

Education Services Australia
Annual report
2020–21

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From the Chair

On behalf of the ESA Board, it gives me great pleasure to present our annual report for 2020–21.

Over the past year, the COVID-19 pandemic has presented ESA and its stakeholders with many challenges, but it has also given us an opportunity to reflect on the experience and be forward-thinking about how we work and educate our young people.

A key focus of the discussion has been on the place of technology in education – the lessons learnt and how to shape the future of education in Australia. In late 2020, ESA drew on our stakeholders' experiences, through our *Voice of Education* research, to reflect on how we can best contribute to the needs of Australia's changing classroom environments.

The research revealed that the education community's pandemic experiences have created a renewed impetus to develop innovative education technology services enabling more flexible methods of learning, and that ESA's stakeholders clearly see a role for ESA in moving this agenda forward. In particular, most supported ESA playing the role of catalyst in bringing together government institutions, industry and agencies to spotlight innovative practice in the design and implementation of education technology.

The ESA Board has used this research and that of our stakeholders to produce the ESA's 2021–23 strategic plan. This plan maintains the company's focus on sustainable high-quality services, but includes a greater emphasis on driving discussion about the future needs for, and use of, innovative technologies. The Board has also committed to further investment in exploring the feasibility of digital services to address particular needs discovered in our research and discussions with stakeholders.

This past year has changed many things: our outlook, the way we work and the context in which we work. ESA welcomes the streamlined operational model adopted by the Education Ministers – and the establishment of the Australian Education Research Organisation (AERO) as a significant new partner agency. We applaud the resilience and cooperative spirit of all jurisdictions during the year, and the renewed focus on national collaboration and reform activities that can be supported by innovative technology services.

I would like to thank my fellow Directors, each of whom bring great commitment and insight to all our deliberations. My thanks also to our CEO, Andrew Smith, for his outstanding leadership, and that of his Executive team, through the most trying circumstances of the past year. In particular, I note how well the mental and physical wellbeing of staff has been looked after.

And to all staff at ESA, the resilience and dedication you have shown has once again produced the outstanding results described in this report. It is your work, and ability to collaborate across the education community, that leads to ministers continuing to put their trust in ESA.

We thank Education Ministers for that trust, and look forward to another year of working together to support them in improving outcomes for all Australian students.



Diane Joseph
Chair, Education Services Australia

From the CEO

Had I been asked in January 2020 whether ESA could successfully operate with all staff working remotely, I would have said 'no way'. By the end of 2020, I was in awe of the resilience and resourcefulness of staff to work through the personal and professional challenges that the COVID-19 pandemic created. By then, we were emerging from our second lockdown and, like many of our stakeholders, beginning a process of reflection on our experiences that prompted us to think differently about how we do things and the future needs of education.

For ESA it meant deciding to increase our focus on understanding the changing needs of our stakeholders and identifying innovative ways to meet them. This year it has included conducting the *Voice of Education* research, investing in a Discovery phase for work-experience online, making evidence-based enhancements to myfuture; and planning a series of Digital Innovation roundtables. Finally, we introduced a flexible working policy enabling staff to work remotely for part of their time fraction on an ongoing basis, in recognition of this year's many achievements while working from home.

There is the work on national education technology platforms, notably the Online Formative Assessment Initiative (OFAI) and NAPLAN Online. For OFAI, ESA built prototypes and tested them with teachers and school leaders, developed the Suggestion Engine and Open Technology Framework and provided project management for the initiative. NAPLAN Online testing ran successfully, with the platform handling a peak concurrent load of 195,000 students and the Low/No Bandwidth solution used for the first time. The National Schools Interoperability Program contributed to both these programs, as well as providing support for departmental responses to the pandemic, in particular by prioritising Safer Technologies for Schools privacy and security assessments for e-learning products required for learning from home.

Many teaching and learning resources were developed and curated for existing websites, including the Digital Technologies Hub, the NCCD Portal, the Student Wellbeing Hub, the Civics and Citizenship Hub, and the Democracy Rules website. New hubs were developed for Literacy and Mathematics, with professional learning, resources for use by teachers and families and a Phonics Check and a Number Check for teachers to conduct one-to-one with Year 1 students. The myfuture website underwent a refresh. With new personalisation and improved user experience features, it is well placed to support the career guidance and exploration aspects of the Senior Secondary Pathways Priority Action Areas.

The English Language Learning for Indigenous Children trial team completed the first play-based app, having overcome pandemic impediments to co-design with Indigenous communities by partnering with the Stronger Smarter Institute to run sessions in community.

The Early Learning Languages Australia program (ELLA) grew to 4,776 participating preschools. It also commenced the final year of the schools' trial, using four new apps developed for F-2 students.

Our corporate services teams supported the smooth continuation of all this work – in particular the People and Culture team who kept staff informed and supported their mental health and wellbeing and the ICT Team who ensured that we were well equipped for working remotely.

I thank all ESA staff for their contribution to these achievements, which are a testament not only to their resilience and ability to support one another but also to their dedication to supporting and working with our stakeholders. My thanks also to the ESA Board for keeping the welfare of staff as a priority and providing much appreciated advice and support.

Thanks also to Education Ministers for continuing to put their trust in ESA and to departments and agencies for the collaborative spirit with which they approach working with us.

Andrew Smith
CEO, Education Services Australia

1 About Education Services Australia

Purpose

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

Mission

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

Role

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

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

Enhancing our impact

During the year, ESA's work was guided by the Letter of Expectation from Education Ministers and by its strategic plan, [*Enhancing our impact: ESA Strategic Plan 2018–2020*](#). This plan aims to enhance ESA's effect on Australia's education landscape by continuing to work with ESA's stakeholders to improve its services and contribute to educational outcomes in a sustainable way. It focuses on five strategic pillars that build on our core capabilities:

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

In April 2021 the Board approved the Strategic Plan for 2021–2023.

2 Supporting national education reforms

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'. It identifies a number of key projects and outputs as priority work. This work includes national collaborative projects directed by the Education Ministers; projects funded by the Australian Government in support of national initiatives; and ongoing services supporting schools, state and territory education departments and education agencies.

ESA also uses its expertise and insights to contribute to the broader education discussion on school and system improvement, doing this through its contribution to conferences, submissions to education reviews and publication of articles.

2.1 National education technology platforms

ESA is Australia's leading provider of shared education platforms. In this role, ESA develops, procures and maintains valuable software products and services on behalf of stakeholders, to support access to quality-assured systems and content and achieve greater interoperability between individuals, entities and systems. Importantly, many of these digital platforms leverage similar underlying technology and infrastructure.

In executing the first pillar of our strategic plan (develop and maintain of education technology platforms that increase access and improve connectivity), ESA aims to achieve efficiencies, economies of scale for its existing platforms, and improved connectivity between content and service providers in ways that reduce duplication, complexity and cost.

Online Formative Assessment Initiative

During 2020–21 ESA, ACARA and AITSL continued to work in collaboration with the teaching profession, school leaders, parents/carers and students on the Education Ministers' Online Formative Assessment Initiative (OFAI). This initiative aims to provide teachers with innovative assessment solutions that integrate resources, data collection and analytical tools in a teaching tools network that is easily accessible, interactive and scalable to meet future needs.

Throughout 2020–21, work was focused on completion of the Alpha phase of the project in which prototypes were built and tested with teachers and school leaders from all over Australia. The Alpha phase report was delivered to ministers, providing detailed design requirements for a minimum viable product for a potential Beta phase.

ESA's role in the Alpha phase involved designing and developing the interactive prototype, named Spindle, which was made publicly available for demonstration and testing of the proposed functionality of the teaching tools network.

Central to that network is the Suggestion Engine, which ESA has developed in collaboration with Deakin University's A²I² group. The Suggestion Engine will recommend resources that teachers can allocate to students, based on information collected from the formative assessment ecosystem.

ESA is also responsible for development of another proposed essential component of the ecosystem – the repository of digital resources that will be recommended to teachers to meet students' needs. During the year, ESA completed a Digital Content Plan and developed digital resource prototypes to test the protocols, rubrics and frameworks developed for the curation of quality resources. Quality resources from the existing Scootle repository were also integrated into the system.

ESA's National Schools Interoperability Program (NSIP) team developed the Open Technology Framework for the initiative. This framework will facilitate the exchange of data between the processes and systems used to support learning, assessment and the monitoring of student progress.

As the Project Management Office (PMO) for the initiative, ESA has been responsible for the project oversight, monitoring and reporting functions. During the past year, the work of the PMO has also included:

- organising and conducting an innovation forum
- procurement of an independent probity advisor
- implementation of privacy-by-design principles
- communications and stakeholder engagement activities including consultations, email newsletters, slide packs and website updates.

