



**Education  
Standards  
Board**

*Early Childhood to Senior Schooling*  
Education and Early Childhood Services  
Registration and Standards Board of SA



**Government  
of South Australia**

# Education Standards Board

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

## **Annual Report 2017–18**

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To:

The Hon. John Gardner, MP

Minister for Education

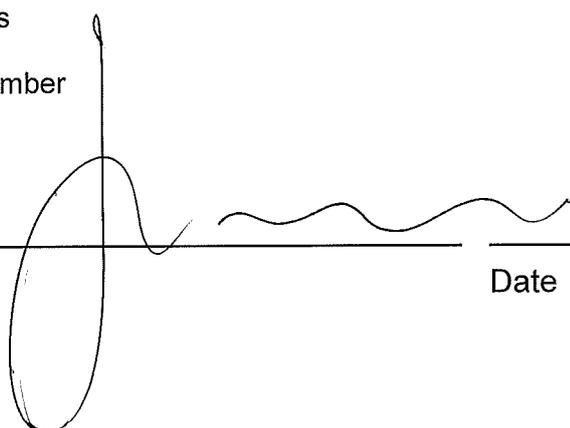
This annual report is to be presented to Parliament to meet the statutory reporting requirements of *Education and Early Childhood Services (Registration and Standards) Act 2011 (SA)* and *Public Sector Management Act 2009 (SA)* and meets the requirements of Premier and Cabinet Circular *PC013 Annual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

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

Submitted on behalf of the Education and Early Childhood Services Registration and Standards Board of South Australia by:

John Dawkins

Presiding Member

 29 August 2018

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Signature Date

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## **Section A: Reporting required under the *Public Sector Act 2009*, the *Public Sector Regulations 2010* and the *Public Finance and Audit Act 1987***

### **Agency purpose or role**

The Education and Early Childhood Services Registration and Standards Board of South Australia— known as the Education Standards Board (ESB)—is an independent regulatory agency established under the *Education and Early Childhood Services (Registration and Standards) Act 2011 (SA)*, *the Act*.

The Board is responsible for the registration and review of schools and regulation and quality assessment of education and care services in South Australia (SA).

### **Objectives**

- To promote the provision of high-quality education and care services from early childhood to senior schooling
- To support the best possible outcomes for children
- To give families confidence in a diverse range of schools and education and care services
- To minimise the regulatory burden for schools and service providers

## Key strategies and their relationship to SA Government objectives

Key strategy	SA Government objective
<p><b>Regulate the early childhood and schooling sectors using a contemporary approach</b></p> <p>The ESB adopts a contemporary risk-based and standards-based approach to its regulation.</p>	<p>All children have access to high-quality education</p>
<p><b>Improve our stakeholder engagement</b></p> <p>The ESB actively engages with stakeholders and reflects on feedback to achieve better outcomes for children and less regulatory burden for service providers.</p>	<p>Enhanced public confidence in education and early childhood services and more responsive regulation</p>
<p><b>Build a high-performing sustainable organisation</b></p> <p>The ESB supports its people and continually reviews and streamlines its practices to improve its effectiveness and efficiency while reducing regulatory burden to the sectors it regulates.</p>	<p>Delivery of the strategic and economic priorities of SA Government with greater effectiveness and efficiency</p>

## Agency programs and initiatives and their effectiveness and efficiency

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
<p>Implementing changes to the National Quality Framework</p>	<p>The Education Council (comprising education ministers from all states and territories and the Australian Government) previously agreed to changes to the National Quality Framework. These were carried out in stages from 1 October 2017. Key changes included:</p> <ul style="list-style-type: none"> <li>• a revised National Quality Standard (from 1 February 2018)</li> <li>• improved oversight of family day-care</li> <li>• greater freedom for service providers to appoint the people responsible for day-to-day management of their services.</li> </ul> <p>The ESB also worked with the other states and territories and the Australian Children’s Education and Care Quality Authority (ACECQA). Together we developed materials for providers and educators about the changes.</p>	<p>These changes mean parents can be more confident about the standard of education and care their children receive. Reduced regulatory burden assists services in keeping costs down.</p>
<p>Revision of the National Quality Standard</p>	<p>The revised National Quality Standard (NQS) came into effect on 1 February 2018. From this date, services are assessed and rated against this standard.</p> <p>Feedback from the early childhood education and care sector helped shape the changes. The sector requested greater clarity and transparency about how a service is rated as <i>Exceeding NQS</i>. This has been incorporated into the information developed for providers in the implementation of the revisions.</p> <p>The revised NQS uses clearer language and retains the same focus on quality education and care. It has been streamlined into fewer elements and standards than before. The previous 18 standards (comprising 58 elements) have become 15 standards (made up of 40 elements).</p>	<p>The changes to the National Quality Standard reorganise the standards and remove duplication. This clarifies and simplifies them. Services can more easily understand and work on those factors that lead to better outcomes for children.</p>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
Risk-based regulation in early childhood services	<p>The ESB applies a risk-based approach to regulation. This means we focus on identifying where there may be a risk of non-compliance and developing strategies to ensure compliance. A framework supports consistent and proportionate approaches.</p> <p>The monitoring of services can be due to identified or emerging risks. A range of interventions, strategies and targeted campaigns are used to support and educate services to achieve improvements and compliance.</p> <p>The ESB has also developed a risk-assessment process tool. This is used to gather and consider information so that a visit schedule can be developed to effectively guide our regulatory activity. This process has been shared with the Australian Children’s Education and Care Quality Authority (ACECQA), who are improving national IT systems.</p> <p>Authorised officers engage with and visit services to monitor and promote compliance. Educative support, advice and guidance are provided where appropriate; other avenues are explored and carried out if necessary. In some instances intensive intervention can occur where we believe this approach will most effectively ensure improvements are made.</p>	This regulatory activity leads to safer and better education and care services for children.
Applications	The ESB processed 370 applications in the past 12 months. This included provider approvals and amendment-to-provider approvals, service approvals and amendment-to-service approvals and service transfers and waivers.	Our work in this area means that new education and care services can open or make changes to some aspect of their operation.

