

Financial report 2012–13

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General information

This financial report covers the Queensland Studies Authority.

The Queensland Studies Authority is a statutory body established under the *Education (Queensland Studies Authority) Act 2002*.

The Authority is 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

A description of the nature of the Authority’s operations and its principal activities is included in the notes to the financial statements.

For information in relation to the Authority’s financial report, please call (07) 3864 0222, email finance@qsa.qld.edu.au or visit the Authority’s website: www.qsa.qld.edu.au.

Amounts shown in this financial report may not add to the correct subtotals or totals due to rounding.

Queensland Studies Authority
Statement of Comprehensive Income
for the year ended 30 June 2013

	<i>Notes</i>	2013 \$'000	2012 \$'000
Income from Continuing Operations			
Revenue			
User charges	2	2,196	2,282
Grants and other contributions	3	38,527	41,223
Interest		561	970
Other revenues		3	7
Total Revenue		41,287	44,482
Gains			
Gains on sale of plant and equipment		-	-
Total Income from Continuing Operations		41,287	44,482
Expenses from Continuing Operations			
Employee expenses	4	26,906	29,033
Supplies and services	6	11,693	13,234
Grants and subsidies		26	-
Depreciation and amortisation	7	1,478	1,553
Impairment losses	8	800	-
Other expenses	9	111	137
Total Expenses from Continuing Operations		41,014	43,957
Operating Result from Continuing Operations		273	525
Other Comprehensive Income			
		-	-
Total Comprehensive Income		273	525

The accompanying notes form part of these statements

Queensland Studies Authority
Statement of Financial Position
as at 30 June 2013

	<i>Notes</i>	2013 \$'000	2012 \$'000
Current Assets			
Cash and cash equivalents	10	12,505	10,739
Receivables	11	916	498
Inventories	12	32	8
Prepayments		321	199
Total Current Assets		13,774	11,444
Non-Current Assets			
Intangible assets	13	3,765	5,602
Plant and equipment	14	586	873
Total Non-Current Assets		4,351	6,475
Total Assets		18,125	17,919
Current Liabilities			
Payables	15	3,742	3,463
Accrued employee benefits	16	1,789	2,101
Unearned revenue		257	291
Total Current Liabilities		5,788	5,855
Total Liabilities		5,788	5,855
Net Assets		12,337	12,064
Equity			
Contributed equity		4,832	4,832
Accumulated surplus		7,505	7,232
Total Equity		12,337	12,064

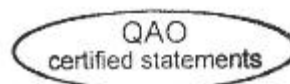
The accompanying notes form part of these statements

Queensland Studies Authority
Statement of Changes in Equity
for the year ended 30 June 2013

Balance as at 1 July
 Total Comprehensive Income for the Year
Balance as at 30 June

Accumulated Surplus		Contributed Equity		Total	
2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000	2013 \$'000	2012 \$'000
7,232	6,707	4,832	4,832	12,064	11,539
273	525	-	-	273	525
7,505	7,232	4,832	4,832	12,337	12,064

The accompanying notes form part of these statements



Queensland Studies Authority

Statement of Cash Flows for the year ended 30 June 2013

	Notes	2013 \$'000	2012 \$'000
Cash flows from operating activities			
<i>Inflows:</i>			
User charges		1,770	2,528
Grants and other contributions		38,527	41,223
Interest receipts		650	921
GST input tax credits from Australian Taxation Office		1,201	1,445
GST collected from customers		181	256
Other		67	26
<i>Outflows:</i>			
Employee expenses		(27,093)	(28,822)
Supplies and services		(11,626)	(13,127)
Grants and subsidies		(26)	-
GST remitted to Australian Taxation Office		(149)	(283)
GST paid to suppliers		(1,464)	(1,403)
Other		(119)	(157)
Net cash provided by operating activities	17	1,920	2,609
Cash flows from investing activities			
<i>Outflows:</i>			
Payments for plant and equipment		(65)	(107)
Payments for intangibles		(89)	(182)
Net cash used in investing activities		(154)	(289)
Net cash increase in cash and cash equivalents		1,766	2,320
Cash and cash equivalents at beginning of financial year		10,739	8,419
Cash and cash equivalents at end of financial year	10	12,505	10,739

The accompanying notes form part of these statements

Queensland Studies Authority
Notes To and Forming Part of the Financial Statements
for the year ended 30 June 2013

Objectives and principal activities of the Queensland Studies Authority

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Queensland Studies Authority

Notes To and Forming Part of the Financial Statements
for the year ended 30 June 2013

Objectives and principal activities of the Queensland Studies Authority

The Queensland Studies Authority was established as a statutory authority under the *Education (Queensland Studies Authority) Act 2002*. Its objective is to provide quality, innovative and future-focused products and services to assist all Queensland education communities.

The Authority provides Kindergarten to Year 12 syllabuses and guidelines, assessment, reporting, testing, accreditation, certification and tertiary entrance services for Queensland schools.

In June 2012, the Minister directed the Department of Education, Training and Employment to conduct a review of the legislation and operations of the QSA.

The Government has considered the review findings and has provided direction on a way forward. It is expected that draft legislation will be available for consultation with stakeholders by September 2013, with a view to new legislation commencing in July 2014.

1 Summary of significant accounting policies

(a) Statement of Compliance

The Queensland Studies Authority has prepared these financial statements in compliance with section 43 of the *Financial and Performance Management Standard 2009*.

These financial statements are general purpose financial statements, and have been prepared on an accrual basis in accordance with Australian Accounting Standards and Interpretations. In addition, the financial statements comply with Queensland Treasury and Trade's Minimum Reporting Requirements for the year ended 30 June 2013, and other authoritative pronouncements.

With respect to compliance with Australian Accounting Standards and Interpretations, the Queensland Studies Authority has applied those requirements applicable to not-for-profit entities, as the Authority is a not-for-profit entity. Except where stated, the historical cost convention is used.

(b) The Reporting Entity

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

(c) User Charges

User charges and fees controlled by the Authority are recognised as revenues when the revenue has been earned and can be measured reliably with a sufficient degree of certainty. This involves either invoicing for related goods/services and/or the recognition of accrued revenue. User charges and fees are controlled by the Authority where they can be deployed for the achievement of its objectives.

(d) Grants and Contributions

Grants, contributions, donations and gifts that are non-reciprocal in nature are recognised as revenue in the year in which the Authority obtains control over them (control is generally obtained at the time of receipt). Where grants are received that are reciprocal in nature, revenue is recognised over the term of the funding arrangements.

Contributed assets are recognised at their fair value. The accounting treatment for contributions of services is explained in Note 1(u).

(e) 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 received but not banked at 30 June, deposits at call with financial institutions and short-term investments/deposits maturing within 3 months from the end of the financial year.

(f) Receivables

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.

The collectability of receivables is assessed periodically with provision being made for impairment. All known bad debts were written off or provided against as at 30 June.

(g) Inventories

Inventories held for sale are valued at the lower of cost and net realisable value. Cost is assigned on a weighted average basis and includes expenditure incurred in acquiring the inventories and bringing them to their existing condition, except for training costs which are expensed as incurred.

Net realisable value is determined on the basis of the Authority's normal selling pattern. Expenses associated with marketing, selling and distribution are deducted to determine net realisable value.

(h) Non-Current Assets Classified as Held for Sale

Non-current assets held for sale consist of those assets that management has determined are available for immediate sale in their present condition, for which their sale is highly probable within the next twelve months.

These assets are measured at the lower of the assets' carrying amounts and their fair values less costs to sell. Such assets are no longer amortised or depreciated upon being classified as held for sale. At 30 June 2013, the Authority did not hold any non-current assets for sale.