Online National Assessment Platform

ESA is responsible for the development and ongoing operation of the Online National Assessment Platform to deliver the 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 testing ran in schools Australia-wide from Tuesday 11 May 2021 to Friday 21 May 2021 followed by a two-week period for schools that had compelling reasons to complete testing.

During the test window over 870,000 students submitted 2,955,472 online tests from 6,377 schools. Day 2 represented the highest volume of online testing with 649,000 tests submitted.

The platform's peak concurrent load was 195,000 students, experienced on Day 2, which exceeded anything achieved in previous test events.

Three jurisdictions (Qld, NT and NSW) successfully used the Low/No Bandwidth (LNB) solution. A total of 3,770 tests were submitted using the LNB across 84 schools/campuses.

Testing proceeded smoothly throughout the nine-day period, with the exception of an incident that occurred on Thursday 13 May that affected approximately 0.1% of total participants. The incident management response was swift and effective and all students were able to continue testing without any loss of data.

The Centralised Platform Monitoring (CPM) tool, in operation for the first time for the live test event, provided ESA with the capacity to accurately identify and rapidly respond to platform-related issues.

ESA acknowledges the collaborative efforts of our partners in jurisdictions, at ACARA and in schools that have led to this successful result.

Work is well underway on platform enhancements for NAPLAN 2022. Priority has been given to enhancements to support delivery of single stream tests, which will enable the transition of students unable to attend traditional school settings (such as distance education and home-school students), to online assessment. The other enhancement priority for NAPLAN 2022 is to further develop the LNB solution.

National Schools Interoperability Program

The National Schools Interoperability Program (NSIP) is a joint initiative of the state, territory and Australian governments. Its role is to support the development of digital learning infrastructure, improve access to information and support the safe use of technology in Australian school education.

This year the program has contributed to a number of projects of national significance in addition to those approved and funded through AESOC. These projects included the Online Formative Assessment Initiative, the Australian Government's Schools B2B Automated Data Transfer Project and interoperability support for NAPLAN Online. Initial advice was also provided to the Unique Student Identifier initiative and the Student Data Transfer Protocol project.

NSIP also provided support for departmental responses to the COVID-19 pandemic. These included updates to interoperability standards enabling the collection of data required to monitor student participation and

manage resources, as well as prioritised privacy and security assessments for e-learning products required during the extended period of learning from home.

The Safer Technologies for Schools (ST4S) service continued, with the completion of 200 security and privacy product risk assessments for widely used education software products. Product assessments cover both school administration and e-learning products provided by Australian and international suppliers. Assessment reports were distributed to stakeholders to assist schools with product selection and the management of privacy risks, and to the product vendors to support consideration of improvements to their products.

Approximately one-third of participating ST4S vendors have improved or committed to improving the privacy and security of their products as a result of undergoing the assessment process, further contributing to a safer learning ecosystem for schools.

A memorandum of understanding was signed with the New Zealand Ministry of Education to investigate the scope for collaboration in the delivery of the ST4S service, potentially increasing its impact on local and international product suppliers.

National Online Learning Services

The National Online Learning Services (NOLS) comprises online tools, digital resources and back-end processes, standards and systems. These include Scootle, the digital curriculum resource repository, the Language Learning Space that supports teaching of Chinese, Japanese and Indonesian languages, and the formative assessment tool, Improve.

Work over the past year has focused on transitioning the NOLS infrastructure to support and align with the Online Formative Assessment Initiative (OFAI) as agreed by Education Ministers in 2019. This has involved a process of rationalisation and re-architecture of NOLS to integrate with the Suggestion Engine being developed in the initiative, while simplifying the back-end systems to lower maintenance costs and move to a simpler publishing approach.

Scootle has continued to operate and provide teachers with access to its digital resources, with functionality improvements resulting from its integration with the Online Formative Assessment Initiative. Removal of content reliant on the outdated Adobe Flash plug-in was also completed.

The Improve formative assessment tool has been decommissioned.

The ESA Board funded continuing support of the Language Learning Space in order to meet the ongoing obligations of the maintenance and support agreement for the Western Australian Ketawa Indonesian Language Program.

2.2 Projects and services

Technology is an important tool for personalising learning, enhancing equity and preparing students for the world of today and tomorrow. Advances in technology and its potential to enhance student outcomes and support system and school administration are progressing rapidly.

In executing the second pillar of our strategic plan (Deliver high-quality projects and services), ESA aims to deliver digitally enabled projects and services that support national reform priorities and have a positive impact on the education of young Australians. Importantly, these activities will support the collection, sharing and distribution of knowledge, resources and services to reduce cost and duplication across jurisdictions, sectors and schools.

Phonics Check and Literacy Hub

In August 2020, the Phonics Check for teachers to conduct with Year 1 students was launched on the Literacy Hub. Since the Check was launched it has had a steady increase in the number of schools registered and the number of completed Phonics Checks with students. Further enhancements to the Check have been implemented as a result of user feedback.

To complement the Check, the Literacy Hub is being further developed, both to provide teachers and families with access to evidence-based resources and to provide teachers with professional learning materials. The Discovery phase to inform this further development was completed and the results used to develop a new version of the Hub with over 200 resources added, including:

- information for families in 11 languages
- 56 videos illustrating best practices
- over 30 curated resources from trusted providers
- an evaluation framework for resources for the teaching of reading in the early years
- detailed information for conducting the Year 1 Phonics Check and next steps.

The site also features a rich search function enabling quick and easy access to the resources. The Literacy Hub Reference Group and subject matter experts provided feedback on the site, which is scheduled to be launched in August 2021.

The final component of the Phonics Check and Literacy Hub program is the design and delivery of the Phonics Targeted Assistance Program, which will provide Phonics coaching over an 18-month period to up to 100 schools identified as disadvantaged and below national reading benchmarks in Year 3. Eighty-two schools have agreed to participate in the program from across Australia and coaches have been recruited and allocated to schools. The program will commence in July 2021.

myfuture

myfuture is Australia's national online career information and exploration service. The enhancement work plan for myfuture is informed by the National Strategic Reference Group, feedback from teachers and career practitioners, surveys of users and ongoing engagement with industry, tertiary institutions and other stakeholders.

Phase 1 of the enhancement project was completed in September 2020. This phase involved a refresh of the website, including improved user experience, particularly for equity groups. Together with the existing My Career Profile feature, new personalisation features introduced this year have made myfuture well-placed to support the career guidance and exploration aspects of the Education Ministers' Senior Secondary Pathways Priority Action Areas.

Expansion of content in 2020–21 included feature pages on the future of work; vocational education and training for students, teachers and career practitioners; and open days in 2021, as well as new career stories.

The *ESA Careers Action Plan, 2021–2024* was developed and approved by the Board in December 2020. The Action Plan reflects a combination of stakeholder priorities, outcomes from the *Review of senior secondary pathways into work, further education and training* and priorities emerging from the Work Experience Online Discovery Project funded by the ESA Board.

Funds from the Work Experience Online Discovery Project were also used to commence work on developing an industry toolkit of resources aimed at engaging employers in providing quality workplace learning experiences to secondary school students. This will be followed by the development of a workplace learning preparation and induction resources toolkit for schools.

myfuture's *Insights* series explores how the evidence base drives the development of the service forward. Four *Insights* papers were published and associated webinars conducted:

- Preparing today's learners for uncertainty
- Career education: every teacher has a role
- Shaping myfuture: the role of research, feedback and expert advice
- Making career decisions: how influencers can help

A further 19 webinars were conducted, including:

- Student wellbeing & career resilience in a rapidly changing world
- Opportunity awareness & career development
- Supporting your child's career development: tips and tools from myfuture
- Career decision-making
- Exploring myfuture's 'My career profile'
- Self-awareness and career exploration

During 2020–21, myfuture recorded 770,802 sessions and 9,337,289 pageviews. Users completed a total of 852,078 My Career Profile activities. The Electronic Direct Messaging Service sent 808,220 targeted email newsletters to teachers, career practitioners, parents and years 7–12 students.

Early Learning Languages Australia (ELLA)

The Early Learning Languages Australia (ELLA) program is a digital, play-based program that includes a series of apps. Its purpose is to make language learning engaging and interesting to young children in preschool and the early years of school. Several independent evaluations of the program have demonstrated the success of the ELLA apps in introducing preschool children to a language other than English.

ESA has had responsibility for the overall management and promotion of the program since its inception in 2014. This includes the development of 11 apps in each of 13 languages, support materials, educator training, and establishing support networks.

From 1 July 2020, an extra 547 preschools joined the program, totalling 4,776 registered preschools. Seven of the preschool apps were redeveloped in 2021 to ensure that they continue to work with the latest tablet-device operating systems.

