

# ANNUAL REPORT 2016–2017



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The State of Queensland (Queensland Curriculum and Assessment Authority) Annual Report 2016–2017

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# Contents

Letter of compliance .....	1
Communication objectives.....	2
Highlights of 2016–17 .....	3
Chair’s introduction .....	4
Constitution, role and functions .....	5
Corporate profile .....	6
Board membership .....	6
Standing committees .....	8
Other advisory groups .....	10
Organisational structure.....	11
<b>Strategic plan .....</b>	<b>12</b>
Planning and objectives.....	12
Performance against objectives .....	12
<b>Program review .....</b>	<b>14</b>
Preparing for the new Queensland Certificate of Education system.....	14
Testing and assessment .....	16
Certification and tertiary entrance .....	18
Corporate support and communication .....	20
<b>Financial Report 2016–17 .....</b>	<b>24</b>
<b>Appendixes .....</b>	<b>59</b>
1 Fees paid to board members .....	59
2 Consultancies and overseas travel .....	59
3 Early retirement, redundancy and retrenchment.....	59
4 QCAA district offices .....	60
Glossary .....	inside back cover



# Letter of compliance

8 September 2017

The Honourable Kate Jones MP  
Minister for Education and  
Minister for Tourism, Major Events and the Commonwealth Games  
PO Box 15033  
CITY EAST QLD 4002

Dear Minister

I am pleased to submit for presentation to the Parliament the Annual Report 2016–17 and financial statements for the Queensland Curriculum and Assessment Authority.

I certify that this Annual Report complies with:

- the prescribed requirements of the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*
- the detailed requirements set out in the *Annual report requirements for Queensland Government agencies*.

A checklist outlining the annual reporting requirements can be accessed at [www.qcaa.qld.edu.au/about/annual-report](http://www.qcaa.qld.edu.au/about/annual-report).

Yours sincerely

A handwritten signature in black ink, appearing to read 'B. R. Short', with a stylized flourish at the end.

Brian Short  
Chair  
Queensland Curriculum and Assessment Authority

# Communication objectives

The Queensland Curriculum and Assessment Authority (QCAA) is responsible for kindergarten to Year 12 syllabus development, and providing testing, assessment, moderation, certification, tertiary entrance and vocational education and training services to Queensland's education community.

This annual report shows the ways in which the QCAA fulfilled its role, as prescribed by the *Education (Queensland Curriculum and Assessment Authority) Act 2014* (QCAA Act).

## Report access

This report is available:

- on the QCAA website at <https://www.qcaa.qld.edu.au/about/annual-report>.
- by contacting the QCAA on (07) 3864 0299.

## Interpreter Service Statement



The Queensland Government is committed to providing accessible services to Queenslanders from all culturally and linguistically diverse backgrounds. If you have difficulty in understanding the annual report, you can contact the QCAA on (07) 3864 0299 and we will arrange an interpreter to effectively communicate the report to you.

## Providing feedback

We continually strive to meet best practice reporting standards and value the views of our readers. We invite your comments via the whole-of-government feedback survey available at [www.qld.gov.au/annualreportfeedback](http://www.qld.gov.au/annualreportfeedback).

# Highlights of 2016–17

Issued Senior Education  
Profiles to 51 605  
Year 12 students

Completed more than 50 new  
senior syllabuses

Trialled external assessments  
with 20 000 students at more  
than 250 schools

Moderated 110 000 senior  
student  
assessment folios

Further enhanced School Portal to  
support data management

Awarded Queensland  
Certificates of Education to  
94% of Year 12 school leavers

Released 2016  
*NAPLAN* and  
*Year 12 outcomes* reports

Administered 2016  
and developed 2017  
QCS Test

Delivered more than 240  
professional development  
workshops to nearly  
6000 educators

Hosted 3rd annual  
Queensland  
Certificate of Education  
Achievement Awards

Administered  
2017 *NAPLAN*

Developed resources for  
Australian Curriculum  
learning areas

# Chair's introduction

In 2016–17, the QCAA was equally focused on dual priorities: maintaining Queensland's highly-regarded senior assessment and tertiary entrance system, and preparing the way for a new system to be introduced from 2019.

Noteworthy achievements in continuing the effective operation of the current system included:

- delivering workshops and webinars to support P–10 Australian Curriculum implementation
- issuing Senior Education Profiles to more than 51,600 Year 12 students
- quality-assuring teacher judgments in about 110,000 senior assessment folios
- hosting the 3rd annual Queensland Certificate of Education (QCE) Achievement Awards for outstanding Year 12 graduates.

In October 2016, the Queensland Government extended by one year the start date of Queensland's new senior curriculum, learning and assessment system. This time extension recognised the scale of the task that the QCAA is undertaking. By 2019, the Authority must design and deliver the elements that enable the biggest changes to senior schooling in this State in more than 40 years. During the past year we built solid foundations for this massive change agenda through:

- completing and approving 52 new General and Applied syllabuses
- preparing to deliver more than 700 syllabus workshops to nearly 20,000 teachers
- developing online modules about the new QCE system, syllabuses and taxonomy of learning
- administering external assessment trials involving about 250 schools and 20,000 students.

The QCAA recognises that the new QCE system will only be effective if it is supported by schools. Our leadership team has travelled the length and breadth of Queensland to share information and help principals and teachers to prepare.

At many of these events, the QCAA shared a podium with colleagues from the Queensland Tertiary Admissions Centre who explained how the Australian Tertiary Admission Rank will operate from 2020. I offer my sincere thanks to them and acknowledge their role in a productive partnership.

To ensure delivery of the new system, the QCAA workforce has significantly increased in size. We have recruited experts from across the schooling sectors and worked deliberately to enculturate them with the core values of the organisation. Our new staff are making an important contribution to the future while helping us to carry out core activities across kindergarten to Year 12.

In conclusion, I acknowledge the contribution of three groups. I want to thank Chief Executive Officer Chris Rider and the staff of the QCAA for the quality and zeal of their efforts in pursuing the Authority's agenda. I am indebted to the Board for its wise counsel and decision-making during the year. While we were disappointed to lose two outstanding contributors to the Board in Mrs Patrea Walton and Professor Adam Shoemaker, we enthusiastically welcomed three eminent educators – Ms Leanne Nixon from the Department of Education and Training, Professor Doune Macdonald from The University of Queensland and Professor Carol Nicoll from Queensland University of Technology. Finally, I wish to thank the Queensland teaching profession for its wholehearted involvement in the current system and extensive preparations for the new.



Brian Short

Chair

Queensland Curriculum and Assessment Authority



# Constitution, role and functions

The QCAA has operated since 1 July 2014. It was established under the *Education (Queensland Curriculum and Assessment Authority) Act 2014* (QCAA Act), and succeeded the Queensland Studies Authority (QSA).

The QCAA's role is to:

- develop and revise senior syllabuses and the *Queensland kindergarten learning guideline*
- support implementation of Australian Curriculum subject areas
- administer the National Assessment Program – Literacy and Numeracy (NAPLAN) in Queensland
- develop and administer procedures for student certification, including the Queensland Certificate of Education (QCE)
- implement Queensland's system of externally moderated school-based assessment in the senior years of schooling
- develop processes for ranking students for tertiary entrance
- support the delivery of vocational education and training in schools.

## Vision

A world class curriculum, learning and assessment system for Queensland students.

## Mission

To assist schools to provide quality learning and assessment for students, and to maintain public confidence in the validity and reliability of assessment outcomes.

## Values

QCAA's work and relationship with its stakeholders are guided by the following values:

- service
- innovation
- partnership
- trust.

# Corporate profile

## Board membership

The QCAA is governed by a seven-member board that includes nominees from the State, Catholic and Independent school sectors and four Ministerial nominees selected on the basis of expertise relevant to the functions of the Authority.

The Chief Executive Officer is subject to the direction of the QCAA Board and is responsible for the effective and efficient administration and operation of the Authority.

Board membership is established under Section 22 of the QCAA Act. All current appointments will conclude on 30 June 2018.

Seven board meetings were held during the 2016–17 reporting period.

### Mr Brian Short (Chair)

*Nominee of the Minister having the qualifications, experience or standing the Minister considers relevant to the functions of the Authority*

Brian retired as Headmaster of Brisbane Grammar School in 2013 after a 40-year career in secondary education. He remains involved in education as Deputy Chair of the Independent Schools Queensland Block Grant Authority, a Director of the Non-State Schools Accreditation Board, and an Adjunct Professor at Griffith University.

His curriculum leadership roles have included Head of Department, Dean of Studies and Deputy Headmaster Curriculum, and his teaching experiences have included university lecturing in educational leadership and Australian government.

Brian is a Fellow of the Australian College of Educators and the Australian Institute of Management, a member of the Australian Institute of Company Directors, and Australian Council of Educational Leaders.



### Ms Leanne Nixon

*Nominee of the chief executive of the Department of Education and Training (DET)*

Leanne is an Assistant Director-General in the State Schools Division at DET. She joined the Board in March 2017. At DET, Leanne is responsible for developing and leading innovative strategies that drive school improvement.

Leanne has served as Foundation Principal of the Queensland Academy for Health Sciences on the Gold Coast, Executive Principal at Calamvale Community College, and Teaching and Learning Auditor and Executive Director – Independent Public Schools team.



### Mrs Patrea Walton

*Nominee of the chief executive of the Department of Education and Training (DET)*

Patrea is the Deputy Director-General of the State Schools Division at DET. She is responsible for the development of programs and frameworks for international education, school operations, school performance and Indigenous education.

Patrea has more than 30 years' experience in education and has held a number of positions within DET, including teacher, principal and Assistant Director-General of Student Services. She resigned from the Board in March 2017.



### Mr David Robertson

*Nominee of Independent Schools Queensland (ISQ)*

David is Executive Director of ISQ, and has worked in the independent schooling sector for the past 25 years. He joined ISQ in 2002 as Director, Strategic and Government Relations. Previously, he worked for the Association of Independent Schools of Victoria for 12 years, including in the position of Executive Director, Operations.

David has expertise in the areas of funding, planning, governance, operations and administration and an extensive knowledge of government regulatory requirements for independent schools.

David serves on a wide range of school education committees and working groups at ministerial, departmental and stakeholder levels.



### **Ms Leesa Jeffcoat, AM**

*Nominee of the Queensland Catholic Education Commission (QCEC)*

Leesa is the Diocesan Director of Catholic Education (Diocese of Rockhampton). Prior to this appointment, she taught in both primary and secondary schools.

Leesa has a Diploma of Teaching (Primary), Bachelor of Arts, a Bachelor of Education (Hons), Masters in Educational Administration, and letters in Speech, Drama and Music. She has fellowships with the Australian College of Educators and the Australian College of Educational Leaders.



### **Professor Doune Macdonald**

*Nominee of the Minister having relevant corporate, governance or financial qualifications or experience*

Doune is Pro-Vice-Chancellor (Teaching & Learning) at The University of Queensland (UQ).

She started her education career as a health and physical education teacher before moving into academia. Doune was Head of School of Human Movement Studies at UQ from 2004–2013.

Doune has published 14 books and more than 200 book chapters and research papers in curriculum, policy and equity, and has undertaken curriculum evaluations for state and national initiatives. This led to her role as lead writer for the Australian Curriculum: Health and Physical Education. Doune joined the QCAA Board in April 2017.



### **Ms Tracy Corsbie**

*Nominee of the Minister having the qualifications, experience or standing the Minister considers relevant to the functions of the Authority*

Tracy is the Regional Director of DET's North Coast Regional Office. Previously she was Executive Principal at North Lakes State College.

Tracy has worked in primary and secondary education for more than 30 years, leading several statewide initiatives.



### **Professor Carol Nicoll, PSM**

*Nominee of the Minister having the qualifications, experience or standing the Minister considers relevant to the functions of the Authority*

Carol is Executive Dean of the Faculty of Education at Queensland University of Technology (QUT). She joined the QCAA Board in April 2017. Carol has worked as an English teacher and senior research officer at the Tertiary Entrance Procedures Authority. During a career in the public service, she had several senior executive positions.

Her other roles have included CEO of the Australian Learning and Teaching Council and Chief Commissioner and CEO of the Tertiary Education Quality and Standards Agency.



### **Professor Adam Shoemaker (Deputy Chair)**

*Nominee of the Minister having the qualifications, experience or standing the Minister considers relevant to the functions of the Authority*

Adam Shoemaker was a Board member until December 2016 when he moved interstate to become Vice Chancellor at Southern Cross University. He was formerly Academic Provost at Griffith University.

Adam is one of Australia's leading researchers in the area of Indigenous literature and culture. He is widely published in the areas of international and digital education, race relations, and cultural studies.



### **Professor Larry Smith**

*Nominee of the Minister having relevant corporate, governance or financial qualifications or experience*

Larry died in August 2016 following a short illness. He held a Chair in Strategic Leadership and Program Evaluation at the University of New England where he was also a member of the Academic Board and Register of Experts for the Australian Government's Tertiary Education Quality and Standards Agency.

Larry's career included roles as principal, TAFE Director, and science and mathematics teacher.



# Standing committees

The QCAA has four standing committees. These committees are an important part of the QCAA's consultation framework and ensure the development of quality services that meet the needs of school communities.

## Audit Committee

The committee's main functions are to:

- monitor compliance with relevant legislation
- provide advice to the QCAA Board on governance matters
- monitor, improve and maintain the credibility and objectivity of the accountability process (including financial reporting)
- monitor the quality of internal and external reporting of financial and non-financial information
- review the strategic risk assessment and monitor improvement strategies to reduce and mitigate risk.

The committee members are:

- the Chair – Authority member  
*Mr David Robertson*, Executive Director, Independent Schools Queensland
- two independent members – Authority members  
*Professor Larry Smith*, Graduate School of Business, University of New England (until August 2016)  
*Professor Carol Nicoll PSM*, Executive Dean, Faculty of Education, Queensland University of Technology (from April 2017)  
*Mr Brian Short*, Chair, QCAA
- an officer of the QCAA who has financial expertise  
*Mr Graham Smith*, Director, Corporate Services Division (until September 2016)  
*Mr Liam Hayes*, Acting Director, Corporate Services Division (from October 2016 to March 2017)  
*Mr Rob Seiler*, Director, Corporate Services Division (from April 2017)
- an officer of the QCAA with agency expertise  
*Mr Claude Jones*, Director, Assessment and Reporting Division.