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia																												
Regulatory Action Framework	<p>The ESB's monitoring work often involves working with education and care services in an educative way and promoting continuous improvement. Reassessments, in particular, are a way to recognise and foster continuous improvement. (Improvements from one assessment to the next are noted and may result in a higher rating over time.)</p> <p>The Regulatory Action Framework (RAF) guides the ESB's decisions about activities, such as planning assessments and rating and monitoring of services. The RAF is about managing risk and finding opportunities to support services with continuous improvement.</p> <p>In 2017–18, the ESB made it a priority to assess and rate services that had not yet been rated. At 30 June 2018, 96.4% of eligible services had either received a rating or were in that process and 91% had a finalised quality rating. (Ratings are usually provided after a service has operated for more than 12 months, so it's unlikely this would reach 100%.)</p> <p>The criteria for choosing services for assessments includes:</p> <ul style="list-style-type: none"> <li>• time since the last assessment</li> <li>• risk level of the service</li> <li>• the SEIFA (measure of disadvantage) ranking of the service's area</li> <li>• the chance to recognise continuous improvement in a service.</li> </ul> <p><b>Table 1: Number of services by type and % of totals with a finalised quality rating</b></p> <table border="1" data-bbox="432 1503 1123 1877"> <thead> <tr> <th></th> <th>Long day-care</th> <th>Preschool</th> <th>Out-of-school-hours care</th> <th>Family day-care</th> <th>Totals</th> <th>% with an assessment &amp; rating</th> </tr> </thead> <tbody> <tr> <td>2015–16</td> <td>352</td> <td>404</td> <td>375</td> <td>37</td> <td>1168</td> <td>55%</td> </tr> <tr> <td>2016–17</td> <td>361</td> <td>403</td> <td>376</td> <td>31</td> <td>1171</td> <td>81%</td> </tr> <tr> <td>2017–18</td> <td>387</td> <td>394</td> <td>376</td> <td>15</td> <td>1172</td> <td>91%</td> </tr> </tbody> </table>		Long day-care	Preschool	Out-of-school-hours care	Family day-care	Totals	% with an assessment & rating	2015–16	352	404	375	37	1168	55%	2016–17	361	403	376	31	1171	81%	2017–18	387	394	376	15	1172	91%	This framework allows the ESB to direct its effort to regulation that will achieve the best outcomes for children most at risk.
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<p>Investigations and ensuring compliance with the law</p>	<p>The ESB investigates the practices of education and early childhood services where there may have been breaches under the <i>Education and Care Services National Law (South Australia)</i>, referred to as the National Law. We pay particular attention to areas where there is a high risk to children in the provision of care.</p> <p>The ESB collaborates with other agencies to achieve suitable and proportionate outcomes. During 2017–2018 this included:</p> <ul style="list-style-type: none"> <li>• excluding a person from an education and care service for a pattern of inappropriate behaviour</li> <li>• supporting an approved provider in the workplace supervision of an educator who was the subject of a coronial investigation</li> <li>• bringing a person to prosecution for providing a family day-care service without provider or service approvals.</li> </ul> <p>Family day-care has been a particular focus for ESB during 2017–2018 due to a range of concerns and emerging trends in this sector for the ESB and other agencies. The ESB has strengthened approval processes to ensure that only the most suitable applicants are approved, as determined under the National Law.</p> <p>Table 2 shows a decrease in complaints but an increase in investigations.</p> <p><b>Table 2: Notifications, complaints and investigations</b></p> <table border="1" data-bbox="432 1424 1104 1787"> <thead> <tr> <th></th> <th>Notifications (inc. serious)</th> <th>Complaints</th> <th>Investigations</th> </tr> </thead> <tbody> <tr> <td>2015–16</td> <td>1238</td> <td>347</td> <td>299</td> </tr> <tr> <td>2016–17</td> <td>1537</td> <td>332</td> <td>335</td> </tr> <tr> <td>2017–18</td> <td>1348</td> <td>277</td> <td>400</td> </tr> </tbody> </table>		Notifications (inc. serious)	Complaints	Investigations	2015–16	1238	347	299	2016–17	1537	332	335	2017–18	1348	277	400	<p>Our compliance and investigation activities make education and care services safer for children. They also support other agencies that work in child protection.</p>
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	<p>The management of complaints has been reviewed. When appropriate, complainants are referred to approved providers and services. This has allowed for an increased focus on investigation activities and compliance action.</p> <p>An increase in investigations has occurred because the ESB has been more proactive in recording breaches of the National Law and Regulations, which formulates a service history.</p> <p>Table 3 shows a significant increase in cancellations following a review of service providers who didn't commence operations within a 12-month period (as they are required to by the National Law).</p> <p><b>Table 3: Regulatory action</b></p> <table border="1" data-bbox="475 882 1102 1263"> <thead> <tr> <th></th> <th>Issue of prohibition notice</th> <th>Voluntary suspensions</th> <th>Suspensions</th> <th>Cancellations</th> </tr> </thead> <tbody> <tr> <td>2015-16</td> <td>6</td> <td>4</td> <td>8</td> <td>8</td> </tr> <tr> <td>2016-17</td> <td>10</td> <td>0</td> <td>11</td> <td>6</td> </tr> <tr> <td>2017-18</td> <td>1</td> <td>9</td> <td>10</td> <td>91</td> </tr> </tbody> </table>		Issue of prohibition notice	Voluntary suspensions	Suspensions	Cancellations	2015-16	6	4	8	8	2016-17	10	0	11	6	2017-18	1	9	10	91	
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Schools registration	<p>The number of registered schools has remained steady, with only very small decreases in each sector. (See table 4.) The ESB registered two new Independent schools and two new secondary government schools in 2017–18.</p> <p><b>Table 4: Registered schools by sector</b></p> <table border="1" data-bbox="432 521 975 880"> <thead> <tr> <th></th> <th>2015–16</th> <th>2016–17</th> <th>2017–18</th> </tr> </thead> <tbody> <tr> <td><b>Government</b></td> <td>525</td> <td>519</td> <td>514</td> </tr> <tr> <td><b>Independent</b></td> <td>100</td> <td>103</td> <td>102</td> </tr> <tr> <td><b>Catholic</b></td> <td>103</td> <td>103</td> <td>102</td> </tr> <tr> <td><b>Totals</b></td> <td><b>728</b></td> <td><b>725</b></td> <td><b>718</b></td> </tr> </tbody> </table> <p>We approved the extension of year levels for 27 schools during 2017–18. Of these, 18 were from the Catholic sector, reflecting their strategy to move Year 7 into secondary schools from 2019. (Registration changes were required so secondary schools could enrol Year 7 students up to two years before delivery of education services.)</p> <p>We also approved three applications to add a campus, including two non-government schools that closed and became campuses of registered schools. Of the four new schools added to the Schools Register during the year, one was a new government school registered when three rural schools were amalgamated.</p> <p><b>Table 5: Schools in SA as of June 2018</b></p> <table border="1" data-bbox="432 1458 1123 1800"> <thead> <tr> <th>Schools Register 2018</th> <th>Total primary</th> <th>Total secondary</th> <th>Total combined (R–12)</th> <th>Totals</th> </tr> </thead> <tbody> <tr> <td><b>Non-gov.</b></td> <td>96</td> <td>24</td> <td>84</td> <td>204</td> </tr> <tr> <td><b>Gov.</b></td> <td>353</td> <td>70</td> <td>91</td> <td>514</td> </tr> <tr> <td><b>Totals</b></td> <td><b>449</b></td> <td><b>94</b></td> <td><b>175</b></td> <td><b>718</b></td> </tr> </tbody> </table>		2015–16	2016–17	2017–18	<b>Government</b>	525	519	514	<b>Independent</b>	100	103	102	<b>Catholic</b>	103	103	102	<b>Totals</b>	<b>728</b>	<b>725</b>	<b>718</b>	Schools Register 2018	Total primary	Total secondary	Total combined (R–12)	Totals	<b>Non-gov.</b>	96	24	84	204	<b>Gov.</b>	353	70	91	514	<b>Totals</b>	<b>449</b>	<b>94</b>	<b>175</b>	<b>718</b>	<p>Registration of a new school against the Standards for Registration and Review of Registration gives families confidence that the instruction offered is satisfactory and the school adequately provides for the safety, health and welfare of its students.</p>
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<p>Reviews of school registrations</p>	<p>The implementation of the Standards for Registration and Review of Registration of Schools in South Australia commenced in July 2017. The Standards are used as the regulatory tool for:</p> <ul style="list-style-type: none"> <li>• assessing applications to register new schools</li> <li>• assessing applications for changes to registration of schools</li> <li>• reviewing a school’s registration.</li> </ul> <p>In February 2018, the ESB began reviewing the registration of government and non-government schools. The ESB applied a contemporary regulatory approach to reduce burden and to support schools’ understanding of the Standards.</p> <p>A total of 694 schools were required to conduct a self-review between February and June 2018 using the Standards. School principals verified that their school met the Standards.</p> <p>In addition, 11 schools registered since the inception of the Act were selected for a validation review. These schools were required to submit evidence to demonstrate each criterion in the Standards. Schools were provided with guidance and support throughout the process. All schools have been verified as meeting the Standards.</p>	<p>This review process means the public can be assured that all schools reviewed in this period meet the Standards. This means instruction offered is satisfactory and the school adequately provides for the safety, health and welfare of students.</p>

