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Education Services Australia (ESA) will use its unique combination of education and technology expertise to create and deliver solutions that can be used to improve student outcomes and enhance performance across all education sectors.
I proudly present the 2017–2018 Annual Report for Education Services Australia (ESA).

This past year has been one of advancing key national education initiatives together with a focus on designing a future that builds on ESA’s strengths and achievements.

After being established by education ministers in 2010, it was timely this year to review ESA’s long term strategy. The Board, together with the CEO, Mr Andrew Smith, and his staff, created a new strategic plan. Enhancing Our Impact sets out the focus for the company 2018 - 2020 and acknowledges the important role ESA has in supporting the development and delivery of Education Council reforms as a leading service provider for the education sectors in Australia.

Achievements of the year demonstrate ESA’s unique ability to combine education and technology expertise to generate and deliver solutions that further Australia’s education reform agenda and meet the needs of all stakeholders.

Significant projects delivered this year included the successful delivery of the 2018 NAPLAN online tests using the platform developed by ESA and the implementation of the Early Learning Languages Australia (ELLA) program, which is now being funded for a further three years to roll-out to more preschools and to expand into primary schools.

The Schools Catalogue Information Service, with its approach to continuous service improvement, continues to go from strength to strength, further expanding its market overseas. After achieving initial sustainability targets, myfuture begins its next phase of development as Australia’s national career information and exploration service.

These achievements, as well as the many outlined in this Annual Report, are the culmination of the exceptional work of ESA’s dedicated and talented staff. On behalf of the Board, I congratulate Andrew Smith on his outstanding leadership, and ESA staff for their effort and commitment.

I acknowledge also the dedication of Board Directors who willingly share their expertise and experience to provide direction and add value to the work of ESA. I am impressed by the work each Director puts into meeting preparation and the productive and collaborative way the Board approaches its remit.

To inform its deliberations, the Board has proactively engaged with senior staff and education experts. Meetings have been informed by consultations Andrew and I have had with ministers and departmental CEOs in each jurisdiction, as well as attendance by guests at meetings, including the Australian Government education minister and Australia’s Chief Scientist.

The resulting thought-provoking Board discussions have contributed to both ESA’s work and to the national education conversation, most notably in ESA’s submission to the Gonski Review to Achieve Educational Excellence in Australian Schools.

The Board has been ably supported by its Finance, Risk and Audit Committee (FRAC), chaired by Mr Malcolm Wells. FRAC has shown great diligence in analysing and closely monitoring risks and financial implications of the company’s work. The Committee have completed a number of significant pieces of work, including a new Reserves and Investment Policy and a strengthened Risk Management Policy and Framework.

During the year Ms Sharyn O’Neill retired from the Board after completing the maximum term of seven years. I extend sincere appreciation to Sharyn for her contribution and the insights she brought to the Board. At the start of 2018, the Board welcomed Mr Rick Persse as the new AESOC representative, with his advice already proving invaluable.

I thank ministers for their continuing confidence in ESA as a trusted and reliable partner to make a positive difference to Australian education and the outcomes of Australian students.

Diane Joseph
Chair, Education Services Australia
Collaboration and strong working relationships are central to everything we do at ESA – whether it be the team work within ESA, our collaboration with stakeholders on projects of national significance, partnerships with other agencies, such as ACARA and AITSL to deliver quality services to stakeholders, or with expert individuals and organisations to ensure high quality content and resources.

When I joined the company in January 2017, one of the first things that was apparent to me was the strong team spirit within the company and the energy and dedication with which staff approach working with stakeholders and partner agencies. This year has seen some great successes that have relied upon these qualities of collaboration and team work.

Most notable among them has been the successful performance of the Online National Assessment Platform in delivering the 2018 NAPLAN online to 192,878 students. The success of the platform not only hinged on working well as a team, but on national collaboration with all jurisdictions and ACARA, without which this important milestone could not have been achieved.

The other major success of the year was achieved by working with preschools and the early childhood education sector to deliver the Early Learning Languages Australia program which has been taken up by 2,486 preschools nationwide and is now funded for another three years to expand further in the early childhood sector and be trialled in schools.

There are many other examples of collaboration in this annual report, the following being just a few that highlight the range of contexts in which we utilize those skills. We have worked with jurisdictions, career experts, the tertiary sector, business and industry to further develop myfuture towards a best practice career information and exploration service; with the VET sector on major enhancements to the My Skills website; with Aboriginal and Torres Strait Islander organisations to develop and include culturally appropriate resources and content in a range of websites; and with a range of subject matter experts and organisations to develop and curate material for websites such as the Digital Technologies Hub, the Student Wellbeing Hub and Careers with STEM.

During the year, we have also collaborated with ACARA and AITSL on developing a vision and supporting principles to guide future development of a national on-demand classroom based assessment initiative. Input and feedback from jurisdictions has been invaluable in assisting ESA’s preliminary design for adapting the National Online Learning Services to support such an initiative.

With ESA’s strategic plan for 2018–2020 focusing on how we can harness and nurture all the skills and expertise at ESA to enhance our contribution to education, we have engaged the collaboration of all staff in shaping our future and provided development activities to further enhance the already strong team culture at ESA.

The development of the strategic plan itself was a company-wide collaborative effort involving all staff and the Board. Staff also participated in workshops aimed at improving performance by building stronger professional relationships. A staff engagement survey, completed by 95 per cent of staff, identified a strong commitment to ESA and our work, and all staff have since been involved in identifying ways that we can continue to develop a positive and productive organisational culture.

I am proud of the dedication, team work and responsiveness to stakeholder needs that staff have shown throughout the year and their enthusiasm for participating in activities and bringing forward ideas aimed at enhancing our impact. I’m also grateful for the Board’s guidance and their interest in engaging with senior staff and developing their knowledge of the business.

On behalf of all staff, I would also like to thank the many officers from all education sectors that we have worked closely with over the year, and look forward to continuing our collaborative efforts.

Andrew Smith
CEO, Education Services Australia
ABOUT ESA

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

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 (known collectively as the Education Council). It operates under its own constitution and is governed by a Board of Directors.

Every two years, the Education Council provides ESA with a Letter of Expectation (Appendix 1) that sets out high-level performance expectations, strategic priorities and accountability requirements.

The ESA Board is responsible for setting ESA’s strategic direction, governing its operations and performance in accordance with the Company Objects, the Education Council’s Letter of Expectation, the ACNC Governance Standards and the Corporations Act 2001.

The Board is led by an independent Chair and comprises five independent expert members and four members nominated by each of the Australian Government, the Australian Education Senior Officials Committee (AESOC), the non-government schools 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 Committee advises the Board of Directors on the salary, conditions and performance of the Chief Executive Officer. The Board retains the responsibility for performance and decisions and receives regular reports from its committees.

ESA reports its progress and performance to company Members at its Annual General Meeting and at meetings of the Education Council.

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 receives no core funding from its government owners. Instead it is required to operate as a not-for-profit organisation, generating sufficient income from commissioned projects and services to remain sustainable.

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.

Strategic plan

During the year, the ESA Board approved a three-year strategic plan. Enhancing Our Impact: ESA Strategic Plan 2018–2020 (Appendix 2) aims to enhance ESA’s effect on Australia’s education landscape by contributing to improved student outcomes, enhanced teacher impact and stronger school communities.
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 2018 and the auditor’s report. As ESA acts as the legal entity for the Education Council, the Council’s financial results are included within the financial statements.

Directors during 1 July 2017–30 June 2018

Ms Diane Joseph
Independent Chair

Ms Sharyn O’Neill
Australian Education Senior Officials Committee (AESOC) nominee
Retired 30 November 2017

Mr Rick Persse
Australian Education Senior Officials Committee (AESOC) nominee
Commenced 6 February 2018

Dr Gabrielle Phillips
Australian Government nominee

Mr John Mula
Non-government schools sector nominee

Mr Malcolm Wells
Independent expert

Professor Andrew Vann
Universities Australia nominee

Mr Mark Lamont
Independent expert

Ms Kathe Kirby
Independent expert

Mr Sam Spadavecchia
Independent expert

Ms Anne-Marie Lansdown
Independent expert

Directors’ qualifications and experience

The Directors as at 30 June 2018 are:

Ms Diane Joseph
BSc (Education) University of Melbourne, 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. Diane’s 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.

Mr Rick Persse
MBA University of Adelaide; GCert Public Sector Management, Griffith University.
Director: 6 February 2018 – current
Remuneration Committee Member
Rick Persse is the Chief Executive of the South Australian Department for Education. He has held senior executive positions at a variety of South Australian central government agencies, including Chief Executive of the Attorney-General’s Department. Rick has extensive expertise in policy and strategy development, change management, public sector reform and project delivery.

Mr John Mula
Director: 1 December 2016 – current
John Mula is the Executive Director of Catholic Education Tasmania and is currently Deputy Chair of the National Catholic Education Commission. Prior to this appointment John was Director of Schools for the Diocese of Armidale. John is a teacher and educational leader with 35 years of experience in a diverse range of educational settings including Catholic schools, independent schools and private training colleges.
Mr Malcolm Wells
BA, Dip Ed, Grad Cert Ed,
University of Tasmania
Director: 1 December 2012 – current
Finance, Risk and Audit Committee Chair
Malcolm Wells is a former Deputy Secretary in the Tasmanian Department of Education, with responsibility for further education and training. Prior to this he was General Manager responsible for Department schools in the state’s north-west. A principal for eight years, he has extensive experience in both primary and secondary education and more recently in vocational education and training.

Professor Andrew Vann
BEng(Hons) (NTU), PhD (Bristol),
GradCertBusAd (SunshineCoast),
FAIM, FAICD, FIEAust, CPeng Eng Exec, AFARLF
Director: 1 December 2016 – current
Andrew Vann is the Vice-Chancellor and President of Charles Sturt University. Previously he held various senior academic and administrative roles at Central Queensland University and James Cook University. He lectured in structural engineering at the University of Bristol prior to coming to Australia in 1996.

Mr Mark Lamont
BA, Dip. Ed (UNSW)
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 Sam Spadavecchia
BA Accountancy; FCA (retired); FIIA (retired)
Director: 1 March 2017 – current
Finance, Risk and Audit Committee Member
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. Prior to becoming a Director, Sam was the independent expert (non-Director) member of the Finance, Risk and Audit Committee for six years.

Ms Kathe Kirby
BA, Dip ED, FACE
Director: 1 March 2017 – current
Kathe Kirby is an experienced education professional with a career spanning teaching, teacher education, policy development and leading innovation in schools and education systems. Most recently Kathe was Executive Director of Asialink and the Asia Education Foundation.

Dr Gabrielle Phillips
PhD University of Sydney, M URP, BSc
Director: 17 February 2016 – current
Gabrielle Phillips is the Branch Manager of the Schools Data Reform Branch, Schools and Youth Cluster, Australian Department of Education and Training. Gabrielle’s responsibilities have included providing strategic policy advice and leading programmes on improving national data and evidence. Previously Gabrielle has held roles with the Australian Government in Child Care, Early Childhood Education and Family policy.

Ms Anne-Marie Lansdown
BA (ANU)
Director: 15 March 2017 – current
Anne-Marie Lansdown is currently Deputy CEO of Universities Australia. Prior to this she was Chief of Staff to Australia’s Chief Scientist, Dr Alan Finkel. Anne-Marie has a track record in a breadth of policy and planning roles as a senior public servant in the national science, research and education sectors, and extensive international education and collaboration experience.
Meeting attendance
The Board met four times from 1 July 2017 to 30 June 2018. Directors also attended the Annual General Meeting. The number of meetings attended by Directors is shown in the table below.

There were no conflict of interest declarations made during 2017–18.

As a newly appointed member, Mr Rick Persse submitted a signed Consent to Become a Director form in which his interests were disclosed and noted at the 14 June 2018 Board meeting.

Changes were made during the year to the record of interests for Ms Kathe Kirby and Mr Mark Lamont.

Attendance of Directors

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<th>Finance, Risk and Audit Committee meetings</th>
<th>Remuneration Committee meetings</th>
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<td></td>
<td>Number eligible to attend</td>
<td>Number attended</td>
<td>Number eligible to attend</td>
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<tr>
<td>Ms Diane Joseph*</td>
<td>4</td>
<td>4*</td>
<td>2</td>
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<tr>
<td>Ms Kathe Kirby</td>
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<tr>
<td>Mr Mark Lamont</td>
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<tr>
<td>Ms Anne-Marie Lansdown</td>
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<tr>
<td>Mr John Mula</td>
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<tr>
<td>Ms Sharyn O’Neill</td>
<td>1</td>
<td>1</td>
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<td>Mr Rick Persse (appointed 6 Feb 2018)</td>
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<td>Dr Gabrielle Phillips</td>
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<tr>
<td>Mr Sam Spadavecchia</td>
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<td>Prof Andrew Vann</td>
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<td>Mr Malcolm Wells</td>
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*Ms Diane Joseph attended the Finance, Risk and Audit Committee (FRAC) meeting as an observer.
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 14 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.