The internal and external auditors have a standing invitation to attend meetings.

Audit Committee members are not remunerated.

The Audit Committee held four meetings in 2016–17. During this period, it:

- reviewed and approved the internal audit plan
- considered and approved the external audit strategy
- oversaw the internal and external audit processes, including the satisfactory implementation of recommendations from the audit processes

- reviewed the strategic risk assessment, and initiatives implemented to mitigate risks, including an information systems audit and risks and issues register for the new QCE system
- provided advice on commissioning an external review of the management of the new QCE system implementation program
- acted on matters referred by the Board for further consideration or advice, e.g. disaster recovery and business continuity.

The Audit Committee observed the terms of its charter and had due regard to Queensland Treasury's Audit Committee Guidelines.

## K–6 Curriculum and Assessment Committee

The committee provides advice and makes recommendations to the QCAA Board on:

- the development and suitability of curriculum resources and assessment programs, including the Australian Curriculum
- accreditation of kindergarten guidelines
- the development and provision of literacy and numeracy programs, including NAPLAN
- the development and provision of guidelines, resources, advice and professional development programs to support teachers and educators in early childhood settings to implement curriculum and assessment programs
- policies for curriculum and assessment, including the Australian Curriculum and NAPLAN
- current directions in curriculum, pedagogy and assessment development at a national and international level
- curriculum, standards and assessment issues that the Authority may determine.

Membership of the committee comprises:

- Authority member (Chair)
- Authority member/s
- Department of Education and Training (DET) nominee
- Queensland Catholic Education Commission (QCEC) nominee
- Independent Schools Queensland (ISQ) nominee
- DET, QCEC and ISQ primary principals – principals' associations nominees (3)
- Tertiary educator
- Queensland Teachers' Union nominee
- Independent Education Union of Australia – Queensland and Northern Territory Branch nominee
- Early childhood representative
- Joint parent nominee

- Aboriginal and Torres Strait Islander education representative
- Special education representative – Queensland Association of Special Education Leaders nominee
- Director/s, Curriculum Services Division and Assessment and Reporting Division, QCAA
- Executive Officer – Assistant Director, Senior Assessment and Moderation, QCAA.

## **Years 7–12 Curriculum, Assessment and Certification Committee**

The committee provides advice and makes recommendations to the QCAA Board on:

- the development and suitability of senior syllabuses and assessment programs, including the Australian Curriculum
- policies and procedures for assessment, moderation and certification
- policies and standards for curriculum and courses of study contributing to senior secondary qualifications, including recognition processes
- the development and provision of literacy and numeracy programs, including NAPLAN
- the development and provision of guidelines, resources, advice and professional development programs to support teachers to implement curriculum and assessment programs, and moderation and certification procedures, including the Australian Curriculum and NAPLAN
- current directions in the development of curriculum, pedagogy, assessment, moderation and certification at a national and international level
- curriculum, standards, assessment, moderation and certification issues that the Authority may determine.

Membership of the committee comprises:

- Authority member (Chair)
- Authority member/s
- Department of Education and Training (DET) nominee
- Queensland Catholic Education Commission (QCEC) nominee
- Independent Schools Queensland (ISQ) nominee
- DET, QCEC and ISQ secondary principals – principals' associations nominees (3)
- Tertiary educator
- Industry representative
- Queensland Teachers' Union nominee
- Independent Education Union of Australia – Queensland and Northern Territory Branch nominee
- Joint parent nominee

- Aboriginal and Torres Strait Islander education representative
- Special education representative – Queensland Association of Special Education Leaders nominee
- Director/s, Curriculum Services Division and Assessment and Reporting Division, QCAA
- Executive Officer – Assistant Director, K–12 Resources, QCAA.

## **Scaling Anomalies Committee**

The committee meets annually to examine mismatches between Queensland Core Skills (QCS) Test data and level of achievement data provided by schools.

Responsibilities include:

- considering applications from schools for examination of their QCS Test data where schools consider that exceptional circumstances may have resulted in lesser performance
- examining data for schools that have a significant negative mismatch between within-school achievement and QCS Test data, and recommending measures to be implemented to help schools identify the reasons for the mismatch
- confirming that special procedures which are part of the calculation of equivalent Overall Positions (OPs) are working appropriately (such as those for schools with visa students)
- considering cases identified by the QCAA where the normal scaling procedures for the calculation of OPs might need to be varied because they are not operating as intended.

Membership of the committee comprises:

- Authority member (Chair)
- Academic representative
- Department of Education and Training nominee
- Queensland Catholic Education Commission nominee
- Independent Schools Queensland nominee
- Director, Assessment and Reporting Division, QCAA
- Assistant Director, Analysis and Reporting Branch, QCAA
- Manager, Quantitative Analysis Unit, QCAA
- Executive Officer – Manager, Qualitative Analysis Unit, QCAA.

## Other advisory groups

The QCAA is supported by a number of advisory groups that provide input and expertise across all of its work priorities.

### Strategic Directions Group

The Strategic Directions Group (SDG) is the key corporate governance committee. Its responsibilities are to:

- oversee the advice provided to the Board on strategic and relevant operational matters
- monitor the implementation of Board decisions
- assist the Chief Executive Officer (CEO) to discharge their responsibilities
- contribute to the development of the QCAA strategic direction
- develop and set the operational direction
- identify and resolve strategic and, where necessary, operational issues
- provide corporate governance
- monitor performance, and then identify, recommend and implement improvement initiatives
- review and endorse policies, frameworks, systems and procedures
- constructively critique and debate new ideas and initiatives.

In 2016–17, SDG met 39 times. Membership comprises:

- *Mr Chris Rider*, Chief Executive Officer
- *Mr Claude Jones*, Director, Assessment and Reporting Division
- *Mr John McGuire*, Assistant Director, Policy Coordination Branch
- *Mr Robert Seiler*, Director, Corporate Services Division (from April 2017)
- *Mr Liam Hayes*, Acting Director, Corporate Services Division (from October 2016 to March 2017)
- *Mr Graham Smith*, Director, Corporate Services Division (until September 2016)
- *Ms Jacqueline Wilton*, Director, Curriculum Services Division.

## Senior Review Steering Committee

The steering committee provides advice on issues associated with implementation of Queensland's new systems for senior assessment and tertiary entrance that commence with students who enter Year 11 in 2019. It includes principals from each school sector, Queensland Tertiary Admissions Centre, the QCAA Chair and CEO, and external experts as required.

The committee established working groups to provide advice on technical issues relating to curriculum development and tertiary entrance processes.

### ***Flexible Curriculum Delivery Working Group***

This working group was established to identify flexible delivery options and strategies to support schools currently operating combined classes and those schools wishing to explore flexible options in the new QCE system. The group presented its report to the QCAA Board in March 2017.

### ***Measurement Working Group***

This working group was established to investigate a range of aspects relating to senior assessment and tertiary entrance processes (e.g. the method for calculating and reporting student subject results and the construct and calculation of a new tertiary entrance rank, including the number of subjects required for tertiary selection processes).

### ***Learning Area Reference Groups***

Nine Learning Area Reference Groups (LARGs) advise on curriculum and assessment. This includes the types of assessment to be used in the new system, feedback on draft syllabuses, and advice on consistency of design and approach across the suite of senior syllabuses in a learning area.

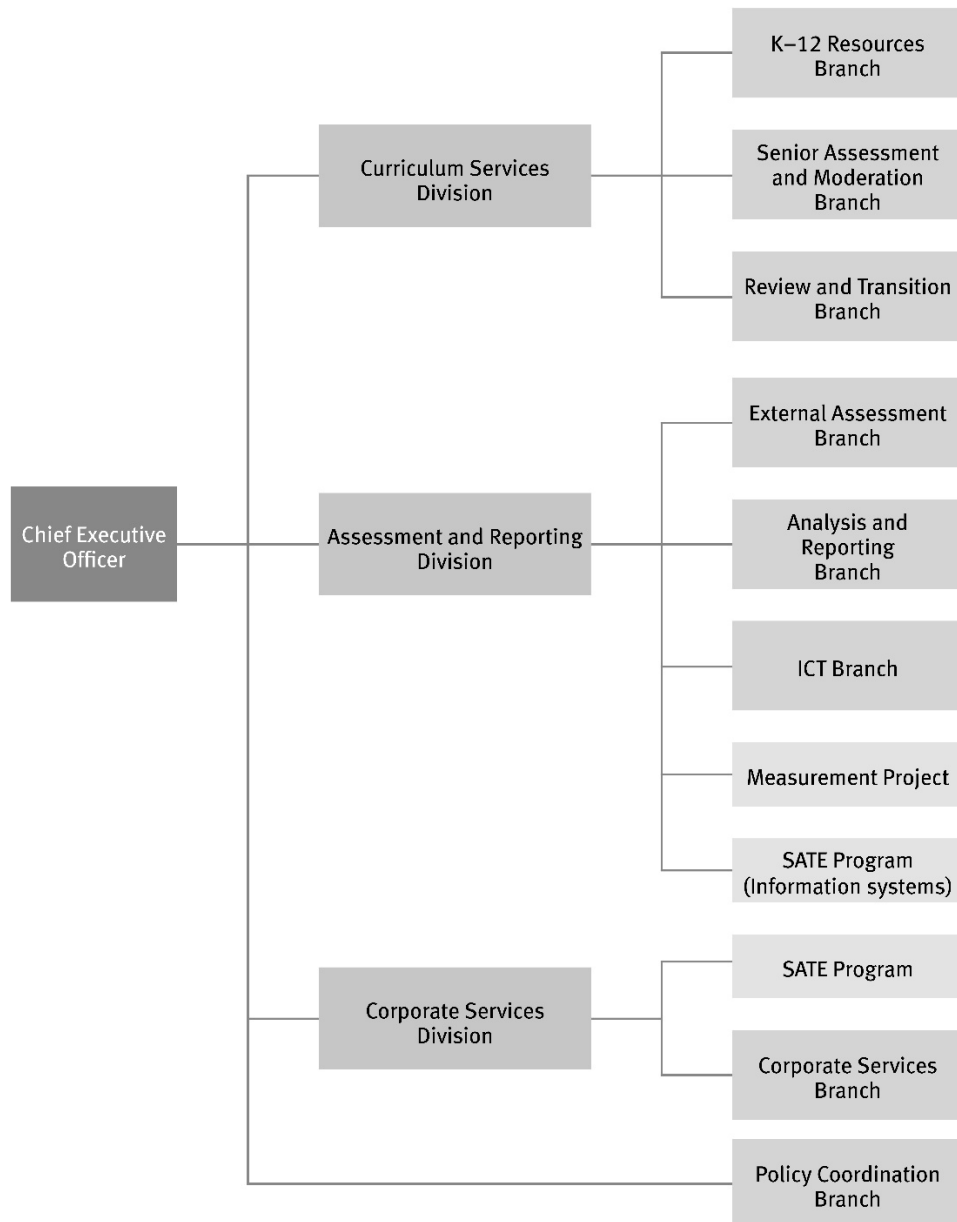
# Organisational structure

The QCAA has three divisions:

- **Curriculum Services Division** is responsible for curriculum policy, review and development, syllabus development, professional learning programs, assessment, moderation and vocational education and training (VET).
- **Assessment and Reporting Division** manages testing, assessment, tertiary entrance, student reporting, and ICT systems and services.
- **Corporate Services Division** is responsible for corporate governance and services functions including financial, human resource, publishing and administrative services.

QCAA's central office is located at 154 Melbourne Street, South Brisbane. The organisation had 307 full-time equivalent staff as at 30 June 2017, based mostly at the central office. The remainder worked in district offices across Queensland (see Appendix 4). Positions are filled through a mix of permanent and temporary appointments and secondments. Staff are employed directly by the Authority as part of the Education and Training portfolio.

## QCAA organisational structure as at June 2017



# Strategic plan

## Planning and objectives

The QCAA's Strategic Plan 2016–20 articulates its role in providing high quality curriculum, assessment and reporting programs that are informed by contemporary research about teaching, learning and broader educational processes.

The plan sets broad future strategic directions in the context of state and national reform. It outlines how QCAA is maintaining a world class curriculum, learning and assessment system for Queensland students by:

- strengthening senior curriculum and assessment
- supporting the P–10 Australian Curriculum and *Queensland kindergarten learning guideline*
- leading initiatives that support schools to lift student achievement in literacy and numeracy
- improving the delivery of services and client engagement by renewing information systems and communication channels, and streamlining processes and services
- cultivating a high-performing and innovative QCAA workforce.

These priorities support the Queensland Government's objective to deliver quality frontline services that achieve better education and training outcomes. They also align with its *Advancing education: An action plan for education in Queensland*.

## Performance against objectives

The QCAA seeks regular feedback on its performance against the strategic plan measures and uses the results to improve its products, procedures and services.

Performance against the following indicators is detailed throughout the report:

- client satisfaction with QCAA products and services
- valid and reliable curriculum and assessment
- accurate distribution of test materials, result information and outcomes data
- teacher, principal and other key stakeholder participation in the work of the QCAA
- projects are delivered on time and within budget
- QCAA staff participation in formal performance and development processes and leadership programs
- satisfactory outcomes of external audit.

## Agency service areas and service standards

The QCAA delivers high-quality curriculum and assessment to meet the needs of all Queensland schools. It delivers the following services to meet its objective:

- curriculum development
- student assessment, certification and reporting.

The QCAA's performance in meeting targets specified in the Department of Education and Training *2017–18 Service Delivery Statement* is shown in the table overleaf.



