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**Education
Standards
Board**



**Government
of South Australia**

Education Standards Board

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

2022-23 Annual Report

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2022-23 Annual Report for the Education Standards Board

To:

The Honourable Blair Boyer MP

Minister for Education, Training and Skills

This annual report will 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 Act 2009 (SA)* and the requirements of Premier and Cabinet Circular *PC013 Annual Reporting*.

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

Submitted on behalf of the Education Standards Board by:

Alana Girvin

Presiding Member

Date 18 September 2023

Signature



This Annual Report was prepared on the lands of the Kaurna people, custodians of the Adelaide region. We also pay respects to the cultural authority of traditional owners from other areas across South Australia. We recognise and celebrate the contributions of Aboriginal and Torres Strait Islander peoples as the First Peoples of Australia, including their role in the education and care of children. We recognise the rich and diverse cultures of Aboriginal and Torres Strait Islander peoples and the valuable contribution this diversity brings.

From the Presiding Member



I am pleased to present my first Annual Report for the Education Standards Board.

The Board and I would like to thank the previous Presiding Member, Ann Doolette, for her contribution and expertise.

Ann first became involved with the Board in late 2016 and served as Presiding Member from December 2019 until September 2022.

Since commencing as the Presiding Member in November 2022, I have been impressed by the team's commitment and dedication to achieving the Board's vision.

The Board has overseen the development of the organisation's Early Childhood Regulatory Strategy to ensure we continue to allocate our regulatory resources to monitor and respond to areas of highest regulatory risk.

In addition, the Royal Commission into Early Childhood Education and Care provided us with a valuable opportunity to evaluate our performance and the sector's performance in meeting the National Quality Framework objectives and we welcome its findings.

We are committed to continuous improvement right across our functions and enhancing public confidence in the operation of education and early childhood services providers.

Alana Girvin

Presiding Member

Education Standards Board

From the Chief Executive



The past year has been one of reflection and resetting expectations for the Board and I'd like to acknowledge the team's engagement and commitment to learning and adapting to new ways of working during this time.

In 2022-2023 we implemented a series of policies and strategies to increase transparency and enhance public confidence in the operation of the Board. We clarified both the role of regulated parties and our role as the regulator in our Regulatory Practice Statement.

We released our Compliance and Enforcement policy to articulate our role in supporting regulated parties to achieve and maintain voluntary compliance, and to provide clarity on how we respond to non-compliance.

We also released our regulatory priorities and targets for January 2023 to June 2024. It identifies where we will allocate our regulatory resources to ensure the safety, health and wellbeing of children and to demonstrate our proactive approach to risk-based regulation.

The Royal Commission into Early Childhood Education and Care acknowledges the need for the Board to improve its performance and we remain committed to improving our regulatory practice to enhance regulatory outcomes.

Our commitment to review services that have not been rated under the 2018 National Quality Standard is our priority area for improvement.

I look forward to strengthening our performance in regulating education and early childhood services in a manner that maintains high standards of education and care.

It continues to be an extraordinary privilege to be the Chief Executive of the Board and I am honored to work with the Presiding Member, Board Members and employees.

Kerry Leaver

Chief Executive and Registrar

Education Standards Board

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Overview: About the Education Standards Board

The Education and Early Childhood Services (Registration and Standards) Board, known as the Education Standards Board (the Board), was established in 2012 under the *Education and Early Childhood Services (Registration and Standards) Act 2011* (State Act). The employees of the board are commonly referred to as the ESB.

The Board is an independent statutory authority responsible for the registration and regulation of early childhood services, and registration of schools for domestic and overseas students. The Board is responsible to the Minister for Education, Training and Skills, to ensure efficient and effective performance of its registration and regulatory responsibilities, compliance with its legislative objectives, sound management of the organisation, and attainment of performance objectives.

The Board's functions are set out under section 29 of the State Act and, as the state regulatory authority for early childhood education and care, the Board has specific functions under section 260 of the *Education and Care Services National Law (South Australia)* (National Law SA) which is adopted under the State Act.

The Board delegates regulatory powers and functions, human resources and financial management to the Chief Executive and Registrar, with further delegations to employees of the Board.

Why we regulate

Access to high quality education and care services can contribute to better social, educational and employment outcomes across a child's lifespan.

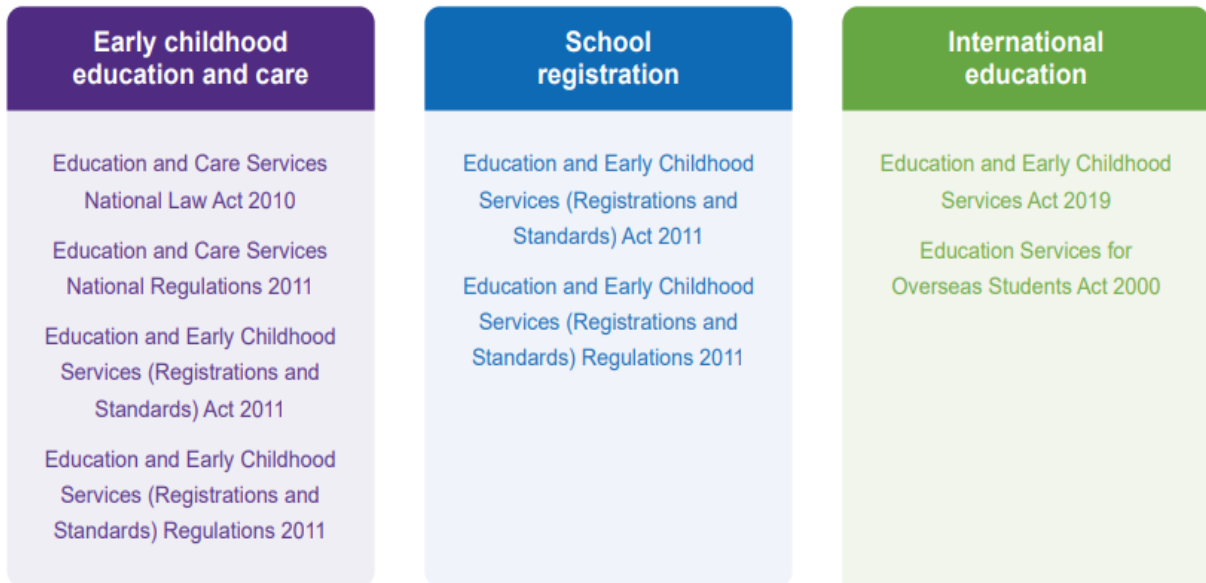
The Board's priority is to minimise any risks to the safety, health and wellbeing of children. We respond with regulatory action that is proportionate to the risks and harms being addressed.

We regulate the provision of education and early childhood services in a manner that maintains high standards of competence and conduct by providers to:

- recognise that all children should have access to high quality education and early childhood facilities and services
- provide for a diverse range of services
- recognise the rights of parents to access a diverse range of service providers
- enhance public confidence in the operation of education and early childhood services.

Our regulatory framework

The Board operates under three distinct regulatory frameworks:



Early childhood education and care

We regulate early childhood education and care services under the National Quality Framework (NQF), including long day care, family day care, preschools and outside school hours care (OSHC).

The National Quality Framework includes:

- *Education and Care Services National Law 2010* (National Law)
- *Education and Care Services National Regulations 2011*
- National Quality Standard (NQS)
- The assessment and rating process
- Approved learning frameworks.

Our regulatory activities under the NQF include assessing provider and service applications, waiver applications, assessment and rating against the NQS and proactively monitoring regulated parties' compliance with the NQF.

We respond to notifications and complaints received under the NQF, by undertaking investigations and recommending statutory and administrative compliance action, consistent with our [Compliance and Enforcement policy](#).

The agency also provides practical and constructive information and advice on how regulated parties can achieve and maintain voluntary compliance under their regulatory obligations and manage existing and emerging regulatory risk.

Early childhood services that do not fall within the scope of the NQF are known as residual services and are also subject to regulation under Schedule 2 of the State Act. These include in-home care, mobile care and occasional services.

Residual services are regulated through a modified use of the National Law and through service-specific regulations and standards.

Schools

We regulate all government and non-government schools providing primary and secondary education, including state government, Catholic and independent schools.