**Principal achievements**

A significant achievement for the year was the successful delivery of the 2018 NAPLAN online tests using the Online National Assessment Platform developed by ESA, where 192,878 students from 1,285 schools participated in Australia’s first national online NAPLAN test. The platform performed strongly and well within its capacity, with all five performance criteria set by the Education Council met or exceeded. Of the 668,526 tests attempted, 99.8 per cent were successfully completed.

A major expansion of the Early Learning Languages Australia (ELLA) program was achieved, with 2,486 preschools across Australia now delivering the program. Two more languages (Hindi and Modern Greek) were added to the program, taking the total number of ELLA languages to nine. Due to the continued success of ELLA, the Australian Government announced additional funding to further expand the program in preschools and to extend the program into schools through a trial with students in Foundation to Year 2. This new funding will also support the introduction of Korean, Vietnamese, Turkish and German, fully aligning the program to the languages in the Australian Curriculum.

Work over the past three years met the initial financial targets of the Strategy for Sustainability for myfuture, the national career information service. Funds available for reinvestment in the service have been increased through initiatives that have included:

- the introduction of a paid service to disseminate targeted career-related information from business, industry and the tertiary sector to users at key decision-making points
- cost reductions through enhanced matching of course and occupation data using government big data sets
- an expanded engagement model.

A major upgrade of Schools Catalogue Information Service (SCIS) infrastructure was completed with the launch of a new SCIS Data website in July 2017, bringing further innovations and new features to this already popular service, including:

- the capacity for users to build their own collections in the SCIS database
- the provision of new, rich data to enable school librarians to better support teaching and curriculum
- a more user-friendly process for requesting, submitting and tracking cataloguing requests
- streamlined invoicing
- improved search speeds and options.

User experience for the My Skills website was enhanced with the development of a new and improved user interface and an overhaul of its backend functionality that improved performance. The new website was launched in November 2017 by the Australian Government Assistant Minister for Education.
New and updated content and improvements in functionality were made to websites and services managed by ESA, including the Student Wellbeing Hub, the Digital Technologies Hub, Learning Potential website and the Early Childhood Resources Hub.

Working closely with all Australian governments and the non-government school sector, ESA completed a review of the National Safe Schools Framework for consideration by the Education Council.

ESA achieved Australian Signals Directorate (ASD) certification for meeting the security standards mandated by the Australian Government Information Security Manual (ISM), making ESA one of only nine organisations in Australia to reach this level of compliance with the ISM.

**Reporting**

ESA reported to company Members at the 15 November 2017 Annual General Meeting and at meetings of the Education Council.

Progress against the ESA Work Plan and the financial budget were reported to each meeting of the Board. Performance against the financial strategy was also monitored by the Finance, Risk and Audit Committee. Executive staff and managers monitored progress against the operational plans and staff performance management plans that were implemented to achieve Strategic Plan outcomes.

The 2016–17 Annual Report was published on the ESA website in November 2017.

**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 2017–18.

**Operating result**

The company reported an operating deficit of $53,241 for 2017–18. 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 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 2018 was received and is included at page 14.

Signed in accordance with a resolution of the Board of Directors

Ms Diane Joseph
Chair of the Board of Directors

Dated this 11th day of October 2018
Auditor’s independence declaration

To the Directors of Education Services Australia Pty Limited

In accordance with the requirements of section 60-40 of the Australian Charities and Not-for-profits Commission Act 2012, as lead auditor for the audit of Education Services Australia Limited for the year ended 30 June 2018, I declare that, to the best of my knowledge and belief, there have been:

a no contraventions of the auditor independence requirements of the Australian Charities and Not-for-profits Commission Act 2012 in relation to the audit; and

b no contraventions of any applicable code of professional conduct in relation to the audit.

Grant Thornton Audit Pty Ltd
Chartered Accountants

S C Trivett
Partner – Audit & Assurance

Melbourne, 11 October 2018
REPORT ON OPERATIONS
The report on operations provides a progress report on the priorities in the Letter of Expectation (Appendix 1). Financial outcomes, including the result of the independent audit, are addressed in the Financial Report section.

**Supporting National Education Reforms—Education Council Priorities**

The ESA Letter of Expectation identifies a number of collaborative activities as priority work for 2016–17 and 2017–18. These activities support the Education Council’s collaborative efforts to progress national education initiatives, including the development and delivery of the Australian Curriculum, promoting quality teaching and school leadership, promoting improved outcomes for Aboriginal and Torres Strait Islander students, and improving the quality of early childhood education and care.

**Online National Assessment Platform**

ESA is responsible for the development and ongoing operation of the Online National Assessment Platform to deliver the Education Council’s National Assessment Program (NAP) – in particular, NAP Literacy and Numeracy (NAPLAN) online and NAP sample assessments in science literacy, civics and citizenship and information and communication technology.

**NAPLAN Online 2018**

A major milestone was achieved with the successful delivery of the 2018 NAPLAN online tests using the platform, making it the first time a national online testing approach has been implemented in Australia. This was the first year of transition from paper to online testing, with 192,878 students from six states and territories (ACT, NSW, Qld, SA, Vic and WA) attempting 668,526 tests during the nine-day testing program from 15 to 25 May 2018. Students in years 5, 7 and 9 completed online tests in reading, writing, language conventions and numeracy, while Year 3 students completed tests in reading, language conventions and numeracy. Year 3 writing was undertaken as a paper-based test.

The platform performed strongly and well within its capacity, with all five performance criteria set by the Education Council met or exceeded. Of the 668,526 tests attempted, 99.8 per cent were successfully completed.

The successful performance of the platform and of NAPLAN online was achieved through strong collaborative effort with the Australian Curriculum, Assessment and Reporting Authority (ACARA), the Australian and state and territory education departments and the non-government schools sector, particularly in preparing schools and running practice test events.

**Preparation for NAPLAN online 2019**

Significant collaborative activity also occurred in preparation for the 2019 test event particularly in relation to identification, agreement and implementation of platform enhancements. This work was completed in June 2018 in readiness for the platform testing program in advance of the 2019 NAPLAN test event.

Work continued on two elements of the platform that are scheduled to be implemented in 2019 and 2020— the Low and No Bandwidth solutions (LNB) and the Longitudinal Data Store (LDS).

Development of the LNB solution is a significant focus of the program during 2018, with a view to having a solution in place for use in 2019 and broader implementation in 2020.

Initial proof-of-concept solutions were delivered in August 2017 and trialled by jurisdictions in December 2017. Requirements were reviewed and refined and new solutions proposed based on feedback from the trial and consultation with jurisdictions. Development of the new solutions commenced in May 2018 and they are expected to be ready for testing in late 2018.
The LDS is the last remaining significant element to be developed, and is planned to be in place to receive data from the 2019 NAPLAN tests via the platform to support research and analysis. Business specifications for the LDS were finalised in February 2018, enabling ESA to commence development of detailed functional and non-functional specifications. An external provider has been engaged to undertake a privacy impact assessment of the solution when the detailed specifications are completed, but prior to development commencing, to ensure that any areas of concern can be addressed at the design stage.

NAP — Science Literacy
Planning also commenced for ESA to support ACARA in utilising the platform to deliver the National Assessment Program – Science Literacy (NAP-SL) sample assessment. The NAP-SL field trial was held between 18 and 29 June 2018, with 60 schools and 1,400 students participating from NSW, Vic and Qld. The NAP-SL main study test will be delivered from 15 October to 2 November 2018, with approximately 552 schools and 11,040 students expected to participate in the assessments from all jurisdictions.

National Online Learning Services
The National Online Learning Services comprise online tools, digital resources and backend processes, standards and systems, including:

- **Scootle**, the shared digital curriculum resource repository of over 20,000 resources aligned to the Australian Curriculum
- **Language Learning Space**, providing resources, apps and services to support the teaching of Chinese, Japanese and Indonesian languages
- **Improve**, a formative assessment tool that enables teachers to create and conduct student tests in English, mathematics and science from a bank of over 3,500 validated and moderated assessment items
- A range of **backend services** including technical infrastructure, metadata standards, intellectual property management and help desk support

- (prior to April 2018) **Scootle Community**, a social networking space for teachers.

Work has focused on maintaining services, while exploring their future usage and development and possible sustainable funding models.

ESA undertook consultations on the services with all stakeholders during April and May 2018. The consultations revealed that all stakeholders value the high quality of the digital resources provided and are interested in increasing their value through further enhancements.

Scootle is the most popular service, with the value placed on it supported by continuing increases in usage. This year, Scootle recorded a 21 per cent increase in usage.

During the consultations, ESA also specifically discussed a proposal to support learning progressions and formative assessment with targeted digital resources for teachers and students. This proposal is part of work being undertaken for the Education Council by ACARA, AITSL and ESA in relation to supporting on-demand classroom-based (formative) assessment.

Feedback from the consultations was reported to the Education Council’s Schools Policy Group (SPG) in May 2018, where three options on the future of the services were presented for comment. The Education Council will consider next steps in September 2018.

Engagement with the Language Learning Space (LLS) remains strong. Promotion of the service continued via ESA social media. Content about China, Indonesia and Japan was posted regularly to the LLS Facebook page, featuring information about festivals, the latest news and up-to-date teaching resources.

Consultations indicated that the LLS is valued by jurisdictions and sectors, particularly where the availability of language teachers is low and use of the sites has enabled primary teachers to introduce their students to Asian languages without needing high levels of language teaching skills.
All jurisdictions had pockets of teachers using the Improve system, especially as preparation for annual NAPLAN testing. The future of Improve is perceived as limited due to the proposed expansion of the Online National Assessment Platform into a more powerful formative and classroom-based assessment tool for teachers.

Scootle Community was transitioned to a private Facebook group in April 2018, in line with a recommendation from ESA (and decision by AESOC) to close the service due to falling usage by teachers preferring online teacher communities such as Yammer.

Regular system maintenance and user support has continued for the services. Improvements to Scootle included a new mobile app and tablet-friendly search filter; division of the Technologies subject filter into Digital Technologies and Design and Technology as per the Australian Curriculum; and continuing the rollout of single sign-on functionality that enables users to click straight through to ESA services when logged into their school or system network without further need to log in.

Renewal of licensing agreements for resources continued as current licences expired. Negotiation of new licences included seeking to have resources made available under Creative Commons licences at no cost.

Usage of the services from 1 July 2017 to 30 June 2018 was as follows:

- Scootle recorded 2,393,993 sessions and 19,754,961 page views averaging 8.3 page views per session. There were 58,228 teachers registered to use Scootle and they created 18,496 learning paths during the year.
- The Language Learning Space (LLS) had 17,977 sessions, with a total of 69,120 teachers and students registered to use the site.
- Improve was used to create 2,153 tests and 3,666 questions during the year. There were 56,342 tests completed by students.

**Collaboration with ACARA and AITSL**

ESA recognises the importance of maintaining strong collaborative links with other agencies in the Education Council’s national education architecture — the Australian Curriculum, Assessment and Reporting Authority (ACARA) and the Australian Institute of Teaching and School Leadership (AITSL).

The three agencies continued working together on the development of advice to the Education Council regarding on-demand, classroom-based (formative) assessment, with ACARA taking the lead. A paper was prepared for the December 2017 Education Council meeting that provided a case for formative assessment, including potential dimensions of a formative assessment system for development. The Education Council agreed that the agencies should continue to collaborate and liaise with jurisdictions to build the case for, and options to support, formative assessment to improve student learning.

ESA’s contribution to this work includes the potential enhancement of the Online National Assessment Platform to facilitate the delivery and reporting of on-demand classroom-based (formative) assessments (including plug-ins by alternative platforms) and enhancement of the National Online Learning Services to better support teachers using a formative assessment system.

Discussions have been held with individual states and territories and via the Education Council’s Schools Policy Group (SPG) regarding a proposal to enhance the existing Online National Assessment Platform, with a view to the possibility of also delivering on-demand assessments in schools, providing teachers with interactive reports or dashboards containing diagnostic information, and to allow existing programs to interface with the platform.

A key feature of the proposed formative assessment system is the provision of diagnostic information to teachers to support further learning by students, accompanied by links to resources that match student needs to assessment results and learning strategies.
ACARA Projects
In addition to the partnership with ACARA to deliver online assessment, ESA provided support to ACARA in relation to the introduction of the Australian Curriculum, by enabling access to quality resources through Scootle, and maintaining and further developing ACARA’s Australian Curriculum website.

Following completion of a major new release of the Australian Curriculum website in July 2017, ESA has been providing technical consulting services to ACARA to support the website’s transition to an in-house solution, which is expected to be completed in September 2018. In the interim, ESA continued to host the current version of the website through to 30 June 2018 and the previous version of the website to the end of December 2017.

AITSL Projects
Under its support and maintenance agreement with AITSL, ESA undertakes work as required in relation to AITSL websites.

During the year, ESA provided technical consulting, technical support and website hosting services for a range of AITSL websites.

myfuture
myfuture is Australia’s national online career information and exploration service. It assists with career planning, career pathways and work transitions.

Work continued on implementing ESA’s strategy for the service. This strategy involves offering paid subscriptions to schools where government funding does not cover subscriptions for them; generating additional revenue by offering paid services to business, industry and tertiary institutions; and reducing costs by streamlining operations, while continuing enhancements to the service.

