
Annual Report

Education Services Australia
2022–23



Education
Services
Australia

**ESA ACKNOWLEDGES THE EASTERN KULIN NATION,
TRADITIONAL CUSTODIANS OF THE LAND ON WHICH
OUR HEAD OFFICE STANDS, AND PAYS OUR RESPECTS
TO ELDERS PAST AND PRESENT. WE RECOGNISE THE
TRADITIONAL CUSTODIANS OF COUNTRY ACROSS
AUSTRALIA AND THEIR CONTINUING CONNECTION AND
CONTRIBUTION TO LANDS, WATERS, COMMUNITIES
AND LEARNING.**

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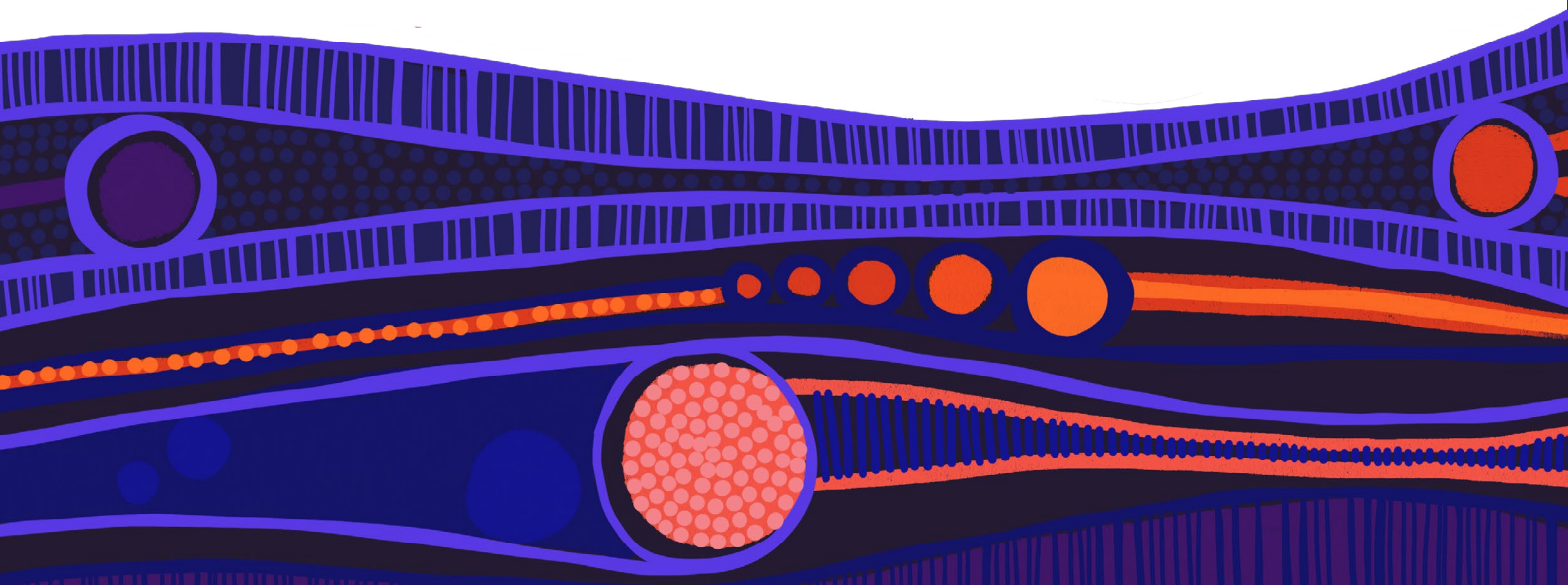
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From the Chair



On behalf of the Board, I present the 2022–23 Annual Report for Education Services Australia (ESA).

Since commencing in the role of Chair on 1 March 2017, it has been my pleasure and privilege to reflect on the company's annual performance and achievements. While this year has seen the welcome return of events and activities we love, there is no doubt that the COVID-19 pandemic has led to some longer-term changes for the education sector, including a sustained push for safe and effective education technology solutions.

ESA's accomplishments during 2022–23 illustrate the organisation's ongoing ability to meet this demand through the creation and provision of unique, high-quality digital products and services. This includes products with a nationwide audience, such as the new student wellbeing and self-regulation resources for all Australian young people, and those created to support more localised educational needs, such as the Yikan Noongar Language Program for Year 3 students on Noongar Country in south-west Western Australia.

I congratulate ESA's CEO, Andrew Smith, his executive team and all ESA staff for their agility and professionalism to respond flexibly to the needs of the education sector in delivering this work. ESA's people are the heart of the organisation, and the accomplishments described throughout this Annual Report are the product of dedicated and talented staff.

As my term as ESA Board Chair finishes in early 2024, I would like to take the opportunity to acknowledge the commitment and expertise of current and former Board and committee members, including those who resigned during the year: Mr John Mula and Ms Kathe Kirby; those retiring with me: Mr Sam Spadavecchia and Mr Mark Lamont; and those who joined the Board this year: Ms Vicki Baylis, Mr Tony Crehan and Professor Linda Kristjanson.

Each ESA Director and committee member adds significant value to the organisation, and I have always appreciated their willingness to engage in open and thought-provoking

discussions, as again demonstrated this year during our strategic planning workshops. I sincerely thank members of the Board, and Finance Risk and Audit Committee for their valuable contributions and their ongoing commitment to the organisation.

I also extend my gratitude to the education ministers across Australia for their guidance and trust in ESA, as well as the partner agencies we work alongside, in support of a shared goal to deliver positive outcomes for Australian students.

In closing, I am immensely proud of ESA's achievements throughout my term as Board Chair and am pleased to report that there is much to be excited about in the coming financial year with the launch of ESA's new strategic plan. I wish the Company Members and stakeholders all the very best for the years to come.

A handwritten signature in blue ink, reading 'Diane Joseph'.

Diane Joseph
Chair, Education Services Australia

From the CEO



It has been wonderful to reconnect in person with ESA staff during 2022–23 as our pandemic restrictions eased and we relocated to our new premises at 180 Lonsdale Street in November.

I would like to thank everyone involved in the move for their efforts in supporting the transition, including our Welcome Week activities, where we were able to catch up with new and familiar faces. As we settle into our new home, I am looking forward to spending more time together in one place.

This year marked the first year the NAPLAN test event was held in March, with all schools across Australia completing NAPLAN tests online. The ongoing success of this year's event was a result of the strong partnerships between ESA, all states and territories, respective school sectors and ACARA, and I would like to acknowledge the work of all involved to deliver a smooth experience for Australian students.

During the year, we continued to see growth in opportunities for education technology, including through the increasing application of generative artificial intelligence (AI). With a focus on empowering and supporting Australia's educators, ESA combined its education and technology expertise to design and build a series of short courses for teachers to implement learning about AI and enhance teacher confidence in this emerging area.

While we continue to look to these types of opportunities, we are also maintaining our role as a trusted partner for safe education solutions through an ongoing emphasis on cybersecurity arrangements and preparedness. This remains a crucial focus as we continue to deliver projects to support secure data exchange, interoperability, and the use of safe technologies in schools.

Within this dynamic environment, we are also considering ESA's future priorities and direction as our current Strategic Plan ends this year. Discussions on a new plan are well underway, and we continue to reflect on the value we bring to the education landscape. I was proud to see the company-wide collaborative effort and engagement through

the workshops in May and June and thank all staff for their participation and enthusiasm. I look forward to sharing our big picture goals in our new Strategic Plan next financial year.

In 2024, we will farewell several ESA Directors, including our Board Chair, Ms Diane Joseph, and Chair of the Finance Risk and Audit Committee, Mr Sam Spadavecchia. While it's impossible to describe the full extent of their impact over the last seven years, I take this opportunity to express my sincere gratitude for their outstanding guidance and support throughout that period, which included the move to NAPLAN Online and the challenges brought by the COVID-19 pandemic. It is difficult to overstate the value of the expertise provided by all of ESA's current and outgoing Directors and committee members, and I thank each of them for their contribution and counsel.

As always, ESA's capacity to successfully provide its products and services relies heavily on working relationships with its stakeholders. I extend my appreciation to all of ESA's partners, particularly the education ministers, their departments and staff for their ongoing trust and support.

A handwritten signature in black ink, which appears to read 'A. Smith', written in a cursive style.

Andrew Smith
CEO, Education Services Australia

About Education Services Australia



Purpose

Education Services Australia (ESA) was established to support the delivery of national priorities and initiatives in the school, training and higher education sectors.

Mission

ESA's mission is to combine education and technology expertise to create and deliver national solutions that further education reform in Australia and contribute to improved student outcomes, enhanced teacher impact and stronger school communities.

Role

ESA works in collaboration with all Australian education jurisdictions to provide technology-based products and services for education. Focused on advancing nationally agreed education initiatives, programs and projects, ESA has been established to:

- research, test and develop innovative technologies and communication systems for use in education
- devise, develop and deliver curriculum and assessment, professional development, career and information support services
- facilitate the pooling, sharing and distribution of knowledge, resources and services to support and promote e-learning
- support national infrastructure to ensure access to quality-assured systems and content and interoperability between individuals, entities and systems
- create, publish, disseminate and market curriculum and assessment materials, ICT-based solutions, products and services to support learning, teaching, leadership and administration.

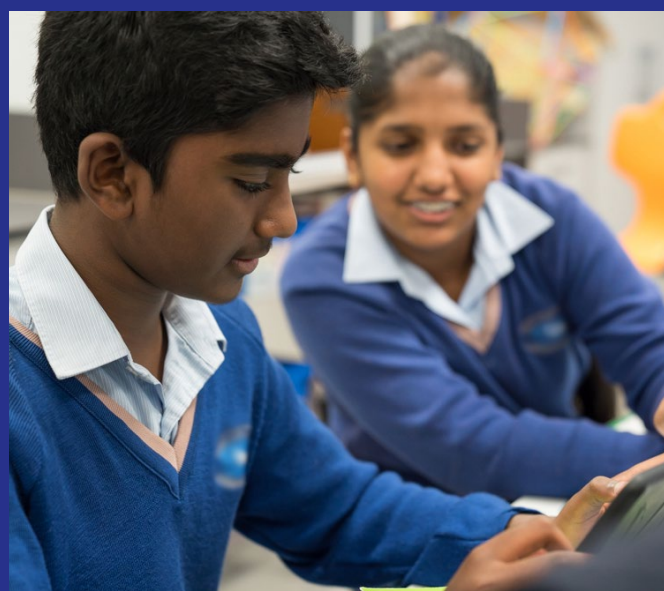
Our impact

In this report, we highlight some of the ways we are making a positive difference in the lives and learning of young Australians.