Our regulatory activities for schools include determining provider applications, maintaining the schools register under the State Act and reviewing registration against the [Standards for Registration and Review of Registration of Schools in South Australia](#).

International education

We endorse schools to provide education services to overseas students for registration on the Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS) and register and monitor organisations that operate student exchange programs.

Our strategic focus

Our vision

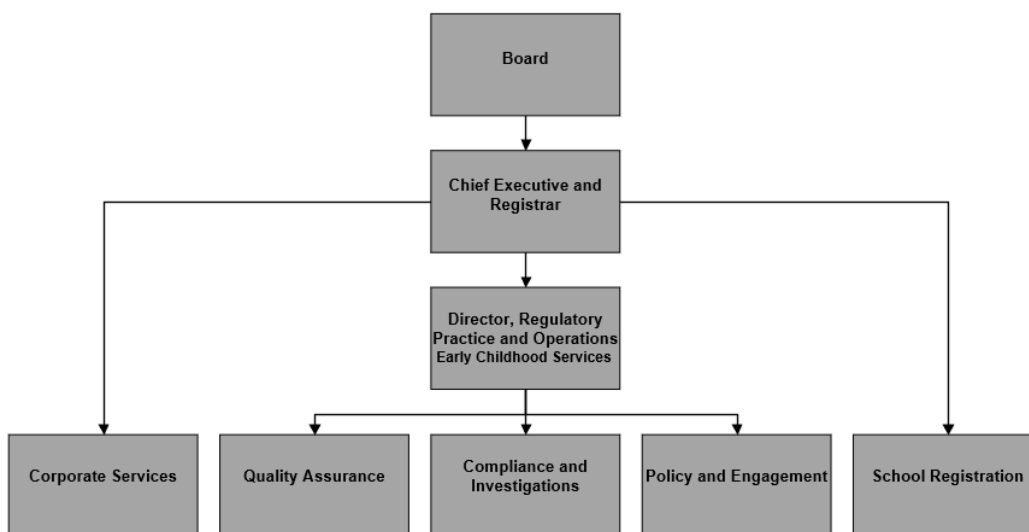
To make a positive difference to the lives of South Australian children and young people by ensuring they have access to high quality education and early childhood services.

Our values

The Education Standards Board upholds public sector values through its decisions, actions and interactions. In addition, we are committed to our values:

Honesty and integrity	We are consistent and fair in our actions to encourage openness and transparency
Professionalism	We have a culture that strives for excellence and aims to improve productivity
Sustainability	We respond to change and proactively improve
Collaboration and engagement	We collaborate in our work practices
Accountability	We make decisions that comply with legislation, are ethical and consistent with approved policy and procedure

Our organisational structure



Our board members

The Board comprises 13 members appointed by the Governor in Executive Council on the nomination of the Minister for Education, Training and Skills. Of those members:

- One (who will be 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
- two must be from the Department for Education
- two must be from the Association of Independent Schools of South Australia (AISSA)
- two must be from the South Australian Commission for Catholic Schools Incorporated
- two must be from a prescribed childcare body; and
- One must be a legal practitioner.

Expressions of interest are called for the remaining member positions.

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Name	Appointment type	First appointed
Ms Alana Girvin, Presiding Member	Ministerial	November 2022
Mr Greg Hayes, Deputy Presiding Member	Expression of interest	February 2020
Mr Martyn Campbell	Expression of interest	November 2022
Mr John Favretto	SA Commission for Catholic Schools	March 2023
Ms Sue Kennedy- Branford	SA Commission for Catholic Schools	March 2023
Mr Noel Mifsud	Expression of Interest	February 2020
Mr Christos Tsonis	Legal Practitioner	February 2020
Mr Chistopher Prance	Association of Independent Schools SA	July 2021
Dr Peta Smith	Department for Education	June 2020
Ms Anna Standish	Prescribed Childcare Body	January 2021
Ms Rebecca Vandermoer	Prescribed Childcare Body	November 2022
Ms Elizabeth Worrell	Association of Independent Schools of South Australia	March 2021
The following members resigned during the 2022-2023 year		
Ms Ann Doolette, Presiding Member	Expression of Interest	March 2018 (resigned September 2022)
Ms Mandy Richardson	Out of School Hours Care SA	December 2014 (resigned July 2022)
Ms Susan Young	SA Commission for Catholic Schools	March 2021 (resigned December 2022)
Mr John Mula	SA Commission for Catholic Schools	July 2021 (resigned February 2023)
Ms Jacqueline Bray	Department for Education	November 2022 (resigned May 2023)

Our Executive

Kerry Leaver Chief Executive and Registrar

Kerry is the Early Childhood Services Registrar, Government Schools Registrar, Non-Government Schools Registrar and Chief Executive, responsible for carrying out the functions of the Registrar roles and the Chief Executive as determined by the Board.

Sean Heffernan Director, Regulatory Practice and Operations

Sean leads the Early Childhood Services group, including Quality Assurance, Compliance and Investigations, and Policy and Engagement. Sean commenced in this newly created role on 5 June 2023.

Changes to the agency

During 2022-23 the agency created a new executive role to support the Chief Executive and Registrar in the strategic leadership of the Early Childhood Services group.

Our Minister

The Honourable Blair Boyer MP was appointed in March 2022 as the Minister for Education, Training and Skills.

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

- Department for Education
- TAFE SA
- South Australian Certificate of Education Board of South Australia
- Teachers Registration Board of South Australia
- Child Development Council
- Skills SA.

The agency's performance

Performance at a glance

In 2022-23, the agency regulated the early childhood, schools and international education sectors with a risk-based and proportionate approach that aligns with our strategic priorities for 2022-24 through the following actions:

- performed 317 service visits within the early childhood sector to administer our legislative obligations
- undertook 37 visits for validation reviews of school registration and 4 visits for change to registration assessments or evaluations
- increased the percentage of services rated under the 2018 National Quality Standards from 38% to 45%
- published our [Regulatory Practice Statement](#) and [Compliance and Enforcement Policy](#)
- published our [Regulatory Priorities and Targets](#) to support our transparency and outcomes focused principles
- responded to the Royal Commission into Early Childhood Education and Care through participation in roundtables and [formal submissions](#)
- communicated changes to the National Quality Framework and provided resources and guidance to regulated parties about changes to the law and approved learning frameworks.

Contribution to whole of government objectives

The agency contributes to South Australian Government initiatives to ensure universal access to quality preschool for families with three-and-four-year-old children and accessible education for children of school age by:

- monitoring early childhood services through quality assessment and compliance monitoring within the NQF to promote consistency in services across South Australia
- monitoring schools against the standards of registration to provide accessible, quality education from reception to year 12.

Agency specific objectives and performance

As articulated in the agency's [Strategic Plan](#) 2022-24, our strategic priorities are to:

- regulate schools, student exchange organisations, and early childhood education and care services with a risk and standards based approach
- positively engage with stakeholders
- support our people and improve our business.

Performance against these objectives as at 30 June 2023 is summarised below.

Objective 1: Regulate schools, student exchange organisations, and early childhood education and care with a risk and standards-based approach		
Agency objectives	Indicators	Performance
Execute Early Childhood Regulatory Strategy 2022	From 1 July 2022 to 31 December 2022 under the National Quality Framework (NQF): <ul style="list-style-type: none"> • Assess and rate 52 services. • Perform 232 monitoring visits. 	<ul style="list-style-type: none"> • Assessed and rated 73 services. • Performed 91 monitoring visits as assessment and rating activities were prioritised.
Execute Early Childhood Regulatory Strategy 2023-24	From 1 January 2023 – 30 June 2024 under the NQF: <ul style="list-style-type: none"> • 15% of services rated against previous National Quality Standard (NQS) are assessed and rated under the current NQS. • 100% of newly approved services have a post-approval visit within six months. • 100% of newly approved services have an assessment and rating within 18 months of opening. 	As at 30 June 2023: <ul style="list-style-type: none"> • Rated 7% of services under the current NQS. • Undertook post approval service visits for all newly approved services. 46% were visited within six months of commencement. • Assessed and rated all services within 18 months of opening.
Determine applications under the NQF	<ul style="list-style-type: none"> • Assess and determine applications according to the law and regulatory principles, within legislative timeframes. 	<ul style="list-style-type: none"> • Received 1,019 applications. • Determined 95% of applications within legislated timeframes.