A successful trial of an Electronic Direct Messaging Service (EDMS) was conducted between July and December 2017 and implementation of the service commenced in 2018. When fully implemented the service will leverage the myfuture career and registration profiles of myfuture users to enable targeted career-related information from business, industry and the tertiary sector to be disseminated to users at key decision-making points.

ESA’s focus is on delivering specific career development information to myfuture users based on their year level of study, career stage and geographical location, and subscribing partners have had the opportunity to showcase their institution in email communications to users.

The Data Integration Project was successfully completed in August 2017. The project has reduced third-party data costs by developing an algorithm that better matches publicly available course and occupational data sets. In addition to cost reductions, other advantages of this new approach are the ability to match courses to multiple occupations, related by common skill requirements; and that data matching is informed by current labour market outcomes rather than intended occupations.

The content strategy for 2017–18, developed in conjunction with the myfuture Strategic Reference Group, focused on:

- delivering resources for specific school-age cohorts, career practitioners and generalist teachers
- creating a new section of the site for parents and carers
- providing information relating to STEM careers
- curating additional video occupation profiles.

A project also commenced to implement single sign-on functionality for teachers in states and territories that provide funding for the service. Single sign-on enables users to click straight through to myfuture from their school or system network, without further need to log in.
In May 2018, ESA was contracted by the Australian Government to develop a new portal to replace the current website. The portal will be the single authoritative source of information, resources and communication for parents and carers, as well as providing the centralised educational support service for classroom teachers, school principals and support staff in understanding and correctly implementing the data collection model. ESA will continue to host and maintain the current website until February 2019, when the new portal will replace it.

Work undertaken on the portal to 30 June 2018 focused on identifying user needs and design scope. This included conducting a one-day planning workshop with the Education Council’s Joint Working Group to Provide Advice on Reform for Students with Disability (JWG) to discuss user needs, key features for the portal and consultation strategies; and the identification of online resources from a range of sources, to be either re-purposed and/or re-used, or to be developed.

Trans-Border Attendance Strategy
The Trans-Border Attendance Strategy supports continuous learning for highly mobile students by sharing a range of student information across state and territory borders via the Central Schools System (CSS).

In 2017–18, ESA continued to maintain and support the CSS for the two jurisdictions using the system – Western Australia and the Northern Territory. This followed the February 2016 decision of the Australian Senior Officials Committee (AESOC) to discontinue the project to expand the system nationally until such time as data sharing issues for other jurisdictions were resolved by the Education Council’s Data Strategy Group.

By November 2017, lack of resolution of privacy issues had resulted in limited data availability and reduced effectiveness of the service, such that NT and WA no longer supported continued funding of the service beyond 2017 (when current funding was due to run out). ESA therefore recommended, and AESOC agreed, that the service be decommissioned.
Following this decision, ESA contacted the NT and WA education departments to determine their requirements regarding data held in the system. Data was provided, archived or destroyed as requested, with any reports requested provided beforehand. Users were notified of the closure of the service, and contact numbers within the departments were provided for information. Decommissioning was then finalised on 16 March 2018 and the remaining funds were returned to the National Projects Fund.

**Supporting National Education Reforms—Australian Government Projects**

The Letter of Expectation notes that ESA is engaged by the Australian Government to undertake specific projects and activities to support national initiatives and acknowledges that, while the Education Council does not have governance responsibility for these projects, the projects are integral to the achievement of the Council’s remit.

The report below provides information on key projects undertaken in 2017–18 that are funded solely by the Australian Government.

**Early Learning Languages Australia**

The Early Learning Languages Australia (ELLA) Program is a digital, play-based language learning program for children in preschool. Children participating in the ELLA program learn language through a series of interactive apps, called The Polyglots. ESA is responsible for the overall management and promotion of the program, including the development of the apps (seven for each language) and support materials, educator training, and establishing support networks.

The ELLA program commenced in 2014, with the development of apps in 5 languages and a year-long trial of them in preschools during 2015. Following the success of the 2015 trial, the trial was extended in 2016 with full implementation occurring in 2017 and 2018, including the development of apps in four more languages.

During 2017–18 ESA completed development of ELLA apps in Hindi and Modern Greek, which were made available for download by preschools from January 2018. The addition of these two languages made a total of nine languages available in the program, the others being Arabic, Chinese (Mandarin), French, Indonesian, Italian, Japanese and Spanish.

An additional 664 preschools joined the program during 2017–18, bringing the total number of preschools delivering the program to 2,486. It is estimated that the ELLA suite of apps could be accessed by up to 81,039 preschool children across Australia this year.

New preschools received an ELLA ‘Get Started’ kit for the language of their choice. The Starter Kit is a new addition to the program, developed in response to feedback from educators and ELLA advisory network members.

Educator training attended by 1,001 preschool educators was provided throughout February and March 2018 through 14 one-day workshops held across all states and territories.

Eleven new ‘ELLA champions’ were recruited for the 2018 program, making a total of 23 champions who collectively represent each state and territory. The ELLA champions are early childhood peer experts who promote the program and provide support to educators. This year, the champions’ participated in the workshop program and webinars, gave presentations at a literacy conference, were interviewed and filmed for professional learning, and provided activities for newsletters and advice for educators on Facebook.
ESA continued to provide preschool educators with helpdesk support for technical issues using the apps, as well as access to an education liaison officer to discuss educational issues and ideas and monthly newsletters to keep educators informed and offer tips for making the most of ELLA.

To enable educators to share experiences and helpful advice with other participating preschools, ESA continued to maintain and moderate the private ELLA Facebook group, which now has 2,163 members. To further support the needs of participating ELLA preschools and families, the ELLA website was also redesigned and has had over 70,000 visits.

ELLA’s design and implementation has been underpinned by findings from several independent evaluation and research reports, undertaken by Deloitte Access Economics (2015 and 2016) and the Swinburne University of Technology Babylab (2016). These reports, published by the Australian Government in September 2017, clearly indicate that ELLA is effective in introducing new languages to preschool children, in raising their awareness of other cultures, and in engaging their interest in learning different languages.

They also highlighted that after implementing ELLA, three-quarters of educators have more confidence in incorporating language learning into their preschools. Close to 90 per cent of educators expected children to continue to demonstrate an interest in learning another language in the later years of schooling.

Due to the continued success of the ELLA program, the Australian Government committed an additional $11.8 million in the 2018–19 Federal Budget to continue the national expansion of ELLA in preschools and to extend ELLA into schools through a trial with students in Foundation to Year 2.

In 2018, ESA commissioned two research projects from the University of Melbourne and the Australian Federation of Modern Language Teachers Associations into the benefits of extending the ELLA program into Australian primary schools. This research will be used to inform the trial into Foundation to Year 2.

Digital Technologies Hub

The Digital Technologies Hub (DT Hub) provides learning resources and services for teachers, students, school leaders and parents. It aims to support the implementation of quality Digital Technologies programs and curriculum in schools, and to support after-school activities.

ESA’s work on the Scope and Sequence was largely completed and released in time for the 2018 school year. The Scope and Sequence provides a possible set of sequenced topics for years F–10 that can be used in teaching the Australian Curriculum: Digital Technologies, addressing the various content descriptions. In total, there are 40 sequences available across the year levels, with eight topics offered for each band of years. Two remaining sequences are being finalised and will be published after June 2018.

Eight webinars were delivered, covering use of the Scope and Sequence, current technology trends for secondary schools, artificial intelligence, Python programming, approaches to supporting the assessment of the digital technologies curriculum, engaging girls in technology, cyber security and STEM, and digital citizenship.

A new Families section was added, providing activities that a child and parent/carer can do together, such as coding an animated card, or playing a binary card game similar to Concentration. A total of ten family activities have been created and published during the year.

Monthly newsletters continued to be produced and distributed to subscribers. The newsletters provided information on topical themes highlighting relevant Digital Technology Hub resources, related news, and professional learning opportunities.

Work on an Assessment Framework by the Computer Science Education Research Group, University of Adelaide, is in the final stages of completion.
Ten assessment tasks were published and a group of teachers piloted materials and provided feedback on, and input into, assessment resources to support the framework. A further 16 assessment tasks have been completed and will be published on the Hub.

A Think Tank Day was held with educators who have expertise in assessment and digital technologies. It provided guidance for the development of the Assessment section of the Digital Technologies Hub. Wireframes describing the navigation of new assessment resources have now been developed for consultation.

A feature of the Teachers section is the lesson ideas created specifically for the Hub. During the year 32 lesson ideas were added, making a total of 85 lesson ideas created and published to date across the five year bands (F–2, Years 3–4, Years 5–6, Years 7–8 and Years 9–10), with coverage across all content descriptions. A gap analysis was conducted to inform future development of lesson ideas. Work also commenced on annotating lesson ideas to assist teachers with the provision of accessible lessons to students with special needs.

A new sub-section was added to the School Leaders section, providing ideas that assist schools to implement programs or initiatives across the school. Eight articles were published, with some of the topics featured being: whole-school approaches to programming; building ICT capabilities across the primary school; and developing a mindset on robotics. Each article provided tips for overcoming challenges and supporting resources.

During 2017–18 the Digital Technologies Hub was visited by 170,994 users in 324,344 sessions and 1,193,474 page views.

As of 30 June 2018, there were 1,584 DT Hub Twitter followers, 3,431 followers on the DT Hub Facebook Page, and 999 in the DT Hub Facebook Group. There were 3,648 people subscribed to the DT Hub newsletter, which has an average open rate of 42.27 per cent.
Careers with STEM

Careers with STEM is a careers guide available as a print magazine, e-magazine or via the Careers with STEM website. ESA was commissioned by the Australian Government to deliver Careers with STEM Teacher Notes and posters four times a year, for two years, from June 2017.

The four issues for which notes and posters were developed in 2017–18 covered careers in coding, science, mathematics and economics.

The Teacher Notes and posters were also published on the Digital Technologies Hub and in Scootle, where they include additional references to videos and websites.

Early Childhood Resource Hub

The Early Childhood Resource Hub (ECRH), developed by ESA and launched in April 2016, is a valuable central point for the provision of resources, information and collaboration to all preschool educators across Australia.

ESA continued to incorporate into the Hub content specific to Aboriginal and Torres Strait Islander peoples, focusing during 2017–18 on the creation of professional learning modules – three of which were published in June 2018. ESA worked closely with Reconciliation Australia and Shared Path Consultancy, which is the peak body representing the interests of Aboriginal and Torres Strait Islander children. The three modules released to date cover personal cultural competency, embedding culture into teaching practice and building a culturally competent and responsive early childhood service.

ESA prepared and distributed monthly editions of the Early Childhood Resource Hub Newsletter to registered users, with supporting resource bank items added to the Hub, covering topics such as STEM, emotional literacy and sustainability. Other content added included resources supporting the transition to primary school.

Work done on maintenance of the site included improvements to search functionality and the look and feel, and an upgrade to the video player.

During 2017–18, the Early Childhood Resource Hub recorded 294,951 sessions by 164,672 users.

Student Wellbeing Hub

The Student Wellbeing Hub provides resources tailored to students, parents and educators, to support the development of safe, respectful, positive and supportive teaching and learning environments. The Hub is underpinned by the National Safe Schools Framework, and it provides information and advice to support its implementation, including an audit tool that schools can use to consider their approaches to student wellbeing.

During the year, ESA added content areas and resources to the Hub that were related to building positive relationships, respecting diversity, body image and making safe and responsible choices. New resources and a professional learning module to promote resilient and inclusive classrooms were also added.

An online resource evaluation tool was developed and added. The tool is based upon the Safe and Supportive School Communities Working Group’s STEPS Framework, and it enables school leaders and educators to evaluate anti-bullying and other student wellbeing resources, programs and services.

Following a national stocktake of resources on respectful relationships, work commenced on the next phase of developing professional development modules for pre-service and in-service teachers, as well as curation of resources to be added to the Hub.

In a separate project, ESA completed a review of the National Safe Schools Framework in consultation with the Education Council’s Safe and Supportive School Communities Working Group. The revised Framework is expected to be considered by the Education Council for endorsement in the second half of 2018.
Planning commenced in relation to alignment of the existing Hub to the new Framework, for the creation of new Framework online resources, and to promote the new Framework.

ESA also continued to implement a strategic awareness plan to promote the Hub, including promotional activities via relevant conferences, search campaigns, social media marketing and a monthly newsletter.

In 2017–18, the Student Wellbeing Hub recorded 118,586 sessions by 89,981 users.

My Skills

The My Skills website is a national directory of vocational education and training organisations and courses that assists prospective students, career advisors and employers to discover suitable training pathways.

ESA completed a major overhaul of the website, including a new interface and improved user experience, and improvements to backend functionality and performance. Launched in November 2017, the new website now has five entry points for people starting, advancing or changing their career, for parents and career advisors who may be guiding a young person through career choices, and for employers looking for information on up-skilling their staff.

In a separate project, also funded by the Australian Government, ESA developed nine written case studies and six video illustrations that showcase good practice examples of high-quality VET, vocational learning and career education programs for Aboriginal and Torres Strait Islander secondary students. These resources were published to the My Skills sub-site, Preparing Secondary Students for Work.

The examples used in the project identified good practice that follows the five key themes in the Cultural and Indigenous Research Centre Australia’s report National Priorities: Aboriginal and Torres Strait Islander Secondary Students Transition Project – context, flexibility, two-way learning and community engagement, aspiration, self-esteem and belonging, and real-world job pathways.