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International education	<p>The ESB is the designated state authority for recommending the endorsement of registered schools on the CRICOS Register (Commonwealth Register of Institutions and Courses for Overseas Students). We also manage the PRISMS (Provider Registration and International Student Management System) database.</p> <p><b>Table 6: SA schools approved on CRICOS register 2017–18</b></p> <table border="1" data-bbox="435 611 1126 786"> <thead> <tr> <th></th> <th>Government*</th> <th>Non-government</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>Primary</td> <td>55</td> <td>0</td> <td>55</td> </tr> <tr> <td>Secondary</td> <td>54</td> <td>11</td> <td>65</td> </tr> <tr> <td>Combined (R–12)</td> <td>19</td> <td>29</td> <td>48</td> </tr> <tr> <td><b>Totals</b></td> <td><b>128</b></td> <td><b>40</b></td> <td><b>168</b></td> </tr> </tbody> </table> <p>*Government schools are run by the Department for Education, a single department with 128 school sites.</p> <p>In January 2018, the Commonwealth Department of Education and Training required all school CRICOS providers to transfer their existing student ‘confirmation of enrolments’ into one of three categories: primary, junior secondary or senior secondary. The ESB worked with schools at each stage of the complex process to ensure all CRICOS-registered schools are compliant with the National Code 2018 and Commonwealth requirements.</p>		Government*	Non-government	Total	Primary	55	0	55	Secondary	54	11	65	Combined (R–12)	19	29	48	<b>Totals</b>	<b>128</b>	<b>40</b>	<b>168</b>	<p>Our work protects and enhances SA’s reputation for high-quality education to overseas students.</p>
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Stakeholder engagement	<p>The ESB is working to better engage with its stakeholders: both those we regulate and similar agencies we work with.</p> <p><b>Early childhood education and care services</b> From April 2018, the ESB conducted stakeholder engagement sessions for large approved providers operating in the early childhood education and care sector and related peak associations.</p> <p>Information shared at these sessions included:</p> <ul style="list-style-type: none"> <li>• key changes to the National Quality Framework</li> <li>• the revised 2018 National Quality Standard (including the new <i>Exceeding NQS</i> themes)</li> <li>• the role of the approved provider</li> <li>• compliance, notification and investigation matters.</li> </ul> <p>A post-assessment and rating survey was also introduced to receive feedback from approved providers.</p> <p><b>Agencies and peak bodies</b> The ESB continues to work with stakeholders and representatives from other agencies and peak bodies, such as SA Police, Department for Education, SA Crown Solicitor's Office and the Commonwealth Department of Education and Training. We have regular meetings with them to maintain productive relationships, trust and respect. This supports information sharing and joint-agency approaches.</p> <p><b>Schools</b> Relationships and communication have been strengthened by working with a key contact for some larger providers, stakeholders and agencies. The ESB developed two versions of the <i>Evidence guide</i> to help take schools through the registration and registration review processes. The ESB's regulatory approach to the review of registration was informed by regular communication with each of the key sector staff and through consideration of differences in the way schools demonstrate meeting the standards.</p> <p>The review of registration for schools was extremely successful. This is in part because key sector stakeholders and school principals were kept so well informed of the process and its timelines by the ESB. Communications were clear, targeted and supported engagement. This resulted in the review of registration being well accepted by schools and the great result of them completing the necessary reviews.</p>	<p>Stakeholder engagement leads to:</p> <ul style="list-style-type: none"> <li>• more informed education and care providers and schools that are clearer on the standards they need to meet</li> <li>• knowing how we can better support education and care services to help them meet their obligations</li> <li>• better education and care services for SA children</li> <li>• sharing information and skills with agencies to help protect children and bring people who harm children to justice.</li> </ul>