**Table 1: QCAA performance against Service Delivery Statements**

Key effectiveness measures	2016–17 Target/Estimate	2016–17 Actual
Percentage of stakeholders surveyed who consider the syllabuses and support materials developed by the Authority to be satisfactory	90%	88%
Quality of certification processes: the percentage of Year 12 students whose Queensland Certificate of Education (QCE) eligibility status changed as a result of internal review	0.1%	0.1%
Quality of certification processes: the percentage of all OP-eligible Year 12 students whose Tertiary Entrance Statement changed for reasons other than school data error	0.02%	0.02%
Average cost per syllabus revision <sup>1 2</sup>	\$126,662	\$137,866
Average cost per student of developing and issuing Senior Education Profiles <sup>3</sup>	\$264	\$266
Average cost per student of developing and issuing the National Assessment Program — Literacy and Numeracy (NAPLAN) student report <sup>4</sup>	\$36	\$38
Average cost per student of tertiary entrance and pathways information programs <sup>5</sup>	\$9	\$9

## Notes

1. The average cost is calculated by allocating relevant direct costs plus overheads and dividing this by the number of syllabuses developed or revised.
2. The variance between the 2016–17 Target/Estimate and the 2016–17 Estimated Actual is largely due to additional work undertaken on the draft general syllabuses to support schools that require greater flexibility in the delivery of curriculum, as requested by the schooling sectors.
3. The average cost is calculated by allocating relevant direct costs plus overheads and dividing this by the number of students receiving Senior Education Profiles.
4. The average cost is calculated by allocating relevant direct costs plus overheads and dividing this by the number of students undertaking NAPLAN. These figures represent the total cost of the administration of the NAPLAN tests in Queensland. Schools/school sectors contribute to the overall costs.
5. The average cost is calculated by allocating relevant direct costs plus overheads and dividing this by the number of students in Years 11 and 12.

# Program review

## Preparing for the new Queensland Certificate of Education system

Queensland will introduce new senior assessment and tertiary entrance systems, starting with students entering Year 11 in 2019. The new systems will include:

- a model that uses school-based assessment and common external assessment
- processes that strengthen the quality and comparability of school-based assessment
- a move away from the Overall Position (OP) rank to an Australian Tertiary Admission Rank (ATAR).

The QCAA is developing the new assessment system through:

- redeveloping senior syllabuses aligned to the Australian Curriculum and reflective of a new assessment model
- trialling external assessments in particular subjects at selected trial schools
- trialling processes for improving the quality and comparability of school-based assessment.

### Redeveloping syllabuses

Following literature reviews in 2015, writing teams started to redevelop senior syllabuses in 2016 for publication in 2017.

By June 2017, 30 General and 22 Applied syllabuses had been approved by the QCAA Board. Three drafts of each General syllabus were available for public consultation before they were finalised.

Each syllabus includes:

- a rationale outlining the particular qualities of a subject and what students should learn
- where relevant, the valued pedagogies and/or conceptual frameworks particular to a subject
- objectives and explanations of each objective
- a course of study consisting of 4 units of work (Units 1 and 2 are formative, Units 3 and 4 are summative)
- a glossary.

In December 2016, the QCAA Board decided that further work was to be conducted on the development of an alternative curriculum and assessment sequence for the following 19 General syllabuses to support their delivery in a composite class setting:

Agricultural Science	Film, Television and New Media	Music
Ancient History	Geography	Physical Education
Biology	German	Physics
Dance	Japanese	Psychology
Design	Legal Studies	Specialist Mathematics
Drama	Modern History	Visual Arts
Economics		

These syllabuses have been approved for implementation to allow the program of professional learning to support implementation to progress as scheduled. However, work is continuing to enable the delivery of summative assessments in both Units 1 and 2, and Units 3 and 4 for these syllabuses.

A survey of education stakeholders showed that 88% were satisfied with syllabus and support materials in 2016–17.

### Strengthening school-based assessment in General subjects

In the new system, school-based assessments will contribute 75% towards a student's final result in most subjects. In maths and science subjects, it will contribute 50%.

Schools will devise three internal assessments for each senior subject. The validity and reliability of these assessments will rely on two quality assurance processes – endorsement and confirmation – and the involvement of more than 1000 accredited assessors.

#### **Process: Endorsement**

QCAA's trained assessors will endorse school-based assessment instruments before they are used with students. Endorsement will ensure that these instruments provide sufficient opportunities for students to demonstrate syllabus requirements.

The QCAA has conducted trials with 355 schools in 11 subjects.

Griffith University evaluated the endorsement trial in August 2016. Its report will help to shape endorsement processes, and has informed assessment advice in redeveloped syllabuses.

### ***Process: Confirmation***

Confirmation will involve trained assessors reviewing the grades that schools have assigned to students. The first formal trials were held in November–December 2016 in Physics and Modern History. The calibration trials in 2015 and early 2016 underpin this work and have informed the development of the confirmation process.

### ***Activity: Assessor training***

An assessor training program is in development and will offer teachers a series of courses to prepare for the new quality assurance processes of endorsement, confirmation, and external assessment development and marking.

The foundation module will focus on assessment knowledge, including attributes of quality assessment, assessment item construction and the application of marking guides. It will be available to all teachers from late 2017.

Teachers wishing to become assessors will complete a second stage of training. It will comprise role-specific modules, and will be available during 2018.

## **Introducing external assessment**

The QCAA continued to trial external assessment in 2016–17. About 20 000 students in Year 11 at more than 250 schools sat formative assessments in:

- Economics
- English
- French
- Graphics
- Japanese
- Mathematics B
- Physical Education
- Visual Art.

The QCAA developed the trial assessments with subject experts from schools, subject associations and universities. The trial enabled QCAA to evaluate its processes for delivering external assessments in a real-life situation. It also helped schools to become familiar with the use of subject-based external assessments.

About 450 teachers marked the test papers following training in the marking rubric.

Evaluation reports by the University of Melbourne will help to inform the policies and procedures for external assessment in the new QCE system.

### ***Policies and procedures***

A new handbook is being developed to provide a single point of truth on policies and procedures relating to senior schooling from 2019. An initial draft was available to school leaders for feedback in Term 2, 2017.

### ***Syllabus workshops and resources***

During the past year, the QCAA has been planning and developing materials to support teachers to implement new syllabuses from 2019. This includes online modules about the new QCE system, assessment resources, and approximately 700 workshops for about 20,000 senior secondary teachers. The workshops run from July 2017 to June 2018.

Resources already available to support change leadership include a Principals Toolkit and statewide workshops for curriculum leaders on assessment and new taxonomy of learning.

## **Implementation of the P–10 Australian Curriculum**

The QCAA is currently enhancing its suite of resources to support implementation of the Australian Curriculum learning areas in Queensland schools. This includes:

- developing one-page overviews to summarise key aspects of each learning area
- developing presentations for curriculum leaders on each learning area
- revising the standards elaborations to reflect Version 8 of the Australian Curriculum.

### ***Professional development***

Professional development activities have included:

- delivering 80 workshops on aspects of literacy and numeracy learning
- delivering 30 workshops and webinars targeting aspects of the curriculum, including, P–10 Technologies, P–10 The Arts, P–6 Humanities and Social Sciences and STEM
- fulfilling more than 50 professional development requests from schools covering a variety of topics
- presenting at conferences and for professional associations.

## Aboriginal and Torres Strait Islander perspectives

Aboriginal and Torres Strait Islander perspectives are embedded in the QCAA's organisational environment, products and services.

Resources were revised to support the cross-curriculum priority of Aboriginal and Torres Strait Islander histories and cultures in Australian Curriculum learning areas.

### ***Guideline for individual learning (GIL)***

The *Guideline for individual learning (GIL)* provides a curriculum, assessment and reporting framework for schools when developing individualised curriculum plans for senior secondary students working towards the Queensland Certificate of Individual Achievement (QCIA).

## Testing and assessment

The QCAA worked with school communities to support assessment practices across the Preparatory Year (Prep) to Year 12.

It also worked with students, principals, teachers and parents to build greater understanding of test results and their use in improving student performance.

### **Prep–Year 10**

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

The NAPLAN tests are designed to assess the skills of Australian students in literacy and numeracy by:

- collecting data from the population of Years 3, 5, 7 and 9 students for reporting to parents/carers and schools and for systemic reporting
- assessing students against national minimum standards.

The 2017 NAPLAN tests were held in May for all students in Australia in Years 3, 5, 7 and 9.

The QCAA successfully coordinated the administration, marking and reporting of NAPLAN for approximately 250 000 students in Queensland within the agreed timeframes.

The average cost of developing and issuing the NAPLAN student report was \$38 per student.

### ***NAPLAN Online***

Queensland deferred participation in NAPLAN Online until 2018 because of concerns about the assessment delivery platform. In 2017, more than 180 schools are preparing to trial the 2018 online assessment items.

### **Years 11–12**

#### ***Queensland Core Skills (QCS) Test***

The QCS Test assesses candidates in the common curriculum elements of Authority subjects and contributes scaling data for the calculation of Overall Positions (OPs) and Field Positions (FPs) for tertiary entrance.

The following table shows the distribution of grades awarded, both by gender and overall.

**Table 2: 2016 QCS Test grades**

Grade	Overall	Female	Male
<b>Total #</b>	<b>27 016*</b>	<b>15 128</b>	<b>11 888</b>
A	17.5%	14.8%	20.9%
B	27.5%	26.7%	28.5%
C	34.3%	36.3%	31.8%
D	20.6%	22.2%	18.5%
E	0.1%	0.1%	0.2%
<b>Total %</b>	<b>100%</b>	<b>56%</b>	<b>44%</b>

\*13 students who sat the test did not receive a grade

#### ***Senior External Examination***

The QCAA administered the 2016 Senior External Examination at locations across Queensland during October and November.

These examinations cater for people who are not senior students in Queensland secondary schools and Year 12 students unable to access particular subjects at their school.

Twenty-one subject examinations were administered. The examination papers for 15 subjects were developed by the QCAA. Examination papers for the remaining six subjects were obtained from interstate curriculum authorities through the Collaborative Curriculum and Assessment Framework for Languages.

By the end of the examination period, 573 candidates had sat 731 subject examinations.

## ***Externally moderated school-based assessment***

The QCAA worked with schools to implement Queensland's system of externally moderated school-based assessment, quality assure the accuracy of data collected, and report student results.

### **Support for review panels**

To support the senior assessment system, the QCAA developed and delivered:

- moderation conferences for approximately 750 review panel chairs, state panellists and Queensland Certificate of Individual Achievement (QCIA) district advisers
- training for approximately 40 panels in seven subjects.

### **Support for schools**

QCAA's actions in supporting and assisting schools to implement syllabuses and assess students included:

- developing study plan requirements, checklists and samples for Subject Area Syllabuses
- meeting with school administrators across districts
- advising schools on assessment for over 110 000 student folios
- externally reviewing the implementation of Authority-registered subjects and short courses for 136 schools
- providing 61 online and face-to-face moderation meetings for Authority-registered subjects
- providing advice to schools about the QCIA, including reviewing approximately 931 curriculum plans and peer-reviewing certificate statements and evidence from 228 schools
- gathering data through comparability and random sampling to evaluate year-to-year processes and to determine priorities for assessment support and panel training
- meeting with representatives from schools offering Year 11 for the first time and providing support through resources and presentations.

## **Innovation**

New initiatives to assist schools to provide quality learning and assessment, and to maintain public confidence in the validity and reliability of assessment outcomes included:

- supplementing face-to-face panel training with online training to support comparability and a focused review at monitoring
- developing online training modules for all panellists
- developing a trial of online reviewing processes
- developing the Study Plan Builder to provide schools with an online tool to submit study plans for Group A Subject Area Syllabuses
- providing professional development and training for staff of Nauru Secondary School in the Republic of Nauru.

# Certification and tertiary entrance

## Senior Education Profile

In 2016, the QCAA issued Senior Education Profiles and Senior Statements to 51 605 students who completed Year 12 (of which 978 were for visa students).

Queensland Certificates of Education (QCEs) were awarded to 48 653 students or 94%, consistent with 2015. Of these students, 25 612 received a Tertiary Entrance Statement.

Queensland Certificates of Individual Achievement (QCIAs) were awarded to 875 students – up from 744 in 2015.

Certification was achieved within the agreed government timeframes.

The average cost of developing and issuing Senior Education Profiles was \$266 per student – the same as in 2015.

The average cost of providing tertiary entrance and pathways information programs (which included Queensland Core Skills Test results, calculation of Subject Achievement Indicators and career advice) was \$9 per student – the same as in 2015.

### ***Queensland Certificate of Education (QCE)***

The QCE is Queensland's senior schooling certificate, and is awarded to eligible students when they complete the senior phase of learning, usually at the end of Year 12.

The QCE provides pathways to work, further education and training by recognising a broad range of learning options and offering flexibility in what is learnt, as well as where and when that learning occurs.

Learning options include senior school subjects, vocational education and training, workplace and community learning, and university subjects undertaken while at school.

### ***Queensland Certificate of Individual Achievement (QCIA)***

The QCIA recognises and reports the achievements of students who have undertaken an individualised learning program, and completed at least 12 years of schooling. It is a valuable record of student achievement, which:

- can be shown to employers as a summary of knowledge and skills
- can guide training providers in selection of further training options
- ensures the educational achievement of all Queensland students can be recorded.

To be eligible, students must have impairments or difficulties in learning that are not primarily due to socioeconomic, cultural and/or linguistic factors.

### ***Equivalency of non-Queensland qualifications***

The QCAA provided Education Statements for school qualifications that have been awarded by recognised interstate or overseas institutions. The statements give the Queensland secondary school level equivalent of submitted qualifications.

In 2016–17, the QCAA received and processed 208 equivalency applications for qualifications from 39 countries.

Equivalency assessments are provided for employment and recruitment purposes.

### ***2016 Year 12 outcomes report***

The QCAA publicly reported a range of Year 12 student outcomes data on behalf of the Queensland Government. For each school, the report included:

- information on the number of students awarded certificates and qualifications
- the proportion of Queensland Tertiary Admissions Centre applicants receiving a tertiary offer
- the OP distribution of students across five bands (students with OPs of 1–5, 6–10, 11–15, 16–20 and 21–25)
- the number of students receiving VET certificates at various levels.

The QCAA worked closely with schools to ensure the accuracy of the data, and to communicate the implications of the data to school communities.

### ***Student Connect***

The Student Connect website gives senior students access to their learning account and results, and resources for exploring post-school education, training and career pathways.

## Vocational education and training

The QCAA worked with the Australian Skills Quality Authority (ASQA), national Skills Service Organisations (SSOs) and the three schooling sectors to support the delivery of vocational education and training (VET) for school students.

It registered schools as registered training organisations (RTOs) to Australian Qualifications Framework Certificate IV level (except any declared as an apprenticeship in Queensland). This registration function was performed under a delegation from ASQA.

The QCAA provided leadership, advice and support to schools on:

- becoming an RTO
- maintaining RTO compliance with the VET Quality Framework
- meeting data provision requirements
- implementing selected qualifications from National Training Packages
- school RTO management
- quality training and assessment.

