing specifically on the specifications and requirements in the first version of the website to meet the reporting target, the Schools Data and Reporting project will anticipate and plan for perceived future requirements for the system. Initial discussions have been held regarding the possible character and scope of those requirements, however ongoing stakeholder consultation will occur to ensure (i) the first version of the website does not unnecessarily constrain future developments and (ii) a comprehensive and far-reaching analysis is undertaken of possible and desirable enhancements to the system, including interaction with other functions of ACARA.

ACARA will also assume the work currently undertaken by the PMRT, which will cease operations at the end of 2009. ACARA will ensure that the structures established to replace the PMRT will be representative of current stakeholders.

## 8. Management and accountability

### 8.1 Corporate governance

The corporate arm of ACARA is responsible for implementing the decisions of the Board and for the fulfilment of the statutory obligations of the Authority. At the end of June 2009, the Corporate staff comprised the Executive Officer, who was responsible for establishing the office of ACARA, a policy officer, and two project support officers.

### 8.2 Senior management

The senior management group was responsible for the day-to-day operations of ACARA. The senior management team has evolved with ACARA, and during the 2008–2009 reporting period comprised the following people:

- Acting General Manager, Curriculum, Mr Robert Randall
- Project Director, Schools Data and Reporting, Mr Peter Adams
- Executive Officer, Ms Rosemary Naughton.

The senior management group undertook considerable work to establish ACARA, and to ensure compliance with the relevant statutory instruments.

#### 8.2.1 About our Acting General Manager, Curriculum – Mr Robert Randall

Mr Robert Randall was previously General Manager of the INCB.

Prior to taking up this position, Robert was Director of Curriculum K–12 with the New South Wales Department of Education and Training. In this position Robert was responsible for leading and coordinating the development of curriculum policy and the provision of teacher professional learning and curriculum support materials for NSW public schools K–12.

From 1996 to 2001 Robert was Director, Curriculum, with the NSW Board of Studies, where he was responsible for the management of the Higher School Certificate syllabus review program and a range of K–10 syllabus development projects.

Robert began his career as a teacher of mathematics in Perth before holding a range of positions within and beyond schools in Western Australia. These included Head Teacher, Mathematics, Project Leader, Monitoring Standards in Education, Senior Curriculum Advisor (Curriculum Policy) and Manager, Assessment and Reporting with the Education Department and Principal Consultant with the Interim Curriculum Council of Western Australia.

#### 8.2.2 About our Project Director, Schools Data and Reporting – Mr Peter Adams

Peter Adams joined ACARA as the Project Director for the Schools Data and Reporting project after serving as the Project Director for NAPLAN 2008 and 2009 at Curriculum Corporation. His previous roles included that of Director of Assessment and Testing for Australia at Pearson PLC (2004–2007) and seven years as Manager of the Victorian Certificate of Education Examinations (1996–2003). Peter's experience in managing high-risk projects with tight timelines, as well as working closely with multiple contractors and collaborating with all jurisdictions, contributed significantly to progressing the Schools Data and Reporting project at a critical time. In October, Peter will assume the position of General Manager, Assessment Services (School Projects) at ACER, responsible for a broad range of assessment projects within Australia and internationally.



## 8. Management and accountability cont.

### 8.2.3 About our Executive Officer – Ms Rosemary Naughton

Rosemary Naughton has been involved in the establishment of the Australian Curriculum, Assessment and Reporting Authority (ACARA) and the Interim National Curriculum Board since April 2008. She spent 20 years in Western Australian schools in roles as a teacher, Head of Department and Deputy Principal. Rosemary's work as a senior public servant in Western Australia included Board executive work, parliamentary liaison, media management, managing district education services, leading information systems and community engagement projects, reconfiguration of the senior secondary curriculum (2006–2008); review of certification policies to more appropriately reflect industry needs in relation to skills shortages and VET (2005–06); content design, development and publication of K–12 curriculum guides; developing policy and curriculum design for accreditation of non-formal learning; and design and development of policy for mandatory community service in the Western Australian Certificate of Education (WACE) (2005–06) and curriculum development coordination for senior secondary reform (1999–2001).

### 8.3 Audit Committee

The ACARA Board established its Audit Committee at its second meeting on 29 June 2009 in compliance with Section 32 of the Commonwealth Authorities and Companies Act 1997 (CAC Act). The objective of the Committee is to provide independent assurance and assistance to the Board on ACARA's risk, control and compliance framework, and its external accountability responsibilities.

The Audit Committee did not meet during the 2008–2009 reporting period.

### 8.4 Risk management

ACARA began developing a risk management framework analysing strategic and operational risks, building on work undertaken by the INCB. ACARA will adopt a two-tiered approach to analyse inherent and residual risks and develop appropriate risk mitigation strategies. The ACARA risk management plan seeks to identify and manage the risks associated with achieving the objectives of ACARA. It aims to encompass both the high-level strategic risks and the unit level operational risks.

The structure of this planning document and its implementation process including terminology, assessment and evaluation criteria are based on the Australian Standard for Risk Management (AS 4630) and on the June 2007 report *Managing Risk Across the Public Sector: Towards Good Practice*, from the Victorian Auditor-General's Office (VAGO).

### 8.5 Human resources

ACARA is committed to providing a work environment in which employees feel that they are valued members of the organisation, that they are treated fairly, and are given recognition for their contribution to the Authority's success. ACARA also aims to provide an environment that fosters good working relationships, and is committed to ensuring that all employees enjoy equal employment opportunity (EEO).

This means that employees are treated fairly and equally when employment decisions are made and that unlawful discrimination does not take place.



## 8. Management and accountability cont.

EEO also means that each employee enjoys a harassment-free work environment. Specific issues to do with harassment are detailed in ACARA's Workplace Harassment Policy.