Hosting, support and maintenance services for the website continued through the year. ESA is currently contracted to provide these services until 30 June 2019.

During 2017–18, there have been 2,295,075 sessions on the My Skills website. This represents a 25.6 per cent increase over the previous year.

Learning Potential Website

Learning Potential is a website that provides a range of free, quality-assured Australian Curriculum–aligned resources that can be used in the home to support student learning.

Since its completion and launch in February 2017, ESA has provided ongoing hosting, maintenance and content support and promoted the website via ESA News and ESA’s social media channels.

National Education Services

Schools Catalogue Information Service

The Schools Catalogue Information Service (SCIS) is an online database of school-related library catalogue records. Schools subscribe to use the service, which reduces their costs and duplication of effort in cataloguing resources.

SCIS continues to be a popular service, with 93 per cent of Australian schools and 47 per cent of New Zealand schools subscribed. A total of 73 international schools across 21 countries are also subscribed. A brand awareness campaign commenced in the United Kingdom, where 14 schools have now subscribed. The remaining international schools are primarily in Asia.

An upgrade of SCIS infrastructure was completed, with the launch of the new SCIS Data website in July 2017.
The new site provides improved user experience and expanded metadata services. In April 2018, the SCIS application programming interface (API) was released, enabling integration of SCIS with other school systems.

As part of the new website, the full back catalogue of the library journal *Connections* has been made available online for the first time, going back to the first issue in 1992.

During the period 1 July 2017 – 30 June 2018, a total of 49,373 new records were added to the SCIS database of school library catalogue records. This represents an average of 4,114 new catalogue records being added per month.

SCIS users downloaded a total of 9,949,844 records during that period.

**Edu.au domain**

The edu.au Domain Registrar service issues domain names and provides ongoing domain support to eligible education providers. ESA has been managing and operating the service for domain registrants across all education sectors under contract from auDA (Australian Domain Authority) since September 2012.

As the Domain Registrar, ESA made three submissions to policy reviews of domain administration in Australia – the auDA Policy Review Panel’s issue papers on implementation of Second Level Domain Name Registrations (Direct Registration) and Registrant Policy and the Australian Government Department of Communications and the Arts’ Discussion Paper, *Review of Australia’s .au domain management*.

ESA supported and tested the migration of .edu.au domains to a new registry operator as part of auDA’s Registry Transformation Project, which saw the entire .au space migrated to a new registry.

ESA also took on the role of providing secretariat support to the edu.au Domain Administration Committee (eDAC).

Domain registrations increased by 2 per cent over the year to 16,880 as at 30 June 2018.

**Corporate Responsibility**

Education Services Australia continually monitors and reviews its financial and business policies, processes and practices, overseen by the Board and the Finance, Risk and Audit Committee.

**Enhancing our impact**

The ESA Letter of Expectation states that ‘ESA has an important role in supporting the development and delivery of Education Council reforms as a leading service provider for the education sector in Australia’. *Enhancing Our Impact: ESA Strategic Plan 2018–2020*, approved by the Board in February 2018, acknowledges the trust shown by ministers in giving the company this role, and seeks to build on ESA’s reputation as a trusted and reliable partner to make a positive difference to Australian education and the outcomes of Australian students.

The Strategic Plan incorporates and expands upon the ESA *Strategy for Sustainability 2016–2021*, with the aim of continuing to work with ESA’s stakeholders to improve its services and contribute to educational outcomes in a sustainable way.

Five strategic pillars provide both support and strength for achieving ESA’s strategic objectives and focus for strategy execution. Each strategic pillar builds on our core capabilities:

1. Deliver high quality *projects and services*
2. Disseminate *insights* that support decision making
3. Provide leadership in education *information management*
4. Develop and maintain national *education technology platforms* that increase access and improve connectivity
5. Strategically engage stakeholders to establish partnerships that help achieve their goals.
The five strategic pillars of the Strategic Plan are supported by three operational plans that:

1. enable our people to ensure that ESA’s workforce is capable, productive and engaged and that ESA provides a safe workplace

2. build sustainable infrastructure and efficient processes to ensure that ESA manages and allocates resources efficiently and actively pursues environmentally and socially responsible business practices

3. maintain our financial health to ensure that the use and management of ESA’s financial resources support the achievement of the company’s objectives.

People and culture
During the year, ESA undertook a number of initiatives to enhance the capabilities, engagement and productivity of staff.

A series of workshops aimed at improving performance through building strong professional relationships was conducted at executive, senior management and team levels.

A staff engagement survey was conducted in October 2017, with 95 per cent of staff participating. The survey model asked questions based on a set of drivers of two organisational outcomes – employee engagement and staff perceptions about organisational performance.

The results, benchmarked against 200 organisations of similar size, identified the strengths and weaknesses of the company, which were then unpacked in detail in a workshop with the 25 members of the leadership team. These leaders offered further insights and commenced a process of identifying ways of improving ESA’s performance on the lower performing measures.

Following the workshop, team leaders were provided with kits to support discussion of specific results with their individual teams. The leaders then worked with their teams to contribute to the development of strategies and action plans for addressing identified priorities.

The staff engagement survey will be conducted on a cyclical basis to allow ESA to monitor performance over time and to measure the effectiveness of change initiatives.

Staff learning and development was highlighted in the staff engagement survey as an area needing improvement. A working group of self-nominated staff members worked with management to identify areas for learning and development, and activities were planned for 2018. As at 30 June 2018, ESA has delivered learning and development activities on understanding the educational landscape, using Google analytics and conducting professional performance conversations.

Contributing to the conversations on the future of education
Education Services Australia believes that, to fulfil its role as a leading service provider for the education sector, it has an obligation to contribute to national conversations on improving student outcomes and to keep abreast of national and international developments in education and technology.

ESA provided a submission to the Australian Government’s Review to Achieve Educational Excellence in Australian Schools (Gonski Review) and met with the Review Panel. In line with ESA’s Company Object to research, test and develop effective and innovative ICT systems and tools for education, the submission took a forward-looking approach, focusing on three areas where integrating evidence, pedagogy and technology will positively impact student outcomes. The submission also made proposals based on the ESA Operating Principle of leveraging existing investment in resources, tools and infrastructure, where possible.

In March 2018, the CEO travelled to the United States of America to attend and present at the Consortium of School Networks (CoSN) Conference and the UNESCO Global Symposium on Educating for Digital Citizenship. A report was provided to the Board on key learnings from the trip, which related to the use of artificial intelligence in education, the impact and acceptance of EdTech and protecting the privacy and data of children.
ESA’s Deputy-CEO participated in the 2017 Global Education Leaders Partnership (GELP) forum, which focused on the rise of the ‘complex person’ and the emerging and future competencies required of all our young people if they are to thrive in a complex and constantly changing global society.

The GELP forum highlighted the trends and new initiatives in policy frameworks, curriculum, assessment and micro-credentialing towards developing 21st-century skills for learners. The discussions on micro-credentialing and assessment techniques were particularly relevant to ESA’s current work.

ESA contributed to the forum’s student-centred digital panel session, and presented on the evolution of the National Online Learning Services and their development towards supporting formative assessment and personalised learning.

**Risk management**

ESA has a risk management policy and framework in place that underpins the risk culture across the company, ensuring that risk management is embedded into all business activities and decision making processes.

A comprehensive review of the policy and framework was undertaken during the year, and the revised ESA Risk Management Policy and Framework was approved by the Board in February 2018. The revised policy now stipulates ESA’s risk appetite for each of six categories of risk and the new framework is better aligned to current best practice, provides greater specificity in regard to expectations and responsibilities in relation to managing risk and applies more rigour to reporting and monitoring.

The new framework also requires that a complete refresh of the corporate risk register be undertaken every three years, in conjunction with the strategic planning cycle. As a new three-year strategic plan was approved this year, the risk register was recreated from scratch to ensure that it reflects the current strategic context of the company.

**Information and data security**

Monitoring the company’s management of information and data security risks is a key focus for ESA, particularly in relation to the Online National Assessment Platform.

Throughout the year the Finance, Risk and Audit Committee monitored key risks and mitigations related to the Assessment Platform. The Board received a comprehensive report at each of its meetings covering strategic and operational matters related to the platform, including advice on the security, disaster recovery and performance testing regime.

ESA achieved Australian Signals Directorate certification for meeting the security standards mandated by the Australian Government Information Security Manual (ISM). In receiving this certification, ESA became only the ninth organisation in Australia to reach this level of compliance with the ISM. The list of certified cloud providers includes some of the world’s largest companies, such as Microsoft and Amazon.

**Privacy management framework**

To ensure that ESA maintains its compliance with privacy obligations under the Privacy Act 1988 and to demonstrate that it is a responsible and trustworthy steward of data, ESA initiated a project to formalise its privacy management approaches by developing:

- a Privacy Management Framework (PMF) that consolidates its privacy practices, procedures and systems
- a Privacy Management Plan (PMP) that will be a road map for the actions needed to implement the elements of the PMF.

ESA engaged a global data protection and privacy consultancy to assist in the development of the PMF and PMP and guide the process of improving ESA’s practices, procedures and systems.
Occupational health and safety
In May 2017, ESA’s Workplace Wellbeing program was launched, focusing on physical activity, healthy eating and social and emotional wellbeing. A key part of the program is a free, annual, individual health check with a qualified health professional, to provide staff with an assessment of their risk for heart-related disease. The first of the program’s health checks was conducted in June 2017, with 46 per cent of staff participating. ESA also received a corporate-level report that highlighted areas of health risk. This report was one of the inputs used to design the 2017–18 Workplace Wellbeing program of activities, which involved:

- providing secure access into the office from the fire stairs to promote physical activity
- introducing standing desks
- providing fruit in the kitchens on a weekly basis, to promote healthy eating choices
- meditation classes – a series of 5 one-hour sessions, to introduce mindfulness
- two information/education sessions on mental health – an in-focus session relating to RUOK Day and a workshop that provided practical strategies for managing energy levels at work, decluttering your mind and switching off
- provision of water bottles to promote water intake, together with a workplace challenge to replace sugary drinks with water for 30 days
- a Nutrition Week morning tea – healthy food and recipes supplied to staff to promote good nutrition
- the 10,000 Step Challenge, a 60-day team challenge to increase average steps walked per day
- a lunchtime walk held during Heart week.

Ninety per cent of staff have participated in at least one of the Workplace Wellbeing activities during the year.

The second annual health check was offered to staff in May 2018, with 39 per cent of staff participating. Comparison of results for the two health checks showed improvement across all areas of physical health. Recommendations from the second health check will again be used to help design the program of activities for 2018–19.

Other well-established OH&S practices continued to be maintained, including provision of information to new starters, workstation checks, annual facilities risk assessment, emergency training, regular maintenance inspections of all equipment and safety fittings, free flu vaccinations, and access to a confidential professional counselling service.

The Board received the Occupational Health and Safety Annual Report for 2017–18, which covered activities undertaken, incidents and other indicators.

Environment report
ESA maintains a strong ethos of environmental responsibility. The company has an Environment Policy, and the Board receives an annual environment report on the previous financial year, which is published on the ESA website.

In March 2012, ESA achieved accreditation as a carbon-neutral company under the Australian Government’s National Carbon Offset Standard (NCOS) scheme. The annual environmental report includes a detailed emissions inventory, which is necessary for maintaining the company’s carbon-neutral status under the NCOS standard.

The ESA Environment Report for 2016–17 was received by the Board at its February 2018 meeting. The company performed better than its 2016–17 target of maintaining its absolute emissions at 2015–16 levels and achieved a reduction both in its total emissions and its emissions per FTE from the previous year.