Program name	Indicators of performance/effectiveness/efficiency	Outcome for South Australia
ICT systems	<p><b>EDRMS (electronic document records management system)</b>            ESB is committed to information and records management practices that meet legislative, regulatory and administrative requirements. Significant progress has been made in improving information and records management practices:</p> <ul style="list-style-type: none"> <li>• An EDRMS (electronic document records management system) was built and completed ready for implementation across the agency.</li> <li>• A records-management resource role was created to manage the implementation and ongoing management of records and information for 2018–19.</li> </ul> <p><b>Auto-attendant telephone system</b>            We introduced an auto-attendant phone system to allow callers to choose which section of the ESB they wish to speak with. Voicemail messages are now stored in email and can be retrieved from or saved to SharePoint for future reference.</p>	<p>This new system will help staff to store and access information more efficiently so they can make informed decisions quickly and easily.</p> <p>This new phone system is more efficient for callers and ESB staff taking calls.</p>
In-service training	<p>Six new authorised officers were provided with training to ensure their reliability to assess and rate services. In addition, the other six authorised officers received training to upgrade their knowledge and skills in line with the revised National Quality Standard.</p>	<p>This training ensures authorised officers can competently assess and rate education and care services.</p>
Work health safety committee	<p>ESB strengthened its governance and effectiveness during 2017–18.</p>	<p>Safer workplaces mean fewer injuries and greater productivity.</p>
Performance-management framework	<p>ESB trialled a new performance management framework during 2017–18. The new approach was introduced at the beginning of 2018 and resulted in a 43% improvement in completion of successful performance reviews over the earlier six months.</p> <p>The framework will be reviewed and further refined in 2018–19.</p>	<p>The ESB is committed to striving for excellence in its services. An effective performance management framework helps ensure high-performing staff.</p>
Risk-management framework	<p>The ESB adopted standard government approaches to assessing risks to the organisation and strategies for mitigating risk.</p>	<p>This provides stability for the organisation, as a basis for improvement.</p>

## Legislation administered by the agency

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

Education and Care Services National Regulations 2011 (SA)

Education and Early Childhood Services (Registration and Standards) Regulations 2011 (SA)

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

*Education Services for Overseas Students Act 2000*

Education Services for Overseas Students Regulations 2001.

## Organisation of the agency

Our board consists of 13 members appointed by the Governor in Executive Council on the nomination of the Education Minister.

In addition, our board is supported by two working groups that report directly to it:

- **Internal Review of Decisions Committee:** responsible for conducting internal reviews of its regulatory decisions, and encompasses both early childhood services and schools
- **Schools Disciplinary Committee:** responsible for considering grievances against schools and, where appropriate, the handling of disciplinary matters under the Act.

The ESB employs approximately 40 staff, whose role is to carry out the functions set down in legislation and to implement our board's decisions. The ESB is led by a registrar who fulfils the three statutory roles of registrar for government schools, non-government schools and early childhood services. The ESB comprises the following functional units:

### Schools Regulation

The Schools Regulation team registers and reviews all schools (government and non-government), and maintains the Schools Register. It is also the designated state authority for recommending schools for registration on CRICOS (Commonwealth Register of Institutions and Courses for Overseas Students), renewing registration and ongoing monitoring of schools' compliance under the Education Services for Overseas Students Act.

### Early Childhood Services

The Early Childhood Services team approves and monitors all SA education and care services that are in the scope of the National Quality Framework. It also assesses and rates these services against the National Quality Standard. Services include kindergartens, long day-care, out-of-school-hours care and family day-care. The team also approves and monitors education and care services that are under state regulations, such as occasional-care services.

### **Compliance and Investigations**

The Compliance and Investigations team manages the non-compliance of education and care services and, where necessary, takes compliance action. It issues prohibition notices and applies sanctions as required. This team also manages the cancellations of services and providers.

### **Corporate Services and Governance**

The Corporate Services and Governance team supports our staff and board members by providing a number of services. This team is responsible for strategic and operational financial management, human resource management, payroll, procurement and contract management, work health and safety, information technology and communication services, records management services as well as overall governance and other broader corporate services responsibilities.

### **Other agencies related to this agency (within the Minister's area/s of responsibility)**

The Department for Education (formerly known as the Department of Education and Child Development) interacts with the ESB in a number of ways. This department provides the policy lead for SA in relation to the National Quality Framework for early childhood education and care. Policy translates into the regulatory responsibilities of the ESB. The Department for Education is also the major approved provider of education services regulated by the ESB, operating the third largest number of services of any provider in Australia.

The Teachers Registration Board (TRB) also relates to the ESB. Long day-care and preschool services are required under the National Law to employ early childhood teachers. The TRB determines who can be registered as a teacher or fill a teacher's position in these services.

The SACE Board of South Australia is another agency related to ours. The ESB notifies the SACE Board when schools have been approved to extend year levels, registered to provide education services that include Year 10 to 12 or of new schools registered up to Year 12. Also to be able to offer subjects accredited by the SACE Board, a school must be registered with the ESB to provide education services to Year 10 to 12.

### **Employment opportunity programs**

<b>Program name</b>	<b>Result of the program</b>
Nil	n/a

## Agency performance management and development systems

Performance management and development system	Assessment of effectiveness and efficiency
ESB employees take part in a formal performance management and development discussion with their manager twice a year.	During 2017–18, 84% of employees had participated in a documented performance management and development review in the previous six months. (Six new employees hadn't done a review by 30 June 2018 but completed one in late July 2018.)