### 8.5.1 Management of human resources

- As at 30 June 2009, ACARA was staffed by a mix of contracted personnel (8) and secondees (14) from state and territory education departments, curriculum, assessment and certification authorities and the non-government sector. ACARA is a national employer and at 30 June 2009 its workforce included staff seconded from five of Australia's eight states and territories.
- All of ACARA's staff – seconded and contracted – were employed on a full-time basis, and based in Melbourne (Note: a small number of staff flew in and out of Melbourne on a weekly basis). ACARA's staff comprised 59% women and 41% men. ACARA had no permanent staff.
- None of ACARA's personnel were Australian Public Service employees.
- Between 28 May and 30 June 2009 no staff member left ACARA.
- No collective agreement was in place and no staff members were employed under Australian Workplace Agreements.
- Staff members who maintained a primary residence in a state or territory other than Victoria and had a secondary residence in Victoria were eligible for a living away from home allowance.
- No staff members were eligible for, or received, performance pay.
- Three of ACARA's staff – two seconded and one on contract – were senior executive level.
- ACARA, in the transition period prior to relocating to Sydney, has begun workforce planning to

ensure continuity of staffing and corporate knowledge, as well as provisions to support a national workforce. Initial benchmarking against other Commonwealth authorities and companies, as well as Departments and similar state and territory bodies, has been undertaken.

- Once ACARA has determined its workforce requirements staff development policies will be established.

### 8.6 Asset management

As at 30 June 2009 ACARA owned virtually no assets valued at over \$500 and did not have an asset management plan in place. ACARA's hardware and software was leased from Curriculum Corporation and Milura P/L, respectively. An asset management plan is being developed.

### 8.7 Consultancies

During 2008–09, there were no consultancy contracts. In addition no ongoing consultancy contracts were active during the 2008–09 year.

### 8.8 Freedom of Information

This section provides information required under Section 8 of the *Freedom of Information Act 1982* (FOI Act) which stipulates that agencies (including ACARA) must report annually on:

- the organisation, functions and decision-making powers of the agency
- arrangements for public involvement in the work of the agency
- types of documents held by the agency
- where and how the public can gain access to these documents.



## 8. Management and accountability cont.

### 8.8.1 Decision-making powers that affect members of the public and public involvement

ACARA makes decisions under the ACARA Act in relation to national curriculum, assessment and reporting.

ACARA uses a number of forums to consult widely with the school sector and the broader Australian community on the direction of curriculum development, including national events.

Information on the work being undertaken by ACARA is disseminated via its website, including to members of the public who have registered for e-alerts.

ACARA has consulted widely with the school sector and other stakeholders in relation to decisions about national curriculum development and data collection. This includes consultation with learning area advisory groups and cross-curriculum advisory groups.

### 8.8.2 Types of documents

ACARA holds documents on a range of topics, which can be broadly categorised as:

- reference material used by staff and contract providers, including guidelines, manuals and operational advice
- documents relating to internal administration and management – financial, staffing, office procedures, governance, and so on
- electronic records maintained on ACARA's databases
- records of correspondence to the Minister and the Department of Education, Employment and Workplace Relations
- draft curriculum and draft position papers

- minutes and papers of the ACARA Board
- submissions made to ACARA
- research papers
- documents relating to audits, investigations and ombudsman inquiries
- documents relating to policy advice and portfolio administration, including reports, briefings, secretariat papers, correspondence, minutes and submissions
- submissions to and reports on public inquiries.

### 8.8.3 Inquiries and gaining access

Detailed information regarding the FOI process is available on ACARA's website at [www.acara.edu.au](http://www.acara.edu.au). Inquiries regarding FOI, including the nature and scope of an intended request, can be directed to the FOI Coordinator by:

Telephone: 1300 895 563

Mail: PO Box 177, Carlton South, VIC 3053.

Email: [info@acara.edu.au](mailto:info@acara.edu.au).

Formal FOI requests must be made in writing.

There is no mandatory form, however the request should include telephone contact numbers and a return Australian address. A \$30 application fee or a remission request must accompany each request. ACARA provides appropriate facilities for the inspection of documents accessed under the FOI Act. Further processing charges may apply. If you seek to have fees and charges remitted, you are required to provide supporting evidence with the application.

In 2008–2009 no freedom of information requests were received by ACARA.



## 8. Management and accountability cont.

### 8.9 Occupational Health and Safety

No Occupational Health and Safety (OH&S) incidents were reported in 2008–09. No investigations were conducted nor notices issued. ACARA has begun developing its OH&S policies and arrangements. De facto, the policies and arrangements of Curriculum Corporation applied in 2008–09.

### 8.10 Purchasing

ACARA's procurement policies and practices were under development in 2008–09. The policies developed are consistent with all relevant Commonwealth laws, and are drawn from the Commonwealth Financial Framework (including the Commonwealth Procurement Guidelines) and other relevant policies.

### 8.11 Commonwealth Disability Strategy

ACARA commissioned the fit out of its Pitt Street premises in Sydney with a shower and toilet facility compliant with the *Disability Discrimination Act 1992 (Cwth)*.

### 8.12 Ecologically Sustainable Development (ESD) and environmental performance

ACARA shares office space and equipment and some resources with Curriculum Corporation. ACARA's PC systems have LCD screens which typically use 30% of the power of an equivalent size CRT screen and generate much less heat – reducing the load on the office air-conditioning system(s).

The office PCs also have inbuilt power management options, which are set by default to reduce the amount of power used by reverting to standby mode. The office also has a green recycling policy and commenced separation of paper, general rubbish and recyclables into separate bins for collection.

