



**EDUCATION AND EARLY CHILDHOOD SERVICES**  
Registration and Standards Board of South Australia



**Government  
of South Australia**

Annual Report  
of the  
**Education and Early Childhood Services  
Registration and Standards Board  
of South Australia**  
2012–2013

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ABN: 73 995 271 108  
ISSN: 2201-151X (Online)  
ISBN: 978-0-9874270-0-7

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## Letter of transmittal

**Hon. Jennifer Rankine MP**  
**MINISTER FOR EDUCATION AND CHILD DEVELOPMENT**

Dear Minister

In accord with the requirements of the *Education and Early Childhood Services (Registration and Standards) Act 2011* and *Public Sector Management Act 2009*, I am pleased to present you with the second annual report for the Education and Early Childhood Services Registration and Standards Board of South Australia.

This report pertains to the period from 1 July 2012 to 30 June 2013.

Yours sincerely

**Dr Neville Highett**  
**PRESIDING MEMBER**  
**EDUCATION AND EARLY CHILDHOOD SERVICES**  
**REGISTRATION AND STANDARDS BOARD OF SOUTH AUSTRALIA**

30 September 2013

## Presiding Member's Statement

I have pleasure in presenting to you this second annual report of the Education and Early Childhood Services Registration and Standards Board of South Australia (EECSRSB of SA). The Board continued its work of developing systems to enact the *Education and Early Childhood Services (Registration and Standards) Act 2011* legislation in collaboration and consultation with stakeholders in the education and care sector.

The Board's implementation of the National Quality Framework as the state regulatory authority under the National Law aims to ensure regulation of early childhood education and care services in support of the best interests of children and their families.

The Board has also initiated consultation and drafting of regulations to further support the registration of new schools, review of ongoing school registration and regulation of residual early childhood services. Throughout this process the Board has worked closely with all stakeholders.

In submitting this report, I wish to acknowledge the efforts of the staff working for the Board and educators in schools and early childhood services, particularly the latter who have worked with enormous commitment to implement the National Quality Framework in order to improve children's learning and development outcomes.

**Dr Neville Highett**  
**PRESIDING MEMBER**  
**EDUCATION AND EARLY CHILDHOOD SERVICES**  
**REGISTRATION AND STANDARDS BOARD OF SOUTH AUSTRALIA**

## Plans and objectives

The Education and Early Childhood Services Registration and Standards Board of SA (EECSRSB of SA) is the statutory authority responsible for the regulation and registration of early childhood education and care services under the Education and Care Services National Law (South Australia) (the National Law), residual early childhood services, care services and all schools in South Australia.

The role of the Education and Early Childhood Services Registration and Standards Board of South Australia is to implement the *Education and Early Childhood Services (Registration and Standards) Act 2011* (the Act). The Act is inclusive of the National Law. The objects and principles of the Act are set out below:

### Objects of the Act

The objects of this Act include providing for the regulation of the provision of education and early childhood services in a manner that maintains high standards of competence and conduct by providers and—

- (a) recognises that all children should have access to high quality education and early childhood facilities and services that—
  - i. address their developmental needs; and
  - ii. maximise their learning and development potential through an appropriate curriculum; and
  - iii. support their educational achievement; and
  - iv. promote enthusiasm for learning; and
  - v. support, promote and contribute to their health, safety and well-being; and
- (b) provides for a diverse range of services; and
- (c) recognises the rights of parents to access a diverse range of education and early childhood services providers; and
- (d) enhances public confidence in the operation of education and early childhood services providers.

### Principles of the Act

The following principles should be taken into account in the administration of this Act:

- (a) parents and guardians should have the right to choose the best services for their family;
- (b) parents and guardians, and members of school communities, should have access to relevant information concerning the regulation of their child's school;
- (c) the welfare and best interests of children is the primary consideration in the performance of the Board's functions;

- (d) any person who works with children is obliged to protect them, respect their dignity and privacy and safeguard and promote their well-being;
- (e) cooperation between the Minister, the Board and the school education sectors contributes to achieving the effective provision of education and early childhood services;
- (f) successful learning is built on a foundation of rich, engaging environments and meaningful interactions in which children's voices are listened to and acted on.

In exercising a power or performing a function under this Act, the Board should have regard to, and seek to give effect to, the following principles:

- (a) providers of education services and early childhood services should not be burdened by regulation more than is reasonably necessary;
- (b) the actions of the Board in relation to minimising or responding to a particular risk should be proportionate to the potential harm posed by the risk;
- (c) the Board should have regard to all of the circumstances of a particular provider of education services or early childhood services (including, without limiting this paragraph, the provider's history of compliance with this or any other relevant Act and any risk that the provider may not comply with this Act in the future).

Source: *Education and Early Childhood Services (Registration and Standards) Act 2011*, s. 9

In addition, the Education and Care Services National Law sets out objectives and guiding principles that specifically relate to the establishment of the national education and care services quality framework for the delivery of education and care services to children in Australia.

- (2) The objectives of the national education and care services quality framework are—
  - (a) to ensure the safety, health and wellbeing of children attending education and care services;
  - (b) to improve the educational and developmental outcomes for children attending education and care services;
  - (c) to promote continuous improvement in the provision of quality education and care services;
  - (d) to establish a system of national integration and shared responsibility between participating jurisdictions and the Commonwealth in the administration of the national education and care services quality framework;
  - (e) to improve public knowledge, and access to information, about the quality of education and care services;
  - (f) to reduce the regulatory and administrative burden for education and care services by enabling information to be shared between participating jurisdictions and the Commonwealth.

- (3) The guiding principles of the national education and care services quality framework are as follows—
- (a) that the rights and best interests of the child are paramount;
  - (b) that children are successful, competent and capable learners;
  - (c) that the principles of equity, inclusion and diversity underlie this Law;
  - (d) that Australia's Aboriginal and Torres Strait Islander cultures are valued;
  - (e) that the role of parents and families is respected and supported;
  - (f) that best practice is expected in the provision of education and care services.

*Source: Education and Early Childhood Services (Registration and Standards) Act 2011, Schedule 1 s.3*

## Relationship to SA Strategic Plan

The EECSRSB of SA contributes to the achievement of the following targets, strategic priorities and primary goals of the South Australian Strategic Plan 2011:

### **Strategic priority: Every chance for every child**

'All children can access high quality, affordable child care and preschool offered by trained staff using a rigorous curriculum. Those who work with young children are a recognised and valued group of early childhood development professionals.'

Seven Strategic Priorities, *Every chance for every child* factsheet

### **Families are the centre of learning life skills; together we grow**

*Target 12 Early childhood: Increase the proportion of children developing well*

### **We support families**

*Target 14 Early childhood – Year 1 literacy*

*Target 15 Aboriginal education – early years: Year 1 reading*

### **Our young people have a future here**

*Target 54 Learning or earning*

### **We are the best educated in the nation**

*Target 87 Reading, writing and numeracy*

*Target 88 Science and maths*

*Target 89 SACE or equivalent*

### **South Australia is renowned as an educational leader**

*Target 90 Share of overseas students*

### **We actively participate in shaping the future of our state**

*Target 30 Boards and committees*

### **Governments demonstrate strong leadership working with and for the community**

*Target 32 Customer and client satisfaction with government services*

*Target 33 Government planning decisions*

## Operations and initiatives

The Education and Early Childhood Services Registration and Standards Board of SA (EECSRSB of SA) is the statutory authority responsible for the regulation and registration of early childhood education and care services under the National Law, residual early childhood services, care services and all schools in South Australia.

The Board has the following key functions:

- regulate the provision of education services and early childhood services
- approve the requirements for endorsement of registration of schools
- establish and maintain the registers contemplated by this Act
- prepare or endorse codes of conduct for registered schools
- provide advice to the Minister
- carry out other functions assigned to the Board by the Minister.