## Work health, safety and return to work programs of the agency and their effectiveness

Program name and brief description	Effectiveness
Work health and safety management	<p>The Work Health and Safety (WHS) Committee is the main way the ESB works with employees to address WHS issues. During 2017–18, the terms of reference for this committee were created.</p> <p>The ESB provides the following services to staff:</p> <ul style="list-style-type: none"> <li>• flu vaccinations</li> <li>• ergonomic assessments</li> <li>• employee assistance program (see below)</li> <li>• information about work safety.</li> </ul> <p>In October 2018, we provided an October Oasis program, including sessions for staff on work–life balance, fatigue management and family violence.</p> <p>Training provided to all wardens and WHS committee members during the year included:</p> <ul style="list-style-type: none"> <li>• emergency skills procedures training</li> <li>• emergency evacuation exercise training.</li> </ul>
Employee assistance program	ESB staff can access an employee assistance program provided by Davidson Trahaire Corpsych. This entitles them, or their family members, to some free confidential sessions with a psychologist, social worker, financial counsellor or dietician. This is to encourage good mental and physical health for our employees and their families.

<b>Program name and brief description</b>	<b>Effectiveness</b>
Injury management	<p>ESB provides staff with access to its WHS:</p> <ul style="list-style-type: none"> <li>• policies and procedures</li> <li>• training programs.</li> </ul> <p>A senior staff member completed mandatory return-to-work coordinator training during the past financial year.</p> <p>No incidents were reported by staff during 2017–18.</p>

### Work health and safety and return to work performance

	2017-18	2016-17	% Change (+ / -)
<b>Workplace injury claims</b>			
Total new workplace injury claims	0	0	0
Fatalities	0	0	0
Seriously injured workers*	0	0	0
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	0	0	0
<b>Work health and safety regulation</b>			
Number of notifiable incidents ( <i>WHS Act 2012, Part 3</i> )	0	0	0
Number of provisional improvement, improvement and prohibition notices ( <i>WHS Act 2012 Sections 90, 191 and 195</i> )	0	0	0
<b>Return to work costs**</b>			
Total gross workers compensation expenditure (\$)	0	0	0
Income support payments – gross (\$)	0	0	0

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

\*\*before third party recovery

Data is available at: <https://data.sa.gov.au/data/dataset/e13b1dec-f2c8-40db-a559-25ba739b432d>.

## Fraud detected in the agency

Category/nature of fraud	Number of instances
The ESB did not identify any instances of fraud in the agency during 2017–18.	0

## Strategies implemented to control and prevent fraud

The ESB has robust internal fraud control and prevention procedures. These include:

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

The ESB has never had an incident of fraud. However, internal processes are assessed and reviewed regularly, and regular checks are done as part of everyday and/or monthly procedures.

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/0cc29c9c-0347-4677-bcd1-92a7521ed5fa>.

## Whistle-blowers' disclosure

Number of occasions on which public interest information has been disclosed to a responsible officer of the agency under the *Whistle-blowers' Protection Act 1993* 0

Data for the past five years is available at: <https://data.sa.gov.au/data/dataset/d01c60f5-ad9c-46a4-bcd8-69247e52c99f>.

## Executive employment in the agency

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

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/2bd8e6b1-18aa-434f-a729-f7f4b0b47ee4>.

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

## Consultants

The following is a summary of external consultants that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Consultants	Purpose	Value
<b>Consultancies below \$10,000 each</b>		
Hays Recruiting Experts Worldwide	ICT strategy	2 684
Ann Elizabeth Doolette	Board-related work	3 750
<b>Consultancies above \$10,000 each</b>		
Nil	n/a	0
<b>Total all consultancies</b>		<b>6 434</b>

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/8e232a72-7e92-401d-8dc2-c8264c7082a6>.

See also the Consolidated Financial Report of the Department of Treasury and Finance <http://treasury.sa.gov.au/> for total value of consultancy contracts across the SA Public Sector.

## Contractors

The following is a summary of external contractors that have been engaged by the agency, the nature of work undertaken and the total cost of the work undertaken.

Contractor	Purpose	Value
Aktis Performance Management	Classification assessment	1 100
Bonita Kennedy	Records management	10 770
Captovate Pty Ltd	Website redesign	24 400
Chandler Macleod Group Limited	Temporary staff	6 093
Diverse Information Solutions	Record sentencing	9 375
Empired Limited	IT system support	39 220
Ernst & Young	External audit	23 309
Equifax	Financial analysis	317
Hays Recruiting Experts Worldwide	Temporary staff	27 385
Jane Jeffreys Consulting	Facilitation of board planning day	3 040
KKIT	Electronic records management system	52 920
MYBiz Consulting	Accounting system upgrade	6 591
OZ Train Pty Ltd	Workshop facilitator	2 000
Palmers Education	CPR and first-aid training	5 650
Paul Barrow Graphic Design	Corporate ID project	3 700
Secure Beginnings (Australia)	Safety assessment	200
SMG Health	Facilitation of group training	2 748
Studio 9 Architects Pty Ltd	Architecture services	4 065
TMK Consulting Engineers	Building plan work	965
Wendy Tims Consulting	Facilitation of team day	2 060
Win-Win Matters	Facilitation of team building	6 700
Workplace Horizons Pty Ltd	Classification assessment	6 198
<b>Total all contractors</b>		<b>238 806</b>

Data is available at: <https://data.sa.gov.au/data/dataset/90771d4a-2b71-42f2-b09e-207014e161b2>.

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

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

## **Financial performance of the agency**

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2017–18 are attached to this report.

The ESB is funded primarily from grants provided by the South Australian Government and the Commonwealth Government, totalling \$5.78 million in 2017–18.

This is a reduction of \$0.47 million from the previous financial year. Revenue from the State Government decreased by \$0.37 million, while revenue from the Australian Government decreased by \$0.1 million.

This funding is supplemented by fees, charges, and other revenues totalling over \$0.5 million. Primarily the fees relate to regulation of residual early childhood services and the registration and review of schools.

The ESB has reported an operating surplus of \$4000 for the 2017–18 financial year. The financial performance of the agency was in line with expectations and budget.

At 30 June 2018, the ESB had net assets of \$1.98 million. The main liabilities relate to staff entitlements for annual leave and long-service leave.