### 8.13 Our location

ACARA is currently located at Level 5, 440 Collins Street, Melbourne. ACARA will move to Level 10, 255 Pitt Street, Sydney in December 2009.

### 8.14 Insurance and indemnities

ACARA is covered by directors' and officers' liability insurance.





## 9. Financial performance and future operations

### 9.1 Analysis of financial performance

Due to the delayed establishment of ACARA's Board of Directors there were few financial transactions in 2008–09. ACARA will be in a strong financial position in 2009–2010.

ACARA's full departmental results are shown in the audited financial statements at Part 5 of this report.

Due to the limited funding and expenditure undertaken in 2008–09, limited meaningful analysis can be provided.

### 9.2 Factors that have affected or may affect operations

ACARA's operations are dependent upon funding from state, territory and Commonwealth governments.

### 9.3 Reportable events

Under Section 15 of the *Commonwealth Authorities and Companies Act 1997*, ACARA must notify the Minister for Education of 'Significant Events' as defined in the Act.

ACARA has experienced no events reportable under these provisions in 2008–2009.



The background features a series of overlapping, wavy, semi-transparent blue shapes that create a sense of depth and movement. The colors range from light sky blue to a deeper cerulean blue. The overall effect is clean, modern, and professional.

## **Part 2: Financial Statements**



## INDEPENDENT AUDITOR'S REPORT

To the Minister for Education

### Scope

I have audited the accompanying financial statements of the Australian Curriculum, Assessment and Reporting Authority for the year ended 30 June 2009, which comprise: a Statement by the Directors; Income Statement; Balance Sheet; Statement of Changes in Equity; Cash Flow Statement; Schedule of Commitments; and Notes to the Financial Statements, including a Summary of Significant Accounting Policies.

### *The Directors' Responsibility for the Financial Statements*

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards (which include the Australian Accounting Interpretations). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### *Auditor's Responsibility*

My responsibility is to express an opinion on the financial statements based on my audit. I conducted my audit in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards. These auditing standards require that I comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance 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 Australian Curriculum, Assessment and Reporting Authority's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Australian Curriculum, Assessment and Reporting Authority's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

GPO Box 707 CANBERRA ACT 2601  
19 National Circuit BARTON ACT 2600  
Phone (02) 6203 7300 Fax (02) 6203 7777

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

***Independence***

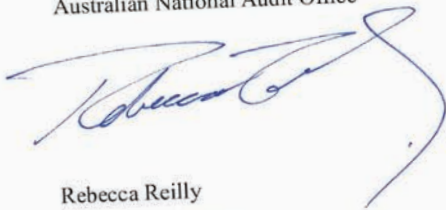
In conducting the audit, I have followed the independence requirements of the Australian National Audit Office, which incorporate the requirements of the Australian accounting profession.

**Auditor's Opinion**

In my opinion, the financial statements of the Australian Curriculum, Assessment and Reporting Authority:

- (a) have been prepared in accordance with the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*, including the Australian Accounting Standards; and
- (b) give a true and fair view of the matters required by the Finance Minister's Orders including the Australian Curriculum, Assessment and Reporting Authority's financial position as at 30 June 2009 and its financial performance and cash flows for the year then ended.

Australian National Audit Office



Rebecca Reilly  
Executive Director

Delegate of the Auditor-General

Canberra

26 October 2009



**Statement by directors**

In our opinion, the attached financial statements for the year ended 30 June 2009 are based on properly maintained financial records and give a true and fair view of the matters required by the Finance Minister's Orders made under the *Commonwealth Authorities and Companies Act 1997*.

In our opinion, at the date of this statement, there were reasonable grounds to believe that the Australian Curriculum Assessment and Reporting Authority will be able to pay its debts as and when they become due and payable.

This Statement is made in accordance with a resolution of the directors.



Professor B McGaw  
Chair

Dated this 26 day of October 2009

Mr A Mackay  
Deputy chair



Dated this 26 day of October 2009



Professor P Hill  
Chief Executive Officer

Dated this 26 day of October 2009





# Income Statement

for the Period Ended 30 June 2009

<b>Income</b>	<b>Note</b>	<b>2009 \$'000</b>
<i>Revenue</i>		
Revenue from Jurisdictions	3(a)	<b>3,493</b>
Interest	3(b)	-
Other revenue	3(c)	<b>64</b>
<b>Total revenue</b>		<b>3,557</b>
Gains		-
<i>Total gains</i>		-
<b>Total Income</b>		<b>3,557</b>
<b>Expenses</b>		
Employee benefits	4(a)	<b>283</b>
Suppliers	4(b)	<b>393</b>
<b>Total Expenses</b>		<b>676</b>
<b>Surplus / (Deficit) attributable to the Australian Government</b>		<b>2,881</b>

## Balance Sheet as at 30 June 2009

	Note	2009 \$'000
<b>Assets</b>		
<b>Financial Assets</b>		
Cash and cash equivalents	5(a)	-
Trade and other receivables	5(b)	3,550
Investments		
<b>Total financial assets</b>		3,550
<b>Non-financial assets</b>		
Infrastructure, plant and equipment		
Other non-financial assets	-	
<b>Total non-financial assets</b>		
<b>Total Assets</b>		3,550
<b>Liabilities</b>		
<b>Payables</b>		
Suppliers	6(a)	450
Other payables	6(b)	178
<b>Total payables</b>		628
<b>Provisions</b>		
Employee provisions	7	41
<b>Total provisions</b>		41
<b>Total Liabilities</b>		669
<b>Net Assets</b>		2,881
<b>Equity</b>		
Reserves		-
Retained surplus (accumulated deficit)		2,881
<b>Total Equity</b>		2,881
Current Assets		3,550
Non-Current Assets		-
Current Liabilities		663
Non-Current Liabilities		6

