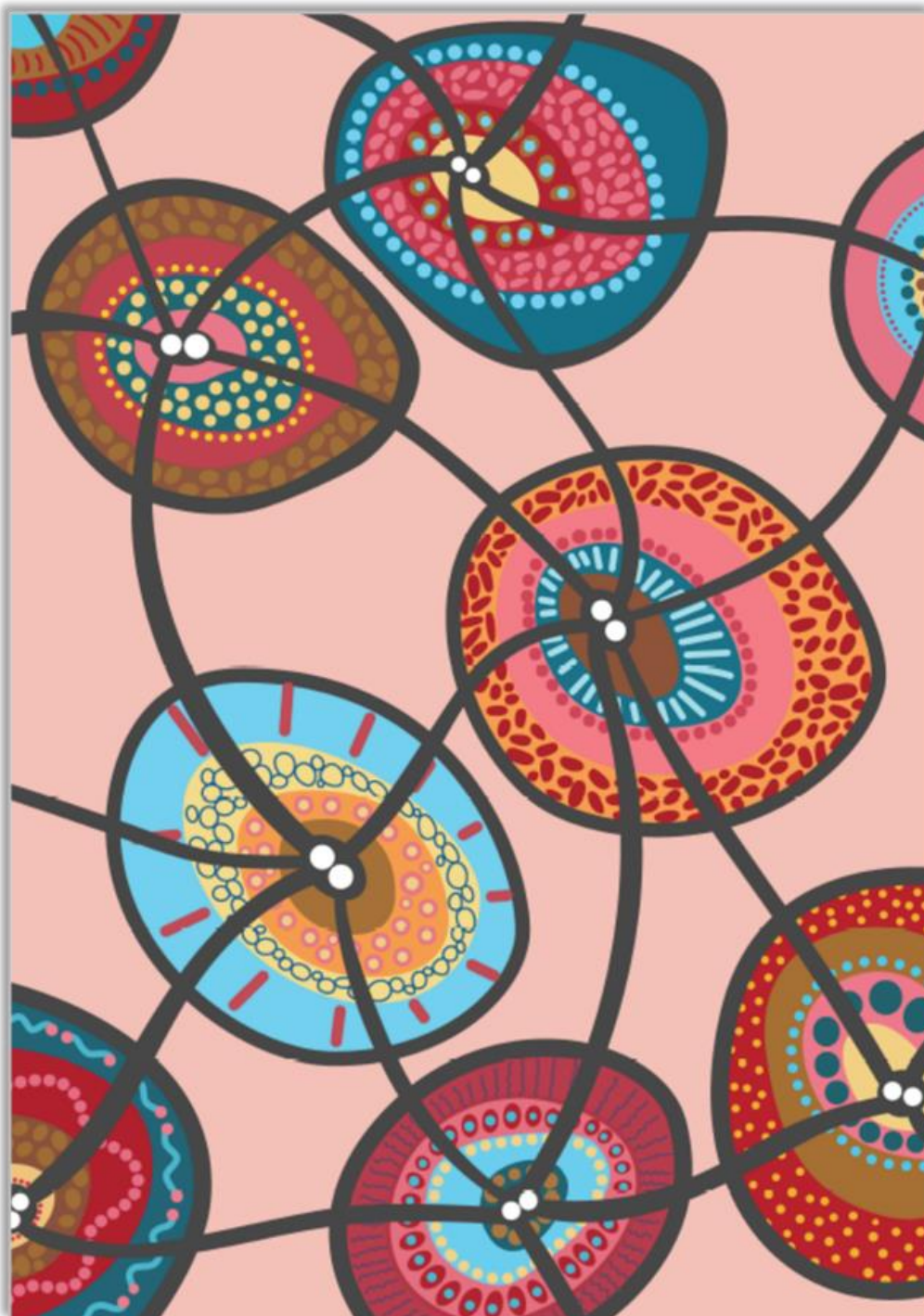


# NESA Annual Report

2021-22





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The above artwork represents NESAs reconciliation journey, with the circles representing the different schools and communities that NESAs engage with on a day-to-day basis.

You will notice the circles aren't perfectly round; they are a more organic shape. This represents the journey to reconciliation and the genuineness of the people involved. Within each circle there are details that demonstrate the complexities in each relationship, and the varying colours show us that they are each individual and diverse.

Finally, the two white dots at the centre focuses our attention on NESAs reconciliation goals:

- continual growth in attainment levels of Aboriginal and Torres Strait Islander students
- greater understanding of Aboriginal and Torres Strait Islander knowledge's, histories, and cultures for all students.

# Acknowledgement of Country

The NSW Education Standards Authority (NESA) acknowledges Gadigal Country, where our Sydney Central Business District office is located, and Cultural Custodians of Country throughout New South Wales. We pay respect to Elders past, present, and emerging.

We recognise the continuing cultural, spiritual, and educational practices of Aboriginal peoples as the world's oldest living cultures which have the longest continuous education system in the world.

NESA acknowledges the role communities play in the education of Aboriginal and Torres Strait Islander students and the enormous ongoing contribution made by Elders.

Our commitment is to work in partnership with Aboriginal and Torres Strait Islander Peoples, Aboriginal communities, and key stakeholders to ensure a genuine voice for Aboriginal and Torres Strait Islander Peoples is heard. This includes ensuring that policies, actions, and strategies are developed in a respectful and collaborative way across our statutory responsibilities for curriculum, teaching, assessment, and school standards in NSW.

NESA recognises the ongoing contemporary impacts of invasion and colonisation and aims to facilitate understanding, reciprocity, equity, and sustainable opportunities. We aim to make positive change to the way we do business in order to change the way NSW educates all students to ensure they are able to learn about Aboriginal and Torres Strait Islander histories and Cultures and support the aspirations and educational success of Aboriginal and Torres Strait Islander students.

NESA acknowledges the deep connections Aboriginal and Torres Strait Islander Peoples have with lands, waters and skies and caring for Country. This knowledge leads care for Country initiatives.

We value and promote respect for Aboriginal and Torres Strait Islander knowledges, languages, and Cultures as fundamental to our positive shared futures.

# Letter of submission to the Minister

The Hon Sarah Mitchell MLC  
Minister for Education and Early Learning  
Parliament House  
Macquarie Street  
Sydney NSW 2000

Dear Minister

We are pleased to present the annual report of the NSW Education Standards Authority (NESA) for the year ending 30 June 2022, for your presentation to the NSW Parliament.

The report highlights the activities and achievements of the NSW Education Standards Authority over the reporting year. It has been prepared in accordance with the *Annual Reports (Statutory Bodies) Act 1984* and the *Public Finance and Audit Act 1983*.

In addition, the report contains NESA's audited financial statements for the financial year ended 30 June 2022.

NESA was granted an extension to the submission deadline for the 2021-22 Annual Report by NSW Treasury under Section 13 (3) of the *Annual Reports (Statutory Bodies) Act 1984* due to delays in the Audit Office processes.



Paul Martin  
Chief Executive Officer  
NSW Education Standards Authority  
21 November 2022



Professor Peter Shergold AC  
Chairperson  
Governing Board of the NSW Education Standards Authority  
21 November 2022

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## Chairperson's message

I am pleased to present the NSW Education Standards Authority (NESA) 2021-22 Annual Report.

NESA has continued to support NSW schools, students, and families through uncertainties in 2021 and 2022. Most significantly, the ongoing impact of the COVID-19 pandemic and flooding in northern NSW have required the Board to remain flexible and adaptive to meet these ongoing challenges.

At the end of 2021 the Board farewelled Ms Jude Hayman, who embarked on a new role as Executive Principal at Nowra East Public School Connected Community. I would like to extend my sincere thanks to Ms Hayman for her contribution to the Board, and as Chair of the Disability Education Forum in 2021.

The NESA COVID-19 Response Committee, which I also Chaired, met frequently over the second half of 2021 as NESA continued to respond to the ongoing COVID situation. Our decisions focused on ensuring the successful delivery on the 2021 HSC on a revised timetable. After a disruptive and stressful year, the Board was committed to providing a fair, equitable and safe opportunity for all students in NSW.

I would like to thank all members of this Committee for their flexibility and continued commitment to ensuring optimal education outcomes for all students in NSW.

I would also like to extend my deepest gratitude for the hard work, dedication and professionalism of all NSW teachers and school staff who have ensured the delivery and continuity of education during another difficult year.

The successful delivery of the 2021 HSC was one of the greatest achievements of the Board, and a true testament to the hard work and dedication of all representatives, committees, and NESA staff.

I am also pleased to note considerable discussion by the Board on options for senior secondary education in NSW. Over the course of 2021 and 2022 the Board reviewed and discussed options for piloting more HSC exams online, a student investigative project in the senior years and clearer course overviews for Stage 6 subjects. Clearer course overviews will support students to understand the skills they will develop in HSC subjects and how skills and knowledge link to industries and post-school pathways. I look forward to continuing this work with the Board in 2022-23.

The Board has also continued to review its governance structure to ensure that the Board, Committees, and Forums are best placed to deliver on the NSW Government's major reform expectations and maintain public confidence in NESA. This work builds on changes to the Board governance structure which began in 2020-21. I sincerely thank my colleagues on the NESA Board and its Committees for their work in 2021-22 and look forward to continuing our work in 2022-23.

Finally, I would also like to thank all the staff at NESA, led by CEO Paul Martin, who have continued to deliver for the students of NSW.



Professor Peter Shergold AC

Chairperson

NESA Board

## Chief Executive Officer's message

The 2021-2022 reporting year has been another challenging period for NSW students, teachers, schools, parents and carers. NSW has continued to face challenges associated with the ongoing COVID pandemic and faced new challenges brought about by natural disasters like flooding, requiring the education community to remain flexible.

I personally visited flood affected schools in northern NSW and was moved by the resilience and determination of students, staff, and families in these regions. Once again, my thanks go to teachers and school staff for their ongoing flexibility and dedication.

Despite these challenges, we have delivered on significant reforms to the NSW curriculum and teacher accreditation while delivering on our core responsibilities.

We have made important progress on the NSW curriculum reform program. In November 2021 we released the new K-2 English and Mathematics syllabuses and support materials. These were informed by over 1,200 stakeholder responses across two rounds of public consultation and are the first of many new syllabuses we will be releasing over the next two years.

We also released draft English and Mathematics syllabuses for Years 3-10 for public consultation in March 2022, and announced an Australian Sign Language (Auslan) syllabus for implementation from 2023. This is the first time an Auslan syllabus will be available in NSW and is a significant achievement towards inclusion and supporting students with disability, as well as giving all students the opportunity to experience a unique part of Australia's linguistic history.

I look forward to reporting on the implementation of these new syllabuses in the next Annual Report.

I am also pleased to note the successful passing of the *Teacher Accreditation Amendment Bill 2021* through NSW Parliament in November 2021. This Bill strengthened the child protection requirements in response to the *Royal Commission into Institutional Responses to Child Sexual Abuse* recommendations and ensured NSW protections are consistent with other jurisdictions. The amendments also streamlined accreditation process and reduced the administrative burden on teachers, schools and principals, and school sectors.

In addition, we have been able to revise the *High Accomplished and Leader Teacher Accreditation Policy* (the HALT Policy) to streamline the process for teachers applying for Highly Accomplished and Lead Teacher (HALT) accreditation in NSW. The updated process will minimise the administrative burden and better support teachers in applying for the nationally recognised levels of accreditation.

I would like to extend my thanks to the NESA Board, my executive team, and NESA colleagues for their work throughout 2021-22. Your commitment during another challenging year is commendable, and together we have continued to improve education outcomes for all NSW students.

Finally, I would like to express my sincere thanks and appreciation to the NSW education community for their continued support and engagement. I am proud of our achievements over this period, many of which would not have been possible without consultation and collaboration with the wider education community.



Paul Martin

Chief Executive Officer

1

**About NESAs**



The NSW Education Standards Authority (NESA) was established on 1 January 2017 as an independent statutory authority under the *Education Standards Authority Act 2013* (the NESA Act). NESA is a portfolio responsibility of the NSW Minister for Education and Early Learning.

Making sure all children and young people in NSW leave school ready to take advantage of life's opportunities, and rise to its inevitable challenges, is at the heart of what we do at NESA. We support the school sectors to deliver the best possible outcomes for students through high quality syllabuses, assessment, teaching standards and school environments.

The role of NESA is unique by national and international standards in that NESA brings together teacher standards, curriculum, assessment, and school standards – under a single umbrella education authority.

We are a NSW Public Service staff agency established under Schedule 1 Part 3 of the [Government Sector Employment Act 2013](#).

The NESA Act ([Education Standards Authority Act 2013](#)), the [Education Act 1990](#) and the [Teacher Accreditation Act 2004](#) outline NESA's functions and responsibilities. Collectively, these acts constitute the NSW 'education and teaching legislation'.

The education and teaching legislation encompasses all of the NESA curriculum, teacher accreditation, examinations and assessment and regulatory functions.

## Charter

NESA is required to have a Charter under the NESA Act. The Charter is prepared by the NESA Board and approved by the Minister. It outlines NESA's mission and purpose, objectives and functions, values and operating principles, and the role and functions of the Board.

The Board endorsed and the Minister approved the NESA Charter in May 2017.

The Charter provides NESA's purpose to bring about change to improve student learning and wellbeing through:

- supporting the teaching profession to be the best it can be through the Australian Professional Standards for Teachers and quality assurance of professional learning and development
- developing world-class curriculum
- deepening the understanding and practice of assessing student knowledge and capabilities
- driving improvement in the quality assurance systems for schools.

NESA provides a forum for collaboration and works in partnership with students, parents, teachers, principals, school sectors and other stakeholders on key educational matters in NSW, identifying issues and producing policies. The policies support student learning, teaching practice and the attainment of high education standards in NSW.

A [copy of the Charter](#) can be found on the NESA website.

# Key functions

## Curriculum and Assessment

- Develop curriculum and curriculum support materials that articulate NSW educational standards at each stage of learning from Kindergarten to Year 12
- Develop high quality resources and provide expert guidance and support for teachers undertaking assessment of the educational standards of NSW students from Kindergarten to Year 12 and Credentials
- Develop and deliver Higher School Certificate (HSC) examinations and award the HSC to eligible students
- Award the Record of School Achievement (RoSA) to eligible students who leave school before completing the HSC
- Implement and administer the National Assessment Program – Literacy and Numeracy (NAPLAN) tests in NSW

## Teaching Standards

- Implement and oversee teacher accreditation and accredit NSW teachers against professional teaching standards which include the whole-of-career Australian Professional Standards for Teachers (the Standards) and accredit NSW teachers against the Standards
- Ensure the quality of Initial Teacher Education programs offered by providers in line with the national Standards and Procedures and additional NSW-specific requirements
- Support ongoing professional learning for teachers based on rigorous content criteria and principles of effective professional learning.
- Develop and implement school registration processes
- Register non-government schools seeking to operate in NSW and accredit non-government schools to present candidates for the RoSA and HSC
- Provide advice to the Minister on the compliance by NSW government schools with requirements similar to those

required for the registration of non-government schools

- Regulate Teacher Accreditation Authorities for non-government schools and early childhood education centres
- Approve schools to deliver courses to overseas students
- Administer the home-schooling program under delegation from the Minister

## NSW Aboriginal Education Consultative Group (AECG)

- Provide corporate services support to the NSW Aboriginal Education Consultative Group Inc.

## Australian Music Examinations Board NSW

- Provide corporate services support to the Australian Music Examinations Board (NSW) – (AMEB (NSW))

## 1.1 The NESAs Board

We have a 12-14-member governing Board, which sets the strategic direction for NESAs.

The Board provides guidance about the nature of the activities NESAs is expected to undertake, as NESAs fulfils its functions and executes the policy directions set by the Board and the Minister.

With the Minister’s approval, the NESAs Board has established several Committees to perform delegated functions on behalf of the Board. These Committees provide advice and assistance to the Board and the agency.

Following the resignation of Ms Jude Hayman in November 2021 there are 13 members of the NESAs Board.

Further [bibliographical information about each Board member](#) can be found on the NESAs website.

Further information about Board meetings and the Board and Committee structure can be found at Appendix A.



**Top row standing:** Christine Legg, Denis Fitzgerald, Veronica Yewdall, Katherine Grace, Nathan Towney, Gary Johnson, Jenny Allum, Dr Anne Wenham

**Bottom row sitting:** Dr Geoff Newcombe AM, Georgina Harrisson, Prof. Peter Shergold AC, Paul Martin, Dallas McInerney

**Table 1.1** Members of the NESA Board and their qualifications as at 30 June 2022

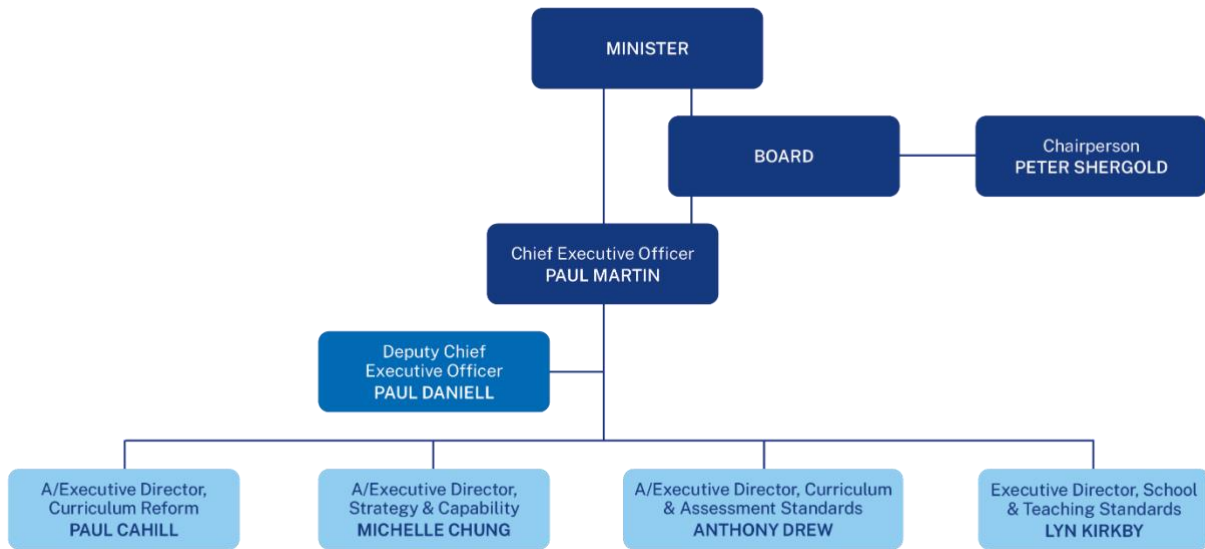
<b>Board member</b>	<b>Qualification</b>
Professor Peter Shergold AC (Chairperson)	BA, MA, PhD, Hon. Litt.D., UNSW
Katherine Grace (Deputy Chairperson)	BA(Hons), LLB(Hons), MPP
Jenny Allum	BSc, GDipEd, MA, DLitt
Denis Fitzgerald	BA(Hons), DipEd
Jude Hayman (until November 2021)	BEd
Georgina Harrisson	BSc
Gary Johnson	BA, Dip Ed
Christine Legg	BEd(EC), DipT(ECE)
Paul Martin	BA(Hons), DipEd
Dallas McInerney	BA, LLB, MPP
Dr Geoffrey Newcombe AM	BSc, DipEd, MEdAdmin, PhD, GAICD
Nathan Towney	BTeach, BHlthPhyEd
Dr Anne Wenham	BA, DipEd, MEd, PhD, MTheo
Veronica Yewdall	BEd, DipTeach

## 1.2 Our Leadership Team

We are supported by the NESAs Staff Agency, which is established under Schedule 1 Part 3 of the *Government Sector Employment Act 2013*.

Our Executive structure at 30 June 2022 is at Figure 1.1. A [detailed description of NESAs functions](#) is available on the NESAs website.

**Figure 1.1** NSW Education Standards Authority organisational structure (at 30 June 2022)



**Table 2.2 Members of the NESAs Executive and their qualifications as at 30 June 2022**

<b>Name</b>	<b>Position</b>	<b>Qualifications</b>
Dr Paul Cahill	A/Executive Director, Curriculum Reform	EdD, MEd (leadership), BTh, Grad Dip Ed, Assoc Deg Arts
Michelle Chung	A/Executive Director, Strategy and Capability	BA, LLB (Hons), MPP
Paul Daniell	Deputy Chief Executive Officer	BA, PGDipArts, MSc
Anthony Drew	A/Executive Director, Curriculum and Assessment Standards	BEd, BComm
Lyn Kirkby	Executive Director, School, and Teaching Standards	BA, DipEd, MEd(Lead)
Paul Martin	Chief Executive Officer	BA(Hons), DipEd

# 2

## **Delivering on the Minister's 2021 Statement of Expectations**

Under Section 10 of the *Education Standards Authority Act (2013)*, the Minister is able to issue an annual Statement of Expectations which outline the priorities for the NESA Board.

In April 2021, the Minister for Education and Early Learning issued a Statement of Expectations outlining five key objectives for the NESA Board in 2021.

The Minister delivered the 2022-23 Statement of Expectations on 11 July 2022, which will be reported on in the 2022-23 NESA Annual Report.

## Objective 1: To progress the implementation of priority curriculum reforms

The Board is to sustain its primary focus on implementing the NSW Government's Curriculum Reform program. The Board should ensure delivery of priority reform initiatives.

### Progress update

In 2021-22 we continued implementation of the NSW Curriculum Reform program within the ambitious timeframe set for the comprehensive reforms. We have made significant progress against each of the key areas of the reform (Workstreams) over the past 12 months in accordance with the Curriculum Reform program framework. This includes across curriculum architecture, Kindergarten to Year 12 syllabus development, senior secondary reforms, teacher time and digital delivery. Stakeholders from the education sectors and representative groups have been closely involved in the design and delivery of each of the reform projects through a variety of governance and consultative channels.

Highlights of our progress on the NSW Curriculum Reform in 2021-22 include:

- **Release of a new Kindergarten to Year 2 English and Mathematics curriculum** in November 2021, fulfilling the NSW Government's commitment to prioritise foundations in English and Mathematics in the early years of school. Teachers

started implementing these syllabuses in 2022 and the syllabuses will be taught in all schools in 2023. We are working closely with the school sectors to support teachers with resources and professional learning to support implementation.

- **Strengthening post-school pathways** Models for clearer course overviews for Stage 6 syllabuses and Vocational Education and Training (VET) courses were developed to provide students in Years 10–12 with better understanding of the skills they will develop in each subject, and the links between subjects and post-school pathways.
- **More time for teaching and learning.** We implemented a new syllabus development process to support decision-making on contemporary issues content in the curriculum, developed new syllabuses that clearly identify essential content, developed teacher support materials, and reviewed our school regulation program for opportunities to reduce administrative burden on schools.
- **A new NSW Curriculum website** was launched alongside the release of the new K–2 English and Mathematics syllabuses to help teachers work with syllabuses and access support materials. The digital format includes functionality that will continue to be developed across the life of the reform program to make the curriculum more accessible to teachers, students, parents, and carers.
- **The Teacher Expert Networks (TENs)** continue to play a pivotal role in our engagement with teachers. During 2022, the number of teachers in the TENs program grew from over 200 to over 230 to include the Department of Education's Curriculum Reform Community Leaders. The TENs contributed to a range of reform projects including syllabus development and development of the digital curriculum platform.
- **The NESA Online Learning hub** was launched to support professional learning for teachers to implement the new K–2 English and Mathematics curriculum.



- **Creating conditions for success through ongoing stakeholder engagement.** We continued to consult and actively involve all relevant stakeholder groups in the planning and development of the new curriculum and associated reform projects. This has included engagement with the sectors, parents and carers, professional associations, Aboriginal stakeholders, unions, teachers, business and a range of other organisations and groups.
- **Establishing an independent evaluation.** We commenced an open market procurement process in conjunction with the NSW Department of Education and NSW Treasury for the evaluation of the implementation and outcomes (including economic) of the Curriculum Reform program. The evaluation will commence in July 2022.

## Objective 2: Streamline the process to apply for accreditation at the Highly Accomplished and Lead Teacher levels

The Board is to implement improvements to the Highly Accomplished and Lead Teacher (HALT) policy, streamlining the application process and

working with the NSW school sectors and early childhood stakeholders to increase the number of NSW teachers successfully accredited at the higher levels.

### Progress update

On 15 May 2022, the Minister announced the new *Highly Accomplished and Lead Teacher Accreditation Policy* (the HALT Policy) and set a target of having at least 2,500 NSW teachers accredited at HALT by 2025.

The new HALT Policy aims to:

- streamline and improve the HALT application process by clarifying requirements and providing better support and guidance to applicants
- improve the validity and reliability of HALT accreditation decisions; and
- ensure consistency with national certification processes.

The new HALT Policy responds to recommendations from a performance audit by the NSW Auditor General on [Ensuring teaching quality in NSW public schools](#) (September 2019).

We published an extensive online resource hub on the NESA website, for both prospective and existing applicants and school/early childhood service leaders.

## Objective 3: Support teachers and providers to transition to new teacher professional development requirements

The Board is to continue implementing NESA-accredited professional development policy changes. The Board should work closely with key stakeholders to support teachers and professional development providers to transition to the new requirements.

### Progress update

On 28 July 2021, we published the final accreditation requirements and application process for accredited professional development courses. The new accreditation requirements, finalised in consultation with major stakeholders, include principles for effective professional development and specific content criteria for each of the four priority areas of:

- delivery and assessment of NSW Curriculum/Early Years Learning Framework (as applicable)
- student/child mental health
- students/children with disability, and
- Aboriginal education and supporting Aboriginal students/children.

From August 2021 onwards, we liaised with the school sectors, who are Authorised Providers under the [Accreditation of Professional Development Courses Policy](#), and other providers to support implementation of the new requirements.

We also established Expert Advisory Panels in the priority areas of student/child mental health, Aboriginal education and supporting Aboriginal students/children and students/children with disability to ensure the assessment of courses in these areas is informed by appropriate expert advice.

During the reporting period, we have supported professional development providers by delivering workshops and webinars on developing an effective application and developing resources,

including sample applications and guidelines for uploading courses and participation data into the electronic Teacher Accreditation Management System (eTAMS).

The transition arrangements published in November 2020 for teachers impacted by this policy change remain in place for the reporting period.