*Source: Education and Early Childhood Services (Registration and Standards) Act 2011, s. 29*

## Early Childhood Education and Care Services

### Approvals

All providers, services and supervisors of early childhood education and care services in the scope of the Act must be approved by the Board. Under the Act, all services in scope of the National Law, as well as residual services that existed prior to 1 January 2012, were declared approved. New services wanting to open after 1 January 2012 must make an application to the Board and pay any associated fee.

The Board is responsible for assessing and rating services that are within the scope of the National Law against the seven quality areas of the National Quality Standard to promote quality education and care and continuous improvement. Residual services not in the scope of the National Law are not assessed against the Standard.

The first assessment and rating visit for all services must take place before 1 July 2015. Services are then assessed at a frequency determined by their initial rating level: the more highly rated a service, the less frequently it is assessed, such that the system balances the principles of risk management and earned autonomy.

The assessment and rating process takes place over a twenty week period including six weeks from a service's initial notification letter to submission of their Quality Improvement Plans and a further six weeks until the assessment visit can occur.

### **Compliance, complaints management and incident notifications**

A key objective of the Board under the National Law is supporting and promoting the safety, health and wellbeing of children in education and care services. Board officers work with services, providers and nominated supervisors to achieve this objective. Where the Board identifies non-compliance of a service, provider and/or nominated supervisor, the Board can choose to take compliance and enforcement action. The Complaints and Compliance Committee (the Committee) for Early Childhood Services is convened by the Registrar, Early Childhood Services and decides whether to take the compliance and/or enforcement action(s) recommended by the Registrar, or other action. The Committee is delegated certain decision making powers by the Board.

Under the National Law (s. 174), providers must notify the Board of:

- prescribed serious incidents
- other incidents, including complaints alleging that the safety, health or wellbeing of a child or children was or is being compromised while being educated and cared for by the approved education and care service
- the Law being contravened.

### **Education and information**

The Board, as the regulatory authority, is also responsible, in conjunction with the national authority, for:

- educating and informing education and care services and the community in relation to the National Quality Framework
- enhancing public confidence in the operation of education and early childhood services providers.

## Education Services

### Registration on schools register

A school at which education services (courses of instruction in primary or secondary education) are provided, or students enrolled, must be registered. Under the Act (s. 41), the Board is responsible for keeping a register of all government and non-government schools and a register of schools that have been removed from the schools' register and which have not been reinstated to that register. The Board issues Certificates of Registration to all schools at which education services are provided, or in which students are enrolled.

Schools are eligible for registration on the schools' register if the Board, on application made in accordance with the Act, is satisfied that:

- the nature and content of the instruction offered, or to be offered, at the school is satisfactory; and
- the school provides adequate protection for the safety, health and welfare of its students; and
- the school satisfies any other requirements set out in the regulations for the purposes of this subsection.

*Source: Education and Early Childhood Services (Registration and Standards) Act 2011, s. 43*

Under the Act, all schools which existed prior to 1 January 2012 were declared approved. New government and non-government schools are required to apply to the Board for registration. Schools intending to change their existing structure—for example, to amalgamate with another school, change year level offerings, move location or introduce a new cohort of students—are required to apply to the Board for registration prior to the change occurring. In their application, schools need to demonstrate that the nature and content of the instruction offered, or which will be offered, is satisfactory and that it provides adequate protection for the safety, health and welfare of its students. The Board will also be required to review the registration of schools in a manner yet to be determined.

For schools with overseas students, the Board is also responsible for:

- managing and updating the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS)
- advising, receiving and assessing applications from schools seeking to enrol full fee paying overseas students for compliance with the *Education Services for Overseas Students Act 2000* and The National Code of Practice for Registration Authorities and Providers of

Education and Training to Overseas Students 2007 (the National Code), the subsequent authorisation of the school on CRICOS, and conducting compliance audits. In the case of government schools this has been coordinated through the International Education Services unit of the Department for Education and Child Development (DECD).

## Strategic Objectives

The objects and principles of the Act form the Strategic Plan of the Board. During the reporting period the Board prioritised the following strategic objectives:

- implement the Act
- establish the EECSRSB of SA as a high performing organisation
- promote the role of the EECSRSB of SA in the community.

### Overview

The Board's first full year of operation was an establishment phase where the provisions of the National Law within the Act were a high priority for day-to-day operations in Early Childhood Services. The major activity in school education services was the research, scoping and consultation regarding regulations for registration and review of schools and the assumption of Designated Authority responsibilities for overseas students in South Australia.

The challenges that lie ahead are related to funding for registration and review of all services in scope, including early childhood residual services. Funding is impacted by the possible expiry of national funding agreements for early childhood services and the appropriation of funds for implementing school registration and registration review. In the absence of sufficient appropriations the implementation of the Act will be incremental.

### Strategic Objective 1: Implement the Act

The Board continued to develop its capacity to implement the Act in its first full year of operation. The focus in the reporting year was on developing practices and procedures that support early childhood education and care services (regulated under the National Law and the Act) and school education sites to provide quality services in South Australia which are diverse and legally compliant.

#### EARLY CHILDHOOD EDUCATION AND CARE SERVICES

The Board implements the Act in relation to the regulation of residual early childhood services and the Education and Care Services National Law (South Australia) applied by the Act to South Australian education and care services. The National Quality Standard is appended to the Education and Care Services National Regulations 2011.

### **Education and care services regulated under the National Law**

Family day care, long day care, outside school hours care and preschools are those service types in scope of the National Law categorised as either centre-based care or family day care services. At 30 June 2013, South Australia had 1122 approved services, comprising 1100 centre-based services and 22 family day care services. Family day care services are the fastest growing service type nationally and within South Australia (which had 12 family day care services when the Board began operation). With 1122 services, South Australia has 8.4 per cent of the national total of 13 284 approved early childhood education and care services.

### **Approvals**

The Board assesses and grants new provider, service, certified supervisor and waiver approvals. While providers, services and certified supervisors that existed under previous state regulatory regimes were declared approved by the Act, the Board had to migrate and enter data pertaining to these prescribed classes into the National Quality Agenda Information Technology System (NQA ITS) and issue certificates. Much of this work occurred before 30 June 2012. On 1 May 2013 the Australian Children's Education and Care Quality Authority (ACECQA) published registers of providers, services and certified supervisors on its website as required by the National Law, together with all available service assessment data. A link to the service register is also published on the Board's website. The registers are updated fortnightly.

At 30 June 2013, the Board had issued 6736 certified supervisor certificates, 469 approved provider certificates and 1122 approved service certificates.

Additionally, the Board approves applications for either a temporary or service waiver. Waivers play an important role in helping providers maintain their level of service to families while adjusting to the National Quality Framework or dealing with unexpected events. Where providers are unable to meet certain requirements in relation to physical environment or staffing arrangements on a permanent or temporary basis, they can apply for either a service or temporary waiver. A service waiver has no expiry date while a temporary waiver can apply for no more than 12 months, and both waiver types can be revoked. At 30 June 2013, 29 or 2.2 per cent of approved services in South Australia had a waiver, one being a service waiver and the remainder temporary waivers (25 of which were for staffing requirements). South Australia has the lowest proportion of waivers nationally.

### **Assessment and rating**

The assessment and rating of services commenced in July 2012. The Australian Council for Educational Research (ACER) analysed the outcomes and assessment process used for those services where the assessment was completed by mid-October 2012 for the National Evaluation of the Assessment and Rating Process. The Evaluation, undertaken at the direction of the Standing Council on School Education and Early Childhood (SCSEEC), found that the assessment and rating instrument and process were, and are, nationally reliable and valid: giving the sector confidence in the National Quality Framework.

The Board assessed and rated 107 services between July 2012 and 30 June 2013, representing 10 per cent of all early childhood education and care services. Of these, one was rated at Significant Improvement Required; thirty-one at Working Towards National Quality Standard (NQS); thirty-three at Meeting NQS and forty-three at Exceeding NQS. At this early stage, it is not possible to identify any clear trends because the service sample does not proportionately represent the range of all service types to be assessed in South Australia.