In 2022–23, as Australia's national cross-sector education technology provider, we continued to create technological solutions and tools to improve student outcomes and equity, including through a focus on student wellbeing and the creation of products to support current and future teachers.

We applied our unique combination of education and technology expertise to take a leadership position and drive initiatives promoting the use of safe technology systems and frameworks in the education sector, as well as identifying new and emerging opportunities regarding the use of digital technologies such as AI.

Our staff have continued to operate in a flexible environment, working in partnership with our stakeholders to ensure we understand their needs and are delivering quality solutions which reflect their requirements and promote excellence in education.



Enhancing our impact



Supporting teaching and learning

Enhancing teacher access to curriculum resources

In 2022–23, ESA continued to produce and publish freely available resources to build teacher effectiveness and reduce the burden on individual schools and teachers.

During the year, Scootle remained a secure and trusted portal for Australian teachers to access quality digital teaching and learning resources aligned to the Australian Curriculum. Version 9 of Australian Curriculum was added in May 2023 and at the conclusion of the 2022–23 reporting period more than 1.6 million users were recorded as having accessed Scootle.

ESA's Literacy Hub also continued to provide teachers with valuable literacy-focused teaching resources and there were significant increases in website users and page views this year compared to 2021–22. Educators generally commented that these products were beneficial because they were high-quality, clear, credible and timesaving in nature. Specific user feedback on ESA's shared reading texts and teaching materials also captured these positive reflections, with 93% of respondents rating the materials as good or excellent, and 96% reporting an intention to use the resources in their work.

The Year 1 Phonics Check also showed enhanced application this year with 23,782 students from 682 schools completing the check. This was an increase of 93% and 84% respectively, compared to last year.

Professional learning

Throughout 2022–23, ESA produced and distributed professional learning resources across a range of topics to support teachers to adopt evidence-informed education practice.

During the year, a huge selection of phonics resources were converted into online professional learning, following the conclusion of the Phonics Targeted Assistance Program (TAP) in December 2022. These webinars and resources are now freely available to all Australian schools on the Literacy Hub. User feedback on this professional learning saw 98% of respondents rating the content as good or excellent, and 83% reporting it would inform their work to a large extent or a great deal.

In April 2023, ESA launched the Maths in Schools planning tool to help teachers plan and teach mathematics and numeracy. Covering a total of 210 topics at both the primary and secondary level, the tool provides resources across all strands of the Australian Curriculum: Mathematics. Each topic includes appropriate teaching strategies for focused teaching and learning, as well as learning from home activities, all designed to flexibly support student learning.

Exploring the use of generative AI

As the education landscape continues to evolve, ESA is focused on practical ways to complement current teaching



Thanks for all of the extra resources provided in the chat! I am finding your PDs exceptionally valuable to my teaching and easy to use immediately in the classroom!

– Government primary educator, VIC



Thank you so much. This was incredibly helpful. We intend to run the Year 1 test across our cohort for the first time this year.

– Government primary educator, QLD

practices and contribute effectively to student learning through digital technologies.

With the growth of use and interest in artificial intelligence (AI), ESA has designed AI-related resources including webinars, lesson plans and explainer videos. Available on the Digital Technologies Hub, these materials have been well received and widely used. ESA is now also building a series of short courses for teachers to help them implement learning about AI as part of their Digital Technologies curriculum.

During the year, ESA also shared its knowledge of AI and associated learning approaches with a range of interested stakeholders and partner agencies, and is also working with the Commonwealth, state, territory and non-government school sector representatives to develop a principles-based framework to support schools and education systems in the use of AI. As well as providing advice as part of our membership of this important activity, ESA has also facilitated and collated feedback on the draft framework from the National Education Digital Advisory Group (NEDAG), ESA's national CIO advisory body, as well as engaging industry to provide feedback.

Supporting student wellbeing

Getting ready to learn

In 2022–23, the Student Wellbeing Hub has built on its existing suite of resources designed to support safe, inclusive and connected school communities. This year, ESA worked with educator and researcher Dr Emma Goodall to develop interoception and self-regulation resources to help children and young people feel more connected to their bodies, and help them to better interpret and express their emotions.

Interoceptive skills are beneficial for all students, including autistic and non-autistic students, and their use can contribute

to the wellbeing of both the individual student as well as the school environment.

Designed to help educators and families teach self-regulation to children, the new resource comprises of 39 interoception activities available in multiple formats (videos, posters, animations). The activities have been translated into the following 11 languages to support access by culturally and linguistically diverse communities: Arabic, Chinese (Simplified and Traditional), Greek, Hindi, Nepali, Korean, Thai, Turkish, Urdu and Vietnamese.

Strengthening information sharing

In 2022–23, ESA developed the Student Data Transfer Exchange (SDTX) to strengthen information sharing between schools.

Recognising that many Australian students relocate throughout their school life, SDTX provides schools with a secure mechanism through which they can access consistent, accurate and timely information about a student from their previous school.

Access to up-to-date information allows the new school to provide consistency in the student's education, support the student's social and emotional wellbeing and health, and fulfil any other requirements needed to ensure the transition is a successful and positive experience.

Testing, trials and planning are currently underway across jurisdictions, with a view to broader adoption of the system.

Supporting access and diversity

Principles of inclusion, representation and equity of access underpin all of ESA's work and are central to ESA's products and services.



Supporting students with disability

During 2022–23, the Nationally Consistent Collection of Data on School Students with Disability (NCCD) portal continued to show high use with more than 320,000 users.

This year, ESA delivered new resources via the portal including:

- NCCD for school leaders e-learn – a course designed to help principals ensure that the strengths of all learners are recognised and their support needs are adequately met.
- Moderation webinar – a highly successful professional learning activity designed to guide educators through a decision-making process in order to determine levels of adjustment and categories of disability for annual reporting.

Consistent with ESA's commitment to practical and effective contributions, the Disability Standards for Education (DSE) project was also delivered this year, with the aim of strengthening teacher and school leader understanding of how the Standards apply in schools.

The project included publication of 10 case studies addressing common experiences, challenges and considerations for educators when implementing the Standards. They also showcase a diversity of experiences, including First Nations students, culturally and linguistically diverse students, and students who live in remote and rural areas.

The importance of gender representation

The Girls in STEM Toolkit (the GiST) focuses on addressing the underrepresentation of girls and women in the fields of science, technology, engineering and mathematics (STEM) at school, university and in the workplace.

During the year, ESA updated the GiST website to better reflect Australia's diverse female population. Fifteen new lessons were published, along with 16 new profiles of

Australian women in STEM. Rates of use of the GiST continued to increase in 2022–23, with 29,537 users recorded across the year.

Noongar language learning revival

This year saw the launch on the Yikan Noongar Language Program for Year 3 students. Yikan Noongar means 'awaken Noongar' and represents a new era for awakening and reviving Noongar language.

The program is designed to be taught by a Noongar language teacher or a Noongar person (with a classroom teacher as a co-learner with students) in Western Australian primary schools on Noongar country. This unique and groundbreaking program enables Noongar language speakers to teach one of the three Noongar dialects as a primary school subject and includes:

- program guidelines, instructional videos, Noongar picture dictionary, a yearly overview and term planners
- lesson plans including on Country learning opportunities
- classroom resources including printable student worksheets, stories in language, key word cards, videos and digital quizzes.

The program is the product of extensive co-design with community, with program materials endorsed by the Noongar Boodjar Language Cultural Aboriginal Corporation and the South West Aboriginal Land and Sea Council.





Fig.1. Four *Insights* papers and supporting webinars delivered this year.

Helping students shape their future

Enhancing career education through our national career information service

In 2023, myfuture entered its 21st year as Australia's national career information service.

Demand for resources continues, with the platform seeing an increase of 16 per cent in registered users this year, and new material added to the platform regularly. In 2022–23, resources for parents and carers were expanded, along with new resources for industry.

Creating engaging content for students, including those in rural and remote areas

Nine new spotlight videos were published, focusing on high demand careers, including careers in education, social work, business analysis and project management. In addition to the spotlight on careers, featured content highlighted diverse perspectives, including career content featuring young women and Indigenous talent in rural locations.

myfuture has also developed further resources that can be printed and used offline, including bullseye posters and the career quiz, allowing students to engage in resources without the need for an internet connection.

Supporting industry and work experience

In 2022–23, the Work Experience Industry Toolkit was developed and released, and aims to support employers to facilitate engaging and safe student placements.

Resources within the toolkit include checklists to prepare for student engagement, activities during the placement, and post-placement activities. A mentor diary and employer evaluation form will help employers reflect on the process and identify learnings for future placements, as well as offer a tool for employers to provide feedback to both the student and the school.

Insights papers and webinars to support teachers and career practitioners

The popular *Insights* series this year delivered four *Insights* papers and supporting webinars, developed in partnership with subject matter experts:

- Strategies for effective transitions from school
- Making effective career decisions
- Integrating social and emotional learning into careers education
- Managing career uncertainty and anxiety

These papers were downloaded more than 3,000 times across the period.

The highlight of the myfuture webinar series was a special webinar with Professor Peter Shergold AO, facilitated by ESA's CEO, Andrew Smith. The webinar was designed to allow career practitioners to hear Professor Shergold's views on achieving excellence in career education. This webinar saw the largest engagement for the year, with more than 900 registrations and many positive post-event comments received.

Supporting teachers and career practitioners

myfuture returned to in-person professional learning workshops this year, as well as delivering virtual workshops.

Audiences included the NSW Department of Education; the Tasmanian Department for Education, Children and Young People; the Victorian Department of Education; the ACT Education Directorate; the Department of Education NT; the National Catholic Education Commission; and Headspace; as well as many state-based careers associations, including the Career Education Association of NT and the ACT Careers Association.

myfuture was also present at eight national career conferences and expos, including attendance at the VCE Student Career Expo.



The recent online events have been really useful and on very relevant subjects. Please keep on providing these opportunities to the many communities – teachers, families, career practitioners.

– Webinar attendee



This was one of the very best PD sessions I have ever attended. So informative. Thank you.

– Webinar attendee

Supporting schools and systems

Online delivery of Australia's national assessment program

This year, all schools across Australia completed the NAPLAN tests online, with the test event administered from 15 March to 27 March 2023.

More than 1.2 million students in Years 3, 5, 7 and 9, from 9,393 schools and campuses, completed their NAPLAN testing online this year, compared to 9,317 schools and campuses in 2022. Over 4.4 million online tests were submitted, compared to the 4.3 million tests submitted in 2022.

