



**Education
Standards
Board**

early childhood to
senior schooling



**Government
of South Australia**

Education Standards Board

(Education and Early Childhood Services
Registration and Standards Board of South Australia)

Annual report 2020–21

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To:

Hon John Gardner MP

Minister for Education

This annual report will be presented to parliament to meet the statutory reporting requirements of the *Education and Early Childhood Services (Registration and Standards) Act 2011* (SA) and *Public Sector Act 2009* (SA) and the requirements of Premier and Cabinet Circular *PC013: Annual reporting*.

This report is verified to be accurate for the purposes of annual reporting to the Parliament of South Australia.


Submitted on behalf of the Education Standards Board by:

Ann Doolette

Presiding Member

Date 22 September 2021

Signature

A handwritten signature in black ink, appearing to read 'A Doolette', written over a light grey rectangular background.

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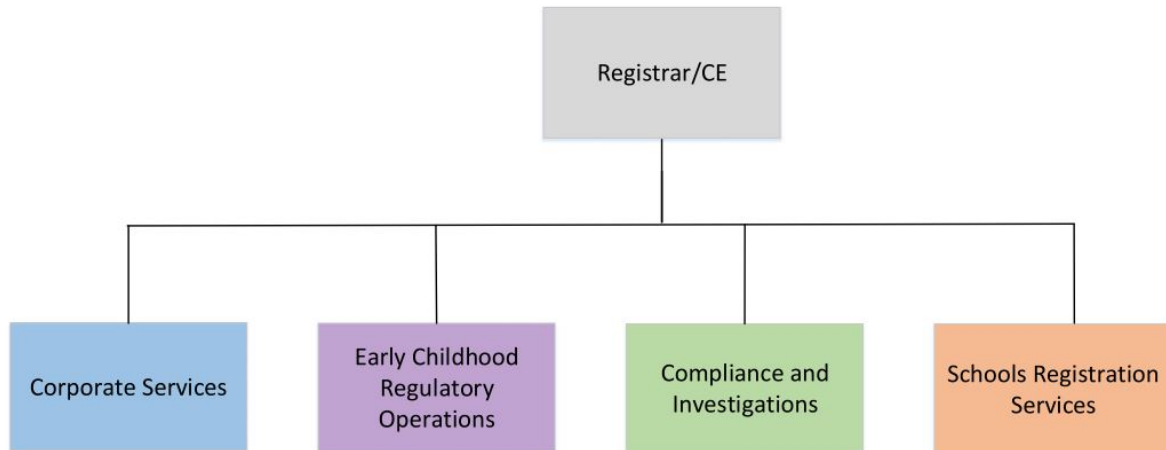
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Overview: about the agency

Our strategic focus

| | |
|---|--|
| Our purpose | Improving the education and care outcomes for children and young people through the registration of schools and the regulation of early childhood and OSHC services |
| Our vision | Making a positive difference to the lives of South Australian children and young people by ensuring they have access to high-quality education and early childhood services |
| Our values | <p>The Education Standards Board will uphold public sector values through its decisions, actions and interactions. In addition, we are committed to our values:</p> <ul style="list-style-type: none"> • Honesty & integrity: acting consistently and fairly and encouraging openness and transparency • Professionalism: a culture that improves productivity and strives for excellence • Sustainability: proactively improving and being responsive to change • Collaboration & engagement: collaborating in our work practices • Accountability: decision-making that complies with legislation, is ethical and consistent with approved policies and procedures. |
| Our functions, objectives and deliverables | <p>We are an independent statutory authority that is responsible for the registration and review of schools and regulation and quality assessment of education and care services in South Australia.</p> <p>Our objectives are to:</p> <ul style="list-style-type: none"> • promote the provision of high-quality education and care services from early childhood to senior schooling • support best possible outcomes for children • give families confidence in a diverse range of schools and education and care services • minimise the regulatory burden for schools and service providers. <p>Our strategic priorities are to:</p> <ul style="list-style-type: none"> • regulate the early childhood and schooling sectors using a contemporary risk- and standards-based approach • continue positive engagement with stakeholders and reflect on feedback • support our people and improve our business. |

Our organisational structure



Changes to the agency

During 2020–21 there were no changes to the agency’s structure and objectives as a result of internal reviews or machinery of government changes.

Our Minister

Hon John Gardner MP has represented the seat of Morialta, in Adelaide’s north-eastern suburbs and near-hills townships, since 2010. He is a member, sponsor or patron of a wide range of local community, sporting and service organisations in his electorate.

Minister Gardner was appointed Minister for Education after the March 2018 state election, having previously served as shadow minister in this portfolio since January 2016.



*John Gardner
Minister for Education*

Our executive team

Chris Chatburn is the Chief Executive/Registrar, responsible for leading the organisation in regulating and quality assuring the early childhood services and for the registration of schools (government and non-government) in South Australia.

Lynette Bellwood is the Senior Manager, Schools Registration Services, responsible for leading her team to register and review all schools (government and non-government), register student exchange organisations and recommend schools for registration and renewal of registration on CRICOS (Commonwealth Register of Institutions and Courses for Overseas Students).

Christine Gallasch is the Senior Manager, Corporate Services, responsible for leading her team to provide strategic and operational financial management, human resource management, information technology, communications, record management and administrative support.

Caroline Denley is the Acting Manager, Compliance and Investigations, responsible for leading her team to manage the non-compliance of education and care services and investigate complaints about early childhood services.

Mel Watson is the Senior Manager, Early Childhood Regulatory Operations, responsible for leading the Early Childhood Services team to approve and monitor all education and care services in South Australia and assess and rate these services (which include preschools, long day care and out of school hours care and family day care) against the National Quality Standard.

Our Board

Board members are nominated by the Minister for Education and then appointed by the Governor in Executive Council. The Board is composed of members with relevant skills and experience in the fields of early childhood education and care and school education. The Board is accountable to the Minister for Education.

Members as at 30 June 2021 were:

| | |
|--|------------------|
| Ann Doolette, Presiding Member | Mandy Richardson |
| Carolyn Grantskalns, Deputy Presiding Member | Peta Smith |
| Caroline Croser-Barlow | Anna Standish |
| Trevor Fletcher | Christos Tsonis |
| Greg Hayes | Libby Worrell |
| Neil McGoran | Susan Young |
| Noel Mifsud | |

Legislation administered by the agency

- *Education and Early Childhood Services (Registration and Standards) Act 2011 (SA)*, incorporating the *Education and Care Services National Law (South Australia)*
- Education and Care Services National Regulations 2011
- Education and Early Childhood Services (Registration and Standards) Regulations 2011 (SA)

As a designated state authority, we also assess and recommend schools for registration on CRICOS (Commonwealth Register of Institutions and Courses for Overseas Students) in line with Commonwealth legislation:

- *Education Services for Overseas Students Act 2000*
- Education Services for Overseas Students Regulations 2001.

The Board is also responsible for the registration of student exchange organisations under the *Education and Children's Services Act 2019 (SA)*.

Other related agencies (within the Minister's area/s of responsibility)

The Department for Education is the South Australian policy lead in relation to the National Quality Framework for early childhood education and care, and their policy decisions translate into the Education Standards Board's regulatory responsibilities. The Department for Education is also the major approved provider of regulated education and care services, operating the third largest number of services of any provider in Australia.

The Teachers Registration Board determines who can be registered as a teacher or fill a teacher's position in long day care, preschool services and schools.

The SACE Board of South Australia is notified when schools have been approved to extend year levels, registered to provide education services that include Year 10 to 12 or of new schools registered up to Year 12.

The Child Development Council's *Outcomes framework for children and young people* influences state and local policies affecting children and young people.

The agency's performance

Performance at a glance

During 2020–21 the Education Standards Board continued to focus on making a positive difference to the lives of South Australian children and young people by ensuring they have access to high-quality school education and early childhood services. We achieved this throughout the COVID-19 pandemic by strengthening our stakeholder engagement to ensure schools and early childhood services were well supported during this challenging time. Forming and maintaining positive partnerships and working relationships with our stakeholders is a key priority in our strategic plan.