## **Other financial information**

Nil to report

## **Other information requested by the Minister(s) or other significant issues affecting the agency or reporting pertaining to independent functions**

The Commonwealth's part in funding the National Quality Framework, which guides ESB's regulatory work for education and care services, was set out in national partnership agreements. These specified the amount of money and expected achievements. Commonwealth funding has decreased over the past three years. The last \$1.58 million (\$1.1 million net) was paid in April 2018.

The agreement between the Commonwealth and state/territory governments ended on 30 June 2018. This means a loss of approximately \$1.1 million net funding for the ESB.

## Section B: Reporting required under any other act or regulation

Name and date of act or regulation
Nil required
Nil required
n/a

### Reporting required under the *Carers' Recognition Act 2005*

The *Carers' Recognition Act* is deemed applicable for the following: Department of Human Services, Department for Education, Department for Health and Wellbeing, Department of State Development, Department of Planning, Transport and Infrastructure, South Australia Police and TAFE SA.

*Section 7: Compliance or non-compliance with section 6 of the Carers Recognition Act 2005 and (b) if a person or body provides relevant services under a contract with the organisation (other than a contract of employment), that person's or body's compliance or non-compliance with section 6.*

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

## Section C: Reporting of public complaints as requested by the Ombudsman

### Summary of complaints by subject

Public complaints received by Education Standards Board	
Category of complaints by subject	Number of instances
Nil	0

Data for previous years is available at: <https://data.sa.gov.au/data/dataset/695438da-89cc-4f58-b99c-363538c625bc>.

### Complaint outcomes

Nature of complaint or suggestion	Services improved or changes as a result of complaints or consumer suggestions
n/a	n/a

## **Appendix: Audited financial statements 2017-18**

# FINANCIAL STATEMENTS 2018

## FOR EDUCATION STANDARDS BOARD

For the year ended

30 June 2018



Government  
of South Australia

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

### Opinion

We have audited the financial report of Education and Early Childhood Services Registration and Standards Board of South Australia (the Entity), which comprises the statement of financial position as at 30 June 2018, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Board' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Public Finance and Audit Act 1987*.

### Basis for Opinion

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

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

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

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

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

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## Responsibilities of the Board for the Financial Report

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

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

## Auditor's Responsibilities for the Audit of the Financial Report

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

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

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



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

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

Ernst & Young

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

Nigel Stevenson  
Engagement Partner  
Adelaide  
7 August 2018

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

As lead auditor for the audit of Education and Early Childhood Services Registration and Standards Board of South Australia for the financial year ended 30 June 2018, I declare to the best of my knowledge and belief, there have been:

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

This declaration is in respect of Education and Early Childhood Services Registration and Standards Board of South Australia.



Ernst & Young



Nigel Stevenson  
Partner  
7 August 2018

**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 2018 and the results of its operation and cash flows for the financial year.

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



Ms Christine Chatburn  
Registrar

7 August 2018



Ms Anna Cheung  
A/Senior Manager,  
Corporate Services & Governance

7 August 2018

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

**STATEMENT OF COMPREHENSIVE INCOME**

For the year ended 30 June 2018

	Note No.	2018 \$	2017 \$
<b>Expenses</b>			
Board fees	4	24,213	30,937
Employee benefits expenses	5	3,716,513	4,330,569
Supplies and services	6	1,487,965	1,307,702
Other expenses	7	2,212	889
Auditors remuneration	8	23,309	23,923
Grants and subsidies	9	527,718	544,605
<b>Total expenses</b>		<b>5,781,930</b>	<b>6,238,625</b>
<b>Income</b>			
Revenues from fees and charges	10	459,477	445,492
Interest revenue	11	60,343	58,756
Commonwealth Revenue	12	1,580,933	1,683,270
<b>Total Income</b>		<b>2,100,753</b>	<b>2,187,518</b>
<b>Net Cost of Providing Services</b>		<b>(3,681,177)</b>	<b>(4,051,107)</b>
Revenues from SA Government	13	3,686,000	4,051,000
<b>Net result</b>		<b>4,823</b>	<b>(107)</b>
<b>Total Comprehensive income</b>		<b>4,823</b>	<b>(107)</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**

As at 30 June 2018

	Note No	2018 \$	2017 \$
<b>Current assets</b>			
Cash and cash equivalents	14	3,280,378	3,558,679
Receivables	15	203,063	73,411
<b>Total assets</b>		<b>3,483,441</b>	<b>3,632,090</b>
<b>Current liabilities</b>			
Payables	16	288,618	352,403
Employee benefits	17	870,637	970,883
Workers compensation provision	18	28,000	28,000
<b>Total current liabilities</b>		<b>1,187,255</b>	<b>1,351,286</b>
<b>Non-current liabilities</b>			
Employee benefits	17	320,403	309,844
<b>Total non-current liabilities</b>		<b>320,403</b>	<b>309,844</b>
<b>Total liabilities</b>		<b>1,507,658</b>	<b>1,661,130</b>
<b>Net Assets</b>		<b>1,975,783</b>	<b>1,970,960</b>
<b>Equity</b>			
Retained earnings		1,975,783	1,970,960
<b>Total Equity</b>		<b>1,975,783</b>	<b>1,970,960</b>
<b>The total equity is attributable to the SA Government as owner</b>			
Unrecognised contractual commitment	19	864,899	1,576,020

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 2018

	Retained earnings
	\$
<b>Balance at 30 June 2016</b>	<b>1,971,067</b>
<b>Total comprehensive result for 2016-2017</b>	<b>(107)</b>
<b>Balance at 30 June 2017</b>	<b>1,970,960</b>
<b>Total comprehensive result for 2017-2018</b>	<b>4,823</b>
<b>Balance at 30 June 2018</b>	<b>1,975,783</b>

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

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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 2018