To maintain ESA’s NCOS accreditation an inventory audit was required for 2016–17. An independent audit was undertaken and the documentation submitted to NCOS, which approved ESA’s ongoing carbon neutral certification.
### Statement of surplus or deficit and other comprehensive income for the year ended 30 June 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project income</td>
<td>33,509,571</td>
<td>31,594,717</td>
</tr>
<tr>
<td>Revenue from subscriptions and services</td>
<td>4,625,959</td>
<td>3,895,787</td>
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<tr>
<td>Other income</td>
<td>1,138,105</td>
<td>1,696,855</td>
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<tr>
<td><strong>Total revenue</strong></td>
<td>39,273,635</td>
<td>37,187,359</td>
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<tr>
<td>Project expenses</td>
<td>(21,984,413)</td>
<td>(17,177,244)</td>
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<td>Subscription expenses</td>
<td>(825,706)</td>
<td>(813,126)</td>
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<td>Employee benefit expenses</td>
<td>(12,525,807)</td>
<td>(12,898,694)</td>
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<tr>
<td>Depreciation and amortisation expenses</td>
<td>(615,496)</td>
<td>(786,011)</td>
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<td>Other expenses</td>
<td>(3,375,454)</td>
<td>(4,501,203)</td>
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<tr>
<td><strong>Total expenditure</strong></td>
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<td>(36,176,278)</td>
</tr>
<tr>
<td>(Deficit) / Surplus before income tax</td>
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<td>1,011,081</td>
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<tr>
<td>Income tax expense</td>
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<td>–</td>
</tr>
<tr>
<td>(Deficit) / Surplus from operations attributable to members of the Company</td>
<td>(53,241)</td>
<td>1,011,081</td>
</tr>
<tr>
<td>Other comprehensive income</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total comprehensive (loss) / income attributable to members of the Company</strong></td>
<td>(53,241)</td>
<td>1,011,081</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 36 to 58 form part of this financial statement.
### Statement of financial position as at 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>24,323,349</td>
<td>28,514,193</td>
</tr>
<tr>
<td>Trade and other receivables</td>
<td>16,738,407</td>
<td>10,862,005</td>
</tr>
<tr>
<td>Financial assets</td>
<td>20,900,000</td>
<td>20,504,664</td>
</tr>
<tr>
<td>Other assets</td>
<td>604,913</td>
<td>659,203</td>
</tr>
<tr>
<td><strong>Total current assets</strong></td>
<td>62,566,669</td>
<td>60,540,065</td>
</tr>
<tr>
<td><strong>Non-current assets</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property, plant and equipment</td>
<td>338,136</td>
<td>418,380</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>1,055,153</td>
<td>958,582</td>
</tr>
<tr>
<td><strong>Total non-current assets</strong></td>
<td>1,393,289</td>
<td>1,376,962</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>63,959,958</td>
<td>61,917,027</td>
</tr>
<tr>
<td><strong>Current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>4,251,892</td>
<td>3,396,143</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>39,398,221</td>
<td>38,264,828</td>
</tr>
<tr>
<td>Provisions</td>
<td>1,890,838</td>
<td>1,821,290</td>
</tr>
<tr>
<td><strong>Total current liabilities</strong></td>
<td>45,540,951</td>
<td>43,482,261</td>
</tr>
<tr>
<td><strong>Non-current liabilities</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Provisions</td>
<td>457,234</td>
<td>419,752</td>
</tr>
<tr>
<td><strong>Total non-current liabilities</strong></td>
<td>457,234</td>
<td>419,752</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>45,998,185</td>
<td>43,902,013</td>
</tr>
<tr>
<td><strong>Net assets</strong></td>
<td>17,961,773</td>
<td>18,015,014</td>
</tr>
<tr>
<td><strong>Equity</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Reserves</td>
<td>5,100,000</td>
<td>3,700,000</td>
</tr>
<tr>
<td>Net contribution from administrative restructure</td>
<td>–</td>
<td>1,418,429</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>12,861,773</td>
<td>12,896,585</td>
</tr>
<tr>
<td><strong>Total equity</strong></td>
<td>17,961,773</td>
<td>18,015,014</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 36 to 58 form part of this financial statement.
## Statement of changes in equity for the year ended 30 June 2018

<table>
<thead>
<tr>
<th></th>
<th>Other contributed equity $</th>
<th>Retained earnings $</th>
<th>Capital reserve $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at 30 June 2016</td>
<td>1,418,429</td>
<td>11,885,504</td>
<td>3,700,000</td>
<td>17,003,933</td>
</tr>
<tr>
<td>Surplus</td>
<td>–</td>
<td>1,011,081</td>
<td>–</td>
<td>1,011,081</td>
</tr>
<tr>
<td>Total comprehensive income for the year</td>
<td>–</td>
<td>1,011,081</td>
<td>–</td>
<td>1,011,081</td>
</tr>
<tr>
<td>Balance at 30 June 2017</td>
<td>1,418,429</td>
<td>12,896,585</td>
<td>3,700,000</td>
<td>18,015,014</td>
</tr>
<tr>
<td>Deficit</td>
<td>–</td>
<td>(53,241)</td>
<td>–</td>
<td>(53,241)</td>
</tr>
<tr>
<td>Total comprehensive loss for the year</td>
<td>–</td>
<td>(53,241)</td>
<td>–</td>
<td>(53,241)</td>
</tr>
<tr>
<td>Transfers to retained earnings</td>
<td>(18,429)</td>
<td>18,429</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Transfers to capital reserve</td>
<td>(1,400,000)</td>
<td>–</td>
<td>1,400,000</td>
<td>–</td>
</tr>
<tr>
<td>Balance 30 June 2018</td>
<td>–</td>
<td>12,861,773</td>
<td>5,100,000</td>
<td>17,961,773</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 36 to 58 form part of this financial statement.
Statement of cash flows for the year ended 30 June 2018

<table>
<thead>
<tr>
<th>Note</th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>17(a)</td>
<td>(4,127,535)</td>
<td>715,108</td>
</tr>
<tr>
<td>17(b)</td>
<td>24,323,349</td>
<td>28,514,193</td>
</tr>
</tbody>
</table>

The accompanying notes on pages 36 to 58 form part of this financial statement.
Notes to the financial statements for the financial year ended 30 June 2018

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  Lease commitments
13  Members’ guarantee
14  Remuneration of Directors and executives
15  Remuneration of auditors
16  Subsequent events
17  Notes to the statement of cash flows
18  Related party transactions
19  Contingent liabilities
20  Financial instruments
21  Adoption of new and revised accounting standards
22  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
This general purpose financial report has 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 2018; the comparative information presented in these financial statements is for the year ended 30 June 2017.
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) Bad debts
Provision is made for debts that are outstanding beyond 60 days with the exception of project-related debtors. All amounts receivable from project grants were assessed to be recoverable. All of the Company’s receivables have been reviewed for indicators of impairment.

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 Company 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 net 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
Leases are classified as finance leases whenever the terms of the lease transfer all the substantial risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Operating leases
Payments made under operating leases are expensed on a straight-line basis over the term of the lease, except where an alternative basis is more representative of the pattern of benefits derived from the leased property.
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
Investments are recognised and derecognised on trade date where purchase or sale of an investment is under a contract whose terms require delivery of the investment within the timeframe established by the market concerned, and are initially measured at fair value, net of transaction costs.

Management determines the classification of its investments at initial recognition. The classification depends on the purpose for which the investments were acquired. The Company currently holds investments classified as held-to-maturity, in the form of Term Deposits.

Loans and receivables
Loans and receivables are non-derivative financial assets with fixed determinable payments that are not quoted in an active market and are stated at amortised cost using the effective interest rate method.

Assets held to maturity
Where the Company has the positive intent and ability to hold investments to maturity, they are stated at amortised cost less impairment losses.

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 under the relevant contracts. In most of the Company’s projects, the performance obligations are satisfied over time, using input methods.

Subscription revenue is recognised evenly across the period of the subscription.

Interest revenue is recognised on a time-proportionate basis that takes into account the effective yield on the financial asset.

Income from the sale of goods and the disposal of other assets is recognised when the Company has passed control of the goods or other assets to the buyer.

Royalty income is recognised as earned.

Income of $535,314 (2017: $600,158) from the contract to manage the edu.au domain registry is recognised on a cash basis.

1(k) Make-good provision
Provisions are recognised when the company has a legal or constructive obligation, as a result of past events, for which it is probable that an outflow of economic benefits will result and that outflow can be reliably measured.

The Company holds lease agreements to occupy premises at levels 5 and 6, 440 Collins Street, Melbourne and 31 Pelham Street, Carlton. These leases contain clauses to make-good on the Company vacating the premises. These costs include the costs of dismantling and removing an asset and restoring the site on which the asset was created, together with recognition of a provision at present value in accordance with AASB 137 ‘Provisions, Contingent Liabilities and Contingent Assets’.

1(l) Non-current physical assets
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.

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:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements</td>
<td>10 years</td>
<td>10 years</td>
</tr>
<tr>
<td>Plant and equipment</td>
<td>3 years</td>
<td>3 years</td>
</tr>
<tr>
<td>Fixtures and fittings</td>
<td>10 years</td>
<td>10 years</td>
</tr>
</tbody>
</table>

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:

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Business software</td>
<td>5 years</td>
<td>5 years</td>
</tr>
</tbody>
</table>

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) Grants in advance
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 2018 amounts shown as other 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 – 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 – doubtful debts provision

Receivables in respect of subscription sales outstanding in excess of 60 days were deemed to be impaired and a provision of $21,206 (2017: $15,909) has been recorded accordingly. All amounts receivable from project grants were assessed to be recoverable.

Key judgements – make-good provision

On the 1st of February 2017 the Company commenced a new lease agreement for levels 5 and 6, 440 Collins Street, Melbourne. The previous lease included levels 5, 6 and 7. This resulted in a make good payment of $179,152 and a write back of $20,864. The new lease agreement states an updated make-good figure. This figure was used as the basis for the provision shown in the statement of financial position. The make-good provision for the level 3, 31 Pelham Street, Carlton, Melbourne premise is based on an amount that has been agreed with the Landlord.

1(r) Rounding of amounts

Amounts in the financial statements have been rounded to the nearest dollar.
## 2. Results from operations

### 2(a) Revenue

<table>
<thead>
<tr>
<th></th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project income</td>
<td>33,509,571</td>
<td>31,594,717</td>
</tr>
<tr>
<td><strong>Subtotal – project income</strong></td>
<td><strong>33,509,571</strong></td>
<td><strong>31,594,717</strong></td>
</tr>
<tr>
<td>Schools Cataloguing Information Service subscriptions</td>
<td>3,338,457</td>
<td>3,239,598</td>
</tr>
<tr>
<td>Myfuture subscriptions</td>
<td>444,443</td>
<td>514,285</td>
</tr>
<tr>
<td>Other subscriptions and services</td>
<td>843,059</td>
<td>141,904</td>
</tr>
<tr>
<td><strong>Subtotal – revenue from subscriptions and services</strong></td>
<td><strong>4,625,959</strong></td>
<td><strong>3,895,787</strong></td>
</tr>
<tr>
<td>Royalties</td>
<td>53,508</td>
<td>61,878</td>
</tr>
<tr>
<td>Interest – Cash &amp; Cash equivalents</td>
<td>256,194</td>
<td>350,099</td>
</tr>
<tr>
<td>Interest – Financial Assets</td>
<td>501,275</td>
<td>682,433</td>
</tr>
<tr>
<td>Other</td>
<td>327,128</td>
<td>436,434</td>
</tr>
<tr>
<td>Sub-lease rental income</td>
<td>–</td>
<td>166,011</td>
</tr>
<tr>
<td><strong>Subtotal – other income</strong></td>
<td><strong>1,138,105</strong></td>
<td><strong>1,696,855</strong></td>
</tr>
<tr>
<td><strong>Total revenue</strong></td>
<td><strong>39,273,635</strong></td>
<td><strong>37,187,359</strong></td>
</tr>
</tbody>
</table>

### 2(b) Expenditure

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

<table>
<thead>
<tr>
<th></th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Project expenses</td>
<td>(21,984,413)</td>
<td>(17,177,244)</td>
</tr>
<tr>
<td>Subscription expenses</td>
<td>(825,706)</td>
<td>(813,126)</td>
</tr>
<tr>
<td>Employee benefit expenses</td>
<td>(12,525,807)</td>
<td>(12,898,694)</td>
</tr>
<tr>
<td>Depreciation and amortisation expenses</td>
<td>(615,496)</td>
<td>(786,008)</td>
</tr>
<tr>
<td>Administration and secretariat expenses</td>
<td>(1,759,245)</td>
<td>(1,885,341)</td>
</tr>
<tr>
<td>Occupancy expenses</td>
<td>(982,518)</td>
<td>(1,376,065)</td>
</tr>
<tr>
<td>IT maintenance and services expenses</td>
<td>(633,691)</td>
<td>(1,235,979)</td>
</tr>
<tr>
<td>Loss on disposal of property, plant and equipment</td>
<td>–</td>
<td>(3,821)</td>
</tr>
<tr>
<td><strong>Total expenditure</strong></td>
<td><strong>(39,326,876)</strong></td>
<td><strong>(36,176,278)</strong></td>
</tr>
<tr>
<td><strong>(Deficit) / Surplus from operations</strong></td>
<td><strong>(53,241)</strong></td>
<td><strong>1,011,081</strong></td>
</tr>
</tbody>
</table>
### 3. Trade and other receivables

<table>
<thead>
<tr>
<th></th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project receivables</td>
<td>16,438,680</td>
<td>9,851,171</td>
</tr>
<tr>
<td>Other receivables</td>
<td>320,933</td>
<td>1,026,743</td>
</tr>
<tr>
<td>Allowance for doubtful debts</td>
<td>(21,206)</td>
<td>(15,909)</td>
</tr>
<tr>
<td><strong>Total trade and other receivables</strong></td>
<td>16,738,407</td>
<td>10,862,005</td>
</tr>
</tbody>
</table>

**Doubtful debts movement**

<table>
<thead>
<tr>
<th></th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the financial year</td>
<td>(15,909)</td>
<td>(14,073)</td>
</tr>
<tr>
<td>Reduction / (increase) in provision</td>
<td>(5,297)</td>
<td>(1,836)</td>
</tr>
<tr>
<td><strong>Balance at end of the financial year</strong></td>
<td>(21,206)</td>
<td>(15,909)</td>
</tr>
</tbody>
</table>