The final year of the ELLA schools' trial is underway, with 295 primary schools across Australia participating. The trial seeks to understand the benefits of the ELLA program for primary-school children in years F–2. This year, students in years 1 and 2 participated, using four new age-appropriate apps specifically developed for them.

The COVID-19 pandemic continued to disrupt the program, but app development for the F–2 schools trial continued, with ESA and the app developers working closely together to mitigate delays. An expanded online professional learning program was held in place of face-to-face workshops, with positive feedback from attendees.

English Language Learning for Indigenous Children trial

The English Language Learning for Indigenous Children (ELLIC) trial aims to improve English language outcomes for Aboriginal and Torres Strait Islander preschool children for whom English is an additional language or dialect.

The project involves the development of a series of play-based apps for children in the year before full-time school, together with resources for educators, families and communities that are co-designed and aligned to the Early Years Learning Framework and the Australian Curriculum: Foundation.

The Discovery and Alpha phases of the trial have been completed and the Beta phase is currently underway. The project successfully passed two evaluations between Alpha and Beta – one considered the educational impact of the suggested learning program and the other reviewed how the project followed the Digital Transformation Agency's Digital Service Standard.

Co-design occurred in two communities during the Alpha phase. ESA partnered with the Stronger Smarter Institute (SSI) to run the sessions, with SSI staff on the ground and in community. The process was very positively received due to the trust and respect given to participants and the protections of their knowledge and input.

Development of the first version of the app, due to be delivered in September 2021, has been iterative, with input from the project's Education Advisory Group and feedback loops with the co-design community members, preschools onboarded in the Beta phase and subject matter experts.

Five preschools are participating in the Beta phase, with ESA seeking their input on the app and offline activities being developed to support the learning program. Ethics approval is being sought from AIATSIS and research approvals from participating states and territories are underway for the Trial phase. Letters of support for the project have been received from participating Beta preschools. Initial feedback has been that preschools feel that this will be a useful program for their children and the children have enjoyed their first contact with the apps.

In October 2021 the project will move into the full trial stage with 20 preschools.

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 the cost and duplication of effort involved in cataloguing resources in schools.

SCIS continues to be a popular service, with almost 80 per cent of Australian schools and 44 per cent of New Zealand schools currently subscribing to the service. SCIS has also attracted subscribers from 416 schools in 24 other nations, including 361 from the United Kingdom. SCIS's 'bundled package' arrangement with a library system vendor selling to UK schools has seen a three-fold increase in UK subscribers over 12 months.

In February 2021, SCIS completed a major project upgrading to a new cataloguing (data entry) system. The project was completed on budget and on schedule.

SCIS cataloguers created 39,310 records in 2020–21, a record-creation rate relatively unchanged from that of 2019–20. Hit-rates remained high in 2020–21, with SCIS provisioning data for 94.88 per cent of all customer book requests.

SCIS has continued to deliver online professional learning sessions throughout the pandemic period, and its regular publication of *Connections* has seen increased online engagement.

Civics and Citizenship Education Hub

ESA completed a scoping study (Phase 1) to determine how to better engage school students in contemporary civics and citizenship education (CCE) and to provide teachers with easily accessed, engaging, current and evidence-informed teaching resources via the development of a new civics and citizenship education online hub (CCE Hub).

Phase 2 commenced in September 2020, with ESA undertaking user testing on the Phase 2 designs and conducting stakeholder and user consultation before beginning development using an external agency.

CCE Hub currently contains over 230 resources and over 30 events. Resources were initially sourced from a stocktake undertaken as part of Phase 1, focusing on resources from trusted Australian institutions. Work then commenced on filling resource gaps identified by the stocktake.

User acceptance testing is being conducted, with the Hub expected to go live in Term 3, 2021.

Democracy Rules

The Democracy Rules website provides teachers with background knowledge that will enable them to confidently lead students in electoral education aligned to the Australian Curriculum.

The Australian Electoral Commission (AEC) commissioned ESA to update the resources that were developed in 2007 in three interrelated streams of work:

- Update the Democracy Rules resource booklet to reflect changes to electoral law and the latest information on voting and elections, incorporate specific links between the topics and the Australian Curriculum, and update images and hyperlinks.
- Rebuild Flash-based interactive animations into HTML5 objects. (Required as Adobe Flash was no longer supported after December 2020.)
- Develop a suite of five new animations to support the updated resource booklet.

This project was completed and the updated resources are now published on the AEC Democracy Rules website.

Nationally Consistent Collection of Data on School Students with Disability

The Nationally Consistent Collection of Data on School Students with Disability (NCCD) is an annual collection of information about Australian school students with disability. The NCCD portal, developed by ESA, helps school communities participate in the NCCD to improve the quality of data available for education authorities and governments.

During 2020-21, ESA developed and curated additional resources and published them to the portal, including case studies, illustration of practice videos and an infographic. The School Reflection Tool was published on the portal to support schools' internal reviews of their NCCD processes. This survey-based tool supports school leaders' strategic planning for the coming year, based on collated school team data. The tool has received strong support from schools, with over 1,800 survey completions to date.

In addition to the work on the portal, ESA completed the pilot of the Confidential NCCD School Reports Tool, which is designed to assist school leaders to visualise their historical NCCD data, as well as compare it with 'like' schools nationally. The pilot provided some insights into use of the reports tool by schools, but, as COVID 19 significantly reduced the pilot cohort, further testing and development may be required.

Additional funding was received in December 2020 for the development of new resources for the portal through to June 2022. Work commenced on the following resources:

- Leadership e-learn: an online professional learning resource arising from research conducted by the Department of Education, Skills and Employment that data quality improves significantly when school leaders are actively engaged with the NCCD as a whole-school approach throughout the school year. ESA is working with Monash University to develop the e-learn.
- Imputing Disability resources: ESA is developing a series of resources to support schools to impute disability when formal diagnosis is not available. The resources will include a guide and case studies developed in collaboration with a national working group that will enhance and reference content already published on the NCCD portal, including the e-learning courses.

The NCCD Portal had 623,670 users and 23.5 million pageviews since going live in February 2019. A total of 209,740 online professional learning courses, including Disability Standards for Education training, were completed in this period.

Student Wellbeing Hub

The Student Wellbeing Hub provides resources tailored to students, parents and educators, to support the development of safe, inclusive and connected school communities that promote wellbeing and learning. The Hub is underpinned by the Australian Student Wellbeing Framework.

Resources on the Hub include professional learning courses, webinars, a school wellbeing check and materials for supporting respectful relationships education.

In June 2020, a new three-year hosting and maintenance agreement was signed to ensure the ongoing availability of the Hub. The agreement also includes hosting arrangements for The Good Society (TGS) website, which was built by a third party. The TGS was launched under the Respect Matters umbrella in April 2021. ESA maintains the website and is working with the Department of Education, Skills and Employment (DESE) to update content as it undergoes an expert review.

ESA launched two new online courses under the Respect Matters umbrella to coincide with the release of the TGS. These courses for educators and pre-service teachers are designed for those teaching respectful relationships education who want to deepen their understanding so that they can work with students to make classrooms a safer place.

An additional course, 'Building Student Resilience', was launched in June 2021. This course explores the latest research on resilience in the wake of bushfires and the COVID-19 pandemic. It provides educators with strategies to sustain resilient attitudes and practices across the whole-school environment.

Digital Technologies Hub

The Digital Technologies 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 assist with after-school activities.

The Hub now houses 935 resources comprising ESA-developed lesson plans and webinars, video, curated third-party resources, assessment resources, and curriculum and information pages.

Work completed during 2020-21 includes:

- development of an additional 11 new Artificial Intelligence (AI) lesson plans, taking the total to 26 for students in Foundation to Year 10
- development of three AI concept videos
- development of online AI professional learning programs for primary and secondary teachers including ten synchronous online events, due for release in Term 3 of 2021
- delivery of four webinars that addressed drone education; augmented reality, virtual reality and AI; inclusive STEM classroom strategies; and AI through project work
- presentations at five online professional learning events
- a technical rebuild of the Hub, due for release in the second half of 2021.

In 2020–21 the number of Digital Technologies Hub users has increased by 22 per cent to 301,688. The Hub now has 5,896 Facebook followers and 6,235 subscribers to its newsletter.

Edu.au domain

ESA manages the edu.au Domain Registrar service for eligible education providers. The service issues domain names and provides ongoing support for all education sectors, including pre-schools and childcare centres, schools, higher education institutions, training organisations, peak industry and research bodies, and professional associations.

The Registrar has seen steady growth over the year – notably in the early childhood sector, which the Registrar has been targeting with marketing campaigns over the last few years.

A new Registrar Agreement was finalised and signed, which resulted in an independent Registrar Baseline Security Assessment being conducted. ESA was assessed as very high value in the overall compliance ratings.