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

# Statement of Changes in Equity as at 30 June 2009

	Retained Earnings 2009 \$'000	Asset Revaluation Reserve 2009 \$'000	Other Reserve 2009 \$'000	Total Equity 2009 \$'000
<b>Opening Balance</b>				
Balance carried forward from previous period	-	-	-	-
Adjustment for errors	-	-	-	-
Adjustment for changes in accounting policies	-	-	-	-
<b>Adjusted opening balance</b>	-	-	-	-
Income and expenses recognised directly in equity	-	-	-	-
<b>Sub-total income and expenses recognised directly in equity</b>	-	-	-	-
Surplus / (deficit) for the period	2,881	-	-	<b>2,881</b>
<b>Total Income and Expenses</b>	2,881	-	-	<b>2,881</b>
<b>Transactions with owners</b>	-	-	-	-
<b>Transfer between equity components</b>	-	-	-	-
<b>Closing balance as at 30 June</b>	2,881	-	-	<b>2,881</b>

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

# Cash Flow Statement for the Period Ended 30 June 2009

	Note	2009 \$'000
<b>OPERATING ACTIVITIES</b>		
<b>Cash Received</b>		
Receipts from Jurisdictions		-
Interest		-
Net GST received		-
Other cash received		-
<b>Total cash received</b>		-
<b>Cash Used</b>		
Employees		-
Suppliers		-
Net GST paid		-
Other cash used		-
<b>Total cash used</b>		-
<b>Net cash from / (used by) operating activities</b>	8(b)	-
<b>INVESTING ACTIVITIES</b>		
<b>Cash received</b>		
Investments		-
<b>Total cash received</b>		-
<b>Cash used</b>		
Purchase of property, plant and equipment		-
Investments		-
<b>Total cash used</b>		-
<b>Net cash flows / (used by) investing activities</b>		-
<b>Net increase / (decrease) in cash held</b>		
Cash and cash equivalents at the beginning of the reporting period		-
<b>Cash and cash equivalents at the end of the reporting period</b>	8(a)	-

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

# Schedule of Commitments as at 30 June 2009

	2009 \$'000
<b><i>By Type</i></b>	
<b>Commitments</b>	
Operating leases	-
Project commitments	1,102
<b>Total commitments</b>	<b>1,102</b>
<b>Commitments receivable</b>	<b>(101)</b>
<b><i>Net commitments by type</i></b>	<b>1,001</b>
<b><i>By Maturity</i></b>	
<b>Project commitments</b>	
One year or less	1,102
From one year to five years	-
<b>Total project commitments</b>	<b>1,102</b>
<b>Commitments receivable</b>	
One year or less	101
From one year to five years	-
<b>Total commitments receivable</b>	<b>101</b>
<b>Net Commitments by maturity</b>	<b>1,001</b>

Project commitments represent ACARA contracts for the provision of services from curriculum writers and advisors from various agencies, organisations and individuals throughout Australia.

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

# Index to the Notes to the Financial Statements

for the year ended 30 June 2009

Note	Contents
1	Summary of Significant Accounting Policies
2	Events After the Balance Sheet Date
3	Income
4	Expenses
5	Financial assets
6	Payables
7	Provisions
8	Cash Flow Reconciliation
9	Directors Remuneration
10	Related Party Disclosures
11	Executive Remuneration
12	Remuneration of Auditors
13	Financial Instruments
14	Compensation and Debt Relief
15	Reporting by Outcomes

# 1. Summary of Significant Accounting Policies

## 1.1 Basis of Preparation of the Financial Report

The financial statements and notes are required by clause 1(b) of the Schedule 1 to the Commonwealth Authorities and Companies Act 1997 and are a general purpose financial report.

The continued existence of ACARA in its present form and with its present programs is dependent on Government policy and on continuing contributions by the Commonwealth and States and Territories for ACARA's administration and programs. ACARA's outcome is improved quality and consistency of school education in Australia through a national curriculum, national assessment, data collection, and performance reporting system.

The financial statements and notes have been prepared in accordance with:

- Finance Minister's Orders (FMO) for reporting periods ending on or after 1 July 2008; and
- Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that apply for the reporting period.

The financial report has been prepared on an accrual basis and is in accordance with historical cost convention, except for certain assets at fair value. Except where stated, no allowance is made for the effect of changing prices on the results of the financial position.

The financial report is presented in Australian dollars and values are rounded to the nearest thousand dollars unless otherwise specified.

Unless an alternative treatment is specially required by an accounting standard or the FMO, assets and liabilities are recognised in the balance sheet when

and only when it is probable that future economic benefits will flow to the entity and the amount of assets or liabilities can be reliably measured. However, assets and liabilities arising under agreements equally proportionately unperformed are not recognised unless required by an accounting standard.

Unless alternative treatment is specially required by an accounting standard, income and expenses are recognised in the income statement when, and only when, the flow consumption or loss of economic benefits has occurred and can be reliably measured.

## 1.2 Significant Accounting Judgements and Estimates

No significant accounting judgements and estimates have been made that would have a significant impact on the amounts recorded in the financial statements.

## 1.3 New Accounting Standards

### Adoption of New Australian Accounting Standard Requirements

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

### Future Australian Accounting Standard Requirements

The following new standards, amendments to standards or interpretations have been issued by the Australian Accounting Standards Board but are effective for future reporting periods. It is estimated that the impact of these pronouncements when effective will have no material impact on future reporting periods.