### ***School support***

Resources to support quality and innovative delivery of VET in schools were further developed to reflect the *Standards for RTOs 2015*. These included:

- guidelines, factsheets, management resources, policies and procedures
- training and assessment models
- quarterly VET Update e-newsletter
- an RTO management tab on School Portal to support streamlined registration management for school RTOs.

QCAA presented at six events organised by schooling sector groups or educator associations. These were attended by approximately 380 school-based trainers, assessors and managers.

### ***Registration activity***

The QCAA processed 1088 registration activities for the 317 schools registered as RTOs.

### ***School audits***

QCAA's delegated responsibility includes registration and audit of school RTOs for compliance with the National VET Quality Framework (VQF). Activities included 62 site audits and 15 desk audits for extension to scope. For all schools involved in initial, renewal, post-initial and compliance audits the final outcome was 'compliant'.

## ***VET and the QCE***

The QCAA worked with the State Training Agency Clearinghouse to ensure accurate banking of VET achievements from non-school RTOs. It also banked student VET achievements gained at schools in other states.

In 2016, more than 84 000 students were enrolled in VET qualifications while at school, with 109 541 qualifications awarded to students who did their qualification with school RTOs.

### ***National collaboration***

The QCAA worked with the Australasian Curriculum, Assessment and Certification Authorities (ACACA) on a range of common issues relating to VET in schools.

Formal arrangements with ASQA ensure QCAA participates in national auditor moderation meetings.

### ***National VET regulator***

The QCAA negotiated with ASQA to extend its delegation to include delivery and training to juveniles who are of school age in a detention centre.

# Corporate support and communication

The QCAA's effective communication and partnerships with schools, industry, academia and the wider community ensured that its products and services met the needs of stakeholders.

## Careers market

The QCAA provided advice for students, parents, and prospective tertiary applicants at career and tertiary studies expos in Brisbane, the Sunshine Coast and Townsville.

## Enquiry service

The QCAA maintained its toll-free Student Connect hotline service for students, parents/carers and schools.

During the 2016 release of Senior Education Profiles, hotline staff assisted with more than 1000 queries.

## Professional development

During 2016–17, the QCAA delivered 242 workshops to 5909 educators to support the introduction and implementation of curriculum, assessment and reporting initiatives across Kindergarten to Year 12. Participants received certification appropriate for teacher registration renewal based on the *Australian professional standards for teachers* and the Queensland College of Teachers' *Continuing professional development framework*.

Seventy-one (71) presentations were organised in response to requests for professional development services from schools, higher education institutions and professional associations. Topics included NAPLAN, Australian Curriculum, assessment, the QCS Test, tertiary pathways, senior syllabuses and the QKLG.

Presentations on curriculum, assessment and education reform were also held for education leaders from countries including Bangladesh, China, Japan, Korea, Kuwait and Papua New Guinea.

## QCE Achievement Awards

The QCE Achievement Awards recognise and reward Queensland's top performing students for outstanding academic achievement in their senior school studies.

The 3<sup>rd</sup> annual QCE Achievement Awards were for students who graduated from Year 12 with a QCE at a Queensland school in 2016. The QCAA hosted the Awards ceremony at the State Library of Queensland in February 2017.

## Award categories

QCAA awarded 34 students, from 28 State, Catholic and Independent schools, prizes in six categories:

- Outstanding Academic Achiever
- Distinguished Academic Achievers
- Highest Achievement by an Aboriginal or Torres Strait Islander Student
- Highest Achievement by an International Student
- Highest Result on the Queensland Core Skills Test
- Highest Achievement in the International Baccalaureate.

Additionally, *Certificates of Academic Commendation* were awarded to 908 graduates for achieving Very High Achievements (VHAs) in the equivalent of at least six Authority subjects (i.e. at least 24 semesters at VHA level).

## Publications

The QCAA's regular news publications include:

- *QCAA news for schools*, a fortnightly email newsletter updating over 12 500 subscribers about QCAA initiatives, professional development activities and events
- *NAPLAN*, a monthly online bulletin keeping schools informed about NAPLAN processes and procedures
- *Student Connect*, a magazine published twice a year providing Year 12 students with news, study tips and information about further education, training and career pathways
- *VET Update*, a quarterly online newsletter covering practical aspects of VET in schools for VET coordinators and principals
- *Senior pathways update*, a quarterly email bulletin for guidance officers, career counsellors, VET coordinators, senior secondary teachers, and heads of senior school
- memos, timely advice to schools about curriculum, assessment, testing and certification issues, available online and via email.



In addition, the QCAA has a popular presence on the social media platforms Facebook, Pinterest, Twitter, LinkedIn and YouTube.

These publications and platforms assist the QCAA's strategic and communication focus on building partnerships with the education sectors, principals, curriculum leaders and teachers, and senior students.

## Advice and compliance

During 2016–17, the QCAA focused on administrative, financial, human resource, service improvement and publishing issues that influenced the performance of the organisation. This included reviewing, developing, improving and implementing policies and procedures to ensure that corporate service-related activities complied with whole-of-government legislation, policies and directives.

The annual internal audit was performed by DET's Internal Audit Unit, and the external audit was performed by Vincents Audit and Insurance, a contractor to the Queensland Audit Office. There were no significant issues arising from either the internal or external audits.

The QCAA also engaged DET to undertake an independent examination of all activity associated with the calculation and reconciliation of costs involved in the administration of the 2016 NAPLAN tests. It found the processes to be sound.

## Audit and risk management

The charter of the QCAA's Audit Committee was consistent with the Queensland Treasury Audit Committee Guidelines. Its membership, duties and responsibilities are listed on page 8.

The QCAA's internal audit plan was informed by its strategic objectives, operational plan, and strategic risk assessment.

## Delegations

The QCAA reviewed and endorsed all financial, procurement, and human resource management activities in accordance with their delegations. These were subject to the *Financial Accountability Act 2009* and Financial and Performance Management Standard 2009.

## Information systems and record keeping

The QCAA has a retention and disposal schedule in place for its public records, approved by the State Archivist. Relevant staff were trained in the retention and disposal of these records as part of a centralised and controlled process.

## Workplace ethics

The QCAA follows the Code of Conduct for the Queensland Public Service. All QCAA employees undertake education and training about the Code of Conduct at induction. This includes the application of ethics principles, and obligations of public officials.

## Consultation mechanisms

The QCAA is committed to meaningful consultation and collaboration with key stakeholders. It draws on expertise from school sectors, teacher educators, universities and other professional groups to inform development and delivery of relevant and high-quality curriculum and assessment products.

Consultation has occurred through advisory committees, forums, workshops, surveys, webinars and information sessions in relation to:

- P–10 Australian Curriculum
- trialling new school-based assessment processes and external assessments
- syllabus redevelopment.

Informing stakeholders about changes to senior schooling has been a priority. In Semester 2, 2016 and Semester 1, 2017, the chief executive officer held forums for principals, curriculum leaders and parents in Brisbane, Cairns, Gold Coast, Hervey Bay, Mackay, Mount Isa, Rockhampton, Roma, Sunshine Coast, Toowoomba and Townsville.

More than 2600 people attended these events.

## Information

Information provision was undertaken by the QCAA in accordance with sections 13, 15–17, 19, 62–68 and 89 of the QCAA Act.

## Replacement copies of certificates

Replacement copies of certificates issued by the QCAA are provided on request to those who had previously been awarded a Junior Certificate, Senior Certificate, Queensland Certificate of Individual Achievement, Queensland Certificate of Education and/or Tertiary Entrance Statement.

## Right to Information

During 2016–17, the QCAA received two applications under the *Information Privacy Act 2009* – one of which was withdrawn. One application was received under the *Right to Information Act 2009*.

## Information and communications technology (ICT)

Efficient ICT systems are essential in ensuring the delivery of the QCAA's strategic initiatives and supporting the delivery of accurate and timely data to schools, teachers, students and other stakeholders, particularly for testing and senior certification programs.

### ***School Portal***

Work continued on the development of the School Portal application. About 12 600 teachers so far are active users. On completion, the portal will provide a single point of entry to all functions and tools supporting the exchange of data and information between QCAA and Queensland schools.

Currently the School Portal provides schools with access to:

- Year 12 subject data, OP/FP data, QCS Test data, QCE/QCIA data and VET data
- NAPLAN data
- Study plan development for Subject Area Syllabus (SAS) subjects
- Individual curriculum plans for QCIA students
- General and Applied syllabuses
- Professional development material for the new QCE system
- a teacher database and professional development scheduling tool.

Planning has continued for development of the ICT systems required to support the implementation of components of the new curriculum, learning and assessment system including:

- Student Management
- endorsing school-based assessments
- confirming student results
- external assessment.

## Governance activities

The QCAA undertook a range of initiatives to comply with legislative requirements. These included:

- engaging DET to provide internal audit services (financial compliance and performance audits)
- reviewing the strategic risk assessment and ensuring risk minimisation or mitigation actions were in place
- developing the 2016–17 operating and capital budgets to support strategic priorities and accountabilities
- improving internal reporting systems
- promoting requirements of the *State Procurement Policy* and strengthening purchasing through targeted training
- providing ongoing records management training and support to staff
- reviewing business processes to identify opportunities for improvements and innovation
- monitoring QCAA corporate and management performance against branch operational plans and performance accountabilities for managers and branch budgets.

## Workforce planning, attraction and retention

At 30 June 2017, the QCAA was staffed by 307 full-time equivalent staff. The permanent retention rate was 92.3% and the permanent separation rate was 7.7%.

QCAA's role in developing the new QCE system is contributing to its capacity to attract, develop and retain high-performing staff. Ongoing initiatives include:

- enrolling managers and team leaders in a 360-degree feedback exercise on leadership practices

- providing feedback to staff through performance and development plans, and informal feedback under QCAA's *Engaged workplaces* program
- widely advertising vacancies to attract quality applicant pools
- implementing QCAA's *Flexible workplaces* policy to promote work-life balance.

In addition to the initiatives above, health and well-being is supported through the availability of counselling services, access to a quiet room, and free flu vaccinations.

**Table 3: QCAA employees**

	2016–17	2015–16	2014–15	2013–14	2012–13
Employees at 30 June (full-time equivalent)	307	261	206	213	217

## Financial snapshot 2016–17

In 2016–17, the QCAA received \$56.002 million in grant revenue from the Department of Education and Training (DET) and raised \$2.204 million from the curriculum and professional development products and services it delivered to approximately 1750 state and non-state schools.

A comprehensive set of financial statements covering all aspects of the QCAA's activities begins overleaf.

**Table 3: Summary of QCAA finances**

	2016–17 \$'000	2015–16 \$'000	2014–15 \$'000	2013–14 \$'000	2012–13 \$'000
<b>Revenue</b>					
Grant revenue	56,002	46,827	38,297	37,233	38,527
Other revenue	2,532	2,762	2,466	2,277	2,760
<b>Expenses</b>					
Employee expenses	40,175	31,794	26,909	25,982	26,906
Other expenses	18,192	16,684	13,823	13,499	14,108
Operating surplus/(deficit)	167	1,111	31	29	273
<b>Capital outlays</b>					
Plant and equipment	1,148	1,097	158	650	65
Software	6,275	3,529	590	841	89
Total assets	21,574	20,282	17,275	18,080	18,125
Total liabilities	7,901	6,776	4,880	5,714	5,788
Net assets/(liabilities)	13,673	13,506	12,395	12,366	12,337

# STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2017

		2017 Actual \$'000	2017 Original Budget \$'000	Budget Variance* \$'000	2016 Actual \$'000
<b>OPERATING RESULT</b>	<b>Notes</b>				
<b>Income from Continuing Operations</b>					
User charges and fees	2.1.1	2,204	1,592	612	2,293
Grants and other contributions	2.1.2	56,002	63,453	(7,451)	46,848
Interest		273	311	(38)	437
Other revenue		55	3	52	9
<b>Total Revenue</b>		<b>58,534</b>	<b>65,359</b>	<b>(6,825)</b>	<b>49,587</b>
Gains on disposal of assets		-	-	-	2
<b>Total Income from Continuing Operations</b>		<b>58,534</b>	<b>65,359</b>	<b>(6,825)</b>	<b>49,589</b>
<b>Expenses from Continuing Operations</b>					
Employee expenses	2.2.1	40,175	41,822	1,647	31,794
Supplies and services	2.2.2	17,392	22,938	5,546	15,624
Depreciation and amortisation	2.2.4	693	481	212	763
Impairment losses	2.2.3	-	-	-	157
Other expenses	2.2.5	107	118	11	140
<b>Total Expenses from Continuing Operations</b>		<b>58,367</b>	<b>65,359</b>	<b>6,992</b>	<b>48,478</b>
<b>Operating Result from Continuing Operations</b>		<b>167</b>	<b>-</b>	<b>167</b>	<b>1,111</b>
<b>Other Comprehensive Income</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Comprehensive Income</b>		<b>167</b>	<b>-</b>	<b>167</b>	<b>1,111</b>

\*AN EXPLANATION OF MAJOR VARIANCES IS INCLUDED AT NOTE 5.1.1

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

# STATEMENT OF FINANCIAL POSITION

as at 30 June 2017

		2017 Actual \$'000	2017 Original Budget \$'000	Budget Variance* \$'000	2016 Actual \$'000
	Notes				
<b>Current Assets</b>					
Cash and cash equivalents	3.1	12,474	10,951	1,523	14,277
Receivables	3.2	1,077	909	168	976
Inventories		-	10	(10)	-
Prepayments		600	362	238	403
<b>Total Current Assets</b>		<b>14,151</b>	<b>12,232</b>	<b>1,919</b>	<b>15,656</b>
<b>Non-Current Assets</b>					
Plant and equipment	3.3	1,148	812	336	1,097
Intangible assets	3.4	6,275	7,476	(1,201)	3,529
<b>Total Non-Current Assets</b>		<b>7,423</b>	<b>8,288</b>	<b>(865)</b>	<b>4,626</b>
<b>Total Assets</b>		<b>21,574</b>	<b>20,520</b>	<b>1,054</b>	<b>20,282</b>
<b>Current Liabilities</b>					
Payables	3.5	5,251	5,708	(457)	4,836
Accrued employee benefits	3.6	2,028	1,089	939	1,638
Other current liabilities	3.7	622	248	374	302
<b>Total Current Liabilities</b>		<b>7,901</b>	<b>7,045</b>	<b>856</b>	<b>6,776</b>
<b>Total Liabilities</b>		<b>7,901</b>	<b>7,045</b>	<b>856</b>	<b>6,776</b>
<b>Net Assets</b>		<b>13,673</b>	<b>13,475</b>	<b>198</b>	<b>13,506</b>
<b>Equity</b>					
Contributed equity	3.8	12,364	12,364	-	12,364
Accumulated surplus		1,309	1,111	198	1,142
<b>Total Equity</b>		<b>13,673</b>	<b>13,475</b>	<b>198</b>	<b>13,506</b>