## Objective 4: To continue making necessary adjustments in response to the ongoing COVID-19 pandemic, to ensure educational continuity and successful delivery of the Higher School Certificate

The Board is to continue managing an effective response to the COVID-19 pandemic, making the adjustments necessary to ensure the continuity of education in NSW in 2021. In delivering on this priority, the Board and the COVID-19 Response Committee should focus on ensuring the successful operation of the Higher School Certificate again in 2021.

### Progress update

While the administration, conduct and marking of the 2021 HSC was impacted by COVID-19, the 2021 HSC program was delivered successfully.

The COVID-19 Response Committee that was established in 2020 continued to meet in 2021 to address developing and urgent issues relating to the pandemic.

Some of the decisions made about the 2020 HSC, including those relating to school-based assessment and VET work placements, were extended for 2021. The following decisions were made in relation to the 2021 HSC:

- The marking of all performance exams, most major projects (including folios), and the language oral exams was undertaken

- by teachers of the course rather than HSC markers
- We continued to mark major projects and submitted works in English Extension 2, Society and Culture, Music 1, Music 2, and Music Extension, but the hand-in date was extended by two weeks
- The written examinations commenced on 9 November (delayed 4 weeks from 12 October), based on NSW Health safety advice to not commence exams earlier due to the COVID-19 wave in NSW.
- The 18 Collaborative Curriculum and Assessment Framework for Languages (CCAFL) language exams were not held in NSW, as the nationally set date was prior to 9 November and did not align with NSW Health advice.
- We collaborated with universities to release results by 20 January 2022 to ensure HSC results remained the primary basis for entry to university for most students
- The COVID-19 Special Consideration Program was made available to all HSC students (see below for further)
- Year 12 students were permitted up to six attempts – up from four - at the HSC Minimum Standards tests and could make use the COVID-19 Special Consideration Program.
- COVID-safe protocols were put into place for all HSC written examinations, including
  - mandatory mask wearing for all students and supervisors
  - mandatory vaccinations for all supervisors
  - check-in and health screening protocols for students and staff
  - appropriate physical distancing at all times
  - keeping exam group sizes as small as possible with adequate ventilation
  - the ability for teachers to act as supervisors

- hygiene marshals who conducted regular cleaning of exam rooms.

Wherever possible, HSC markers were briefed and trained remotely using video conferencing and marking was undertaken online. All judging sessions were conducted remotely. Additional marking venues were acquired so that those marking staff who needed to attend at the marking centre could be safely accommodated.

## COVID-19 Special Consideration Program

The COVID-19 Special Consideration Program was expanded in 2021 to recognise where COVID-19 caused substantial disruption or disadvantage to HSC students. The program included HSC written exams, all performance and oral language exams, most major projects (including the folios) and the HSC Minimum Standards tests. Schools could submit an application for individual students or whole cohorts.

Students with a written exam application under the COVID-19 Special Consideration Program were still required to sit the exam to be eligible for consideration.

The usual illness/misadventure program was available to students who suffered illness or misadventure that prevented them from attending an exam, including requirements to self-isolate due to COVID-19.

In 2021, there was a 20.8% increase in the number of applications for illness/misadventure, relative to 2020.

A significant proportion of the increase was related to students who experienced COVID-19 symptoms or were required to isolate.

## Objective 5: Ensure that Initial Teacher Education (ITE) courses prepare graduates for the classrooms of the future

The Board is to continue to work with Universities to ensure that all ITE courses which receive accreditation are high quality, and adequately prepare graduate teachers for the complex classrooms of the 21<sup>st</sup> century.

### Progress update

By the end of 2021, we had finalised the assessment of NSW primary ITE programs to confirm that all programs satisfied the new national requirement for the teaching of literacy, preferencing evidence-based early reading strategies including phonics. This requirement strengthened the coverage of English/literacy including early reading and phonics/phonemic awareness necessitating some universities to restructure their ITE programs.

The Innovation in ITE Working Group met on a regular basis to discuss opportunities to improve

the preparation of graduates through the adoption of reform and innovation. Opportunities the Working Group explored in 2021-22 include:

- embedding some of the alternative approaches to professional experience adopted through 2020 and 2021 to respond to COVID-19
- exploring the use of virtual reality and simulation technologies to supplement traditional professional experience; and
- drafting principles for the employment of conditionally accredited teachers to improve communication, collaboration, and support as more conditionally accredited final year ITE students undertake employment.

The Innovation in ITE Working Group comprises of representatives from the NSW Council of Deans of Education, the sectors, and principals' groups.

During the reporting period, we also contributed to the NSW Government submission to the Australian Government's Quality of Initial Teacher Education Review.

# 3

## **Teacher registration and accreditation**

**Figure 3.1** NESAs teaching standards activity – key statistics 2021–22

More than

**168,000**

accredited teachers in NSW

**710**

teachers accredited through mutual recognition

More than

**10,200**

early childhood teachers in NSW

**9,975**

teachers completed Proficient Teacher maintenance of accreditation

More than

**5,400**

teachers gained accreditation at Proficient Teacher

**1,606**

professional development courses accredited under new requirements

**283**

teachers with HALT accreditation in NSW

**112**

accredited Initial Teacher Education programs operating in NSW

---

## Legislative amendments to the *Teacher Accreditation Act 2004*

In November 2021 the *Teacher Accreditation Act 2004* was amended to enable NSW to implement recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse that relate to consistency of suitability to teach requirements across all states and territories, and to streamline accreditation processes for teachers, principals, schools, and school systems.

We are implementing these changes progressively through the [Teacher Accreditation Reform Program](#).

The NSW Public Register of Teachers went live on the NESA website on 30 June 2022. The introduction of a Public Register further aligns NSW with practice in other jurisdictions. The searchable Public Register includes teachers' names and confirmation that they are accredited.

## Highly Accomplished and Lead Teacher Accreditation Policy

On 15 May 2022, the Minister for Education and Early Learning launched the revised *Highly Accomplished and Lead Teacher Accreditation Policy* (the HALT Policy).

The streamlined HALT Policy improves clarity around evidence requirements and adopts a modular approach to give more timely feedback and support to HALT applicants. Online applications for HALT are available in eTAMS.

To support the launch of the HALT Policy, we created an extensive online resource hub, including recorded presentations, guides, and

support materials. This resource hub is available on our website for prospective and existing applicants, and for school and early childhood service leaders.

We also put in place a comprehensive schedule of online and face-to-face information sessions and workshops for current and prospective applicants. The schedule also included online information sessions for principals, early childhood service leaders and school leaders, to outline their role in supporting HALT applicants.

Transition arrangements were put in place to support existing applicants, which will continue into the next reporting period.

## Celebrating the achievement of expert teachers

In 2022, we recognised 65 Highly Accomplished Teachers and 20 Lead Teachers (HALTs) at a face-to-face ceremony - our first since the start of the COVID-19 pandemic in 2020. The ceremony brought together around 110 representatives from across the education sector, including the NSW Minister for Education and Early Learning.

The HALTs who we celebrated included teachers from all sectors and systems. The cohort represented a mix of primary and high school teachers, located in both rural and metropolitan settings.

As at 30 June, there are 283 HALTs in NSW representing highly effective, skilled practitioners whose expertise has been recognised through a rigorous national process.

**Table 3.1 HALT accreditation key statistics, 2021-22**

**During the 2021-22 reporting year:**

---

**32** Highly Accomplished and Lead Teacher applications were considered by the Moderating and Consistency Committee

**18** teachers were accredited at Highly Accomplished Teacher  
*Including 1 Mutual Recognition from interstate*

**5** teachers were accredited at Lead Teacher  
*Including 1 Mutual Recognition from interstate*

---

## Initial teacher education and accreditation

ITE programs delivered in NSW need to meet national accreditation standards and a number of NSW-specific requirements. The assessment process, involving accreditation panels of trained teacher educators, teachers, and principals, ensures that programs continue to meet existing and any newly emerging requirements.

All NSW ITE programs are now required to contain a dedicated unit of Aboriginal education study, such that all students commencing an ITE program from 2021 onwards would be undertaking at least one unit relating to Aboriginal education.

By the end of 2021, we finalised assessment of NSW primary ITE programs to ensure they addressed the new national requirement for the

teaching of literacy, preferencing evidence-based early reading strategies including phonics. From 2022, all NSW primary ITE programs now have strengthened coverage of English/literacy including early reading and phonics/phonemic awareness.

## Provisional and conditional accreditation of teachers in NSW

All teachers are required to gain accreditation with NESAs to work as a teacher in a NSW school or centre-based early childhood service. Provisional or conditional accreditation is granted in accordance with the provisions of the *Teacher Accreditation Act 2004*.

As at 30 June 2022, there are 13,476 teachers with conditional accreditation and 18,575 teachers with provisional accreditation in NSW.

**Table 3.2 Provisional and conditional accreditation key statistics, 2021-22**

**During the 2021-22 reporting year:**

---

**5,477** applicants were granted conditional accreditation

**2,218** applicants were granted provisional accreditation

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## Proficient Teacher accreditation

Achieving Proficient Teacher accreditation is a developmental, workplace-based process that supports teachers to develop their practice against the Australian Professional Standards for Teachers (the Standards).

To provide greater support for early childhood teachers working towards achieving Proficient Teacher accreditation, we developed a new Accreditation Supervisor model based on a communities of practice approach. The model promotes greater equity across the teaching

profession, giving early childhood teachers access to support from an Accreditation Supervisor earlier in their accreditation timeframe.

Communities of practice provide a structured professional network for early childhood teachers to engage in reflective conversations with peers under the guidance of a NESA-trained Accreditation Supervisor.

As at 30 June 2022, there are 136,355 teachers with Proficient Teacher accreditation in NSW.

**Table 3.3 Proficient Teacher accreditation key statistics, 2021-22**

**During the 2021-22 reporting year:**

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**5,496** applicants gained accreditation at Proficient Teacher

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## Internal Audits of Proficient Teacher Accreditation Records

Our annual internal audit of Proficient Teacher accreditation continued in 2021-22. The audit found that, on balance, 96% of applications demonstrated practice at Proficient Teacher. The most effective documentary evidence demonstrated teachers' in-depth knowledge of the needs and strengths of their children/students and included evidence of child/student learning within the application.

The December 2021 audit findings highlighted the need to continue to strengthen the resources and support available for Accreditation Supervisors, teachers, and principals/service directors to ensure alignment with audit criteria benchmarks.

In response to the findings, we will develop a suite of online resources to support teachers to effectively demonstrate the impact of their teaching practice on student/child learning in the next reporting period.

Our annual audit helps ensure that decisions about gaining and maintaining Proficient Teacher accreditation are consistent across NSW and align with the Australian Professional Standards for Teachers. The audit uses a stratified random selection of Proficient Teacher submissions across all sectors and is published on our website.

## Maintaining accreditation at Proficient, Highly Accomplished and Lead Teacher

Teachers need to demonstrate how their practice continues to meet the Australian Professional Standards for Teachers (the Standards) and complete professional development to maintain their accreditation. Maintenance of accreditation

is a requirement for all teachers accredited at Proficient, Highly Accomplished or Lead Teacher.

Many early childhood teachers who were first accredited at Proficient Teacher on 18 July 2016 when accreditation was legislated for the sector were due to finalise their first maintenance period

on 17 July 2021. We have continued to support this cohort of teachers with an extended window in 2022 to submit their maintenance.

We have also supported the large cohort of teachers who were teaching in NSW before 1 October 2004 (pre-2004 teachers) who were accredited at Proficient Teacher on 1 January 2018, when accreditation became mandatory for

all NSW teachers. Pre-2004 teachers were able to begin submitting their first maintenance of accreditation from the start of Term 2, 2022.

An extensive suite of online workshops are offered each term to support teachers to understand maintenance requirements and reflect on their practice against the Standards.

**Table 3.4 Maintenance of teacher accreditation key statistics, 2021-22**

**During the 2021-22 reporting year:**

**6,621** teachers completed their first maintenance of accreditation period

**3,373** teachers completed their second (or more) maintenance of accreditation period

## Accreditation of Professional Development Courses Policy

Full implementation of the *Accreditation of Professional Development Courses Policy* (November 2020) (the Policy) started on 28 July 2021, with the publication of final accreditation requirements for courses and the application process. To be accredited, courses are now required to meet a set of principles for effective professional development and specific content criteria for each of the four priority areas, as follows:

- delivery and assessment of NSW Curriculum/Early Years Learning Framework (as applicable)
- student/child mental health
- students/children with disability; and
- Aboriginal education and supporting Aboriginal students/children.

To support the implementation of the Policy we:

- provided support to Authorised Providers, who under the new policy are able to accredit their own courses against the NESAs accreditation requirements
- provided support to other providers to assist them to better understand the new requirements and application process
- established Expert Advisory Panels in the priority areas of student/child mental health, Aboriginal education and supporting Aboriginal students/children

and students/children with disability, areas where we don't have specific expertise

- provided targeted support to a number of large providers through the provision of workshops, where our staff provided advice on developing an effective application; and
- developed sample applications, delivered webinars on developing a successful application, and produced guidelines for uploading courses and participation data into eTAMS.

Membership of the student/child mental health Expert Advisory Panel includes:

- qualified psychologists/counsellors from the three sectors,
- highly respected university clinicians and mental health researchers, and
- an adolescent mental health advisor from NSW Health.

Membership of the Aboriginal education Expert Advisory Panel was drawn from the NESAs Aboriginal Education Forum.

Members of the students/children with disability Expert Advisory Panel was drawn from the NESAs Disability Education Forum.

**Table 3.5 Breakdown of professional development courses across the four priority areas as at 30 June 2022**

**Of the 1,606 accredited courses across the four priority areas there were:**

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**1,192** in the delivery and assessment of NSW Curriculum/Early Years Learning Framework priority area

**171** in the student/child mental health priority area

**179** in the students/children with disability priority area

**64** in the Aboriginal education and supporting Aboriginal students/children priority area.

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## HSC marking Teacher Professional Learning

In conjunction with the Department of Education and Catholic Schools NSW, we facilitated professional development sessions for English, Business Studies, and Maths Standard for teachers from rural and remote high schools. These sessions were conducted via Microsoft Teams and allowed participants to undertake a simulated briefing and practice marking session.

In 2021, the marking of all performance exams, most major projects (including folios), and the language oral exams was undertaken by teachers of the course rather than HSC markers. To support them in this process, we developed HSC Marking Support Packs and Language Support Materials, and teachers received three hours of NESA Accredited PD for engaging with the materials and providing marks for their students.

## Working With Children Check

A Working with Children Check (WWCC) clearance for paid employment is a condition of teacher accreditation and requires renewal every five years. WWCC clearances are administered by the NSW Office of the Children's Guardian (OCG). NESA and employers must verify all WWCC clearances with the OCG. We ensure teachers can update their WWCC clearance as required.

## Revocation, suspension, and voluntary cancellation of accreditation

Teachers may have their accreditation revoked or suspended for:

- misconduct
- failure to comply with a condition of their accreditation; and/or
- failure to demonstrate that their practice meets the Australian Professional Standards for Teachers (the Standards).

Teachers may also voluntarily cancel their accreditation.

During the reporting period, as part of our response to supporting teachers and employers throughout the COVID-19 pandemic, no teacher's accreditation was revoked or suspended for not paying their teacher accreditation fees or for failing to complete their maintenance of accreditation requirements on time.

**Table 3.6** Number of teachers whose accreditation was revoked or suspended for misconduct (under section 24 and/or 25a of the *Teacher Accreditation Act 2004*) during 2021-22

Accreditation Action	Number of teachers
Accreditation revoked	37
Accreditation suspended	17

**Table 3.7** Number of teachers whose accreditation was revoked or suspended for not obtaining a Working with Children Check clearance (under section 25A of the *Teacher Accreditation Act 2004*) during 2021-22. These cases are not misconduct matters.

Accreditation Action	Number of Teachers
Accreditation revoked	2,496
Accreditation suspended	4,321*
Suspension of accreditation removed, and accreditation reactivated	1,118

\* Of the 4,321 teachers suspended during 2021-22, 1,118 teachers had their suspension lifted once they provided a Working with Children Check clearance. The remaining teachers were no longer teaching in NSW. They either retired, were teaching interstate or overseas, or were no longer working as a teacher.

**Table 3.8** Number of teachers whose accreditation was voluntarily cancelled (under section 25E of the *Teacher Accreditation Act 2004*) during 2021-22

Accreditation Action	Number of teachers
Voluntary cancellation of accreditation	2,363

## Internal reviews of decisions about suspension or revocation

During the reporting period, we received five requests for an internal review of a decision to revoke or suspend a teacher's accreditation.

Three requests related to a revocation decision, with one being subsequently withdrawn. Our Inspectors conducted internal reviews of the other two revocation decisions. Both internal reviews affirmed the original decision.

Two requests related to a decision to suspend a teacher's accreditation. One request was declined for not meeting the internal review criteria. A NESAs Inspector conducted an internal review of the remaining decision. The internal review affirmed the original decision.

## NSW Civil and Administrative Tribunal

If a teacher is dissatisfied with the outcome of an internal review decision by NESA to suspend or revoke their teacher accreditation, the teacher may appeal to the NSW Civil and Administrative Tribunal (NCAT).

In the 2020–21 reporting period, a teacher applied to NCAT for a review of our decision to suspend their accreditation. The NCAT decision

was pending at the end of the 2020-21 reporting period and continues to be an ongoing matter.

In the 2021-22 reporting period, a teacher applied to NCAT for a review of our decision from the previous reporting period to revoke their accreditation. The teacher's appeal to NCAT was withdrawn.

# 4

## **School registration and accreditation**

The *Education Act 1990*, *Education Standards Authority Act 2013* and *Teacher Accreditation Act 2004* provide for our responsibilities in relation to school and teacher registration and accreditation, Teacher Accreditation Authority (TAA) regulation, school providers delivering courses to overseas students, and home schooling registration.

## Inspection program overview

**Figure 4.1 NESAs school registration 2021–22 inspection program, key statistics**

**The 2021–22 inspection program included:**

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**95** inspections of individual non-government schools

Monitoring the **government** and **12** non-government school registration systems, in relation to internal assurance mechanisms

Inspection of **1** non-government school selected randomly<sup>1</sup>

**5** inspections of school providers of courses for overseas students

**11** inspections of Teacher Accreditation Authorities (TAAs)

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## Impact of COVID-19 on the inspection program

In response to the COVID-19 pandemic, we amended our 2021 inspection program based on a risk approach. This included the cancellation of inspections of schools selected randomly from 28 July 2021 for the remainder of 2021.

Some adjustments were also made to the 2022 inspection program, up until 30 June 2022. This included adjustments to the scheduling of inspections of schools selected randomly.

## Changes to manuals

In November 2021, we updated the school registration manuals for non-government schools and the government schooling system. The changes included:

- reducing and clarifying the evidence required for teaching staff requirements
- revising and reducing the evidence required and providing flexibility for schools to determine how they meet the requirements for quality of student learning, standard of teaching and student engagement.

The registration process for the government schooling system was amended to streamline and reduce compliance burden on schools. The Department of Education will report annually to us about its compliance assurance processes and the outcomes of those processes.

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<sup>1</sup> The inspection of non-government schools was suspended in 2021 due to the ongoing impacts of the COVID-19 pandemic. From Term 2 2022 onwards, the random inspection program was able to be implemented fully for the first time in three years. This will be reflected in the 2022-23 Annual Report.

## NSW Civil and Administrative Tribunal – school registration

There was one application to the NSW Civil and Administrative Tribunal (NCAT) for a review of our recommendation relating to registration. An individual non-government school appealed to NCAT for an internal review of a NESA recommendation to cancel the school's registration and refuse the school's renewal application for registration due to non-compliance with the requirements for school registration. The NCAT decision was pending at the end of the 2021-22 period.

### Inspection program statistics

On 30 June 2022, there were 974 non-government schools comprising 408 individual schools and 566 systemic schools.

**Table 4.2 NESA Registration and Accreditation Committee recommendations on school registrations, during 2018–19 to 2021–22**

	2018–19		2019–20		2020–21		2021–22	
	Ind.*	Sys.**	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
<b>Renewal of registration (5 years)<sup>(a)</sup></b>								
Primary education	36	249	27	2	28	3	16	183
Secondary education	28	70	26	1	36	5	26	53
Primary and secondary education	53	17	82	5	44	4	40	19
Education of a kind, or for children of a kind	2	0	7	0	4	0	2	0
Exemption from registration	0	0	2	0	0	0	0	0
<b>Total</b>	<b>119</b>	<b>336</b>	<b>119</b>	<b>8</b>	<b>112</b>	<b>12</b>	<b>84</b>	<b>255</b>
<b>Initial registration for new year levels of schooling (1 year)</b>								
Primary education	4	6	7	1	17	1	7	1
Secondary education	13	7	23	1	27	2	20	2
Primary and secondary education	1	5	0	5	2	3	0	2
Exemption from registration	0	0	0	0	0	0	0	0
Provisional initial registration	0	0	0	0	0	0	0	0
<b>Total</b>	<b>18</b>	<b>18</b>	<b>30</b>	<b>7</b>	<b>46</b>	<b>6</b>	<b>27</b>	<b>5</b>
<b>Extension of registration (1 year)</b>								
Primary education	4	0	3	0	4	0	0	0
Secondary education	6	0	0	0	1	0	1	0
Primary and secondary education	4	0	8	0	6	0	1	0



	2018–19		2019–20		2020–21		2021–22	
	Ind.*	Sys.**	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
Total	14	0	11	0	11	0	2	0
<b>Other recommendations on school registrations</b>								
Reduced period of registration (provisional)	0	0	0	0	0	0	0	0
Cancel registration	0	0	1	0	1	0	0	0
Initial registration of new schools	5	7	6	3	8	1	19	4
Registration of new campuses of existing schools	7	1	7	1	8	2	9	0

\* Ind. = individual non-government schools

\*\* Sys. = systemic non-government schools belonging to a registration system

(a) The variation in the number of recommendations for renewal of registration for each reporting year reflects the number of schools with registration expiring in each reporting year.

**Table 4.3 NESAC Registration and Accreditation Committee recommendations on accreditation, recognition for schools outside NSW and other matters during 2018–19 to 2021–22**

	2018–19		2019–20		2020–21		2021–22	
	Ind.*	Sys.**	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
<b>Renewal of accreditation (5 years)<sup>(a)</sup></b>								
Courses leading to the award of the Record of School Achievement	67	77	98	0	60	4	52	68
Courses leading to the award of the Higher School Certificate	61	64	87	1	51	3	45	68
<b>Initial accreditation for registered schools (1 year)</b>								
Courses leading to the award of the Record of School Achievement	6	7	2	2	8	1	4	1
Courses leading to the award of the Higher School Certificate	4	4	8	2	6	2	4	1
<b>Other recommendations on accreditation</b>								
Reduced period of accreditation (provisional)	0	0	0	0	0	0	0	0
Cancel accreditation	0	0	1	0	0	0	1	0

	2018–19		2019–20		2020–21		2021–22	
	Ind.*	Sys.**	Ind.	Sys.	Ind.	Sys.	Ind.	Sys.
Initial accreditation for new schools for courses leading to the award of the Record of School Achievement	1	3	3	3	3	0	3	1
Initial accreditation for new schools for courses leading to the award of the Higher School Certificate	1	1	1	1	2	0	0	0
<b>Recognition for schools outside NSW</b>								
Courses leading to the award of the Record of School Achievement		0		2		1		1
Courses leading to the award of the Higher School Certificate		0		2		2		4
<b>Other matters</b>								
Recognition as a special school	6	1	11	1	11	1	6	3
Recognition as a special assistance school	8	2	5	0	9	0	8	0
School closed	5	2	4	4	2	4	4	3
Campus closed	9	4	3	1	8	1	6	0
Approval of school providers of courses for students from overseas	21 <sup>(b)</sup>		47 <sup>(b)</sup>		15 <sup>(b)</sup>		19 <sup>(b)</sup>	
Approval of Teacher Accreditation Authorities	68		109		44		30	

\* Ind. = individual non-government school

\*\* Sys. = systemic non-government schools belonging to a registration system

(a) The variation in the number of recommendations for renewal of accreditation for each reporting year reflects the number of schools with accreditation expiring in each reporting year.

(b) Includes recognition of school providers of English Language Intensive Courses for Overseas Students.

**Table 4.4 New schools granted initial registration in 2021 to commence in the 2022 calendar year**

School	Location	Year Level
Arrahman College	Austral	Kindergarten to Year 2
Blue Gum Community School	Hornsby	Kindergarten to Year 2
Gumbaynggirr Giingana Freedom School	Coffs Harbour	Kindergarten to Year 2
Hartford College	Daceyville	Year 5
OneSchool Global NSW – Albury	Lavington	Years 3 to 12

School	Location	Year Level
OneSchool Global NSW – Armidale	Armidale	Years 3 to 12
OneSchool Global NSW – Condobolin	Condobolin	Years 3 to 12
OneSchool Global NSW – Cowra	Cowra	Years 3 to 6
OneSchool Global NSW – Goulburn	Goulburn	Years 3 to 12
OneSchool Global NSW – Illawarra	Maddens Plains	Years 3 to 12
OneSchool Global NSW – Leeton	Leeton	Years 3 to 12
OneSchool Global NSW – Maitland	East Maitland	Years 3 to 12
OneSchool Global NSW – Mount Victoria	Mount Victoria	Years 3 to 12
OneSchool Global NSW – Orange	East Orange	Years 3 to 12
OneSchool Global NSW – Wagga Wagga	Wagga Wagga	Years 3 to 12
Pacific Gulgangali Jarjums Christian School	Tweed Heads South	Kindergarten to Year 6
St Peter's Heart	Campbelltown	Kindergarten to Year 6
Yattalunga Valley Christian School	Green Point	Kindergarten to Year 2

**Table 4.5 New Teacher Accreditation Authorities granted initial approval to commence in 2021-22**

TAA	Associated schools/ECECs
Arrahman College Limited	Arrahman College
South Coast Anglican Schools Board	Sapphire Coast Anglican College St Peter's Anglican College - Broulee
The Anglican Schools Commission Incorporated	Trinity Anglican College - Albury

**Table 4.6 Schools closed during 2021–22**

<b>School</b>	<b>Location</b>	<b>Year level</b>
Blue Gum Community School	Hornsby	Kindergarten to Year 2
Eileen O'Connor School	Tuggerah	Kindergarten and Year 1
Hartford College	Daceyville	Year 5
St Francis Xavier Primary School	Urana	Kindergarten to Year 6
St Joseph's Catholic Primary School	Rosebery	Kindergarten to Year 6
Taylors College	Waterloo	Year 12
The King's School, Tudor House	Moss Vale	Kindergarten to Year 6

**Table 4.7 Teacher Accreditation Authorities closed during 2021-22**

<b>TAA</b>	<b>Associated schools/ECECs</b>
Masada College	Masada Cottage Early Learning Centre Masada College
Medowie Christian School Limited	Medowie Christian School
St Paul's College Ltd	St Paul's College

**Table 4.8 Complaints about non-government schools investigated by NESA officers during 2018–19 to 2021–22**

	2018–19	2019–20	2020–21	2021–22
Investigations completed – individual schools	3	2	1	2
Investigations completed – systemic schools	0	0	0	0
Investigations completed – schools with overseas recognition	0	0	0	0
Complaints substantiated (in full or in part)	3	2	1	2
Number of complaints investigated and substantiated per requirement <sup>(a)</sup>				
Governance	0	0	0	0
Teaching staff	0	0	0	0
Curriculum	0	1	0	0
Safe and supportive environment	2	1	0	0
Premises and buildings	0	0	0	0
Facilities	0	0	0	0
Discipline	1	2	1	1
Attendance	0	0	0	0
Management and operation of the school	0	0	0	1
Educational and financial reporting	0	0	0	0
Boarding facilities	0	0	0	0

a) For some schools, the complaint related to more than one issue or requirement.