(i) Acquisitions of assets

Actual cost is used for the initial recording of all non-current physical and intangible asset acquisitions. Cost is determined as the value given as consideration plus costs incidental to the acquisition, including all other costs incurred in getting the assets ready for use. However, any training costs are expensed as incurred.

Where assets are received free of charge from a Queensland department (whether as a result of a machinery-of-Government change or other involuntary transfer), the acquisition cost is recognised as the gross carrying amount in the books of the transferor immediately prior to the transfer together with any accumulated depreciation.

Assets acquired at no cost or for nominal consideration, other than from an involuntary transfer from another Queensland Government entity, are recognised at their fair value at the date of acquisition in accordance with AASB 116 *Property, Plant and Equipment*.

(j) Plant and Equipment

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.

(k) Revaluations of Non-Current Physical and Intangible Assets

Where intangible assets have an active market, they are measured at fair value; otherwise they are measured at cost.

Plant and equipment is measured at cost in accordance with Queensland Treasury and Trade's Non-Current Asset Policies for the Queensland Public Sector.

Materiality concepts under AASB 1031 *Materiality* are considered in determining whether the difference between the carrying amount and the fair value of an asset is material.

(l) Intangibles

Intangible assets with a cost or other value equal to or greater than \$100,000 are recognised in the financial statements, items with a lesser value being expensed. Each intangible asset, less any anticipated residual value, is amortised over its estimated useful life to the Authority. The residual value is zero for all the Authority's intangible assets.

It has been determined that there is not an active market for any of the Authority's intangible assets. As such, the assets are recognised and carried at cost less accumulated amortisation and accumulated impairment losses.

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

Internally Generated Software

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 development of computer software have been capitalised and are amortised on a straight-line basis over the period of expected benefit to the Authority, namely 7.5 to 10 years.

(m) Amortisation and Depreciation of Intangibles and Plant and Equipment

All intangible assets of the Authority have finite useful lives and are amortised on a straight line basis.

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

Assets under construction (work-in-progress) are not depreciated until they reach service delivery capacity. Service delivery capacity relates to when construction is complete and the asset is first put to use or is installed ready for use in accordance with its intended application. These assets are then reclassified to the relevant classes within either plant and equipment or intangibles.

Where assets have separately identifiable components that are subject to either regular replacement, these components are assigned useful lives distinct from the asset to which they relate and are depreciated accordingly.

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.

The depreciable amount of leasehold improvements 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 leases includes any option period where exercise of the option is probable.

Queensland Studies Authority
Notes To and Forming Part of the Financial Statements
for the year ended 30 June 2013

For each class of depreciable asset the following depreciation and amortisation rates are used:

Class	Depreciation/Amortisation rate
Plant and equipment	
Computer equipment	10% to 21%
Office equipment	10% to 20%
Print equipment	12% to 20%
Leasehold improvements	12% to 55%
Intangible assets	
Software internally generated	10% to 13%

(n) Impairment of Non-Current Assets

All non-current physical and 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 significantly exceeds the recoverable amount is recorded as an impairment loss.

The asset's recoverable amount is determined as the higher of the asset's fair value less costs to sell and depreciated replacement cost.

An impairment loss is recognised immediately 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.

(o) Lease

A distinction is made in the financial statements between finance leases that effectively transfer from the lessor to the lessee substantially all risks and benefits incidental to ownership, and operating leases, under which the lessor retains substantially all risks and benefits. The Authority has no finance leases.

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.

(p) 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 and are generally settled on 30 day terms.

(q) Financial Instruments

Recognition

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.

Classification

Financial instruments are classified and measured as follows:

- Cash and Cash equivalents - held at fair value through profit and loss
- Receivables - held at amortised cost
- Payables - held at amortised cost

The Authority does not enter into transactions for speculative purposes, nor for hedging. Apart from cash and cash equivalents, the Authority holds no financial assets classified at fair value through profit and loss.

All disclosures relating to the measurement basis and financial risk management of other financial instruments held by the Authority are included in Note 20.

(r) Employee Benefits

Employer superannuation contributions, annual leave and the long service leave levy are regarded as employee benefits.

Payroll tax and workers' compensation insurance are a consequence of employing employees, but are not counted in an employee's total remuneration package. They are not employee benefits and are recognised separately as employee related expenses.

Wages, salaries, annual leave and sick leave

Wages, salaries and annual leave due but unpaid at reporting date are recognised in the Statement of Financial Position at the current salary rates.

Queensland Studies Authority
Notes To and Forming Part of the Financial Statements
for the year ended 30 June 2013

For unpaid entitlements expected to be paid within 12 months, the liabilities are recognised at their undiscounted values. Entitlements not expected to be paid within 12 months are classified as non-current liabilities and recognised at their present value, calculated using yields on Fixed Rate Commonwealth Government bonds of similar maturity, after projecting the remuneration rates expected to apply at the time of likely settlement.

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.

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.

No provision for long service leave is recognised in the Authority's financial statements, the liability being 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*.

Superannuation

Employer superannuation contributions are paid to QSuper, the superannuation plan for Queensland Government employees at rates determined by the Treasurer on the advice of the State Actuary. Contributions are expensed in the period in which they are paid or payable. The Authority's obligation is limited to its contribution to QSuper.

The QSuper scheme has defined benefit and defined contribution categories. 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*.

Key executive management personnel and remuneration

Key executive management personnel and remuneration disclosures are made in accordance with section 5 of the Financial Reporting Requirements for Queensland Government Agencies issued by Queensland Treasury and Trade. Refer to note 5 for the disclosures on key executive management personnel and remuneration.

(s) Provisions

Provisions are recorded when the Authority has a present obligation, either legal or constructive as a result of a past event. They are recognised at the amount expected at reporting date for which the obligation will be settled in a future period. Where the settlement of the obligation is expected after 12 or more months, the obligation is discounted to the present value using an appropriate discount rate.

(t) Insurance

The Authority's non-current physical assets and other risks are insured through the Queensland Government Insurance Fund, premiums being paid on a risk assessment basis. In addition, the Authority pays premiums to WorkCover Queensland in respect of its obligations for employee compensation.

(u) Services Received Free of Charge or for Nominal 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.

(v) Contributed Equity

Non-reciprocal transfers of assets and liabilities between wholly-owned Queensland State Public Sector entities as a result of machinery-of-Government changes are adjusted to 'Contributed Equity' in accordance with Interpretation 1038 *Contributions by Owners Made to Wholly-Owned Public Sector Entities*. Appropriations for equity adjustments are similarly designated.

(w) 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). FBT and GST are the only taxes accounted for by the Queensland Studies Authority. GST credits receivable from, and GST payable to the ATO, are recognised (refer to note 11).

(x) Issuance of Financial Statements

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

(y) Accounting Estimates and Judgements

The preparation of financial statements necessarily requires the determination and use of certain critical accounting estimates, assumptions, and management judgements that have that potential to cause a material adjustment to the carrying amounts of assets

Queensland Studies Authority
Notes To and Forming Part of the Financial Statements
for the year ended 30 June 2013

and liabilities within the next financial year. Such estimates, judgements and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in future periods as relevant.

The Australian government passed its *Clean Energy Act* in November 2011 which resulted in the introduction of a price on carbon emissions made by Australian businesses from 1 July 2012.

The flexible market-based price phase of the carbon pricing mechanism will commence on 1 July 2015. It will be preceded by a three-year period during which the price of permits will be fixed at \$23 per tonne or carbon dioxide equivalent in year one, \$24.15 in year two and \$25.40 in year three.