\*AN EXPLANATION OF MAJOR VARIANCES IS INCLUDED AT NOTE 5.1.2

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

# STATEMENT OF CHANGES IN EQUITY

for the year ended 30 June 2017

	Contributed Equity \$'000	Accumulated Surplus \$'000	Total \$'000
<b>Balance as at 1 July 2015</b>	<b>12,364</b>	<b>31</b>	<b>12,395</b>
<b><i>Operating Result</i></b>			
Operating result from continuing operations	-	1,111	1,111
<b>Balance at 30 June 2016</b>	<b>12,364</b>	<b>1,142</b>	<b>13,506</b>
<b><i>Operating Result</i></b>			
Operating result from continuing operations	-	167	167
<b>Balance at 30 June 2017</b>	<b>12,364</b>	<b>1,309</b>	<b>13,673</b>

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

# STATEMENT OF CASH FLOWS

for the year ended 30 June 2017

		2017 Actual \$'000	2017 Original Budget \$'000	Budget Variance* \$'000	2016 Actual \$'000
	Notes				
<b>Cash flows from operating activities</b>					
<b>Inflows:</b>					
User charges and fees		2,481	1,544	937	2,279
Grants and other contributions		56,002	63,453	(7,451)	46,827
Interest receipts		279	311	(32)	430
GST input tax credits from ATO		1,987	1,288	699	1,537
GST collected from customers		172	152	20	173
Other		55	3	52	9
<b>Outflows:</b>					
Employee expenses		(39,895)	(41,734)	1,839	(30,645)
Supplies and services		(17,128)	(21,098)	3,970	(14,834)
GST remitted to Australian Taxation Office		(166)	(152)	(14)	(147)
GST paid to suppliers		(1,993)	(1,289)	(704)	(1,674)
Other		(107)	(118)	11	(111)
<b>Net cash provided by operating activities</b>	<b>3.1.1</b>	<b>1,687</b>	<b>2,360</b>	<b>(673)</b>	<b>3,844</b>
<b>Cash flows from investing activities</b>					
<b>Inflows:</b>					
Sales of plant and equipment		-	-	-	2
<b>Outflows:</b>					
Payments for plant and equipment		(393)	(40)	(353)	(583)
Payments for intangibles		(3,097)	(4,290)	1,193	(1,044)
<b>Net cash provided by (used in) investing activities</b>		<b>(3,490)</b>	<b>(4,330)</b>	<b>840</b>	<b>(1,625)</b>
Net increase in cash and cash equivalents		(1,803)	(1,970)	167	2,219
<b>Cash and cash equivalents - opening balance</b>		<b>14,277</b>	<b>12,921</b>	<b>1,356</b>	<b>12,058</b>
<b>Cash and cash equivalents - closing balance</b>	<b>3.1</b>	<b>12,474</b>	<b>10,951</b>	<b>1,523</b>	<b>14,277</b>

\*AN EXPLANATION OF MAJOR VARIANCES IS INCLUDED AT NOTE 5.1.3

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

# NOTES TO THE FINANCIAL STATEMENTS

## 1 About the Authority and this financial report

### 1.1 Basis of financial statement preparation

#### 1.1.1 General information

The Queensland Curriculum and Assessment Authority ('the Authority') is a statutory body established under the *Education (Queensland Curriculum and Assessment Authority) Act 2014* and controlled by the State of Queensland, which is the ultimate parent.

The head office and principal place of business of the Authority is:

154 Melbourne Street

SOUTH BRISBANE QLD 4101

#### 1.1.2 Compliance with prescribed requirements

The Queensland Curriculum and Assessment Authority has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*. The financial statements comply with Queensland Treasury's Minimum Reporting Requirements for reporting periods beginning on or after 1 July 2016.

The Queensland Curriculum and Assessment Authority is a not-for-profit entity and these general purpose financial statements are prepared on an accrual basis (except for the Statement of Cash Flow which is prepared on a cash basis) in accordance with Australian Accounting Standards and Interpretations applicable to not-for-profit entities

New accounting standards early adopted and/or applied for the first time in these financial statements are outlined in Note 6.3.

#### 1.1.3 Presentation

##### Currency and rounding

Amounts included in the financial statements are in Australian dollars and rounded to the nearest \$1,000 or, whether that amount is \$500 or less, to zero, unless disclosure of the full amount is specifically required.

##### Comparatives

Comparative information reflects the audited 2015-16 financial statements.

##### Current/Non-current classification

Assets are classified as either current or non-current in the Statement of Financial Position and associated notes.



Assets are classified as current where their carrying amount is expected to be realised within 12 months after the reporting date.

Liabilities are classified as current when they are due to be settled within 12 months after the reporting date, or the Authority does not have an unconditional right to defer settlement to beyond 12 months after the reporting date.

All other assets and liabilities are classified as non-current.

#### 1.1.4 Authorisation of financial statements for issue

The financial statements are authorised for issue by the Chair and Chief Executive Officer at the date of signing the Management Certificate.

#### 1.1.5 Basis of measurement

Historical cost is used as the measurement basis in this financial report.

##### Historical cost

Under historical cost, assets are recorded at the amount of cash or cash equivalents paid or the fair value of the consideration given to acquire assets at the time of their acquisition. Liabilities are recorded at the amount of proceeds received in exchange for the obligation or at the amounts of cash or cash equivalents expected to be paid to satisfy the liability in the normal course of business.

##### Fair Value

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 under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique. Fair value is determined using one of the following three approaches:

- The *market approach* uses prices and other relevant information generated by market transactions involving identical or comparable (i.e. similar) assets, liabilities or a group of assets and liabilities, such as a business.
- The *cost approach* reflects the amount that would be required currently to replace the service capacity of an asset. This method includes the current/depreciated replacement cost methodology.
- The *income approach* converts multiple future cash flows amounts to a single current (i.e. discounted) amount. When the income approach is used, the fair value measurement reflects current market expectations about those future amounts.

The Authority does not recognise any assets or liabilities at fair value.

##### Present Value

Present value represents the present discounted value of the future net cash inflows that the item is expected to generate (in respect of assets) or the present discounted value of the future net cash outflows expected to settle (in respect of liabilities) in the normal course of business.

##### Net Realisable Value

Net realisable value represents the amount of cash or cash equivalents that could currently be obtained by selling an asset in an orderly disposal.

### 1.1.6 The reporting entity

The financial statements include the value of all income, expenses, assets, liabilities and equity of the Authority.

## 1.2 Objectives of the Authority

The Queensland Curriculum and Assessment Authority plays a critical role in the design and delivery of education in Queensland in collaboration with a broad range of stakeholders and partner agencies. It is responsible for the development, review and approval of guidelines and syllabuses for Kindergarten to Year 12, as well as the development of associated professional resources for teachers. It is also responsible for testing, assessment, moderation, certification, and tertiary entrance procedures.

The Authority's vision to provide a world class curriculum, learning and assessment system for Queensland students is reflected in its key priorities:

- strengthening senior curriculum and assessment
- supporting the P–10 Australian Curriculum and Queensland Kindergarten Learning Guideline
- leading initiatives that support schools to lift student achievement in literacy and numeracy
- improving the delivery of services and client engagement by renewing information systems and communication channels, and streamlining processes and services
- cultivating a high performing and innovative QCAA workforce.

## 2 Notes about our financial performance

### 2.1 Revenue

#### 2.1.1 User charges and fees

	2017 \$'000	2016 \$'000
Visa student fees	687	491
Publications	342	337
Workshops/conferences	589	896
Licensing and copyright fees	330	299
Certificates	112	130
Examinations	52	52
Other	92	88
<b>Total</b>	<b>2,204</b>	<b>2,293</b>

#### Accounting policy – sale of goods and services

User charges and fees are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This occurs upon delivery of the goods to the customer or completion of the requested services at which time the invoice is raised.

Accrued revenue is recognised if the revenue has been earned but not yet invoiced.

## 2.1.2 Grants and other contributions

	2017 \$'000	2016 \$'000
<b>Grants:</b>		
Administered	33,518	33,335
Senior Assessment and Tertiary Entrance	15,890	7,500
NAPLAN	6,594	5,715
Other	-	277
<b>Contributions:</b>		
Contributed assets	-	21
<b>Total</b>	<b>56,002</b>	<b>46,848</b>

### Accounting policy – grants, contributions and donations

Grants, contributions and donations are non-reciprocal in nature so do not require any goods or services to be provided in return. Corresponding revenue is recognised in the year in which the Authority obtains control over the grant/contribution/donation (control is generally obtained at the time of receipt).

Upon initial recognition, contributed physical assets are recognised at their fair value.

### Accounting policy – services received below fair value

Contributions of services are recognised only if the services would have been purchased if they had not been donated and their fair value can be measured reliably.

Where this is the case, an equal amount is recognised as revenue and an expense.

## 2.2 Expenses

### 2.2.1 Employee expenses

	2017 \$'000	2016 \$'000
<b>Employee benefits</b>		
Salaries	23,687	18,298
Casuals		
- Markers	4,410	3,915
- Panellists	2,058	1,975
- Syllabus writers	975	429
- Assessors	18	35
- Other	308	380
Annual leave levy/expense	2,433	1,883
Employer superannuation contributions	3,692	2,833
Long service leave levy/expense	553	432
<b>Employee related expenses</b>		
Workers compensation premium	79	44
Payroll tax	1,770	1,381
Other employee related expenses	192	189
<b>Total</b>	<b>40,175</b>	<b>31,794</b>

	2017 No.	2016 No.
Full-Time Equivalent employees	307	261

### Accounting policy – wages and salaries

Wages and salaries due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates. As the Authority expects such liabilities to be wholly settled within 12 months of the reporting date, the liabilities are recognised at undiscounted amounts.

### Accounting policy – sick leave

Prior history indicates that on average, sick leave taken each reporting period is less than the entitlement accrued. This is expected to continue in future periods. Accordingly, it is unlikely that existing accumulated entitlements will be used by employees and no liability for unused sick leave entitlements is recognised. As sick leave is non-vesting, an expense is recognised for this leave as it is taken.

### Accounting policy – annual leave

Under the Queensland Government's Annual Leave Central Scheme (ALCS), a levy is made on the Authority to cover the cost of employees' annual leave (including leave loading and on-costs). The levies are expensed in the period in which they are payable. Amounts paid to employees for annual leave are claimed from the scheme quarterly in arrears.

### Accounting policy – long service leave

Under the Queensland Government's Long Service Leave Scheme, a levy is made on the Authority to cover the cost of employees' long service leave. The levies are expensed in the period in which they are payable. Amounts paid to employees for long service leave are claimed from the scheme quarterly in arrears.

### Accounting policy – superannuation

Post-employment benefits for superannuation are provided through defined contribution (accumulation) plans or the Queensland Government's QSuper defined benefit plan as determined by the employee's conditions of employment.

- **Defined Contribution Plans** - Contributions are made to eligible complying superannuation funds based on the rates specified in the relevant Enterprise Bargaining Agreement or other conditions of employment. Contributions are expensed when they are paid or become payable following completion of the employee's service each pay period.
- **Defined Benefit Plan** - The liability for defined benefits is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*. The amount of contributions for defined benefit plan obligations is based upon the rates determined by the Treasurer on the advice of the State Actuary. Contributions are paid by the Authority at the specified rate following completion of the employee's service each pay period. The Authority obligations are limited to those contributions paid.

### Accounting policy – worker's compensation premiums

The Authority pays premiums to WorkCover Queensland in respect of its obligations for employee compensation. Workers' compensation insurance is a consequence of employing employees, but

is not counted in an employee's total remuneration package. It is not employee benefits and is recognised separately as employee related expenses.

Key management personnel and remuneration disclosures are detailed in Note 6.1.

## 2.2.2 Supplies and services

	2017 \$'000	2016 \$'000
Travel	1,730	1,472
Contractors and consultancies	6,358	5,100
Information and communication technology	1,291	1,474
Freight and postage	1,446	1,393
Catering and venue hire	1,724	1,616
Printing, stationery and publications	1,588	1,521
Property, equipment and fleet costs	3,172	2,963
Other	83	85
<b>Total</b>	<b>17,392</b>	<b>15,624</b>

### Accounting policy – distinction between grants and procurement

For a transaction to be classified as supplies and services, the value of goods or services received by the Authority must be of approximately equal value to the value of the consideration exchanged for those goods or services. Where this is not the substance of the arrangement, the transaction is classified as a grant in Note 2.1.2.

### Accounting policy – operating lease rentals

Operating lease payments are representative of the pattern of benefits derived from the leased assets and are expensed in the periods in which they are incurred. Incentives received on entering into operating leases are recognised as liabilities. Lease payments are allocated between rental expense and reduction of the liability.

### Disclosure – operating leases

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease terms extend over a period of 5 to 10 years. The Authority has no option to purchase the leased item at the conclusion of the lease although the lease provides for a right of renewal at which time the lease terms are renegotiated.

Operating lease rental expenses comprises the minimum lease payments payable under operating lease contracts.

Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

## 2.2.3 Impairment losses

	2017 \$'000	2016 \$'000
Intangible assets	-	157
<b>Total</b>	<b>-</b>	<b>157</b>

## Impairment

Impairment losses may arise on assets held by the Authority 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:

Receivables – Note 3.2.1

Plant and equipment – Note 3.3.5

Intangible Assets – Note 3.4.3

## 2.2.4 Depreciation and amortisation

	2017 \$'000	2016 \$'000
Depreciation	342	317
Amortisation	351	446
<b>Total</b>	<b>693</b>	<b>763</b>

## 2.2.5 Other expenses

	2017 \$'000	2016 \$'000
Insurance premiums - QGIF	42	44
External audit fees <sup>(1)</sup>	27	28
Internal audit fees <sup>(2)</sup>	34	33
Special payments	-	4
Bank fees and charges	3	3
Inventory write-downs	-	10
Losses from disposal of assets	1	18
<b>Total</b>	<b>107</b>	<b>140</b>

### External audit fees

1. Total audit fees quoted by the Queensland Audit Office relating to the 2016-17 financial statements are \$27,000 (2016 \$27,500)

### Internal audit fees

2. The Authority engaged the services of Internal Audit from the Department of Education and Training to perform financial compliance audits.