At 30 June 2018 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

<table>
<thead>
<tr>
<th></th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments in Term Deposits held to maturity</td>
<td>20,900,000</td>
<td>20,504,664</td>
</tr>
<tr>
<td><strong>Total current financial assets</strong></td>
<td>20,900,000</td>
<td>20,504,664</td>
</tr>
<tr>
<td><strong>Total financial assets</strong></td>
<td>20,900,000</td>
<td>20,504,664</td>
</tr>
</tbody>
</table>

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 Australians banks. At 30 June 2018, $3,000,000 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

<table>
<thead>
<tr>
<th></th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Prepayments</td>
<td>343,855</td>
<td>330,754</td>
</tr>
<tr>
<td>Accrued revenue</td>
<td>261,058</td>
<td>328,449</td>
</tr>
<tr>
<td><strong>Total other assets</strong></td>
<td>604,913</td>
<td>659,203</td>
</tr>
</tbody>
</table>
6. Property, plant and equipment

<table>
<thead>
<tr>
<th></th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Leasehold improvements at cost</td>
<td>2,522,504</td>
<td>2,522,504</td>
</tr>
<tr>
<td>Accumulated depreciation &amp; amortisation</td>
<td>(2,522,504)</td>
<td>(2,426,083)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>–</td>
<td>96,421</td>
</tr>
<tr>
<td>Fixtures and fittings at cost</td>
<td>387,951</td>
<td>387,951</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(327,359)</td>
<td>(315,735)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>60,592</td>
<td>72,216</td>
</tr>
<tr>
<td>Plant and equipment at cost</td>
<td>3,472,137</td>
<td>3,318,156</td>
</tr>
<tr>
<td>Accumulated depreciation</td>
<td>(3,194,593)</td>
<td>(3,068,413)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>277,544</td>
<td>249,743</td>
</tr>
<tr>
<td><strong>Total property, plant and equipment</strong></td>
<td>338,136</td>
<td>418,380</td>
</tr>
</tbody>
</table>

**Movement in carrying amounts**

<table>
<thead>
<tr>
<th></th>
<th>Leasehold improvements $</th>
<th>Fixtures and fittings $</th>
<th>Plant and equipment $</th>
<th>Total $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of year 1 July 2016</td>
<td>336,014</td>
<td>84,965</td>
<td>115,867</td>
<td>536,846</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>–</td>
<td>238,959</td>
<td>238,959</td>
</tr>
<tr>
<td>Disposals</td>
<td>–</td>
<td>–</td>
<td>(4,484)</td>
<td>(4,484)</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(239,593)</td>
<td>(12,749)</td>
<td>(100,599)</td>
<td>(352,941)</td>
</tr>
<tr>
<td><strong>Carrying amount at end of year 30 June 2017</strong></td>
<td><strong>96,421</strong></td>
<td><strong>72,216</strong></td>
<td><strong>249,743</strong></td>
<td><strong>418,380</strong></td>
</tr>
<tr>
<td>Balance at beginning of year 1 July 2017</td>
<td>96,421</td>
<td>72,216</td>
<td>249,743</td>
<td>418,380</td>
</tr>
<tr>
<td>Additions</td>
<td>–</td>
<td>–</td>
<td>117,363</td>
<td>117,363</td>
</tr>
<tr>
<td>Disposals</td>
<td>–</td>
<td>–</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Depreciation expense</td>
<td>(96,421)</td>
<td>(11,624)</td>
<td>(89,562)</td>
<td>(197,607)</td>
</tr>
<tr>
<td><strong>Carrying amount at end of year 30 June 2018</strong></td>
<td>–</td>
<td><strong>60,592</strong></td>
<td><strong>277,544</strong></td>
<td><strong>338,136</strong></td>
</tr>
</tbody>
</table>
7. Intangible assets

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Capital Projects WIP</td>
<td>$1,000,095</td>
<td>$536,625</td>
</tr>
<tr>
<td>Business software at cost</td>
<td>$3,817,979</td>
<td>$3,766,990</td>
</tr>
<tr>
<td>Accumulated amortisation</td>
<td>($3,762,921)</td>
<td>($3,345,033)</td>
</tr>
<tr>
<td><strong>Total intangible assets</strong></td>
<td><strong>$1,055,153</strong></td>
<td><strong>$958,582</strong></td>
</tr>
</tbody>
</table>

**Movement in carrying amounts**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the financial year</td>
<td>$958,582</td>
<td>$828,198</td>
</tr>
<tr>
<td>Additions</td>
<td>$514,460</td>
<td>$563,451</td>
</tr>
<tr>
<td>Amortisation expense</td>
<td>($417,889)</td>
<td>($433,067)</td>
</tr>
<tr>
<td><strong>Carrying amount at the end of the financial year</strong></td>
<td><strong>$1,055,153</strong></td>
<td><strong>$958,582</strong></td>
</tr>
</tbody>
</table>

8. Trade and other payables

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade and other payables</td>
<td>$3,375,722</td>
<td>$3,382,463</td>
</tr>
<tr>
<td>ATO – GST</td>
<td>$876,170</td>
<td>$13,680</td>
</tr>
<tr>
<td><strong>Total trade and other payables</strong></td>
<td><strong>$4,251,892</strong></td>
<td><strong>$3,396,143</strong></td>
</tr>
</tbody>
</table>

At 30 June 2018 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

<table>
<thead>
<tr>
<th></th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project funds in advance</td>
<td>$37,031,452</td>
<td>$35,771,690</td>
</tr>
<tr>
<td>Subscriptions received in advance</td>
<td>$2,366,769</td>
<td>$2,493,138</td>
</tr>
<tr>
<td><strong>Total other liabilities</strong></td>
<td><strong>$39,398,221</strong></td>
<td><strong>$38,264,828</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits – annual leave</td>
<td>811,730</td>
<td>808,268</td>
</tr>
<tr>
<td>Employee benefits – long service leave</td>
<td>586,958</td>
<td>537,058</td>
</tr>
<tr>
<td>Employee benefits – salaries and wages</td>
<td>492,150</td>
<td>475,964</td>
</tr>
<tr>
<td><strong>Total current provisions</strong></td>
<td>1,890,838</td>
<td>1,821,290</td>
</tr>
<tr>
<td><strong>Non-current</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Employee benefits – long service leave</td>
<td>268,082</td>
<td>230,600</td>
</tr>
<tr>
<td>Make good on premises</td>
<td>189,152</td>
<td>189,152</td>
</tr>
<tr>
<td><strong>Total non-current provisions</strong></td>
<td>457,234</td>
<td>419,752</td>
</tr>
<tr>
<td><strong>Total provisions</strong></td>
<td>2,348,072</td>
<td>2,241,042</td>
</tr>
</tbody>
</table>

#### 10(a) Make-good provision

<table>
<thead>
<tr>
<th></th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Balance at beginning of the financial year</td>
<td>189,152</td>
<td>389,168</td>
</tr>
<tr>
<td>Make good payment</td>
<td>–</td>
<td>(179,152)</td>
</tr>
<tr>
<td>Make good write back</td>
<td>–</td>
<td>(20,864)</td>
</tr>
<tr>
<td><strong>Balance at end of the financial year</strong></td>
<td>189,152</td>
<td>189,152</td>
</tr>
</tbody>
</table>
11. Reserves

<table>
<thead>
<tr>
<th></th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Capital reserve</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Balance at beginning of the financial year</td>
<td>3,700,000</td>
<td>3,700,000</td>
</tr>
<tr>
<td>Transfer from other contributed equity</td>
<td>1,400,000</td>
<td>–</td>
</tr>
<tr>
<td><strong>Balance at end of the financial year</strong></td>
<td>5,100,000</td>
<td>3,700,000</td>
</tr>
</tbody>
</table>

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 Directors resolved to increase the capital reserve, to reflect their expectations of the current and future needs of the Company. The increase was achieved by combining the existing capital reserve and other contributed equity. As set out in the statement of changes in equity, the balance of the other contributed equity was transferred to retained earnings.

12. Lease commitments

**Operating leases**

Operating leases relate to the tenancies at levels 5 and 6 at 440 Collins Street Melbourne & level 3 31 Pelham Street Carlton. The facilities have remaining lease terms of less than 5 years. The Company does not have an option to purchase the leased asset at the expiry of the lease period.

<table>
<thead>
<tr>
<th></th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Non-cancellable operating leases</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Not longer than 1 year</td>
<td>705,981</td>
<td>797,833</td>
</tr>
<tr>
<td>Longer than 1 year and not longer than 5 years</td>
<td>1,825,468</td>
<td>2,531,449</td>
</tr>
<tr>
<td>Longer than 5 years</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td><strong>Total non-cancellable operating leases</strong></td>
<td>2,531,449</td>
<td>3,329,282</td>
</tr>
</tbody>
</table>

13. 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.
14. 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).

<table>
<thead>
<tr>
<th>Remuneration</th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short-term employee benefits – executives</td>
<td>1,537,422</td>
<td>1,488,977</td>
</tr>
<tr>
<td>Termination - benefits - executives</td>
<td>35,536</td>
<td>–</td>
</tr>
<tr>
<td>Directors’ remuneration</td>
<td>145,521</td>
<td>138,040</td>
</tr>
<tr>
<td><strong>Total remuneration of Directors and executives</strong></td>
<td><strong>1,718,479</strong></td>
<td><strong>1,627,017</strong></td>
</tr>
</tbody>
</table>

15. Remuneration of auditors

<table>
<thead>
<tr>
<th>Remuneration</th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td>Audit of the financial report</td>
<td>51,500</td>
<td>50,750</td>
</tr>
<tr>
<td>Other audit services</td>
<td>6,000</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Total auditor remuneration</strong></td>
<td><strong>57,500</strong></td>
<td><strong>75,750</strong></td>
</tr>
</tbody>
</table>

16. Subsequent events

There were no subsequent events.

The financial report was authorised for issue by the Board of Directors on the 11th day of October 2018.
17. Notes to the statement of cash flows

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

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>(Deficit) / Surplus for the year</td>
<td>(53,241)</td>
<td>1,011,081</td>
</tr>
<tr>
<td>Loss on sale or disposal of non-current assets</td>
<td>–</td>
<td>3,821</td>
</tr>
<tr>
<td>Reclassify interest as investing cashflow</td>
<td>(963,850)</td>
<td>(928,322)</td>
</tr>
<tr>
<td>Depreciation and amortisation expenses</td>
<td>615,496</td>
<td>786,008</td>
</tr>
<tr>
<td><strong>Net result after adjustments</strong></td>
<td>(401,595)</td>
<td>872,588</td>
</tr>
</tbody>
</table>

Changes in net assets and liabilities

**(Increase) or decrease in assets**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other receivables</td>
<td>(5,876,402)</td>
<td>351,344</td>
</tr>
<tr>
<td>Other assets</td>
<td>54,290</td>
<td>(125,611)</td>
</tr>
</tbody>
</table>

**Increase or (decrease) in liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Trade and other payables</td>
<td>855,749</td>
<td>(642,487)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>1,133,393</td>
<td>520,667</td>
</tr>
<tr>
<td>Current provisions</td>
<td>69,548</td>
<td>(129,051)</td>
</tr>
<tr>
<td>Non-current provisions</td>
<td>37,482</td>
<td>(132,342)</td>
</tr>
<tr>
<td><strong>Net cash (used in) / provided by operating activities</strong></td>
<td>(4,127,535)</td>
<td>715,108</td>
</tr>
</tbody>
</table>

17(b) Cash and cash equivalents

<table>
<thead>
<tr>
<th>Description</th>
<th>2018</th>
<th>2017</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash on hand</td>
<td>–</td>
<td>1,100</td>
</tr>
<tr>
<td>Cash at bank</td>
<td>24,323,349</td>
<td>28,513,093</td>
</tr>
<tr>
<td><strong>Total cash and cash equivalents</strong></td>
<td>24,323,349</td>
<td>28,514,193</td>
</tr>
</tbody>
</table>
18. Related party transactions

The members of the company are the Commonwealth, state and territory education Ministers, by virtue of their positions. The Australian Government education department and all state and territory government education departments, are represented on the Company’s Board by an Australian Education Senior Officials Committee (AESOC) nominee. These governments can therefore exert significant influence over the Company. Of the Company’s total revenue, 93 per cent (2017: 92 per cent) was earned from government departments. All transactions relating to organisations in which Directors are employed are completed at arm’s length and Directors cannot personally benefit from these transactions.

In addition, the Australian Government Minister for Education and Training, one of the members of the Company, is also the sole member of the Australian Curriculum Assessment and Reporting Authority (ACARA) and of the Australian Institute for Teaching and School Leadership (AITSL).

Of the Company’s total revenue, 0.2 per cent (2017: 1 per cent) was earned from ACARA and AITSL combined.

19. Contingent liabilities

The Company has provided a registered mortgage debenture over its assets in respect of security on the leasehold properties at levels 5 and 6 at 440 Collins Street Melbourne.

<table>
<thead>
<tr>
<th>Bank guarantee – tenancy lease Collins St, Melbourne</th>
<th>2018 $</th>
<th>2017 $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>700,000</td>
<td>700,000</td>
</tr>
<tr>
<td><strong>Total contingent liabilities</strong></td>
<td><strong>700,000</strong></td>
<td><strong>700,000</strong></td>
</tr>
</tbody>
</table>
20. Financial instruments

20(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.