On the busiest day of the test window, over 1,000,000 students sat an online NAPLAN test, the highest number ever achieved in Australia. Designed to address potential accessibility challenges, the 'low- or no-bandwidth' solution was used by 46 schools and campuses in three jurisdictions (NSW, 2 schools; NT, 40 schools; Qld, 4 schools), with 1,611 tests submitted. This solution meant all Australian young people were able to do the same test under the same conditions regardless of their location.

In addition, 1,051 students enrolled in distance education or home-school programs who were not able to attend a school or central testing location were administered NAPLAN online tests remotely this year.

More than 3,800 NAPLAN test items were used in this year's assessment, providing numerous pathways for students across the domains of Reading, Conventions of Language, and Numeracy. This tailored test design is able to provide a better assessment and more precise measurement of student achievement.

ESA received positive feedback on the performance of this year's event. With no issues reported and smooth platform operations, NAPLAN 2023 represented a transition to a business-as-usual state.

Safer technologies

On 9 June 2023, Safer Technologies for Schools (ST4S) celebrated its 2-year anniversary as a recognised service and brand in making the school educational technology ecosystem safer.

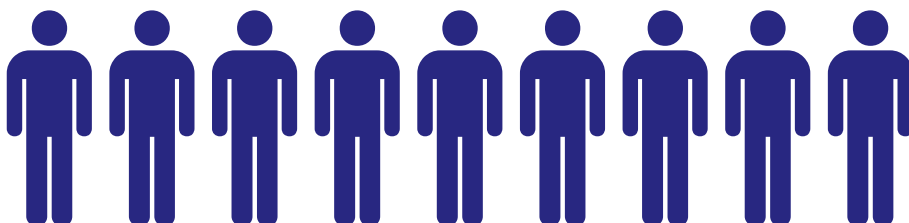
Administered by ESA, ST4S is a joint initiative of Australian state, territory and Commonwealth governments, which delivers a standardised approach to the evaluation of digital products and services used by schools across Australia and New Zealand.

ST4S has had a positive impact on the education community by providing clear and consistent safety information enabling schools to choose more compliant digital products and services, while suppliers also benefit from a consistent and respected assessment process.

MORE THAN

1.2 million students

IN YEARS 3, 5, 7 AND 9 FROM 9,393 SCHOOLS COMPLETED NAPLAN TESTING ONLINE THIS YEAR.





Achievements in 2022–23 include:

- Launch of the ST4S Product Badge Program to help school leaders and educators easily identify suppliers who have been assessed through ST4S, and provide suppliers with the opportunity to promote their engagement with the ST4S initiative through a ST4S Badge which can be used on promotional material.
- 110 full ST4S assessments commenced.
- 40% of all software vendors who engaged with the ST4S program undertook security and privacy improvements to their products as a result.
- Launch of the 'NZ Uplift Process', an alternative Readiness Check self-assessment tool for suppliers wanting recognition in the New Zealand marketplace prior to the New Zealand requirements being incorporated into the ST4S framework of security and privacy controls.
- Access to ST4S School Reports provided to more than 150 independent schools and the Catholic school sector.

Supporting school libraries

The Schools Catalogue Information Service (SCIS) is used by 78% of Australian schools and plays an active part in advocacy and support for school libraries and their staff.

This year, SCIS created more than 42,000 new catalogue records, including 10,000 directly requested by schools, helping save time for librarians and teacher librarians.

Known for its high-quality records and service, SCIS returned to face-to-face workshops and events this year, delivering

five in-person workshops and 11 webinars. As supporters of the library community, SCIS presented at two conferences, sharing insights on best practice and updates within the industry, particularly on the topic of cultural understanding, especially the importance of updating records to ensure respectful culturally appropriate subject headings, appropriate descriptive cataloguing and presentation of data.

During the period, SCIS users reported a 95% satisfaction rating with their overall experience and a 92% satisfaction rating for finding new resource records.

Supporting authors

ESA has been managing the School Library Survey component of the Educational Lending Rights (ELR) Scheme since 2000. Known as the Great Aussie Book Count, ESA promotes the importance of ELR through schools, collects data on book titles held across a sample of Australian schools, and reports the results back to the Australian Government's Office for the Arts.

ESA works with Library Management System vendors to reduce the burden on school staff.

In the ELR 2022–23 survey:

- data was provided from 3,073 schools
- 22,769 individual books titles were counted across school libraries
- 5,954,201 copies of those titles can be found in school libraries.

In 2022, the most popular Australian books were:

1

Possum Magic

BY MEM FOX

Possum Magic follows the enchanting journey of Hush, a young female possum who gains the ability to turn invisible, leading to a series of captivating adventures.

2

The Very Cranky Bear

BY NICK BLAND

This is the story of four animal friends who seek refuge from a rainstorm in a cave. However, their presence disturbs a rather irritable bear, leading to a comical and memorable encounter.

3

Boy Overboard

BY MORRIS GLEITZMAN

Boy Overboard follows the story of Jamal, a boy from war-torn Afghanistan. When the government discovers his mother is running an illegal school, his family flees, seeking asylum in Australia.

4

Who Sank the Boat?

BY PAMELA ALLEN

A delightful tale about farm animals in a rowboat. Trouble brews as the boat sinks, captivating children as they guess which animal will tip it over.

5

Pig the Pug

BY AARON BLABEY

The story follows Pig, a selfish pug, and Trevor, a friendly sausage dog trying to play with Pig despite his reluctance. Pig's greed leads to an unexpected twist.

6

Rowan of Rin

BY EMILY RODDA

Rowan, doubting his bravery, journeys to the forbidden mountain's peak with companions to save his village of Rin. They must conquer challenges and face a fierce dragon to restore Rin's river.

7

Tomorrow, When the War Began

BY JOHN MARSDEN

This story follows seven teens who, after a camping trip, find their homeland invaded by a foreign force. They unite to resist the invaders after their families and friends are captured.

8

Where the Forest Meets the Sea

BY JEANNIE BAKER

A boy and his father, on their boat *Time Machine*, visit a beach near an ancient rainforest. The boy envisions the forest's past as he explores it.

9

Our Granny

BY MARGARET WILD

Our Granny features two kids who find their granny's unique style, embodied by grandpa's old red sweater, perfect despite differences from other grannies.

10

WeirDo

BY ANH DO

The story traces a boy named Weir Do, who endures constant teasing due to his name but begins to feel like he belongs at a new school.

Strengthening our delivery through innovation and partnerships

Co-creation with subject matter experts

Collaboration with subject matter experts is fundamental to ESA's approach.

This year, ESA has developed resources for the Mathematics Hub, including a podcast series, 'Maths in Schools', created in collaboration with the Australian Association of Mathematics Teachers (AAMT). The podcast had more than 150 listens within the first month of release. In addition, ESA has worked with the University of Adelaide to deliver the Maths in Schools Professional Learning MOOCs and supporting materials and activities.

myfuture also works closely with many industry bodies, including PIEFA (Primary Industries Education Foundation Australia), NCVER (National Centre for Vocational Education Research) and Career Trackers, to develop webinars and other useful resources for career practitioners and students to help with career development. This year, myfuture conducted a webinar with Career Trackers showcasing Indigenous students who have completed internships, designed to help educators learn how to support students during such an experience.

Additionally, a webinar was created in partnership with NCVER and Professor Stephen Billett from Griffith University, to give insight into current labour force demands and provide practical strategies to increase student interest in VET pathways.

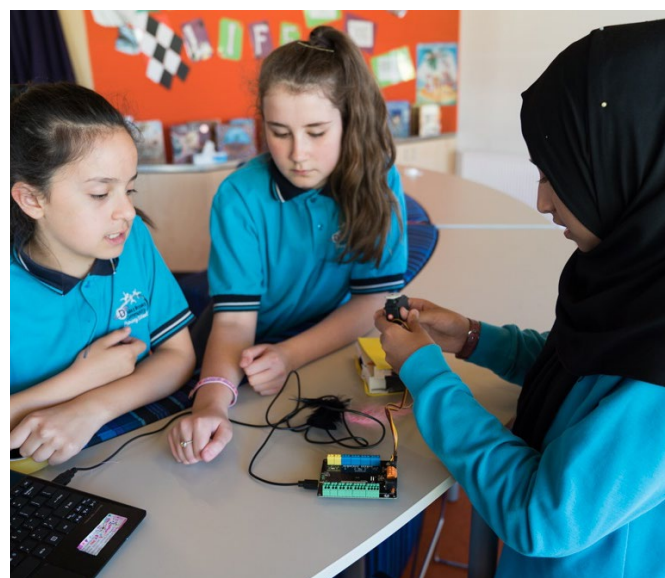
Known as an industry influencer, SCIS takes part in the ALIA (Australian Library and Information Association) community, regularly attending meetings to further develop an understanding of needs and keeping up to date with standards across the entire library industry.

Interoperability

ESA continues to progress the work of the National Schools Interoperability Program (NSIP) – a joint initiative of the state, territory and Australian governments to support the development of digital learning infrastructure, improve access to information and support the safe use of technology for all stakeholders in Australian school education.

In 2022–23, ESA engaged with a range of partners on this work including via:

- Provision of support and advice to key stakeholders on interoperability and technical requirements and standards.
- Development of a National Education Data Dictionary prototype and engagement with representatives from government jurisdictions, independent and Catholic school sectors to inform its future direction.
- Formation of the National Education Digital Advisory Group (NEDAG), a new advisory body to ESA comprising CIOs from all states and territories as well as representatives from the independent and Catholic sectors.
- Engagement and management of national working groups and standards governance bodies (Data Standards Working Group, Standards Australia).
- Realignment of relationship with international education standards body Access For Learning (A4L).



Strengthening our services



Building a positive culture to empower our people

ESA moved to new premises this year, after developing an accommodation strategy during the pandemic. ESA established a working group and assigned change champions from each department to ensure the new environment was fit for purpose and considered the needs of all employees.

Staff engagement is a high priority for ESA, and welcoming new and long-term staff was an important step for moving into the new office. As a result, staff were welcomed to the new office in Lonsdale Street in November 2022 with Welcome Week activities offered to encourage in-person connection.

To understand the impact of the move on staff, ESA undertook a pulse survey which received an overwhelming response. Moving to a new office and the post-pandemic environment has led ESA to focus on strengthening connections across the organisation and continuing to build an engaged culture. Acknowledging the significant shift in the way people work post-pandemic, ESA has sought to provide support and encouragement for staff to take advantage of work arrangements that balance professional and personal responsibilities. This included staff who had been separated from family overseas or interstate during the pandemic years being supported to visit and reconnect with family without the need to seek additional leave. During the period, a total of 10% of staff took up the opportunity.