The *Early childhood services regulatory and quality assurance framework*, approved by the Board in late 2020, reflects our contemporary and collaborative risk-based approach to regulating early childhood education and care. We recognise quality early education and care services and model the principle of earned autonomy to providers who demonstrate quality outcomes and understand their responsibilities. This allows us to direct our resources to services who need our educative support or intervention.

At 30 June 2021, South Australia had 1227 early childhood education and care services. This is 7% of the total number of services nationally. In total, 1185 services (97%) of eligible education and care services had a quality rating, the highest percentage nationally.

In total, 86.5% of services are rated as *Meeting* or *Exceeding* the National Quality Standard (NQS), consistent with the national average. South Australia continues to have the highest percentage of Exceeding NQS services.

Monitoring visits and tele-monitoring calls introduced during COVID-19 restrictions have been greatly appreciated by the sector. These help support providers to meet their regulatory obligations and continuously improve.

In line with our strategic priority of continuing positive engagement with stakeholders, we hosted our first professional development event for early childhood education and care and OSHC sectors in June 2021. The focus for the day was 'Inspiring Excellence'. More than 200 educators attended the event either in person or online. The full-day event was developed to support continuous improvement and high-quality education and care.

Eight new schools were assessed against the *Standards for registration and review of registration of Schools in South Australia* (the Standards) and registered on the Schools Register. Reviews of school registration were suspended in the latter part of the previous financial year due to COVID-19 restrictions. However, these resumed when site visits were reintroduced. School reviews are conducted against the Standards and these continued throughout the 2020–21 year. All schools were able to demonstrate that they met the Standards.

A number of schools delivering education to overseas students were due for re-endorsement during 2020–21. All schools were assessed as compliant with the National Code and were recommended for registration on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS).

Agency contribution to whole-of-government objectives

| Key objective | Agency's contribution |
|-----------------|--|
| Better services | The Education Standards Board registers schools and approves and monitors early childhood services to ensure high standards of competence and conduct by providers. Parents and guardians have access to a diverse range of quality education and early childhood services. The public can have confidence in the operation of these services. |

Agency-specific objectives and performance

Approve and regulate early childhood services to improve outcomes for children

At 30 June 2021:

- there were 430 approved providers, with 368 operating a single service
- there were 1227 services approved to provide education and care under the *Education and Care Services National Law Act 2010* (the National Law)
- there were 28 new services approved during this period, 1 service cancelled, and 13 services surrendered their service approval
- there was a net increase of 14 services (or 1.15%) over the 1213 approved services at 30 June 2020, consistent with the national increase and slightly less than the increase from the previous financial year of 20 services (1.7%).

Table 1: Number of services by type

| | Long day care | Preschool | Out of school hours care | Family day care | Total |
|----------------|---------------|-----------|--------------------------|-----------------|-------|
| 2018–19 | 395 | 407 | 379 | 12 | 1193 |
| 2019–20 | 418 | 407 | 376 | 12 | 1213 |
| 2020–21 | 429 | 408 | 377 | 13 | 1227 |

We visit services for a range of purposes:

- assessment and rating of the service against the NQS
- assessment of applications for new provider/service approval
- providing education, guidance and support to promote continuous improvement
- monitoring for compliance with the National Law
- investigation of complaints and serious incidents.

During 2020–21, we conducted:

- 183 assessment and rating visits
- 366 monitoring visits
- 102 tele-monitoring calls.

This resulted in contact with 52.5% of all services, up from 46% in 2019–2020.

We introduced tele-monitoring calls in 2020 to maintain contact with services when face-to-face visits were temporarily suspended due to the COVID-19 pandemic. These practices have become a regular part of our business now. Tele-monitoring continues to be an effective form of communication to ensure services’ compliance with the legislation and regulations and to support services in their quality-improvement cycle.

All eligible services are assessed and rated after approximately 12 months of commencing operations. The proportion of services with a quality rating will not reach 100% at any one time. This is because a small number of services will only recently have been approved and may not have started operating (or may have only been operating for a short time). At 30 June 2021, 97% of all services had a quality rating. This is an increase of 1.5% from the previous year.

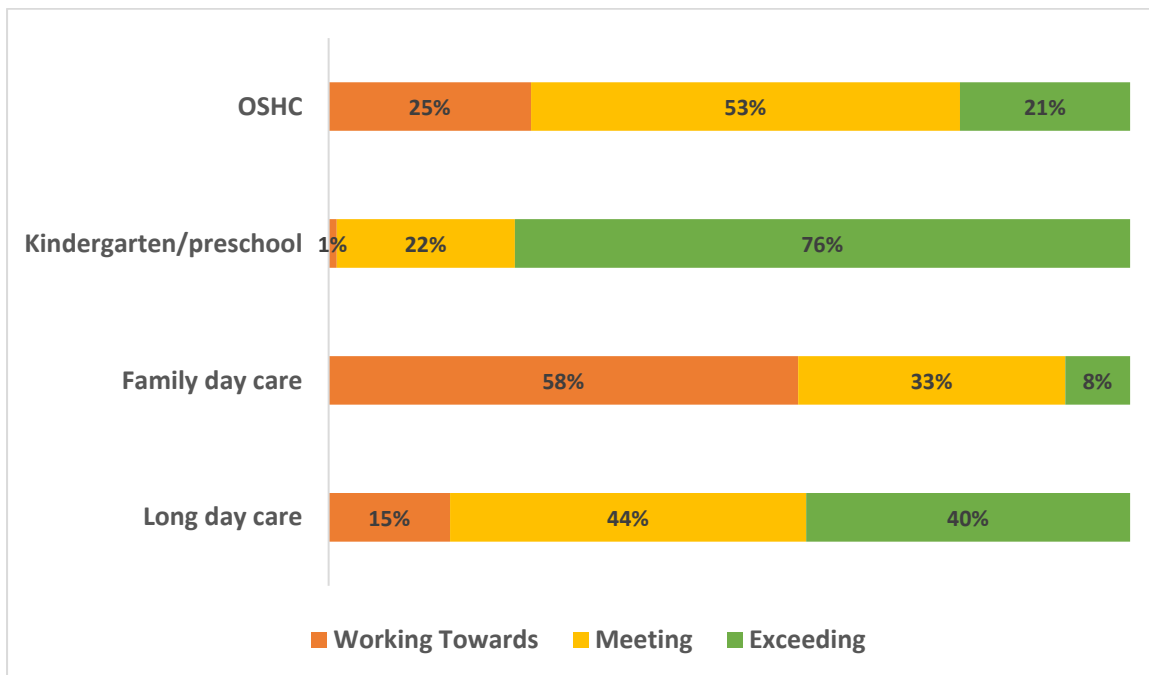
Table 2: Number (and percentage) of services at each quality rating of the NQS

| Year | Working Towards | | Meeting | | Exceeding | | Excellent | | Total |
|---------|-----------------|------------|---------|------------|-----------|------------|-----------|------------|-------|
| | Number | Percentage | Number | Percentage | Number | Percentage | Number | Percentage | |
| 2018–19 | 205 | 18% | 370 | 33% | 545 | 48% | 8 | 1% | 1128 |
| 2019–20 | 168 | 15% | 428 | 37% | 558 | 48% | 8 | 1% | 1162 |
| 2020–21 | 166 | 14% | 469 | 40% | 546 | 46% | 5 | 0.5% | 1186 |

The number of services achieving a *Meeting NQS* rating or higher has steadily increased over the past three years. South Australia has 18% more services rated as *Exceeding NQS* than the national average.

Consistent with the *Early childhood services regulatory and quality assurance framework*, services rated as *Working Towards NQS* are reassessed at least once in a two-year period and receive additional monitoring visits to assist them to address areas previously rated as *Working Towards*.

Table 3: Quality ratings by service type



The proportion of services at each quality rating varies between service types. This reflects their contextual differences. While the actual percentages are of some interest, the trend towards a greater proportion of services rated as either *Meeting* NQS or higher reflects an overall growth in the quality of the sector.

Services are rated as Working Towards NQS if they do not meet one or more elements of the NQS. Most services rated as Working Towards NQS are rated as Working Towards in Quality Area 1: ‘Educational program and practice’, Quality Area 2: ‘Children’s health and safety’ and Quality Area 7: ‘Governance and leadership’.