Agency objectives	Indicators	Performance
Respond to non-compliance against the NQF	<ul style="list-style-type: none"> • Receive and assess incident notifications and complaints. • Record breaches of the National Law. • Issue administrative and statutory compliance actions. 	<ul style="list-style-type: none"> • Received 3,448 incident notifications. • All notifications requiring action were assessed within 24 hours of receipt. • Received 679 complaints, with 17% (118) resulting in compliance actions. • Recorded 1,273 breaches of the National Law and/or Regulations. • Issued 616 administrative and statutory compliance actions.
Regulate student exchange organisations	<ul style="list-style-type: none"> • Assess applications for registration of student exchange organisations. • Issue 'Acceptance Advice for Secondary Exchange Student' forms as required. 	<ul style="list-style-type: none"> • Registered one new student exchange organisation and renewed registration for one student exchange organisation. • Issued 16 AASES forms between January and June 2023.
Register and review registration of schools	<ul style="list-style-type: none"> • Assess changes to school registration applications. • Assess new school registration applications. • Assess requests to remove school registration. • Conduct 37 validation reviews of school registration. 	<ul style="list-style-type: none"> • Issued 21 schools with amended registration certificates, including registering eight new sub-campuses for existing schools. • Issued 1 new non-government school with a registration certificate. • Removed 8 schools from the schools register. • Conducted 37 validation reviews of school registration.

Objective 2: Positively engage with stakeholders		
Agency objectives	Indicators	Performance
<p>Influence legislation and policy for education and early childhood programs and services</p>	<ul style="list-style-type: none"> • Contribute to the Royal Commission for Early Childhood Education and Care. • Engage with co- and peer- regulators at a state and national level. 	<ul style="list-style-type: none"> • Chief Executive attended three stakeholder roundtables for three-year-old preschool, 2 stakeholder roundtables for OSHC and appeared as a witness at a public hearing. • Convened the early childhood reference group three times to support and inform our regulatory practice. • The agency featured on seven national groups engaged in supporting: <ul style="list-style-type: none"> ○ Regulatory practice ○ Legislative reform, and ○ National strategies.
<p>Provide advice and guidance to regulated parties to promote voluntary compliance</p>	<ul style="list-style-type: none"> • Inform the sector about their regulatory obligations and changes to the law. • Deliver professional development opportunities for regulated parties. 	<ul style="list-style-type: none"> • Published 12 regulatory bulletins and 24 targeted sector updates and alerts. • Hosted a live regulatory forum on our regulatory priorities and strategy. • Engaged with higher risk providers to share regulatory performance data and promote voluntary compliance. • Engaged regularly with Department for Education to support voluntary compliance and share learnings. • Collaborated with Early Childhood Australia to deliver a webinar on serious incident reporting

Objective 3: Support our people and improve our business		
Agency objectives	Indicators	Performance
Continually improve our practice	<ul style="list-style-type: none"> • Build the capacity and capability of our employees. • Review and update processes, policies and procedures to improve efficiency and consistency. 	<ul style="list-style-type: none"> • Provided training and development in: <ul style="list-style-type: none"> ○ Risk management ○ Regulatory practice ○ Holding difficult conversations ○ Performance management, and ○ Coaching through change. • Undertook a comprehensive review of the corporate services function. • Implemented a performance management framework. • Developed or revised 20 policies and procedures.
Protect the welfare, health and safety of our team	<ul style="list-style-type: none"> • Monitor our operating environment and work practices 	<ul style="list-style-type: none"> • Undertook a risk assessment of psychosocial hazards and developed an action plan to reduce risks.
Demonstrate a commitment to reconciliation	<ul style="list-style-type: none"> • Embed reconciliation practices into our processes and culture. 	<ul style="list-style-type: none"> • Provided reconciliation training as part of induction for all employees. • Updated a strategic objective to reflect the ongoing commitment to reconciliation.

Employment opportunity programs

Nil.

Performance management and professional development

Employee performance is managed according to our Performance Management Framework which was reviewed and released in June 2023. The framework addresses a recommendation made in an external review of the Compliance and Investigations team in 2021.

The review identified the organisation’s performance expectations, performance monitoring and defined measures of success for all employees require strengthening and improving.

Ninety percent of employees completed a mid-year and end of year performance review with their line manager.

Work health, safety and return to work programs

Employee health and wellbeing

Our Employee Assistance Program offers employees three confidential professional and personal counselling sessions for themselves or an immediate family member, at no cost.

The Board also provides services such as influenza vaccination and internal communication about health and wellbeing topics.

Work health and safety management

The Work Health and Safety (WHS) Committee is the principle means by which the Education Standards Board consults and works collaboratively with employees to ensure a safe and healthy working environment.

The committee has representation from all teams and meets quarterly.

Injury management

The Board has a service level agreement with the Department for Education for management of injury claims.

Workplace injury claims	2022-23	2021-22	% Change (+ / -)
Total new workplace injury claims	0	0	n/a
Fatalities	0	0	n/a
Seriously injured workers*	0	0	n/a
Significant injuries (where lost time exceeds a working week, expressed as frequency rate per 1000 FTE)	1	1	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)*

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Return to work costs**	2022-23	2021-22	% Change (+ / -)
Total gross workers compensation expenditure (\$)	\$771	\$34,345	-97.8%
Income support payments – gross (\$)	\$35,215	\$134,599	-73.8%

**before third-party recovery

Data for previous years is available at: [Work health and safety and return to work performance of Education Standards Board - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/work-health-and-safety-and-return-to-work-performance-of-education-standards-board)

Executive employment in the agency

Executive classification	Number of executives
Common law contract	2

Data for previous years is available at: [Executive employment in Education Standards Board - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/executive-employment-in-education-standards-board)

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

Financial performance

Financial performance at a glance

The following is a brief summary of the overall financial position of the agency. The information is unaudited. Full audited financial statements for 2022-23 are attached to this report.

Statement of Comprehensive Income	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Total Income	5,963	6,251	288	5,746
Total Expenses	5,963	5,833	130	5,726
Net Result	0	418	418	20
Total Comprehensive Result	0	418	418	20
Statement of Financial Position	2022-23 Budget \$000s	2022-23 Actual \$000s	Variation \$000s	2021-22 Actual \$000s
Current assets	4,273	4,886	613	4,402
Non-current assets	24	0	-24	0
Total assets	4,297	4,886	589	4,402
Current liabilities	1,126	1,417	-291	1,141
Non-current liabilities	400	280	120	490
Total liabilities	1,526	1,697	-171	1,631
Net assets	2,771	3,173	418	2,771
Equity	2,771	3,173	418	2,771

Consultants' disclosure

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

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

Consultancies	Purpose	Actual payment (\$)
All consultancies below \$10,000 each - combined	Various	12,140

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

Consultancies	Purpose	Actual payment (\$)
Attorney-General's Dept - Crown Solicitor's Office	Legal Advice	63,410
Rosslyn Cox and Mark Williams Consulting Pty Ltd	Corporate services team review and support	36,150
RECAP Consultants Pty Ltd	Develop regulatory policies and procedures, and provide implementation support	33,300
Chamonix IT Consulting	IT Consulting	18,766
Total		151,626

Data for previous years is available at: [Consultants used by Education Standards Board - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/consultants-used-by-education-standards-board).

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

Contractors' disclosure

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

Contractors with a contract value below \$10,000

Contractors	Purpose	Actual payment (\$)
All contractors below \$10,000 each - combined	Various	19,960

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

Contractors	Purpose	Actual payment (\$)
Randstad Pty Limited	Temporary staff	252,736
Hays Recruiting Experts Worldwide	Temporary staff	51,240
Cirka Pty Ltd	Cleaning and waste management	33,126
Ernst & Young	Auditing service	24,790
Converge International Pty Ltd	Risk assessment	11,939
Total		373,831

Data for previous years is available at: [Contractors used by Education Standards Board - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/contractors-used-by-education-standards-board).

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

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

Risk management

Risk and audit at a glance

Risk is managed through the Risk Management Committee which includes all members of the senior management team. The committee met 12 times during 2022-23 to progress its key priorities, identify and treat intolerable risks and report to the Board.