## Teacher Accreditation Authority (TAA) complaints

We have not received a complaint about a TAA regarding concerns about systemic non-compliance with the requirements for approval.

## Home schooling registration

In response to the COVID-19 pandemic, we temporarily ceased home visits but continued to assess applications for home schooling registration using a risk-based approach. This temporary process involved assessing applications by documentation review and video/audio technology rather than by home visits.

During 2021–22, the number of children registered for home schooling continued to grow (Table 4.9). The increase observed at the start of the COVID-19 pandemic continued into the 2021-22 period.

We continued to engage with the Home Schooling Consultative Group throughout this period on a range of issues impacting home schooling students, including curriculum reform.

## NSW Civil and Administrative Tribunal – home schooling registration

One parent applied to the NSW Civil and Administrative Tribunal (NCAT) – Administrative and Equal Opportunity Division under the *Anti-Discrimination Act 1977*. The NCAT decision was pending at the end of the 2021-22 reporting period.

## Home schooling registration statistics

**Table 4.9** Number of children registered and exempt from home schooling registration, and number of families, at the end of reporting period for 2018–19 to 2021–22

	2018–19	2019–20	2020–21	2021–22
Number of children with registration	5,698	6,534	7,808	12,149
Number of children with exemption from registration	189	196	235	359
Number of families with registered children, including those with exemption from registration	3,579	4,086	5,037	7,724

# 5

**NSW Curriculum  
achievements**

## Supporting the Kindergarten to Year 12 curriculum

We have continued to support teachers, schools, school sectors, professional teacher associations and community members to implement the curriculum through the provision of information via our website, written and phone discussions, as well as professional learning activities.

We worked closely with school sectors to support the piloting, planning and implementation of new K-2 English and Mathematics syllabuses. We will continue to work with sectors in 2022-2023 to support planning and implementation of new syllabuses in schools, and to support teachers with resources and professional learning.

## Progress on implementation of the NSW Curriculum Reform

We delivered key priorities of the NSW Curriculum Reform program during 2021–22:

- **New K–2 English and Mathematics syllabuses and support materials** were released in November 2021 and published on a new Digital Curriculum platform. The syllabuses were informed by over 1,200 stakeholder responses across two rounds of public consultation. The new syllabuses support diverse learning needs and are designed to be accessible to all students. Access content points have been developed to support students with significant intellectual disability who are working towards outcomes in Kindergarten. This is the first time in NSW the K–6 curriculum has included specific content for students with significant intellectual disability.
- We launched the NSW Primary Curriculum Professional Learning Course (English and Mathematics K–2 modules) on a **new Online Learning hub** in March 2022. The course supports teachers to understand the reformed curriculum structure and the evidence base that underpins new syllabuses. At 27 June

2022, 1,762 NSW teachers achieved NESA accredited Professional Development (PD) for completing the English K–2 module; 1,068 NSW teachers achieved NESA accredited PD for completing the Mathematics K–2 module.

- A number of syllabuses were developed and publicly consulted on. English and Mathematics 3–6 and 7–10 draft syllabuses continue to strengthen literacy and numeracy across all year levels. New Classical Languages and Modern Languages draft syllabuses for the early and middle years enable schools to teach any language of their choice and provide a pathway for students through K–10 and into HSC languages courses. An Auslan K–10 draft syllabus was developed and will be available in the NSW curriculum for the first time.
- We reviewed the impacts of NESA compliance requirements on teacher time, analysing over 110 written submissions from teacher groups and stakeholders on their experiences and views. The NESA Board endorsed the findings of the review and a range of actions to **create more time for teaching and learning**, targeting the compliance matters of highest priority from teachers' point of view. The actions include changes to teacher accreditation and the Teacher Accreditation Act, and proposals to reduce administrative burden; changes to school registration manuals to reduce curriculum records and evidence that schools need to have; clarifying and updating the Assessment Certification and Examination rules for the RoSA and HSC; and providing more support for teachers through a digital curriculum with clearly sequenced, essential content in an accessible format linked to teaching resources.
- We collaborated with TAFE NSW to develop **20 new VET courses for online delivery from 2022**, meeting the reform commitment to provide more opportunities for credit towards VET qualifications.



We progressed work on senior secondary reform initiatives in 2021-22 including:

- Over the course of the 2021 and 2022, we consulted with a wide range of education stakeholders on the NSW Curriculum Review's recommendation about strengthening students' understanding of post-school pathways. In November 2021 the Board approved our proposal to develop **clearer course overviews** for Stage 6 and VET subjects that link subjects to industries and skills. These will enable students to better understand the skills they will develop and assist when they are selecting HSC subjects and planning post-school pathways.
- Preliminary work was undertaken on the introduction of a major investigative project in the senior years of schooling.

## WriteOn competition

WriteOn 2021 marked the 12<sup>th</sup> year of the competition, and with almost 600 entries received, it was the biggest WriteOn competition to date. WriteOn is our annual writing competition for students from Years 1 to 6. It provides opportunities for students to demonstrate their imaginative writing skills in response to a stimulus image provided by the State Library of NSW. Eighteen Gold award winners were congratulated through online celebrations, and all Gold, Silver and Bronze winners – 50 in total – had their work published in the annual anthology. This resource is available for schools as they work to strengthen the quality of students' writing in support of the English K–10 Syllabus.

## Curriculum and Assessment Framework for Languages (CCAFL)

The CCAFL is a national curriculum and assessment framework for small candidature language courses at senior secondary level. NSW has been engaged in this national project to ensure smaller language courses can continue to be offered to students in NSW in Years 11 and 12.

During 2020–2021 the CCAFL Continuers Framework was reviewed for the first time in over

30 years. The reviewed framework reflects current developments in language learning and teaching, align to the Australian Curriculum F–10, and provide greater flexibility for jurisdictional contexts.

Currently 27 small-candidature Continuers-level language courses are offered nationally. We provide 17 of those languages for NSW students. National consultation on the Framework occurred in March and April 2021. It was endorsed by NSW in July 2021 and approved nationally in October 2021.

We are now developing the CCAFL Stage 6 Continuers language syllabuses for the 17 CCAFL languages offered in NSW. The individual language syllabuses are based on the renewed CCAFL Framework. We are the lead agency for developing the Armenian, Croatian, Filipino, Serbian, and Swedish language-specific materials, and HSC assessment nationally.

We will deliver the new CCAFL Continuers syllabuses for preparation and planning in 2023 and for full implementation for Year 11 in 2024 and Year 12 in 2025.

We will also shortly release new CCAFL in Context syllabuses for Chinese, Japanese and Korean. These syllabuses are part of the national Framework. The syllabuses will be available for use in all states and territories.

## Vocational education and training (VET)

Our VET curriculum – including 12 Stage 6 VET Industry Curriculum Framework syllabuses, approximately 100 Stage 6 VET Board Endorsed courses and 10 Stage 5 VET Board Endorsed courses – supports secondary students to pursue their interests, while achieving dual accreditation of a RoSA or HSC and national VET qualification.

Students may undertake a VET qualification as part of a school-based apprenticeship or traineeship, providing a head start to future success in their chosen career.

Through 2021, we worked collaboratively with the NSW Department of Education and TAFE (Technical and Further Education) NSW to improve existing Frameworks, to support 20 job-

targeted, ATAR-eligible VET courses for delivery online from 2022. This initiative met a NSW government commitment which aimed to improve accessibility to VET, particularly for students in rural and remote NSW.

Information about [VET curriculum](#) and [school-based apprenticeships and traineeships](#) is available on the NESA website.

## Australian Curriculum

During 2021–22, the NSW Curriculum Reform took place concurrently with the review of the F–10 Australian Curriculum. Our officers sat on Australian Curriculum, Assessment and Reporting Authority (ACARA) subject reference groups to foster alignment between NSW Curriculum and reform priorities, and Australian Curriculum. We adopted and adapted Australian Curriculum content in revised K–10 syllabus concepts where appropriate, to meet NSW contexts and needs. We will continue to work closely with ACARA to align the reviewed Australian Curriculum with the NSW Curriculum Reform Program.

All Australian Education Ministers endorsed the F–10 Australian Curriculum in April 2022 at the Education Ministers Meeting.

## Priority areas for 2022–23

- We will continue to work with school sectors and other stakeholders to develop guiding principles for the publication and reporting of HSC data from 2022.
- A new English and Mathematics curriculum for Years 3–10 will be made available to NSW schools on the Digital Curriculum platform from 2023, along with other new syllabuses from various learning areas across K–12. We will prioritise the development of accompanying syllabus support materials, including Professional Learning Course modules.
- New syllabuses will include clear and explicit content on writing implementing the recommendations of our Thematic Review of Writing.
- Additional features of the new NSW Curriculum website will focus on accessibility of information and resources for teachers, parents, carers, and students.
- An independent evaluation of our implementation of the Curriculum Reform program will commence in 2022 to identify areas to further enhance and measure reform achievements against stated policy objectives.
- To deliver strengthened post-school pathways, we will publish clearer course overviews and pilot skills statements for all Stage 6 syllabuses and VET courses; provide advice to NSW Government on the introduction of a major investigative project in the senior years of schooling; redesign the RoSA credential to be more valuable and meaningful for students; review VET curriculum structure to strengthen vocational education pathways; and update and clarify the rules and requirements for the HSC and RoSA credentials.

6

**Student assessment**

Figure 6.1 NESAs activity related to the 2021 Higher School Certificate

66,949

HSC testamurs awarded

72

students sat the examinations outside NSW under individual circumstances

115

HSC examinations developed

Over

16,500,000

pages of examination papers printed

19

days of written examinations

7,573

examination supervisors

4,990

HSC markers

82

supervisors of marking

88%

of courses marked totally or partially on screen

716

students completed Science Extension which has an online HSC examination

# Higher School Certificate (HSC)

Under the NES Act, we are responsible for issuing the:

- HSC at the completion of Year 12
- Record of School Achievement (RoSA) to eligible students who leave school before completing the HSC.

The HSC and RoSA credentials provide students with a comprehensive and meaningful report of what they have accomplished during their schooling. These credentials are important documents for students seeking employment, further education, and university entrance.

## Changes to the 2021 HSC examinations

In 2021, ongoing restrictions relating to the COVID-19 pandemic required a number of changes to the HSC examinations. The COVID-19 Response Committee endorsed the following changes:

- The marking of all performance exams, most major projects (including folios), and the language oral exams was undertaken by teachers of the course rather than HSC markers
- The hand-in date for English Extension 2, Society and Culture, Music 1, Music 2, and Music Extension was extended by two weeks

- The written examinations commenced on 9 November (delayed 4 weeks from 12 October)
- The 18 Collaborative Curriculum and Assessment Framework for Languages (CCAFL) language exams were not held in NSW, as the date for these exams is set nationally and did not align with the revised exam timetable
- Students received their results on 20 January 2022
- The COVID-19 Special Consideration Program was made available to all HSC students
- Year 12 students were permitted up to six attempts at the HSC Minimum Standards tests and could make use the COVID-19 Special Consideration Program.

Wherever possible, HSC markers were briefed and trained remotely using video conferencing and marking was undertaken online. All judging sessions were conducted remotely. Additional marking venues were acquired so that those marking staff who needed to attend at the marking centre could be safely accommodated.

## 2021 HSC results

We issued students their HSC results via email and SMS in 2022. Students' results were also made available via the Students Online website.

We provide [a number of HSC results services](#) for students, teachers and principals. More information on these services is available on the NES website.

### Figure 6.2 HSC results services key statistics, 2021-22

During the 2021-22 reporting year:

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**792** student inquiries to HSC Results Inquiry Centre (excluding PIN requests)

**919** students ordered one or more post-HSC services, with **1,156** total items requested from HSC post-results service

**846** schools accessed the Results Analysis Package, with **16,165** unique users

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## HSC marking opportunities

Each year, HSC marking is done via pen-and-paper process or onscreen marking. The onscreen marking and metropolitan/regional day marking programs for the 2021 HSC supported teachers from rural and regional schools across NSW to access HSC marking opportunities.

In 2021, day marking was conducted at two marking centres in metro and regional areas (Sydney and Coffs Harbour). We met the cost of employing casual teachers to replace teachers appointed to attend briefing or marking sessions during school hours.

We continued to offer increased opportunities for teachers in regional locations by use of online briefing and marking for markers.

In 2021, more teachers participated in the Rural and Remote Marking Program due to the need for additional markers and reserve markers as a contingency for COVID-19 disruptions.

## Student support for the HSC

### Disability provisions

To support students with disability to access the HSC exams, our Disability Provisions program provides practical support to assist students to read and respond to the exam where needed.

Our disability provisions program complies with the *Disability Discrimination Act 1992* (Cth) (DDA) and the *Disability Standards for Education 2005*, issued under the DDA, and requires that a student is neither advantaged nor disadvantaged through the allocation of provisions.

The applications for HSC Disability Provisions continued to rise considerably in 2021.

Applications were received for 13.2% of the HSC exam cohort in 2021, which is up from 12.1% in 2020.

Whilst numbers of student applications have risen sharply in the last 2 years, the approval rate

has maintained between 96.0-96.6% of applications fully or partially approved of the last 4 years.

The full published statistics can be viewed on the [NESA website](#).

### HSC illness/misadventure applications

For students who are prevented from attending an exam or whose performance was impacted due to an unexpected illness and/or misadventure the HSC illness/misadventure program is available for students to submit applications.

There was an increase in the number of illness/misadventure applications, up from 4,137 in 2020 to 4,997 in 2021. This increase can mainly be attributed to students being required to isolate either due to contracting COVID-19 or displaying symptoms and therefore unable to attend exams.

The rate of upheld exam components remains steady between 82-84% in the last 4 years.

### Minimum standard literacy and numeracy tests

2021 was the second year students were required to demonstrate a minimum standard of literacy and numeracy to be awarded the HSC. Students meet the standard by sitting online tests in the domains of reading, writing and numeracy. Life Skills courses are designed to provide an equitable pathway to the HSC credential for students with an intellectual disability. Some students with a disability who are studying Life Skills courses are exempt from meeting the minimum standard, though can complete the tests if they want to.

After completing their first HSC course, students have up to five years to meet the minimum standard.

In 2021:

- We increased the number of test attempts allowed for students, from 4 to 6, and decreased the minimum interval between test attempts, from 30 days to 14. This decision was made to support students in response to COVID-related disruptions.
- A small number of Year 12 students were able to demonstrate the minimum standards via teacher assessment, as part of the COVID-19 Special Consideration program. This accounted for 2% of students who were awarded the HSC in 2021.
- 1% per cent (586) of students, otherwise eligible for the HSC, did not meet the HSC minimum standards.
- 77 post Year 12 students applied to sit one or more HSC Minimum Standards test in reading, writing or numeracy.

## National Assessment Program – Literacy and Numeracy (NAPLAN)

The NAPLAN tests identify whether students have the literacy and numeracy skills that provide the foundation required to progress in their learning.

### During the 2021-22 reporting year:

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**380,234** NSW students sat NAPLAN in 2022

**1,470,072** NAPLAN tests were completed in NSW, of which **1,377,028** were completed online

NESA received **5,450** calls and **1,896** emails during the NAPLAN test window (10 May – 3 June 2022).

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## Supporting the transition to NAPLAN Online

In 2022 NSW successfully completed the transition to online testing. Of the 3,101 NSW schools participating in NAPLAN, 925 schools were online for the first time. We supported the schools preparing to transition in 2022 from Term 3 2021 to Term 1 2022 to complete a school

We are the test administration authority for all schools in NSW and for international schools registered with NESA. More [information on NAPLAN](#) is available on the NESA website.

## 2021 NAPLAN results

In 2021 the reports packages were dispatched to schools in early September. Despite the impacts of the COVID lockdowns, reports were distributed to parents in a timely manner.

The NSW NAPLAN data showed that there was a steady improvement, with a significant increase in:

- Year 3 Reading and Grammar and Punctuation
- Year 5 Reading, Spelling and Numeracy.

NSW had the highest mean in Spelling and Writing for Year 3 to Year 7. Overall, the NSW mean score is above the national average in each domain for all year levels.

## 2022 NAPLAN tests

In 2022, we supported 3,101 NSW schools in the administration of the NAPLAN tests.

readiness test in preparation to move online. The period to complete the readiness activities was significantly extended due to the impact of the COVID lockdowns in Term 3, 2021.

In 2023 we will continue to support schools to administer NAPLAN with particular focus on preparing schools for the move of NAPLAN from Term 2 to Term 1.

## Australian Music Examinations Board (NSW)

This twelve-month period saw significant changes to the delivery of music or speech and drama exams during the COVID-19 pandemic. Government health restrictions and lockdowns resulted in the cancellation of exams scheduled for metropolitan and regional centres across NSW and the Australian Capital Territory (ACT). For a significant portion of the examination year examiners were unable to travel to regional centres, candidates were unable to attend their scheduled examinations, and many venues normally used by the AMEB (NSW) throughout NSW and the ACT were not available to host exams.

AMEB (NSW) administered 23,751 exams in the 2021 calendar year. 14,840 of these were held via video submission.

AMEB (NSW) administered 81 practical music syllabuses, 4 practical speech and drama syllabuses and 4 online written syllabuses. In addition, AMEB (NSW) delivered Rockscool examinations for 22 music syllabuses.

In late June 2022, our CEO Paul Martin presented diplomas to 142 Associate Diploma recipients and 40 Licentiate Diploma recipients who successfully completed their music or speech and drama studies in 2021.

Further information about AMEB Ltd and their operations can be found in their [2020-21 Annual Report](#) and on [the AMEB website](#).

The AMEB (NSW) Constitution sets out the composition, objective, role, and functions of the AMEB (NSW) Board. Further information on their Board can be found on [the AMEB NSW website](#).



**7**

**Our commitment to  
ensuring Continuity  
of Education**

## The COVID-19 Response Committee

In November 2020 the NSW Minister for Education and Early Learning approved the NESA Board's establishment of the COVID-19 Response Committee.

During the reporting period, the Committee met 19 times to monitor the ongoing COVID-19 pandemic as it related to the continuity of education in NSW. The Committee made a series of decisions around the delivery of the 2021 Higher School Certificate and the Special Consideration Program for 2021. Further details on this program are provided in Section 5.2 of this report.

The COVID-19 Response Committee comprised of:

- Professor Peter Shergold (Chair)
- Jenny Allum
- Denis Fitzgerald
- Georgina Harrison
- Paul Martin
- Dallas McInerney
- Dr Geoff Newcombe

The Committee made decisions in line with published advice from the Australian Health Protection Principal Committee (AHPPC), which is supported by NSW Health.

Detailed information about the COVID-19 Response Committee and other NESA decisions and actions undertaken in response to the pandemic are available on the [COVID-19 advice section of the NESA website](#).

On 1 July 2022, the Minister approved expanding the scope of the COVID-19 Response Committee to address the impact of other crisis events such as natural disasters. As a result, this Committee has been reconstituted as the NESA Continuity of Education Committee with a broader approach to managing our response to disruptive crisis events such as bushfires and flooding, while maintaining education continuity.

## Impact of COVID on teacher accreditation in 2021-22

### Making adjustments for initial teacher education students

We continued to make a number of policy adjustments through 2021-2022 in the ITE area by providing NSW universities flexibility in complying with our *Professional Experience in Initial Teacher Education Policy*.

These included continuing to support alternative approaches to professional experience, such as remote teaching and small group and team teaching. Our adjustments also included adopting a systematic approach to conditionally accredited final year ITE students being approved to undertake a professional experience placement in their school of employment. To ensure rigour in this, we established protocols to ensure that ITE students had undertaken an earlier professional experience in another school and that the school was committed to undertake a fair and impartial assessment of the ITE student's performance against the Graduate Standards.

### Reducing the impact of COVID-19 on teaching and learning

We continued to adjust our teacher accreditation processes throughout 2021-22. We extended the submission timeframe for a large cohort of teachers who were working towards their Proficient Teacher accreditation and a significant number of teachers who needed to complete their maintenance of accreditation in 2021-22.

This meant we did not cease, suspend, or revoke the accreditation of any teacher throughout 2021-22 for not completing their accreditation requirements on time. This allowed teachers to focus on their teaching and gave more certainty to schools regarding teacher supply.

To further address teacher supply, teachers wishing to return to teaching were provided with a one-off interim re-accreditation period before their applications were submitted and considered by the Re-Accreditation Panel. This streamlined

the process and allowed teachers to return to the classroom more quickly.

In recognition of the ongoing professional growth of teachers throughout the COVID-19 pandemic, we credited teachers who were actively maintaining their accreditation 5 hours of Accredited PD in the priority area of 'delivery and assessment of the NSW Curriculum/Early Years Learning Framework'.

During the reporting period, we also continued to allow online observations of practice for teachers working towards Proficient Teacher accreditation or applying for higher levels of accreditation, adding further flexibility to our accreditation processes.

## Planning for HSC contingencies

Throughout 2021, we regularly met with representatives from education sectors, unions, and NSW Health to plan COVID-safe plans and protocols for HSC exams and marking operations. The key focus was responding to the evolving COVID-19 situation and to plan for a range of scenarios.

## Support for teachers, students, and schools in flood-affected areas

In March 2022, a number of non-government schools in flood-affected areas of NSW needed to relocate to temporary sites due to flood damage. Given the challenges faced by these schools and communities, we adjusted our usual notification processes and reduced administrative burden and stress on school personnel by not requiring schools to submit a formal notification of a change in premises or conducting site inspections of temporary school premises.

We also reviewed our 2022 regulatory school inspection program and removed any affected schools from the program to avoid placing unnecessary demand on the school community. We worked with schools to provide support and flexibility in relation to processes for renewing their registration.

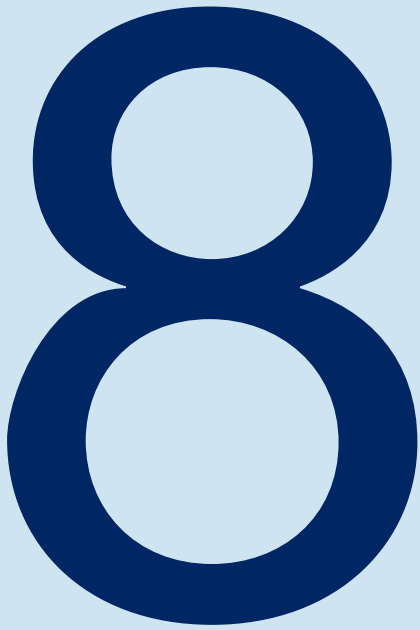
Our response and actions aimed to provide a compassionate and understanding approach to the circumstances school personnel were facing by offering flexibility to schools during and following the flood disaster while remaining consistent with our regulatory risk framework.

We contacted approximately 173 teachers directly who were impacted by the floods in Northern NSW (Lismore and surrounding Local Government Areas) and whose Working with Children Check (WWCC) clearance was due for renewal. We worked closely with the Office of the Children's Guardian (OCG) and Service NSW to support these teachers to renew their WWCC. Teachers who were not working or no longer teaching were supported to apply for a Leave of Absence, placing their accreditation on hold, and negating the need for them to renew their WWCC until they resume teaching.

We have delivered a Flood Support Program (the Program) to identified schools in the Northern Rivers, in recognition of the unique set of challenges facing some HSC students in their final year of school. The Program is delivered on a case-by-case basis, in direct consultation with principals and school executives to ensure schools are most appropriately supported.

The support we have offered schools includes:

- Supporting schools to document the impact of the floods on practical and performance exams for I/M and lodging the applications on their behalf.
- Providing teachers with access to practical and performance HSC flood support packs and delivering workshops to teachers to support students continuing with their work.
- Extending submission dates for practical and performance exams, and for school-based assessment marks and grades.
- Providing flexibility for schools to determine when we will mark performance and practical works within the HSC marking period.
- Providing schools with communications and fact sheets that outline the support we are providing.



**Our commitment to  
Aboriginal Education**

The NESA Commitment to Aboriginal Education was developed in 2017, when it was formally signed by NESA and the NSW Aboriginal Education Consultative Group (AECG). Its guiding principles include for NESA to conduct its work on Aboriginal education with regard to: Recognition, Respect, Engagement and Collaboration, using a Strength-based approach, Accountability, Reciprocity and Planning.

We seek to improve outcomes for Aboriginal people and communities in NSW, against the Government's Closing the Gap targets. We review our Commitment to Aboriginal Education and developing strategies that underpin the Commitment with cross agency, cross sector, and community liaison. This work is supported by our Aboriginal Education Forum and the NESA Board.

## Aboriginal identified positions

In line with the aims of the NSW Public Sector Aboriginal Employment Strategy, Aboriginal-identified roles are offered to attract and recruit Aboriginal staff. As of 30 June 2022, 15 roles were Aboriginal identified and embedded across different arms of the organisation including Curriculum Reform and Curriculum and Assessment divisions, and the Ministerial, Board and Executive Services Directorate.