# 1. Summary of Significant Accounting Policies cont.

AASB Amendment	Standards Affected		Outline of Amendment	Application Date of Standard (period commencing)	Application Date for Entity (period commencing)
AASB 3	AASB 3	Business Combinations	As the entity has not been party to a business combination during the year this standard is not expected to have any impact on the entity's financial report.	<b>1.7.2009</b>	<b>1.7.2009</b>
AASB 101	AASB 101	Presentation of Financial Statements	AASB 101 does not affect recognition or measurement criteria, therefore the changes are not expected to have any impact on the entity's reported financial position.	<b>1.1.2009</b>	<b>1.7.2009</b>
AASB 123 Borrowing Costs	AASB 123	Borrowing Costs	As the entity does not have borrowings associated with qualifying assets, these amendments are not expected to have any impact on the entity's financial report.	<b>1.1.2009</b>	<b>1.7.2009</b>

# 1. Summary of Significant Accounting Policies cont.

AASB 2007-6 Amendments to Australian Accounting Standards	AASB 1	First time adoption of AIFRS	The revised AASB 123: Borrowing Costs issued in June 2007 has removed the option to expense all borrowing costs. This amendment will require the capitalisation of all borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset. Management has determined that there will be no effect on the authority as a policy of capital qualifying borrowing costs has been maintained by the authority.	<b>1.1.2009</b>	<b>1.7.2009</b>
	AASB 101	Presentation of Financial Statements			
	AASB 107	Cash Flow Statements			
	AASB 111	Construction Contracts			
	AASB 116	Property, Plant and Equipment			
	AASB 138	Intangible Assets			
AASB 2007-8 & AASB 2007-10	AASB 101	Presentation of Financial Statements	As the changes do not affect recognition or measurement criteria, therefore the changes are not expected to have any impact on the entity's reported financial position and performance.	<b>1.1.2009</b>	<b>1.7.2009</b>

# 1. Summary of Significant Accounting Policies cont.

## 1.4 Revenue

The revenues described in this note are revenues relating to the core activities of ACARA.

### Revenue from Jurisdictions

Revenue from jurisdictions is recognised when:

- ACARA has obtained control of the revenue or the right to receive the revenue;
- It is probable that the economic benefits associated with the transaction will flow to the entity; and
- The revenue can be reliably measured.

### Resources Received Free of Charge

Resources received free of charge are recognised as revenue when, and only when, a fair value can be reliably determined and the services would have been purchased if they had not been donated. Use of the resources is recognised as an expense.

## 1.5 Property (Land and Buildings and Infrastructure), Plant and Equipment Asset recognition threshold

Purchases of property, plant and equipment are recognised initially at cost in the Balance Sheet, except for purchases costing less than \$1,000, which are expensed in the year of acquisition (other than where they form part of a group of similar items which are significant in total).

The initial cost of an asset includes an estimate of the cost of dismantling and removing the item and restoring the site on which it is located.

## 1.6 Employee Benefits

Liabilities for services rendered by employees are recognised at the reporting date to the extent that they have not been settled.

Liabilities for short-term employee benefits (as defined in AASB 119) and termination benefits due within twelve months of the balance date are measured at their nominal amounts.

The nominal amount is calculated with regard to the rates expected to be paid on settlement of the liability.

All other employee benefit liabilities are measured at the present value of the estimated future cash outflows to be made in respect of services provided by employees up to the reporting date.

### Leave

The liability for employee benefits includes provision for annual leave and long service leave. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of ACARA is estimated to be less than the annual entitlement for sick leave.

The leave liabilities are calculated on the basis of the employees' remuneration at the estimated salary rates that applied at the time the leave is taken, including ACARA's employer superannuation contribution rates to the extent that the leave is likely to be taken during the service rather than paid out on termination.

The liability for long service leave has been determined by reference to the Australian Government shorthand method. In applying this method, the accrued long service leave for each employee as at reporting date is probability weighted, based on the Australian Government probability profile. The amount obtained for each employee is then discounted using the ten year Treasury Bond rate. The estimate of the present value of the liability takes into account attrition rates and pay increases through promotion and inflation.

### Separation and redundancy

ACARA recognises a provision for termination when it has developed a detailed formal plan for terminations and has informed those employees affected that it will carry out terminations. There are no separations or redundancies planned.

# 1. Summary of Significant Accounting Policies cont.

## Superannuation

Upon commencing employment with ACARA, employees nominate an approved superannuation scheme of their choice.

No employees are members of a defined benefits scheme. ACARA contributes a minimum of 9% of superannuable salaries on behalf of its employees. The liability for superannuation recognised as at 30 June represents outstanding contributions for the final month of the year.

## 1.7 Cash

Cash and cash equivalents includes notes and coins held and any deposits in bank accounts with an original maturity of 3 months or less that are readily convertible to known amounts of cash and subject to insignificant risk of changes in value. Cash is recognised at its nominal amount.

## 1.8 Financial Assets

ACARA classifies its financial assets in the following categories:

- financial assets at fair value through profit or loss
- held-to-maturity investments
- available-for-sale financial assets
- loans and receivables

The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

Financial assets are recognised and derecognised upon 'trade date'.

### Effective interest rate method

The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset, or, where appropriate, a shorter period. Income is recognised on an effective interest rate basis except for financial assets at fair value through profit or loss.

## Financial assets at fair value through profit or loss

Financial assets are classified as financial assets at fair value through profit or loss where the financial asset:

- has been acquired principally for the purpose of selling in the near future;
- is part of an identified portfolio of financial instruments that the Authority manages together and has a recent actual pattern of short-term profit-taking; or
- has been designated as such upon initial recognition.

Assets in this category are classified as current assets.

Financial assets at fair value through profit or loss are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest earned on the financial asset.

### Available-for-sale financial assets

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the asset within 12 months of the balance sheet date.