During 2022-23 the committee achievements were:

- developed and implemented a new Risk Appetite Statement and Risk Management Procedure
- implemented an online risk register database
- reviewed and reassessed historical risk information
- refined reporting to the Board
- developed terms of reference.

Fraud detected in the agency

No instances of fraud detected.

Strategies implemented to control and prevent fraud

The Board follows whole of government policies for prevention and control of fraud. The Board has zero tolerance for dishonest and unethical behaviour and is committed to prevention, detection and control of fraud, corruption, maladministration, and misconduct relating to its activities.

The Board's detection, control and prevention strategies include:

- appropriate segregation of duties
- delegations of authority
- public sector code of conduct training for all new employees, renewed every two years
- risk register that monitors risks of internal fraud and corruption
- employee onboarding and offboarding procedures.

Serious or systemic offences against the Board and/or the South Australian public sector are referred to the Office for Public Integrity (OPI) or inquiry agencies to investigate.

Data for previous years is available at: [Fraud detected in Education Standards Board - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/fraud-detected-in-education-standards-board).

Public interest disclosure

There were no Public Interest Disclosures during 2022-23 under the *Public Interest Disclosure Act 2018*:

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Data for previous years is available at: [Public interest \(formerly whistle-blowers'\) disclosure of Education Standards Board - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/public-interest-formerly-whistle-blowers-disclosure-of-education-standards-board)

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

Reporting required under any other act or regulation

Nil.

Reporting required under the *Carers' Recognition Act 2005*

Nil.

Public complaints

Number of public complaints reported

Complaint categories	Sub-categories	Example	Number of Complaints 2022-23
Service delivery	Process	Processing error; incorrect process used; delay in processing application; process not customer responsive.	2
Service quality	Service responsiveness	Service design does not meet customer needs; poor service fit with customer expectations.	2
Total			4

Additional metrics	Total
Number of positive feedback comments	2
Number of negative feedback comments	2
Total number of feedback comments	4
% complaints resolved within policy timeframes	50%

Data for previous years is available at: [Reporting of public complaints for Education Standards Board - Dataset - data.sa.gov.au](https://data.sa.gov.au/dataset/reporting-of-public-complaints-for-education-standards-board)

The Education Standards Board published a revised [Complaints and feedback management framework](#) in April 2023.

Service improvements

Our early childhood service applications process was revised to include regular communication about the statutory timeframes for a decision.

We also strengthened our Complaints Management and Feedback Framework (Framework), procedures, and website information. The Framework clarifies the agency’s jurisdiction for managing complaints and requires that complainants be:

- updated throughout the complaint assessment and investigation process; and
- provided a detailed outcome response, addressing all aspects of their complaint.

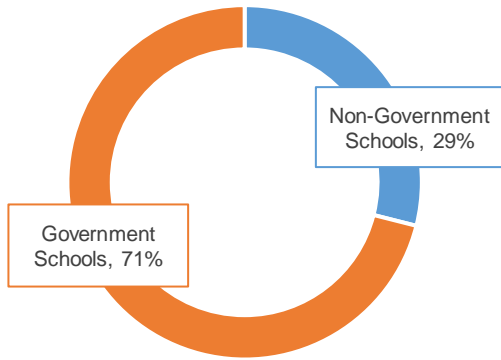
Compliance statement

The Education Standards Board is compliant with Premier and Cabinet Circular 039 – complaint management in the South Australian public sector	Y
The Education Standards Board has communicated the content of PC 039 and the agency’s related complaints policies and procedures to employees.	Y

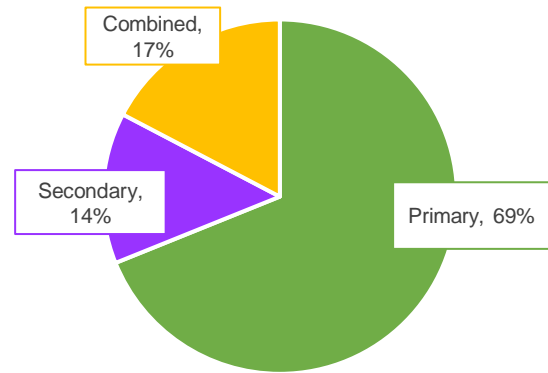
Appendix 1: statistical overview

Registered schools on 30 June 2023:

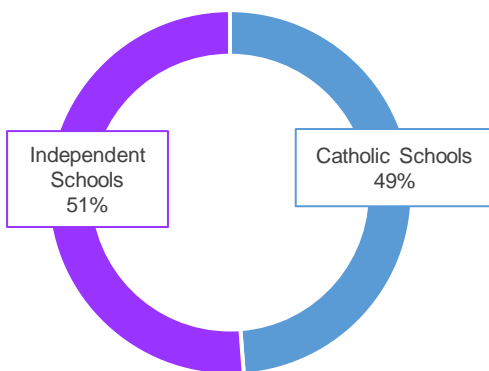
Schools by provider



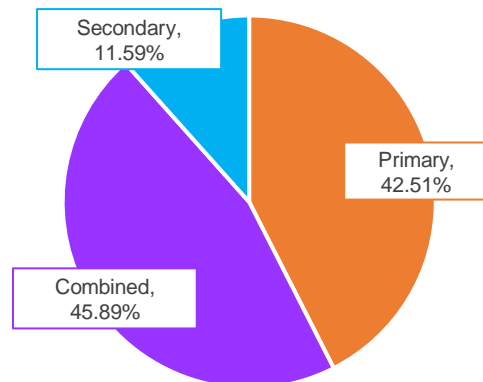
Types of government schools



Non-government schools by provider



Types of non-government schools



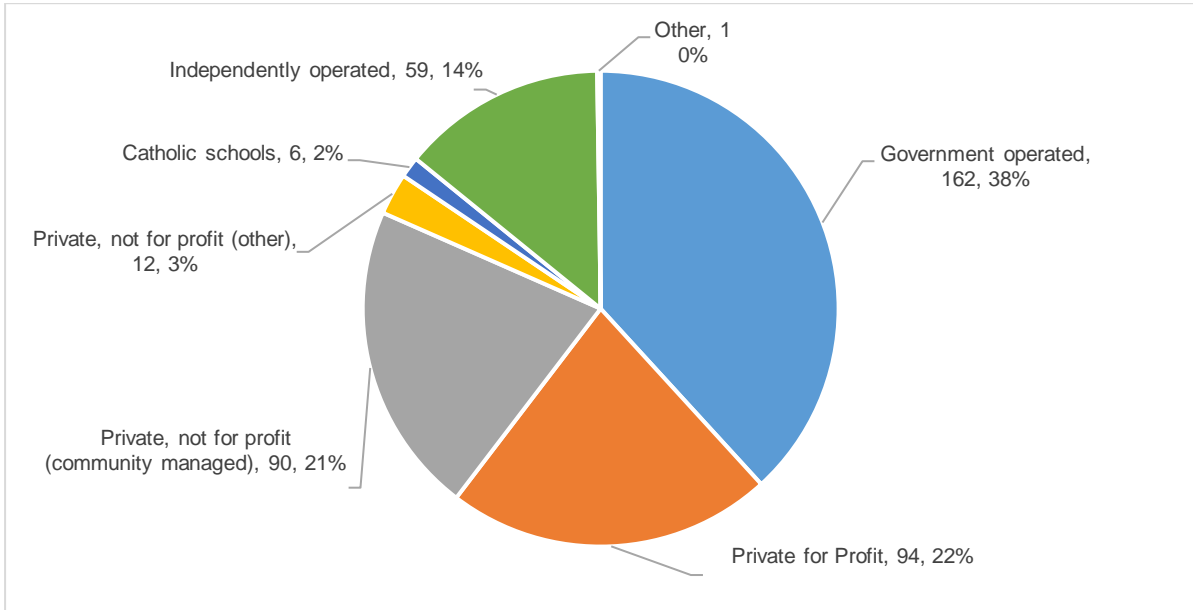
Numbers of schools by year on 30 June 2023

The number of registered schools has remained consistent year on year.