## Aboriginal Education Forum

The Aboriginal Education Forum is an advisory body of the NESA Board. It provides an opportunity for Aboriginal Education stakeholders and experts to engage with each other on topics of relevance to NESA and Aboriginal Education. The Forum also provides advice regarding the exercise of our functions and relevant community matters in relation to Aboriginal Education.

The Forum continues to be chaired by Nathan Towney who is a NESA Board member. The Forum also includes representatives of the NSW AECG, each education sector, unions, and government, including the NSW Department of Education, Catholic Schools NSW, the Association of Independent Schools NSW, the National Indigenous Australian Agency, NSW Teachers' Federation, and the Independent

Education Union NSW/ACT and selected Aboriginal teacher representatives from each school sector. Our executive leadership and key staff support Forum meetings.

The Forum met four times during the reporting period – once during each school term. Regular updates have included our Commitment to Aboriginal Education and Reconciliation Action Plan (RAP) matters, our COVID response, Professional Development Accreditation for Teachers, and Curriculum Reform and Teacher Accreditation Reform matters.

## National Sorry Day and National Reconciliation Week 2022

National Sorry Day (26 May 2022) was observed across our agency via a message to all staff from the CEO to remember and acknowledge Aboriginal and Torres Strait Islander peoples who were forcibly removed from their families and communities, known as 'The Stolen Generations'.

We observed National Reconciliation Week (27 May to 3 June) with a range of activities and events offered by Aboriginal and non-Aboriginal staff to promote the 2022 theme - 'Be Brave. Make Change'.

During National Reconciliation Week, all staff messages were circulated daily highlighting an Aboriginal or Torres Strait Islander news source or social media site. These daily messages focussed on News, Food, Fashion, Science and Technology, and Music and Art.

Special events during the week included: a live online musical performance by our staff members of an original song - 'Voice, Treaty and Truth' – which referenced the Uluru Statement from the Heart; a presentation by a staff member on Aboriginal and Torres Strait Islander art; and at the end of the week, an online group reflection/conversation about Reconciliation. These events prompted positive engagement with participating staff.

Staff use of email banners or teams 'backgrounds' promoting 'Be Brave. Make Change' was widespread.

## NAIDOC Week 2021 ‘Heal Country’

We observed NAIDOC Week and its theme of ‘Heal Country’ 2021 from July 4 to July 11. Due to COVID disruption, the week has observed via a message to all staff from the CEO., which included links to information on understanding what Country means, exhibitions, and other events that staff could attend virtually.

## Reconciliation Action Plan (RAP)

We began work in early 2022 on renewing the NESA Reconciliation Action Plan. A working group has been established comprised of Aboriginal and non-Aboriginal staff. This work will continue into the next reporting period.

## Jawun secondment

One staff member participated in the Jawun secondment program in this reporting period. Due to the COVID-19 disruption this was a virtual secondment. The Jawun cultural immersion and professional learning experience placed the staff members in Indigenous owned organisations and in contact with people and communities in the Ngaanyatjarra Pitjantjatjara Yankunytjatjara (NPY) region to conduct project work in a mutually beneficial way. Projects included assisting with finance services and auspicing (NPY). This builds on participation in the previous financial year in support of the Anangu Pitjantjatjara Yankunytjatjara (APY) Lands in Central Australia. Staff involved in the program have had the opportunities to share their learning from their Jawun experience with the wider organisation. Further information on this initiative is provided in Section 10.

## Aboriginal procurement

In 2021–22, we engaged several Aboriginal-owned and Supply Nation certified businesses to support Aboriginal economic participation in NSW and alignment with the NSW Government’s Aboriginal Procurement Policy and NESA’s RAP.

We engaged the following businesses:

1. Cultural Choice for corporate office supplies that visually represent Aboriginal culture and knowledges. Engaging Cultural Choice has been a conscious commitment to procuring office supplies that connect us to Cultural Choice’s overall vision of building stronger futures for Aboriginal children.
2. First People Recruitment Solutions (FPRS) for staffing support during the 2021 Higher School Certificate and in response to the COVID-19 pandemic. FPRS is a 100% Aboriginal owned and managed recruitment agency that places a diverse talent of Aboriginal and Torres Strait Islander professionals into corporate organisations. Our engagement with FPRS ensures we continue diversifying our workforce.
3. Goanna Solutions to pilot the digitisation and streamlining of existing briefing and correspondence processes within the Ministerial Board and Executive Services (MBES) Directorate. Goanna Solutions is an Aboriginal majority owned social enterprise committed to driving opportunities for Aboriginal peoples to participate in the digital economy.
4. Western Plains Security & Locksmiths (WPSL) to provide security support services during the 2021 HSC in the Central West region of NSW. WPSL are an Aboriginal majority owned company that provide a complete Security Solution for all Domestic, Commercial, Government and Mining Sectors, supplying qualified tradesmen & mobile workshop services.

## Dedicated unit in Aboriginal education in all NSW Initial Teacher Education programs

NSW was the first state in Australia to introduce a requirement of a unit of study in Aboriginal education in all ITE degrees. This acknowledges the crucial role that teachers have in meeting the needs of Aboriginal students but also ensuring that all NSW students have a sound understanding of Aboriginal histories, cultures, and languages.

From 2021, all commencing ITE students will complete a dedicated unit of Aboriginal Education that has been designed to meet local contexts and priorities and include appropriate pedagogical content knowledge to teach all students about Aboriginal histories, cultures, and languages. This dedicated unit is in addition to long-standing requirements for cross-curriculum studies in Aboriginal education and teaching Aboriginal students.

## Teacher professional development in Aboriginal education

Under the new professional development requirements announced in November 2020, all teachers need to complete NESA Accredited professional development in Aboriginal education and supporting Aboriginal students/children as a priority area for all teachers in NSW.

Further information on this required is provided in Section 3.

We also established an Expert Advisory Panel comprised of members of the Aboriginal Education Forum, to provide advice where required to ensure that providers of courses in this area are well-regarded and courses being accredited contain culturally appropriate content and pedagogies.

## Aboriginal education in the curriculum

In 2021-22, the NSW curriculum supported the educational success of Aboriginal and Torres Strait Islander students in a range of ways:

- The NSW curriculum reform syllabus development process ensured continued involvement of Aboriginal and Torres Strait Islander people.
- Advice for schools and teachers in relation to supporting Aboriginal students, and Aboriginal and Torres Strait Islander principles and protocols was published on the new digital curriculum platform. Further support will be released as part of NSW curriculum reforms.
- Aboriginal and Torres Strait Islander histories and cultures was embedded in new NSW syllabuses as a Learning across the curriculum priority.
- We commenced work to implement Recommendation 5.3 of the NSW Curriculum Review, to specify what every student should know and understand about Aboriginal Cultures and Histories. This will be essential learning in Human Society and its Environment for all students in Kindergarten to Year 10.

New NSW syllabuses will be accompanied by support material, teaching advice and professional development. Advice in relation to Aboriginal students and Aboriginal and Torres Strait Islander histories and cultures will be embedded where appropriate.

## Aboriginal Languages

We provide curriculum and support for Aboriginal Languages through the *Aboriginal Languages K–10 Syllabus* and the *Aboriginal Languages Stage 6 Syllabus (Content Endorsed Course)*.

2021 completion data for Aboriginal Languages Stage 5 elective and Stage 6:

- Year 10 – 64 students
- Year 11 – 13 students
- Year 12 – 4 students.

In 2021–2022, we continued development of a new Aboriginal Languages K–10 Syllabus, aligned with NSW curriculum reforms, and commenced preparation for release on the new digital curriculum platform.

The new syllabus supports the rights and aspirations of NSW Aboriginal communities to revitalise their languages, and the potential for some to achieve first language usage within the life of the syllabus.

The new syllabus enables students in Years 7–10 to meet mandatory requirement for 100 hours of study of a language for the RoSA.

## Aboriginal Studies

NSW schools can offer Aboriginal Studies in Years 7–10 and Stage 6.

2021 completion data for Aboriginal Studies:

- Year 10 – 492 students
- Year 11 – 1,380 students
- Year 12 – 782 students.

The annual Aboriginal Studies HSC Awards are co-signed by the Chair of the NESAs Board and the NSW Aboriginal Education Consultative Group Inc. (NSW AECG) President. The awards recognise the highest performing Aboriginal student, and the highest performing non-Aboriginal student in the Aboriginal Studies HSC course. Awards for 2021 HSC were presented at the NSW AECG Inc. Annual General Meeting and Presentation Dinner event at Dubbo in March 2022.



9

**Stakeholder  
engagement**

During the reporting period, we continued to engage regularly with a diverse range of stakeholders to better understand their needs and ensure its policies and programs reflect the expectations of the NSW community. In addition to the three education sectors, we regularly meet and work collaboratively with many key stakeholder groups. In 2021/2022, these groups included:

- Australian Curriculum, Assessment and Reporting Authority
- Association of Catholic School Principals NSW
- Association of Heads of Independent Schools of Australia NSW/ACT
- Association of Independent Schools NSW
- Catholic Schools NSW
- Catholic Secondary Schools Association NSW/ACT
- Christian Education National
- Christian Schools Australia
- Council of Catholic School Parents NSW/ACT
- English, Mathematics, Science and History teachers' associations
- Federation of Parents and Citizens Associations of NSW
- Home schooling consultative group
- Independent Education Union NSW/ACT
- Independent Primary School Heads of Australia
- Isolated Children's Parents' Association of NSW
- National Indigenous Australian Agency
- NSW Aboriginal Education Consultative Group Inc.
- NSW Advocate for Children and Young People NSW Department of Education
- NSW Parents' Council
- NSW Primary Principals Association
- NSW Secondary Principals' Council
- NSW Teachers Federation
- Professional Teachers' Council NSW.

Our dedicated Liaison Unit of eight senior officers with significant school leadership experience continued to operate across NSW. The team is responsible for supporting schools, teachers, parents, and students to understand and meet the requirements of the HSC as well as both

running and assisting in a range of other activities for which is responsible. The team responded to 6,771 calls and emails during the reporting period. Professional learning workshops run by the team in 2021/2022 attracted attendance by 6,177 teachers both face to face and online.

## Communication with teachers and students

We streamlined our communications to teachers and schools in 2021/2022 to ensure teachers received only essential information and, wherever possible, that distribution was limited to the weekly NESAs News email. This strategy recognised that teachers were facing increasing demands on their time, including managing COVID-19 in schools.

More people visited the NESAs website than ever before with 4,133,121 unique users, representing a 23 per cent increase on 2020/2021. Our website was also re-branded to provide users with an improved and more accessible experience, in line with the NSW Government brand framework.

Our two major annual campaigns – 'World Teachers' Day' and 'Stay Healthy HSC' – were successful again in 2021/2022. World Teachers' Day celebrated NSW's 160,000+ early childhood, primary and secondary teachers on 29 October. This campaign achieved 2.05 million impressions across social and digital media. Stay Healthy HSC was a 2021 Premier's Award finalist in the *Putting the Customer in the Centre* category for the campaign's success in encouraging Year 12 students to maintain their wellbeing and physical health leading up to and during their HSC exams. The campaign generated over 10.8 million impressions across Facebook, Instagram, Twitter, Snapchat and TikTok.

Our longstanding partnership with *The Sydney Morning Herald* to publish the HSC Study Guide continued, with tips and advice on how to do your best in the exams provided in a lift-out and online. The online reach of the Guide increased by 50 per cent with 150,000 web page views of this important and helpful content for HSC students.

Our media team managed 105 responses to journalists and drafted 54 media releases, keeping the community up to date about important education topics, including the HSC, the NSW Curriculum Reform and teacher accreditation.

11 major events were held, with the majority recognising and celebrating HSC student achievement. The annual HSC technologies, performing and creative arts 'Showcases' and the prestigious HSC 'First in Course' ceremony were available online and as face-to-face events, allowing thousands more families, students, and teachers to be a part of these celebrations.

## Collaboration with systems and sectors on school registration

In August 2021, our Inspectors, in collaboration with the Association of Independent Schools NSW (AISNSW), delivered videoconference information sessions for individual non-government schools with registration expiring in 2022. The sessions focused on:

- registration and accreditation requirements
- the online application form
- the materials required to support an application
- the risk-based inspection process
- advice about the application process for TAA approval.

In February 2022, we conducted a videoconference briefing for proposed new schools seeking initial registration to begin in 2023. The sessions provided an overview of the requirements for initial registration, evidence of compliance, and our process for assessing applications.

We also hold briefings for non-government school registration systems to advise systems about updated information, changes to legislation, emerging issues, and plans for monitoring systems. Due to the COVID-19 pandemic, the November 2021 and March 2022 briefings were held online by videoconference.

In August 2021, the AISNSW hosted a school provider videoconference briefing delivered by a NESA Inspector for currently approved school providers and those seeking initial approval. The briefing helped school providers to understand the requirements for approval and the application and assessment process.

## Professional learning forums

Each year, we provide regular professional learning forums for Authorised Persons who assess applications for home schooling registration. In 2021-22, briefing sessions were conducted via videoconference due to COVID-19 pandemic restrictions. The topics included:

- NSW Curriculum Reform
- Stage 6 and home schooling
- Home Schooling Online
- the Authorised Person's report
- updates on internal processes and resources.

## Engagement on Curriculum Reform

Stakeholder engagement has been critical to achieve Curriculum Reform.

Quarterly meetings were held with the Stakeholder Roundtable, Parent Roundtable and Professional Teachers' Council member associations to inform them of the progress on reform activities and gain feedback on policies and approaches. In 2021–22, the Stakeholder Roundtable included representatives from the Aboriginal Education Consultative Group, principal associations (including the Independent Primary School Heads of Australia), unions and the Professional Teachers' Council. The Parent Roundtable included representatives of the Home Schooling Consultative Group.

### Key stakeholder engagement achievements

- We delivered 106 stakeholder focus groups to gain feedback on syllabuses. Stakeholders included special education, English as an Additional Language or Dialect (EAL/D), gifted and talented and Aboriginal education groups, school leaders, subject associations, and Teacher Expert Networks.
- Over 1,480 survey responses were received to 12 draft syllabuses that were released for public consultation.
- There was comprehensive engagement with primary and secondary students across NSW. Over 3,780 primary students contributed to an activity to inform our Years 3–6 syllabus development projects. Over 2100 secondary students from Years 9–12 contributed to a survey to inform development of syllabuses in Years 9–10 and Stage 6 syllabuses for English, Mathematics and History, and to provide feedback on the Record of School Achievement (RoSA).

## Syllabus development

We released the English and Mathematics 3–6 and 7–10, and Auslan, Modern and Classical Languages K–10 draft syllabuses for feedback between 18 March to 2 May 2022. Feedback was overall positive and came from 764 responses to an online survey and 27 focus groups with key stakeholders.

A second round of consultation on the English and Mathematics K–2 syllabuses took place from 2 to 23 August 2021. Feedback came from 539 responses to an online survey and 7 targeted focus groups with special education, EAL/D, gifted and talented and Aboriginal education groups.

Opportunities to provide feedback from teachers, parents and all stakeholders are available through the NESA website, NESA News, Curriculum Reform newsletter and Curriculum Reform website.

## Teacher Expert Networks (TENs)

During 2022, the number of teachers in the TENs program grew from over 200 to over 230 to include the Department of Education's Curriculum Reform Community Leaders.

TENs have taken part in 7 TENs regional meetings between the 8 to 29 March 2022, and two all-TENs conferences in October 2021 and May 2022.

TENs have contributed to and given feedback on English and Mathematics K–10, Computing Technologies 7–12, Modern Languages K–10, Science, PDHPE and HSIE K–2, learning across the curriculum K–10, assessment K–6, reading and writing across the secondary curriculum, creative and critical thinking, and the Digital Curriculum platform.

Additionally, TENs had the opportunity to give two Curriculum Reform presentations in their schools, and some have shared their experiences at sector events.

# 10

**Managing human  
resources**

## Staffing and recruitment

The table below provides the distribution of our staff by category, counted by Full-Time Equivalent (FTE), for the last three financial years. In 2021-22, there were 296 full-time equivalent casual staff engaged principally to assist with the peak periods associated with Higher School Certificate programs – these casual staff are not reflected in the data below.

**Table 10.1 Distribution of NESA staff by category**

	2019-20			2020-21			2021-22			
	F*	M*	Total	F	M	Total	N	F	M	Total
General scale	1.0	1.0	2.0	4.0	1.0	5.0	0	4.0	1.0	5.0
Grade 1/2	6.6	8.0	14.6	13.0	10.0	23.0	0	15.0	9.0	24.0
Grade 3/4	49.8	8.3	58.1	53.6	14	67.6	0	70.0	14.0	84.0
Grade 5/6	32.6	18.8	51.4	40.6	14.8	55.4	0	52.0	22.0	74.0
Grade 7/8	28.6	18.7	47.3	39.4	21.7	61.1	0	54.0	27.0	81.0
Grade 9/10	35.4	50.6	50.6	35.4	19	54.4	0	48.0	16.0	64.0
Grade 11/12	19.4	15.8	35.2	14.4	17	31.4	1.0	19.0	16.0	37.0
Senior Education Officer	48.9	15.2	64.1	49.6	17.4	67.0	0	91.0	26.0	117.0
Principal Education Officer	14.6	1.0	15.6	15.0	1.0	16.0	0	20.0	3.0	23.0
Chief Education Officer	22.0	13.0	35.0	22.0	16.0	38	0	22.0	14.0	36.0
Executive	7.0	13.0	20.0	8.0	10.0	18	0	9.0	11.0	20.0
<b>Totals</b>	<b>271.2</b>	<b>124.6</b>	<b>395.8</b>	<b>295.0</b>	<b>141.9</b>	<b>436.9</b>	<b>1</b>	<b>404</b>	<b>159</b>	<b>565</b>

\*Key: F = Female, M = Male, N = Non-Specific

Note: NESA has used an FTE methodology since 2020-21. In previous annual reports NESA has reported headcount. For this reason the staffing distribution data reported in previous annual reports may differ from the data above.

## Public Service Senior Executive (PSSE) staff

As at 30 June 2022, we employed 20 Public Service Senior Executive staff.

In 2021-22, 5.9 percent of our employee-related expenditure was for senior executives, compared with 5.28 percent in the 2020-21 reporting year.

**Table 10.2** Number of NESA Public Service senior executives, by gender and band level, at 30 June 2021 and 30 June 2022

Band	30 June 2021		30 June 2022	
	Female	Male	Female	Male
Band 4	0	0	0	0
Band 3	0	1	0	1
Band 2	2	1	2	3
Band 1	6	8	8	6
<b>Total</b>	<b>8</b>	<b>10</b>	<b>10</b>	<b>10</b>
<b>Overall total</b>		<b>18</b>		<b>20</b>

**Table 10.3** Average total remuneration for NESA Public Service senior executives per band at 30 June 2021 and 30 June 2022

### Average total remuneration (\$)

Band	30 June 2021	30 June 2022
Band 4	Not applicable	Not applicable
Band 3	400,000	410,000
Band 2	325,550	320,491
Band 1	241,748	223,403

## Workforce diversity

We are committed to achieving a more diverse workforce and to the principles of multiculturalism in the *Multicultural NSW Act 2000*.

The table below contains trends in the representation and distribution of our workforce diversity groups over the past three years (Table 10.4).

**Table 10.4 Trends in representation of workforce diversity groups in NESAs, 2020-21 to 2021-22**

Workforce diversity group	Benchmark or target (%)	30 June 2020 (%)	30 June 2021 (%)	30 June 2022(%)
Women	50.0	67.0	75.0	71.5
Aboriginal people and Torres Strait Islander Peoples	2.6	2.6	2.7	3.19
People whose first language as a child was not English	19.0	18.0	21.0	15.72
People with a disability	NA	1.0	1.0	1.25
People with a disability requiring work-related adjustment	1.5	1.4	1.4	1.2

**Table 10.5 Trends in distribution of workforce diversity groups in NESAs, 2020-21 to 2021-22**

Workforce diversity group	Benchmark or target (%)	30 June 2020 (%)	30 June 2021(%)	30 June 2022(%)
Women	100	90	93	98
Aboriginal people and Torres Strait Islander Peoples	100	NA	NA.	NA
People whose first language as a child was not English	100	88	87	64
People with a disability	100	NA	NA	NA
People with a disability requiring work-related adjustment	100	NA	NA	NA

Notes: A distribution index of 100 indicates that the centre of the distribution of the workforce diversity group across salary levels is equivalent to that of other staff. Values less than 100 mean that the workforce diversity group tends to be more concentrated at lower salary levels than is the case for other staff. The more pronounced this tendency is, the lower the index will be. In some cases, the index may be more than 100, indicating that the workforce diversity group is less concentrated at lower salary levels.

The distribution index is not calculated where workforce diversity group or non-workforce diversity group numbers are less than 20.



## Workforce diversity achievements for 2021–22

Our workforce diversity achievements during the 2021–22 reporting year included:

- participating in the 2022 Jawun Secondment Program to support Aboriginal community projects
- promoting Acknowledgement of Country and Welcome to Country on our intranet
- raising awareness about National Sorry Day
- organising activities to raise awareness about National Reconciliation Week and promote stronger relationships between Aboriginal and Torres Strait Islander Peoples and communities
- celebrating NAIDOC week and engaging staff in various events to learn about the Aboriginal and Torres Strait Islander Peoples culture, practices, and history
- continuing to implement our Innovate Reconciliation Action Plan (RAP) and Commitment to Aboriginal Education.

- raising awareness of cultural diversity and cultural festivals via all staff messages
- promoting diversity in all our roles, with women constituting 73% of the successful candidates for senior roles recruited in this period. Senior roles include positions of clerk grade 11/12, principal education officer, senior education officer, chief education officer and senior executive positions at NESAs.

## Workforce diversity strategies for 2022-23

Our workforce diversity strategies for 2022-23 include:

- Continued participation in Jawun secondment program
- Increasing use of, and leveraging identified job boards to promote greater awareness of roles available at NESAs
- Executive commitment and participation in the Jannawai mentoring program
- Launching 'Connecting to Country' training

## Work health and safety

There were sixteen Workers Compensation Claims reported in 2021-22, with falls being the most prevalent mechanism of injury across the organisation. There were no SafeWork prosecutions in 2021-22.

## Conditions of employment

Our staff are employed under the *Government Sector Employment Act 2013* with relevant conditions determined by the following Awards:

- Crown Employees (Public Service Conditions of Employment) Reviewed Award 2009
- Crown Employees (Public Sector-Salaries 2021) Award
- Crown Employees (Board of Studies, Teaching and Educational Standards - Education Officers) Salaries and Conditions Award 2020
- Higher School Certificate Marking and Related Casual Employees Rates of Pay and Conditions Award 2019
- Crown Employees (Australian Music Examinations Board (New South Wales) Examiners, Assessors and Chief Examiners) Award 2020

We have implemented suitable policies and procedures that support a safe and inclusive working environment for staff. These include:

- Prevention of Bullying, Harassment and Discrimination Policy
- Resolution of Workplace Complaints Policy
- Flexible Working Policy

## Industrial relations policies and practices

Industrial relations policies and practices at NESA accord with the direction and guidance provided by the *Government Sector Employment Act 2013*, the Industrial Relations Branch of the NSW Treasury, the NSW Public Service Commission, the Department of Premier and Cabinet and relevant government policies.

## Code of Ethics and Conduct

We are committed to ethical conduct. This commitment is reflected in its [Code of Ethics and Conduct for NESA Employees](#) which sets the standards of behaviour expected of employees and provides guidance to all staff in being responsive to the needs of customers and key groups. The code has been distributed to all staff, is available on the intranet and is provided to new staff as part of the induction process.

## Exceptional movements in employee wages, salaries, or allowances

There were no exceptional movements in employee wages, salaries, or allowances in 2021-22.

## Recreation leave and extended leave liability

The monetary value of extended (long service) leave and recreation leave, as of 30 June 2022, was:

- Extended leave: \$3,180,510.13
- Recreation leave: \$ 5,800,631.49

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# **Audit and Financial statements**

## Delivering NESAs strategic and operational activities

The NESAs CEO leads and oversees the implementation of NESAs strategic and operational activities.

The following corporate governance committees support the CEO in overseeing these activities:

- Executive Leadership Team
- Senior Leadership Group
- Audit and Risk Committee
- Information and Physical Security Committee
- Information Management and Technology Committee

## Audit and risk management

The approach of NESAs to audit and risk management complies with the requirements of NSW Treasury Policy Paper 20-08 *Internal Audit and Risk Management Policy for the General Government Sector* (TPP2008).

## Audit and Risk committee

Treasury Guidelines prescribe the establishment, composition and functions of an Audit and Risk Committee. The objective of the Audit and Risk Committee is to provide independent assistance to the Chief Executive Officer by overseeing, reviewing, and providing advice about NESAs governance processes, risk management and control frameworks, and its external accountability obligations.

The Committee has no executive powers.

The Committee is directly responsible and accountable to the CEO for the exercise of its responsibilities. In carrying out its responsibilities, the Committee must always recognise that primary responsibility for management of NESAs rests with the CEO.

The responsibilities of the Committee may be revised or expanded in consultation with, or as requested by, the CEO from time to time. Membership of NESAs Audit and Risk Committee is included in the Internal Audit and Risk Management Attestation Statement below.

To assist the NESAs Board to fulfil its general organisational oversight functions, the Chair of the Audit and Risk Committee presents to the NESAs Board on the Committee's work each year, and a member of the NESAs Board is invited to observe Audit and Risk Committee meetings.

## Legislative requirements

During 2021–22, NESAs continued to meet its legislative obligations under various Acts and regulations. NESAs reporting under the *Government Information (Public Access) Act 2009* is at Appendix B. A range of statutory disclosures are provided at Appendix C.

## Public interest disclosures

No public officials made a public interest disclosure to NESA during 2021–22. No public interest disclosures were finalised by NESA during 2021–22.

NESA has established public interest disclosure policy and procedures that are available to all staff on its intranet site. The Chief Executive Officer has ensured that all staff are aware of the policy and procedures by undertaking internal briefings, training new staff, and sending email messages and circulars to staff.

## Complaints management

NESA devolves complaint resolution to line managers and staff at the point of delivery of services. NESA is generally able to directly remedy or resolve problems at the source as they arise. NESA applies the NSW Government customer service delivery standards as a reference point for clients and staff in this process.

NESA addressed complaints arising from these matters in accordance with the Act or via structured appeal mechanisms. The [NESA Complaints handling policy and process](#) can be viewed on the NESA website.