Section 4.3.4 of Queensland Treasury and Trade's report on 'Carbon Price Impacts for Queensland' dated August 2011 indicates that, for non-residential construction activities, costs may increase by between 0.7 per cent and 0.8 per cent over the period 2012-13 to 2015-16.

On this basis and other information available, the introduction of the carbon pricing mechanism is not expected to have a significant impact on Queensland Studies Authority's critical accounting estimates, assumptions and management judgements.

(z) Rounding and Comparatives

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

Comparative information has been restated where necessary to be consistent with disclosures in the current reporting period.

(aa) New and Revised Accounting Standards

The Authority did not voluntarily change any of its accounting policies during 2012-13. Australian Accounting Standard changes applicable for the first time for 2012-13 have had minimal effect on the Authority's financial statements, as explained below.

AASB 2011-9 *Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income* [AASB 1, 5, 7, 101, 112, 120, 121, 132, 133, 134, 1039 & 1049] became effective from reporting periods beginning on or after 1 July 2012. The only impact for the Queensland Studies Authority is that, in the Statement of Comprehensive Income, items within the 'Other Comprehensive Income' section are now presented in different sub-sections, according to whether or not they are subsequently classifiable to the operating result. Whether subsequent reclassification is possible depends upon the requirements or criteria in the accounting standard/interpretation that relates to the item concerned.

The Authority is not permitted to early adopt a new or amended accounting standard ahead of the specified commencement date unless approval is obtained from the Queensland Treasury and Trade. Consequently, the Queensland Studies Authority has not applied any Australian Accounting Standards and Interpretations that have been issued but are not yet effective. The Authority applies standards and interpretations in accordance with their respective commencement dates.

At the date of authorisation of the financial report, the expected impacts of new or amended Australian Accounting Standards with future commencement dates are as set out below.

AASB 13 *Fair Value Measurement* applies from reporting periods beginning on or after 1 January 2013. AASB 13 sets out a new definition of 'fair value', as well as new principles to be applied when determining the fair value of assets and liabilities. The new requirements will apply to all of the Queensland Studies Authority's assets and liabilities (excluding leases) that are measured and/or disclosed at fair value or another measurement based on fair value. The potential impacts of AASB 13 relate to the fair value measurement methodologies used and financial statement disclosures made in respect of such assets and liabilities.

AASB 13 will require an increased amount of information to be disclosed in relation to fair value measurements for both assets and liabilities. To the extent that any fair value measurement for an asset or liability uses data that is not 'observable' outside the Authority, the amount of information to be disclosed will be relatively greater.

A revised version of AASB 119 *Employee Benefits* applies from reporting periods beginning on or after 1 January 2013. The revised AASB 119 is generally to be applied retrospectively. One of the implications for the Authority is that the revised standard clarifies the concept of 'termination benefits', and the recognition criteria for liabilities for termination benefits will be different. If termination benefits meet the timeframe criterion for "short-term employee benefits", they will be measured according to the AASB 119 requirements for "short-term employee benefits". Otherwise, termination benefits will need to be measured according to the AASB 119 requirements for "other long-term employee benefits". Under the revised standard, the recognition and measurement of employer obligations for "other long-term employee benefits" will need to be accounted for according to most of the requirements for defined benefit plans.

The other implication for the Authority of the revised AASB 119 is the changed criteria for accounting for employee benefits as "short-term employee benefits". Under the revised AASB 119, only benefits expected to be settled wholly within 12 months after the end of the reporting period in which the employees render the related service are classified as 'short-term employee benefits'. Due to this change in criterion, annual leave will be classified as "long-term employee benefits" and discounted to its present value. However, this change has minimal impact on long-service leave as the Authority is a member of the Queensland Government central scheme. The revised AASB 119 also includes changed requirements for the measurement of employer liabilities/assets arising from defined benefit plans, and the measurement and presentation of changes in such liabilities/assets. The Queensland Studies Authority only contributes to QSuper, and the corresponding QSuper employer benefit obligation is held by the State.

AASB 1053 *Application of Tiers of Australian Accounting Standards* applies as from reporting periods beginning on or after 1 July 2013. AASB 1053 establishes a differential reporting framework for those entities that prepare general purpose financial statements, consisting of two tiers of reporting requirements – Australian Accounting Standards (commonly referred to as 'Tier 1'), and Australian Accounting Standards – Reduced Disclosure Requirements (commonly referred to as 'Tier 2'). Tier 1 requirements comprise the full

range of AASB recognition, measurement, presentation and disclosure requirements that are currently applicable to reporting entities in Australia. The only difference between the Tier 1 and Tier 2 requirements is that Tier 2 requires fewer disclosures than Tier 1.

Details of which disclosures in standards and interpretations are not required under Tier 2 reporting are set out in amending standards AASB 2010-2, AASB 2011-2, AASB 2011-6 and AASB 2011-11 (which also apply from reporting periods beginning on or after 1 July 2013). However, Queensland Treasury and Trade's Financial Reporting Requirements effectively do not allow application of AASB 2011-6 in respect of controlled entities, associates or interests in jointly controlled entities.

Pursuant to AASB 1053, public sector entities like the Queensland Studies Authority may adopt Tier 2 requirements for their general purpose financial statements. However, AASB 1053 acknowledges the power of a regulator to require application of the Tier 1 requirements. In the case of the Queensland Studies Authority, Queensland Treasury and Trade is the regulator. Queensland Treasury and Trade has advised that its policy decision is to require adoption of Tier 1 reporting by all statutory bodies that are consolidated into the whole-of-Government financial statements. Therefore, the release of AASB 1053 and associated amending standards will have no impact on the Queensland Studies Authority.

The following new and revised standards apply as from reporting periods beginning on or after 1 January 2014 –

- AASB 10 *Consolidated Financial Statements* ;
- AASB 11 *Joint Arrangements* ;
- AASB 12 *Disclosure of Interests in Other Entities* ;
- AASB 127 (revised) *Separate Financial Statements* ;
- AASB 128 (revised) *Investments in Associates and Joint Ventures* ; and
- AASB 2011 -7 *Amendments to Australian Accounting Standards arising from the Consolidation and Joint Arrangements Standards [AASB 1, 2, 3, 5, 7, 9, 2009-11, 101, 107, 112, 118, 121, 124, 132, 133, 136, 138, 139, 1023 & 1038 and Interpretations 5, 9, 16 & 17]* .

The AASB is planning to amend AASB 10. Such amendments are expected to clarify how the IASB's principles about control of entities should be applied by not-for-profit entities in an Australian context. Hence, the Queensland Studies Authority is not yet in a position to reliably determine the future implications of these new and revised standards for the Authority's financial statements.

AASB 10 redefines and clarifies the concept of control of another entity, which is the basis for determining which entities should be consolidated into an entity's financial statements. Therefore, once the AASB finalises its not-for-profit amendments to AASB 10, the Queensland Studies Authority will need to re-assess the nature of its relationships with other entities, including entities that aren't currently consolidated.

AASB 11 deals with the concept of joint control and sets out new principles for determining the type of joint arrangement that exists, which in turn dictates the accounting treatment. The new categories of joint arrangements under AASB 11 are more aligned to the actual rights and obligations of the parties to the arrangement. Subject to any not-for-profit amendments to be made to AASB 11, the Queensland Studies Authority will need to assess the nature of any arrangements with other entities to determine whether a joint arrangement exists in terms of AASB 11. If a joint arrangement does exist, the Queensland Studies Authority will need to follow the relevant accounting treatment specified in either AASB 11 or the revised AASB 128, depending on the nature of the joint arrangement.