	Note No.	2018 \$	2017 \$
<b>Cash flows from operating activities</b>			
<b>Cash outflows</b>			
Employee benefit payments		(3,830,412)	(4,067,881)
Payments for supplies and services		(1,468,838)	(1,304,820)
Payments of grants and subsidies	9	(527,718)	(544,605)
<b>Cash used in operations</b>		<b>(5,826,968)</b>	<b>(5,917,306)</b>
<b>Cash inflows</b>			
Fees and charges		221,391	479,816
Grants from Commonwealth Government	12	1,580,933	1,683,270
Interest received		60,343	58,756
<b>Cash generated from operations</b>		<b>1,862,667</b>	<b>2,221,842</b>
<b>Cash flows from SA Government</b>			
Receipts from SA Government	13	3,686,000	4,051,000
<b>Cash generated from SA Government</b>		<b>3,686,000</b>	<b>4,051,000</b>
<b>Net cash provided by/(used in) operating activities</b>		<b>(278,301)</b>	<b>355,536</b>
<b>Cash and cash equivalents at the beginning of the period</b>			
		<b>3,558,679</b>	<b>3,203,143</b>
<b>Cash and cash equivalents at the end of the period</b>			
	14	<b>3,280,378</b>	<b>3,558,679</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 South Australia**

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

The functions of the Board include:

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

**Note 2 Summary of significant accounting policies**

**a) Statement of compliance**

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

**b) Basis of preparation**

The preparation of the financial statements requires:

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

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

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

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

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

The accounting policies set out below have been applied in preparing the financial statements for the year ended 30 June 2018 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, fringe benefits tax and goods and services tax (GST).

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

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

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

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

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

**g) Events after the reporting period**

Adjustments are made to amounts recognised in the financial statements, where an event occurs after 30 June 2018 and before the date the financial statements are authorised for issue, where those events provides information about conditions that existed at 30 June 2018.

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

**h) Income**

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

The following are specific recognition criteria:

*Fees and charges*

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

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

*Government grant*

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

Control over grant 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.

The following are specific recognition criteria:

*AASB 119 Employee benefits expenses*

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

*Superannuation*

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

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

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

**k) Assets**

Assets have been classified according to their nature.

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

*Cash at bank*

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

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

#### *Receivables*

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

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

#### **l) Liabilities**

Liabilities have been classified according to their nature.

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

#### *Payables*

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

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

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

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

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

#### *Employee benefits*

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

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

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

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

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

#### *Long service leave*

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

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

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

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

**m) Provisions**

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

The Board is responsible for the payment of workers compensation claims.

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

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

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

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

**Note 3 New and revised accounting standards and policies**

The Board did not voluntarily change any of its accounting policies during 2017-2018.

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 2018. 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>2018</b>	<b>2017</b>
	\$	\$
Board and Committee fees	23,962	30,356
Superannuation	251	303
Board Allowance	-	278
<b>Total Board fees expenses</b>	<b>24,213</b>	<b>30,937</b>

**Note 5 Employee benefits expenses**

	<b>2018</b>	<b>2017</b>
	\$	\$
Salaries and wages	2,987,727	3,314,390
Long service leave	(45,715)	194,948
Annual leave	179,537	259,932
Skills and experience retention leave	4,321	5,394
Employment on-costs	590,643	528,905
Workers compensation	-	27,000
<b>Total employee benefits expenses</b>	<b>3,716,513</b>	<b>4,330,569</b>

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**Note 6 Supplies and services**

	<b>2018</b>	<b>2017</b>
	\$	\$
Accommodation	2,137	11,513
Administration	4,653	5,409
Advertising	2,021	2,292
Contractors – Agency Staff	33,477	76,910
Contractors – General	129,587	161,135
Information technology expenses	89,410	1,535
Insurance	7,149	4,541
Legal expenses	13,951	78,508
Minor equipment	92,878	15,399
Motor vehicle expenses	44,953	55,616
Other Board expenses	15,710	23,024
Postage	4,336	5,233
Printing, stationery and office consumables	32,202	47,420
Service Level Agreement - Accommodation	532,803	445,776
Service Level Agreement - Others	103,532	99,837
Staff training and development	74,083	49,352
Staff travel expenses	94,427	75,490
Telecommunication expenses	16,551	16,567
ICT Maintenance, hardware and infrastructure	194,105	132,145
<b>Total supplies and services</b>	<b>1,487,965</b>	<b>1,307,702</b>

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**Note 7 Other expenses**

	<b>2018</b>	<b>2017</b>
	\$	\$
Allowances for doubtful debts	2,212	889
<b>Total other expenses</b>	<b>2,212</b>	<b>889</b>

**Note 8 Auditors remuneration**

	<b>2018</b>	<b>2017</b>
	\$	\$
Audit fees paid / payable	23,309	23,923
<b>Total auditors remuneration</b>	<b>23,309</b>	<b>23,923</b>

**Note 9 Grants and subsidies**

	<b>2018</b>	<b>2017</b>
	\$	\$
Recurrent Grant (paid to ACECQA)	527,718	544,605
<b>Total grants and subsidies</b>	<b>527,718</b>	<b>544,605</b>

In accordance with the National Partnership Agreement (NPA) 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 grants and subsidies consist of ACECQA's operational funding per NPA, ACECQA IT operational funding and the 10% reimbursement of the fee revenue received for Early Childhood Services to the ACECQA.

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**Note 10 Revenues from fees and charges**

	<b>2018</b>	<b>2017</b>
	\$	\$
Regulatory fees	457,477	445,052
Other fees	2,000	440
<b>Total fees and charges</b>	<b>459,477</b>	<b>445,492</b>

**Note 11 Interest revenue**

	<b>2018</b>	<b>2017</b>
	\$	\$
Interest on bank accounts	60,343	58,756
<b>Total interest revenue</b>	<b>60,343</b>	<b>58,756</b>

**Note 12 Commonwealth Revenue**

	<b>2018</b>	<b>2017</b>
	\$	\$
National Partnership Payment	1,580,933	1,683,270
<b>Total Commonwealth revenue</b>	<b>1,580,933</b>	<b>1,683,270</b>

The National Partnership Agreement between the Commonwealth and State/Territory governments for the provision of assessment and rating of services concluded on 30 June 2018.

**Note 13 Revenue from SA Government**

	<b>2018</b>	<b>2017</b>
	\$	\$
Operating grant	3,686,000	4,051,000
<b>Total revenues from SA Government</b>	<b>3,686,000</b>	<b>4,051,000</b>

At the time of the financial statement being prepared, the Board is yet to receive the final confirmation of the state budget for 18-19 financial year. It is the Board's expectation that funding will be renegotiated to a level that meets the ongoing operations of the Board.