# Internal Audit and Risk Management Attestation Statement for the 2021–22 Financial Year for the NSW Education Standards Authority

I, Paul Martin, am of the opinion that the NSW Education Standards Authority has internal audit and risk management processes in operation that are compliant with the seven (7) core requirements set out in the *Internal Audit and Risk Management Policy for the NSW Public Sector*, specifically:

## Core Requirements

### Risk Management Framework

- |     |   |           |
|-----|---|-----------|
| 1.1 | The agency head shall accept ultimate responsibility and accountability for risk management in the agency   | compliant |
| 1.2 | The agency head shall establish and maintain a risk management framework that is appropriate to the agency. The agency head shall ensure the framework is consistent with AS/NZS ISO 31000:2018 | compliant |

### Internal Audit Function

- |     |  |           |
|-----|--|-----------|
| 2.1 | The agency head shall establish and maintain an internal audit function that is appropriate for the agency and fit for purpose                                 | compliant |
| 2.2 | The agency head shall ensure the internal audit function operates consistent with the International Standards for Professional Practice for Internal Auditing. | compliant |
| 2.3 | The agency head shall ensure the agency has an Internal Audit Charter that is consistent with the content of the 'model charter'                               | compliant |

### Audit and Risk Committee

- |     |   |           |
|-----|---|-----------|
| 3.1 | The agency head shall establish and maintain efficient and effective arrangements for independent Audit and Risk Committee oversight to provide advice and guidance to the agency head on the agency's governance processes, risk management and control frameworks, and its external accountability obligations. | compliant |
| 3.2 | The agency head shall ensure the Audit and Risk Committee has a Charter that is consistent with the content of the 'model charter'  | compliant |

### Membership

The chair and members of the Audit and Risk Committee are:

- Independent Chair, **Mr John Gordon** (appointed 1 March 2019 to 28 February 2023)
- Independent member, **Dr Gul Izmir** (appointed 1 March 2014 to 28 February 2022)
- Independent member, **Ms Joan Wilcox** (appointed 17 September 2015 to 6 September 2023)
- Independent member **Mr Mark Sercombe** (appointed 1 March 2022 to 28 February 2024).

These processes demonstrate that the NSW Education Standards Authority has established and maintained frameworks, including systems, processes, and procedures for appropriately managing audit and risk within the NSW Education Standards Authority.



Paul Martin  
Chief Executive Officer  
17 November 2022

# 12

**Financial  
management**

The 2020–21 audited financial statements for NESA and the NESA Staff Agency are provided at Appendix F of this report. This section provides additional information on financial management, including payment of accounts, contracting, consultancies and major works.

## Payment of accounts

NESA carries out accounts payable procedures in accordance with the NSW Government's payment of accounts policy, as required by the Treasurer's Directions and the Public Finance and Audit Regulation 2010. Table 12.1 shows the time taken for payment of accounts in 2021-22. Table 12.2 shows details of accounts paid within each quarter.

**Table 12.1 Time for payment of accounts, 2021–22**

Quarter (2021/22)	Current, i.e., due within due date (\$'000)	Less than 30 days overdue (\$'000)	Between 30 and 60 days overdue (\$'000)	Between 60 and 90 days overdue (\$'000)	More than 90 days overdue (\$'000)
<b>All suppliers</b>					
September	25,651	897	98	47	Nil
December	24,001	542	116	57	Nil
March	26,253	817	226	89	Nil
June	20,754	240	48	47	Nil
<b>Small business suppliers</b>					
September	387	Nil	Nil	Nil	Nil
December	369	Nil	Nil	Nil	Nil
March	399	Nil	Nil	Nil	Nil
June	374	Nil	Nil	Nil	Nil



**Table 12.2 Details of accounts due or paid within each quarter, 2021-22**

<b>Measure</b>	<b>Sep – 21</b>	<b>Dec – 21</b>	<b>Mar – 22</b>	<b>June – 22</b>
<b>All suppliers</b>				
Number of accounts due for payment	1,654	2,720	1,766	1,716
Number of accounts paid on time	1,538	2,502	1,589	1,562
Dollar amount of accounts due for payment	26,692,974	24,716,499	27,385,763	21,089,143
Dollar amount of accounts paid on time	25,650,874	24,001,487	26,253,489	20,753,991
Number of payments for interest on overdue accounts	Nil	Nil	Nil	Nil
Interest paid on overdue accounts	Nil	Nil	Nil	Nil
<b>Small business suppliers</b>				
Number of accounts due for payment to small business	71	75	75	79
Number of accounts due to small business paid on time	71	75	75	79
Dollar amount of accounts due for payment to small business	387,457	368,881	399,272	374,465
Dollar amount of accounts due to small business paid on time	387,457	368,881	399,272	374,465
Number of payments to small business for interest on overdue accounts	Nil	Nil	Nil	Nil

Measure	Sep – 21	Dec – 21	Mar – 22	June – 22
Interest paid to small business on overdue accounts	Nil	Nil	Nil	Nil
<b>All suppliers</b>				
Actual percentage of accounts paid on time (based on number of accounts)	93%	92%	90%	91%
Actual percentage of accounts paid on time (based on \$)	96%	97%	96%	98%
<b>Small business suppliers</b>				
Actual percentage of small business accounts paid on time (based on number of accounts)	100%	100%	100%	100%
Actual percentage of small business accounts paid on time (based on \$)	100%	100%	100%	100%

## Consultancies

During 2021-22, NESAs engaged the following consultancies:

- Deloitte Consulting
- Ernst and Young, and
- Avocado Consulting

**Table 12.3 Consultants equal to or more than \$50,000**

Name of consultant	Title of project	Actual Cost
Deloitte Consulting	eTAMS platform upgrade	\$117,205 (incl GST)
Ernst and Young	Portfolio and Program management for the NSW Curriculum Reform	\$79,420 (incl GST)

**Table 12.4 Consultants work less than \$50,000**

Name of consultant	Title of project	Actual Cost
Avocado Consulting	Digital Curriculum Platform	\$48,950 (incl GST)

## Major works in progress

**Table 12.5** Property, plant, and equipment acquisitions, 2021-22

<b>Property, plant, and equipment</b>	<b>Cost (\$'000)</b>
IT network computer equipment	100
Leasehold improvements	129
Total	229

**Table 12.6** Intangible asset acquisitions, 2021-22

<b>Intangibles</b>	<b>Cost (\$'000)</b>
eTAMS	1,326
Exams System	357
Total	1,683

## NESA Financial Year 2022 Budget

NESA's Financial Year 2022 published budget provided for total expenditure of \$212.303m, total Revenue of \$198.901m and a Net Cost of Services of \$13.402m.

FY2022 actual expenditure was within budget and reflects work undertaken on the Curriculum Reform.

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## Appendices

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# Appendix A – NESAs Board

## Governing Board of the NSW Education Standards Authority and its Committees

NESA and its governing Board were established on 1 January 2017 under the *Education Standards Authority Act 2013* (the NESAs Act). The Board sets the strategic direction for NESAs and provides guidance about the nature of the activities NESAs is expected to undertake in fulfilling its functions and executing the policy directions set by the Board and the Minister.

The NESAs Act provides for:

- the NESAs Board to establish committees subject to the Ministers approval
- the NESAs Board, once approved, to appoint members to those committees
- the committees, once established, to in turn establish and appoint members of sub-committees.

**Table A1 Membership of the Board of the NSW Education Standards Authority**

<b>Membership (outlined in NESAs Act)</b>	<b>Appointed Member</b>
An independent person appointed by the Minister as the Chairperson of the Board	Professor Peter Shergold AC
Six persons appointed by the Minister:	
1 from the government school sector	Georgina Harrison, Secretary, NSW Department of Education
1 from the Catholic school sector	Dallas McInerney, CEO, Catholic Schools NSW
1 from the independent school sector	Dr Geoff Newcombe AM, CEO, Association of Independent Schools NSW
2 from teacher unions	Denis Fitzgerald, NSW Teachers Federation executive Veronica Yewdall, Independent Education Union NSW
1 from Aboriginal education	Nathan Towney, Pro-Vice Chancellor, University of Newcastle
No less than 4 (but not more than 6) other persons appointed by the Minister with regard to: teachers and school leaders universities vocational education and training parents of school children early childhood education special education business acumen strategic advisory skills	Jenny Allum, Head of School, SCEGGS Darlinghurst Katherine Grace, General Counsel, Company Secretary, Stockland Group Jude Hayman, Executive Principal, Connected Communities at Nowra East Public School (resigned in November 2021) Gary Johnson, Principal, Cherrybrook Technology High School Christine Legg, Chief Executive Officer, KU Children's Services Dr Anne Wenham
The Chief Executive Officer (ex-officio)	Paul Martin, Chief Executive Officer, NESAs

The appointed members are typically appointed to serve three-year terms and they are eligible (if otherwise qualified) for re-appointment. Appointed members may not be appointed to consecutive terms totalling more than six years unless the Minister determines otherwise.

The Board met on six occasions between July 2021 and June 2022. Table A2 indicates Board members' attendance at each meeting from 1 July 2021 to 30 June 2022.

**Table A2 NESAs Board meetings and attendance of members from 1 July 2021 – 30 June 2022**

Member	2021			2022		
	3-Aug	14-Sep	30-Nov	15-Feb	3-May	21-Jun
<b>Chairperson</b>						
Professor Peter Shergold AC	✓	✓	✓	✓	✓	✓
<b>Member from the government school sector</b>						
Georgina Harrison	✓	✓	A	✓	✓	A
Observer			Ruth Owens			Martin Graham
<b>Member from the catholic school sector</b>						
Dallas McInerney	✓	✓	✓	✓	✓	✓
Observer			Danielle Cronin			
<b>Member from the independent school sector</b>						
Dr Geoff Newcombe AM	✓	✓	A	A	✓	✓
Observer			Robyn Yates	Sarah Egan		
<b>Two members from teacher unions</b>						
Denis Fitzgerald	✓	✓	✓	✓	✓	✓
Veronica Yewdall	✓	✓	✓	✓	✓	✓
<b>A member from Aboriginal education</b>						
Nathan Towney	✓	✓	✓	✓	✓	✓
<b>Persons appointed with regard to teachers, school leaders, universities, vocational education and training parents of school children, early childhood education, special education business acumen and strategic advisory skills</b>						
Jenny Allum	✓	✓	✓	✓	✓	✓
Katherine Grace	✓	✓	✓	✓	✓	A
Jude Hayman	✓	A	A	n/a		
Gary Johnson	✓	✓	✓	✓	✓	A
Christine Legg	✓	A	✓	✓	✓	A
Dr Anne Wenham	✓	✓	✓	✓	✓	✓
<b>The Chief Executive Officer</b>						
Paul Martin	✓	✓	✓	✓	✓	✓

**Notes:**

n/a indicates that this member was not a serving member of the NESAs Board at the time of this meeting.

A indicates that this member was not in attendance

Figure A1

Governing Board of the NSW Education Standards Authority and its Committees





# Appendix B – Obligations under the Government Information (Public Access) Act 2009

<b>Agency name:</b>	NSW Education Standards Authority
<b>Principal department:</b>	Not applicable
<b>Reporting period:</b>	2021–22

## GIPA Annual Report

Section 125 of the *Government Information (Public Access) Act 2009* (GIPA Act) requires agencies to report annually on their obligations under the GIPA Act, to the Minister responsible for the agency. A copy of the annual GIPA data is also provided to the Information Commissioner each year.

We have an Agency Information Guide as required under the GIPA Act, which includes helpful information about:

- the structure and functions of NESAs and how these functions affect the community
- how members of the community may participate in the formulation of policy and the exercise of NESAs' functions
- various kinds of government information held by NESAs, the kinds of information made publicly available and how members of the public may access information held by NESAs.

The [Agency Information Guide](#) is made available on the NESAs website.

## Review of proactive release program – Clause 8(a)

Under section 7(3) of the GIPA Act, agencies review their programs for the release of government information annually to identify the kinds of information that may be made publicly available. The NESAs program for proactive release of information involves the identification and review of information and data by key stakeholders.

During the reporting period, we proactively released the following information relating to key activities and developments:

- 2021 HSC facts and figures;
- 2021 HSC merit lists (lists of students who achieved outstanding results in the HSC);
- 2021 HSC Minimum Standards data;
- Disability provisions statistics;
- Illness/misadventure statistics;
- HSC Integrity statistics (including malpractice, non-certification, non-serious attempt);
- Various information including consultations and regular updates about the progress of the NSW Curriculum Reform;
- Teacher accreditation data for FY2020-21, included in the previous annual report; and
- Home Schooling Data Reports relating to 2021 (current as at April 2022).

## Number of access applications received – Clause 8(b)

During the reporting period, we received 13 formal access applications (including withdrawn applications but excluding invalid applications).

## Number of refused applications for Schedule 1 information – Clause 8(c)

During the reporting period, we refused two access applications, either wholly or partly, because the application was for the disclosure of information referred to in Schedule 1 to the Act (information for which there is conclusive presumption of overriding public interest against disclosure).

## Statistical information about access applications – Clause 8(d) and Schedule 2

Tables B1 to B9 provide details of information access applications made during 2021–22.

**Table B1** Number of information access applications by type of applicant and outcome, 2021–22

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Media	0	1	1	0	0	0	0	1
Members of Parliament	0	0	0	0	0	0	0	0
Private sector business	0	0	0	0	0	0	0	0
Not for profit organisations or community groups	0	0	0	0	0	0	0	0
Members of the public (application by legal representative)	0	1	0	0	1	1	0	1
Members of the public (other)	3	1	2	0	1	0	0	1

Note: More than one decision can be made regarding a particular access application. If so, a recording must be made regarding each such decision. This also applies to Table D2.

**Table B2** Number of information access applications by type of application and outcome, 2021–22

	Access granted in full	Access granted in part	Access refused in full	Information not held	Information already available	Refuse to deal with application	Refuse to confirm/deny whether information is held	Application withdrawn
Personal information applications*	1	1	0	0	1	0	0	1
Access applications (other than personal information applications)	2	2	3	0	1	1	0	2
Access applications that are partly personal information applications and partly other	0	0	0	0	0	0	0	0

\*Note: A **personal information application** is an access application for personal information (as defined in clause 4 of Schedule 4 to the Act) about the applicant (the applicant being an individual).

**Table B3** Invalid access applications, 2021–22

Reason for invalidity	Number of applications
Application does not comply with formal requirements (section 41 of the Act)	3
Application is for excluded information of the agency (section 43 of the Act)	0
Application contravenes restraint order (section 110 of the Act)	0
Total number of invalid applications received	3
Invalid applications that subsequently became valid applications	2

**Table B4** Conclusive presumption of overriding public interest against disclosure: matters listed in Schedule 1 of the GIPA Act, 2021–22

Public interest consideration	Number of times consideration used
Overriding secrecy laws	1
Cabinet information	1
Executive Council information	0
Contempt	0
Legal professional privilege	0
Excluded information	0
Documents affecting law enforcement and public safety	0
Transport safety	0
Adoption	0
Care and protection of children	0
Ministerial code of conduct	0
Aboriginal and environmental heritage	0
Information about complaints to Judicial Commission	0
Information about authorised transactions under <i>Electricity Network Assets (Authorised Transactions) Act 2015</i>	0
Information about authorised transaction under <i>Land and Property Information NSW (Authorised Transaction) Act 2016</i>	0

Note: More than one public interest consideration may apply regarding a particular access application. If so, each such consideration is to be recorded (but only once per application). This also applies in relation to Table D5.

**Table B5 Other public interest considerations against disclosure: matters listed in table to section 14 of the GIPA Act, 2021–22**

Public interest consideration	Number of occasions when application not successful
Responsible and effective government	5
Law enforcement and security	0
Individual rights, judicial processes, and natural justice	5
Business interests of agencies and other persons	4
Environment, culture, economy, and general matters	0
Secrecy provisions	0
Exempt documents under interstate Freedom of Information legislation	0

**Table B6 Timeliness of decisions on access applications, 2021–22**

Timing of decision	Number of applications
Decided within the statutory timeframes (20 days plus any extensions)	6
Decided after 35 days (by agreement with applicant)	4
Not decided within time (deemed refusal)	0
Total	10

**Table B7 Number of applications reviewed under Part 5 of the GIPA Act (by type of review and outcome), 2021–22**

Type of review	Decision varied	Decision upheld	Total
Internal review	0	0	0
Review by Information Commissioner*	1	0	1
Internal review following recommendation under section 93 of the Act	0	1	1
Review by NSW Civil and Administrative Tribunal (NCAT)	0	0	0
Total	1	1	2

\*Note: The Information Commissioner does not have the authority to vary decisions, but can make recommendation to the original decision-maker. The data in this case indicates that a recommendation to vary or uphold the original decision has been made.

**Table B8 Applications for review under Part 5 of the GIPA Act (by type of applicant), 2021–22**

<b>Applications for review</b>	<b>Number of applications</b>
Applications by access applicants	2
Applications by persons to whom information the subject of access application relates (see section 54 of the Act)	0

**Table B9 Applications transferred to other agencies (by type of transfer), 2021–22**

<b>Transfers to other agencies</b>	<b>Number of applications</b>
Agency-initiated transfers	0
Applicant-initiated transfers	0

## Appendix C – Statutory disclosure requirements

### Funds granted to non-government community organisations

NESA did not grant funds to non-government community organisations during FY2021-22.

### Legal change

The three statutes that govern NESA's work are the *Education Standards Authority Act 2013 (NSW)*, the *Education Act 1990 (NSW)* and the *Teacher Accreditation Act 2004 (NSW)*, including any regulations made under that legislation, as amended from time to time. These are referred to collectively as the education and teaching legislation.

In November 2021 the *Teacher Accreditation Act 2004* was amended to enable NSW to implement recommendations from the Royal Commission into Institutional Responses to Child Sexual Abuse that relate to consistency of suitability to teach requirements across all states and territories, and to streamline accreditation processes for teachers, principals, schools, and school systems. Further information is provided in Section 3.

### Economic/other factors affecting the achievement of operational objectives

There were no specific economic factors affecting the achievement of objectives during FY2021-22. The body of this report covers other factors.

### Land disposal

NESA does not hold title to any land or buildings and was not involved in the disposal of land by other agencies in FY2021-22.

### Subsidiaries, partnerships, joint ventures, and other associations

NESA joint ventures with other organisations are described in Sections 3–10 of this report.

### Investment management performance

NESA had no investments under management during the reporting period.

### Liability and management performance

NESA does not have a level of debt at or above the level determined by the Treasurer.

### Additional matters

There were no additional matters arising after 30 June 2022 and prior to the submission of the annual report that were expected to have a significant effect on the operations or clientele of NESA.

# Appendix D – NSW Aboriginal Education Consultative Group Incorporated

## Mission and goals

The NSW Aboriginal Education Consultative Group Inc. (AECG) is recognised as the principal advisory body to the NSW Government on all matters relating to Aboriginal people from preschool to higher education.

The vision of the AECG is to:

- be the political voice of Aboriginal people regarding quality education
- provide advice on all matters relevant to education and training with the mandate that this advice represents the Aboriginal community viewpoint
- promote respect, empowerment, and self-determination – the AECG believes the process of collaborative consultation is integral to equal partnership and is fundamental to the achievement of equality
- advocate cultural affirmation, integrity and the pursuit of equality to ensure that the unique and diverse identity of Aboriginal people is recognised and valued.

The NSW AECG aims to provide opportunities for Aboriginal people to be actively involved in all decision-making that is relevant to education and training, through a collaborative and consultative process. This is central to developing the highest level of informed decision-making to ensure:

- culturally appropriate delivery of education and training programs for Aboriginal learners and
- that all Australians are better informed on Aboriginal history, culture, and relevant current issues.

## Participating in committees and forums of the NESA Board

We are committed to working in partnership with the NSW AECG and Aboriginal communities to support teachers, schools, and schooling sectors to improve educational outcomes for Aboriginal children and young people.

Our vision is that collaboration across all sectors and government departments will deliver continual growth in attainment levels of Aboriginal students and greater understanding of Aboriginal and Torres Strait Islander knowledge, histories, and cultures for all students.

The NSW AECG is represented on four committees of the NESA Board: the NESA Curriculum Committee, the Policy Advisory Committee, the Disability Education Forum, and Aboriginal Education Forum.

The NSW AECG's representation on these committees and forums in 2020–21 provided invaluable advice on inclusive curriculum and the implementation of Aboriginal perspectives in policy, syllabuses, curriculum, and teaching.

### Contact details

NSW Aboriginal Education Consultative Group Inc.  
37 Cavendish Street, Stanmore NSW 2048

Telephone: (02) 9550 5666

Email: [info@aecg.nsw.edu.au](mailto:info@aecg.nsw.edu.au) Website: [www.aecg.nsw.edu.au](http://www.aecg.nsw.edu.au)



# Appendix E – Knowledge management and information security

## Protection of personal information

We maintain a Privacy Management Plan to explain how we manages personal and health information in compliance with the *Privacy and Personal Information Protection Act 1998* and the *Health Records and Information Privacy Act 2002*. A copy of the [Privacy Management Plan](#) is available on the NESAs website. The Privacy Management Plan:

- provides information on the types of personal and health information we collect;
- identifies the policies and strategies that we use to ensure compliance with privacy legislation;
- provides a mechanism to allow for periodic review of our practices regarding the handling, maintenance, and security of personal and health information.

During the reporting period, we have implemented and promoted awareness of our privacy risk assessment procedure among our employees to encourage:

- greater education and awareness of the need for compliance, to protect citizens' privacy;
- more effective management of privacy risk.

We also promoted compliance with NSW privacy legislation by:

- providing staff with information briefings regarding privacy obligations in the course of their employment;
- participating in Privacy Awareness Week 2022 (coordinated by the Information and Privacy Commission NSW).

During the reporting period, no review was conducted by or on behalf of NESAs under Part 5 of the *Privacy and Personal Information Protection Act 1998*.

According to Cyber NSW guidelines and policies and due to access to significant volumes of highly confidential and sensitive data, we undergo an annual audit of our Information Security Management System (ISMS) in line with International Organization for Standardisation (ISO) 27001. The scope of the certification covers the entire organisation, processes, and all sites except for AECG.

We have been accredited under ISO 27001 ISMS standards since 2010. The most recent annual re-accreditation was completed on 18 June 2021.

In May 2022, we secured funding from the NSW Digital Restart Funds to uplift our maturity across cyber and Information Communications Technology (ICT) services. The funds provided the ability to procure tools and solutions that will provide greater visibility of vulnerabilities and threats across our environments and further improve our privacy and information security capabilities.

## Cloud computing

We continue to take a cloud-first approach in line with the NSW Government Cloud Policy guidance, including focused procurement of IT as a service where possible. Many of these services were adopted during the early days of COVID-19 and are now the default 'modus operandi'.

To adopt the 'best of breed' of technologies and avoid vendor lock-in, we adopted a multi-cloud computing approach in 2022. This has provided us with the agility and resilience necessary to deliver key services such as voice and secure computing from mainstream cloud providers.

## Cyber Security Annual Attestation Statement for the 2021-2022 Financial Year for the NSW Education Standards Authority

I, Paul Martin, Chief Executive Officer, am of the opinion that the NSW Education Standards Authority has continued working towards maturity in the management of cyber security risks in a manner consistent with the Mandatory Requirements set out in the NSW Government Cyber Security Policy.

Governance is in place to manage the cyber-security maturity and initiatives of the NSW Education Standards Authority within the resource capacity of the Agency.

Risks to the information and systems of the NSW Education Standards Authority have been assessed and are managed.

There exists a current cyber incident response plan for the NSW Education Standards Authority. The plan is integrated into business continuity arrangements - it has been reviewed, and an exercise conducted during the reporting period.

The NSW Education Standards Authority has an Information Security Management System (ISMS) in place and has maintained compliance with the ISO 27001 requirements by an accredited independent third party during the 2021-22 financial year.

The NSW Education Standards Authority has undertaken the following to improve the management of cyber security governance and resilience continuously:

- The Information and Physical Security Committee representatives contribute to and oversee the program of cyber maturity and uplift
- Annual review and identification of Crown Jewels across the Agency
- Privacy-by-design and security-by-design principles are integrated into the Agency's project methodology, software development processes, and practices.

The attestation covers the following agencies:

NSW Education Standards Authority



Paul Martin Chief Executive Officer  
31 October 2022

# Appendix F – Financial statements



## INDEPENDENT AUDITOR'S REPORT

### NSW Education Standards Authority

To Members of the New South Wales Parliament

#### Opinion

I have audited the accompanying financial statements of the NSW Education Standards Authority (the Authority), which comprise the Statement by the Chief Executive Officer, the Statement of Comprehensive Income for the year ended 30 June 2022, the Statement of Financial Position as at 30 June 2022, the Statement of Changes in Equity and the Statement of Cash Flows, for the year then ended, notes comprising a Statement of Significant Accounting Policies, and other explanatory information.

In my opinion, the financial statements:

- has been prepared in accordance with Australian Accounting Standards and the applicable financial reporting requirements of the *Government Sector Finance Act 2018* (GSF Act), the Government Sector Finance Regulation 2018 (GSF Regulation) and the Treasurer's Directions
- presents fairly the Authority's financial position, financial performance and cash flows

My opinion should be read in conjunction with the rest of this report.

#### Basis for Opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under the standards are described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of my report.

I am independent of the Authority in accordance with the requirements of the:

- Australian Auditing Standards
- Accounting Professional and Ethical Standards Board's APES 110 'Code of Ethics for Professional Accountants (including Independence Standards)' (APES 110).

I have fulfilled my other ethical responsibilities in accordance with APES 110.

Parliament promotes independence by ensuring the Auditor-General and the Audit Office of New South Wales are not compromised in their roles by:

- providing that only Parliament, and not the executive government, can remove an Auditor-General
- mandating the Auditor-General as auditor of public sector agencies
- precluding the Auditor-General from providing non-audit services.

I believe the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## Chief Executive Officer's Responsibilities for the Financial Statements

The Chief Executive Officer is responsible for the preparation and fair presentation of the financial statements in accordance with Australian Accounting Standards, the GSF Act, GSF Regulation and Treasurer's Directions. The Chief Executive Officer's responsibility also includes such internal control as the Chief Executive Officer determines is necessary to enable the preparation and fair presentation of the financial statements that is free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Chief Executive Officer is responsible for assessing the Authority's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting.