AASB 1055 *Budgetary Reporting* applies from reporting periods beginning on or after 1 July 2014. From that date, based on what is currently published in the Queensland Government's Budgetary Service Delivery Statements, this means the Queensland Studies Authority will need to include in these financial statements the original budgeted statements for the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, and Statement of Cash Flows. These budgeted statements will need to be presented consistently with the corresponding (actuals) financial statements, and will be accompanied by explanations of major variances between the actual amounts and the corresponding budgeted financial statement.

AASB 9 *Financial Instruments (December 2010)* and AASB 2010-7 *Amendments to Australian Accounting Standards arising from AASB 9 (December 2010)* [AASB 1, 3, 4, 5, 7, 101, 102, 108, 112, 118, 120, 121, 127, 128, 131, 132, 136, 137, 139, 1023 & 1038 and Interpretations 2, 5, 10, 12, 19 & 127] become effective from reporting periods beginning on or after 1 January 2015. The main impacts of these standards on the Queensland Studies Authority are that they will change the requirements for the classification, measurement and disclosures associated with the Authority's financial assets. Under the new requirements, financial assets will be more simply classified according to whether they are measured at either amortised cost or fair value. Pursuant to AASB 9, financial assets can only be measured at amortised cost if two conditions are met. One of these conditions is that the asset must be held within a business model whose objective is to hold assets in order to collect contractual cash flows. The other condition is that the contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

The Queensland Studies 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 AASB 9 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 Queensland Studies Authority enters into, it is not expected that any of the Authority's financial assets will meet the criteria in AASB 9 to be measured at amortised cost. Therefore, as from 2015-16 financial statements, all of the Authority's financial assets are expected to be required to be measured at fair value, and classified accordingly (instead of the measurement classifications presently used in Notes 1(q) and 20). The same classification will be used for net gains/losses recognised in the Statement of Comprehensive Income in respect of those financial assets. In the case of the Authority's current receivables, as they are short-term in nature, the carrying amount is considered to be a reasonable approximation of fair value.

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

Queensland Studies Authority
Notes To and Forming Part of the Financial Statements
for the year ended 30 June 2013

2 User Charges

	2013 \$'000	2012 \$'000
Visa student fees	419	359
Sale of publications, syllabuses, past papers	322	305
Workshops/conferences	771	1,137
Copyright fees	225	199
Attainment certificate statements	101	119
Examinations	52	59
NAPLAN trial marking	129	-
Other	167	104
Total	2,196	2,282

3 Grants and other Contributions

Grants	37,329	41,223
Employee separation costs contributions *	1,198	-
Total	38,527	41,223

* Contributions received from the Consolidated Fund.

4 Employee Expenses

Employee benefits:

Wages and salaries	20,264	22,684
Annual leave *	1,432	1,846
Employer superannuation contributions*	2,335	2,676
Long service leave levy *	289	390
Redundancies	1,221	-
Employee related expenses		
Workers compensation premium *	25	40
Payroll tax *	1,210	1,326
Other employee related expenses	130	71
Total	28,906	29,033

* Refer to Note 1(r)

The number of employees including both full-time employees and part-time employees measured on a full-time equivalent basis is:

Number of Employees:	217	247
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5 Key Executive Management Personnel and Remuneration

(a) Key Executive Management Personnel

The following details for key executive management personnel include those positions that had authority and responsibility for planning, directing and controlling the activities of the Queensland Studies Authority during 2012-13. Further information on these positions can be found in the body of the Annual Report under the section relating to Executive Management.

Position	Responsibilities	Current incumbents	
		Contract classification and appointment authority	Date Appointed to position (date resigned from position)
Chief Executive Officer * previously known as Director	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 QSA in accordance with relevant legislation.	The Chief Executive Officer is at classification level SES 4 under sections 59 and 60 of the Education (Queensland Studies Authority) Act 2002.	Contract start date 01/01/2013, contract completion date 31/12/2017.
Acting Director	The Director was responsible for providing advice to the Minister on strategic educational issues and manages the staff, functions and resources of the Office of the QSA in accordance with relevant legislation.	Position was substantively vacant following resignation of the Director in 2010. The Acting Director was at classification level SES 3 (High) under s 68 of the Education (Queensland Studies Authority) Act 2002.	Acting Director start date 27/04/2009, finish date 11/01/2013
Deputy Director, Curriculum Services Division	The Deputy Director, Curriculum Services leads the development, implementation and promotion of QSA's policy approach to curriculum, learning, assessment and reporting. The position also leads the review of syllabuses and curriculum development with a particular focus on implementation of the Australian Curriculum.	Classification level SES 2 (High) under sections 110 and 113 of the Public Service Act 2008.	Contract start date 18/02/2009, contract completion date 17/02/2014.
Acting Deputy Director, Assessment and Reporting Division	The Deputy Director, Assessment and Reporting is responsible for the development and implementation of strategies to support QSA's assessment capability and to manage the quality assurance processes for QSA's testing, certification and assessment functions. The position is also responsible for the release of accurate student achievement data.	Acting, Deputy Director classification level SES 2 (High) under section 112 of the Public Service Act 2008.	Acting Deputy Director start date 27/04/2009, finish date 28/06/2013.
Deputy Director, Corporate and Information Services Division	The Deputy Director, Corporate and Information Services is accountable for the delivery of strategic corporate outcomes and the development, implementation and evaluation of QSA's corporate and information technology governance arrangements.	Classification level SES 2 (Low) under sections 110 and 113 of the Public Service Act 2008.	Start date 04/02/2008, contract completion date 03/02/2016.
Assistant Director, Policy Coordination Branch	The Assistant Director, Policy Coordination provides high-level advice on government relationship management and coordinates policy development and communication of QSA policy and information to stakeholders.	Senior Officer classification level under sections 116 and 119 of the Public Service Act 2008	Appointment date 15/10/2007.

(b) Remuneration

Remuneration policy for the agency's key executive management personnel is set by the Queensland Public Service Commission as provided for under the Public Service Act 2008. The remuneration and other terms of employment for the key executive management personnel are specified in employment contracts. The contracts provide for the provision of benefits including motor vehicles.

5 Key Executive Management Personnel and Remuneration (continued)

For the 2012-13 year, remuneration of key executive management personnel increased by 2.2% in accordance with government policy.

Remuneration packages for key executive management personnel comprise the following components:-

- * Short term employee benefits which include:
 - Base - consisting of base salary, allowances and leave entitlements paid and provided for the entire year or for that part of the year during which the employee occupied the specified position. Amounts disclosed equal the amount expensed in the Statement of Comprehensive Income.
 - Non-monetary benefits – consisting of provision of vehicle together with fringe benefits tax applicable to the benefit.
- * Long term employee benefits include long service leave accrued.
- * Post employment benefits include superannuation contributions.
- * Redundancy payments 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.
- * Performance bonuses are not paid under the contracts in place.

Total fixed remuneration is calculated on a 'total cost' basis and includes the base and non-monetary benefits, long term employee benefits and post employment benefits.