South Australia has a relatively lower proportion of quality rated services than other jurisdictions. Other regulatory authorities operate within existing state and territory government departments while South Australia has set up an independent regulatory authority to regulate children's education and care services. The Board started with transition arrangements from 1 January 2012 and has added staff during the past 18 months. It is expected the rate of assessment will increase over time.

### **Monitoring and enforcement of compliance including investigation of complaints**

The Board monitors services for compliance with the National Law and Regulations by making scheduled and unscheduled visits and receiving and investigating incident notifications and complaints. Over the reporting period the Board has issued two Compliance Notices and two Compliance Directions; one Enforceable Undertaking; and placed conditions on two service approvals in response to compliance matters. The requirements of these have been met by all parties.

### **Educate and inform**

The Board uses this regulatory tool in a range of ways to support service improvement. For example, it ran three large sessions, hosted by Gowrie SA, during June 2013 on the topic of Preparing for an Assessment. These were attended by a total of 228 educators, providers and service supervisors. Gowrie SA is the professional support coordinator funded by the

Commonwealth Government to provide support to early childhood education and care services to implement the National Quality Framework. The Board also ran an information session for approved providers applying for a family day care service approval.

Many sessions were conducted in response to invitations to speak to various groups including the DECD-convened cross-sector Outside School Hours Care Quality Improvement Group and hub-groups such as the Stepping Stones directors' forum and Childcare SA Providers Group. Evaluative feedback has been very positive about the usefulness of information provided by the Board at these sessions.

The Early Childhood Services Unit also publishes information on the Board's website and emails services as necessary: for example, when notifying services of the release of the service register and the first ACECQA Quality Snapshot.

The Board also draws upon and promotes ACECQA resources. The ACECQA website publishes a significant number of key documents for regulatory authorities and the broader sector, as well as regular newsletters for both services and families.

#### **Support and promote continuous quality improvement**

A key objective of the Board, in addition to ensuring the safety and welfare of children, is supporting and promoting continuous quality improvement of services. The Board both achieves and measures this by assessing and rating services as well as disseminating information and ensuring compliance. Evidence to better evaluate improved practice will become available when the Board assesses services for a second time. This will happen from November 2013 when second assessments of services rated at Working Towards NQS will begin.

#### **Information collection, review and reporting**

As the state regulatory authority, the Board uses the NQA ITS as a key tool to manage its regulatory work under the National Law. Approval, assessment and rating, compliance monitoring and enforcement data is stored in the ITS. ACECQA uses the data to report on the performance of the National Quality System to SCSEEC in the form of biannual Multilateral Implementation Reports and to the public and the sector in the form of Quarterly Quality Snapshots. The second Snapshot was published on 1 July 2013 for the period of 1 April 2013 to 30 June 2013. ACECQA, in its role of supporting and ensuring consistency, also conducts audits of regulatory practice, highlighting for analysis any areas of inconsistency between jurisdictions. The Registrar, Early Childhood Services also reports monthly to the Board on assessment and rating progress and incidents and complaints received. Additionally, employees of the Board

monitor the data which it gathers for emerging trends, both for patterns in notified incidents and complaints, as well as rating outcomes to inform Board planning and to disseminate to the sector.

### **Residual services regulation**

Services not regulated under the National Law, but which are regulated under the Act, are called residual early childhood services. The Act identifies the following service types as residual: occasional care; rural and mobile care; in-home care (babysitting agencies); family day care services not included within the definition in the National Law; and any other service types identified in the Education and Early Childhood Services (Registration and Standards) Regulations 2011. A modified version of the National Law and Regulations applies to residual services to assist them move over time toward meeting the requirements of the National Quality Standard. The Board applied limited regulations to residual services during the reporting period while it set in train work with stakeholders to determine the parts of the National Law that should be applied to suit the various residual service types. During 2013 the Board began scoping how the Act applies (as a modified version of the National Law and Regulations) to residual services. This included obtaining Crown Law advice. Using the scoping information, formal consultation with the sector to develop regulations specific to the residual service types began in May 2013. The Board sent invitations to participate to: peak bodies such as the Australian Childcare Association; DECD, as the state government policy lead on early childhood development; providers; the Department of Education, Employment and Workplace Relations (DEEWR); and Gowrie SA. This work will progress to the completion of a first tranche of regulations for residual services by the end of 2013.

## **SCHOOL EDUCATION**

Twelve months after the Board's first meeting it appointed two Registrars for three-year terms. Paul Claridge, Registrar, Non-Government Schools and Barry Burney, Registrar, Government Schools replaced the interim Registrars, Jan Foot and Barry Thompson, who had established agency procedures in relation to education matters.

### **Registration**

Throughout the reporting year, Board officers performed the range of school registration responsibilities including:

- providing information about registration requirements and conditions

- interviewing and supporting applicants for new school registration and changes to registration
- maintaining the register of schools
- updating and validating information (especially following the introduction of the government schools' new IT environment)
- reviewing registration for schools, particularly those government schools that amalgamated separate primary and junior primary schools.

Schools applying for registration changes were assessed by a panel comprising the registrar and contracted assessors. Applications were usually processed within three weeks and a site visit scheduled to meet the needs of the school and registrars. Site visits were of approximately a half-day duration and notices of approval were sent with a Certificate of Registration upon payment of the appropriate fee. The registration process was completed approximately three months from receipt of applications.

#### School registration changes July 2012-June 2013

Sector	Extension of year levels	Amalgamations	FFPOS Activity	Total
Government (Number of schools)	1	25	14	40
Non-government (Number of schools)	5	0	0	5
				45

#### Registered school statistics summary

##### *Government schools*

	June 2012	June 2013
Primary	393	367
Secondary	69	67
Combined	80	79
Special	14	15
Total	556	528*

\* Note: The reduction of government school numbers in 2013 was largely due to school amalgamations within the reporting period.

*Non-government schools*

	<b>June 2012</b>		<b>June 2013</b>	
	Catholic	Independent	Catholic	Independent
Primary	68	36	68	36
Secondary	11	10	11	10
Combined	22	47	22	47
Special	2	1	2	1
Total	103	94	103	94

*Schools approved to enrol full fee paying overseas students*

	<b>June 2012</b>		
	Government	Catholic	Independent
Primary	52	0	5
Secondary	40	5	8
Combined	13	14	28
Special	0	0	0
Total	105	19	41

	<b>June 2013</b>		
	Government	Catholic	Independent
Primary	51	0	5
Secondary	45	5	8
Combined	13	14	28
Special	0	0	0
Total	109	19	41

There were 15 applications from 14 government schools to change status with respect to full fee paying overseas students. These changes resulted from eight applications to enrol full fee paying overseas students, three applications to increase enrolment capacity and four applications to withdraw from the process. There were no changes to the status of non-government schools with respect to full fee paying overseas students.

## Regulations

The key focus for 2013 was developing regulations to support the eligibility of schools for inclusion on the register of schools (s. 43 of the Act) and to provide for review of school registration (s. 54 of the Act).

Drafting of Regulations under s. 43 required consultation with 26 prescribed bodies specified in the existing Regulation. Accordingly, a consultation paper was drafted and approved by the Board for feedback from stakeholders. The Consultation Paper was:

- released in May to all schools and early childhood services in South Australia as a print publication and an electronic version was accessible on the Board's website
- accompanied by a News Release from the Minister
- supported by meetings with Prescribed Bodies and other stakeholders on request.

The findings from the consultation will be used to contribute to the Board's decision making on the development of appropriate regulations that will achieve the objects and principles of the Act.

## International students

The Board assumed responsibility for *Education Services for Overseas Students Act* (ESOS Act) requirements on 18 March 2013 after a transition period negotiated with existing stakeholders. Schools with overseas students in South Australia are currently registered until 2015. Review processes and timing will be established in consultation with the Australian Government authority and in compliance with state and national legislative requirements.