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

My objectives are to:

- obtain reasonable assurance about whether the financial statements as a whole is free from material misstatement, whether due to fraud or error
- issue an Independent Auditor's Report including my opinion.

Reasonable assurance is a high level of assurance, but does not guarantee an audit conducted in accordance with Australian Auditing Standards will always detect material misstatements. Misstatements can arise from fraud or error. Misstatements are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions users take based on the financial statements.

A description of my responsibilities for the audit of the financial statements is located at the Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_responsibilities/ar4.pdf](http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf). The description forms part of my auditor's report.

The scope of my audit does not include, nor provide assurance:

- that the Authority carried out its activities effectively, efficiently and economically
- about the assumptions used in formulating the budget figures disclosed in the financial statements
- about the security and controls over the electronic publication of the audited financial statements on any website where it may be presented
- about any other information which may have been hyperlinked to/from the financial statements.



Jan-Michael Perez  
Director, Financial Audit

Delegate of the Auditor-General for New South Wales

21 November 2022  
SYDNEY

**NSW Education Standards Authority**

**Year ended 30 June 2022**

**Statement by the Chief Executive Officer**

Pursuant to the *Government Sector Finance Act 2018* (GSF Act), I state that:

(a) the accompanying financial statements have been prepared in accordance with the Australian Accounting Standards (which include Australian Accounting Interpretations), provisions of the *Government Sector Finance Act 2018*, the *Government Sector Finance Regulation 2018* and the Treasurer's Directions; and

(b) the financial statements exhibit a true and fair view of the financial position, financial performance and cash flows of the NSW Education Standards Authority for the year ended 30 June 2022;

Paul Martin  
Chief Executive Officer  
NSW Education Standards Authority  
18 November 2022

NSW EDUCATION STANDARDS AUTHORITY

Consolidated Financial Statements  
30 June 2022

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NSW EDUCATION STANDARDS AUTHORITY

Consolidated Statement of Comprehensive Income for the year ended 30 June 2022

	Notes	Actual Consolidated Entity 2022 \$'000	Actual Parent Entity 2022 \$'000	Budget Consolidated Entity 2022 \$'000	Actual Consolidated Entity 2021 \$'000	Actual Parent Entity 2021 \$'000
<b>Expenses excluding losses</b>						
Operating expenses						
Employee-related expenses	2(a)	129,399	-	159,478	119,674	-
Personnel Services	2(b)	-	128,079	-	-	120,074
Other operating expenses	2(c)	40,862	40,862	46,167	37,328	37,328
Depreciation and amortisation	2(d)	6,907	6,907	6,587	6,765	6,765
Finance costs	2(e)	72	72	71	120	120
<b>Total expenses excluding losses</b>		<b>177,240</b>	<b>175,920</b>	<b>212,303</b>	<b>163,887</b>	<b>164,287</b>
<b>Revenue</b>						
Sale of goods and services from contracts with customers	3(a)	25,478	25,478	30,925	21,327	21,327
Investment revenue		-	-	215	-	-
Grants and other contributions	3(b)	164,664	164,664	163,329	159,009	159,009
Acceptance by the Crown Entity of employee benefits and other liabilities	3(c)	1,320	-	4,030	(400)	-
Other income	3(d)	3,246	3,246	402	3,210	3,210
<b>Total revenue</b>		<b>194,708</b>	<b>193,388</b>	<b>198,901</b>	<b>183,146</b>	<b>183,546</b>
<b>Operating result</b>		<b>17,468</b>	<b>17,468</b>	<b>(13,402)</b>	<b>19,259</b>	<b>19,259</b>
Gains / (losses) on disposal		-	-	10	-	-
Other gains / (losses) from the derecognition of lease arrangements with PNSW	4	212	212	-	-	-
Impairment gains/(losses) on right-of-use assets under leases		-	-	-	104	104
<b>Net result</b>		<b>17,680</b>	<b>17,680</b>	<b>(13,392)</b>	<b>19,363</b>	<b>19,363</b>
<b>Other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total other comprehensive income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>		<b>17,680</b>	<b>17,680</b>	<b>(13,392)</b>	<b>19,363</b>	<b>19,363</b>

The accompanying notes form part of these consolidated financial statements.

NSW EDUCATION STANDARDS AUTHORITY

Consolidated Statement of Financial Position as at 30 June 2022

	Notes	Actual Consolidated Entity 2022 \$'000	Actual Parent Entity 2022 \$'000	Budget Consolidated Entity 2022 \$'000	Actual Consolidated Entity 2021 \$'000	Actual Parent Entity 2021 \$'000
<b>ASSETS</b>						
<b>Current Assets</b>						
Cash and cash equivalents	7	56,603	56,603	26,570	40,609	40,609
Receivables	8	6,660	6,660	5,378	4,167	4,167
Inventories	10	203	203	596	566	566
<b>Total Current Assets</b>		<b>63,466</b>	<b>63,466</b>	<b>32,544</b>	<b>45,342</b>	<b>45,342</b>
<b>Non-Current Assets</b>						
Receivables	8	63	63	-	1	1
Property, plant and equipment						
- Leasehold improvements	11	970	970	799	1,080	1,080
- Plant and equipment	11	252	252	222	252	252
Total property, plant and equipment		<u>1,222</u>	<u>1,222</u>	<u>1,021</u>	<u>1,332</u>	<u>1,332</u>
Right-of-use assets	12	-	-	5,425	10,549	10,549
Intangible assets	13	9,790	9,790	8,011	9,550	9,550
<b>Total Non-Current Assets</b>		<b>11,075</b>	<b>11,075</b>	<b>14,457</b>	<b>21,432</b>	<b>21,432</b>
<b>Total Assets</b>		<b>74,541</b>	<b>74,541</b>	<b>47,001</b>	<b>66,774</b>	<b>66,774</b>
<b>LIABILITIES</b>						
<b>Current Liabilities</b>						
Payables	15	5,033	5,033	10,343	5,912	5,912
Payables - Employee related	15	2,307	-	-	1,389	-
Payables - Personnel services	15	-	2,307	-	-	1,389
Other	15	1,232	1,232	-	840	840
Contract liabilities	9	9,960	9,960	8,278	9,308	9,308
Borrowings	16	-	-	5,383	5,154	5,154
Provisions - Employee related	17	10,249	-	7,691	10,385	-
Provisions - Personnel services	17	-	10,249	-	-	10,385
<b>Total Current Liabilities</b>		<b>28,781</b>	<b>28,781</b>	<b>31,695</b>	<b>32,988</b>	<b>32,988</b>
<b>Non-Current Liabilities</b>						
Contract liabilities	9	-	-	-	-	-
Borrowings	16	-	-	504	5,708	5,708
Provisions - Employee related	17	202	-	187	200	-
Provisions - Personnel services	17	-	202	-	-	200
<b>Total Non-Current Liabilities</b>		<b>202</b>	<b>202</b>	<b>692</b>	<b>5,908</b>	<b>5,908</b>
<b>Total Liabilities</b>		<b>28,983</b>	<b>28,983</b>	<b>32,387</b>	<b>38,896</b>	<b>38,896</b>
<b>Net Assets / (Liabilities)</b>		<b>45,558</b>	<b>45,558</b>	<b>14,614</b>	<b>27,878</b>	<b>27,878</b>
<b>EQUITY</b>						
Accumulated funds / (Losses)	18	45,558	45,558	14,614	27,878	27,878
<b>Total Equity</b>		<b>45,558</b>	<b>45,558</b>	<b>14,614</b>	<b>27,878</b>	<b>27,878</b>

The accompanying notes form part of these consolidated financial statements.



NSW EDUCATION STANDARDS AUTHORITY

Consolidated Statement of Changes in Equity for the year ended 30 June 2022

	Consolidated Entity Accumulated		Parent Entity Accumulated	
	Funds \$'000	Total \$'000	Funds \$'000	Total \$'000
Balance at 1 July 2021	27,878	27,878	27,878	27,878
Net result for the year	17,680	17,680	17,680	17,680
Other comprehensive income	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income for the year	17,680	17,680	17,680	17,680
Balance at 30 June 2022	45,558	45,558	45,558	45,558

	Consolidated Entity Accumulated		Parent Entity Accumulated	
	Funds \$'000	Total \$'000	Funds \$'000	Total \$'000
Balance at 1 July 2020	8,515	8,515	8,515	8,515
Net result for the year	19,363	19,363	19,363	19,363
Other comprehensive income	-	-	-	-
Total other comprehensive income	-	-	-	-
Total comprehensive income for the year	19,363	19,363	19,363	19,363
Balance at 30 June 2021	27,878	27,878	27,878	27,878

The accompanying notes form part of these consolidated financial statements.

NSW EDUCATION STANDARDS AUTHORITY

Consolidated Statement of Cash Flows for the year ended 30 June 2022

	Actual Consolidated Entity 2022 \$'000	Actual Parent Entity 2022 \$'000	Budget Consolidated Entity 2022 \$'000	Actual Consolidated Entity 2021 \$'000	Actual Parent Entity 2021 \$'000
Notes					
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
<b>Payments</b>					
Employee related Personnel Services	(127,288)	-	(155,447)	(116,455)	-
Suppliers for goods and services	(46,272)	(46,272)	(46,167)	(39,807)	(39,807)
Finance costs	(72)	(72)	(71)	(120)	(120)
<b>Total Payments</b>	<b>(173,632)</b>	<b>(173,632)</b>	<b>(201,686)</b>	<b>(156,382)</b>	<b>(156,382)</b>
<b>Receipts</b>					
Sale of goods and services	23,751	23,751	30,925	22,609	22,609
Interest received	-	-	215	-	-
Grants and other contributions	164,371	164,371	163,329	159,009	159,009
Other	8,641	8,641	402	8,104	8,104
<b>Total Receipts</b>	<b>196,763</b>	<b>196,763</b>	<b>194,871</b>	<b>189,722</b>	<b>189,722</b>
<b>NET CASH FLOWS (USED) / FROM OPERATING ACTIVITIES</b>	<b>23,131</b>	<b>23,131</b>	<b>(6,815)</b>	<b>33,340</b>	<b>33,340</b>
22					
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Proceeds from sales of property, plant and equipment					
	-	-	30	-	-
Purchase of plant and equipment and leasehold improvements					
	(229)	(229)	-	(215)	(215)
Purchase of intangibles assets					
	(1,683)	(1,683)	-	(1,835)	(1,835)
Other					
	-	-	(1,400)	-	-
<b>NET CASH FLOWS FROM INVESTING ACTIVITIES</b>	<b>(1,912)</b>	<b>(1,912)</b>	<b>(1,370)</b>	<b>(2,050)</b>	<b>(2,050)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
Payment of principal portion of lease liabilities					
	(5,225)	(5,225)	(5,112)	(4,892)	(4,892)
<b>NET CASH FLOWS FROM FINANCING ACTIVITIES</b>	<b>(5,225)</b>	<b>(5,225)</b>	<b>(5,112)</b>	<b>(4,892)</b>	<b>(4,892)</b>
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>					
	15,994	15,994	(13,297)	26,398	26,398
Opening cash and cash equivalents					
	40,609	40,609	39,867	14,211	14,211
<b>CLOSING CASH AND CASH EQUIVALENTS</b>					
7	<b>56,603</b>	<b>56,603</b>	<b>26,570</b>	<b>40,609</b>	<b>40,609</b>

The accompanying notes form part of these consolidated financial statements.

**NSW EDUCATION STANDARDS AUTHORITY**  
**Notes to the consolidated financial statements for the year ended 30 June 2022**

**1. Statement of Significant Accounting Policies**

**(a) Reporting entity**

The NSW Education Standards Authority ('NESA') is a NSW government entity and is controlled by the State of New South Wales, which is the ultimate parent.  
NESA is a not-for-profit entity (as profit is not its principal objective) and it has no cash generating units.  
The reporting entity ('NESA') is consolidated as part of the NSW Total Sector Accounts.

NESA as a reporting entity comprises all the entities under its control, namely the NSW Education Standards Authority Staff Agency ('NESA Staff Agency').

All the operating activities of NESA are under the control of NESA which includes supporting the services required by the Australian Music Examinations Board and the Aboriginal Education Consultative Group.

The NESA Staff Agency provides personnel services to NESA.

In the process of preparing the consolidated financial statements for NESA, consisting of the controlling and controlled entities, all inter-entity transactions and balances have been eliminated.

These consolidated financial statements for the year ended 30 June 2022 have been authorised for issue by the Chief Executive Officer on 18 November 2022.

**(b) Basis of preparation**

NESA's financial statements are general purpose financial statements which have been prepared on an accrual basis and in accordance with:

- applicable Australian Accounting Standards (AAS) (which include Australian Accounting Interpretations)
- the requirements of the *Government Sector Finance Act 2018* (GSF Act) and
- Treasurer's Directions issued under the GSF Act.

Property, plant and equipment and certain financial assets and liabilities are measured using the fair value basis. Other financial statement items are prepared in accordance with the historical cost convention except where specified otherwise.

Judgments, key assumptions and estimations management has made are disclosed in the relevant notes to the financial statements.

All amounts are rounded to the nearest one thousand dollars and are expressed in Australian currency which is NESA's presentation and functional currency.

The accrual basis of accounting and applicable accounting standards have been adopted.

**(c) Going Concern**

NESA's financial statements have been prepared on a going concern basis, which contemplates the continuity of normal operating activity and the realisation of assets and the settlement of liabilities in the normal course of operations.

NESA maintains careful management of cash flows with positive cash flows for the year and cash on hand and at bank as at 30 June 2022 of \$56.6m.

NESA receives a grant from the NSW Department of Education which is sufficient to fund its ongoing operations.

The NSW Department of Education receives appropriations from the Consolidated Fund. Appropriations for each financial year are set out in the Appropriations Act for that year.

**(d) Statement of compliance**

The financial statements and notes comply with Australian Accounting Standards, which include Australian Accounting Interpretations.

The *Appropriation Act 2021 (Appropriations Act)* (and the subsequent variations, if applicable) appropriates the sum of \$20.5 billion to the Minister for Education and Early Learning out of the Consolidated Fund for the services of the NSW Department of Education for the year 2021-22. The spending authority of the Minister from the *Appropriations Act* has been delegated or subdelegated to officers of the NSW Department of Education and entities that it is administratively responsible for, including the NSW Education Standards Authority.

The responsible Minister for each GSF agency is taken to have been given an appropriation out of the Consolidated Fund under the authority s4.7 of the *Government Sector Finance Act*, at the time the GSF agency receives or recovers any deemed appropriation money, for an amount equivalent to the money that is received or recovered by the GSF agency. The spending authority of the responsible Minister from deemed appropriation money has been delegated or sub-delegated to officers of the Authority for its own services.

A summary of compliance is disclosed in the financial statements of the Annual Report of the NSW Department of Education. It has been prepared on the basis of aggregating the spending authorities of both the Minister for Education and Early Learning for the services of the NSW Department of Education and for the services of the entities the principal department is administratively responsible for that receives or recovers deemed appropriation money. It reflects the status at the point in time this disclosure statement is being made. The NSW Education Standards Authority's spending authority and expenditure is included in the summary of compliance.

The delegation/sub-delegations for FY2021/22 and FY2020/21, authorising officers the Authority to spend Consolidated Fund money, impose limits to the amounts of individual transactions, but not the overall expenditure of the Authority. However, as it relates to expenditure in reliance on a sum appropriated through an annual *Appropriations Act*, the delegations/sub-delegations are referable to the overall authority to spend set out in the relevant *Appropriations Act*. The individual transaction limits have been properly observed. The information in relation to the limit from the *Appropriations Act* is disclosed in the summary of compliance table included in the financial statements of the Annual Report of the Department of Education.

**1. Statement of Significant Accounting Policies (continued)**

**(e) Accounting for the Goods and Services Tax**

- Income, expenses and assets are recognised net of the amount of goods and services tax (GST), except that the:
- amount of GST incurred by NESAs as a purchaser that is not recoverable from the Australian Taxation Office (ATO) is recognised as part of an asset's cost of acquisition or as part of an item of expense and
  - receivables and payables 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 which are recoverable from, or payable to, the ATO are classified as operating cash flows.

**(f) Foreign currency translation**

Transactions in foreign currencies are recorded using the spot rate at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the end of the reporting date.

Differences arising on settlement or translation of monetary items are recognised in net result.

**(g) Comparative information**

Except when an AAS permits or requires otherwise, comparative information is presented in respect of the previous period for all amounts reported in the financial statements.

**(h) Changes in accounting policies, including new or revised AAS**

(i) Effective for the first time in 2021-22

The accounting policies applied in 2021-22 are consistent with those of the previous financial year. No new or revised AAS have been applied for the first time in 2021-22.

(ii) Issued but not yet effective

NSW public sector entities are not permitted to early adopt new AAS unless Treasury determines otherwise. The following new AAS have not been applied and are not yet effective:

AASB17 *Insurance Contracts*  
AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*  
AASB 2020-3 *Amendments to Australian Accounting Standards – Annual Improvements 2018-2020 and Other Amendments*  
AASB 2020-6 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-Current*  
- Deferral of Effective Date  
AASB 2021-2 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies and Definition of Accounting Estimates*  
AASB 2021-5 *Amendments to Australian Accounting Standards – Deferred Tax related to Assets and Liabilities arising from a Single Transaction*  
AASB 2021-6 *Amendments to Australian Accounting Standards – Disclosure of Accounting Policies: Tier 2 and Other Australian Accounting Standards*  
AASB 2021-7a *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB10 and AASB 128 and Editorial Corrections*  
AASB 2021-7b *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB10 and AASB 128 and Editorial Corrections*  
AASB 2021-7c *Amendments to Australian Accounting Standards – Effective Date of Amendments to AASB10 and AASB 128 and Editorial Corrections*

NESA has assessed that there will be no material impact in the year of initial application of these standards.

**1. Statement of Significant Accounting Policies (continued)**

**(i) Impact of COVID-19 on Financial Reporting for 2021-22**

NESA has assessed the potential impact of COVID-19 on its end of year financial statements.

The following areas have been reviewed to assess possible impacts:

- Allowance for expected credit losses
- Financial instruments
- Inventories
- Superannuation and long-term provisions
- Events after the reporting date
- Going concern
- Internal control environment
- Carrying amounts of property, plant and equipment
- Working from home and technology as a solution
- Employee-related systems and processes
- Budgetary impacts

NESA continues to closely monitor the COVID-19 outbreak and has put in place regular communication mechanisms to staff members and stakeholders to manage these impacts. This includes regular interaction with government and public health officials at the highest levels. NESA continues to implement mitigating actions to ensure there is minimal disruption to normal operations. There has been no financial material impact of COVID-19 upon NESA's operations.

**NSW EDUCATION STANDARDS AUTHORITY**  
Notes to the consolidated financial statements for the year ended 30 June 2022

**2. Expenses Excluding Losses**

	<b>Consolidated Entity 2022 \$'000</b>	<b>Parent Entity 2022 \$'000</b>	<b>Consolidated Entity 2021 \$'000</b>	<b>Parent Entity 2021 \$'000</b>
(a) Employee related expenses				
Salaries and wages (including annual leave) <sup>1</sup>	112,681	-	106,011	-
Superannuation - defined benefit plans	226	-	258	-
Superannuation - defined contribution plans	9,528	-	8,074	-
Long service leave	1,100	-	(733)	-
Workers' compensation insurance	484	-	489	-
Payroll tax and fringe benefits tax	5,380	-	5,575	-
	<u>129,399</u>	<u>-</u>	<u>119,674</u>	<u>-</u>

<sup>1</sup> An amount of \$1.326m (2020-21: \$1.525m) for employee related expenses was capitalised during the financial year.

(b) Personnel services				
Personnel services	-	128,079	-	120,074
	<u>-</u>	<u>128,079</u>	<u>-</u>	<u>120,074</u>

(c) Other operating expenses include the following:

Auditor's remuneration - audit of the financial statements	67	67	72	72
Computing expenses	9,220	9,220	6,309	6,309
Couriers	265	265	645	645
Expense relating to short-term leases	556	556	406	406
Expense relating to leases of low-value assets	728	728	834	834
Fees for services	1,968	1,968	1,603	1,603
Furniture and equipment	81	81	326	326
Insurance	320	320	269	269
Legal fees	562	562	223	223
Maintenance	1,360 *	1,360 *	1,200	1,200
Marking centre rental	5,210	5,210	4,408	4,408
Motor vehicles	273	273	330	330
Other contractors <sup>1</sup>	12,549	12,549	13,579	13,579
Other expenses	1,596	1,596	1,203	1,203
Postage	583	583	574	574
Printing and publishing	1,620	1,620	1,270	1,270
Security	1,604	1,604	1,722	1,722
Staff development	746	746	432	432
Stationery and consumables	304	304	632	632
Telephones	772	772	365	365
Travel and accommodation	478	478	926	926
	<u>40,862</u>	<u>40,862</u>	<u>37,328</u>	<u>37,328</u>

<sup>1</sup> An amount of \$0.357m (2020-21: \$0.310m) for contractor related expenses was capitalised during the financial year.

	<b>Consolidated Entity 2022 \$'000</b>	<b>Parent Entity 2022 \$'000</b>	<b>Consolidated Entity 2021 \$'000</b>	<b>Parent Entity 2021 \$'000</b>
* Reconciliation - Total maintenance expense				
Maintenance expense - contracted labour and other (non-employee related), as above	1,360	1,360	1,200	1,200
Employee related maintenance expense included in Note 2(a)	-	-	-	-
Total maintenance expenses included in Note 2(a) + 2(b)	-	-	-	-
* Reconciliation - Total maintenance expense	<u>1,360</u>	<u>1,360</u>	<u>1,200</u>	<u>1,200</u>

2. Expenses Excluding Losses (continued)

Recognition and Measurement

**Maintenance Expense**

Day-to-day servicing costs or maintenance are charged as expenses as incurred, except where they relate to the replacement or an enhancement of a part or component of an asset, in which case the costs are capitalised and depreciated.

**Insurance**

NESA's insurance activities are conducted through the NSW Treasury Managed Fund Scheme of self-insurance for Government entities. The expense (premium) is determined by the Fund Manager based on past claims experience.

**Lease expense**

NESA recognises the lease payments associated with the following types of leases as an expense on a straight-line basis:

- Leases that meet the definition of short-term i.e. where the lease term at commencement of the lease is 12 months or less. This excludes leases with a purchase option.
- Leases of assets that are valued at \$10,000 or under when new.

Variable lease payments not included in the measurement of the lease liability (i.e. variable lease payments that do not depend on an index or a rate, initially measured using the index or rate as at the commencement date).

These payments are recognised in the period in which the event or condition that triggers those payments occurs.

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
(d) Depreciation and amortisation expense				
Depreciation				
Leasehold improvements	239	239	132	132
Plant and equipment	100	100	103	103
Right-of-use assets	5,125	5,125	5,177	5,177
	<u>5,464</u>	<u>5,464</u>	<u>5,412</u>	<u>5,412</u>
Amortisation				
Software intangibles	1,443	1,443	1,353	1,353
	<u>1,443</u>	<u>1,443</u>	<u>1,353</u>	<u>1,353</u>
Total depreciation and amortisation expense	<u>6,907</u>	<u>6,907</u>	<u>6,765</u>	<u>6,765</u>

Refer to Note 11, 12 and 13 for recognition and measurement policies on depreciation and amortisation.

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
(e) Finance costs				
Interest expense from lease liabilities	72	72	120	120
Total interest expense	<u>72</u>	<u>72</u>	<u>120</u>	<u>120</u>

**Recognition and Measurement**

Finance costs consist of interest and other costs incurred in connection with leasing. Finance costs are recognised as expenses in the period in which they are incurred, in accordance with Treasury's Mandate to not-for-profit NSW GGS entities.

3. Revenue

Recognition and Measurement

Income is recognised in accordance with the requirements of AASB 15 *Revenue from Contracts with Customers* or AASB 1058 *Income of Not-for-Profit Entities*, dependent on whether there is a contract with a customer defined by AASB 15 *Revenue from Contracts with Customers*. Comments regarding the accounting policies for the recognition of income are discussed below.

(a) Sale of goods and services from contracts with customers

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
Sale of goods:				
Publication and copyright fees	860	860	946	946
<i>Subtotal of sale of goods</i>	860	860	946	946
Rendering of services:				
Higher School Certificate user charges	586	586	957	957
NAPLAN user charges	5,507	5,507	536	536
Australian Music Examination Board fees	2,689	2,689	3,007	3,007
Exhibition fees	168	168	177	177
Accreditation fees	15,369	15,369	15,391	15,391
Other	299	299	313	313
<i>Subtotal of rendering of services</i>	24,618	24,618	20,381	20,381
	25,478	25,478	21,327	21,327

Recognition and Measurement

**Sale of goods**

Revenue from sale of goods is recognised as when NESAs satisfies a performance obligation by transferring the promised goods.

Type of Good	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Publication and copyright fees	The performance obligation of transferring these products is typically satisfied at the point in time when the products are delivered to the customer. Delivery in accordance with the contract denotes acceptance by the customer, and therefore deemed as the point in time when the control is transferred to the customer.  The payments are typically due 30 days from the sale date.	Revenue from these sales is recognised based on the price specific in the contract and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur.  No element of financing is deemed present as the sales are made with a short credit term. No volume discount or warranty is provided on the sale.

**Rendering of services**

Revenue from rendering of services is recognised when NESAs satisfies the performance obligation by delivering the promised services.

Type of Service	Nature of Timing of Satisfaction of Performance Obligation, Including Significant Payment Terms	Revenue Recognition Policies
Higher School Certificate, NAPLAN, and AMEB user charges	The performance obligation in relation to HSC, NAPLAN or AMEB examinations are typically satisfied as the services are delivered to the customer. i.e. in the year when the student sits the exam.  The payments are typically due 30 days from the sale date.	Revenue is recognised when the services are provided and measured at the published prices based upon the examination being provided.  No significant element of financing is deemed present as the sales are made with a short credit term.



3. Revenue (continued)

Accreditation fees	The performance obligations in relation to teacher accreditation are typically satisfied as the services are delivered to the customer i.e. over the calendar year.  The payments are typically due 30 days from the sale date.	Revenue is recognised when the services are provided and measured by the percentage of time lapsed by the reporting period end.  No element of financing is deemed present as the sales are made with a short credit term.
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Refer to Note 9 for the disclosure of the aggregate amount of the transaction price allocated to performance obligations that are unsatisfied (or partially unsatisfied) at the end of the reporting period, and when NESAs expects to recognise the unsatisfied portion as revenue.