School type	2022-23	2021-22	2020-21
Total government schools	508	513	513
Total non-government schools	207	210	213
Catholic schools	101	103	104
Independent schools	106	107	109
Government primary schools	350	352	352
Non-government primary schools	88	89	91
Government secondary schools	70	73	72
Non-government secondary schools	24	26	28
Combined government schools	88	88	89
Combined non-government schools	95	95	94
CRICOS government schools	128	143	141
CRICOS non-government schools	33	33	35

National Quality Framework providers and services in 2022-2023

Approved providers by type on 30 June 2023



On 30 June 2023 there were 424 approved providers. Eighty-five percent (359) of providers operate a single service.

In SA, 38% of approved providers are government operated, compared to 11% nationally.

Approved early childhood education and care services

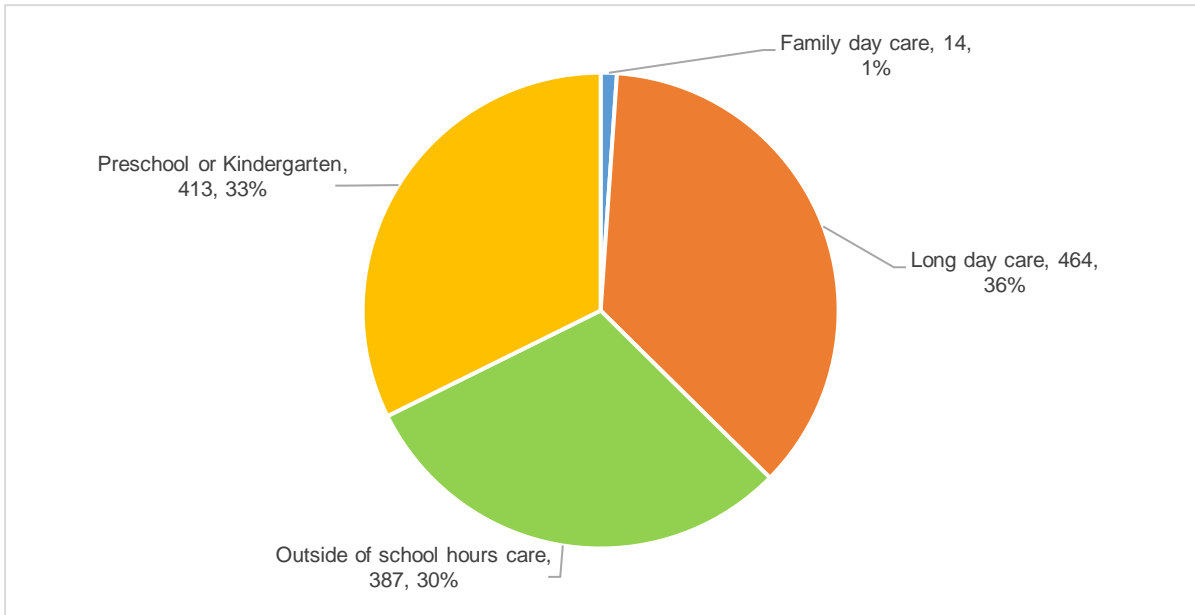
There were 1278 approved services in SA on 30 June 2023, an increase of 2% compared to the previous year. The increase included 19 long day care, one family day care, four preschools and two out of school hours care newly approved services.

Residual services

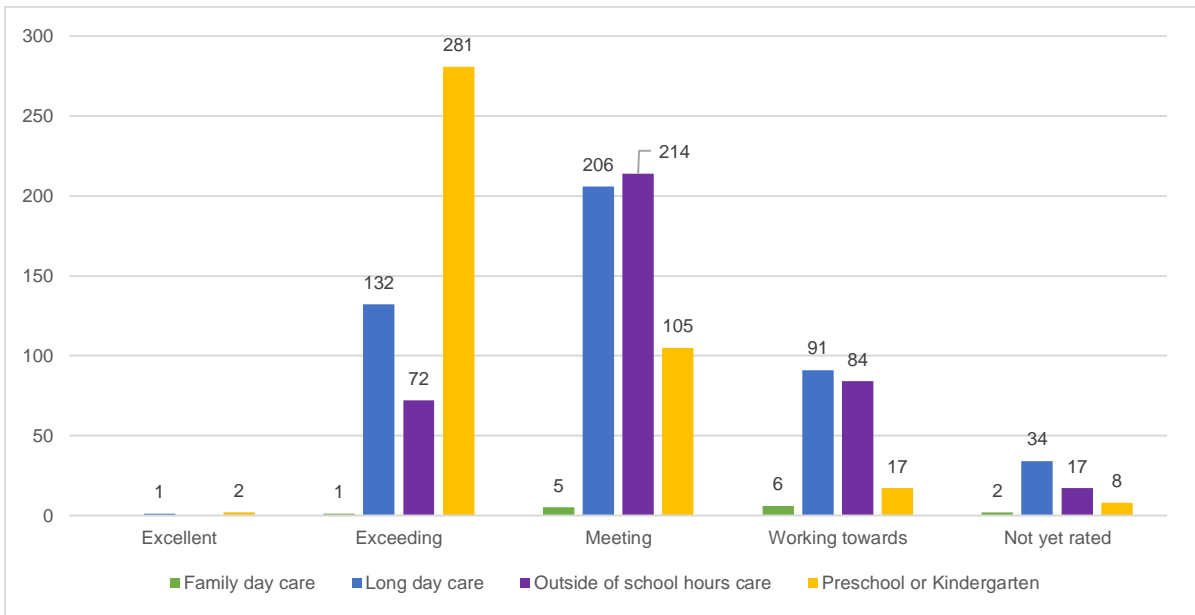
There are 133 residual services regulated under the State Act. Of these, 76% (101) are provided by the South Australian Department for Education.

Residual service type	Number of services
Sole educator family day care	1
In-home care	11
Mobile care	6
Occasional care	115

Approved services by type on 30 June 2023



Service performance by rating on 30 June 2023



Of 1278 services in SA, 95% (1217) have a quality rating, compared to 91% nationally. Forty five percent (553) of services are rated under the 2018 National Quality Standard and 55% (664) are currently rated under the 2012 National Quality Standard. Sixty-one services are not yet rated because they have recently opened and will be assessed within 18 months of commencing operation.

As of 30 June 2023, South Australia has 16% of services rated 'Working Towards', compared to 11% nationally.

The number of services rated 'Exceeding' has steadily declined year on year because changes were made to the National Quality Standard in 2018 to require a more robust assessment against themes to achieve an 'Exceeding' rating. There has been a commensurate increase in the number of services rated as 'Meeting' as a result.

Quality ratings of services by year on 30 June 2023

Year	Working towards		Meeting		Exceeding		Excellent		Total
	Count	Percentage	Count	Percentage	Count	Percentage	Count	Percentage	
2018-19	205	18%	370	33%	545	48%	8	1%	1,128
2019-20	168	15%	428	37%	558	48%	8	1%	1,162
2020-21	166	14%	469	40%	546	46%	5	1%	1,186
2021-22	162	13%	507	42%	533	44%	4	0%	1,206
2022-23	195	16%	529	43%	490	40%	3	0%	1,217

Proportion of quality ratings by service type compared to national average on 30 June 2023

Service type	Working towards		Meeting		Exceeding*	
	SA	National	SA	National	SA	National
Long day care	21%	12%	48%	68%	31%	21%
Preschool	4%	4%	26%	38%	70%	57%
Outside school hours care	23%	13%	58%	77%	19%	9%

*Exceeding also includes services rated as Excellent.

South Australia has a higher proportion of OSHC services rated as Working Towards compared to nationally. The Department for Education and the Education Standards Board are implementing a range of support strategies to improve the performance of this service type.

Assessment and rating of services in 2022-23

In 2022-2023, 140 assessment and rating visits were conducted across 139 services with one service assessed twice. As at September 2023, 133 services had received a final rating with:

- 51% (68) rated as 'Working Towards'.
- 48% (64) rated as 'Meeting'.
- 1% (1) rated as 'Exceeding'.

OFFICIAL

2022-23 Annual Report for the Education Standards Board

Seventeen percent (24) of services underwent the assessment and rating process for the first time with:

- 38% (9) of all services rated as 'Working Towards'.
- 63% (15) of all services rated as 'Meeting'.