1 July 2012 - 30 June 2013

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$'000	Non-monetary benefits \$'000	\$'000	\$'000	\$'000	\$'000
Chief Executive Officer	97	14	2	11	-	124
Acting Director	104	14	2	12	154	286
Deputy Director, Curriculum Services Division	154	25	3	18	-	200
Acting Deputy Director, Assessment and Reporting Division	178	-	3	18	83	282
Deputy Director, Corporate and Information Services Division	147	26	3	17	-	193
Assistant Director, Policy Coordination Branch	131	-	3	15	-	149
Total Remuneration	811	78	16	91	237	1,234

1 July 2011 - 30 June 2012

Position	Short Term Employee Benefits		Long Term Employee Benefits	Post Employment Benefits	Termination Benefits	Total Remuneration
	Base \$'000	Non-monetary benefits \$'000	\$'000	\$'000	\$'000	\$'000
Acting Director	193	47	4	23	-	267
Deputy Director, Curriculum Services Division	153	44	4	17	-	218
Acting Deputy Director, Assessment and Reporting Division	175	-	4	17	-	196
Deputy Director, Corporate and Information Services Division	143	42	3	17	-	205
Assistant Director, Policy Coordination Branch	126	-	3	15	-	144
Total Remuneration	790	133	18	89	-	1,030

Queensland Studies Authority
Notes To and Forming Part of the Financial Statements
for the year ended 30 June 2013

6 Supplies and Services

	2013 \$'000	2012 \$'000
Travel	939	1,225
Consultants and service providers	3,031	3,703
Telecommunication and access fees	94	136
Postage, freight and storage	1,332	1,418
Catering	648	885
Printing, stationery, books and publications	1,610	1,692
Property, equipment and maintenance	4,009	4,077
Other	30	98
Total	11,693	13,234

7 Depreciation and Amortisation

Depreciation and amortisation were incurred in respect of:		
Plant and equipment	352	409
Software internally generated	1,126	1,144
Total	1,478	1,553

8 Impairment Losses

Intangible assets	800	-
Total	800	-

For details of the recognised impairment loss refer to Note 13.

9 Other Expenses

Insurance premiums - QGIF	48	50
External audit fees*	29	29
Internal audit fees**	30	42
Bank and other charges	4	8
Bad debt expense	-	2
Losses from disposal of plant & equipment	-	6
Total	111	137

*Total audit fees paid to the Queensland Audit Office relating to the 2012-13 financial statements are estimated to be \$29,000 (2012: \$29,400). There are no non-audit services included in this amount.

** The Authority engaged the services of Internal Audit from the Department of Education, Training & Employment to perform financial compliance audits.

10 Cash and Cash Equivalents

Imprest accounts	-	1
Cash at bank and on hand	33	13
Deposits at call	12,472	10,725
Total	12,505	10,739

Interest earned on cash held with Financial Institutions earned between 2.70% to 6.00% in 2013 (2012: 2.75% to 6.23%)

11 Receivables

Trade debtors	269	93
GST receivable	395	155
GST payable	(7)	-
Interest receivable	37	125
Long service leave reimbursements	222	125
Total	916	498

Queensland Studies Authority
Notes To and Forming Part of the Financial Statements
for the year ended 30 June 2013

12 Inventories

	2013 \$'000	2012 \$'000
Publications	32	8
Total	32	8

Inventories have been valued at net realisable value in accordance with AASB 102 Inventories. The value of inventory held has been increased by \$23,732 (by a decrease in expense). The increase in value is based on both an analysis of the normal selling pattern of the Authority's inventory and the predicted impact of obsolescence of syllabus materials. No inventory held has been pledged as security for liabilities.

13 Intangible Assets

Software internally generated		
At cost	12,800	12,800
Less: Accumulated amortisation	(8,506)	(7,380)
Less: Accumulated impairment losses	(800)	-
	3,494	5,420
Software under development (Work in progress)	271	182
Total	3,765	5,602

Intangibles Reconciliation

	Software Development WIP		Software Internally Generated		Total	
	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	182	-	5,420	6,564	5,602	6,564
Acquisitions through internal development	89	182	-	-	89	182
Impairment losses recognised in operating surplus *	-	-	(800)	-	(800)	-
Amortisation	-	-	(1,128)	(1,144)	(1,126)	(1,144)
Carry amount at 30 June	271	182	3,494	5,420	3,765	5,602

* Impairment losses are shown as separate line items in the Statement of Comprehensive Income.

Amortisation of intangibles is included in the line item 'Depreciation and Amortisation' in the Statement of Comprehensive Income.

All intangible assets of the Authority have finite useful lives and are amortised on a straight line basis. Refer to Note 1(i).

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

The Authority has a software program with an original cost of \$2,000,000 and a written down value of zero still being used in the provision of services. There is no known date for replacing this software program.

The Assessment Bank software application was identified as being impaired and subsequently written-off in June 2013. This was as a result of the cessation of funding for assessment item writers and also due to the content of the Assessment Bank being moved to the Authority's website. An impairment loss of \$799,545 has been recognised in the Statement of Comprehensive Income.

Queensland Studies Authority
Notes To and Forming Part of the Financial Statements
for the year ended 30 June 2013

14 Plant and Equipment

	2013	2012
	\$'000	\$'000
Plant and equipment:		
At cost	3,007	3,105
Less: Accumulated depreciation	(2,465)	(2,232)
Less: Accumulated impairment losses	-	-
	542	873
Work in Progress:		
At cost	44	-
Total	586	873

The Queensland Studies Authority has fully depreciated plant and equipment with a cost of \$1,618,573 still being used in the provision of services. Plant and equipment is valued at cost in accordance with Queensland Treasury and Trade's Non-current Asset Policies for the Queensland Public Sector.

Plant and equipment reconciliation

	Plant & Equipment		Work In Progress		Total	
	2013	2012	2013	2012	2013	2012
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Opening Balance	873	1,192	-	-	873	1,192
Acquisitions	21	107	44	-	65	107
Disposals/Assets written off	-	(6)	-	-	-	(6)
Depreciation	(352)	(409)	-	-	(352)	(409)
Carrying amount at 30 June	542	873	44	-	586	873

15 Payables

	2013	2012
	\$'000	\$'000
Trade creditors	3,657	3,292
Other	185	171
Total	3,742	3,463

16 Accrued Employee Benefits

	2013	2012
<i>Current</i>		
Salaries payable	38	32
Annual leave	1,656	1,961
Long service leave	95	108
Total	1,789	2,101

The Authority has implemented a Recreation Leave Management Policy. The policy requires a formal Recreation Leave Management Plan (RLMP) to be in place for each employee with a balance greater than 40 days annual leave. The RLMP ensures the employee's balance will be under 40 days within twelve months. Accordingly, the Authority recognises all annual leave as current.

17 Reconciliation of Operating Surplus to Net Cash from Operating Activities

Operating surplus	273	525
Depreciation & amortisation expense	1,478	1,553
Impairment losses	800	-
Loss on sale/disposal of non-current assets	-	6
Change in assets and liabilities:		
(Increase)/decrease in trade receivables	(176)	73
(Increase)/decrease in GST input tax credits receivable	(240)	19
Decrease in LSL reimbursement receivable	(97)	(37)
(Increase)/decrease in other receivables	88	(49)
(Increase)/decrease in inventory	(24)	25
(Increase)/decrease in prepayments	(122)	171
Increase/(decrease) in accounts payable	265	(9)
(Decrease) in accrued employee benefits	(312)	(1)
Increase/(decrease) in GST payable	7	(4)
Increase in other payables	14	162
Increase/(decrease) in unearned revenue	(34)	175
Net cash provided by operating activities	1,920	2,609

18 Commitments for Expenditure

(a) Non-cancellable operating leases

Commitments under operating leases at reporting date are inclusive of anticipated GST and are payable as follows:

	2013 \$'000	2012 \$'000
Not later than one year	2,831	2,732
Later than one year and not later than five years	3,017	5,718
Later than five years	-	-
Total	5,848	8,450

Operating leases are entered into as a means of acquiring access to office accommodation and storage facilities. Lease payments are generally fixed, but with inflation escalation clauses on which contingent rentals are determined.

No purchase options exist in relation to operating leases and no operating leases contain restrictions on financing or other leasing activities.