## 3 Notes about our financial position

### 3.1 Cash and cash equivalents

	2017 \$'000	2016 \$'000
Term Deposits	3,000	5,000
Cash at Bank	9,474	9,277
<b>Total</b>	<b>12,474</b>	<b>14,277</b>

#### Accounting policy – cash and cash equivalents

For the purposes of the Statement of Financial Position and the Statement of Cash Flows, cash assets include all cash and cheques receipted but not banked at 30 June. Cash equivalent assets include term deposits with a maturity date of 90 days or less.

#### 3.1.1 Reconciliation of operating result to net cash provided by operating activities

	2017 \$'000	2016 \$'000
Operating Surplus	167	1,111
<i>Non-Cash items included in operating result:</i>		
Depreciation & amortisation expense	693	763
Donated asset received	-	(21)
Gain on sale of non-current assets	-	(2)
Loss on sale/disposal of non-current assets	1	18
Impairment losses	-	157
<i>Change in assets and liabilities:</i>		
(Increase)/decrease in trade receivables	10	(56)
(Increase) in GST input tax credits receivable	(6)	(137)
Decrease in LSL reimbursement receivable	63	11
(Increase)/decrease in Annual leave reimbursements	(180)	76
Decrease in other receivables	6	31
Decrease in inventory	-	10
(Increase) in prepayments	(197)	(40)
Increase in accounts payable	402	827
Increase in accrued employee benefits	390	982
Increase in GST payable	6	27
Increase in other payables	65	83
Increase in unearned revenue	267	4
<b>Net cash provided by operating activities</b>	<b>1,687</b>	<b>3,844</b>

## 3.2 Receivables

	2017 \$'000	2016 \$'000
Trade debtors	81	91
GST receivable	516	510
GST payable	(37)	(31)
Interest receivable	29	35
Long Service leave reimbursements	81	144
Annual leave reimbursements	407	227
<b>Total</b>	<b>1,077</b>	<b>976</b>

### Accounting policy – receivables

Receivables are measured at amortised cost which approximates their fair value at reporting date.

Trade debtors are recognised at the amounts due at the time of sale or service delivery i.e. the agreed purchase/contract price. Settlement of these amounts is required within 30 days from invoice date.

### Disclosure – credit risk exposure of receivables

The maximum exposure to credit risk at balance date for receivables is the gross carrying amount of those assets inclusive of any provisions for impairment.

No collateral is held as security and no credit enhancements relate to receivables held by the Authority. Receivables fall into one of the following categories when assessing collectability:

- within terms and expected to be fully collectable
- within terms but impaired
- past due but not impaired
- past due and impaired

Note 3.2.1 details the accounting policies for impairment of receivables, including the loss events giving rise to impairment and the movements in the allowance for impairment.

All receivables within terms and expected to be fully collectable are considered of good credit quality based on recent collection history. Credit risk management strategies are detailed in Note 4.2.

### 3.2.1 Impairment of receivables

#### Accounting policy – impairment of receivables

The allowance for impairment reflects the occurrence of loss events. The most readily identifiable loss event is where a debtor is overdue in paying a debt to the Authority, according to the due date (normally terms of 30 days). Economic changes impacting the Authority's debtors, and relevant industry data, also form part of the Authority's documented risk analysis.

If no loss events have arisen in respect of a particular debtor or group of debtors, no allowance for impairment is made in respect of that debt/group of debtors. If the Authority determines that an amount owing by such a debtor does become uncollectible (after appropriate range of debt recovery actions), that amount is recognised as a Bad Debt expense and written-off directly



against Receivables. In other cases, where a debt becomes uncollectible but the uncollectible amount exceeds the amount already allowed for impairment of that debt, the excess is recognised directly as Bad Debt expense and written-off directly against Receivables.

#### Disclosure – aging of past due but not impaired receivables

	2017 \$'000	2016 \$'000
Not overdue	73	70
Less than 30 days	6	13
30 to 60 days	-	6
61 to 90 days	1	2
Greater than 90 days	-	-
<b>Total Overdue</b>	<b>7</b>	<b>21</b>

## 3.3 Plant and equipment and depreciation expense

### 3.3.1 Closing balances and reconciliation of carrying amount

	Plant & Equipment	
	2017 \$'000	2016 \$'000
Gross	2,765	2,900
Less: Accumulated depreciation	(1,617)	(1,803)
<b>Carrying amount at 30 June</b>	<b>1,148</b>	<b>1,097</b>

*Represented by movements in carrying amount*

Carrying amount at 1 July	1,097	828
Acquisitions ( <i>including upgrades</i> )	393	604
Disposals	-	(18)
Depreciation expense	(342)	(317)
<b>Carrying amount at 30 June</b>	<b>1,148</b>	<b>1,097</b>

### 3.3.2 Recognition and acquisition

#### Accounting policy – recognition

Items of plant and equipment with a cost or other value equal to or in excess of \$5,000 are recognised for financial reporting purposes in the year of acquisition. Items with a lesser value are expensed in the year of acquisition.

Expenditure is only added to an asset's carrying amount if it increases the service potential or useful life of the existing asset. Maintenance expenditure that merely restores original service potential (lost through ordinary wear and tear) is expensed.

#### Accounting policy – cost of acquisition

Historical cost is used for the initial recording of all plant and equipment acquisitions. Historical cost is determined as the value given as consideration and costs incidental to the acquisition, plus all other costs incurred in getting the assets ready for use.

Where assets are received free of charge from another Queensland Government entity (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the carrying amount in the books of the other entity immediately prior to the transfer.

Assets acquired at no cost or for nominal consideration, other than from another Queensland Government entity, are recognised at their fair value at date of acquisition.

### 3.3.3 Measurement using historical cost

#### Accounting policy

Plant and equipment is measured at historical cost in accordance with Queensland Treasury's Non-Current Asset Policies for the Queensland Public Sector. The carrying amounts for such plant and equipment is not materially different from their fair value.

### 3.3.4 Depreciation expense

#### Accounting policy

Plant and equipment is depreciated on a straight-line basis so as to allocate the net cost or revalued amount of each asset, less any estimated residual value, progressively over its estimated useful life to the Authority.

**Key Judgement:** Straight line depreciation is used as it is consistent with the even consumption of service potential of these assets over their useful life to the Authority.

Separately identifiable components of complex assets are depreciated according to the useful lives of each component, as doing so results in a material impact on the depreciation expense reported.

Any expenditure that increases the originally assessed capacity or service potential of an asset is capitalised and the new depreciable amount is depreciated over the remaining useful life of the asset to the Authority.

Assets under construction (work-in-progress) are not depreciated until construction is complete and the asset is put to use or is ready for its intended use, whichever is the earlier. These assets are then reclassified to the relevant class within plant and equipment.

The depreciable amount of improvements to or on leasehold land is allocated progressively over the estimated useful lives of the improvements or the unexpired period of the lease, whichever is the shorter. The unexpired period of a lease includes any option period where exercise of the option is probable.

For the Authority's depreciable assets, the estimated amount to be received on disposal at the end of their useful life (residual value) is determined to be zero.

#### Disclosure – depreciation rates

	Useful life
Computer equipment	5 to 10 years
Office equipment	5 to 10 years
Print equipment	5 years
Leasehold improvements	2 to 10 years

### 3.3.5 Impairment

#### Accounting policy

All non-current physical assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Authority determines the asset's recoverable amount. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss in the statement of comprehensive income.

Where an impairment loss subsequently reverses, the carrying amount of the asset is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset in prior years. A reversal of an impairment loss is recognised as income.

## 3.4 Intangibles and amortisation expense

### 3.4.1 Closing balances and reconciliation of carrying amount

	Software: Internally Generated		Software: Work in Progress	
	2017 \$'000	2016 \$'000	2017 \$'000	2016 \$'000
Gross	12,170	11,340	4,140	1,873
Less: Accumulated amortisation	(10,035)	(9,684)	-	-
<b>Carrying amount at 30 June</b>	<b>2,135</b>	<b>1,656</b>	<b>4,140</b>	<b>1,873</b>
<i>Represented by movements in carrying amount</i>				
Carrying amount at 1 July	1,656	1,819	1,873	1,269
Acquisitions through internal development	53	12	3,044	1,032
Transfers in	777	271	-	-
Transfers out	-	-	(777)	(271)
Impairment losses recognised in operating surplus	-	-	-	(157)
Amortisation	(351)	(446)	-	-
<b>Carrying amount at 30 June</b>	<b>2,135</b>	<b>1,656</b>	<b>4,140</b>	<b>1,873</b>

### 3.4.2 Recognition and measurement

#### Accounting policy

Intangible assets of the Authority comprise internally developed software. Intangible assets with a historical cost or other value equal to or greater than \$100,000 are recognised in the financial statements. Items with a lesser value are expensed. Any training costs are expensed as incurred.

There is no active market for any of the Authority's intangible assets. As such, the assets are recognised and carried at historical cost less accumulated amortisation and accumulated impairment losses.

Expenditure on research activities relating to internally-generated intangible assets is recognised as an expense in the period in which it is incurred.

Costs associated with the internal development of computer software are capitalised and amortised under the amortisation policy below.

No intangible assets have been classified as held for sale or form part of a disposal group held for sale.

### 3.4.3 Amortisation expense

#### Accounting policy

All intangible assets of the Authority have finite useful lives and are amortised on a straight line basis over their estimated useful life to the Authority. Straight line amortisation is used reflecting the expected consumption of economic benefits on a progressive basis over the intangible's useful life. The residual value of all the Authority intangible assets is zero.

#### Disclosure – amortisation rates

	Useful life
Internally generated software	5 to 13 years

### 3.4.4 Impairment

#### Accounting policy

All intangible assets are assessed for indicators of impairment on an annual basis. If an indicator of possible impairment exists, the Authority determines the asset's recoverable amount. Any amount by which the asset's carrying amount exceeds the recoverable amount is recorded as an impairment loss.

Intangible assets are principally assessed for impairment by reference to the actual and expected continuing use of the asset by the Authority, including discontinuing the use of the software. Recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

## 3.5 Payables

	2017 \$'000	2016 \$'000
Trade Creditors	4,970	4,567
Other	281	269
<b>Total</b>	<b>5,251</b>	<b>4,836</b>

#### Accounting policy – payables

Trade creditors are recognised upon receipt of the goods or services ordered and are measured at the nominal amount i.e. agreed purchase/contract price, gross of applicable trade and other discounts. Amounts owing are unsecured.

## 3.6 Accrued employee benefits

Salaries payable
Annual leave levy payable
Long service leave levy payable
<b>Total</b>

2017 \$'000	2016 \$'000
1,218	874
664	629
146	135
<b>2,028</b>	<b>1,638</b>

### Accounting policy – accrued employee benefits

No provision for annual leave or long service leave is recognised in the Authority's financial statements as the liability is held on a whole-of-government basis and reported in those financial statements pursuant to AASB 1049 *Whole of Government and General Government Sector Financial Reporting*.

## 3.7 Other current liabilities

Unearned revenue
Lease liability
<b>Total</b>

2017 \$'000	2016 \$'000
569	302
53	-
<b>622</b>	<b>302</b>

### Accounting policy – unearned revenue

Unearned revenue is recognised upon receipt of payment prior to goods/services being delivered by the Authority. Revenue is recognised at the time of goods/service delivery.

## 3.8 Equity

### 3.8.1 Contributed equity

Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities* specifies the principles for recognising contributed equity by the Authority.

## 4 Notes about risk and other accounting uncertainties

### 4.1 Fair value management

#### 4.1.1 Accounting policies and input for fair values

##### What is fair value?

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 under current market conditions (i.e. an exit price) regardless of whether that price is directly derived from observable inputs or estimated using another valuation technique.

Observable inputs are publicly available data that are relevant to the characteristics of the assets/liabilities being valued.

Unobservable inputs are data, assumptions and judgements that are not available publicly, but are relevant to the characteristics of the assets/liabilities being valued. Unobservable inputs are used to the extent that sufficient relevant and reliable observable inputs are not available for similar assets/liabilities.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use.

The Authority does not recognise any financial assets or financial liabilities at fair value.

### 4.2 Financial risk disclosures

#### 4.2.1 Financial instrument categories

Financial assets and financial liabilities are recognised in the Statement of Financial Position when the Authority becomes party to the contractual provisions of the financial instrument. The Authority has the following categories of financial assets and financial liabilities:

	Note	2017 \$'000	2016 \$'000
<b>Financial assets</b>			
Cash and cash equivalents	3.1	12,474	14,277
Loans and receivables at amortised cost - comprising:			
Receivables	3.2	1,077	976
<b>Total financial assets</b>		<b>13,551</b>	<b>15,253</b>
<b>Financial liabilities</b>			
Financial liabilities at amortised cost - comprising:			
Payables	3.5	5,251	4,836
Lease liability	3.7	53	-
<b>Total financial liabilities at amortised cost</b>		<b>5,304</b>	<b>4,836</b>

No financial assets and financial liabilities have been offset and presented net in the Statement of Financial Position.

## 4.2.2 Financial risk management

### Risk exposure

Financial risk management is implemented pursuant to Government and Authority policy. These policies focus on the unpredictability of financial markets and seek to minimise potential adverse effects on the financial performance of the Authority. All financial risk is managed by the Finance and Procurement Unit under policies approved by the Authority. The Authority provides written principles for overall risk management, as well as policies covering specific areas.