Applications received in 2022-2023

Application type	2022-23	2021-22
Waiver	691	540
Provider approval	28	36
Amend service approval	171	163
Service approval	56	53
Voluntary suspension of service	15	21
Re-assessment and re-rating	8	1
First tier review	6	6
Transfer of service approval	27	40
Residual service	4	110
Provider approval by executor of estate	1	0
Amend provider approval	7	10
Voluntary suspension of provider	1	0
Internal review of decision	4	2
Total	1019	982

Total incident notifications received by outcome in 2022-2023

Outcome	2022-23	2021-22
No further action required	3055	3498
Action required	393	1386
Total	3448	4884

Serious incidents are a subset of incidents and include an injury or illness where a child seeks or ought to seek medical attention, when children are missing or unaccounted for, locked in or out of the service or removed from the service without authorisation.

Serious incident notifications received by outcome in 2022-2023

Outcome	2022-23	2021-22
No further action required	1898	1798
Action required	227	166
Total	2125	1964

Complaints received in 2022-2023

Complaint type	2022-23 received	2022-23 % of received	2021-22 received	2021-22 % of received
Serious Incident	239	35%	167	32%
Childrens Health and Safety	176	26%	121	23%
Law Contravened	121	18%	120	23%
Other	143	21%	110	22%
Total	679	100%	518	100%

The Board received 679 complaints, an increase from 518 complaints received in 2021-22. A complaint can be raised both directly with the agency or at the service.

Top five breaches of the National Law and National Regulations 2022-23

National Law and Regulations breached	Number of breaches
Section 167: Offence relating to protection of children from harm and hazards	328
Section 165: Offence to inadequately supervise children	272
Regulation 170: Policies and procedures to be followed	121
Section 174: Offence to fail to notify certain information to Regulatory Authority	108
Section 166: Offence to use inappropriate discipline	90

Statutory compliance actions issued by type and year

Type	2022-23	2021-22
Emergency action notice	14	11
Compliance notice	12	5
Direction to exclude inappropriate persons	1	2
Prohibition notice	7	2
Condition imposed	42	6
Enforceable undertaking	9	0
Total	85	20

Appendix two: glossary

Services we regulate

Education and care services under the National Quality Framework (NQF)

Preschool: A service that provides an early childhood education program, delivered by a qualified early childhood teacher (ECT), often but not necessarily on a sessional basis in a dedicated service.

Long day care a centre-based form of service which provides all-day or part-time care for children age birth to six who attend on a regular basis.

Outside school hours care (OSHC): A service that provides care for primary school children (typically five to 12 years) before and after school and can also operate during school holidays (vacation care) and on pupil free days. OSHC services are usually provided from primary school premises.

Family day care service: An education and care service that is delivered by two or more educators to provide education and care to children and operates from two or more residences (section 5(1) National Law)

Residual services under the *Education and Early Childhood Services (Regulation and Standards) Act 2011 (SA)*:

In-home care services: a service providing education and care to children in premises where the majority of children usually reside and the educator does not reside.

Occasional care services: a service providing education and care to children primarily on an ad hoc or casual basis, where the service does not usually offer full-time or all-day education and care to children on an ongoing basis; and most of the children attending are pre-school age or younger.

Mobile care services: a service providing education and care primarily to children pre-school age or under, that transports equipment, materials and staff to one or more locations on each occasion the service is provided.

Schools under the *Education and Care Services (Registration and Standards) Act 2011*

School: a school is an education establishment where the major activity is the provision of full-time day primary or secondary education or the provision distance education.

Primary education: comprises a foundation year (reception), followed by year levels 1-6.

Secondary education: includes years 7-12.

Combined school: provides both primary and secondary education.

Government schools: established and administered by the South Australian Government Department for Education under the *Education Act 1972*.

Non-government schools: any school that is not a government school. These schools may be administered by a religious, community or private organisation.

Catholic school: any school specified by notice in writing to the Registrar by the South Australian Commission for Catholic Schools Incorporated.

Independent school: non-government schools which are not Catholic schools.

International education under the *Education for Overseas Students Act 2000* and *Education and Children’s Services Act 2019 (SA)*

Student exchange organisation: a registered school or not-for-profit organisation registered to provide secondary student exchange programs to and from South Australia.

Acceptance Advice for Secondary Exchange Student form (AASES): the form used by an international student to apply for a subclass 500 visa to enter Australia and to enrol in a South Australian school.

Commonwealth Register of Institutions and Courses for Overseas Students (CRICOS): a searchable database that provides details of educational institutions approved to deliver education and training services to overseas students, including the courses they offer.

Appendix three: Audited financial statements 2022-23

**FINANCIAL
STATEMENTS
2023**

**FOR
EDUCATION STANDARDS BOARD**

For the year ended

30 June 2023



Ernst & Young
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Independent auditor's report to 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 2023, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the Boards' declaration.

In our opinion, the accompanying financial report presents fairly, in all material respects, the financial position of the Entity as at 30 June 2023, and its financial performance and its cash flows for the year then ended in accordance with Australian Accounting Standards and the *Public Finance and Audit Act 1987*.

Basis for opinion

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

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

Information other than the financial report and auditor's report thereon

The Board is 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 – Simplified Disclosures 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 Board' 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



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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 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 "Est Jony". The signature is written in a cursive style with a small "r" above the "y".

Ernst & Young

A handwritten signature in black ink that reads "Nigel Stevenson". The signature is written in a cursive style with a long horizontal stroke at the end.

Nigel Stevenson

Engagement Partner
Adelaide
19 September 2023



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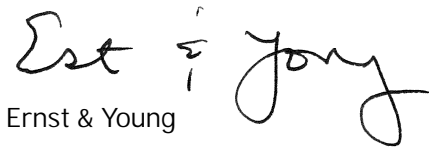
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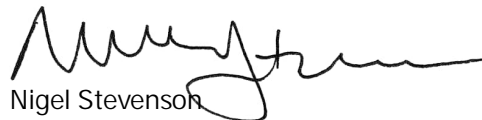
Auditor's Independence Declaration to the Board of Education and Early Childhood Services Registration and Standards Board of South Australia

As lead auditor for the audit of the financial report of Education and Early Childhood Services Registration and Standards Board of South Australia for the financial year ended 30 June 2023, 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;
- b. No contraventions of any applicable code of professional conduct in relation to the audit; and
- c. No non-audit services provided that contravene any applicable code of professional conduct in relation to the audit.



Ernst & Young



Nigel Stevenson

Partner
19 September 2023

Education Standards Board

Certificate of the Financial Statements

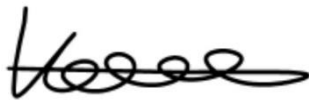
We certify that the attached general purpose financial statements for the Education Standards Board of South Australia (the Board):

- 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 2023 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.



Alana Girvin
Presiding Member
19 September 2023



Kerry Leaver
Chief Executive
19 September 2023



Rebecca Mo
Manager, Corporate Services
19 September 2023

Education Standards Board

STATEMENT OF COMPREHENSIVE INCOME

For the year ended 30 June 2023

	Note	2023 \$	2022 \$
Expenses			
Board fees	3	16,526	20,572
Employee benefits expenses	4	4,482,622	4,626,274
Supplies and services	5	1,301,990	1,048,471
Auditor's remuneration	6	24,790	22,975
Depreciation and amortisation	7	7,045	7,780
Total expenses		5,832,973	5,726,072
Income			
Revenues from fees and charges	8	593,334	516,553
Interest revenue	9	149,420	18,725
Other revenues	10	65,004	22,371
Total income		807,758	557,649
Net cost of providing services		(5,025,215)	(5,168,423)
Revenues from SA Government	11	5,443,000	5,188,000
Net result		417,785	19,577
Total Comprehensive income		417,785	19,577

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 Standards Board

STATEMENT OF FINANCIAL POSITION

As at 30 June 2023

	Note	2023 \$	2022 \$
Current assets			
Cash and cash equivalents	12	4,647,602	4,337,598
Receivables	13	213,372	61,782
Right of use assets	14	24,778	2,667
Total assets		4,885,752	4,402,047
Current liabilities			
Payables	15	669,074	244,768
Employee benefits	16	531,215	653,768
Workers compensation provision	17	152,053	200,000
Office accommodation provision	18	40,000	40,000
Lease liabilities	19	25,040	2,724
Total current liabilities		1,417,382	1,141,260
Non-current liabilities			
Employee benefits	16	279,659	489,861
Total non-current liabilities		279,659	489,861
Total liabilities		1,697,041	1,631,121
Net Assets		3,188,711	2,770,926
Equity			
Retained earnings		3,188,711	2,770,926
Total Equity		3,188,711	2,770,926
The total equity is attributable to the SA Government as owner			
Unrecognised contractual commitment	20	1,873,004	2,429,061