(b) Capital Expenditure Commitments

Material classes of capital expenditure commitments inclusive of anticipated GST, contracted for at reporting date but not recognised in the accounts, are payable as follows:

2013		Intangibles
Payable:		\$'000
Not later than one year		423
Total		423
2012		Intangibles
Payable:		\$'000
Not later than one year		34
Total		34

19 Contingencies

Guarantees and undertakings

The Queensland Studies Authority was not committed to any guarantees or undertakings at 30 June 2013. There are no other known contingent assets or liabilities at the date of this report.

20 Financial Instruments

(a) Categorisation of Financial Instruments

The Authority has the following categories of financial assets and financial liabilities:

Category	Notes	2013 \$'000	2012 \$'000
Financial Assets			
Cash and cash equivalents	10	12,505	10,739
Receivables	11	916	498
Total		13,421	11,237
Financial Liabilities			
Payables	15	3,742	3,463
Total		3,742	3,463

(b) Financial Risk Management

The Authority's activities expose it to a variety of financial risks - interest rate risk, credit risk, liquidity risk and market risk.

Financial risk management is implemented pursuant to Government and Queensland Studies 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 Chief Executive Officer under policies approved by the Authority. The Authority provides written principles for overall risk management, as well as policies covering specific areas.

Queensland Studies Authority measures risk exposure using a variety of methods as follows -

Risk Exposure	Measurement Method
Credit Risk	Ageing analysis, earnings at risk
Liquidity Risk	Sensitivity analysis
Market Risk	Interest rate sensitivity analysis

(c) Credit Risk Exposure

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 maximum exposure to credit risk at balance date in relation to each class of recognised financial assets 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 financial assets held by the Authority.

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 a regular basis.

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

The method for calculating any allowance for impairment is based on past experience, current and expected changes in economic conditions and changes in client credit ratings.

Ageing of past due but not impaired as well as impaired financial assets are disclosed in the following tables.

20 Financial Instruments (continued)

(c) Credit Risk Exposure (continued)

2013 Financial Assets Past Due But Not Impaired

	Due	Overdue				Total Overdue
	Not Overdue	Less than 30 Days	30 - 60 Days	61 - 90 Days	More than 90 Days	
Financial Assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	221	15	34	-	-	49
Total	221	15	34	-	-	49

2012 Financial Assets Past Due But Not Impaired

	Due	Overdue				Total Overdue
	Not Overdue	Less than 30 Days	30 - 60 Days	61 - 90 Days	More than 90 Days	
Financial Assets	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Receivables	76	7	-	8	2	17
Total	76	7	-	8	2	17

(d) Liquidity risk

Liquidity risk refers to the situation where the Authority may encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset.

The Authority is exposed to liquidity risk through its trading in the normal course of business.

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. This is achieved by ensuring the minimum levels of cash are held within the various bank accounts so as to match the expected duration of the various employee and supplier liabilities.

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

	Notes	2013 Payable in			Total \$'000
		<1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	
Financial Liabilities					
Payables	15	3,742	-	-	3,742
Total		3,742	-	-	3,742

	Notes	2012 Payable in			Total \$'000
		<1 year \$'000	1 - 5 years \$'000	> 5 years \$'000	
Financial Liabilities					
Payables	15	3,463	-	-	3,463
Total		3,463	-	-	3,463

(e) Market Risk

The Authority does not trade in foreign currency and is not materially exposed to commodity price changes. The Authority is exposed to interest rate risk through its cash deposited in interest bearing accounts. The Authority does not undertake any hedging in relation to interest risk and manages its risk as per the liquidity risk management strategy articulated in the Authority's Investment Policy.

20 Financial Instruments (continued)

(f) Interest Rate Sensitivity Analysis

The following interest rate sensitivity analysis is based on a report similar to that provided to management, depicting the outcome on net income if interest rates would change by +/- 1% from the year-end rates applicable to the Authority's financial assets and liabilities. With all other variables held constant, the Authority would have a surplus and equity increase/(decrease) of \$125,000 (2012:\$107,000). This is mainly attributable to the Authority's exposure to variable interest rates on its cash invested.

Financial Instruments	Carrying Amount	2013 Interest Rate Risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
Cash	12,505	(125)	(125)	125	125
Potential Impact		(125)	(125)	125	125

The Authority's sensitivity to interest has increased in the current period due to a rise in cash holdings.

Financial Instruments	Carrying Amount	2012 Interest Rate Risk			
		-1%		+1%	
		Profit	Equity	Profit	Equity
Cash	10,739	(107)	(107)	107	107
Potential Impact		(107)	(107)	107	107

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

The fair value of trade receivables and payables is assumed to approximate the value of the original transaction, less any allowance for impairment.

Queensland Studies Authority
Notes To and Forming Part of the Financial Statements
for the year ended 30 June 2013

21 Remuneration of Board Members

The Authority's Board is comprised of the following members as at 30 June 2013:

Name

- Mr Bob McHugh (Chair)
- Ms Maria De Ponte
- Mr Alan Finch
- Dr Paul Giles **
- Mr Daryl Hanly
- Ms Leesa Jeffcoat
- Ms Margaret Leary
- Professor Robert Lingard
- Mr David Robertson ***
- Mr Alan Waldron
- Professor Claire Wyatt-Smith
- Dr Suzanne Innes *
- Ms Elizabeth Kapsch *
- Ms Patricia Neate *
- Mr David Rogers *
- Mr Trevor Schwanke *
- Ms Daidre Stein *
- Ms Gail Young *

The following members resigned from the Authority's Board:

Name

- Mr Steve Ryan (resigned January 2012) ****
- Mrs Tsae Wong (resigned October 2012)

Total

	2013 \$'000	2012 \$'000
Mr Bob McHugh (Chair)	11	6
Ms Maria De Ponte	4	2
Mr Alan Finch	3	3
Dr Paul Giles **	1	2
Mr Daryl Hanly	4	4
Ms Leesa Jeffcoat	3	3
Ms Margaret Leary	4	4
Professor Robert Lingard	4	4
Mr David Robertson ***	3	3
Mr Alan Waldron	3	3
Professor Claire Wyatt-Smith	5	2
Dr Suzanne Innes *	1	1
Ms Elizabeth Kapsch *	1	1
Ms Patricia Neate *	1	1
Mr David Rogers *	1	1
Mr Trevor Schwanke *	1	1
Ms Daidre Stein *	1	1
Ms Gail Young *	1	1
	43	40

Board remuneration includes fees of \$39,238 and superannuation of \$3,159 (2012: fees of \$37,156 and superannuation of \$2,984).

* Board members employed by the Department of Education, Training and Employment are not entitled to remuneration from the Authority.

** Fees paid to Queensland Independent Education Union.

*** Fees paid to Independent Schools Queensland.

**** Fees paid to Queensland Teachers Union.

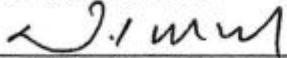
Certificate Of The Queensland Studies Authority

These general purpose financial statements have been prepared pursuant to section 62(1) of the *Financial Accountability Act 2009* (the Act), relevant sections 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 Studies Authority for the financial year ended 30 June 2013 and of the financial position of the Authority at the end of that year.

Neil McDonald


Acting Chief Executive Officer



27, 8, 13.

Leesa Jeffcoat

Acting Chair



28, 8, 13

INDEPENDENT AUDITOR'S REPORT

To the Board of Queensland Studies Authority

Report on the Financial Report

I have audited the accompanying financial report of Queensland Studies Authority, which comprises the statement of financial position as at 30 June 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and certificates given by the Acting Chief Executive Officer and Acting Chair.