20(b) Categorisation of financial instruments

<table>
<thead>
<tr>
<th>Note</th>
<th>Category</th>
<th>Carrying amount 2018</th>
<th>Carrying amount 2017</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td>Financial assets</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>3</td>
<td>Loans and receivables (at amortised cost)</td>
<td>16,738,407</td>
</tr>
<tr>
<td>Financial assets</td>
<td>4</td>
<td>Held-to-maturity investments (at cost)</td>
<td>20,900,000</td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td>Trade and other payables (at amortised cost)</td>
<td>4,251,892</td>
</tr>
</tbody>
</table>

20(c) Credit risk
Credit risk arises from the financial assets of the Company, which comprise cash and cash equivalents, trade and other receivables, and investments held to maturity. 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.
20(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 provided for doubtful debts amounting to $21,206 (2017: $15,909). 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

<table>
<thead>
<tr>
<th></th>
<th>Not past due and not impaired</th>
<th>Past due but not impaired</th>
<th>Impaired financial assets</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>less than 1 month</td>
<td>1–3 months</td>
<td>3–12 months</td>
<td></td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project receivables</td>
<td>8,335,602</td>
<td>7,913,586</td>
<td>62,226</td>
<td>16,438,680</td>
</tr>
<tr>
<td>Other receivables</td>
<td>109,337</td>
<td>45,351</td>
<td>31,543</td>
<td>320,933</td>
</tr>
<tr>
<td>Total</td>
<td>29,344,939</td>
<td>7,958,937</td>
<td>93,769</td>
<td>37,659,613</td>
</tr>
<tr>
<td>Other financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments held to maturity</td>
<td>20,900,000</td>
<td></td>
<td></td>
<td>20,900,000</td>
</tr>
<tr>
<td>Total</td>
<td>23,228,885</td>
<td>8,137,750</td>
<td>–</td>
<td>31,382,578</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Receivables</td>
<td>1,713,387</td>
<td>8,137,750</td>
<td>–</td>
<td>9,851,171</td>
</tr>
<tr>
<td>Other receivables</td>
<td>1,010,834</td>
<td>–</td>
<td>–</td>
<td>1,026,743</td>
</tr>
<tr>
<td>Total</td>
<td>23,228,885</td>
<td>8,137,750</td>
<td>–</td>
<td>31,382,578</td>
</tr>
<tr>
<td>Other financial assets</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments held to maturity</td>
<td>20,504,664</td>
<td></td>
<td></td>
<td>20,504,664</td>
</tr>
<tr>
<td>Total</td>
<td>23,228,885</td>
<td>8,137,750</td>
<td>–</td>
<td>31,382,578</td>
</tr>
</tbody>
</table>
20(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 capital reserve of $5,100,000 represents the working capital requirements.

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 investments held to maturity.

Maximum exposure to liquidity risk is the carrying amounts of financial liabilities.

Maturity analysis of financial liabilities

<table>
<thead>
<tr>
<th></th>
<th>Not past due</th>
<th>Maturity dates</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>$</td>
<td>$</td>
<td>$</td>
</tr>
<tr>
<td></td>
<td>less than 1 month</td>
<td>1–3 months</td>
<td>3–12 months</td>
</tr>
<tr>
<td>2018</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>4,130,031</td>
<td>31,461</td>
<td>90,400</td>
</tr>
<tr>
<td>Total</td>
<td>4,130,031</td>
<td>31,461</td>
<td>90,400</td>
</tr>
<tr>
<td>2017</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Financial liabilities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Payables</td>
<td>3,289,872</td>
<td>17,881</td>
<td>86,786</td>
</tr>
<tr>
<td>Total</td>
<td>3,289,872</td>
<td>17,881</td>
<td>86,786</td>
</tr>
</tbody>
</table>
20(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

<table>
<thead>
<tr>
<th>Interest rate exposure</th>
<th>Carrying amount</th>
<th>Interest rate exposure</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Fixed interest rate</td>
<td>Variable interest rate</td>
</tr>
<tr>
<td><strong>2018</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and cash equivalents</td>
<td>1.84</td>
<td>24,323,349</td>
</tr>
<tr>
<td>Receivables</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project receivables</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other receivables</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Other financial assets</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investments held to maturity</td>
<td>2.23</td>
<td>20,900,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>61,961,762</td>
<td>20,900,000</td>
</tr>
</tbody>
</table>

| **2017**                |                 |                        |                       |
| Cash                   |                 |                        |                       |
| Cash and cash equivalents | 2.04           | 28,513,093             | 28,513,093            | 1,100 |
| Receivables            |                 |                        |                       |
| Project receivables     | –               | –                      | 9,851,171             |
| Other receivables       | –               | –                      | 1,010,834             |
| Other financial assets  |                 |                        |                       |
| Investments held to maturity | 3.08         | 20,504,664             | 20,504,664            |
| **Total**              | 59,880,862      | 20,504,664             | 28,513,093            | 10,863,105 |

* Weighted-average effective interest rate.
Interest rate exposure analysis of financial liabilities

<table>
<thead>
<tr>
<th>Interest rate*</th>
<th>Carrying amount $</th>
<th>Interest rate exposure $</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Fixed interest rate</td>
</tr>
</tbody>
</table>

2018
Financial liabilities
Payables
- 4,251,892
Total
- 4,251,892

2017
Financial liabilities
Payables
- 3,396,143
Total
- 3,396,143

* 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

<table>
<thead>
<tr>
<th>Carrying amount $</th>
<th>Interest rate risk</th>
<th>2.00% (200 basis points)</th>
<th>2.00% (200 basis points)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Net result</td>
<td>Equity</td>
<td>Net result</td>
</tr>
</tbody>
</table>

2018
Financial assets
Cash at bank
24,323,349 (486,467) (486,467) 486,467 486,467
Total increase/(decrease)
(486,467) (486,467) 486,467 486,467

2017
Financial assets
Cash at bank
28,513,093 (570,262) (570,262) 570,262 570,262
Total increase/(decrease)
(570,262) (570,262) 570,262 570,262
20(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 that 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.

21. Adoption of new and revised accounting standards
The Company has adopted all of the new, revised or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board, which are mandatory for the current reporting period.

The adoption of these Accounting Standards and Interpretations did not have any impact on the financial performance of the Company.

Australian Accounting Standards and Interpretations that have recently been issued or amended but are not yet mandatory have not been adopted by the Company for the reporting period ending 30 June 2018. The Company does not plan to adopt these standards early and the extent of the impact has not been determined.

22. Company details
The Company’s registered office is level 5, 440 Collins Street, Melbourne. The Company operates its business from level 5, 440 Collins Street, Melbourne and level 3, 31 Pelham Street, Carlton, Melbourne.
Directors’ declaration

The Directors declare that:

1. The financial statements and notes for Education Services Australia Limited as set out on pages 32 to 50 of this annual report 2017–18 have been prepared 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 2018 and of its performance for the financial year ended on that date; and
   b. complying with the Australian Accounting Standards (including Australian Accounting Interpretations) and the Australian Charities and Not-for-profits Commission Act 2012.

2. 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.

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 the 11th day of October 2018
Auditor’s report

Independent Auditor’s Report

To the Members of Education Services Australia Limited

Report on the audit of the financial report

Opinion

We have audited the financial report of Education Services Australia Limited (the Company), which comprises the statement of financial position as at 30 June 2018, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of 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 of the Education Services Australia Limited:

a presents fairly, in all material respects, the Company’s financial position as at 30 June 2018 and of its performance and cash flows for the year then ended in accordance with the accounting policies described in Note 1; and

b complies with Australian Accounting Standards 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 (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 auditor’s report thereon

The Directors are responsible for the other information. The other information comprises the information included in the Company’s annual report for the year ended 30 June 2018, 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 accordingly 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial report

The Directors of the Company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and then Australian Charities and Not-for-profits Commission Act 2012. This responsibility also includes such internal controls as the Directors determine are necessary to enable the preparation of the financial report that 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 the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Directors are responsible for overseeing the Company’s financial reporting process.

Auditor’s responsibilities for the audit of the financial report

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 the 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 the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor’s report.

Grant Thornton Audit Pty Ltd
Chartered Accountants

S C Trivett
Partner – Audit & Assurance

Melbourne, 11 October 2018
Appendix 1: Letter of Expectation July 2016 – June 2018

5 December 2016

The Board of Directors
Education Services Australia Ltd
Level 5, 440 City Road
Melbourne VIC 3000

Dear Directors,

EDUCATION SERVICES AUSTRALIA (ESA) LETTER OF EXPECTATION JULY 2016 – JUNE 2018

I am writing on behalf of the Council of Australian Governments (CAGS) Education Council (the Council), a company owning Education Services Australia Ltd (ESA), to set out the Council's promises and expectations for ESA during the 2016-17 and 2017-18 financial years.

PURPOSE

This Letter of Expectation is an agreement between the Council and ESA. It defines the roles and responsibilities of ESA and sets out the Council’s high-level performance expectations and strategic priorities for the Company. It will be reviewed termly and updated as required in line with the previous Letters of Expectation.

This Letter of Expectation should inform the development of ESA's corporate and strategic plans. Any annual reporting from ESA should be consistent with this letter.

CONTEXT

This Letter of Expectation is developed with the following context in mind to inform the work priorities of ESA:

The Education Council was established on 1 July 2016 to assist COAG through national collaborative action to improve educational outcomes for all Australians across all stages of the learning and development lifecycle. The Council works across early childhood education and care, primary and secondary education, including vocational education and training (VET) as well as tertiary education, schools, higher education, and international education. For the purpose of this Letter of Expectation, any reference to the education sector also encompasses early childhood education and care.

The Council is responsible for progressing national education reforms including the development and delivery of an Australian Curriculum, promoting quality teaching and school leadership, promoting improved outcomes for Aboriginal students and addressing equity and disadvantage in the education and care system.

The Council is also responsible for ensuring that performance information is in place to monitor education attainment and learning outcomes and address any data gaps. All Australian Governments are currently undertaking initiatives to support the effective integration of Information and Communication Technologies (ICT) into teaching and learning to support these reforms.
The modernised companies and authorities that comprise the national education architecture are integral to this reform agenda. The Australian Curriculum Assessment and Reporting Authority (ACARA) is responsible for developing the Australian Curriculum, implementing national frameworks for assessment, which include accountability frameworks, in the transition to online assessment, and reporting on educational outcomes. The Australian Institute for Teaching and School Leadership (AITSL) has a leadership role in high-quality initiatives. The Australian Council on Educational and Care Quality Authority (ACECQA) is responsible for supporting states and territories in the implementation of the National Quality Framework for early childhood education and care and school agencies.

ESA has an important role in supporting the development and delivery of the COOG reform agenda as a leading service provider for the education sector in Australia and in supporting the other modernised companies and authorities in their work.

Given the broadened Council’s scope, ESA should also take the opportunity to offer its services, where appropriate, to the higher education and vocational education and training sector and other areas of intersection between the education sectors in progressing priority work. ESA should also foster opportunities where relevant to contribute to the Council’s objective to reduce or remove regulatory burden and improve access, where appropriate, for individuals early childhood and school community organisations, education institutions and businesses.

OPERATING PRINCIPLES

The Education Council expects ESA to operate in accordance with the following five principles:

- Innovation and Quality: ESA should deliver high-quality and innovative products and services and continuously work towards incorporating engagement metrics to meet the requirements of the education sector in implementing the Council’s reforms.

- Engagement: ESA should engage closely with all education systems, bodies that form part of the national education and training, and other appropriate individual providers in the education sector to determine the sector’s requirements as consumers and also ensure that ESA products and services are aligned with these requirements and do not create any service delivery issues by jurisdictions.

- Leveraging existing capital: Wherever possible, ESA should seek to leverage existing investments in research, tools, and infrastructure that is either owned nationally or by states or territories, and existing knowledge, expertise, and capacity in organisations and the government education sector where practical and mutually beneficial.

- Efficiency: ESA should ensure products and services are cost-effective and delivered competitively and collaboratively. It should develop products and services to ensure ESA should consider where possible leasing and maintenance arrangements that support long term, sustainability.

- Sustainability: ESA should contribute to the government’s objective to ensure social and financial stability for the education sector to achieve education outcomes across all sectors of education and adult learning.

In performing its role, ESA will:
- operate in accordance with the policies of the Education Council and
- progress advice to the Education Council in accordance with protocols, procedures and/or arrangements agreed to by the Ministerial Council or the Australian Education Sector Officials Committee (AESOC) or the Chair of the Ministerial Council, where applicable.
WORK PRIORITIES

In preparing support for the national education initiatives in this field the Council requested that ESA works in the four priority areas identified under the ESA Company Objectives, in line with the operating principles listed above. These are:

- Researching, testing and developing effective and innovative ICT systems and tools for education in line with national educational priorities
- Developing, delivering and evaluating curricula and assessment, professional development and career and information support services consistent with the work of ACARA, ANSSL, states, territories and other key stakeholders
- Facilitating the pooling sharing and distribution of knowledge, resources and services to support and promote learning across jurisdictions, sectors and internationally
- Ensuring access to quality assured systems and content and interoperability between individuals, groups and systems

KEY PROJECTS & OUTPUTS

Development of an Online National Assessment Platform

In October 2016, the Education Council noted the benefits of moving the National Assessment Program Literacy and Numeracy (NAPLAN) online and agreed that a tender to NAPLAN online would commence from 2017.