As representatives of the Designated Authority under the ESOS Act, the Registrars provided a resource function for registered schools to ensure compliance with the standards of the ESOS Act and participated in audits and information sessions with Australian Government Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE) officials. The Board now maintains the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) database for South Australia so that South Australian schools can continue to attract international students to our state. This involves:

- validation and verification of data
- maintenance of accuracy and completeness of compliance information
- support for school enquiries and compliance matters.

## **Strategic Objective 2: Establish EECSRSB of SA as a high performing organisation**

The inaugural Board changed membership significantly during the year. Formal Board appointments were made, in accordance with the Act, as expeditiously as possible. Induction of new Board members remains a priority. The Board established three standing committees and refined processes and procedures that cover all agency responsibilities and legislative requirements. Board employees service the committees to provide high quality advice for decision making that will promote the objects and principles of the Act.

Policies and work practices are continuously reviewed to improve productivity and enhance capability. Central to this improvement has been the intensive training activity for early childhood services staff and professional learning for other staff. This training included general Authorised Officer training covering a range of areas such as:

- the law and regulations
- curriculum frameworks
- cultural competence.

Specific training in assessment and rating was delivered to newly appointed staff by the Board's nationally trained Lead Assessors. All participants passed subsequent reliability testing with a minimum of 80 per cent accuracy in each of the three tests as a prerequisite for assessing and rating services. All authorised early childhood services officers who conduct assessments must also undergo drift testing each year after their initial training to ensure reliability and national consistency. Other training undertaken included:

- compliance monitoring (conducted by the Crown Solicitor's Office)
- report writing and editing
- use of the NQA ITS.

Planning and implementing IT systems and processes that improve the Board's capacity to meet its legislated responsibilities was a focus for this reporting period. Key accomplishments include:

- improved accessibility and use of the National Quality Agenda Information Technology System
- provision of appropriate mobile technologies to employees working off-site
- provision of internal communications technologies.

## **Strategic Objective 3: Promote the role of the EECSRSB of SA in the community**

### **Informing stakeholders**

As an independent statutory authority the Board aims to be known for its independence from government and non-government alliances. As part of this plan, Board employees relocated from a tenancy shared with DECD to new premises at 162 Grenfell Street. This provides both perceived independence and a more appropriate work environment for the day-to-day work. The Board published two newsletters promoting its role. Copies were distributed to all relevant stakeholders to publicise the activities of the Board and to inform stakeholders of resources relevant to their responsibilities under the Act. The Board's website was also developed as a first point of contact for stakeholders. It provides comprehensive information and links to service providers that can support their compliance and improvement efforts.

Board employees serve the needs of stakeholders through responsive and supportive communication to requests for information about compliance, new registrations and changes to existing registrations. In all interactions employees aim to provide a personalised service that promotes the image of the Board.

### **Collaboration with partners**

Board employees also promote the role of the Board through building relationships with existing and potential partners in South Australia and other jurisdictions. Key partnerships that have been involved in promoting the Board and its objectives include:

- officials from the Australian Government Department of Industry, Innovation, Climate Change, Science, Research and Tertiary Education (DIICCSRTE) and SA Government staff involved in the Joint Committee for International Education (JCIE) (in relation to ESOS Act compliance)
- DECD International Education Services unit (responsible for all government schools with overseas students)
- government and non-government schools (particularly those with new and changed registration requirements or overseas students)
- school leaders and leadership groups from government and non-government school sectors (to gain understanding of the practicalities of regulatory impact and the benefits of registration on school governance)

- the Minister and ministerial staff (to maintain open communication about the operation of schools and early childhood education and care services)
- the Minister's Legislative Reform Unit and Parliamentary Counsel (for the purposes of the passage of regulations and advice about processes and related legislative developments)
- the Crown Solicitor's Office of the Attorney General's Department in SA (which provides interpretive opinion on the implementation of Administrative Law, critical to the Board's operations)
- participants in the 2013 National Registrar's Conference (and the subsequent maintenance of networks to leverage good practice in school registration)
- representation on the Standards Australia Boarding Standards Working Group (comprising representatives from most Australian jurisdictions)
- staff and committees from the Office of Non-Government Schools and Services in SA (particularly those with responsibility for assessing new school funding applications)
- representation on the Intersectoral Child Protection Committee (a DECD-convened cross-education agency committee)
- representation on the Standards Australia Playground Equipment Committee
- Department of Education, Employment and Workplace Relations (DEEWR) (with whose staff Board employees work closely in relation to service approvals)
- Gowrie SA (as the DEEWR funded Professional Support Coordinator) in conjunction with Novita, Inclusive Directions and Aboriginal Resource Management Support Unit provide assistance services to meet the National Quality Standard
- Department for Education and Child Development (as the state policy lead organisation on early childhood development).

### **The Australian Children's Education and Care Quality Authority**

The Board, as part of the National Quality System, works closely with the Australian Children's Education and Care Quality Authority (ACECQA), all other state and territory regulatory authorities and the Commonwealth Department of Education, Employment and Workplace Relations (DEEWR). ACECQA is the national authority responsible for guiding administration and implementation of the National Quality Framework and, in particular, for ensuring national consistency. A committee structure representing all of the jurisdictions and the Commonwealth advises the ACECQA Board on a range of policy and implementation matters.

The overarching advisory committee that is convened by the Chief Executive Officer of ACECQA is the Quality and Consistency Committee (QaCC) on which the Registrar, Early Childhood Services represents the Board. The Board is represented on the following committees to ensure the input of a South Australian perspective in the development of the National Quality System:

- Implementation Issues Working Group
- Communications Working Group
- Training Working Group
- NQA ITS Management Steering Group
- Communications Working Group (co-chaired by the Registrar, Early Childhood Services).

South Australia also works closely with other state and territory regulatory authorities to implement the National Law.

## Role, legislation and structure

### Background

In 2006, the then Minister for Education and Children's Services in South Australia began a progressive education and early childhood development legislation reform agenda resulting in new legislation, including the *Education and Early Childhood Services (Registration and Standards) Act*.

This legislation shapes South Australia's approach to the registration and regulation of schools and care and early childhood services and provides a legislative framework that underpins the delivery of our schooling and early childhood services, particularly those integrated services which provide a range of services from birth to the end of schooling. The legislation establishes a single streamlined regulatory system in South Australia, overseen by a single regulatory board: the Education and Early Childhood Services Registration and Standards Board of South Australia.

Previously, the *Education Act (1972)* provided for the establishment of a non-government Schools Registration Board responsible for the registration of non-government schools; a function that continued to December 2011.

In December 2009, all Australian Governments agreed to a new National Quality Framework for Early Childhood Education and Care. This means that all Australian children, regardless of their location, will get the best possible start in life through high-quality early childhood education and care and school-age care services. The Framework will help providers improve their services in the areas that impact on a child's development and empower families to make informed choices about which service is best for their child.

The National Quality Framework includes:

- a national legislative framework that consists of the Education and Care Services National Law and Education and Care Services National Regulations
- a National Quality Standard
- an assessment and rating system
- a regulatory authority in each state and territory who will have primary responsibility for the approval, monitoring and quality assessment of services in their jurisdiction in accordance with the national legislative framework and in relation to the National Quality Standard

- the Australian Children's Education and Care Quality Authority (ACECQA), which is the new national body responsible for providing oversight of the new system and ensuring consistency of approach.

Source: ACECQA, see <http://acecqa.gov.au/national-quality-framework/>

The EECSRSB of SA is the regulatory authority in South Australia.

## **The Education and Early Childhood Services Registration and Standards Board**

The Act came into effect on 1 January 2012. Embedded in this legislation is the Education and Care Services National Law 2010. This provides the legislative base for the work of the EECSRSB of SA. The Minister's Legislation Reform Unit which drafted the legislation conducted significant consultation through its Stakeholder Advisory Group.

The Act provides for regulation of the provision of government and non-government education and early childhood services in a manner that maintains high standards of competence and conduct by providers.