Available-for-sale financial assets are recorded at fair value. Gains and losses arising from changes in fair value are recognised directly in equity in the reserves with the exception of impairment losses. Interest is calculated using the effective interest method. Where the asset is disposed of or is determined to be impaired, part or all of the cumulative gain or loss previously recognised in the reserve is included in the Income Statement for the period.

Where a reliable fair value cannot be established for unlisted investments in equity instruments, cost is used. ACARA has no such instruments.

# 1. Summary of Significant Accounting Policies cont.

## **Held-to-maturity assets**

Non-derivative financial assets with fixed or determinable payments and fixed maturity dates that ACARA has the positive intent and ability to hold to maturity are classified as held-to-maturity investments. Held-to-maturity investments are recorded at amortised cost using the effective interest method less impairment, with revenue recognised on an effective yield basis.

## **Loans and receivables**

Trade receivables, loans and other receivables that have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. They are included in current assets, except for maturities greater than 12 months after the balance date. These are classified as non-current assets. Loans and receivables are measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest rate.

## **Impairment of financial assets**

Financial assets are assessed for impairment at each balance date.

- Financial assets held at amortised cost—if there is objective evidence that an impairment loss has been incurred for loans and receivables or held-to-maturity investments held at amortised cost, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount is reduced by way of an allowance account. The loss is recognised in the Income Statement.
- Available-for-sale financial assets—if there is objective evidence that an impairment loss on an available-for-sale financial asset has been incurred, the amount of the difference between its cost, less principal repayments

and amortisation, and its current fair value, less any impairment loss previously recognised in expenses, is transferred from equity to the Income Statement.

- Available-for-sale financial assets (held at cost)—if there is objective evidence that an impairment loss has been incurred, the amount of the impairment loss is the difference between the carrying amount of the asset and its estimated value.

## **1.9 Financial Liabilities**

Financial liabilities are classified as either financial liabilities at fair value through profit or loss or other financial liabilities.

Financial liabilities are recognised and derecognised upon 'trade date'.

### **Financial liabilities at fair value through profit or loss**

Financial liabilities at fair value through profit or loss are initially measured at fair value. Subsequent fair value adjustments are recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

### **Other financial liabilities**

Other financial liabilities are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest method, with interest expense recognised on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

# 1. Summary of Significant Accounting Policies cont.

## Supplier and other payables

Supplier and other payables are recognised at their nominal amounts, being the amounts at which the liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).

### 1.10 Contingent Liabilities and Contingent Assets

Contingent liabilities and contingent assets are not recognised in the Balance Sheet but are reported in the relevant schedules and notes. They may arise from uncertainty as to the existence of a liability or asset, or represent an existing liability or asset in respect of which settlement is not probable or the amount cannot be reliably measured. Contingent assets are reported when settlement is probable but not virtually certain and contingent liabilities are recognised when settlement is greater than remote.

In 2008-09, ACARA has no quantifiable, unquantifiable or remote contingent liabilities or contingent assets.

### 1.11 Taxation

ACARA is exempt from all forms of taxation except Fringe Benefits Tax (FBT) and the Goods and Services Tax (GST).

Revenues, expenses and assets are recognised net of GST except:

- Where the amount of GST incurred is not recoverable from the Australian Taxation Office; and
- for receivables and payables.

### 1.12 Comparatives

ACARA was established through the *Australian Curriculum, Assessment and Reporting Authority Act* on 8 December 2008. ACARA became operational on 28 May 2009 with the appointment of its Board of directors. Therefore no comparatives for the 2007-08 financial year are shown in the financial statements or notes.



## 2. Events After The Balance Sheet Date

ACARA's appointment of a Chief Executive Officer and senior management positions occurred during August and September 2009. There are no other significant events after the balance date that would significantly affect ACARA's ongoing structure and financial activities.

## 3. Income

		<b>2009 \$'000</b>
<b>(a) Revenues from Jurisdictions</b>		
Australian Government - Department of Education, Employment and Workplace Relations		3,493
		3,493
<b>(b) Interest</b>		
Interest at bank		-
		-
<b>(c) Other</b>		
Resources received free of charge – Curriculum Corporation – National Curriculum Project		64
		64

## 4. Expenses

		<b>2009 \$'000</b>
<b>(a) Employee Benefits</b>		
Salaries and wages		236
Superannuation – defined contribution plans		6
Leave and other entitlements		41
		283
<b>(b) Suppliers</b>		
Provision of goods from external parties		2
Provision of services from external parties		391
		393





## 5. Financial Assets

	2009 \$'000
<b>(a) Cash and cash equivalents</b>	
Cash on hand or on deposit	-
Term deposits	-
	-
<b>(b) Trade and other receivables</b>	
Goods and Services – related entities	3,493
GST Receivable	57
	3,550
<b>Receivables are represented by:</b>	
Current	3,550
Non-current	-
Total trade and other receivables	3,550
<b>Receivables are aged as follows:</b>	
Not overdue	3,550
Overdue by:	
Less than 30 days	-
30 to 60 days	-
60 to 90 days	-
More than 90 days	-
Total Receivables	3,550
<b>The impairment allowance account is aged as follows:</b>	
Not overdue	-
Overdue by:	
Less than 30 days	-
30 to 60 days	-
60 to 90 days	-
More than 90 days	-
<b>Total impairment account allowance</b>	-



## 6. Payables

		2009 \$'000
<b>(a) Suppliers</b>		
Trade creditors		450
Total supplier payments		450
Supplier payables – external parties are represented by:		
Current		450
Non-current		-
Total supplier payments		450
Settlement is usually made net 30 days		
<b>(b) Other Payables</b>		
Salaries and Wages		177
Superannuation		1
Total other payables		178

## 7. Provisions

		2009 \$'000
<b>Employee provisions</b>		
Leave		41
Total employee provisions		41
Employee provisions are represented by:		
Current		36
Non-current		5
Total employee provisions		41

The classification of current employee provisions includes amounts for which there is not an unconditional right to defer settlement by one year, hence in the case of employee provisions the above classification does not represent the amount expected to be settled within one year of the reporting date. Employee provisions expected to be settled in twelve months from the reporting date are \$21,827 and in excess of one year \$19,043.