To be rated *Exceeding* NQS overall, all quality areas must be at least Meeting NQS, and four or more quality areas must be Exceeding NQS, with at least two of these being:

- Quality Area 1: ‘Educational program and practice’
- Quality Area 5: ‘Relationships with children’
- Quality Area 6: ‘Collaborative partnerships with families and communities’
- Quality Area 7: ‘Governance and leadership’.

We provide a range of resources and supports to approved providers and services to assist them to understand their obligations under the National Law. These include webinars, fact sheets and a monthly newsletter. In addition, customised sessions are developed and delivered to stakeholders to support continuous improvement. These may cover emerging trends or an aspect of the National Quality Framework or NQS, such as the Exceeding rating.

Promote compliance with the law and engage effectively with the early childhood services sector

A primary objective of the Education Standards Board is to promote the best outcomes for children through continuous improvement of services.

As a contemporary risk-based regulator, we use a full suite of tools to encourage compliance. This includes educative visits, announced and unannounced visits, and applying sanctions proportionate to the situation and potential risk to children.

Approved providers must notify us of any operational changes and incidents that affect children. The National Law prescribes the circumstances and timeframes for notifications. Incident notifications and complaints range from a change to hours of operation; any incident that requires the service to close; and any circumstance that poses a risk to the health, safety or wellbeing of a child or children attending the service.

Table 4 shows a consistent increase in notifications from year to year. This affirms that, with continued stakeholder engagement, approved providers are aware of their reporting obligations. Most notifications are about children suffering injuries at an education and care service.

Table 4: Notifications, complaints and investigations

| | Notifications | Complaints | Investigations |
|---------|---------------|------------|----------------|
| 2018–19 | 1599 | 267 | 319 |
| 2019–20 | 1937 | 323 | 247 |
| 2020–21 | 2369 | 550 | 220 |

There has been a steady annual increase to the number of complaints. Complaints are made by parents, educators, members of the public or other government agencies (such as Child Abuse Report Line notifications). Through our stakeholder engagement efforts, parents, educators and caregivers are increasingly aware of how they can make a complaint to the Education Standards Board. This has caused the increase. There are instances where complaints fall outside the scope of the National Law and complainants are referred back to the service or approved provider.

All notifications and complaints are triaged and actioned in accordance with a risk-assessment tool. Where possible, notifications and complaints are referred back to the approved provider to be addressed in line with their own complaint or grievance procedures.

Investigations have continued to decrease since the change to the National Quality Agenda IT System reporting requirements in 2019 and the introduction of the risk-assessment tool in 2021. Investigations are created where further assessment and/or investigation is required or for matters that are serious.

There have been 15 instances where approved providers have been sanctioned. These sanctions are always proportionate to the situation and are issued when a significant risk to children’s health, safety and wellbeing has been identified or there is ongoing non-compliance with the National Law. There were nine compliance

notices issued, five directions to take emergency action and one instance where an approved provider entered into an enforceable undertaking.

Approved providers must cooperate with the requirements of any sanction and provide evidence that they have taken steps to comply with the National Law and Regulations. These sanctions are publicly listed on the Education Standards Board website on our [‘Register of compliance actions’](#).

Two prohibition notices were issued to educators after it was identified that their conduct posed a risk to the health, safety and wellbeing of children. A prohibition notice precludes a person from providing education and care to children, or working as an educator, family day care educator, employee, contractor or staff member, or performing volunteer services for an education and care service.

Register and review registration of schools

Schools where education services are provided, or students are enrolled, must be registered and listed on the [Schools Register](#). To be registered, schools must meet the *Standards for registration and review of registration of Schools in South Australia* (the Standards). Once approved, registration is ongoing.

Registration gives families confidence that the instruction offered is satisfactory and the school adequately provides for the safety, health and welfare of its students.

Table 5a shows that the overall number of registered schools in South Australia has remained relatively stable over the past three years. Table 5b shows the breakdown of primary and secondary schools for each sector at 30 June 2021.

Between June 2020 and June 2021, a total of eight schools were newly registered. They were:

- four secondary government schools
- three new Catholic schools (one primary and two secondary schools)
- one new secondary Independent school.

Four government schools were removed from the Schools Register, as education services were no longer being provided.

Table 5a: Number of registered schools 2019–2021

| | June 2019 | June 2020 | June 2021 |
|------------------------|------------|------------|------------|
| Government schools | 513 | 513 | 513 |
| Non-government schools | 210 | 209 | 213 |
| Total | 723 | 722 | 726 |

Table 5b: Registered schools by sector and type as of June 2021

| | Primary | Secondary | Combined |
|--------------|------------|------------|------------|
| Government | 352 | 72 | 89 |
| Independent | 29 | 15 | 65 |
| Catholic | 62 | 13 | 29 |
| Total | 443 | 100 | 183 |

All established schools are reviewed at least once in a five-year period to ensure they continue to meet the Standards.

All schools selected for a review of registration in 2020–2021 met the Standards. Newly registered schools are reviewed against the Standards approximately 12–18 months after commencing education services.

Endorse schools for registration on Commonwealth Register of Institutions and Courses for Overseas Students

The Education Standards Board is the designated state authority for recommending schools for registration on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) and monitoring schools' compliance under the *Education Services for Overseas Students Act 2000*.

Schools are assessed against the National Code of Practice for Providers of Education and Training to Overseas Students 2018 (the National Code 2018) and are endorsed and recommended to the Commonwealth Department of Education, Skills and Employment (DESE) for registration on CRICOS. Schools must be registered on CRICOS before providing education to overseas students.

Twenty-five non-government schools applied for endorsement (re-endorsement) during 2020–2021. All schools were assessed as compliant with the National Code 2018 and were recommended for registration on CRICOS. Two non-government schools did not apply for endorsement after their registration expired in 2020.

At 30 June 2021, 176 schools offered education to overseas full-fee-paying students. Of these, 35 were non-government schools and 141 were government schools managed through the approved provider (the International Education Services unit of the South Australian Department for Education).

Regulate student exchange organisations

The regulation of student exchange organisations in South Australia transferred from the South Australian Department for Education to the Education Standards Board on 1 July 2020.

Student exchange organisations are registered in South Australia under the *Education and Children's Services Act 2019 (SA)*. Student exchange organisations must comply with the National Guidelines for the Operation of International Secondary Student Exchange Programs in Australia.

At 30 June 2021, 10 student exchange organisations were registered. They were three registered schools and seven not-for-profit organisations. Student exchange organisations are registered for a maximum of five years.

One application was approved for re-registration in 2020–2021. Three student exchange organisation registrations expired, and the organisations have not re-applied due to COVID-19 travel restrictions.

Corporate performance summary

Corporate performance highlights for the year included:

- reviewing and updating the *Education Standards Board's strategic plan 2022–24*
- developing the Board's terms of reference, which was approved by the Minister for Education, replacing the Board's charter
- comprehensively reviewing the Education Standards Board's public interest disclosure procedures in accordance with the *Public Interest Disclosure Act 2018* (SA)
- relocating the Education Standards Board's office accommodation
- providing online working-from-home ergonomic assessments for staff
- all staff completing an Aboriginal cultural awareness course, as part of our Reconciliation Action Plan
- developing a Facebook page and YouTube channel (including webinars) to expand the range of ways we communicate with the sector and broader community
- receiving a 100% response rate for the I Work for SA 2021 Your Voice Survey.