In April 2021, new Licensing Rules were introduced by au Domain Authority (auDA) for the .au Domain Namespace. The biggest change to the registration process for edu.au is the requirement to check eligibility at the time of renewal. The current system does not allow for this to be done automatically, so ESA developed new manual processes in order to comply with this requirement.

The edu.au Advisory Committee (EAC), which replaced the edu.au Domain Advisory Committee (eDAC), met for the first time. Michael Haigh chaired this, his final meeting, as he was resigning after many years of dedicated service on eDAC.

ESA has continued seeking ways to improve and promote its service, with ESA's Domain Registrar team responding to over 3,408 enquiries. The team has also conducted ongoing discussions with external registry services and data systems providers to maximise the value of the service to edu.au registrants.

Maths in Schools

The Maths in Schools project will provide support for mathematics and numeracy teachers of Foundation to Year 10 students through the development and delivery of Mathematics Massive Open Online Courses (Mathematics MOOCs), directed professional learning, and the provision of a repository of teaching and learning resources through an online Mathematics Hub that will provide access to quality, evidence-based resources and professional learning materials for teachers, families and students.

Resources include an online Number Check for teachers to conduct one-to-one with Year 1 students. Offline materials are also being made available. The Check includes items from the NSW SENA assessment and suggested teaching and learning resources that are aligned to the items in the Check.

Work has been completed on the development of most aspects of the project and a launch is expected in the latter half of 2021.

Girls in STEM Toolkit

The Girls in STEM Toolkit (The GiST) project has involved the development of online tools for girls to explore how their existing skills and interests can link to STEM careers and study pathways. As well as providing information for students, the GiST includes resources for use by teachers, school leaders and families. These resources are provided to inspire and encourage girls to feel confident and enthusiastic about STEM and to take advantage of the increasing number of current and projected STEM-related jobs.

Since its launch in August 2019, the GiST has reached over 36,136 users. The GiST Quiz (for students) and the STEM Educator Resources pages are the most visited sections of the site.

Over the past year, new content added included video interviews with recipients of the Prime Minister's Prizes for Science; Q&A interviews; a webinar for educators; and online news (*The GiST newsletter*) published every two months.

ESA also funded the development of the guide *Classroom Strategies for Inclusive Learning Environments*, which is based on a literature review of recent research on STEM education engagement, particularly for young girls and women.

The GiST's social media presence has seen a marked increase in engagement since the previous year. Facebook increased by 65%, Twitter by 181% and Instagram by 293%.

In February 2021, The GiST received a second grant to fund the project until 2024. The grant includes an evaluation of The GiST with its three main user groups – educators, families and students – that will inform the development of a content plan for the future.

School Survey

School Survey is a data-collection tool that enables schools to gather valuable feedback from their school community, either by creating surveys using the tool's national library of standardised questions, or by creating custom surveys.

The tool is funded and maintained for use by government schools in Western Australia, South Australia and the Northern Territory.

ESA continued to provide technical support and maintenance for School Survey. ESA also provided training via webinar when jurisdictions ran large survey campaigns.

2.3 Insights

Research and evidence will have greatest impact on policy development and implementation if the findings have been translated and communicated effectively. In executing the third pillar of our strategic plan (Disseminate insights that support decision-making), ESA aims to expand its role in the provision of trusted, high-quality evidence and resources to support teachers and school leaders to adopt and adapt evidence into practice and to support the safe and effective use of education technology.

During the year, ESA has contributed to national conversations on improving student outcomes, in the form of submissions to public reviews, primary and secondary research shared with stakeholders and industry, and via webinars, newsletters and articles published in ESA publications. Contributions made in 2020–21 follow.

- A submission to the Review of the Disability Standards for Education 2005, drawing on ESA's experience in development and maintenance of the Nationally Consistent Collection of Data on School Students with Disability (NCCD) Portal and our work in developing digital resources that support inclusive education for students with disability.
- The *ESA Voice of Education Research Report 2020*, drawn from a stakeholder survey and detailed long-form interviews. It was shared with ministers, departments, the non-government sector and principals. The report provided valuable insights across three major themes:
 - how COVID-19 has impacted education in Australia
 - how stakeholders and key partners assess ESA's performance in 2020
 - how ESA can meet the needs of Australia's changing classroom environments.
- Security and privacy assessments of education software products that were distributed to stakeholders via the Safer Technologies for Schools (ST4S) service to assist schools with product selection and the management of privacy risks. The information was also shared with the product vendors to improve the privacy and security of their products.

- Publication and distribution of *Classroom strategies for inclusive STEM learning environments*. Written and funded by ESA, this resource utilises some of the research ESA had conducted for the Australian Government's Girls in STEM (GiST) Toolkit. The resource complements and builds on initiatives taken by governments and institutions across the country.
- A response to AITSL's *Indigenous cultural competency in the Australian teaching workforce* discussion paper via a submission that focused on sharing ESA's observations and learnings on the opportunities, challenges and barriers in developing teacher cultural competence and the role of digital technology.

2.4 Management of education information

The Education Ministers' national reform priorities include initiatives to enhance national education data quality, consistency and collection to improve the national evidence base and inform policy development. Managing and protecting the information of individuals, particularly students, while facilitating the sharing and analysis of national education information presents a complex and dynamic landscape.

In executing the fourth pillar of our Strategic Plan (Provide leadership in education information management), ESA aims to use its expertise to be a leader in the management and operation of secure technology platforms and services, both for itself and its stakeholders and partners.

Privacy and security underpin all our work, and are guided by the ESA Security and Privacy by Design Policy. This policy aims to ensure that all ESA staff, contractors and third-party vendors are aware of their privacy and security responsibilities when designing, developing, providing and maintaining technology systems and services – and that these are applied through all phases of the technology product or service lifecycle to protect information and to prevent potential information risks.

ESA also has in place an Information Security Management System (ISMS) and Framework based on industry best-practice and aligned with the Australian Government Information Security Manual (ISM) and Protective Security Policy Framework (PSPF).

Specialist staff are employed to manage privacy and security across the company, provide advice and training of staff, and ensure that all staff understand their privacy and security responsibilities and risks, whatever position they hold in the company.

Activities conducted during the past year as part of ESA's ongoing management of privacy and security include those below.

- Preparation for the latest Infosec Registered Assessors Program (IRAP) Cloud Security Assessment of ESA's GovZone to independently verify continued compliance with the Australian Government ISM standards and PSPF. These regular security assessments and audits provide assurance to government departments and agencies that ESA has the necessary security policies and procedures in place to protect their information and technology assets.
- An external review of ESA's implementation of its Privacy Management Framework.
- Review of staffing arrangements for privacy, resulting in the creation of a new full-time role of Chief Privacy and Information Security Officer (CP&ISO), to bolster the resources applied to this important area.
- Introduction of multi-factor authentication for use by staff to remotely access ESA corporate services.
- Delivery of a range of privacy and security training and awareness-raising activities, including an all-staff meeting to coincide with Privacy Awareness Week, with expert guest speakers on making privacy a priority. Staff were also encouraged to access resources and participate in activities

organised by the Office of the Australian Information Commissioner aimed at helping them to protect personal information.

2.5 Stakeholder engagement

The Australian education sector is diverse, distributed and – to varying degrees – devolved. The circumstances and needs of systems, sectors, schools and students vary according to a range of factors. Effective engagement for ESA therefore means understanding the specific challenges faced by systems, sectors, schools, educators and students.

In executing the fifth pillar of our strategic plan (Strategically engage stakeholders to establish partnerships that help achieve their goals), ESA aims to ensure alignment between ESA's activities and the priorities of our stakeholders. In doing so ESA will identify opportunities for value creation and for co-design solutions, and will then assess their impact.

During the year, ESA engaged an independent consultant to conduct the *Voice of Education* research. In addition to gathering information on how COVID-19 has impacted education in Australia, the research asked our stakeholders and key partners to assess ESA's performance in 2020 and how we can meet the needs of Australia's changing classroom environments.

Together, these insights shed light on the role key stakeholders would like ESA to play to help build a more resilient education system, and one that is better prepared to meet future challenges.

Stakeholder perceptions of ESA strengths were:

- the evidence-based and research-driven approach to service delivery and our ability to mobilise some of the country's best thinkers and practitioners to advance the delivery of educational services
- ESA's own significant expertise in digital pedagogy and curriculum design
- the information technology experience and skills of ESA staff
- the ability to engage with the jurisdictions and collaborate meaningfully throughout a project's lifespan.

Opportunities for improvement identified related to deepening ESA's already highly regarded collaborative approach by facilitating more opportunities for stakeholder involvement in the pre-project phase, and making ESA's value for money more evident.