## 8. Cash flow reconciliation

Reconciliation of cash and cash equivalents as per Balance Sheet to Cash Flow Statement

		2009 \$'000
<b>(a) Report cash and cash equivalents as per:</b>		
Cash Flow Statement		-
Balance Sheet		-
Difference		-
<b>(b) Reconciliation of operating result to net cash from operating activities</b>		
		2009 \$'000
Operating result		2,881
Changes in net assets and liabilities:		
(Increase)/decrease in assets:		
Trade and other receivables		(3,550)
Other financial assets		-
Increase/(decrease) in liabilities:		
Supplier payables		628
Accrued expenses		-
Employee provisions		41
Other provisions		-
Net cash from / (used by) operating activities		-



## 9. Directors remuneration

The number of directors of ACARA included in these figures is shown below in the relevant remuneration bands.

	2009
\$ Nil - \$149,999	13
Total number of directors of ACARA	13
Total remuneration received or due and receivable by directors of ACARA	\$39,509

The directors of ACARA are appointed by the Minister for Education, Employment and Workplace Relations.

## 10. Related party disclosures

The following persons were Directors of the Australian Curriculum, Assessment and Reporting Authority during the year:

Professor Barry McGaw  
Mr Anthony Mackay  
Mr Tom Alegounarias  
Dr Brian Croke  
Mr Lesley Englert  
Ms Deborah Ethymiades  
Mr John Firth  
Mr David Hanlon  
Mr Angus James  
Ms Dianne Kerr  
Mr Garry Le Duff  
Professor William Loudon  
Ms Helen Wildash

Several directors of ACARA hold directorships with other companies. All transactions between ACARA and companies with a Director common to ACARA are conducted using commercial and arm-length principles.



## 11. Executive remuneration

No senior executives of ACARA received or were due to receive total remuneration of \$130,000 or more in 2008-09. No separation or redundancy payments were made to senior executives in 2008-09.

	2009 \$
The aggregate amount of total remuneration of senior executives for 2008-09 was	\$37,266

## 12. Remuneration of auditors

The cost of financial statement audit services provided by the Auditor-General was:

	2009 \$
Australian Curriculum, Assessment and Reporting Authority	16,000

No other services were provided by the Auditor-General.



## 13. Financial instruments

### (a) Categories of Financial Instruments

	2009 \$'000
<b>Financial Assets</b>	
<b>Loans and receivables:</b>	
Cash on hand or on deposit	-
Trade and other receivables	3,493
<b>Carrying amount of financial assets</b>	<b>3,493</b>
<b>Financial Liabilities</b>	
<b>Other financial liabilities at amortised cost</b>	
Loans from Government	-
Finance Leases	-
Trade creditors	450
<b>Carrying amount of financial liabilities</b>	<b>450</b>

There have been no net gains or losses recorded for financial asset or liabilities in the financial year 2008-09.

### Fair Value of Financial Instruments

The net fair value of each class of ACARA's financial assets and liabilities equal the carrying amount for the current reporting period.

### (b) Credit risk

The ACARA is exposed to minimal credit risk as financial assets consist of cash and trade receivables.

The maximum exposure to credit risk is the risk that arises from potential default of a debtor. This amount is equal to the total amount of trade receivables (2009: \$3,493,127).

For debtors other than government, it is ACARA's policy to only deal with entities with high credit ratings.



## 13. Financial instruments cont.

### Financial assets that are either past due or impaired

There are no financial assets that have had their terms renegotiated so as to prevent them from being past due or impaired, and they are stated at the carrying amounts as indicated. The following tables disclose the ageing of financial assets that are past due:

#### Ageing analysis of financial assets

	Not past due and not impaired \$'000	Past due and not impaired				Impaired financial assets \$'000
		Less than 1 month \$'000	1-3 months \$'000	3 months - 1 year \$'000	1-5 years \$'000	
<b>2009</b>						
Trade and other receivables:						
Debtors - Commonwealth	3,493	-	-	-	-	-
Other financial assets:						
Investments held to maturity	-	-	-	-	-	-
	<b>3,493</b>	-	-	-	-	-

#### (c) Liquidity risk

The ACARA financial liabilities are payables. The exposure to liquidity risk is based on the notion that ACARA will encounter difficulty in meeting obligations associated with its financial liabilities. This is highly unlikely as ACARA manages its budgeted funds to ensure it has adequate funds to meet payments as they fall due.

The table below illustrates the maturities for financial liabilities:

	Within 1 year \$'000	1-2 years \$'000	Total \$'000
<b>2009</b>			
Financial Liabilities:			
Trade creditors	450	-	450
	<b>450</b>	-	<b>450</b>

#### (d) Market risk

The ACARA holds basic financial instruments that do not expose ACARA to certain market risks. The ACARA is not exposed to 'currency risk' or other 'price risk'

#### *Interest rate risk*

ACARA does not hold any interest-bearing financial assets or liabilities.





## 14. Compensation and Debt Relief

There were no Act of Grace payments, ex-gratia payments or payments made under s73 of the Public Service Act 1999 or waivers during 2008-09.

## 15. Reporting by outcomes

The ACARA activity involves the development, implementing and on-going assessment of a national curriculum. ACARA uses an activity based costing system to determine the attribution of its shared items.