During the year, ESA's leadership team gathered for a workshop to understand what was important to employees, to further develop ESA's employee value proposition. Insights from the workshop were used to plan initiatives to continue to engage staff, both existing and prospective. Our leaders also gathered to further identify the positives of working at ESA, with feedback reflecting that our people are passionate about our work and educational outcomes. This is key to ESA's success.

Supporting career journeys

As an education organisation, ESA places a high value on providing staff with opportunities to explore positions within the

company, expand roles and responsibilities, and undertake job-related study. During the reporting period, there were 21 promotions, 11 staff assigned to higher duty roles and 3 secondments. ESA also supported 3 staff members to study alongside their work responsibilities during this time.

This year, ESA also hosted an intern and a work experience student, furthering opportunities for those outside of the organisation, and allowing them to experience firsthand what ESA does to support the education landscape.

Organisational sustainability

ESA has undertaken a range of initiatives to maintain and enhance organisational sustainability during the year.

Importantly, this includes creation of a new strategic plan, given the expiration of the current plan, *Enhancing our impact*, at the end of 2023. The development process has involved all levels of the organisation from Board workshops, staff focus groups and executive planning sessions to ensure all ESA voices and experiences have been heard. ESA looks forward to sharing the outcome of this work next year.

Cybersecurity was another significant and continuing focus for ESA's ongoing sustainability within an evolving digital environment, with the Board reviewing and approving ESA's Cybersecurity Strategy, Cybersecurity Policy and associated procedures and plans.

In support of organisational preparedness, ESA also undertook an internal review of Essential 8 maturity, with planning and preparation currently underway for an external audit into ESA's GovZone environment later this year.

To strengthen staff engagement and organisational communication, ESA launched its new intranet 'Our Place' in August 2022. The upgraded intranet is a user-friendly platform, hosted on SharePoint Online, and provides a virtual space to keep staff up to date with information across the company, allows access to tools and resources to power their work, and bridges the gap between physical and virtual offices.

Strengthening our relationships

National education architecture

During 2022–23, ESA has worked closely with its counterparts in the national school education architecture. This includes regular meetings and engagement with Australian Institute for Teaching and School Leadership (AITSL), the Australian Curriculum, Assessment and Reporting Authority (ACARA) and the Australian Education Research Organisation (AERO) to advance key national priorities.

ESA also took the opportunity to engage in the Productivity Commission's consultation processes regarding their review of the National School Reform Agreement. ESA's response primarily drew on the organisation's expertise in developing digital teaching and learning resources for teachers and students and systems more broadly, and observations on drivers of student outcomes and barriers to achieving equity and excellence across the national landscape.

auDA

As the sole edu.au domain registrar, ESA maintains a strong relationship with .au Domain Administration Limited (auDA) to ensure that governance is maintained, and education sector stakeholders are across any changes within the domain space. ESA celebrated 12 years as the sole edu.au domain registrar in 2022. Longevity in this space can be attributed to ESA's strong relationship with the governing body .au Domain Administration Limited (auDA). ESA attends monthly briefings to ensure that customers are provided with up-to-date information on the domain space in Australia.

The ESA Registrar team report quarterly to auDA via the edu.au Advisory Committee (eAC). ESA provides the committee with quarterly updates on the status of the edu.au domain space, presenting any concerns or potential issues for the committee to review and provide guidance on.

Through eAC, ESA is also able to strengthen relationships with representatives from the Schools Policy Group (SPG) of the Australian Education Senior Officials Committee (AESOC), National Catholic Education Commission, Independent Schools Council of Australia, Universities Australia, Australian Industry and Skills Committee, and Australian Children's Education and Care Quality Authority (ACECQA).

Stakeholder engagement

ESA continues to regularly engage with key stakeholders through advisory and reference group arrangements, including the Maths in Schools Advisory Group and myfuture Strategic Reference Group (SRG).

As one example, myfuture SRG meetings continue to be well attended with careers education representatives attending from every state and territory, plus further representation from Catholic and independent schools across Australia. These quarterly meetings offer the opportunity to discuss emerging needs of each state and territory and for ESA to provide

an update on platform performance as well as upcoming initiatives. Within these meetings, ESA invites special guests to discuss our quarterly *Insights* paper in further depth, allowing SRG members information on trends and thoughts within the industry.

Social responsibility

Reconciliation Action Plan (RAP)

ESA's Innovate Reconciliation Action Plan (RAP), which reflects ESA's visions for a fair, just and equitable Australia, was formally approved by Reconciliation Australia in March 2023. Through the Innovate RAP, ESA is committed to providing culturally inclusive and accessible solutions to develop a deep knowledge of and respect for Aboriginal and Torres Strait Islander peoples, histories and cultures.

Reflecting the organisation's commitment to working toward reconciliation, ESA staff participated in the following activities during 2022–23:

- Launch of ESA's Cultural Learning Strategy – building cultural competency and safety across ESA through activities and training opportunities which aim to raise staff awareness of reconciliation and build our understanding of the culture and history of Aboriginal and Torres Strait Islander peoples.
- Celebration of NAIDOC Week 2022 – culminating in a presentation from special guest Jillian West who shared an emotional and powerful presentation about First Nations cultures and customs as well the moving story of the life and legacy of her father, Japanangka errol West.
- Aboriginal Heritage Walk – a journey into Melbourne's Royal Botanic Gardens, hosted by a First Peoples guide, where a group of ESA staff learned about uses of Aboriginal plants, traditional Indigenous customs and ongoing connection to Country.
- National Reconciliation Action Week 2023 – comprising a range of activities including a fundraising morning tea in support of Children's Ground, a not-for-profit organisation working towards changing the future for First Nations children, families and communities. Staff also attended a screening of the movie *In My Own Words*, which follows the journey of adult Aboriginal students and their teachers as they discover the transformative power of reading and writing for the first time in their lives.
- ESA RAP Book Club and an Indigenous Literacy Foundation fundraiser.

Climate Active certification

ESA has been Climate Active certified for over 10 years, demonstrating our long-term commitment to the environment.

Our target for the previous year was to maintain emissions per the preceding year's levels. We exceeded this target with a

12.8% decrease in emissions per FTE and representing a third consecutive year of reductions.

ESA's total emissions for 2021–22 represented the lowest total since ESA began recording its emissions, with reductions (compared to 2020–21) across almost all categories except waste and staff air travel. Much of this can be attributed to the relocation to a new and more sustainable head office on Lonsdale St. The largest share of ESA's emissions remains related to office electricity use and ICT-related emissions.

As part of the move to a new office, ESA continued its clean desk policy, significantly reducing storage space available and encouraging staff to print less.

Nearly 100% of ESA's emissions were offset by the purchase of offsets from the Indigenous-owned North Kimberley Pastoral Lease Carbon Abatement, located in the Wyndham-East Kimberley local government area of Western Australia. Their project involves the strategic and planned burning of savanna areas during the early dry season to reduce the risk of late dry season wildfires.

As part of ESA's ongoing commitment to reducing carbon emissions and contributing positively to society, many of the whitegoods and crockery from the Collins St office were donated to West Welcome Wagon, a charity which supports more than 900 refugees and asylum-seekers.

International Women's Day

ESA has been actively celebrating International Women's Day each year since 2019.

This year the event was held in person at the new Lonsdale St office, the first face-to-face event since 2020 with more than 60 staff in attendance. Staff heard stories from some exceptional speakers who have experience relating to the year's United Nations theme #CrackingTheCode (Innovation and Technology for gender equality) and overarching campaign to #Embrace Equity.

ESA's keynote speaker Professor Liz Johnson and ESA guest speaker Georgina Johnston inspired participants by sharing their career journeys, highlighting the importance of taking and offering opportunities, sharing stories of barriers to a gender-equal world, and sharing the importance of creating opportunities for a more gender-equal world.

Directors' Report & Financial Statements



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Directors' Report

The Directors of Education Services Australia Limited (ESA) present their report, together with the financial statements of the company for the financial year ended 30 June 2023 and the auditor's report.

Governance and corporate structure

Formed in 2010, ESA is a not-for-profit company limited by guarantee. It is registered with the Australian Charities and Not-for-profits Commission (ACNC).

ESA is owned by all Australian government education ministers. The education ministers provide ESA with a Letter of Expectation that sets out high-level performance expectations, strategic priorities and accountability requirements. ESA reports its progress and performance to Company Members at its Annual General Meeting and at education ministers' meetings and its advisory committees.

The Company operates under its own Constitution and is governed by a Board of Directors responsible for setting ESA's strategic direction, governing its operations and performance in accordance with the Company Objects, the Letter of Expectation, the ACNC Governance Standards and the Corporations Act 2001.

The Board comprises an independent Chair, five independent expert members and four members nominated by each of the

Australian Government, the Australian Education Senior Officials Committee (AESOC), the non-government school sector and Universities Australia.

The Board of Directors has established two committees with agreed terms of reference:

- The Finance, Risk and Audit Committee assists the Board to fulfil its responsibilities for the oversight and accountability of the company and provides independent advice on finance, risk management and compliance.
- The Remuneration and Nominations Committee advises the Board of Directors on the salary, conditions and performance of the Chief Executive Officer and on the selection of nominees for appointment as independent Directors on the Board.

The Board retains the responsibility for performance and decisions and receives regular reports from its committees.

ESA's operations are led by its Chief Executive Officer, who works with the Board to determine the company's strategic direction and is responsible for ongoing management and leadership within the strategic direction set by the Board.

Funding

ESA operates as a not-for-profit organisation, generating sufficient income from commissioned projects and services to remain sustainable. ESA receives no core funding from its government owners.

Directors as at 30 June 2023

Directors' qualifications and experience

Ms Diane Joseph

BSc (Education), FACEL

Director: 1 March 2017 – current

Board Chair; Remuneration Committee Chair

Diane Joseph is a public policy expert with significant experience in the education and training sectors. Her expertise in policy and strategy is based on a background of more than 35 years working in public service, which includes the role of Director-General of Education and Training in the Australian Capital Territory, a breadth of senior executive positions in the ACT and Victoria and her work as a secondary school principal and teacher.

Ms Vicki Baylis

BEd, DipED, EMPA

Director: 15 December 2022 – current

Vicki Baylis started her career as a classroom teacher and school principal in North Queensland, Australia. She then became Executive Director within the Queensland Department of Education, responsible for all government schools in the North Queensland Region. In 2010, Vicki transitioned to the Northern Territory (NT) Department of Education, where from 2016 she was Chief Executive. Vicki has also served on the governing body of James Cook University; was chair of the Australian Education Senior Officials Committee (AESOC); and chair of the Aboriginal Torres Strait Islander Education Advisory Group to AESOC. Her expertise includes the practical and pragmatic implementation of evidence-based approaches at scale.