ESA has used the findings from the *Voice of Education* research to engage with ministers and senior officials. Invitations were sent to all state, territory and Australian Government education ministers to meet with the Chair and CEO for a briefing on the learnings for Australia's education community arising from COVID-19 – and to provide insights into the education sector priorities in coming years and how ESA can best contribute to those priorities, focusing on areas of opportunity identified in the research report.

The Board and the ESA Executive have discussed the findings and incorporated measures to address them into ESA's strategic planning. Using this survey as the baseline, ESA intends to run the surveys every two years, to continue to measure our performance.

3 Strengthening our service

The five strategic pillars of ESA's strategic plan are supported by three operational plans that:

- enable our people to ensure that ESA's workforce is capable, productive and engaged and that ESA provides a safe workplace

- build sustainable infrastructure and efficient processes to ensure that ESA manages and allocates resources efficiently and actively pursues environmentally and socially responsible business practices
- maintain our financial health to ensure that the use and management of ESA's financial resources support the achievement of the company's objectives.

3.1 Enabling our people

With all staff working from home for almost the whole year due to prolonged COVID-19 lockdown periods and tight restrictions on in-office work, the focus was on staff mental health and ensuring that staff had the appropriate tools, equipment and support to work safely and effectively from home. Staying connected and maintaining good communication were also recognised as being important to help alleviate feelings of fear, anxiety, worry and the sense of being overwhelmed.

The workplace wellbeing program was adapted to online delivery, which included competitions, social events and weekly Tai Chi sessions. Weekly communications were sent to all staff from the CEO and the People and Culture Team. All-staff meetings were increased in frequency from quarterly to monthly.

ESA's confidential professional counselling service, delivered by an external provider, continued to be available to employees and their direct family members for assistance with work-related or personal problems. This year 12 per cent of staff accessed the service, an increase of five per cent.

Staff were equipped with laptops and wireless headphones and were permitted to take other equipment home such as keyboards, screens and desk chairs. All staff were required to undertake online training on Work Health and Safety and Ergonomic Workstation set-up and to complete an Occupational Health and Safety self-assessment of their home set-up.

ICT remote working tools and security systems were maintained and upgraded, new tools added and a range of privacy and security training and awareness raising activities conducted.

Remote working was so successful that ESA introduced a Flexible Work Policy, where staff can apply to work up to 40 per cent of their time fraction from home on an ongoing basis. Flexible working arrangements are now available to all ESA staff.

An external audit was conducted on the design and effectiveness of ESA OHS practices. The report evaluated ESA against its legislative compliance requirements and industry best practice. It found that ESA's current safety management system and governance approach is in line with best practice, and that its management of risks associated with the mental health of employees during the pandemic is exemplary.

3.2 Sustainability

Planning and investment activity aimed at improving services for stakeholders and leveraging existing services included:

- renewal of the ESA Strategic Plan for 2021–23 based on future needs of our stakeholders as determined by the Education Ministers' priorities, the Mparntwe Declaration and ESA's *Voice of Education* research
- further expansion of ESA's secured managed hosting services to a niche market of small education-related organisations
- completion of an upgrade of the Schools Cataloguing Information Service (SCIS) cataloguing system to maintain the high quality of this service
- supplementation of jurisdictional funding for further enhancements to the myfuture career service

- completion of the Discovery phase of an ESA-funded project to explore the feasibility and potential of delivering work experience online (the findings of which led to a focus, in the next phase, on improving industry engagement to support students to learn more about the world of work)
- Development of the *ESA Careers Action Plan, 2021–2024*, which reflects a combination of stakeholder priorities, outcomes from the *Review of senior secondary pathways into work, further education and training* and priorities emerging from the Work Experience Online Discovery Project.

3.3 Social responsibility

Reconciliation Action Plan (RAP)

ESA is committed to working towards reconciliation by building relationships both internally and externally, and raising awareness with our stakeholders to ensure there is a shared understanding and ownership of our RAP within the company. We are committed to fostering respect, finding opportunities for reconciliation, and embedding reconciliation into our governance. We also continue to share and celebrate the positive groundswell of actions and attitudes that foster mutual understanding, respect and collaboration throughout Australia.

In May 2020, ESA developed its Reflect RAP in partnership with Reconciliation Australia. In the past year, action taken by ESA has included:

- building and strengthening relationships through our work; for example, the English Language Learning for Indigenous Children (ELLIC) project with the Stronger Smarter Institute, and the Schools Cataloguing Information Service partnership with Deadly Science.
- fostering respect, awareness and understanding of Aboriginal and Torres Strait Islander peoples, cultures, histories and knowledges through our promotion of Narragunnawali Reconciliation Education Program to schools; staff engagement in acknowledgement of country training; and National Reconciliation Week and NAIDOC week activities
- exploring opportunities to embed reconciliation into governance and policy by ensuring compliance with Australian Government Indigenous Participation Procurement rules, expanding procurement from businesses owned by Aboriginal and/or Torres Strait Islander people, and membership with Supply Nation.

ESA's RAP Working Group, comprising staff volunteers, has led the work on the Action Plan. This year, the RAP Working Group was pleased to welcome an external member, Jill West, to the group. Jill brings invaluable experience as a proud Palawa woman who has spent her career supporting Aboriginal and Torres Strait Islander people in their work, education and personal lives.

With implementation of the *Reflect* RAP being almost complete, the RAP Working Group is currently finalising the next edition of ESA's RAP, titled *Innovate*. The *Innovate* RAP will focus on moving from safe to brave to progress reconciliation, with actions and deliverables to be more visible in our measures and impact.

International Women's Day

International Women's Day (IWD) is an important opportunity for us to reflect on and celebrate the social, economic, cultural and political achievements of women and celebrate the positive impact that the women of ESA have on the lives and learning of young Australians. Beyond this, the day also marks a call to action for accelerating gender parity.

ESA celebrated IWD this year with an International Women's Day online event attended by 136 staff.

Our guest speaker was Professor Katrina Falkner, Executive Dean, Faculty of Engineering, Computer and Mathematical Sciences, University of Adelaide and founder and leader of the Computer Science Education Research (CSER) group. Professor Falkner and her team are working with ESA on the Maths in Schools project.

ESA's speakers were Caroline Hartley (Manager, SCIS) and Ash Ganesh (Senior Lead Business Analyst).

All three speakers gave inspiring talks about their career journeys, with some interesting messages in common. These highlighted the importance of being provided with, and providing, opportunities; believing in yourself; building supportive networks; being open to new opportunities; and standing up and challenging being pigeonholed into gendered roles that don't advance your goals.

Climate Active

ESA's strategic plan commits us to building sustainable infrastructure and efficient processes that ensure we manage and allocate resources efficiently and actively pursue environmentally and socially responsible business practices. Achieving Climate Active certification as a carbon neutral organisation is just one way that ESA seeks to achieve this objective.

ESA has maintained certification every year since 2012, when it was one of the first companies in Australia to achieve certification under the Australian Government's Climate Active Carbon Neutral Standard (formerly known as the National Carbon Offset Standard (NCOS) scheme).

To be certified as Climate Active, companies are required to measure their emissions against the standard on an annual basis; reduce them where possible; offset remaining emissions; and publicly report on its achievements.

Every three years Climate Active requires independent validation of the company's emissions inventory to maintain certification. During this year, ESA underwent an external audit of its 2019-20 emissions inventory. The assessor verified the inventory and ESA's ongoing certification has been confirmed by Climate Active.

Around 200 Australian companies, including major manufacturers, miners, banks, schools and retailers have earned Climate Active status and ESA is proud to be among these leaders taking action to achieve zero net emissions.

3.4 Maintaining our financial health

Section 5 of this report contains the Financial Statements for the year to 30 June 2021. They show that ESA continues to manage its finances responsibly to support the achievement of the Company Objects and that the company has ended the year in a strong financial position.

Education Services Australia Ltd
Annual Report 2020–21
Attachment: Director's Report and Financial Statements

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1 Directors' Report

The Directors of Education Services Australia Limited (ESA) present their report, together with the financial statements of the company for the financial year ended 30 June 2021 and the auditor's report. As ESA acted as the legal entity for the Education Council during this year, the Council's financial results are included within the financial statements.

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. It operates under its own constitution and is governed by a Board of Directors. Every two years, the Education Ministers provide ESA with a Letter of Expectation 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 Letter of Expectation, the ACNC Governance Standards and the *Corporations Act 2001*.

The Board comprises an independent Chair, five independent expert members and four members nominated by each of the Australian Government, the Australian Education Senior Officials Committee (AESOC), the non-government school sector and Universities Australia.

The Board of Directors has established two committees with agreed terms of reference. The Finance, Risk and Audit Committee assists the Board to fulfil its responsibilities for the oversight and accountability of the company and provides independent advice on finance, risk management and compliance.