The Board's Responsibility 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 prescribed accounting requirements identified in the *Financial Accountability Act 2009* and the *Financial and Performance Management Standard 2009*, including compliance with Australian Accounting Standards. The Board's responsibility also includes such internal control as the Board determines is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express an opinion on the financial report based on the audit. The audit was conducted in accordance with the *Auditor-General of Queensland Auditing Standards*, which incorporate the Australian Auditing Standards. Those standards require compliance with relevant ethical requirements relating to audit engagements and that the audit is planned and performed to obtain reasonable assurance about whether the financial report is free from material misstatement.

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

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

Independence

The *Auditor-General Act 2009* promotes the independence of the Auditor-General and all authorised auditors. The Auditor-General is the auditor of all Queensland public sector entities and can be removed only by Parliament.

The Auditor-General may conduct an audit in any way considered appropriate and is not subject to direction by any person about the way in which audit powers are to be exercised. The Auditor-General has for the purposes of conducting an audit, access to all documents and property and can report to Parliament matters which in the Auditor-General's opinion are significant.

Opinion

In accordance with s.40 of the *Auditor-General Act 2009* –

- (a) I have received all the information and explanations which I have required; and
- (b) in my opinion –
 - (i) the prescribed requirements in relation to the establishment and keeping of accounts have been complied with in all material respects; and
 - (ii) the financial report presents a true and fair view, in accordance with the prescribed accounting standards, of the transactions of the Queensland Studies Authority for the financial year 1 July 2012 to 30 June 2013 and of the financial position as at the end of that year.

Other Matters - Electronic Presentation of the Audited Financial Report

Those viewing an electronic presentation of these financial statements should note that audit does not provide assurance on the integrity of the information presented electronically and does not provide an opinion on any information which may be hyperlinked to or from the financial statements. If users of the financial statements are concerned with the inherent risks arising from electronic presentation of information, they are advised to refer to the printed copy of the audited financial statements to confirm the accuracy of this electronically presented information.



J F Welsh FCPA
(as Delegate of the Auditor-General of Queensland)



Queensland Audit Office
Brisbane

Appendixes

1. Committees of the Authority

The Authority has established 10 committees to work on specific areas. Subcommittees were established as necessary to support these committees.

Aboriginal and Torres Strait Islander Education Committee

Functions are to:

- provide advice and direction to the Authority and CEO of the QSA on
 - ensuring that the QSA’s products and services meet the educational needs of Aboriginal young people and Torres Strait Islander young people
 - syllabus development, assessment, testing and reporting issues (including new QSA initiatives) as they relate to the education of young Aboriginal and Torres Strait Islander people, and education about both Aboriginal peoples and Torres Strait Islander peoples
 - ensuring Indigenous representation on Authority committees and other QSA consultative mechanisms
 - policy issues, particularly equity and social justice issues, as they relate to the education of Aboriginal young people and Torres Strait Islander young people
- be the primary mechanism for the QSA to consult with Aboriginal and Torres Strait Islander communities on QSA matters
- provide a two-way communication forum for Indigenous perspectives on QSA activities, and as a communication between the QSA and Indigenous communities.

Membership comprises:

- chair — Authority member with expertise in the education of Aboriginal young people and/or Torres Strait Islander young people
- one parent nominee
- one nominee of the Queensland Indigenous Education Consultative Committee
- one senior officer from the Department of Education, Training and Employment (DETE) — education sector
- one senior officer from DETE — training sector
- one nominee of the Queensland Catholic Education Commission
- one nominee of Independent Schools Queensland
- one nominee of Education Queensland
- one nominee of the Queensland Teachers’ Union

- one nominee of the Independent Education Union of Australia — Queensland and Northern Territory Branch
- four teachers representing each of the State, Catholic and Independent school sectors (preferably an early years teacher, a secondary teacher, a primary teacher and a school principal)
- one nominee of the Torres Strait (Torres Strait Islander Regional Education Council)
- one representative of the Cape York education community
- one representative of the tertiary education sector
- QSA Principal Education Officer (Indigenous Education)
- one QSA senior officer
- executive officer — QSA officer.

Accreditation and Recognition Committee

Functions are to:

- oversee the accreditation process of non-QSA syllabuses and guidelines and assess applications
- oversee the recognition process of non-QSA and QSA developed courses of study, other than Authority or Authority-registered courses and assess applications
- make recommendations to the QSA Governing Body about the accreditation of non-QSA syllabuses and guidelines and recognition of non-QSA and QSA courses of study contributing towards a QCE.

Membership comprises:

- chair — Authority member
- one nominee of Education Queensland
- one nominee of the Queensland Catholic Education Commission
- one nominee of Independent Schools Queensland
- one nominee of DETE — training sector
- one nominee of the Office of Non-State Education, DETE
- one representative of the tertiary education sector
- one nominee of the Queensland Teachers’ Union
- one nominee of the Independent Education Union of Australia — Queensland and Northern Territory Branch
- one QSA senior officer
- executive officer — QSA officer.

Assessment, Moderation and Certification Committee

Functions are to:

- determine and recommend procedures for assessment, moderation and certification within the approved policies of the Authority
- provide advice and make recommendations to the Authority on assessment components of relevant documents such as QSA syllabuses and ACARA curriculum materials
- provide advice and make recommendations to the Authority on assessment information provided to teachers
- identify and advise the Authority on strategic issues relating to future developments in assessment, moderation and certification.

Membership comprises:

- chair — Authority member
- one nominee of Education Queensland
- one nominee of the Queensland Catholic Education Commission
- one nominee of Independent Schools Queensland
- one nominee of DETE — training sector
- one parent nominee
- one tertiary educator/researcher
- one district review panel chair
- one state review panel chair
- two school administrators (state and non-state)
- one primary school principal
- one nominee of the Queensland Teachers' Union
- one QSA senior officer
- executive officer — QSA officer.

Audit Committee

Functions are to:

- provide independent assurance and assistance to the Authority and CEO of the QSA on
 - the risk control and compliance frameworks
 - the agency's external accountability responsibilities as prescribed in *Education (Queensland Studies Authority) Act 2002*
- oversee internal and external audit services
- review strategic risk assessment
- monitor improvement strategies to reduce and mitigate against risk.

Membership comprises:

- chair — Authority member
David Robertson, Executive Director, Independent Schools Queensland
- external member — Authority member
David Rogers, Principal, Southport Special School

- one member who has 'financial expertise' as described in the Queensland Treasury publication, *Audit Committee Guidelines — Improving accountability and performance 2008*

Graham Smith, Deputy Director, Corporate and Information Services Division

- one member with expertise in the industry in which the agency operates
Peter Jordan, Acting Deputy Director, Assessment and Reporting Division.

The committee held four meetings in 2012–13. During this period, it:

- considered and approved the external audit strategy, and oversaw the internal and external audit processes
- considered and gave clearance to the annual financial statements
- had oversight of the process of revising the strategic risk assessment and the initiatives implemented to reduce and mitigate against the identified risks
- reviewed its charter to incorporate changes to Queensland Treasury's Audit Committee Guidelines.

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

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

Curriculum Committee

Functions are to:

- provide advice to the Authority on the current directions in curriculum development for the early, middle and senior phases of schooling
- review submissions of syllabuses, curriculum guidelines and other materials and make recommendations to the Authority about the suitability of such materials
- provide advice on P–12 matters that the Authority may determine.