Employment opportunity programs

| Program name | Performance |
|--------------|-------------|
| Nil | n/a |

Agency performance management and development systems

| Performance management and development system | Performance |
|--|--|
| Employees take part in a formal performance management and development discussion with their manager twice a year. | During 2020–21, 100% of staff completed the mid-year and end-of-year review. |

Work health, safety and return-to-work programs

| Program name | Performance |
|-----------------------------------|--|
| Work health and safety management | <p>The Work Health and Safety (WHS) Committee is the main way we work with employees to address WHS issues. We also have an Emergency Wardens Committee.</p> <p>We provide the following services to staff:</p> <ul style="list-style-type: none"> • flu vaccinations • employee assistance program (see below) • ergonomic workplace assessments (including access to online self-assessment guidance) • information about workplace safety and wellbeing. <p>Training was provided to emergency control wardens during the year for evacuation and emergency skills.</p> <p>Staff who visit rural and remote locations for work were encouraged to complete country driver training.</p> <p>The COVID-19 response team in our agency continued to develop further strategies to keep staff safe during the pandemic. This included regular communication to staff about hygiene and physical distancing practices, refining working-from-home procedures (including the development of an online self-assessment specifically for working from home along with a manual-handling video). The organisation complied with government directives to keep staff safe. We modified our regulatory activities, including suspending visits and staying in touch with early childhood education and care services by phone (tele-monitoring).</p> |
| Employee assistance program | <p>Staff can access an employee assistance program provided by Converge International. This entitles them and their family members to a number of free confidential sessions with a psychologist, social worker, financial counsellor or dietician. This is to encourage good mental and physical health for our employees and their families</p> |
| Injury management | <p>Staff have access to our work health and safety:</p> <ul style="list-style-type: none"> • policies and procedures, which were updated during 2020–21 and also include an emergency response procedure • training programs. <p>Two incidents were reported by staff during 2020–21, but these were not notifiable.</p> |

| Workplace injury claims | Current year 2020–21 | Past year 2019– 20 | % Change (+ / -) |
|-----------------------------------|-------------------------|--------------------------|---------------------|
| Total new workplace injury claims | 2 | 0 | 200% |
| Fatalities | 0 | 0 | n/a |
| Seriously injured workers* | 0 | 0 | n/a |

There was one significant injury in 2020–21 where lost time exceeded one working week and nil in 2019–20.

**number of claimants assessed during the reporting period as having a whole person impairment of 30% or more under the Return to Work Act 2014 (Part 2 Division 5)*

| Work health and safety regulations | Current year 2020–21 | Past year 2019–20 | % Change (+ / -) |
|--|-------------------------|----------------------|---------------------|
| Number of notifiable incidents (<i>Work Health and Safety Act 2012, Part 3</i>) | 0 | 0 | 0 |
| Number of provisional improvement, improvement and prohibition notices (<i>Work Health and Safety Act 2012 Sections 90, 191 and 195</i>) | 0 | 0 | 0 |

| Return to work costs** | Current year 2020–21 | Past year 2019–20 | % Change (+ / -) |
|---|-------------------------|----------------------|---------------------|
| Total gross workers compensation expenditure (\$) | \$3478 | 0 | n/a |
| Income support payments – gross (\$) | 0 | 0 | 0 |

***before third-party recovery*

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/work-health-and-safety-and-return-to-work-performance-of-education-standards-board>.

Executive employment in the agency

| Executive classification | Number of executives |
|--|-----------------------------|
| Common Law Contract (not South Australian Executive Service) | 1 |

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/executive-employment-in-education-standards-board>.

The [Office of the Commissioner for Public Sector Employment](#) has a [workforce information](#) page that provides further information on the breakdown of executive gender, salary and tenure by agency.

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2020–2021 are attached to this report.

| Statement of Comprehensive Income | 2020–21 Budget \$000s | 2020–21 Actual \$000s | Variation \$000s | 2019–20 Actual \$000s |
|--|------------------------------|------------------------------|-------------------------|------------------------------|
| Total Income | 5,836 | 5,870 | 34 | 5,031 |
| Total Expenses | 5,836 | 5,454 | 382 | 4,683 |
| Net Result | 0 | 416 | 416 | 347 |
| Total Comprehensive Result | 0 | 416 | 416 | 347 |

| Statement of Financial Position | 2020–21 Budget \$000s | 2020–21 Actual \$000s | Variation \$000s | 2019–20 Actual \$000s |
|--|------------------------------|------------------------------|-------------------------|------------------------------|
| Current assets | 3,999 | 4,451 | (452) | 4,013 |
| Non-current assets | 12 | 0 | 12 | 0 |
| Total assets | 4,011 | 4,451 | (440) | 4,013 |
| Current liabilities | 1,230 | 1,250 | (20) | 1,292 |
| Non-current liabilities | 450 | 450 | 0 | 386 |
| Total liabilities | 1,680 | 1,700 | (20) | 1,678 |
| Net assets | 2,331 | 2,751 | (420) | 2,335 |
| Equity | 2,331 | 2,751 | (420) | 2,335 |

Consultants disclosure

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken, and the actual payments made for the work undertaken during the financial year.

Consultancies with a contract value below \$10,000 each

| Consultancies | Purpose | \$ Actual payment |
|--|----------------|--------------------------|
| All consultancies below \$10,000 each (combined) | Various | \$14,429 |

Consultancies with a contract value above \$10,000 each

| Consultancies | Purpose | \$ Actual payment |
|----------------------|--------------------------|--------------------------|
| Empired | ICT project consultation | \$54,250 |
| | Total | \$54,250 |

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/consultants-used-by-education-standards-board>.

See also the [Consolidated Financial Report of the Department of Treasury and Finance](#) for total value of consultancy contracts across the South Australian Public Sector.

Contractors disclosure

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken, and the actual payments made for work undertaken during the financial year.

Contractors with a contract value below \$10,000

| Contractors | Purpose | \$ Actual payment |
|--|----------------|--------------------------|
| All contractors below \$10,000 each (combined) | Various | \$59,508 |

Contractors with a contract value above \$10,000 each

| Contractors | Purpose | \$ Actual payment |
|--------------------|------------------------------------|--------------------------|
| Empired | ICT support and maintenance | \$45,240 |
| Ernst & Young | Auditing | \$22,635 |
| Ochre Dawn | Graphic design | \$25,280 |
| Studio 9 | Office design | \$14,993 |
| Weir Consulting | Training and procedure development | \$15,385 |
| | Total | \$123,532 |

Data for previous years is available at:

<https://data.sa.gov.au/data/dataset/contractors-used-by-education-standards-board>.

The details of South Australian Government-awarded contracts for goods, services, and works are displayed on the SA Tenders and Contracts website. [View the agency list of contracts](#).

The website also provides details of [across government contracts](#).

Other information

Nil to report.

Risk management

Fraud detected in the agency

| Category/nature of fraud | Number of instances |
|---|---------------------|
| The Education Standards Board did not identify any instances of fraud in the agency during 2020-21. | 0 |

NB: Fraud reported includes actual and reasonably suspected incidents of fraud.

Strategies implemented to control and prevent fraud

The Education Standards Board has robust internal fraud control and prevention procedures. These include:

- segregation of duties
- educating staff with finance and/or governance responsibilities about mandatory requirements and improvement processes
- adoption of whole-of-government fraud-control policy and procedures
- reviews of risk-management policies and procedure
- training for all staff about the Code of Ethics for the Public Sector.

The Education Standards Board has not had an incident of fraud. However, internal processes are assessed and reviewed regularly, and regular checks are done as part of everyday and/or monthly procedures.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/fraud-detected-in-education-standards-board>.

Public interest disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Public Interest Disclosure Act 2018*:

1

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/whistle-blowers-disclosure-of-education-standards-board>.

Note: Disclosure of public interest information was previously reported under the *Whistleblowers Protection Act 1993* and repealed by the *Public Interest Disclosure Act 2018* on 1/7/2019.

Reporting required under any other act or regulation

| Act or Regulation | Requirement |
|-------------------|-------------|
| Nil required | n/a |

Reporting required under the *Carers' Recognition Act 2005*

Nil to report, as this is not applicable to the Education Standards Board.

Public complaints

Number of public complaints reported

There was one public complaint received during the reporting period. However, there was no case to answer.

| Additional metrics | Total |
|--|-------|
| Number of positive feedback comments | 18 |
| Number of negative feedback comments | 1 |
| Total number of feedback comments | 19 |
| % complaints resolved within policy timeframes | 100% |

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/reporting-of-public-complaints-for-education-standards-board>.

Service improvements

In line with PC039: *Complaint management in the South Australian public sector*, we reviewed and updated our *Complaints and feedback management policy* and internal procedure to ensure complaints are handled as effectively and efficiently as possible.

A dedicated complaints officer oversees the complaint-management system to ensure all steps are undertaken appropriately.