The Remuneration and Nominations Committee advises the Board of Directors on the salary, conditions and performance of the Chief Executive Officer and on the selection of nominees for appointment as independent Directors on the Board.

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

ESA reports its progress and performance to company Members at its Annual General Meeting and at education ministers' meetings and its advisory committees.

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

Funding

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

Directors as at 30 June 2021

Directors' qualifications and experience

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

Ms Lynn Davie

BEd. Masters of School Leadership

Director: 18 December 2018 – current

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

Ms Kathe Kirby

BA, DipED, 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.

Professor Liz Johnson

B-AGR (Hons), PhD Plant Biochemistry

Director: 1 March 2021 – current

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

Mr Mark Lamont

BA, DipEd (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 Bret Morris

BA Accounting, Business/Management

Director: 28 November 2019 – current

Finance, Risk and Audit Committee Member

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

Bret's roles have included Chief Information Officer for the South Australian Government and Executive Director in the South Australian Department of Premier and Cabinet.

Mr John Mula OAM

M.ESL., M.EdL., B.Ed. Studies, B.Sc., Grad. Dip.T., FACE, FACEL, GAICD Director: 1 December 2016 – current

John Mula is the Deputy Director Catholic Education South Australia. Prior to this appointment, John was Executive Director of Catholic Education Tasmania for five years. 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 Rick Persse

MBA University of Adelaide; GCert Public Sector Management, Griffith University.

Director: 6 February 2018 – 6 July 2021 (resigned)

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 Sam Spadavecchia

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

Director: 1 March 2017 – current

Finance, Risk and Audit Committee Chair

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

Resignations and Cessations

The Board would like to acknowledge the significant contributions of the following Directors who resigned during 2020–21.

Professor Kerri-Lee Krause

Universities Australia nominee

Resigned 31 December 2020

Mr Mark Sawade

Australian Government nominee

Resigned 12 February 2021

Meeting attendance

The Board met three times from 1 July 2020 to 30 June 2021. Directors also attended the Annual General Meeting. The number of meetings attended by Directors is shown in the following table below.

Directors	Board meetings		Finance, Risk and Audit Committee meetings		Remuneration Committee meetings	
	Number eligible to attend	Number attended	Number eligible to attend	Number attended	Number eligible to attend	Number attended
Ms Diane Joseph*	3	3	5	4*	1	1
Ms Lynn Davie	3	3	—	—	—	—
Ms Kathe Kirby	3	3	—	—	—	—
Prof Liz Johnson <i>Commenced 1 March 2021</i>	1	1	—	—	—	—
Mr Mark Lamont	3	3	5	5	—	—
Mr Bret Morris	3	3	5	4	—	—
Mr John Mula	3	3	—	—	—	—
Mr Rick Persse	3	3	—	—	1	1
Mr Sam Spadavecchia	3	3	5	5	1	1
Prof Kerri-Lee Krause <i>Resigned 31 December 2020</i>	2	2	—	—	—	—
Mr Mark Sawade <i>Resigned 12 February 2021</i>	2	1	—	—	—	—

*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 13 of the Financial Report.

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

Conflicts of interest

Conflict of interest declarations made at meetings during 2020–21 were as follows:

Meeting	Item of Discussion	Director/Committee Member	Action
1 October 2020 Board Meeting	Review Directors' Fees	Conflicts of interest were registered for Diane Joseph, Kathe Kirby, Lynn Davie, Sam Spadavecchia, Mark Lamont and Bret Morris.	Declared conflicts of interests in that the content of this item involved content of personal material interest to these Directors. These Directors left the meeting for discussion of this item and Andrew Smith assumed the Chair for the item.
17 September 2020 Finance, Risk and Audit Committee Meeting	Any discussion in relation to work for AITSL	Jenny Johanson*	A potential perceived conflict of interest was noted in relation to work relating to AITSL. The member's employer had recently been engaged as the out-sourced Internal Auditor for AITSL. The member also her employer that she has a potential perceived conflict of interest in this regard, and will not be involved in any work related to the AITSL engagement.

*Jenny Johanson is the non-Director member of the Finance, Risk and Audit Committee.

Reporting

ESA reported to company Members at the 19 November 2020 Annual General Meeting and at meetings of the Education Council and Education Ministers Meetings.

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

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

Proceedings on behalf of the company

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

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

Changes in state of affairs

There were no significant changes in the state of affairs during the financial year 2020–21.

Operating result

The Company reported an operating surplus of \$854,000 for 2020–21.

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

Impact of COVID-19 pandemic

During the financial year the COVID-19 pandemic has had a significant impact on local and international economies. The longer-term impacts of COVID-19 are uncertain, particularly in relation to cost impacts of future outbreaks and the associated preventative practices being required either due to an outbreak or increased threat of outbreaks in Australia. The costs currently incurred by the Company in relation to COVID-19 have not had a significant impact on the financial result for the financial year. The COVID-19 pandemic continues to evolve and will impact operations over the next 12 months and although these impacts cannot be reliably estimated at this time the Directors do not believe the impact will be significant to the Company's operations.

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 2021 was received and is included at page 8.

Signed in accordance with a resolution of the Board of Directors



Ms Diane Joseph

Chair of the Board of Directors

Dated this 7th day of October 2021.

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

In relation to our audit of the financial report of Education Services Australia for the year ended 30 June 2021, to the best of my knowledge and belief, there have been no contraventions of:

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



PKF
Melbourne, 7 October 2021



Kenneth Weldin
Partner

2 Financial statements for the year ended 30 June 2021

Statement of surplus or deficit and other comprehensive income for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Project income		47,610	36,892
Revenue from subscriptions and services		6,538	6,073
Other income		361	786
Total revenue	2(a)	54,509	43,751
Project expenses		(29,742)	(22,335)
Subscription expenses		(760)	(840)
Employee benefit expenses		(18,133)	(16,214)
Depreciation and amortisation expenses		(1,256)	(1,166)
Other expenses		(3,764)	(3,285)
Total expenditure	2(b)	(53,655)	(43,840)
Surplus / (Deficit)		854	(89)
Other comprehensive income		—	—
Total comprehensive income / (loss)		854	(89)

The accompanying notes on pages 13 to 36 form part of this financial statement.

Statement of financial position as at 30 June 2021

	Note	2021 \$'000	2020 \$'000
Current assets			
Cash and cash equivalents	18(b)	25,898	32,438
Trade and other receivables	3	11,443	27,433
Financial assets	4	24,700	20,700
Other assets	5	1,914	863
Total current assets		63,955	81,434
Non-current assets			
Property, plant and equipment	6	1,034	1,802
Intangible assets	7	760	696
Total non-current assets		1,794	2,498
Total assets		65,749	83,932
Current liabilities			
Trade and other payables	8	3,823	5,980
Other liabilities	9	39,360	55,870
Provisions	10	2,603	2,278
Lease Liability		394	743
Total current liabilities		46,180	64,871
Non-current liabilities			
Provisions	10	461	373
Lease Liability		-	434
Total non-current liabilities		461	807
Total liabilities		46,641	65,678
Net assets		19,108	18,254
Equity			
Reserves	11	5,100	5,100
Retained earnings		14,008	13,154
Total equity		19,108	18,254

The accompanying notes on pages 13 to 36 form part of this financial statement.

Statement of changes in equity for the year ended 30 June 2021

	Retained earnings \$'000	Capital reserve \$\$'000	Total \$'000
Balance 30 June 2019	13,243	5,100	18,343
Deficit	(89)	–	(89)
Balance 30 June 2020	13,154	5,100	18,254
Deficit	854	–	854
Balance 30 June 2021	14,008	5,100	19,108

The accompanying notes on pages 13 to 36 form part of this financial statement.

Statement of cash flows for the year ended 30 June 2021

	Note	2021 \$'000	2020 \$'000
Cash flows from operating activities			
Receipts from operating activities		58,028	46,470
Payments to suppliers and employees		(57,878)	(38,283)
Goods and Services Tax recovered from the ATO		2,471	2,934
Goods and Services Tax paid to the ATO		(3,964)	(5,031)
Net cash provided by / (used in) operating activities	18(a)	(1,343)	6,090
Cash flows from investing activities			
(Payments)/receipts for investments		(4,000)	2,500
Payment for property, plant and equipment and intangibles		(605)	(661)
Interest received from investments		236	662
Net cash used in investing activities		(4,369)	2,501
Cash flows from financing activities			
Principal repayment of leases		(782)	(671)
Finance interest expenses		(46)	(83)
Net cash provided by/ (used in) financing activities		(828)	(754)
Net movement in cash held		(6,540)	7,837
Cash and cash equivalents at the beginning of the financial year		32,438	24,601
Cash and cash equivalents at the end of the financial year	18(b)	25,898	32,438

The accompanying notes on pages 13 to 36 form part of this financial statement.