Ms Lynn Davie

BEd. Masters of School Leadership

Director: 18 December 2018 – current

Lynn Davie has extensive experience supporting and driving innovation and educational reform, as a teacher, school leader, and senior public servant. She is a highly regarded educator, who has been recognised locally and internationally for her work in learning and teaching and how to embed digital technologies to add value.

Ms Jenny Atta PSM

BASc, Masters of Public Policy

Director: 12 October 2021 – current

Remuneration and Nominations Committee Member

Jenny Atta has been Secretary of the Victorian Department of Education since March 2019. Prior to this appointment, Jenny held a variety of senior leadership roles across the public sector, including with the Department of Treasury and Finance. As Secretary, Jenny leads the Department's implementation of Victorian Government policy on early childhood and school education services. Jenny was awarded a Public Service Medal in June 2021 for outstanding public service to strategic social policy reform and delivery in Victoria.

Mr Tony Crehan

BEC, Dip Corp Mgt, Post Grad Cert Public Policy

Director: 1 December 2022 – current

Tony Crehan is Executive Director Independent Schools Tasmania for 20 years and is also a Director of Independent Schools Australia. Tony has extensive business experience as management consultant and Chief Executive Officer, director, and chairman of public and private companies.

Professor Liz Johnson

B-AGR (Hons), PhD Plant Biochemistry, GradCertEd

Director: 1 March 2021 – current

Liz Johnson is the Deputy Vice-Chancellor Education at Deakin University leading the education mission of the university. Liz trained as a research biochemist and has over 30 years' experience as a university educator and leader. Liz is an Australian National Teaching Fellow and a Principal Fellow of Advance HE (UK) and has led national projects supporting science curriculum development, work-integrated learning and outreach to schools.

Directors as at 30 June 2023

Directors' qualifications and experience

Emeritus Professor Linda Kristjanson AO

BN MN PhD FTSE FAICD

Director: 9 March 2023 – current

Professor Linda Kristjanson is an experienced professional with a career spanning 40 years in governance, research strategy, and collaborative science. Professor Kristjanson is a Fellow of the Australian Institute of Company Directors and the Australian Academy of Technology and Engineering. Professor Kristjanson has served on various Boards and is currently the Chairperson of the Victorian Comprehensive Cancer Centre and has previously served as a Director of Universities Australia. Professor Kristjanson served as Vice-Chancellor and President of Swinburne University of Technology from 2011, retiring in August 2020.

Mr Mark Lamont

BA, DipEd

Director: 1 March 2017 – current

Finance, Risk and Audit Committee Member

Mark Lamont has knowledge, experience and networks in education, enterprise and technology innovation. Mark has engaged in transformational school and further education initiatives at local, system and international levels, and with education technology services providers across Australia and worldwide.

Mr Bret Morris

BA Accounting, Business/Management

Director: 28 November 2019 – current

Finance, Risk and Audit Committee Member

Bret Morris has extensive corporate governance and digital strategy experience. Bret is currently employed as the Chief Digital Health Officer for the South Australian Department for Health and Wellbeing. He is a co-founder and Director of Gyre Digital, a consultancy company that focuses on organisational digital transformation. Prior to this, Bret's roles have included Chief Information Officer for the South Australian Government and Executive Director in the South Australian Department of Premier and Cabinet.

Mr Sam Spadavecchia

BA Accountancy; FCA (retired); FIIA (retired)

Director: 1 March 2017 – current

Finance, Risk and Audit Committee Chair

Sam Spadavecchia has extensive experience in general management, finance, management consulting, risk, audit, and information technology. He has been a senior partner with professional services firms Deloitte and Ernst and Young. Before becoming a Director, Sam was the independent expert (non-Director) member of the Finance, Risk and Audit Committee for six years.

Resignations and Cessations

The Board would like to acknowledge the significant contributions of the following Directors who resigned during 2022 – 23:

John Mula

Non-Government schools sector nominee

Resigned 8 October 2022

Ms Kathe Kirby

Independent Director

Resigned 15 December 2022

Meeting attendance

The Board met 4 times from 1 July 2022 to 30 June 2023. The number of meetings attended by Directors is shown in the following table below.

Directors	Board meetings		Finance, Risk and Audit Committee Meetings		Remuneration Committee Meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ms Diane Joseph	4	4	-	5*	3	3
Ms Jenny Atta	4	4	-	-	3	3
Ms Vicki Baylis Joined 15 December 2022	2	2	-	-	-	-
Mr Tony Crehan Joined 1 December 2022	3	3	-	1*	-	-
Ms Lynn Davie	4	4	-	-	-	-
Prof Liz Johnson	4	4	-	-	-	-
Prof Linda Kristjanson Joined 9 March 2023	2	1	-	-	-	-
Mr Mark Lamont	4	4	5	5	-	-
Mr Bret Morris	4	4	5	4	-	-
Mr Sam Spadavecchia	4	4	5	5	3	3
Ms Kathe Kirby Resigned 15 December 2022	2	2	-	-	-	-
Mr John Mula Resigned 8 October 2022	1	1	-	-	-	-

*Ms Diane Joseph and Mr Tony Crehan attended Finance, Risk and Audit Committee (FRAC) meetings as observers.

Directors have been paid fees for their services, providing they were not prohibited from receiving remuneration as a result of their employment conditions. Directors also received reimbursement for reasonable out-of-pocket expenses. Disclosure relating to Directors' remuneration is included in Note 13 of the Financial Report.

The company paid insurance premiums to indemnify its Directors and Officers for the professional risks associated with their responsibilities and roles as Directors or Officers.

Reporting

ESA reported to company Members at the 15 December 2022 Annual General Meeting and at other meetings of Education Ministers.

Progress against the ESA Strategic Plan and the financial budget were reported to meetings of the Board. Performance against the financial strategy was also monitored by the Finance, Risk and Audit Committee.

ESA is regularly provided with a Letter of Expectation from Education Ministers and reports back to Ministers on this annually.

Executive staff and managers monitored progress against the operational plans and staff performance management plans that were implemented to achieve Strategic Plan outcomes.

Proceedings on behalf of the company

No person has applied for leave of Court to bring proceedings on behalf of the company, or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

The company was not a party to any such proceedings during the year.

Changes in state of affairs

There were no significant changes in the state of affairs during the financial year 2022–23.

Operating result

The Company reported an operating surplus of \$492,000 for 2022-23 (deficit of \$850,000 for 2021-22).

The statement of comprehensive income in the Financial Report provides further information on the operating result.

Events subsequent to the end of the financial year

No other matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the company and the results of those operations.

Auditor's independence declaration

The auditor's independence declaration for the year ended 30 June 2023 was received and is included at page 7.

Signed in accordance with a resolution of the Board of Directors



Ms Diane Joseph

Chair of the board of Directors

Dated this 5th day of October 2023



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Auditor's Independence Declaration to the Directors of Education Services Australia

In relation to our audit of the financial report of Education Services Australia for the year ended 30 June 2023, to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* or the *Australian Charities and Not-for-Profits Commission Act 2012*, or
- (b) any applicable code of professional conduct.

A stylized, handwritten signature of the letters 'PKF' in black ink.

PKF
Melbourne, 05 October 2023

A handwritten signature in black ink that appears to read 'K. Weldin'.

Kenneth Weldin
Partner

Financial Statements

for the year ended 30 June 2023

Statement of surplus or deficit and other comprehensive income for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Project income		28,776	29,324
Revenue from subscriptions and services		6,947	6,887
Other income		1,437	519
Total revenue	2(a)	37,160	36,730
Project expenses		(13,534)	(13,358)
Subscription expenses		(979)	(865)
Employee benefit expenses		(17,319)	(17,860)
Depreciation and amortisation expenses		(1,390)	(1,396)
Other expenses		(3,446)	(4,101)
Total expenditure	2(b)	(36,668)	(37,580)
Surplus / (Deficit)		492	(850)
Other comprehensive income		—	—
Total comprehensive income / (loss)		492	(850)

The accompanying notes on pages 12 to 32 form part of these financial statements.

Statement of financial position as at 30 June 2023

	Note	2023 \$'000	2022 \$'000
Current assets			
Cash and cash equivalents	18(b)	20,157	24,554
Trade and other receivables	3	3,364	3,561
Financial assets	4	18,772	18,700
Other assets	5	2,676	901
Total current assets		44,969	47,716
Non-current assets			
Property, plant and equipment	6	5,048	640
Intangible assets	7	373	712
Total non-current assets		5,421	1,352
Total assets		50,390	49,068
Current liabilities			
Trade and other payables	8	3,215	2,497
Other liabilities	9	21,043	24,859
Provisions	10	2,597	3,160
Lease Liability		780	71
Total current liabilities		27,635	30,587
Non-current liabilities			
Provisions	10	426	223
Lease Liability		3,579	-
Total non-current liabilities		4,005	223
Total liabilities		31,640	30,810
Net assets		18,750	18,258
Equity			
Reserves	11	-	5,100
Retained earnings		18,750	13,158
Total equity		18,750	18,258

The accompanying notes on pages 12 to 32 form part of these financial statements.

Statement of changes in equity for the year ended 30 June 2023

	Retained earnings \$'000	Capital reserve \$'000	Total \$'000
Balance 30 June 2021	14,008	5,100	19,108
Deficit	(850)	–	(850)
Balance 30 June 2022	13,158	5,100	18,258
Surplus	492	-	492
Transfer to Retained Earnings	5,100	(5,100)	-
Balance 30 June 2023	18,750	-	18,750

The accompanying notes on pages 12 to 32 form part of these financial statements.