The three outputs identified for the outcome described in Note 1 are:

Output 1 – Provision of a National Curriculum

Output 2 – Provision of a National Data Collection and Reporting Program

Output 3 – Provision of a National Assessment Program

### Net Cost of Outcome Delivery

	Outcome 1 2009 \$'000	Total 2009 \$'000
Expenses	676	676
<b>Total expenses</b>	<b>676</b>	<b>676</b>
<b>Total costs recovered</b>	-	-
Other external income		
Resources received free of charge	-	-
<b>Total other external income</b>	-	-
<b>Net cost / (contribution of outcome)</b>	<b>676</b>	<b>676</b>

Outcome 1 is described in Note 1

### Major Classes of Income and Expenses by Output

	Output 1 2009 \$'000	Output 2 2009 \$'000	Output 3 2009 \$'000	Total 2009 \$'000
<b>Expenses</b>				
Employees	283	-	-	283
Suppliers	393	-	-	393
<b>Total expenses</b>	<b>676</b>	-	-	<b>676</b>
Funded by:				
Revenue from Jurisdictions	1,993	750	750	3,493
Interest	-	-	-	-
Other	64	-	-	64
<b>Total income</b>	<b>2,057</b>	<b>750</b>	<b>750</b>	<b>3,557</b>



## 15. Reporting by outcomes cont.

### Major Classes of Assets and Liabilities by Outcome

	Outcome 1 2009 \$'000	Total 2009 \$'000
<b>Assets</b>		
Cash and cash equivalents	-	-
Trade and other receivables	3,550	3,550
<b>Total assets</b>	<b>3,550</b>	<b>3,550</b>
<b>Liabilities</b>		
Suppliers	450	450
Other payables	178	178
Employee provisions	41	41
<b>Total liabilities</b>	<b>669</b>	<b>669</b>

Outcome 1 is described in Note 1

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# **Part 3: Compliance Index**

# Compliance Index

Requirement	Reference	Section
Exemptions to requirements for financial statements	CAC Financials 2008, clause 1D	N/A
Judicial decisions and decisions of administrative tribunals that have had, or may have, a significant impact on operations	CAC Orders 2008, clause 11 (a)	N/A
Reports on the operations of the authority by the Auditor-General, a parliamentary committee or the Commonwealth Ombudsman	CAC Orders 2008, clause 11 (b)	N/A
Effects of ministerial or MCEETYA directions and notification of general policies of the Australian governments	CAC Orders 2008, clause 12	Section 3, pp 8–9
Directors	CAC Orders 2008, clause 14	Section 3, pp 9–11
Indemnities and insurance premiums for officers	CAC Orders 2008, clause 16	Section 8.14, p 22
Commonwealth Disability Strategy	CAC Orders 2008, clause 18	Section 8.11, p 22
Certification	CAC Orders 2008, clause 4	Section 1, p 6
Enabling legislation, functions and objectives	CAC Orders 2008, clause 8 (a)	Section 3, p 8
Location of major activities and facilities	CAC Orders 2008, clause 9	Section 8.13, p 22
Organisational structure	CAC Orders 2008, clause 9	Section 8.1 & 8.2, p 18
Review of performance	CAC Orders 2008, subclause 10(1)(a)	Sections 5–7, p 13–17
Factors, events or trends influencing performance	CAC Orders 2008, subclause 10(1)(b)	Section 9, p 23
Significant events per S. 15 CAC Act	CAC Orders 2008, subclause 10(1)(c)	Section 9.3, p 23
Operational and financial results during the year, including principal outputs, major investing activities, key financial and non-financial activities	CAC Orders 2008, subclause 10(1)(d)	Sections 5–7, pp 13–17
Significant changes in state of affairs or principal activities during the financial year	CAC Orders 2008, subclause 10(1)(e)	N/A

# Compliance Index cont.

Requirement	Reference	Section
Significant developments since end of the financial year	CAC Orders 2008, subclause 10(1)(f)	N/A
Efficiency and effectiveness of the operations in producing its principal outputs	CAC Orders 2008, subclause 10(2)(a)	Sections 5–7, pp 13–17
Clear links between outcomes, strategies for achieving those outcomes and the principal outputs	CAC Orders 2008, subclause 10(2)(b)	Sections 5–7, pp 13–17
Audit Committee	CAC Orders 2008, subclause 15(2)	Section 3, p 10 & Section 8.3, p 19
Advertising, market research, legal & consultancy costs.	CAC Orders 2008, subclause 17(2), ref Commonwealth Electoral Act 1918, section 311A	Section 8.7, p 20
Ecologically sustainable development and environmental performance	CAC Orders 2008, subclause 17(2), ref Environment Protection and Biodiversity Conservation Act 1999, section 516A	Section 8.12, p 22
Freedom of information	CAC Orders 2008, subclause 17(2), ref Freedom of Information Act 1982, subsection 8(1)	Section 8.8, pp 20–21
Occupational health and safety	CAC Orders 2008, subclause 17(2), ref Occupational Health and Safety (Commonwealth Employment) Act 1991, section 74	Section 8.9, p 22
Responsible minister(s)	CAC Orders 2008, subclause 8(b)	Section 3, p 9
Fraud risk assessment and control	Commonwealth Fraud Control Guidelines 2002	Section 8.4, p 19
Financial statements	Subclause 1(b) and subclause 2(1) of Schedule 1 to the CAC Act	Refer to Financial Statements Separately
Financial statements certification: Auditor-General's Report	Subclause 1(c) of Schedule 1 to the CAC Act	Refer to Financial Statements Separately
Financial statements certification: a statement, signed by the directors	Subclause 2(3) of Schedule 1 to the CAC Act	Refer to Financial Statements Separately