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
(b) Grants and Other contributions				
Vocational education and training	347	347	347	347
NSW Department of Education	162,135	162,135	155,662	155,662
Eligibility of Accreditation Grant	1,056	1,056	973	973
Other	1,126	1,126	2,027	2,027
	164,664	164,664	159,009	159,009

Recognition and Measurement

Revenue from grants with sufficiently specific performance obligations is recognised as and when NESAs satisfies a performance obligation by completing the promised service, such as the development of a specific curriculum module.  
The payments are typically due 30 days from the sale date.

Revenue from these grants is recognised based on the grant amount specified in the funding agreement/funding approval, and revenue is only recognised to the extent that it is highly probable that a significant reversal will not occur. The grant amount is determined in advance of any work commencing. No element of financing is deemed present as funding payments are usually received in advance or shortly after the relevant obligation is satisfied.

Refer Note 9 for transaction price allocated to the performance obligations that have not been satisfied at the end of the year and when it is expected to be recognised as revenue.

Income from grants without sufficiently specific performance obligations are recognised when NESAs obtains control over the granted assets (e.g. cash).

NESAs receives its funding via grants from the NSW Department of Education.

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
(c) Acceptance by the Crown in the right of New South Wales benefits and other liabilities				
The following liabilities and / or expenses have been assumed by the Crown Entity:				
Superannuation - defined benefit	225	-	258	-
Long service leave	1,084	-	(672)	-
Payroll tax on superannuation	11	-	14	-
	1,320	-	(400)	-
(d) Other income				
Project Services	20	20	54	54
Software licence fees	3,163	3,163	3,135	3,135
Miscellaneous	63	63	21	21
	3,246	3,246	3,210	3,210

**NSW EDUCATION STANDARDS AUTHORITY**  
**Notes to the consolidated financial statements for the year ended 30 June 2022**

**4. Other Gains / (Losses)**

	<b>Consolidated Entity 2022 \$'000</b>	<b>Parent Entity 2022 \$'000</b>	<b>Consolidated Entity 2021 \$'000</b>	<b>Parent Entity 2021 \$'000</b>
Impairment gains/(losses) on right-of-use assets under leases	-	-	104	104
Derecognition of right-of-use assets and lease liabilities with Property NSW*	212	212	-	-
	<u>212</u>	<u>212</u>	<u>104</u>	<u>104</u>

**Recognition and Measurement**

*Impairment losses on non-financial assets*

Impairment losses may arise on non-financial assets held by NESAs from time to time. Accounting for impairment losses is dependent upon the individual asset (or group of assets) subject to impairment. Accounting Policies and events giving rise to impairment losses are disclosed in the following notes:

Trade receivables and contract assets - Note 8

Property, plant and equipment - Note 11

Leases - Note 12

Intangible assets - Note 13

\* The net gains/(losses) are recognised from the derecognition of the right-of-use asset and lease liability with Property NSW as at 30 June 2022. Please refer to Note 12 for further details of derecognition.

The net gain/(loss) from the derecognition of right-of-use asset and lease liability as at 30 June 2022 is reconciled as below:

	<b>Consolidated Entity 2022 \$'000</b>	<b>Parent Entity 2022 \$'000</b>
<b>Right-of-use asset</b>		
Gross carrying value	16,260	16,260
Less: accumulated depreciation and accumulated impairment provision	(10,794)	(10,794)
Net book value	<u>5,466</u>	<u>5,466</u>
<b>Amortised balance of incentives received</b>	-	-
<b>Lease liability</b>	5,678	5,678
<b>Net Gains/(Losses)</b>	<u>212</u>	<u>212</u>

**5. Conditions and Restrictions on Income of Not-for-Profit Entities**

The *Education Standards Authority Act 2013* (the NESAs Act) at Section 15 established the Education Standards Authority Fund (the NESAs Fund) into which is to be paid all fees and charges, any appropriations and any other money payable to NESAs under the *Teacher Accreditation Act 2004*.

The NESAs fund has a separate operating bank account. The fund had a balance of \$0.657m at 30 June 2022 (2020-21: \$0.127m).

The NESAs Act stipulates that money held in the Fund is to be applied only for the purposes of meeting costs incurred in connection with the accreditation of teachers under the Act and in monitoring, maintaining and developing teacher quality.

6. State outcome group statements for the year ended 30 June 2022

	Outcome Group 1*		Outcome Group 2*		Outcome Group 3*		Outcome Group 4*		Total	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
<b>NESA'S EXPENSES &amp; INCOME</b>										
<b>Expenses excluding losses</b>										
Operating expenses										
• Employee related	23,670	12,481	11,080	11,543	81,259	83,035	13,390	12,615	129,399	119,674
• Other operating expenses	6,314	4,323	2,097	1,792	28,295	28,006	4,156	3,207	40,862	37,328
Depreciation and amortisation	1,865	1,827	1,243	1,218	2,072	2,029	1,727	1,691	6,907	6,765
Finance Costs	19	32	13	22	22	36	18	30	72	120
<b>Total expenses excluding losses</b>	<b>31,868</b>	<b>18,663</b>	<b>14,433</b>	<b>14,575</b>	<b>111,648</b>	<b>113,106</b>	<b>19,291</b>	<b>17,543</b>	<b>177,240</b>	<b>163,887</b>
<b>Revenue</b>										
Sale of goods and services										
from contracts with customers	430	473	729	786	8,950	4,677	15,369	15,391	25,478	21,327
Grants and other contributions	33,901	18,210	16,214	15,522	89,173	100,892	25,376	24,385	164,664	159,009
Acceptance by the Crown Entity of employee benefits and other liabilities	272	(46)	130	(39)	715	(254)	203	(61)	1,320	(400)
Other income	-	-	-	-	3,246	3,210	-	-	3,246	3,210
<b>Total revenue</b>	<b>34,603</b>	<b>18,637</b>	<b>17,073</b>	<b>16,269</b>	<b>102,084</b>	<b>108,525</b>	<b>40,948</b>	<b>39,715</b>	<b>194,708</b>	<b>183,146</b>
Gains / (Losses) on disposal	-	-	-	-	-	-	-	-	-	-
Other Gains / (Losses)	57	28	38	19	64	31	53	26	212	104
<b>Net result</b>	<b>2,792</b>	<b>2</b>	<b>2,678</b>	<b>1,713</b>	<b>(9,500)</b>	<b>(4,550)</b>	<b>21,710</b>	<b>22,198</b>	<b>17,680</b>	<b>19,363</b>
<b>Other comprehensive income</b>										
Increase / (decrease) in revaluation surplus	-	-	-	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-	-	-	-
<b>Total other comprehensive income</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>2,792</b>	<b>2</b>	<b>2,678</b>	<b>1,713</b>	<b>(9,500)</b>	<b>(4,550)</b>	<b>21,710</b>	<b>22,198</b>	<b>17,680</b>	<b>19,363</b>
<b>ENTITY'S ASSETS &amp; LIABILITIES</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>Current Assets</b>										
Cash and cash equivalents	9,970	4,351	4,383	3,452	36,414	28,708	5,836	4,097	56,603	40,609
Receivables	269	23	239	-	970	713	5,182	3,431	6,660	4,167
Inventories	102	283	-	-	101	283	-	-	203	566
<b>Total current assets</b>	<b>10,341</b>	<b>4,657</b>	<b>4,622</b>	<b>3,452</b>	<b>37,485</b>	<b>29,704</b>	<b>11,018</b>	<b>7,528</b>	<b>63,466</b>	<b>45,342</b>
<b>Non-current Assets</b>										
Receivables	-	-	-	-	63	1	-	-	63	1
Contract assets	-	-	-	-	-	-	-	-	-	-
Property, plant and equipment	223	139	105	129	767	924	127	140	1,222	1,332
Right-of-use assets	-	1,100	-	1,018	-	7,319	-	1,112	-	10,549
Intangible assets	1,791	996	838	921	6,148	6,626	1,013	1,007	9,790	9,550
<b>Total non-current assets</b>	<b>2,014</b>	<b>2,235</b>	<b>943</b>	<b>2,068</b>	<b>6,978</b>	<b>14,870</b>	<b>1,140</b>	<b>2,259</b>	<b>11,075</b>	<b>21,432</b>
<b>TOTAL ASSETS</b>	<b>12,355</b>	<b>6,892</b>	<b>5,565</b>	<b>5,520</b>	<b>44,463</b>	<b>44,574</b>	<b>12,158</b>	<b>9,787</b>	<b>74,541</b>	<b>66,774</b>
<b>Current liabilities</b>										
Payables	891	947	891	947	4,507	4,293	1,051	1,114	7,340	7,301
Other	222	96	100	75	776	580	134	89	1,232	840
Contract liabilities	186	111	186	113	1,208	724	8,380	8,360	9,960	9,308
Borrowings	-	537	-	497	-	3,576	-	544	-	5,154
Provisions	1,875	1,083	878	1,002	6,436	7,205	1,060	1,095	10,249	10,385
<b>Total current liabilities</b>	<b>3,174</b>	<b>2,774</b>	<b>2,055</b>	<b>2,634</b>	<b>12,927</b>	<b>16,378</b>	<b>10,625</b>	<b>11,202</b>	<b>28,781</b>	<b>32,988</b>
<b>Non-current liabilities</b>										
Contract liabilities	-	-	-	-	-	-	-	-	-	-
Borrowings	-	595	-	551	-	3,960	-	602	-	5,708
Provisions	37	21	17	19	126	138	22	22	202	200
Other non-current liabilities	-	-	-	-	-	-	-	-	-	-
<b>Total non-current liabilities</b>	<b>37</b>	<b>616</b>	<b>17</b>	<b>570</b>	<b>126</b>	<b>4,098</b>	<b>22</b>	<b>624</b>	<b>202</b>	<b>5,908</b>
<b>TOTAL LIABILITIES</b>	<b>3,211</b>	<b>3,390</b>	<b>2,072</b>	<b>3,204</b>	<b>13,053</b>	<b>20,476</b>	<b>10,647</b>	<b>11,826</b>	<b>28,983</b>	<b>38,896</b>
<b>NET ASSETS</b>	<b>9,144</b>	<b>3,502</b>	<b>3,493</b>	<b>2,316</b>	<b>31,410</b>	<b>24,098</b>	<b>1,511</b>	<b>(2,039)</b>	<b>45,558</b>	<b>27,878</b>

7. Current Assets - Cash and Cash Equivalents

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
Cash at bank and on hand	56,603	56,603	40,609	40,609
	<u>56,603</u>	<u>56,603</u>	<u>40,609</u>	<u>40,609</u>

For the purposes of the Statement of Cash Flows, cash and cash equivalents includes cash at bank and cash on hand.

Cash and cash equivalents (per Statement of Financial Position)	56,603	56,603	40,609	40,609
Cash and cash equivalents (per Statement of Cash Flows)	<u>56,603</u>	<u>56,603</u>	<u>40,609</u>	<u>40,609</u>

Refer to Note 25 for details regarding credit risk and market risk arising from financial instruments.

\$0.657 (2020-21: \$0.127m) of these balances form part of the NESA Fund and restrictions apply. See Note 14 for details.

8. Current / Non-Current Assets - Receivables

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
Trade receivables from contracts with customers	302	302	708	708
Accreditation Fees receivable	7,806	7,806	5,740	5,740
	<u>8,108</u>	<u>8,108</u>	<u>6,448</u>	<u>6,448</u>
Less Allowance for expected credit losses *				
- Accreditation Fees receivable	(2,862)	(2,862)	(2,308)	(2,308)
Total expected credit losses	<u>(2,862)</u>	<u>(2,862)</u>	<u>(2,308)</u>	<u>(2,308)</u>
Sundry government debtors	1,130	1,130	-	-
Other	107	107	-	-
Prepayments - Current	177	177	27	27
Prepayments - Non-Current	63	63	1	1
	<u>6,723</u>	<u>6,723</u>	<u>4,168</u>	<u>4,168</u>

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
<b>*Movement in the allowance for expected credit losses</b>				
Balance at the beginning of the year	2,308	2,308	1,459	1,459
Amounts written off during the year	(237)	(237)	(145)	(145)
Amounts recovered during the year	-	-	-	-
Increase / (decrease) in allowance recognised in net results	791	791	994	994
Balance at the end of the year	<u>2,862</u>	<u>2,862</u>	<u>2,308</u>	<u>2,308</u>

Details regarding credit risk of trade receivables that are neither past due nor impaired, are disclosed in Note 25.

**Recognition and Measurement**

All 'regular way' purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Receivables are initially recognised at fair value plus any directly attributable transaction costs. Receivables that do not contain a significant financing component are measured at the transaction price.

8. Current / Non-Current Assets - Receivables (continued)

**Subsequent measurement**

NESA holds receivables with the objective to collect the contractual cash flows and therefore measures them at amortised cost using the effective interest method, less any impairment. Changes are recognised in the net result for the year when impaired, derecognised or through the amortisation process.

**Impairment**

NESA recognises an allowance for expected credit losses (ECLs) for all debt financial assets not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows and the cash flows that NESA expects to receive, discounted at the original effective interest rate.

For trade receivables, NESA applies a simplified approach in calculating ECLs. NESA recognises a loss allowance based on lifetime ECLs at each reporting date. NESA has established a provision matrix based on its historical credit loss experience for trade receivables, adjusted for forward-looking factors specific to the receivable. A similar approach is taken for accreditation fee receivables.

9. Contract Assets and Liabilities

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
Contract liabilities - current	9,960	9,960	9,308	9,308
Contract liabilities - non-current	-	-	-	-
	<u>9,960</u>	<u>9,960</u>	<u>9,308</u>	<u>9,308</u>
Contract receivables (included in note 8)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Recognition and Measurement**

Contract liabilities relate to consideration received in advance from customers in respect of teacher annual accreditation fees and AMEB exams, copyright fees and supplementary funding.

The balance of contract liabilities at 30 June 2022 has decreased due to the recognition of performance obligations satisfied.

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
Revenue recognised that was included in the contract liability balance at the beginning of the year	9,308	9,308	8,249	8,249
Revenue recognised from performance obligations satisfied in previous periods	-	-	-	-
Transaction price allocated to the remaining performance obligations from contracts with customers	<u>9,960</u>	<u>9,960</u>	<u>9,308</u>	<u>9,308</u>

The Transaction price allocated to the remaining performance obligations relates to annual accreditation fees, exam fees and copyright fees.

100% is expected to be recognised as revenue in the 2022-23 financial year.

10. Current Assets - Inventories

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
<b>Held-for-distribution</b>				
Publications stock - at cost	17	17	20	20
	17	17	20	20
<b>Held-for-resale</b>				
Publications stock - at cost	186	186	546	546
	186	186	546	546
	203	203	566	566

A provision for obsolescence of \$0.221m (2020-21: \$0.221m) is included in the above amounts.

**Recognition and Measurement**

Inventories held for distribution are stated at cost, adjusted when applicable, for any loss of service potential. A loss of service potential is identified and measured based on the existence of a current replacement cost that is lower than the carrying amount. Inventories (other than those held for distribution) are stated at the lower of cost and net realisable value. Cost is calculated using the "first in first out" method.

The cost of inventories acquired at no cost or for nominal consideration is the current replacement cost as at the date of acquisition. Current replacement cost is the cost NESA would incur to acquire the asset. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

11. Property, Plant and Equipment

Total property, plant and equipment

	Leasehold Improvements \$'000	Plant and Equipment \$'000	Total \$'000
<b>At 1 July 2020 - fair value</b>			
Gross carrying amount	9,683	11,454	21,137
Accumulated depreciation and impairment	(8,686)	(11,099)	(19,785)
Net carrying amount	<u>997</u>	<u>355</u>	<u>1,352</u>
<b>Year ended 30 June 2021</b>			
Net carrying amount at beginning of year	997	355	1,352
Purchases of assets	215	-	215
Disposals	-	-	-
Depreciation expense	(132)	(103)	(235)
Net carrying amount at end of year	<u>1,080</u>	<u>252</u>	<u>1,332</u>
<b>At 1 July 2021 - fair value</b>			
Gross carrying amount	9,898	11,454	21,352
Accumulated depreciation and impairment	(8,818)	(11,202)	(20,020)
Net carrying amount	<u>1,080</u>	<u>252</u>	<u>1,332</u>
<b>Year ended 30 June 2022</b>			
Net carrying amount at beginning of year	1,080	252	1,332
Purchases of assets	129	100	229
Disposals	-	-	-
Depreciation expense	(239)	(100)	(339)
Net carrying amount at end of year	<u>970</u>	<u>252</u>	<u>1,222</u>
<b>At 30 June 2022 - fair value</b>			
Gross carrying amount	10,027	11,554	21,581
Accumulated depreciation and impairment	(9,057)	(11,302)	(20,359)
Net carrying amount	<u>970</u>	<u>252</u>	<u>1,222</u>

**Recognition and Measurement**

**Acquisition of property, plant and equipment**

Property, plant and equipment are initially measured at cost and subsequently revalued at fair value less accumulated depreciation and impairment. Cost is the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire the asset at the time of its acquisition or construction or, where applicable, the amount attributed to that asset when initially recognised in accordance with the requirements of other AAS.

Fair value is the price that would be received to sell an asset in an orderly transaction between market participants at measurement date.

Where payment for an asset is deferred beyond normal credit terms, its cost is the cash price equivalent; i.e. deferred payment amount is effectively discounted over the period of credit.

Assets acquired at no cost, or for nominal consideration, are initially recognised at their fair value at the date of acquisition.

**Capitalisation thresholds**

Property, plant and equipment and intangible assets costing \$5,000 and above individually (or forming part of a network costing more than \$5,000) are capitalised.

**Major inspection costs**

When a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied.

**Restoration costs**

The present value of the expected cost for the restoration or cost of dismantling of an asset after its use is included in the cost of the respective asset if the recognition criteria for a provision are met.





12. Leases

**NESA as a lessee**

NESA leases various properties, equipment and motor vehicles. Lease contracts are typically made for fixed periods of one to three years, but may have extension options. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease arrangements do not impose any covenants, but leased assets may not be used as security for borrowing purposes. NESA does not provide residual value guarantees in relation to leases.

Extension and termination options are included in a number of property and equipment leases. These terms are used to maximise operational flexibility in terms of managing contracts. The majority of extension and termination options held are exercisable only by NESA and not by the respective lessor. In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). Potential future cash flows have not been included in the lease liability because it is not reasonably certain that the leases will be extended (or terminated). The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects this assessment and that is within the control of the lessee. During the current financial year, no extension or termination options were exercised.

AASB 16 Leases (AASB 16) requires a lessee to recognise a right-of-use asset and a corresponding lease liability for most leases.

NESA has elected to recognise payments for short-term leases and low value leases as expenses on a straight-line basis, instead of recognising a right-of-use asset and lease liability. Short-term leases are leases with a lease term of 12 months or less. Low value assets are assets with a fair value of \$10,000 or less when new and comprise mainly plant and equipment.

During the financial year ended 30 June 2022, NESA has accepted the changes in the office accommodation arrangements with Property NSW (PNSW). The main change is the introduction of the "substitution right" clause for PNSW to relocate NESA during the term of the agreement. The clause provides PNSW with a substantive substitution right. Therefore, these agreements are no longer accounted for as a lease within the scope of AASB 16. The corresponding right of use assets and lease liabilities have been derecognised on 30 June 2022, the effective date of the new clause. The net impact of the derecognition is recognised in "Other Gains / (Losses)" (refer to Note 4). From 1 July 2022, the accommodation charges will be recognised as expenses when incurred over the agreement duration.

**Right-of-use assets under leases**

The following table presents right-of-use assets that do not meet the definition of investment property.

	Land and Buildings \$'000	Total \$'000
Balance at 1 July 2021	10,549	10,549
Additions	49	49
Depreciation expense	(5,125)	(5,125)
Other movements - impairment	-	-
Derecognition of right of use asset	(5,473)	(5,473)
Balance at 30 June 2022	-	-
Balance at 1 July 2020	2,137	2,137
Additions	13,485	13,485
Depreciation expense	(5,177)	(5,177)
Other movements - impairment	104	104
Balance at 30 June 2021	10,549	10,549

**Lease liabilities**

The following table presents liabilities under leases.

	2022 \$'000	2021 \$'000
Balance at 1 July	10,862	2,269
Additions	49	13,589
Interest expense	72	120
Payments	(5,305)	(5,116)
Derecognition of lease liabilities	(5,678)	-
Balance at 30 June	-	10,862

**12. Leases (continued)**

The following amounts were recognised in the statement of comprehensive income during the period in respect of leases where NESAs is the lessee:

	<b>2022</b>	<b>2021</b>
	<b>\$'000</b>	<b>\$'000</b>
Depreciation expense of right-of-use assets	5,125	5,177
Interest expense on lease liabilities	72	120
Expense relating to short-term leases	556	406
Expense relating to leases of low-value assets	728	834
Gains or losses arising from derecognising the right-of-use assets and lease liabilities with Property NSW	(212)	-
Total amount recognised in the statement of comprehensive income	<u>6,269</u>	<u>6,537</u>

NESA had total cash outflows for leases of \$6.4m in FY2021-22 (FY2020-21: \$4.9m).

**Recognition and measurement**

NESA assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NESA recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets, except for short-term leases and leases of low-value assets.

**i. Right-of-use assets**

NESA recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are initially measured at the amount of initial measurement of the lease liability (refer ii below), adjusted by any lease payments made at or before the commencement date and lease incentives, any initial direct costs incurred, and estimated costs of dismantling and removing the asset or restoring the site.

The right-of-use assets are subsequently measured at cost. They are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

Land and buildings 3 to 5 years

If ownership of the leased asset transfers to NESA at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. NESA assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, NESA estimates the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. After an impairment loss has been recognised, it is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the net result.

**ii. Lease liabilities**

At the commencement date of the lease, NESA recognises lease liabilities measured at the present value of lease payments to be made over the lease term. Lease payments include:

- \* fixed payments (including in substance fixed payments) less any lease incentives receivable;
- \* variable lease payments that depend on an index or a rate;
- \* amounts expected to be paid under residual value guarantees;
- \* exercise price of a purchase option reasonably certain to be exercised by NESA; and
- \* payments of penalties for terminating the lease, if the lease term reflects NESA exercising the option to terminate.

Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for NESA's leases, the lessee's incremental borrowing rate is used, being the rate that NESA would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset. NESAs lease liabilities are included in borrowings.

**12. Leases (continued)**

iii. Short-term leases and leases of low-value assets

NESA applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expenses on a straight-line basis over the lease term.

iv. Leases that have significantly below-market terms and conditions principally to enable NESA to further its objectives

The initial and subsequent measurement of right-of-use assets under leases at significantly below-market terms and conditions that are entered into principally to enable NESA to further its objectives is the same as normal right-of-use assets. They are measured at cost, subject to impairment.

13. Intangible Assets

	Software \$'000	Total \$'000
<b>At 1 July 2020</b>		
Cost (gross carrying amount)	22,286	22,286
Accumulated amortisation and impairment	(13,218)	(13,218)
Net carrying amount	<u>9,068</u>	<u>9,068</u>
<b>Year ended 30 June 2021</b>		
Net carrying amount at beginning of year	9,068	9,068
Additions - internal development	1,835	1,835
Amortisation (recognised in 'depreciation and amortisation')	(1,353)	(1,353)
Net carrying amount at end of year	<u>9,550</u>	<u>9,550</u>
<b>At 1 July 2021</b>		
Cost (gross carrying amount)	24,121	24,121
Accumulated amortisation and impairment	(14,571)	(14,571)
Net carrying amount	<u>9,550</u>	<u>9,550</u>
<b>Year ended 30 June 2022</b>		
Net carrying amount at beginning of year	9,550	9,550
Additions - internal development	1,683	1,683
Amortisation (recognised in 'depreciation and amortisation')	(1,443)	(1,443)
Net carrying amount at end of year	<u>9,790</u>	<u>9,790</u>
<b>At 30 June 2022</b>		
Cost (gross carrying amount)	25,804	25,804
Accumulated amortisation and impairment	(16,014)	(16,014)
Net carrying amount	<u>9,790</u>	<u>9,790</u>

**Recognition and Measurement**

NESA recognises intangible assets only if it is probable that future economic benefits will flow to NESA and the cost of the asset can be measured reliably. Intangible assets are measured initially at cost. Where an asset is acquired at no or nominal cost, the cost is its fair value as at the date of acquisition. Following initial recognition, intangible assets are subsequently measured at fair value only if there is an active market. If there is no active market for NESA's intangible assets, the assets are carried at cost less any accumulated amortisation and impairment loss.

Each year, NESA capitalises the development costs related to any new functionality added to or replaced in the two electronic systems used by NESA. These systems are utilised in the operation of the HSC and the administration of Teacher Accreditation. The costs are usually recognised at year end for the new functionality completed in that year. The systems infrastructure of both systems was created in prior years. The additional modules or replacement of functionality reflect the changing and evolving responsibilities of NESA.

The useful lives of intangible assets are assessed to be finite.

NESA's intangible assets are amortised using the straight line method over a period of 3-10 years for all software intangibles.

The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

Intangible assets are tested for impairment where an indicator of impairment exists. If the recoverable amount is less than its carrying amount, the carrying amount is reduced to recoverable amount and the reduction is recognised as an impairment loss.

**NSW EDUCATION STANDARDS AUTHORITY**  
**Notes to the consolidated financial statements for the year ended 30 June 2022**

**14. Restricted Assets**

	<b>Consolidated Entity 2022 \$'000</b>	<b>Parent Entity 2022 \$'000</b>	<b>Consolidated Entity 2021 \$'000</b>	<b>Parent Entity 2021 \$'000</b>
The NESA Fund	657	657	127	127
	<u>657</u>	<u>657</u>	<u>127</u>	<u>127</u>

The *Education Standards Authority Act 2013* (the NESA Act) at Section 15 established the Education Standards Authority Fund (the NESA Fund) into which is to be paid teacher accreditation fees.

Section 15(3) of the NESA Act stipulates that only costs incurred by NESA for the accreditation of teachers and the oversight, maintenance and development of teacher quality are to be paid from the NESA Fund. Such costs include employee related expenses, operating expenses and other expenditure incurred by NESA in relation to those functions under that Act.