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

Education Standards Board

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2023

	Retained earnings \$
Balance at 30 June 2021	2,751,349
Total comprehensive result for 2021-2022	19,577
Balance at 30 June 2022	2,770,926
Total comprehensive result for 2022-2023	417,785
Balance at 30 June 2023	3,188,711

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 Standards Board

STATEMENT OF CASH FLOWS

For the year ended 30 June 2023

	Note No.	2023 \$	2022 \$
Cash flows from operating activities			
Cash outflows			
Employee benefit payments		(4,879,849)	(4,670,112)
Payments for supplies and services		(1,127,064)	(1,133,373)
Cash used in operations		(6,006,913)	(5,803,485)
Cash inflows			
Fees and charges		735,752	666,333
Interest received	9	138,165	18,725
Cash generated from operations		873,917	685,058
Cash flows from SA Government			
Receipts from SA Government	11	5,443,000	5,188,000
Cash generated from SA Government		5,443,000	5,188,000
Net cash provided by operating activities		310,004	69,573
Cash and cash equivalents at the beginning of the period			
		4,337,598	4,268,025
Cash and cash equivalents at the end of the period	12	4,647,602	4,337,598

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

NOTES TO
AND
FORMING PART
OF THE FINANCIAL
STATEMENTS



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Education Standards Board

Note 1 About Education Standards Board

The Education Standards Board (The Board) is an independent statutory authority responsible for regulating South Australia's early childhood services under the *Education and Care Services National Law Act 2010*; schools under the *Education and Early Childhood Services (Registration and Standards) Act 2011 (the Act)*; and student exchange organisations under the *Education and Children's Services Act 2019* and *Education Services for Overseas Students Act 2000*.

The Board assesses applications from early childhood services, schools and student exchange organisations; monitors services and providers to ensure ongoing compliance with the law; and informs education and care providers on how to achieve and maintain voluntary compliance.

Our regulatory role ensures high-quality education services and high standards of competence and conduct by providers, and minimise any risks to the safety, health and wellbeing of children.

The functions of the Board, as outlined in the Act are:

- > 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) Basis of preparation

The financial statements are general purpose financial statements prepared in compliance with:

- section 23 of the *Public Finance and Audit Act 1987*;
- Treasurer's Instructions and Accounting Policy Statements issued by the Treasurer under the *Public Finance and Audit Act 1987*; and
- relevant Australian Accounting Standards, applying simplified disclosures.

For the purposes of preparing the financial statements, the Board is a not-for-profit entity. The financial statements are prepared based on a 12 month reporting period and presented in Australian currency. The historical cost convention is used unless a different measurement basis is identified in the notes to the financial statements.

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.

Cash flows are included in the Statement of Cash Flows on a gross basis. However, the GST components of cash flows arising from investing and financing activities are recoverable from, or payable to, the ATO are classified as operating cash flows.

Assets and liabilities that are to be sold, consumed or realised as part of the normal 12 month operating cycle have been classified as current assets or current liabilities. All other assets and liabilities are classified as non-current.

b) Reporting entity

The Board is a statutory authority established under the *Education and Early Childhood Services (Registrations and Standards) Act 2011* (the Act). 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.

c) 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.

Shared services revenues and expenses are recorded in the statement of comprehensive income for the year ended 30 June 2023 to conform to the current year accounting policy. Certain items in the notes to the financial statements have also been recorded to conform to the current year presentation.

d) Rounding

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

Education Standards Board

e) Events after the reporting period

The Board is not aware of any events occurring after the end of the report period.

f) 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.

Revenues from SA Government

Grant funding is recognised as revenue when the Board obtains control over the funding. Control over grant funding is obtained upon receipt.

Other Revenues

Shared Services contributions in relation to payroll services received free of charge are recorded in the statement of comprehensive income for the year end to conform to the current year accounting policy.

The non-cash based revenue is measured at fair value where this can be reliably determined and the corresponding expense is also recognised in Supplies and Services note 4.

g) 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 for staff employed by the Board during the year.

h) 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.

i) 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 and cash equivalents

Cash and cash equivalents 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.

Education Standards Board

Receivables

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

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

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

j) Liabilities

Liabilities have been classified according to their nature.

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

Payables

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

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

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

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

Employee benefits

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

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

The liability for salary and wages is 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.

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

Long service leave

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

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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 for the government education sector.

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.

Motor vehicle leases

The Board has three motor vehicle leases with the South Australian Government Financing Authority (SAFA). Motor vehicle leases are non-cancellable, with rental payments monthly in arrears. Motor vehicle lease terms can range from 3 years (60,000km) up to 5 years (100,000km).

k) Provisions

The Board is a self-insured entity and is responsible for the payment of workers compensation claims.

The workers compensation provision is an estimated liability based upon a percentage of payroll and historical evidence of claims history.

l) 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.

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Note 3 Board fees

3.1 Board and committee fees	2023	2022
	\$	\$
Board and committee fees	16,526	20,572
Total board fees expenses	16,526	20,572

3.2 Key management personnel

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

Total compensation for the Board's key management personnel was \$271,895 (2022: \$323,951).

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

The Board has not identified any material transactions with key management personnel and other related parties during 2022-2023.

Note 4 Employee benefits expenses

	2023	2022
	\$	\$
Salaries and wages	3,361,898	3,430,328
Targeted voluntary separation packages (TVSPs)	306,560	-
Parental Leave	470	105,704
Workers Compensation Expense	34,213	200,050
Annual leave	184,396	30,903
Long service leave	(172,748)	19,295
Retention leave	6,879	6,849
Employment on-costs	760,954	833,145
Total employee benefits expenses	4,482,622	4,626,274

Targeted voluntary separation packages (TVSPs)

The number of employees who received a TVSP during the reporting period was 3 (2022: 0).

	2023	2022
	\$'000	\$'000
Amount paid to separated employees:		
Targeted voluntary separation packages	271,347	-
Leave paid to separated employees	35,213	-
Recovery from the Department of Treasury and Finance	306,560	-
Net cost to the Board	-	-

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Note 5 Supplies and services

	2023	2022
	\$	\$
Accommodation – fit out	20,661	13,556
General Administration & Consumables	539,835	126,946
Legal expenses	62,994	5,554
Motor vehicle expenses	36,185	29,915
Service Level Agreement – rent & utilities	319,484	333,465
Service Level Agreement – others	99,564	97,501
Staff training and development	76,484	20,051
Staff travel expenses	32,333	20,132
WH&S and Employee relations	7,783	50,803
Minor equipment	1,817	10,394
Telecommunications and Website	45,615	37,351
Information Technology and infrastructure	59,235	302,803
Total supplies and services	1,301,990	1,048,471

5.1 Accommodation

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

5.2 Consultants

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

	No	2023 \$	No	2022 \$
Below \$10 000	7	12,140	5	14,196
\$10 000 or above	4	151,626	2	22,651
Total consultants	11	163,766	7	36,847

Note 6 Auditor's remuneration

	2023	2022
	\$	\$
Audit fees paid / payable	24,790	22,975
Total auditor's remuneration	24,790	22,975

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Note 7 Depreciation and amortisation

	2023	2022
	\$	\$
Motor vehicles – leased	6,442	7,669
Interest costs – leased vehicles	603	111
Total depreciation and amortisation	7,045	7,780

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

Note 8 Revenues from fees and charges

	2023	2022
	\$	\$
Regulatory fees	593,334	516,553
Total revenue from fees and charges	593,334	516,553

The Board charges regulatory fees under the;

- Education and Care Services National Regulations 2011
- Education and Early Childhood Services (Registration and Standards) Regulations 2011 (SA)
- Education Services for Overseas Students Regulations 2001 (ESOS Regulations)

The Education and Care Services National Regulations set the fees for children's education and care services under the National Quality Framework which are indexed annually. Fees fall into two categories:

- the annual service fee, which applies to all approved services
- transaction fees, mainly associated with application fees for provider, service or waiver approvals

Note 9 Interest revenue

	2023	2022
	\$	\$
Interest on bank accounts	149,420	18,725
Total interest revenue	149,420	18,725

Note 10 Other revenues

	2023	2022
	\$	\$
Resources received free of charge - Shared Services SA	23,441	22,138
Other revenues	41,563	233
Total other revenue	65,004	22,371

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Note 11 Revenue from SA Government

	2023	2022
	\$	\$
Operating grant	5,136,440	5,188,000
Recovery from the Department of Treasury and Finance for TVSPs	306,560	-
Total revenues from SA Government	5,443,000	5,188,000

Note 12 Cash and cash equivalents

	2023	2022
	\$	\$
Cash and cash equivalents	4,647,602	4,337,598
Total cash and cash equivalents	4,647,602	4,337,598

Interest rate risk

Cash and cash equivalents are interest bearing, based on daily bank deposit rates. The carrying amount of cash and cash equivalents represents fair value.