Notes to the financial statements for the financial year ended 30 June 2021

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

1. Summary of accounting policies

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

Basis of preparation of the financial report

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 2021; the comparative information presented in these financial statements is for the year ended 30 June 2020.

Rounding of amounts

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

Accounting policies

1(a) Cash and cash equivalents

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

1(b) Receivables

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

1(c) Employee benefits

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

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

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

1(d) Goods and Services Tax (GST)

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

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

1(e) Comparative figures

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

1(f) Impairment of assets

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

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

1(g) Foreign currency

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

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

1(h) Leases

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

Right-of-use assets

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

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

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

Lease liabilities

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

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

1(i) Financial instruments

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

Financial assets

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

Loans and receivables

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

Financial assets at amortised cost

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

Financial liabilities

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

Impairment

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

1(j) Revenue recognition

Project income is recognised as revenue when the Company satisfies its performance obligations under the relevant contracts. In most of the Company's projects, the performance obligations are satisfied over time, using input methods. The duration of contracts varies depending on the work required, from smaller projects capable of completion in a matter of days, to large, longer term contracts completed over several years. Most of the Company's contracts are with government customers and fees are generally paid in advance. Where fees are paid in advance, the amount received is recognised as a liability and categorised as a contract liability (project funds in advance). Revenue is then recognised over the duration of the contract period, based on the input method which most accurately reflects the satisfaction of the performance obligations.

Where the satisfaction of the performance obligations occurs unevenly throughout the contract period, the input cost method is used to recognise revenue, as this most closely represents the profile of work required to satisfy the contractual requirements. ESA is a not-for-profit entity and does not charge its government customers a profit margin on project work. The prices charged by ESA are intended to be a close approximation of the actual, fully absorbed costs incurred to complete the work. The Company uses timesheets to capture the work effort of its employees on individual projects and a projects ledger to capture project-specific costs. Each month, where the relevant contract allows it, an attribution is also made to projects of an approximation of indirect costs in direct proportion to the costs incurred. As a result, the input cost is a reasonable approximation of the percentage of completion of the work required under a fixed price contract. Under some of its contracts ESA is obliged to return any un-spent funding. Such un-spent funding remain as liabilities in project funds in advance until the customer determines the appropriate use.

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

For contracts where fees are paid in arrears, either based on milestones or for time-and-materials-based arrangements, revenue is recognised using the same two methods depending on the profile of the satisfaction of performance obligations. In such instances, an asset is recognised each month and classified as a contract asset. Contract assets are regularly assessed for impairment and provision made for any likely non recovery.

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

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

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

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

From 1 May 2021 it was decided to apply the accrual method of accounting for Domain registration fees and associated expenses. This will allow better matching of revenues and expenses on a monthly basis and it will make the accounting information more useful for making decisions in the medium to long term. Income of \$474,200 from the contract to manage the edu.au domain was recognised in 2021, the income of \$486,265 in 2020 was reported on cash receipts basis only.

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 a lease agreement to occupy premises at levels 5, 6 and 15 at 440 Collins Street, Melbourne. 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) Plant and equipment

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

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

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:

	2021	2020
Leasehold improvements	10 years	10 years
Plant and equipment	3 years	3 years
Fixtures and fittings	10 years	10 years

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

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

1(n) Intangible assets

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

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

	2021	2020
Business software	5 years	5 years

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

1(o) Income tax

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

1(p) Contract Liabilities

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

At 30 June 2021 amounts shown as contract liabilities represent the unrecognised revenue for projects invoiced or received in advance and for future subscription activities. It is possible that on completion of project work, balances that have not been fully expended could be returned to clients dependent on the particulars of the specific client contracts.

1(q) Critical accounting estimates and judgements

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

Key estimates - Lease term

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

Key estimates - Incremental borrowing rate

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

Key estimates – impairment

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

Key judgements – allowance for expected credit losses

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

Key judgements – make-good provision

On 1 February 2017, the Company commenced a lease agreement for levels 5 and 6, 440 Collins Street, Melbourne. The lease agreement states an agreed make-good figure. This figure was used as the basis for the provision shown in the statement of financial position.

2. Results from operations

2(a) Revenue

	2021 \$'000	2020 \$'000
Project income	47,610	36,892
Subtotal – project income	47,610	36,892
Schools Cataloguing Information Service subscriptions	3,598	3,591
Myfuture subscriptions	1,260	1,265
Other subscriptions and services	1,680	1,217
Subtotal – revenue from subscriptions and services	6,538	6,073
Royalties	23	39
Interest	294	630
Other	44	117
Subtotal – other income	361	786
Total revenue	54,509	43,751

2(b) Expenditure

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

	2021 \$'000	2020 \$'000
Project expenses	(29,742)	(22,335)
Subscription expenses	(760)	(840)
Employee benefit expenses	(18,134)	(16,214)
Depreciation and amortisation expenses	(1,256)	(1,166)
Administration and secretariat expenses	(1,744)	(1,515)
Finance expenses	(46)	(84)
Occupancy expenses	(566)	(591)
IT maintenance and services expenses	(1,354)	(1,094)
Loss on disposal of property, plant and equipment	(53)	(1)
Total expenditure	(53,655)	(43,840)
Surplus / (Deficit) from operations	854	(89)

2(c) Depreciation and amortisation

	2021 \$'000	2020 \$'000
Depreciation of property, plant and equipment	(412)	(333)
Depreciation of right of use assets - buildings	(606)	(612)
Amortisation of intangibles	(238)	(221)
Total Depreciation and amortisation expenses	(1,256)	(1,166)

3. Trade and other receivables

	2021 \$'000	2020 \$'000
Current		
Project receivables	11,391	25,574
Other receivables	70	1,869
Allowance for expected credit losses	(18)	(10)
Total trade and other receivables	11,443	27,433
Allowance for expected credit losses movement		
Balance at beginning of the financial year	(10)	(18)
Reduction / (increase) in allowance	(8)	8
Balance at end of the financial year	(18)	(10)

At 30 June 2021 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

	2021 \$'000	2020 \$'000
Current		
Term Deposits - amortised	24,700	20,700
Total current financial assets	24,700	20,700

In accordance with its Reserves and Investment Policy, the Company invests funds not required to meet short-term operating commitments in Term Deposits with major Australian banks. At 30 June 2021, \$8,000,000 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

	2021 \$'000	2020 \$'000
Current		
Prepayments	1,827	700
Accrued revenue	87	163
Total other assets	1,914	863

6. Property, plant and equipment

	2021 \$'000	2020 \$'000
Leasehold improvements at cost	1,714	2,550
Accumulated depreciation and amortisation	(1,712)	(2,538)
Total	2	12
Fixtures and fittings at cost	421	550
Accumulated depreciation	(272)	(361)
Total	149	189
Right of Use Assets at cost	3,340	3,340
Accumulated depreciation	(3,024)	(2,388)
Total	316	952
Plant and equipment at cost	4,279	4,080
Accumulated depreciation	(3,712)	(3,431)
Total	567	649
Total property, plant and equipment	1,034	1,802

Movement in carrying amounts	Leasehold improvements \$'000	Fixtures and fittings \$'000	Right of Use Asset * \$'000	Plant and equipment \$'000	Total \$'000
Carrying amount at end of year 30 June 2019	8	58	1,564	502	2,132
Additions	18	151	—	444	613
Disposals	—	—	—	(1)	(1)
Depreciation expense	(14)	(20)	(612)	(297)	(943)
Carrying amount at end of year 30 June 2020	12	189	952	649	1,802
Additions	—	—	—	303	303
Disposals	—	(15)	(29)	(9)	(53)
Depreciation expense	(10)	(25)	(607)	(376)	(1,018)
Carrying amount at end of year 30 June 2021	2	149	316	567	1,034

*The total cash outflow for leases in 2021 was \$788,561 and in 2020 was \$755,478

7. Intangible assets

	2021 \$'000	2020 \$'000
Intangibles in progress	37	26
Business software at cost	5,163	4,879
Accumulated amortisation	(4,440)	(4,209)
Total intangible assets	760	696
Movement in carrying amounts		
Balance at beginning of the financial year	696	871
Additions	302	46
Amortisation expense	(238)	(221)
Carrying amount at the end of the financial year	760	696

8. Trade and other payables

	2021 \$'000	2020 \$'000
Current		
Trade and other payables	3,823	5,980
Total trade and other payables	3,823	5,980

At 30 June 2021 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

	2021 \$'000	2020 \$'000
Current		
Project funds in advance	34,944	52,666
Subscriptions received in advance	3,895	3,072
Employee Benefits – salaries and wages	521	131
Total other liabilities	39,360	55,869

10. Provisions

	2021 \$'000	2020 \$'000
Current		
Employee benefits – annual leave	1,476	1,151
Employee benefits – long service leave	1,041	1,127
Make good on premises	86	-
Total current provisions	2,603	2,278
Non-current		
Employee benefits – long service leave	262	164
Make good on premises	199	209
Total non-current provisions	461	373
Total provisions	3,064	2,651

11. Reserves

	2021 \$'000	2020 \$'000
Capital reserve		
Balance at beginning of the financial year	5,100	5,100
Movement during the year	-	-
Balance at end of the financial year	5,100	5,100

As a company limited by guarantee, Education Services Australia has no formal issued capital and therefore must fund its capital requirements from retained earnings.