His Excellency the Governor appointed the EECSRSB of SA to oversee the fulfilment of this Act. The Board is a public sector agency, established on 1 January 2012 under the Act. Under the Act, the Board:

- (a) is a body corporate; and
- (b) has perpetual succession and a common seal; and
- (c) can sue and be sued in its corporate name; and
- (d) has the functions and powers assigned or conferred by or under this or any other Act.

Source: *Education and Early Childhood Services (Registration and Standards) Act 2011*, s. 21

Under the Education and Care Services National Law (SA) 2011, National Education and Care Services Regulations 2011 and South Australian Education and Early Childhood Services (Registration and Standards) Regulations 2011, the Board (as the state regulatory authority) commenced operations from 1 January 2012.

### **The Board**

The Board reports to the Minister for Education and Child Development. Under the Education and Care Services National Law, the Standing Council on School Education and Early Childhood oversees implementation and administration of the National Quality Framework. The Ministerial

Council can give directions to the Board with respect to administration of the National Quality Framework. Until Board members were appointed by the Governor on 29 February 2012, the Minister for Education and Child Development comprised the Board under a transitional provision in the South Australian Education and Early Childhood Services (Registration and Standards) Regulations.

The Board consists of thirteen members appointed by the Governor on the nomination of the Minister: being persons who collectively have, in the opinion of the Minister, the knowledge, skills and experience necessary to enable the Board to carry out its functions effectively.

Of these members, the presiding member must be a person who has, in the opinion of the Minister, extensive knowledge and expertise in the education and care of children. Of the remaining members, two must be nominated by the Director-General of the Department for Education and Child Development; two by the Association of Independent Schools of South Australia; two by the South Australian Commission for Catholic Schools Incorporated; two by child care bodies prescribed in the Act; and one must be a legal practitioner.

## Current Board Membership

<b>Board members (Term of appointment)</b>	<b>Deputy Board Members (Term of appointment)</b>
Dr Neville Highett—Presiding Member Nominated by the Minister for Education and Child Development (1 March 2012 - 28 February 2014)	Ms Karen Lamont (5 April 2013 – 28 Feb 2014)
Ms Kaye Colmer—Deputy Presiding Member Nominated by Community Children’s Centres SA Incorporated (1 March 2012 - 28 February 2015)	Ms Mandy Richardson (5 April 2013 – 28 Feb 2015)
Ms Judith Atkinson Nominated by Childcare South Australia (1 March 2012 - 28 February 2015)	Mrs Merrilyn Hannaford (1 March 2012 - 28 February 2015)
Ms Robyn Buckler Nominated by the Minister of Education and Child Development (1 March 2012 - 28 February 2014)	Ms Vivienne St John Robb (1 March 2012 - 28 February 2014)
Mr Trevor Radloff Nominated by Department for Education and Child Development (5 April 2013 - 28 February 2015)	Ms Anne Kibble (5 April 2013 – 28 Feb 2015)
Ms Kathryn Jordan Nominated by the Minister for Education and Child Development (1 March 2012 - 28 February 2014)	Ms Janet Harris (1 March 2012 - 28 February 2014)
Dr Susan Krieg Nominated by the Minister for Education and Child Development (1 March 2012 - 28 February 2014)	Dr Victoria Whittington (1 March 2012 - 28 February 2014)
Ms Carolyn Grantskalns Nominated by Association of Independent Schools of South Australia (5 April 2013 - 28 February 2015)	Ms Cheryl Bauer (5 April 2013 – 28 Feb 2015)
Mrs Helen O’Brien Nominated by the South Australian Commission for Catholic Schools (1 March 2012 - 28 February 2015)	Mrs Georgina Smith (1 March 2012 - 28 February 2015)
Mrs Lynda Secombe Nominated by the Association of Independent Schools of South Australia (1 March 2012 - 28 February 2015)	Mr Nicholas Hatelý (1 March 2012 - 28 February 2015)
Dr Paul Sharkey Nominated by the South Australian Commission for Catholic Schools (1 March 2012 - 28 February 2015)	Dr Vincent Thomas (1 March 2012 - 28 February 2015)
Mr Barry Kahl Nominated by the Minister for Education and Child Development (5 April 2013 - 28 February 2015)	Ms Kathleen Cotter (5 April 2013 – 28 Feb 2015)
Ms Amanda Wilson Nominated by the Minister for Education and Child Development (1 March 2012 - 28 February 2014)	Ms Kathleen McEvoy (5 April 2013 – 28 Feb 2015)

**Former Board Members (retired during the reporting period)**

<b>Board members (Termination of appointment date)</b>	<b>Deputy Board Members (Termination of appointment date)</b>
Ms Dale Wasley (31 December 2012)	Ms Kay Thomas (26 October 2012)
Mr Peter Chislett (13 February 2013)	Ms Anne Kibble (13 February 2013)
Mr Gary le Duff (13 February 2013)	Ms Cheryl Bauer (13 February 2013)

The Board publicly recognises the valuable contributions of these members and deputy members during their period of membership. Their work was particularly important in establishing the Board and its operations during this first full year of operation.

The Board is supported by:

- three standing committees
- three operations services units
- three Registrars, one for each sector, and a Manager of Corporate Services.

**Standing committees****Planning, Finance and Personnel Committee**

The Planning Finance and Personnel Committee's function is to assist the Board in carrying out its responsibilities relating to planning, finance and personnel including the following:

- a) developing and recommending the long-term (2 to 5 years) strategic plan for the Board and preparing short-term plans to direct specific areas as appropriate
- b) overseeing the budget and ensuring accurate tracking, monitoring and accountability for funds (including adequate financial controls)
- c) guiding development, review and authorisation of personnel and financial policies and procedures.

Its membership consists of:

**Board Members**

Mr Barry Kahl (Presiding Member)

### **Deputy Board Members**

Ms Janet Harris

Ms Vivienne St John Robb

Dr Vin Thomas

Ms Kathleen McEvoy

### **Approval, Registration and Regulation Committee**

The Approval, Registration and Regulation Committee's function is to assist the Board in carrying out its responsibilities relating to approval, registration and regulation of early childhood education and care services and school education including the following:

- a) developing and recommending strategies for the implementation of legislative obligations
- b) developing materials for consultation on regulations for approval, registration and regulation
- c) developing and recommending appropriate policies and procedures
- d) monitoring outcomes, and reviewing and evaluating relevant operational procedures.

Its membership consists of:

### **Board Members**

Mrs Helen O'Brien (Presiding Member)

Dr Neville Highett

Mrs Lynda Secombe

Mr Trevor Radloff

### **Deputy Board Members**

Ms Merylyn Hannaford

Dr Vin Thomas

Dr Victoria Whittington

### **Audit and Risk Management Committee**

The Audit and Risk Management Committee provides independent assurance and assistance to the Board on risk, control and compliance frameworks and the accurate financial reporting and performance of the Authority.

Its membership comprises:

### **Board Members**

Ms Amanda Wilson (Presiding Member)

Mr Barry Kahl

### **External Members**

Mr Mark Le Cornu

Mr Bruce Carpenter

### **Board Secretariat**

The Board Secretariat is the operational arm of the Board. The role of the Secretariat is to carry out the functions of the Board as set down in legislation and to implement the Board's decisions. Secretariat staff have been employed by the Department for Education and Child Development and their services are provided to the Board under s. 28 (4) of the Act. This arrangement is in place while an industrial framework and conditions of employment are finalised to enable the Board to employ its own staff.

### **Operations services units**

#### **Early Childhood Services Unit**

The unit has responsibilities and functions that relate to the National Quality Framework for early childhood education and care, including primary responsibility for the approval, monitoring and quality assessment of services in South Australia in accordance with the national legislative framework and in relation to the National Quality Standard. This responsibility applies equally to those services identified in the Act as residual services although these services are not assessed and rated against the National Quality Standard. Regulations specific to these services will be developed by the Board.