The Education Council has made ESA a priority to work on the development of an online NAPLAN Assessment Platform. The platform, in the Preliminary, the platform was delisted and launched on July 4, 2017 and NAPLAN online will provide for other NAPLAN assessments (subject) states and territories making modifications to enable the platform to provide for classroom assessment in the future, subject to further funding being made available.

In undertaking this work, ESA must operate within the governance arrangements, implementation timelines and models agreed by the Council, including working cooperatively with the independent Project Management Office (PMO), established by the Australian Education Service Offering Committee (AESOC), in the request of the Council to coordinate the effective transition to the delivery of NAPLAN online. ESA must also work closely with the National Schools Interoperability Program (NSIP), a Steering Group in ensuring interoperability needs are considered and managed and work within the Privacy Act (1988), and related state and territory privacy legislation.

ESA is expected to deliver:

- The platform and infrastructure development - to design, build and implement the Information Technology (IT) hardware and software systems and infrastructure requirements to create and deliver tests, analyse and generate reports, including overarching work to deliver an updated design scope, budget schedule and risk management plan
- Technical and systems development - to configure, manage and maintain the IT infrastructure and ensure operational requirements are met throughout
- Technical advice and assistance to ACARA, the Online Assessment Working Group (OAWG), and the PMO including but not limited to advice on system requirements, privacy issues and solutions, confidentiality, and technical requirements at the school level.
The Education Council acknowledges the work undertaken to date by ESA in the development, delivery, and support of the online professional learning module that provides guidance and training to teachers, particularly in schools in regional areas to enable them to collect a collection of data on students with a disability.

The Council requests that ESA undertakes further evaluation of, and feedback on, the professional learning module and commits to a plan to support and maintain the module until the end of 2019 and in response to requests from the Australian Government on behalf of the Joint Working Group to Progress Action on Reform for Students with Disability for services beyond this period.

Cross-border Attendance Strategy Central Schools System (CSSS)

The Education Council is responsible for implementing nationally agreed commitments to ensuring educational standards and student achievement for remote and isolated schools and communities. The Council acknowledges the work undertaken by ESA in the development of the CSSS functionality and business processes from Western Australia to ESA, the upgrade of the system and the work with central and regional jurisdictions. The Council acknowledges existing impediments, including privacy considerations, to further jurisdictional participation in the system. While this project, the Council expects ESA to continue to maintain a basic service for central and regional schools until such time as such investments are rolled out through the Council’s Data Strategy Group (if successful).

National Online Learning Services (NOLS) for Australian Teachers, Students and Parents

The Education Council expects that ESA will continue to host and maintain the national digital resources repository, Scootle, and Scootle Community, and back-end support services including technical infrastructure, intellectual property, help desk, and technical accessibility and metadata standards. The Council notes that ESA must continue to provide access to Council on the sustainability of the NOLS beyond the current funding period, which expires at the end of June 2017.

Future Career Information Service

The Education Council acknowledges the work undertaken by ESA in collaboration with interested stakeholders.
and territories to determine a sustainable business model for the maintenance, career information service. The Council expects ESA will continue to manage, host and maintain data to facilitate policy making, with particular consideration given to the ability of additional revenue being generated through sponsorship and subscription opportunities, where appropriate.

Managing Student Identity

It is important Australian students are understood by a comprehensive and robust evidence base, with the ability for governments, sectors and schools to access comparable, longitudinal valid and reliable data for a range of purposes. With this context, the Education Council notes the Australian Government has commissioned ESA to develop a proposed Identity Management System to support the identification of students and data use for the benefit of schools for Australian students. The project is expected to produce a proposal including recommendations at the end of 2017.

National Schools Information Agreement

The Education Council notes the opportunity that better data linkage represents for improved evidence based effectiveness and efficiency in education data management. The context of a national “federation agreement” has emerged as a common theme to support advances in data reporting, protection and accessibility, with a transferability of data across various contexts potentially enhanced through the establishment of standards and master data management with a framework. Currently, with the Australian Government has commissioned ESA to develop a draft National Schools Information Agreement for consultation by the Education Council during 2017.

School Survey System

The Australian Government supported the School Survey System until 30 June 2015. The Education Council notes that ESA has maintained and supported the School Survey System since this time, which includes the nationally agreed curriculum and student-related items that have consultation with the Data Strategy Group and the multi-agency funding stream in Western Australia, South Australia, the Australian Capital Territory, the Northern Territory and Tasmania. ESA expected to work with participating jurisdictions and schools seeking to continue to use this system.

Support for ACARA and AUSLIB

Collaboration between the bodies comprising the federal education architecture is essential for the effective and efficient delivery of ACARA and SALTAC. The Council acknowledges the collaborative environment that has been established by ESA in support of ACARA and AUSLIB.

The Council expects ESA to manage and support the Australian Curriculum website to include new and updated content and resources to ACARA, including collaboration with other jurisdictions and stakeholders, and to ensure any new content is accessible to support the ongoing development of the Australian Curriculum, including the Humanities and English curriculum.

The Council expects ESA to maintain the AUSLIB website and functional site and provide support for new and updates to the website.

The Australian Council notes that ESA has been engaged by a number of organisations, including the Australian Government, to undertake specific projects and activities to support the national education.
reform agenda. While the Council does not have governance responsibility for these activities, they are integral to the achievement of the Council’s remit.

The Council expects ESA to undertake this work within the context of the principles and four priority areas identified in the Letter of Expectation above. These include:

- Enhancing online language learning access for pre-school aged children through the Early Learning Languages Australia Programme
- Developing, producing and hosting content, including resources and support for teachers and students on coding and related concepts, for the Digital Technologies Hub
- Hosting and maintaining the Early Childhood Resource Hub that provides a one-stop-shop to access early childhood materials and information aligned to the National Quality Framework and the implementation of the National Quality Standard
- Supporting the diversity of language teaching and learning, including awareness and promotion of the online Language Learning Station in Chinese, Indonesian and Japanese
- Maintaining and delivering the Improved On-Line Assessment System which provides support for teachers, students and parents
- Hosting, maintaining and refreshing the Safe Distance Plan website, including content, upgrade and augmentation with the National Safe Schools Framework
- Creation of evidence-based classroom resources that focus on building students’ resilience to radicalisation towards violent extremism
- Undertaking a thorough and rapid analysis of specific resources for education, contributing to the development of resources which support respectful relationships education in schools and disengaging and maintaining these resources
- Supporting parents to more effectively engage with their child’s learning by making available a range of online resources and tools for parents
- Developing resources to support the Preparing Secondary Students for Work Framework and the VET and Apprenticeship Tool for schools to improve quality delivery of VET to secondary students and
- Enhancing and improving the provision of seamless access to the national portal Scootle and other national online learning services through single sign-on

Corporate Responsibilities

The Education Council expects that ESA will continue to undertake the following corporate responsibilities (objectives and of which):

- acting as the legal entity for the Education Council as required
- providing financial and IT services as required to the Education Council Secretariat while ensuring that the education independence of the Council Secretariat as set out in the Memorandum of Understanding between ESA and the Secretariat is maintained
- providing support for the Education and Care Services Commissioner, the National Education and Care Services Privacy Commissioner and the National Education and Care Services Prevention of Inappropriate Officer
- ensuring the development and delivery of products and services include Aboriginal and Torres Strait Islander content and perspectives where appropriate, and that ESA includes this element of its work in its progress reports to the Council
CONSULTATION WITH STAKEHOLDERS

In the development and implementation of its projects and activities, the Education Council considers it critical that ESA seeks to engage collaboratively with and gain support from key stakeholders and other bodies such as ACARA, AITS, states, territory and Australian government agencies and the non-government education sector.

To clarify responsibilities in the online assessment context, ESA will enter into a formal agreement with ACARA for the delivery of the National Assessment Program on the national assessment platform as agreed by ACARA. The agreement will cover matters such as the scope of the program, roles and responsibilities of ACARA and ESA, specific deliverables, and performance measures.

A strong collaborative approach to service delivery will have benefits for both ESA and all parts of the education system. From a formative feedback and consultation mechanism to provide planning guidance, project reference groups should be employed for this arrangement and all other engagements. ESA should also engage with the NAPLAN Steering Group on policy, planning and projects to gain advice on maintainability aspects, public engagement, timelines in the planning and digital resources space, cultural agencies and universities, and the broader e-learning industry, including providers of digital tools, resources and infrastructure, where appropriate.

REPORING

The Education Council asks that ESA prepares a Work Plan that builds on the letter of understanding and outlines ESA’s proposed relationship, services and engagements in relation to all relevant work. At a minimum the Work Plan must identify for each project included in the Work Plan an overall priority and who will lead or manage the project, the department, agency, body, budget and resources, commencement and end dates, goals, milestones, and an agreement with ESA’s identified clients as set out in the Community Objectives. The Council requires that ESA provides a revised Work Plan annually before the start of each financial year and every three years as a minimum. The revised Work Plan must identify the project status in relation to the project strategy and how the work is progressing.

The Council requests that ESA prepares an Annual Report that outlines ESA’s activities during the preceding financial year and how these relate to the letter. The Annual Report must be provided no later than 31 January of each financial year unless otherwise agreed.

The Council requests that the Annual Report specifically includes:

- a description of work undertaken with states, territories and other key stakeholders regarding the use of key principles and strategies undertaken to meet these requirements
- details on financial information
- progress against the program of work and
- potential opportunities to leverage and build on existing work led by other key stakeholders and

EDUCATION SERVICES AUSTRALIA ANNUAL REPORT 2017–18
possible future areas of work to pursue to support the national reform agenda subject to agreement by the Australian Government, and States and Territory governments.

ESA must also maintain a separate version of the Annual Report for the ESA website that provides a high-level update on the strategies and financial position of ESA and its work. This report is also to be published on the ESA website.

FUNDING

The Education Council acknowledges the valuable role ESA plays in providing cost-effective services to the Australian Government, and State and Territory Governments and other national agencies given its role by professional and specialised educational ICT expertise. It notes that while ESA does not receive baseline operational funding from Council in the same way as ACARA and AITSI, it does rely on funds from the Council for core national services as well as for Council-approved projects, which is expected to deliver within the agreed funding commitments. The Council also expects ESA to seek opportunities for commissioned work and to provide products and services commercially.

It is expected that ESA will retain and build capacity to respond to opportunities provided by the Council and the Australian Government, State and Territory governments, ACARA, AITSI, ACECQA and other key stakeholders.

CONCLUSION

The Education Council notes the significant achievements of ESA to date in effectively supporting the COAG education reform agenda, particularly in ongoing contributions to delivering national assessment reform, the implementation of the Development of the National Curriculum and the rollout of the Standards Framework for the early childhood and school sectors. ESA's work in this context is critical for improving the quality of education in Australia.
Appendix 2: Strategic Plan 2018-2020

Enhancing our impact: Education Services Australia Strategic plan 2018–2020

ESA’s 2018–2020 strategic objective is to enhance our impact on Australia’s education landscape by contributing to improved student outcomes, enhanced teacher impact and stronger school communities.

Over the next three years, ESA will focus on five interrelated strategic pillars that are enabled by three core capabilities and built on our shared values.

Our strategic statement

We will use our unique combination of education and technology expertise to create and deliver solutions that can be used to improve student outcomes and enhance performance across all education sectors.

Achieving educational excellence in Australian schools requires strategic initiatives delivered at a national scale that provide every Australian student in every school with the opportunity to reach their potential. As Australian education’s national, cross-sector education technology provider, ESA has the relationships, capability and track record to take a leadership position in driving initiatives that achieve this goal.
ESA has demonstrated an ability to combine education and technology expertise to generate and deliver national solutions that further Australia’s education reform agenda and meet the needs of stakeholders across all sectors.

**Our strategic pillars**

Five strategic pillars will provide support and strength for achieving our objectives and provide focus for strategy execution. Each strategic pillar builds on our core capabilities.

1. Deliver high quality projects and services
2. Disseminate insights that support decision making
3. Provide leadership in education information management
4. Develop and maintain national education technology platforms that increase access and improve connectivity
5. Strategically engage stakeholders to establish partnerships that help achieve their goals.

**Our enabling plans**

Our strategic pillars will be supported by three operational plans that:

1. **enable our people** to ensure that ESA’s workforce is capable, productive and engaged and that ESA provides a safe workplace
2. **build sustainable infrastructure and efficient processes** to ensure that ESA manages and allocates resources efficiently and actively pursues environmentally and socially responsible business practices
3. **maintain our financial health** to ensure the use and management of ESA’s financial resources support the achievement of the company’s objectives.

**Measures of our success**

We will measure the success of our strategic plan in terms of the impact we seek. ESA will have successfully executed its strategic plan if our strategic initiatives contribute to improved student outcomes, enhanced teacher impact and stronger school communities as a result of:

- use and impact of projects delivered on behalf of governments
- uptake of products and services offered by ESA
- use of ESA’s shared platforms
- innovative solutions which result in greater efficiencies and effective use of resources
- enhanced approaches to national education information management.