The [Complaints and feedback management policy](#) is publicly available on the website.

Compliance statement

| | |
|---|---|
| The Education Standards Board is compliant with Premier and Cabinet Circular 039: <i>Complaint management in the South Australian public sector</i> . | Y |
| The Education Standards Board has communicated the content of PC039 and the agency's related complaints policies and procedures to employees. | Y |

Appendix: Audited financial statements 2020–21

FINANCIAL STATEMENTS 2021

FOR EDUCATION STANDARDS BOARD

For the year ended

30 June 2021



Government
of South Australia



Ernst & Young
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Independent Auditor's Report to the Board of Education and Early Childhood Services Registration and Standards Board of South Australia

Opinion

We have audited the financial report of Education and Early Childhood Services Registration and Standards Board of South Australia (the Entity), which comprises the statement of financial position as at 30 June 2021, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Boards' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2021, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Public Finance and Audit Act 1987*.

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 Entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

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

Information Other than the Financial Report and Auditor's Report Thereon

The Board are responsible for the other information. The other information is the Board report accompanying the financial report.

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 Board for the Financial Report

The Board of the Entity are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards and *Public Finance and Audit Act 1987* and for such internal control as the Board determine is necessary to enable the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error.

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

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.

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

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board.
- Conclude on the appropriateness of the Boards' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



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- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

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

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Nigel Stevenson' in a cursive style.

Nigel Stevenson
Engagement Partner
Adelaide
30 August 2021



**Building a better
working world**

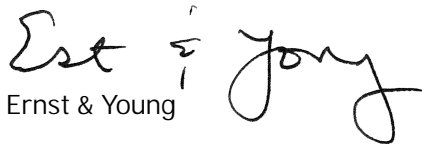
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Auditor's Independence Declaration to the Board of Education and Early Childhood Services Registration and Standards Board of South Australia

As lead auditor for the audit of the financial report of Education and Early Childhood Services Registration and Standards Board of South Australia for the financial year ended 30 June 2021, I declare to the best of my knowledge and belief, there have been:

- a. No contraventions of the auditor independence requirements of the *APES 110 Code of Ethics* in relation to the audit; and
- b. No contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink that reads 'Ernst & Young' in a cursive style.

Ernst & Young

A handwritten signature in black ink that reads 'Nigel Stevenson' in a cursive style.

Nigel Stevenson
Partner
30 August 2021

**Education and Early Childhood Services Registration
and Standards Board of South Australia**

Certification of the Financial Statements

We certify that the attached general purpose financial statements for the Education and Early Childhood Services Registration and Standards Board of South Australia (the Board):

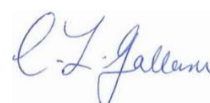
- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the Board; and
- present a true and fair view of the financial position of the Board as at 30 June 2021 and the results of its operation and cash flows for the financial year.

We certify that the internal controls employed by the Board for the financial year over its financial reporting and its preparation of the general purpose financial statements have been effective throughout the reporting period.



Ms Christine Chatburn
Chief Executive/Registrar

30 August 2021



Ms Christine Gallasch
Senior Manager,
Corporate Services

30 August 2021

**Education and Early Childhood Services Registration
and Standards Board of South Australia**

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2021

| | Note No. | 2021 \$ | 2020 \$ |
|---------------------------------------|-------------|--------------------|--------------------|
| Expenses | | | |
| Board fees | 4 | 21,618 | 17,564 |
| Employee benefits expenses | 5 | 3,972,880 | 3,564,263 |
| Supplies and services | 6 | 1,426,460 | 1,067,101 |
| Auditor's remuneration | 7 | 22,635 | 22,964 |
| Depreciation and amortisation | 8 | 11,358 | 11,903 |
| Total expenses | | 5,454,951 | 4,683,795 |
| Income | | | |
| Revenues from fees and charges | 9 | 512,190 | 512,042 |
| Interest revenue | 10 | 18,039 | 37,579 |
| Revenue – Others | 11 | 20,490 | - |
| Total Income | | 550,719 | 549,621 |
| Net Cost of Providing Services | | (4,904,232) | (4,134,174) |
| Revenues from SA Government | 12 | 5,320,000 | 4,482,000 |
| Net result | | 415,768 | 347,826 |
| Total Comprehensive income | | 415,768 | 347,826 |

The net result and comprehensive result are attributable to the SA Government as owner

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

**Education and Early Childhood Services Registration
and Standards Board of South Australia**

STATEMENT OF FINANCIAL POSITION

As at 30 June 2021

| | Note No | 2021 \$ | 2020 \$ |
|--|------------|------------------|------------------|
| Current assets | | | |
| Cash and cash equivalents | 13 | 4,268,025 | 3,989,578 |
| Receivables | 14 | 172,550 | 1,557 |
| Right of use assets | 15 | 10,585 | 21,962 |
| Total assets | | 4,451,160 | 4,013,097 |
| Current liabilities | | | |
| Payables | 16 | 282,136 | 191,243 |
| Employee benefits | 17 | 796,871 | 836,091 |
| Worker's compensation provision | 18 | 120,000 | 120,000 |
| Office accommodation provision | 19 | 40,000 | 122,000 |
| Lease liabilities | 20 | 10,780 | 22,176 |
| Total current liabilities | | 1,249,787 | 1,291,510 |
| Non-current liabilities | | | |
| Employee benefits | 17 | 450,024 | 386,006 |
| Total non-current liabilities | | 450,024 | 386,006 |
| Total liabilities | | 1,699,811 | 1,677,516 |
| Net Assets | | 2,751,349 | 2,335,581 |
| Equity | | | |
| Retained earnings | | 2,751,349 | 2,335,581 |
| Total Equity | | 2,751,349 | 2,335,581 |
| The total equity is attributable to the SA Government as owner | | | |
| Unrecognised contractual commitment | 21 | 2,386,575 | 3,847,264 |

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

**Education and Early Childhood Services Registration
and Standards Board of South Australia**

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2021

| | Retained earnings |
|--|-------------------|
| | \$ |
| Balance at 30 June 2019 | 1,987,755 |
| Total comprehensive result for 2019-2020 | 347,826 |
| Balance at 30 June 2020 | 2,335,581 |
| Total comprehensive result for 2020-2021 | 415,768 |
| Balance at 30 June 2021 | 2,751,349 |

All changes in equity are attributable to the SA Government as owner

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

**Education and Early Childhood Services Registration
and Standards Board of South Australia**

STATEMENT OF CASH FLOWS

For the year ended 30 June 2021

| | Note No. | 2021 \$ | 2020 \$ |
|--|-------------|-------------|-------------|
| Cash flows from operating activities | | | |
| Cash outflows | | | |
| Employee benefit payments | | (4,051,700) | (3,723,982) |
| Payments for supplies and services | | (1,582,899) | (1,075,952) |
| Cash used in operations | | (5,634,599) | (4,799,934) |
| Cash inflows | | | |
| Fees and charges | | 575,007 | 477,315 |
| Interest received | 10 | 18,039 | 37,579 |
| Cash generated from operations | | 593,046 | 514,894 |
| Cash flows from SA Government | | | |
| Receipts from SA Government | 12 | 5,320,000 | 4,482,000 |
| Cash generated from SA Government | | 5,320,000 | 4,482,000 |
| Net cash provided by operating activities | | 278,447 | 196,960 |
| Cash and cash equivalents at the beginning of the period | | | |
| | | 3,989,578 | 3,792,618 |
| Cash and cash equivalents at the end of the period | | | |
| | 13 | 4,268,025 | 3,989,578 |

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

NOTES TO
AND
FORMING PART
OF THE FINANCIAL
STATEMENTS



Government
of South Australia

NOTE INDEX

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|--|---------|
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Note 1

Objectives of the Education and Early Childhood Services Registration and Standards Board of South Australia

The Education and Early Childhood Services Registration and Standards Board of South Australia (the Board) was formed to administer the Education and Early Childhood Services (Registration and Standards) Act 2011, including the Education and Care Services National Law Act 2010; and the associated the Education and Early Childhood Services (Registration and Standards) Regulations 2011; and the Education and Care Services National Regulations for South Australia.