#### **Schools Services Unit**

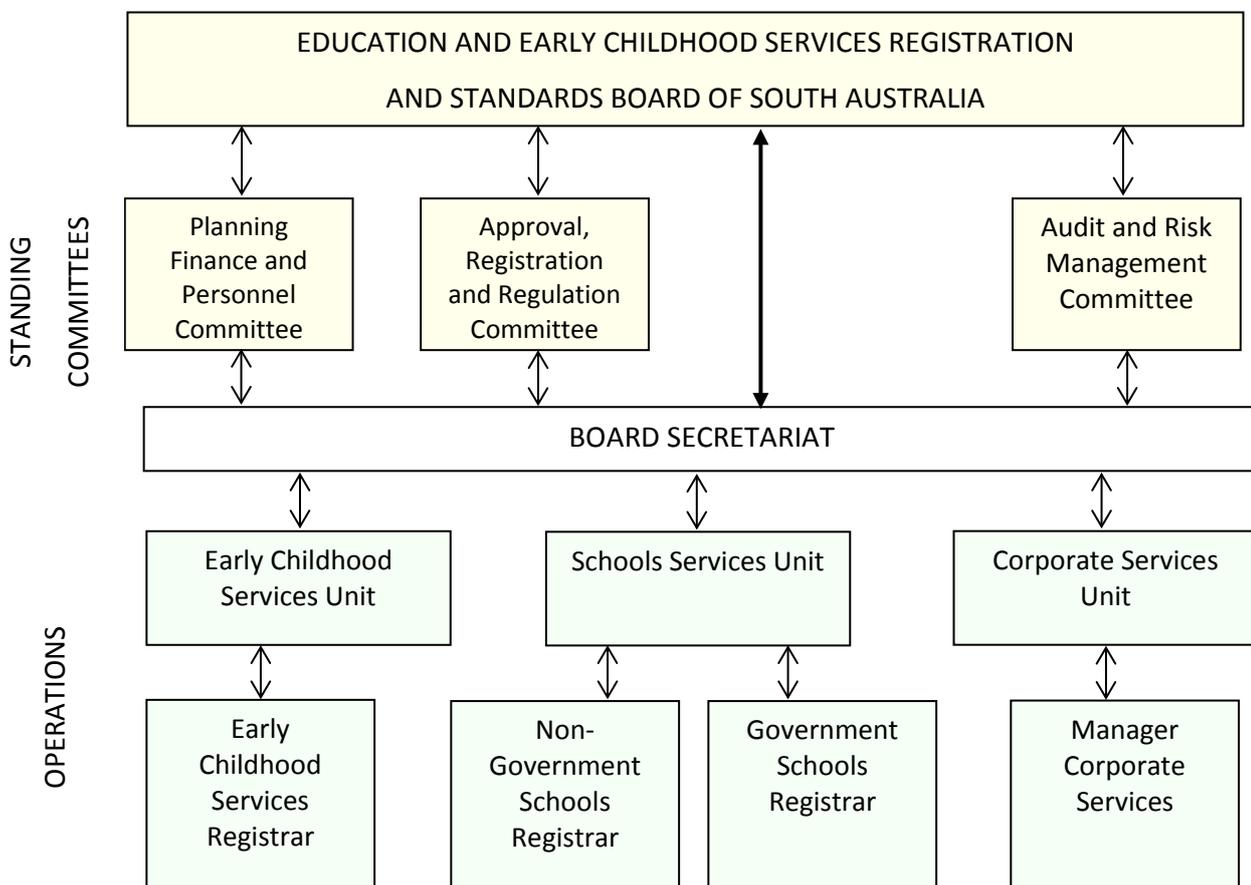
The unit has responsibilities relating to: the registration and review of all schools (government and non-government); development of policies and procedures for school review; implementation of the *Education Services for Overseas Students Act*; maintaining the schools register; and issuing of Certificates of Registration.

### Corporate Services

The Corporate Services group provides support to the Board to facilitate continuous improvement and ensure compliance within relevant legislation.

This group specifically supports the strategic and operational financial management, human resource management, ICT services, records management services and other broader corporate services to the Board as required.

### Organisational structure



### Executive team

The Board is supported by an executive comprising the Early Childhood Services Registrar, the Government Schools Registrar, the Non-Government Schools Registrar and the Manager of Corporate Services.

## **Statutory Requirements**

### **Management of human resource information**

All employees are employed by the Department for Education and Child Development (DECD) and services are provided to the Board by the Minister.

### **External consultants**

No external consultants were engaged by the agency in the reporting period.

### **Freedom of Information**

The Board received one request for information under the Freedom of Information provisions and its Freedom of Information Officer granted access to the requested information within the legislated response timeframe and requirements. Note that the Education and Care Services National Law (South Australia) applies the Commonwealth *Freedom of Information Act 1982* and has its own Freedom of Information Commissioner.

### ***Whistleblowers Protection Act 1993***

There were no instances relating to the *Whistleblowers Protection Act 1993* reported during this period of operation for the EECSRSB of SA.

## Financial performance

### Account payment performance

Particulars	Number of accounts paid	Percentage of accounts paid (by number)	Value in \$A of accounts paid	Percentage of accounts paid (by value)
Paid by due date*	634	91%	\$3,697,228	97%
Paid late, but paid within 30 days of due date	46	7%	\$104,113	2%
Paid more than 30 days from due date	19	2%	\$19,956	1%

\*Note: The due date is defined under section 11.7 of Treasurer's Instruction 11 Payment of Creditors' Accounts.

### Fraud

There were no instances of fraud reported during this period of operation for the EECRSB of SA.

### Financial Statements

The following attachment contains the Board's financial statements including:

- report of the auditor
- certification of the financial statements
- statement of comprehensive income
- statement of changes in equity
- statement of cash flows.

# FINANCIAL STATEMENTS

FOR

THE EDUCATION AND EARLY  
CHILDHOOD SERVICES  
REGISTRATION AND  
STANDARDS BOARD OF  
SOUTH AUSTRALIA



Government  
of South Australia

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

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## **Independent Auditor's Report to the Board of the Education and Early Childhood Services Registration and Standards Board of South Australia**

We have audited the accompanying financial report of the Education and Early Childhood Services Registration and Standards Board of South Australia, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the period then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the Board's declaration as set out on pages 5 to 23.

### *Board's Responsibility for the Financial Report*

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

### *Auditor's Responsibility*

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board, as well as evaluating the overall presentation of the financial report.

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



*Opinion*

In our opinion, the financial report of the Education and Early Childhood Services Registration and Standards Board of South Australia presents fairly, in all material respects, the Board's financial position as at 30 June 2013 and its financial performance for the period then ended in accordance with Australian Accounting Standards and the Public Finance and Audit Act 1987.

Yours sincerely

DELOITTE TOUCHE TOHMATSU

Philip Teale  
Partner  
Deloitte Touche Tohmatsu  
Adelaide, 12 September 2013

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

**CERTIFICATION OF THE FINANCIAL STATEMENTS**

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

- comply with relevant Treasurer's instructions issued under section 41 of the *Public Finance and Audit Act 1987*, and relevant Australian accounting standards;
- are in accordance with the accounts and records of the Board; and
- present a true and fair view of the financial position of the Board as at 30 June 2013 and the results of its operation and cash flows for the financial year.