Note 13 Receivables

	2023	2022
	\$	\$
Receivables	105,767	30,120
Prepayment	92,828	28,141
Accrued revenues	14,777	3,521
Total receivables	213,372	61,782

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 amounts of receivables approximate 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.

Refer to Note 23 for information as to the categorisation of financial instruments and risk exposure.

Note 14 Right of use assets

	2023	2022
	\$	\$
Right of use assets – motor vehicles	24,778	2,667
Total right of use assets	24,778	2,667

Expenses related to right of use assets recognised, including depreciation and interest expenses, are disclosed in note 7.

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Note 15 Payables

	2023	2022
	\$	\$
Current		
Unearned fees and charges	358,425	181,922
Fringe benefit tax payable	2,771	-
GST input tax recoverable	77	-
Sundry creditors	258,180	-
Accrued expenses	49,621	62,846
Total payables	669,074	244,768

Interest rate and credit risk

Creditors and accruals are raised for all amounts billed but unpaid. Sundry creditors are normally settled within 30 days. All payables are non-interest bearing. The carrying amounts of payables represent fair value due to the amounts being payable on demand.

Refer to Note 23 for information as to the categorisation of financial instruments and risk exposure.

Note 16 Employee benefits

	2023	2022
	\$	\$
Current		
Accrued salaries and wages	34,756	19,498
Parental leave payable	-	4,723
Annual leave	243,975	317,522
Long service leave	239,509	300,847
Skills and experience retention leave	12,977	11,178
Total current employee benefits	531,215	653,768
Expected to be settled more than 12 months after reporting date		
Long service leave	279,659	489,861
Total non-current employee benefits	279,659	489,861
Total employee benefits	810,874	1,143,629

The expected timing and amount of long service leave payments is determined through whole-of-government actuarial calculations, which is then applied to the Board's employee details. Key assumptions include whether the characteristics of employee remuneration, terms of service with the public sector, and expectations as to when employees take long service leave, as established by the actuary, are applicable to employees of the Board. These assumptions affect the expected amount to be paid that has been factored into the calculation of the liability. The discount rate used in measuring the liability is another key assumption. The discount rate is reflective of long-term Commonwealth Government bonds. The yield on long-term Commonwealth Government bonds has increased from 2022 (3.5%) to 2023 (4.0%).

This increase in the bond yield results in a decrease in the reported long service leave liability.

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.

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The unconditional portion of long service leave relates to an unconditional legal entitlement to payment arising after 7 years of service.

Note 17 Worker's compensation provision

	2023	2022
	\$	\$
Provision for worker's compensation	152,053	200,000
Total provision for worker's compensation	152,053	200,000

The Board is a self-insured entity. This provision is an estimation for workers compensation claims and is based on approximately 3% of total budgeted payroll expenses plus provision for any current or foreseeable claims.

Note 18 Office accommodation provision

	2023	2022
	\$	\$
Provision for office accommodation	40,000	40,000
Total provision for office accommodation	40,000	40,000

This provision is based on an estimate for the make good provision costs, with the building lease ending in 4 years.

Note 19 Lease liabilities

	2023	2022
	\$	\$
Lease liabilities – vehicles	25,040	2,724
Total lease liabilities	25,040	2,724

The right of use assets related to the lease liabilities are disclosed in note 14.

Note 20 Unrecognised contractual commitments

	2023	2022
	\$	\$
Executive Remuneration commitment		
Commitment for the payment of salaries and other remuneration under fixed-term employment contracts in existence at the reporting date but not recognised as liabilities are payable as follows:		
Within one year	275,000	254,904
Later than one year but not longer than five years	120,827	366,901
Total Executive Remuneration commitment	395,827	621,805
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	345,263	330,079
Later than one year but not longer than five years	1,131,914	1,477,177
Total lease commitments	1,477,177	1,807,256
Total Unrecognised contractual commitments	1,873,004	2,429,061

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

Note 21 Contingent assets and liabilities

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

Note 22 Remuneration of board and committee members

Board Members during 2023 financial year were:

Ongoing Board Members

Alana Girvin – Presiding Member (appointed 17 November 2022)
 Ann Elizabeth Doolette (resigned effective 30 September 2022)
 Greg Hayes – Deputy Presiding Member
 Anna Standish
 Christopher Prance^
 Christos Tsonis ^
 Elizabeth Worrell^
 Jackie Bray* (resigned effective 31 May 2023)
 John Mula^ (resigned effective 28 February 2023)
 Martyn Campbell (appointed 17 November 2022)
 Noel Mifsud
 Peta Smith*
 Rebecca Vandermoer^ (appointed 17 November 2022)
 Susan Young^ (resigned effective 17 December 2022)

Deputy board members

Ian Lamb*(deputy membership terminated in line with Jackie Bray's resignation on 31 May 2023)
 John Favretto^ (deputy membership terminated in line with John Mula's resignation on 28 February 2023)
 Julie Tarizia^
 Kerry Mahony*
 Laura Paulus
 Sue Kennedy-Branford^ (deputy membership terminated in line with Susan Young's resignation on 17 December 2023)
 Andrew Wells (deputy to Peta Smith, appointment term ceased 28 February 2023)
 Melissa Symonds
 Alicia Flowers (deputy to Rebecca Vandermoer, appointed 17 November 2022)
 Kathryn Jordan – deputy to Peta Smith, appointed 2 March 2023
 Brian Schumacher – deputy to John Favretto, appointed 2 March 2023
 Elysia Ryan – deputy to Sue Kennedy-Branford, appointed 2 March 2023

The number of members whose remuneration received or receivable falls within the following bands:	2023	2022
\$1 - \$9 999	14	12
Total number of members	14	12

The total remuneration received or receivable by members was \$16,526 (2022: \$20,572). Remuneration of members includes sitting fees, superannuation contributions, salary sacrifice benefits, fringe benefits and related fringe benefits tax.

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*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 committees 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 23 Financial instruments/Financial risk management

23.1 Categorisation of financial instruments

Category of financial asset and financial liabilities	Statement of Financial Position line item	Note	Carrying amount 2023 \$	Fair value 2023 \$	Carrying amount 2022 \$	Fair value 2022 \$
Financial assets						
Cash and cash equivalents	Cash at bank	12	4,647,602	4,647,602	4,337,598	4,337,598
Receivables	Receivables	13	213,372	213,372	61,782	61,782
Total financial assets			4,860,974	4,860,974	4,399,380	4,399,380
Financial liabilities						
Financial liabilities	Payables	15	(669,074)	(669,074)	(244,768)	(244,768)
Total financial liabilities			(669,074)	(669,074)	(244,768)	(244,768)

23.2 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.

23.3 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's exposure to liquidity risk is insignificant based on past experience and current assessment of risk.

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23.4 Market risk

The Board is not exposed to any market risk.

23.5 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 24 Events after the reporting period

On 27th August 2023, the Royal Commission into Early Childhood Education and Care released its final report. One of the government's announcements upon the release of the report was that they had accepted a recommendation to increase resourcing to the Education Standards Board to ensure sufficient resources are available to assess and rate every early childhood education and care provider every three years. The financial effect of this recommendation is yet to be determined and has not been reflected in the financial statements.