Statement of cash flows

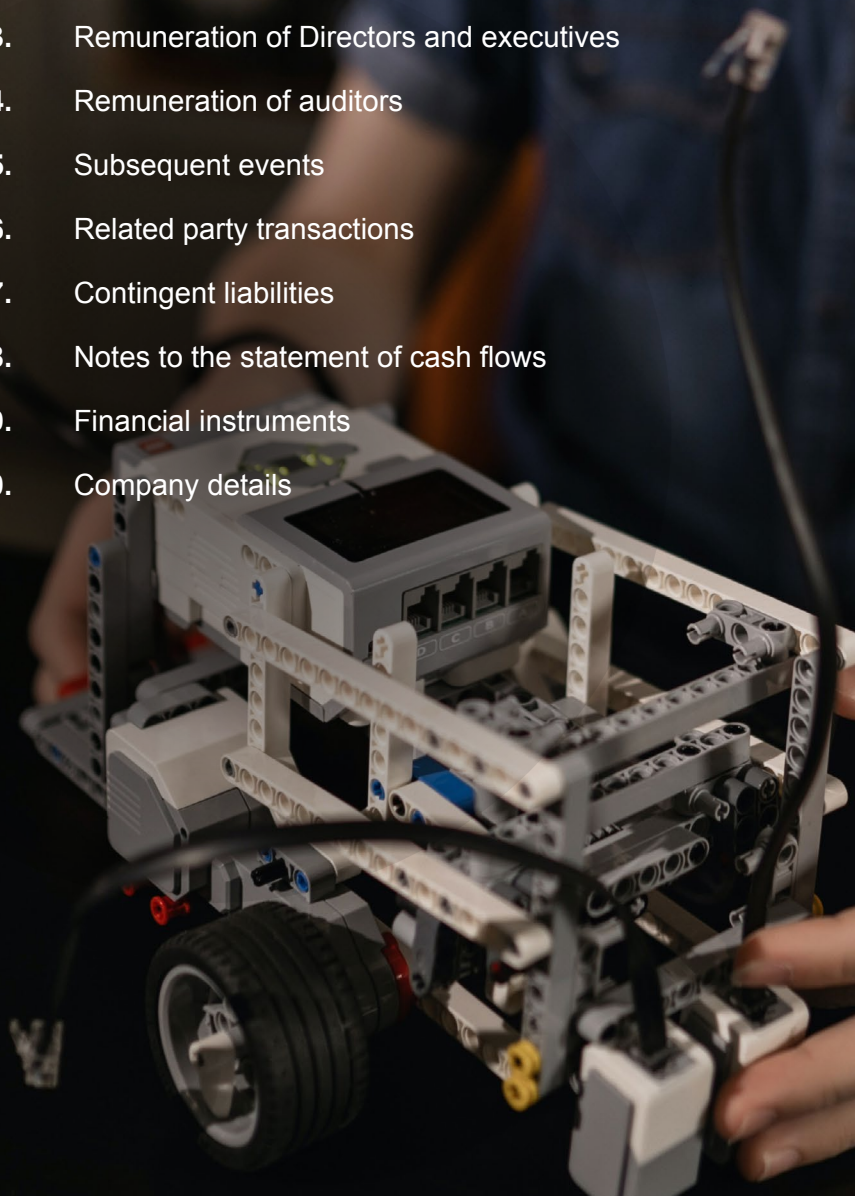
for the year ended 30 June 2023

	Note	2023 \$'000	2022 \$'000
Cash flows from operating activities			
Receipts from operating activities		34,038	30,913
Payments to suppliers and employees		(36,455)	(35,271)
Goods and Services Tax recovered from the ATO		4,404	2,570
Goods and Services Tax paid to the ATO		(5,438)	(4,354)
Net cash provided by / (used in) operating activities	18(a)	(3,451)	(6,142)
Cash flows from investing activities			
(Payments)/receipts for investments		(72)	6,000
Payment for property, plant and equipment and intangibles		(979)	(600)
Interest received from investments		340	154
Net cash provided by / (used in) investing activities		(711)	5,554
Cash flows from financing activities			
Principal repayment of leases		(709)	(756)
Lease incentive received		474	-
Net cash provided by/ (used in) financing activities		(235)	(756)
Net movement in cash held		(4,397)	(1,344)
Cash and cash equivalents at the beginning of the financial year		24,554	25,898
Cash and cash equivalents at the end of the financial year	18(b)	20,157	24,554

The accompanying notes on pages 12 to 32 form part of these financial statements.

Notes to the financial statements for the financial year ended 30 June 2023

1. Summary of accounting policies
2. Results from operations
3. Trade and other receivables
4. Financial assets
5. Other assets
6. Property, plant and equipment
7. Intangible assets
8. Trade and other payables
9. Other liabilities
10. Provisions
11. Reserves
12. Members' guarantee
13. Remuneration of Directors and executives
14. Remuneration of auditors
15. Subsequent events
16. Related party transactions
17. Contingent liabilities
18. Notes to the statement of cash flows
19. Financial instruments
20. Company details



1. Summary of accounting policies

The principal accounting policies adopted in the preparation of the financial statements are set out below. Unless otherwise stated, the accounting policies adopted are consistent with those of the previous year.

Basis of preparation of the financial report

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards, including Australian Accounting Interpretations, other authoritative pronouncements of the Australian Accounting Standards Board and the Australian Charities and Not-for-profits Commission Act 2012.

The financial statements have been prepared on an accrual basis and are based on historical cost, modified by the revaluation of selected non-current assets, financial assets and financial liabilities for which the fair-value basis of accounting has been applied.

In the application of standards, management is required to make judgements, estimates and assumptions about carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstance, the results of which form the basis of making judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Judgements made by management in the application of Australian Accounting Standards that have significant effects on the financial statements and estimates with a significant risk of material adjustments in the next year are disclosed throughout the notes in the financial statements.

Accounting policies are selected and applied in a manner that ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2023; the comparative information presented in these financial statements is for the year ended 30 June 2022.

Rounding of amounts

Amounts in the financial statements have been rounded to the nearest one thousand dollars, unless otherwise specified.

Accounting policies

1(a) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, deposits held at call with banks and other short-term highly liquid investments held for the purpose of meeting short-term cash commitments.

1(b) Receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days. ESA has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue. Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

1(c) Employee benefits

Provision is made for benefits accruing to employees in respect of wages and salaries, annual leave and long service leave when it is probable that settlement will be required and they are capable of being measured reliably.

Provisions made in respect of employee benefits are categorised between current and non-current on the basis of the employees' right to access entitlements. Provisions made in respect of employee benefits expected to be settled within 12 months are measured at their nominal values using the remuneration rate expected to apply at the time of settlement.

Provisions made in respect of employee benefits that are not expected to be settled within 12 months are measured at the present value of the estimated future cash outflows to be made by the ESA in respect of services provided by employees up to reporting date.

1(d) Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the item of expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

Cash flows are presented in the statement of cash flows on a current basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

1(e) Comparative figures

When required by Accounting Standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

1(f) Impairment of assets

Assets are assessed annually for indications of impairment. If there is an indication of impairment, the assets concerned are tested as to whether their carrying value exceeds their recoverable amount. Where an asset's carrying value exceeds its recoverable amount, the difference is written off by a charge to profit or loss except to the extent that the write-down can be debited to an asset revaluation reserve (as other comprehensive income) amount applicable to that specific asset.

The recoverable amount for assets is measured at the higher of the present value of future cash flows expected to be obtained from the asset and fair value less costs to sell.

1(g) Foreign currency

All foreign currency transactions during the financial year are brought to account using the exchange rate in effect at the date of the transaction. Foreign monetary items at reporting date are translated at the exchange rate existing at reporting date.

Exchange differences are recognised in profit or loss in the period in which they arise.

1(h) Leases

As per AASB 16 all leases with a term of more than 12 months, unless the underlying asset is of low value, are recognised on the balance sheet as a Right of Use Asset and Capital Lease Liability.

RIGHT-OF-USE ASSETS

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

LEASE LIABILITIES

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. Lease payments comprise fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

1(i) Financial instruments

Financial instruments are initially measured at cost on trade date, which includes transaction costs, when the related contractual rights or obligations exist. Subsequent to initial recognition these instruments are measured as set out below.

FINANCIAL ASSETS

Financial assets are de-recognised when the rights to receive cash flows have expired or have been transferred and the entity has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is de-recognised or impaired.

FINANCIAL ASSETS AT AMORTISED COST

A financial asset is measured at amortised cost only if both of the following conditions are met: (i) it is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and (ii) the contractual terms of the financial asset represent contractual cash flows that are solely payments of principal and interest.

FINANCIAL LIABILITIES

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

IMPAIRMENT

At each reporting date the Company makes an assessment where there is objective evidence that a financial instrument has been impaired. Impairment losses are recognised in the profit or loss.

1(j) Revenue recognition

Project income is recognised as revenue when the Company satisfies its performance obligations outlined in the relevant contracts. In most of the Company's projects, the performance obligations are satisfied over time, using input methods. The contract durations vary depending on the scope of work, ranging from smaller projects that can be completed in a matter of days to larger, longer-term contracts spanning several years. The Company primarily engages in contracts with government customers, and fees are generally paid in advance.

In cases where fees are paid in advance, the amount received is recognised as a liability and categorised as a contract liability (referred to as "project funds in advance"). Subsequently, revenue is recognised over the duration of the contract period, based on the input method which most accurately reflects the satisfaction of the performance obligations.

Where the satisfaction of the performance obligations occurs unevenly throughout the contract period, the input cost method is used to recognise revenue, as this most closely represents the profile of work required to satisfy the contractual requirements. The prices charged by ESA are intended to be a close approximation of the actual, fully absorbed costs incurred to complete the work. The Company uses timesheets to capture the work effort of its employees on individual projects and a projects ledger to capture project-specific costs. Each month, where the relevant contract allows it, an allocation is also made to projects of an approximation of indirect costs in direct proportion to the costs incurred. As a result, the input cost is a reasonable approximation of the percentage of completion of the work required under a fixed price contract. Under some contracts, ESA is obliged to return any un-spent funding and such un-spent funding remain as liabilities in project funds in advance until the customer determines their appropriate use.

Each individual contract is reviewed, and the revenue recognition method is matched with each performance obligation, depending on its profile. This can mean that revenue is recognised using the input cost method for contracts which include multiple performance obligations.

For contracts where fees are paid in arrears, either based on milestones or for time-and-materials-based arrangements, revenue is recognised using the same method depending on the profile of the satisfaction of performance obligations. In such instances, an asset is recognised each month and

classified as a contract asset. Contract assets are regularly assessed for impairment, and provisions are made for any likely non recovery.

Subscription and services revenue is recognised evenly across the period of the subscription or service in line with contractual arrangements with customers. Subscription and services fees are generally invoiced and paid in advance with the payment of such fees recorded as a contract liability (referred to as "subscriptions in advance"). Revenue is recognised evenly through the subscription period. Most subscriptions are non-refundable. Revenue is only recognised after a subscription invoice has been paid. Where invoices are not paid, the service is discontinued.

Interest revenue is recognised as interest accrues using the effective interest method. This method calculates the amortised cost of a financial asset and allocates the interest income over the relevant period using the effective interest rate, which discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income from the sale of goods and the disposal of other assets is recognised at the point in time when the customer obtains control of the goods/asset, which is generally at the time of delivery.