All teacher fees and charges are deposited into the NESA fund for which a separate operating bank account is held. Interest earned from the investment of money in the NESA Fund is reinvested in the NESA Fund.

Section 15(4) provides that NESA may invest the money held in the Fund, as applicable, either as authorised by the *Government Sector Finance Act 2018* (GSF Act) or in accordance with the *Trustee Act 1925* (Trustee Act), or as approved by the Minister in concurrence with the Treasurer.

**15. Current Liabilities - Payables**

	<b>Consolidated Entity 2022 \$'000</b>	<b>Parent Entity 2022 \$'000</b>	<b>Consolidated Entity 2021 \$'000</b>	<b>Parent Entity 2021 \$'000</b>
Accrued salaries, wages and on-costs	2,307	-	1,389	-
Creditors	5,033	5,033	5,824	5,824
Sundry Government creditors	-	-	88	88
Relief staff costs	226	226	108	108
Personnel Services	-	2,307	-	1,389
Other	1,006	1,006	732	732
	<u>8,572</u>	<u>8,572</u>	<u>8,141</u>	<u>8,141</u>

Details regarding liquidity risk including a maturity analysis of the above payables are disclosed in Note 25.

**Recognition and measurement**

Payables represent liabilities for goods and services provided to NESA and other amounts. Short-term payables with no stated interest rate are measured at the original invoice amount where the effect of discounting is immaterial.

Payables are financial liabilities at amortised cost, initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

**16. Current / Non-Current Liabilities - Borrowings**

	<b>Consolidated Entity 2022 \$'000</b>	<b>Parent Entity 2022 \$'000</b>	<b>Consolidated Entity 2021 \$'000</b>	<b>Parent Entity 2021 \$'000</b>
Lease liabilities - current (see Note 12)	-	-	5,154	5,154
Lease liabilities - non-current (see Note 12)	-	-	5,708	5,708
	<u>-</u>	<u>-</u>	<u>10,862</u>	<u>10,862</u>

Details regarding liquidity risk, including a maturity analysis of the above payables are disclosed in Note 25.

**Recognition and measurement**

Borrowing represents lease liabilities.

*Financial liabilities at amortised cost*

Borrowings classified as financial liabilities at amortised cost are initially measured at fair value, net of directly attributable transaction costs. These are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in net result when the liabilities are derecognised as well as through the amortisation process.

Refer to Note 12 for further details on lease liabilities derecognised as a result of changes in office accommodation arrangements with PNSW.

17. Current / Non-Current Liabilities - Provisions

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
<b>Current</b>				
<b>Current provisions expected to be settled within 12 months</b>				
<b>Employee benefits and related on-costs</b>				
Annual leave	3,669	-	3,639	-
Long service leave on-costs	2,047	-	2,018	-
Redundancies	-	-	1,873	-
	<u>5,716</u>	<u>-</u>	<u>7,530</u>	<u>-</u>
Personnel Services	-	5,716	-	7,530
	<u>-</u>	<u>5,716</u>	<u>-</u>	<u>7,530</u>
<b>Current provisions expected to be settled beyond 12 months</b>				
Annual leave	4,533	-	2,855	-
	<u>4,533</u>	<u>-</u>	<u>2,855</u>	<u>-</u>
Personnel Services	-	4,533	-	2,855
	<u>-</u>	<u>4,533</u>	<u>-</u>	<u>2,855</u>
<b>Total provisions - current</b>	<u>10,249</u>	<u>10,249</u>	<u>10,385</u>	<u>10,385</u>
<b>Non-current</b>				
<b>Employee benefits and related on-costs</b>				
Long service leave on-costs	202	-	200	-
	<u>202</u>	<u>-</u>	<u>200</u>	<u>-</u>
Personnel Services	-	202	-	200
	<u>-</u>	<u>202</u>	<u>-</u>	<u>200</u>
<b>Total provisions - non-current</b>	<u>202</u>	<u>202</u>	<u>200</u>	<u>200</u>
<b>Aggregate employee benefits and related on-costs</b>				
Provisions - current	10,249	-	10,385	-
Provisions - non current	202	-	200	-
Accrued salaries, wages and on-costs (Note 15)	2,307	-	1,389	-
	<u>12,758</u>	<u>-</u>	<u>11,974</u>	<u>-</u>

**Recognition and Measurement**

**Employee benefits and related on-costs**

**Salaries and wages, annual leave and sick leave**

Salaries and wages (including non-monetary benefits), and paid sick leave that are expected to be settled wholly within 12 months after the end of the period in which the employees render the service are recognised and measured at the undiscounted amounts of the benefit.

Annual leave is not expected to be settled wholly before 12 months after the end of the annual reporting period in which the employees render the related service. As such, it is required to be measured at present value in accordance with AASB 119 *Employee Benefits* (although short-cut methods are permitted).

Actuarial advice obtained by Treasury has confirmed that using the nominal annual leave balance plus the annual leave entitlements accrued while taking annual leave (calculated using 8.4% of the nominal value of annual leave) can be used to approximate the present value of the annual leave liability. NESAs has assessed the actuarial advice based on NESAs's circumstances and has determined that the effect of discounting is immaterial to annual leave. All annual leave is classified as a current liability even where NESAs does not expect to settle the liability within 12 months as NESAs does not have an unconditional right to defer settlement.

Unused non-vesting sick leave does not give rise to a liability as it is not considered probable that sick leave taken in the future will be greater than the benefits accrued in the future.

**Long service leave and superannuation**

NESAs's liabilities for long service leave and defined benefit superannuation are assumed by the Crown Entity. NESAs accounts for the liability as having been extinguished, resulting in the amount assumed being shown as part of the non-monetary revenue item described as "Acceptance by the Crown Entity of employee benefits and other liabilities".

**17. Current / Non-Current Liabilities - Provisions (continued)**

Long service leave is measured at the present value of expected future payments to be made in respect of services provided up to the reporting date. Consideration is given to certain factors based on actuarial review, including expected future wage and salary levels, experience of employee departures, and periods of service. Expected future payments are discounted using the Commonwealth government bond rate at the reporting date.

The superannuation expense for the financial year is determined by using the formulae specified in the Treasurer's Directions. The expense for certain superannuation schemes (i.e. Basic Benefit and First State Super) is calculated as a percentage of the employees' salary. For other superannuation schemes (i.e. State Superannuation Scheme and State Authorities Superannuation Scheme), the expense is calculated as a multiple of the employees' superannuation contributions.

**Consequential on-costs**

Consequential costs to employment are recognised as liabilities and expenses where the employee benefits to which they relate have been recognised. This includes outstanding amounts of payroll tax, workers' compensation insurance premiums and fringe benefits tax.

**18. Equity**

**Recognition and Measurement**

**Accumulated Funds**

The category 'Accumulated Funds' includes all current and prior period retained funds.

**19. Commitments**

At balance date there was \$0.305m (2020-21: Nil) capital expenditure for the acquisition of goods and services contracted for and not provided.

**20. Contingent Liabilities and Contingent Assets**

NESA is unaware of any contingent liabilities existing as at 30 June 2022 (2020-21: Nil).

NESA is unaware of any contingent assets existing as at 30 June 2022 (2020-21: Nil).

**21. Budget Review**

The budgeted amounts are drawn from the original budgeted financial statements presented to Parliament in respect of the reporting period. Subsequent amendments to the original budget (e.g. adjustment for transfer of functions between entities as a result of Administrative Arrangements Orders) are not reflected in the budgeted amounts. Major variances between the original budgeted amounts and the actual amounts disclosed in the financial statements are explained below.

**Net result**

The actual net result was \$31.0m favourable to budget for the financial year.

The variance includes lower expenses of \$35.0m offset by lower revenues of \$4.0m.

The \$35.0m budget variance in expenses is attributable to the following:

- employee-related expenses are \$30.0m lower than budget primarily due to delays in recruitment for significant projects.
- operating expenses are \$5.3m lower primarily due to delays in contingent labour hire and related expenses for significant projects.
- depreciation and amortisation expenses are \$0.319m higher than budget primarily due to the timing in the capitalisation of research and development.

The \$4.0m budget variance in revenue is primarily attributable to the following:

- the timing of billings for the sale of goods and services.
- the actuarial calculation of long service leave.
- offsetting increases in the revenues from commercial products.

**Assets and liabilities**

Total assets have increased by \$27.5m against budget for the financial year, primarily due to the following:

- increased cash balances of \$30.0m resulting from delays in expenditure on significant projects.
- increased receivables of \$1.3m arising from modified debt collection schedule as a result of COVID conditions.
- increases in intangible assets arising from the capitalisation of work undertaken on the electronic Teacher Accreditation Management System (e-TAMS) and the Examination system.
- offsetting decreases caused by the derecognition of Right of Use Assets of \$5.4m.

Total liabilities have decreased by \$3.4m against budget, primarily due to the following:

- decreases in Payables of \$3.0m relating to the timing of project activities.
- decreases in "borrowings" of \$5.3m arising from the derecognition of "lease liabilities" offset by
- increases in Provisions of \$2.0m relating to staff leave entitlements.
- increases in Contract Liabilities of \$1.7m relating to teacher accreditation fees.

Closing cash and cash equivalents are \$30m higher than budget primarily due to decreased expenditure arising from delays in project-related activity and the impact of internal restructure.

**22. Reconciliation of Cash Flows from Operating Activities to Net Result**

Reconciliation of cash flows from operating activities to the net result as reported in the Statement of Comprehensive Income as follows:

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
Net cash flows (used) / from operating activities	23,131	23,131	33,340	33,340
Add / (less) non-cash items:				
Depreciation and amortisation expense	(6,907)	(6,907)	(6,765)	(6,765)
Allowance for impairment	(554)	(554)	(744)	(744)
Decrease / (increase) in provisions	133	133	(2,231)	(2,231)
Increase / (decrease) in other gains and losses for right-of-use assets under leases	212	212	-	-
Increase / (decrease) in prepayments and other assets	2,640	2,640	(1,174)	(1,174)
Decrease / (increase) in payables	(323)	(323)	(2,004)	(2,004)
Decrease / (increase) in contract liabilities	(652)	(652)	(1,059)	(1,059)
<b>Net result</b>	<b>17,680</b>	<b>17,680</b>	<b>19,363</b>	<b>19,363</b>

**23. Non-cash Financing and Investing Activities**

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
Liabilities and expenses assumed by the Crown in the right of New South Wales	1,320	-	(400)	-
	<u>1,320</u>	<u>-</u>	<u>(400)</u>	<u>-</u>

**24. Trust Funds**

NESA holds monies donated for the Brother John Taylor Memorial Trust (\$35,428) and for the Mary Besley Biology Teachers award (\$675). The Brother John Taylor Memorial Trust recognises a HSC student who has overcome significant disadvantage to achieve academic excellence. The Mary Besley Biology Teachers award recognises outstanding achievement in Biology. Interest earned from the investment of these assets is used to provide cash awards to the recipients.

As NESA performs only a custodial role in respect of these monies, and because the monies cannot be used for the achievement of NESA's own objectives, these funds are not recognised in the financial statements. The following is a summary of the transactions in the trust accounts:

	Consolidated Entity 2022 \$'000	Parent Entity 2022 \$'000	Consolidated Entity 2021 \$'000	Parent Entity 2021 \$'000
Cash balance at the beginning of the financial year	36	36	37	37
Add: Receipts	4	4	4	4
Less: Expenditure	4	4	5	5
Cash balance at the end of the financial year	<u>36</u>	<u>36</u>	<u>36</u>	<u>36</u>



25. Financial Instruments

NESA's principal financial instruments are outlined below. These financial instruments arise directly from NESA's operations or are required to finance NESA's operations. NESA does not enter into or trade financial instruments, including derivative financial instruments, for speculative purposes.

NESA's main risks arising from financial instruments are outlined below, together with NESA's objectives, policies and processes for measuring and managing risk. Further quantitative and qualitative disclosures are included throughout these financial statements.

The Chief Executive Officer has overall responsibility for the establishment and oversight of risk management and reviews and agrees policies for managing each of these risks. Risk management policies are established to identify and analyse the risks faced by NESA, to set risk limits and controls and to monitor risks. Compliance with policies is reviewed by NESA on a continuous basis.

(a) Financial instrument categories

Class	Note	Category	Carrying Amount Consolidated Entity 2022 \$'000	Carrying Amount Parent Entity 2022 \$'000	Carrying Amount Consolidated Entity 2021 \$'000	Carrying Amount Parent Entity 2021 \$'000
<b>Financial Assets</b>						
Cash and cash equivalents	7	Amortised cost	56,603	56,603	40,609	40,609
Receivables *	8	Amortised cost	5,352	5,352	4,140	4,140
Contract assets **	9		-	-	-	-
<b>Financial Liabilities</b>						
Payables ***	15	Financial liabilities measured at amortised cost	7,565	7,565	7,321	7,321
Borrowings - lease liabilities	16	Financial liabilities measured at amortised cost	-	-	10,862	10,862

Notes

\* Excludes statutory receivables and prepayments (i.e. not within the scope of AASB 7)

\*\* While contract assets are also not financial assets, they are explicitly included in the scope of AASB7 for the purpose of the credit risk disclosures.

\*\*\* Excludes statutory payables and unearned revenue (i.e. not within the scope of AASB 7).

NESA determines the classification of its financial assets and liabilities after initial recognition and, when allowed and appropriate, re-evaluates this at each financial year end.

(b) Derecognition of financial assets and financial liabilities

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when the contractual rights to the cash flows from the financial assets expire; or if NESA transfers its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either:

- NESA has transferred substantially all the risks and rewards of the asset; or
- NESA has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control.

When NESA has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. Where NESA has neither transferred or retained substantially all the risks and rewards or transferred control, the asset continues to be recognised to the extent of NESA's continuing involvement in the asset. In that case, NESA also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that NESA has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that NESA could be required to repay.

A financial liability is derecognised when the obligation specified in the contract is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the net result.

(c) Offsetting financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statement of Financial Position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

25. Financial Instruments (continued)

(d) Financial risks

i Credit Risk

Credit risk arises when there is the possibility that the counterparty will default on their contractual obligations, resulting in a financial loss to NESA. The maximum exposure to credit risk is generally represented by the carrying amount of the financial assets (net of any allowance for credit losses or allowance for impairment).

Credit risk arises from the financial assets of NESA, including cash and receivables. No collateral is held by NESA. NESA has not granted any financial guarantees.

Credit risk associated with NESA's financial assets, other than receivables, is managed through the selection of counterparties and establishment of minimum credit rating standards.

NESA considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, NESA may also consider a financial asset to be in default when internal or external information indicates that NESA is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by NESA.

Cash and cash equivalents

Cash comprises cash on hand and bank balances within the NSW Treasury Banking System.

Accounting policy for impairment of trade receivables and other financial assets

Receivables - fees receivable

Accreditation fees receivable are recognised as amounts receivable at balance date. Collectability of fees is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. NESA develops a schedule for fee collections each year. A series of reminders are sent using different methods of communication after the due date. The reminders are followed by accreditation suspension.

NESA applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss for all fee receivables.

To measure the expected credit losses, fee receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. NESA has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

NESA is exposed to a concentration of credit risk as all debtors in this category are teachers working in NSW. This exposure is deemed to be material (\$4.663m).

The debtors of NESA represent a large number of individual teachers whose particular credit ratings will vary and are unknown to NESA.

Fee receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

An allowance for loss is raised when there is objective evidence that NESA will not be able to collect amounts due. This evidence includes past experience and current expected changes to the accreditation process that generates the collection of fees. No interest is charged. Accreditation fees are usually billed on 30 day terms.

The loss allowance for fees receivables as at 30 June 2022 and 2021 was determined as follows:

30 June 2022						Total
\$'000						
Current	<30 days	30-60 days	61-90 days	>91 days		
Expected credit loss rate	0%	0%	0%	0%	43%	
Estimated total gross carrying amount at default	272	2	1	2	7,248	7,525
Expected credit loss	-	-	-	-	2,862	2,862
30 June 2021						Total
\$'000						
Current	<30 days	30-60 days	61-90 days	>91 days		
Expected credit loss rate	0%	0%	0%	0%	43%	
Estimated total gross carrying amount at default	36	-	24	2	5,305	5,367
Expected credit loss	-	-	-	-	2,308	2,308

Notes: the analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 8 and the contract assets total in Note 9.

25. Financial Instruments (continued)

**Receivables - trade receivables**

Collectability of trade receivables is reviewed on an ongoing basis. Procedures as established in the Treasurer's Directions are followed to recover outstanding amounts, including letters of demand. NESAs reviews trade receivables on a quarterly basis. A series of reminders and letters of demand are sent. Non-payment results in write-backs as per debt collection policy.

NESA applies the AASB 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables.

To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due.

The expected loss rates are based on historical observed loss rates. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. NESAs has identified the GDP and the unemployment rate to be the most relevant factors, and accordingly adjusts the historical loss rates based on expected changes in these factors.

Trade receivables are written off when there is no reasonable expectation of recovery. Indicators that there is no reasonable expectation of recovery include, amongst others a failure to make contractual payments for a period of greater than 90 days past due.

The loss allowance for trade receivables as at 30 June 2022 and 2021 was determined as follows:

	30 June 2022					Total
	Current	<30 days	30-60 days	61-90 days	>91 days	
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount	151	79	-	31	41	302
Expected credit loss	-	-	-	-	-	-
	30 June 2021					
	(\$'000)					
	Current	<30 days	30-60 days	61-90 days	>91 days	Total
Expected credit loss rate	0%	0%	0%	0%	0%	
Estimated total gross carrying amount	329	69	87	66	158	709
Expected credit loss	-	-	-	-	-	-

Notes: the analysis excludes statutory receivables, prepayments, as these are not within the scope of AASB 7. Therefore, the 'total' will not reconcile to the receivables total in Note 8 and the contract assets total in Note 9.

NESA is not materially exposed to concentrations of credit risk to a single trade debtor or group of debtors as at 30 June 2022 and 2021.

**ii Liquidity risk**

Liquidity risk is the risk that NESAs will be unable to meet its payment obligations when they fall due. NESAs continuously manages risk through monitoring future cash flows and maturities planning to ensure adequate holding of high quality liquid assets. The objective is to maintain a balance between continuity of funding and flexibility through the use of overdrafts, loans and other advances. Liquidity risk is assessed as low.

During the current and prior year there were no defaults on payment obligations. No assets have been pledged as collateral. NESAs's exposure to liquidity risk is deemed insignificant based on prior periods' data and current assessment of risk.

Liabilities are recognised for amounts due to be paid in the future for goods or services received, whether or not invoiced. Amounts owing to suppliers (which are unsecured) are settled in accordance with the policy set out in NSW TC 11-12. For small business suppliers, where terms are not specified, payment is made not later than 30 days from date of receipt of a correctly rendered invoice. For other suppliers, if trade terms are not specified, payment is made no later than the end of the month following the month in which an invoice or a statement is received. During the COVID-19 pandemic NESAs has adopted NSW Treasury's Faster Payment scheme, paying suppliers and contractors as quickly as possible.

For small business suppliers, where payment is not made within the specified time period, simple interest must be paid automatically unless an existing contract specifies otherwise. For payments to other suppliers, the Chief Executive Officer (or a person appointed by the Chief Executive Officer) may automatically pay the supplier simple interest.

During the year no penalty interest payments were made.

25. Financial Instruments (continued)

The table below summarises the maturity profile of NESA's financial liabilities based on contractual undiscounted payments, together with the interest rate exposure.

	Weighted Average Effective Int. Rate %	Nominal Amount 1 \$'000	Interest rate exposure		Maturity dates		
			Fixed Interest Rate \$'000	Variable Interest Rate \$'000	Non-interest bearing \$'000	< 1 year \$'000	1-5 years \$'000
<b>2022</b>							
Payables *	-	7,565	-	-	7,565	-	-
Borrowings - Lease Liabilities	-	-	-	-	-	-	-
<b>2021</b>							
Payables **	-	7,321	-	-	6,983	-	-
Borrowings - Lease Liabilities	1.41	10,862	-	-	-	5,154	5,708

Notes:

\*. The amounts disclosed are the contractual undiscounted cash flows of each class of financial liabilities based on the earliest date on which NESA can be required to pay. These amounts include both interest and principal cash flows and therefore will not reconcile to the amounts in the Statement of Financial position.

\*\* The amounts disclosed here exclude statutory payables and unearned revenue (not within scope of AASB7).

iii Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. NESA's exposures to market risk are primarily through interest rate risk on NESA's borrowings. NESA has no exposure to foreign currency risk and does not enter into commodity contracts.

The effect on profit and equity due to a reasonably possible change in risk variable is outlined in the information below, for interest rate risk and other price risk. A reasonably possible change in risk variable has been determined after taking into account the economic environment in which NESA operates and the time frame for the assessment (i.e. until the end of the next annual reporting period). The sensitivity analysis is based on risk exposures in existence at the Statement of Financial Position reporting date. The analysis is performed on the same basis as for 2021. The analysis assumes that all other variables remain constant.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

NESA has minimal exposure to interest rate risk from its holdings in interest bearing financial assets.

NESA does not account for any fixed rate financial instruments at fair value through profit or loss or at fair value through other comprehensive income. Therefore, for these financial instruments, a change in interest rates would not affect the carrying value or interest paid/earned.

A reasonably possible change of +/- 1% is used, consistent with current trends in interest rates (based on official RBA interest rate volatility over the last five years). The basis will be reviewed annually and amended where there is a structural change in the level of interest rate volatility.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates:

	2022 \$'000		2021 \$'000	
	-1%	+1%	-1%	+1%
Net Result	(177)	177	(194)	194
Equity	(456)	456	(472)	472

(e) Fair value measurement

i. Fair value compared to carrying amount

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability.

**26. Related Party Disclosures**

NESA's key management personnel compensation paid and payable are as follows:

	<b>Consolidated Entity 2022 \$'000</b>	<b>Parent Entity 2022 \$'000</b>	<b>Consolidated Entity 2021 \$'000</b>	<b>Parent Entity 2021 \$'000</b>
Salaries	4,915	4,915	5,139	5,139
Other monetary allowances	247	247	147	147
Non-monetary benefits	-	-	-	-
Other long-term employee benefits	-	-	-	-
Post-employment benefits	-	-	-	-
Termination benefits	505	505	1,447	1,447
<b>Total remuneration</b>	<b>5,667</b>	<b>5,667</b>	<b>6,733</b>	<b>6,733</b>

NESA did not enter into any transactions outside of the ordinary course of business with key management personnel, their close family members or their controlled entities or jointly controlled entities.

NESA entered into transactions with other entities that are controlled by NSW Government. These transactions in aggregate are a significant portion of NESA's revenue.

During the year NESA transacted with the following NSW government agencies:

NSW Department of Education (Recurrent and capital grant funding and fees for services)  
 The Crown in the right of New South Wales (Long service leave, defined benefit superannuation and payroll tax assumed)  
 Revenue NSW (Payroll Tax)  
 NSW Self Insurance Corporation (SiCorp) (Insurance)  
 Property and Development NSW (Property rentals)  
 The Crown Solicitor (Legal fees)  
 The Audit Office of NSW (Financial audit)  
 The NSW Skills Board

**27. Events after the Reporting Period**

NESA is not aware of any events after the financial year that have material impacts on the financial statements for the year ended 30 June 2022.

NESA continues to closely monitor, in consultation with NSW Treasury and the NSW Department of Education, the developing COVID-19 situation and the impact it will have upon NESA's operations in 2022-23.

**End of audited consolidated financial statements**

# Acronyms and abbreviations

AM	Member of the Order of Australia
ACARA	Australian Curriculum, Assessment and Reporting Authority
AECG	NSW Aboriginal Education Consultative Group Inc.
AHPPC	Australian Health Protection Principal Committee
AISNSW	Association of Independent Schools of New South Wales
AMEB	Australian Music Examinations Board
Auslan	Australian Sign Language
Assoc Deg	Associate Degree
BA	Bachelor of Arts
BComm	Bachelor of Commerce
BEEd	Bachelor of Education
BHlthPhyEd	Bachelor of Health and Physical Education
BSc	Bachelor of Science
BTeach	Bachelor of Teaching
BTh	Bachelor of Theology
CCAFL	Collaborative Curriculum and Assessment Framework for Languages
CEO	Chief Executive Officer
CEC	Content Endorsed Course
CSNSW	Catholic Schools NSW
CSP	Cyber Security Policy
DDA	Disability Discrimination Act 1992
DipEd	Diploma of Education
DipT	Diploma of Teaching
DLitt	Doctor of Letters
EC	Early Childhood
ECEC	Early Childhood Education and Care
EdD	Doctor of Education
eTAMS	Electronic Teacher Accreditation Management System
FTE	Full-Time Equivalent
GAICD	Graduate of the Australian Institute of Company Directors
GIPA	Government Information (Public Access)
GDipEd/GradDipEd	Graduate Diploma in Education
HALT	Highly Accomplished and Lead Teacher
Hon	Honourable
Hons	Honours
HSC	Higher School Certificate
HSCG	Home Schooling Consultative Group
ICT	Information Communications Technology
IEU	Independent Education Union
ISMS	Information Security Management System
ISO	International Organization for Standardisation
ITE	Initial Teacher Education
LLB	Bachelor of Laws
MA	Master of Arts
MEd (Lead)	Master of Education (Leadership and Management)
MPP	Master of Public Policy
MTheo	Master of Theology
MSc	Master of Science
NAPLAN	National Assessment Program – Literacy and Numeracy

NCAT	NSW Civil and Administrative Tribunal
NESA	NSW Education Standards Authority
NESA Act	Education Standards Authority Act 2013
NSW	New South Wales
OCG	NSW Office of the Children's Guardian
PhD	Philosophiae doctor
PIN	Personal Identification Number
PD	Professional Development
PD Policy	Accreditation of Professional Development Courses Policy
PFA Act	Public Finance and Audit Act 1983
PGDip	Post graduate Diploma
PSSE	Public Service Senior Executive
RAP	Reconciliation Action Plan
RoSA	Record of School Achievement
SDBEC	School Developed Board Endorsed Course
TA Act	Teacher Accreditation Act 2004
TAA	Teacher Accreditation Authority
TAFE	Technical and Further Education
TENs	Teacher Expert Networks
The Act	Education Act 1990
The Standards	Australian Professional Standards for Teachers
UNSW	University of New South Wales
VET	Vocational Education and Training
WWCC	Working with Children Check

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