The functions of the Board include:

- > to regulate the provision of education services and early childhood services;
- > to approve the requirements for endorsement of registration of schools;
- > to establish and maintain the registers contemplated by the Education and Early Childhood Services (Registration and Standards) Act 2011;
- > to carry out the functions under the national law concerning early childhood services;
- > to prepare or endorse codes of conduct for registered schools;
- > to provide advice to the Minister;
- > to carry out other functions assigned to the Board by the Minister.

Note 2 Summary of significant accounting policies

a) Statement of compliance

The financial statements are general purpose financial statements. The accounts have been prepared in accordance with relevant Australian accounting standards and Treasurer's instructions and accounting policy statements promulgated under the provision of the *Public Finance and Audit Act 1987*.

b) Basis of preparation

The preparation of the financial statements requires:

- the use of certain accounting estimates and requires management to exercise its judgement in the process of applying the Board's accounting policies. The areas involving a higher degree of judgement or where assumptions and estimates are significant to the financial statements, these are outlined in the applicable notes; Management has made an assessment of the potential impact that estimates and assumptions may have on the financial statements and considers it to be low;
- accounting policies are selected and applied in a manner which 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 are reported; and
- compliance with accounting policy statements issued pursuant to section 41 of the *Public Finance and Audit Act 1987*. In the interest of public accountability and transparency the accounting policy statements require the following note disclosures, which have been included in this financial report:
 - a) revenues, expenses, financial assets and liabilities where the counterparty/transaction is with an entity within the SA Government as at reporting date, classified according to their nature.
 - b) board/committee member and remuneration information, where a board/committee member is entitled to receive income from membership other than a direct out-of-pocket reimbursement.

The Board's Statement of Comprehensive Income, Statement of Financial Position, and Statement of Changes in Equity have been prepared on an accrual basis and are in accordance with historical cost convention.

The Statement of Cash Flows has been prepared on a cash basis.

The financial statements have been prepared based on a twelve month period and presented in Australian currency.

The financial report has been prepared on a going concern basis. The continued existence of the Board in its present form, and with its present programs is dependent upon Government policy and upon continuing Operating Grants from the State Government for the Board's administration and outputs.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2021 and the comparative information presented.

c) Reporting entity

The Education and Early Childhood Services Registration and Standards Board of South Australia is a body corporate established under the Education and Early Childhood Services (Registrations and Standards) Act 2011. It operates within legislative requirements of the Act and adheres to occupational health, safety, and welfare requirements, equal opportunity, and public sector principles.

The financial report includes the use of income, expenses, assets and liabilities, controlled or incurred by the Board in its own right.

The Board has no administered items.

The Board is a statutory authority established under the Act.

d) Comparative information

The presentation and classification of items in the financial statements are consistent with prior periods except where specific accounting standards and/or accounting policy statements have required a change.

Where presentation or classification of items in the financial statements have been amended, comparative figures have been adjusted to conform to changes in presentation or classification in these financial statements unless impracticable.

Where the Board has applied an accounting policy retrospectively; retrospectively restated items in the financial statements; reclassified items in the financial statements, it has provided three Statements of Financial Positions and related notes.

The restated comparative amounts do not replace the original financial statements for the preceding period.

Shared services revenue and expenses are recorded in the statement of comprehensive income for the year ended 30 June 2021 to conform to the current year accounting policy. Certain items in the notes to the financial statements have also been recorded to conform to the current year presentation.

The note 6 Supplies & Services have been regrouped as part of a business improvement processes.

e) Rounding

All amounts in the financial statements and accompanying notes have been rounded to the nearest dollar.

f) Taxation

The Board is not subject to income tax. The Board is liable for payroll tax, fringe benefits tax and goods and services tax (GST).

Income, expenses and assets are recognised net of the amount of GST except:

- when the GST incurred on a purchase of goods or services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item applicable; and
- receivables and payables, which are stated with the amount of GST included. Accruals and prepayments are GST exclusive

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables as applicable in the Statement of Financial Position.

Cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the Australian Taxation Office is classified as part of operating cash flows.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

g) Events after the reporting period

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2021 and before the date the financial statements are authorised for issue, where those events provides information about conditions that existed at 30 June 2021.

Note disclosure is made about events between 30 June and the date the financial statements are authorised for issue where the events relate to a condition which arose after 30 June and which may have a material impact on the results of subsequent years.

h) Income

Income is recognised to the extent that it is probable that the flow of economic benefits to the Board will occur and can be reliably measured.

The following are specific recognition criteria:

Fees and charges

Revenue from fees and charges is recognised upon receipt by the Board.

There is an uneven distribution of providers due to renew in any given year which impacts on the revenue collection.

Revenues from SA Government

Grant funding is recognised as revenue when the Board obtains control over the funding.

Control over grant funding is obtained upon receipt.

Revenue – others

Shared Services contributions in relation to payroll services received free of charge are recorded in the statement of comprehensive income for the year end to conform to the current year accounting policy. The non-cash based revenue is measured at fair value where this can be reliably determined and the corresponding expense is also recognised in Supplies and Services note 6.

i) Expenses

Expenses are recognised to the extent that it is probable that the flow of economic benefits from the Board will occur and can be reliably measured.

The notes accompanying the financial statements disclose expenses where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

The following are specific recognition criteria:

AASB 119 Employee benefits expenses

Employee benefit expenses include all costs related to employment including wages and salaries, non-monetary benefits and leave entitlements.

Superannuation

The amount charged to the Statement of Comprehensive Income represents the contributions made by the board to the superannuation plan in respect of current services of current board staff.

The Board has adopted to expense fit-out costs in the 2020-21 financial year rather than to capitalise over the term of the MoAA.

j) Current and non-current classification

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

k) Assets

Assets have been classified according to their nature.

The notes accompanying the financial statements disclose financial assets where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Cash at bank

Cash at bank in the Statement of Financial Position includes cash at bank and on hand.

For the purposes of the Statement of Cash Flows, cash at bank consist of cash held in the bank account as defined above. Cash is measured at nominal value.

Receivables

Receivables include amounts receivable from services, GST input tax credits recoverable, accrued revenue and other accruals.

Collectability of receivables is reviewed on an ongoing basis. An allowance for doubtful debts is raised when there is objective evidence that the board will not be able to collect the debt. Bad debts are written off when identified.

Allowance for doubtful debts are raised in accordance with AASB 9 under the simplified approach in calculating expected credit losses ("ECLs") and when there is evidence ESB will not be able to collect the debt. Bad debts are written off when identified.

l) Liabilities

Liabilities have been classified according to their nature.

The notes accompanying the financial statements disclose financial liabilities where the counterparty/transaction is with an entity within the SA Government as at the reporting date, classified according to their nature.

Payables

Payables include creditors, accrued expenses and employee on-costs.

Creditors represent the amounts owing for services received prior to the end of the reporting period that are unpaid at the end of the reporting period. Creditors include all unpaid invoices received relating to the normal operations of the Board.

Accrued expenses represent goods and services provided by other parties during the period that are unpaid at the end of the reporting period and where an invoice has not been received.

All payables are measured at their nominal amount, are unsecured and are normally settled within 30 days from the date of the invoice or date the invoice is first received.

Employee benefits

These benefits accrue for employees as a result of services provided up to the reporting date that remain unpaid. Long-term employee benefits are measured at present value of the estimated future cash outflows to be made by the Board and short-term employee benefits are measured at nominal amounts using the remuneration rate expected to apply at the time of settlement.

Salaries and, wages, annual leave, skills and experience retention leave and sick leave

The liability for salary and wages are measured as the amount unpaid at the reporting date at remuneration rates current at reporting date.

The annual leave liability and the skills and experience retention leave liability is expected to be payable within twelve months and is measured at the undiscounted amount expected to be paid.

No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees is estimated to be less than the annual entitlement for sick leave reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows

Employee benefits on-costs include payroll tax and superannuation contributions in respect to outstanding liabilities for salaries and wages, long service leave, annual leave and skills and experience retention leave.

Long service leave

The liability for long service leave is measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method.

The estimated liability for long service leave is based on actuarial assumptions over expected future salary and wage levels, experience of employee departures and periods of service. These assumptions are based on employee data over the education sector across government.