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

Neville Highett  
Presiding Member  
12 September 2013

Cathy Lewis  
Manager, Corporate Services  
12 September 2013

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

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2013

	Note No.	2013 \$	2012 \$
<b>Expenses</b>			
Board Fees	4	59,725	13,743
Supplies and services	5	3,280,599	1,123,640
Auditors remuneration	6	19,064	14,280
Grants and subsidies	7	474,303	204,000
<b>Total expenses</b>		<b>3,833,691</b>	<b>1,355,663</b>
<b>Income</b>			
Revenues from fees and charges	8	348,515	13,250
Interest revenue	9	57,445	-
Commonwealth Revenue	10	2,190,000	1,240,000
<b>Total Income</b>		<b>2,595,960</b>	<b>1,253,250</b>
<b>Net Cost of Providing Services</b>		<b>(1,237,731)</b>	<b>(102,413)</b>
Revenues from SA Government	11	2,669,000	771,440
<b>Net result</b>		<b>1,431,269</b>	<b>669,027</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>
<b>Total Comprehensive income</b>		<b>1,431,269</b>	<b>669,027</b>

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

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

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

**STATEMENT OF FINANCIAL POSITION**

For the year ended 30 June 2013

	Note No	2013 \$	2012 \$
<b>Current assets</b>			
Cash and cash equivalents	12	2,608,100	735,073
Receivables	13	182,117	1,564
<b>Total assets</b>		<b>2,790,217</b>	<b>736,637</b>
<b>Current liabilities</b>			
Payables	14	689,921	67,610
<b>Total liabilities</b>		<b>689,921</b>	<b>67,610</b>
<b>Net Assets</b>		<b>2,100,296</b>	<b>669,027</b>
<b>Equity</b>			
Retained earnings		2,100,296	669,027
<b>Total Equity</b>		<b>2,100,296</b>	<b>669,027</b>
<b>The total equity is attributable to the SA Government as owner</b>			
Unrecognised contractual commitments	15	1,201,973	-
Contingent assets and liabilities	16	-	-

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

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

**STATEMENT OF CHANGES IN EQUITY**

For the year ended 30 June 2013

	Retained earnings
	\$
<b>Balance at 31 December 2011</b>	-
<b>Total comprehensive result for 2011-12</b>	669,027
<b>Balance at 30 June 2012</b>	<b>669,027</b>
<b>Total comprehensive result for 2012-13</b>	1,431,269
<b>Balance at 30 June 2013</b>	<b>2,100,296</b>

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

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

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

**STATEMENT OF CASH FLOWS**  
For the year ended 30 June 2013

	Note No.	2013 \$	2012 \$
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefit payments		(59,725)	(13,743)
Payments for supplies and services		(3,004,131)	(1,071,874)
Payments of grants and subsidies		(474,303)	(204,000)
GST paid to ATO		-	-
<b>Cash used in operations</b>		<b>(3,538,159)</b>	<b>(1,289,617)</b>
<b>Cash inflows</b>			
Fees and charges		498,670	13,250
Interest received		53,516	-
Grants from Commonwealth Government		2,190,000	1,240,000
GST recovered from the ATO		-	-
<b>Cash generated from operations</b>		<b>2,742,186</b>	<b>1,253,250</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government		2,669,000	771,440
<b>Cash generated from SA Government</b>		<b>2,669,000</b>	<b>771,440</b>
<b>Net cash provided by operating activities</b>		<b>1,873,027</b>	<b>735,073</b>
<b>Cash and cash equivalents at the beginning of the period</b>		<b>735,073</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the period</b>	12	<b>2,608,100</b>	<b>735,073</b>

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

NOTES TO  
AND  
FORMING PART  
OF THE FINANCIAL  
STATEMENTS



Government  
of South Australia

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**NOTE 1:**

Objectives of the Education and Early Childhood Services Registration and Standards Board of SA

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

The functions of the Board include:

- > to regulate the provision of education services and early childhood services;
- > to approve the requirements for endorsement of registration;
- > to establish and maintain the registers contemplated by this Act;
- > to prepare or endorse codes of conduct for registered schools;
- > to provide advice to the Minister;
- > to carry out other functions assigned to the Board by the Minister

**NOTE 2: Summary of significant accounting policies**

**a) Statement of compliance**

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

The Board has applied Australian Accounting Standards that are applicable to not-for-profit entities, as the Board is a not-for-profit entity.

**b) Basis of preparation**

The preparation of the financial statements requires:

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

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

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

The financial statements have been prepared based on a twelve month period and presented in Australian currency. The comparative figures to 30 June 2012 are based on six months of operation as the Board was only in existence for this period.

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2013 and the comparative information presented.

**c) Reporting entity**

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

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

The Board has no administered items.

The Board is a statutory authority established under the Act.

**d) Comparative information**

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

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

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

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

**e) Rounding**

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

**f) Taxation**

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

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

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

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

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

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

**g) Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2013 and before the date the financial statements are authorised for issue, where those events provides information about conditions that existed at 30 June 2013.

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

**h) Income**

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

The following are specific recognition criteria:

*Fees and charges*

Revenue from fees and charges is recognised upon delivery of the service to the client or by reference to the stage of completion.

*Commonwealth revenue*

The Commonwealth Government's contribution to the operation of the Board is recognised as revenue when the Board obtains control over the funding. Control over funding is obtained upon receipt.

**i) Expenses**

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

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

**j) Current and non-current classification**

Assets and liabilities are characterised as either current or non-current in nature. Assets and liabilities that are consumed or realised as part of the normal operating cycle even when they are not expected to be realised within twelve months after the reporting date have been classified as current assets or current liabilities. The Board holds no assets or liabilities classified as non-current.

**k) Assets**

Assets have been classified according to their nature.

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

*Cash at bank*

Cash at bank in the Statement of Financial Position includes cash at bank held in the operating accounts. For the purposes of the Statement of Cash Flows, cash at bank consist of cash held in the two bank accounts as defined above. Cash is measured at nominal value.

*Receivables*

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

**l) Liabilities**

Liabilities have been classified according to their nature.

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

*Payables*

Payables include creditors and accrued expenses.

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

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

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

**m) Unrecognised contractual commitments and contingent assets and liabilities**

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

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

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

**NOTE 3: New and revised accounting standards and policies**

The Board did not voluntarily change any of its accounting policies during 2012-13.

The Australian accounting standards and interpretations that have recently been issued or amended but are not yet effective, have not been adopted by the Board for the period ending 30 June 2013. The Board has assessed the impact of the new and amended standards and interpretations and considers there will be no impact on the accounting policies or the financial statements of the Board.

**NOTE 4: Board Fees**

	<b>2013</b>	<b>2012</b>
	\$	\$
Board and Committee fees	54,160	13,743
Superannuation	4,609	-
Allowances	956	-
<b>Total Board fees expenses</b>	<b>59,725</b>	<b>13,743</b>

**NOTE 5: Supplies and services**

	<b>2013</b>	<b>2012</b>
	\$	\$
Accommodation	4,870	165
Administration	14,800	7,566
Advertising	16,808	3,639
Contractors – Agency Staff	104,242	12,271
Contractors – General	58,278	67,462
Information technology expenses	26,172	15,318
Insurance	3,025	-
Legal expenses	108,808	-
Minor equipment	86,783	19,236
Motor vehicle expenses	33,516	1,559
Other Board expenses	6,917	-
Other supplies and services	12,642	902
Postage	23,392	4,321
Printing, stationery and office consumables	59,245	16,541
Service Level Agreement - Accommodation	210,178	93,750
Service Level Agreement - IT	27,774	-
Service Level Agreement - Staff	2,376,164	829,175
Staff training and development	33,787	30,635
Staff travel expenses	49,739	20,622
Telecommunication expenses	23,460	477
<b>Total supplies and services</b>	<b>3,280,599</b>	<b>1,123,640</b>
	<b>2013</b>	<b>2012</b>
<b>Government / non-government supplies and services</b>	<b>\$</b>	<b>\$</b>
Supplies and services provided by entities within the SA Government	2,807,170	925,704
Supplies and services provided by entities external to the SA Government	473,429	197,936
<b>Total supplies and services</b>	<b>3,280,599</b>	<b>1,123,640</b>

**NOTE 6: Auditors remuneration**

	2013	2012
	\$	\$
Audit fees paid / payable	19,064	14,280
<b>Total auditors remuneration</b>	<b>19,064</b>	<b>14,280</b>

**NOTE 7: Grants and subsidies**

	2013	2012
	\$	\$
Recurrent Grant (paid to ACECQA)	474,303	204,000
<b>Total grants and subsidies</b>	<b>474,303</b>	<b>204,000</b>

	2013	2012
	\$	\$
<b>Government / non-government Grants and subsidies</b>		
Grants and subsidies paid/payable to entities within the SA Government	-	-
<b>Total grants and subsidies – SA Government entities</b>	<b>-</b>	<b>-</b>

In accordance with the National Partnership Agreement on the National Quality Agenda for Early Childhood Education and Care, the Board contributes to the operational funding for Australian Children's Education and Care Quality Authority (ACECQA).