Membership comprises:

- chair — Authority member
- three Authority members from each school sector
- one nominee of Education Queensland
- one nominee of the Queensland Catholic Education Commission
- one nominee of Independent Schools Queensland
- one nominee of DETE — training sector
- one parent nominee
- one nominee of the Queensland Teachers' Union
- one nominee of the Independent Education Union of Australia — Queensland and Northern Territory Branch
- one nominee of EQ — special education
- one nominee of EQ — rural and remote
- one nominee of QCEC — senior years
- one nominee of ISQ — middle years

- one nominee of EQ — early years
- one nominee of the Queensland Indigenous Education Consultative Committee
- two tertiary educators
- one QSA senior officer
- executive officer — QSA officer.

Equity Committee

Functions are to:

- provide expertise and advice to the Authority, and the Office of the Authority, on equity issues in education, relevant to the functions of the Authority
- liaise with other committees of the Authority as required
- represent the interests of groups at educational risk in the community.

Membership comprises:

- chair — Authority member
- one nominee of Education Queensland
- one nominee of the Queensland Catholic Education Commission
- one nominee of Independent Schools Queensland
- one nominee of DETE — training sector
- one nominee of the Queensland Indigenous Education Consultative Committee
- one nominee of the Queensland Teachers' Union
- one nominee of the Independent Education Union of Australia — Queensland and Northern Territory Branch
- one practising teacher or school-based person with expertise in special education
- one practising teacher with expertise in distance education
- one nominee of the Queensland Association of Gifted and Talented Children
- one researcher
- one nominee of the Queensland Anti-Discrimination Commission
- one nominee of the Queensland Guidance and Counselling Association
- one nominee of the Queensland Association of Teaching English as a Second or Other Language
- one nominee of the Ethnic Communities Council of Queensland
- two parent nominees
- one QSA senior officer
- executive officer — QSA officer.

Finance Committee

Functions are to:

- oversee the development and approval of the annual budget
- ensure that annual resource allocations are consistent with the strategic direction and operational priorities of the QSA

- provide advice on major project and capital expenditure proposals or initiatives
- monitor actual financial performance against budget and forecasts and provide advice on significant trends or variances
- review the financial performance of major strategic initiatives
- perform any other activities consistent with this charter that the Governing Body requests.

Membership comprises:

- chair — Authority member
- two nominees of the Authority
- executive officer — QSA officer.

Scaling Anomalies Committee

Functions are to:

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

Membership comprises:

- chair — Authority member
- one academic representative
- one nominee of Education Queensland
- one nominee of the Queensland Catholic Education Commission
- one nominee of Independent Schools Queensland
- Deputy Director, Assessment and Reporting Division, QSA
- Assistant Director, Analysis and Reporting Branch, QSA
- Manager, Quantitative Analysis Unit, QSA
- Manager, Qualitative Analysis Unit, QSA — executive officer.

Tertiary Entrance Committee

Functions are to:

- monitor developments on tertiary entrance matters and assist in the provision of informed advice about tertiary entrance matters
- provide advice on the management of information and secondary–tertiary link programs that maximise the capacity of potential tertiary applicants to make informed choices and pursue tertiary studies.

Membership comprises:

- chair — Authority member

- two university admissions managers
- one TAFE admissions manager
- one nominee of DETE with policy expertise relating to TAFE — university interface
- one nominee of the Office of Higher Education, DETE
- one nominee of the Queensland Tertiary Admissions Centre
- one nominee of the Australian Council of Private Education and Training
- two guidance counsellors (state and non-state)
- two student representatives
- two tertiary student representatives
- one parent nominee
- one QSA senior officer
- executive officer — QSA officer.

Vocational Education and Training Committee

Functions are to:

- provide advice to the Authority on emerging policies and issues relating to VET pathways at both the national and state levels
- provide strategic advice to the Authority on the implementation of legislation in relation to VET at both the national and state levels
- provide information to the Authority on issues relating to the implementation of VET in Queensland schools.

Membership comprises:

- chair — Authority member
- two nominees of DETE — training sector, one to include a TAFE practitioner
- one nominee of the Australian Council for Private Education and Training
- one nominee of industry
- one nominee of Education Queensland
- one nominee of the Queensland Catholic Education Commission
- one nominee of Independent Schools Queensland
- two parents nominees
- three practitioners (state, non-state and TAFE) with responsibility for VET
- two principals/administrators (state and non-state) with responsibility for VET
- one QSA senior officer
- executive officer — QSA officer.

2. Fees paid to Board members

A total of \$41 633 was payable to Authority members in 2012–13. This amount does not include associated meeting and travel costs of \$23 854.

Further information relating to QSA's expenditure on consultancies and overseas travel, and compliance with information systems and recordkeeping legislation can be

found through the Queensland Government's Open data website: www.qld.gov.au/data.

3. Early retirement, redundancy and retrenchment

A program of redundancies was implemented during 2012–13. During the period, 12 employees received redundancy packages at a cost of \$1 770 377. There were no early retirement or retrenchment packages.

4. Key corporate governance committee of the QSA

Strategic Directions Group

Paul Herschell, Deputy Director, Curriculum Services Division

Peter Jordan, Acting Deputy Director, Assessment and Reporting Division

Peter Luxton, Acting Director (until December 2012)

John McGuire, Assistant Director, Policy Coordination Branch

Graham Smith, Deputy Director, Corporate and Information Services Division

Patrea Walton, Chief Executive Officer (from January 2013)

5. QSA district offices

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6. Reader evaluation of the Annual Report 2012–13

Please take some time to answer the following questions, to help the QSA communicate effectively with you. To indicate your response, please circle the appropriate number for each question as follows:

0 = Unable to respond 1 = Very poor 2 = Poor 3 = Acceptable 4 = Very good 5 = Excellent

Did the Annual Report achieve its communication objectives? (see page **Error! Bookmark not defined.**)

0 1 2 3 4 5

What did you think of the content?

Value of information

0 1 2 3 4 5

Presentation

0 1 2 3 4 5

Did the design of the report make it easy to read?

Layout of information

0 1 2 3 4 5

Type and colour

0 1 2 3 4 5

Overall, how would you rate the report?

0 1 2 3 4 5

What client group do you come from?

(Please tick appropriate box)

School staff

State
 Catholic
 Independent

Student

Secondary
 Tertiary
 Education authority
 State
 Catholic
 Independent

Parent

State
 Catholic
 Independent

Tertiary institution

University
 TAFE

Union

Employer

Queensland Government

Other comments

Please return to:

Policy Coordination Branch
 Queensland Studies Authority
 Reply Paid 307, Spring Hill QLD 4004
 Fax: (07) 3864 0406

Abbreviations and acronyms

ACACA	Australasian Curriculum, Assessment and Certification Authorities	P, Prep	Preparatory Year
ACARA	Australian Curriculum, Assessment and Reporting Authority	QCAT	Queensland Comparable Assessment Task
ASQA	Australian Skills Quality Authority	QCE	Queensland Certificate of Education
CCAFL	Collaborative Curriculum and Assessment Framework for Languages	QCEC	Queensland Catholic Education Commission
DETE	Department of Education, Training and Employment	QCIA	Queensland Certificate of Individual Achievement
EQ	Education Queensland	QCS	Queensland Core Skills (Test)
ESL	English as a Second Language	QKLG	Queensland kindergarten learning guideline
F	Foundation	QSA	Queensland Studies Authority
FP	Field Position	LASDs	Learning area standards descriptors
ICT	Information and communications technology	RTO	registered training organisation
IEUA–QNT	Independent Education Union of Australia — Queensland and Northern Territory Branch	SDCS	Student Data Capture System
ISQ	Independent Schools Queensland	SEP	Senior Education Profile
K	Kindergarten	SLIMS	Senior Learning Information Management System
NAPLAN	National Assessment Program — Literacy and Numeracy	TAFE	Technical and Further Education
OP	Overall Position	TSXPO	Tertiary Studies Expo
		VET	vocational education and training

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