Expected future payments are discounted using market yields at the end of the reporting period on government bonds with durations that match, as closely as possible, the estimated future cash outflows.

The unconditional portion of the long service leave provision is classified as current as the Board does not have an unconditional right to defer settlement of the liability for at least 12 months after reporting date. The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after ten years of service.

Leases

Education Standards Board has limited number of leases:

Three motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km). No variable lease payments are provided for in the lease agreements and no options exist to renew the leases at the end of their term.

m) Provisions

The worker's compensation provision has been created as part of the WHS and Return to Work procedure review and is an estimate liability. The provision is for the estimated cost of ongoing payments to employees as required under current legislation.

The Board is responsible for the payment of worker's compensation claims.

n) Unrecognised contractual commitments and contingent assets and liabilities

Commitments include operating, capital and outsourcing arrangements arising from contractual or statutory sources and are disclosed at their nominal value.

Contingent assets and contingent liabilities are not recognised in the Statement of Financial Position, but are disclosed by way of a note and, if quantifiable, are measured at nominal value.

Unrecognised contractual commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to the Australian Taxation Office. If GST is not payable to, or recoverable from the Australian Taxation Office, the commitments and contingencies are disclosed on a gross basis.

Note 3 New and revised accounting standards and policies

The Board did not voluntarily change any of its accounting policies during 2020-2021.

The Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective, have been assessed by the Board. The adoption of these standards is not expected to have a material impact on the financial statements.

Note 4 Board fees

| 4.1 Board and Committee fees | 2021 | 2020 |
|----------------------------------|---------------|---------------|
| | \$ | \$ |
| Board and Committee fees | 21,618 | 17,564 |
| Total Board fees expenses | 21,618 | 17,564 |

4.2 Key management personnel

Key management personnel of the Education Standards Board include the Minister, the Chief Executive Officer and Board members.

Total compensation for the Board's key management personnel was \$247,204 (2020: \$244,044).

The compensation disclosed in this note excludes salaries and other benefits the Minister for Education receives. The Minister's remuneration and allowances are set by the Parliamentary Remuneration Act 1990 and the Remuneration Tribunal of SA respectively and are payable from the Consolidated Account (via the Department of Treasury and Finance) under section 6 the Parliamentary Remuneration Act 1990

The Board has not identified any material transactions with key management personnel and other related parties during 2020-2021.

Note 5 Employee benefits expenses

| | 2021 | 2020 |
|---|------------------|------------------|
| | \$ | \$ |
| Salaries and wages | 3,285,972 | 3,066,874 |
| Annual leave | 25,764 | (20,072) |
| Long service leave | (31,958) | (107,289) |
| Retention leave | (8,952) | (11,074) |
| Employment on-costs | 702,054 | 635,824 |
| Total employee benefits expenses | 3,972,880 | 3,564,263 |

Note 6 Supplies and services

| | 2021 | 2020 |
|--|------------------|------------------|
| | \$ | \$ |
| Accommodation – fit out | 353,639 | - |
| General Administration & Consumables | 82,147 | 131,866 |
| Legal expenses | 7,931 | 7,060 |
| Motor vehicle expenses | 31,518 | 36,316 |
| Service Level Agreement – rent & utilities | 328,733 | 546,005 |
| Service Level Agreement – others | 97,642 | 140,816 |
| Staff training and development | 72,505 | 38,389 |
| Staff travel expenses | 19,231 | 38,350 |
| WH&S and Employee relations | 39,600 | 12,620 |
| Minor equipment | 199,022 | 14,610 |
| Telecommunications and Website | 31,460 | 24,608 |
| Information Technology and infrastructure | 163,032 | 76,461 |
| Total supplies and services | 1,426,460 | 1,067,101 |

The expense lines have been regrouped during the year as part of a business improvement processes.

Accommodation

The Board's accommodation is provided by the Department of Planning, Transport and Infrastructure under Memorandum of Administrative Arrangement (MoAA) issued in accordance with Government-wide accommodation policies. MoAA does not meet the definition of a lease set out in AASB 16.

In prior years expenses associated with MoAA have been classified as operating lease payments. Expenses associated with MoAA have been re-classified as Service Level Agreement – rent & utilities for both the current year and the comparative.

The Board has adopted to expense fit-out costs in the 2020-21 financial year rather than to capitalise over the term of the MoAA.

Consultants

The number of consultancies and the dollar amount paid/payable (included in supplies and services expenses) to consultants that fell within the following bands:

| | No | 2021 \$ | No | 2020 \$ |
|-------------------|----|------------|----|------------|
| Below \$10 000 | 4 | 14,429 | 1 | 4,518 |
| \$10 000 or above | 1 | 54,250 | 1 | 19,305 |
| Total consultants | 5 | 68,679 | 2 | 23,823 |

Note 7 Auditor's remuneration

| | 2021 \$ | 2020 \$ |
|------------------------------|------------|------------|
| Audit fees paid / payable | 22,635 | 22,964 |
| Total auditor's remuneration | 22,635 | 22,964 |

Note 8 Depreciation and amortisation Expenses

| | 2021 \$ | 2020 \$ |
|--|------------|------------|
| Motor Vehicles – Leased | 11,064 | 11,340 |
| Interest Costs Lease – Vehicles | 294 | 563 |
| Total depreciation and amortisation expenses | 11,358 | 11,903 |

On adoption of AASB 16 Leases, depreciation on the right-of-use assets for motor vehicles was included. All non-current assets, with a limited useful life, are systematically depreciated or amortised over their useful lives in a manner that reflects the consumption for their service potential.

Note 9 Revenues from fees and charges

| | 2021 \$ | 2020 \$ |
|-------------------------------------|------------|------------|
| Regulatory fees | 512,190 | 512,042 |
| Total revenue from fees and charges | 512,190 | 512,042 |

Note 10 Interest revenue

| | 2021 | 2020 |
|---------------------------|--------|--------|
| | \$ | \$ |
| Interest on bank accounts | 18,039 | 37,579 |
| Total interest revenue | 18,039 | 37,579 |

Note 11 Revenue - Others

| | 2021 | 2020 |
|--|--------|------|
| | \$ | \$ |
| Resources received free of charge - Shared Services SA | 20,323 | - |
| Revenue – others | 167 | - |
| Total Revenue - Others | 20,490 | - |

Note 12 Revenue from SA Government

| | 2021 | 2020 |
|-----------------------------------|-----------|-----------|
| | \$ | \$ |
| Operating grant | 5,320,000 | 4,482,000 |
| Total revenues from SA Government | 5,320,000 | 4,482,000 |

Note 13 Cash at bank

| | 2021 | 2020 |
|---------------------------------|------------------|------------------|
| | \$ | \$ |
| Cash held in operating accounts | 4,268,025 | 3,989,578 |
| Total cash at bank | 4,268,025 | 3,989,578 |

Interest rate risk

Cash on hand is non-interest bearing. Deposits at call and with the Treasurer earn a floating interest rate, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Note 14 Receivables

| | 2021 | 2020 |
|------------------------------------|----------------|--------------|
| | \$ | \$ |
| ATO integrated account receivables | 171,409 | - |
| Accrued revenues | 1,141 | 1,557 |
| Total receivables | 172,550 | 1,557 |

Interest rate risk

Receivables, prepayments and accrued revenues are non-interest bearing.

It is not anticipated that counterparties will fail to discharge their obligations. The carrying amount of receivables approximates net fair value due to being receivable on demand. There is no concentration of credit risk.

The carrying amounts of all receivables mature within one year.

Categorisation of financial instruments and risk exposure information – Please refer to Note 24.

Note 15 Right of Use Assets

| | 2021 | 2020 |
|----------------------------------|---------------|---------------|
| | \$ | \$ |
| RoU Assets – Motor Vehicles | 10,585 | 21,962 |
| Total Right of Use Assets | 10,585 | 21,962 |

Expenses related to right-of-use assets recognised, including depreciation and interest expenses, are disclosed in note 8.