Royalty income is recognised when the right to receive payment is established. The Company earns royalty income from the sale of books associated with a historical publication business.

1(k) Make-good provision

Provisions are recognised when the company has a legal or constructive obligation arising from past events, for which it is probable that an outflow of economic benefits will occur, and this outflow can be reliably measured.

The Company holds lease agreements to occupy premises at 180 Lonsdale Street, Melbourne. These leases include clauses requiring the Company to make-good on the premises upon vacating them. These costs include the costs of dismantling and removing an asset and restoring the site on which the asset was created. Additionally, a provision is recognised at present value in accordance with AASB 137 'Provisions, Contingent Liabilities and Contingent Assets'.

1(l) Plant and equipment

Plant and equipment are measured at cost less depreciation and impairment losses.

In the event the carrying amount of plant and equipment is greater than the estimated recoverable amount, the carrying amount is written down immediately to the recoverable amount, and impairment losses are recognised in the profit or loss. A formal assessment of recoverable amount is made when the impairment indicators are present. The recoverable amount is assessed on the basis of expected net cash flows that will be received from the asset's employment and subsequent disposal.

1(l) Plant and equipment (continued)

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that the future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss during the financial period in which they are consumed.

1(m) Depreciation

Depreciation is provided on plant and equipment and leasehold improvements. Depreciation is calculated on a straight-line basis so as to write off the net cost or other revalued amount of each asset over its expected useful life to its estimated residual value. Leasehold improvements are depreciated over the period of the lease or estimated useful life, whichever is the shorter, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each annual reporting period.

The following estimated useful lives are used in the calculation of depreciation:

	2023	2022
Leasehold improvements	10 years	10 years
Plant and equipment	3 years	3 years
Fixtures and fittings	10 years	10 years

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains and losses are included in profit or loss.

1(n) Intangible assets

Intangible assets are carried at cost less accumulated amortisation. Amortisation is recognised on a straight-line basis over their estimated useful life.

The following estimated useful life is used in the calculation of amortisation:

	2023	2022
Business software	5 years	5 years

The assets' residual value and useful life is reviewed, and adjusted if appropriate, at each reporting date.

1(o) Income tax

The Company has received endorsement as an income-tax-exempt charity under Subdivision 50-B of the Income Tax Assessment Act 1997, and accordingly no income tax has been paid or provided for in these accounts.

1(p) Contract Liabilities

The Company invoices in advance of project work and recognises associated revenue as the performance obligations under the relevant contracts are satisfied. The Company invoices in advance for subscriptions to products and services over a period and associated revenue is recognised evenly over the period to which the subscription relates.

At 30 June 2023 amounts shown as contract liabilities represent the unrecognised revenue for projects invoiced or received in advance and for future subscription activities. It is possible that on completion of project work, balances that have not been fully expended could be returned to clients dependent on the particulars of the specific client contracts.

1(q) Critical accounting estimates and judgements

Estimates and judgements incorporated in the financial statements are based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and from within the Company.

KEY ESTIMATES - LEASE TERM

The lease term is a significant component in the measurement of both the right-of-use asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

KEY ESTIMATES - INCREMENTAL BORROWING RATE

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the right-of-use asset, with similar terms, security and economic environment.

KEY ESTIMATES – IMPAIRMENT

The Company assesses impairment at each reporting date by evaluating conditions specific to the Company that may lead to impairment of assets. Where an impairment trigger exists, the recoverable amount of the asset is determined. Value-in-use calculations performed in assessing recoverable amounts are incorporated where appropriate. No indicators of impairment were noted at reporting date.

KEY JUDGEMENTS – ALLOWANCE FOR EXPECTED CREDIT LOSSES

The allowance for expected credit losses assessment requires a degree of estimation and judgement. It is based on the lifetime expected credit loss, grouped based on days overdue, and makes assumptions to allocate an overall expected credit loss rate for each group. These assumptions include recent sales experience and historical collection rates.

KEY JUDGEMENTS – MAKE-GOOD PROVISION

On 1 September 2022, the Company commenced a lease agreement for level 22, 180 Lonsdale Street, Melbourne. This lease is a sublease that expires on 30 January 2025. A further lease has been entered with the Landlord commencing 1 February 2025 that expires on 31 January 2029. An estimate of the make-good figure complying with the legal obligations of the contracts has been included in the provision.

2. Results from operations

2(a) Revenue

	2023 \$'000	2022 \$'000
Project income	28,776	29,324
Subtotal – project income	28,776	29,324
Schools Cataloguing Information Service subscriptions	3,789	3,797
Myfuture subscriptions	1,265	1,268
Other subscriptions and services	1,893	1,822
Subtotal – revenue from subscriptions and services	6,947	6,887
Interest	741	125
Other	696	394
Subtotal – other income	1,437	519
Total revenue	37,160	36,730

2(b) Expenditure

The net result has been arrived at after charging the following items:

	2023 \$'000	2022 \$'000
Project expenses	(13,534)	(13,358)
Subscription expenses	(979)	(865)
Employee benefit expenses	(17,319)	(17,860)
Depreciation and amortisation expenses	(1,390)	(1,396)
Administration and secretariat expenses	(1,417)	(2,025)
Finance expenses	(32)	(17)
Occupancy expenses	(598)	(613)
IT maintenance and services expenses	(1,242)	(1,384)
Loss on Disposal of property, plant and equipment	(157)	(62)
Total expenditure	(36,668)	(37,580)
Surplus / (Deficit) from operations	492	(850)

2(c) Depreciation and amortisation

	2023 \$'000	2022 \$'000
Depreciation of property, plant and equipment	(397)	(427)
Depreciation of right of use assets - buildings	(662)	(680)
Amortisation of intangibles	(331)	(289)
Total depreciation and amortisation expenses	(1,390)	(1,396)

3. Trade and other receivables

	2023 \$'000	2022 \$'000
Current		
Project receivables	2,252	2,406
Other receivables	1,133	1,180
Allowance for expected credit losses	(21)	(25)
Total trade and other receivables	3,364	3,561
Allowance for expected credit losses movement		
Balance at beginning of the financial year	(25)	(18)
Reduction / (increase) in allowance	3	(15)
Bad debts written off	1	8
Balance at end of the financial year	(21)	(25)

At 30 June 2023 all amounts shown as trade and other receivables are considered to be short term, with the carrying values a reasonable approximation of the fair value.

4. Financial assets

	2023 \$'000	2022 \$'000
Current		
Term Deposits - amortised	18,772	18,700
Total current financial assets	18,772	18,700

In accordance with its Reserves and Investment Policy, the Company invests funds not required to meet short-term operating commitments in Term Deposits with major Australian banks. At 30 June 2023, \$8,772,368 of these Term Deposits were due to mature within three months, at which point they were rolled over for a further period.

5. Other assets

	2023 \$'000	2022 \$'000
Current		
Prepayments	2,216	842
Accrued revenue	460	59
Total other assets	2,676	901

6. Property, plant and equipment

	2023 \$'000	2022 \$'000
Leasehold improvements at cost	745	1,714
Accumulated depreciation and amortisation	(79)	(1,714)
Total	666	-
Fixtures and fittings at cost	226	331
Accumulated depreciation	(225)	(259)
Total	1	72
Right of Use Assets at cost	4,695	3,755
Accumulated depreciation	(610)	(3,703)
Total	4,085	52
Plant and equipment at cost	4,492	4,606
Accumulated depreciation	(4,196)	(4,090)
Total	296	516
Total property, plant and equipment	5,048	640

Movement in carrying amounts	Leasehold improvements \$'000	Fixtures and fittings \$'000	Right of Use Asset * \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at end of year 30 June 2021	2	149	316	567	1,034
Additions	-	-	416	359	775
Disposals	-	(57)	-	(5)	(62)
Depreciation expense	(2)	(20)	(680)	(405)	(1,107)
Carrying amount at end of year 30 June 2022	-	72	52	516	640
Additions	745	-	4,695	100	5,540
Work in progress	-	-	-	134	134
Depreciation expense	(79)	(12)	(662)	(306)	(1,059)
Disposal of assets	-	(59)	-	(148)	(207)
Carrying amount at end of year 30 June 2023	666	1	4,085	296	5,048

* The total cash outflow for leases in 2023 was \$708,514 and in 2022 was \$756,072.

7. Intangible assets

	2023 \$'000	2022 \$'000
Intangible assets at cost	5,421	5,441
Accumulated amortisation	(5,048)	(4,729)
Total intangible assets	373	712

Movement in carrying amounts

Balance at beginning of the financial year	712	760
Additions	-	241
Disposal of assets	(8)	-
Amortisation expense	(331)	(289)
Carrying amount at the end of the financial year	373	712

8. Trade and other payables

	2023 \$'000	2022 \$'000
Current		
Trade and other payables	3,215	2,497
Total trade and other payables	3,215	2,497

At 30 June 2023 all amounts shown as trade and other payables are considered to be short term, with the carrying values a reasonable approximation of the fair value.

9. Other liabilities

	2023 \$'000	2022 \$'000
Current		
Project funds in advance	16,692	20,533
Subscriptions received in advance	3,928	3,873
Employee Benefits	423	453
Total other liabilities	21,043	24,859

10. Provisions

	2023 \$'000	2022 \$'000
Current		
Employee benefits – annual leave	1,229	1,351
Employee benefits – long service leave	900	849
Make good on premises	-	960
Other	468	-
Total current provisions	2,597	3,160
Non-current		
Employee benefits – long service leave	222	223
Make good on premises	204	-
Total non-current provisions	426	223
Total provisions	3,023	3,383

The other provision relates to committed organisational changes in the coming financial year due to known projects coming to the end of their contract.

11. Reserves

	2023 \$'000	2022 \$'000
Capital reserve		
Balance at beginning of the financial year	5,100	5,100
Movement during the year – transfer to Retained Earnings	(5,100)	-
Balance at end of the financial year	-	5,100

As a company limited by guarantee, Education Services Australia has no formal issued capital and therefore must fund its capital requirements from retained earnings. During the year, the ESA Board decided to close down the Capital Reserve and transfer the residual balance to Retained Earnings.

12. Members' guarantee

The Company is limited by guarantee, with only one class of member, and nine members. Each member undertakes to contribute to Company assets in the event of the Company being wound up while the person is a member, or within one year of the person ceasing to be a member. Amounts may be required not exceeding one hundred dollars (\$100) per member.

13. Remuneration of Directors and Executives

Directors are remunerated for their services providing the Directors are not prohibited from receiving such remuneration as a result of employment conditions with their own employers (not Education Services Australia Limited).