The Authority's activities expose it to a variety of financial risks as set out in the following table:

Risk Exposure	Definition	Exposure
Credit Risk	Credit risk exposure refers to the situation where the Authority may incur financial loss as a result of another party to a financial instrument failing to discharge their obligation.	The Authority is exposed to credit risk in respect of its receivables (Note 3.2).
Liquidity Risk	Liquidity Risk refers to the situation where the Authority may encounter difficulty in meeting obligations associated with financial abilities that are settled by delivering cash or another financial asset.	The Authority is exposed to liquidity risk in respect of its payables (Note 3.5).
Market Risk	<p>The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk</p> <p><i>Interest rate risk</i> is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.</p>	<p>The Authority does not trade in foreign currency and is not materially exposed to commodity price changes or other market prices.</p> <p>The Authority is exposed to interest rate risk through cash deposited in interest bearing accounts (Note 3.1).</p>

### Risk measurement and management strategies

Risk Exposure	Measurement Method	Risk Management Strategies
Credit Risk	Ageing analysis, earnings at risk	The Authority manages credit risk through the use of a credit management strategy. This strategy aims to reduce the exposure to credit default by ensuring that the Authority invests in secure assets and monitors all funds owed on a timely basis. Exposure to credit risk is monitored on an ongoing basis.
Liquidity Risk	Sensitivity analysis	The Authority manages liquidity risk through the use of a liquidity management strategy. This strategy aims to reduce the exposure to liquidity risk by ensuring the Authority has sufficient funds available to meet employee and supplier obligations as they fall due.

Risk Exposure	Measurement Method	Risk Management Strategies
Market Risk	Interest rate sensitivity analysis	The Authority does not undertake any hedging in relation to interest risk and manages its risk as per the Authority's liquidity risk management strategy articulated in the Authority's Financial Management Practice Manual.

### 4.2.3 Liquidity risk – contractual maturity of financial liabilities

The following table sets out the liquidity risk of financial liabilities held by the Authority. They represent the contractual maturity of financial liabilities, calculated based on undiscounted cash flows relating to the liabilities at reporting date.

	2017	Contract maturity payable in			2016	Contract maturity payable in		
	Total \$'000	< 1 Yr \$'000	1 - 5 Yrs \$'000	> 5 Yrs \$'000	Total \$'000	< 1 Yr \$'000	1 - 5 Yrs \$'000	> 5 Yrs \$'000
<b>Financial liabilities</b>								
Payables (Note 3.5)	<b>5,251</b>	5,251	-	-	<b>4,836</b>	4,836	-	-
Lease liability (Note 3.7)	<b>53</b>	53	-	-	-	-	-	-
<b>Total</b>	<b>5,304</b>	<b>5,304</b>	-	-	<b>4,836</b>	<b>4,836</b>	-	-

## 4.3 Contingencies

The QCAA was not committed to any guarantees or undertakings at 30 June 2017. There are no other known contingent assets or liabilities at the date of this report.

## 4.4 Commitments

### Non-cancellable operating lease commitments

Commitments under operating leases at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2017 \$'000	2016 \$'000
Not later than 1 year	2,732	2,630
Later than 1 year but not later than 5 years	2,695	5,476
<b>Total</b>	<b>5,427</b>	<b>8,106</b>



## Capital expenditure commitments

Commitments for capital expenditure at reporting date (inclusive of non-recoverable GST input tax credits) are payable:

	2017 \$'000	2016 \$'000
Not later than 1 year	174	-
Later than 1 year but not later than 5 years	-	-
Later than 5 years	-	-
<b>Total</b>	<b>174</b>	<b>-</b>

## 4.5 Events after the balance date

There have been no events after year end that have had a significant/material impact on the financial statements.

## 4.6 Future impact of accounting standards not yet effective

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards issued but with future effective dates are set out below:

### AASB 2016-2 Amendments to Australian Accounting Standards – Disclosure Initiative: Amendments to AASB 107

As from the Authority's financial statements for 2017-18, this standard will require additional disclosures to enable the reader to evaluate changes in liabilities arising from financing activities. These disclosures will include both cash flows and non-cash changes between the opening and closing balance of the relevant liabilities and be disclosed by way of a reconciliation in the notes to the Statement of Cash Flows.

### AASB 1058 Income of Not-for-Profit Entities and AASB 15 Revenue from Contracts with Customers

These standards will first apply to the Authority from its financial statements for 2019-20.

The Authority has commenced analysing the new revenue recognition requirements under these standards and is yet to form conclusions about significant impacts. Potential future impacts identifiable at the date of this report are as follows:

- under the new standards, grants presently recognised as revenue upfront may be eligible to be recognised as revenue progressively as the associated performance obligations are satisfied, but only if the associated performance obligations are enforceable and sufficiently specific. The Authority is yet to evaluate the existing grant arrangements with the Department of Education and Training as to whether revenue from those grants could be deferred under the new requirements.
- grants that are not enforceable and/or not sufficiently specific will not qualify for deferral, and continue to be recognised as revenue as soon as they are controlled. The Administered grant has no sufficiently specific performance obligations, so this grant will continue to be recognised as revenue upfront assuming no change to the current grant arrangements.

- depending on the respective contractual terms, the new requirements of AASB 15 may potentially result in a change to the timing of revenue from sales of the Authority's goods and services such that some revenue may need to be deferred to a later reporting period to the extent that the Authority has received cash but has not met its associated performance obligations (such amounts would be reported as a liability in the meantime). The Authority is yet to complete its analysis of existing arrangements for sale of its goods and services and the impact, if any, on revenue recognition has not yet been determined.
- a range of new disclosures will also be required by the new standards in respect of the Authority's revenue.

## **AASB 9 Financial Instruments and AASB 2014-7 Amendments to Australian Accounting Standards arising from AASB 9 (December 2014)**

These standards will first apply to the Authority from its financial statements for 2018-19. The main impacts of these standards on the Authority are that they will change the requirements for the classification, measurement, impairment and disclosures associated with the Authority's financial assets. AASB 9 will introduce different criteria for whether financial assets can be measured at amortised cost or fair value.

The Authority has commenced reviewing the measurement of its financial assets against the new AASB 9 classification and measurement requirements. However, as the classification of financial assets at the date of initial application of the new standard will depend on the facts and circumstances existing at that date, the Authority's conclusions will not be confirmed until closer to that time. At this stage, and assuming no change in the types of transactions the Authority enters into, all of the Authority's financial assets are expected to be required to be measured at fair value (instead of the measurement classifications presently used in Note 4.2.1). In the case of the Authority's current receivables, as they are short-term in nature, the carrying amount is expected to be a reasonable approximation of fair value. Changes in the fair value of those assets will be reflected in the Authority's operating result.

Another impact of AASB 9 relates to calculating impairment losses for the Authority's receivables. Assuming no substantial change in the nature of the Authority's receivables, as they don't include a significant financing component, impairment losses will be determined according to the amount of lifetime expected credit losses. On initial adoption of AASB 9, the Authority will need to determine the expected credit losses for its receivables by comparing the credit risk at that time to the credit risk that existed when those receivables were initially recognised.

The Authority will not need to restate comparative figures for financial instruments on adopting AASB 9 as from 2018-19. However, changed disclosure requirements will apply from that time. A number of one-off disclosures will be required in the 2018-19 financial statements to explain the impact of adopting AASB 9. Assuming no change in the types of financial instruments that the Authority enters into, the most likely ongoing disclosure impacts are expected to relate to the credit risk of financial assets subject to impairment.

## **AASB 16 Leases**

This standard will first apply to the Authority from its financial statements for 2019-20. When applied, the standard supersedes AASB 117 *Leases*, AASB Interpretation 4 *Determining whether an Arrangement contains a Lease*, AASB Interpretation 115 *Operating Leases – Incentives* and AASB Interpretation 127 *Evaluating the Substance of Transactions Involving the Legal Form of a Lease*.

Unlike AASB 117 *Leases*, AASB 16 introduces a single lease accounting model for lessees. Lessees will be required to recognise a right-of-use asset (representing rights to use the

underlying leased asset) and a liability (representing the obligation to make lease payments) for all leases with a term of more than 12 months, unless the underlying assets are of low value.

In effect, the majority of operating leases (as defined by the current AASB 117) will be reported on the statement of financial position under AASB 16. There will be a significant increase in assets and liabilities for agencies that lease assets. The impact on the reported assets and liabilities would be largely in proportion to the scale of the agency's leasing activities.

The right-of-use asset will be initially recognised at cost, consisting of the initial amount of the associated lease liability, plus any lease payments made to the lessor at or before the effective date, less any lease incentive received, the initial estimate of restoration costs and any initial direct costs incurred by the lessee. The right-of-use asset will give rise to a depreciation expense.

The lease liability will be initially recognised at an amount equal to the present value of the lease payments during the lease term that are not yet paid. Current operating lease rental payments will no longer be expensed in the Statement of Comprehensive Income. They will be apportioned between a reduction in the recognised lease liability and the implicit finance charge (the effective rate of interest) in the lease. The finance cost will also be recognised as an expense.

AASB 16 allows a 'cumulative approach' rather than full retrospective application to recognising existing operating leases. If a lessee chooses to apply the 'cumulative approach', it does not need to restate comparative information. Instead, the cumulative effect of applying the standard is recognised as an adjustment to the opening balance of accumulated surplus (or other component of equity, as appropriate) at the date of initial application. The Authority will await further guidance from Queensland Treasury on the transitional accounting method to be applied.

The Authority has not yet quantified the impact on the Statement of Comprehensive Income or the Statement of Financial Position of applying AASB 16 to its current operating leases, including the extent of additional disclosure required.

All other Australian accounting standards and interpretations with future effective dates are either not applicable to the Authority's activities, or have no material impact on the Authority.

## 5 Notes on our performance compared to budget

### 5.1 Budgetary reporting disclosures

#### 5.1.1 Explanation of major variances – statement of comprehensive income

User charges and fees:	User charges are higher than budgeted for a number of reasons. Fee-paying workshops were provided during 2016-17 due to the free workshops on the changes to syllabus content and new senior assessment processes being moved to July 2017 (\$265 thousand). Visa student fees are also higher by \$222 thousand and syllabus licensing fees higher by \$103 thousand due to increased numbers of international students.
Grants and other contributions:	The variance is due to the revised timeframe for implementation of the new senior assessment and tertiary entrance systems from 2018 to 2019. \$8 million of funding

from the Department of Education and Training (DET) was reprofiled to match the revised timeframes for redevelopment of senior syllabuses and professional development workshops for teachers and curriculum leaders.

**Employee expenses:** Lower employee costs are largely due to the revised implementation timeframe for the new senior assessment and tertiary entrance systems. This revision resulted in employment of fewer casual employees (e.g. markers and assessors) than planned (\$1.2 million).

**Supplies and services** Costs are lower than budgeted due to the revised commencement date for the provision of professional development to senior teachers and school curriculum leaders (\$5 million). These professional development workshops were originally to commence in January 2017 but will now commence in July 2017.

### 5.1.2 Explanation of major variances – statement of financial position

**Cash and cash equivalents:** The majority of the variance for Cash is attributable to a higher actual opening balance, compared to what was estimated in the budget, because of the difference between estimated and actual cash flows for the prior financial year (\$1.356 million). The remainder of the variance is largely due to the operating result.

**Plant and equipment:** The plant and equipment balance is higher than budgeted largely due to increased capital expenditure on ICT equipment (\$353 thousand).

**Intangible assets:** The variance is mainly due to lower than anticipated capital expenditure on development of software applications to support the new senior assessment and tertiary entrance system commencing in 2019 (\$1.193 million).

**Payables:** Payables are lower than budgeted due to the revised timeframe for the professional development workshops on the changes to syllabus content and new senior assessment processes. As these workshops are now commencing in July 2017, no Teacher Relief Scheme payments were payable to schools for these workshops in the 2016-17 financial year (\$480 thousand).

**Accrued employee benefits:** The variance in accrued employee benefits is largely due to the accrual of payments to markers for the external assessment trials that occurred in May and June 2017 (\$674 thousand).

### 5.1.3 Explanation of major variances – statement of cash flows

**User charges and fees:** Cash inflows for user charges are higher than budgeted for a number of reasons. Fee-paying workshops were provided during 2016-17 due to the free workshops on the changes to syllabus content and new senior assessment processes being moved to July 2017 (\$265 thousand). Visa student fees are also higher by \$222 thousand and syllabus

	licensing fees higher by \$103 thousand due to increased international students. The combined unearned revenue for these items is also higher than budget by \$317 thousand.
Grants and other contributions:	The reduced cash inflows for grants is due to the revised timeframe for implementation of the new senior assessment and tertiary entrance systems from 2018 to 2019. \$8 million of funding from DET was reprofiled to match the revised timeframes for redevelopment of senior syllabuses and professional development workshops for teachers and curriculum leaders.
GST input tax credits from ATO	Higher cash inflows of GST input tax credits from ATO is due to an overestimation in the budget.
Employee expenses:	Lower cash outflows for employee costs are due to the revised implementation timeframe for the new senior assessment and tertiary entrance systems. This revision resulted in employment of fewer casual employees (e.g. markers and assessors) than planned (\$1.2 million). The variance is also due to payments for markers occurring in July 2017 for marking undertaken in June 2017 (\$674 thousand).
Supplies and services	Cash outflows for supplies and services are lower than budgeted due to the revised commencement date for the provision of professional development to senior teachers and school curriculum leaders. These professional development workshops were originally to commence in January 2017 but will now commence in July 2017 (\$3.6 million).
GST paid to suppliers	Higher cash outflows of GST paid to suppliers is due to an overestimation in the budget.
Payments for plant and equipment	The increased cash outflows for plant and equipment is due to increased capital expenditure on ICT equipment (\$353 thousand).
Payments for intangibles	The variance in cash outflows for intangibles due to lower than anticipated capital expenditure on development of software applications to support the new senior assessment and tertiary entrance systems commencing in 2019 (\$1.193 million).

## 6 Other information

### 6.1 Key management personnel information

#### 6.1.1 Details of key management personnel

As from 2016-17, the Authority's responsible Minister is identified as part of the Authority's Key Management Personnel (KMP), consistent with additional guidance included in the revised version of AASB 124 *Related Party Disclosures*. That Minister is the Minister for Education and Minister for Tourism, Major Events and the Commonwealth Games.