Note 16 Payables

| | 2021 | 2020 |
|---------------------------|----------------|----------------|
| | \$ | \$ |
| Current | | |
| Unearned fees and charges | 173,029 | 82,818 |
| Accrued expenses | 109,107 | 80,615 |
| ATO payables | - | 27,810 |
| Total payables | 282,136 | 191,243 |

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. Employment on-costs are settled when the respective employee benefit that they relate to is discharged. All payables are non-interest bearing. The carrying amount of payables represents fair value due to the amounts being payable on demand.

Refer to Note 24 for information as to the categorisation of financial instruments and risk exposure.

Note 17 Employee benefits

| | 2021 | 2020 |
|---|------------------|------------------|
| | \$ | \$ |
| Current | | |
| Accrued salaries and wages | 145,883 | 104,782 |
| Annual leave | 280,379 | 249,925 |
| Long service leave | 366,656 | 467,125 |
| Skills and experience retention leave | 3,953 | 14,259 |
| Total current employee benefits | 796,871 | 836,091 |
| Expected to be settled more than 12 months after reporting date | | |
| Long service leave | 450,024 | 386,006 |
| Total non-current employee benefits | 450,024 | 386,006 |
| Total employee benefits | 1,246,895 | 1,222,097 |

Note 18 Worker's compensation Provision

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$ | \$ |
| Provision for worker's compensation | 120,000 | 120,000 |
| Total provision for worker's compensation | 120,000 | 120,000 |

The Board is a self-insured entity. This provision is an estimation for worker's compensation claims and is based on approximately 3% of total payroll expenses.

Note 19 Office accommodation Provision

| | 2021 | 2020 |
|---|---------------|----------------|
| | \$ | \$ |
| Provision for office accommodation | 40,000 | 122,000 |
| Total provision for office accommodation | 40,000 | 122,000 |

This provision is based on an estimate for the make good provision costs, with the building lease ending in 7 years.

Note 20 Lease Liabilities

| | 2021 | 2020 |
|--------------------------------|---------------|---------------|
| | \$ | \$ |
| Lease Liabilities – Vehicles | 10,780 | 22,176 |
| Total lease liabilities | 10,780 | 22,176 |

The right-of-use assets related to the lease liabilities are disclosed in note 15.

Note 21 Unrecognised contractual commitments

| | 2021 | 2020 |
|--|----------------|----------------|
| | \$ | \$ |
| Executive Remuneration commitment | | |
| Commitment for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows: | | |
| Within one year | 252,865 | 226,480 |
| Later than one year but not longer than five years | 11,084 | 237,028 |
| Total Executive Remuneration commitment | 263,949 | 463,508 |

Amounts disclosed include commitments arising from contracts between the Board and executives until July 2022.

Lease commitments

Commitments for the payment of lease agreement in existence at the reporting date but not recognised as liabilities are payable as follows:

| | | |
|--|------------------|------------------|
| Within one year | 315,371 | 438,271 |
| Later than one year but not longer than five years | 1,413,412 | 1,900,227 |
| Later than five years | 393,843 | 1,045,258 |
| Total lease commitments | 2,122,626 | 3,383,756 |
| Total Unrecognised contractual commitments | 2,386,575 | 3,847,264 |

The Board's lease commitments are for agreements for memorandum of administrative arrangements (MoAA) with the Department of Planning, Transport and Infrastructure for accommodation. The MoAA expires June 2027. These arrangements are not leases as defined under AASB 16.

Note 22 Contingent assets and liabilities

The Board is not aware of any contingent assets and liabilities.

Note 23 Remuneration of board and committee members

Board Members during 2021 financial year were:

Ongoing Board Members

Ann Doolette – Presiding Member (term was due to expire on 30 June 2021 but was reappointed from 1 July 2021 to 30 June 2024)

Carolyn Grantskalns^ - Deputy Presiding Member (term expired 30 June 2021)

Neil McGoran^ (term expired 30 June 2021)

Mandy Richardson

Caroline Croser-Barlow*

Peta Smith*

Christos Tsonis

Noel Mifsud

Trevor Fletcher

Greg Hayes

Anna Standish (appointed 21 January 2021)

Elizabeth Worrell^ (appointed 1 March 2021)

Susan Young^ (appointed 1 March 2021)

Lynda Secombe^ (resigned effective 28 February 2021)

Judith Atkinson (resigned effective 1 October 2020)

Bruno Vieceli^ (resigned effective 31 January 2021)

Deputy Board Members

Adam Moller

Andrew Wells*

Laura Paulus

Cathy France^ (term expired 30 June 2021)

Monica Conway^ (term expired 30 June 2021)

Ian Lamb*

Kerry Mahony (appointed 21 January 2021)

Melissa Symonds^ (appointed 1 March 2021)

Suzanne Kennedy-Branford^ (appointed 1 March 2021)

Barbara Langford (term ended when Judith Atkinson resigned effective 1 October 2020)

Nicholas Hately^ (term ended when Lynda Secombe resigned effective 28 February 2021)

Mary Carmody^ (term ended when Bruno Vieceli resigned effective 31 January 2021)

Education and Early Childhood Services Registration and Standards Board of South Australia

| The number of members whose remuneration received or receivable falls within the following bands: | 2021 | 2020 |
|---|------|------|
| \$1 - \$9 999 | 14 | 16 |
| Total number of members | 14 | 16 |

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees. The total remuneration received or receivable by members was \$21,618 (See Note 4).

*In accordance with the Department of Premier and Cabinet Circular No. 016, Government employees did not receive any remuneration for board/committee duties during the financial year.

^Remuneration of members is paid to their nominating organisation.

No transactions were conducted with Board members or their deputies on more favourable terms and conditions than would have been adopted if dealing with an arm's length transactions in the same circumstances.

In addition, our Board is supported by two working groups that report directly to the Board as follows:

Internal Review of Decisions Committee

Responsible for conducting internal reviews of its regulatory decisions, and encompasses both early childhood services and schools.

Schools Disciplinary Committee

Responsible for considering serious grievances made against schools and where appropriate the handling of disciplinary matters concerning complaints under the Act.

Note 24 Financial instruments/Financial risk management

24.1 Categorisation of financial instruments

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 2 Summary of Significant Accounting Policies.

| Category of financial asset and financial liabilities | Statement of Financial Position line item | Note | Carrying amount 2021 \$ | Fair value 2021 \$ | Carrying amount 2020 \$ | Fair value 2020 \$ |
|---|---|------|----------------------------|-----------------------|----------------------------|-----------------------|
| Financial assets | | | | | | |
| Cash and cash equivalents | Cash at bank | 13 | 4,268,025 | 4,268,025 | 3,989,578 | 3,989,578 |
| Receivables | Receivables | 14 | 172,550 | 172,550 | 1,557 | 1,557 |
| Total financial assets | | | 4,440,575 | 4,440,575 | 3,991,135 | 3,991,135 |
| Financial liabilities | | | | | | |
| Financial liabilities | Payables | 16 | (282,136) | (282,136) | (191,243) | (191,243) |
| Total financial liabilities | | | (282,136) | (282,136) | (191,243) | (191,243) |

24.2 Credit risk

Credit risk arises when there is the possibility of the Board's debtors defaulting on their contractual obligations resulting in financial loss to the Board. The Board measures credit risk on a fair value basis and monitors risk on a regular basis.

The Board has minimal concentration of credit risk. The Board has policies and procedures in place to ensure that transactions occur with customers with appropriate credit history. The Board does not engage in high risk hedging for its financial assets.

24.3 Liquidity risk

Liquidity risk arises where the Board is unable to meet its financial obligations as they are due to be settled. The Board is funded principally from an Operating Grant from the SA Government through SA Government budgetary processes to meet the expected cash flows. The Board settles undisputed accounts within 30 days from the date the invoice is first received. In the event of a dispute, payment is made 30 days from resolution.

The Board exposure to liquidity risk is insignificant based on past experience and current assessment of risk. The Board's exposure to liquidity relates to Payables in the ordinary course of business.

24.4 Market risk

The Board is not exposed to any market risk.

24.5 Sensitivity disclosure analysis

A sensitivity analysis has not been undertaken for the interest rate risk of the Board as it has been determined that the possible impact on profit and loss or total equity from fluctuations in interest rates is immaterial.

Note 25 Events after the reporting period

There were no events after balance date which will materially impact on the financial report.