The Board remits 10% of the Fee revenue received for Early Childhood Services to the ACECQA.

**NOTE 8: Revenues from fees and charges**

	2013	2012
	\$	\$
Regulatory fees	348,515	13,250
<b>Total fees and charges</b>	<b>348,515</b>	<b>13,250</b>

	2013	2012
	\$	\$
<b>Government / non-government fees and charges</b>		
Fees and charges received from entities within the SA Government	219,986	2,200
<b>Total grants and subsidies – SA Government entities</b>	<b>219,986</b>	<b>2,200</b>

**NOTE 9: Interest revenue**

	2013	2012
	\$	\$
Interest on bank accounts	57,445	-
<b>Total interest revenue</b>	<b>57,445</b>	<b>-</b>

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

**NOTE 10: Commonwealth Revenue**

	2013 \$	2012 \$
National Partnership Payment	2,190,000	1,240,000
<b>Total Commonwealth revenue</b>	<b>2,190,000</b>	<b>1,240,000</b>

**NOTE 11: Revenue from SA Government**

	2013 \$	2012 \$
Operating grant	2,669,000	771,440
<b>Total revenues from SA Government</b>	<b>2,669,000</b>	<b>771,440</b>

**NOTE 12: Cash at bank**

	2013 \$	2012 \$
Cash held in operating accounts	2,608,100	735,073
<b>Total cash at bank</b>	<b>2,608,100</b>	<b>735,073</b>

**Interest rate risk**

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

**NOTE 13: Receivables**

	2013 \$	2012 \$
Receivables	122,804	-
Accrued revenues	3,929	-
GST input tax recoverable	55,384	1,564
<b>Total receivables</b>	<b>182,117</b>	<b>1,564</b>

**Interest rate risk**

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

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

The carrying amounts of all receivables mature within one year.

Categorisation of financial instruments and risk exposure information – Please refer to Note 19.

**NOTE 14: Payables**

	2013	2012
	\$	\$
<b>Current</b>		
Creditors	384,225	-
Accrued expenses	305,696	67,610
<b>Total current payables</b>	689,921	67,610
<b>Total payables</b>	689,921	67,610
	<b>2013</b>	<b>2012</b>
	<b>\$</b>	<b>\$</b>
<b>Government / non-government payables</b>		
<b>Payables to SA Government entities</b>		
Creditors	127,933	-
Accrued expenses	289,075	42,672
<b>Total payables to other SA Government entities</b>	417,008	42,672
<b>Payables to non-SA Government entities</b>		
Creditors	256,291	-
Accrued expenses	16,621	24,938
<b>Total payables to non-SA Government entities</b>	272,912	24,938
<b>Total payables</b>	689,920	67,610

**Interest rate and credit risk**

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

Refer to Note 19 for information as to the categorisation of financial instruments and risk exposure

**NOTE 15: Unrecognised contractual commitments**

	2013	2012
	\$	\$
<b>Remuneration commitments</b>		
Commitments for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	480,000	-
Later than one year but not longer than five years	721,973	-
<b>Total remuneration commitments</b>	1,201,973	-

Amounts disclosed include commitments arising from contracts between the Board and three Registrars until December 2015.

**NOTE 16: Contingent assets and liabilities**

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

**NOTE 17: Remuneration of board and committee members**

The Board members and deputy members who received remuneration for services during the year were:

**Name**

**Ongoing members**

Dr Neville Highett- Presiding Member	Ms Kaye Colmer – Deputy <i>Presiding Member</i> *
Ms Judith Atkinson	Ms Robyn Buckler*
Mr Peter Chislett (resigned 14 February, 2013)	Ms Carolyn Granskalns (appointed 5 April, 2013)*
Mr Barry Kahl (appointed 5 April, 2013)	Dr Susan Krieg*
Mr Garry LeDuff (resigned March 2013)*	Mrs Helen O'Brien*
Mrs Lynda Secombe*	Dr Paul Sharkey*
Dr Dale Wasley (resigned 31 December, 2012)	Ms Amanda Wilson

**Deputy members**

Ms Cheryl Bauer	Deputy to Ms Carolyn Granskalns
Mrs Merrilyn Hannaford	Deputy to Ms Judith Atkinson
Ms Janet Harris	Deputy to Ms Kathryn Jordan
Mr Barry Kahl (until 4 April 2013)	Deputy to Dr Neville Highett
Mrs Georgina Smith*	Deputy to Ms Helen O'Brien
Ms Vivienne St John Robb	Deputy to Ms Robyn Buckler
Dr Vin Thomas*	Deputy to Dr Paul Sharkey
Dr Victoria Whittington*	Deputy to Susan Kreig

Some members also received remuneration as committee members as follows:

**Audit and Risk Management Committee**

Mr Bruce Carpenter	Mr Mark Le Cornu
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Some member's/deputy members' remuneration is paid to their nominating organisation. The relevant individuals' names are marked with asterisks.

The number of members whose remuneration received or receivable falls within the following bands:	2013	2012
\$1 - \$9 999	22	14
\$10 000 - \$19 999	1	-
<b>Total number of members</b>	<b>23</b>	<b>14</b>

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees. The total remuneration received or receivable by members was \$59,725 (See Note 4). This amount comprised of sitting fees as well as a total of \$5,565 paid for allowances and superannuation plans for eligible Board members.

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

These Government employees have not been included in the list of Board members above.

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

**NOTE 18: Cash flow reconciliation**

Reconciliation of cash and cash equivalents at the end of the reporting period:	2013	2012
Cash and cash equivalents disclosed in the Statement of Financial Position	2,608,100	735,073
<b>Balance as per the Statement of Cash Flows</b>	<b>2,608,100</b>	<b>735,073</b>
<b>Reconciliation of net cash provided by operating activities to net cost of providing services:</b>		
Net cash provided by operating activities	2,608,100	735,073
Less: Revenues from Government	(2,669,000)	(771,440)
<b>Movement in assets and liabilities</b>		
Increase in receivables	180,553	1,564
(Increase) in payables	(622,311)	(67,610)
<b>Net cost of providing services</b>	<b>(502,657)</b>	<b>(102,413)</b>

**NOTE 19: Financial instruments/Financial risk management**

Table 38.1 Categorisation of financial instruments

Details of the significant accounting policies and methods adopted including the criteria for recognition, the basis of measurement, and the basis on which income and expenses are recognised with respect to each class of financial asset, financial liability and equity instrument are disclosed in Note 2 Summary of Significant Accounting Policies.

Category of financial asset and financial liabilities	Statement of Financial Position line item	Note	Carrying amount 2013 \$	Fair value 2013 \$	Carrying amount 2012 \$	Fair value 2012 \$
<b>Financial assets</b>						
Cash and cash equivalents	Cash at bank	12	2,608,100	2,608,100	735,073	735,073
Receivables	Receivables	13	182,117	182,117	-	-
<b>Total financial assets</b>			<b>2,790,217</b>	<b>2,790,217</b>	<b>735,073</b>	<b>735,073</b>
<b>Financial liabilities</b>						
Financial liabilities	Payables	14	(689,921)	(689,921)	(67,610)	(67,610)
<b>Total financial liabilities</b>			<b>(689,921)</b>	<b>(689,921)</b>	<b>(67,610)</b>	<b>(67,610)</b>

**Credit risk**

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

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

**Liquidity risk**

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

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

**Market risk**

The Board is not exposed to any Market Risk.

**Sensitivity disclosure analysis**

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

**NOTE 20: Events after the reporting period**

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