12. Members' guarantee

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

13. Remuneration of Directors and Executives

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

	2021 \$'000	2020 \$'000
Remuneration		
Short-term employee benefits – executives	1,781	1,815
Termination - benefits - executives	–	–
Directors' remuneration	139	161
Total remuneration of Directors and Executives	1,920	1,976

14. Remuneration of auditors

	2021	2020
Remuneration		
Audit of the financial report	43,550	53,550
Other audit services	5,000	5,000
Other non-assurance services	11,000	11,000
Total auditor remuneration	59,550	69,550

15. Subsequent events

There were no subsequent events.

The financial report was authorised for issue by the Board of Directors on the 7th day of October 2021.

16. Related party transactions

The Australian Government education department and also every state and territory government education department, through the single Australian Education Senior Officials Committee (AESOC) nominee, are represented on the Company's Board. These governments can therefore exert significant influence over the Company. Of the Company's total revenue, 87 per cent (2020: 81 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 education minister is one of nine members of Education Services Australia, including the state and territory ministers, and is also the sole member of the Australian Assessment and Reporting Authority (ACARA) and of the Australian Institute for Teaching and Schools Leadership (AITSL).

Of the Company's total revenue, 4.5 per cent (2020: 0.2 per cent) was earned from ACARA and AITSL combined.

17. Contingent liabilities

The Company has provided a registered mortgage debenture over its assets in respect of security on the leasehold properties at levels 5, 6 and 15 at 440 Collins Street Melbourne.

	2021 \$'000	2020 \$'000
Bank guarantee – tenancy lease Collins St, Melbourne	614	700
Total contingent liabilities	614	700

18. Notes to the statement of cash flows

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

	2021 \$'000	2020 \$'000
(Deficit) / Surplus for the year	854	(89)
Reclassify interest as investing cashflow	(236)	(662)
Finance interest expense	46	83
Depreciation and amortisation expenses	1,255	1,166
Loss on disposal of non-current assets	52	1
Net result after adjustments	1,971	500
Changes in net assets and liabilities		
(Increase) or decrease in assets		
Trade and other receivables	15,990	(15,553)
Other assets	(1,051)	(43)
Increase or (decrease) in liabilities		
Trade and other payables	(2,157)	2,728
Other liabilities	(16,899)	18,374
Current provisions	629	43
Non-current provisions	174	42
Net cash provided by / (used in) operating activities	(1,343)	6,090

18(b) Cash and cash equivalents

	2021 \$'000	2020 \$'000
Cash at bank	25,898	32,438
Total cash and cash equivalents	25,898	32,438

19. Financial instruments

19(a) Significant accounting policies

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

19(b) Categorisation of financial instruments

	Note	Category	Carrying amount 2021 \$'000	Carrying amount 2020 \$'000
Financial assets				
Receivables	3	Receivables (at amortised cost)	11,443	27,433
Financial assets	4	Term Deposits (at amortised cost)	24,700	20,700
Financial liabilities				
Payables	8	Trade and other payables (at amortised cost)	3,823	5,980
Lease Liabilities		Trade and other payables (at amortised cost)	394	1,177

19(c) Credit risk

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

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

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

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

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

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

As at the reporting date, the Company had an allowance for expected credit losses amounting to \$18,406 (2020: \$10,047). All other receivables are expected to be collected in full.

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

Ageing analysis of financial assets

	Not past due and not impaired \$'000	Past due but not impaired \$'000			Impaired financial assets \$'000	Total \$'000
		less than 1 month	1–3 months	3–12 months		
2021						
Receivables						
Project receivables	48	10,636	685	18	–	11,387
Other receivables	51	15	2	–	18	86
Other financial assets						
Term Deposits	24,700					24,700
Total	24,799	10,651	687	18	18	36,173
2020						
Receivables						
Project receivables	21,367	4,122	23	63	–	25,574
Other receivables	98	1,756	7	–	10	1,871
Other financial assets						
Term Deposits	20,700					20,700
Total	42,165	5,878	30	63	10	48,145

19(e) Liquidity risk

Liquidity risk arises when the Company is unable to meet its financial obligations as they fall due. The Company operates under a policy of settling financial obligations within 30 days and, in the event of a dispute, makes payment within 30 days from the date of resolution. The Company has a policy of retaining funds equivalent to six months of fixed operating cost plus working capital. The Company's 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 Term Deposits. Maximum exposure to liquidity risk is the carrying amounts of financial liabilities. The following table discloses the ageing of financial liabilities that are past due.

Maturity analysis of financial liabilities

	Maturity Dates				Total \$'000
	Not past due	less than 1 month	less than 12 months	greater than 12 months	
2021					
Financial liabilities					
Payables	1,971	1,845	7	-	3,823
Lease liability	338	56	-	-	394
Total	2,309	1,901	7	-	4,217
2020					
Financial liabilities					
Payables	2,841	3,137	2	-	5,980
Lease liability	1,118	59	-	-	1,177
Total	3,959	3,196	2	-	7,157

19(f) Interest rate risk

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

Interest rate exposure analysis of financial assets

	Interest rate* %	Carrying amount \$'000	Interest rate exposure \$'000		
			Fixed interest rate	Variable interest rate	Non-interest bearing
2021					
Cash					
Cash and cash equivalents	1.25	25,898	–	25,898	–
Receivables					
Project receivables		11,391	–	–	11,391
Other receivables		52	–	–	52
Other financial assets					
Term Deposits	1.04	24,700	24,700	–	–
Total		62,041	24,700	25,898	11,443
2020					
Cash					
Cash and cash equivalents	0.76	32,438	–	32,438	–
Receivables					
Project receivables		25,574	–	–	25,574
Other receivables		1,859	–	–	1,859
Other financial assets					
Term Deposits	1.04	20,700	20,700	–	–
Total		80,571	20,700	32,438	27,433

* Weighted-average effective interest rate.

Interest rate exposure analysis of financial liabilities

	Interest rate* %	Carrying amount \$'000	Interest rate exposure \$'000		
			Fixed interest rate	Variable interest rate	Non-interest bearing
2021					
Financial liabilities					
Payables	–	3,823	–	–	3,823
Lease Liability	–	394	–	–	394
Total	–	4,217	–	–	4,217
2020					
Financial liabilities					
Payables	–	5,980	–	–	5,980
Lease Liability	–	743	–	–	743
Total	–	6,723	–	–	6,723

* Weighted-average effective interest rate.

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

Market risk exposure

	Carrying amount \$'000	Interest rate risk			
		–2.00% (200 basis points)		2.00% (200 basis points)	
		Net result	Equity	Net result	Equity
2021					
Financial assets					
Cash and cash equivalents	25,898	(518)	(518)	518	518
Total increase/(decrease)		(518)	(518)	518	518
2020					
Financial assets					
Cash and cash equivalents	32,438	(649)	(649)	649	649
Total increase/(decrease)		(649)	(649)	649	649

19(g) Fair value

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

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

20. Company details

The Company's registered office is level 5, 440 Collins Street, Melbourne. The Company operates its business from levels 5, 6 and 15 at 440 Collins Street, Melbourne.

Directors' Declaration



The Directors declare that:

1. The financial statements and notes for Education Services Australia Limited as set out in pages 9 to 36 of the *2020-21 Directors' Report and Financial Statements* 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 2021 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 Regulation 2013*.
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.

A handwritten signature in blue ink, appearing to read "Diane J. Joseph".

Ms Diane Joseph
Chair of the Board of Directors
Education Services Australia Limited

Dated this 7th day of October 2021

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

Our Opinion

We have audited the accompanying financial report of Education Services Australia (the Company), which comprises the statement of financial position as at 30 June 2021 and the statements of surplus or deficit and other comprehensive income, changes in equity, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and the directors' declaration.

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

- (a) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its performance for the year then ended; and
- (b) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Regulation 2013*.

Basis for Opinion

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

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

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

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

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

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

Directors' Responsibilities for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – Reduced Disclosure Requirements and the *Australian Charities and Not-for-Profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Report

Our responsibility is to express an opinion on the financial report based on our audit. Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

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

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

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



PKF

Melbourne, 7 October 2021



Kenneth Weldin

Partner