**Note 14 Cash at bank**

	2018	2017
	\$	\$
Cash held in operating accounts	3,280,378	3,558,679
<b>Total cash at bank</b>	<b>3,280,378</b>	<b>3,558,679</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 15 Receivables**

	2018	2017
	\$	\$
Receivables	300	-
Accrued revenues	9,095	4,816
GST input tax credit	193,668	68,595
<b>Total receivables</b>	<b>203,063</b>	<b>73,411</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 22.

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**Note 16 Payables**

	2018 \$	2017 \$
<b>Current</b>		
Unearned fees and charges	200,247	298,410
Accrued expenses	88,371	53,993
<b>Total current payables</b>	288,618	352,403
<b>Total payables</b>	<b>288,618</b>	<b>352,403</b>

**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 22 for information as to the categorisation of financial instruments and risk exposure.

**Note 17 Employee benefits**

	2018 \$	2017 \$
<b>Current</b>		
Accrued salaries and wages	84,109	84,805
Annual leave	288,246	315,271
Long service leave	475,096	545,395
Skills and experience retention leave	23,186	25,412
<b>Total current employee benefits</b>	870,637	970,883
<b>Expected to be settled more than 12 months after reporting date</b>		
Long service leave	320,403	309,844
<b>Total non-current employee benefits</b>	320,403	309,844
<b>Total employee benefits</b>	<b>1,191,040</b>	<b>1,280,727</b>

**Note 18 Workers compensation Provision**

	2018 \$	2017 \$
Provision for workers compensation	28,000	28,000
<b>Total provision for workers compensation</b>	<b>28,000</b>	<b>28,000</b>

A liability has been reported to reflect unsettled workers compensation claims. The workers compensation provision is based on an estimate. These claims are expected to be settled within the next financial year.

**Note 19 Unrecognised contractual commitments**

	<b>2018</b>	<b>2017</b>
	\$	\$
<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	203,000	200,000
Later than one year but not longer than five years	9,455	209,315
<b>Total remuneration commitments</b>	<b>212,455</b>	<b>409,315</b>

Amounts disclosed include commitments arising from contracts between the Board and executives until July 2019.

**Lease commitments**

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

Within one year	459,734	436,319
Later than one year but not longer than five years	192,710	730,386
<b>Total lease commitments</b>	<b>652,444</b>	<b>1,166,705</b>

Amounts disclosed include commitments arising from lease agreement until November 2019.

**Note 20 Contingent assets and liabilities**

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

**Note 21 Remuneration of board and committee members**

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

**Name**

**Ongoing Board Members**

Hon John Dawkins AO – Presiding Member	Ms Sarah Bartholomeusz
Mr Barry Kahl – Deputy Presiding Member (ceased 28 Feb 2018)	Mrs Helen O’Brien^(ceased 22 Sep 2017)
	Mr Neil McGoran^ (appointed 17 Oct 2017)
Ms Catherine Ryan	Ms Mandy Richardson
Ms Carolyn Grantskalns^	Ms Vivienne St John Robb
Mr Bruno Vieceli^	Mrs Lynda Secombe^
Ms Helen Doyle*	Ms Judith Atkinson
Ms Ann Doolette (appointed 1 Mar 2018)	Mr Ben Temperly* (ceased 17 Oct 2017)
	Karen Weston* (appointed 17 Oct 2017)

**Deputy Board Members**

Ms Cheryl Bauer (ceased 28 February 2018)	Deputy to Ms Carolyn Grantskalns
Ms Cathy France (appointed 1 March 2018)	
Mr Nicholas Hately	Deputy to Mrs Lynda Secombe
Ms Barbara Langford	Deputy to Ms Judith Atkinson
Dr Roma Aloisi^ (ceased 28 February 2018)	Deputy to Dr Neil McGoran
Ms Monica Conway^ (appointed 1 March 2018)	
Ms Mary Carmody^	Deputy to Mr Bruno Vieceli
Mr Jonathon Measday	Deputy to Ms Mandy Richardson
Mr Michael Jacobs	Deputy to Ms Sarah Bartholomeusz
Mr Tony Lunniss*	Deputy to Ms Karen Weston
Mr Ian Lamb*	Deputy to Ms Helen Doyle

No committee held during reporting period.

**Internal Review of Decisions Committee**

Ms Sarah Bartholomeusz (21 November 2017) (24 April 2018)
Mr Michael Jacobs (21 November 2017)
Ms Vivienne St John Robb (21 November 2017)
Ms Lynda Secombe^ (24 April 2018)

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<b>The number of members whose remuneration received or receivable falls within the following bands:</b>	<b>2018</b>	<b>2017</b>
\$1 - \$9 999	18	19
<b>Total number of members</b>	18	19

Remuneration of members reflects all costs of performing board/committee member duties including sitting fees. The total remuneration received or receivable by members was \$24,213 (See Note 4). This amount comprised sitting fees as well as a total of \$251 paid to 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.

^Remuneration of members is paid to their nominating organisation.

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

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

**Internal Review of Decisions Committee**

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

**Schools Disciplinary Committee**

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

**Note 22 Financial instruments/Financial risk management**

**Table 22.1 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 2018 \$	Fair value 2018 \$	Carrying amount 2017 \$	Fair value 2017 \$
<b>Financial assets</b>						
Cash and cash equivalents	Cash at bank	14	3,280,378	3,280,378	3,558,679	3,558,679
Receivables	Receivables	15	203,063	203,063	73,411	73,411
<b>Total financial assets</b>			<b>3,483,441</b>	<b>3,483,441</b>	<b>3,632,090</b>	<b>3,632,090</b>
<b>Financial liabilities</b>						
Financial liabilities	Payables	16	(288,618)	(288,618)	(352,403)	(352,403)
<b>Total financial liabilities</b>			<b>(288,618)</b>	<b>(288,618)</b>	<b>(352,403)</b>	<b>(352,403)</b>

**22.2 Credit risk**

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

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

**22.3 Liquidity risk**

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

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

**22.4 Market risk**

The Board is not exposed to any market Risk.

**22.5 Sensitivity disclosure analysis**

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

**Note 23 Events after the reporting period**

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