	2023 \$'000	2022 \$'000
Remuneration		
Short-term employee benefits – executives	1,982	1,842
Directors' remuneration	175	154
Total remuneration of Directors and Executives	2,157	1,996

14. Remuneration of auditors

	2023 \$'000	2022 \$'000
Remuneration		
Audit of the financial report	46,000	43,750
Other audit services	22,250	21,250
Other non-assurance services	-	13,000
Total auditor remuneration	68,250	78,000

15. Subsequent events

No other matters or circumstances have arisen since the end of the financial year that significantly affected or may significantly affect the operations of the company and the results of those operations.

The financial report was authorised for issue by the Board of Directors on the 5th day of October 2023.

16. Related party transactions

The Australian Government education department and also every state and territory government education department, through the single Australian Education Senior Officials Committee (AESOC) nominee, are represented on the Company's Board. These governments can therefore exert significant influence over the Company. Of the Company's total revenue, 86 per cent (2022: 88 per cent) was earned from government departments. Apart from any fees or reimbursements, no Director has benefited, directly or indirectly, from any transaction between ESA or any entities related to the Director.

In addition, the Australian Government education minister is one of nine members of Education Services Australia, including the state and territory ministers, and is also the sole member of the Australian Assessment and Reporting Authority (ACARA), Australian Education Research Organisation Limited (AERO) and the Australian Institute for Teaching and Schools Leadership (AITSL).

Of the Company's total revenue, 2.2 per cent (2022: 3.4 per cent) was earned from ACARA, AERO and AITSL combined.

17. Contingent liabilities

The Company provided a registered bank guarantee in respect of security on the leasehold property at Level 22, 180 Lonsdale Street, Melbourne.

	2023 \$'000	2022 \$'000
Bank guarantee – tenancy lease Lonsdale St, Melbourne	772	614
Total contingent liabilities	772	614

18. Notes to the statement of cash flows

18(a) Reconciliation of net result for the year to net operating cash flows

	2023 \$'000	2022 \$'000
Surplus / (Deficit) for the year	492	(850)
Reclassify interest as investing cashflow	(340)	(154)
Finance interest expense	197	17
Depreciation and amortisation expenses	1,390	1,396
Amortisation of lease incentive	(164)	-
Release of make good provision	(135)	-
Loss on disposal of non-current assets	157	62
Net result after adjustments	1,597	471
Changes in net assets and liabilities		
(Increase) or decrease in assets		
Trade and other receivables	197	7,882
Other assets	(1,775)	1,013
Increase or (decrease) in liabilities		
Trade and other payables	718	(1,327)
Other liabilities	(3,786)	(14,433)
Provisions	(402)	252
Net cash provided by / (used in) operating activities	(3,451)	(6,142)

18(b) Cash and cash equivalents

	2023 \$'000	2022 \$'000
Cash at bank	20,157	24,554
Total cash and cash equivalents	20,157	24,554

19. Financial instruments

19(a) Significant accounting policies

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised, with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 1 to the financial statements.

19(b) Categorisation of financial instruments

	Note	Category	Carrying amount 2023 \$'000	Carrying amount 2022 \$'000
Financial assets				
Receivables	3	Receivables (at amortised cost)	3,364	3,561
Financial assets	4	Term Deposits (at amortised cost)	18,772	18,700
Financial liabilities				
Payables	8	Trade and other payables (at amortised cost)	3,215	2,497
Lease Liabilities		Trade and other payables (at amortised cost)	4,359	71

19(c) Credit risk

Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, trade and other receivables, and Term Deposits. The Company's exposure to credit risk arises from the potential default of a counter party on their contractual obligations resulting in financial loss to the Company. Credit risk is measured at fair value and is monitored on a regular basis.

Credit risk associated with the Company's financial assets is minimal because the main debtors are government instrumentalities. For debtors other than government, it is the Company's policy to request payment in advance of services being provided.

Provision of impairment for financial assets is calculated based on past experience, and current and expected changes in client credit ratings.

The carrying amount of financial assets recorded in the financial statements net of any allowances for losses represents the Company's maximum exposure to credit risk.

19(d) Financial assets that are either past due or impaired

Currently, the Company does not hold any collateral as security or credit enhancements relating to any of its financial assets.

As at the reporting date, the Company had an allowance for expected credit losses amounting to \$21,275 (2022: \$25,426). All other receivables are expected to be collected in full.

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 but not impaired \$'000			Impaired financial assets \$'000	Total \$'000
		Less than 1 month	1 - 3 months	3 - 12 months		
2023						
Receivables						
Project receivables	1,617	-	474	161	-	2,252
Other receivables	1,097	6	9	-	21	1,133
Other financial assets						
Term Deposits	18,772	-	-	-	-	18,772
Total	21,486	6	483	161	21	22,157
2022						
Receivables						
Project receivables	455	1,538	36	377	-	2,406
Other receivables	31	96	1,014	14	25	1,180
Other financial assets						
Term Deposits	18,700	-	-	-	-	18,700
Total	19,186	1,634	1,050	391	25	22,286

19(e) Liquidity risk

Liquidity risk arises when the Company is unable to meet its financial obligations as they fall due. The Company operates under a policy of settling financial obligations within 30 days and, in the event of a dispute, makes payment within 30 days from the date of resolution. The Company has a policy of retaining funds equivalent to six months of fixed operating cost plus working capital.

The Company's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk. Cash for unexpected events is generally sourced from the liquidation of Term Deposits.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities. The following table discloses the ageing of financial liabilities that are past due.

MATURITY ANALYSIS OF FINANCIAL LIABILITIES

Maturity Dates					Total \$'000
	Not past due	Less than 1 month	Less than 12 months	Greater than 12 months	
2023					
Financial liabilities					
Payables	3,196	5	4	10	3,215
Lease liability	4,359	-	-	-	4,359
Total	7,555	5	4	10	7,574
2022					
Financial liabilities					
Payables	-	2,486	1	10	2,497
Lease liability	71	-	-	-	71
Total	71	2,486	1	10	2,568

19(f) Interest rate risk

Exposure to interest rate risk arises on financial assets and financial liabilities recognised at reporting date whereby a future change in interest rates will affect the future cash flows or the fair values of the fixed-rate financial instruments. The Company's exposure to interest rate risk and effective weighted-average interest rate by maturity is set out in the following tables.

INTEREST RATE EXPOSURE ANALYSIS OF FINANCIAL ASSETS

	Interest rate * %	Carrying amount \$'000	Interest rate exposure \$'000		
			Fixed interest rate	Variable interest rate	Non-interest bearing
2023					
Cash					
Cash and cash equivalents	1.25	20,157	–	20,157	–
Receivables					
Project receivables		2,252	–	–	2,252
Other receivables		1,133	–	–	1,133
Other financial assets					
Term Deposits	2.93	18,772	18,772	–	–
Total		42,314	18,772	20,157	3,385
2022					
Cash					
Cash and cash equivalents	0.43	24,554	–	24,554	–
Receivables					
Project receivables		2,406	–	–	2,406
Other receivables		1,155	–	–	1,155
Other financial assets					
Term Deposits	0.47	18,700	18,700	–	–
Total		46,815	18,700	24,554	3,561

* Weighted-average effective interest rate.

INTEREST RATE EXPOSURE ANALYSIS OF FINANCIAL LIABILITIES

	Interest rate * %	Carrying amount \$'000	Interest rate exposure \$'000		
			Fixed interest rate	Variable interest rate	Non-interest bearing
2023					
Financial liabilities					
Payables	—	3,215	—	—	3,215
Lease Liability	—	4,359	—	—	4,359
Total	—	7,574	—	—	7,574
2022					
Financial liabilities					
Payables	—	2,497	—	—	2,497
Lease Liability	—	71	—	—	71
Total	—	2,568	—	—	2,568

* Weighted-average effective interest rate.

The following table sets out the Company's sensitivity to interest rate change and market changes, holding all other variables constant. A sensitivity of 200 basis points has been selected as the interest rate change that is reasonable given the current level of both short-term and long-term Australian interest rates.

MARKET RISK EXPOSURE

	Carrying amount \$'000	Interest rate risk			
		–2.00% (200 basis points)		2.00% (200 basis points)	
		Net result	Equity	Net result	Equity
2023					
Financial assets					
Cash and cash equivalents	20,157	(403)	(403)	403	403
Total increase/(decrease)		(403)	(403)	403	403
2022					
Financial assets					
Cash and cash equivalents	24,554	(491)	(491)	491	491
Total increase/(decrease)		(491)	(491)	491	491

19(g) Fair value

The fair values and net fair values of financial assets and financial liabilities are determined as the fair value of financial assets and financial liabilities with standard terms and conditions, and when traded in active liquid markets are determined with reference to quoted market prices.

The Company considers the carrying amount of financial assets and financial liabilities recorded in the financial statements to be a fair approximation of their fair values because of the short-term nature of the financial instruments and the expectation that they will be paid in full.

20. Company details

The Company's registered office is Level 22, 180 Lonsdale Street, Melbourne.

The Company operates its business from Level 22, 180 Lonsdale Street, Melbourne.

Directors' Declaration



The Directors declare that:

1. The financial statements and notes for Education Services Australia Limited as set out in pages 8 to 32 of the 2022–23 Directors' Report and Financial Statements have been prepared in accordance with the Australian Charities and Not-for-profits Commission Act 2012, including:
 - giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
 - complying with the Australian Accounting Standards (Including Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Regulation 2013.
 - In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.
2. This declaration is made in accordance with a resolution of the Board of Directors.

Ms Diane Joseph

Chair of the board of Directors
Education Services Australia Limited

Dated this 5th day of October 2023



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Independent Auditor's Report to the Directors of Education Services Australia

Our Opinion

We have audited the accompanying financial report of Education Services Australia (the Company), which comprises the statement of financial position as at 30 June 2023 and the statements of surplus or deficit and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

In our opinion the accompanying financial report is in accordance with the *Australian Charities and Not-for-Profits Commission Act 2012*, including:

- a) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the year then ended; and
- b) complying with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Report and our Auditor's Report thereon

The directors are responsible for the Report from the Chair and Report from the CEO (together referred to as other information). The other information comprises the information included in the Company's annual report but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact. We have nothing to report in this regard.

Directors' Responsibilities for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Simplified Disclosures and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors



determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using a going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial report. We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.



- We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

A stylized, handwritten signature of the letters 'PKF' in black ink.

PKF
Melbourne, 05 October 2023

A handwritten signature in black ink that appears to read 'Ken Weldin'.

Kenneth Weldin
Partner



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