The following details for non-ministerial KMP include those positions that had authority and responsibility for planning, directing and controlling the activities of the Authority during 2016-17 and 2015-16. Further information about these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Position responsibility
<b>Board Member</b>	The QCAA is governed by a seven-member board that includes nominees from each of the State, Catholic and Independent school sectors and four Ministerial nominees selected on the basis of expertise relevant to the functions of the Authority.
<b>Chief Executive Officer</b>	The Chief Executive Officer is responsible for providing advice to the Minister on strategic educational issues and manages the staff, functions and resources of the Office of the QCAA in accordance with relevant legislation.
<b>Director, Curriculum Services Division</b>	The Director, Curriculum Services leads the development, implementation and promotion of QCAA's policy approach to curriculum, learning, assessment and reporting. Within this context, the position leads multiple projects to support the introduction of new Senior Assessment and Tertiary Entrance processes for students entering Year 11 in 2019.
<b>Director, Assessment and Reporting Division</b>	The Director, Assessment and Reporting is responsible for the development and implementation of strategies to support QCAA's assessment capability and to manage the quality assurance processes for QCAA's testing, certification and assessment functions. The position is also responsible for the release of accurate student achievement data, and the development, implementation and evaluation of QCAA's information technology systems. Within this context, the position leads multiple projects to support the introduction of new Senior Assessment and Tertiary Entrance processes for students entering Year 11 in 2019.
<b>Director, Corporate Services Division</b>	The Director, Corporate Services is accountable for the delivery of strategic corporate outcomes and the development, implementation and evaluation of QCAA's corporate governance arrangements.
<b>Assistant Director, Policy Coordination Branch</b>	The Assistant Director, Policy Coordination provides high-level advice on government relationship management and coordinates policy development and communication of QCAA policy and information to stakeholders.

### 6.1.2 KMP remuneration policies

Ministerial remuneration entitlements are outlined in the Legislative Assembly of Queensland's Members' Remuneration Handbook. The Authority does not bear any cost of remuneration of Ministers. The majority of Ministerial entitlements are paid by the Legislative Assembly, with the remaining entitlements being provided by Ministerial Services Branch within the Department of the Premier and Cabinet. As all Ministers are reported as KMP of the Queensland Government, aggregate remuneration expenses for all Ministers is disclosed in the Queensland General Government and Whole of Government Consolidated Financial Statements as from 2016-17, which are published as part of Queensland Treasury's Report on State Finances.

Board members and the Chief Executive Officer are paid the remuneration and allowances decided by the Governor in Council under sections 26(1) and 34(1) of the *Education (Queensland Curriculum and Assessment Authority) Act 2014*.

Remuneration policy for the Authority's other KMP is set by the Queensland Public Service Commission as provided for under the *Public Service Act 2008*. Individual remuneration and other terms of employment (including motor vehicle entitlements if applicable) are specified in employment contracts.

Remuneration expenses for those KMP comprise the following components:

- Short term employee expenses include salaries, allowance and leave entitlements earned and expensed for the entire year, or for that part of the year during which the employee was a key management person.
- Long term employee expenses include amounts expensed in respect of long service leave entitlements earned.
- Post-employment expenses include amounts expensed in respect of employee superannuation obligations.
- Termination benefits are not provided for within individual contracts of employment. Contracts of employment provide only for notice periods or payment in lieu of notice on termination, regardless of the reason for termination.

### 6.1.3 KMP remuneration expense

The following disclosures focus on the expenses incurred by the Authority attributable to non-Ministerial KMP during the respective reporting periods. The amounts disclosed are determined on the same basis as expenses recognised in the Statement of Comprehensive Income.

#### 2016-17

	Short-term employee expenses					Post-employment expenses	Termination Benefits	Total expenses
	Monetary expenses	Non-monetary benefits	Long-term employee expenses					
	\$'000	\$'000	\$'000		\$'000	\$'000	\$'000	\$'000
<b>Board members</b>								
Nominee of the Minister having the qualifications, experience or standing the Minister considers relevant to the functions of the Authority (Chair). Appointed under section 22(b)(iv) of the Act.	11	-	-		1	-	-	12
The executive director, or nominee, of Independent Schools Queensland. Appointed under section 22(b)(i) of the Act.	7	-	-		-	-	-	7
The executive director, or nominee, of the Queensland Catholic Education Commission. Appointed under section 22(b)(ii) of the Act.	7	-	-		1	-	-	8
One nominee of the Minister having relevant corporate, governance or financial qualifications or experience. Appointed under section 22(b)(iii) of the Act from 13 April 2017.	2	-	-		-	-	-	2
Nominee of the Minister having the qualifications, experience or standing the Minister considers relevant to the functions of the Authority. Appointed under section 22(b)(iv) of the Act to 31 December 2016.	3	-	-		-	-	-	3
Nominee of the Minister having the qualifications, experience or standing the Minister considers relevant to the functions of the Authority. Appointed under section 22(b)(iv) of the Act from 13 April 2017.	2	-	-		-	-	-	2



	Short-term employee expenses					
	Monetary expenses	Non-monetary benefits	Long-term employee expenses	Post-employment expenses	Termination Benefits	Total expenses
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Authority Employees</b>						
Chief Executive Officer	250	-	5	-	-	-
Director, Curriculum Services Division	200	-	4	26	-	281
Director, Assessment and Reporting Division	200	-	4	20	-	224
Director, Corporate Services Division (Acting) from 12 April 2017.	37	-	1	20	-	224
Director, Corporate Services Division (Acting) 4 October 2016 to 11 April 2017.	92	-	2	3	-	41
Director, Corporate Services Division to 3 October 2016.	77	-	1	8	-	102
Assistant Director, Policy Coordination Branch	150	-	3	7	-	85
				17	-	170

#### 2015-16

	Short-term employee expenses					
	Monetary expenses	Non-monetary benefits	Long-term employee expenses	Post-employment expenses	Termination Benefits	Total expenses
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Board members</b>						
Nominee of the Minister having the qualifications, experience or standing the Minister considers relevant to the functions of the Authority (Chair). Appointed under section 22(b)(iv) of the Act.	10	-	-	1	-	11
The executive director, or nominee, of Independent Schools Queensland. Appointed under section 22(b)(i) of the Act.	6	-	-	-	-	6
The executive director, or nominee, of the Queensland Catholic Education Commission. Appointed under section 22(b)(ii) of the Act.	6	-	-	1	-	7

	Short-term employee expenses					Termination Benefits	Total expenses
	Monetary expenses \$'000	Non-monetary benefits \$'000	Long-term employee expenses \$'000	Post-employment expenses \$'000	\$'000		
One nominee of the Minister having relevant corporate, governance or financial qualifications or experience. Appointed under section 22(b)(iii) of the Act.	6	-	-	1	-	-	7
Nominee of the Minister having the qualifications, experience or standing the Minister considers relevant to the functions of the Authority. Appointed under section 22(b)(iv) of the Act.	6	-	-	1	-	-	7
<b>Authority Employees</b>							
Chief Executive Officer	245	-	5	25	-	-	275
Director, Curriculum Services Division	189	-	4	19	-	-	212
Director, Assessment and Reporting Division	192	-	4	19	-	-	215
Director, Corporate Services Division	185	-	4	18	-	-	207
Assistant Director, Policy Coordination Branch	143	-	3	17	-	-	163

### 6.1.4 Performance payments

No KMP remuneration packages provide for performance or bonus payments.

## 6.2 Related party transactions

### 6.2.1 Transactions with people/entities related to KMP

There were no material transactions with people/entities related to KMP.

### 6.2.2 Transactions with other Queensland Government-controlled entities

The Authority's primary ongoing source of funding from Government for its services is grant revenue (Note 2.1.2), which is provided in cash via the Department of Education and Training.

## 6.3 First year application of new accounting standards or changes in accounting policy

### 6.3.1 Changes in accounting policy

The Authority did not voluntarily change any of its accounting policies during 2016-17.

### 6.3.2 Accounting standards early adopted

No Australian Accounting Standards have been early adopted for 2016-17.

### 6.3.3 Accounting standards applied for the first time

The only Australian Accounting Standard that became effective for the first time in 2016-17 is AASB 124 *Related Party Disclosures*. This standard requires note disclosures about relationships between key management personnel (KMP) remuneration expenses and other related party transactions, and does not impact on financial statement line items. As Queensland Treasury already required disclosure of KMP remuneration expenses, AASB 124 itself had minimal impact on the Authority's KMP disclosures compared to 2015-16 (refer to Note 6.1). However, the standard has resulted in the Authority's responsible Minister being identified as part of the Authority's KMP as from 2016-17. Material related party transactions for 2016-17 are disclosed in Note 6.2. No comparative information about related party transactions is required in respect of 2015-16.

## 6.4 Taxation

The Authority is a State body as defined under the *Income Tax Assessment Act 1936* and is exempt from Commonwealth taxation with the exception of Fringe Benefits Tax (FBT) and Goods and Services Tax (GST). GST credits receivable from, and GST payable to the ATO, are recognised (refer Note 3.2.)

# Management certificate of the Queensland Curriculum and Assessment Authority

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), section 43 of the *Financial and Performance Management Standard 2009* and other prescribed requirements. In accordance with section 62(1)(b) of the Act we certify that in our opinion:

- a. the prescribed requirements for establishing and keeping the accounts have been complied with in all material respects; and
- b. the statements have been drawn up to present a true and fair view, in accordance with prescribed accounting standards, of the transactions of the Queensland Curriculum and Assessment Authority for the financial year ended 30 June 2017 and of the financial position of the Authority at the end of that year; and
- c. these assertions are based on an appropriate system of internal controls and risk management processes being effective, in all material respects, with respect to financial reporting throughout the reporting period.

**Chris Rider**

**Chief Executive Officer**



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**23 August 2017**

**Brian Short**

**Chair**



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**23 August 2017**

## INDEPENDENT AUDITOR'S REPORT

To the Board of Queensland Curriculum and Assessment Authority

### Report on the audit of the financial report

#### Opinion

I have audited the accompanying financial report of Queensland Curriculum and Assessment Authority.

In my opinion, the financial report:

- a) gives a true and fair view of the entity's financial position as at 30 June 2017, and its financial performance and cash flows for the year then ended
- b) complies with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards.

The financial report comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements including summaries of significant accounting policies and other explanatory information, and the management certificate.

#### Basis for opinion

I conducted my audit in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of my report.

I am independent of the entity in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to my audit of the financial report in Australia. I have also fulfilled my other ethical responsibilities in accordance with the Code and the *Auditor-General of Queensland Auditing Standards*.

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

#### Responsibilities of the entity for the financial report

The Board is responsible for the preparation of the financial report that gives a true and fair view in accordance with the *Financial Accountability Act 2009*, the Financial and Performance Management Standard 2009 and Australian Accounting Standards, and for such internal control as the Board determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

The Board is also responsible for assessing the entity's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless it is intended to abolish the entity or to otherwise cease operations.

## Auditor's responsibilities for the audit of the financial report

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

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

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

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

In accordance with s.40 of the *Auditor-General Act 2009*, for the year ended 30 June 2017:

- a) I received all the information and explanations I required.
- b) In my opinion, the prescribed requirements in relation to the establishment and keeping of accounts were complied with in all material respects.

  
John Welsh  
as delegate of the Auditor-General



Queensland Audit Office  
Brisbane

# Appendixes

## 1 Fees paid to board members

Position	Name	Meeting/session attendance	Approved annual, sessional or daily fee*	Approved sub-committee fees if applicable	Actual fees received
Chair	Brian Short	7	\$15,000	N/A	\$12,319
Deputy Chair	Adam Shoemaker	3	\$8000	N/A	\$3,285
Member	Patrea Walton	5	\$0	N/A	\$0
Member	Leanne Nixon	1	\$0	N/A	\$0
Member	David Robertson	7	\$8000	N/A	\$6,500
Member	Leesa Jeffcoat	6	\$8000	N/A	\$7,118
Member	Larry Smith	0	\$8000	N/A	\$0
Member	Doune Macdonald	1	\$8000	N/A	\$2,000
Member	Carol Nicoll	1	\$8000	N/A	\$1,818
Member	Tracy Corsbie	6	\$0	N/A	\$0
*An increase in remuneration for the Chair and eligible members of the QCAA Board was approved from 13 April 2017.					
No. scheduled meetings/sessions	7				
Total out of pocket expenses	\$2,712				

## 2 Consultancies and overseas travel

Information about the hiring of consultants and overseas travel undertaken for work purposes by QCAA staff can be found through the Queensland Government's open data website: [www.qld.gov.au/data](http://www.qld.gov.au/data).

## 3 Early retirement, redundancy and retrenchment

During 2016–17, no QCAA employee received an early retirement, redundancy or retrenchment package.



## 4 QCAA district offices

### Brisbane Central

Email: [BrisbaneCentral@qcaa.qld.edu.au](mailto:BrisbaneCentral@qcaa.qld.edu.au)  
Address: Suite G1, 449 Gympie Rd, Kedron 4031  
Post: Suite G1, 449 Gympie Rd, Kedron QLD 4031  
Phone: (07) 3359 6131

### Brisbane North

Email: [BrisbaneNorth@qcaa.qld.edu.au](mailto:BrisbaneNorth@qcaa.qld.edu.au)  
Address: Suite G1, 449 Gympie Rd, Kedron 4031  
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### Gold Coast

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### Rockhampton

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### Sunshine Coast

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### Townsville/Cairns

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# Glossary

AASB	Australian Accounting Standards Board
ACARA	Australian Curriculum, Assessment and Reporting Authority
ACER	Australian Council for Educational Research
AM	Member of the Order of Australia
ASQA	Australian Skills Quality Authority
ATO	Australian Taxation Office (ATO)
DET	Department of Education and Training
FBT	Fringe Benefits Tax
FP	Field Position
GST	Goods and Services Tax (GST)
ICT	Information and communications technology
ISQ	Independent Schools Queensland
MOU	Memorandum of Understanding
NAPLAN	National Assessment Program – Literacy and Numeracy
OP	Overall Position
P, Prep	Preparatory Year
PSM	Public Service Medal (Australia)
QCAA	Queensland Curriculum and Assessment Authority
QCAA Act	<i>Education (Queensland Curriculum and Assessment Authority) Act 2014</i>
QCE	Queensland Certificate of Education
QCEC	Queensland Catholic Education Commission
QCIA	Queensland Certificate of Individual Achievement
QCS	Queensland Core Skills (Test)
QKLG	Queensland kindergarten learning guideline
QSA	Queensland Studies Authority
RTO	Registered training organisation
SDCS	Student Data Capture System
TAFE	Technical and Further Education
VET	Vocational education and training
VHA	Very High Achievement

